COURT FILE NO.	1601-06131	Clerk's Stamp CLERK OF THE COURT FILED AUG 13 2018 JUDICIAL CENTRE OF CALGARY
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	**AFFIDAVIT OF MERLE JOHNSON (APPROVAL OF CREDITORS' MEETINGS ORDER, APPROVAL AND VESTING ORDER AND SUPPLEMENTAL CLAIMS PROCEDURE ORDER)**	
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 E. Levine Tel: 403-351-2920 Fax: 403-648-1151 rjacobs@casselsbrock.com jbellissimo@casselsbrock.com nlevine@casselsbrock.com	

AFFIDAVIT OF MERLE JOHNSON
Sworn on August 13, 2018

I, Merle Johnson, of Calgary, Alberta, **SWEAR AND SAY THAT:**

1. I am the Chief Executive Officer of Connacher Oil and Gas Limited ("**Connacher**"). As such I have personal knowledge of the facts and matters hereinafter deposed to, except where stated to be based on information and belief, in which case I do verily believe the same to be true.

2. I make this Affidavit in support of an application by Connacher ("**Connacher's Application**") for:

   (a) an order substantially in the form attached as Schedule "A" to Connacher's Application (the "**Creditors' Meetings Order**"), *inter alia*:

      (i) approving and authorizing Connacher's entry into the CCAA Acquisition and Plan Sponsorship Agreement dated August 2, 2018 (as may be amended from time to time, the "**Plan Sponsorship Agreement**") between Connacher and East River Oil and Gas Ltd. (the "**Plan Sponsor**");

      (ii) accepting the filing of Connacher's Amended and Restated Plan of Compromise and Arrangement dated August 13, 2018 (as may be further amended from time to time, the "**Plan**");

      (iii) authorizing Connacher to establish two classes of creditors for the purpose of considering and voting on the Plan: (i) the First Lien Lender Class; and (ii) the General Creditor Class (each as defined below);

      (iv) authorizing Connacher to call, hold and conduct a meeting of the First Lien Lender Class and a meeting of the General Creditor Class (together, the "**Creditors' Meetings**") to consider and vote on resolutions to approve the Plan, and approving the procedures to be followed with respect to the Creditors' Meetings;

      (v) setting a date for the hearing (the "**Sanction Hearing**") of Connacher's Application for an order to sanction the Plan (the "**Sanction Order**") should the Plan be approved for filing and approved by the requisite majorities of creditors at the Creditors' Meetings; and

      (vi) extending the stay of proceedings up to and including October 31, 2018;

   (b) an order substantially in the form attached as Schedule "B" to Connacher's Application (the "**Approval and Vesting Order**"), *inter alia*:

      (i) approving and authorizing Connacher's entry into a Purchase and Sale Agreement dated August 2, 2018 (as may be amended from time to time, the "**Purchase Agreement**") between Connacher and the Plan Sponsor and, in the event of a CCAA Plan Termination Event (as defined below), authorizing Connacher to perform its obligations thereunder;

      (ii) upon the delivery of a monitor's certificate to the Plan Sponsor following a CCAA Plan Termination Event (the "**Monitor's Certificate**"), vesting all of Connacher's right, title, and interest in and to the purchased assets described in the Purchase Agreement (the "**Purchased Assets**") in the Plan Sponsor free and clear of all claims and encumbrances except for the permitted encumbrances (the "**Permitted Encumbrances**"), and ordering that all claims and encumbrances other than the Permitted Encumbrances are discharged against the Purchased Assets; and

      (iii) sealing the confidential supplement (the "**Confidential Supplement**") to the 17th Report (the "**17th Report**") of Ernst & Young Inc. (the "**Monitor**") upon the Court file; and

(c) an order substantially in the form attached as Schedule "C" to Connacher's Application (the "**Supplemental Claims Procedure Order**"), *inter alia*, approving a supplemental claims procedure (the "**Supplemental Claims Procedure**") for the identification and determination of certain priority claims, non-continuing employee claims, and certain post-filing claims against Connacher, and post-CCAA filing claims against Connacher's Directors and Officers, in order to facilitate the completion of either the Plan Transaction or the Purchase Transaction (each as defined below).

3. Where I use capitalized terms in this Affidavit, but do not define them, I intend them to have the meaning given to them in the Plan unless otherwise stated. All references to dollar amounts contained herein are to Canadian dollars unless otherwise stated.

4. The information in this Affidavit is arranged under the following headings:

I. Overview of the Application

5. On March 28, 2018, the Court granted the Order (Support Agreement, SISP, & KEIP Approval) (the "**SISP Approval Order**"). Since that time, with the support of the Monitor and the Consenting First Lien Lenders (as defined below), Connacher conducted a Court-approved sale process (the "**SISP**"), backstopped by a stalking horse credit-bid from the Consenting First Lien Lenders (the "**Credit Bid Transaction**"). A copy of the SISP is attached as **Exhibit "A"**. The SISP has resulted in a Successful Bid (as defined in the SISP) from the Plan Sponsor to consummate either a Plan Transaction or a Purchase Transaction (each as defined below).

6. As described in detail below, both the Plan and Purchase Agreement qualify as a "Superior Transaction" under the SISP. The purchase price under the Plan ($113.5 million) is $4 million higher than the purchase price under the Purchase Agreement, reflecting the additional assets acquired pursuant to a share transaction, not otherwise available pursuant to an asset transaction.

7. As further described in the Plan Sponsorship Agreement, in the event that the Plan cannot be implemented, Connacher and the Plan Sponsor have agreed to complete the transaction pursuant to the Purchase Agreement. To provide certainty to both the Plan Sponsor and Connacher's secured creditors, Connacher is seeking approval of the Purchase Agreement now to avoid any delay in closing in the event of a CCAA Plan Termination Event (as defined below).

8. Should the Plan Sponsor and Connacher be unable to close either the Plan or the Purchase Transaction, Connacher intends to return to this Court to seek an order approving the implementation of the Credit Bid Transaction, subject to the terms of the Support Agreement and the related documents.

9. As detailed below, Connacher seeks the approval of the Creditors' Meetings Order, the Approval and Vesting Order, and the Supplemental Claims Procedure Order, each of which facilitate implementation of the proposed transactions.

10. Connacher's Application is supported by the Monitor, the First Lien Agent and the Consenting First Lien Lenders, and the Plan Sponsor.

II. Background

A. <u>Connacher's CCAA Proceeding</u>

11. On May 17, 2016, the Honourable Madam Justice Dario granted the Initial Order, which provided for, among other things, a stay of proceedings up to and including June 16, 2016, which has most recently been extended by this Honourable Court through and including September 30, 2018 (the "**Stay Period**").

12. Pursuant to the Initial Order, Connacher, with the assistance of the Monitor, conducted an initial sale and investment solicitation process. That initial sale and investment solicitation process did not yield a bid acceptable to Connacher or its secured creditors.

13. Connacher has worked with its First Lien Lenders and the Monitor to continue its operations in the ordinary course, subject to the terms of the Initial Order and the other Court orders granted to date.

14. Several key events have led to the transactions before the Court on this Application, including:

    (a) obtaining Court approval of a royalty agreement (the "**BEH Royalty Agreement**") between Connacher and Burgess Energy Holdings, LLC ("**Burgess**"), which provided Connacher with immediate capital to repay its interim financing in full without depleting its cash on hand;

    (b) retaining Houlihan Lokey Capital, Inc. (the "**Financial Advisor**") to prepare and implement a new sale and investment solicitation process; and

    (c) entering into a Support Agreement (as defined below) with certain of the First Lien Lenders, outlining the terms on which these critical secured constituents would support Connacher's exit from its CCAA proceeding.

15. Connacher's efforts to develop and implement a restructuring transaction have been carried out in good faith and in consultation with the Monitor.

B. Support Agreement and Sale and Investment Solicitation Process

16. On March 28, 2018, this Honourable Court approved Connacher's entry into a Support Agreement (as it may be amended from time to time, the "**Support Agreement**") with the First Lien Agent and certain of the First Lien Lenders (the "**Consenting First Lien Lenders**") holding in excess of 75% of the principal amount of debt outstanding under the First Lien Credit Agreement dated as of May 23, 2014, as amended (the "**First Lien Credit Agreement**"). As part of that application, the Court approved the SISP.

17. A crucial component of the Support Agreement was the Consenting First Lien Lenders' agreement that if a "Superior Transaction" was not identified pursuant to the SISP, the Consenting First Lien Lenders would implement the Credit Bid Transaction through which they would cause the First Lien Agent to credit-bid a portion of the First Lien Claim Amount (as defined in the SISP) in exchange for all or substantially all of Connacher's assets. For a bid to be considered a Superior Transaction, the SISP required that the transaction generate cash proceeds of at least $90 million plus an amount sufficient to pay all claims ranking *pari passu* with or in priority to the debt owed to the First Lien Agent, exclusive of Connacher's cash on hand (the "**Minimum Consideration Threshold**").

18. In the event that Connacher and the Plan Sponsor are unable to complete either of the transactions currently before this Court for approval, Connacher will return before this Honourable Court to seek approval of the Credit Bid Transaction, subject to the terms of the Support Agreement and the related documents. While the Support Agreement has been approved by this Court, an approval and vesting order in respect of the Credit Bid Transaction has not yet been sought.

C. SISP Summary

19. Working in conjunction with the Financial Advisor, and in consultation with the Monitor and Consenting First Lien Lenders, Connacher carried out the terms of the SISP in accordance with the SISP Approval Order.

20. On March 28, 2018, Connacher issued a press release that, *inter alia,* provided information regarding the SISP, and invited interested parties to contact the Financial Advisor to discuss participation in the process.

21. Promptly following receipt of the SISP Approval Order, the Financial Advisor, with the assistance of Connacher, the Monitor and the Consenting First Lien Lenders, prepared a list of potential bidders ("**Potential Bidders**"). In addition, Connacher and the Financial Advisor prepared a teaser letter (the "**Teaser**"), a confidential information memorandum (the "**CIM**"), and established a data room (the "**Data Room**"). The Teaser and the SISP procedures were posted on the Monitor's website (the "**Website**").

22. I have been advised that, on April 3, 2018, the Financial Advisor began to contact Potential Bidders to introduce the opportunity and to provide copies of the Teaser. I have been advised that in total, the Financial Advisor provided the Teaser to 230 parties.

23. Sixteen Potential Bidders executed the confidentiality agreements and SISP acknowledgments to become qualified phase I bidders (the "**Qualified Phase I Bidders**"). Qualified Phase I Bidders were granted access to the Data Room and were provided with a copy of the CIM, containing significant confidential information about

Connacher's business and operations and details of the Minimum Consideration Threshold in the SISP.

24. In the initial phase of the SISP, Connacher and the Financial Advisor hosted fourteen initial launch and diligence meetings with Qualified Phase I Bidders.

25. Connacher's management provided Qualified Phase I Bidders access to a subsurface data workstation to review seismic and other geophysical information.

26. Connacher's management also arranged for further in-person and telephonic presentations to engage with the Qualified Phase I Bidders, including addressing bidders' requests for information where it was appropriate to do so. Connacher's management engaged with the Potential Bidders in a cooperative manner throughout the SISP, with the goal of providing sufficient information for Potential Bidders to adequately assess the opportunity.

27. Connacher received several letters of intent on or prior to 12:00 p.m. (MT) on May 23, 2018 (the "**Phase I Bid Deadline**").

28. Following the Phase I Bid Deadline, Connacher, in consultation with the Financial Advisor, the Monitor, and the Consenting First Lien Lenders, determined that each of the letters of intent constituted Qualified Phase I Bids (as defined in the SISP).

29. Connacher continued to engage with the parties who submitted Qualified Phase I Bids in advance of June 20, 2018 at 12:00 p.m. (MT) (the "**Phase II Bid Deadline**"), including providing additional information and arranging management meetings and site visits.

30. On the Phase II Bid Deadline, the bid received from the Plan Sponsor was subject to receipt of investment committee approval. As a result, with the consent of the First Lien Agent and the Consenting First Lien Lenders and in consultation with the Financial Advisor and the Monitor, Connacher delayed the time to determine whether the Plan Sponsor's Phase II bid was a Qualified Phase II Bid (as defined in the SISP) until such time as the Plan Sponsor obtained the necessary internal approvals.

31. On July 19, 2018, once the Plan Sponsor obtained its required internal approvals, it provided the Monitor with a deposit of $12 million (the "**Deposit**") and Connacher and the Plan Sponsor moved to negotiate the Plan Sponsorship Agreement, the Plan, and the Purchase Agreement.

32. On August 2, 2018, Connacher and the Plan Sponsor executed the Plan Sponsorship Agreement and the Purchase Agreement. As a result of the execution of the Plan Sponsorship Agreement and the Purchase Agreement, the Plan Sponsor is the Successful Bidder (as defined in the SISP).

33. Connacher consulted with the Monitor, the First Lien Agent and the Consenting First Lien Lenders throughout the SISP. I believe that Connacher carried out the SISP in good faith and used its best efforts in its engagement with Potential Bidders. I believe that Potential Bidders were given an adequate opportunity to participate in the SISP, and therefore the market for Connacher's business was appropriately tested.

III. Plan Sponsor Transactions

A. Plan Sponsorship Agreement

34. Subject to approval by this Honourable Court, Connacher and the Plan Sponsor have entered into a Plan Sponsorship Agreement. A copy of the Plan Sponsorship Agreement is attached hereto as **Exhibit "B"**.

35. Pursuant to the Plan Sponsorship Agreement, the Plan Sponsor Transactions (defined below) will be implemented in one of two ways:

    (a) through the Plan, if implemented, the Plan Sponsor will become the sole equity holder of Connacher and certain claims against Connacher will be compromised (the "**Plan Transaction**"); and

    (b) in the event that the Plan cannot be implemented, the Plan Sponsor will acquire substantially all of Connacher's assets and will assume certain liabilities pursuant to the Purchase Agreement (the "**Purchase Transaction**" and, collectively with the Plan Transaction, the "**Plan Sponsor Transactions**").

36. This alternative transaction structure has been designed to maximize the likelihood of Connacher concluding a restructuring transaction for the benefit of its stakeholders, and provides certainty to Connacher and its stakeholders.

37. The Plan Sponsorship Agreement provides that, in the event the transaction is effected through the Plan:

    (a) the Plan Sponsor will subscribe for and purchase 1,000 common shares in Connacher for a subscription price of $113.5 million (the "**Plan Sponsored Funds**");

    (b) at least two (2) Business Days prior to the Effective Time, the Plan Sponsor will pay the balance of the purchase price (after taking into account the Deposit) to the Monitor;

    (c) on or prior to the Effective Date, Connacher shall transfer the Cash on Hand[1] up to the amount of the Existing Cash (as described below) to the Monitor;

    (d) prior to the Effective Date, the Plan Sponsor shall pay the Cash Adjustment Amount, if any, to the Monitor; and

    (e) the Plan Sponsored Funds and the Cash Adjustment Amount, if any, together with the Existing Cash, will be held in escrow by the Monitor and released into the Plan Implementation Fund to be distributed in accordance with the Plan.

38. Although detailed in the Plan, the Plan Sponsorship Agreement confirms the treatment of certain significant creditors. Specifically:

    (a) the BEH Royalty Agreement will be unaffected by the Plan;

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[1] The Cash on Hand means all cash and cash equivalents held by Connacher, including funds being held as "Shut Down Restricted Cash" pursuant to the Initial Order and funds held by ATB Financial as security for the obligations owing under the ATB Credit Facilities. Cash on Hand excludes funds held on deposit or in escrow in respect of Directors or Officers insurance policies.

(b) Connacher's obligations to ATB Financial will be unaffected by the Plan; and

(c) 1/3 of the Municipal Tax Claims (potentially owing to the Municipality of Wood Buffalo) for the 2018 calendar year will be unaffected under the Plan (and under the Purchase Transaction) (the "**Unaffected Municipal Tax Claims**"), while the balance of the Municipal Tax Claims will be subject to compromise under the Plan, subject to a determination of the amount and priority.

39. If the Plan cannot proceed because certain key approvals are not obtained, the requisite creditor approval is not obtained at the Creditors' Meetings, or if it is jointly determined by Connacher and the Plan Sponsor, each acting reasonably, that for any other reason it is no longer viable to implement the Plan Transaction (each of the foregoing a "**CCAA Plan Termination Event**"), the Plan Sponsor and Connacher will proceed with the Purchase Transaction. The Deposit, plus any Additional Deposits (as defined below), paid pursuant to the terms of the Plan Sponsorship Agreement shall be deemed to be the Deposit for the purposes of the Purchase Agreement.

40. The Plan Sponsorship Agreement sets out a formula for the calculation of Connacher's Existing Cash, to clarify the quantum of funds that Connacher is required to transfer to the Monitor for distribution pursuant to the Plan. The Existing Cash is comprised of:

(a) Connacher's Cash on Hand as of 12:01 a.m. on September 1, 2018; plus

(b) Connacher's accounts receivable existing as of 12:01 a.m. on September 1, 2018 or related to the period prior to 12:01 a.m. on September 1, 2018 (whether or not invoiced by such time) which have been paid or collected during the period between 12:01 a.m. on September 1, 2018 and the Business Day prior to the Effective Date; plus

(c) Connacher's prepaid expenses which were paid prior to and remain unused as of 12:01 a.m. on September 1, 2018; minus

(d) Connacher's accounts payable which have accrued during the period between the Filing Date and 12:01 a.m. on September 1, 2018 (whether or not invoiced by such time) which have not been paid by Connacher by the Business Day prior to the Effective Date or which will not be paid, compromised, discharged or released under the Plan and will remain an obligation or liability of Connacher after the Effective Time, but for greater certainty, shall not include any Municipal Tax Claims; minus;

(e) the amounts paid by Connacher from its cash accounts during the period between 12:01 a.m. on September 1, 2018 and the Effective Date on account of fees and disbursements (plus any applicable Taxes thereon) for services rendered by Cassels, or other legal counsel and advisors to Connacher, the Monitor, legal counsel to the Monitor, the Consenting First Lien Advisors, or other Persons from time to time retained by Connacher, in each case in connection with the CCAA Proceeding, the Plan Sponsorship Agreement or the implementation of the Plan (and the Restructuring Transactions) or the Purchase Transaction.

41. In the event that the Cash on Hand is less than the Existing Cash, the Plan Sponsor shall pay the amount of the difference (the "**Cash Adjustment Amount**") to the Monitor in trust for Connacher.

