AMENDED AND RESTATED SUPPORT AGREEMENT

This amended and restated support agreement dated as of May 6, 2019 (as amended, supplemented or otherwise modified from time to time, the "**Amended and Restated Support Agreement**"), is entered into by and among Connacher Oil and Gas Limited (the "**Borrower**"), Wilmington Trust, National Association, in its capacity as the successor administrative agent under the First Lien Credit Agreement (as defined below) (the "**First Lien Agent**"), and each of the other signatories hereto (collectively, the "**Initial Consenting First Lien Lenders**", and together with the Joining Consenting First Lien Lenders (as defined below), collectively, the "**Consenting First Lien Lenders**", and each individually a "**Consenting First Lien Lender**").

RECITALS

WHEREAS, each of the Consenting First Lien Lenders is a holder of, and/or investment advisor or manager with investment discretion with respect to holdings of, credit issued by the Borrower (the "**Loans**" and the holders thereof, the "**First Lien Lenders**") pursuant to that certain Credit Agreement dated as of May 23, 2014 among the Borrower, the First Lien Agent and certain other lenders party thereto (as such agreement has been and may be amended, modified and supplemented from time to time, including by the Amendment No. 1 dated May 8, 2015) (the "**First Lien Credit Agreement**");

AND WHEREAS, on May 17, 2016, the Borrower obtained an initial order (the "**Initial Order**") from the Court of Queen's Bench of Alberta (the "**Court**") in a proceeding (the "**CCAA Proceeding**") under the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-35 ("**CCAA**");

AND WHEREAS, the Borrower, the First Lien Agent, and the Consenting First Lien Lenders (collectively, the "**Parties**", and each individually a "**Party**") entered into a support agreement dated as of March 19, 2018 (the "**Support Agreement**") whereby, *inter alia*, the Consenting First Lien Lenders agreed, subject to the terms and conditions thereof, to support a transaction that would be implemented through the CCAA Proceeding and effected through either: (i) a transaction that qualified as a Superior Offer (the "**Alternative Transaction**") identified pursuant to the Court-approved sale and investment solicitation process ("**SISP**") approved by the Court on March 28, 2018, or (ii) a transaction whereby the First Lien Agent, on behalf of the First Lien Lenders, would credit bid a portion of the First Lien Obligations for all or substantially all of the Borrower's property and assets and enter into certain related transactions as more particularly set out in the Term Sheet (the "**Original Term Sheet**") appended at Schedule B to the Support Agreement (the "**Restructuring Transaction**");

AND WHEREAS, with the approval of the Consenting First Lien Lenders, the Borrower identified and pursued an Alternative Transaction with East River Oil and Gas Ltd. pursuant to the SISP, but such an Alternative Transaction was terminated by the Borrower with the consent of the Consenting First Lien Lenders on February 16, 2019;

AND WHEREAS, the Parties entered into a support agreement amending agreement dated March 4, 2019 which, *inter alia*, extended the "Credit Bid Trigger Date" under the Original Term Sheet to pursue implementation of the Restructuring Transaction to March 8, 2019 (or such other date as the Majority Consenting First Lien Lenders and the Borrower may agree), in order to provide sufficient time to examine the Restructuring Transaction structure and potential value-preservation options, including potentially pursuing the Restructuring Transaction through a plan of compromise and arrangement under the CCAA;

AND WHEREAS, on March 8, 2019 the Majority Consenting First Lien Lenders and the Borrower agreed to further extend the "Credit Bid Trigger Date" to March 22, 2019;

AND WHEREAS, on March 22, 2019 the Majority Consenting First Lien Lenders and the Borrower agreed to further extend the "Credit Bid Trigger Date" to April 12, 2019;

AND WHEREAS, on April 12, 2019 the Majority Consenting First Lien Lenders and the Borrower agreed to further extend the "Credit Bid Trigger Date" to April 15, 2019;

AND WHEREAS, on April 15, 2019 the Majority Consenting First Lien Lenders and the Borrower agreed to further extend the "Credit Bid Trigger Date" to April 23, 2019;

AND WHEREAS, on April 24, 2019 the Majority Consenting First Lien Lenders and the Borrower agreed to further extend the "Credit Bid Trigger Date" to May 16, 2019;

AND WHEREAS, on April 24, 2019 the Majority Consenting First Lien Lenders and the Borrower agreed to extend the "Outside Date" under the Support Agreement to June 28, 2019;

AND WHEREAS, the Parties have determined to pursue a credit bid of the First Lien Obligations through a plan of compromise and arrangement under the CCAA and that, if such a plan is unsuccessful, to complete the Restructuring Transaction in the manner originally contemplated by the Original Term Sheet;

AND WHEREAS, the Parties have therefore entered into this Amended and Restated Support Agreement in support of a transaction (the "**Transaction**") which will be implemented through the CCAA Proceeding and will be effected through either: (i) a transaction whereby a portion of the First Lien Obligations will be exchanged for new senior secured debt of the Borrower and all of the equity of the Borrower on terms more particularly described in the term sheet attached as Schedule "B" hereto (the "**Plan Term Sheet**" and together with the related transactions described in the Plan Term Sheet, the "**Plan Transaction**") which shall be effected by way of a plan of compromise and arrangement substantially in the form attached as Schedule "C" hereto (the "**CCAA Plan**") or (ii) if a CCAA Plan Termination Event (as defined below) occurs, a transaction whereby the First Lien Agent, on behalf of the First Lien Lenders, shall credit bid a portion of the First Lien Obligations for all or substantially all of the Borrower's property and assets on terms more particularly described in the term sheet attached as Schedule "D" hereto (the "**Credit Bid Term Sheet**" and together with the related transactions described in the Credit Bid Term Sheet, the "**Credit Bid Transaction**") which shall be effected by the Credit Bid Purchaser (as defined below) and the Borrower executing and delivering the purchase and sale agreement substantially in the form attached as Schedule "E" hereto (the "**PSA**") and the First Lien Agent and the Borrower executing and delivering the Payment and Settlement Agreement (as defined in the PSA);

AND WHEREAS, each Party and its respective counsel and other advisors have reviewed or have had the opportunity to review the Plan Term Sheet, the CCAA Plan, the Credit Bid Term Sheet, the PSA and this Amended and Restated Support Agreement (and all schedules to each of the foregoing) and each Party has agreed to the terms and conditions set forth therein and herein;

AND WHEREAS, capitalized terms used but not otherwise defined in the main text of this Amended and Restated Support Agreement shall have the meanings ascribed to such terms in Schedule "A" hereto:

1. Incorporation of Terms; Conflict of Terms; Support Agreement

(a) Subject to approval of the Court in the CCAA Proceeding, the terms of the Plan Transaction and the Credit Bid Transaction as agreed among the Parties and to be implemented in accordance with this Amended and Restated Support Agreement are set forth, in the case of the Plan Transaction, in the Plan Term Sheet and CCAA Plan and, in the case of the Credit Bid Transaction, in the Credit Bid Term Sheet and the PSA, which are incorporated herein and made a part of this Amended and Restated Support Agreement, but provided that, any obligations of the Borrower under the CCAA Plan shall be subject to separate approval of the Court in the CCAA Proceeding and any obligations of the parties under the PSA shall be subject to execution thereof and separate approval of the Court in the CCAA Proceeding.

(b) In the case of a conflict between the provisions contained in the text of this Amended and Restated Support Agreement and either the Plan Term Sheet or the Credit Bid Term Sheet, as applicable, the terms of this Amended and Restated Support Agreement shall govern. In the case of a conflict between the provisions contained in the text of this Amended and Restated Support Agreement and either the CCAA Plan (if approved by the Court) or the PSA (if executed by the parties thereto and approved by the Court), if applicable, the terms of the CCAA Plan or the PSA, as applicable, shall govern.

I The Borrower hereby represents and warrants to each of the Consenting First Lien Lenders and the First Lien Agent, that as of the date of execution of this Amended and Restated Support Agreement, (i) the Borrower is in compliance with the terms of the Support Agreement and (ii) the Borrower is not aware of any existing breach of any of its obligations or covenants under the terms of the Support Agreement. Each Consenting First Lien Lender, severally and not jointly, hereby represents and warrants to each of the other Parties that, to its knowledge, as of the date of execution of this Amended and Restated Support Agreement, (i) it is in compliance with the terms of the Support Agreement, and (ii) it is not aware of any existing breach of any of its obligations or covenants under the terms of the Support Agreement.

(d) For greater certainty, from and after the date of this Amended and Restated Support Agreement, none of the Parties shall have any further obligations under the Support Agreement (including the Original Term Sheet) except to the extent expressly set forth in this Amended and Restated Support Agreement (including the Plan Term Sheet or the Credit Bid Term Sheet, as applicable).

(e) The following schedules are attached to, form part of and are incorporated in this Amended and Restated Support Agreement:

Schedule "A"	Definitions
Schedule "B"	Plan Term Sheet
Schedule "C"	CCAA Plan
Schedule "D"	Credit Bid Term Sheet
Schedule "E"	PSA
Schedule "F"	Joinder Agreement
Schedule "G"	Form of Direction
Schedule "H"	Credit Bid KERP

2. Implementation of Transaction

(a) The Parties will each use commercially reasonable efforts to give effect to the Plan Transaction by way of the CCAA Plan prior to the Plan Outside Date on the terms set out in and consistent in all material respects with this Amended and Restated Support Agreement, the Plan Term Sheet and the CCAA Plan.

(b) The Parties agree to cooperate with each other in order ensure that the Plan Transaction or the Credit Bid Transaction, as applicable, is structured and effectuated in a tax efficient manner acceptable to the Borrower and the Majority Consenting First Lien Lenders.

(c) The Parties agree to cooperate with each other in good faith and use commercially reasonable efforts to complete the following steps in accordance with the timeline set out in the Plan Term Sheet (or such other timeline as may hereafter be agreed by the Borrower and the Majority Consenting First Lien Lenders).

(d) If the CCAA Plan fails because:

(i) within five Business Days of the applicable times set forth in clause I above (or such other date(s) as may be agreed by the Majority Consenting First Lien Lenders and the Borrower, in consultation with the Monitor): (A) the Creditors' Meeting Order is not granted; (B) the Sanction Order is not granted; or (C) the CCAA Plan is not implemented and the Plan Transaction is not closed for any reason;

(ii) the requisite Creditor approval of the CCAA Plan is not obtained at the Creditors' Meetings (or any adjournment(s) thereof) held in accordance with the Creditors' Meeting Order; or

(iii) it is jointly determined by the Borrower and the Majority Consenting First Lien Lenders, each acting reasonably, that for any other reason it is no longer viable to implement the Plan Transaction pursuant to the CCAA Plan,

(each of the foregoing, a "**CCAA Plan Termination Event**"), the Parties will promptly proceed to implement the Credit Bid Transaction in accordance with the terms of the Credit Bid Term Sheet and will each use commercially reasonable efforts to give effect to the Credit Bid Transaction by way of the PSA on the terms set out in and consistent in all material respects with this Amended and Restated Support Agreement, the Credit Bid Term Sheet and the PSA within the time frames set forth in the Credit Bid Term Sheet (or such other timeline as may be agreed by the Borrower and the Majority Consenting First Lien Lenders).

3. Representations and Warranties of Consenting First Lien Lenders

Each Consenting First Lien Lender, severally and not jointly, hereby represents and warrants to each of the other Parties (and acknowledges that each of the other Parties is relying upon such representations and warranties) that:

(a) it (or clients thereof for which it has discretionary authority to manage or administer funds) is the legal or beneficial holder of, or exercises control and direction over, (i) the Loans in the principal amount set forth on such Consenting First Lien Lender's signature page to this Amended and Restated Support Agreement or its Joinder Agreement, as the case may be (the "**Relevant Loans**") and (ii) the additional claims against the Borrower identified in the principal amount set forth on such Consenting First Lien Lender's signature page (the "**Additional Claims**");

(b) as of the date hereof, the principal amount of Relevant Loans set forth on such Consenting First Lien Lender's signature page to this Amended and Restated Support Agreement or its Joinder Agreement, as the case may be, constitute all of the Loans that are legally or beneficially owned by it (or over which it exercises control and direction on behalf of clients for which it has discretionary authority to manage or administer funds);

(c) as of the date hereof or of its Joinder Agreement, as applicable, the principal amount of Additional Claims set forth on such Consenting First Lien Lender's signature page to this Amended and Restated Support Agreement or its Joinder Agreement, as the case may be, constitute all of the Additional Claims that are legally or beneficially owned by it (or over which it exercises control and direction on behalf of clients for which it has discretionary authority to manage or administer funds);

(d) it has the authority with respect to its Debt to support, or, if necessary, to direct the First Lien Agent with respect to its Debt to support, the Plan Transaction and the CCAA Plan;

(e) it has, together with the other Consenting First Lien Lenders, the authority to direct the First Lien Agent to support the Plan Transaction and the CCAA Plan or, if applicable, support the Credit Bid Transaction and to enter into the PSA and effect the Credit Bid Transaction;

(f) it is a sophisticated party with sufficient knowledge and experience to evaluate properly the terms and conditions of this Amended and Restated Support Agreement; it has conducted its own analysis and made its own decision to enter into this Amended and Restated Support Agreement and has obtained such independent advice in this regard as it deemed appropriate (it being recognized that Bennett Jones, Jones Day and PricewaterhouseCoopers LLP (collectively, the "**Advisors**") are not the advisors to any individual holder of the Loans, including any Consenting First Lien Lender, on an individual basis), and it has not relied on such analysis or decision on any Person other than its own independent advisors;

(g) this Amended and Restated Support Agreement has been duly executed and delivered by it, and, assuming the due authorization, execution and delivery by all Parties, this Amended and Restated Support Agreement constitutes the legal, valid and binding obligation of such Consenting First Lien Lender, enforceable in accordance with its terms, subject to laws of general application and bankruptcy, insolvency and other similar laws affecting creditors' rights generally and general principles of equity;

(h) it is duly organized, validly existing and in good standing under the laws of the jurisdiction of its organization and has all necessary power and authority to execute and deliver this Amended and Restated Support Agreement and to perform its obligations hereunder, including the power and authority to bind the beneficial owner(s) of the Relevant Loans and Additional Claims (as applicable) to the terms of this Amended and Restated Support Agreement and consummate the transactions contemplated hereby;

(i) the execution and delivery of this Amended and Restated Support Agreement by it and the completion by it of the transactions contemplated herein do not and will not violate or conflict with any judgment, order, notice, decree, statute, law, ordinance, rule or regulation applicable to such Consenting First Lien Lender or any of its properties or assets, or result (with or without notice or the passage of time) in a violation, conflict or breach of, or constitute a default under, or require any consent to be obtained under, its certificate of incorporation, articles, bylaws or other charter documents;

(j) except as contemplated by this Amended and Restated Support Agreement, it has not deposited any of its Relevant Loans, other Debt or Additional Claims into a voting trust, or granted (or permitted to be granted) any proxies or powers of attorney or attorney in fact, or entered into a voting agreement, understanding or arrangement, with respect to the voting of its Relevant Loans, other Debt or Additional Claims where such trust, grant, agreement, understanding or arrangement would in any manner restrict the ability of the Consenting First Lien Lender to comply with its obligations under this Amended and Restated Support Agreement; and

(k) there is not now pending or threatened against it or any of its properties, nor has it received notice in respect of, any claim, potential claim, litigation, action, suit, arbitration, investigation or other proceeding before any governmental entity that, individually or in the aggregate, would reasonably be expected to have an adverse effect on such Consenting First Lien Lender's ability to execute and deliver this Amended and Restated Support Agreement and to consummate the Transaction.

4. Representations and Warranties of the First Lien Agent

The First Lien Agent hereby represents and warrants to the Borrower and the Consenting First Lien Lenders (and the First Lien Agent acknowledges that the Borrower is relying upon such representations and warranties):

(a) it is the validly appointed successor administrative agent under the First Lien Credit Agreement;

(b) the Direction is in form and substance satisfactory to the First Lien Agent and will, when executed and delivered to the First Lien Agent by a Consenting First Lien Lender and assuming the due authorization, execution and delivery by each such Consenting First Lien Lender signatory thereto, constitute a legal, valid, enforceable direction by such Consenting First Lien Lender under the First Lien Credit Agreement to the First Lien Agent to (i) effect the Credit Bid Transaction and (ii) take such other steps and execute such other documents as expressly contemplated herein or thereby to complete the Credit Bid Transaction for and on behalf of all First Lien Lenders;

(c) based on the amount of the Relevant Loans set forth on the signature pages of the Initial Consenting First Lien Lenders to this Amended and Restated Support Agreement, such Initial Consenting First Lien Lenders hold a sufficient amount of the Loans to direct and cause the First Lien Agent to (i) effect the Credit Bid Transaction and (ii) take such other steps and execute such other documents as expressly contemplated herein or thereby to complete the Credit Bid Transaction for and on behalf of all First Lien Lenders, in each case upon and subject to (A) the Approval and Vesting Order being granted, and (B) the Consenting First Lien Lenders delivering an executed Direction to the First Lien Agent; and

(d) upon the Consenting First Lien Lenders delivering an executed Direction to the First Lien Agent, the First Lien Agent shall, as soon as possible thereafter, effect the Credit Bid Transaction and promptly take all actions and steps and execute and deliver such further documents as expressly contemplated herein or thereby to complete the Credit Bid Transaction, in each case upon and subject to the Approval and Vesting Order being granted; and for certainty, no other direction, undertaking or agreement shall be required from any of the First Lien Lenders to cause the First Lien Agent to take such actions.

5. Representations and Warranties of the Borrower

The Borrower hereby represents and warrants to each of the Consenting First Lien Lenders and the First Lien Agent (and the Borrower acknowledges that the Consenting First Lien Lenders and the First Lien Agent are relying upon such representations and warranties) that:

(a) (i) the Borrower is indebted to the First Lien Agent and the First Lien Lenders in the principal amount of not less than US$154,246,296.72, plus accrued but unpaid interest and all other amounts (including fees, costs and expenses) owing under the First Lien Credit Agreement and related security documents (the "**Security**"), (ii) the Security is fully valid and enforceable by the First Lien Agent against the Borrower in accordance with the terms thereof, unaltered, and (iii) the Borrower has no claim, demand, set-off, counterclaim or any similar right or claim against the First Lien Agent or the First Lien Lenders;

(b) the Special Committee has approved this Amended and Restated Support Agreement and concluded that entering into this Amended and Restated Support Agreement is in the best interests of the Borrower;

(c) it is a sophisticated party with sufficient knowledge and experience to evaluate properly the terms and conditions of this Amended and Restated Support Agreement; it has conducted its own analysis and made its own decision to enter into this Amended and Restated Support Agreement and has obtained such independent advice in this regard as it deemed appropriate; and it has not relied in such analysis or decision on any Person other than its own independent advisors;

(d) subject to approval of the Court, this Amended and Restated Support Agreement has been duly executed and delivered by it, and, assuming the due authorization, execution and delivery by all Parties, this Amended and Restated Support Agreement constitutes its legal, valid and binding obligation, enforceable in accordance with its terms, subject to laws of general application and bankruptcy, insolvency and other similar laws affecting creditors' rights generally and general principles of equity;

(e) it is duly organized, validly existing and in good standing under the federal laws of Canada and, subject to approval by the Court, has all necessary power and authority to execute and deliver this Amended and Restated Support Agreement;

(f) subject to the satisfaction of the conditions precedent contained herein and the Requisite Transaction Approvals, the execution and delivery of this Amended and Restated Support Agreement by it and the completion by it of either the Plan Transaction or the Credit Bid Transaction do not and will not:

(i) violate or conflict with any judgment, order, notice, decree, statute, law, ordinance, rule or regulation applicable to it or any of its properties or assets; or

(ii) as at the date hereof and except where such violation or conflict would not be reasonably expected to cause a material adverse effect on the Borrower, result (with or without notice or the passage of time) in a violation, conflict or breach of, or constitute a default under, or require any consent to be obtained under, or give rise to any third party right of termination, amendment, first refusal, cancellation or acceleration under, or result in any penalty or payment obligation or right of purchase or sale under, any provision of:

(A) its certificate of incorporation, articles, bylaws or other charter documents; or

(B) any agreement, arrangement or understanding to which the Borrower is a party or by which the Borrower or any of its properties or assets is bound or affected;

(g) as at March 19, 2018, there was no proceeding, claim or investigation pending before any court, regulatory body, tribunal, agency, governmental or legislative body, or threatened against it or any of its properties that individually or in the aggregate (i) could reasonably be expected to have a material adverse effect on its ability to execute and deliver this Amended and Restated Support Agreement and to consummate the Transaction, or (ii) is material to its business;

(h) the Audited Financial Statements have been prepared in accordance with GAAP and the Borrower's accounting policies and practices consistently applied throughout the periods included therein. The Audited Financial Statements present fairly, in all material respects, the financial condition of the business of the Borrower as of the dates set forth therein, and the results of operations and cash flows for the periods covered thereby, in conformity with GAAP. The unaudited interim financial statements of the Borrower as of and for the nine-month period ended September 30, 2017 have been reviewed by the Borrower's auditor and there are no material modifications that need to be made to the Borrower's interim financial statements for them to be in conformity with GAAP;

(i) as at March 19, 2018, the Borrower did not have any liabilities or obligations of any nature (whether absolute, accrued, contingent or otherwise) except: (i) as set forth in the Audited Financial Statements; (ii) for liabilities incurred in the ordinary course of business consistent with past practice subsequent to December 31, 2016 which would not have a material adverse affect on the Borrower; and (iii) claims against it or liabilities set forth in the Disclosure Letter;

(j) all Projections that have been or will be provided or made available by it or any of its representatives to any Consenting First Lien Lender and/or the Advisors have been or will be, when furnished, prepared in good faith and based upon assumptions that the Borrower believes to be reasonable;

(k) as at March 19, 2018, (i) the Advisors or the Initial Consenting First Lien Lenders had been provided with a true, accurate and complete copy of each Material Contract (or if not provided with such a copy, the Borrower has made available for review each Material Contract, as applicable), (ii) the Borrower was in compliance with the terms of the Material Contracts, (iii) the Borrower was not aware of any existing breach or other event that provides a counterparty to any Material Contract with the right (with or without notice) to terminate such Material Contract, and (iv) the Borrower was not aware of any other obligation, undertaking, arrangement, document, commitment, entitlement or engagement to which the Borrower is a party or by which the Borrower is bound that is material to the business or financial condition of the Borrower;

(l) other than as set forth in the Disclosure Letter, as at March 19, 2018, the Borrower did not own or occupy any real property;

(m) a complete and correct copy of the Sublease dated July 11, 2016 as amended by a Sublease Extension Agreement dated June 30, 2017 has been provided to the Advisors prior to the date hereof. The names of the other parties to the Real Property Leases, the description of the Leased Premises, the term, rent and other amounts payable under the Real Property Leases are accurately described in the Disclosure Letter. The terms and conditions of the Real Property Leases will not be affected by, nor will the Real Property Leases be in default as a result of, the completion of the Transaction;

(n) other than as set forth in the Disclosure Letter, as at March 19, 2018, the Borrower was not party to or bound by any written employment, service or consulting agreement or other similar agreement that is material to the business or financial condition of the Borrower, and the Borrower was not aware of any other arrangement, plan, obligation or understanding to which the Borrower is a party or bound in respect of employment, service or consulting that is material to the business or financial condition of the Borrower. As at March 19, 2018, the Initial Consenting First Lien Lenders or the Advisors were provided with copies of all written agreements between the Borrower and each director, officer, consultant and employee of the Borrower that provides for severance or termination or other payments in connection with the termination of the employment or engagement of, or resignation of, any such person following a change of control of the Borrower or a sale of all or substantially all of the assets of the Borrower;

(o) as at March 19, 2018, it had conducted its business in material compliance with all applicable laws and has not received any notice to the effect that, or had otherwise been advised that, it is not in material compliance with such laws. Without limiting the generality of the foregoing, as at March 19, 2018, the Borrower had not made any payment, directly or indirectly, on behalf of or for the benefit of the Borrower, in violation of any applicable laws prohibiting the payment of undisclosed commissions or bonuses or the making of bribe or incentive payments or other arrangements of a similar nature with respect to the conduct of the business of the Borrower, including the *Corruption of Foreign Public Officials Act* (Canada);

(p) as at March 19, 2018, all material Tax Returns required to be filed by the Borrower have been timely filed (taking into account extensions). All such Tax Returns were correct and complete in all material respects. Other than as set forth in the Disclosure Letter, as at March 19, 2018, no audit (other than routine audits), administrative proceeding, or judicial proceeding that involves a material amount of Tax insofar as they may affect the Restructuring Transaction is pending;

(q) to its knowledge, as at March 19, 2018, the assets of the Borrower have been insured against risks normally covered by insurance policies by companies carrying on business of a similar nature of the Borrower and all such insurance policies are in full force and effect, all premiums due and payable thereon have been paid, all material terms and conditions of such policies have been complied with, and no written notice of cancellation or termination has been received by the Borrower with respect to any such policy that is not replaceable by the Borrower on substantially similar terms prior to the date of such cancellation;

(r) except as set forth in the Disclosure Letter, since commencement of the CCAA Proceeding, as at March 19, 2018, it had not undergone an adverse change that is material to its business or financial condition, excluding any such effect or effects that result from general economic, financial, currency exchange, securities or commodity market conditions in Canada or elsewhere; and

(s) no representation or warranty of it contained in this Amended and Restated Support Agreement contains any untrue statement of a material fact or omits to state a material fact necessary in order to make the statements contained herein not misleading. All responses by it to the inquiries of the Initial Consenting First Lien Lenders and the Advisors concerning it and its business during the due diligence investigation of the Initial Consenting First Lien Lenders and the Advisors have been made in good faith and to the knowledge of the Borrower. To the knowledge of the Borrower, all documents provided to the Initial Consenting First Lien Lenders and the Advisors are true, accurate and complete copies in all material respects of the documents they purport to be.

6. Consenting First Lien Lenders' Covenants and Consents

In each case subject to applicable law and any order that may be granted by a court of competent jurisdiction:

(a) Each Consenting First Lien Lender, severally, and not joint and severally, consents and agrees to the terms of this Amended and Restated Support Agreement.

(b) Each Consenting First Lien Lender agrees to take all commercially reasonable actions necessary to consummate the Plan Transaction in accordance with the terms and conditions set forth in this Amended and Restated Support Agreement (including the Plan Term Sheet) and the CCAA Plan and for certainty, including without limitation, as may be applicable, (i) voting on a timely basis in favour of the CCAA Plan in respect of its Relevant Loans, other Debt and Additional Claims in accordance with the Creditors' Meeting Order or, if necessary, directing the First Lien Agent to vote on a timely basis in favour of the CCAA Plan in respect of its Relevant Loans, other Debt and Additional Claims in accordance with the Creditors' Meeting Order, (ii) supporting the Borrower's request from the AER of an advance ruling that the AER does not consider the change to control persons (within the meaning of Directive 067) resulting from the implementation of the CCAA Plan to be an unreasonable risk and providing the Borrower with all information pertaining to it (or its affiliates) which is necessary to make such request, as applicable (iii) supporting the Borrower's request for approval of the Authorization Order, the Creditors' Meeting Order and the Sanction Order, and (iv) such other actions as may be reasonably required to complete the Plan Transaction, including, to the extent required, directing the First Lien Agent to take all action reasonably necessary to assist the Borrower and the Monitor with the implementation of the CCAA Plan, including the payments and distributions to the First Lien Lenders contemplated therein.

(c) Following the occurrence of a CCAA Plan Termination Event, each Consenting First Lien Lender agrees to take all commercially reasonable actions necessary to consummate the Credit Bid Transaction in accordance with the terms and conditions set forth in this Amended and Restated Support Agreement (including the Credit Bid Term Sheet) and for certainty, including without limitation, as may be applicable, (i) causing the Credit Bid Purchaser to execute, deliver and perform its obligations under the PSA, (ii) supporting the Borrower's license transfer application to the AER and providing all information pertaining to it (or its affiliates) which is necessary to make such applications, as applicable (iii) supporting the Borrower's request for an Approval and Vesting Order approving the Credit Bid Transaction, the request for the Releases, the funding in full of any priority claims (including claims arising under the Court-ordered charges), and the funding of the Administrative Reserve, (iv) supporting the Borrower's request for approval of the Distribution Order (as applicable), and (v) such other actions as may be reasonably required to complete the Credit Bid Transaction.

(d) Each Consenting First Lien Lender agrees that between the date of execution of this Amended and Restated Support Agreement and the termination of this Amended and Restated Support Agreement, it shall not, directly or indirectly:

  (i) sell, assign, lend, pledge, hypothecate (except with respect to security generally applying to its investments which does not adversely affect such Consenting First Lien Lender's ability to perform its obligations under this Amended and Restated Support Agreement) or otherwise transfer (a "**Transfer**") any of its Relevant Loans, other Debt or Additional Claims or any rights or interests therein (or permit any of the foregoing with respect to any of its Relevant Loans, other Debt or Additional Claims) or enter into any agreement, arrangement or understanding in connection therewith, except that the Consenting First Lien Lender may Transfer its Relevant Loans, other Debt or Additional Claims (x) to the extent the Consenting First Lien Lender is managing the Relevant Loans, other Debt or Additional Claims on behalf of a fund, to another fund managed by the same Consenting First Lien Lender for which the Consenting First Lien Lender has sole voting and investment discretion, including sole discretionary authority to manage or administer funds and continues to exercise sole investment and voting authority with respect to the Relevant Loans, other Debt or Additional Claims (a "**Managed Fund**") provided that such Consenting First Lien Lender shall continue to be, and the Managed Fund shall be, bound by the terms of this Amended and Restated Support Agreement, (y) to another Consenting First Lien Lender or a Managed Fund of another Consenting First Lien Lender, or (z) to any other transferee provided that such transferee constitutes an "Eligible Assignee" (as that term is defined in the First Credit Agreement) and agrees pursuant to a duly executed Joinder Agreement prior to such Transfer to be bound by all of the terms of this Support Agreement as if such transferee had originally executed this Support Agreement (each such transferee, a "**Consenting Transferee**"). Within 5 Business Days of any Transfer, each of the transferor and the transferee shall provide the Borrower and the Advisors with written notice of such Transfer (including the principal amount of the Relevant Loans, other Debt and/or Additional Claims affected by such Transfer) and, if applicable, a copy of the Joinder Agreement executed by the Consenting Transferee. Any Transfer that does not comply with this paragraph shall be void *ab initio*. For greater certainty, if a Consenting First Lien Lender assigns all of its Relevant Loans, other Debt and/or Additional Claims pursuant to this Section 6(d)(i) this Amended and Restated Support Agreement shall continue to be binding upon such First Lien Lender with respect to any Relevant Loans, other Debt or Additional Claims it subsequently acquires;

(ii) except as contemplated by this Amended and Restated Support Agreement, deposit any of its Relevant Loans, other Debt or Additional Claims into a voting trust, or grant (or permit to be granted) any proxies or powers of attorney or attorney in fact, or enter into a voting agreement, understanding or arrangement, with respect to the voting of its Relevant Loans, other Debt or Additional Claims if such trust, grant, agreement, understanding or arrangement would in any manner restrict the ability of the Consenting First Lien Lender to comply with its obligations under this Support Agreement; or

(iii) take any action inconsistent with this Amended and Restated Support Agreement that would frustrate or hinder the consummation of the Transaction.

(e) Each Consenting First Lien Lender agrees that to the extent such Consenting First Lien Lender acquires additional Loans or Additional Claims, such Loans or Additional Claims (as applicable) shall be subject to this Amended and Restated Support Agreement and, with respect to such additional Loans or Additional Claims, shall become Relevant Loans or Additional Claims for the purposes hereunder, and further agrees that it shall direct the First Lien Agent with respect to any such additional Relevant Loans or such other applicable party with respect to Additional Claims in a manner consistent with this Amended and Restated Support Agreement.

(f) If a CCAA Plan Termination Event occurs, each Consenting First Lien Lender shall (i) promptly deliver to the First Lien Agent, copied to the Borrower, an executed Direction for and in respect of all Relevant Loans then held by such Consenting First Lien Lender legally or beneficially and (ii) as soon as possible thereafter, exercise any power or authority it has to cause the Credit Bid Purchaser to execute, enter into and deliver to the Borrower the PSA.

(g) Each Consenting First Lien Lender agrees that, until the termination of this Amended and Restated Support Agreement, it shall, on and subject to the terms and conditions hereof:

(i) not revoke the Direction;

(ii) use commercially reasonable efforts and take all reasonable necessary actions to support the approval of the Transaction as promptly as practicable;

(iii) not propose, file, solicit, vote for or otherwise support any alternative offer, restructuring, liquidation, workout or plan of compromise or arrangement or reorganization of or for the Borrower;

(iv) support or instruct the Advisors to support all applications filed by the Borrower in any such court proceeding that are in furtherance of the Transaction;

(v) not accelerate or enforce or take any action or initiate any proceeding to accelerate or enforce the payment or repayment of any of its Debt (including for greater certainty any due and unpaid interest on its Relevant Loans) or Additional Claims;

(vi) forbear from exercising, or directing the First Lien Agent to exercise, any default-related rights, remedies, powers or privileges, or from instituting any enforcement actions or collection actions with respect to any obligations under the First Lien Credit Agreement;

(vii) forbear from exercising, or directing the trustee of the Convertible Notes to exercise, any default-related rights, remedies, powers or privileges, or from instituting any enforcement actions or collection actions with respect to the Convertible Notes;

(viii) not take, or omit to take, any action, directly or indirectly, that is materially inconsistent with, or is intended or is likely to interfere with the approval or consummation of the Transaction; and

(ix) execute any and all documents and perform any and all commercially reasonable acts required by this Amended and Restated Support Agreement to satisfy all of its obligations hereunder including any consent, approval or waiver requested by the Borrower in furtherance of the Transaction, acting reasonably;

provided, however, that nothing contained herein shall limit the ability of a Consenting First Lien Lender to appear and be heard concerning any matter arising in the CCAA Proceeding so long as such appearance is not inconsistent with the Consenting First Lien Lender's obligations hereunder.

(h) Each Consenting First Lien Lender agrees, subject to Section 15, to the existence and factual details of this Amended and Restated Support Agreement being set out in any public disclosure made by the Borrower, including press releases and Court materials, provided that such public disclosure is approved by the Borrower and Advisors, acting reasonably.

(i) Each Consenting First Lien Lender agrees to support the approval of the Credit Bid KERP in the Authorization Order, to comply with the terms of the Credit Bid KERP, and to use commercially reasonable efforts to either cause Connacher to comply with the terms of the Credit Bid KERP following the implementation of the Plan Transaction or to cause the Credit Bid Purchaser to comply with the terms of the Credit Bid KERP following the closing of the Credit Bid Transaction, as applicable.

7. First Lien Agent's Covenants

In each case subject to applicable law and any order that may be granted by a court of competent jurisdiction:

(a) The First Lien Agent covenants and agrees that, if required by the terms of the Creditors' Meeting Order or any other order of the Court and upon receiving written instruction from any Consenting First Lien Lender, the First Lien Agent will exercise such Consenting First Lien Lender's vote in favour of the CCAA Plan on a timely basis in accordance with the Creditors' Meeting Order or other order of the Court.

(b) the First Lien Agent covenants and agrees that, subject to the Consenting First Lien Lenders delivering any required direction(s) to it, the First Lien Agent shall, as soon as possible thereafter, promptly take all action reasonably necessary to assist the Borrower and the Monitor with the implementation of the CCAA Plan, including the payments and distributions to First Lien Lenders contemplated therein.

(c) The First Lien Agent covenants and agrees that upon the Consenting First Lien Lenders delivering an executed Direction to it, the First Lien Agent shall, as soon as possible thereafter, promptly take all actions and steps and execute and deliver such documents as may be requested by the Consenting First Lien Lenders to effect and complete the Credit Bid Transaction, including without limitation, the PSA and the Payment and Settlement Agreement (and including taking all actions that may be requested by the Consenting First Lien Lenders as contemplated by Section 9(a) and Section 17). For certainty, the First Lien Agent confirms and agrees that no other direction, undertaking or agreement, other than the signed Direction from the Consenting First Lien Lenders, shall be required from any of the First Lien Lenders or from any other Person to cause the First Lien Agent execute, deliver, enter into and perform its obligations in connection with the Credit Bid Transaction. For greater certainty, notwithstanding anything in this Amended and Restated Support Agreement or any other agreement related to the Transaction to the contrary, the First Lien Agent is acting in connection with the Transactions solely (i) in its capacity as First Lien Agent under the First Lien Credit Agreement and (ii) at the direction of the Consenting First Lien Lenders (who are, for certainty, the "Required Lenders" under and as defined in the First Lien Credit Agreement). As such, the Parties hereby agree that all provisions under the First Lien Credit Agreement (and any other loan document applicable to the First Lien Agent and the agency that the First Lien Agent is providing under and in connection with the First Lien Credit Agreement) continue to apply, including the provisions of Article VIII of the First Lien Credit Agreement (and, without limiting the generality of the foregoing, the First Lien Agent's right to delegate any of its duties and/or rights and powers to a sub-agent in accordance with the terms of Section 8.05 of the First Lien Credit Agreement), provided, however, that in the case of any delegation to a subagent, the First Lien Agent covenants and agrees to take all such steps as requested by the Consenting First Lien Lenders to cause the subagent to do such things as are necessary to effect and complete the Plan Transaction or the Credit Bid Transaction, as applicable.

(d) The First Lien Agent agrees that, until the termination of this Amended and Restated Support Agreement, it shall, on and subject to the terms and conditions hereof:

(i) not oppose the approval of the Transaction;

(ii) support or instruct the Advisors to support all applications filed by the Borrower in any such court proceeding that are in furtherance of the Transaction;

(iii) forbear from exercising any default-related rights, remedies, powers or privileges, or from instituting any enforcement actions or collection actions with respect to any obligations under the First Lien Credit Agreement;

(iv) not take, or omit to take, any action, directly or indirectly, that is materially inconsistent with, or is intended or is likely to interfere with the approval or consummation of the Transaction; and

(v) execute any and all documents and perform any and all commercially reasonable acts required by this Amended and Restated Support Agreement to satisfy all of its obligations hereunder including any consent, approval or waiver requested by the Borrower in furtherance of the Transaction, acting reasonably;

provided, however, that nothing contained herein shall limit the ability of the First Lien Agent to appear and be heard concerning any matter arising in the CCAA Proceeding so long as such appearance is not inconsistent with the First Lien Agent's obligations hereunder.

8. Borrower's Covenants

In each case subject to obtaining the Authorization Order and subject to applicable law and any order that may be granted by a court of competent jurisdiction:

(a) The Borrower consents and agrees to the terms of this Amended and Restated Support Agreement, including, for greater certainty, the terms of the Plan Term Sheet and the Credit Bid Term Sheet.

(b) The Borrower agrees to use its reasonable best efforts (including taking all reasonable actions necessary to obtain any regulatory approvals for the Transaction) to achieve the timelines set out in the Plan Term Sheet or the Credit Bid Term Sheet, as applicable (which timelines may be extended at any time with the approval of the Borrower and the Majority Consenting First Lien Lenders). Notwithstanding the foregoing, the Borrower agrees that it shall submit (i) in the case of the Plan Transaction, a request to the AER for an advance ruling that the AER does not consider the change to control persons (within the meaning of Directive 067) resulting from the implementation of the CCAA Plan to be an unreasonable risk in strict accordance with the dates and/or timelines as specified in the Plan Term Sheet, and (ii) in the case of the Credit Bid Transaction, the license transfer applications to be submitted to the AER (if applicable) in strict accordance with the dates and/or timelines as specified in the Credit Bid Term Sheet. The Borrower agrees that it shall be responsible for the payment of any filing fees or other costs in connection with the foregoing filings and applications.

(c) The Borrower shall provide draft copies of all applications and other documents the Borrower intends to file with the Court to Bennett Jones at least three Business Days prior to the date when the Borrower intends to file such document (or as soon as possible where it is not reasonably practicable to provide copies three Business Days in advance), all such filings to be filed in form and substance reasonably acceptable to the Majority Consenting First Lien Lenders (except in the case of the Sanction Order in respect of the Plan Transaction or the Approval and Vesting Order in respect of the Credit Bid Transaction which, in either case, shall be in form and substance acceptable to the Borrower and Majority Consenting First Lien Lenders, in their sole discretion).

(d) The Borrower hereby agrees to promptly notify the Consenting First Lien Lenders if, at any time before the termination of this Amended and Restated Support Agreement, the Borrower becomes aware (i) that any information disclosure for the First Lien Lenders, an application for a regulatory approval or any other order, registration, consent, filing, ruling, exemption or approval under applicable laws contains a statement which is inaccurate or incomplete in any material respect, or (ii) of information that otherwise requires an amendment or supplement to such information disclosure or such application, and (in such event) the Borrower shall co-operate in the preparation of such amendment or supplement as required.

(e) The Borrower hereby agrees to (A) indemnify and hold harmless the First Lien Agent, each Consenting First Lien Lender, and their respective subsidiaries and affiliates, and their respective funds, shareholders, officers, directors, employees, partners, advisors, legal counsel and agents (each an "**Indemnified Party**") from and against any and all liabilities or claims by Persons who are not party to this Amended and Restated Support Agreement (other than liabilities or claims attributable to any of such Persons' gross negligence, fraud or willful misconduct as determined by the final, non-appealable judgment of a court of competent jurisdiction) arising on or prior to the earlier of (i) the Effective Date and (ii) the date on which this Amended and Restated Support Agreement is terminated, and (B) reimburse each Indemnified Party promptly upon demand for all reasonable legal and other expenses reasonably incurred by it in connection with investigating, preparing to defend or defending, or providing evidence in or preparing to serve or serving as a witness with respect to, any lawsuit, investigation, claim or other proceeding relating to any of the foregoing (including, without limitation, in connection with the enforcement of the indemnification obligations set forth herein).

(f) With respect to Material Contracts, the Borrower shall not, unless it has provided five Business Days' notice of same to the Advisors and has not received an objection to same, materially amend, materially modify, replace, terminate, repudiate, disclaim, waive any material right under or take any other material steps or actions (other than a marketing contract consistent with the Borrower's past practice or as expressly required by such Material Contracts or in the ordinary course of performing its obligations under such Material Contracts) under or in respect of such Material Contracts in any manner.

(g) Except as agreed by the Majority Consenting First Lien Lenders, the Borrower shall not materially increase compensation or severance entitlements or other benefits payable to its directors, officers or employees, including by way of a key employee incentive plan, or pay any bonuses whatsoever, other than as required by law or as contemplated by the Plan Term Sheet or the Credit Bid Term Sheet. The Borrower shall not amalgamate, consolidate with or merge into or sell all or substantially all of its assets to another entity, or change the nature of its business or its corporate or capital structure, other than with the consent of the Majority Consenting First Lien Lenders.

(h) The Borrower shall not (i) prepay, redeem prior to maturity, defease, repurchase or make other prepayments in respect of any non-revolving indebtedness, (ii) directly or indirectly, create, incur, assume, guarantee or otherwise become directly or indirectly liable with respect to any indebtedness of any kind whatsoever, and (iii) create, incur, assume or otherwise cause or suffer to exist or become effective any lien, charge, mortgage, hypothec or security interest of any kind whatsoever on, over or against any of its assets or property, in each case other than with the consent of the Majority Consenting First Lien Lenders.

(i) Subject to the terms of this Amended and Restated Support Agreement, the Borrower shall not transfer, lease, license or otherwise dispose of all or any part of its property, assets or undertakings outside the ordinary course consistent with past practice, other than with the consent of the Majority Consenting First Lien Lenders.

(j) The Borrower shall use commercially reasonable efforts to maintain its assets in a proper and prudent manner in accordance with past practices, and in the ordinary course of business, in material compliance with all laws and directions of governmental entities, and pay or cause to be paid all costs and expenses relating to its assets which become due from the date hereof to the Effective Date.

(k) The Borrower shall operate its business in the ordinary course of business, having regard to the Borrower's financial condition, and, in any event, the Borrower shall not, other than as contemplated by this Amended and Restated Support Agreement, enter into any material agreement (other than agreements for sale of dilbit, purchase of condensate and purchase of natural gas consistent with the Borrower's past practice), unless it has provided five Business Days' notice of same to the Advisors and has not received an objection to same.

(l) The Borrower shall not, directly or indirectly, do any of the following, other than as consented to by the Majority Consenting First Lien Lenders:

   (i) issue, sell, grant, pledge, assign, dispose of, encumber or agree to issue, sell, grant, pledge, assign, dispose of or encumber any shares or other securities of, or any options, warrants, calls, conversion privileges or rights of any kind to acquire any of its securities;

   (ii) amend or propose to amend its certificate of incorporation, articles, by-laws or other constating documents;

   (iii) declare, set aside or pay any dividend or other distribution payable in cash, stock, property or otherwise with respect to any of its shares;

(iv) redeem, purchase or offer to purchase any of its securities;

(v) reduce its capital or the stated capital;

(vi) (A) acquire or agree to acquire (by merger, amalgamation, acquisition of securities or assets or otherwise) any Person or (B) make any investment either by purchase of securities, contributions of capital, property transfer or purchase of any property or assets of any other Person;

(vii) Other than as contemplated in its approved IH 2019 budget, make any commitment or propose, initiate or authorize any capital expenditures in excess of CAD$300,000, except in case of an emergency or in respect of amounts which the Borrower may be committed to expend or be deemed to authorize for expenditure without its consent;

(viii) waive, release, assign, settle or compromise any claims against or liabilities of the Borrower in excess of CAD$1,000,000; or

(ix) make any changes in accounting methods, principles, policies or practices, except insofar as may be required by generally accepted accounting principles as in effect from time to time in Canada or applicable laws.

(m) The Borrower shall promptly notify the Advisors of:

(i) any resignation of, or leave of absence taken by, any of its directors or senior officers;

(ii) any claims threatened or brought against it in excess of CAD$1,000,000; or

(iii) any event, condition or development that has resulted in the inaccuracy or breach of any representation or warranty, covenant or agreement contained in this Amended and Restated Support Agreement made by or to be complied with by it.

(n) The Borrower shall at all times prior to the termination of this Amended and Restated Support Agreement carry on its business only in the ordinary course consistent with past practice, in accordance with generally accepted oil and gas industry practices and in compliance with all laws, except as may be expressly otherwise provided for in this Amended and Restated Support Agreement or as may be consented to by the Majority Consenting First Lien Lenders.

(o) The Borrower shall maintain and shall continue to maintain appropriate insurance coverage in amounts and on terms that are customary in the industry of the Borrower.

(p) The Borrower shall forthwith upon receipt pay the reasonable and documented fees of the First Lien Agent and the Advisors pursuant to and in accordance with the respective engagement letters or other arrangements or practices in place prior to the date hereof until the Effective Date or termination of this Amended and Restated Support Agreement.

9. Negotiation of Documents

(a) The Parties shall cooperate with each other and shall coordinate their activities (to the extent reasonably practicable) in respect of (i) the timely satisfaction of conditions with respect to and the effectiveness of the Transaction, (ii) all matters concerning the implementation of the Transaction, and (iii) the pursuit and support of the Transaction. Furthermore, subject to the terms hereof, each of the Borrower and the Consenting First Lien Lenders shall take such actions as may be reasonably necessary to carry out the purposes and intent of this Support Agreement, including making and filing any required regulatory filings (provided that the Consenting First Lien Lenders shall not be required to incur any expense, liability or other obligation that is not reimbursed by the Borrower), and, as applicable, directing the First Lien Agent to take all such actions.

(b) Each Party hereby covenants and agrees (i) to cooperate and negotiate in good faith, and consistent with this Amended and Restated Support Agreement, the definitive documents implementing, achieving and relating to the Transaction, all ancillary documents relating thereto, and any orders of the Court relating thereto, each of which shall contain terms and conditions consistent in all material respects with the Plan Term Sheet and the CCAA Plan or the Credit Bid Term Sheet and the PSA, as applicable, and (ii) to execute (to the extent they are a party thereto) and otherwise support such documents.

(c) The Borrower shall work cooperatively with the Advisors to prepare and, subject to approval of the Court as required, finalize all documentation (including, without limitation, the documents identified in the Plan Term Sheet and CCAA Plan or the Credit Bid Term Sheet and the PSA, as applicable) utilized or required to effect the Transaction. All such documentation shall be in form and substance acceptable to the Borrower and the Majority Consenting First Lien Lenders.

10. Conditions to Consenting First Lien Lenders' Obligations

Notwithstanding anything to the contrary contained in this Amended and Restated Support Agreement and without limiting any other rights of the Consenting First Lien Lenders hereunder, the obligations of the Consenting First Lien Lenders shall be specifically and expressly subject to each and all of the following conditions:

(a) the Authorization Order shall have been granted;

(b) the Borrower shall have executed this Amended and Restated Support Agreement and delivered its signature pages hereto to the Consenting First Lien Lenders;

(c) all material agreements, consents and other material documents relating to the Transaction shall be in form and substance reasonably satisfactory to the Majority Consenting First Lien Lenders;

(d) all orders made and judgments rendered by any competent court of law, and all rulings and decrees of any competent regulatory body, agent or official in relation to the Transaction shall be satisfactory to the Majority Consenting First Lien Lenders, acting reasonably;

(e) all actions taken by the Borrower in furtherance of the Transaction shall be consistent in all material respects with this Amended and Restated Support Agreement;

(f) the Borrower shall have complied in all material respects with its covenants and obligations under or in respect of this Amended and Restated Support Agreement (including, for greater certainty, the Plan Term Sheet or the Credit Bid Term Sheet, as applicable);

(g) there shall not have occurred, after the date hereof, any change, effect, event, occurrence or state of facts (other than matters related to the First Lien Credit Agreement) that, individually or in the aggregate, is, or could reasonably be expected to be, materially adverse to the business, properties, assets (tangible or intangible), liabilities (absolute, accrued, contingent or otherwise), condition (financial or otherwise), capitalization, operation or results of operations of the Borrower, taken as a whole but excluding any such effect or effects that result from general economic, financial, currency exchange, securities or commodity market conditions in Canada or elsewhere; and

(h) in the case of the Credit Bid Transaction, following the execution of the PSA, such PSA shall be in full force and effect and the Borrower shall be in compliance in all material respects with each of its covenants and obligations thereunder.