42. The Plan Sponsorship Agreement contains a timeline for the completion of certain Plan steps, provided however that such dates may be amended with the agreement of Connacher, the Plan Sponsor and the Consenting First Lien Lenders:

    (a) The Supplemental Claims Procedure Order and the Creditors' Meetings Order must be obtained by August 24, 2018;

    (b) The Sanction Order must be obtained by October 5, 2018; and

    (c) The Plan must be implemented by October 31, 2018 (the "**Outside Date**").

43. The Plan Sponsorship Agreement contains certain covenants, as well as a number of consent rights in favour of the Plan Sponsor, which require Connacher to operate in the ordinary course of business and refrain from taking certain actions without the consent of the Plan Sponsor.

44. No later than August 14, 2018, the Plan Sponsor shall make written offers of employment, conditional and effective on either the Effective Date of the Plan or the closing of the Purchase Transaction, as applicable, to substantially all but not less than 85% of Connacher's employees on terms that (i) provide recognition of past service, (ii) comply with the *Employment Standards Code* (Alberta), and (iii) contain commercially reasonable and market standard terms and conditions ("**Offers of Employment**"). Such Offers of Employment shall remain open for acceptance until 5:00 p.m. (Calgary time) on August 21, 2018. Employees who do not receive or accept an Offer of Employment (the "**Non-Continuing Employees**") will be entitled to prove a claim (a "**Non-Continuing Employee Claim**") in the Supplemental Claims Procedure for termination or severance pay owing to them in connection with the termination of their employment, and will be treated as unsecured creditors under the Plan.

45. In addition, the Plan Sponsorship Agreement obligates the Plan Sponsor to take steps, at its expense, to obtain any necessary approvals for the transaction from the Commissioner of Competition (Canada) (the "**Competition Act Approval**").

46. I have been advised that certain approvals from three government agencies in the People's Republic of China (the "**PRC Approvals**") are required for the Plan Sponsor to complete either form of the Plan Sponsor Transactions. As it is difficult to predict with certainty the timing of the receipt of the PRC Approvals, the Plan Sponsorship Agreement provides that the Plan Sponsor may, on notice to Connacher and the Monitor, extend the Outside Date up to two consecutive times if the required PRC Approvals or approvals under the *Competition Act* (Canada) remain outstanding. Such extensions, however, shall only be effective if the Plan Sponsor has delivered the amount of $1.5 million to the Monitor as an additional deposit for each extension (each an "**Additional Deposit**").

47. If a transaction with the Plan Sponsor is not completed as a result of a material breach by Plan Sponsor of any of its obligations under the Plan Sponsorship Agreement or failure by the Plan Sponsor to obtain the PRC Approvals by the Outside Date (as defined below), and Connacher is not in breach of the Plan Sponsorship Agreement at such time (other than by reason of the Plan Sponsor's breach), then the Deposit (including any Additional Deposits) will be immediately and irrevocably forfeited to Connacher. If the transaction is not completed for any other reason, the Deposit (including any Additional Deposits) will be returned to the Plan Sponsor within five Business Days after such termination.

48. The parties have certain rights of termination under the Plan Sponsorship Agreement, including:

(a) by mutual written agreement;

(b) if the Effective Date does not occur on or before the Outside Date, or in the event of a CCAA Plan Termination Event, the Closing Date of the Purchase Transaction does not occur before the Outside Date for Closing; and

(c) the right to terminate if conditions to closing in their favour have not been satisfied by the Outside Date.

B. Plan

49. A copy of the Plan was attached to the Plan Sponsorship Agreement, but subsequent to the execution of the Plan Sponsorship Agreement, the Plan was amended and restated in the form attached hereto as **Exhibit "C"**.

50. The Plan provides for two voting classes of creditors:

(a) the First Lien Lender Class, comprised of the First Lien Lenders; and

(b) the General Creditor Class, comprised of all other Affected Creditors, other than holders of Priority Secured Claims, Employee Priority Claims, Crown Priority Claims and Equity Claims. The General Creditor Class includes holders of First Lien Deficiency Claims and holders of Second Lien Claims, which represent the unsecured portions of such claims. The amounts for the First Lien Claim and the Second Lien Claim include interest through the current Outside Date.

51. Pursuant to the Plan, the Monitor will hold the Plan Implementation Fund (comprised of Plan Sponsored Funds, the Cash on Hand up to the amount of the Existing Cash and the Cash Adjustment Amount, if any). The Monitor will then create two pools for distribution to creditors in the applicable classes (the First Lien Lender Pool and the General Creditor Pool).

1. First Lien Lender Pool

52. Upon implementation of the Plan, the Monitor will distribute the funds comprising the First Lien Lender Pool to the First Lien Agent. The First Lien Lender Pool will be calculated by subtracting from the Plan Implementation Fund the following amounts:

(a) the amount required to satisfy the CCAA Charges, which are liens on Connacher's property that rank in priority to the First Lien Claim;

(b) the amount, if any, required to be held in the Directors' Charge Claims Reserve, which is a reserve established to ensure that all claims which would be secured by the Directors' Charge will be paid in full;

(c) the amount, if any, required to be held in the Retention Plan Claims Reserve, which is a reserve established to account for employee retention and incentive payments disputed by Connacher until such disputes are determined;

(d) the amount of $1 million required to be held in the Administrative Reserve Fund, which is to be held by the Monitor to account for the reasonable fees and disbursements of advisors retained by Connacher and the Monitor and other reasonable costs and expenses incurred by such parties in connection with implementing the Plan and winding up the CCAA Proceeding;

(e) the amount required to satisfy Priority Secured Claims, which are accepted Secured Claims determined to rank in priority to the First Lien Claim, including but not limited to any Municipal Tax Claims that qualify as Priority Secured Claims, other than the portion that is the Unaffected Municipal Tax Claim;

(f) the amount, if any required to be held in the Priority Secured Claims Reserve, which is a reserve established to account for Secured Claims that are Alleged Priority Secured Claims and remain in dispute, including the amount of the Municipal Tax Claims other than the Unaffected Municipal Tax Claims if the dispute over such amounts remains unresolved;

(g) the amount required to satisfy Crown Priority Claims that were outstanding on the Filing Date or related to the period ending on the Filing Date;

(h) the amount required to satisfy Employee Priority Claims;

(i) the amount, if any, required to be held in the Emkay Reserve if the dispute between Connacher and Emkay Canada Leasing Corp. in connection with the decision of the Honourable Justice K.D. Yamauchi dated December 11, 2017 remains unresolved; and

(j) the amount required to establish the General Creditor Pool for the benefit of the General Creditor Class.

53. If it is determined in accordance with the Plan that the reserves discussed above have excess funds after the required payments have been made, such excess funds will be added to the First Lien Lender Pool.

2. General Creditor Pool

54. The General Creditor Pool will consist of $500,000 plus the amount necessary to satisfy all Convenience Class Claims, being claims equal to or less than $2,000 and the claims of all General Creditors who make a distribution election ("**Distribution Election**") to receive $2,000 in full and final satisfaction of their claim.

55. The General Creditor Pool will be distributed by the Monitor to (i) the First Lien Agent in respect of the First Lien Deficiency Claims, (ii) the Second Lien Trustee in respect of the Second Lien Deficiency Claims, and (iii) the remaining General Creditors in respect of their General Creditor Claims.

3. Treatment of Equity Claims

56. Existing Shareholders and holders of Equity Claims shall not be entitled to receive any distributions under the Plan and all Equity Claims in Connacher shall be forever cancelled and extinguished on the Effective Date.

4. Unaffected Claims

57. The Plan will compromise only the Affected Claims as set out therein. Unaffected Claims that will not be compromised pursuant to the Plan include:

(a) certain post-filing claims in respect of services rendered or supplies provided to Connacher during the period beginning on the Filing Date and ending on the day immediately preceding the Effective Date;

(b) claims against Directors that, pursuant to section 5.1(2) of the CCAA, cannot be compromised, which have been preserved pursuant to the Initial Claims Procedure Order (as defined below) or the Supplemental Claims Procedure Order;

(c) certain claims that, pursuant to section 19(2) of the CCAA, cannot be compromised, which have been preserved pursuant to the Initial Claims Procedure Order or the Supplemental Claims Procedure Order;

(d) Insured Claims for which an Insured Claim Option Notice has been delivered to the Monitor in accordance with the terms of the Plan, indicating that the holder of such Claim has elected to assert its claim against an insurance policy held by Connacher;

(e) any indebtedness owing by Connacher to Burgess pursuant to the terms of the BEH Royalty Agreement;

(f) other than as set out in the Plan, any indebtedness owing by Connacher to ATB Financial under or pursuant to the ATB Credit Facilities; and

(g) the Unaffected Municipal Tax Claims;

58. The steps required to implement the Plan are set out in Schedule A to the Plan.

59. There are a number of conditions to the implementation of the Plan, including:

(a) the satisfaction of all conditions in the Plan Sponsorship Agreement, including receipt of the PRC Approvals;

(b) the approval of the Plan by the requisite majorities of creditors;

(c) the Sanction Order shall have been granted by this Honourable Court;

(d) the Monitor shall have received the Plan Sponsored Funds and the Cash Adjustment Amount, if any, from the Plan Sponsor and the Existing Cash from Connacher; and

(e) all necessary corporate actions and other agreements shall have been executed and delivered.

60. The Plan contains broad releases in favour of Connacher, Connacher's Directors and Officers, and third parties including the Monitor, the First Lien Agent, the Collateral Trustee, the Second Lien Trustee, the Consenting First Lien Lenders, the Financial Advisor and their respective advisors (the "**Released Parties**"). The Released Parties have made significant and often critical contributions to the development and implementation of Connacher's restructuring, including, without limitation, by devoting significant time and effort in overseeing Connacher's restructuring and making key decisions leading to a successful result that will in any circumstance see Connacher continue as a going concern with significant recoveries to many of its stakeholders, negotiating the Support Agreement to serve as an important backstop to the Plan Sponsor Transactions, providing professional advice to Connacher, the Monitor, the First

Lien Agent and the Consenting First Lien Lenders, and the Plan Sponsor, and, in the case of the Plan Sponsor, by entering into the Plan Sponsorship Agreement and, if approved and implemented, effecting a going concern purchase of Connacher's business.

61. The releases are broad in nature and, I am advised by counsel, are intended to protect the Released Parties from claims any Creditor, Affected Creditor, or other Person may bring in connection with acts taking place on or prior to the Effective Time relating to or otherwise in connection with Connacher's business and operations, Connacher's property and assets, the Affected Claims, the Plan, the Support Agreement, the Equity Claims and the Existing Shares, contracts disclaimed in the CCAA proceedings, any restructuring transaction in respect of which the Released Parties had any role, liabilities of the Directors and Officers including Claims that may be made against the Directors or Officers where by law such Directors of Officers may be liable in such capacities, or any Claim that has been barred or extinguished by the Initial Claims Procedure Order or the Supplemental Claims Procedure Order, and at the Effective Time Connacher is deemed to release and forever discharge every other Released Party from such claims.

62. I believe that the Released Parties have worked diligently towards ensuring the implementation a restructuring of Connacher's financial obligations for the benefit of its stakeholders and that such efforts have resulted in the execution and approval of the Support Agreement, negotiation of the Credit Bid Transaction (if necessary), the implementation of the renewed SISP, and the negotiation of the Plan Sponsor Transactions. If the Plan Sponsorship Agreement and the Purchase Agreement are approved, Connacher's going concern value will be preserved to the benefit of stakeholders. I believe that the proposed Plan and the Purchase Transaction would not have been possible without the participation and support of the Released Parties.

63. I am advised by counsel to the Plan Sponsor, as well as by counsel to the First Lien Agent and the Consenting First Lien Lenders that the releases are an important consideration for their support of the Plan Sponsor Transactions.

64. As a member of Connacher's Board of Directors (the "**Board**") I have been involved in extensive efforts to implement a restructuring of Connacher's business and operations over the last two years. The Special Committee of the Board (comprised of four independent directors) has been charged with overseeing, directing and developing with its advisors the potential restructuring options, and has dedicated significant time and resources to achieving a successful outcome for Connacher and emergence from CCAA protection whether through the Plan Sponsor Transactions or the Credit Bid Transaction (if necessary). The Special Committee's efforts as it relates to the Plan Sponsor Transactions included conducting multiple meetings for the purpose of providing direction on the negotiations with the Plan Sponsor, including reviewing the feedback from the Consenting First Lien Lenders and the Monitor. The Special Committee has benefitted from the assistance of its professional legal and financial advisors and has considered the options available to Connacher in light of its responsibilities. The Special Committee has made recommendations, which have been adopted by the Board and acted upon by Connacher's management, including its recommendations that Connacher enter into the Plan Sponsorship Agreement and proceed to seek approval of the Plan. I believe that the Special Committee was instrumental in formulating and executing the Plan Sponsorship Agreement and the Purchase Agreement.

65. Section 8.1 of the Plan requires that the Sanction Order will provide that 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.

66. I am advised by counsel to the Monitor that the Monitor has reviewed the Releases in the Plan and supports their approval.

C. <u>The Purchase Agreement</u>

67. Concurrent with the execution of the Plan Sponsorship Agreement, Connacher and the Plan Sponsor have executed the Purchase Agreement, which will only become effective upon the occurrence of a CCAA Plan Termination Event.

68. The Purchase Agreement provides for the going concern sale of substantially all of Connacher's assets to the Plan Sponsor. While the mechanics of the Purchase Transaction differ from the Plan Transaction, the Purchase Transaction is intended to affect the transfer of the business and operations in a similar manner and certain of the technical or operational issues involved in such transfer are the same under this transaction.

69. A copy of the Purchase Agreement is attached hereto as **Exhibit "D"**.

70. Pursuant to the Purchase Agreement, Connacher will transfer to the Plan Sponsor substantially all of its assets and the Plan Sponsor will make Offers of Employment to substantially all but no less than 85% percent of Connacher's employees, on similar terms as described above for the Plan Transaction. The Plan Sponsor will also, upon closing, assume and become responsible for all liabilities relating to the ownership of the Purchased Assets, including the Unaffected Municipal Tax Claims.

71. The purchase price to be paid by the Plan Sponsor under the Purchase Agreement is $109.5 million. Although the purchase price under the Purchase Transaction is $4 million less than under the Plan Transaction, the amount available to stakeholders under the Purchase Transaction exceeds the Minimum Consideration Threshold.

72. Connacher holds certain licences, permits and approvals from the Alberta Energy Regulator (the "**AER**") which are essential to its business and operations. The Purchase Agreement requires Connacher to submit all necessary licence transfer applications to the AER and to assist the Plan Sponsor with obtaining such licences.

73. The Purchase Agreement contains several conditions to closing, including:

    (a) the entry by this Court of the Approval and Vesting Order;

    (b) if required, approval under the *Competition Act* (Canada) shall have been obtained; and

    (c) the Plan Sponsor shall have obtained the PRC Approvals.

74. The Regulatory Approvals described above in connection with the Plan Sponsorship (including the Competition Act Approval and the PRC Approvals) Agreement will also be required in order for the Plan Sponsor to complete the Purchase Transaction. There are no separate or additional Chinese applications or approvals required.

75. The Purchase Agreement contains a number of consent rights in favour of the Plan Sponsor, which require Connacher to operate in the ordinary course of business and refrain from taking certain actions without the consent of the Plan Sponsor.

76. The Plan Sponsor acknowledges that it will acquire the Purchased Assets on an “as is, where is” basis and the Plan Sponsor will assume responsibility for existing and future Abandonment and Reclamation Obligations (as defined in the Purchase Agreement) associated with the Purchased Assets and releases Connacher of any and all responsibility in connection with such obligations.

77. The Purchase Agreement contains a mechanism for the exercise of rights of first refusal (“**ROFRs**”) by third parties, which will allow the Purchase Transaction to proceed in the event that such third parties choose to exercise their ROFRs. I understand the holders of the ROFRs will be served with the materials for this Application.

78. The Purchase Agreement has certain termination rights in favour of Connacher and the Plan Sponsor. Such termination rights arise where, among other instances:

(a) the conditions precedent in favour of Connacher or the Plan Sponsor, including obtaining the PRC Approvals, have not been satisfied or waived;

(b) the Approval and Vesting Order is not granted prior to the Outside Date for the Approval Order (as defined in the Purchase Agreement);

(c) the Competition Act Approval (as defined in the Purchase Agreement) has not been obtained by the Closing Date;

(d) Closing has not occurred by the Outside Date for Closing (as defined in the Purchase Agreement); or

(e) the Plan Transaction has been completed.

IV. The Orders Requested

A. Creditors’ Meetings Order

79. The Creditors’ Meetings Order contains a provision approving Connacher’s execution and delivery of the Plan Sponsorship Agreement and authorizing Connacher to take all steps and to comply with its obligations pursuant thereto.

80. The proposed Creditors’ Meetings Order also accepts the filing of the Plan and authorizes Connacher to convene the meetings of two classes of creditors to consider and vote on the Plan: (i) the First Lien Lender Class, and (ii) the General Creditor Class.

81. Connacher proposes that the Creditors’ Meetings will be held at the offices of Cassels Brock & Blackwell LLP, Suite 3810, Bankers Hall West, 888 3rd Street SW, Calgary, Alberta at the following times:

(a) meeting of the First Lien Lender Class (the “**First Lien Lender Meeting**”) beginning at 10:00 a.m. on October 3, 2018; and

(b) meeting of the General Creditor Class (the “**General Creditor Class Meeting**”) beginning at 10:15 a.m. on October 3, 2018.

82. Further, the Creditors' Meetings Order contains a provision extending the Stay Period through and including October 31, 2018. The facts supporting Connacher's request for such extension of the Stay Period are set out below.

83. Additional information relevant for stakeholders with an interest in the Plan and procedures for voting thereon are set out in the Information Circular, a draft of which is attached as **Exhibit "E"** hereto.

1. Classification of Creditors

84. The Creditors' Meetings Order sets out two classes of creditors to consider and vote on the Plan: (i) the First Lien Lender Class, and (ii) the General Creditor Class.

85. The First Lien Lender Class is comprised of the First Lien Lenders, which share the rights governed by the First Lien Credit Agreement and the related debt documents.

86. The General Creditor Class is comprised of Connacher's remaining Affected Creditors. This group includes holders of the First Lien Deficiency Claim (the unsecured portion of the First Lien Claim), holders of the Second Lien Claim (which is deemed to be an unsecured claim for the purposes of the Plan), holders of Non-Continuing Employee Claims, and holders of all other unsecured claims which are not Unaffected Claims.

2. Notice

87. The Creditors' Meetings Order provides for comprehensive notice of the Creditors' Meetings to Affected Creditors. To assist in this process, Connacher has retained Kingsdale Advisors (the "**Solicitation Agent**").

(a) The Monitor will provide copies of the First Lien Lenders Meeting Materials to the First Lien Agent to be distributed to the Beneficial First Lien Lenders identified by the First Lien Agent as at the First Lien Record Date and provide a copy of the First Lien Lenders Meeting Materials to counsel for the Consenting First Lien Lenders;

(b) The Solicitation Agent will provide each participant holder ("**Participant Holder**") with copies of the Beneficial Noteholder Information Package, for the Participant Holders' distribution thereof to the Beneficial Noteholders holding accounts with such Participant Holder; and

(c) The Monitor will deliver the General Creditors Meeting Materials to (i) each General Creditor (other than First Lien Lenders and Second Lien Noteholders) at the address set out in such General Creditor's proof of claim, and (ii) each Non-Continuing Employee at the address set out in Connacher's books and records.

88. The Monitor will cause a newspaper notice to creditors to be published on or prior to August 29, 2018 in each of the *Daily Oil Bulletin,* the *Calgary Herald* and the *Globe and Mail (National Edition)*, provided that the Monitor shall not be required to publish any further notice in the case of the adjournment of the Creditors' Meeting(s).

89. No later than seven days before the date of the Creditors' Meetings, the Monitor shall serve a report regarding the Plan on the service list and cause such report to be posted on the Website.

90. As soon as practicable after the granting of the Creditors' Meetings Order, if approved, Connacher shall issue a press release and the Monitor shall post such press release on the Website. As the claims of Connacher's creditors will be compromised, the Plan does not contemplate any value accruing to shareholders or holders of Equity Claims. As a result, shareholders and holders of Equity Claims will not be entitled to attend or vote at the Creditors' Meetings.

3. Conduct of the Creditors' Meetings

91. The Creditors' Meetings Order provides that a representative of the Monitor will preside as the chairperson of the Creditors' Meetings and, subject to any further Order of the Court, will decide all matters relating to the conduct of the Creditors' Meetings.

92. The quorum required at each Creditors' Meeting shall be one Affected Creditor with an Accepted Claim present at the Creditors' Meeting in person or by proxy.

93. Only certain parties (or their representatives) are entitled to attend and speak at a Creditors' Meeting, which include the Affected Creditors entitled to vote at such Creditors' Meeting or their proxyholders, representatives of Connacher's Board and senior management, the First Lien Agent, the Consenting First Lien Lenders, the Monitor, the Second Lien Trustee and the Plan Sponsor, the Financial Advisor, and the Solicitation Agent.

94. General Creditors other than First Lien Lenders and Second Lien Noteholders may transfer the whole of their Claim, provided that neither Connacher nor the Monitor are obliged to deal with a transferee as a General Creditor in respect of such Claim unless proof of assignment has been received and acknowledged by the Monitor in writing on or before 5:00 p.m. ten Business Days prior to the Creditors' Meeting for the General Creditor Class.

4. Voting for Affected Creditors

95. The voting procedures were designed to provide a fair and equitable opportunity for Affected Creditors to register their votes for or against approval of the Plan. The Creditors' Meeting order provides, *inter alia*:

(a) an Affected Creditor other than a Beneficial Noteholder will be permitted to attend the applicable Creditors' Meeting(s) in person or may appoint another person to attend the applicable Creditors' Meeting(s) as its proxyholder in accordance with the process for selection and appointment of proxies provided in the Creditors' Meetings Order. The Creditors' Meetings Order contains provisions outlining the requirements for Affected Creditors to vote by proxy, and sets out the procedure and deadlines for submitting a proxy;

(b) each Beneficial First Lien Lender shall be entitled to one vote as a member of the First Lien Lender Class, which vote shall have a value equal to the dollar value of such Beneficial First Lien Lenders' Pro Rata Share of the First Lien Claim as at the First Lien Record Date;

(c) each General Creditor shall be entitled to one vote as a member of the General Creditor Class, which vote shall have a value equal to the aggregate dollar value of such General Creditor's:

(i) Pro Rata Share, if any, of the First Lien Deficiency Claim as of the First Lien Record Date;

(ii) Pro Rata Share, if any, of the Second Lien Deficiency Claim as of the Second Lien Notes Record Date; and

(iii) the balance of such General Creditor's Voting Claim, if any;

(d) Beneficial Noteholders are required to provide their Voting Instructions to their Participant Holder on or prior to the Beneficial Noteholder Voting and Election Deadline. Beneficial Noteholders who identify themselves as holding General Creditor Claims greater than $2,000 are able to make a Distribution Election when completing their Voting Instructions, and Beneficial Noteholders who identify themselves as holding General Creditor Claims equal to or less than $2,000 will be deemed to make a Distribution Election and vote in favour of the Plan;

(e) each Participant Holder shall provide to the Solicitation Agent a summary of all Voting Instructions received from Beneficial Noteholders (the "**Master Proxy**") no later than 5:00 p.m. on October 1, 2018, and the Solicitation Agent shall provide the Master Proxy to the Monitor and the scrutineers prior to the General Creditor Class Meeting;

(f) each Convenience Class Creditor will be deemed to vote in favour of the Plan and shall not be entitled to vote at the General Creditor Class Meeting;

(g) any Affected Creditor (other than a Beneficial Noteholder) that is entitled to vote at one or more Creditors' Meetings must complete and deliver a First Lien Lenders Proxy and/or General Creditors Proxy, as the case may be, to the Monitor so that it is received on or before the proxy deadline;

(h) the vote "FOR" or "AGAINST" a resolution indicated by a First Lien Lender on its First Lien Lender Proxy shall be deemed to be such First Lien Lender's vote in respect of any General Creditor Claims (including any First Lien Deficiency Claims or Second Lien Deficiency Claims) held by such First Lien Lender for the General Creditor Class Meeting; and

(i) an Affected Creditor holding a disputed claim as at the Creditors' Meetings Record Date shall be entitled to attend the applicable Creditors' Meeting(s) and shall be entitled to one vote in respect of such disputed claim. The Monitor shall keep a separate record of votes cast by Affected Creditors with disputed claim and shall report to the Court with respect thereto at the Sanction Hearing.

5. <u>Approval and Court Sanction of the Plan</u>

96. The Monitor shall provide a report to the Court one Business Day after the Creditors' Meetings with respect to: (i) the results of any votes taken at the Creditors' Meetings, (ii) whether each of the Required Majorities has approved the Plan, (iii) the separate tabulation of votes cast on account of disputed claims, and (iv) in its discretion, any other matter relating to Connacher's application seeking sanction of the Plan.

97. In the event that the Plan is approved by the Requisite Majorities, Connacher intends to apply to the Court at 10:00 a.m. on October 4, 2018 for the Sanction Order.

98. The proposed Creditors' Meetings Order provides that service of such Order by the Monitor or Connacher to the parties on the Service List shall constitute good and sufficient service of notice of the Sanction Hearing and that no other materials need be served in respect of the Sanction Hearing, except that any party who wishes to rely upon additional materials must serve the Service List with such materials by 5:00 p.m. at least one Business Day prior to the Sanction Hearing.

99. The proposed Creditors' Meetings Order also provides that any Person who wishes to oppose the Sanction Hearing shall serve on Connacher, the Monitor and the Service List a notice setting out the basis for such opposition and a copy of the materials to be used to oppose the Sanction Hearing by no later than 5:00 p.m. seven Business Days prior to the Sanction Hearing.

100. I believe that the procedures for notification and creditor voting set out in the proposed Creditors' Meetings Order are appropriate in the circumstances. Further, the Plan has the support of the Consenting First Lien Lenders, who collectively hold more than 75% of the First Lien Claim (in the First Lien Lender Class), and the First Lien Deficiency Claim (in the General Creditor Class).

6. Stay Extension

101. If the relief sought in this Application is granted, Connacher will require an extension of the Stay Period to implement the Plan Sponsor Transactions, including holding the Creditors' Meetings on October 3, 2018, seeking the Sanction Order, and completing the Plan Transaction or the Purchase Transaction, as the case may be.

102. Connacher requests that this Honourable Court grant an extension of the Stay Period (which currently expires on September 30, 2018) through and including October 31, 2018, which is the current Outside Date under the Plan Sponsorship Agreement.

103. Considering the efforts to implement the Plan Sponsor Transactions, I believe that the proposed extension of the Stay Period is necessary and is in the best interests of Connacher and its stakeholders.

104. To the best of my knowledge, based on Connacher's current cash on hand and cash flow projections, Connacher will have sufficient liquidity through the proposed extension of the Stay Period. I am advised by the Monitor and do verily believe that an updated cash flow projection for the period covering the proposed extension of the Stay Period will be attached to the 17th Report.

105. It is my belief that Connacher has acted and continues to act in good faith and with due diligence in these proceedings, including in implementing the SISP in accordance with its terms, and negotiating a definitive restructuring plan for the benefit of its stakeholders.

B. Approval and Vesting Order

106. Connacher is seeking this Honourable Court's approval of the Approval and Vesting Order at this time in order to facilitate the timely completion of the Purchase Transaction if a CCAA Plan Termination Event occurs. If, however, the parties complete the Plan Transaction as intended, the Monitor's Certificate under the Approval and Vesting Order will not be delivered.

107. The requested Approval and Vesting Order approves and authorizes Connacher to enter into and perform under the Purchase Agreement. The order also contains a vesting provision that provides that the Purchased Assets will, upon the delivery of the Monitor's Certificate, vest absolutely in the Plan Sponsor, free and clear of all claims and encumbrances except for the Permitted Encumbrances and ordering that all claims and encumbrances other than the Permitted Encumbrances are discharged against the Purchased Assets, and will instead attach to the net proceeds from the sale of the Purchased Assets.

108. The Permitted Encumbrances, which will remain unaffected by the transfer of the Purchased Assets, include, among other things, the BEH Royalty Agreement and the Unaffected Municipal Tax Claims. The Approval and Vesting Order contemplates the discharge of the other encumbrances identified, and authorizes provincial regulatory authorities to take such actions as are necessary to discharge liens registered against the Purchased Assets and to convey title/ownership rights in respect of the Purchased Assets to the Plan Sponsor.

109. Upon delivery of the Monitor's Certificate, the holders of the Permitted Encumbrances shall cease to have any claim whatsoever against the Monitor or Connacher.

110. The Approval and Vesting Order makes clear that its terms do not abrogate or amend the approval process to transfer the applicable licences, permits and approvals by the AER and the British Columbia Oil and Gas Commission pursuant to legislation administered by such bodies.

111. The Plan Sponsor Transactions are the result of significant negotiations carried out between Connacher and the Plan Sponsor, in consultation with the Consenting First Lien Lenders, the Monitor, and the Financial Advisor, with the assistance of such parties' advisors.

112. The Plan Sponsorship Agreement and the Purchase Agreement should be approved for the following reasons:

(a) Connacher implemented the SISP as approved by this Court, including by coordinating its efforts with the Monitor and the Financial Advisor, and providing information on a timely basis to those parties and, where required, to the Consenting First Lien Lenders. The Consenting First Lien Lenders were not permitted to, and did not, amend the consideration offered in the Credit Bid Transaction to compete with bidders in the SISP;

(b) The Monitor and the Consenting First Lien Lenders supported Connacher's efforts to obtain the SISP Approval Order and have continued to support Connacher throughout the implementation of the SISP;

(c) I am advised by counsel to the Monitor and do verily believe that the Monitor supports the Plan Sponsor Transactions. I am advised by counsel to the Monitor that the 17th Report will express the Monitor's opinion that the Plan Sponsor Transactions will be more beneficial to the creditors than a sale or disposition under a bankruptcy;

(d) In the circumstances, where Connacher has implemented a thorough, Court-approved SISP that generated considerable interest and participation, I believe that the proposed sale will maximize the value of Connacher's assets. I do not believe that the further marketing of Connacher's business would be likely to result in greater realizations, as all likely bidders have already been provided the opportunity to participate in the SISP;

(e) The Special Committee has recommended, and Connacher's Board has approved and authorized, Connacher to enter into the Plan Sponsorship Agreement and the Purchase Agreement;

(f) Connacher is pursuing the Plan Transaction pursuant to the Plan Sponsorship Agreement because the purchase price payable under the Plan Transaction is $4 million greater than under the Purchase Transaction, and therefore, the recovery to stakeholders generally is more favourable in the Plan Transaction than in the Purchase Transaction;

(g) I believe that the Plan Sponsorship Agreement and the Plan Transaction contemplated therein are fair and reasonable and are in the best interest of Connacher and its stakeholders as they increase the likelihood of a successful restructuring of Connacher's business and financial obligations. In particular, the Plan Sponsorship Agreement creates a viable path for a going-concern continuation of Connacher's business, to the benefit of Connacher's employees, suppliers, and customers; and

(h) In consideration of the two competitive and confidential negotiated bid process undertaken, and the number of bids received, it is my opinion that the consideration to be received for the assets pursuant to the Purchase Agreement is reasonable and fair, taking into account fair market value.

113. As a component of the Approval and Vesting Order the Monitor seeks to seal on the court file the Confidential Supplement to the 17th Report. The Confidential Supplement includes the details of the Monitor's analysis of the Plan Sponsor Transactions. This analysis includes information regarding the other participants in the SISP and a comparison of the bids received.

114. I believe that the further relief requested in the Approval and Vesting Order is reasonable and appropriate in the circumstances to affect the totality of the terms of the Purchase Transaction. Similarly, I believe that the further relief requested in the Creditors' Meetings Order is reasonable and appropriate in the circumstances to affect the totality of the terms of the Plan Transaction.

C. <u>Supplemental Claims Procedure Order</u>

115. Pursuant to the Claims Procedure Order dated August 24, 2016 in these proceedings (the "**Initial Claims Procedure Order**"), Connacher, with the assistance of the Monitor, implemented a claims procedure (the "**Initial Claims Procedure**") to identify and determine certain claims against it and its Directors and Officers. The Initial Claims Procedure had a claims bar date of September 26, 2016, (the "**Initial Claims Bar Date**") and required that counterparties to terminated or disclaimed contracts file claims by the later of the Initial Claims Bar Date and fifteen calendar days following the termination or disclaimer.

116. The purpose of the Initial Claims Procedure was to gain an understanding of the universe of claims against Connacher and its Directors and Officers, in order to make

informed decisions regarding bids received in the initial sale and investment solicitation process, and better evaluate Connacher's restructuring options.

117. Connacher seeks approval of the Supplemental Claims Procedure in order to create an efficient procedure to solicit and determine any (i) Non-Continuing Employee Claims, (ii) Post-Filing Claims (as defined below), (iii) claims that rank *pari passu* with or in priority to the claims of the First Lien Lenders ("**Secured Claims**"), and (iv) post-CCAA filing claims against Connacher's Directors and Officers ("**Post-Filing D&O Claims**", and, collectively with Non-Continuing Employee Claims, Post-Filing Claims and Secured Claims, "**Claims**").

118. Irrespective of whether the Plan Transaction or the Purchase Transaction is ultimately implemented, Connacher must determine the universe of claims against it, including any claims that share priority with, or have priority over, the secured claims of the First Lien Lenders. Connacher must also identify post-filing claims against its Directors and Officers which may form the basis of a claim secured by the Directors' Charge established in the Initial Order.

119. In addition, Connacher must determine the quantum of Non-Continuing Employee Claims held by the Non-Continuing Employees to permit such Non-Continuing Employee to vote on the Plan and receive their distributions. Non-Continuing Employees Claims are claims for termination or severance pay or for payments arising from the termination of a Non-Continuing Employee's employment upon the implementation of the Plan Transaction or the Purchase Transaction, but excluding Employee Priority Claims (as defined in the Plan) and any entitlement of the Non-Continuing Employees under an employee incentive or retention plan granted during Connacher's CCAA proceeding.

120. Finally, in order to determine with certainty the quantum of Connacher's Existing Cash for the completion of the Plan Transaction, the Supplemental Claims Procedure will solicit certain post-filing claims ("**Post-Filing Claims**") from parties who have provided services to Connacher from the Filing Date through September 1, 2018. Unlike the other claims being solicited in the Supplemental Claims Procedure, Post-Filing Claims will not be compromised and will be paid by Connacher in accordance with existing arrangements or as otherwise provided in the Plan.

121. The proposed Supplemental Claims Procedure Order contains the following procedures for notifying known claimants and unknown claimants of the Supplemental Claims Procedure:

(a) as soon as practical and by no later than August 24, 2018, the Monitor shall send a claims package to each known potential claimant (other than in respect of Post-Filing Claims which are separately addressed) by prepaid ordinary mail to the last known address or by electronic mail;

(b) as soon as practicable after entry of the order, the Monitor shall publish a notice to claimants in each of the *Daily Oil Bulletin, Calgary Herald, and the Globe and Mail* (National Edition), and shall post electronic copies of the notice, claims package, and Supplemental Claims Procedure Order on the Website for Connacher's CCAA proceeding as soon as practically possible after the Supplemental Claims Procedure Order is granted; and

(c) upon request by an unknown claimant, the Monitor shall send a claims package to such unknown claimant prior to the Supplemental Claims Bar Date or the Post-Filing Claims Bar Date (each as defined below), as applicable.

122. Any claimant wishing to assert a Secured Claim or a Post-Filing D&O Claim shall file a proof of claim with the Monitor by September 19, 2018 (the "**Supplemental Claims Bar Date**").

123. Any claimant that does not return a proof of claim to the Monitor by the Supplemental Claims Bar Date shall be forever barred from making a Secured Claim or Post-Filing D&O Claim against Connacher or its Directors and Officers, as applicable, and such Secured Claims and Post-Filing D&O Claims will be forever extinguished and barred without any further act or notification.

124. For Non-Continuing Employee Claims, the Supplemental Claims Procedure Order contemplates a negative option claims process whereby Connacher will notify Non-Continuing Employees of the amount of their claim (the "**Claim Determination**"), and Non-Continuing Employees will have the opportunity to dispute the Claim Determination by submitting a notice of dispute described in the Supplemental Claims Procedure Order. Non-Continuing Employees are not required to submit a proof of claim, however, any Non-Continuing Employee who does not dispute the Claim Determination will be deemed to accept it. Non-Continuing Employees can also choose to submit their claim as a Post-Filing D&O Claim, in which case, they will be required to submit a proof of claim.

125. Similarly, the Monitor will send a notice to holders of Post-Filing Claims, detailing the Claim Determination of their Claim and providing such claimants the opportunity to dispute such Claim Determination by submitting a Notice of Dispute. In light of the need to determine such Claim Determination owing to holders of Post-Filing Claims after September 1, 2018, such notice will be sent by September 11, 2018 and a separate, later claims bar date of October 1, 2018 (the "**Post-Filing Claims Bar Date**") will apply.