11. Conditions to the Borrower's Obligations

Notwithstanding anything to the contrary contained in this Amended and Restated Support Agreement and without limiting any other rights of the Borrower hereunder, the obligations of the Borrower under this Amended and Restated Support Agreement shall be specifically and expressly subject to each and all of the following conditions:

(a) the Authorization Order shall have been granted;

(b) the Consenting First Lien Lenders and First Lien Agent shall have executed this Amended and Restated Support Agreement and delivered their signature pages hereto to the Borrower;

(c) the Consenting First Lien Lenders and First Lien Agent shall have complied in all material respects with each of their covenants and obligations in this Amended and Restated Support Agreement (including, for greater certainty, the

Plan Term Sheet or the Credit Bid Term Sheet, as applicable) that is to be performed on or before the implementation of the Transaction;

(d) following the execution of the PSA by the Credit Bid Purchaser, the PSA shall be in full force and effect and the Credit Bid Purchaser shall be in compliance in all material respects with its covenants and obligations thereunder;

(e) all actions taken by the Consenting First Lien Lenders or First Lien Agent in furtherance of the Transaction shall be consistent in all material respects with this Amended and Restated Support Agreement; and

(f) all orders made and judgments rendered by any competent court of law, and all rulings and decrees of any competent regulatory body, agent or official in relation to the Transaction shall be satisfactory to the Borrower, acting reasonably.

12. Information and Access

The Borrower shall provide to each Consenting First Lien Lender and the Advisors on a timely basis in accordance with the terms of any applicable Court order: (a) any and all information, documents, materials, and access reasonably requested by the Majority Consenting First Lien Lenders or the Advisors, and (b) any and all other information which might be reasonably expected to be of material interest to them in relation to this Amended and Restated Support Agreement or the Transaction. The Borrower shall promptly notify the Consenting First Lien Lenders if there has been any material change in any of the information the Borrower has provided to the Consenting First Lien Lenders and/or the Advisors in connection with the transactions contemplated by this Amended and Restated Support Agreement or the Transaction. The Borrower agrees that if at any time during the term of this Amended and Restated Support Agreement the Borrower has actual knowledge of the fact that any of the material assumptions upon which any Projections provided to the Consenting First Lien Lenders and/or the Advisors are based are no longer reasonable if they were being furnished at such time, then the Borrower will promptly supplement, or cause to be supplemented, such Projections.

13. Other Transactions

Subject to the terms of this Amended and Restated Support Agreement, the Borrower shall keep the Consenting First Lien Lenders fully apprised on a contemporaneous basis of any discussions, inquiries or proposals made to the Borrower or initiated by a third party regarding any other proposed transaction (an "**Other Transaction**") and, except as permitted pursuant to this Amended and Restated Support Agreement, the Borrower shall not initiate any discussions, inquiries or proposals with a third party in respect of any transaction or agree to or enter into any non-binding or binding term sheets, commitments, understandings or agreements in respect of any Other Transaction without obtaining the prior approval of the Majority Consenting First Lien Lenders, and the Borrower shall cease any discussions with third parties with respect to any Other Transaction upon the written direction of Bennett Jones on behalf of the Majority

Consenting First Lien Lenders; provided that, notwithstanding the foregoing, or any other term of this Amended and Restated Support Agreement, the Borrower shall be permitted to negotiate an Other Transaction if, prior to any negotiation of definitive documents related to such Other Transaction, the Special Committee determines, on the advice of its financial and legal advisors, and after such legal or financial advisors have advised the Advisors that such proposal would be reasonably expected to result in a transaction that is more favorable to the Borrower, the First Lien Lenders and the Borrower's other stakeholders (as applicable) and provides for a treatment to the First Lien Lenders that is more favorable in all respects as the terms set forth in the CCAA Plan (a "**Superior Proposal**"); and the Special Committee has determined, based on the advice of the Borrower's financial and legal advisors, that the support of such Superior Proposal would be necessary for their compliance with their fiduciary duties as directors of a CBCA corporation. In the event the Borrower receives any proposal from a third party that the Special Committee believes may constitute a Superior Proposal, before accepting such Superior Proposal it will promptly notify the Consenting First Lien Lenders of the terms thereof, including the identity of the proposing party(ies). In the event that the Special Committee, after consultation with its financial and legal advisors, determines in good faith that it can no longer support or recommend the Transaction because of the receipt of a Superior Proposal, the Company shall promptly (in any event no later than one (1) business day following such determination) so inform the Consenting First Lien Lenders and the Advisors (including as to the terms of any such proposal that the Special Committee has determined is a Superior Proposal) and the Consenting First Lien Lenders, collectively, shall have five (5) Business Days in which to propose an alternative to the Superior Proposal that is of comparable value to the Borrower and its stakeholders and provides for a treatment to the First Lien Lenders that is at least as favourable in all respects as the terms set forth in the Superior Proposal and, at which time, the Borrower shall commit to and pursue such alternative proposal (and prior to the expiration of such five (5) Business Day period shall not accept such Superior Proposal). For certainty, the parties acknowledge and agree that, notwithstanding the completion of the SISP, any Other Transaction that is entered into by the Borrower in accordance with this Section 13 will constitute a "Superior Offer" for the purposes of the key employee incentive plan approved by the Court on March 28, 2018 and will constitute a "Transaction" for the purposes of the Borrower's engagement letter with Houlihan Lokey Capital, Inc. as approved by the Court on February 28, 2018, as amended from time to time.

14. Termination

(a) This Amended and Restated Support Agreement may be terminated by the Majority Consenting First Lien Lenders or First Lien Agent, in their sole discretion, by providing written notice to the other Parties hereto, upon:

(i) the Borrower failing to meet any of the timeline requirements set forth in the Credit Bid Term Sheet within the times set forth therein (as such times may be extended in accordance with the terms hereof);

(ii) the Borrower breaching any of its material obligations, covenants, representations or warranties under this Amended and Restated Support Agreement (including the Plan Term Sheet or the Credit Bid Term Sheet, as applicable), provided that if such obligation, covenant, representation or warranty is curable, it remains uncured for five Business Days after receipt by the Borrower of written notice thereof;

(iii) the issuance of any preliminary or final decision, order or decree by a governmental entity, or the commencement of an action or investigation by any governmental entity, in consequence of or in connection with the Transaction, which restrains, impedes or prohibits the Transaction;

(iv) the appointment of a receiver, interim receiver, receiver and manager, trustee in bankruptcy, liquidator or administrator with respect to the Borrower, unless such appointment is made with the prior written consent of the Majority Consenting First Lien Lenders; or

(v) any of the conditions set out in Section 10 not being waived, or satisfied and discharged in accordance with the terms thereof;

in each case unless the event giving rise to the termination right is waived or cured in accordance with the terms hereof.

(b) This Amended and Restated Support Agreement may be terminated by the Borrower, by providing written notice to the Consenting First Lien Lenders and First Lien Agent, upon:

(i) (A) with respect to any Consenting First Lien Lender, if such Consenting First Lien Lender has materially breached any of its obligations, covenants, representations or warranties under this Amended and Restated Support Agreement, provided that if such obligation, covenant, representation or warranty is curable, it remains uncured for five Business Days after receipt by the applicable Consenting First Lien Lender of written notice thereof, and

(B) with respect to all of the Consenting First Lien Lenders if at any time the aggregate outstanding principal amount of the Loans held by all Consenting First Lien Lenders does not equal more than 50% of the aggregate outstanding principal amount of the Loans, and remains uncured for five Business Days;

(ii) in the event that any of the timeline requirements set forth in the Credit Bid Term Sheet are not satisfied within the times set forth therein (as such times may be extended in accordance with the terms hereof);

(iii) upon the issuance of any preliminary or final decision, order or decree by a governmental entity, or the commencement of an action or investigation by any governmental entity, in consequence of or in connection with the Transaction, which restrains, impedes or prohibits the Transaction; or

(iv) any of the conditions set out in Section 11 not being waived, or satisfied and discharged in accordance with the terms thereof.

This Amended and Restated Support Agreement may be terminated at any time by written consent of all of the Borrower, each Consenting First Lien Lender and the First Lien Agent.

(c) This Amended and Restated Support Agreement shall automatically terminate following the completion of the Transaction on the Effective Date.

(d) Subject to Sections 14(e) and 14(f) below, this Amended and Restated Support Agreement, upon its termination, shall be of no further force and effect and each Party hereto shall be automatically and simultaneously released from its commitments, undertakings, and agreements under or related to this Support Agreement.

(e) Each Party shall be responsible and shall remain liable for any breach of this Amended and Restated Support Agreement by such Party (but not, in the case of Consenting First Lien Lenders, the breach by any other Consenting First Lien Lender) occurring prior to the termination of this Amended and Restated Support Agreement.

(f) Notwithstanding the termination of this Amended and Restated Support Agreement pursuant to this Section 14, the agreements and obligations of the Parties in Sections 8(e), 8(p), 15, 18(m) through 18(v) shall survive such termination and shall continue in full force and effect for the benefit of the Parties in accordance with the terms hereof.

15. Confidentiality

The Borrower agrees to maintain the confidentiality of the identity and the specific holdings of each Consenting First Lien Lender, provided however, that such information may be disclosed: (i) to the Borrower's directors, trustees, executives, officers, auditors, employees and financial and legal advisors or other agents (collectively referred to herein as the "**Representatives**" and individually as a "**Representative**") provided that each such Representative is informed of, and directed to comply with, this confidentiality provision; (ii) to the First Lien Agent, (iii) the Monitor appointed in the CCAA Proceeding and the Monitor's legal counsel; (iv) the Court, provided that the Borrower shall make reasonable efforts to obtain an order of the Court sealing such information; and (v) to Persons in response to, and to the extent required by, (x) any subpoena, or other legal process, including, without limitation, by a court of competent jurisdiction or applicable rules, regulations or procedures of a court of competent jurisdiction, or (y) any regulatory agency or authority. If the Borrower or any of its Representatives receive a subpoena or other legal process as referred to in clause (v)(x) above in connection with this Amended and Restated Support Agreement, the Borrower shall provide the applicable Consenting First Lien Lenders with prompt written notice of any such request or requirement, to the extent permissible and practicable under the circumstances, so that the Consenting First Lien Lenders may seek a protective order or other appropriate remedy. Each Consenting First Lien Lender agrees that the Borrower is permitted to publicly disclose the existence, content, terms and factual details of this Amended and Restated Support Agreement, including the aggregate holdings of the Consenting First Lien Lenders, (but not the identity and specific individual holdings of, any Consenting First Lien Lender), including, without limitation, in press releases and court materials, produced by the Borrower in connection with seeking approval of the Amended and Restated Support Agreement or the Transaction.

16. Additional Consenting First Lien Lenders

Each Party hereby acknowledges that additional First Lien Lenders may join this Amended and Restated Support Agreement at any time by agreeing pursuant to the Joinder Agreement to be bound by all of the terms of this Amended and Restated Support Agreement as if such First Lien Lender had originally executed this Support Agreement in respect of all Loans beneficially owned and/or managed by such First Lien Lender (each such First Lien Lender, an "**Additional Consenting First Lien Lender**" and all such Additional Consenting First Lien Lenders together with the Consenting Transferees, the "**Joining Consenting First Lien Lenders**").

17. Further Assurances

The Borrower and each Consenting First Lien Lender shall do all such things in their control, take all such actions as are commercially reasonable, deliver to the other Parties such further information and documents and execute and deliver to the other Parties such further instruments and agreements as another Party shall reasonably request to consummate or confirm the transactions provided for in this Amended and Restated Support Agreement, to accomplish the purpose of this Amended and Restated Support Agreement or to assure to the other Party the benefits of this Amended and Restated Support Agreement, including, as applicable, directing the First Lien Agent to take all such actions.

18. Miscellaneous

(a) Any reference to "CAD$" refers to lawful currency of Canada. Any reference to "US$" refers to lawful currency of the United States of America.

(b) The agreements, representations, warranties and covenants of the Consenting First Lien Lenders herein are, in all respects, several, and not joint or joint and several.

(c) Nothing in this Amended and Restated Support Agreement is intended to preclude the Consenting First Lien Lenders or their respective affiliated funds, investment vehicles, managed accounts or portfolio companies from engaging in any securities transactions, subject to the agreements set forth in Section 6 with respect to the Relevant Loans and other Debt.

(d) The headings in this Amended and Restated Support Agreement are for reference only and shall not affect the meaning or interpretation of this Amended and Restated Support Agreement.

(e) Unless the context otherwise requires, words importing the singular shall include the plural and vice versa and words importing any gender shall include all genders.

(f) This Amended and Restated Support Agreement (including all schedules hereto) and all other agreements entered into in connection with the Transaction constitutes the entire agreement and supersedes all prior agreements and understandings, both oral and written, among the Parties with respect to the subject matter hereof.

(g) For purposes of this Amended and Restated Support Agreement or the Transaction, the Borrower shall be entitled to rely on written confirmation from Bennett Jones that the Majority Consenting First Lien Lenders have agreed, waived, consented to or approved a particular matter. Bennett Jones shall be entitled to rely on a communication in any form acceptable to Bennett Jones, in its sole discretion, from any Initial Consenting First Lien Lenders for the purpose of determining whether such Initial Consenting First Lien Lender has agreed, waived, consented to or approved a particular matter, and the principal amount of Loans held by such Initial Consenting First Lien Lender.

(h) No director, officer or employee of the Borrower or any of the Borrower's legal, financial or other advisors shall have any personal liability to any of the Consenting First Lien Lenders or the First Lien Agent under this Amended and Restated Support Agreement or as a result of the execution or delivery of items required by this Amended and Restated Support Agreement. No director, officer or employee of any of the Consenting First Lien Lenders or the First Lien Agent shall have any personal liability to the Borrower, the other Consenting First Lien Lenders or First Lien Agent under this Amended and Restated Support Agreement.

(i) For purposes of this Amended and Restated Support Agreement or the Transaction, where a matter shall have been agreed, waived, consented to or approved by the Borrower, or a matter must be satisfactory or acceptable to the Borrower, such agreement, waiver, consent, approval or other action shall be determined by the Special Committee. The Consenting First Lien Lenders and the First Lien Agent shall be entitled to reply on written confirmation from Cassels that the Special Committee has agreed, waived, consented to or approved a particular matter.

(j) This Amended and Restated Support Agreement may be modified, amended or supplemented as to any matter in writing signed by the Borrower, the Majority Consenting First Lien Lenders and First Lien Agent.

(k) Any provision of this Amended and Restated Support Agreement may be waived if, and only if, such waiver is in writing and signed by the Party against whom the waiver is to be effective (or, in the case of the Majority Consenting First Lien Lenders, Bennett Jones). A waiver by the Consenting First Lien Lenders will require the agreement of the Majority Consenting First Lien Lenders in order to be effective. No failure or delay by any Party 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.

(l) Any date, time or period referred to in this Amended and Restated Support Agreement shall be of the essence except to the extent to which the Parties agree in writing to vary any date, time or period, in which event the varied date, time or period shall be of the essence.

(m) This Amended and Restated Support Agreement is to be governed and construed in accordance with the laws of the Province of Alberta and the laws of Canada applicable therein applicable to contracts made and to be performed in such province, without giving effect to the conflict of laws principles thereof, and all actions or proceedings arising out of or relating to this Amended and Restated Support Agreement shall be heard and determined exclusively in the courts of the Province of Alberta.

(n) It is understood and agreed by the Parties that money damages would not be a sufficient remedy for any breach of Sections 6(b), 6(c), 6(d), 6(e), 6(f) and/or 6(g) by any of the Consenting First Lien Lenders and each non-breaching Party shall be entitled to specific performance and injunctive or other equitable relief as a remedy of any such breach, including an order by a court of competent jurisdiction requiring any Party to comply promptly with any of such obligations.

(o) In the event of a material breach of this Amended and Restated Support Agreement by any of the Consenting First Lien Lenders, the Consenting First Lien Lenders and the First Lien Agent agree that the breaching Consenting First Lien Lender shall be stayed from any action to (i) accelerate or enforce or take any action or initiate any proceeding to accelerate or enforce the payment or repayment of any Debt (including for greater certainty any due and unpaid interest on its Relevant Loans) or Additional Claims for a period of 6 months or (ii) object to a reasonable extension of the stay of proceedings in the CCAA Proceedings.

(p) Unless expressly stated otherwise herein, this Amended and Restated Support Agreement is intended to solely bind and inure to the benefit of the Parties and their respective successors, permitted assigns, heirs, executors, administrators and representatives, and, with respect to Section 8(e) to also inure to the benefit of the respective Persons named therein and their respective successors, permitted assigns, heirs, executors, administrators and representatives. No other Person or entity shall be a third party beneficiary hereof.

(q) No Party may assign, delegate or otherwise transfer any of its rights, interests or obligations under this Amended and Restated Support Agreement without the prior written consent of the other Parties hereto, except by the Consenting First Lien Lenders with respect to a Transfer of Relevant Loans and other Debt in compliance with and to the extent permitted by Section 6(d)(i).

(r) All notices, requests, consents and other communications hereunder to any Party shall be deemed to be sufficient if contained in a written instrument delivered in person or sent by facsimile, internationally-recognized overnight courier or email. All notices required or permitted hereunder shall be deemed effectively given: (i) upon personal delivery to the Party to be notified; (ii) when sent by facsimile or email if sent during normal business hours of the recipient, if not, then on the next Business Day of the recipient; or (iii) one Business Day after deposit with an internationally recognized overnight courier, specifying next day delivery, with written verification of receipt. All deliveries required or permitted hereunder shall be deemed effectively made: (i) upon personal delivery to the Party receiving the delivery; (ii) one Business Day after deposit with an internationally recognized overnight courier, specifying next day delivery, with written verification of receipt; or (iii) upon receipt of delivery in accordance with instructions given by the Party receiving the delivery. Any Party may change the address to which notice should be given to such Party by providing written notice to the other Parties hereto of such change. The address, facsimile and email for each of the Parties shall be as follows:

(i) If to the Borrower:

Connacher Oil and Gas Limited
Suite 1040, 640 5th Avenue SW
Calgary, AB T2P 3G4
Attention: Suzanne Loov

Email: sloov@connacheroil.com

with a copy (which shall not constitute notice) given in like manner to:

Cassels Brock & Blackwell LLP
2100 Scotia Plaza
40 King St West
Toronto, ON M5H 3C2
Attention: Ryan Jacobs and Joseph Bellissimo

Facsimile: 416.640.3189
Email: rjacobs@casselsbrock.com; jbellissimo@casselsbrock.com

(ii) If to one or more Initial Consenting First Lien Lenders or Consenting First Lien Lenders at:

The address set forth for each applicable Initial Consenting First Lien Lender or Consenting First Lien Lenders at the address shown for it beside its signature.

with a copy (which shall not constitute notice) given in like manner to:

Bennett Jones LLP
3400 One First Canada Place
Toronto, ON M5X 1A4
Attention: Sean Zweig and Luke Morrison

Facsimile: 416.863.1716
Email: zweigs@bennettjones.com; morrisonl@bennettjones.com

(iii) If to the First Lien Agent:

Wilmington Trust, National Association
Rodney Square North, 1100 North Market Street
Wilmington, DE 19890
Attention: Joseph B. Feil

Facsimile: 302.636.4145
Email: jfeil@wilmingtontrust.com

with a copy (which shall not constitute notice) given in like manner to:

Jones Day
222 East 41st Street
New York, NY 10017-6702
Attention: Lewis Grimm

Facsimile: 212.755.7306
Email: lgrimm@jonesday.com

with a copy (which shall not constitute notice) given in like manner to:

Bennett Jones LLP
3400 One First Canada Place
Toronto, ON M5X 1A4
Attention: Sean Zweig and Luke Morrison

Facsimile: 416.863.1716
Email: zweigs@bennettjones.com; morrisonl@bennettjones.com

(s) The payment and issuance of fees, costs, expenses, compensation and other amounts under this Amended and Restated Support Agreement will be made free and clear of and without withholding or deduction for or on account of any present or future tax, duty, levy, impost, assessment or other governmental charged (including penalties, interest and other liabilities, or expenses related thereto) imposed or levied by or on behalf of any authority or agency having power to tax.

(t) If any term, provision, covenant or restriction of this Amended and Restated Support Agreement is held by a court of competent jurisdiction to be invalid, void or unenforceable, the remainder of the provisions, including terms, covenants and restrictions, of this Amended and Restated Support Agreement shall remain in full force and effect and shall in no way be affected, impaired or invalidated and the Parties shall negotiate in good faith to modify this Amended and Restated Support Agreement to preserve each Party's anticipated benefits under this Support Agreement.

(u) Except as explicitly provided for herein, and notwithstanding any termination of this Amended and Restated Support Agreement, nothing herein is intended to, or does, in any manner waive, limit, impair or restrict the ability of any Consenting First Lien Lender or the Borrower to protect and preserve its rights, remedies and interests (including, with respect to the Consenting First Lien Lenders, their claims against the Borrower), and each Party fully reserves any and all of its rights. Nothing herein shall be deemed an admission of any kind.

(v) This Amended and Restated Support Agreement may be executed by facsimile or other electronic means and in one or more counterparts, all of which shall be considered one and the same agreement.

[Remainder of Page Intentionally Left Blank]

IN WITNESS WHEREOF, each of the undersigned has caused this Amended and Restated Support Agreement to be duly executed and delivered by its proper and duly authorized officer as of the date first written above.

CONNACHER OIL AND GAS LIMITED

By: ______________________

Name: MERLE JOHNSON

Title: CEO

WILMINGTON TRUST, NATIONAL ASSOCIATION, as Administrative Agent

By: ______________________

Name:

Title:

IN WITNESS WHEREOF, each of the undersigned has caused this Amended and Restated Support Agreement to be duly executed and delivered by its proper and duly authorized officer as of the date first written above.

CONNACHER OIL AND GAS LIMITED

By: ____________________

Name:

Title:

WILMINGTON TRUST, NATIONAL ASSOCIATION, as Administrative Agent

By: ____________________

Name: Joseph B. Feil

Title: Vice President

STRICTLY CONFIDENTIAL

Name of Consenting First Lien Lender:

AVENUE ENERGY OPPORTUNITIES FUND, L.P.
BY: AVENUE ENERGY OPPORTUNITIES PARTNERS, LLC,
ITS GENERAL PARTNER
BY: GL ENERGY OPPORTUNITIES PARTNERS, LLC,
ITS MANAGING MEMBER

Per: ______________________

Name: Sonia Gardner

Title: Member

Address: 399 Park Ave 6th Fl
New York, NY 10022

Aggregate Principal amount of Tranche A Loans held by the Consenting First Lien Lender pursuant to the First Lien Credit Agreement	
Aggregate Principal amount of Tranche B Loans held by the Consenting First Lien Lender pursuant to the First Lien Credit Agreement	
Aggregate Principal amount of 12% convertible second lien notes held by the Consenting First Lien Lender under the Indenture dated May 8, 2015	
Aggregate Principal amount of Additional Claims held by the Consenting First Lien Lender	

STRICTLY CONFIDENTIAL

Name of Consenting First Lien Lender: CREDIT SUISSE LOAN FUNDING

Per: [signature]

Name: SIDDHARTH SWARUP

Title: AUTHORIZED SIGNATORY

Address: 11 MADISON AV
NEW YORK, NY, 10010

Aggregate Principal amount of Tranche A Loans held by the Consenting First Lien Lender pursuant to the First Lien Credit Agreement	
Aggregate Principal amount of Tranche B Loans held by the Consenting First Lien Lender pursuant to the First Lien Credit Agreement	
Aggregate Principal amount of 12% convertible second lien notes held by the Consenting First Lien Lender under the Indenture dated May 8, 2015	
Aggregate Principal amount of Additional Claims held by the Consenting First Lien Lender	

STRICTLY CONFIDENTIAL

Name of Consenting First Lien Lender:

Greywolf CLO II, LTD

By: Greywolf Loan Management LP, as Portfolio Manager

Per: ______________________

Name: Christopher Samios

Title: Authorized Signatory

Address: 4 Manhattanville Road
Suite 201
Purchase, NY 10577

Aggregate Principal amount of Tranche A Loans held by the Consenting First Lien Lender pursuant to the First Lien Credit Agreement	
Aggregate Principal amount of Tranche B Loans held by the Consenting First Lien Lender pursuant to the First Lien Credit Agreement	
Aggregate Principal amount of 12% convertible second lien notes held by the Consenting First Lien Lender under the Indenture dated May 8, 2015	
Aggregate Principal amount of Additional Claims held by the Consenting First Lien Lender	

STRICTLY CONFIDENTIAL

Name of Consenting First Lien Lender:

Greywolf CLO III, LTD

By: Greywolf Loan Management LP, as Portfolio Manager

Per: ______________________

Name:

Title: Christopher Samios
Authorized Signatory

Address: 4 Manhattanville Road
Suite 201
Purchase, NY 10577

Aggregate Principal amount of Tranche A Loans held by the Consenting First Lien Lender pursuant to the First Lien Credit Agreement	
Aggregate Principal amount of Tranche B Loans held by the Consenting First Lien Lender pursuant to the First Lien Credit Agreement	
Aggregate Principal amount of 12% convertible second lien notes held by the Consenting First Lien Lender under the Indenture dated May 8, 2015	
Aggregate Principal amount of Additional Claims held by the Consenting First Lien Lender	

STRICTLY CONFIDENTIAL

Name of Consenting First Lien Lender:

Greywolf CLO IV, LTD

By: Greywolf Loan Management LP, as Portfolio Manager

Per: ______________________

Name:

Title: Christopher Samios
Authorized Signatory

Address: 4 Manhattanville Road
Suite 201
Purchase, NY 10577

Aggregate Principal amount of Tranche A Loans held by the Consenting First Lien Lender pursuant to the First Lien Credit Agreement	
Aggregate Principal amount of Tranche B Loans held by the Consenting First Lien Lender pursuant to the First Lien Credit Agreement	
Aggregate Principal amount of 12% convertible second lien notes held by the Consenting First Lien Lender under the Indenture dated May 8, 2015	
Aggregate Principal amount of Additional Claims held by the Consenting First Lien Lender	

STRICTLY CONFIDENTIAL

Name of Consenting First Lien Lender:

Greywolf Strategic Master Fund SPC, Ltd - MSP4
By: Greywolf Capital Management LP, its investment manager

Per: ______________________

Name: Chris Samios

Title: General Counsel

Address: 4 Manhattanville Road, Suite 201
Purchase, NY 10577

Aggregate Principal amount of Tranche A Loans held by the Consenting First Lien Lender pursuant to the First Lien Credit Agreement	
Aggregate Principal amount of Tranche B Loans held by the Consenting First Lien Lender pursuant to the First Lien Credit Agreement	
Aggregate Principal amount of 12% convertible second lien notes held by the Consenting First Lien Lender under the Indenture dated May 8, 2015	
Aggregate Principal amount of Additional Claims held by the Consenting First Lien Lender	

STRICTLY CONFIDENTIAL

Name of Consenting First Lien Lender: Greywolf Event Driven Master Fund
By: Greywolf Capital Management LP, its investment manager

Per: ________________

Name: Chris Samios

Title: General Counsel

Address: 4 Manhattanville Road Suite 201
Purchase, NY 10577

Aggregate Principal amount of Tranche A Loans held by the Consenting First Lien Lender pursuant to the First Lien Credit Agreement	
Aggregate Principal amount of Tranche B Loans held by the Consenting First Lien Lender pursuant to the First Lien Credit Agreement	
Aggregate Principal amount of 12% convertible second lien notes held by the Consenting First Lien Lender under the Indenture dated May 8, 2015	
Aggregate Principal amount of Additional Claims held by the Consenting First Lien Lender	

STRICTLY CONFIDENTIAL

Name of Consenting First Lien Lender: Trilogy Capital

Per: Barry D Kupferberg

Name: Barry D Kupferberg

Title: Director of Research

Address: 40 East 66th Street
New York, NY

Aggregate Principal amount of Tranche A Loans held by the Consenting First Lien Lender pursuant to the First Lien Credit Agreement	
Aggregate Principal amount of Tranche B Loans held by the Consenting First Lien Lender pursuant to the First Lien Credit Agreement	
Aggregate Principal amount of 12% convertible second lien notes held by the Consenting First Lien Lender under the Indenture dated May 8, 2015	
Aggregate Principal amount of Additional Claims held by the Consenting First Lien Lender	

STRICTLY CONFIDENTIAL

Name of Consenting First Lien Lender: VR Global Partners, L.P.

Per:

Name: Emile Du Toit

Title: Authorized Signatory

Address: 51 Holland Street, London W8 7JB, United Kingdom

Aggregate Principal amount of Tranche A Loans held by the Consenting First Lien Lender pursuant to the First Lien Credit Agreement	
Aggregate Principal amount of Tranche B Loans held by the Consenting First Lien Lender pursuant to the First Lien Credit Agreement	
Aggregate Principal amount of 12% convertible second lien notes held by the Consenting First Lien Lender under the Indenture dated May 8, 2015	
Aggregate Principal amount of Additional Claims held by the Consenting First Lien Lender	

STRICTLY CONFIDENTIAL

Name of Consenting First Lien Lender: Rimrock Capital Management, LLC on behalf of certain funds it manages and/or advises

Per: ______________________

Name: Santino Blumetti

Title: Managing Director

Address: 100 Innovation Drive
Irvine, CA 92617

Aggregate Principal amount of Tranche A Loans held by the Consenting First Lien Lender pursuant to the First Lien Credit Agreement	
Aggregate Principal amount of Tranche B Loans held by the Consenting First Lien Lender pursuant to the First Lien Credit Agreement	
Aggregate Principal amount of 12% convertible second lien notes held by the Consenting First Lien Lender under the Indenture dated May 8, 2015	
Aggregate Principal amount of Additional Claims held by the Consenting First Lien Lender	

SCHEDULE "A"

DEFINITIONS

Definition	Section
"Additional Claims"	Section 3(a)
"Additional Consenting First Lien Lender"	Section 16
"Advisors"	Section 3(f)
"Alternative Transaction"	Recitals
"Amended and Restated Support Agreement"	Recitals
"Borrower"	Recitals
"CCAA"	Recitals
"CCAA Plan"	Recitals
"CCAA Plan Termination Event"	Section 2
"CCAA Proceeding"	Recitals
"Consenting First Lien Lenders"	Recitals
"Consenting Transferee"	Section 6(d)(i)
"Court"	Recitals
"Credit Bid Term Sheet"	Recitals
"Credit Bid Transaction"	Recitals
"First Lien Agent"	Recitals
"First Lien Credit Agreement"	Recitals
"First Lien Lenders"	Recitals
"Indemnified Party" or "Indemnified Parties"	Section 8(e)
"Initial Consenting First Lien Lenders"	Recitals
"Initial Order"	Recitals
"Joining Consenting First Lien Lenders"	Section 16
"Loans"	Recitals
"Managed Fund"	Section 6(d)(i)
"Original Term Sheet"	Recitals
"Other Transaction"	Section 13
"Party" or "Parties"	Recitals
"Plan Term Sheet"	Recitals
"Plan Transaction"	Recitals
"PSA"	Recitals
"Relevant Loans"	Section 3(a)
"Representative(s)"	Section 15
"Restructuring Transaction"	Recitals

“Security”	Section 5(a)
“SISP”	Recitals
“Support Agreement”	Recitals
“Transaction”	Recitals
“Transfer”	Section 6(d)(i)

“**Administrative Reserve**” has the meaning ascribed to that term in the Credit Bid Term Sheet.

“**AER**” means the Alberta Energy Regulator, or any successor thereto having jurisdiction over the assets of the Borrower or certain of them or the operation thereof.

“**Approval and Vesting Order**” means an order of the Court, substantially in the form attached to the PSA.

“**Audited Financial Statements**” means the audited balance sheets, and the related statements of operations and comprehensive income (loss), statements of changes in shareholders’ equity, and statements of cash flows, of the Borrower as of and for the fiscal year ended December 31, 2016, together with the notes thereto.

“**Authorization Order**” means an order of the Court, in form and substance satisfactory to the Borrower and the Majority Consenting First Lien Lenders, each acting reasonably, among other things: (i) authorizing the Borrower to enter into this Amended and Restated Support Agreement and to pursue the Transaction in accordance with the terms of this Amended and Restated Support Agreement, including either the Plan Term Sheet or the Credit Bid Term Sheet, as applicable; (ii) approving the Credit Bid KERP; and (iii) sealing certain portions of this Amended and Restated Support Agreement.

“**Bennett Jones**” means Bennett Jones LLP, counsel to the Initial Consenting First Lien Lenders and the First Lien Agent.

“**Business Day**” means each day, other than a Saturday or Sunday or a statutory or civic holiday, that banks are open for business in Toronto, Ontario, or Calgary, Alberta Canada.

“**Cassels**” means Cassels Brock & Blackwell, LLP, counsel to the Borrower.

“**Claim**” has the meaning set forth in the CCAA Plan.

“**Contingent Liabilities**” means, with respect to a Person, any agreement, undertaking or arrangement by which the Person guarantees, endorses or otherwise becomes or is contingently liable upon (by direct or indirect agreement, contingent or other, to provide funds for payment, to supply funds to, or otherwise to invest in a debtor, or otherwise to assure a creditor against loss) the obligation, debt or other liability of any other Person or guarantees the payment of dividends or other distributions upon the shares (or other ownership interests) of any Person. The amount of any contingent liability will, subject to any limitation contained therein, be deemed to be the outstanding principal amount (or maximum principal amount, if larger) of the obligation, debt or other liability to which the contingent liability is related.

"**Contract(s)**" means all agreements, contracts, leases (whether for real or personal property), purchase orders, undertakings, covenants not to compete, employment agreements, confidentiality agreements, licenses, instruments, obligations and commitments to which a Person is a party or by which a Person or any of its assets are bound or affected, whether written or oral.

"**Convertible Notes**" means the convertible notes issued to certain participating holders pursuant to an indenture dated May 8, 2015 among the Borrower and Wilmington Trust, National Association, as trustee, having a face value of US$35 million and a maturation date of August 31, 2018, which are secured on a second priority basis.

"**Credit Bid KERP**" means the credit bid key employee retention plan substantially in the form attached as Schedule "H" hereto.

"**Credit Bid Purchaser**" means the Person (referred to in the Credit Bid Term Sheet as "**Newco**") incorporated and organized at the instruction of the Consenting First Lien Lenders to act as the "Purchaser" as defined in and under the PSA.

"**Creditor**" means the holder of a Claim and includes a transferee or assignee of a Claim that is recognized as a Creditor by the Monitor in accordance with the CCAA Plan, and any trustee, liquidator, receiver, receiver and manager or other Person acting on behalf of such holder.

"**Creditors' Meetings**" means the meetings of each class of Creditors called for the purposes of considering and voting in respect of the CCAA Plan, as set out in and held pursuant to the Creditors' Meeting Order, and includes any postponements or adjournments thereof.

"**Creditors' Meeting Order**" means an order of the Court, in form and substance satisfactory to the Borrower and the Majority Consenting First Lien Lenders, each acting reasonably, among other things, authorizing the Borrower to convene one or more meetings of its Creditors to consider and vote on the CCAA Plan.

"**Debt**" means the Relevant Loans, together with the aggregate amount owing in respect of the Relevant Loans, including accrued and unpaid interest and any other amount that such Consenting First Lien Lender is entitled to claim in respect of the Relevant Loans pursuant to the First Lien Credit Agreement.

"**Direction**" means a direction substantially in the form attached hereto as Schedule "G".

"**Disclosure Letter**" means the letter from the Borrower to the Advisors dated March 19, 2018, all or any portion of which the Advisors shall be entitled to share with the Consenting First Lien Lenders which they represent, subject to the terms of the confidentiality provisions contained in the First Lien Credit Agreement.

"**Distribution Order**" has the meaning ascribed to that term in the Credit Bid Term Sheet.

"**Effective Date**" means the date on which a Transaction is implemented.

"**First Lien Obligations**" means all obligations and liabilities owing by the Borrower under the First Lien Credit Agreement.

"**GAAP**" means International Financial Reporting Standards, as adopted by the Canadian Accounting Standards Board, being Canadian generally accepted accounting principles for publicly accountable enterprises, as in effect from time to time.

"**Joinder Agreement**" means the joinder agreement, in the form attached hereto as Schedule "F".

"**Leased Premises**" means the premises leased by the Borrower under the Real Property Leases;

"**Majority Consenting First Lien Lenders**" means (i) as of the date of execution hereof, the Initial Consenting First Lien Lenders holding not less than a majority of the principal amount of Loans held by all Initial Consenting First Lien Lenders, and (ii) after the date hereof, in the event that there are Joining Consenting First Lien Lenders, the Consenting First Lien Lenders holding not less than a majority of the principal amount of Loans held by all Consenting First Lien Lenders.

"**Material Contract**" means each Contract and other instrument or document (including any amendment to any of the foregoing) of the Borrower:

(i) with any director, officer or affiliate of the Borrower;

(ii) that in any way purports to materially restrict the business activity of the Borrower or to limit the freedom of the Borrower to engage in any line of business or to compete with any Person or in any geographic area or to hire or retain any Person;

(iii) that could reasonably be expected to have a material effect on the business, affairs, condition, capitalization, properties, assets, liabilities, prospects, operations or financial performance of the Borrower, or on the Transaction; and

(iv) any other Contract, if a breach of such Contract could reasonably be expected to result in a material adverse effect.

"**Person**" means an individual, a corporation, a partnership, a limited liability company, a trust, an unincorporated association, a governmental entity or any agency, instrumentality or political subdivision of a governmental entity, or any other entity or body.

"**Plan Outside Date**" means July 31, 2019, or such other date as the Majority Consenting First Lien Lenders and the Borrower may agree.

"**Projections**" means all forward looking information and future oriented financial information and all other financial projections.

"**PSA**" has the meaning given to it in the recitals of this Amended and Restated Support Agreement.

"**Real Property Leases**" means the leases and agreements to lease real property of the Borrower listed in the Disclosure Letter.

"**Releases**" shall have the meaning ascribed to that term in the Credit Bid Term Sheet.

"**Requisite Transaction Approvals**" means (i) the Authorization Order; (ii) in the case of a Plan Transaction, the Creditors' Meeting Order and the Sanction Order or, in the case of a Credit Bid Transaction, the Approval and Vesting Order; and (iii) any other order of the Court in connection with the implementation of the Transaction.

"**Sanction Order**" means an order of the Court, in form and substance satisfactory to the Borrower and the Majority Consenting First Lien Lenders, each acting reasonably, among other things, approving the CCAA Plan and providing for the releases and other relief from the Court contemplated by the CCAA Plan.

"**Special Committee**" means the Special Committee of the board of directors of the Borrower.

"**Superior Offer**" has the meaning ascribed to the term Superior Transaction in the SISP.

"**Tax**" or "**Taxes**" includes all present and future taxes, surtaxes, duties, levies, imposts, rates, fees, assessments, withholdings, dues and other changes of any nature imposed by any governmental authority, including income, capital, withholding, consumption, sales, use, transfer, goods and services, harmonized or other value added, excise, customs, anti-dumping, countervail, net worth, stamp, registration, franchise, payroll, employment health, education, business, school, property, local improvement, development, education development and occupation taxes, surtaxes, duties, levies, imposts rates, fees, assessments, withholdings, dues and charges, and other assessments or similar charges in the nature of a tax, including Canada Pension Plan and provincial pension plan contributions, employment insurance and unemployment insurance premiums and workers compensation premiums, together with all fines, interest, penalties on or in respect of, or in lieu of or for non-collection of, those taxes, surtaxes, duties, levies, imposts, rates, fees, assessments, withholdings, dues and other changes, whether disputed or not.

"**Tax Return**" or "**Tax Returns**" means all returns, declarations of estimated tax payments, reports, estimates, information returns, and statements, including any related or supporting information with respect to any of the foregoing, filed or required to be filed with any taxing authority.

SCHEDULE "B"

PLAN TERM SHEET

SCHEDULE "B"

CONNACHER OIL AND GAS LIMITED

PLAN TERM SHEET

OUTLINE OF KEY TERMS AND CONDITIONS

*This summary of terms and conditions (the "**Term Sheet**") is not exhaustive or definitive as to the terms and conditions which would govern any transactions referred to herein. This Term Sheet does not give rise to any legally binding obligations, and no term or condition provided herein shall be effective except as may be specifically provided in definitive written agreements entered into by the applicable parties that have become effective in accordance with their terms.*

*Capitalized terms used herein but not otherwise defined herein have the meaning ascribed to them in the First Lien Credit Agreement dated as of May 23, 2014 among Connacher Oil and Gas Limited, as borrower (the "**Borrower**"), the lenders party thereto and Wilmington Trust, National Association, as successor administrative agent (as such agreement has been and may be amended, modified and supplemented from time to time, including by the Amendment No. 1 dated May 8, 2015, the "**First Lien Credit Agreement**" and all obligations and liabilities owing thereunder in connection therewith, the "**First Lien Obligations**") or the Amended and Restated Support Agreement between the Borrower, the Consenting First Lien Lenders and the First Lien Agent dated May 6, 2019 (the "**Support Agreement**") to which this Term Sheet is attached as Schedule "B".*

I. PURPOSE OF TERM SHEET

This Term Sheet describes the material terms of the Plan Transaction, which the Consenting First Lien Lenders have confirmed their support of pursuant to the Support Agreement.

In the event of a conflict between the terms of this Term Sheet and the Support Agreement, the terms of the Support Agreement shall govern. In the event of a conflict between the terms of this Term Sheet and the CCAA Plan, the terms of the CCAA Plan shall govern.

II. PARTIES

BORROWER (UNDER FIRST LIEN CREDIT AGREEMENT):	Connacher Oil and Gas Limited
FIRST LIEN ADMINISTRATIVE AGENT:	Wilmington Trust, National Association ("**Wilmington**"), as administrative agent under the First Lien Credit Agreement (in such capacity, and together with any sub-agent appointed by Wilmington to effect certain steps of the Plan Transaction on Wilmington's behalf, including entering into certain of the Definitive Documents (as defined below) the "**First Lien Agent**").
FIRST LIEN LENDERS:	Lenders under the First Lien Credit Agreement (the "**First Lien Lenders**")
CONSENTING FIRST LIEN	Certain funds managed by Credit Suisse, Trilogy Capital

LENDERS: Management, LLC, Rimrock Capital, Greywolf Capital Management LP, Avenue Capital, and VR Capital (the "**Initial Consenting First Lien Lenders**"), together with Joining Consenting First Lien Lenders (the "**Consenting First Lien Lenders**").[1]

III. IMPLEMENTATION OF TRANSACTION

The Borrower shall forthwith, and in any event by May 16, 2019, make an application to the Court in the CCAA Proceeding for an order approving the Support Agreement.

Pursuant to the Support Agreement, the Borrower, the Consenting First Lien Lenders and the First Lien Agent have agreed to pursue the Plan Transaction whereby a portion of the First Lien Obligations will be exchanged for new senior secured debt of the Borrower and for all of the equity of the Borrower, on the terms more particularly described in this Term Sheet, which Plan Transaction shall be effected by way of the CCAA Plan.

IV. RECAPITALIZATION OF THE BORROWER

RESTRUCTURING TRANSACTION: The Plan Transaction shall include the following transactions whereby, among other things, pursuant to and in accordance with the CCAA Plan:

(a) all of the claims against the Borrower, including claims under the First Lien Credit Agreement but excluding Unaffected Claims (as defined in the CCAA Plan), shall be compromised and extinguished in accordance with the CCAA Plan;

(b) a portion of the Borrower's cash-on-hand shall be used to (A) satisfy in full any claims (including any claims under the CCAA Court-ordered charges established in the CCAA Proceeding) which are *pari passu* to or have priority over the claims under the First Lien Credit Agreement and (B) establish the Administrative Reserve Fund (as defined in the CCAA Plan);[2]

(c) each Tranche A Lender shall receive in respect of the principal amount (but not accrued interest) of its Tranche A Loans its *pro rata* share of the obligations under the New

---

1 Matters in this Term Sheet requiring the acceptance or agreement of the First Lien Agent shall require the acceptance or agreement of the Required Lenders, it being understood that the Initial Consenting First Lien Lenders own and control sufficient First Lien Obligations such that they are Required Lenders. Matters in this Term Sheet requiring the acceptance or agreement of the Consenting First Lien Lenders shall require the acceptance or agreement of the Consenting First Lien Lenders holding a majority of the principal amount of the Loans held by all the Consenting First Lien Lenders at the relevant time.

2 It is assumed that the cash-on-hand at closing will be sufficient to satisfy all priority or *pari passu* claims and to fund the Administrative Reserve Fund.

Senior Secured Term Facility (as defined below), based on the outstanding principal amount of Tranche A Loans owing to a Tranche A Lender in relation to the outstanding aggregate principal amount of Tranche A Loans owing to all Tranche A Lenders as of the Effective Date (as defined in the CCAA Plan);

(d) each Tranche A Lender and Tranche B Lender shall receive in respect of, in the case of a Tranche A Lender, the accrued interest on its Tranche A Loans, and, in the case of a Tranche B Lender, the principal and accrued interest of its Tranche B Loans, its *pro rata* share of the New Shares (as defined below), based on the outstanding accrued interest of Tranche A Loans and the outstanding principal and accrued interest of Tranche B Loans owing to a First Lien Lender in relation to the outstanding aggregate accrued interest of all Tranche A Loans and the outstanding aggregate principal and accrued interest of all Tranche B Loans owing to all First Lien Lenders as of the Effective Date; and

(e) a portion of the Borrower's cash-on-hand shall be used to establish a general creditor pool in the amount of $500,000 (plus the amount required to satisfy "Convenience Class Claims" under the CCAA Plan) which shall be distributed to the Borrower's affected creditors (including to the First Lien Lenders on account of their deficiency claims) in accordance with the CCAA Plan. The First Lien Lenders deficiency claims shall equal the amount of the estimated deficiency claim that would have existed under the Borrower's previous Amended and Restated Plan of Compromise and Arrangement dated August 13, 2018 with the intention that distributions to be made to affected creditors (other than the First Lien Lenders) under the CCAA Plan will be substantially similar to the distributions that would have been made to all affected creditors (other than the First Lien Lenders) under the Borrower's Amended and Restated Plan of Compromise and Arrangement dated August 13, 2018.

NEW SHARES: Voting common shares of a newly created class of shares of the Borrower, in such aggregate number as shall be determined by the Majority Consenting First Lien Lenders, which will be issued to the First Lien Lenders upon or in connection with implementation of the Plan Transaction in accordance with the CCAA Plan and, immediately following issuance, will constitute all of the issued and outstanding shares of the Borrower (the "**New Shares**"). No fractional New Shares shall be issued. Any fractional New Shares that would have otherwise been issued shall be rounded down to the nearest whole number.

V. NEW SENIOR SECURED TERM FACILITY

NEW SENIOR SECURED TERM FACILITY: US$41,837,684.35 first lien term facility (the "**New Senior Secured Term Facility**"). A new first lien credit agreement will be entered into with respect to the New Senior Secured Term Facility (the "**New First Lien Credit Agreement**").

OID: 2.0%, to be paid by the Borrower to the New Agent for the benefit of the First Lien Lenders on the Effective Date.

MATURITY: 5 years from the Effective Date.

INTEREST RATE: Term Loans will bear interest at the three month U.S. Dollar LIBOR rate plus 9.5% (with a minimum LIBOR "floor" of 2.0%), payable in cash quarterly in arrears.

BORROWER: Connacher Oil and Gas Limited

AGENT: The First Lien Agent or such other agent acceptable to the Consenting First Lien Lenders (in such capacity, the "**New Agent**").