126. In consideration of the negative-option claims process developed for holders of Non-Continuing Employee Claims and Post-Filing Claims, the Supplemental Claims Procedure also gives claimants who do not receive notices of such Claims or who may hold Restructuring Period Claims the opportunity to file a proof of claim with the Monitor by the Supplemental Claims Bar Date or Post-Filing Claims Bar Date, as applicable.

127. Nothing in the Supplemental Claims Procedure Order has the effect of or deems to reverse or reinstate any claims that were barred or extinguished pursuant to the Initial Claims Procedure Order.

128. The Supplemental Claims Procedure Order also confirms that former employees or persons alleging to be former employees of Connacher whose employment or contract of employment was terminated (or alleged to be terminated) after the Filing Date other than Non-Continuing Employees (the "**Former Employees**") will receive a claims package and be entitled to complete and return a proof of claim to the Monitor by the Supplemental Claims Bar Date. The claims of Former Employees will, other than the specific terms of the Supplemental Claims Procedure Order relating thereto, be governed by the Initial Claims Procedure Order.

129. Upon being provided with the filed Claims, Connacher, with the assistance of the Monitor, shall review all proofs of claim and shall accept, revise or disallow the amount

of each Claim. The Monitor shall thereafter notify each claimant as to whether such claimant's Claim has been revised or rejected and an explanation by sending a Notice of Revision or Disallowance (as defined in the Supplemental Claims Procedure Order). Any claimant who disputes the revision or rejection of their Claim may dispute the revision or rejection by delivering a Notice of Dispute to the Monitor by no later than fifteen calendar days after deemed delivery of the Notice of Revision or Allowance. Similarly, any Non-Continuing Employee or holder of a Post-Filing Claim who wishes to dispute its Claim Determination amount may deliver a Notice of Dispute.

130. I believe that approval of the Supplemental Claims Procedure is reasonable and appropriate in the circumstances, including for the following reasons:

(a) the Supplemental Claims Procedure was developed in consultation with the Monitor, the Plan Sponsor and the Consenting First Lien Lenders, and is supported by those parties; and

(b) the Supplemental Claims Procedure will:

(i) in the event that the Plan Transaction is implemented, help to identify and quantify the universe of Claims against Connacher and its Directors and Officers, ensuring that all claimants with valid Claims are given the opportunity to vote on the Plan pursuant to the terms of the Creditors' Meetings Order;

(ii) in the case of Post-Filing Claims, this process will help to determine the amounts of such Claims to allow such Claims to be paid in accordance with existing arrangements or as otherwise provided in the Plan, and will provide certainty to Connacher and the Plan Sponsor on the proper calculation of Existing Cash to be paid by Connacher into the Plan Implementation Fund discussed above; and

(iii) in the event that the Purchase Transaction is implemented, help to identify the universe of Claims that will be required to be paid out of the proceeds of the Purchase Transaction.

V. Conclusion

131. I believe the Plan Transaction and the Purchase Transaction are in the best interests of Connacher and its stakeholders and that the requested orders should be granted in the proposed forms.

SWORN before me at the City of Calgary, in the Province of Alberta, on August 13, 2018 R Comstock Commissioner for Oaths/Notary Public in and for the Province of Alberta Richard Comstock My Commission Expires September 21, 2018	Merle Johnson MERLE JOHNSON

EXHIBIT "A"

This is Exhibit "A"
referred to in the affidavit of
Merle Johnson
sworn before me this 13
day of August, 20 18.

R. Comstock

A Commissioner for Oaths in and for Alberta

Richard Comstock
My Commission Expires September 21, 2018

Procedures for the Sale and Investment Solicitation Process

1. On May 17, 2016, Connacher Oil and Gas Limited (the "**Company**") obtained an initial order (the "**Initial Order**") under the *Companies' Creditors Arrangement Act* ("**CCAA**") from the Alberta Court of Queen's Bench (the "**Court**").

2. On March 28, 2018, the Court granted an order, which, among other things: (a) authorized the execution by the Company of a support agreement with certain of the First Lien Lenders (the "**Consenting First Lien Lenders**") and the First Lien Agent dated March 19, 2018 (the "**Support Agreement**") and (b) approved this sale and investment solicitation process (the "**SISP**").

3. The Support Agreement provides that the Consenting First Lien Lenders shall support the approval and implementation of either: (a) in the event that a Successful Bid is selected pursuant to this SISP, a Superior Transaction, or (b) in the event that a Successful Bid is not selected pursuant to this SISP, the "**Restructuring Transaction**" (as defined and more particularly described in the Support Agreement) which would involve, *inter alia*, the Property and Business being transferred from the Company to a new corporation to be owned by the First Lien Lenders, and the First Lien Lenders credit bidding a portion of the First Lien Claim Amount in connection with such transfer.

4. The purpose of the SISP is to solicit proposals for a Superior Transaction that may constitute a Successful Bid, and if no Successful Bid is selected and implemented in accordance with the SISP, to provide for the prompt implementation of the Restructuring Transaction.

5. Set forth below are the procedures (the "**SISP Procedures**") to be followed with respect to the SISP and, if applicable, following selection of a Successful Bid, to complete the transaction contemplated thereby.

Defined Terms

6. All capitalized terms used but not otherwise defined herein shall have the meanings given to them in **Appendix "A"** hereto.

Solicitation Process and Timeline

7. The SISP Procedures set forth herein describe the manner in which prospective bidders may gain access to or continue to have access to the Diligence Materials concerning the Company, its business and operations (the "**Business**") and its assets, undertakings and properties (collectively, the "**Property**"), the manner in which a bid becomes a Qualified Phase I Bid or a Qualified Phase II Bid, the receipt and negotiation of bids received, the ultimate selection of a Successful Bid, if any, and the approval thereof by the Court.

8. The Company shall implement these SISP Procedures with the assistance of the Financial Advisor and Cassels and in consultation with the Monitor. In the event that there is disagreement as to the interpretation or application of these SISP Procedures, the Court will have jurisdiction to hear and resolve any such dispute.

9. The following table sets out the key milestones under this SISP, subject to extension by the Company pursuant to and in accordance with these SISP Procedures:

Milestone	**Deadline**
Phase I Bid Deadline	May 23, 2018
Phase II Bid Deadline	June 20, 2018
Court Approval of Successful Bid	July 17, 2018
Closing of Transaction	August 17, 2018

<u>Solicitation of Interest</u>

10. As soon as reasonably practicable following Court approval of this SISP, the Financial Advisor, in consultation with the Company, the Monitor and the Consenting First Lien Lenders, shall (a) prepare a list of potential bidders, including strategic and financial parties, that may be interested in submitting a proposal in respect of a Superior Transaction (a "**Potential Bidder**"); (b) prepare a summary teaser describing the opportunity to participate in the SISP and an overview of the SISP Procedures (the "**Teaser Letter**"); (c) prepare a confidential information memorandum ("**CIM**") with respect to the opportunity, if appropriate; and (d) establish a data room (the "**Data Room**") of due diligence materials (the CIM and the materials in the Data Room collectively being the "**Diligence Materials**") that the Company and the Financial Advisor believe may be useful for Potential Bidders. At the same time, the Company shall issue a press release setting out relevant information regarding the SISP with Canada Newswire and such other major news-outlets for dissemination in Canada, major financial centres in the United States and such other international locations as the Company, in consultation with the Financial Advisor and the Monitor, may determine to be reasonably appropriate.

11. As soon as reasonably practicable, the Financial Advisor shall contact the Potential Bidders to introduce the opportunity and to provide a copy of the Teaser Letter to any Potential Bidder that requests a copy thereof. The Monitor shall post a copy of the SISP and the Teaser Letter on the Case Website.

<u>Due Diligence Access</u>

12. In order to participate in the SISP and to be granted access to the Diligence Materials, a Potential Bidder must deliver to the Company, with a copy to the Financial Advisor and the Monitor, at the addresses specified in **Appendix "B"** hereto (including by email): (i) an executed confidentiality agreement in form and substance satisfactory to the Company ("**Confidentiality Agreement**"), and (ii) an executed acknowledgement of these SISP Procedures in form and substance satisfactory to the Company (the "**SISP Acknowledgment**").

13. All Potential Bidders that have executed and delivered a Confidentiality Agreement and a SISP Acknowledgment in accordance with these SISP Procedures shall be deemed to be a qualified phase I bidder (a "**Qualified Phase I Bidder**") and will be promptly notified of such classification by the Financial Advisor. The Company shall advise the Monitor and the Consenting First Lien Lenders of the list of the Qualified Phase I Bidders, which information shall be maintained strictly confidential.

14. Qualified Phase I Bidders shall be provided with a copy of the CIM and with access to the Phase I Data Room and, if requested by the Qualified Phase I Bidder, such further information as the Company may deem appropriate. The Company (including any of its officers, directors, employees, agents or advisors) makes no representation or warranty as to the accuracy and completeness of the information contained in the Teaser Letter or in the Diligence Materials, except to the extent expressly provided in any definitive sale or investment

agreement with a Successful Bidder executed and delivered by the Company (a "**Definitive Agreement**").

15. The Company, in consultation with the Financial Advisor and the Monitor, reserves the right to withhold any Diligence Materials that the Company determines, in its sole discretion, is business sensitive or otherwise not appropriate for disclosure to a Potential Bidder who is a competitor or customer of the Company or is affiliated with any competitor or customer of the Company.

LOI Submissions

16. A Qualified Phase I Bidder, if it wishes to submit a bid, must deliver written copies of a non-binding letter of intent (a "**Phase I Bid**") to the Financial Advisor, with a copy to the Company and the Monitor, at the addresses specified in **Appendix "B"** hereto (including by email) so as to be received by them no later than 12:00 p.m. (Mountain Time) on May 23, 2018, or such other date or time as may be agreed by the Company, with the consent of the Consenting First Lien Lenders and in consultation with the Financial Advisor and the Monitor (the "**Phase I Bid Deadline**").

17. A Phase I Bid will be deemed to be a "**Qualified Phase I Bid**" only if the Phase I Bid complies with all of the following:

(a) it includes:

(i) in the case of an offer to purchase the Business or any or all of the Property, a term sheet describing the terms and conditions of the proposed transaction, including identification of the Business or the Property (including any liabilities to be assumed) proposed to be acquired, the purchase price for the Business or Property proposed to be acquired (the "**Purchase Price**"), and the structure and financing of the proposed transaction; or

(ii) in the case of an offer to make an investment in the Company, a term sheet describing the terms and conditions of the proposed transaction, including details regarding the proposed equity and debt structure of the Company following completion of the proposed transaction, the direct or indirect investment target and the aggregate amount of equity and debt investment (including the sources of such capital, the underlying assumptions regarding the pro forma capital structure, as well as anticipated tranches of debt, debt service fees, interest and amortization) to be made in the Company, the debt, equity or other securities, if any, proposed to be allocated to any secured or unsecured creditors of the Company, the terms of repayment of the Priority Claims, the terms of repayment of all or part of the First Lien Claim Amount and whether and what portion, if any, of the other secured and unsecured creditors of the Company will be paid in cash or other consideration;

(b) it provides for net sale or investment proceeds (exclusive of the Company's cash-on-hand) sufficient to meet the Minimum Consideration Threshold;

(c) it confirms that the Company's existing cash-on-hand at the time of closing shall be excluded from the transaction and shall be available for the Company to satisfy claims of its creditors;

(d) it includes written evidence of the financial ability to consummate the proposed transaction that will allow the Company to make a reasonable determination as to the Qualified Phase I Bidder's financial and other capabilities to consummate the transaction contemplated by the Phase I Bid;

(e) it contains a description of the conditions and approvals required for a final and binding offer, including any anticipated corporate, security holder, internal or regulatory approvals required to close the transaction, and an estimate of the anticipated time frame and any anticipated impediments for obtaining such approvals;

(f) it contains an outline of any additional due diligence required to be conducted in order to submit a final and binding offer;

(g) it fully discloses the identity of each person (including any person that controls such person) that will be directly or indirectly sponsoring or participating in the bid and the complete terms of any such participation;

(h) it does not include any request for or entitlement to any break or termination fee, expense reimbursement or similar type of payment;

(i) it contains such other information as may reasonably be requested by the Company, in consultation with the Financial Advisor, the Monitor and the Consenting First Lien Lenders; and

(j) it is received by the Phase I Bid Deadline.

Assessment of Phase I Bids

18. Pursuant to the terms of the Support Agreement, on the basis that any proposals or bids received pursuant to these SISP Procedures must provide for net sale or investment proceeds (exclusive of the Company's cash-on-hand) sufficient to meet the Minimum Consideration Threshold, the Consenting First Lien Lenders have confirmed that the they will not submit or participate in any proposal or bid other than the Restructuring Transaction and will not amend the terms of the Restructuring Transaction to provide greater consideration or value to outbid other bidders under these SISP Procedures. Accordingly, and on that basis, the Company shall forthwith following the Phase I Bid Deadline provide to the First Lien Advisors and the Consenting First Lien Lenders copies of all of the Phase I Bids received, which information and material shall be kept strictly confidential.

19. The Company, in consultation with the Financial Advisor, the Monitor and the Consenting First Lien Lenders: (i) will assess the Phase I Bids received by the Phase I Bid Deadline and determine whether such bids constitute Qualified Phase I Bids; and (ii) may waive compliance with any one or more of the requirements specified herein and deem such non-compliant bids to be Qualified Phase I Bids, provided that the Company may not waive the requirement contained in paragraph 17(b) hereof.

20. The Company, in consultation with the Financial Advisor, the Monitor and the Consenting First Lien Lenders, may reject any Phase I Bid if it is determined that such bid does not constitute a Qualified Phase I Bid, is otherwise inadequate or insufficient, or is otherwise contrary to the best interests of the Company and its creditors and other stakeholders.

21. If it is determined by the Company, in consultation with the Financial Advisor, the Monitor and the Consenting First Lien Lenders, that a party that has submitted a Qualified

Phase I Bid (including where compliance with the bid requirements had been waived in accordance with these SISP Procedures) has a bona fide interest in completing a transaction pursuant to these SISP Procedures and such bid has not been rejected pursuant to paragraph 20 hereof, then such party shall be deemed to be a "**Phase II Bidder**".

22. The Financial Advisor shall notify each party that submits a Phase I Bid in writing (including by email or fax transmission) as to whether such party has been determined to be a Phase II Bidder and therefore shall be permitted to proceed to Phase II of the SISP within five (5) Business Days after the Phase I Bid Deadline. The Company shall contemporaneously provide a list of the Phase II Bidders to the Monitor and the Consenting First Lien Lenders which shall be kept strictly confidential.

23. If no Phase II Bidders are selected in accordance with these SISP Procedures, this SISP and these SISP Procedures shall be terminated and the Company, the Consenting First Lien Lenders and the First Lien Agent shall promptly proceed to complete the Restructuring Transaction as contemplated pursuant to the Support Agreement.

Phase II

24. The Financial Advisor, in consultation with the Company and the Monitor, shall allow each Phase II Bidder such further access to due diligence materials and information, including the Phase II Data Room, management presentations and site visits, subject to compliance with health, safety and security measures reasonably required by the Company, as the Financial Advisor, in consultation with the Company and the Monitor, deems appropriate, taking into account the Company's reasonable business judgement and subject to competitive and other business considerations.

25. A Phase II Bidder that wishes to make a formal offer to purchase or make an investment in the Company or its Property and Business shall submit a binding offer (a "**Phase II Bid**") to the Financial Advisor, with a copy to the Company and the Monitor, at the addresses specified in **Appendix "B"** hereto (including by email) so as to be received by them no later than 12:00 p.m. (Mountain Time) on June 20, 2018, or such other date or time as may be agreed by the Company, with the consent of the Consenting First Lien Lenders and in consultation with the Financial Advisor and the Monitor (the "**Phase II Bid Deadline**").

26. A Phase II Bid shall be a "**Qualified Phase II Bid**" (and such Phase II Bidder shall be a "**Qualified Phase II Bidder**") only if the Phase II Bid meets all of the following criteria:

(a) it complies with all of the requirements in respect of Qualified Phase I Bids, other than the requirements set out in paragraphs 17(e), 17(f) and 17(j) hereof, and, for greater certainty, it (i) provides for net sale or investment proceeds (exclusive of the Company's cash-on-hand) sufficient to meet the Minimum Consideration Threshold and (ii) confirms that the Company's existing cash-on-hand at the time of closing shall be excluded from the transaction and shall be available for the Company to satisfy claims of its creditors;

(b) it includes a letter stating that the offer is irrevocable until the earlier of (i) the approval of a Successful Bid by the Court in accordance with these SISP Procedures and (ii) thirty (30) calendar days following the Phase II Bid Deadline, provided that if such bidder is selected as the Successful Bidder, its offer shall remain irrevocable until the closing of the transaction with the Successful Bidder;

(c) it includes written evidence of a firm commitment for all required financing, or other evidence of the financial ability to consummate the proposed transaction, that will allow the Company, in consultation with the Financial Advisor, the

Monitor and the Consenting First Lien Lenders, to make a reasonable determination as to the Qualified Phase II Bidder's financial and other capabilities to consummate the transaction contemplated by the bid;

(d) it is not conditioned on (i) the outcome of unperformed due diligence and/or (ii) obtaining financing;

(e) it includes an acknowledgement and representation that the Phase II Bidder: (i) has relied solely upon its own independent review, investigation and/or inspection of any documents and/or the Property to be acquired and liabilities to be assumed in making its bid; and (ii) did not rely upon any written or oral statements, representations, promises, warranties or guaranties whatsoever, whether express or implied (by operation of law or otherwise), regarding the Property to be acquired or liabilities to be assumed or the completeness of any information provided in connection therewith, except as expressly provided in a Definitive Agreement;

(f) it includes evidence, in form and substance reasonably satisfactory to the Company, of authorization and approval from the Phase II Bidder's board of directors (or comparable governing body) with respect to the submission, execution, delivery and closing of the transaction contemplated by the bid, and identifies any anticipated shareholder, regulatory or other approvals outstanding, and the anticipated time frame and any anticipated impediments for obtaining such approvals;

(g) it is accompanied by a refundable deposit (the "**Deposit**") in the form of a wire transfer (to a bank account specified by the Monitor), or such other form acceptable to the Monitor, payable to the order of the Monitor, in trust, in an amount equal to 10% of that total consideration in the Phase II Bid, which Deposit is to be held and dealt with in accordance with these SISP Procedures;

(h) the bid is in the form of duly authorized and executed transaction agreements, and in the case of:

   (i) a purchase proposal, the bid includes an executed Definitive Agreement, including all exhibits and schedules contemplated thereby (other than exhibits and schedules that by their nature must be prepared by the Company), together with a blackline against the draft form of Definitive Agreement which shall be prepared by the Company and posted in the Data Room; and

   (ii) an investment proposal, the bid includes the draft transaction documents contemplated to effect the investment proposal, including all exhibits and schedules contemplated thereby (other than exhibits and schedules that by their nature must be prepared by the Company);

(i) it contains such other information as may reasonably be requested by the Company, in consultation with the Financial Advisor, the Monitor and the Consenting First Lien Lenders; and

(j) it is received by the Phase II Bid Deadline.

Selection of Successful Bid(s)

27. Forthwith following the Phase II Bid Deadline, the Company shall distribute copies of the Phase II Bids received to the First Lien Advisors and the Consenting First Lien Lenders which Phase II Bids shall be kept strictly confidential. The Company, in consultation with the Financial Advisor, the Monitor and the Consenting First Lien Lenders, will assess the Phase II Bids received by the Phase II Bid Deadline and determine, within five (5) Business Days of the Phase II Bid Deadline or such other date as may be agreed to by the Company with the consent of the Consenting First Lien Lenders and in consultation with the Financial Advisor and the Monitor, whether such bids constitute Qualified Phase II Bids. The Company, in consultation with the Financial Advisor, the Monitor and the Consenting First Lien Lenders, may waive compliance with any one or more of the requirements specified herein and deem such non-compliant bids to be Qualified Phase II Bids, provided that the Company may not waive the requirement contained in paragraph 17(b) hereof. If no Qualified Phase II Bids have been received in accordance with these SISP Procedures, the SISP shall be terminated and the Company, the Consenting First Lien Lenders and the First Lien Agent shall promptly complete the Restructuring Transaction.

28. The Company, in consultation with the Financial Advisor, the Monitor and the Consenting First Lien Lenders, reserves the right to (i) request that certain Qualified Phase II Bidders who have submitted Qualified Phase II Bids revisit their proposals, or (ii) commence an auction process with respect to multiple Qualified Phase II Bids, pursuant to procedures approved by the Company, with the consent of the Consenting First Lien Lenders and in consultation with the Financial Advisor and the Monitor, that shall be distributed to Qualified Phase II Bidders selected by the Company, in consultation with the Financial Advisor, the Monitor and the Consenting First Lien Lenders, to participate in such auction at least five (5) Business Days in advance of the proposed start time for the auction.

29. The Company, in consultation with the Financial Advisor, the Monitor and the Consenting First Lien Lenders, may identify the most favourable of the Qualified Phase II Bids (the "**Successful Bid**"). The Company, in consultation with the Financial Advisor, the Monitor and the Consenting First Lien Lenders, shall then proceed to negotiate and settle the terms and conditions of a Definitive Agreement in respect of a Successful Bid, all of which shall be conditional upon Court approval and also conditional on the Successful Bid closing within thirty (30) calendar days after execution of the Successful Bid, or such longer period as shall be agreed to by the Company, with the consent of the Consenting First Lien Lenders and in consultation with the Financial Advisor and the Monitor. If a Definitive Agreement has been negotiated and settled in respect of a Successful Bid, the person(s) who made the Successful Bid shall be the "**Successful Bidder**" hereunder.

30. Subject to the requirements to complete the Restructuring Transaction in accordance with the terms hereof and the Support Agreement (as applicable), and notwithstanding anything else herein, the Company shall be under no obligation to accept the highest or best offer or any offer and the selection of a Successful Bidder pursuant to this SISP shall be entirely in the discretion of the Company, after consultation with the Monitor.

Court Approval

31. If a Successful Bid is identified in accordance with paragraph 29 hereof, the Company shall apply to the Court (the "**Approval Motion**") for an order approving the Successful Bid and authorizing the Company to enter into a Definitive Agreement with the Successful Bidder and any and all necessary further instruments and agreements with respect to the Successful Bid, as well as an order, if applicable, vesting title to purchased property in the name of the

Successful Bidder. The Approval Motion will be held on or about July 17, 2018 upon application by the Company and may be adjourned or rescheduled by the Company without further notice.

32. All Qualified Phase II Bids (other than a Successful Bid) shall be deemed rejected on and as of the date of approval of the Successful Bid by the Court.

Deposits

33. All Deposits shall be retained by the Monitor and deposited in a trust account. If there is a Successful Bid, the Deposit paid by the Successful Bidder whose bid is approved at the Approval Motion shall be applied to the Purchase Price to be paid or investment amount to be made by the Successful Bidder upon closing of the approved transaction and will be non-refundable. The Deposits of Qualified Phase II Bidders not selected as a Successful Bidder shall be returned to such bidders within five (5) Business Days of the date upon which the Successful Bid is approved by the Court. If there is no Successful Bid, all Deposits shall be returned to the bidders within five (5) Business Days of the date upon which the SISP is terminated in accordance with these SISP Procedures.

Approvals

34. For greater certainty, the approvals required pursuant to the terms hereof are in addition to, and not in substitution for, any other approvals required by the CCAA, or any other statute or as otherwise required at law in order to implement or complete a Successful Bid.

No Amendment

35. There shall be no amendments to this SISP, including for greater certainty the process and procedures set out herein, without the consent of the Company, the Consenting First Lien Lenders and the Monitor.

"As Is, Where Is"

36. Any sale of the Business or any or all of the Property or any investment in the Company will be on an "as is, where is" basis and without surviving representations or warranties of any kind, nature, or description by the Company, the Financial Advisor or the Monitor or any of their directors, officers, employees, advisors, agents or estates, except to the extent otherwise provided under a Definitive Agreement with a Successful Bidder executed and delivered by the Company. None of the Company, the Financial Advisor or the Monitor make any representation or warranty as to the accuracy or completeness of the information contained in the Teaser Letter or Diligence Materials, except to the extent otherwise provided under a Definitive Agreement with a Successful Bidder executed and delivered by the Company.

Free Of Any And All Claims And Interests

37. In the event of a sale of Property, to the extent permitted by law, all of the rights, title and interests of the Company in and to the Property to be acquired will be sold free and clear of all pledges, liens, security interests, encumbrances, claims, charges, options and interests on or against the Property (collectively, the "**Claims and Interests**") pursuant to a Court order made under section 36(6) of the CCAA, such Claims and Interests to attach to the net proceeds of the sale of such Property (without prejudice to any claims or causes of action regarding the priority, validity or enforceability thereof), except to the extent otherwise set forth in a Definitive Agreement with a Successful Bidder.

38. An investment in the Company may include one or more of the following: a restructuring, refinancing, recapitalization or other form of reorganization of the business and affairs of the Company as a going concern, a sale of all or some of the Property to a newly formed entity on terms contemplated in the above paragraph or a plan of compromise or arrangement pursuant to the CCAA or any applicable corporate legislation which compromises the Claims and Interests as set out therein.

No Obligation to Conclude a Transaction

39. The Company has no obligation to agree to conclude a sale or investment arising out of the SISP (other than the Restructuring Transaction in accordance with the terms hereof and the Support Agreement), and it reserves the right and unfettered discretion to reject any other offer or other proposal made in connection with the SISP. In addition, at any time during these SISP Procedures, the Company, with the consent of the Consenting First Lien Lenders and in consultation with the Monitor, may determine to terminate these SISP Procedures, and shall provide notice of such a decision to any Qualified Phase I Bidders or Qualified Phase II Bidders, as applicable.

Further Orders

40. At any time during the SISP, the Company may apply to the Court for advice and directions with respect to the discharge of its powers and duties hereunder.

Appendix “A”

SISP Definitions

“**Approval Motion**” has the meaning given to such term in paragraph 31 hereof.

“**Business**” has the meaning given to such term in paragraph 7 hereof.

“**Business Day**” means a day, other than a Saturday, Sunday, or a day on which banks in Calgary, Alberta are authorized or obligated by applicable law to close or otherwise are generally closed.

“**Case Website**” means www.ey.com/ca/connacheroilandgas.

“Cassels” means Cassels Brock & Blackwell LLP, legal counsel to the Company.

“**CCAA**” has the meaning given to such term in paragraph 1 hereof.

“**CIM**” has the meaning given to such term in paragraph 10 hereof.

“**Claims and Interests**” has the meaning given to such term in paragraph 37 hereof.

“**Company**” has the meaning given to such term in paragraph 1 hereof.

“**Confidentiality Agreement**” has the meaning given to such term in paragraph 12 hereof.

“**Consenting First Lien Lenders**” has the meaning given to such term in paragraph 2 hereof.

“**Court**” has the meaning given to such term in paragraph 1 hereof.

“**Data Room**” has the meaning given to such term in paragraph 10 hereof.

“**Definitive Agreement**” has the meaning given to such term in paragraph 14 hereof.

“**Deposit**” has the meaning given to such term in paragraph 26(g) hereof.

“Diligence Materials” has the meaning given to such term in paragraph 10 hereof.

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

“**First Lien Advisors**” means Bennett Jones LLP and PricewaterhouseCoopers Inc.

“**First Lien Agent**” has the meaning given to it in the definition of First Lien Claim Amount.

“**First Lien Claim Amount**” means the aggregate of all amounts owing under the first lien credit agreement dated May 23, 2014 between, among others, the Company, the lenders party thereto (the “**First Lien Lenders**”), and Wilmington Trust National Association, as successor administrative agent for the lenders (the “**First Lien Agent**”), as amended by amendment no. 1 dated as of May 8, 2015, and all related loan documents (the “**First Lien Credit Agreement**”).

“**First Lien Credit Agreement**” has the meaning given to it in the definition of First Lien Claim Amount.

“**First Lien Lenders**” has the meaning given to it in the definition of First Lien Claim Amount.

"Initial Order" has the meaning given to such term in paragraph 1 hereof.

"**Minimum Consideration Threshold**" means (i) cash consideration of CDN$90,000,000.00; plus (ii) cash consideration sufficient to indefeasibly pay all Priority Claims, exclusive of the Company's cash-on hand.

"**Monitor**" means Ernst & Young Inc., in its capacity as court-appointed monitor of the Company in the CCAA proceeding.

"**Phase I Bid**" has the meaning given to such term in paragraph 16 hereof.

"**Phase I Bid Deadline**" has the meaning given to such term in paragraph 16 hereof.

"**Phase II Bid**" has the meaning given to such term in paragraph 25 hereof.

"**Phase II Bid Deadline**" has the meaning given to such term in paragraph 25 hereof.

"**Phase II Bidder**" has the meaning given to such term in paragraph 21 hereof.

"**Potential Bidder**" has the meaning given to such term in paragraph 10 hereof.

"**Priority Claims**" means all claims in the Company's CCAA proceeding ranking *pari passu* or in priority to the First Lien Claim Amount.

"**Property**" has the meaning given to such term in paragraph 7 hereof.

"**Purchase Price**" has the meaning given to such term in paragraph 17(a) hereof.

"**Qualified Phase I Bid**" has the meaning given to such term in paragraph 17 hereof.

"**Qualified Phase I Bidder**" has the meaning given to such term in paragraph 13 hereof.

"**Qualified Phase II Bidder**" has the meaning given to such term in paragraph 26 hereof.

"**Restructuring Transaction**" has the meaning given to such term in paragraph 3 hereof

"SISP" has the meaning given to such term in paragraph 2 hereof.

"**SISP Acknowledgment**" has the meaning given to such term in paragraph 12 hereof.

"SISP Procedures" has the meaning given to such term in paragraph 5 hereof.

"**Successful Bid**" has the meaning given to such term in paragraph 29 hereof.

"**Successful Bidder**" has the meaning given to such term in paragraph 29 hereof.

"**Superior Transaction**" means a sale of the Business or any or all of the Property or an investment in the Company which is, among other things, acceptable to the Company and provides net sale or investment proceeds (exclusive of the Company's cash-on-hand) of at least the Minimum Consideration Threshold.

"**Support Agreement**" has the meaning given to such term in paragraph 2 hereof

"**Teaser Letter**" has the meaning given to such term in paragraph 10 hereof.

Appendix "B"

Addresses for Notices

If to the Financial Advisor:

Houlihan Lokey
100 Crescent Ct.
Suite 900
Dallas, TX 75201
United States
Attention: Brett Lowrey
Email: BLowrey@HL.com
CC: JHanson@HL.com; JZammit@HL.com; KTholen@HL.com

If to the Company:

Connacher Oil and Gas Limited
Suite 1040, 640 5th Avenue SW
Calgary, Alberta, Canada
T2P 3G4
Attention: Suzanne Loov
Email: SLoov@Connacheroil.com

With a copy to:

Cassels Brock & Blackwell LLP
Suite 1250, Millennium Tower
440 – 2nd Avenue SW
Calgary, Alberta, Canada
T2P 5E9
Attention: Ryan Jacobs and Joseph Bellissimo
Email: rjacobs@casselsbrock.com and jbellissimo@casselsbrock.com

If to the Monitor:

Ernst & Young Inc.
Suite 2200, 215 2nd Street SW
Calgary, Alberta, Canada
T2P 1M4
Attention: Neil Narfason and Peter Chisholm
Email: neil.narfason@ca.ey.com and peter.chisholm@ca.ey.com

With a copy to:

McCarthy Tétrault LLP
Suite 4000, 421 7th Avenue SW
Calgary, Alberta T2P 4K9
Attention: Sean Collins and Walker MacLeod
Email: scollins@mccarthy.ca and wmacleod@mccarthy.ca

EXHIBIT "B"

This is Exhibit "B"
referred to in the affidavit of
Merle Johnson
sworn before me this 13
day of August, 20 18.

R Cstk

A Commissioner for Oaths in and for Alberta

Richard Comstock
My Commission Expires September 21, 2018

LEGAL*46134223.24

CCAA ACQUISITION AND PLAN SPONSORSHIP AGREEMENT

BETWEEN

CONNACHER OIL AND GAS LIMITED

AND

EAST RIVER OIL AND GAS LTD.

AUGUST 2, 2018

CASSELS BROCK
LAWYERS

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CCAA ACQUISITION AND PLAN SPONSORSHIP AGREEMENT

Dated August 2, 2018

B E T W E E N:

CONNACHER OIL AND GAS LIMITED, a corporation incorporated under the laws of Canada (the "**Company**"),

and

EAST RIVER OIL AND GAS LTD., a corporation incorporated under the laws of Alberta (the "**Plan Sponsor**"),

R E C I T A L S:

WHEREAS on the Filing Date, the Company obtained the Initial Order commencing the CCAA Proceeding;

AND WHEREAS the Monitor was appointed as the Court-appointed monitor of the Company pursuant to the Initial Order;

AND WHEREAS on March 28, 2018, the CCAA Court granted the Support Agreement & SISP Approval Order, which, among other things, established a process by which the Company was authorized to solicit offers from qualified bidders to make an investment in the Company or purchase all, substantially all or one or more components of the Company's assets and business operations;

AND WHEREAS on March 28, 2018, the CCAA Court approved the Support Agreement pursuant to which the First Lien Agent and the Consenting First Lien Lenders (in all capacities) agreed, among other things, to support a "Superior Transaction" in the event of a "Successful Bid" being identified pursuant to the SISP (as those terms are defined in the SISP);

AND WHEREAS the Plan Sponsor has been engaged in discussions with the Company and various stakeholders regarding a potential restructuring transaction with respect to which the Plan Sponsor has been selected as the "Successful Bidder" (as defined in the SISP) and pursuant to which the Plan Sponsor has agreed to acquire the Company, upon and subject to the terms and conditions set out in this agreement (the "**Agreement**") pursuant to the CCAA Plan or the Purchase and Sale Agreement, as applicable;

NOW THEREFORE, in consideration of the covenants and agreements herein contained, the parties agree as follows:

ARTICLE 1
INTERPRETATION

1.01 Definitions

In this Agreement, in addition to the terms defined above, the following definitions apply:

"**Additional Deposit**" means an additional deposit of $1.5 million to be paid to the Monitor by the Plan Sponsor in connection with each election to extend the Outside Date or the Outside Date for Closing, as applicable, in accordance with the terms hereof;

"**Advance Ruling Certificate**" means an advance ruling certificate issued by the Commissioner of Competition pursuant to section 102 (1) of the Competition Act;

"**Affiliate**" means, with respect to any Person: (i) any other Person which controls, is controlled by or is under common control with, directly or indirectly, such Person, and (ii) if such Person is a natural person, any member of such Person's immediate family, or, if such Person is an entity, any trustee, member, general partner, manager, director or executive officer of, or any Person performing similar functions for, such Person;

"**Alternative Transaction**" means the transaction contemplated under the Purchase and Sale Agreement;

"**Applicable Law**" means, in relation to any Person, property or circumstance, all laws, statutes, rules, regulations, official directives and Orders of Authorized Authorities (whether administrative, legislative, executive or otherwise), including judgments, orders and decrees of courts, commissions or bodies exercising similar functions, as amended, and includes the provisions and conditions of any permit, license or other governmental or regulatory authorization, that are in effect as at the relevant time and are applicable to such Person, property or circumstance;

"**Assets**" means all of the property and assets of the Company of every kind and description and wherever located used by or in connection with or otherwise relating in whole or in part to the Business, including the Petroleum and Natural Gas Rights, the Tangibles and the Miscellaneous Interests;

"**ATB**" means ATB Financial;

"**ATB Credit Facilities**" has the meaning set forth in the CCAA Plan;

"**Authorization Order**" means an Order, in form and substance satisfactory to the Company and the Plan Sponsor, each acting reasonably, among other things, authorizing the Company to enter into this Agreement and to pursue the Transaction in accordance with this Agreement;

"**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;

"**BEH Royalty Agreement**" means that certain Royalty Agreement between the Company and Burgess Energy Holdings, L.L.C. dated January 29, 2018 and approved by the CCAA Court by Order dated January 29, 2018;

"**Books and Records**" means any and all books and records of the Company in its possession or direct control in Alberta including records of employment, supplier lists and records, payroll data and personnel files, together with all corresponding files;

"**Business**" means the business activities carried on by the Company as an exploration and production company actively engaged in the business of acquiring, exploring, developing, exploiting and holding interests in petroleum and natural gas properties and related assets;

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

"**Cash Adjustment Amount**" means the amount, if any, by which the dollar value of Existing Cash exceeds the dollar value of the Company's Cash on Hand as of the Effective Date;

"**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 and any funds being held by ATB as security for the obligations owing under the ATB Credit Facilities, but, for greater certainty, shall exclude 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 the CCAA Plan;

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

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

"**CCAA Approval and Vesting Order**" has the meaning set forth in the Purchase and Sale Agreement;