AMORTIZATION: Partial repayments of the principal amount of the New Senior Secured Term Facility payable on the last Business Day of each fiscal quarter of the Borrower during the term of the New Senior Secured Term Facility as follows:

Term	% Amort	$ Amort	Outstanding Principal
0.25y	1.2500%	$522,971	$41,314,713
0.50y	1.2500%	$522,971	$40,791,742
0.75y	1.2500%	$522,971	$40,268,771
1.00y	1.2500%	$522,971	$39,745,800
1.25y	1.8750%	$784,457	$38,961,343
1.50y	1.8750%	$784,457	$38,176,887
1.75y	1.8750%	$784,457	$37,392,430
2.00y	1.8750%	$784,457	$36,607,974
2.25y	2.5000%	$1,045,942	$35,562,031
2.50y	2.5000%	$1,045,942	$34,516,089
2.75y	2.5000%	$1,045,942	$33,470,147
3.00y	2.5000%	$1,045,942	$32,424,205
3.25y	3.1250%	$1,307,428	$31,116,777
3.50y	3.1250%	$1,307,428	$29,809,350
3.75y	3.1250%	$1,307,428	$28,501,922
4.00y	3.1250%	$1,307,428	$27,194,495
4.25y	3.75%	$1,568,913	$25,625,581
4.50y	3.75%	$1,568,913	$24,056,668
4.75y	3.75%	$1,568,913	$22,487,755
5.00y	53.75%	$22,487,755	$0

GUARANTORS:	Any existing and future subsidiaries of the Borrower (the "**Guarantors**").
SECURITY AND RANKING:	First lien security interest in substantially all assets of the Borrower and the Guarantors, subject to the terms of any intercreditor agreement entered into in connection with any ABL Facility (as defined below) (if any) and subject to permitted encumbrances to be defined in the New First Lien Credit Agreement, including (i) ATB Financial's ("**ATB**") security interest in certain cash collateral (the "**ATB Security**") held by ATB in connection with credit facilities provided by ATB to the Borrower, which will be unaffected by the CCAA Plan, and (ii) the security interests granted in connection with the BEH Royalty Agreement, which will be unaffected by the CCAA Plan.
MANDATORY PREPAYMENTS:	Subject to any intercreditor agreement, amounts outstanding under the New Senior Secured Term Facility will be subject to mandatory prepayments from asset dispositions under provisions similar to the comparable provisions of the First Lien Credit Agreement regarding asset dispositions, or as otherwise required (in the case of asset dispositions) by the Consenting First Lien Lenders; and for certainty no other mandatory prepayments except for payments pursuant to the amortization schedule.
VOLUNTARY PREPAYMENTS:	Voluntary prepayments allowed at any time without penalty.
REPRESENTATIONS AND WARRANTIES:	Similar to those set forth in the First Lien Credit Agreement, or as otherwise required by the Consenting First Lien Lenders.
AFFIRMATIVE COVENANTS:	Similar to those set forth in the First Lien Credit Agreement, or as otherwise required by the Consenting First Lien Lenders.
NEGATIVE COVENANTS:	Similar to those set forth in the First Lien Credit Agreement, or as otherwise required by the Consenting First Lien Lenders.
FINANCIAL COVENANTS:	To be mutually agreed upon by the parties.
UNRESTRICTED SUBSIDIARIES:	None.
EVENTS OF DEFAULT:	Similar to those set forth in the First Lien Credit Agreement, or as otherwise required by the Consenting First Lien Lenders.
DEFAULT RATE:	Any principal or interest payable under or in respect of the New Senior Secured Term Facility not paid when due shall, to the extent permitted by law, bear interest at the then applicable interest rate plus 2% per annum.
REPORTING:	The Borrower shall (i) provide annual and interim financial reports (including, for certainty, customary management and discussion analysis, reporting of reserves data and other

	information regarding oil and gas activities) in the form prescribed for US registrants together with, in connection with the annual reports, copies of independent evaluation report(s) in respect of the Borrower reserves, and (ii) forthwith thereafter host quarterly calls with the lenders to discuss the foregoing, which calls will include a question and answer period.
VOTING OF LENDERS UNDER NEW FIRST LIEN CREDIT AGREEMENT:	Substantially the same as under the First Lien Credit Agreement.
COST AND YIELD PROTECTION:	Usual and customary provisions requiring the Borrower to reimburse the New Senior Secured Term Facility lenders for any increased costs incurred as a result of regulatory changes announced subsequent to the Effective Date.
ASSIGNMENTS AND PARTICIPATIONS:	Substantially the same as under the First Lien Credit Agreement.
EXPENSES AND INDEMNIFICATION:	Substantially the same as under the First Lien Credit Agreement.
OTHER TERMS:	Other terms generally consistent with the First Lien Credit Agreement and as agreed to by the Consenting First Lien Lenders.
GOVERNING LAW AND FORUM:	Alberta.

VI. OTHER RESTRUCTURING TRANSACTION TERMS

EFFECTIVE DATE:	The Plan Transaction shall promptly proceed and become effective on the date and on the terms set out in the CCAA Plan and, as applicable, in accordance with any sequencing specified therein. Unless otherwise agreed to by the Borrower and the Consenting First Lien Lenders, implementation and closing of the Plan Transaction shall occur two business days following the satisfaction of all of the conditions precedent in the CCAA Plan.
ABL CREDIT FACILITY:	Following the Effective Date (as defined in the CCAA Plan), the Borrower may procure a senior secured multi-currency "first out" asset-based revolving credit facility in an amount up to US$25 million (the "**ABL Facility**"), which amount may be increased with the consent of lenders holding more than 50% of the principal amount outstanding under the New Senior Secured Term Facility, which may include the following terms: • Available for general corporate and/or operating purposes.

- Loans under the ABL Facility will be available at any time prior to the maturity of the ABL Facility and amounts repaid under the ABL Facility may be re-borrowed.
- Subject to the priority of the ATB Security, as may be applicable, first lien priority ranking on account receivable of the Borrower and any Guarantor, and deposit accounts and general intangibles related thereto, and second lien priority ranking on all other collateral, all in accordance with an intercreditor agreement to be agreed.
- Other terms acceptable to the Consenting First Lien Lenders.

CONDITIONS PRECEDENT:

Without limiting the conditions precedent set out in the Support Agreement and the CCAA Plan itself, the Plan Transaction will be subject to the following closing conditions:

Receipt by the First Lien Agent (and New Agent, if applicable), and the Consenting First Lien Lenders of definitive legal documentation (the "**Definitive Documents**") implementing the Plan Transaction (including, without limitation, the New First Lien Credit Agreement and any related guarantees, security documents, and intercreditor agreement (as applicable)), which Definitive Documents shall be in form and substance acceptable to the Borrower and Consenting First Lien Lenders, each acting reasonably.

All necessary governmental or regulatory approvals shall have been received on terms and conditions satisfactory to the Borrower and the Consenting First Lien Lenders.

The Alberta Energy Regulator (the "**AER**") shall have provided an advance ruling confirming that the AER does not consider the change to control persons (within the meaning of Directive 067) resulting from the implementation of the Transaction to be an unreasonable risk.

Receipt by the First Lien Agent of all unpaid fees up to the Effective Date owing to the First Lien Lenders under and in connection with the First Lien Credit Agreement, to be paid in full in cash.

Payment by the Borrower of all accrued and unpaid fees and expenses incurred by the Borrower's legal counsel, Cassels Brock & Blackwell LLP and Akin Gump Strauss Hauer & Feld LLP, as well as those incurred by Ernst & Young Inc. in its capacity as Court-appointed monitor (the "**Monitor**") and the Monitor's legal counsel, that have been invoiced prior to the Effective Date, including an estimate of fees and expenses through the Effective Date.

Payment by the Borrower of all accrued and unpaid expenses of the First Lien Agent, including the professional fees and expenses of Bennett Jones LLP, Jones Day and PricewaterhouseCoopers Inc. that have been invoiced prior to the Effective Date, including an estimate of fees and expenses through the Effective Date.

A unanimous shareholder agreement shall have been settled in respect of the Borrower, such agreement to be in form and substance acceptable to the Consenting First Lien Lenders.

Entry of the Sanction Order (as defined in the CCAA Plan) in accordance with the terms of the CCAA Plan and all applicable appeal periods in respect of the Sanction Order shall have expired.

No material adverse change in the business, operations, profits, assets or prospects of the Borrower shall have occurred since the date of the Support Agreement, and from the date of the Support Agreement to the closing, there shall be no new material, litigation, proceeding, injunction, order or claims against the Borrower that are not specifically contemplated by this Term Sheet.

On or prior to the Effective Date, the Borrower shall have ceased to be a "reporting issuer" under Canadian securities laws.

CORPORATE GOVERNANCE: The board of directors of the Borrower upon implementation of the Plan Transaction (the "**New Board**") will be comprised of 5 directors, or such higher number of directors as may be determined by the Consenting First Lien Lenders, who will be initially selected as follows:

- The Chief Executive Officer of the Borrower (who shall be Merle Johnson) shall occupy one position on the New Board.
- Each person (or group of persons acting jointly or in concern for this purpose) that upon implementation of the Plan Transaction will hold at least 20% of the New Shares will be entitled to select one of the initial members of the New Board, and thereafter such level of share ownership shall entitle the holder or holders, as applicable, to director nomination rights.
- To the extent not all of the initial members of the New Board are selected based in accordance with the foregoing, the Consenting First Lien Lenders, in consultation with the Borrower, shall designate the remaining members of the New Board, each of which will be "independent".

EMPLOYEE MATTERS: A management incentive plan ("**MIP**") shall be in place on terms acceptable to the Consenting First Lien Lenders and management on the Effective Date.

A credit bid key employee retention plan substantially in the form attached as Schedule "H" to the Support Agreement shall have been approved by the Court pursuant to the Authorization Order.

Key management employment agreements ("**Executive Employment Agreements**") shall be in place on terms acceptable to Consenting First Lien Lenders and such key management employees on the Effective Date.

The Borrower's obligations to its non-executive employees shall remain unaffected by the CCAA Plan.

TAX CONSIDERATIONS: The Restructuring Transaction will be structured in a manner acceptable to the Borrower and the Consenting First Lien Lenders to effectuate the terms and conditions outlined herein in a tax efficient and acceptable manner for the Borrower and the Consenting First Lien Lender and in order to maximize the preservation of the Borrower's existing non-capital losses and resource pools.

DEFINITIVE DOCUMENTS: The legal and financial advisors to the Borrower, the First Lien Agent and the Consenting First Lien Lenders shall work cooperatively with one another to prepare and finalize, as applicable, all documentation to effect the Plan Transaction (including, without limitation and as applicable, the Definitive Documents, any Court documents, and the New First Lien Credit Agreement) through the closing of the Plan Transaction. All such documentation relating to the Plan Transaction shall be in form and substance acceptable to the Borrower, the First Lien Agent and the Consenting First Lien Lenders, acting reasonably. The Borrower shall provide the legal and financial advisors to the First Lien Agent with all information related to the Borrower or its business necessary for the preparation or settlement of such documentation, as well as the drafts of such documentation.

VII. TRANSACTION – IMPLEMENTATION

TRANSACTION: The Borrower, the Consenting First Lien Lenders, the First Lien Agent and their respective legal and financial advisors, shall work cooperatively with each other in respect of all matters necessary to implement the Plan Transaction.

SUPPORT AGREEMENT The Borrower, First Lien Agent and Consenting First Lien Lenders have signed the Support Agreement to support and facilitate the closing of either the Plan Transaction or the Credit Bid Transaction, and agree to take such necessary steps to promptly implement and complete either Transaction in accordance therewith.

VIII. PLAN TRANSACTION – TIMELINES

The Borrower shall use commercially reasonable efforts to effect the Plan Transaction on the following timeline:

(i) Obtain the Authorization Order by May 16, 2019;

(ii) Obtain the Creditors' Meeting Order by May 16, 2019;

(iii) Hold Creditors' Meetings by June 19, 2019;

(iv) Obtain the Sanction Order by June 20, 2019; and

(v) Implement the CCAA Plan and close the Plan Transaction by July 31, 2019.

IX. ADDITIONAL MATTERS

REPAYMENT:	Notwithstanding anything else contained herein, the Borrower may repay in cash all First Lien Obligations under the First Lien Credit Agreement at any time prior to the consummation of any transaction, in which case the Support Agreement and the obligations thereunder shall be terminated and of no force and effect, except such agreements and obligations of the parties that by their terms expressly survive termination of the Support Agreement.

SCHEDULE “C”

CCAA PLAN

COURT FILE NUMBER	1601-06131
COURT	COURT OF QUEEN'S BENCH OF ALBERTA
JUDICIAL CENTRE	CALGARY
APPLICANT	**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 CONNACHER OIL AND GAS LIMITED**
DOCUMENT	**PLAN OF COMPROMISE AND ARRANGEMENT**
ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT	**CASSELS BROCK & BLACKWELL LLP** Bankers Hall West 888-3rd Street SW Suite 3810 Calgary, Alberta T2P 5C5 Attn: Ryan Jacobs/Joseph Bellissimo/Natalie Levine Tel: 403-351-2920 Fax: 403-648-1151 rjacobs@casselsbrock.com jbellissimo@casselsbrock.com nlevine@casselsbrock.com

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PLAN OF COMPROMISE AND ARRANGEMENT OF CONNACHER OIL AND GAS LIMITED

Pursuant to the *Companies' Creditors Arrangement Act* (Canada) and the *Canada Business Corporations Act*

Dated May 6, 2019

RECITALS

A. The Company is a corporation incorporated under the CBCA and is insolvent.

B. The Company commenced a proceeding under the CCAA and obtained the Initial Order from the CCAA Court on May 17, 2016 which, among other things, appointed the Monitor of the Company, stayed proceedings against the Company and permitted the filing, upon further Order of the CCAA Court, of a plan of compromise or arrangement under the CCAA.

C. The Company, the Consenting First Lien Lenders and the First Lien Agent entered into the Support Agreement pursuant to which the Consenting First Lien Lenders agreed to the Recapitalization and agreed to support this Plan.

D. This Plan will facilitate the continuation of the business of the Company as a going concern and makes provision for recoveries to certain stakeholders.

NOW THEREFORE the Company hereby proposes and presents this Plan under and pursuant to the CCAA and the CBCA:

ARTICLE 1
DEFINITIONS AND INTERPRETATION

1.1 Definitions

In this Plan (including the Schedules hereto), unless otherwise stated, the capitalized terms and phrases set out below shall have the following meanings:

"**Accepted Claim**" means the Affected Claim of a Creditor, as finally determined in accordance with the Claims Procedure Order, the Supplemental Claims Procedure Order, any other Order and/or this Plan and, for greater certainty (a) the Accepted Claim of each First Lien Lender shall be its Pro Rata Share of the First Lien Claim and (b) the Accepted Claim of each Second Lien Noteholder shall be its Pro Rata Share of the Second Lien Claim;

"**Administration Charge**" means the Administration Charge granted under the Initial Order;

"**Administration Expenses**" has the meaning given to it in Section 3.4 of this Plan;

"**Administrative Reserve Fund**" has the meaning given to it in Section 3.4 of this Plan;

"**AER**" means the Alberta Energy Regulator;

"**Affected Claim**" means a Claim, other than an Unaffected Claim;

"**Affected Creditor**" means a holder of an Affected Claim;

"**Akin Gump**" means Akin Gump Strauss Hauer & Feld LLP;

"**Alleged Directors' Charge Claim**" has the meaning given to it in Section 3.8(b) of this Plan;

"**Alleged Priority Secured Claim**" has the meaning given to it in Section 3.5(b) of this Plan;

"**Alleged Retention Plan Claim**" has the meaning given to it in Section 3.8(c) of this Plan;

"**Applicable Law**" means, at any time, in respect of any Person, property, transaction, event or other matter, as applicable, all laws, rules, statutes, regulations, treaties, orders, judgments and decrees, and all official requests, directives, rules, guidelines, orders, policies, practices and other requirements of any Authorized Authority;

"**ATB**" means ATB Financial;

"**ATB Charge**" means the charge granted in favour of ATB in the ATB Credit Facilities Order;

"**ATB Credit Facilities**" means those certain credit facilities provided to the Company by ATB as approved in the ATB Credit Facilities Order;

"**ATB Credit Facilities Order**" means the Order (Approval of ATB Credit Facilities) granted by the CCAA Court in the CCAA Proceeding dated November 10, 2017;

"**Authorized Authority**" means, in relation to any Person, property, transaction, event or other matter, as applicable, any:

(a) federal, provincial, territorial, state, municipal or local governmental body (whether administrative, legislative, executive or otherwise), both domestic and foreign;

(b) agency, authority, commission, instrumentality, regulatory body, court, or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government, including any Taxing Authority;

(c) court, arbitrator, commission or body exercising judicial, quasi-judicial, administrative or similar functions; or

(d) other body or entity created under the authority of or otherwise subject to the jurisdiction of any of the foregoing, including any stock or other securities exchange,

in each case having jurisdiction over such Person, property, transaction, event or other matter;

"**Authorization Order**" means an Order to be sought by the Company from the CCAA Court on or about May 16, 2019 that, among other things, approves the Support Agreement, approves the Credit Bid KERP and seals certain portions of the Support Agreement;

"**BEH**" means Burgess Energy Holdings L.L.C.;

"**BEH Royalty Agreement**" means that certain royalty agreement between the Company and BEH dated January 29, 2018, approved pursuant to the BEH Royalty Approval Order;

"**BEH Royalty Approval Order**" means the Order granted in the CCAA Proceeding dated January 29, 2018 approving the BEH Royalty Agreement;

"**Beneficial First Lien Lender**" means a beneficial holder of a portion of the First Lien Claim;

"**Beneficial Noteholder**" means (i) a registered holder of Second Lien Notes, if such registered holder holds Second Lien Notes as principal and for its own account; or (ii) a holder who is not a registered holder but is a beneficial or entitlement holder of Second Lien Notes who holds such Second Lien Notes in one or more securities account(s) with a depository participant or other securities intermediary, including for greater certainty, such depository participant or other securities intermediary only if and to the extent such depository participant or other securities intermediary holds Second Lien Notes as principal and for its own account;

"**BIA**" means the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended;

"**Business Day**" means, with respect to any action to be taken, any day, other than Saturday, Sunday or a statutory holiday, on which banks are generally open for business in Calgary, Alberta, Canada;

"**Cash on Hand**" means all cash and cash equivalents (including marketable securities and short-term investments), including any funds being held by the Company as Shut Down Restricted Cash pursuant to the Initial Order, but, for greater certainty, shall exclude any funds held by ATB as security for obligations under the ATB Credit Facilities and any funds held on deposit or in escrow in respect of insurance policies in favour of the Directors or Officers which shall be applied on the Effective Date as set out in Schedule "A" to this Plan;

"**Cassels**" means Cassels Brock & Blackwell LLP;

"**CBCA**" means the *Canada Business Corporations Act*, R.S.C. 1985, c. C-44, as amended;

"**CCAA**" means the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended;

"**CCAA Charges**" means the Administration Charge, the Directors' Charge, the KERP/LTIP Charge, the ATB Charge, the Financial Advisor Charge, and the KEIP Charge, each as may be amended by Order of the CCAA Court;

"**CCAA Court**" means the Court of Queen's Bench of Alberta;

"**CCAA Proceeding**" means the proceedings commenced by the Company under the CCAA on May 17, 2016 in the CCAA Court bearing Court File No. 1601-06131;

"**Claim**" means any of the following:

(a) a First Lien Claim, including a First Lien Deficiency Claim;

(b) a Second Lien Claim, including a Second Lien Deficiency Claim;

(c) a Pre-Filing Claim;

(d) a Restructuring Period Claim;

(e) a D&O Claim;

(f) a D&O Restructuring Period Claim;

(g) a D&O Indemnity Claim;

(h) a Post-Filing D&O Claim;

(i) a Secured Claim;

(j) a Priority Secured Claim;

(k) an Equity Claim;

(l) a Post-Filing Claim;

(m) a Convenience Class Claim;

(n) a Crown Priority Claim;

(o) an Employee Priority Claim;

(p) a Municipal Tax Claim; and

(q) an Outstanding Municipal Tax Claim.

"**Claims Procedure Order**" means the Claims Procedure Order granted by the CCAA Court in the CCAA Proceeding dated August 24, 2016, as such Order may be amended, restated or varied from time to time by subsequent Order(s);

"**Class**" means any one of the classes of Creditors set out in Section 3.2 hereof for the purpose of considering and voting upon this Plan and receiving distributions hereunder**;**

"**Collateral Trust Agreement**" means the collateral trust and intercreditor agreement dated December 3, 2007 initially among, *inter alios*, the Company, the guarantors party thereto, The Bank of New York Mellon (formerly known as The Bank of New York), the Collateral Trustee and Royal Bank of Canada, as amended, restated, supplemented or replaced from time to time;

"**Collateral Trustee**" means Computershare Trust Company of Canada, as collateral trustee for (i) the First Lien Agent and the First Lien Lenders under the First Lien Credit Agreement and (ii) the Second Lien Trustee and the purchasers under the Second Lien Indenture pursuant to the Collateral Trust Agreement;

"**Company**" means Connacher Oil and Gas Limited;

"**Consenting First Lien Advisors**" means Bennett Jones LLP, PricewaterhouseCoopers LLP and such other advisors as may be retained by the Consenting First Lien Lenders;

"**Consenting First Lien Lenders**" means those certain First Lien Lenders that are party to the Support Agreement;

"**Continuing Contract**" means a contract, arrangement or other agreement (oral or written) for which a notice of disclaimer pursuant to Section 32 of the CCAA has not been sent by the Company on or prior to the Disclaimer Deadline;

"**Convenience Class Claim**" means (a) any Accepted Claim of a General Creditor in an amount that is less than or equal to $2,000, and (b) any Accepted Claim of a General Creditor in an amount greater than $2,000 if the relevant Creditor has made a valid Distribution Election for purposes of this Plan in accordance with the Creditors' Meetings Order and this Plan;

"**Convenience Class Creditor**" means a General Creditor with a Convenience Class Claim, provided that in order to be a Convenience Class Creditor in respect of a Second

Lien Deficiency Claim a Beneficial Noteholder must deliver a Voting Information and Election Form in accordance with the Creditors' Meetings Order;

"**Credit Bid KERP**" means the credit bid key employee retention plan substantially in the form attached at Schedule "H" to the Support Agreement, as approved pursuant to the Authorization Order;

"**Creditor**" means any holder of a Claim and includes a transferee of a Claim that is recognized as a Creditor by the Monitor in accordance with this Plan, the Claims Procedure Order, the Supplemental Claims Procedure Order or any other Order, as applicable, or a trustee, liquidator, receiver, receiver and manager or other Person acting on behalf of such holder;

"**Creditors' Meetings**" means the meetings of each Class of Creditors called for the purposes of considering and voting in respect of this Plan, as set out in and held pursuant to the Creditors' Meetings Order, and includes any postponements or adjournments thereof;

"**Creditors' Meetings Order**" means an Order to be sought by the Company from the CCAA Court on or about May 16, 2019 that, among other things, accepts the filing of the Plan, and orders and declares the procedures to be followed in connection with the Creditors' Meetings, as such Order may be amended, restated or varied from time to time by subsequent Order;

"**Creditors' Meetings Record Date**" means, subject to the Creditors' Meetings Order, 1:00 p.m. (Calgary time) on the date that is two (2) Business Days prior to the Creditors' Meetings;

"**Crown**" means Her Majesty in right of Canada or any province or territory of Canada;

"**Crown Priority Claims**" means all unpaid amounts, if any, provided for in Section 6(3) of the CCAA;

"**D&O Claim**" has the meaning given to it in the Claims Procedure Order;

"**D&O Indemnity Claim**" means any existing or future right of any Director or Officer against the Company which arose or arises as a result of any Person filing a Proof of Claim in respect of such Director or Officer for which such Director or Officer is entitled to be indemnified by the Company;

"**D&O Restructuring Period Claim**" has the meaning given to it in the Claims Procedure Order;

"**Director**" means any Person who is or was, or may be deemed to be or have been, whether by statute, operation of law or otherwise, a director or *de facto* director of the Company;

"**Directors' Charge**" means the Directors' Charge granted under the Initial Order in favour of the Directors and Officers;

"**Directors' Charge Claims Reserve**" has the meaning given to it in Section 3.8(b) of this Plan;

"**Disallowed Claim**" means a Claim (or any portion thereof) which has been finally disallowed in accordance with the Claims Procedure Order, the Supplemental Claims Procedure Order or any other Order;

"**Disclaimer Deadline**" means 5:00 p.m. (Calgary time) on the day which is 35 days prior to the Creditors' Meeting for the General Creditor Class or if such day is not a Business Day then the immediately preceding Business Day;

"**Disputed Claim**" means that portion of a Claim in respect of which a Creditor has delivered a Notice of Dispute pursuant to the Claims Procedure Order or the Supplemental Claims Procedure Order which has not been allowed or accepted for voting and/or distribution purposes or which has not been barred or finally disallowed pursuant to the Claims Procedure Order or the Supplemental Claims Procedure Order. For greater certainty, once a Disputed Claim is finally determined, it shall become an Accepted Claim or Disallowed Claim;

"**Distribution Date**" means the date or dates from time to time on or after the Effective Date, set by the Monitor in its discretion, to effect interim and final distributions in respect of Accepted Claims;

"**Distribution Election**" means an election:

(a) made by a General Creditor with an Accepted Claim greater than $2,000 by delivery of a duly completed and executed Distribution Election Notice to the Monitor by no later than the Distribution Election Deadline electing to receive the Distribution Election Amount in full satisfaction of its Accepted Claim; and

(b) deemed to have been made by each General Creditor with an Accepted Claim equal to or less than $2,000, provided that in the case of a Beneficial Noteholder in respect of a Second Lien Deficiency Claim such Beneficial Noteholder shall have delivered a Voting Information and Election Form in accordance with the Creditors' Meetings Order;

"**Distribution Election Amount**" means, in respect of any Accepted Claim of a General Creditor for which a valid Distribution Election has been made or has been deemed to have been made in accordance with this Plan, the lesser of (a) a cash amount equal to $2,000 and (b) the amount of such Accepted Claim;

"**Distribution Election Deadline**" has the meaning given to such term in the Creditors' Meetings Order;

“**Distribution Election Notice**” means a notice substantially in the form attached to the Creditors’ Meetings Order or, in the case of a Beneficial Noteholder, a Voting Information and Election Form;

“**Effective Date**” means the day on which the Monitor delivers the Monitor’s Certificate to the Company and counsel to the Consenting First Lien Lenders pursuant to Section 8.3 of this Plan;

“**Effective Time**” means 12:01 a.m. (Calgary time) on the Effective Date or such other time as may be agreed to in writing by the Company and the Consenting First Lien Lenders;

“**Employee Priority Claim**” means all unpaid amounts, if any, provided for in Section 6(5)(a) of the CCAA;

“**Equity Claim**” has the meaning given to it in Section 2(1) of the CCAA;

“**Executive Employment Agreements**” means the key management employment agreements to be in place on the Effective Date in accordance with the Plan Term Sheet;

“**Existing Shareholders**” means the holders of the Existing Shares immediately prior to the Effective Time;

“**Existing Shares**” means the common shares, preferred shares, warrants and stock options in the capital of the Company;

“**Filing Date**” means May 17, 2016;

“**Financial Advisor**” means Houlihan Lokey Capital, Inc., financial advisor to the Company;

“**Financial Advisor Approval Order**” means the Order (Engagement of Financial Advisor) granted by the CCAA Court in the CCAA Proceeding dated February 28, 2018;

“**Financial Advisor Charge**” means the charge granted under the Financial Advisor Approval Order in favour of the Financial Advisor;

“**First Lien Agent**” means Wilmington Trust, National Association, in its capacity as administrative agent for the lenders under the First Lien Credit Agreement;

“**First Lien Claim**” means the amount of $292,217,713.47 owing by the Company under the First Lien Credit Agreement, inclusive of accrued interest thereon up to October 31, 2018;

“**First Lien Credit Agreement**” means that certain Credit Agreement dated as of May 23, 2014 among the Company, Wilmington Trust, National Association, in its capacity as successor administrative agent, and the lenders party thereto (as such agreement has been and may be amended, modified and supplemented from time to time, including by the Amendment No. 1 dated May 8, 2015);

"**First Lien Deficiency Claim**" means the amount of $117,000,000, which shall be deemed to be an unsecured deficiency Claim and constitute a General Creditor Claim for purposes of this Plan;

"**First Lien Lender Class**" means the Class comprised of the First Lien Lenders;

"**First Lien Lenders**" means any lender from time to time party to the First Lien Credit Agreement;

"**First Lien Record Date**" has the meaning given to it in the Creditors' Meeting Order;

"**General Creditor**" means the holder of a General Creditor Claim;

"**General Creditor Claim**" means all Affected Claims, other than First Lien Claims (except to the extent of a First Lien Deficiency Claim, which is a General Creditor Claim), Priority Secured Claims, Employee Priority Claims, Crown Priority Claims and Equity Claims;

"**General Creditor Class**" means the Class comprised of General Creditors;

"**General Creditor Pool**" means the amount of $500,000 plus the amount necessary to satisfy all Convenience Class Claims in accordance with Section 5.5 of this Plan;

"**Initial Distribution Date**" means a date not more than two (2) Business Days after the Effective Date or such other date specified in the Sanction Order;

"**Initial Distribution Record Date**" means the date that is five (5) Business Days prior to the Initial Distribution Date;

"**Initial Order**" means the Order granted by the CCAA Court in the CCAA Proceeding on May 17, 2016, as such Order may be amended, restated, varied or extended from time to time by subsequent Orders;

"**Insured Claim**" means that portion of a Claim arising from a cause of action for which the Company is insured under a policy or policies of insurance existing as of the Filing Date to the extent that such Claim, or portion thereof, is insured under such policies, limited to the amount of any insurance proceeds actually received in respect of such Claim;

"**Insured Claim Option Notice**" means a notice substantially in the form attached to the Creditors' Meetings Order, which will be final and irrevocable once delivered to the Monitor;

"**ITA**" means the *Income Tax Act* (Canada), R.S.C. 1985, c.1 (5^{th} Supp.), as amended;

“**KEIP**” means the key employee incentive plan approved pursuant to the Support Agreement & SISP Approval Order;

“**KEIP Charge**” means the charge granted under the Support Agreement & SISP Approval Order in favour of the beneficiaries of the KEIP and, pursuant to the Authorization Order, in favour of the beneficiaries of the Credit Bid KERP;

“**KERP**” means the key employee retention plan(s) approved pursuant to the Initial Order, the Supplemental KERP Order, the Second Supplemental KERP & LTIP 2017 Order and the Authorization Order;

“**KERP/LTIP Charge**” has the meaning given to it in the Initial Order, as amended by the Supplemental KERP Order and the Second Supplemental KERP & LTIP 2017 Order;

“**Lien**” means any mortgage, charge, pledge, assignment by way of security, lien, hypothec, security interest, deemed trust or other encumbrance granted or arising pursuant to a written agreement or statute or otherwise created by law;

“**LTIP**” means the Company’s existing long term cash incentive plan, as amended and as approved in the Initial Order;

“**LTIP 2017**” means the Company’s long term incentive plan payment as approved in the Second Supplemental KERP & LTIP 2017 Order;

“**Majority Consenting First Lien Lenders**” has the meaning given to it in the Support Agreement;

“**MIP**” means the management incentive plan to be in place on the Effective Date in accordance with the Plan Term Sheet;

“**Monitor**” means Ernst & Young Inc., solely in its capacity as Court-appointed monitor of the Company in the CCAA Proceeding, and not in its corporate or personal capacity;

“**Monitor’s Certificate**” has the meaning given to it in Section 8.3 of this Plan;

“**Municipal Tax Claims**” means all amounts owing by the Company to the Municipality with respect to or on account of taxes of any kind whatsoever, including but not limited to property tax, equipment and machinery tax, linear property tax, education tax, and any interest, fees or penalties;

“**Municipal Tax Fund**” has the meaning given to it in Section 3.5(c) of this Plan;

“**Municipality**” means the Regional Municipality of Wood Buffalo;

“**New Board**” means the board of directors of the Company to be appointed and constituted on the Effective Date in accordance with this Plan and the Restructuring

Transactions, which shall be comprised of individuals selected in accordance with the Plan Term Sheet;

“**New Senior Secured Term Facility**” means the new senior secured term facility on the terms set out in the Plan Term Sheet to be entered into by the Company on the Effective Date in accordance with this Plan and the Restructuring Transactions;

"**New Senior Secured Term Facility Agent**" means Wilmington Trust, National Association, or such other agent acceptable to the Consenting First Lien Lenders, in its capacity as administrative agent for the lenders under the New Senior Secured Term Facility Agreement;

“**New Senior Secured Term Facility Agreement**” has the meaning given to it in Section 8.2(i) of this Plan;

“**New Shareholder Information**” means such information and documentation as the Company may require from recipients of the New Shares in order to comply with any anti-money laundering, know your client, proceeds of crime and other Applicable Laws applicable to the Company, which shall be communicated to the First Lien Lenders by the Company in accordance with the Creditors’ Meeting Order;

“**New Shares**” means voting common shares of a newly created class of shares of the Company, to be designated as "Class A Common Shares", in such aggregate number as shall be determined by the Majority Consenting First Lien Lenders, which shall be issued by the Company to the First Lien Lenders, or their designates, in accordance with this Plan and, immediately following the issuance thereof, shall constitute all of the issued and outstanding shares of the Company;

“**Notice of Dispute**” has the meaning given to it in the Claims Procedure Order or the Supplemental Claims Procedure Order;

“**Officer**” means any Person who is or was, or may be deemed to be or have been, whether by statute, operation of law or otherwise, an officer or *de facto* officer of the Company;

“**Order**” means any final order of the CCAA Court in the CCAA Proceeding;

“**Outside Date**” has the meaning given to it in the Support Agreement;

“**Outstanding Municipal Tax Claims**” means (i) one third (1/3) of the amount of the Municipal Tax Claims for the calendar year 2018, being the portion of the Municipal Tax Claims for the 2018 calendar year attributable to the period from and after 12:01 a.m. on September 1, 2018 and (ii) the Municipal Tax Claims owing or to be owing for the calendar year 2019;

“**Person**” shall be broadly interpreted and includes an individual, partnership, firm, joint venture, venture capital fund, limited liability company, unlimited liability company, association, trust, entity, corporation, unincorporated association or organization, syndicate, committee, court appointed representative, the government of a country or any political subdivision thereof, or any agency, board, tribunal, commission, bureau, instrumentality or department of such government or political subdivision, or any other entity, howsoever designated or constituted, including any Taxing Authority, and the trustees, executors, administrators, or other legal representatives of an individual, and for greater certainty includes any Authorized Authority;

"**Plan**" means this Plan of Compromise and Arrangement (including the Recapitalization and the Restructuring Transactions) dated May 6, 2019, as it may be further amended, restated, supplemented or replaced in accordance with the terms hereof and the Support Agreement;

"**Plan Implementation Fund**" means an amount equal to the aggregate amount of funds to be delivered by the Company to the Monitor pursuant to Section 4.1 of this Plan, to be held and distributed by the Monitor in accordance with this Plan;

"**Plan Term Sheet**" means the Plan Term Sheet attached as Schedule "B" to the Support Agreement, as it may be amended, restated, supplemented or replaced in accordance with the terms of the Support Agreement;

"**Post-Filing Claims**" means any indebtedness, liability or obligation of the Company of any kind that arises during and in respect of the period commencing on the Filing Date and ending on the day immediately preceding the Effective Date in respect of services rendered or supplies provided to the Company during such period or under or in accordance with any Continuing Contract, provided that such amounts are not a Pre-Filing Claim, a Restructuring Period Claim, a D&O Restructuring Period Claim, a D&O Claim, a Post-Filing D&O Claim, an Alleged Directors' Charge Claim, a Secured Claim, a Priority Secured Claim, an Alleged Retention Plan Claim, an Alleged Priority Secured Claim, a Crown Priority Claim, a Municipal Tax Claim, an Outstanding Municipal Tax Claim, or an Employee Priority Claim;

"**Post-Filing D&O Claim**" has the meaning given to it in the Supplemental Claims Procedure Order;

"**Pre-Filing Claims**" means any right or claim of any Person that may be asserted or made in whole or in part against the Company, whether or not asserted or made, in connection with any indebtedness, liability or obligation of any kind whatsoever, and any interest accrued thereon or costs payable in respect thereof, including without limitation, by reason of the commission of a tort (intentional or unintentional), by reason of any breach of contract, arrangement or other agreement (oral or written), by reason of any breach of duty (including, without limitation, any legal, statutory, regulatory, equitable or fiduciary duty or obligation) or by reason of any right of ownership of or title to property or assets or right to a trust or deemed trust (statutory, express, implied, resulting, constructive or otherwise), and whether or not any indebtedness, liability or obligation is reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured, unsecured, perfected, unperfected, present or future, known or unknown, by guarantee, surety or otherwise, and whether or not any right or claim is executory or anticipatory in nature including, without limitation, any right or ability of any Person to advance a claim for contribution or indemnity or otherwise with respect to any matter, action, cause or chose in action, whether existing at present or commenced in the future, which indebtedness, liability or obligation, and any interest accrued thereon or costs payable in respect thereof (A) is based in whole or in part on facts prior to the Filing Date, (B) relates to a time period prior to the Filing Date, or (C) is a right or claim of any kind that would be a debt provable in bankruptcy within the meaning of the BIA had the Company become bankrupt on the Filing Date;

"**Priority Secured Claim**" means any Secured Claims (other than Employee Priority Claims, Crown Priority Claims or Claims secured by the CCAA Charges), which are Accepted Claims and are determined to be in priority to the Liens securing the First Lien Claims in accordance with the Supplemental Claims Procedure Order, but, for greater certainty, shall exclude a Municipal Tax Claim or any Claims held by ATB or BEH against the Company;

"**Priority Secured Claims Reserve**" has the meaning given to it in Section 3.5(b) of this Plan;

"**Pro Rata Share**" means the proportionate share of a Creditor's Accepted Claim to the total of all Accepted Claims and all Disputed Claims in such Creditor's Class and in the case of:

(i) the First Lien Claim, means the proportional share of a Beneficial First Lien Lender's holdings of the First Lien Claim to the total First Lien Claim;

(ii) the First Lien Deficiency Claim, means the proportional share of the sum of (a) the amount of accrued interest (but not principal) under a Beneficial First Lien Lender's Tranche A Loans as of October 31, 2018 plus (b) the amount of principal and accrued interest under such Beneficial First Lien Lender's Tranche B Loans as of October 31, 2018 to the sum of (x) the aggregate amount of accrued interest (but not principal) under the Tranche A Loans owing to all Tranche A Lenders as of October 31, 2018 plus (y) the aggregate amount of principal and accrued interest under the Tranche B Loans owing to all Tranche B Lenders as of October 31, 2018; and

(iii) the Second Lien Deficiency Claim, means the proportional share of a Second Lien Noteholder's holdings of Second Lien Notes to the total Second Lien Claim;

"**Professional Retainers**" means any monetary retainers previously provided by the Company to Cassels, other legal counsel or advisors to the Company, the Monitor, or legal counsel to the Monitor in connection with the CCAA Proceeding;

"**Proof of Assignment**" means a notice of transfer of a Claim executed by a Creditor and the transferee, together with satisfactory evidence of such transfer as may be reasonably required by the Monitor;

"**Proof of Claim**" means a proof of claim, in substantially the form(s) attached to the Claims Procedure Order or the Supplemental Claims Procedure Order, as submitted to the Monitor by a Creditor in accordance with the Claims Procedure Order or the Supplemental Claims Procedure Order;

"**Recapitalization**" means the transactions on the terms set out in the Plan Term Sheet;

"**Released Claims**" has the meaning given to it in Section 10.4 of this Plan;

"**Released Party**" has the meaning given to it in Section 10.4 of this Plan;

"**Required Majorities**" means, with respect to each Class of Affected Creditors, the affirmative vote of a majority in number of all voting (in person or by proxy) Creditors holding Accepted Claims in such Class and representing not less than 66⅔% in value of the Accepted Claims voting (in person or by proxy) in such Class at such Creditors' Meeting;

"**Restructuring Period Claim**" has the meaning given to it in the Claims Procedure Order;

"**Restructuring Transactions**" has the meaning given to it in Section 6.1 of this Plan;

"**Retention Plan Claims Reserve**" has the meaning given to it in Section 3.8(c) of this Plan;

"**Sanction Order**" means an Order, in form and substance acceptable to the Company, the Monitor, the Consenting First Lien Lenders and the First Lien Agent, each acting reasonably, among other things, sanctioning this Plan and giving directions regarding its implementation, which shall include the provisions set out in Section 8.1 of this Plan unless otherwise agreed to in writing by the Company, the Monitor, the Consenting First Lien Lenders and the First Lien Agent;

"**Second Lien Claim**" means the aggregate amount of $71,315,486.04 owing by the Company under the Second Lien Indenture, inclusive of accrued interest thereon up to October 31, 2018;

"**Second Lien Deficiency Claim**" means the entire amount of the Second Lien Claim which shall be deemed to be an unsecured deficiency claim and constitute a General Creditor Claim for the purpose of this Plan;

"**Second Lien Indenture**" means the indenture dated as of May 8, 2015 in respect of the Second Lien Notes among the Company, as issuer, and the Second Lien Trustee;

“**Second Lien Noteholders**” means holders of the Second Lien Notes;

“**Second Lien Notes**” means the 12% convertible second lien notes due August 31, 2018 issued pursuant to the Second Lien Indenture;

“**Second Lien Notes Record Date**” has the meaning given to it in the Creditors’ Meetings Order;

“**Second Lien Trustee**” means Computershare Trust Company, N.A., in its capacity as trustee under the Second Lien Indenture;

“**Second Supplemental KERP**” means the second supplemental key employee retention plan approved pursuant to the Second Supplemental KERP & LTIP 2017 Order;

“**Second Supplemental KERP & LTIP 2017 Order**” means the Order (Stay Extension, JPL Settlement & Approval of Second Supplemental KERP and 2017 LTIP) granted by the CCAA Court in the CCAA Proceeding dated June 27, 2017;

“**Secured Claim**” has the meaning given to it in the Supplemental Claims Procedure Order;

“**Shareholders Agreement**” means the shareholders agreement to be made between and among the holders of the New Shares on the Effective Date, which shall be in form and substance acceptable to the Consenting First Lien Lenders;

“**Shut Down Restricted Cash**” has the meaning given to it in the Initial Order;

“**Supplemental Claims Procedure Order**” means the Order granted by the CCAA Court on August 22, 2018 that, among other things, provided for the filing and determination of Secured Claims, certain Post-Filing Claims and Post-Filing D&O Claims, as such Order may be amended, restated or varied from time to time by subsequent Order;

“**Supplemental KERP**” means the supplemental key employee retention plan approved pursuant to the Supplemental KERP Order;

“**Supplemental KERP Order**” means the Order (Stay Extension and Supplemental KERP) granted by the CCAA Court in the CCAA Proceeding dated November 14, 2016;

“**Support Agreement**” means that certain amended and restated support agreement dated May 6, 2019 among the Company, the Consenting First Lien Lenders and the First Lien Agent, as may be amended from time to time;

“**Support Agreement & SISP Approval Order**” means the Order (Support Agreement, SISP & KEIP) granted by the CCAA Court in the CCAA Proceeding dated March 28, 2018;

“**Tax**” or “**Taxes**” means any and all taxes including all income, sales, use, goods and services, harmonized sales, value added, capital, capital gains, alternative, net worth, transfer, profits, withholding, payroll, employer health, excise, franchise, real property and personal property taxes, and any other taxes, customs duties, fees, levies, imposts and other assessments or similar charges in the nature of a tax including Canada Pension Plan and provincial pension plan contributions, employment insurance and unemployment insurance payments and workers’ compensation premiums, together with any instalments with respect thereto, and any interest, penalties, fines, fees, other charges and additions with respect thereto;

“**Taxing Authorities**” means Her Majesty the Queen, Her Majesty the Queen in right of Canada, Her Majesty the Queen in right of any province or territory of Canada, the Canada Revenue Agency, any similar revenue or taxing authority of each and every province or territory of Canada or municipality therein and any political subdivision thereof, and any Canadian or foreign governmental authority exercising taxing powers in administering and/or collecting Taxes;

“**Tranche A Lender**” means a First Lien Lender holding Tranche A Loans;

“**Tranche A Loans**” has the meaning given to it in the First Lien Credit Agreement;

“**Tranche B Lender**” means a First Lien Lender holding Tranche B Loans;

“**Tranche B Loans**” has the meaning given to it in the First Lien Credit Agreement;

“**Unaffected Claim**” has the meaning given to it in Section 3.3 of this Plan;

“**Unaffected Creditor**” means a holder of an Unaffected Claim;

“**Unissued New Shares**” has the meaning given to it in Section 7.1(c) of this Plan;

“**Voting Claim**” means the amount of an Affected Claim for which a Proof of Claim is filed, which, as at the Creditors’ Meetings Record Date, (i) is an Accepted Claim or (ii) has been accepted by the Company or deemed to be accepted solely for voting purposes pursuant to the Claims Procedure Order, the Supplemental Claims Procedure Order, the Creditors’ Meeting Order or any other Order;

“**Voting Information and Election Form**” has the meaning given to it in the Creditors’ Meetings Order; and

“**Website**” means the website of the Monitor, www.ey.com/ca/connacheroilandgas, upon which the various materials arising in connection with the CCAA Proceeding are posted from time to time.

1.2 Article and Section Reference

The terms "**this Plan**", "**hereof**", "**hereunder**", "**herein**", and similar expressions refer to this Plan, and not to any particular article, section, subsection, paragraph or clause of this Plan and include any variations, amendments, modifications or supplements hereto. In this Plan, a reference to an article, section, subsection, clause or paragraph shall, unless otherwise stated, refer to an article, section, subsection, paragraph or clause of this Plan.

1.3 Extended Meanings

In this Plan, where the context so requires, any word importing the singular number shall include the plural and vice versa, and any word or words importing gender shall include all genders.

1.4 Interpretation Not Affected by Headings

The division of this Plan into articles, sections, subsections, paragraphs and clauses and the insertion of a table of contents and headings are for convenience of reference and shall not affect the construction or interpretation of this Plan.

1.5 Inclusive Meaning

As used in this Plan, the words "**include**", "**includes**", "**including**" or similar words of inclusion means, in any case, those words as modified by the words "**without limitation**" and "**including without limitation**"; so that references to included matters shall be regarded as illustrative rather than exhaustive.

1.6 Currency

Unless otherwise stated herein, all references to currency in this Plan are to lawful money of Canada. For the purposes of voting or distribution, a Claim shall be denominated in Canadian Dollars and all cash distributions under this Plan shall be paid in Canadian Dollars. Any Claim in a currency other than Canadian Dollars will be deemed to have been converted to Canadian Dollars at the noon spot rate of exchange quoted by the Bank of Canada for exchanging such currency to Canadian Dollars as at the Filing Date, which rate for greater certainty for the conversion of United States Dollars to Canadian Dollars was US$1 = CDN $1.2885.

1.7 Statutory References

Any reference in this Plan to a statute includes all regulations made thereunder, all amendments to such statute or regulations in force from time to time to the date of this Plan and any statute or regulation that supplements or supersedes such statute or regulation to the date of this Plan.

1.8 Successors and Assigns

The rights, benefits and obligations of any Person named or referenced in this Plan shall be binding on and shall inure to the benefit of any heir, administrator, executor, legal personal representative, successor or assign, as the case may be, or a trustee, receiver, interim receiver, receiver and manager, liquidator or other Person acting on behalf of such Person, as permitted hereunder.

1.9 Governing Law

This Plan shall be governed by and construed and interpreted in accordance with the laws of the Province of Alberta and the federal laws of Canada applicable therein, without regard to any conflict of law provision that would require the application of the law of any other jurisdiction. Any dispute or issue in connection with, or related to the interpretation, application or effect of this Plan and all proceedings taken in connection with this Plan and its revisions shall be subject to the exclusive jurisdiction of the CCAA Court.

1.10 Severability of Plan Provisions

If any provision of this Plan is or becomes illegal, invalid or unenforceable on or following the Effective Date in any jurisdiction, the illegality, invalidity or unenforceability of that provision will not affect the legality, validity or enforceability of the remaining provisions of this Plan, or the legality, validity or enforceability of that provision in any other jurisdiction.

1.11 Timing Generally

Unless otherwise specified, all references to time herein, and in any document issued pursuant hereto, shall mean local time in Calgary, Alberta, Canada and any reference to an event occurring on a Business Day shall mean prior to 5:00 p.m. (Calgary time) on such Business Day.

1.12 Time of Payments and Other Actions

Unless otherwise specified, time periods within or following which any payment is to be made or act is to be done shall be calculated by excluding the day on which the period commences and including the day on which the period ends and by extending the period to the next succeeding Business Day if the last day of the period is not a Business Day. Wherever any payment to be made or action to be taken under this Plan is required to be made or to be taken on a day other than a Business Day, such payment shall be made or action taken on the next succeeding Business Day.

1.13 Schedules

The following are the Schedules to this Plan, which are incorporated by reference into this Plan and form an integral part hereof:

Schedule "A"	-	Restructuring Transactions
Schedule "B"	-	Form of Monitor's Certificate

ARTICLE 2
PURPOSE AND EFFECT OF PLAN

2.1 Purpose

The purpose of this Plan is:

(a) to implement the Recapitalization;

(b) to complete a reorganization of the Company's financial obligations; and

(c) to effect a compromise and arrangement of all Affected Claims,

in order to enable the business of the Company to continue as a going concern, in the expectation that a greater benefit will be derived from the continued operation of its business than would result from the forced liquidation of the Company's assets.

2.2 Persons Affected

The Plan provides for a compromise of all Affected Claims and the implementation of the Recapitalization by means of the Restructuring Transactions. This Plan will become effective at the Effective Time and shall be binding upon and enure to the benefit of the Company and all Persons named or referred to in, or subject to, this Plan and their respective heirs, executors, administrators, legal representatives, successors and assigns in accordance with its terms.

2.3 Persons Not Affected

For greater certainty, except as expressly provided in this Plan, the Plan does not affect the Unaffected Creditors with respect to and to the extent of their Unaffected Claims.

ARTICLE 3
CLASSIFICATION OF CREDITORS AND CLAIMS, ESTABLISHMENT OF RESERVES AND OTHER ACTIONS ON EFFECTIVE DATE

3.1 Claims Procedure

The procedure for determining the validity and quantum of the Affected Claims and resolving Disputed Claims for voting and distribution purposes under this Plan shall be governed by the Claims Procedure Order, the Supplemental Claims Procedure Order, the Creditors' Meetings Order, the CCAA and this Plan.

3.2 Classification of Creditors

For the purposes of considering and voting on this Plan and receiving a distribution hereunder, the Affected Creditors are grouped into two Classes: (a) the First Lien Lender Class; and (b) the General Creditor Class.

3.3 Claims Unaffected by the Plan

This Plan does not compromise, release, discharge or otherwise affect the following (collectively, "**Unaffected Claims**"):

(a) Post-Filing Claims, provided that any Post-Filing Claims that were required to be preserved pursuant to the Supplemental Claims Procedure Order have been preserved;

(b) Claims which have been preserved in accordance with the Claims Procedure Order or the Supplemental Claims Procedure Order against Directors that cannot be compromised due to the provisions of Section 5.1(2) of the CCAA;

(c) Claims which have been preserved in accordance with the Claims Procedure Order or the Supplemental Claims Procedure Order that cannot be compromised due to the provisions of Section 19(2) of the CCAA, except any Claims to which Section 10.11 of this Plan applies which shall be Affected Claims for the purposes of this Plan;

(d) an Insured Claim provided that the Person holding the Insured Claim delivers to the Monitor by no later than 5:00 pm (Calgary time) on a date that is two (2) Business Days before the date of the Creditors' Meetings a completed and duly signed Insured Claim Option Notice in which the Person elects to pursue an Insured Claim for its Claim and waives any right to recover such Insured Claim from the Company or under this Plan;

(e) any indebtedness, liability or obligation of the Company of any kind to BEH under or pursuant to the BEH Royalty Agreement;

(f) except as expressly provided in Section 3.8(d) hereof, any indebtedness, liability or obligation of the Company of any kind to ATB under or pursuant to the ATB Credit Facilities; and

(g) any obligation of the Company under the Credit Bid KERP which is not yet due and owing, or has not been satisfied in full, as of the Effective Date.

Persons with Unaffected Claims shall not be entitled to vote at any Creditors' Meeting or receive any distributions under this Plan in respect of the portion of their claim which is an Unaffected Claim. Nothing in this Plan shall affect the Company's or the Directors' rights to defences, both legal and equitable, with respect to any Unaffected Claim including any rights with respect to legal and equitable defences or entitlements to set-offs or recoupments against such Unaffected Claims.

3.4 Establishment of the Administrative Reserve Fund

The Monitor shall hold the amount of $750,000 from the Plan Implementation Fund as an administrative reserve (the "**Administrative Reserve Fund**") in escrow until payment by the Monitor out of the Administrative Reserve Fund of reasonable fees and disbursements (plus any applicable Taxes thereon) for any services rendered by Cassels, other legal counsel and advisors to the Company, the Monitor, legal counsel to the Monitor, or other Persons from time to time retained by the Company or the Monitor and any other reasonable costs and expenses incurred by the Company or the Monitor in connection with the implementation of the Plan, the administration of the Plan Implementation Fund, the resolution of Disputed Claims (but, for greater certainty, not for any payments or distributions in respect thereof), and the wind up of the CCAA Proceeding (collectively, "**Administration Expenses**").

If, subject to the terms of this Plan, the Monitor determines that excess funds exist in the Administrative Reserve Fund after all amounts referred to in the preceding paragraph have been paid or provided for to the satisfaction of the Monitor, then the Monitor shall release and return such funds to the Company.

Any existing Professional Retainers held by Cassels, other legal counsel and advisors to the Company, the Monitor, or legal counsel to the Monitor will continue to be held by such Persons for services rendered on and after the Effective Date and shall not be affected by this Plan; provided that if, on or after the Effective Date, and subject to the terms of this Plan, the Monitor determines that no further services are required of any Person holding a Professional Retainer, the Monitor shall advise such Person in writing on five (5) days prior notice and request a final accounting and return of the remaining Professional Retainer, if any, held by such Person. Such Person shall, as soon as reasonably practicable following receipt of such a written notice, pay to the Company the amount of the Professional Retainer remaining, if any, after deducting its fees, costs and Taxes incurred up to the effective date of such notice and any outstanding invoices owing to such Person by the Company.

3.5 Priority Secured Claims

(a) On or as soon as practicable following the Effective Date, the Monitor, on behalf of the Company, shall pay in full all Priority Secured Claims from the Plan Implementation Fund.

(b) In the event that a Secured Claim that is alleged to be a Priority Secured Claim remains in dispute (with respect to either or both the quantum or its priority secured status) and such dispute is not finally resolved as of the Effective Date pursuant to the Supplemental Claims Procedure Order (an "**Alleged Priority Secured Claim**"), the Monitor shall hold an amount from the Plan Implementation Fund equal to any and all such Alleged Priority Secured Claims (the "**Priority Secured Claims Reserve**") in escrow in accordance with this Section. In the event that such an Alleged Priority Secured Claim is subsequently finally determined to be a Priority Secured Claim (in whole or in part) in accordance with the Supplemental Claims Procedure Order or other Order or by agreement between the Company and the Person holding the Alleged Priority Secured Claim (with the consent of the Consenting First Lien Lenders), the Monitor shall pay the whole or the portion of the Alleged Priority Secured Claim that is determined to be a Priority Secured Claim from the Priority Secured Claims Reserve. In the event that such an Alleged Priority Secured Claim is subsequently finally determined not to be a Priority Secured Claim (in whole or in part) in accordance with the Supplemental Claims Procedure Order or other Order or by agreement between the Company and the Person holding the Alleged Priority Secured Claim, in terms of either or both the quantum or its priority secured status, such portion of the Priority Secured Claims Reserve relating to such Alleged Priority Secured Claim (or the portion thereof) that is determined to not be a Priority Secured Claim shall be released and returned by the Monitor to the Company. As of the Effective Date, any security underlying any Alleged Priority Secured Claim, whether arising pursuant to agreement or statute, registered or unregistered, perfected or unperfected, shall be irrevocably, fully and finally discharged as against the Company and all of the Company's business, assets and undertaking. Upon such discharge, the Priority Secured Claims Reserve shall stand in the place and stead of the security underlying the Alleged Priority Secured Claim, with the same priority as it had just prior to the Effective Date, as if the security had not been discharged.

(c) In accordance with Section 4.1 of this Plan, at least two (2) Business Days prior to the Effective Date, the Monitor shall hold an amount from the Plan Implementation Fund equal to the Outstanding Municipal Tax Claims (the "**Municipal Tax Fund**"), representing the amounts claimed by the Municipality as an Alleged Priority Secured Claim against the Company. The Monitor shall hold the Municipal Tax Fund in a separate trust account which shall not be co-mingled with the Plan Implementation Fund. The Monitor shall be responsible for assessing the quantum, validity and enforceability of the Municipality's Alleged Priority Secured Claim. Upon the Effective Date, the Alleged Priority Secured Claim, and any security underlying such claim, shall be irrevocably, fully and finally discharged as against the Company, and all of the Company's business, assets and undertaking. Upon such discharge, the Municipal Tax Fund shall stand in the place and stead of the Municipality's security, with the same priority as it had just prior to the Effective Date, as if the security had not been discharged. The Monitor shall hold the Municipal Tax Fund and shall make no distribution of any portion of such amounts held without (i) an agreement in writing as between the Municipality, the Company, the Monitor and the Majority Consenting First Lien Lenders, or (ii) an order of the court. In the event there are excess funds in the Municipal Tax Fund after distribution is made by the Monitor as aforesaid, such excess shall be returned to the Company.

3.6 Crown Priority Claims

On or as soon as practicable following the Effective Date, the Monitor shall pay in full, on behalf of the Company, all Crown Priority Claims, if any, that were outstanding at the Filing Date or related to the period ending on the Filing Date, to the Crown, from the Plan Implementation Fund.

3.7 Employee Priority Claims

On or as soon as practicable following the Effective Date, the Monitor shall pay in full, on behalf of the Company, all Employee Priority Claims due and accrued to the Effective Date in the amount agreed to between the Company, the Monitor and the Consenting First Lien Lenders, to each holder of an Employee Priority Claim to the full amount of his, her or its respective Employee Priority Claim, from the Plan Implementation Fund.

3.8 Claims Secured by CCAA Charges

(a) Administration Charge

On the Effective Date, all outstanding obligations, liabilities, fees and disbursements secured by the Administration Charge which are evidenced by invoices as at the Effective Date shall be fully paid by the Monitor, on behalf of the Company, from the Plan Implementation Fund. The fees and disbursements of Cassels and other legal counsel to the Company, the Monitor, legal counsel to the Monitor or other Persons from time to time retained by the Company or the Monitor and any other costs and expenses incurred by the Company or the Monitor in connection with the implementation of this Plan, the resolution of Disputed Claims, and the termination of the CCAA Proceeding following the Effective Date shall continue to be secured by the assets of the Administrative Reserve Fund only, and the Administration Charge shall be and be deemed to be fully and finally satisfied and discharged from and against any and all other assets of the Company and the Plan Implementation Fund.

(b) Directors' Charge

On the Effective Date, all D&O Claims, D&O Restructuring Period Claims and Post-Filing D&O Claims shall be fully, finally and irrevocably compromised, released, discharged, cancelled, extinguished and barred in accordance with Article 10 hereof and the Directors' Charge shall be and be deemed to be fully and finally satisfied and discharged from and against any and all assets of the Company and the Plan Implementation Fund.

In the event that any D&O Claims, D&O Restructuring Period Claims or Post-Filing D&O Claims which would be secured by the Directors' Charge remain outstanding and have not been fully paid prior to the Effective Date (an "**Alleged Directors' Charge Claim**"), the Monitor shall hold an amount from the Plan Implementation Fund equal to any and all such Alleged Directors' Charge Claims up to the aggregate amount of the Directors' Charge (the "**Directors' Charge Claims Reserve**") in escrow in accordance with this Section. In the event that such an Alleged Directors' Charge Claim is subsequently finally determined to be owing pursuant to the Supplemental Claims Procedure Order or other Order or by agreement between the Company and the Person holding the Alleged Directors' Charge Claim (with the consent of the Consenting First Lien Lenders), the Monitor shall pay in full such claim from the Directors' Charge Claims Reserve. In the event that such an Alleged Directors' Charge Claim is determined not to be owing pursuant to the Supplemental Claims Procedure Order or other Order or by agreement between the Company and the Person holding the Alleged Directors' Charge Claim, such portion of the Directors' Charge Claims Reserve shall be released and returned by the Monitor to the Company as long as the amount that will thereafter exist in the Directors' Charge Claims Reserve is sufficient to satisfy all remaining Alleged Directors' Charge Claims whether or not such Alleged Directors' Charge Claims were previously accounted for in the Directors' Charge Claims Reserve.

(c) KERP/LTIP Charge, KEIP Charge and Financial Advisor Charge

On the Effective Date, any remaining outstanding obligations of the Company secured by any of the KERP/LTIP Charge, the KEIP Charge or the Financial Advisor Charge which are due and owing as of the Effective Date shall be fully paid by the Monitor on behalf of the Company, from the Plan Implementation Fund to the applicable beneficiaries of such CCAA Charges and each of the KERP/LTIP Charge, the KEIP Charge and the Financial Advisor Charge shall be and be deemed to be fully and finally satisfied and discharged from and against any and all assets of the Company and the Plan Implementation Fund.

In the event that the Company disputes any Person's entitlement under the LTIP, the LTIP 2017, the KERP, the Supplemental KERP, the Second Supplemental KERP, the KEIP or the Credit Bid KERP which are due and owing as of the Effective Date and which remain outstanding and have not been paid on or prior to the Effective Date (an "**Alleged Retention Plan Claim**"), the Monitor shall hold an amount from the Plan Implementation

Fund equal to any and all such Alleged Retention Plan Claims (the "**Retention Plan Claims Reserve**") in escrow in accordance with this Section. In the event that such an Alleged Retention Plan Claim is subsequently finally determined to be owing pursuant to the Supplemental Claims Procedure Order or other Order or by agreement between the Company and the Person holding the Alleged Retention Plan Claim (with the consent of the Consenting First Lien Lenders), the Monitor shall pay in full such claim from the Retention Plan Claims Reserve. In the event that such an Alleged Retention Plan Claim is determined to not be owing pursuant to the Supplemental Claims Procedure Order or other Order or by agreement between the Company and the Person holding the Alleged Retention Plan Claim, such portion of the Retention Plan Claims Reserve shall be released and returned by the Monitor to the Company.

(d) ATB Charge

Effective upon the Effective Date, the ATB Charge shall be and be deemed to be fully and finally satisfied and discharged from and against any and all assets of the Company and the Plan Implementation Fund, provided that nothing herein shall discharge or compromise any other security (other than the ATB Charge) granted by the Company to ATB pursuant to the ATB Credit Facilities which shall be unaffected by this Plan in accordance with Section 3.3(f) of this Plan.

ARTICLE 4
ESTABLISHMENT OF THE PLAN IMPLEMENTATION FUND

4.1 Plan Implementation Fund

On or prior to the Effective Date, the Company shall deliver to the Monitor from the Company's Cash on Hand the aggregate amount necessary, as determined by the Monitor and the Company, with the consent of the Majority Consenting First Lien Lenders (each acting in good faith), to fully pay or satisfy:

(a) the amount required to satisfy the CCAA Charges as of the Effective Date in accordance with Section 3.8 of this Plan;

(b) the amount, if any, required to be held in the Directors' Charge Claims Reserve in accordance with Section 3.8(b) of this Plan in respect of Alleged Directors' Charge Claims;

(c) the amount required to satisfy the payment in full of any remaining obligations secured by any of the KERP/LTIP Charge, the KEIP Charge or the Financial Advisor Charge as of the Effective Date in accordance with Section 3.8(c) of this Plan;

(d) the amount, if any, required to be held in the Retention Plan Claims Reserve in accordance with Section 3.8(c) of this Plan in respect of Alleged Retention Plan Claims;

(e) the amount required to be held in the Administrative Reserve Fund in accordance with Section 3.4 of this Plan on the Effective Date;

(f) the amount required to satisfy the payment in full of the Priority Secured Claims as of the Effective Date in accordance with Section 3.5 of this Plan;

(g) the amount, if any, required to be held in the Priority Secured Claims Reserve in accordance with Section 3.5 of this Plan in respect of Alleged Priority Secured Claims;

(h) the amount required to satisfy the payment in full of the Crown Priority Claims in accordance with Section 3.6 of this Plan;

(i) the amount required to satisfy the payment in full of the Employee Priority Claims in accordance with Section 3.7 of this Plan;

(j) the amount required to establish the General Creditor Pool; and

(k) the amount required to establish the Municipal Tax Fund.

ARTICLE 5
VOTING AND TREATMENT OF CREDITORS

5.1 Voting by the First Lien Lender Class

Beneficial First Lien Lenders as of the First Lien Record Date or their proxyholders will be entitled to vote in respect of such First Lien Lender's Pro Rata Share of the First Lien Claim. The solicitation of such votes and the procedures for voting by Beneficial First Lien Lenders shall be conducted in accordance with the Creditors' Meeting Order.

5.2 Treatment of the First Lien Lender Claims

(a) On the Effective Date, in accordance with this Plan and in accordance with the steps and in the sequence set forth in the Restructuring Transactions, each Beneficial First Lien Lender shall be entitled to the following:

(i) each Tranche A Lender shall receive in respect of the principal amount (but not accrued interest) of its Tranche A Loans its *pro rata* share of the obligations under the New Senior Secured Term Facility based on the outstanding principal amount of Tranche A Loans owing to such Tranche A Lender in relation to the outstanding aggregate principal amount of the Tranche A Loans owing to all Tranche A Lenders as of the Effective Date; and

(ii) each Tranche A Lender and Tranche B Lender, or their designates, shall be issued and, subject to Section 7.1, entitled to receive in respect of, in the case of a Tranche A Lender, the accrued interest on its Tranche A Loans, and, in the case of a Tranche B Lender, the principal and accrued interest of its Tranche B Loans, its *pro rata* share of the New Shares issued pursuant to this Plan, based on the outstanding accrued interest of Tranche A Loans and the outstanding principal and interest of Tranche B Loans owing to a First Lien Lender in relation to the outstanding aggregate amount of interest of Tranche A Loans and principal and interest of Tranche B Loans owing to all First Lien Lenders as of the Effective Date.

(b) On the Effective Date, each Beneficial First Lien Lender shall be deemed to become a party to and thereafter bound by the Shareholders Agreement, each in its capacity as a holder of the New Shares. The Shareholders Agreement is deemed to be a "unanimous shareholder agreement" for purposes of the CBCA, and each Beneficial First Lien Lender is deemed to have been given notice thereof.

(c) The entire amount of the First Lien Deficiency Claim shall be deemed to be an unsecured deficiency claim and shall constitute a General Creditor Claim for the purposes of this Plan.

5.3 Treatment of Second Lien Claims

The entire amount of the Second Lien Claim shall be deemed to be an unsecured deficiency claim (being the Second Lien Deficiency Claim) and shall constitute a General Creditor Claim for the purposes of this Plan.

5.4 Voting by Creditors in the General Creditor Class

Pursuant to and in accordance with the Creditors’ Meeting Order, each of the following Creditors shall be entitled to vote on this Plan at the Creditors’ Meeting for the General Creditor Class as follows:

(a) Beneficial First Lien Lenders as of the First Lien Record Date or their proxyholders will be entitled to vote in respect of such First Lien Lender’s Pro Rata Share of the First Lien Deficiency Claim. The solicitation of such votes and the procedures for voting by Beneficial First Lien Lenders shall be conducted in accordance with the Creditors’ Meeting Order;

(b) Beneficial Noteholders as of the Second Lien Notes Record Date or their proxyholders will be entitled to vote in respect of such Second Lien Noteholders’ Pro Rata Share of the Second Lien Deficiency Claim. The solicitation of such votes and the procedures for voting by Beneficial Noteholders shall be conducted in accordance with the Creditors' Meeting Order;

(c) Convenience Class Creditors shall each be deemed to vote in favour of the Plan in the amount of such Creditor's Accepted Claim;

(d) General Creditors (other than First Lien Lenders in respect of First Lien Deficiency Claims, Second Lien Noteholders in respect of Second Lien Deficiency Claims and Convenience Class Creditors) with Voting Claims shall be entitled to one (1) vote in the amount equal to such Creditor's Voting Claim.

5.5 Treatment of General Creditor Claims

(a) General Creditors with Accepted Claims (including First Lien Lenders in respect of First Lien Deficiency Claims and Second Lien Noteholders in respect of Second Lien Deficiency Claims) on the Initial Distribution Record Date equal to or less than $2,000 shall be deemed to have made a Distribution Election and to have elected to and shall receive the Distribution Election Amount in respect of their Accepted Claim in accordance with the Plan;

(b) General Creditors with Accepted Claims greater than $2,000 (including First Lien Lenders in respect of First Lien Deficiency Claims and Second Lien Noteholders in respect of Second Lien Deficiency Claims) shall receive:

(i) the Distribution Election Amount in respect of their Accepted Claim in accordance with the Plan if a Distribution Election is made prior to the Distribution Election Deadline; or

(ii) its Pro Rata Share of the General Creditor Pool (after deducting all Distribution Election Amounts payable under this Plan) if a Distribution Election is not made prior to the Distribution Election Deadline;

(c) Notwithstanding the foregoing, a Beneficial Noteholder in respect of a Second Lien Deficiency Claim shall only be deemed to have made a Distribution Election or shall only be entitled to make a Distribution Election if such Beneficial Noteholder delivers a Voting Information and Election Form in accordance with the Creditors' Meetings Order.

5.6 Voting – Transferred Claims

Any General Creditor may transfer the whole of its Claim prior to the Creditors' Meeting of the General Creditors in accordance with the Claims Procedure Order and the

Creditors' Meeting Order, as applicable, provided that the Monitor shall not be obligated to deal with the transferee of such Claim as a General Creditor in respect thereof, including allowing such transferee to vote at the Creditors' Meeting for General Creditors, unless a Proof of Assignment has been received by the Monitor prior to 5:00 p.m. (Calgary time) on the day that is at least ten (10) Business Days prior to the date of the Creditors' Meeting for General Creditors and such transfer has been acknowledged in writing by the Monitor. Thereafter such transferee shall, for all purposes in accordance with the Claims Procedure Order, Supplemental Claims Procedure Order, the Creditors' Meetings Order, the CCAA and this Plan, constitute a General Creditor and shall be bound by any notices given or steps taken in respect of such Claim in accordance with the Creditors' Meetings Order and any further Orders.

If a General Creditor transfers the whole of its Claim to more than one Person or part of such Claim to another Person after the Filing Date, such transfer shall not create a separate Voting Claim and such Claim shall continue to constitute and be dealt with for the purposes hereof as a single Voting Claim. Notwithstanding such transfer, the Monitor shall not be bound to recognize or acknowledge any such transfer and shall be entitled to give notices to and otherwise deal with such Claim only as a whole and only to and with the Person last holding such Claim in whole as the General Creditor in respect of such Claim, provided such General Creditor may, by notice in writing to the Monitor in accordance with and subject to the Creditors' Meetings Order and given prior to 5:00 p.m. (Calgary time) on the day that is at least ten (10) Business Days prior to the date of the Creditors' Meeting for General Creditors, direct the subsequent dealings in respect of such Claim, but only as a whole, shall be with a specified Person and in such event, such transferee of the Claim and the whole of such Claim shall be bound by any notices given or steps taken in respect of such Claim in accordance with the Creditors' Meetings Order and any further Orders.

5.7 Voting – All Classes

Except as otherwise set out in this Plan or in the Creditors' Meetings Order, each Creditor holding a Voting Claim or its designated proxyholder shall be entitled to attend the Creditors' Meeting for its Class. The Monitor shall keep a separate record of votes cast by Creditors holding Disputed Claims and shall report to the CCAA Court with respect thereto at the CCAA Court hearing seeking the Sanction Order. The votes cast in respect of any Disputed Claims shall not be counted for any purpose unless, until and only to the extent that such Disputed Claim is finally determined to be an Accepted Claim. The Company and the Monitor shall have the right to seek the assistance of the CCAA Court in valuing any Disputed Claim in accordance with the Claims Procedure Order, the Supplemental Claims Procedure Order, the Creditors' Meetings Order, the CCAA and this Plan, if required, to ascertain the result of any vote on this Plan.

5.8 Existing Shareholders and Holders of Equity Claims

Existing Shareholders and holders of Equity Claims shall not be entitled to attend or vote in respect of their Equity Claims at any Creditors' Meetings and shall not receive any distribution under this Plan on account of their Existing Shares or Equity Claims. All Equity Claims and D&O Indemnity Claims that are based on Equity Claims shall be fully, finally and irrevocably and forever compromised, released, discharged, cancelled, extinguished and barred on the Effective Date.

5.9 Other Non-Voting Persons

Persons with claims secured by the CCAA Charges, Alleged Directors' Charge Claims, claims or entitlements to the Administrative Reserve Fund, Alleged Retention Plan Claims, Secured Claims, Alleged Priority Secured Claims, Priority Secured Claims, Municipal Tax Claims, Municipal Tax Fund, Crown Priority Claims, Employee Priority Claims or Post-Filing Claims shall not be entitled to vote at any Creditors' Meeting in respect of the portion of their claim which is a claim secured by the CCAA Charges, an Alleged Directors' Charge Claim, a claim or entitlement to the Administrative Reserve Fund, an Alleged Retention Plan Claim, a Secured Claim, an Alleged Priority Secured Claim, a Priority Secured Claim, a Municipal Tax Claim, a Municipal Tax Fund, a Crown Priority Claim, an Employee Priority Claim or a Post-Filing Claim.

ARTICLE 6
IMPLEMENTATION OF THE RESTRUCTURING TRANSACTIONS

6.1 Restructuring Transactions

The Company, the Consenting First Lien Lenders, the Monitor and, subject to receiving written direction from the Consenting First Lien Lenders, the First Lien Agent, each as applicable, will take the steps set forth in Schedule "A" hereto (collectively, the "**Restructuring Transactions**"), which shall be consummated and become effective in the order set out therein, and will take any actions as may be necessary to effect a restructuring of the Company's business or overall organizational structure to reflect and implement the Recapitalization, the Restructuring Transactions and the provisions of this Plan.

The adoption, execution, delivery, implementation and consummation of all matters contemplated under this Plan involving corporate action of the Company will occur and be effective by the Effective Time, and will be authorized and approved under this Plan and by the CCAA Court, where appropriate, as part of the Sanction Order, in all respects and for all purposes without any requirement of further action by shareholders, Directors or Officers of the Company. All necessary approvals to take actions shall be deemed to have been obtained from the directors or shareholders of the Company, as applicable, including the deemed passing by any class of shareholders of any resolution or special resolution and no shareholders' agreement or agreement between a shareholder and another Person limiting in any way the right to vote shares held by such shareholder or shareholders with respect to any of the steps contemplated by this Plan shall be deemed to be effective and any such agreement shall have no force and effect.

6.2 Effectuating Documents

Any current Officer shall be authorized to execute, deliver, file, or record such contracts, instruments, releases, indentures and other agreements or documents, and take such other actions, as may be necessary or appropriate, on behalf of the Company, to effectuate and further evidence the terms and conditions of this Plan.

ARTICLE 7
PROVISIONS GOVERNING DISTRIBUTIONS

7.1 Distribution to First Lien Lender Class

(a) Delivery of the New Shares issued and distributed under this Plan will be made by delivering share certificates representing the New Shares in the name of the applicable recipient.

(b) On the Effective Date, the Company shall issue New Shares in accordance with Section 5.2 (or reserve New Shares for issuance, as applicable, in accordance with Section 7.1(c)).

(c) Notwithstanding Section 7.1(b), no Beneficial First Lien Lender shall be entitled to the rights associated with the New Shares and all such New Shares shall be reserved for issuance on the books and records of the Company until such time as it has delivered its New Shareholder Information to the Company. In the event that a Beneficial First Lien Lender fails to deliver its New Shareholder Information in accordance with this Section 7.1(c) on or before the date that is six (6) months following the Effective Date, the Company shall have no further obligation to issue or deliver, and shall have no further obligation to reserve on its books and records, any New Shares otherwise issuable to Beneficial First Lien Lenders (such shares, the "**Unissued New Shares**") that have not delivered their New Shareholder Information accordance this Section 7.1(c) and all such Beneficial First Lien Lenders shall cease to have a claim to, or interest of any kind or nature against or in, the Company or the Unissued New Shares.

(d) No fractional shares of the Company shall be allocated or issued under this Plan. Any legal, equitable, contractual and any other rights or claims (whether actual or contingent, and whether or not previously asserted) of any Person with respect to fractional shares of the Company issued pursuant to this Plan shall be rounded down to the nearest whole number without compensation therefor.

(e) All New Shares issued under this Plan shall be deemed to have been issued as fully paid and non-assessable shares of the Company, free and clear of any Liens except as provided in the Company's articles and in the Shareholders Agreement.

(f) The stated capital accounts for the Existing Shares and the New Shares and any adjustments thereto resulting from the transactions contemplated by this Plan shall be as determined by the New Board in accordance with the CBCA.

7.2 Distributions to the General Creditor Class

(a) General Creditors with Accepted Claims (including First Lien Lenders in respect of First Lien Deficiency Claims and Second Lien Noteholders in respect of Second Lien Deficiency Claims) shall receive distributions from the General Creditor Pool in accordance with Section 5.5 of this Plan.

(b) Distributions to be made under this Plan on account of First Lien Deficiency Claims shall be made by the Monitor to the First Lien Agent. Distributions to be made under this Plan on account of Second Lien Deficiency Claims shall be made by the Monitor to the Second Lien Trustee.

(c) Other than as specifically provided in Section 7.2(b), all distributions to be made under this Plan to a Creditor shall be made by the Monitor on behalf of the Company by cheque and will be sent, via regular mail, to such Creditor to the address specified in the Proof of Claim filed by such Creditor or such other address as the Creditor may from time to time notify the Monitor in writing in accordance with Section 11.12 of this Plan.

(d) The Monitor may, but shall not be obligated to, make any distribution to the General Creditors before all Disputed Claims have been finally resolved for distribution purposes in accordance with the Claims Procedure Order, the Supplemental Claims Procedure Order or further Order.

(e) Notwithstanding anything else in this Plan, the aggregate of the distributions provided for in Section 5.5 and this Section 7.2 shall not exceed the amount of funds in the General Creditor Pool.

7.3 Disputed Claims

An Affected Creditor holding a Disputed Claim shall not be entitled to receive a distribution under the Plan in respect of any portion thereof unless and until such Disputed Claim becomes an Accepted Claim.

7.4 Interest on Affected Claims

Except in respect of First Lien Claims and Second Lien Claims, no interest or penalties shall accrue or be paid on an Affected Claim from and after or in respect of the period following the Filing Date and, except in the case of holders of First Lien Claims or Second Lien Claims, no holder of an Affected Claim will be entitled to any interest in respect of such Affected Claim accruing on or after or in respect of the period following the Filing Date. At the Effective Time, all interest accruing on any Affected Claim after or in respect of the period following the Filing Date shall be forever extinguished and released under this Plan as against the Company.

7.5 Distributions in respect of Transferred Claims

The Company and the Monitor shall not be obligated to deliver any distributions under this Plan to any transferee of an Affected Claim unless a Proof of Assignment has been delivered to the Monitor no later than the Initial Distribution Record Date.

7.6 Undeliverable and Unclaimed Distributions

In addition to the provisions of Section 7.1(c) of this Plan regarding the distribution of New Shares:

(a) If any Creditor entitled to a distribution pursuant to this Plan cannot be located by the Monitor on the applicable Distribution Date, or if any delivery or distribution to be made pursuant to Article 7 of this Plan is returned as undeliverable, such cash shall be set aside by the Monitor and deposited in a segregated, interest-bearing account to be maintained by the Monitor.

(b) If such Creditor is located by the Monitor within six (6) months after the applicable Distribution Date, such cash shall be distributed to such Creditor.

(c) If such Creditor cannot be located by the Monitor or if any delivery or distribution to be made pursuant to Article 7 of this Plan is returned as undeliverable, or in the case of any distribution made by cheque, the cheque remains uncashed, for a period of more than six (6) months after the applicable Distribution Date or the date of delivery or mailing of the cheque, whichever is later, the Claim of any Creditor with respect to such undelivered or unclaimed distribution shall be discharged and forever barred, notwithstanding any Applicable Law to the contrary, and any such cash allocable to the undeliverable or unclaimed distribution shall be released and returned by the Monitor to the Company, free and clear of any claims of such Creditor or any other Creditors and their respective successors and assigns. Nothing contained in this Plan shall require the Company or the Monitor to attempt to locate any holder of any undeliverable or unclaimed distributions.

7.7 Tax Matters

(a) All distributions to a Creditor or Person on behalf of a Creditor shall be made first with respect to the principal amount of the Claim owing to such

Creditor and only after all such principal has been paid shall the distribution be made with respect to the interest owing on such Claim.

(b) Notwithstanding any other provision in this Plan, each Creditor that is to receive a distribution or payment pursuant to this Plan shall have sole and exclusive responsibility for the satisfaction and payment of any Tax obligations imposed by any Authorized Authority on account of such distribution.

(c) All distributions hereunder shall be subject to any withholding and reporting requirements imposed by any Applicable Law or any Taxing Authority and the Company shall direct the Monitor, on behalf of the Company, to deduct, withhold and remit from any distributions hereunder payable to a Creditor or to any Person on behalf of any Creditor, such amounts, if any, as the Company determines that it or the Monitor, on behalf of the Company, is required to deduct and withhold with respect to such payment under the ITA or under Applicable Law. To the extent that amounts are so deducted and withheld, such withheld amounts shall be treated for all purposes as having been paid to the Creditor in respect of which such deduction and withholding was made, provided that such withheld amounts are actually remitted to the appropriate Taxing Authority.

ARTICLE 8
CONDITIONS OF PLAN IMPLEMENTATION

8.1 Sanction Order

If this Plan is approved by the Required Majorities, the Company shall bring an application before the CCAA Court for the Sanction Order, which Sanction Order shall provide (unless otherwise agreed to by the Company, the Monitor, the Consenting First Lien Lenders and the First Lien Agent), among other things, that:

(a) (i) this Plan has been approved by the Required Majorities in conformity with the CCAA; (ii) the Company acted in good faith and complied with the provisions of the CCAA and the Orders made in the CCAA Proceeding in all respects; (iii) the CCAA Court is satisfied that the Company has not done or purported to do anything that is not authorized by the CCAA; and (iv) this Plan and the transactions contemplated hereby (including the Recapitalization and the Restructuring Transactions) are fair and reasonable;

(b) this Plan (including the compromises, arrangements, releases and the transactions contemplated herein, including the Recapitalization and the Restructuring Transactions) shall be sanctioned and approved pursuant to Section 6 of the CCAA and will be binding and effective as herein set out on the Company, all Creditors and all other Persons as provided for in this

Plan or the Sanction Order and, at the Effective Time, will be effective and enure to the benefit of the Company, the Creditors and all other Persons as provided in this Plan or the Sanction Order;

(c) authorizing and approving the steps to be taken under this Plan, including the Restructuring Transactions, on the date they are deemed to occur and be effected by this Plan, and in the sequential order contemplated by Schedule "A" to this Plan on the Effective Date;

(d) subject to the performance by the Company of its obligations under this Plan, and except to the extent expressly contemplated by this Plan or the Sanction Order, all Continuing Contracts that have not expired or been terminated prior to the Effective Date pursuant to their terms or by agreement will be and shall remain in full force and effect as at the Effective Date, unamended except as they may have been amended by agreement of the parties thereto subsequent to the Filing Date, and no Person who is a party to any such agreement shall, following the Effective Date, accelerate, terminate, rescind, refuse to perform or otherwise repudiate its obligations thereunder, or enforce or exercise any right (including any right of set-off, option, dilution or other remedy) or make any demand under or in respect of any such agreement, by reason of:

(i) any defaults or events of default arising as a result of the insolvency of the Company prior to the Effective Date;

(ii) any change of control of the Company arising from implementation of this Plan;

(iii) the fact that the Company has sought or obtained relief under the CCAA or that this Plan has been implemented by the Company;

(iv) the effect on the Company of the completion of any of the transactions contemplated by this Plan;

(v) any compromises or arrangements effected pursuant to this Plan; or

(vi) any other event(s) which occurred on or prior to the Effective Date which would have entitled any Person thereto to enforce those rights and remedies, subject to any express provisions to the contrary in any agreements entered into with the Company after the Filing Date.

(e) all Accepted Claims and Disallowed Claims determined in accordance with the Claims Procedure Order or the Supplemental Claims Procedure Order are final and binding on the Company and all Creditors;

(f) upon the Effective Date, all Alleged Priority Secured Claims and any security underlying such Alleged Priority Secured Claims shall be irrevocably, fully and finally discharged as against the Company and all of the Company's business assets and undertaking and the Priority Secured Claims Reserve shall stand in the place and stead of such security, with the same priority as it had just prior to the Effective Date;

(g) no meetings or votes of the Existing Shareholders or Persons holding Equity Claims are required in connection with this Plan (including the Restructuring Transactions);

(h) the commencement or prosecution, whether directly, indirectly, derivatively or otherwise, of any demands, claims, actions, counterclaims, suits, judgments, or other remedies or recoveries with respect to any Claim released, discharged or terminated pursuant to this Plan shall be permanently enjoined;

(i) the releases effected by this Plan are approved, and declared to be binding and effective as of the Effective Date upon all Creditors, the Company, the Monitor and all other Persons affected by this Plan and shall enure to the benefit of all such Persons;

(j) any Claims which have been preserved in accordance with the Claims Procedure Order or the Supplemental Claims Procedure Order against Directors that cannot be compromised due to the provisions of Section 5.1(2) of the CCAA will be limited in recovery to the proceeds of any Directors insurance policies;

(k) except for the Administration Charge which shall continue against the Administrative Reserve Fund subject to further Order, all CCAA Charges established by the Initial Order or any other Order, shall be terminated, released and discharged effective on the Effective Date;

(l) upon receipt from the Company, the Monitor shall hold and distribute the Plan Implementation Fund in accordance with this Plan;

(m) the articles of the Company will be amended as set out in Schedule "A";

(n) each Beneficial First Lien Lender shall be deemed to be a party to the Shareholders Agreement on the Effective Date, each in its capacity as a holder of the New Shares;

(o) any written or oral agreement, option or warrant, or any right or privilege capable of becoming such, for the purchase, subscription, allotment or issuance of any shares or other form of equity interest (or any securities or investments convertible, exercisable or exchangeable for any shares or other form of equity interest) in the Company, and any agreements or instruments entitling any holder thereof to any participation in the Company, are of no further force or effect as at the Effective Date and all certificates evidencing Existing Shares are cancelled, null and void;

(p) any claims for which a Proof of Claim has not been filed by the dates required by the Claims Procedure Order or the Supplemental Claims Procedure Order shall be forever barred and extinguished in accordance with the Claims Procedure Order or the Supplemental Claims Procedure Order, as applicable;

(q) all Liens of Affected Creditors, including all security registrations in favour of any Affected Creditor, are discharged and extinguished, and the Company or its counsel shall be authorized and permitted to file discharges and full terminations of all Lien filings (whether pursuant to personal property security legislation or otherwise) against the Company in favour of the First Lien Agent, the Second Lien Trustee, the Collateral Trustee or any other Affected Creditor in any jurisdiction without any further action or consent required whatsoever; and

(r) the Monitor is authorized to perform its obligations under this Plan on and after the Effective Date, including authorization to instruct and obtain assistance from its legal counsel and/or Cassels as necessary to do so and as further provided herein.

8.2 Conditions of Plan Implementation

The implementation of this Plan shall be conditional upon the fulfillment or waiver, where applicable, of the following conditions on or before the Effective Date or the date specified therefor:

(a) the Company, the Consenting First Lien Lenders and the First Lien Agent shall have complied with all provisions of the Support Agreement;

(b) all conditions of the Support Agreement (including, for certainty, as set out the Plan Term Sheet) shall have been satisfied or waived in accordance with its terms;

(c) this Plan shall have been approved by the Required Majorities;

(d) the Sanction Order shall have been granted by the CCAA Court in a form acceptable to the Company, the Monitor, the Consenting First Lien Lenders and the First Lien Agent, each acting reasonably, and shall be in full force and effect and not reversed, stayed, varied, modified or amended;

(e) all applicable appeal periods in respect of the Sanction Order shall have expired and in the event of an appeal or application for leave to appeal, final determination shall have been made by the applicable appellate court;

(f) the Monitor shall have received the Plan Implementation Fund from the Company;

(g) the AER shall have provided an advance ruling confirming that the AER does not consider the change to control persons (within the meaning of Directive 067) resulting from the implementation of the Plan to be an unreasonable risk;

(h) no injunction or other order shall have been issued to enjoin, restrict or prohibit any of the transactions contemplated by this Plan and the Support Agreement, and no proceedings therefor shall have been commenced before any court or governmental or regulatory authority;

(i) the credit agreement documenting the New Senior Secured Term Facility (the "**New Senior Secured Term Facility Agreement**"), the MIP, the Executive Employment Agreements, and the Shareholders Agreement and all related agreements and other documents contemplated by the Recapitalization and the implementation of this Plan, shall be in form and substance acceptable to the Company and the Consenting First Lien Lenders, each acting reasonably, and shall have become effective, subject only to the implementation of the Plan;

(j) the Company shall not be a reporting issuer (or equivalent) in any province or territory of Canada or any other jurisdiction upon implementation of the Plan;

(k) the articles of reorganization to be filed under the CBCA in respect of the Restructuring Transactions and, in particular, the creation of the New Shares, shall be in form acceptable to the Consenting First Lien Lenders;

(l) the aggregate number of New Shares to be issued pursuant to this Plan shall be acceptable to the to the Consenting First Lien Lenders;

(m) the composition of the New Board shall be as determined in accordance with the Support Agreement;

(n) all necessary corporate action and proceedings of the Company shall have been taken to approve this Plan and to enable the Company to execute, deliver and perform its obligations under the agreements, documents and other instruments to be executed and delivered by it pursuant to this Plan; and

(o) all agreements, resolutions, documents and other instruments, which are reasonably necessary to be executed and delivered by the Company, in order to implement this Plan or perform the Company's obligations under this Plan or the Sanction Order, shall have been executed and delivered.

Each of the conditions set out in this Section 8.2 may be waived in whole or in part by the Company with the prior written consent of the Consenting First Lien Lenders by written notice to the Monitor. If the conditions in this Section 8.2 have not been satisfied or waived in accordance with this Section 8.2 by the Outside Date (or such later date as the Company, the Consenting First Lien Lenders, the First Lien Agent and the Monitor agree), this Plan shall automatically terminate, in which case the Company shall not be under any further obligation to implement this Plan.

8.3 Monitor's Certificate

Upon satisfaction or waiver of the conditions set out in Section 8.2, the Company and the Consenting First Lien Lenders, shall give written notice to the Monitor that the conditions set out in Section 8.2 have been satisfied or waived, and the Monitor shall, as soon as possible following receipt of such written notice, deliver to the Company and the Consenting First Lien Lenders, a certificate which states that all conditions precedent set out in Section 8.2 have been satisfied or waived, in substantially the form as the certificate attached as <u>Schedule "B"</u> to this Plan (the "**Monitor's Certificate**"), and shall specify therein the date of the delivery thereof. On or forthwith following the Effective Date, the Monitor shall file the Monitor's Certificate with the CCAA Court and shall post a copy of the same on the Website.

ARTICLE 9
AMENDMENTS TO THE PLAN

9.1 Amendments to Plan Prior to Approval

The Company reserves the right to vary, modify, amend or supplement this Plan by way of a supplementary or amended and restated plan or plans of compromise or arrangement or both filed with the CCAA Court at any time or from time to time prior to the commencement of the Creditors' Meetings, provided that the Company obtains the prior consent of the Consenting First Lien Lenders and the Monitor to any such variation, modification, amendment or supplement, which consent shall not be unreasonably withheld. Any such supplementary or amended and restated plan or plans of compromise or arrangement or both shall, for all purposes, be deemed to be a part of and incorporated into this Plan. Any such variation, modification, amendment or supplement shall be posted on the Website and e-mail notice will be provided to the CCAA Proceeding service list. Creditors are advised to check the Website regularly. Creditors who wish to receive written notice of any variation, modification, amendment or supplement to the Plan should contact the Monitor in the manner set out in Section 11.12 of this Plan. Creditors in attendance at the Creditors' Meetings will also be advised of any such variation, modification, amendment or supplement to the Plan.

In addition, the Company may propose a variation or modification of, or amendment or supplement to, this Plan during the Creditors' Meetings, provided that the Company obtains the prior consent of the Consenting First Lien Lenders and the Monitor to any such variation, modification, amendment or supplement, which consent shall not be unreasonably withheld, and that notice of such variation, modification, amendment or supplement is given to all Creditors entitled to vote present in person or by proxy at the applicable Creditors' Meeting prior to the vote being taken at such Creditors' Meeting, in which case any such variation, modification, amendment or supplement shall, for all purposes, be deemed to be part of and incorporated into this Plan. Any variation, amendment, modification or supplement at a Creditors' Meeting will be promptly posted on the Website, served by e-mail to the service list in the CCAA Proceeding and filed with the CCAA Court as soon as practicable following the applicable Creditors' Meeting.

9.2 Amendments to Plan Following Approval

After one or more of the Creditors' Meetings (and both prior to and subsequent to obtaining the Sanction Order), the Company may at any time and from time to time vary, amend, modify or supplement this Plan without the need for obtaining an Order or providing notice to the Creditors, if the Company and the Monitor, acting reasonably and in good faith, determine that such variation, amendment, modification or supplement would not be materially prejudicial to the interests of any of the Creditors under this Plan or is necessary in order to give effect to the substance of this Plan or the Sanction Order.

ARTICLE 10
EFFECT OF THE PLAN

10.1 Implementation

At the Effective Time, subject to the satisfaction or waiver of the conditions contained in Section 8.2 of this Plan, this Plan shall be implemented by the Company and shall be binding upon all Persons in accordance with the terms of this Plan and the Sanction Order.

10.2 Effect of the Plan Generally

At the Effective Time, the payment, compromise or satisfaction of any Affected Claims under this Plan shall be binding upon all Persons, his, her or its heirs, executors, administrators, legal or personal representatives, successors and assigns, as the case may be, for all purposes and this Plan will constitute: (a) full, final and absolute settlement of all rights of any Persons against the Company and the Directors and Officers in respect of the Affected Claims and Equity Claims; (b) an absolute release and discharge of all indebtedness, liabilities and obligations of or in respect of the Affected Claims and Equity Claims against the Company and the Directors and Officers and all Liens granted by the Company in respect thereof, including any interest, costs, fees or penalties accruing thereon whether before or after the Filing Date; and (c) a reorganization of the capital of the Company, as provided in Schedule “A” hereto.

10.3 Compromise Effective for All Purposes

No Person who has a Claim as a guarantor, surety, indemnitor or similar covenant in respect of any Claim which is compromised under this Plan or who has any right to claim over in respect of or to be subrogated to the rights of any Person in respect of a Claim which is compromised or released under this Plan shall be entitled to any greater rights than the Creditor or Existing Shareholder whose Claim was compromised under this Plan. Accordingly, the payment, compromise or other satisfaction of any Claim under this Plan, if sanctioned and approved by the CCAA Court, shall be binding upon such Creditor or Existing Shareholder, his, her or its heirs, executors, administrators, successors and assigns for all purposes and, to such extent, shall also be effective to relieve any third party directly or indirectly liable for such indebtedness, whether as guarantor, surety, indemnitor, director, joint covenantor, principal or otherwise.

10.4 Release of Company and Other Released Parties

At the Effective Time, for good and valuable consideration, including the distributions to be made pursuant to the Plan, every Creditor, Affected Creditor or other Person, on the Creditor’s, Affected Creditor’s or other Person’s own behalf and on behalf of the Creditor’s, Affected Creditor’s or other Person’s respective affiliates, present and former officers, directors, employees, associated individuals, auditors, beneficiaries, financial advisors, legal counsel, other professionals, sureties, insurers, indemnitors, agents, dependents, heirs, executors, administrators, representatives, successors and assigns, as applicable, hereby is deemed to and does fully, finally, irrevocably and unconditionally release and forever discharge each of the Company, the Directors, the Officers and any alleged fiduciary (whether acting as a director, officer, or other responsible party), Cassels, Akin Gump, Ernst & Young Inc., the Monitor, the Financial Advisor, the First Lien Agent, the Collateral Trustee, the Second Lien Trustee, the Consenting First Lien Lenders, and the Consenting First Lien Advisors, together with each of their respective current and former legal counsel, financial advisors, representatives, directors, officers, predecessors, affiliates, member companies, related companies, shareholders, heirs, spouses, dependants, administrators, executors, employees, professional advisors including solicitors, auditors, contractors, consultants, servants, agents and assigns (collectively, the “**Released Parties**” and individually, a “**Released Party**”), of and from any and all Claims, and, without limitation, any and all past, present and future claims, causes of action, debts, rights, interests, actions, rights of indemnity, liabilities, demands, duties, injuries, accounts, covenants, damages, expenses, fees (including solicitors’ fees or liens), costs, compensation, or causes of action of whatsoever kind or nature whether foreseen or unforeseen, known or unknown, matured or unmatured, direct, indirect or derivative, asserted or unasserted, contingent or actual, liquidated or unliquidated, whether in tort or contract, whether statutory, at common law or in equity, based on, in connection with, arising out of, or in any way related to, in whole or in part, directly or indirectly, any act, inaction or omission, transaction, dealing or other occurrence existing or taking place on or prior to the Effective Time relating to or otherwise in connection with the Company, including, (a) the business and operations of the Company, (b) the property and assets of the Company, (c) the Affected Claims, the Plan or the CCAA Proceeding, (d) the Support Agreement, (e) the Equity Claims and the Existing Shares; (f) a contract that has been restructured, terminated, repudiated, disclaimed or resiliated prior to the Disclaimer Deadline in accordance with the CCAA, (g) the Recapitalization and any Restructuring Transaction in respect of which the Released Parties had any role, whether in their capacity as Officers, Directors or in any other capacity, (h) liabilities of the Directors and Officers and any alleged fiduciary or other duty, including any and all Claims that may be made against the Directors or Officers where by law such Directors or Officers may be liable in their capacity as Directors or Officers, or (i) any Claim that has been barred or extinguished by the Claims Procedure Order or the Supplemental Claims Procedure Order (all collectively, the "**Released Claims**"); and at the Effective Time the Company is deemed to and does fully, finally, irrevocably and unconditionally release and forever discharge every other Released Party of and from any and all Released Claims.

Notwithstanding the foregoing, nothing in this Section 10.4 shall release or discharge:

(a) the Company from any Unaffected Claim that has not been paid in full under this Plan to the extent of such non-payment;

(b) a Released Party from its obligations under this Plan;

(c) a Released Party found by a court of competent jurisdiction by final determination on the merits to have committed fraud in relation to a Released Claim for which it is responsible at law; or

(d) the Directors from any Claims which have been preserved in accordance with the Claims Procedure Order or the Supplemental Claims Procedure Order that cannot be compromised due to the provisions of Section 5.1(2) of the CCAA.