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

"**CCAA Plan**" has the meaning set forth in Section 2.01(a);

"CCAA Plan Termination Event" has the meaning set forth in Section 2.02;

"**CCAA Proceeding**" means the proceeding commenced by the Company under the CCAA in the CCAA Court, bearing Court File No. 1601-06131;

"**Claim**" has the meaning set forth in the CCAA Plan;

"**Closing Conditions**" means the conditions set out in Article 5 hereof;

"**Closing Date**" has the meaning set forth in the Purchase and Sale Agreement;

“**Commissioner of Competition**” means the Commissioner of Competition appointed pursuant to the Competition Act or any person duly authorized to exercise the powers and perform the duties of the Commissioner of Competition;

“**Competition Act**” means the *Competition Act* (Canada), R.S.C. 1985, c. C-34, as amended and any regulations made thereunder;

“**Competition Act Approval**” means, that with respect to the Competition Act, prior to the Effective Date or the Closing Date, as applicable, Competition Act Notice has been given and:

1. the parties shall have received an Advance Ruling Certificate in respect of the Transaction and the Alternative Transaction in form and substance acceptable to the Plan Sponsor, acting reasonably; or

2. the Plan Sponsor shall have received a No Action Letter, and

    i. the applicable waiting period in section 123 of the Competition Act shall have expired or been earlier terminated; or

    ii. the obligation to give the requisite notice has been waived by the Commissioner of Competition or a Person authorized by the Commissioner of Competition pursuant to subsection 113(c) of the Competition Act; and

    in addition to the occurrence of subsection (1) or (2)(i) or (2)(ii) above, in the interim period prior to the Effective Date or the Closing Date, as applicable, there shall have been no threatened or actual application by the Commissioner of Competition for an order under section 92, section 100 or section 104 of the Competition Act;

“**Competition Act Notice**” means notification of the Transaction and the Alternative Transaction pursuant to: (i) a written request for the Commissioner of Competition to issue an Advance Ruling Certificate or alternatively a No Action Letter and waiver pursuant to section 113(c) of the Competition Act; or (ii) section 114 of the Competition Act, including information required to be supplied pursuant to a request under section 114(2) of the Competition Act;

“**Consenting First Lien Advisors**” has the meaning set forth in the CCAA Plan;

“**Consenting First Lien Lenders**” means the lenders party to the Support Agreement;

“**Contracts**” means all contracts, agreements, leases, instruments, licenses, and other legally binding commitments or arrangements, which have been entered into by the Company in connection with the operation of the Business and which have not been disclaimed by the Company prior to the date hereof including, the Title Documents and agreements for the sale, processing, transmission or transportation of Petroleum Substances;

“**Creditor**” means any 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’ Meetings Order, and includes any postponements or adjournments thereof;

“**Creditors’ Meetings Order**” means an Order, in form and substance satisfactory to the Company and the Plan Sponsor, each acting reasonably, among other things, authorizing and directing the Company to convene one or more meetings of its Creditors to consider and vote on the CCAA Plan;

“**Deposit**” has the meaning set forth in Section 2.01(b)(ii)(A);

“**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;

“**Disclosure Letter**” means the disclosure letter dated the date hereof from the Company to the Plan Sponsor;

“**Due Diligence Information**” means all information provided or made available to the Plan Sponsor, orally or in writing, whether in hard copy or electronic form or otherwise, in relation to the Transaction, the Alternative Transaction, the Company, the Business, and/or the Assets;

“**Effective Date**” means the day on which the Monitor delivers the Monitor’s Certificate to the Company, the Plan Sponsor and counsel to the Consenting First Lien Lenders pursuant to the CCAA 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 Plan Sponsor;

“**Employees**” means the employees of the Company, as set forth in the Disclosure Letter;

“**Environment**” means the components of the earth and includes, without limitation, the air, the surface and subsurface of the earth, bodies of water (including, without limitation, rivers, streams, lakes and aquifers) and plant and animal life (including humans);

“**Environmental Laws**” means all applicable federal, provincial, state, territorial, municipal and local laws, statutes, ordinances, by-laws and regulations, judgments, decrees, common laws and principles thereof, and orders, directives and decisions rendered or issued by any Authorized Authority relating to the protection of human health, natural resources, or the Environment or to Hazardous Substances;

“**Environmental Liabilities**” means any Liabilities in respect of the Environment which relate to the Assets or which arise in connection with the ownership thereof or operations pertaining thereto, whether arising before and/or after the Effective Date, including without limitation, Liabilities related to or arising from:

1. transportation, storage, use or disposal of toxic or Hazardous Substances;
2. release, spill, escape, emission, leak, discharge, migration or dispersal of toxic or Hazardous Substances; or
3. pollution or contamination of or damage to the Environment;

including, without limitation, Liabilities to compensate Third Parties for damages and Losses resulting from the items described in items (1), (2) and (3) above (including, without limitation, damage to property, personal injury and death) and obligations to take action to prevent or rectify damage to or otherwise protect the Environment;

“**Existing Cash**” means:

1. the Cash on Hand of the Company as of 12:01 a.m. on September 1, 2018; plus

2. the accounts receivable of the Company existing as of 12:01 a.m. on September 1, 2018 or related to the period prior to 12:01 a.m. on September 1, 2018 (whether or not invoiced by such time) which have been paid or collected during the period between 12:01 a.m. on September 1, 2018 and the Business Day prior to the Effective Date; plus

3. the prepaid expenses of the Company which were paid prior to and remain unused as of 12:01 a.m. on September 1, 2018; minus

4. the accounts payable of the Company which have accrued during the period between the Filing Date and 12:01 a.m. on September 1, 2018 (whether or not invoiced by such time) which have not been paid by the Company by the Business Day prior to the Effective Date or which will not be paid, compromised, discharged or released under the CCAA Plan and will remain an obligation or liability of the Company after the Effective Time, but for greater certainty, shall not include any Municipal Tax Claims; minus

5. the amounts paid by the Company from the Company’s cash accounts during the period between 12:01 a.m. on September 1, 2018 and the Effective Date on account of fees and disbursements (plus any applicable Taxes thereon) for services rendered by Cassels, or other legal counsel and advisors to the Company, the Monitor, legal counsel to the Monitor, the Consenting First Lien Advisors, or other Persons from time to time retained by the Company, in each case in connection with the CCAA Proceeding, this Agreement, or the implementation of the CCAA Plan (and the Restructuring Transactions) or the Alternative Transaction,

calculated as applicable in accordance with International Financial Reporting Standards;

“**Facilities**” means the Company'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 Schedule “B”;

“**Filing Date**” means May 17, 2016;

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

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

"**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 certain 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);

"**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;

"**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;

"**Lands**" means the lands set out and described in Schedule A, and the Petroleum Substances within, upon or under such lands (subject to the restrictions and exclusions identified in Schedule A and in the Title Documents as to Petroleum Substances and geological formations);

"**Liability**" means any debt, loss, damage, adverse claim, fines, penalties, liability or obligation (whether direct or indirect, known or unknown, asserted or unasserted, absolute or contingent, accrued or unaccrued, matured or unmatured, determined or determinable, liquidated or unliquidated, due or to become due, and whether in contract, tort, strict liability or otherwise), and including all costs and expenses relating thereto including all fees, disbursements and expenses of legal counsel, experts, engineers and consultants and costs of investigation;

"**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;

"**Losses**" means all losses, costs, claims, damages, expenses and Liabilities which a part to this Agreement suffers, sustains, pays or incurs, including reasonable legal fees on a solicitor and his own client basis but notwithstanding the foregoing shall not include any Liability for indirect or consequential damages including business loss, loss of profit, economic loss, punitive damages or income tax Liabilities;

"**Majority Consenting First Lien Lenders**" has the meaning set forth in the Support Agreement;

"**Miscellaneous Interests**" means, subject to any and all limitations and exclusions provided for in this definition, the Company's entire interest in and to all property, assets, interests and rights pertaining to the Petroleum and Natural Gas Rights and the Tangibles (other than the Petroleum and Natural Gas Rights and the Tangibles), or either of them, but only to the extent that such property, assets, interests and rights pertain to the Petroleum and Natural Gas Rights and the Tangibles, or either of them, including, without limitation, any and all of the following:

1. all Contracts;
2. all warranties, guarantees and similar rights relating to the Petroleum and Natural Gas Rights and the Tangibles, or either of them, including

warranties and guarantees made by suppliers, manufacturers and contractors under the Assets, and claims against other Third Parties in connection with the Contracts;

3. all Permits, including subsisting rights to carry out operations relating to the Lands or the Tangibles, including 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;

4. all Books and Records and documents, licences, reports and data which relate to the Petroleum and Natural Gas Rights and the Tangibles, or either of them including any of the foregoing that pertain to proprietary or licensed seismic, 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, 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;

5. the Wells, including the wellbores and any and all casing;

6. all intellectual property and seismic; and

7. the Office Lease.

"**MOFCOM"** means the Ministry of Commerce of the People's Republic of China or the applicable local counterpart of it;

"**MOFCOM Approval**" means the outbound investment certificate issued by MOFCOM in respect of the Transaction and the Alternative Transaction;

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

"**Monitor's Certificate**" has the meaning set forth in the CCAA 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;

"**Municipality**" means the Regional Municipality of Wood Buffalo;

"**NDRC**" means the National Development and Reform Commission of the People's Republic of China or the applicable local counterpart of it;

"**NDRC Approval**" means the oversea investment project record filing notice issued by the NDRC in respect of the Transaction and the Alternative Transaction;

"**New Common Shares**" has the meaning set forth in Section 2.01(b);

“**No Action Letter**” means confirmation, in writing, by the Commissioner of Competition or a Person authorized by the Commissioner of Competition that the Commissioner of Competition does not, at that time, intend to make an application under section 92 of the Competition Act in respect of the Transaction and the Alternative Transaction, and such advice has not been rescinded or amended, and is in a form and on such terms or conditions as are acceptable to the Plan Sponsor, acting reasonably;

“**Offers of Employment**” has the meaning set forth in Section 4.01(i);

“**Office Lease**” means the Sublease dated July 11, 2016, as amended by a Sublease Extension Agreement dated June 30, 2017 between Prairie Provident Resources Canada Ltd. as sublandlord and the Company as subtenant with respect to 12,346 square feet of office premises on the 10th floor of the building located at 640, 5th Avenue S.W., Calgary, Alberta;

“**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 order of the CCAA Court in the CCAA Proceeding;

“**Outside Date**” means: (i) October 31, 2018, provided that if the Regulatory Approvals have not been obtained by the date that is five Business Days prior to such Outside Date, the Plan Sponsor shall have the right to extend the Outside Date up to two consecutive times upon three Business Days written notice to the Company, in each case in 30-day increments from the then Outside Date, which extension shall only be effective, if in the case of each requested extension, the Plan Sponsor has paid and the Monitor has received (prior to the expiry of the then current Outside Date) an Additional Deposit; and (ii) such other date(s) and on such other terms as may be agreed by the Plan Sponsor and the Company with the consent of the Consenting First Lien Lenders and in consultation with the Monitor;

“**Outside Date for Closing**” has the meaning set forth in the Purchase and Sale Agreement;

“**Permits**” means all authorizations, registrations, permits, certificates of approval, approvals, grants, licences, quotas, consents, commitments, rights or privileges, used in the Business;

“**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, however designated or constituted, including any Authorized Authority, and the trustees, executors, administrators or other legal representatives of an individual;

“**Petroleum and Natural Gas Rights**” means the Company'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, including the interests set out and described in 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 Implementation Fund**" means the fund established pursuant to the CCAA Plan consisting of, among other things, the Plan Sponsored Funds, the Cash on Hand up to the amount of the Existing Cash and the Cash Adjustment Amount, if any;

"**Plan Sponsored Funds**" has the meaning set forth in Section 2.01(b)(i);

"**Post-Filing Claim**" has the meaning set forth in the CCAA Plan;

"**PRC Approvals**" means collectively: (i) the MOFCOM Approval; (ii) the NDRC Approval; and (iii) the SAFE Registration;

"**Purchase and Sale Agreement"** means the Purchase and Sale Agreement between the Plan Sponsor and the Company, concurrently executed herewith;

"**Regulatory Approvals**" means, collectively, the: (i) Competition Act Approval; and (ii) PRC Approvals;

"**Requisite Transaction Approvals**" means the Authorization Order, the Supplemental Claims Procedure Order, the Creditors' Meetings Order, the Sanction Order and any other Order in connection with the implementation of the Transaction;

"**Restructuring Transactions**" has the meaning set forth in the CCAA Plan;

"**SAFE**" means the State Administration of Foreign Exchange of the People's Republic of China or the applicable local counterpart of it;

"**SAFE Registration**" means the SAFE registration and confirmation notified to the Plan Sponsor by the bank where the Plan Sponsor's funds will be wired from in accordance with the applicable SAFE regulations in order to permit the Plan Sponsor to purchase Canadian dollars and wire funds to the Monitor's or Company's account in Canada, as applicable, to complete the Transaction and the Alternative Transaction, as applicable;

"**Sanction Order**" means an Order, in form and substance satisfactory to the Company and the Plan Sponsor, each acting reasonably, among other things, approving the CCAA Plan and providing for the releases and other relief from the CCAA Court contemplated in the CCAA Plan;

"**Shut Down Restricted Cash**" has the meaning given to it in paragraph 47 of the Initial Order;

"**SISP**" means the court-approved sale and investment solicitation process approved by the CCAA Court on March 28, 2018;

"**Supplemental Claims Procedure Order**" means an Order in form and substance satisfactory to the Company and the Plan Sponsor, each acting reasonably, among other things, approving a supplemental claims process;

"**Support Agreement**" means the Support Agreement dated as of March 19, 2018 among the Company, Wilmington Trust, National Association, in its capacity as the successor administrative agent under the First Lien Credit Agreement, and the Consenting First Lien Lenders;

"**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, among other things, approving the SISP;

"**Tangibles**" means the Company'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**" 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;

"**Termination Date**" has the meaning set forth in Section 7.01;

"**Third Party**" means any individual or entity other than the Company and the Plan Sponsor, including without limitation any partnership, corporation, trust, unincorporated organization, union, government and any department and agency thereof and any heir, executor, administrator or other legal representative of an individual;

"**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 or lands pooled or unitized therewith; including those, if any, set out and described in Schedule "A";

"**Transaction**" has the meaning set forth in Section 2.01;

"**Unaffected Municipal Tax Claims**" means 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

“**Wells**” means the Company's entire interest in and to all producing, shut-in, suspended, abandoned, capped, injection and disposal wells located on the Lands, including the wells listed in Schedule “B”.

Capitalized terms used in this Agreement and not otherwise defined have the meanings given to them in the CCAA Plan.

1.02 Headings

The division of this Agreement into Articles and Sections and the insertion of a table of contents and headings are for convenience of reference only and do not affect the construction or interpretation of this Agreement. The terms “hereof”, “hereunder” and similar expressions refer to this Agreement and not to any particular Article, Section or other portion hereof. Unless something in the subject matter or context is inconsistent therewith, references herein to Articles, Sections, Schedules and Exhibits are to Articles and Sections of, and Schedules and Exhibits to, this Agreement.

1.03 Incorporation of Terms; Conflict of Terms

Subject to approval of the CCAA Court, the terms of the Transaction as agreed among the parties and to be implemented in accordance with this Agreement are set forth in the CCAA Plan, which is incorporated herein and made a part of this Agreement, but provided that, any obligations of the parties under the CCAA Plan shall be subject to separate approval of the Court. In the case of a conflict between the provisions contained in the text of this Agreement and CCAA Plan, the terms of the CCAA Plan shall govern. The parties shall take all necessary steps to conform the inconsistent terms to the terms of the CCAA Plan.

1.04 Statutory References

In this Agreement, unless something in the subject matter or context is inconsistent therewith or unless otherwise herein provided, a reference to any statute is to that statute as now enacted or as the same may from time to time be amended, re-enacted or replaced and includes any regulations made thereunder.

1.05 Currency

All references to currency herein are to lawful money of Canada unless otherwise indicated.

1.06 Extended Meanings

In this Agreement words importing the singular number include the plural and vice versa, words importing any gender include all genders and words importing persons include individuals, corporations, limited and unlimited liability companies, general and limited partnerships, associations, trusts, unincorporated organizations, joint ventures and Authorized Authorities. The term “including” means “including without limiting the generality of the foregoing”.

1.07 Calculation of time

In this Agreement, a period of days begins on the first day after the event that began the period and ends at 5:00 p.m. Mountain Time on the last day of the period. If any period of time is to expire, or any action or event is to occur, on a day that is not a Business Day, the period expires, or the action or event is considered to occur, at 5:00 p.m. Mountain Time on the next Business Day.

ARTICLE 2
TRANSACTION COMMITMENTS

2.01 Transaction

(a) The Company and the Plan Sponsor will each use commercially reasonable efforts to give effect to a restructuring of the Company by way of a plan of arrangement under the CCAA substantially in the form attached as Exhibit "A" hereto (the "**CCAA Plan**") prior to the Outside Date, on the terms set out in and consistent in all material respects with this Agreement and the CCAA Plan (the "**Transaction**").

(b) Pursuant to the CCAA Plan:

(i) At the Effective Time, the Plan Sponsor will subscribe for and purchase and the Company will issue and cause to be sold to the Plan Sponsor, 1,000 new, validly issued, fully paid and non-assessable common shares in the capital of the Company as are designated in the CCAA Plan (the "**New Common Shares**") for a subscription price of $113.5 million (the "**Plan Sponsored Funds**") in accordance with the terms and conditions of the CCAA Plan.

(ii) At least two Business Days prior to the Effective Time, the Plan Sponsor will pay the Plan Sponsored Funds to the Monitor, as hereby directed by the Company in trust for the Company, as follows which funds shall be used pursuant to and in accordance with the CCAA Plan:

(A) by the application of the deposit provided to the Monitor contemporaneously with the submission of this Agreement and in accordance with the terms of the SISP in the amount of $12.0 million (the "**Deposit**"), plus each Additional Deposit, if any, paid pursuant to the terms hereof; and

(B) by the payment of $101.5 million (and less each Additional Deposit, if any, paid pursuant to the terms hereof) by wire transfer in immediately available funds to an account to be designated by the Monitor.

(iii) On or prior to the Effective Date, the Company shall transfer the Cash on Hand up to the amount of the Existing Cash to an account to be designated by the Monitor.

(iv) On or prior to the Effective Date, the Plan Sponsor shall pay the Cash Adjustment Amount, if any, to the Monitor, as hereby directed by the Company in trust for the Company.