10.5 Injunction

Subject to the exceptions stated in sub-paragraphs (a) through (d) of Section 10.4 of this Plan, all Persons, along with their respective affiliates, present and former officers, directors, employees, associated individuals, auditors, beneficiaries, financial advisors, legal counsel, other professionals, sureties, insurers, indemnitors, agents, dependents, heirs, executors, administrators, representatives, successors and assigns, as applicable, are permanently and forever barred, estopped, stayed and enjoined, on and after the Effective Time, with respect to the Affected Claims, the Equity Claims and the Released Claims, from:

(a) commencing, conducting or continuing in any manner, directly or indirectly, any action, suit, demand or other proceeding of any nature or kind whatsoever (including any proceeding in a judicial, arbitral, administrative, regulatory or other forum) against any of the Released Parties or their property;

(b) enforcing, levying, attaching, collecting or otherwise recovering or enforcing by any manner or means, directly or indirectly, any judgment, award, decree or order against any of the Released Parties or their property;

(c) commencing, conducting or continuing in any manner, directly or indirectly, any action, suit or demand (including by way of contribution or indemnity or other relief, in common law, or in equity, breach of trust or breach of fiduciary duty or under the provisions of any statute or regulation) or other proceeding of any nature or kind whatsoever (including any proceeding in a judicial, arbitral, administrative, regulatory or other forum) against any Person who makes such a claim or might reasonably be expected to make such a claim in any manner or forum, against one or more of the Released Parties;

(d) creating, perfecting, asserting or otherwise enforcing, directly or indirectly, any Lien or encumbrance of any kind; or

(e) taking any action to interfere with the implementation or consummation of the Plan (including the Recapitalization and the Restructuring Transactions);

and any such proceedings will be deemed to have no further effect against the Company or any of its assets and will be released, discharged or vacated without cost to the Company. All Persons shall cooperate with the Company and the Monitor in lifting any Lien or discontinuing any proceeding filed or commenced prior to the Effective Time, as the Company or the Monitor may reasonably request. The Company may apply to the CCAA Court to obtain a discharge or dismissal of any such proceedings if necessary without notice to any Person.

10.6 Knowledge of Claims

Each Person to which Section 10.4 applies shall be deemed to have granted the releases set out in this Section 10.4 notwithstanding that it may hereafter discover facts in addition to, or different from, those which it now knows or believes to be true, and without regard to the subsequent discovery or existence of such different or additional facts, and such party expressly waives any and all rights that it may have under any Applicable Law which would limit the effect of such releases to those Claims or causes of action known or suspected to exist at the Effective Time.

10.7 Waiver of Defaults

At the Effective Time, and subject to any express provisions to the contrary in any amending agreement entered into with the Company after the Filing Date, all Persons shall be deemed to have waived any and all defaults of the Company then existing or previously committed, caused by any of the provisions hereof, or non-compliance with any covenant, warranty, representation, term, provision, condition or obligation, express or implied, in every contract, mortgage, security agreement, indenture, trust indenture, loan agreement, commitment letter, agreement for sale, lease, personal property lease or other agreement, written or oral, and any amendments or supplements thereto, existing between such Person and the Company. Any and all notices of default, acceleration of payments and demands for payments under any instrument, or other notices, including any notices of intention to proceed to enforce security, arising from any of such aforesaid defaults shall be deemed to have been rescinded and withdrawn. For greater certainty, nothing in this Section shall waive any obligations of the Company in respect of any Unaffected Claim.

10.8 Consents and Waivers

At the Effective Time, all Creditors shall be deemed to have consented and to have agreed to all of the provisions of this Plan in its entirety. Each Creditor shall be deemed to have (a) granted, and executed and delivered to the Company all consents, releases, assignments and waivers, statutory or otherwise, required to implement and carry out this Plan in its entirety and (b) agreed that if any conflict exists between the provisions of any agreement or arrangement, written or oral, existing between the Company and such Creditor and the provisions of this Plan, then the provisions of this Plan shall govern and the provisions of such other agreement or arrangement shall be amended accordingly.

10.9 Deeming Provisions

In this Plan, the deeming provisions are not rebuttable and are conclusive and irrevocable.

10.10 Preferential Transactions

Sections 95 to 101 of the BIA and any Applicable Law relating to preferences, settlements, fraudulent conveyances or transfers at undervalue shall not apply in any respect, including, without limitation, to any dealings prior to the Filing Date, to this Plan, to any payments or distributions made in connection with the restructuring and recapitalization of the Company, whether made before or after the Filing Date, or to any and all transactions contemplated by and to be implemented pursuant to this Plan.

10.11 Compromise of Claims under Section 19(2) of the CCAA

On the Effective Date, the following Claims which have been preserved in accordance with the Claims Procedure Order or the Supplemental Claims Procedure Order shall be compromised under this Plan, including pursuant to the terms of this Article 10 and shall be deemed to be a Released Claim pursuant to Section 10.4 of this Plan:

(a) any fine, penalty, restitution order or other order similar in nature to a fine, penalty or restitution order, imposed by a court in respect of an offence;

(b) any award of damages by a court in civil proceedings in respect of

(i) bodily harm intentionally inflicted, or sexual assault, or

(ii) wrongful death resulting from an act referred to in subparagraph (i);

(c) any debt or liability arising out of fraud, embezzlement, misappropriation or defalcation while acting in a fiduciary capacity or, in Quebec, as a trustee or an administrator of the property of others;

(d) any debt or liability resulting from obtaining property or services by false pretences or fraudulent misrepresentation, other than a debt or liability of the Company that arises from an Equity Claim; or

(e) any debt for interest owed in relation to an amount referred to in any of paragraphs (a) to (d),

provided that this Section shall only apply to a Person who voted (in person or by proxy) in favour of this Plan at the Creditors' Meetings.

ARTICLE 11
GENERAL PROVISIONS

11.1 Further Assurances

Notwithstanding that the transactions and events set out in this Plan may be deemed to occur without any additional act or formality other than as may be expressly set out herein, each of the Persons affected hereto shall make, do, and execute or cause to be made, done or executed all such further acts, deeds, agreements, assignments, transfers, conveyances, discharges, assurances, instruments, documents, elections, consents or filings as may be reasonably required by the Company in order to implement this Plan.

11.2 Set-Off

The law of set-off applies to all Claims made against the Company and to all actions instituted by it for the recovery of debts due to the Company in the same manner and to the same extent as if the Company was plaintiff or defendant, as the case may be.

11.3 Paramountcy

Without limiting any other provision hereof, from and after the Effective Date, in the event of any conflict between this Plan and the covenants, warranties, representations, terms, conditions, provisions or obligations, expressed, or implied, of any contract, mortgage, security agreement, indenture, trust indenture, loan agreement, commitment letter, agreement for sale, lease, personal property lease or other agreement, written or oral, and any and all amendments or supplements thereto, existing between the Company and any other Persons affected by this Plan, the terms, conditions and provisions of this Plan shall govern and shall take precedence and priority.

11.4 Revocation, Withdrawal, or Non-Consummation

The Company reserves the right to revoke or withdraw this Plan at any time prior to the Effective Time and to file subsequent plans of compromises or arrangement. If the Company revokes or withdraws this Plan, or if the Sanction Order is not issued, (a) this Plan shall be null and void in all respects, (b) any Affected Claim, any settlement or compromise embodied in this Plan (including the fixing or limiting of any Affected Claim to an amount certain), and any document or agreement executed pursuant to this Plan shall be deemed null and void, and (c) nothing contained in this Plan, and no action taken in preparation for consummation of this Plan, shall (i) constitute or be deemed to constitute a waiver or release of any Affected Claims by or against the Company or any Person; (ii) prejudice in any manner the rights of the Company or any Person in any further proceedings involving the Company, or (iii) constitute an admission of any sort by the Company or any Person.

11.5 Preservation of Rights of Action

Except as otherwise provided in this Plan or in the Sanction Order, or in any contract, instrument, release, indenture or other agreement entered into in connection with the Plan, following the Effective Time, the Company will retain and may enforce, sue on, settle, or compromise (or decline to do any of the foregoing) all claims, rights or causes of action, suits and proceedings, whether in law or in equity, whether known or unknown, that the Company may hold against any Person or entity, without further approval of the CCAA Court.

11.6 Responsibilities of the Monitor

The Monitor is acting in its capacity as Monitor in the CCAA Proceeding with respect to the Company and is not responsible or liable for any obligations of the Company. The Monitor will have the powers and protections granted to it by this Plan, by the CCAA and by any Order, including the Initial Order, the Claims Procedure Order, the Supplemental Claims Procedure Order and the Creditors' Meetings Order. Both prior to and after the Effective Date, the Company shall provide such assistance as reasonably required by the Monitor in connection with the completion of the Monitor's duties and obligations under this Plan.

11.7 Reliance Upon Consent

For the purposes of this Plan, where a matter shall have been agreed, waived, consented to or approved by the Company, or a matter must be satisfactory or acceptable to the Company, any Person shall be entitled to rely on written confirmation from Cassels that the Company has agreed, waived, consented to or approved a particular matter.

For the purposes of this Plan, where a matter shall have been agreed, waived, consented to or approved by the Consenting First Lien Lenders, or a matter must be satisfactory or acceptable to the Consenting First Lien Lenders, such matter shall be decided by the Majority Consenting First Lien Lenders and any Person shall be entitled to rely on written confirmation from Bennett Jones LLP, as counsel to the Consenting First Lien Lenders, that the Majority Consenting First Lien Lenders have agreed, waived, consented to or approved a particular matter.

11.8 Adjudication of Unresolved Claims

Following the Effective Time, Cassels shall continue to have primary carriage and responsibility as legal counsel in connection with litigation or other adjudication of any remaining Disputed Claims, Alleged Priority Secured Claims, Alleged Retention Plan Claims or Alleged Directors' Charge Claims pursuant to this Plan, the Claims Procedure Order, the Supplemental Claims Procedure Order or otherwise.

11.9 Obligation to Pay Only to the Extent Funds are Available

Notwithstanding any other provision of this Plan, and without in any way limiting the protections for the Monitor set out in the Orders or the CCAA, the Monitor shall have no obligation to make any payment contemplated under this Plan, and nothing shall be construed as obligating the Monitor to make any such payment, unless and until the Monitor is in receipt of funds adequate to effect any such payment in full.

11.10 Application of First Lien Credit Agreement to Actions of First Lien Agent

The First Lien Credit Agreement (and any other loan document applicable to the First Lien Agent and the agency that the First Lien Agent is providing under and in connection with the First Lien Credit Agreement) continue to apply, including the provisions of Article VIII of the First Lien Credit Agreement (and, without limiting the generality of the foregoing, the First Lien Agent's right to delegate any of its duties and/or rights and powers to a sub-agent in accordance with the terms of Section 8.05 of the First Lien Credit Agreement), provided, however, that in the case of any delegation to a sub-agent, the First Lien Agent shall take all such steps as requested by the Consenting First Lien Lenders to cause such sub-agent to do such things as are necessary to effect and complete the actions and steps contemplated under this Plan.

11.11 Monitor shall have no Personal Liability

The Monitor shall not incur any liability whatsoever, including in respect of (a) any amount paid, required to be paid or not paid pursuant to this Plan, (b) any costs or expenses incurred in connection with, in relation to or as a result of any payment made, required to be made or not made, or (c) any deficiency in the Plan Implementation Fund or any reserves established pursuant to this Plan.

11.12 Notices

Any notice or communication to be delivered hereunder will be in writing and will reference this Plan and may, subject to as hereinafter provided, be made or given by mail, personal delivery or by e-mail transmission addressed to the respective parties as follows:

(a) if to the Company:

Connacher Oil and Gas Limited
Suite 1040, 640 5th Avenue SW
Calgary, Alberta T2P 3G4

Attention: Merle Johnson
Email: MeJohnson@Connacheroil.com

With a copy to (which shall not constitute notice):

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

Attention: Ryan Jacobs/Joseph Bellissimo
E-mail: rjacobs@casselsbrock.com/jbellissimo@casselsbrock.com

With a copy to (which shall not constitute notice):

Ernst & Young Inc.,
in its capacity as Monitor of Connacher Oil and Gas Limited
Calgary City Centre
Suite 2200, 215 – 2nd Street SW
Calgary, Alberta T2P 1M4

Attention: Peter Chisholm
Email: peter.chisholm@ca.ey.com

(b) if to the Monitor:

Ernst & Young Inc.,
in its capacity as Monitor of Connacher Oil and Gas Limited
Calgary City Centre
Suite 2200, 215 – 2nd Street SW
Calgary, Alberta T2P 1M4

Attention: Peter Chisholm
Email: peter.chisholm@ca.ey.com

With a copy to (which shall not constitute notice):

McCarthy Tétrault LLP
Suite 4000, 421 7th Avenue SW
Calgary, Alberta T2P 4K9

Attention: Sean F. Collins/Walker MacLeod
Email: scollins@mccarthy.ca/wmacleod@mccarthy.ca

(c) if to the Consenting First Lien Lenders:

Bennett Jones LLP
3400 One First Canadian Place
Toronto, Ontario M5X 1A4

Attention: Sean Zweig/Luke Morrison
Email: zweigs@bennettjones.com/morrisonl@bennettjones.com

(d) if to the First Lien Agent

Wilmington Trust, National Association
Rodney Square North, 1100 North Market Street
Wilmington, DE 19890

Attention: Joseph B. Feil
Email: jfeil@wilmingtontrust.com

with a copy (which shall not constitute notice) given in like manner to:

Jones Day
222 East 41st Street
New York, NY 10017-6702

Attention: Lewis Grimm
Email: lgrimm@jonesday.com

(e) if to a Creditor:

To the address specified in the Proof of Claim filed by such Creditor or such other address as the Creditor may from time to time notify the Monitor in accordance with this Section,

or to such other address as any party may from time to time notify the others in accordance with this Section. All such notices and communications which are delivered will be deemed to have been received on the date of delivery. All such notices and communications which are faxed or emailed will be deemed to be received on the date faxed or e-mailed if sent before 5:00 p.m. (Calgary time) on a Business Day and otherwise will be deemed to be received on the Business Day next following the day upon which such fax or email was sent. Any notice or other communication sent by mail will be deemed to have been received on the third Business Day after the date of mailing.

If during any period during which notices or other communications are being given pursuant to this Plan a postal strike or postal work stoppage of general application should occur, such notices or other communications sent by ordinary mail and then not received shall not, absent further order of the CCAA Court, be effective and notices and other communications given hereunder during the course of any such postal strike or work stoppage of general application shall only be effective if given by courier, personal delivery or electronic or digital transmission in accordance with this Plan.

SCHEDULE "A"

RESTRUCTURING TRANSACTIONS

Commencing at the Effective Time, the following events or transactions will occur, or be deemed to have occurred and be taken and effected in five minute increments (unless otherwise indicated) and at the times set out in this section (or in such other manner or order or at such other time or times as the Company may determine in consultation with the Monitor and the Consenting First Lien Lenders), without any further act or formality required on the part of any Person, except as may be expressly provided herein:

(a) the Monitor shall make the payments and distributions contemplated by the Plan on the Effective Date;

(b) the articles of the Company under the CBCA shall be amended

(i) to create the New Shares as a new class of shares that the Company is authorized to issue, which shares shall be unlimited in number, be designated as "Class A Common Shares", and have attached thereto the following rights, privileges, restrictions and conditions:

(A) the right to receive notice of and to attend all meetings of shareholders of the Corporation, and to one vote in respect of each Class A Common Share at all such meetings;

(B) subject to the rights of the holders of the First Preferred Shares and the Second Preferred Shares and any other class of shares ranking senior to the Class A Common Shares, the right to receive and participate rateably in any dividend declared by the Board of Directors of the Corporation; and

(C) subject to the rights of the holders of the First Preferred Shares and the Second Preferred Shares and any other class of shares ranking senior to the Class A Common Shares, in the event of the liquidation, dissolution or winding up of the Corporation or other distribution of the property of the Corporation among the shareholders for the purpose of winding up its affairs, the right to receive and participate rateably in the distribution of the remaining property of the Corporation;

(ii) to include a restriction on the transfer of shares of the Company, to the effect that no shares may be transferred without the approval of the board of directors of the Company; and

(iii) to provide that the Company has a lien on a share registered in the name of a shareholder or the shareholder's personal representative for a debt of that shareholder to the Company;

(c) the Company shall issue Class A Common Shares to the First Lien Lenders in accordance with Sections 5.2 and 7.1 of the Plan, provided, however, that no fractional Class A Common Shares shall be allocated or issued and any fractional Class A Common Shares that would have otherwise been issued shall be rounded down to the nearest whole number without compensation therefor;

(d) all of the Company's issued and outstanding Equity Claims shall be cancelled without any return of capital or other payment in respect thereof and in particular, but without limitation, all outstanding Existing Shares, warrants, options and other rights or obligations to acquire Existing Shares shall be cancelled for no consideration;

(e) the Shareholders Agreement shall become effective;

(f) the Company shall execute and deliver to the New Senior Secured Term Facility Agent the New Senior Secured Term Facility;

(g) the Administration Charge, the Directors' Charge, the KERP/LTIP Charge, the KEIP Charge, the Financial Advisor Charge and the ATB Charge shall be deemed to be released as against the assets of the Company and the Plan Implementation Fund, provided that the Administration Charge shall continue to be secured against the assets of the Administrative Reserve Fund;

(h) the Affected Creditors shall be entitled to the treatment set out in the Plan in full and final settlement of their Affected Claims, and:

(i) the Affected Claims shall, and shall be deemed to be, irrevocably and finally extinguished and such Affected Creditors shall have no further right, title or interest in and to its Affected Claim;

(ii) no Person who has a claim under any guarantee, surety, indemnity or similar covenant in respect of any Affected Claim or who has any right to claim over in respect of or to be subrogated to the rights of any Person in respect of an Affected Claim will be entitled to any greater rights as against the Company than the Person whose Affected Claim is compromised under the Plan;

(iii) all debentures, notes, certificates, indentures, guarantees, agreements, invoices and other instruments evidencing Affected Claims (and all guarantees associated with each of the foregoing), will not entitle any holder to any compensation or participation other than as expressly provided for in the Plan and will be deemed cancelled and extinguished;

(iv) all distributions made pursuant to the Plan to Affected Creditors will be allocated first towards the repayment of the amount of the Affected Claim attributable to principal and, if greater than the amount of principal, second, towards the repayment of any amount of such Claim attributable to unpaid interest;

(i) the discovery, extended reporting, or run-off period under applicable insurance policies in favour of Directors or Officers shall be deemed to be triggered, with payment of insurance premiums and any applicable fees for such run-off period being made from funds on deposit with or held in escrow for such purpose by the Company’s insurance broker;

(j) the directors of the Company holding office immediately prior to the Effective Time shall be deemed to have resigned and the individuals comprising the New Board shall be deemed to have been appointed as directors;

(k) all rights to indemnification or exculpation now existing in favour of present and former employees, officers and directors of the Company and its subsidiaries shall survive the completion of the Plan and shall continue in full force and effect in accordance with their terms for a period of not less than six (6) years from the Effective Date;

(l) the releases and injunctions referred to in Article 10 of the Plan shall become effective, and shall be deemed to be, fully, finally, irrevocably and forever compromised, settled, released, discharged, extinguished, cancelled and barred and the Company shall be fully, finally and irrevocably released from any and all claims, liabilities or obligations of any kind to an Affected Creditor, Creditor or Person, and the Affected Creditors shall only have rights thereafter as against the General Creditor Pool held by the Monitor or against the reserves and funds established pursuant to the Plan as applicable; and

(m) the Company and its wholly owned subsidiary, ●, shall amalgamate to continue as one corporation under Section 184(1) of the CBCA.

SCHEDULE "B"

FORM OF MONITOR'S CERTIFICATE

COURT FILE NUMBER	1601-06131	Clerk's Stamp
COURT	COURT OF QUEEN'S BENCH OF ALBERTA	
JUDICIAL CENTRE	CALGARY	
COMPANY	**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 CONNACHER OIL AND GAS LIMITED**	
DOCUMENT	**MONITOR'S CERTIFICATE**	
ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT	**MCCARTHY TETRAULT LLP** Suite 4000, 421 7th Avenue SW Calgary, Alberta T2P 4K9 Attn: Sean Collins/Walker MacLeod Tel: 403-260-3531 Fax: 403-260-3501 Email: scollins@mccarthy.ca wmacleod@mccarthy.ca	

RECITALS

A. Pursuant to the order of this Honourable Court dated May 17, 2016 (the "**Initial Order**"), the Company filed for and obtained protection from its creditors under the *Companies' Creditors Arrangement Act* R.S.C. 1985, c. C-36, as amended.

B. Pursuant to the Initial Order, Ernst & Young Inc. was appointed as the monitor of the Company (the "**Monitor**") with the powers, duties and obligations set out in the Initial Order;

C. The Company has filed a Plan of Compromise and Arrangement under the CCAA dated May 6, 2019 (the "**Plan**"), which Plan has been approved by the requisite majorities of Creditors in each Class and the Court; and

D. Unless otherwise indicated herein, initially capitalized terms used herein have the meaning set out in the Plan.

THE MONITOR HEREBY CERTIFIES the following:

1. The Monitor has received written confirmation from the Company, in form and substance satisfactory to the Monitor, that the conditions to the implementation of the Plan set out in Section 8.2 of the Plan have been satisfied or waived in accordance with the Plan;

2. The Monitor has received the Plan Implementation Fund in accordance with the terms of the Plan; and

3. This Certificate was delivered by the Monitor to the Company and counsel to the Consenting First Lien Lenders on ____________________________ **[Date]**.

ERNST & YOUNG INC., in its capacity as the Court-appointed Monitor of the Company and not in its personal or corporate capacity

By: ________________________________

Name:

Title:

SCHEDULE "D"

CREDIT BID TERM SHEET

SCHEDULE "D"

CONNACHER OIL AND GAS LIMITED

CREDIT BID TERM SHEET

OUTLINE OF KEY TERMS AND CONDITIONS

*This summary of terms and conditions (the "**Term Sheet**") is not exhaustive or definitive as to the terms and conditions which would govern any transactions referred to herein. This Term Sheet does not give rise to any legally binding obligations, and no term or condition provided herein shall be effective except as may be specifically provided in definitive written agreements entered into by the applicable parties that have become effective in accordance with their terms.*

*Capitalized terms used herein but not otherwise defined herein have the meaning ascribed to them in the First Lien Credit Agreement dated as of May 23, 2014 among Connacher Oil and Gas Limited, as borrower (the "**Borrower**"), the lenders party thereto and Wilmington Trust, National Association, as successor administrative agent (as such agreement has been and may be amended, modified and supplemented from time to time, including by the Amendment No. 1 dated May 8, 2015, the "**First Lien Credit Agreement**" and all obligations and liabilities owing thereunder in connection therewith, the "**First Lien Obligations**") or the Amended and Restated Support Agreement between the Borrower, the Consenting First Lien Lenders and the First Lien Agent dated May 6, 2019 (the "**Support Agreement**") to which this Term Sheet is attached as Schedule "D".*

I. PURPOSE OF TERM SHEET

This Term Sheet describes the material terms of the Credit Bid Transaction, which the Consenting First Lien Lenders have confirmed their support of pursuant to the Support Agreement in the event of a CCAA Plan Termination Event.

In the event of a conflict between the terms of this Term Sheet and the Support Agreement, the terms of the Support Agreement shall govern. In the event of a conflict between the terms of this Term Sheet and the PSA, the terms of the PSA shall govern.

II. PARTIES

BORROWER (UNDER FIRST LIEN CREDIT AGREEMENT):	Connacher Oil and Gas Limited
FIRST LIEN ADMINISTRATIVE AGENT:	Wilmington Trust, National Association ("**Wilmington**"), as administrative agent under the First Lien Credit Agreement (in such capacity, and together with any sub-agent appointed by Wilmington to effect certain steps of the Credit Bid Transaction on Wilmington's behalf, including entering into certain of the Definitive Documents (as defined below) the "**First Lien Agent**").
FIRST LIEN LENDERS:	Lenders under the First Lien Credit Agreement (the "**First Lien Lenders**")

CONSENTING FIRST LIEN LENDERS: Certain funds managed by Credit Suisse, Trilogy Capital Management, LLC, Rimrock Capital, Greywolf Capital Management LP, Avenue Capital, and VR Capital (the "**Initial Consenting First Lien Lenders**"), together with Joining Consenting First Lien Lenders (the "**Consenting First Lien Lenders**").[1]

NEWCO: A newly incorporated company ("**Newco**") to be organized in a jurisdiction acceptable to the Consenting First Lien Lenders. Newco will not be a "reporting issuer" (or the equivalent) in any jurisdiction of Canada or the United States.

III. IMPLEMENTATION OF TRANSACTION

The Borrower shall forthwith, and in any event by May 16, 2019, make an application to the Court in the CCAA Proceeding for an order approving the Support Agreement.

Pursuant to the Support Agreement, the Borrower, the Consenting First Lien Lenders and the First Lien Agent have agreed to pursue the Plan Transaction whereby a portion of the First Lien Obligations will be exchanged for new senior secured debt of the Borrower and for all of the equity of the Borrower, on the terms more particularly described in the Plan Term Sheet, which Plan Transaction shall be effected by way of the CCAA Plan.

In the event of an occurrence of a CCAA Plan Termination Event, the First Lien Agent and the Consenting First Lien Lenders shall take such steps as are required to promptly cause Newco to execute and deliver the PSA to the Borrower and to proceed in respect of the implementation of the Credit Bid Transaction as soon as possible thereafter in accordance with the terms specified herein.

IV. EFFECTIVE CONVERSION OF EXISTING FIRST LIEN DEBT

RESTRUCTURING TRANSACTION: The Credit Bid Transaction shall include the following transactions whereby:

(a) (i) all or substantially all of the Borrower's assets (including all cash of the Borrower, less such cash (A) necessary to satisfy in full any claims (including any claims under the CCAA Court-ordered charges established in the CCAA

[1] Matters in this Term Sheet requiring the acceptance or agreement of the First Lien Agent shall require the acceptance or agreement of the Required Lenders, it being understood that the Initial Consenting First Lien Lenders own and control sufficient First Lien Obligations such that they are Required Lenders. Matters in this Term Sheet requiring the acceptance or agreement of the Consenting First Lien Lenders shall require the acceptance or agreement of the Consenting First Lien Lenders holding a majority of the principal amount of the Loans held by all the Consenting First Lien Lenders at the relevant time.

Proceeding) which are *pari passu* with or have priority over the claims under the First Lien Credit Agreement and (B) to fund the Administrative Reserve (as defined below) shall be transferred to Newco free and clear of all claims and encumbrances (other than such permitted encumbrances as may be specifically provided for in the Approval and Vesting Order (as defined below)), and (ii) Newco shall (A) assume all or substantially all of the Borrower's trade payables incurred on or after May 17, 2016, (B) assume all or substantially all of the Borrower's contractual obligations including the Royalty Agreement with Burgess Energy Holdings, LLC ("**BEH**") dated January 28, 2018 (the "**BEH Royalty Agreement**"), and (C) extend offers of employment to all of the Borrower's current employees and assume all obligations in respect thereof (the "**Newco Transfer and Assumption Transaction**"), which shall be effected by way of the PSA;

(b) the PSA will provide that Newco's obligation to pay the purchase price to the Borrower under the PSA will be satisfied at closing by: (i) Newco assuming the obligations and liabilities of the Borrower as described above in clause (a) above, (ii) Newco entering into the Newco First Lien Credit Agreement (as defined below) with the Borrower as the initial lender thereunder and issuing a term note to the Borrower in connection therewith in a principal amount equal to US$41,837,684.35 (the "**Term Note**"), and (iii) Newco issuing to the Borrower shares in the capital of Newco (the "**Newco Shares**");

(c) at closing, the Borrower and the First Lien Agent will enter into a "**Payment and Settlement Agreement**" (as defined in the PSA) whereby (i) the Borrower will transfer: (A) to the First Lien Agent on behalf of the First Lien Lenders all of the Borrower's rights and obligations under each of the Newco First Lien Credit Agreement and the Term Note; and (B) to the First Lien Agent on behalf of the First Lien Lenders, all of the Borrower's rights in the Newco Shares; and (ii) a portion of the First Lien Obligations shall be confirmed as repaid by the Borrower, with the remaining First Lien Obligations to be classified as residual debt;

(d) further to the transfer contemplated in subclause (c)(i)(A) above, each Tranche A Lender shall receive in respect of the principal amount (but not accrued interest) of its Tranche A Loans its *pro rata* share of the obligations under the Newco Senior Secured Term Facility (as defined below), based on the outstanding principal amount of Tranche A Loans owing to a Tranche A Lender in relation to the outstanding aggregate principal amount of Tranche A Loans owing to all Tranche A Lenders as of the Effective Date (as defined below);

(e) further to the transfer contemplated in subclause (c)(i)(B) above, each Tranche A Lender and Tranche B Lender shall receive in respect of, in the case of a Tranche A Lender, the accrued interest on its Tranche A Loans, and in the case of a Tranche B Lender, the principal and accrued interest of its Tranche B Loans, its *pro rata* share of the Newco Shares issued to First Lien Lenders, based on the outstanding accrued interest of Tranche A Loans and the outstanding principal and accrued interest of Tranche B Loans owing to a First Lien Lender in relation to the outstanding aggregate accrued interest of Tranche A Loans and principal and accrued interest of Tranche B Loans owing to all First Lien Lenders as of the Effective Date; and

(f) Newco will be the operating entity of the Borrower's business upon successful completion of the Credit Bid Transaction.

NEWCO SHARES: The number of Newco Shares to be issued upon or in connection with implementation of the Credit Bid Transaction will be determined by the Consenting First Lien Lenders, in consultation with the Borrower, prior to execution of the PSA. No fractional Newco Shares shall be issued. Any fractional Newco Shares that would have otherwise been issued shall be rounded down to the nearest whole number.

V. NEWCO SENIOR SECURED TERM FACILITY

NEWCO SENIOR SECURED TERM FACILITY: US$41,837,684.35 first lien term facility (the "**Newco Senior Secured Term Facility**"). A new first lien credit agreement will be entered into with respect to the Newco Senior Secured Term Facility (the "**Newco First Lien Credit Agreement**").

OID: 2.0%, to be paid by Newco to the New Agent for the benefit of the First Lien Lenders on the Effective Date.

MATURITY: 5 years from the Effective Date.

INTEREST RATE: Term Loans will bear interest at the three month U.S. Dollar LIBOR rate plus 9.5% (with a minimum LIBOR "floor" of 2.0%), payable in cash quarterly in arrears.

BORROWER: Newco.

AGENT: The First Lien Agent or such other agent acceptable to the Consenting First Lien Lenders (in such capacity, the "**New Agent**").

AMORTIZATION: Partial repayments of the principal amount of the Newco Senior Secured Term Facility payable on the last Business Day of each fiscal quarter of Newco during the term of the Newco Senior Secured Term Facility, as follows:

Term	% Amort	$ Amort	Outstanding Principal
0.25y	1.2500%	$522,971	$41,314,713
0.50y	1.2500%	$522,971	$40,791,742
0.75y	1.2500%	$522,971	$40,268,771
1.00y	1.2500%	$522,971	$39,745,800
1.25y	1.8750%	$784,457	$38,961,343
1.50y	1.8750%	$784,457	$38,176,887
1.75y	1.8750%	$784,457	$37,392,430
2.00y	1.8750%	$784,457	$36,607,974
2.25y	2.5000%	$1,045,942	$35,562,031
2.50y	2.5000%	$1,045,942	$34,516,089
2.75y	2.5000%	$1,045,942	$33,470,147
3.00y	2.5000%	$1,045,942	$32,424,205
3.25y	3.1250%	$1,307,428	$31,116,777
3.50y	3.1250%	$1,307,428	$29,809,350
3.75y	3.1250%	$1,307,428	$28,501,922
4.00y	3.1250%	$1,307,428	$27,194,495
4.25y	3.75%	$1,568,913	$25,625,581
4.50y	3.75%	$1,568,913	$24,056,668
4.75y	3.75%	$1,568,913	$22,487,755
5.00y	53.75%	$22,487,755	$0

GUARANTORS: Any existing and future subsidiaries of Newco (the "**Guarantors**").

SECURITY AND RANKING: First lien security interest in substantially all assets of Newco and the Guarantors, subject to the terms of any intercreditor agreement entered into in connection with any ABL Facility (as defined below) (if any) and subject to permitted encumbrances to be defined in the Newco First Lien Credit Agreement, including (i) ATB Financial's ("**ATB**") security interest in certain cash collateral (the "**ATB Security**") held by ATB in connection with credit facilities provided by ATB to the Borrower, which will be assigned and transferred from the Borrower to Newco pursuant to the terms of the PSA, and (ii) the security interests granted in connection with the BEH Royalty Agreement.

MANDATORY PREPAYMENTS: Subject to any intercreditor agreement, amounts outstanding under the Newco Senior Secured Term Facility will be subject to mandatory prepayments from asset dispositions under provisions similar to the comparable provisions of the First Lien Credit Agreement regarding asset dispositions, or as otherwise required (in the case of asset dispositions) by the Consenting First Lien Lenders; and for certainty no other mandatory prepayments

	except for payments pursuant to the amortization schedule.
VOLUNTARY PREPAYMENTS:	Voluntary prepayments allowed at any time without penalty.
REPRESENTATIONS AND WARRANTIES:	Similar to those set forth in the First Lien Credit Agreement, or as otherwise required by the Consenting First Lien Lenders.
AFFIRMATIVE COVENANTS:	Similar to those set forth in the First Lien Credit Agreement, or as otherwise required by the Consenting First Lien Lenders.
NEGATIVE COVENANTS:	Similar to those set forth in the First Lien Credit Agreement, or as otherwise required by the Consenting First Lien Lenders.
FINANCIAL COVENANTS:	To be mutually agreed upon by the parties.
UNRESTRICTED SUBSIDIARIES:	None.
EVENTS OF DEFAULT:	Similar to those set forth in the First Lien Credit Agreement, or as otherwise required by the Consenting First Lien Lenders.
DEFAULT RATE:	Any principal or interest payable under or in respect of the Newco Senior Secured Term Facility not paid when due shall, to the extent permitted by law, bear interest at the applicable interest rate plus 2% per annum.
REPORTING:	Newco shall (i) provide annual and interim financial reports (including, for certainty, customary management and discussion analysis, reporting of reserves data and other information regarding oil and gas activities) in the form prescribed for US registrants together with, in connection with the annual reports, copies of independent evaluation report(s) in respect of Newco's reserves, and (ii) forthwith thereafter host quarterly calls with the lenders to discuss the foregoing, which calls will include a question and answer period.
VOTING OF LENDERS UNDER NEWCO FIRST LIEN CREDIT AGREEMENT:	Substantially the same as under the First Lien Credit Agreement.
COST AND YIELD PROTECTION:	Usual and customary provisions requiring Newco to reimburse the Newco Senior Secured Term Facility lenders for any increased costs incurred as a result of regulatory changes announced subsequent to the Effective Date.
ASSIGNMENTS AND PARTICIPATIONS:	Substantially the same as under the First Lien Credit Agreement.
EXPENSES AND INDEMNIFICATION:	Substantially the same as under the First Lien Credit Agreement.

OTHER TERMS:	Other terms generally consistent with the First Lien Credit Agreement and as agreed to by the Consenting First Lien Lenders.
GOVERNING LAW AND FORUM:	Alberta.

VI. OTHER RESTRUCTURING TRANSACTION TERMS

EFFECTIVE DATE:	If a CCAA Plan Termination Event occurs, then the Credit Bid Transaction shall promptly proceed and become effective on the date provided for under the Definitive Documents (as defined below) (the "**Effective Date**") and, as applicable, in accordance with any sequence specified therein.
ABL CREDIT FACILITY:	Newco may procure a senior secured multi-currency "first out" asset-based revolving credit facility in an amount up to US$25 million (the "**ABL Facility**"), which amount may be increased with the consent of lenders holding more than 50% of the principal amount outstanding under the Newco Senior Secured Term Facility, which may include the following terms: • Available for general corporate and/or operating purposes. • Loans under the ABL Facility will be available at any time prior to the maturity of the ABL Facility and amounts repaid under the ABL Facility may be re-borrowed. • Subject to the priority of the ATB Security, as may be applicable, first lien priority ranking on account receivable of Newco and any Guarantor, and deposit accounts and general intangibles related thereto, and second lien priority ranking on all other collateral, all in accordance with an intercreditor agreement to be agreed. • Other terms acceptable to the Consenting First Lien Lenders.
CONDITIONS PRECEDENT:	The Credit Bid Transaction will be subject to the following closing conditions: The Plan Transaction shall not have been consummated in accordance with the Support Agreement. Receipt by the First Lien Agent (and New Agent, if applicable), and the Consenting First Lien Lenders of definitive legal documentation (the "**Definitive Documents**") implementing the Credit Bid Transaction (including, without limitation, the Newco

First Lien Credit Agreement and any related guarantees, security documents, and intercreditor agreement (as applicable), which Definitive Documents shall be in form and substance acceptable to the Borrower and Consenting First Lien Lenders, acting reasonably.

All necessary governmental or regulatory approvals shall have been received on terms and conditions satisfactory to the Borrower and the Consenting First Lien Lenders, including without limitation, all necessary approvals of the Alberta Energy Regulator (the "**AER**") including approvals of any license transfer applications, and any approvals of any other governmental or regulatory authority having or exercising jurisdiction with respect to the transfer, ownership or operation of the assets proposed to be transferred to Newco under the PSA.

Without limiting the foregoing, execution and delivery of (i) the PSA between the Borrower and Newco providing for the Newco Transfer and Assumption Transaction and (ii) the Payment and Settlement Agreement between the Borrower and the First Lien Agent, on terms and conditions acceptable to the Borrower and the Consenting First Lien Lenders, acting reasonably.

Receipt by the First Lien Agent of all unpaid fees up to the Effective Date owing to the First Lien Lenders under and in connection with the First Lien Credit Agreement, to be paid in full in cash.

Payment by the Borrower of all accrued and unpaid fees and expenses incurred by the Borrower's legal counsel, Cassels Brock & Blackwell LLP and Akin Gump Strauss Hauer & Feld LLP, as well as those incurred by Ernst & Young Inc. in its capacity as Court-appointed monitor (the "**Monitor**") and the Monitor's legal counsel, that have been invoiced prior to the Effective Date, including an estimate of fees and expenses through the Effective Date.

Payment by the Borrower of all accrued and unpaid expenses of the First Lien Agent, including the professional fees and expenses of Bennett Jones LLP, Jones Day and PricewaterhouseCoopers Inc. that have been invoiced prior to the Effective Date, including an estimate of fees and expenses through the Effective Date.

A unanimous shareholder agreement shall have been entered into in respect of Newco, such agreement in form and substance acceptable the Consenting First Lien Lenders.

Entry of an order of the Court, among other things, approving the Credit Bid Transaction and the PSA and vesting the Borrower's assets in Newco free and clear of all liens and encumbrances except for permitted liens (the "**Approval and Vesting Order**"), which Approval and Vesting Order shall be in form and substance acceptable to the Borrower, the Consenting First Lien Lenders and the First Lien Agent, and shall not have been reversed, amended or stayed. The application for the Approval and Vesting Order shall include a request for a release to be effective on the Effective Date of each Consenting First Lien Lender, the First Lien Agent and the Borrower and their respective present and former shareholders, members, partners, officers, directors, employees, auditors, financial advisors, legal counsel and agents (the "**Released Parties**") from and against any and all demands, claims, liabilities, causes of action, debts, accounts, covenants, damages, executions and other recoveries based in whole or in part on any act or omission, transaction, dealing or other occurrence existing or taking place on or prior to the Effective Date, relating to, arising out of or in connection with the First Lien Credit Agreement, the CCAA Proceeding, the Credit Bid Transaction (including the PSA) and the Support Agreement; provided that nothing herein or in any such requested release shall release or discharge the Released Parties if it is adjudged by the express terms of a judgment rendered on a final determination on the merits to have committed gross negligence, fraud or wilful misconduct (the "**Releases**").

If required, obtaining an order of the Court assigning to Newco any or all of the Borrower's agreements that constitute assets subject to the PSA and not excluded therefrom (the "**Assignment Order**"), which Assignment Order shall be in form and substance acceptable to the Borrower and the Consenting First Lien Lenders and shall not have been reversed, amended or stayed.

No material adverse change in the business, operations, profits, assets or prospects of the Borrower shall have occurred since the date of the Support Agreement, and from the date of the Support Agreement to the closing, there shall be no new material, litigation, proceeding, injunction, order or claims against the Borrower that are not specifically contemplated by this Term Sheet.

CORPORATE GOVERNANCE: The board of directors of Newco upon or promptly following implementation of the Credit Bid Transaction (the "**New Board**") will be comprised of 5 directors, or such higher number of directors as may be determined by the Consenting First Lien Lenders, who will be initially selected as follows:

- The Chief Executive Officer of Newco (who shall be Merle Johnson) shall occupy one position on the New Board.

- Each person (or group of persons acting jointly or in concern for this purpose) that upon implementation of the Credit Bid Transaction will hold at least 20% of the Newco Shares will be entitled to select one of the initial members of the New Board, and thereafter such level of share ownership shall entitle the holder or holders, as applicable, to director nomination rights.

- To the extent not all of the initial members of the New Board are selected based in accordance with the foregoing, the Consenting First Lien Lenders, in consultation with the Borrower, shall designate the remaining members of the New Board, each of which will be "independent".

EMPLOYEE MATTERS: A management incentive plan shall be in place on terms acceptable to the Consenting First Lien Lenders and management on the Effective Date.

A credit bid key employee retention plan substantially in the form attached as Schedule "H" to the Support Agreement shall have been approved by the Court pursuant to the Authorization Order.

Key management employment agreements shall be in place on terms acceptable to Consenting First Lien Lenders and such key management employees on the Effective Date.

The Borrower's obligations to its non-executive employees shall be assumed by Newco and shall otherwise remain unaffected by the Credit Bid Transaction. Executive employment arrangements will be as provided in the key management employment agreements referred to in the preceding paragraph.

TAX CONSIDERATIONS: The Credit Bid Transaction will be structured in a manner acceptable to the Borrower and the Consenting First Lien Lenders to effectuate the terms and conditions outlined herein in a tax efficient and acceptable manner for the Borrower and the Consenting First Lien Lenders and in order to maximize Newco's tax position, including the movement of the Borrower's existing resource pools to Newco.

DEFINITIVE DOCUMENTS:	From and after the occurrence of a CCAA Plan Termination Event, the legal and financial advisors to the Borrower, the First Lien Agent and the Consenting First Lien Lenders shall work cooperatively with one another to prepare and finalize, as applicable, all documentation to effect the Credit Bid Transaction (including, without limitation and as applicable, the Definitive Documents, any Court documents, the Newco First Lien Credit Agreement, and the PSA) through the closing of the Credit Bid Transaction. All such documentation relating to the Credit Bid Transaction shall be in form and substance acceptable to the Borrower, the First Lien Agent and the Consenting First Lien Lenders, acting reasonably. The Borrower shall provide the legal and financial advisors to the First Lien Agent with all information related to the Borrower or its business necessary for the preparation or settlement of such documentation, as well as the drafts of such documentation.

VII. TRANSACTION – IMPLEMENTATION

TRANSACTION:	The Borrower, the Consenting First Lien Lenders, the First Lien Agent and their respective legal and financial advisors, shall work cooperatively with each other in respect of all matters necessary to implement the Credit Bid Transaction.
SUPPORT AGREEMENT	The Borrower, First Lien Agent and Consenting First Lien Lenders have signed the Support Agreement to support and facilitate the closing of either the Plan Transaction or the Credit Bid Transaction, and agree to take such necessary steps to promptly implement and complete either Transaction in accordance therewith.

VIII. CREDIT BID TRANSACTION – TIMELINES[2]

Execution of PSA	Promptly after the occurrence of a CCAA Plan Termination Event
Obtain the Approval and Vesting Order (and Assignment Order, if required)	Within 15 business days after execution of the PSA
Submission of AER license transfer applications	Contemporaneously with/same day as execution of PSA
Deadline for occurrence of Effective Date (i.e. "Closing" under the PSA and completion of all other Credit	Within 45 days after Approval and Vesting Order is granted

[2] Applicable if Credit Bid Transaction proceeds as contemplated under Part III above.

Bid Transaction steps)

IX. ADDITIONAL MATTERS

REPAYMENT:	Notwithstanding anything else contained herein, the Borrower may repay in cash all First Lien Obligations under the First Lien Credit Agreement at any time prior to the consummation of any transaction, in which case the Support Agreement and the obligations thereunder shall be terminated and of no force and effect, except such agreements and obligations of the parties that by their terms expressly survive termination of the Support Agreement.
POST-TRANSACTION CLOSE TRANSITION MATTERS	In the event the Credit Bid Transaction is to be effected, the PSA and the Approval and Vesting Order shall provide, that the Borrower shall retain from existing cash on hand at closing, (i) such amounts as are necessary to satisfy in full any claims (including any claims under the CCAA Court-ordered charges established in the CCAA Proceeding) which are *pari passu* with or have priority over the claims under the First Lien Credit Agreement, and (ii) a cash reserve in the amount set forth on Schedule H to the PSA or such other amount as may be agreed to by each of the Borrower, the Monitor and the Consenting First Lien Lenders (the "**Administrative Reserve**")[3] in order to facilitate an orderly wind-down of the Borrower and/or the monetization or distribution of any assets of the Borrower not otherwise acquired by Newco. Contemporaneous with seeking the Approval and Vesting Order, the Borrower shall seek Court approval of a distribution order in form and substance acceptable to the Borrower, the First Lien Agent, the Consenting First Lien Lenders and Monitor, which order shall provide for, *inter alia*, (a) the distribution of the funds necessary to pay priority or *pari passu* claims in full (including all Court-ordered charges) or the establishment of a reserve of such funds as required to address priority or *pari passu* claims in full (including all Court-ordered charges) and (b) the funding and distribution of the Administrative Reserve (the "**Distribution Order**").

[3] It is assumed that the cash-on-hand at closing will be sufficient to satisfy all priority or *pari passu* claims.

SCHEDULE "E"

PSA

PURCHASE AND SALE AGREEMENT

BETWEEN

CONNACHER OIL AND GAS LIMITED

AND

[NEWCO][1]

•, 2019

[1] NewCo to be incorporated prior to execution of PSA; particulars regarding formation and organization to be confirmed in advance of execution. The PSA contemplates that at the time of execution the Plan Transaction (as defined in the Amended and Restated Support Agreement) will have run its course and a CCAA Plan Termination Event will have occurred with the result that the parties are proceeding with the Credit Bid Transaction (as defined in the Amended and Restated Support Agreement). The Approval and Vesting Order will need to be obtained prior to Closing. AER license transfer applications would be submitted upon execution of the PSA, and Closing will occur once the AER license transfer applications have been approved (and all other conditions precedent have been satisfied). Bennett Jones, Cassels and current management of Connacher to consider when Newco will apply to AER for BA code, as Newco must have the BA code prior to submission of the AER license transfer applications to the AER, which will be initiated upon execution of the PSA.

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PURCHASE AND SALE AGREEMENT

THIS AGREEMENT made as of the [•] day of [•], 2019,

BETWEEN:

CONNACHER OIL AND GAS LIMITED, a corporation incorporated under the laws of Canada (hereinafter referred to as the "**Seller**")

- and -

[NEWCO], a corporation incorporated under the laws of **[British Columbia]** (hereinafter referred to as the "**Purchaser**")

RECITALS:

WHEREAS the Seller is indebted to the First Lien Agent and the First Lien Lenders in the principal amount of not less than **[US$•]**, plus accrued but unpaid interest and all other amounts (including fees, costs and expenses) under the First Lien Credit Agreement;

WHEREAS on May 17, 2016, the Seller obtained an initial order (the "**Initial Order**") from the Court of Queen's Bench of Alberta (the "**Court**") in a proceeding (the "**CCAA Proceeding**") under the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-35 ("**CCAA**");

WHEREAS after extensive arm's length negotiations, the Seller entered into that certain Support Agreement dated as of March 19, 2018 (the "**Original Support Agreement**") with the First Lien Agent and the Initial Consenting First Lien Lenders;

WHEREAS on March 28, 2018, the Seller obtained an order (the "**SISP Order**") from the Court authorizing and directing it to commence and implement a comprehensive sale and investment solicitation process (the "**SISP**");

WHEREAS with the approval of the Consenting First Lien Lenders, the Seller identified and pursued an Alternative Transaction pursuant to the SISP, but such an Alternative Transaction was terminated by the Seller with the consent of the Consenting First Lien Lenders on February 16, 2019 pursuant to the SISP and in accordance with the terms of the Plan Sponsorship Agreement;

WHEREAS after extensive arm's length negotiations, the Seller entered into that certain amended and restated support agreement dated [•], 2019 (the "**Amended and Restated Support Agreement**") with the First Lien Agent and the Consenting First Lien Lenders which replaces the Original Support Agreement;

WHEREAS the Amended and Restated Support Agreement contemplated that the parties thereto would each use commercially reasonable efforts to give effect to the Plan Transaction by way of the CCAA Plan, subject to the terms thereof;

WHEREAS a CCAA Plan Termination Event has occurred such that parties to the Amended and Restated Support Agreement have no further obligations to give the effect to the Plan

Transaction by way of the CCAA Plan and are obligated to proceed to implement the Credit Bid Transaction as contemplated herein, subject to the terms of the Amended and Restated Support Agreement;

WHEREAS, in accordance with the Amended and Restated Support Agreement, the Seller desires to sell, transfer and assign, and the Purchaser desires to purchase and assume, substantially all of the Seller's assets used in connection with the Seller's business, and the Purchaser further desires to assume certain liabilities in connection therewith, upon the terms and subject to the conditions contained in this Agreement;

WHEREAS the Seller's ability to consummate the Transactions is subject to, among other things, the entry of the Approval and Vesting Order by the Court; and

NOW, THEREFORE, in consideration of the foregoing and the representations, warranties, covenants and agreements contained in this Agreement and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties hereto agree as follows:

ARTICLE I
DEFINITIONS

Section 1.1 Recitals.