(v) The Plan Sponsored Funds and the Cash Adjustment Amount, if any, together with the Existing Cash, will be held in escrow by the Monitor and released into the Plan Implementation Fund in accordance with the CCAA Plan.

(vi) For greater certainty and without limiting the terms of the CCAA Plan, the Plan Sponsor acknowledges and agrees that the Unaffected Municipal Tax Claims shall not be compromised, released or discharged pursuant to the CCAA Plan and will be an obligation of the Company following the Effective Date.

(vii) The Company's obligations to ATB shall be unaffected by the CCAA Plan; provided that prior to the Effective Date any funds being held by ATB as security for the Company's obligations under the ATB Credit Facilities shall be released to the Company (and included in Existing Cash) and the Company (with the consent of the Plan Sponsor) shall make alterative arrangements for the posting of security from and after the Effective Time.

(viii) The BEH Royalty Agreement shall be unaffected by the CCAA Plan.

2.02 Alternative Transaction

The parties have concurrently with the execution of this Agreement entered into the Purchase and Sale Agreement pursuant to which, if the CCAA Plan fails because:

(i) within five Business Days of the applicable times set forth in Section 2.03 (or such other date(s) as may be agreed by the Plan Sponsor and the Company, with the consent of the Consenting First Lien Lenders) (a) the Creditors' Meetings Order is not granted; (b) the Sanction Order is not granted, or (c) the CCAA Plan is not implemented and the Transaction is not closed by the Outside Date but none of the Regulatory Approvals have been denied;

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

(iii) it is jointly determined by the Company and the Plan Sponsor, each acting reasonably, that for any other reason it is no longer viable to implement the Transaction pursuant to the CCAA Plan,

(each of the foregoing, a "**CCAA Plan Termination Event**"), the Plan Sponsor and the Company will continue with the proposed transaction under the Purchase and Sale Agreement and will close the Alternative Transaction within the time frames set forth in the Purchase and Sale Agreement. The Deposit, plus any Additional Deposit(s) paid pursuant to the terms hereof, shall be deemed to be the Deposit for purposes of the Purchase and Sale Agreement.

2.03 Cooperation

(a) The Company and the Plan Sponsor agree to cooperate with each other in good faith and use commercially reasonable efforts to complete the following steps in accordance with the following timeline in support of the Transaction:

(i) obtain the Authorization Order by August 24, 2018;

(ii) obtain the Supplemental Claims Procedure Order by August 24, 2018;

(iii) obtain the Creditors' Meetings Order by August 24, 2018;

(iv) obtain the Sanction Order by October 5, 2018; and

(v) implement the CCAA Plan and close the Transaction by the Outside Date.

(b) The parties agree to negotiate in good faith with each other to settle the terms of, and enter into at or prior to the Effective Time, all documentation to which it is to be a party, as contemplated by the CCAA Plan and Closing Conditions or as otherwise necessary to implement the Transaction, or the Alternative Transaction, as applicable, in accordance herewith.

(c) The Plan Sponsor acknowledges and agrees that it will co-operate in good faith with, and use commercially reasonable efforts to assist, the Company to implement the Transaction or the Alternative Transaction, as applicable, including:

(i) providing to the Company all information within its possession or control that the Company may reasonably request to assist the Company in obtaining the Requisite Transaction Approvals and the CCAA Approval and Vesting Order; and

(ii) taking all commercially reasonable steps necessary or appropriate to satisfy the Closing Conditions and to assist the Company (to the extent within the Plan Sponsor's reasonable control) in satisfying the Closing Conditions or the conditions precedent set out in the Purchase and Sale Agreement.

(d) The Company acknowledges and agrees that it will use commercially reasonable efforts to implement the Transaction or the Alternative Transaction, as applicable, including:

(i) preparing and filing court materials to seek the Authorization Order, Supplemental Claims Procedure Order, Creditors' Meetings Order and Sanction Order by the dates contemplated in Section 2.03(a) or such other dates as may be mutually agreed by the Company and the Plan Sponsor, each acting reasonably;

(ii) preparing and filing court materials to seek the CCAA Approval and Vesting Order consistent with the Purchase and Sale Agreement;

(iii) filing the CCAA Plan;

(iv) seeking requisite Creditor approvals of the CCAA Plan; and

(v) taking all commercially reasonable steps necessary or appropriate to satisfy the Closing Conditions and to assist the Plan Sponsor (to the extent within the Company's reasonable control) in satisfying the Closing Conditions or, the conditions precedent to closing the Alternative Transaction, as applicable;

(e) In connection with the applications of the Company to obtain the Requisite Transaction Approvals and the CCAA Approval and Vesting Order, the Company will provide the Plan Sponsor and its legal counsel with reasonable opportunity to review and comment upon all materials to be filed with the CCAA Court prior to the service and filing of such materials.

(f) The form of any Requisite Transaction Approvals will be in form and substance satisfactory to the Company and the Plan Sponsor, each acting reasonably.

(g) The form of the CCAA Approval and Vesting Order will be consistent with the terms of the Purchase and Sale Agreement.

ARTICLE 3
REPRESENTATIONS AND WARRANTIES

3.01 Company's Representations and Warranties

The Company represents and warrants to the Plan Sponsor as follows, acknowledging that the Plan Sponsor is relying on these representations and warranties:

(a) **Organization and Corporate Authority.** The Company is a company duly incorporated, organized and subsisting under the laws of Canada with the corporate power and authority to own its Assets, carry on the Business and hold all required Permits. Subject to requisite CCAA Court approval and the terms and conditions of the CCAA Plan, the Company has the corporate power, authority and right to perform its obligations under this Agreement and the CCAA Plan.

(b) **Authorization, Execution and Enforceability.** Subject to requisite CCAA Court approval and the terms and conditions of the CCAA Plan, the execution and delivery of this Agreement by the Company and the performance of its obligations hereunder and under the CCAA Plan have been or will be duly authorized by all necessary corporate action on the part of the Company. Subject to requisite CCAA Court approval, this Agreement constitutes a legal, valid and binding obligation of the Company, enforceable against the Company in accordance with its terms, except insofar as enforceability may be limited by bankruptcy, insolvency, moratorium or other Applicable Law which may affect creditors' rights and remedies generally and by principles of equity.

(c) **Share Capital at the Effective Time.** After giving effect to the CCAA Plan, the New Common Shares will be the only shares issued and outstanding in the capital of the Company and they will have been validly issued as fully paid and non-assessable shares.

(d) **Authorizations.** Except for the Requisite Transaction Approvals, the Competition Act Approval, the CCAA Approval and Vesting Order, and any approvals or notifications required from or to the Alberta Energy Regulator, the British Columbia Oil and Gas Commission or the applicable Canadian securities regulators, no authorizations, consents or approvals of, or filing with or notice to, any Authorized Authority are required in connection with the execution, delivery or performance of this Agreement, the Transaction, the CCAA Plan or the Alternative Transaction, as applicable.

(e) **No Orders**. As of July 31, 2018, the Company has not received written notice, demand, order or directive from any Authorized Authority or Third Party:

(i) relating to any Environmental Liabilities or otherwise requiring any work, repairs, construction or capital expenditures relating to the Assets, in each case which individually or in the aggregate are material to the Assets, taken as a whole; or

(ii) otherwise alleging a material violation of Environmental Laws relating to the Assets,

and as of July 31, 2018, to the Company's knowledge, no such notice, order demand, or directive is pending;

(f) **Compliance with Environmental Laws**. As of July 31, 2018, where the Company is operator, the Assets are and have been operated in material compliance with all Environmental Laws, and where the Company is not operator, to the Company's knowledge, the Assets are and have been operated in material compliance with all Environmental Laws;

(g) **ROFRS.** To the Company's knowledge, the Assets are not subject to any rights of first refusal triggered as a result of this Transaction or the Alternative Transaction other than the rights of first refusal identified in the Disclosure Letter;

(h) **AFEs.** The Disclosure Letter sets forth a list, true and correct as of July 31, 2018, of all material authorities for expenditures (collectively, "**AFEs**") for capital expenditures with respect to the Assets that have been proposed by any Person having authority to do so (including internal AFEs of the Company not delivered to Third Parties) or other commitments to make expenditures in respect of the ownership or operation of the Assets in an amount in each case (in respect of the Company's share) in excess of $100,000;

(i) **Not a Non-Resident Person.** The Company is not a non-resident of Canada within the meaning of that term under the *Income Tax Act* (Canada).

3.02 Plan Sponsor's Representations and Warranties

The Plan Sponsor represents and warrants to the Company as follows, acknowledging that the Company is relying on these representations and warranties:

(a) **Organization and Corporate Authority.** The Plan Sponsor is a company duly incorporated, organized and subsisting under the laws of Alberta. The Plan Sponsor has the corporate power, authority and right to perform its obligations under this Agreement and the CCAA Plan.

(b) **Authorization, Execution and Enforceability.** The execution and delivery of this Agreement and the performance by the Plan Sponsor of its obligations hereunder and under the CCAA Plan have been duly authorized by all necessary corporate or other action on the part of the Plan Sponsor. This Agreement constitutes a legal, valid and binding obligation of the Plan Sponsor, enforceable against the Plan Sponsor in accordance with its terms, except insofar as enforceability may be limited by bankruptcy, insolvency, moratorium or other Applicable Law which may affect creditors' rights and remedies generally and by principles of equity. All other agreements, instruments and other documents contemplated hereunder and under the CCAA Plan to which the Plan Sponsor is or will be a party have been or will be as of the Effective Time, duly authorized by all necessary corporate or other action on the part of the Plan Sponsor and such agreements, instruments and other documents will constitute legal, valid and binding obligations of the Plan Sponsor, enforceable against the Plan Sponsor in accordance with their terms.

(c) **WTO Investor.** The Plan Sponsor is (i) a "WTO investor"; and (ii) not a "state-owned enterprise", in each case for the purposes of the *Investment Canada Act* (Canada).

(d) **Proceeding.** There are no orders of or proceedings before or pending before any Authorized Authority, or threatened to be brought by or before any Authorized Authority by or against the Plan Sponsor affecting the legality, validity or enforceability of this Agreement, the CCAA Plan or the consummation of the Transaction or the Alternative Transaction by the Plan Sponsor.

(e) **Authorizations.** Except for the Requisite Transaction Approvals, the Regulatory Approvals, the CCAA Approval and Vesting Order, and any approvals or notifications required from or to the Alberta Energy Regulator, the British Columbia Oil and Gas Commission or the applicable securities regulators, no authorizations, consents or approvals of, or filing with or notice to, any Authorized Authority are required in connection with the execution, delivery or performance of this Agreement, the Transaction, the CCAA Plan or the Alternative Transaction, as applicable.

(f) **Non-Contravention.** The execution and delivery of this Agreement, the performance by the Plan Sponsor of its obligations under this Agreement and the CCAA Plan and the consummation of the Transaction or the Alternative Transaction do not and will not:

(i) contravene, conflict with, or result in any violation or breach of its organizational documents; or

(ii) contravene, conflict with, or result in a violation or breach of any Applicable Law applicable to the Plan Sponsor or any of its properties or assets.

(g) **Financing.** Subject to the receipt of the PRC Approvals: (i) the Plan Sponsor will at the Effective Time have the available funds or committed financing arrangements in place from which to pay the Plan Sponsored Funds and the Cash Adjustment Amount, if any, and (ii) will have sufficient funds available to pay the Plan Sponsored Funds and the Cash Adjustment Amount, if any, prior to the Effective Date by the time required under, and otherwise in accordance with, the CCAA Plan.

3.03 Limitation of Representations by the Company

(a) Other than as expressly provided for in this Article 3, no representation, warranty or condition is expressed or can be implied concerning the Transaction, the Alternative Transaction, the Company, the Business, the Assets or any other matters relating to the Company. Except as otherwise provided herein, the Company expressly negates and disclaims any representations or warranties, whether written or verbal, made by the Company, the Financial Advisor or the Monitor, or any of their respective representatives (including directors, officers, employees, agents and advisors) and in particular, without limiting the generality of the foregoing, the Company disclaims all liability and responsibility for any such representation or warranty, or any other statement or information made or communicated, whether verbally or in writing, to the Plan Sponsor or any of its representatives (including advisors). The Plan Sponsor's investment, the Transaction, or the Alternative Transaction (as applicable) shall be on a strictly "as is, where is" basis and there are no collateral agreements, conditions, representations or warranties of any nature whatsoever made by the Company, the Financial Advisor, or the Monitor, or any of their respective representatives, express or implied, arising at law, by statute (including foreign statutes), by custom or usage of trade, in equity or otherwise, with respect to the Transaction, the Alternative Transaction, the Company, the Business, the Assets or any other matter relating to the Company, and in particular, without limiting the generality of the foregoing, there are no collateral agreements, conditions, representations or warranties made by the Company, the Financial Advisor or the Monitor, or any of their respective representatives, express or implied, arising at law, by statute, in equity or otherwise with respect to:

(i) any engineering, geological or other interpretation or economic evaluations respecting the Assets;

(ii) the quality, quantity or recoverability of Petroleum Substances within or under the Lands or any lands pooled or unitized therewith;

(iii) any estimates of the value of the Assets or the revenues or cash flows from future production from the Lands;

(iv) the rates of production of Petroleum Substances from the Lands;

(v) the quality, condition, fitness or merchantability of any tangible depreciable equipment or property interests included in the Assets (including the Tangibles);

(vi) the accuracy or completeness of the Due Diligence Information or any other data or information supplied or made available by the Company, the Financial Advisor or the Monitor, or any of their respective representatives (including directors, officers, employees, agents and advisors), in connection with the Transaction, the Alternative Transaction, the Company, the Business, the Assets or any other matters relating to the Company, whether pursuant to the SISP or otherwise;

(vii) the suitability of the Assets for any purpose;

(viii) the operation of the Business;

(ix) the Tax treatment or Tax implications of the Transaction contemplated by this Agreement and/or the CCAA Plan or the Alternative Transaction;

(x) compliance with Applicable Laws, including Environmental Laws; or

(xi) the right, title and interest of the Company in and to the Assets.

(b) Without restricting the generality of the foregoing, the Plan Sponsor acknowledges that it has made its own independent investigation, analysis, evaluation and inspection of the Assets, the Company's interests therein and the state and condition thereof, and that it is satisfied with, and has relied solely on, such investigation, analysis, evaluation and inspection as to its assessment of the condition, quantum and value of the Assets, liabilities and the Business and all other relevant matters and has determined to proceed with the Transaction or the Alternative Transaction, as applicable.

(c) The Plan Sponsor acknowledges and agrees that other than as expressly provided for in this Article 3, the Transaction or the Alternative Transaction, as applicable, is being completed on an "as is, where is" basis and that, other than its rights under Sections 5.01(a)(i) and 7.01(c), the Plan Sponsor shall have no claim, rights or recourse against the Company or any of the Directors, Officers, employees, agents, advisors or other representatives of the Company (including the Financial Advisor) in connection with any of the representations or warranties contained in this Section.

(d) Any Due Diligence Information provided in writing or orally by or on behalf of the Company to the Plan Sponsor with respect to the Company, its Assets, liabilities and (including any confidential information memorandums, management presentations, or material made available during or in connection with management presentations and material in the electronic data room) have been provided to the Plan Sponsor solely to assist the Plan Sponsor in undertaking its own due diligence, and the Company (except as otherwise expressly provided in Section 3.01) and its Directors, Officers, employees, agents, advisors and other representatives (including the Financial Advisor) have not made and are not making any representations or warranties, implied or otherwise, to or for the benefit of the Plan Sponsor as to the accuracy and completeness of any such documents, materials or information or the achievability of any valuations, estimates or projections. The Plan Sponsor acknowledges that it has not and will not rely upon any such documents, materials or information in any manner, whether as a substitute for or supplementary to its own due diligence, searches, investigations, analyses inspections and evaluations. The Plan Sponsor agrees that the Directors, Officers, employees, agents, advisors and other representatives of the Company, and the Financial Advisor, the Monitor and their respective directors, officers, employees, agents, advisors and other representatives, will not be liable for any inaccuracy in or incompleteness of or subsequent changes to any such documents, materials or information (and the Plan Sponsor appoints the Company as the trustee for such persons with respect to this covenant and the Company accepts such appointment).

ARTICLE 4
COVENANTS

4.01 Covenants of the Plan Sponsor

The Plan Sponsor covenants and agrees that, except as expressly contemplated by this Agreement, or as otherwise required by Applicable Law, after the date hereof and prior to the earlier of the (i) Effective Time or the Closing Date (as applicable) and (ii) the Termination Date:

(a) it will refrain from taking any action which would cause any of its representations or warranties contained herein to be untrue or incorrect in any material respect as of the Effective Time or the Closing Date, as applicable;

(b) it will cooperate with the Company in good faith to pursue and support the CCAA Plan and its implementation, to obtain the Orders contemplated herein and to effect the Transaction contemplated herein and in the CCAA Plan, and it will do all such things and take all such actions as may be reasonably necessary to carry out the purposes and intent of this Agreement and the CCAA Plan and consummate the Transaction or, in the event of a CCAA Plan Termination Event, the Alternative Transaction, in accordance with the terms and conditions set forth herein and therein;

(c) subject to the CCAA Proceeding and the provisions of this Agreement, it will use commercially reasonable efforts to fulfill all conditions to the Company's obligations to consummate the CCAA Plan and the Transaction or the Alternative Transaction, as applicable, in accordance with the terms and conditions set forth herein and therein and to cause the Effective Date or the Closing Date, as applicable, to occur as promptly as reasonably practicable;

(d) it will promptly notify the Company, upon any representation or warranty made by it contained in this Agreement becoming untrue, incorrect or misleading and any such notification will set out particulars of the untrue, incorrect or misleading representation or warranty and details of any action being taken to rectify same;

(e) it will not take any action that could reasonably be expected to frustrate, delay or hinder, or that is inconsistent with, the successful and timely consummation of the Transaction or the Alternative Transaction, as applicable;

(f) within ten (10) Business Days of signing this Agreement, it will make the necessary submissions to obtain the MOFCOM Approval and the NDRC Approval and contemporaneously provide written notice to the Company that such applications have been submitted;

(g) it will keep the Company reasonably informed regarding the status of the PRC Approvals and any developments in connection therewith;

(h) upon receipt of the MOFCOM Approval and NDRC Approval, it will promptly and no later than five (5) Business Days after such approvals are received seek the SAFE Registration and promptly advise the Company of the date on which it will be entitled to purchase the amount of Canadian currency necessary to complete the Transaction or the Alternative Transaction and to wire such funds out of the People's Republic of China and into an account in Canada designated by the Monitor or the Company, as applicable;

(i) no later than August 14, 2018, the Plan Sponsor shall make written offers of employment, conditional and effective on the Effective Date (in the case of completion of the Transaction) or the Closing Date (in the case of closing of the Alternative Transaction), to substantially all but not less than 85% of the Employees, on terms and conditions that (i) provide recognition of past service, (ii) comply with the *Employment Standards Code* (Alberta), and (iii) contain commercially reasonable and market standard terms and conditions of employment ("**Offers of Employment**"). Such written Offers of Employment shall remain open for acceptance until 5:00 p.m. (Calgary time) on August 21, 2018. The Plan Sponsor shall provide the Company with a list of Employees that will receive Offers of Employment and a copy of each of the actual, written offer agreements to be used for the Offers of Employment and a reasonable opportunity (but not less than 48 hours) to review and comment on such agreements to be used for the Offers of Employment before such Offers of Employment are made by the Plan Sponsor to the applicable Employees. On August 22, 2018 the Plan Sponsor shall provide the Company with a list of Employees who have not accepted or have rejected an Offer of Employment; and

(j) to the extent the Plan Sponsor receives or has access to any personal information about an identifiable individual in the care or control of the Company, it shall treat such information in compliance with the *Personal Information Protection and Electronic Documents Act* (Canada).