The recitals set forth above are incorporated by reference and are expressly made part of this Agreement.

Section 1.2 Definitions.

In this Agreement and all Schedules attached hereto, unless the context otherwise requires:

"**Abandonment and Reclamation Obligations**" means all past, present and future obligations to:

(a) 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; and

(b) 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.

"**Accounts Receivable**" means any and all accounts receivable, notes receivable, cheques, similar instruments, and other amounts receivable owed to the Seller for goods and services rendered in the operation of the business of the Seller together with all security or other collateral therefor and any interest for unpaid financing charges accrued thereon.

"**Action**" means any claim, action, complaint, suit, litigation, arbitration, appeal, petition, inquiry, hearing, order, decree, proceeding, investigation or other legal dispute, whether civil, criminal, administrative or otherwise, at law or in equity, by or before any Governmental Authority.

"**Administrative Reserve**" means an amount in cash sufficient to satisfy the Wind-Down Amount and the Reserve Payment Amount to be paid to the Monitor from Cash and Cash Equivalents on hand in immediately available funds at Closing.

"**AER**" means the Alberta Energy Regulator, or any successor thereto having jurisdiction over the Purchased Assets or certain of them or the operation thereof.

"**Affiliate**" means, with respect to any Person, any other Person that directly, or indirectly through one or more intermediaries, controls, is controlled by, or is under common control with, such Person. For purposes of this definition, "control" (including, with correlative meaning, the terms "controlling" and "controlled") means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such Person, whether through ownership of voting securities, by contract or otherwise.

"**Agreement**" has the meaning set forth in the preamble.

"**Alternative Transaction**" has the meaning set forth in the Amended and Restated Support Agreement.

"**Amended and Restated Support Agreement**" has the meaning set forth in the preamble.

"**Applicable Laws**" means, in relation to any Person, property or circumstance, all laws, statutes, rules, regulations, official directives and orders of any Governmental Authority (whether administrative, legislative, executive or otherwise), including judgments, orders and decrees of courts, commissions or bodies exercising similar functions, as amended, and includes the provisions and conditions of any permit, license or other governmental or regulatory authorization, that are in effect as at the relevant time and are applicable to such Person, property or circumstance.

"**Approval and Vesting Order**" means an order of the Court substantially in the form attached hereto as Schedule I, as may be amended in a manner acceptable to the Parties, acting reasonably, approving the Transactions and vesting all of the Seller's right, title and interest in and to the Purchased Assets in the Purchaser.

"**Assignment Order**" means an order of the Court issued in the CCAA Proceeding, in form and substance satisfactory to the Parties, acting reasonably, assigning the Seller's interest in and to the Assumed Contracts that require consent to assign to the Purchaser pursuant to Section 11.3 of the CCAA, which Order may form part of the Approval and Vesting Order.

"**Assumed Contracts**" means the Contracts referenced in subsection (a) of the definition of Miscellaneous Interests, the Real Property Leases and all other Contracts other than the Excluded Contracts, which Contracts shall be assigned by the Seller and assumed by the Purchaser and/or one or more Purchaser Designees in accordance with the terms of this Agreement, the relevant Contracts or otherwise pursuant to Section 11.3 of the CCAA, the Approval and Vesting Order, or other order of the Court in form and substance satisfactory to the Parties.

"**Assumed Liabilities**" has the meaning set forth in Section 2.5.

"**ATB**" means Alberta Treasury Branches.

"**BEH Royalty Agreement**" means the royalty agreement between Seller and Burgess Energy Holdings L.L.C. dated January 29, 2018.

"**Bill of Sale**" means the bill of sale substantially in the form set forth in Schedule D.

"**Books and Records**" means all documents used by, and in the possession of, the Seller in connection with, or relating to, the Purchased Assets, the Assumed Liabilities, or the operations of the Seller's business, including the Title Documents, all files, data, reports, plans, mailing lists, supplier lists, customer lists, price lists, Financial Records, marketing information and procedures, advertising and promotional materials, equipment records, warranty information, environmental site assessments, building condition reports, surveys, records of operations, standard forms of documents, manuals of operations or business procedures, and other similar procedures (including all discs, tapes, and other media-storage data containing such information), other than Retained Books and Records.

"**Business Day**" means any day other than a Saturday, Sunday, or other day on which commercial banks in Calgary, Alberta, New York City, New York, or Toronto, Ontario are authorized or obligated to close under Applicable Laws.

"**Business Permits**" means all material permits, consents, licenses, approvals, or similar authorizations of Governmental Authorities required for operation of the business of the Seller, excluding any permits, consents, licenses, approvals, or authorizations which fall within the definition of Title Documents.

"**Cash and Cash Equivalents**" means all of the Seller's cash and cash equivalents (including restricted cash, petty cash and cheques received prior to the close of business on the Closing Date), chequing account balances, marketable securities, certificates of deposits, time deposits, bankers' acceptances, commercial paper and government securities and other cash equivalents, other than the Administrative Reserve as determined in accordance with (and subject to) the provisions of Sections 2.9 and 2.10.

"**CCAA**" has the meaning set forth in the recitals.

"**CCAA Plan**" has the meaning set forth in the Amended and Restated Support Agreement.

"**CCAA Plan Termination Event**" has the meaning set forth in the Amended and Restated Support Agreement.

"**CCAA Proceeding**" has the meaning set forth in the recitals.

"**Claims**" means all rights, claims, actions, refunds, causes of action, choses in action, suits or proceedings, including rights to refunds and rights of recovery, set off, recoupment, indemnity or contribution and other similar rights (known and unknown, matured and unmatured, accrued or contingent, regardless of whether such rights are currently exercisable).

"**Claims Bar Process**" means (i) the claims bar process conducted pursuant to the Order of the Court dated September 26, 2016, and (ii) the supplemental claims bar process conducted pursuant to the Order of the Court dated August 22, 2018, calling for certain Claims against the Seller.

"**Closing**" has the meaning set forth in Section 7.1.

"**Closing Date**" has the meaning set forth in Section 7.1.

"**Closing Documents**" means any agreements, instruments, or other documents to be delivered at the Closing pursuant to Section 7.2 or Section 7.3.

"**Conditions Certificates**" has the meaning set forth in Section 7.5.

"**Confidential Information**" all information obtained from the Seller or the Purchaser, or any of their respective Representatives or Affiliates, in connection with the Purchased Assets or the Transactions herein provided for (including any information concerning this Agreement).

"**Consent**" means any consent, approval, concession, grant, waiver, exemption, license, certificate, variance, registration, permit, order, or other authorization of or notice of any Person (excluding the Licence Transfers).

"**Contracts**" means any contract, agreement, commitment, understanding, arrangement, license or lease entered into by the Seller (whether oral or written) or affecting or related to any of the Seller's business, the Purchased Assets or the Assumed Liabilities or by which the Seller is bound or by which any property of the Seller is subject to an Encumbrance.

"**Convertible Notes**" means the convertible notes issued to certain participating holders pursuant to an indenture dated May 8, 2015 between the Seller and Wilmington Trust, National Association, as trustee, having a face value of US$35 million and a maturation date of August 31, 2018, which are secured on a second priority basis.

"**Court**" has the meaning set forth in the recitals.

"**Credit Bid KERP**" means the credit bid key employee retention plan substantially in the form attached at Schedule "H" to the Amended and Restated Support Agreement.

"**Credit Bid Transaction**" has the meaning given to such term in the Amended and Restated Support Agreement.

"**Cure Costs**" means in respect of all Assumed Contracts, all amounts, costs and expenses required to be paid at Closing to remedy all of Seller's monetary defaults in relation to the Assumed Contracts as may be required pursuant to the Assignment Order or otherwise required to secure a counterparty's or any other necessary Person's consent to the assignment of an Assumed Contract, and includes any other fees and expenses required to be paid to a counterparty or any other Person to effect an assignment of an Assumed Contract.

"**Disclosure Schedule**" means Schedule C.

"**Employee Benefit Plans**" means each employee benefit plan and all other compensation and benefits plans, agreements, programs, policies, commitments, arrangements or payroll practices, including each share purchase, share option, restricted share, profit sharing, pension, savings, retirement, retirement savings, pension, severance, retention, employment, consulting, change-of-control, collective bargaining, bonus, incentive, deferred compensation, disability or other insurance, health, dental, or similar benefits, supplemental unemployment benefit, employee loan, fringe benefit and other benefit plan, agreement, program, policy, commitment, arrangement or practice (including any related funding mechanism now in effect or required in the future) whether formal or informal, oral or written, funded or unfunded, registered or unregistered, in each case, that is sponsored, maintained, contributed to or required to be contributed to by the Seller, under which any Employees participate or are eligible to participate, or under which the Seller has any current or potential Liability.

"**Employees**" means the employees of the Seller, as set forth under the heading "Employees" in the Schedule F.

"**Encumbrances**" means all mortgages, pledges, charges, liens, debentures, trust deeds, Claims, assignments by way of security or otherwise, security interests, conditional sales contracts or other title retention agreements, security created under the *Bank Act* (Canada), rights of first refusal, or similar interests or instruments charging or creating a security interest in the Purchased Assets or any part thereof or interest therein, and any agreements, leases, licenses, occupancy agreements, options, easements, rights of way, restrictions, executions, or other encumbrances (including notices or other registrations in respect of any of the foregoing) affecting title to the Purchased Assets or any part thereof or interest therein.

"**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).

"**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.

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

(a) 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;

(b) 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;

(c) compliance with or the consequences of any non-compliance with, or violation or breach of, any Applicable Law pertaining to the Environment or to the protection of the Environment;

(d) sampling, monitoring or assessing the Environment or any potential impacts thereon from any past, present or future activities or operations; or

(e) the protection, reclamation, remediation or restoration of the Environment;

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

"**ETA**" means the *Excise Tax Act* (Canada), R.S.C. 1985, c. E-15, as amended.

"**Excluded Assets**" has the meaning set forth in Section 2.2.

"**Excluded Contracts**" means the Contracts, if any, of the Seller identified as such in Schedule B.

"**Excluded Employees**" has the meaning set out in Section 5.8(a).

"**Excluded Liabilities**" has the meaning set forth in Section 2.6.

"**Facilities**" means the Seller's entire 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 field facilities specifically identified in Part 2 of Schedule A.

"**Filing Date**" means May 17, 2016.

"**Financial Records**" means all books of account and other financial data and information of the Seller and all such records, data, and information stored electronically, digitally, or on computer-related media.

"**First Lien Agent**" means Wilmington Trust, National Association, in its capacity as the successor administrative agent and collateral agent under the First Lien Credit Agreement, or any successor or sub-agent appointed thereto.

"**First Lien Credit Agreement**" means the Credit Agreement dated as of May 23, 2014 among the Seller, as borrower, the lenders party thereto (being the First Lien Lenders) and the First Lien Agent (as such agreement has been and may be amended, supplemented or otherwise modified from time to time, including by the Amendment No. 1 dated May 8, 2015).

"**First Lien Indebtedness**" means all present and future indebtedness, liabilities and obligations owing by the Seller to the First Lien Agent and the First Lien Lenders under the First Lien Credit Agreement (and for certainty, including without limitation, principal, interest, costs and expenses).

"**First Lien Lenders**" means the lenders from time to time under the First Lien Credit Agreement.

"General Conveyance, Assignment and Assumption Agreement" means an agreement providing for the assignment by the Seller of the Seller's right, title, and interest in and to the Purchased Assets, free and clear of all Encumbrances (other than Permitted Encumbrances), substantially in the form attached hereto as Schedule E, and the assumption by the Purchaser or one or more Purchaser Designees of the Assumed Liabilities, substantially in the form attached hereto as Schedule E.

"**Governmental Authority**" means any federal, national, provincial, territorial, municipal or other government, any political subdivision thereof, and any ministry, sub-ministry, agency or sub-agency, court, board, bureau, office, or department, including any government-owned entity, having jurisdiction over a Party, the Purchased Assets, the Excluded Assets or any of the Transactions.

"**GST**" means the goods and services tax provided for in the ETA and any other tax imposed or levied by the Government of Canada on or in respect of the sale or supply of goods or services in addition to or replacement for such goods and service tax.

"**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.

"**Hired Employees**" means those employees and contractors of the Seller listed in Schedule F who accept an offer of employment from the Purchaser made in accordance with Section 5.8.

"**Indebtedness**" of any Person means, without duplication: (a) all obligations of such Person for borrowed money or advances; (b) all obligations of such Person evidenced by bonds, debentures, notes, loan agreements, or similar instruments; (c) all obligations of such Person under conditional sale or other title retention agreements relating to property purchased by such Person (even though the rights and remedies of the seller or lenders under such agreement in the event of default are limited to repossession or sale of such property); (d) all obligations of such Person issued or assumed as part of the deferred purchase price of property or services; (e) all indebtedness secured by any Encumbrance on property owned or acquired by such Person (including indebtedness arising under conditional sales or other title retention agreements), whether or not the obligations secured thereby have been assumed; (f) any obligations with respect to bank guarantees, deferred compensation arrangements, workers' compensation liabilities, employee medical liabilities, bonuses, and any required statutory payments to employees; (g) all obligations of such Person for the reimbursement of any obligor in respect of letters of credit, letters of guaranty, bankers' acceptances, and similar credit transactions; and (h) all contingent obligations of such Person in respect of Indebtedness or obligations of others of the kinds referred to in clauses (a) through (g) above.

"**Independent Contractors**" means consultants and independent contractors engaged by the Seller in the conduct of the business of the Seller as of •, 2019, as disclosed in the Schedule F.

"**Initial Consenting First Lien Lenders**" means those First Lien Lenders that are initial signatories to the Amended and Restated Support Agreement.

"**Initial Order**" has the meaning set forth in the recitals.

"**Intellectual Property Rights**" means trade names, brand names, corporate names, business names, trademarks (including logos), trademark registrations and applications, service marks, service mark registrations and applications, copyrights, copyright registrations and applications, derivative works, moral rights, all rights to use any name or mark, and any related or associated name, internet domain names, URLs, issued patents and pending applications and other patent rights, industrial design registrations, pending applications and other industrial design rights, improvements, trade secrets, proprietary information and know-how, equipment and parts lists and descriptions, instruction manuals, inventions, inventors' notes, research data, blueprints, drawings and designs, formulae, processes, computer software (including source code, executable code, firmware, data, databases, and technical documentation), internal-use software, and technical manuals and documentation used in connection therewith, technology, and other intellectual property, together with all rights under licenses, registered user agreements, technology transfer agreements, other agreements, or instruments relating to any of the foregoing, and goodwill associated with any of the foregoing, anywhere in the world.

"**Joining Consenting First Lien Lenders**" has the meaning set forth in the Amended and Restated Support Agreement.

"**Key Employees"** means Merle Johnson, Jeff Beeston, Suzanne Loov and Gordon Trainor.

"**Lands**" means the lands set out and described in Part 1 of Schedule A, and the Petroleum Substances within, upon or under such lands (subject to the restrictions and exclusions identified in Part 1 of Schedule A and in the Title Documents as to Petroleum Substances and geological formations).

"**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).

"**Liability**" means any debt, liability, commitment, or other obligation (whether direct or indirect, known or unknown, absolute or contingent, accrued or unaccrued, liquidated or unliquidated, or due or not yet due) and including all costs, fees and expenses relating thereto.

"**Licence Transfers**" means the transfer from the Seller to the Purchaser of any permits, approvals, licences and authorizations granted by the AER in relation to the construction, installation, ownership, use or operation of the Well, pipeline or facility licences pertaining to Oil and Gas Assets.

"**LTAs**" has the meaning set forth in Section 3.1(a).

"**Management Incentive Plan**" means the management incentive plan substantially in the form set forth in Schedule K.

"**Material Adverse Effect**" means, in relation to a specified fact, circumstance or event or any combination thereof, that the fact, circumstance or event or combination thereof has or is reasonably expected to have a material adverse effect on the Oil and Gas Assets, the Assumed Liabilities or the Seller's business (excluding the Excluded Assets and the Excluded Liabilities), considered as a whole, but excluding any such effect or effects:

(a) that result from conditions affecting the Western Canadian oil and gas industry as a whole;

(b) that result from general economic, financial, currency exchange, securities or commodity market conditions in Canada or elsewhere;

(c) that result from natural declines in the production of Petroleum Substances or changes in the quantity, quality or rate of production of Petroleum Substances from the Lands or lands pooled or unitized therewith;

(d) that have been disclosed or are referred to in the Disclosure Schedule; or

(e) that result from changes in the market price of oil, bitumen or diluent;

provided that, with respect to clauses (a), (b) and (e) of this definition, the conditions or changes contemplated therein do not have a disproportionate effect on the Oil and Gas Assets, the Assumed Liabilities or the Seller's business relative to the effect of other commercial enterprises operating a business that is similar to the Seller's business or owning assets that are similar to the Oil and Gas Assets;

"**Material Contracts**" has the meaning set forth in the Amended and Restated Support Agreement.

"**Miscellaneous Interests**" means, subject to any and all limitations and exclusions provided for in this definition, Seller's entire interest in and to all property, assets, interests and rights pertaining to the Petroleum and Natural Gas Rights and the Tangibles (other than the Petroleum and Natural Gas Rights and the Tangibles), or either of them, but only to the extent that such property, assets, interests and rights pertain to the Petroleum and Natural Gas Rights and the Tangibles, or either of them, including any and all of the following:

(a) all Contracts relating to the Petroleum and Natural Gas Rights and the Tangibles, or either of them (including the Title Documents);

(b) 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 Purchased Assets, and claims against other Third Parties in connection with the contracts relating to the Petroleum and Natural Gas Rights and the Tangibles;

(c) all subsisting rights to carry out operations relating to the Lands or the Tangibles, and without limitation, all easements and other permits, licenses and authorizations pertaining to the Tangibles;

(d) 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;

(e) 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

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

Unless otherwise agreed in writing by the Parties, the Miscellaneous Interests shall not include agreements, documents or data to the extent that they are owned or licensed by Third Parties with restrictions on their deliverability or disclosure by Seller to an assignee.

"**Monitor**" means Ernst & Young Inc., in its capacity as Court-appointed monitor of the Seller, pursuant to the Initial Order.

"**Monitor's Certificate**" means the certificate, substantially in the form attached to the Approval and Vesting Order, signed by the Monitor.

"**Newco First Lien Credit Agreement**" has the meaning set forth in Section 2.4(b)(ii).

"**Notice**" has the meaning set forth in Section 9.5(b).

"**Offers of Comparable Employment**" has the meaning set forth in Section 5.8(a).

"**Oil and Gas Assets**" means the Petroleum and Natural Gas Rights, the Tangibles, and the Miscellaneous Interests, but specifically excluding the Excluded Assets.

"**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).

"**Original Support Agreement**" has the meaning set forth in the recitals.

"**Outstanding ROFR Assets**" has the meaning set forth in Section 5.13(e)(ii).

"**Outstanding ROFRs**" has the meaning set forth in Section 5.13(e).

"**Party**" means the Seller or the Purchaser.

"**Payment and Settlement Agreement**" means the agreement to be entered into between the Seller and the First Lien Agent providing for the payment and settlement by the Seller of all of its obligations under the First Lien Credit Agreement, in substantially the form attached hereto at Schedule J.

"**Permitted Encumbrances**" means:

(a) all Encumbrances, including any overriding royalties, net profits interests and other burdens, which are identified in Part 1 of Schedule A;

(b) the terms and conditions of the Assumed Contracts and the Title Documents, including ROFRs, the requirement to pay any rentals or royalties to the grantor thereof to maintain the Title Documents in good standing and any royalty or other burden reserved to the grantor thereof or any gross royalty trusts applicable to the grantor's interest in any of the Title Documents;

(c) the right reserved to or vested in any grantor, Governmental Authority or other public authority by the terms of any Title Document or by Applicable Laws to terminate any Title Document;

(d) easements, right of way, servitudes or other similar rights in land, including rights of way and servitudes for highways, railways, sewers, drains, gas and oil pipelines, gas and water mains, electric light, power, telephone or cable television conduits, poles, wires or cables;

(e) taxes on Petroleum Substances or the income or revenue therefrom, unless specifically excluded and governmental restrictions on production rates from the Wells or on operations being conducted on the Lands or otherwise affecting the value of any of the Oil and Gas Assets;

(f) agreements for the sale, processing, transmission or transportation of Petroleum Substances, which are set forth in the Disclosure Schedule or entered into by the Seller subsequent to the date of this Agreement;

(g) any obligation of Seller to hold any portion of its interest in and to any of the Purchased Assets in trust for Third Parties;

(h) any rights reserved to or vested in any Governmental Authority to control or regulate the ownership, use or operation of any of the Oil and Gas Assets in any manner, including governmental requirements imposed by statute or Governmental Authorities as to rates of production from operations or otherwise affecting recoverability of Petroleum Substances;

(i) undetermined or inchoate liens incurred or created as security in favour of any Person with respect to the development or operation of any of the Purchased Assets, as regards Seller's share of the costs and expenses thereof which are not due or delinquent as of the date hereof or, if then due or delinquent are being contested in good faith by Seller;

(j) the reservations, limitations, provisos and conditions in any grants or transfers from the Crown of any of the Lands or interests therein, and statutory exceptions to title;

(k) agreements respecting the operation of Wells by contract field operators;

(l) provisions for penalties and forfeitures under agreements as a consequence of non-participation in operations;

(m) 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 Purchased Assets; and

(n) any Encumbrances not released by the Approval and Vesting Order.

"**Person**" means an individual, body corporate, partnership, limited liability company, corporation, trust, joint venture, association, joint stock company, unincorporated organization, Governmental Authority, or other entity, and includes the successors and assigns thereof and the heirs, executors, administrators or other legal representatives of an individual.

"**Personal Property**" means all furniture, furnishings, fixtures, equipment, appliances, tools, motor vehicles, parts, machinery, supplies, signs and signage, inventory (including inventory held at any location controlled by the Seller and any inventory previously purchased and in transit to the Seller), and all other tangible personal property used in the operation and maintenance of the Seller's business, excluding any property comprising the Oil and Gas Assets.

"**Petroleum and Natural Gas Rights**" means the Seller's entire interest in and to all rights to (including Crown oil sands rights) and in respect of the Leased Substances and the Title Documents (but only to the extent that the Title Documents pertain to the Lands), including the interests set out and described in Part 1 of Schedule A.

"**Petroleum Substances**" means any of crude oil, crude bitumen and products derived therefrom, synthetic crude oil, petroleum, natural gas, natural gas liquids, and any and all other substances related to any of the foregoing, whether liquid, solid or gaseous, and whether hydrocarbons or not, including sulphur.

"**Plan Sponsorship Agreement**" means the CCAA Acquisition and Plan Sponsorship Agreement between the Seller and East River Oil and Gas Ltd. dated August 2, 2018, as amended.

"**Plan Transaction**" has the meaning set forth in the Amended and Restated Support Agreement.

"Post-Filing Period" means the period from and including the Filing Date up to and including the Closing Date.

"Priority Claims" means any claims or portion thereof that rank *pari passu* with, or senior in priority to, the First Lien Indebtedness, including the following:

(a) all claims and amounts secured by the Charges (as defined in the Initial Order and as amended or supplemented from time to time) or such other charges ordered by the Court in the CCAA Proceedings;

(b) any claims subject to a statutory deemed trust as described in Section 37(2) of the CCAA (inclusive of the statutory deemed trusts described in paragraph 7(a) of the Initial Order) or subject to a statutory lien as described in Section 38(3) of the CCAA;

(c) any unpaid Sales Taxes (as defined in the Initial Order) required to be paid pursuant to paragraph 7(b) of the Initial Order;

(d) all municipal realty, municipal business or other taxes, assessments or levies of any kind or nature attributable to or in respect of the carrying on of the business accrued and unpaid by Seller accrued and unpaid to Closing required to be paid pursuant to paragraph 7(c) of the Initial Order; and

(e) any accrued and unpaid amounts in respect of the type of claims (but not amounts) subject to Section 36(7) of the CCAA and Sections 6(5)(a) and 6(6)(a) of the CCAA in respect of Employees up to and including the Closing Date (except for accrued vacation pay for Hired Employees assumed by Purchaser pursuant to Section 5.8).

"**Property Taxes**" has the meaning set forth in Section 2.1(h).

"**Purchase Price**" has the meaning set forth in Section 2.4(a).

"**Purchased Assets**" has the meaning set forth in Section 2.1.

"**Purchased Intellectual Property**" has the meaning set forth in Section 2.1(o).

"**Purchaser**" has the meaning set forth in the preamble.

"**Purchaser Designee**" means one or more Affiliates of the Purchaser designated by the Purchaser to the Seller prior to the Closing.

"**Purchaser Shares**" has the meaning set forth in Section 2.4(b)(iii).

"**Real Property Leases**" means the leases and agreements to lease real property of the Seller listed in the Disclosure Schedule.

"**Representative**" means, with respect to a particular Person, any director, officer, manager, partner, member, employee, agent, consultant, advisor, or other representative of such Person, including legal counsel, accountants, and financial advisors.

"**Reserve Payment Amount**" means an amount in cash sufficient to satisfy and pay, in full, the Priority Claims, which amount shall (i) be used to pay all Priority Claims, and (ii) be held in trust and administered by the Monitor in accordance with Section 2.10, which estimated amount to be reserved on Closing is estimated by the Seller as at the date of this Agreement to be as set out in Schedule G (which estimate for greater certainty shall include any claims filed as a Priority Claim in the Claims Bar Process that has not been finally determined, resolved or settled pursuant to the Claims Bar Process at such time, subject to adjustment from time to time up to the time of Closing as such claims are finally determined, resolved or settled pursuant to the Claims Bar Process); provided, that any remaining amount of the Reserve Payment Amount not required to fund the payment of Priority Claims after Closing in accordance with Section 2.10 shall be promptly delivered by the Monitor to the Purchaser as a Purchased Asset.

"**Retained Books and Records**" means (a) any documents (including books and records) that the Seller is required by Applicable Laws to retain, (b) corporate seals, minute books, charter documents, corporate record books, original tax and financial records, and such other books and records as pertain to the organization, existence, actions, or share capitalization of the Seller, and (c) any books and records or information related exclusively to any of the Excluded Assets or Excluded Liabilities.

"**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 Purchased Assets or certain of them that may become operative by virtue of this Agreement or the completion of the Transactions.

"**ROFR Proceeds**" has the meaning set forth in Section 5.13(c)(iii).

"**Seller**" has the meaning set forth in the preamble.

"**Seller Broker Fee**" has the meaning set forth in Section 4.1(d).

"**Seller's Knowledge**" means, with respect to the Seller, the actual knowledge or awareness of the Seller's officers after reasonable enquiry being made of such officer's direct reports, but does not include the knowledge or awareness of any other Person, or any constructive or imputed knowledge.

"**Seller Transaction Expenses**" means all fees, costs and expenses incurred by or on behalf of Seller in connection with this Agreement or the consummation of the Transactions including: (a) all brokers', finders' or investment bankers' fees incurred by or on behalf of Seller in connection with the negotiation, preparation, execution and consummation of the

Transactions, and (b) fees and expenses of legal counsel or other professional advisors incurred by or on behalf of Seller in connection with the consummation of the Transactions.

"**Service Providers**" means the Seller's current or former directors, officers, Employees, or Independent Contractors.

"**SISP**" has the meaning set forth in the recitals.

"**SISP Order**" has the meaning set forth in the recitals.

"**Specific Conveyances**" means all conveyances, assignments, transfers, novations and other documents or instruments that are reasonably required or desirable to convey, assign and transfer the interest of Seller in and to the Purchased Assets to Purchaser and to novate Purchaser in the place and stead of Seller with respect to the Purchased Assets (excluding the LTAs).

"**Tangibles**" means the Seller's entire interest in and to the Facilities and any and all tangible depreciable property and assets, if any, which are located within, upon or in the vicinity of the Lands and which are used or are intended to be used to produce, process, gather, treat, measure, make marketable or inject the Leased Substances or any of them, and any real property (other than the Lands).

"**Tax**" or "**Taxes**" includes all present and future taxes, surtaxes, duties, levies, imposts, rates, fees, assessments, withholdings, dues and other changes of any nature imposed by any Governmental Authority, including income, capital, withholding, consumption, sales, use, transfer, goods and services, harmonized or other value added, excise, customs, anti-dumping, countervail, net worth, stamp, registration, franchise, payroll, employment health, education, business, school, property, local improvement, development, education development and occupation taxes, surtaxes, duties, levies, imposts rates, fees, assessments, withholdings, dues and charges, and other assessments or similar charges in the nature of a tax, including Canada Pension Plan and provincial pension plan contributions, employment insurance and unemployment insurance premiums and workers compensation premiums, together with all fines, interest, penalties on or in respect of, or in lieu of or for non-collection of, those taxes, surtaxes, duties, levies, imposts, rates, fees, assessments, withholdings, dues and other changes, whether disputed or not.

"**Tax Act**" means the *Income Tax Act* (Canada), R.S.C. 1985, c. 1 (5th Supp).

"**Tax Return**" or "**Tax Returns**" means all returns, declarations of estimated tax payments, reports, estimates, information returns, and statements, including any related or supporting information with respect to any of the foregoing, filed or required to be filed with any taxing authority.

"**Term Note**" has the meaning set forth in Section 2.4(b)(ii).

"**Third Party**" means any Person other than the Monitor, the Seller and the Purchaser (or a Purchaser Designee).

"**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; including those, if any, set out and described in Part 1 of Schedule A.

"**Transactions**" means the transactions contemplated herein to be consummated at the Closing, including the purchase and sale of the Purchased Assets and the assumption of the Assumed Liabilities by the Purchaser as provided for in this Agreement.

"**Transfer Taxes**" means any transfer, sales, use, registration, and other such taxes, any conveyance fees, any recording charges, and any other similar fees and charges (including penalties and interest in respect thereof).

"**Transition Order**" means an order of the Court issued in the CCAA Proceeding, in form and substance satisfactory to the Parties, acting reasonably, providing the Monitor with enhanced powers in the CCAA Proceeding following the Closing.

"**Wells**" means the Seller's entire interest in and to all producing, shut-in, suspended, abandoned, capped, injection and disposal wells located on the Lands, including, without limitation, the wells listed in Part 2 of Schedule A.

"Wind-Down Amount" means an amount in cash sufficient to satisfy and pay, in full, the following:

(a) the amounts owing by the Seller in respect of goods and services provided to the Seller during the Post-Filing Period, not otherwise assumed by the Purchaser, if any;

(b) all fees and expenses of Seller's legal, financial and other advisors and the Monitor and its legal advisor for the period post-Closing;

(c) the Seller Transaction Expenses (to the extent unpaid at Closing); and

(d) the costs of winding down the Seller's estates after the Closing, in each case, as set out in the Wind-Down Budget;

which amounts shall be held in trust and administered by the Monitor in accordance with Section 2.9; provided, that, any remaining amount of the Wind-Down Amount not required to fund the costs of winding-down such estates after Closing in accordance with Section 2.9 shall be promptly delivered by the Monitor to the Purchaser as a Purchased Asset.

"**Wind-Down Budget**" means a budget for the post-Closing wind-down of Seller's estate that is appended hereto as Schedule H and which details the estimated costs and expenses permitted to be paid from the Wind-Down Amount.

Section 1.3 Other Terms.

(a) As used in this Agreement, any reference to any federal, provincial, local or foreign law, including any Applicable Laws, shall be deemed also to refer to all rules and regulations promulgated thereunder and all amendments or modifications thereto, unless the context requires otherwise.

(b) The words "include," "includes," and "including" shall be deemed to be followed by "without limitation." Pronouns in masculine, feminine, or neuter gender will be construed to include any other gender, and words in the singular form will be construed to include the plural and vice versa, unless the context otherwise requires.

(c) References to "this Agreement" shall include all Schedules attached hereto, which are incorporated herein by reference as though contained in the body hereof.

(d) Wherever any term or condition of any Schedule conflicts or is at variance with any term or condition in the body of this Agreement, such term or condition in the body of this Agreement shall prevail.

(e) The words "herein," "hereof," "hereby," "hereunder," and words of similar import refer to this Agreement as a whole and not to any particular subdivision, unless expressly so limited.

(f) References in this Agreement to Articles, Sections, or Schedules are to Articles or Sections of, or Schedules to, this Agreement, except to the extent otherwise specified herein.

(g) All terms defined in this Agreement shall have the defined meanings when used in any certificate or other document made or delivered pursuant hereto, unless otherwise defined therein.

(h) Any agreement, instrument, or statute defined or referred to herein shall mean such agreement, instrument, or statute, as from time to time amended, modified, or supplemented, including (in the case of agreements or instruments) by waiver or consent and (in the case of statutes) by succession of comparable successor statutes and references to all attachments thereto and instruments incorporated therein.

(i) The headings of the sections, paragraphs, and subsections of this Agreement are inserted for convenience only and are not part of this Agreement and do not in any way limit or modify the provisions of this Agreement and shall not affect the interpretation hereof.

(j) Any reference to "CAD$" refers to lawful currency of Canada. Any reference to "US$" refers to lawful currency of the United States of America.

Section 1.4 Interpretation.

The Parties have participated jointly in the negotiation and drafting of this Agreement. If an ambiguity or question of intent or interpretation arises, this Agreement will be construed as if drafted jointly by the Parties hereto and no presumption or burden of proof will arise favoring or disfavoring any Party hereto because of the authorship of any provision of this Agreement.

Section 1.5 Time.

Except as expressly set out in this Agreement, the computation of any period of time referred to in this Agreement shall exclude the first day and include the last day of such period. If the time limited for the performance or completion of any matter under this Agreement expires or falls on a day that is not a Business Day, the time so limited shall extend to the next following Business Day. Whenever action must be taken (including the giving of notice, the delivery of documents, or the payment of money) under this Agreement, prior to the expiration of, by no later than, or on a particular date, unless otherwise expressly provided in this Agreement, such action must be completed by 5:00 p.m., Mountain Standard Time, on such date (except for the filing of papers with the Court or the entry of any Order by the Court, which must be completed on such date by the deadline set forth in the rules of the Court). The time limited for performing or completing any matter under this Agreement may be extended or abridged by an agreement in writing by the Parties. All references herein to time are references to Mountain Standard Time, unless otherwise specified herein.

ARTICLE II
PURCHASE AND SALE

Section 2.1 Purchase and Sale of Purchased Assets.

The Seller hereby agrees to sell, transfer, assign, convey and deliver to the Purchaser and/or, as applicable, one or more Purchaser Designees, at the Closing, and the Purchaser hereby agrees to purchase, acquire and assume, or cause one or more Purchaser Designees to purchase, acquire and assume, from the Seller at the Closing, upon the terms and subject to the conditions of this Agreement, all right, title and interest of the Seller of any nature whatsoever in all of the Seller's properties, interests, rights and assets, other than the Excluded Assets, free and clear of any and all Encumbrances of any and every kind, nature and description (other than Permitted Encumbrances) (collectively, the "**Purchased Assets**") including the following:

(a) the Oil and Gas Assets;

(b) the Assumed Contracts and all rights thereunder;

(c) the Real Property Leases and all rights thereunder, together with all improvements, fixtures and other appurtenances thereto and rights in respect thereof, as applicable;

(d) all Accounts Receivable;

(e) any Cash and Cash Equivalents, whether on hand, in transit to the Seller on the Closing Date or in banks or other financial institutions, and all security entitlements, securities accounts, commodity contracts and commodity accounts, including for greater certainty any ROFR Proceeds received or receivable by the Seller in connection with the ROFR process as contemplated under Section 5.13;

(f) all deposits, prepaid expenses, advances, advance payments, prepayments, deferred charges, or rebates in favor of the Seller, including (i) security deposits with third-party suppliers, vendors or utility or Service Providers, ad valorem taxes and lease and rental payments, (ii) rebates, (iii) collateral pledged for workers' compensation and (iv) prepayments;

(g) all other Personal Property owned or leased (to the extent of the Seller's leasehold interest therein) by the Seller;

(h) all real property Taxes ("**Property Taxes**") that are prepaid and any refunds of Taxes;

(i) all advertising, marketing and promotional materials of the Seller;

(j) all Books and Records;

(k) all Business Permits (to the extent transferable under Applicable Laws);

(l) all assets of the Seller under the Employee Benefit Plans;

(m) all human resources and other employee-related files and records relating to the Hired Employees, except to the extent prohibited by Applicable Laws;

(n) all rights of the Seller under non-disclosure or confidentiality, non-compete, or non-solicitation agreements with employees and agents of the Seller or with Third Parties;

(o) all Intellectual Property Rights owned by the Seller or used by the Seller, including the name "Connacher" and "Connacher Oil and Gas" and any other name used by the Seller (the "**Purchased Intellectual Property**");

(p) all goodwill and other intangible assets associated with the business of the Seller;

(q) to the extent assignable or transferable in accordance with the terms and conditions of the applicable insurance policies, Applicable Laws or the Approval and Vesting Order, except those insurance policies (and any entitlements and payments thereunder) that are Excluded Assets: (i) all of the Seller's insurance policies and rights and benefits thereunder (including (A) all rights pursuant to and proceeds, condemnation, or expropriation awards or other compensation in respect of loss or damage to any Purchased Asset from such insurance policies and (B) all claims, demands, proceedings and causes of action asserted by the Seller under such insurance policies relating to any Purchased Asset or Assumed Liability), and (ii) any letters of credit related thereto;

(r) all motor vehicles owned or leased by Seller;

(s) all other assets, inventory of finished goods, raw materials, work-in-progress, properties and rights used or held for use by the Seller; and

(t) all rights, claims, actions, refunds, causes of action, choses in action, suits, proceedings, rights of recovery, rights of setoff, rights of recoupment, rights of indemnity or contribution, and other similar rights (known and unknown, matured and unmatured, accrued or contingent, regardless of whether such rights are currently exercisable) against any Person, including all warranties, representations, guarantees, indemnities, and other contractual claims (express, implied, or otherwise), to the extent related to the Purchased Assets or the Assumed Liabilities.

Section 2.2 Excluded Assets.

Nothing contained herein or in any Closing Document shall be deemed to sell, transfer, assign, convey or deliver the Excluded Assets to the Purchaser or any Affiliate of the Purchaser, and the Seller shall retain all right, title, and interest to, in, and under the Excluded Assets, and neither the Purchaser nor any Affiliate of the Purchaser shall have any Liability therefor. "**Excluded Assets**" shall mean the following assets, properties and rights of the Seller:

(a) any and all rights of the Seller under this Agreement;

(b) the Administrative Reserve, other than as set forth in Sections 2.9 and 2.10;

(c) the Excluded Contracts and any and all rights thereunder and prepaid assets related thereto;

(d) any shares, securities, or other interest of the Seller held in any other Person;

(e) all director and officer liability insurance policies, any proceeds paid or payable thereunder to or on behalf of the directors and officers of the Seller, or any deposit or prepayments of runoff coverage for the directors and officers;

(f) all rights, claims, actions, refunds, causes of action, choses in action, suits or proceedings, rights of recovery, rights of setoff, rights of recoupment, rights of indemnity or contribution, and other similar rights (known and unknown, matured and unmatured, accrued or contingent, regardless of whether such rights are currently exercisable) against any Person, including all warranties, representations, guarantees, indemnities, and other contractual claims (express, implied, or otherwise) to the extent related exclusively to the assets, rights, and properties set forth in this Section 2.2 or the Excluded Liabilities;

(g) Retained Books and Records; provided that the Seller shall provide the Purchaser with a copy (and shall allow the Purchaser to make a copy) of any Retained Books and Records that are related, directly or indirectly, to the Purchased Assets or the Assumed Liabilities; and

(h) such other assets, properties and rights (if any) that are not Tangibles, Lands or Wells and of which the Purchaser notifies the Seller in writing not less than three Business Days before the Closing Date.

Section 2.3 Condition of Conveyance.

Without limiting the provisions of this Agreement relating to the General Conveyance, Assignment and Assumption Agreement, Article III, or any other provisions of this Agreement relating to sale, transfer, assignment, conveyance, or delivery, the Purchased Assets and the Assumed Liabilities shall be sold, transferred, assigned, conveyed, and delivered by the Seller to the Purchaser and/or, as applicable, one or more Purchaser Designees, by 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 Encumbrances of any and every kind, nature, and description, other than Permitted Encumbrances, as applicable.

Section 2.4 Consideration.

(a) The amount payable by the Purchaser for the Purchased Assets (collectively, the "**Purchase Price**") shall be equal to the sum of **[US$•]**, plus the amount of the Assumed Liabilities.

(b) The Purchaser shall satisfy the obligation to pay the Purchase Price to the Seller at Closing by:

(i) assuming the Assumed Liabilities in accordance with Section 2.5;

(ii) entering into a first lien credit agreement with the Seller as initial lender thereunder (on terms consistent with Section V of the Term Sheet) (the "**Newco First Lien Credit Agreement**") and issuing a promissory note to the Seller in connection therewith in a principal amount equal to US$41,728,726.01[2] (the "**Term Note**"); and **[NTD: To determine amount of promissory note]**

[2] USD equivalent of CAD$50 million.

(iii) issuing to the Seller [•] [shares] in the capital of the Purchaser (the "**Purchaser Shares**") [with an aggregate redemption amount] [with a fair value] equal to **[US$•]**.

Section 2.5 Assumption of Liabilities.

As partial payment of the Purchase Price and, to the extent permitted by Applicable Laws, on the Closing Date, the Purchaser and/or, as applicable, one or more Purchaser Designees shall assume and agree to pay, perform and otherwise discharge, when due, the Assumed Liabilities. For purposes of this Agreement, "**Assumed Liabilities**" shall mean only the following Liabilities (to the extent not paid, performed or otherwise discharged at or prior to the Closing):

(a) all ordinary course Liabilities due or accrued payable to clients, vendors, suppliers and customers, and for greater certainty all of the Seller's trade payables incurred on or after May 17, 2016;

(b) all Environmental Liabilities and Abandonment and Reclamation Obligations subject to Section 2.8(b);

(c) any Liabilities of the Seller under, and the Cure Costs in respect of, Assumed Contracts;

(d) Property Taxes imposed with respect to the Purchased Assets or the Assumed Liabilities unless such Property Taxes are provided for in the Administrative Reserve;

(e) any Liabilities with respect to the Service Providers with respect to any period, other than Excluded Employees;

(f) other than the Court-ordered charges made in the CCAA Proceedings, any Liabilities of the Seller that rank in priority to the Encumbrances securing the obligations of the Seller to the First Lien Lenders;

(g) any Liabilities of the Seller under the Credit Bid KERP which are not yet due and owing, or have not been satisfied in full, as of the Closing Date; and

(h) to the extent not already described in Section 2.5(a) through to Section 2.5(f) above, all Liabilities arising from, related to, or associated with the Purchased Assets, to the extent that such Liabilities arise or accrue on or after the Closing Date.

In determining the Purchase Price, the Parties have taken into account the Purchaser's assumption of responsibility for the payment of all costs for existing or future Abandonment and Reclamation Obligations and Environmental Liabilities associated with the Purchased Assets, as set forth in this Agreement, and the absolute release of the Seller of all and any responsibility or Liabilities therefor.

Section 2.6 Excluded Liabilities.

Notwithstanding anything to the contrary in this Agreement or any Closing Document, neither the Purchaser nor any Affiliate of the Purchaser is assuming, shall assume, or shall be deemed to have assumed, any Liabilities of the Seller, other than the Assumed Liabilities (all such other Liabilities, the "**Excluded Liabilities**"). For the avoidance of doubt, the Excluded Liabilities shall include the following:

(a) except as contemplated by Section 2.5, all Liabilities of the Seller that: (i) are not secured by Encumbrances on any of the assets of the Seller; (ii) are secured by Encumbrances on the assets of the Seller that rank junior to the Encumbrances securing the obligations of the Seller to the First Lien Lenders (including without limitation in respect of the Convertible Notes); (iii) are subordinated to the obligations of the Seller to the First Lien Lenders; or (iv) are secured by court-ordered charges in the CCAA Proceedings;

(b) all Liabilities arising out of Excluded Assets, including or relating to the Excluded Contracts;

(c) all Liabilities in respect of Indebtedness of the Seller existing as of the Filing Date (including all Liabilities arising under or in connection with the First Lien Credit Agreement), other than obligations under the Assumed Contracts and the Assumed Liabilities set forth in Section 2.5(e);

(d) (i) Taxes imposed with respect to the Excluded Assets or the Excluded Liabilities for any taxable period; (ii) pre-Closing income Taxes with respect to the Purchased Assets and (iii) any Taxes payable by the Seller;

(e) all Liabilities of the Seller under this Agreement;

(f) all Liabilities with respect to Excluded Employees;

(g) any Liability with respect to any legal, accounting audit, financial advisory and investment banking fees, the Seller Broker Fee and any other expenses incurred by the Seller, including with respect to the Transactions or the CCAA Proceedings (including fees and expenses of the Monitor, the Monitor's legal counsel and the Seller's legal counsel); and

(h) any Liability of the Seller not expressly included among the Assumed Liabilities or expressly assumed by the Purchaser or a Purchaser Designee under this Agreement.

Section 2.7 Procedures for Assumption of Agreements; Delayed Transfer of Assets.

(a) At the Closing, the Seller shall transfer and assign to the Purchaser and/or, as applicable, one or more Purchaser Designees the Assumed Contracts, in each case in accordance with the terms of the relevant Contracts or otherwise pursuant to

Section 11.3 of the CCAA and the Assignment Order. The Cure Costs in respect of all of the Assumed Contracts as specified in the Assignment Order shall be paid by the Purchaser or a Purchaser Designee on or before the Closing.

(b) Nothing herein shall be deemed to require the transfer, assignment, conveyance or delivery of any Purchased Asset that by operation of Applicable Laws cannot be transferred, assigned, conveyed, delivered, or assumed, including any Purchased Asset that cannot be transferred, assigned, conveyed, delivered, or assumed without a Consent that has not been obtained (after giving effect to the Approval and Vesting Order, the Assignment Order, any other Order of the Court and the provisions of the CCAA).

(c) Notwithstanding anything to the contrary in this Agreement or any Closing Document, to the extent that the transfer, assignment, conveyance or delivery (or attempted transfer, assignment, conveyance, or delivery) to the Purchaser and/or, as applicable, one or more Purchaser Designees of any asset, property or right that would be a Purchased Asset or any claim, right or interest or any benefit arising thereunder or resulting therefrom is prohibited by any Applicable Laws or would require any Consent from any Governmental Authority or any other Third Party (after giving effect to the Approval and Vesting Order, the Assignment Order, any other Order of the Court and the provisions of the CCAA), excluding for greater certainty any of the Licence Transfers, and such Consents shall not have been obtained prior to the Closing, the Closing shall proceed without the sale, transfer, assignment, conveyance, or delivery of such asset unless there is a failure of one or more of the conditions set forth in Article VI, in which event the Closing shall proceed only if each failed condition is waived in writing by the Party entitled to the benefit thereof.

(d) In the event that Closing proceeds without the transfer, assignment, conveyance or delivery of any Purchased Asset in accordance with Section 2.7(c), then:

(i) following the Closing, the Seller shall use its best efforts, and cooperate with the Purchaser, to promptly obtain such Consent and, pending such Consent, to provide the Purchaser and/or the Purchaser Designees, as applicable, with all of the benefits of ownership, use and enjoyment of such Purchased Asset; and

(ii) once Consent for the transfer, assignment, conveyance or delivery of any such Purchased Asset is obtained, the Seller shall promptly complete the transfer, assignment, conveyance and delivery of such Purchased Asset to the Purchaser and/or, as applicable, one or more Purchaser Designees, for no additional consideration.

(e) To the extent that any Purchased Asset cannot be transferred or the full benefits of ownership, use and enjoyment of any Purchased Asset cannot be provided to the Purchaser and/or, the Purchaser Designees, as applicable, following the Closing pursuant to Section 2.7(d), then:

(i) to the extent permitted by Applicable Laws, the Seller shall enter into such arrangements (including subleasing, sublicensing, or subcontracting) with the Purchaser and/or one or more Purchaser Designees, as applicable, to provide to the Purchaser and/or such Purchaser Designee(s) with the economic (taking into account Tax costs and benefits) and operational equivalent, to the extent permitted, of a transfer, assignment, conveyance or delivery of the Purchased Asset as contemplated herein with such Consent having been obtained; and

(ii) the Seller shall hold in trust for, and pay to the Purchaser and/or, as applicable, one or more Purchaser Designees, promptly upon receipt thereof, all income, proceeds, and other monies received by the Seller that are derived from its ownership, use or enjoyment of any asset, property or right that would be a Purchased Asset in connection with the arrangements under this Section 2.7(e);

provided that notwithstanding anything to the contrary herein, nothing in this Section 2.7(e) shall be deemed to require the Seller to delay or otherwise alter the completion of the CCAA Proceedings or any winding-up of the Seller or any of its Affiliates.

(f) If, following the Closing, the Seller receives or becomes aware that it holds any asset, property or right that constitutes a Purchased Asset, then the Seller shall transfer such asset, property or right to the Purchaser and/or, as applicable, one or more Purchaser Designees as promptly as practicable for no additional consideration.

(g) If, following the Closing, the Purchaser receives or becomes aware that it holds any asset, property or right that constitutes an Excluded Asset, then the Purchaser shall transfer such asset, property or right to the Seller as promptly as practicable for no additional consideration.

Section 2.8 Indemnities.

(a) General Indemnity. Provided that Closing has occurred, Purchaser shall:

(i) assume, perform, pay, discharge and be solely liable and responsible for any and all Liabilities which the Seller may suffer, sustain, pay or incur; and

(ii) indemnify, release and save harmless the Seller from any and all Liabilities, actions, proceedings and demands, whatsoever which may be brought against or suffered by the Seller or which it may sustain, pay or incur,

as a result of any matter or thing arising out of, resulting from, attributable to or connected with any Liabilities to the extent arising or accruing on or after the Closing Date and which relate to the Assumed Liabilities.

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

(i) be solely liable and responsible for any and all Liabilities which the Seller may suffer, sustain, pay or incur; and

(ii) indemnify, release and save harmless the Seller from any and all Liabilities, actions, proceedings and demands, whatsoever which may be brought against or suffered by the Seller or which it may sustain, pay or incur,

as a result of any matter or thing arising out of, resulting from, attributable to or connected with any Environmental Liabilities or any Abandonment and Reclamation Obligations. Once Closing has occurred, the Purchaser shall be solely responsible for all Environmental Liabilities and all Abandonment and Reclamation Obligations as between the Seller and the Purchaser (including whether occurring or accruing prior to, on or after the Closing Date), and hereby releases the Seller from any claims the Purchaser may have against the Seller 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.

Section 2.9 Wind Down Amount.

(a) On or before Closing, Seller will deliver the Wind-Down Amount to the Monitor to be held in trust by the Monitor in accordance with the Transition Order for the benefit of Persons entitled to be paid costs covered by the Wind-Down Amount in accordance with the Wind-Down Budget and the following provisions:

(i) Subject to Section 2.9(a)(ii) below, all claims for costs to be paid from the Wind-Down Amount pursuant to the Wind-Down Budget will be paid in accordance with the Wind-Down Budget, provided that such claims are valid (as determined by the Monitor).

(ii) To the extent that the Monitor seeks to pay any cost which is not included within any category of costs in the Wind-Down Budget or is in excess of the budget for such category in the Wind-Down Budget, the Monitor shall submit any such claims for costs to be paid from the Wind-Down Amount to the Purchaser, and the Purchaser shall have ten days to object in writing to any such claim on the basis that it is not a reasonable quantum or that it is not reasonably necessary for the winding down of the Seller's estate.

(iii) In the event that an objection is made by Purchaser and an agreement cannot be reached between the claimant and the Purchaser, the amount of any such payment still in dispute shall be determined, on application by the Purchaser or the Monitor (on notice to Purchaser) and any affected beneficiary of the Wind-Down Amount in each case, by Order of the Court. The costs of any such application shall be paid by the party or parties as the Court may determine.

(iv) Once the amount of any such claim has either been agreed to or determined by the Court, as set forth above, the Monitor shall promptly pay such claim from the Wind-Down Amount.

(v) Subsequent to Closing, the Monitor shall reduce the amount of the Wind-Down Amount as and to the extent that the Monitor may agree or a Court formally determines, and such amount reduced shall be distributed to Purchaser.

(vi) Pursuant to the Approval and Vesting Order, all right, title and interest in and to any amounts in the Wind-Down Amount that are agreed to by the Monitor and Purchaser, or by Order of the Court, to not be required to pay costs associated with winding down Seller's estate shall vest absolutely in Purchaser as at the Closing Date and shall promptly be distributed by the Monitor to Purchaser in accordance with this paragraph.

Section 2.10 Reserve Payment Amount.

On or before Closing, Seller will deliver the Reserve Payment Amount to Monitor, to be held in trust by Monitor in accordance with the Transition Order for the benefit of Persons entitled to be paid Priority Claims in accordance with the following provisions:

(a) All claims for Priority Claims to be paid from the Reserve Payment Amount must be submitted by Seller or Monitor, in consultation with the other, to Purchaser in writing.

(b) Upon the submission of any such Priority Claims to be paid from the Reserve Payment Amount, Purchaser shall have ten days to object in writing to any such claim.

(c) In the event that an objection is made by Purchaser and an agreement cannot be reached between the claimant, Seller, Monitor and Purchaser, the amount of any such payment still in dispute shall be determined, on application by Purchaser or Monitor, on notice to the affected claimant, Seller, Purchaser and Monitor, as applicable, in each case, by Order of the Court. The costs of any such application shall be paid as may be determined by the Court.

(d) Once the amount of any such claim has either been agreed to or formally determined by the Court, as set forth above, the Monitor shall promptly pay such claim from the Reserve Payment Amount.

(e) Subsequent to Closing, Monitor shall reduce the amount of the Reserve Payment Amount as and to the extent that Monitor may agree or a Court determines, and such amount reduced shall be distributed to Purchaser.

(f) Pursuant to the Approval and Vesting Order, all right, title and interest in and to any amounts in the Reserve Payment Amount that are agreed to or determined by Order of the Court in accordance with this Section 2.10, not to be required to pay Priority Claims shall vest absolutely in Purchaser as at the Closing Date and shall promptly be distributed to Purchaser in accordance with this paragraph.

ARTICLE III
LICENSE TRANSFERS AND CONVEYANCES

Section 3.1 Submission of License Transfer Applications.

Within two Business Days of the date hereof, the Seller shall:

(a) electronically submit applications to the AER for the Licence Transfers ("**LTAs**"), and, in each case, will provide a screen shot or other evidence indicating such submission to the Purchaser; and

(b) provide 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.

Section 3.2 Acceptance by the Purchaser.

The Purchaser shall accept or ratify (or cause the Purchaser Designee(s) to take such action to accept or ratify, as applicable) 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 Seller shall promptly re-submit such LTAs and the Purchaser shall accept or ratify (or cause the Purchaser Designee(s) to take such action to accept or ratify, as applicable) such re-submitted LTAs without delay. All costs relating to LTAs hereunder, including any corrections and re-submissions thereof, shall be paid by the Seller. 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.

Section 3.3 Denial; Re-Submission of LTAs.

If the AER denies any of the LTAs because of misdescription or other minor deficiencies contained therein, the Seller 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 (or cause the Purchaser Designee(s) to take such action to accept or ratify, as applicable) such re-submitted LTAs without delay.

Section 3.4 Requirements to Obtain Approval of LTAs.

If, for any reason, the AER requires the Purchaser or the Purchaser Designee(s) to make a deposit, 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 any of the LTAs, then immediately after receiving notice of such requirements and at its sole cost, the Purchaser shall make (or shall cause the Purchaser Designee(s) to make) such deposits, furnish such security, provide such undertakings, information or other documentation and/or take such action, as the case may be.

Section 3.5 AER Matters.

(a) The Purchaser shall on a timely and continuing basis keep the Seller 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 Seller of all related correspondence from the Purchaser to the AER, and the Purchaser shall request that the AER provide copies to the Seller of all related correspondence from the AER to the Purchaser.

(b) If Closing has not occurred by **[•]** and the AER has transferred some or all of the LTAs to the Purchaser, the Purchaser shall, within three Business Days following **[•]**, take all reasonable steps to forthwith effect a transfer of the applicable Well, pipeline and facility licenses back to the Seller, at the Purchaser's sole cost and expense and the Seller shall cooperate with the Purchaser and take all reasonable steps to facilitate such transfer. This Clause 3.5(c) shall survive termination of this Agreement and remain a continuing obligation of the Parties until the applicable Well, pipeline and facility licenses have been transferred back to the Seller.

Section 3.6 Specific Conveyances.

(a) The Parties shall cooperate in the preparation of the Specific Conveyances. At a reasonable time prior to Closing, but not later than three Business Days prior to the Closing Date, the Purchaser shall prepare and provide for the Seller's review all Specific Conveyances. The Parties shall execute such Specific Conveyances at Closing. None of the Specific Conveyances shall confer or impose upon either Party any greater right or obligation than as contemplated in this Agreement. Promptly after Closing, 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 Purchased Assets to the Purchaser.

(b) Notwithstanding the foregoing, requests for the transfers from the Seller to the Purchaser of the registered Crown oil sands leases, related surface rights and any other Title Documents described in Part 1 of Schedule A which are administered by Alberta Energy shall be submitted by the Seller and accepted by the Purchaser as soon as is practicable after Closing.

Section 3.7 Title Documents and Miscellaneous Interests.

As soon as practicable following Closing, the Seller 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 Oil and Gas 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 Seller or of which the Seller gains possession or control prior to Closing.

Section 3.8 Reclamation Certified Wells.

The Parties acknowledge that:

(a) the Seller currently holds the following Well which is reclamation certified:

(i) Titanium Mervin 11/10-22-049-21W3 having a licence number 001314;

(b) the Government of Saskatchewan's Ministry of the Economy will not permit the legal transfer of licences pertaining to reclamation certified wells;

(c) accordingly, in respect of the Well identified in Section 3.8(a) which is reclamation certified and for which the licence cannot be transferred to the Purchaser pursuant to Applicable Laws, the Seller and the Purchaser agree that, upon the occurrence of Closing hereunder and thereafter:

(i) the Seller will hold the licence applicable to such Well in trust as bare trustee for the Purchaser; and

(ii) the Seller will provide the Purchaser in a timely manner with copies of all correspondence received by the Seller that pertains to the licences applicable to such Well.

ARTICLE IV
REPRESENTATIONS AND WARRANTIES

Section 4.1 Representations and Warranties of the Seller.

The Seller hereby represents and warrants to the Purchaser as follows:

(a) Organization and Qualification. The Seller is a corporation duly organized and validly existing under the laws of Canada, and is authorized to carry on business in the provinces in which the Purchased Assets are located.

(b) Authorization of Agreements, Enforceability, No Conflicts, Etc. Subject to obtaining the Approval and Vesting Order:

(i) the Seller has good right, full power and absolute authority to sell its interest in and to the Purchased Assets according to the intent and meaning of this Agreement;

(ii) the execution, delivery and performance of this Agreement will not result in any violation of, be in conflict with, or constitute a default under, any term or provision of any agreement or document to which the Seller is party or by which the Seller is bound, nor under any judgement, decree, order, statute, regulation, rule or license applicable to the Seller, except in either case, where such conflict or default would not adversely affect the ability of the Seller to complete the Transactions on the basis contemplated in this Agreement;

(iii) this Agreement and any other agreements delivered in connection herewith constitute (or will constitute, as the case may be) valid and binding obligations of the Seller enforceable against the Seller in accordance with their terms, subject to general principles of equity; and

(iv) no authorization or approval or other action by, and no notice to or filing with, any Governmental Authority or regulatory body exercising jurisdiction over the Purchased Assets is required for the due execution, delivery and performance by the Seller of this Agreement, other than authorizations, approvals or exemptions from requirement therefor previously obtained and currently in force or to be obtained prior to or after Closing as provided for in this Agreement or the Approval and Vesting Order.

(c) Litigation.

(i) Litigation. Other than the CCAA Proceeding, there is no Action or Claim in progress, pending or, to the Seller's Knowledge, threatened against or relating to the Seller or any judgment, decree, injunction, rule or order of any court, governmental department, commission, agency, instrumentality or arbitrator which, in any case, might adversely affect the ability of the Seller to enter into this Agreement or to consummate the Transactions and the Seller is not aware of any existing ground on which any action, suit or proceeding may be commenced with any reasonable likelihood of success.

(ii) The Seller has not received notice from any Third Party claiming an interest in and to the Purchased Assets adverse to the interest of the Seller, and the Seller has no reason to believe that any such claim may be made.

(d) Brokers. Upon consummation of the Transactions, the Seller shall have incurred no Liability for brokerage or finders' fees or agents' commissions or other similar payment in connection with the Transactions (a "**Seller Broker Fee**"), other than to Houlihan Lokey. Neither the Purchaser nor any Affiliate of the Purchaser will have any Liability in connection with any Seller Broker Fee.

(e) Environmental Matters. Except as set forth in the Disclosure Schedule: (i) the Seller has not received written notice, demand, order or directive from any Governmental Authorities or Third Parties relating to any Environmental Liabilities or otherwise requiring any work, repairs, construction or capital expenditures relating to the Oil and Gas Assets, or otherwise alleging a violation of Environmental Laws relating to the Oil and Gas Assets and to Seller's Knowledge, no such notice, order demand, or directive is pending, and (ii) to the Seller's Knowledge, except where lack of compliance would not have a Material Adverse Effect, the Oil and Gas Assets are in compliance with all Environmental Laws.

(f) Employee and Contractor Matters.

(i) Schedule F sets forth a complete list of all Employees employed in the conduct of the business of the Seller as of the date hereof, including the following information for each such Employee: (i) title; (ii) division; (iii) original hire date; (iv) years of service (including any prior years of service that are required to be recognized for any purpose); (v) annual base salary; (vi) company vehicle allowance (monthly); (vii) car allowance (monthly); and (viii) annual vacation entitlement (weeks).

(ii) Schedule F sets forth a complete list of all Independent Contractors engaged by the Seller in the conduct of the business of the Seller as of •, 2019, including the following information for each such Independent Contractor: (i) name and (ii) the date the Independent Contractor first commenced providing services to the Seller.

(iii) Each Employee Benefit Plan is and has been established, registered (where applicable), administered, amended, funded and invested in accordance with its terms, in all material respects, and in compliance in all material respects with the applicable provisions of Applicable Laws. All Seller and Employee premiums or contributions due or payable with respect to any Employee Benefit Plan, have been timely made in accordance with Applicable Laws or remitted or paid in full or, to the extent not required to be made or remitted or paid on or before the date hereof, have been reflected in all material respects on the Financial Statements. All Employee Benefit Plans (i) that are intended to qualify for special Tax treatment meet all material requirements for such treatment, and (ii) that are required to be funded and/or book-reserved are funded and/or book-reserved, as appropriate, based upon reasonable actuarial assumptions and in accordance with Applicable Laws.

(iv) The Seller has provided the Purchaser with complete and current copies of the plan descriptions of each Employee Benefit Plan.

(v) All Tax, annual reporting, and other governmental filings for Employee Benefit Plans required by Applicable Laws, if any, have been timely filed with the appropriate Governmental Authority and all notices and disclosures have been timely provided to participants.

(vi) All obligations of the Seller regarding the Employee Benefit Plans have been satisfied in all material respects. Neither the Seller, nor, to Seller's Knowledge, any Employee or fiduciary in respect of any Employee Benefit Plan, is or has been in breach of any statutory or fiduciary duty with respect to the administration or investment of any Employee Benefit Plan.

(vii) Neither the execution and delivery of this Agreement nor the consummation of the Transactions will (either alone or in combination with another event) (i) result in any payment becoming due, or increase the amount of any compensation or benefits due, to any current or former Employee of the Seller or with respect to any Employee Benefit Plan; (ii) increase any benefits otherwise payable under any Employee Benefit Plan; or (iii) result in the acceleration of the time of payment or vesting of any such compensation or benefits under an Employee Benefit Plan.

(viii) The Seller has neither been, nor is now, a party to any contract with, commitment to, or collective agreement with any trade union, council of trade unions, employee bargaining agency, or affiliated bargaining agent and the Seller has not conducted negotiations with respect to any such future contracts, commitments, or collective agreements.

(ix) The Seller is and has been in compliance in all material respects with all Applicable Laws relating to employment of labor, including all Applicable Laws relating to wages, hours, overtime, collective bargaining, employment discrimination, civil rights, occupational health and safety, workers' compensation, pay equity, employment equity, classification of employees and Independent Contractors, and the collection and payment of withholding Taxes.

(g) Tax Matters. The Seller is a registrant for purposes of Part IX of the ETA, under the registration number 882137961RT0001.

(h) AFEs. The Disclosure Schedule sets forth a contains a list, true and correct as of the date set forth therein, of all material authorities for expenditures (collectively, "**AFEs**") for capital expenditures with respect to the Oil and Gas Assets that have been proposed by any Person having authority to do so (including internal AFEs of Seller not delivered to Third Parties) or other commitments to make expenditures in respect of the ownership or operation of the Oil and Gas Assets in an amount in each case (in respect of Seller's share) in excess CAD$100,000.

(i) Wells; Plug and Abandon Notice. Except as set forth in the Disclosure Schedule, there are no Wells in respect of which Seller has received an order from any Governmental Authority requiring that such Wells be plugged and abandoned.

(j) ROFRs/Preferential Purchase Rights. Other than as set forth in the Disclosure Schedule, there are no ROFRs exercisable by a Third Party in connection with the completion of the Transactions.

(k) LMR Rating. The Seller does not have a "Liability Management Rating" or "LMR" in respect of its assets and interests located in the Province of Alberta, as determined under or pursuant to the applicable AER rules, regulations, guidelines, directives, interim directives and policies that is less than 1.0 and the Seller is not aware of any fact or circumstance that would prevent or delay the Licence Transfers or the approval of the LTAs as contemplated hereunder.

(l) Tax Residency. The Seller is not a non-resident of Canada within the Tax Act.

Section 4.2 Representations and Warranties of the Purchaser.

The Purchaser represents and warrants to the Seller as follows:

(a) Organization. The Purchaser is a corporation duly organized and validly existing under the laws of **[British Columbia]**, and is authorized to carry on business in the provinces in which the Purchased Assets are located, except where failure to so register would not adversely affect the ability of the Purchaser to complete the Transactions on the basis contemplated in this Agreement.

(b) Authorization of Agreements, Enforceability, No Conflicts, Etc. Subject to the Approval and Vesting Order:

(i) the Purchaser has good right, full power and absolute authority to purchase and acquire the interest of the Seller in and to the Purchased Assets according to the true intent and meaning of this Agreement;

(ii) the execution, delivery and performance of this Agreement will not result in any violation of, be in conflict with, or constitute a default under, any term or provision of any agreement or document to which the Purchaser is party or by which the Purchaser is bound, nor under any judgement, decree, order, statute, regulation, rule or license applicable to the Purchaser, except in either case, where such conflict or default would not adversely affect the ability of the Purchaser to complete the Transactions on the basis contemplated in this Agreement;

(iii) this Agreement and any other agreements delivered in connection herewith constitute (or will constitute, as the case may be) valid and binding obligations of the Purchaser enforceable against the Purchaser in accordance with their terms, subject to the general principles of equity; and

(iv) no authorization or approval or other action by, and no notice to or filing with, any Governmental Authority or regulatory body exercising jurisdiction over the Purchased Assets is required for the due execution, delivery and performance by the Purchaser of this Agreement, other than authorizations, approvals or exemptions from requirement therefor previously obtained and currently in force or to be obtained prior to or after Closing as provided for in this Agreement or the Approval and Vesting Order.

(c) Litigation. There is no Action or Claim in progress, pending or, to the best of the Purchaser's knowledge, threatened against or relating to the Purchaser or any judgment, decree, injunction, rule or order of any court, governmental department, commission, agency, instrumentality or arbitrator which, in any case, might adversely affect the ability of the Purchaser to enter into this Agreement or to consummate the Transactions and the Purchaser is not aware of any existing ground on which any action, suit or proceeding may be commenced with any reasonable likelihood of success.

(d) Brokers. The Purchaser has not incurred any Liability for brokerage or finders' fees or agents' commissions or other similar payment in connection with the Transactions that would be payable by the Seller.

(e) Investigation. The Purchaser acknowledges and affirms that it has completed its own independent investigation, analysis, and evaluation of the Purchased Assets, that it has made all such reviews and inspections of the Purchased Assets as it deems necessary and appropriate, and that, in making its decision to enter into this Agreement and consummate the Transactions, it has relied on its own investigation, analysis, and evaluation with respect to all matters, without reliance upon any express or implied representations or warranties, except as set forth in this Agreement, any Closing Document or the Amended and Restated Support Agreement.

(f) AER Registration. The Purchaser has been issued a business associate code with the AER and the Purchaser is eligible to hold well, pipeline and facility licenses in accordance with AER Directive 067.

(g) LMR Rating. The Purchaser will not have a "Liability Management Rating" or "LMR" in respect of its assets and interests located in the Province of Alberta that is less than 2.0 following Closing and the completion of the Licence Transfers and the transfer of the Oil and Gas Assets as contemplated in this Agreement. The Purchaser is not aware of any fact or circumstance that would prevent or delay the Licence Transfers or the approval of the LTAs as contemplated hereunder.

(h) GST/HST. The Purchaser is a registrant for purposes of Part IX of the ETA, under the registration number **[●]**.

(i) Investment Canada Act. For the purpose of the *Investment Canada Act*, the Purchaser represents and warrants that it is not a non-Canadian.

(j) Purchaser Shares. On the Closing Date, the Purchaser Shares issued by the Purchaser to the Seller shall be free and clear of any claim, lien, charge, encumbrance or other adverse claim whatsoever.

Section 4.3 Disclaimer of Warranties.

Notwithstanding anything to the contrary in this Agreement or any Closing Document, it is the explicit intent of each Party that the Seller is not making any representation or warranty, express or implied, beyond those expressly given in Section 4.1 or contained in any Closing Document or the Amended and Restated Support Agreement, and it is understood that, except for such representations and warranties, the Purchaser and any Purchaser Designee take the Purchased Assets "as is" and "where is." Without limiting the generality of the immediately foregoing, except for the representations and warranties specifically contained in Section 4.1 or in any Closing Document or the Amended and Restated Support Agreement, the Seller hereby expressly disclaims and negates any representation or warranty, express or implied, at common law, by statute, or otherwise, relating to:

(a) the quality, quantity or recoverability of Petroleum Substances within or under the Lands or any lands pooled or unitized therewith;

(b) any estimates of the value of the Purchased Assets or the revenues or cash flows from future production from the Lands;

(c) the rates of production of Petroleum Substances from the Lands;

(d) the quality, condition, fitness or merchantability of any tangible depreciable equipment or property interests which comprise the Purchased Assets (including the Tangibles or the Personal Property);

(e) the accuracy or completeness of any data or information supplied by the Seller, the Monitor or any of their Representatives in connection with the Seller, its business or the Purchased Assets, whether pursuant to the SISP or otherwise;

(f) the suitability of the Purchased Assets for any purpose;

(g) compliance with Applicable Laws, including, for greater certainty, Environmental Laws; or

(h) the title and interest of the Seller in and to the Oil and Gas Assets.

ARTICLE V
COVENANTS

Section 5.1 Interim Covenants of the Seller.

Between the date hereof and the Closing Date, except as required by this Agreement, the Amended and Restated Support Agreement, the Initial Order, the SISP Order, the SISP, the Approval and Vesting Order or any other Order of the Court, or Applicable Laws, or with the prior written consent of the Purchaser, the Seller shall conduct the business of the Seller in the ordinary course of business consistent with past practice and shall:

(a) use commercially reasonable efforts to maintain the Purchased Assets in a proper and prudent manner, in accordance with good industry practice, and in material compliance with all Applicable Laws and directions of Governmental Authorities;

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

(c) (i) perform in all material respects all of its obligations under the Assumed Contracts, as and when such obligations become due; (ii) not, unless the Seller has provided five Business Days' notice of same to the advisors to the Purchaser and has not received objection to same, grant any material Consent under any Assumed Contracts (other than as expressly required by such Assumed Contracts or in the ordinary course of performing its obligations under such Assumed Contracts); and (iii) not, unless the Seller has provided five Business Days' notice of same to the advisors to the Purchaser and has not received objection to same, modify, amend, or terminate in any material respect any Material Contract (other than a marketing contract or as expressly required by such Material Contracts or in the ordinary course of performing its obligations under such Material Contracts) or enter into any new material Contract (other than in the ordinary course of business consistent with past practices);

(d) comply with all Applicable Laws in all material respects;

(e) maintain the Books and Records;

(f) not sell, pledge, assign, lease, license, or cause, permit, or suffer the imposition of any Encumbrance (other than Permitted Encumbrances) on, or otherwise dispose of, any of the Purchased Assets, other than (i) in the ordinary course of business consistent with past practices, (ii) the sale or disposition of assets that are obsolete or not otherwise used in the operation of the business of the Seller (which specifically includes certain tanker trailers currently owned by the Seller) and are immaterial, in the aggregate, to the business of the Seller, and (iii) in connection with a transaction that provides for the payment in full of all amounts outstanding under and in connection with the First Lien Credit Agreement; or (iv) the pledge of Cash and Cash Equivalents by the Seller to ATB in connection with the credit facilities provided by ATB to the seller;

(g) not enter into a plan of compromise or arrangement, merger, share exchange, or reorganization with any Person or adopt a plan of complete or partial liquidation, other than in connection with a transaction that provides for the payment in full of all amounts outstanding under and in connection with the First Lien Credit Agreement;

(h) not authorize, declare, or pay any dividends on or make any distribution with respect to its outstanding shares (whether in cash, assets, shares, or other securities);

(i) not enter into any Contract the effect of which would be to grant to a Third Party any license to use any Purchased Intellectual Property, other than in the ordinary course of business;

(j) not enter in any (i) settlement agreement with a Third Party or Governmental Authority or (ii) consent decree with a Governmental Authority that, in any case, would require the payment by the Purchaser or any Affiliate thereof of any amount after the Closing or would compromise the Seller's ability to sell, transfer, assign, convey and deliver the Purchased Assets to the Purchaser and/or one or more Purchaser Designees, as applicable, in accordance with this Agreement;

(k) not expend any insurance proceeds, condemnation or expropriation awards, or other compensation in respect of loss or damage to any Purchased Asset to the extent occurring after the date hereof but prior to the Closing Date, except, in each case, as is reasonably necessary to repair or replace such Purchased Asset in the ordinary course of business; and

(l) (i) other than in the ordinary course of business consistent with past practices, not increase the compensation or benefits of any Service Provider except as required by Applicable Laws, (ii) other than in the ordinary course of business consistent with past practices, not pay any amounts or increase any amounts payable to any Service Provider that is not required by any current plan or agreement, except as required by Applicable Laws, (iii) not become a party to, establish, amend, commence participation in, terminate, or commit itself to any plan, agreement, program, policy, commitment, arrangement or practice that, if sponsored, maintained, contributed to or required to be contributed to by the Seller, could be an Employee Benefit Plan, or any employment agreement with or for the benefit of any Service Provider (or newly hired employee), except as required by Applicable Laws, (iv) not accelerate the vesting of or lapsing of restrictions with respect to any stock-based compensation or other long-term incentive compensation, (v) not (x) hire any Service Provider, (y) terminate the employment of any Service Provider, or (z) promote any Service Provider, in each case other than in the ordinary course of business, (vi) not cause the funding of any trust or similar arrangement or take any action to fund or in any other way secure the payment of compensation or benefits under any Employee Benefit Plan, and (vii) not change any actuarial or other assumptions used to calculate funding obligations with respect to any Employee Benefit Plan or change the manner in which contributions to any Employee Benefit Plan plans are made or the basis on which such contributions are determined, except as required by Applicable Laws; and

(m) Other than as contemplated in its 2019 approved budget, not make any commitment or propose, initiate or authorize any capital expenditure with respect to the Oil and Gas Assets in excess of $300,000, except in case of an emergency.

Section 5.2 Closing Documents.

The Parties shall proceed diligently and in good faith to attempt to settle, on or before the Closing Date, or such earlier date as may be expressly set forth herein, the contents of all Closing Documents to be executed and delivered by the Seller and the Purchaser.

Section 5.3 Matters Requiring Notice; Matters Requiring Consent of Purchaser.

(a) The Seller shall, promptly and in any event within two Business Days of receipt thereof, provide to the Purchaser a copy of any notices of any breach or default that the Seller receives in respect of any Assumed Contract, any notices that it receives with respect to any of the Purchased Assets from a Governmental Authority, or any notices of a breach or default under any Assumed Contract that the Seller sends to another Person, in each case after the date of this Agreement.

(b) The Seller, on the one hand, and the Purchaser, on the other hand, shall forthwith notify the other of:

(i) any notice or other communication received by the Seller, in the case of the Seller, or the Purchaser, in the case of the Purchaser, from any Person alleging that the Consent of such Person is or may be required in connection with the Transactions or any of them;

(ii) any inaccuracy of any representation or warranty of such Party contained in this Agreement at any time that would make such representation or warranty false in any material respect; and

(iii) any breach of any covenant or agreement of such Party contained in this Agreement at any time.

(c) Notwithstanding anything to the contrary in this Agreement or any Closing Document, delivery of any notice pursuant to Section 5.3(b) and any access to or provision of information (including pursuant to Section 5.4) shall not modify any of the representations, warranties, covenants, or agreements of the Parties (or rights or remedies with respect thereto) or the conditions to the obligations of the Parties under this Agreement.

Section 5.4 <u>Access to Information/Confidentiality/Preservation of Books and Records</u>.

(a) From the date hereof until the earlier of (i) termination of this Agreement and (ii) the Closing, the Purchaser shall be entitled, through its legal and financial advisors and accountants, to make such reasonable investigation of the Seller, the Purchased Assets, and the Assumed Liabilities and such examination of the Books and Records as it reasonably requests, provided that any such investigation and examination shall be conducted upon reasonable advance notice to the Seller and in such a manner as does not unreasonably disrupt the conduct of the Seller's business, and to make extracts and copies of such Books and Records.

(b) Subject to Section 5.4(c), the Seller shall use its commercially reasonable efforts to cause its Representatives to cooperate with the Purchaser and its legal and financial advisors and accountants in connection with such reasonable investigation and examination. Any confidential information provided to the Purchaser shall be deemed "Information" under the First Lien Credit Agreement and shall be subject to the terms thereof relating to confidentiality (including Section 9.18 thereof).

(c) The Purchaser hereby agrees to comply with and be bound by the confidentiality terms of the First Lien Credit Agreement and will remain bound thereby notwithstanding any termination of the Amended and Restated Support Agreement.

(d) Subject to the occurrence of the Closing, the Seller shall, and shall cause its Representatives to, keep confidential and not disclose to any party any Confidential Information, unless (i) required by Applicable Laws or the CCAA

Proceedings, (ii) in compliance with a request or requirement of a Governmental Authority, (iii) such Confidential Information is generally available to the public at the time of such disclosure, other than as a result of a breach of this Section 5.4 by the Seller or its Representatives, (iv) consented to in advance in writing by the Purchaser and the First Lien Agent on behalf of the First Lien Lenders, or (v) in connection with obtaining consents or complying with ROFRs as contemplated hereunder; provided that, in the case of (i) or (ii), the Seller shall, to the extent not legally prohibited, provide the Purchaser with as much written notice of such request or requirement as practical so the Purchaser may seek a protective order or other appropriate remedy, if necessary. If a protective order or other remedy is not obtained and disclosure is required, the Seller and its Representatives shall (A) disclose such information only to the extent required in the opinion of outside counsel and (B) give advance notice to the Purchaser of the information to be actually disclosed as far in advance as is reasonably possible. In any such event, the Seller shall use commercially reasonable efforts, at no cost to the Seller, to ensure that all Confidential Information that is so disclosed is accorded confidential treatment by the recipient thereof.

Section 5.5 Transition Services/Access of Seller to Records.

(a) The Purchaser shall provide the Seller with administrative services relating to any winding-up undertaken by the Seller and the CCAA Proceedings, record keeping, financial, tax and other reporting obligations, and other similar administrative services as reasonably requested by the Seller, the Monitor or their agents or advisors (the "**Transition Services**") until **[6 months]** from the Closing Date at no cost other than reimbursement of documented Third Party costs incurred by the Purchaser in performing the Transition Services which will be paid from the Wind-Down Amount.

(b) The Seller shall, for a period of six (6) years from the Closing Date, have access to, and the right to copy, at its expense, for *bona fide* business purposes and for purposes of the CCAA Proceedings, during usual and business hours, upon reasonable advance notice to the Purchaser and in such a manner as does not unreasonably disrupt the conduct of the Purchaser's business, the Books and Records relating to the Seller's business prior to the Closing, the Purchased Assets and the Assumed Liabilities. The Purchaser shall retain and preserve all such Books and Records for such six (6) year period.

Section 5.6 Required Approvals.

(a) Prior to the Closing, upon the terms and subject to the conditions of this Agreement, and except as contemplated by this Agreement, the Parties shall use their reasonable best efforts to cooperate and take or cause to be taken all such actions, and do or cause to be done all such things, as are commercially reasonable (subject to any Applicable Laws) to consummate the Closing and the Transactions as promptly as reasonably practicable, including (and in addition to the Licence Transfers and Specific Conveyances contemplated to be completed in accordance with Article III) the preparation and filing of all forms, registrations and notices required pursuant to Applicable Laws to be filed to consummate the Closing and the Transactions and the taking of commercially reasonable actions to obtain any requisite approvals, authorizations, Consents, releases, orders, licenses, Business Permits, qualifications, exemptions, or waivers by any Third Party or Governmental Authority.

(b) In furtherance of the foregoing, the Parties agree that, as promptly as reasonably practicable following the execution of this Agreement, the Parties shall (i) make all filings required under any Applicable Laws; and (ii) promptly comply with any formal or informal request by a Governmental Authority for additional information, documents or other materials in respect of such filings.

(c) Subject to Applicable Laws, each Party shall promptly inform the other Party of any oral communication with, and provide copies of written communication with, any Governmental Authority regarding any such filings or otherwise. No Party shall independently participate in any material meeting or discussion, either in person, by telephone, or by electronic means, with any Governmental Authority in respect of any such filings, investigation, or other inquiry regarding the Transactions without giving the other Party prior notice of the meeting and, to the extent permitted by such Governmental Authority, the opportunity to attend and/or participate (including for greater certainty in relation to the LTAs).

(d) Subject to Applicable Laws, the Parties will consult and cooperate with one another in connection with any analyses, appearances, presentations, memoranda, briefs, arguments, opinions, and proposals made or submitted by or on behalf of any Party hereto with respect to the Transactions relating to proceedings under any Applicable Laws.

(e) The Parties shall use commercially reasonable efforts to obtain an approval from, to resolve any objection or assertion by, or to resolve an action or proceeding by any Governmental Authority, whether by judicial or administrative action, challenging this Agreement or the consummation of the Transactions or the performance of obligations hereunder under any Applicable Laws.

(f) For greater certainty, the Parties' rights, obligations, covenants and responsibilities in relation to the LTAs and Specific Conveyances shall be as set out in Article III, and shall not be limited in any manner by the provisions of this Section 5.6.

Section 5.7 Publicity.

Except as required by Applicable Laws (including any Order by the Court) or in filings by the Seller with, or hearings before, the Court under the CCAA Proceeding, neither Party shall issue any press release or make any public announcement concerning this Agreement or the Transactions without the other Party's consent, not to be unreasonably withheld, delayed or conditioned.

Section 5.8 Employees.

(a) No later than five Business Days prior to the Closing Date, the Purchaser shall make written offers of employment, conditional and effective on the Closing Date, to all Employees, in each case on terms and conditions that are substantially similar to those in effect prior to Closing, including compensation and benefits in accordance with the Employee Benefit Plans and recognition of past service, and which comply with *Employment Standards Code* (Alberta) ("**Offers of Comparable Employment**"). No later than ten Business Days prior to the Closing Date, the Purchaser shall provide the Seller with each form of offer to be used for the Offers of Comparable Employment and a reasonable opportunity to review and comment on each form of offer to be used for the Offers of Comparable Employment before such offers are made by the Purchaser. Any Employees who do not accept and sign an offer of employment by Purchaser are collectively referred to as the "**Excluded Employees**".

(b) The Purchaser shall advise the Seller at least forty eight hours prior to the Closing Date of those Employees who have accepted a written offer of employment.

(c) From and after the Closing Date, Purchaser shall be liable for, and shall indemnify and save harmless the Seller from and against, all Liabilities arising from and after the Closing Date with respect to the Hired Employee for wages, salaries, vacation entitlement, bonuses, accrued overtime, banked hours, flex time, sick leave and other benefits in respect of any period from and after the Closing Date and in accordance with the *Employment Standards Code* (Alberta) and other equivalent legislation in other provinces, and all Liabilities arising from termination of employment of any Hired Employee by the Purchaser after the Closing Date.

(d) Notwithstanding any other provision hereof, and with the exception of the Purchaser's Offer of Comparable Employment, the Purchaser shall not communicate with the Employees in any manner until the Purchaser has received the consent of the Seller with respect to any such communications.

Section 5.9 Insurance Obligations.

(a) Prior to the Closing, the Seller shall use reasonable commercial efforts to cause all of its the insurance policies to be assigned to the Purchaser and obtain any Consents required in respect thereof. In the event the Seller is unable to assign one or more of such policies to the Purchaser, the Seller shall use reasonable commercial efforts to cause the Purchaser to be named as an additional insured and loss payee on each such policy. Notwithstanding anything to the contrary herein or in any Closing Document, the Seller will not cancel, terminate or otherwise impair any such insurance policy (other than, in respect of any occurrence based policy with a policy period expiring after the Closing, a termination of any portion of the policy period occurring on or after the Closing), and, in the event that any such policy is so terminated, cancelled or otherwise impaired by the Seller, any Liability which would have otherwise been covered under such policy shall not be an Assumed Liability and instead shall be an Excluded Liability.

(b) In the event that the Seller succeeds in assigning one or more of its insurance policies to the Purchaser, the Purchaser shall cause the Seller to be named as an additional insured and loss payee on each such policy concurrently with the effectiveness of such assignment. Notwithstanding anything to the contrary herein or in any Closing Document, the Purchaser will not cancel, terminate or otherwise impair any such transferred insurance policy (other than, in respect of any occurrence based policy with a policy period expiring after the Closing, a termination of any portion of the policy period occurring on or after the Closing), and, in the event that any such policy is so terminated, cancelled or otherwise impaired by the Purchaser, any Liability which would have otherwise been covered under such policy shall be treated as an Assumed Liability hereunder.

Section 5.10 CCAA Proceedings.

(a) Upon execution of this Agreement, the Seller shall use all reasonable efforts to obtain the Approval and Vesting Order:

(i) approving this Agreement and the Transactions (and for certainty, including the subject matter of the Credit Bid Transaction) and authorizing the Seller to carry out the terms hereof; and

(ii) vesting in Purchaser all right, title and interest of the Seller in and to the Purchased Assets free and clear of any encumbrances, other than Permitted Encumbrances, such vesting to occur upon the delivery to the parties of the Monitor's Certificate confirming that all conditions required for Closing have been satisfied or waived.

(b) The Purchaser shall cooperate with the Seller in its efforts to obtain the Approval and Vesting Order and shall use reasonable efforts to provide or cause to be provided to the Seller, at the Seller's request, all certificates, affidavits or other documents and instruments reasonably required by the Seller to obtain the Approval and Vesting Order.

Section 5.11 Updates and Amendments of Schedules.

Until the third Business Day before Closing, the Seller shall have the right to, with the prior consent of the Purchaser, acting reasonably, amend, modify and/or supplement Schedule A and Schedule B, in each case, as applicable, in order to reflect:

(a) any additional Contracts or leases and licences of Petroleum Substances to be acquired by the Purchaser; or

(b) the deletion of any Contracts or leases and licenses of Petroleum Substances from any such Schedule.

Section 5.12 ROFRs.

(a) The Seller has advised the Purchaser which Oil and Gas Assets are subject to a ROFR, as outlined in the Disclosure Schedule.

(b) The Seller shall courier ROFR notices to the Third Parties holding such ROFRs promptly following execution and delivery of this Agreement. The Seller shall notify the Purchaser in writing forthwith upon each Third Party exercising or waiving such a ROFR. The Seller shall ensure that any such notices include *bona fide* allocations of value for the Seller's interest in and to the applicable Oil and Gas Assets which are subject to a ROFR.

(c) If any such Third Party elects to exercise such ROFR, then:

(i) the definition of Oil and Gas Assets shall be deemed to be amended to exclude those Oil and Gas Assets in respect of which the ROFR has been exercised;

(ii) such Oil and Gas Assets shall not be conveyed to the Purchaser; and

(iii) any proceeds received by the Seller from a Third Party in respect of the sale and conveyance of any Oil and Gas Assets which are subject to a ROFR ("**ROFR Proceeds**") shall be deemed to form part of the Purchased Assets to be transferred to the Purchaser hereunder in accordance with Section 2.1(e), and, accordingly, 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 Seller for the relevant Oil and Gas Assets, the Purchaser agrees to accept a conveyance of such Oil and Gas 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 Seller shall have (as of the Closing Date) prepared all Specific Conveyances and other closing documentation required for the sale of the Oil and Gas Assets subject to the Outstanding ROFRs (the "**Outstanding ROFR Assets**");

(iii) if an Outstanding ROFR is exercised by a Third Party, the Seller 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 Seller, and the provisions of Section 5.13(c) shall apply to the Oil and Gas Assets which are the subject of the Outstanding ROFR being exercised by the Third Party, *mutatis mutandis*.

(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 Seller will promptly notify the Purchaser thereof in writing and promptly deliver copies of the Specific Conveyances and closing documentation previously prepared it 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.

Section 5.13 Use of Name.

As soon as reasonably practicable after the Closing (and in no event later than five (5) Business Days after the Closing), the Seller shall take all reasonably necessary actions to change its name to a name that does not contain the words "Connacher" or "Connacher Oil and Gas Limited" and will file such documents as are necessary to reflect such name change in each province in which the Seller is incorporated or qualified to do business as a foreign entity. The Seller agrees to promptly notify the Purchaser of such name change and the name chosen by the Seller. Notwithstanding the foregoing, the Seller may refer to "Connacher" or "Connacher Oil and Gas Limited" (or other variant of the foregoing) as a former name, including for legal and noticing purposes in the CCAA Proceedings, the winding down of the affairs of the Seller, or as otherwise required by Applicable Laws.

ARTICLE VI
CONDITIONS TO CLOSING

Section 6.1 Conditions for the Purchaser.

The obligation of the Purchaser to consummate the Closing is subject to the satisfaction or waiver in writing by the Purchaser, at or before the Closing, of each of the following conditions:

(a) the Amended and Restated Support Agreement shall not have been terminated in accordance with its terms;

(b) all of the covenants and agreements in this Agreement, the Amended and Restated Support Agreement and the Approval and Vesting Order to be complied with or performed by the Seller on or before the Closing Date shall have been complied with and performed in all material respects (without giving effect to any limitation as to materiality set forth therein), and all conditions in this Agreement, the Amended and Restated Support Agreement and the Approval and Vesting Order shall have been satisfied or waived in accordance with the terms thereof, as applicable;

(c) the representations and warranties of the Seller set forth in Section 4.1 shall be true and correct in all material respects as of the date of this Agreement and as of the Closing Date as if made on the Closing Date (except for any representation or warranty made as of a specified date, which shall be true and correct in all respects as of such specified date);

(d) no Governmental Authority of competent jurisdiction shall have enacted, issued, promulgated, enforced or entered any Applicable Laws (including any Order) that has the effect of making the Transactions illegal or otherwise restraining or prohibiting consummation of the Transactions and which is not satisfied, resolved or pre-empted by the Approval and Vesting Order;

(e) Seller shall have obtained the Approval and Vesting Order and the Approval and Vesting Order shall not have been (i) stayed as of the Closing Date (whether pending appeal or otherwise) or vacated, or (ii) amended, supplemented or otherwise modified in a manner not acceptable to the Parties, acting reasonably;

(f) the board of directors of the Purchaser shall have approved the Management Incentive Plan, which Management Incentive Plan shall be implemented by the Purchaser immediately following the Closing;

(g) each of the Key Employees shall have duly executed and delivered to the Purchaser an employment agreement and such other agreements or documents incidental thereto, in form acceptable to the Purchaser and the applicable Employee;

(h) the Seller shall have assigned to the Purchaser and/or, as applicable, one or more Purchaser Designees, all of the Assumed Contracts (other than any Contract that, in the opinion of the Purchaser, is not material to the business of the Seller), in each case in accordance with the terms of the applicable Contracts or pursuant to Section 11.3 of the CCAA and the Assignment Order;

(i) all LTAs shall have been accepted by the AER, and all Licence Transfers shall otherwise have been completed with applicable Governmental Authorities, and all other necessary governmental and other regulatory approvals to the sale of the Purchased Assets that are required to be obtained prior to Closing shall have been obtained without conditions;

(j) Seller's cash at Closing shall be sufficient to fund the full amount of the Administrative Reserve to be delivered by Seller to Monitor pursuant to Section 2.9 and Section 2.10; and

(k) all of the deliveries described in Section 7.2 shall have been made.

If any one or more of the foregoing conditions precedent in this Section 6.1 has or have not been satisfied or waived by the Purchaser, at or before the Closing Date, the Purchaser may rescind this Agreement by written notice to the Seller. If the Purchaser rescinds this Agreement, the Seller and the Purchaser shall be released and discharged from all obligations hereunder.

Section 6.2 Conditions for the Seller.

The obligation of the Seller to consummate the Closing is subject to the satisfaction or waiver in writing by the Seller, at or before the Closing, of each of the following conditions:

(a) the Amended and Restated Support Agreement shall not have been terminated in accordance with its terms;

(b) all of the covenants and agreements in this Agreement, the Amended and Restated Support Agreement and the Approval and Vesting Order to be complied with or performed by the Purchaser or the First Lien Lenders, as applicable, or, in the case of the Payment and Settlement Agreement, the First Lien Agent on behalf of the First Lien Lenders, on or before the Closing Date shall have been complied with and performed in all material respects (without giving effect to any limitation as to materiality set forth therein), and all conditions in this Agreement, the Amended and Restated Support Agreement and the Approval and Vesting Order shall have been satisfied or waived in accordance with the terms thereof, as applicable;

(c) the representations and warranties of the Purchaser set forth in Section 4.2 shall be true and correct in all material respects, in each case, as of the date of this Agreement and as of the Closing Date as if made on the Closing Date (except for any representation or warranty made as of a specified date, which shall be true and correct in all material respects as of such specified date);

(d) no Governmental Authority of competent jurisdiction shall have enacted, issued, promulgated, enforced or entered any Applicable Laws (including any Order) that has the effect of making the Transactions illegal or otherwise restraining or prohibiting consummation of the Transactions and which is not satisfied, resolved or pre-empted by the Approval and Vesting Order;

(e) Seller shall have obtained the Approval and Vesting Order and the Approval and Vesting Order shall not have been (i) stayed as of the Closing Date (whether pending appeal or otherwise) or vacated, or (ii) amended, supplemented or otherwise modified in a manner not acceptable to the Seller;

(f) all LTAs shall have been accepted by the AER, and all Licence Transfers shall otherwise have been completed with applicable Governmental Authorities, and all other necessary governmental and other regulatory approvals to the sale of the Purchased Assets that are required to be obtained prior to Closing shall have been obtained without conditions;

(g) the Administrative Reserve shall have been paid in cash to the Monitor;

(h) the Seller Transaction Expenses shall have been paid;

(i) the Payment and Settlement Agreement shall be in full force and effect and the release of the First Lien Indebtedness specified therein shall be operative concurrently with the Closing without any other action required whatsoever;

(j) the board of directors of the Purchaser shall have approved a Management Incentive Plan attached hereto as Schedule K, which Management Incentive Plan shall be implemented by the Purchaser immediately following the Closing;

(k) Seller's cash at Closing shall be sufficient to fund the full amount of the Administrative Reserve to be delivered by Seller to Monitor pursuant to Section 2.9 and Section 2.10; and

(l) all of the deliveries described in Section 7.3 shall have been made.

If any one or more of the foregoing conditions precedent in this Section 6.2 has or have not been satisfied or waived by the Seller, at or before the Closing Date, the Seller may rescind this Agreement by written notice to Purchaser. If the Seller rescinds this Agreement, the Seller and the Purchaser shall be released and discharged from all obligations hereunder.

Section 6.3 Efforts to Fulfil Conditions Precedent.

The Purchaser and the Seller shall proceed diligently and in good faith and use all reasonable efforts to satisfy and comply with and assist in the satisfaction and compliance with the foregoing conditions precedent. Each Party shall promptly notify the other of the occurrence, to such Party's knowledge, of any event or condition, or the existence, to such Party's knowledge, of any fact that would reasonably be expected to result in:

(a) any of the representations and warranties in Article 4 not being true and correct; or

(b) any of the conditions set forth in Article 6 not being satisfied.

For certainty, if the Purchaser determines, acting reasonably, that there has been a breach of inaccuracy of any of the Seller's representations and warranties, it shall provide the Seller with notice of such breach or inaccuracy as promptly as reasonably practicable so that the Seller may attempt to cure such breach or inaccuracy to the Purchaser's reasonable satisfaction on or before the Closing Date.

ARTICLE VII
CLOSING

Section 7.1 Closing Arrangements.

The consummation of the Transactions (the "**Closing**") shall take place at 10:00 a.m. on the second Business Day following the date on which all of the conditions set forth in Sections 6.1 and 6.2 have been satisfied or waived (other than any conditions that can only be satisfied as of the Closing, but subject to the satisfaction or waiver of such conditions) or such other time and date as may be mutually agreed to by the Parties (the "**Closing Date**"), at the offices of Bennett Jones LLP, or at such other place as may be mutually agreed to by the Parties.

Section 7.2 Seller's Deliveries.

On or before the Closing Date, the Seller shall deliver or cause to be delivered the following items and documents to the Purchaser, with each such document to be effective as of the Closing:

(a) a certificate executed on behalf of the Seller representing and certifying that the conditions set forth in Section 6.1 have been satisfied;

(b) the Cash and Cash Equivalents, net of the Administrative Reserve, by wire transfer of immediately available funds to such accounts as are designated by the Purchaser two Business Days prior to the Closing;

(c) any other necessary deeds, conveyances, assurances, transfers and assignments and any other instruments necessary or reasonably required to transfer the Purchased Assets to the Purchaser duly executed by the Seller (as applicable) including without limitation, any agreements required in respect of the BEH Royalty Agreement which may be delivered to the Purchaser by the Seller or Burgess Energy Holdings L.L.C., as applicable as contemplated by the BEH Royalty Agreement;

(d) the General Conveyance, Assignment and Assumption Agreement, duly executed by the Seller;

(e) the Bill of Sale, duly executed by the Seller;

(f) the tax elections as contemplated by this Agreement, duly executed by the Seller;

(g) certified copy of the Approval and Vesting Order;

(h) the Payment and Settlement Agreement, duly executed by the Seller; and

(i) duly executed copies of all Consents required to be obtained by the Seller hereunder as set forth in the Disclosure Schedule, in form and substance reasonably satisfactory to the Purchaser.

Section 7.3 Purchaser's Deliveries.

On or before the Closing Date, the Purchaser shall deliver or cause to be delivered the following items and documents to the Seller, with each such document to be effective as of the Closing:

(a) a certificate executed on behalf of the Purchaser representing and certifying that the conditions set forth in Section 6.2 have been satisfied;

(b) any other necessary deeds, conveyances, assurances, transfers and assignments and any other instruments necessary or reasonably required to transfer the Purchased Assets to the Purchaser duly executed by the Purchaser (as applicable), including without limitation, any agreements required in respect of the BEH Royalty Agreement;

(c) the General Conveyance, Assignment and Assumption Agreement, duly executed by the Purchaser and/or, as applicable, one or more Purchaser Designees;

(d) the Bill of Sale, duly executed by the Purchaser;

(e) the Newco First Lien Credit Agreement, duly executed by the Purchaser;

(f) the Term Note, duly executed by the Purchaser;

(g) a share certificate representing the Purchaser Shares in the name of the Seller, duly executed by the Purchaser; and

(h) the tax elections as contemplated by this Agreement, duly executed by the Purchaser.

Section 7.4 Tax Matters.

(a) The Parties shall jointly execute and file the election contemplated by subsection 66.7(7) of the Tax Act, within the time and in the manner prescribed therefor by the Tax Act, in respect of the acquisition of the Purchased Assets by the Purchaser. In addition, the Seller shall execute and file the designation contemplated by subsection 66.7(12.1) of the Tax Act, within the time and in the manner prescribed therefor by the Tax Act so as to designate in favour of the Purchaser an amount of not less than **[CAD$•]**.

(b) If requested by the Purchaser, the Seller and the Purchaser shall, as soon as possible after the Closing, jointly execute and file an election under Section 22 of the Tax Act and equivalent provisions of any applicable provincial or territorial regulation in respect of the sale of the Accounts Receivable and other assets that are described in Section 22 of the Tax Act and shall designate therein the applicable portion of the Purchase Price as the consideration paid by the Purchaser therefor. The Parties shall each file such elections with the Canada Revenue Agency (or any applicable provincial or territorial taxing authority) forthwith after execution thereof (and, in any event, with their respective tax returns for the year of sale) to make such election.

(c) If requested by the Purchaser, the Seller and the Purchaser shall, as soon as possible after the Closing, jointly execute and file an election under Subsection 20(24) of the Tax Act and equivalent provisions of any applicable provincial or territorial regulation. The Parties shall each file such election with the Canada Revenue Agency (or any applicable provincial or territorial taxing authority) forthwith after execution thereof (and, in any event, with their respective tax returns for the year of sale) to make such election.

(d) The Purchaser, shall pay and shall be responsible for all federal, provincial and municipal Transfer Taxes, if any, occasioned by the conveyance of the Purchased Assets from the Seller to the Purchaser and, as applicable, one or more Purchaser Designees, including any notarial fees incurred in connection therewith; provided, however, that the Parties shall reasonably cooperate in availing themselves of any available exemptions from any such Transfer Taxes. The Purchaser shall be responsible for the preparation and filing of all Tax Returns relating to Transfer Taxes.

(e) Each of the Purchaser and the Seller will continue to be a registrant, for purposes of Part IX of the ETA, at the Closing Date in accordance with the applicable provisions of the ETA. The Seller and the Purchaser shall, jointly make an election under subsection 167(1) of the ETA, in prescribed form and containing the prescribed information, and under the corresponding provisions of any applicable provincial legislation imposing a value-added or transfer tax, in order to exempt the purchase of the Purchased Assets by the Purchaser from the harmonized sales tax or any provincial value added or transfer tax, and shall file each such joint election in compliance with the requirements of the ETA and the corresponding provisions of any application provincial legislation, as applicable.

(f) The Parties agree that, as between Seller and Purchaser, Purchaser shall be solely liable for and Purchaser shall indemnify, defend and keep harmless Seller from any GST, penalty, interest or other amounts which may be payable by or assessed against Seller under the ETA or any Liabilities suffered, sustained, paid or incurred by Seller or any Claims made against Seller as a result of or in connection with the failure by Purchaser to pay or Seller to collect or remit any GST at Closing, and without limiting the generality of the foregoing, if subsequent to Closing, the election under subsection 167(1) of the ETA is rejected or overturned by the Minister of National Revenue, then Purchaser shall pay the GST that is determined to be payable in respect of the transfer of the Purchased Assets, including any interest and penalties payable in respect thereof. Notwithstanding any other provision of this Agreement, this indemnity shall survive indefinitely.

(g) The Purchaser and the Seller shall furnish or cause to be furnished to each other, as promptly as reasonably practicable, such information in their possession and assistance relating to the Purchased Assets and the Assumed Liabilities as is reasonably necessary for the preparation and filing of any Tax Return, claim for refund, or other filings relating to Tax matters, or in connection with any Tax audit or other Tax proceeding.

Section 7.5 Monitor's Certificate.

When the conditions to Closing set out in Article VI have been satisfied and/or waived by Seller or Purchaser, as applicable, Seller and Purchaser will each deliver to Monitor written confirmation that such conditions of Closing, as applicable, have been satisfied and/or waived, (the "**Conditions Certificates**"). Upon receipt of (a) the Administrative Reserve and (b) all the Conditions Certificates, Monitor shall (I) issue forthwith its Monitor's Certificate concurrently to Seller and Purchaser, at which time the Closing will be deemed to have occurred; and (II) file as soon as practicable a copy of Monitor's Certificate with the Court (and shall provide a true copy of such filed certificate to Seller and Purchaser).

ARTICLE VIII
TERMINATION OF AGREEMENT

Section 8.1 Termination.

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

(a) by mutual written consent of the Seller and the Purchaser;

(b) by the Purchaser:

(i) in the event of any inaccuracy in any of the Seller's representations or warranties contained in this Agreement or any breach of any of the Seller's covenants or agreements contained in this Agreement which, individually or in the aggregate with all other such inaccuracies and breaches, (1) would result in a failure of a condition set forth in Section 6.1 and (2) is either incapable of being cured or, if capable of being cured, is not cured in all material respects within five calendar days after written notice thereof; provided that the Purchaser shall not have the right to terminate this Agreement under this Section 8.1(b) at a time when the Seller has (or would have after the passage of time) the right to terminate this Agreement under Section 8.1(c); or

(ii) if any fact, circumstance or event or combination thereof arises or occurs after the date of this Agreement that has a Material Adverse Effect (as determined on the date of such termination), and such fact, circumstance or event remains in existence or is continuing;

(c) by the Seller, in the event of any inaccuracy in any of the Purchaser's representations or warranties contained in this Agreement or any breach of any of the Purchaser's covenants or agreements contained in this Agreement which, individually or in the aggregate with all other such inaccuracies and breaches, (i) would result in a failure of a condition set forth in Section 6.2 and (ii) is either incapable of being cured or, if capable of being cured, is not cured in all material respects within five calendar days after written notice thereof; provided that the Seller shall not have the right to terminate this Agreement under this Section 8.1(c) at a time when the Purchaser has (or would have after the passage of time) the right to terminate this Agreement under Section 8.1(b);

(d) by either the Seller or the Purchaser, if a Governmental Authority of competent jurisdiction shall have issued a final Order or taken any other non-appealable final action, in each case, having the effect of permanently making the Transactions or any of them illegal or otherwise permanently restraining or prohibiting consummation of the Transactions or any of them; and

(e) by either the Seller or the Purchaser, if the Amended and Restated Support Agreement is terminated in accordance with the terms thereof.

Section 8.2 Effect of Termination.

In the event of any termination of this Agreement pursuant to Section 8.1, this Agreement (except the provisions set forth in this Section 8.2 and Article IX) shall forthwith become null and void and be deemed of no further force and effect. Subject to the exceptions set forth in the preceding sentence, upon termination there shall be no liability or obligation thereafter on the part of any Party hereunder, except for fraud or arising out of the willful breach of any provision of this Agreement prior to termination. Notwithstanding anything to the contrary herein or in any Closing Document, the termination of this Agreement shall not affect any of the rights or obligations of the Parties under the First Lien Credit Agreement.

ARTICLE IX
MISCELLANEOUS

Section 9.1 Survival.

The representations and warranties of the Parties in this Agreement, any Closing Documents, or in any agreement, document or certificate delivered pursuant to or in connection with this Agreement or the Transactions shall not survive the Closing. The Seller shall have no liability, whether before or after the Closing, for any breach of the Seller's representations and warranties, and the Purchaser acknowledges that its exclusive remedy for any such breach shall be the termination of this Agreement prior to Closing (but only if permitted by Section 8.1(b)).

Section 9.2 Non-Recourse.

No past, present or future director, officer, employee, incorporator, manager, member, partner, shareholder, agent, attorney or representative or other Affiliate of the respective Parties hereto, in such capacity, shall have any liability for any obligations or liabilities of the Purchaser or the Seller, as applicable, under this Agreement and the completion of the Transactions.

Section 9.3 Relationship of the Parties.

Nothing in this Agreement shall be construed so as to make the Purchaser or any Affiliate of the Purchaser a partner of the Seller.

Section 9.4 Amendment of Agreement.

This Agreement may not be amended, supplemented or otherwise modified except by a written agreement executed by each Party.

Section 9.5 Liability

No director, officer or employee of the Seller or any of the Seller's legal, financial or other advisors shall have any personal liability to the Purchaser under this Agreement or as a result of the execution or delivery of items required by this Agreement. No director, officer or employee of Purchaser shall have any personal liability to the Seller under this Agreement.

Section 9.6 Notices.

(a) The addresses for service and electronic mail (Email) transmission of the Parties shall be as follows:

If to the Purchaser, to:

[•]
[•]
[•]
Attention: [•]

with a copy (which shall not constitute notice) given in like manner to:

Bennett Jones LLP
3400 One First Canadian Place
P.O. Box 130
Toronto, ON M5X 1A4
Attention: Sean Zweig and Luke Morrison
Email: zweigs@bennettjones.com; morrisonl@bennettjones.com

If to the Seller, to:

Connacher Oil and Gas Limited
Suite 1040, 640 5th Avenue SW
Calgary, AB T2P 3G4
Attention: Suzanne Loov
Email: sloov@connacheroil.com

with a copy (which shall not constitute notice) given in like manner to:

Cassels Brock & Blackwell LLP
Suite 3810, Bankers Hall West
888 – 3rd Street SW
Calgary, AB T2P 5C5
Attention: Ryan Jacobs and Keith Templeton
Email: rjacobs@casselsbrock.com; ktempleton@casselsbrock.com

(b) All notices, communications and statements required, permitted or contemplated in this Agreement ("**Notice**") shall be in writing, and shall be delivered and received:

(i) if personally served on the other Party by hand delivery or courier delivery, such Notices so served shall be deemed to be received by the other Party:

(I) on the date of delivery if delivered within the normal working hours of a Business Day; or

(II) if delivered outside the normal working hours of a Business Day, at the commencement of the next ensuing Business Day following delivery thereof; or

(ii) if served by Email directed to the other Party on whom they are to be served at that Party's Email address, as applicable above, such Notices shall be deemed to have been received by the other Party;

(I) on the date of electronic transmission if the electronic transmission is sent, with receipt confirmation, within the normal working hours of a Business Day; or

(II) if the electronic transmission is sent, with receipt confirmation, outside the normal working hours of a Business Day, on the next ensuing Business Day following transmission thereof.

(c) A Party may from time to time change its address for service or Email address by giving Notice of such change to the other Party.

Section 9.7 Fees and Expenses.

The Parties agree that, except as otherwise expressly provided in this Agreement (including in Section 5.6 and Section 7.4(a)), each Party shall bear and pay all costs, fees and expenses that it incurs, or which may be incurred on its behalf, in connection with this Agreement and the Transactions.

Section 9.8 Governing Law; Jurisdiction; Service of Process.

(a) This Agreement shall be governed by and construed in accordance with the CCAA, to the extent applicable, and the laws of the Province of Alberta and the federal laws applicable therein, without giving effect to any principles of conflicts of law to the extent the Applicable Laws of another jurisdiction would apply as a result of the application thereof.

(b) Without limiting any Party's right to appeal any order of the Court, the Parties agree that if any dispute arises out of or in connection with this Agreement or any of the documents executed hereunder or in connection herewith, the Court shall have exclusive personal and subject matter jurisdiction and shall be the exclusive venue to resolve any and all disputes relating to the Transactions. The Court shall have sole jurisdiction over such matters and the parties affected thereby and the Purchaser and the Seller hereby consent and submit to such jurisdiction; provided, however, that, if the CCAA Proceedings have closed and cannot be reopened, the Parties agree to unconditionally and irrevocably submit to the exclusive jurisdiction of the Province of Alberta and any appellate court thereof, for the resolution of any such claim or dispute.

(c) The Parties hereby irrevocably waive, to the fullest extent permitted by Applicable Laws, any objection which they may now or hereafter have to the laying of venue of any such dispute brought in such court or any defense of inconvenient forum for the maintenance of such dispute.

(d) Each of the Parties hereto agrees that a judgment in any such dispute may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by Applicable Laws.

(e) In the event any such action, suit or proceeding is commenced, the Parties hereby agree and consent that service of process may be made, and personal jurisdiction over any Party hereto in any such action, suit, or proceeding may be obtained, by service of a copy of the summons, complaint, and other pleadings required to commence such action, suit, or proceeding upon the Party at the address of such Party set forth in Section 9.5, unless another address has been designated by such Party in a notice given to the other Parties in accordance with the provisions of Section 9.5.

Section 9.9 Further Assurances.

Subject to the other provisions of this Agreement, each of the Parties hereto agrees to execute, acknowledge, deliver, file, and record such further certificates, amendments, instruments, and documents, and to do all such other acts and things, as may be reasonably requested by any other Party in order to carry out the intent and purpose of this Agreement at the expense of the requesting Party.

Section 9.10 Specific Performance.

(a) The Seller acknowledges that the Purchaser would be damaged irreparably in the event that this Agreement is not performed by the Seller in accordance with its specific terms or is otherwise breached by the Seller or the Seller fails to consummate the Closing as required hereunder, subject to its right to terminate this Agreement under Section 8.1, and shall be entitled to seek injunctive relief to prevent breaches of the terms of this Agreement and to enforce specifically the terms and provisions hereof that are required to be performed by the Seller and to seek to enforce specifically the terms and provisions hereof that are required to be performed by the Seller.

(b) The Purchaser acknowledges that the Seller would be damaged irreparably in the event that this Agreement is not performed by the Purchaser in accordance with its specific terms or is otherwise breached by the Purchaser of the Purchaser fails to consummate the Closing as required hereunder, subject to its right to terminate this Agreement under Section 8.1, and shall be entitled to seek injunctive relief to prevent breaches of the terms of this Agreement and to enforce specifically the terms and provisions hereof that are required to be performed by the Purchaser, and to seek to enforce specifically the terms and provisions hereof that are required to be performed by the Purchaser**.**

Section 9.11 Entire Agreement.

Except as set forth herein, this Agreement and the Amended and Restated Support Agreement (including for certainty all agreements contemplated thereby) constitute the full and entire agreement between the Parties hereto pertaining to the Transactions and supersedes all other prior agreements, understandings, negotiations, and discussions, whether oral or written, with respect thereto made by any Party.

Section 9.12 Waiver.

No waiver of any of the provisions of this Agreement shall be deemed or shall constitute a waiver of any other provision (whether or not similar) nor shall any waiver constitute a continuing waiver unless otherwise expressed or provided. All waivers hereunder must be in writing to be effective.

Section 9.13 Assignment.

Neither the Seller nor the Purchaser may assign or otherwise transfer their respective rights and/or obligations hereunder (or agree to do so) without the prior written consent of the other Party; provided that the Purchaser may, without the consent of the Seller, assign or otherwise transfer any or all of its right and/or obligations hereunder to one or more of its Affiliates (it being understood that the Purchaser nonetheless shall remain liable for the performance of all of the Purchaser's obligations hereunder to the extent not performed by the assignee or any Purchaser Designee).

Section 9.14 Successors and Assigns.

This Agreement shall bind and inure to the benefit of the Parties hereto and their respective successors and permitted assigns.

Section 9.15 No Third-Party Beneficiaries.

Nothing in this Agreement is intended to, or shall, confer any third-party beneficiary or other rights or remedies upon any Person other than the Parties hereto.

Section 9.16 Severability of Provisions.

If any provision of this Agreement is held to be illegal, invalid or unenforceable under any present or future laws or regulations, and if the rights or obligations of any Party hereto under this Agreement will not be materially and adversely affected thereby, (a) such provision will be fully severable, (b) this Agreement will be construed and enforced as if such illegal, invalid or unenforceable provision had never comprised a part hereof, (c) the remaining provisions of this Agreement will remain in full force and effect and will not be affected by the illegal, invalid or unenforceable provision or by its severance from this Agreement and (d) in lieu of such illegal, invalid or unenforceable provision, the Parties shall negotiate in good faith to add to this Agreement a legal, valid and enforceable provision as similar in terms to such illegal, invalid or unenforceable provision as may be possible.

Section 9.17 Counterparts.

This Agreement may be executed in multiple counterparts, each of which shall be deemed an original hereof, and all of which shall constitute a single agreement effective as of the date hereof. Any delivery of an executed counterpart of this Agreement by facsimile or electronic mail shall be as effective as delivery of a manually executed counterpart of this Agreement.

IN WITNESS WHEREOF, the Parties hereto have caused this Asset Purchase Agreement to be executed as of the day and year first above written.

SELLER:	**PURCHASER:**
CONNACHER OIL AND GAS LIMITED	[NEWCO]
By: ______________________________	By: ______________________________
Name:	Name:
Title:	Title:

<u>Schedule A</u>

Oil and Gas Assets Listing

[to be inserted prior to execution]

Part 1 – Lands and Petroleum and Natural Gas Rights

Part 2 – Wells and Facilities and Certain Tangibles

Schedule B

Excluded Contracts

[to be inserted prior to execution]

Schedule C

Disclosure Schedule

[to be inserted prior to execution]

Schedule D

Bill of Sale

[to be inserted prior to execution]

Schedule E

Form of General Conveyance, Assignment and Assumption Agreement

[to be inserted prior to execution]

Schedule F

Employees and Independent Contractors

[to be inserted prior to execution]

Schedule G

Estimated Priority Claims Amount

[subject to a request for a sealing order]

Schedule H

Estimated Wind-Down Budget

[subject to a request for a sealing order]

<u>**Schedule I**</u>

Form of Approval and Vesting Order

COURT FILE NO.	1601-06131
COURT	COURT OF QUEEN'S BENCH OF ALBERTA
JUDICIAL CENTRE	CALGARY
APPLICANT	**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 CONNACHER OIL AND GAS LIMITED**
DOCUMENT	**APPROVAL AND VESTING ORDER**
ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT	**Cassels Brock & Blackwell LLP** Suite 3810, Bankers Hall West 888 3rd Street SW Calgary, AB T2P 5C5 Attn: Ryan Jacobs/Joseph Bellissimo/Natalie Levine Tel: 403-351-2920 Fax: 403-648-1151 rjacobs@casselsbrock.com jbellissimo@casselsbrock.com nlevine@casselsbrock.com

Clerk's Stamp

DATE ON WHICH ORDER WAS PRONOUNCED: ●

LOCATION WHERE ORDER WAS PRONOUNCED: Calgary, Alberta

NAME OF JUSTICE WHO MADE THIS ORDER: ●

UPON THE APPLICATION by Connacher Oil and Gas Limited (the "**Seller**") for an order approving the sale transaction and related matters (the "**Transaction**") contemplated by an agreement of purchase and sale (the "**Purchase Agreement**") between the Seller and ● (the

"**Purchaser**") dated ●, 2019, and vesting in the Purchaser the Seller's right, title and interest in and to the purchased assets described in the Purchase Agreement (the "**Purchased Assets**");

AND UPON HAVING READ the Application, the Affidavit of Merle Johnson sworn on ●, 2019 (the "**Johnson Affidavit**"), the ● Report of Ernst & Young Inc., the Court-appointed monitor of the Seller (the "**Monitor**"), and the pleadings and proceedings herein, including the Initial Order granted on May 17, 2016 (the "**Initial Order**");

AND UPON hearing counsel for the Seller, the Monitor, the Consenting First Lien Lenders and the First Lien Agent (each as defined in the Johnson Affidavit) and no one appearing for any other person on the service list, although properly served as appears from the Affidavit of Service of ● sworn ●, filed;

IT IS HEREBY ORDERED AND DECLARED THAT:

SERVICE

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

DEFINED TERMS

2 All capitalized terms not defined herein shall have the respective meanings ascribed to them in the Purchase Agreement.

APPROVAL OF TRANSACTIONS

3 The Purchase Agreement is hereby approved in its entirety. The Transaction is hereby approved and the execution of the Purchase Agreement by the Seller is hereby authorized, ratified, confirmed and approved, with such minor amendments as the Purchaser and the Seller may deem necessary, with the consent of the Monitor. The Seller is hereby authorized and directed to complete the Transaction subject to the terms

of the Purchase Agreement, to perform its obligations under the Purchase Agreement and any ancillary documents related thereto, and to take such additional steps and to execute such additional documents as may be necessary or desirable for the completion of the Transaction or for the conveyance of the Purchased Assets to the Purchaser.

VESTING OF PROPERTY

4 Upon delivery of a Monitor's certificate to the Purchaser substantially in the form set out in **Schedule "A"** hereto (the "**Monitor's Certificate**"), subject only to approval of the transfer of applicable licences, permits, and approvals by the Alberta Energy Regulator (the "**AER**") and the British Columbia Oil and Gas Commission (the "**BCOGC**") pursuant to legislation administered by the AER and the BCOGC, all of the Seller's right, title, interest and estate, whether absolute or contingent, legal or beneficial, in and to the Purchased Assets described in the Purchase Agreement shall vest absolutely, exclusively, entirely and forever in the Purchaser, free and clear of any and all rights, titles, benefits, priorities, claims (including claims provable in bankruptcy in the event that the Seller should be adjudged bankrupt), liabilities (direct, indirect, absolute or contingent), obligations, interests, prior claims, security interests (whether contractual, statutory or otherwise), liens, charges, hypothecs, caveats, mortgages, pledges, trusts, deemed trusts (whether contractual, statutory, or otherwise), assignments, judgments, executions, writs of seizure or execution, notices of sale, options, agreements, rights of distress, legal, equitable or contractual setoff, adverse claims, levies, taxes, disputes, debts, charges, options to purchase, rights of first refusal or other pre-emptive rights in favour of third parties, restrictions on transfer of title, or other claims or encumbrances, whether or not they have attached or been perfected, registered, published or filed and whether secured, unsecured or otherwise (collectively, the "**Encumbrances**"), including, without limiting the generality of the foregoing:

(a) any encumbrances or charges as created by and/or defined in:

(i) the Initial Order;

(ii) the Order (Approval of ATB Credit Facilities) of the Honourable Mr. Justice Jones dated November 10, 2017;

(iii) the Order (Engagement of Financial Advisor) of the Honourable Mr. Justice Jeffrey dated February 28, 2018;

(iv) the Order (Support Agreement, SISP & KEIP) of the Honourable Associate Chief Justice J.D. Rooke dated March 28, 2018; and

(v) any other orders granted in this Action;

(b) all charges, security interests or claims evidenced by registration, filing or publication pursuant to:

(i) the *Personal Property Security Act,* RSA 2000, c P-7;

(ii) the *Personal Property Security Act,* RSBC 1996, c 359;

(iii) The *Personal Property Security Act*, 1993, RSS 1993, c P-6.2;

(iv) the *Mines and Minerals Act*, RSA 2000, c M-17;

(v) the *Land Titles Act,* RSA 2000, c L-7 (the "***Land Titles Act*** **(Alberta)**");

(vi) the *Land Title Act,* RSBC 1996, c 250 (the "***Land Title Act*** **(BC)**");

(vii) the *Land Titles Act*, 2000, RSS, 2000, c L-5.1 (the "***Land Titles Act*** **(Saskatchewan)**"); and

(viii) any other personal or real property registration system; and

(c) those Encumbrances listed in **Schedule "B"** hereto,

but in each case, excluding the permitted encumbrances listed in **Schedule "C"** hereto (collectively, the "**Permitted Encumbrances**"), and this Court orders that all of the

Encumbrances affecting or relating to the Purchased Assets, other than the Permitted Encumbrances, are hereby expunged and discharged as against the Purchased Assets.

5 From and after the closing of the Transaction, if requested in writing by the Purchaser, the Seller, to the extent able and necessary, is authorized and directed to take all necessary steps within its power and execute all documents to effect any and all discharges relating to the Encumbrances (except for Permitted Encumbrances) and the registrars and all other Persons in control or otherwise supervising such offices of the registration or recording shall forthwith remove and discharge all such registrations.

6 The Purchaser shall, by virtue of the completion of the Transaction, have no liability of any kind whatsoever in respect of any Encumbrances against the Seller, other than the Permitted Encumbrances.

7 The Monitor is to file with the Court a copy of the Monitor's Certificate forthwith after delivery thereof to the Purchaser.

8 Except as provided for in the Purchase Agreement, no further authorization or approval or any other action by any authority or regulatory body exercising jurisdiction over the Purchased Assets shall be required for the Closing and post-Closing implementation of the Transaction contemplated in the Purchase Agreement.

9 The Purchaser 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 any Person claiming by or through or against the Seller, other than the Permitted Encumbrances.

10 The Seller and all Persons who claim by, through or under the Seller in respect of the Purchased Assets, save and except for the 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 estate, right,

title, interest, royalty, rental, equity of redemption, or Encumbrance in respect of or to the Purchased Assets and, to the extent that any such Persons remain in possession or control of any of the Purchased Assets, or any artifacts or any 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 upon request.

11 Immediately after the Closing of the Transaction, the holders of the Permitted Encumbrances shall have no claim whatsoever against the Monitor or the Seller.

12 Notwithstanding:

(a) the pendency of these proceedings;

(b) any applications for a bankruptcy order now or hereafter issued pursuant to the *Bankruptcy and Insolvency Act* (Canada) ("**BIA**") in respect of the Seller and any bankruptcy order issued pursuant to any such applications;

(c) any assignment in bankruptcy made in respect of the Seller; and

(d) the provisions of any federal or provincial legislation,

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

CREDIT BID AND PAYMENT AND SETTLEMENT AGREEMENT

13 The First Lien Agent does not require any authorization in addition to the Direction issued to it by the Consenting First Lien Lenders in order to complete the Transaction in accordance with the terms of the Purchase Agreement.

14 The form of the Payment and Settlement Agreement among the Seller and the First Lien Agent attached at Exhibit "●" to the Johnson Affidavit and the transactions contemplated thereby are hereby approved. The execution and delivery of the Payment and Settlement Agreement by the Seller is hereby authorized and approved, with such minor amendments as the Purchaser and the Seller may deem necessary, and the Seller is hereby authorized and empowered to take all steps and actions in respect of, and to comply with all of its obligations pursuant to, the Payment and Settlement Agreement.

15 Immediately upon the delivery of the Monitor's Certificate to the Purchaser:

(a) $● in principal amount owing under the First Lien Credit Agreement to the First Lien Lenders shall be deemed to have been repaid and satisfied pursuant to the terms of the Purchase Agreement and the other documents relating to the Transaction contemplated thereby including without limitation the Amended and Restated Support Agreement (as defined in the Johnson Affidavit) and the Payment and Settlement Agreement; and

(b) each Consenting First Lien Lender, the First Lien Agent, the Seller and their respective present and former shareholders, members, affiliates, partners, officers, directors, employees, auditors, financial advisors, legal counsel and agents (the "**Released Parties**") shall be released and discharged from any and all demands, claims, actions, applications, causes of action, counterclaims, suits, debts, sums of money, accounts, covenants, damages, judgments, orders, including for injunctive relief or specific performance and compliance orders, expenses, executions, Encumbrances and other recoveries on account of any liability, obligation, demand or cause of action of whatever nature which any Person may be entitled to assert, including any and all claims in respect of the payment and receipt of proceeds, statutory liabilities of the directors, officers and employees of the Seller and any alleged fiduciary or other duty (whether such employees are acting as a director, officer or employee), whether known or unknown, matured or unmatured, foreseen or unforeseen, existing or hereafter arising, based in whole or in part on any omission, transaction, duty, responsibility, indebtedness, liability, obligation, dealing or other occurrence existing or taking place on or prior to the latter of the Closing Date and the date on which actions are taken to implement the Transaction that are in any way relating to, arising out of or in connection with the CCAA Proceeding, the SISP, the Transaction (including the Purchase Agreement) and the Amended and Restated Support Agreement, all to the full extent permitted by applicable law, provided that nothing herein shall release or discharge: (i) a Released Party if such Released Party is adjudged by the express terms of a judgment rendered on a final determination on the merits to have committed gross negligence, fraud or wilful misconduct; or (ii) the Borrower from its obligations that remain outstanding under and in connection with the First Lien Credit Agreement after completion of the Transaction.

16 The Seller, the Monitor, the Purchaser, the First Lien Agent, and any other Person required to make any distributions or deliveries or take any steps or actions related to the Transaction are hereby authorized and directed to complete such distributions or deliveries and to take any such steps or actions, as the case may be, in accordance with the terms of the Purchase Agreement, and such distributions, deliveries, steps and

actions are hereby approved. No such Person shall incur any liability with respect to such distributions, deliveries, steps and actions, save and except for any gross negligence or wilful misconduct on its part.

CANCELLATION OF PERSONAL PROPERTY SECURITY REGISTRATIONS

17 Upon: (i) receipt of the Monitor's Certificate and any applicable registration fees by the applicable PPR Registrar (as defined below); and (ii) the filing of a certified copy of this Order with such PPR Registrar:

(a) the Registrar of the Personal Property Registry (Alberta) (the "**Alberta PPR Registrar**") is hereby authorized and directed to cancel and discharge those Encumbrances listed in **Schedule "B-1"** hereto, if any, registered against the interest of the Seller in and to the Purchased Assets;

(b) the Registrar of the Personal Property Registry (British Columbia) (the "**BC PPR Registrar**") is hereby authorized and directed to cancel and discharge those Encumbrances listed in **Schedule** "**B-2**" hereto, if any, registered against the interest of the Seller in and to the Purchased Assets; and

(c) the Registrar of the Personal Property Registry (Saskatchewan) (the "**Saskatchewan PPR Registrar**", collectively with the Alberta PPR Registrar and the BC PPR Registrar, the "**PPR Registrars**" and each a "**PPR Registrar**") is hereby authorized and directed to cancel and discharge those Encumbrances listed in **Schedule "B-3"** hereto, if any, registered against the interest of the Seller in and to the Purchased Assets.

REAL PROPERTY AND MINERAL RIGHTS IN ALBERTA

18 Upon: (i) receipt of the Monitor's Certificate and any applicable registration fees by the applicable Alberta Governmental Authority (as defined below); and (ii) the filing of a certified copy of this Order with such Alberta Governmental Authority:

(a) the Department of Energy and the Minister of Energy (the "**Alberta Department and Minister of Energy**" and together with the Alberta PPR Registrar, the "**Alberta Governmental Authorities**" and each an "**Alberta Governmental Authority**") are hereby authorized, requested, and directed to, in each case to the extent applicable:

(i) enter the Purchaser as the owner and/or lessee of the mines and minerals comprising the Alberta real or mineral property subject only to the Permitted Encumbrances; and

(ii) delete and expunge from title to the Alberta Real or Mineral Property all of the Encumbrances listed in **Schedule "B-1"** hereto,

in each case, in order to convey clear title to such mines and minerals comprising the Alberta Real or Mineral Property to the Purchaser subject only to Permitted Encumbrances. For further certainty, the Alberta Department and Minister of Energy shall not cancel or discharge the registration of any builders' liens or security notices registered against estates or interests other than the estate or interest of the Seller.

REAL PROPERTY AND MINERAL RIGHTS IN BRITISH COLUMBIA

19 Upon: (i) receipt of delivery of the Monitor's Certificate and any applicable registration fees by the applicable BC Governmental Authority (as defined below); and (ii) the filing of a certified copy of this Order with such BC Governmental Authority,

(a) a Registrar or Registrars under the (i) *Land Title Act* (BC), (ii) British Columbia Ministry of Natural Gas Development, Upstream Development Division, Tenure and Geoscience Branch, (iii) the British Columbia Ministry of Agriculture and Lands,

(iv) FrontCounterBC, (v) British Columbia Oil and Gas Commission, and (vi) all other government ministries and authorities in British Columbia exercising jurisdiction with respect to the Purchased Assets (collectively, and together with the BC PPR Registrar, the "**BC Governmental Authorities**" and each a "**BC Governmental Authority**") are hereby authorized, requested and directed to (in each case, as applicable):

(i) enter the Purchaser as the owner and/or lessee and/or licensee of the Purchased Assets (including the Crown mineral leases listed in **Schedule "C-1"** hereto);

(ii) delete and expunge from the existing title documents respecting the Purchased Assets, all Encumbrances listed in **Schedule "B-3"** hereto; and

(iii) register such transfers, discharges, discharge statements or conveyances, as may be required to convey clear title to the Purchased Assets, subject only to Permitted Encumbrances.

in each case, in order to convey clear title to such Purchased Assets to the Purchaser, subject only to Permitted Encumbrances. For further certainty, the BC Governmental Authorities shall not cancel or discharge the registration of any builders' liens or security notices registered against estates or interests other than the estate or interest of the Seller.

WIND-DOWN AMOUNT

20 The Wind-Down Amount shall not be considered proceeds of sale of the Purchased Assets and no Encumbrances other than the Administration Charge shall attach to the Wind-Down Amount, which shall attach to the Wind-Down Amount with the same terms

and priority it had with respect to the Purchased Assets immediately prior to delivery of the Monitor's Certificate.

21 The Monitor is hereby authorized and directed to disburse payments from the Wind-Down Amount in accordance with the provisions of the Purchase Agreement, including, without limitation, Section 2.9 thereof.

22 All right, title and interest in and to any portion of the Wind-Down Amount that is no longer required to be held by the Monitor, as determined in accordance with the provisions of the Purchase Agreement, including, without limitation, Section 2.9 thereof, shall be released by the Monitor and promptly be delivered to the Purchaser as a Purchased Asset.

RESERVE PAYMENT AMOUNT

23 The Reserve Payment Amount shall not be considered to be proceeds of sale of the Purchased Assets and no Encumbrances shall attach to the Reserve Payment Amount, other than the Administration Charge, Directors' Charge, KERP/LTIP Charge, the FA Charge and the KEIP Charge (each as created by and defined in the Initial Order or a subsequent order of this Court and as may be amended by subsequent Order of the Court, including herein) which shall each attach to the Reserve Payment Amount with the same terms and priority it had with respect to the Purchased Assets immediately prior to delivery of the Monitor's Certificate.

24 The Monitor is hereby authorized and directed to administer the Reserve Payment Amount in accordance with the provisions of the Purchase Agreement, including, without limitation, Section 2.10 thereof.

25 All right, title and interest in and to any portion of the Reserve Payment Amount that is no longer required to be held in the Reserve Payment Amount as determined by the Monitor in accordance with the provisions of the Purchase Agreement, including, without

limitation, Section 2.10 thereof, shall be released by the Monitor and promptly be distributed to the Purchaser as a Purchased Asset.

AID AND RECOGNITION

26 The Alberta Governmental Authorities, the BC Governmental Authorities, the Ministry of the Economy for the Province of Saskatchewan (together with the Saskatchewan Land Registrar and the Saskatchewan PPR Registrar, the "**Saskatchewan Governmental Authorities**"), and any other applicable registrar or government ministries or authorities exercising jurisdiction with respect to the Purchased Assets (collectively, the **"Governmental Authorities**") are expressly authorized and directed to include in the discharges of the Encumbrances described above all Encumbrances registered after the date the Initial Order was granted, other than the Permitted Encumbrances.

27 In order to effect the discharges and transfers described above, this Court requests that the Governmental Authorities each take such steps as are necessary to give effect to the terms of this Order, and the Purchase Agreement authorized herein. Presentment of this Order and a copy of the Monitor's Certificate shall be the sole and sufficient authority of the Governmental Authorities to make and register the said transfers and cancel and discharge the registrations of any Encumbrances on the Purchased Assets other than the Permitted Encumbrances.

28 This Court hereby requests the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in the United States of America, Canada or in any of its provinces or territories, to act in aid of and to be complimentary to this Court in carrying out the terms of this Order, to give effect to this Order and to assist the Monitor, the Seller and its agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies of all such jurisdictions are hereby respectfully requested to make such orders and to provide such assistance to the Monitor, as an

officer of the Court, and the Seller, as may be necessary or desirable to give effect to this Order or to assist the Monitor, the Seller and their agents in carrying out the terms of this Order.

SEALING ORDER

29 Confidential Exhibit "●" to the Johnson Affidavit (the "**Confidential Material**") shall be sealed on the Court file, notwithstanding Division 4 of Part 6 of the *Alberta Rules of Court*. The Confidential Material shall be kept confidential and shall not form part of the public record, but rather shall be placed, separate and apart from all contents in the Court file to be shown only to a Justice of this Court, in a sealed envelope attached to a notice that sets out the title of these proceedings and a statement that the contents are subject to a sealing order.

MISCELLANEOUS MATTERS

30 The Unanimous Shareholder Agreement (as defined in the Johnson Affidavit) shall be effective and binding on all shareholders of the Purchaser and any Persons entitled to receive, directly or indirectly, shares of the Purchaser pursuant to or in connection with the Transaction, immediately upon such Persons acquiring shares of the Purchaser, with the same force and effect as if such Persons were original signatories to the Unanimous Shareholder Agreement.

31 Pursuant to clause 7(3)(c) of the Canada *Personal Information Protection and Electronic Documents Act* and section 20(e) of the Alberta *Personal Information Protection Act*, the Seller is authorized and permitted to disclose and transfer to the Purchaser all human resources and payroll information in the Seller's records pertaining to the Seller's past and current employees, including personal information of those employees listed in the Purchase Agreement. The Purchaser (or its nominee) shall maintain and protect the privacy of such information and shall be entitled to use the personal information provided

to it in a manner which is in all material respects identical to the prior use of such information by the Seller.

32 On or after the Closing Date, the Seller is hereby permitted to execute and file articles of reorganization or such other documents or instruments as may be required to change its legal name in accordance with section 5.13 of the Purchase Agreement, and such articles, documents or other instruments shall be deemed to be duly authorized, valid and effective and shall be accepted by the applicable Governmental Authority without the requirement (if any) of obtaining director or shareholder approval pursuant to any federal or provincial legislation. Upon the official change to the legal name of the Seller that is to occur as soon as reasonably practicable after the Closing Date in accordance with 5.13 of the Purchase Agreement, the name of the Seller in the within title of proceedings shall be deleted and replaced with the new legal name of the Seller, and any document filed thereafter in these proceedings (other than the Monitor's Certificate) shall be filed using such revised title of proceedings.

33 The Seller, Purchaser and Monitor may pursue the provisional execution of this Order, including without limiting the general application of the foregoing, notwithstanding any appeal and without requirement to provide any security or provision for costs whatsoever. Without limiting the generality of the foregoing, this Order shall be registered by the Alberta Land Registrar notwithstanding the requirements of section 191(1) of the *Land Titles Act* (Alberta) and notwithstanding that the appeal period in respect of this Order has not elapsed, which appeal period is expressly waived.

34 Leave is granted to the Monitor, the Purchaser and any other interested party, and such parties shall be at liberty to apply for further advice, assistance and directions 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.

35 This Order must be served only upon those interested parties attending or represented at the within Application and service may be effected by facsimile, electronic mail, personal delivery or courier. Service is deemed to be effected the next business day following the transmission or delivery of such documents. Service of this Order on any party not attending this Application is hereby dispensed with.

____
J.C. C.Q.B.A.

Schedule "A"

Form of Monitor's Certificate

COURT FILE NO.	1601-06131	Clerk's Stamp
COURT	COURT OF QUEEN'S BENCH OF ALBERTA	
JUDICIAL CENTRE	CALGARY	
APPLICANT	**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 CONNACHER OIL AND GAS LIMITED**	
DOCUMENT	**MONITOR'S CERTIFICATE**	
ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT	**McCarthy Tétrault LLP** Suite 400 421-7th Avenue SW Calgary, Alberta T2P 4K9 Attn: Sean Collins/Walker MacLeod Tel: 403-260-3531 Fax: 403-260-3500 scollins@mccarthy.ca /wmacleod@mccarthy.ca	

RECITALS

1 Pursuant to an Order of the Honourable Madam Justice Dario of the Court of Queen's Bench of Alberta, Judicial District of Calgary (the "**Court**") dated May 17, 2016 Ernst & Young Inc. was appointed as the Monitor (the "**Monitor**") of Connacher Oil and Gas Limited (the "**Seller**").

2 Pursuant to an Order of the Court dated ●, 2019 the Court approved the agreement of purchase and sale made as of ● , 2019 (the "**Purchase Agreement**") between the Seller and ● (the "**Purchaser**") and provided for the vesting in the Purchaser of the Seller'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 conditions to closing set out in sections 6.1 and 6.2 of the Purchase Agreement have been satisfied or waived in accordance with the terms of the Purchase Agreement; and (ii) the Transaction has been completed to the satisfaction of the Monitor.

3 Unless otherwise indicated herein, terms with initial capitals have the meanings set out in the Purchase Agreement or the Approval and Vesting Order, as applicable.

THE MONITOR CERTIFIES the following:

(a) The Monitor has been advised in writing by the Seller and the Purchaser that each of the conditions to closing set out in sections 6.1 and 6.2 of the Purchase Agreement has been satisfied or waived in accordance with the Purchase Agreement; and

(b) The Transaction has been completed to the satisfaction of the Monitor.

This Certificate was delivered by the Monitor at ________ [Time] on ___________________________, 2019 [Date].

Ernst & Young Inc., in its capacity as Court-appointed Monitor of Connacher Oil and Gas Limited

Per: ________________________________

Name: ________________________________

Title: ________________________________

Schedule "B"

Encumbrances

Schedule "B-1"

Schedule "B-2"

Schedule "B-3"

Schedule "C"

Schedule "C-1"

<u>Schedule J</u>

Form of Payment and Settlement Agreement

[to be inserted prior to execution]

Schedule K

Management Incentive Plan

[to be inserted prior to execution]

SCHEDULE "F"

JOINDER AGREEMENT

Form of Joinder To Amended and Restated Support Agreement

This Joinder to the Support Agreement (this "**Joinder Agreement**") is made as of •, by and among • (the "**Joining Consenting First Lien Lender**"), Connacher Oil and Gas Limited in consideration of the mutual covenants herein contained and benefits to be derived herefrom.

WITNESSETH:

WHEREAS, reference is made to a certain Amended and Restated Support Agreement dated as of •, 2019 (as amended, modified, supplemented or restated and in effect from time to time, the "**Amended and Restated Support Agreement**"), by and among the Borrower, the First Lien Agent and the Initial Consenting First Lien Lenders. All capitalized terms used herein and not otherwise defined herein shall have the meanings assigned to such terms in the Amended and Restated Support Agreement;

WHEREAS, the Joining Consenting First Lien Lender desires to become a party to, and to be bound by the terms of, the Amended and Restated Support Agreement; and

WHEREAS, pursuant to the terms of the Amended and Restated Support Agreement, in order for the Joining Consenting First Lien Lender to become party to the Amended and Restated Support Agreement, the Joining Consenting First Lien Lender is required to execute this Joinder Agreement;

NOW, THEREFORE, in consideration of the premises contained herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto hereby agree as follows:

1. Representations and Warranties

The Joining Consenting First Lien Lender hereby represents and warrants to the Borrower that:

(a) effective as of the date of this Joinder Agreement, the Joining Consenting First Lien Lender (or a client thereof for which it has discretionary authority to manage and administer funds) is the legal or beneficial holder of, or exercises control and discretion over, Loans in the principal amount set forth on such Joining Consenting First Lien Lender's signature page hereto (inclusive of any Loans acquired as of the date hereof as a Consenting Transferee pursuant to a Transfer permitted by Section 6(d)(i) of the Amended and Restated Support Agreement) (for purposes of this Joinder Agreement, such Joining Consenting First Lien Lender's "**Relevant Loans**") and the additional claims against the Borrower identified in the principal amount set forth on such Joining Consenting First Lien Lender's signature page hereto; and

(b) effective as of the date hereof, the principal amount of Debt, Relevant Loans or Additional Claims set forth on such Joining Consenting First Lien Lender's signature page to this Joinder Agreement constitute all of the Debt, Relevant Loans or Additional Claims that are legally or beneficially owned by it (or over which it exercises control or discretion on behalf of clients for which it has discretionary authority to manage or administer funds).

2. Joinder and Assumption of Obligations

Effective as of the date of this Joinder Agreement, the Joining Consenting First Lien Lender hereby acknowledges that the Joining Consenting First Lien Lender has received and reviewed a copy of the Amended and Restated Support Agreement, and acknowledges and agrees:

(a) that all representations and warranties set forth in section 3 of the Amended and Restated Support Agreement are true and correct as of the date hereof with respect to the Joining Consenting First Lien Lender;

(b) to join in the execution of, and become a party to, the Amended and Restated Support Agreement as a Joining Consenting First Lien Lender thereunder, as indicated with its signature below;

(c) subject to section (d) below, to be bound by all agreements of the Consenting First Lien Lenders under the Amended and Restated Support Agreement with the same force and effect as if such Joining Consenting First Lien Lender was a signatory to the Amended and Restated Support Agreement and was expressly named as a party therein; and

(d) to assume all rights and interests and perform all applicable duties and obligations of the Consenting First Lien Lenders under the Amended and Restated Support Agreement other than those expressed therein to be solely the rights, interests, duties and obligations of the Initial Consenting First Lien Lenders, if any.

3. Binding Effect

Except as specifically amended by this Joinder Agreement, all of the terms and conditions of the Amended and Restated Support Agreement shall remain in full force and effect as in effect prior to the date hereof.

4. Miscellaneous

(a) This Joinder Agreement may be executed by facsimile or other electronic means and in one or more counterparts, all of which shall be considered one and the same agreement.

(b) This Joinder Agreement constitutes the entire agreement and supersedes all prior agreements and understandings, both oral and written, among the parties with respect to the subject matter hereof.

(c) If any term, provision, covenant or restriction of this Joinder Agreement is held by a court of competent jurisdiction to be invalid, void or unenforceable, the remainder of the provisions, including terms, covenants and restrictions, of this Joinder Agreement shall remain in full force and effect and shall in no way be affected, impaired or invalidated and the parties shall negotiate in good faith to modify this Joinder Agreement to preserve each party's anticipated benefits under this Joinder Agreement.

(d) The Joining Consenting First Lien Lender represents and warrants that the Joining Consenting First Lien Lender has consulted with independent legal counsel of its selection in connection with this Joinder Agreement and is not relying on any representations or warranties of any other Consenting First Lien Lender, their respective counsel or the Advisors in entering into this Joinder Agreement.

(e) This Joinder Agreement is to be governed and construed in accordance with the laws of the Province of Alberta and the laws of Canada applicable therein applicable to contracts made and to be performed in such state, without giving effect to the conflict of laws principles thereof, and all actions or proceedings arising out of or relating to this Joinder Agreement shall be heard and determined exclusively in the courts of the Province of Alberta.

[SIGNATURE PAGES FOLLOW]

IN WITNESS WHEREOF, each of the undersigned has caused this Joinder Agreement to be duly executed and delivered by its proper and duly authorized officer as of the date first written above.

STRICTLY CONFIDENTIAL

Name of Joining Consenting First Lien Lender:

____

Per: ______________________________

Name:

Title:

Address:

____

____

____

____

Name of Consenting First Lien Lender (if applicable):

____

Per: ____________________________

Name:

Title:

Address:

____

____

____

____

Aggregate Principal amount of Tranche A Loans held by the Consenting First Lien Lender pursuant to the First Lien Credit Agreement	
Aggregate Principal amount of Tranche B Loans held by the Consenting First Lien Lender pursuant to the First Lien Credit Agreement	

Aggregate Principal amount of 12% convertible second lien notes held by the Consenting First Lien Lender under the Indenture dated May 8, 2015	
Aggregate Principal amount of Additional Claims held by the Consenting First Lien Lender	

Accepted and agreed to as of the date first above written.

CONNACHER OIL AND GAS LIMITED

By:

____

Name:

Title:

SCHEDULE “G”

FORM OF DIRECTION

SCHEDULE "H"

CREDIT BID KERP

[subject to a request for a sealing order]