4.02 Covenants of the Company

The Company covenants and agrees that, except as expressly contemplated by this Agreement, or as otherwise required by Applicable Law (including the CCAA, the Initial Order or any other Orders), after the date hereof and prior to the earlier of (i) the Effective Time or the Closing Date (as applicable) and (ii) the Termination Date:

(a) it will refrain from taking any action which would cause any of its representations or warranties contained herein to be untrue or incorrect in any material respect as of the Effective Time or the Closing Date, as applicable;

(b) subject to requisite Creditor and CCAA Court approval and subject to the CCAA, the Initial Order or any other Orders, it will in good faith pursue the CCAA Plan, seek to obtain the Orders contemplated herein and to effect the Transaction contemplated herein and in the CCAA Plan, and it will do all such things and take all such actions as may be reasonably necessary to carry out the purposes and intent of this Agreement and the CCAA Plan and consummate the Transaction or, in the event of a CCAA Plan Termination Event, the Alternative Transaction, in accordance with the terms and conditions set forth herein and therein;

(c) subject to requisite Creditor and CCAA Court approval and subject to the CCAA, the Initial Order or any other Orders, it will use commercially reasonable efforts to fulfill all conditions to the Plan Sponsor's obligation to consummate the CCAA Plan and the Transaction, or the Alternative Transaction, as applicable, in accordance with the terms and conditions set forth herein and therein and to cause the Effective Date or the Closing Date, as applicable to occur as promptly as reasonably practicable;

(d) subject to all contractual and fiduciary obligations and under the supervision of the Monitor, it will continue to (i) give the Plan Sponsor, upon reasonable advance notice and during regular business hours, reasonable access to all Books and Records, personnel, officers and other facilities and properties of the Business and (ii) permit the Plan Sponsor to make inspections thereof, upon reasonable advance notice and during regular business hours, as the Plan Sponsor may reasonably request, provided, however, that such access must not interfere with or affect the normal course operation of the Business or the ability of any employee to timely perform their required functions at the Company, and it being understood and agreed that all information obtained by the Plan Sponsor and Affiliates pursuant thereto shall be subject to the provisions of the Confidentiality Agreement between the Company and a related party of Plan Sponsor dated April 20, 2018, the provisions of which the Plan Sponsor agrees that it is bound by;

(e) it will conduct its business in the usual and ordinary course of business consistent with past practice (for greater certainty, where it is an operator of any oil or natural gas property, it shall operate and maintain such property in a proper and prudent manner in accordance with good industry practice in Canada and the agreements governing the ownership and operation of such property) and it shall use commercially reasonable efforts to maintain and preserve its Business, Assets, properties and goodwill and maintain satisfactory business relationships with shippers, distributors, customers and others having business relationships with it; and

(f) it will promptly notify the Plan Sponsor, upon any representation or warranty made by it contained in this Agreement becoming untrue, incorrect or misleading and any such notification will set out particulars of the untrue, incorrect or misleading representation or warranty and details of any action being taken to rectify same.

4.03 Consent of Plan Sponsor

The Company shall not from the date hereof to the earlier of (i) the Effective Time or the Closing Date (as applicable) and (ii) the Termination Date, without the written consent of the Plan Sponsor, which consent shall not be unreasonably withheld by the Plan Sponsor and which, if provided, shall be provided in a timely manner:

(a) other than as contemplated in its 2018 approved budget, make any commitment or propose, initiate or authorize any capital expenditure with respect to the Assets of which the Company's share is in excess of $300,000, except in case of an emergency or in respect of amounts which the Company may be committed to expend or be deemed to authorize for expenditure without its consent;

(b) surrender or abandon any of the Assets, unless an expenditure of money in excess of $10,000 is required to avoid the surrender or abandonment and the Plan Sponsor does not provide same in a timely fashion, in which event the Assets in question shall be surrendered or abandoned without abatement or reduction in the Plan Sponsored Funds or modification of Existing Cash;

(c) amend or terminate any Title Document or enter into any new agreement or commitment relating to the Assets (other than entering into agreements for the sale of Petroleum Substances in the ordinary course of business for a term not to exceed 3 months);

(d) other than in the ordinary course of business, enter into any: (i) settlement agreement with a Third Party or an Authorized Authority; or (ii) consent decree with an Authorized Authority that, in any case, would require the payment by the Plan Sponsor thereof of any amount after the Effective Date or would compromise the Company's ability to sell, transfer, assign, convey and deliver the Assets or the Business to the Plan Sponsor;

(e) except as set forth in the Disclosure Letter, make any material modification to its usual sales, human resource, accounting, software, marketing, transportation or management practices, processes or systems, which form a part of or affect the Assets;

(f) other than as otherwise permitted under this section 4.03, enter into any contract or agreement which forms a part of the Assets: (i) outside of the ordinary course of business; (ii) for which obligation thereunder shall reasonably exceed $200,000; and (iii) which are not terminable without penalty on notice of 61 days or less; or

(g) sell, encumber, replace or otherwise dispose of any of the Assets or any part or portion thereof excepting sales of the Leased Substances in the normal course of business.

4.04 Competition Act Notice

In the event the parties are required to obtain the Competition Act Approval to complete the Transaction or the Alternative Transaction, as applicable:

(a) The Plan Sponsor shall, as soon as reasonably practical, file with the Commissioner of Competition a request for an Advance Ruling Certificate (or, in the event that the Commissioner of Competition is not prepared to issue an Advance Ruling Certificate, a No Action Letter and waiver under section 113(c) of the Competition Act relieving the parties from the obligation to file under Part IX of the Competition Act) and the Company shall furnish the Plan Sponsor with such information and assistance as may be reasonably requested in order to prepare and file such request for an Advance Ruling Certificate. The parties shall, as soon as reasonably practical, file with the Commissioner of Competition their respective filings in accordance with section 114 of the Competition Act, unless the parties mutually agree otherwise as to the necessity or timing of such filings.

(b) The parties shall use commercially reasonable efforts to respond promptly to any request or notice from any Authorized Authority requiring the parties, or either of them, to supply additional information that is relevant to the Commissioner of Competition's assessment of the Transaction and the Alternative Transaction including, without limitation, pursuant to section 114(2) of the Competition Act.

(c) The Plan Sponsor shall pay all filing fees payable to Authorized Authorities in respect of the applications and filings made in connection with obtaining the Competition Act Approval.

(d) Subject to Applicable Law, each party shall provide the other party (or its external counsel in respect of competitively-sensitive, privileged or confidential matters) with reasonable opportunity to review and comment on all filings, applications and submissions to be made by it with or to the Commissioner of Competition or any other Authorized Authority relevant to the Competition Act Approval, to participate in all meetings with the Commissioner of Competition or any other Authorized Authority in connection with obtaining the Competition Act Approval and to review all notices and correspondence received from the Commissioner of Competition or any other Authorized Authority with respect to all such filings, applications and submissions made under the Competition Act and such other party shall use its commercially reasonable efforts to cooperate with and assist such party in the preparation and making of all such filings, applications and submissions and obtaining the Competition Act Approval.

(e) Notwithstanding any other provision herein, in no event will the Plan Sponsor be required hereunder or otherwise to agree to any hold separate, divestiture or similar order or restriction on the business of the Plan Sponsor.

ARTICLE 5
CONDITIONS TO CLOSING

5.01 Conditions for the Benefit of the Plan Sponsor

(a) The obligations of the Plan Sponsor to consummate the Transaction are, unless waived by the Plan Sponsor, subject to the fulfillment, of each of the following conditions:

(i) the representations and warranties of the Company set forth herein will be true and correct in all material respects (except that any representations and warranties that are qualified by materiality will be true and correct in all respects) as of the Effective Time with the same effect as though such representations and warranties had been made at and as of the Effective Time (except to the extent such representations and warranties are given as of an earlier date in section 3.01, in which event such representations and warranties shall be true in all material respects as of such earlier date);

(ii) the Company will have performed and complied in all material respects with all covenants and agreements set forth in this Agreement required to be performed or complied with by the Company prior to or concurrently with the Effective Date;

(iii) the PRC Approvals shall have been obtained;

(iv) the Competition Act Approval shall have been obtained; and

(v) in the event that the parties proceed with the CCAA Plan, all of the conditions set out in Article 8 of the CCAA Plan shall be satisfied or waived prior to the date specified therein.

The conditions set out in Sections 5.01(a)(i)-5.01(a)(ii) are for the exclusive benefit of the Plan Sponsor and may be waived by the Plan Sponsor in whole or in part in its absolute discretion. Any such waiver will be binding on the Plan Sponsor only if made by written notice to the Company and the Monitor. The conditions set out in Sections 5.01(a)(iii) - 5.01(a)(v) are for the benefit of the Plan Sponsor and may be waived in whole or in part by the Plan Sponsor with the prior written consent of the Company and the Consenting First Lien Lenders and upon written notice to the Monitor.

5.02 Conditions for the Benefit of the Company

(a) The obligations of the Company to consummate the Transaction are, unless waived by the Company, subject to the fulfillment, of each of the following conditions:

(i) payment of the Plan Sponsored Funds and the Cash Adjustment Amount, if any, and transfer of the Existing Cash to the Monitor in accordance with the terms of this Agreement and the CCAA Plan;

(ii) the representations and warranties of the Plan Sponsor set forth herein will be true and correct in all material respects (except that any representations and warranties that are qualified by materiality will be true and correct in all respects) on and as of the Effective Time with the same effect as though such representations and warranties had been made at the Effective Time;

(iii) the Plan Sponsor will have performed and complied in all material respects with all covenants and agreements set forth in this Agreement required to be performed or complied with by the Plan Sponsor prior to or concurrently with the Effective Date;

(iv) the Competition Act Approval shall have been obtained;

(v) the PRC Approvals shall have been obtained; and

(vi) in the event that the parties proceed with the CCAA Plan, all of the conditions set out in Article 8 of the CCAA Plan shall be satisfied or waived prior to the date specified therein.

The conditions set out in Sections 5.02(a)(i)-5.02(a)(iii) are for the exclusive benefit of the Company and may be waived by the Company in whole or in part. Any such waiver will be binding on the Company only if made by written notice to the Plan Sponsor and the Monitor. The conditions set out in Sections 5.02(a)(iv)- 5.02(a)(vi) are for the benefit of the Company and may only be waived in whole or in part by the Company with the prior written consent of the Plan Sponsor and the Consenting First Lien Lenders and upon written notice to the Monitor.

5.03 Calculation of Existing Cash

At least five Business Days prior to the Effective Date, the Company shall prepare and deliver to the Plan Sponsor and the Monitor its good faith calculation of the estimated Existing Cash as of the Effective Date and its backup working papers relating thereto. If the Company and the Plan Sponsor are not able to agree upon the calculation of the Existing Cash as of the Effective Date by the Business Day prior to the Effective Date, the Company shall request that the Monitor review the calculation with respect to Existing Cash. The Monitor's determination of the Existing Cash amount shall be determinative and final and the Company and the Plan Sponsor agree not to take any proceedings to appeal such determination.

ARTICLE 6
EFFECTIVE TIME

6.01 Location and Time of Closing

Upon the terms and subject to the conditions hereof, the closing of the Transaction will take place at the Calgary offices of Cassels, or such other place as the Plan Sponsor and the Company may mutually agree, on the Effective Date.

6.02 Closing Deliveries of the Company

At the Effective Time, subject to the terms and conditions of the CCAA Plan, the Company will deliver or cause to be delivered to the Plan Sponsor:

(a) a receipt from the Monitor confirming the transfer of the Cash on Hand up to the amount of the Existing Cash;

(b) Articles of Reorganization for the Company reflecting the relevant steps contemplated in the Transaction pursuant to the *Canada Business Corporations Act*;

(c) certificates representing the New Common Shares registered in the name(s) and in the denomination(s) designated by the Plan Sponsor;

(d) one or more certificates, dated the Effective Date, executed by any Officer (but without personal liability on such Person), confirming that:

(i) all of the representations and warranties of the Company contained in this Agreement are true and correct in all material respects (except that any representations and warranties that are qualified by materiality will be true and correct in all respects) as of the Effective Time, with the same effect as though made on and as of the Effective Time (except to the extent such representations and warranties are given as of an earlier date in section 3.01, in which event such representations and warranties shall be true in all material respects as of such earlier date); and

(ii) each of the conditions precedent in Section 5.01 has been fulfilled to the Company’s satisfaction or waived as of the Effective Time;

(e) a copy of the Requisite Transaction Approvals;

(f) an executed copy of the Monitor's Certificate; and

(g) such other certificates, agreements, instruments and documents, in form and substance reasonably satisfactory to the Plan Sponsor, as may be contemplated by the CCAA Plan or this Agreement, or as the Plan Sponsor may reasonably request to carry out the purpose and intent of this Agreement and the CCAA Plan.

6.03 Closing Deliveries of the Plan Sponsor

At the Effective Time, the Plan Sponsor will deliver, or cause to be delivered, to the Company:

(a) a receipt from the Monitor confirming payment of the Plan Sponsored Funds and the Cash Adjustment Amount, if any;

(b) a copy of or certificates certifying the receipt of the Regulatory Approvals;

(c) a certificate, dated the Effective Date, executed by an executive officer of the Plan Sponsor, confirming that:

   (i) all of the representations and warranties of the Plan Sponsor contained in this Agreement are true and correct in all material respects (except that any representations and warranties that are qualified by materiality will be true and correct in all respects) as of the Effective Time, with the same effect as though made on and as of the Effective Time; and

   (ii) each of the conditions precedent in Section 5.02 has been fulfilled to the Plan Sponsor's satisfaction or waived as of the Effective Time; and

(d) such other certificates, agreements, instruments and documents in form and substance reasonably acceptable to the Company, as may be contemplated by the CCAA Plan or this Agreement, or as the Company may reasonably request to carry out the purpose and intent of this Agreement and the CCAA Plan.

6.04 Possession

The Company will deliver to the Plan Sponsor on the Effective Date such keys, lock and safe combinations in its possession and other similar items in its possession as the Plan Sponsor may require to obtain immediate and full occupation, possession and control of the Company.

ARTICLE 7
TERMINATION

7.01 Termination

This Agreement may be terminated at any time prior to the Effective Time, or, in the event of a CCAA Plan Termination Event, the Closing Date:

(a) by mutual written agreement of the Plan Sponsor and the Company;

(b) by either party, upon written notice to the other party and the Monitor if the Effective Date does not occur on or before the Outside Date, or in the event of a CCAA Plan Termination Event, the Closing Date of the Alternative Transaction does not occur before the Outside Date for Closing, or such later date as the parties may agree to in writing;

(c) by the Plan Sponsor if the Company has breached any term of this Agreement, or if any of the conditions in Section 5.01 have not been satisfied by the Outside Date, or in the case of conditions contained in the CCAA Plan, by any earlier date specified in such conditions (or are incapable of being satisfied by such date) and the Plan Sponsor has not waived such condition by notice in writing in accordance with this Agreement or the CCAA Plan, as the case may be; or

(d) by the Company if the Plan Sponsor has breached any term of this Agreement, or if any of the conditions in Section 5.02 have not been satisfied by the Outside

Date, or in the case of conditions contained in the CCAA Plan, by any earlier date specified in such conditions (or are incapable of being satisfied by such date) and the Company has not waived such condition by notice in writing in accordance with this Agreement or the CCAA Plan, as the case may be;

in each case, (the "**Termination Date**"). For the avoidance of doubt, in the event of a CCAA Plan Termination Event, the parties shall seek to consummate the Purchase and Sale Agreement in accordance with the terms hereof and thereof.

7.02 Effects of Termination

(a) If this Agreement is terminated pursuant to Section 7.01, all further obligations of the parties under or pursuant to this Agreement will terminate without further liability of any party to the other except obligations under Sections 7.02(b), 7.02(c), 8.03, and 8.04.

(b) If this Agreement has been terminated due to:

(i) failure by the Plan Sponsor to obtain the PRC Approvals by the Outside Date (as may be extended pursuant to the terms hereof) and the Company is not in breach of this Agreement at such time (other than by reason of the Plan Sponsor's breach), and all other conditions for the benefit of the Plan Sponsor in Section 5.01 that were capable of having been satisfied at such time and were required to have been satisfied at such time have been satisfied other than Section 5.01(a)(iii) *[PRC Approvals]* and 5.01(a)(v) *[CCAA Plan Completed]*; or

(ii) a material breach by the Plan Sponsor of its obligations hereunder and the Company is not in breach of this Agreement at such time (other than by reason of Plan Sponsor's breach),

then the Deposit (as well as any Additional Deposit(s)) will be immediately and irrevocably forfeited to the Company for the account of the Company absolutely as liquidated damages and not as a penalty.

(c) If this Agreement has been terminated for any other reason, other than as addressed by Section 7.02(b), the Deposit (including any Additional Deposit) shall immediately be paid to the Plan Sponsor for the account of the Plan Sponsor absolutely.

7.03 Insurance Proceeds

If, prior to the Effective Time, the Assets are materially damaged or destroyed, provided that all conditions precedent to this Agreement have been satisfied or waived, the Plan Sponsor will complete the Transaction contemplated herein provided that (i) the proceeds of insurance to be paid to the Company relating to the damaged or destroyed Assets are adequate to replace such Assets, in the opinion of the Plan Sponsor, acting reasonably and (ii) the proceeds of insurance referable to such damage or destruction will be assigned by the Company to the Plan Sponsor on the Effective Date.

ARTICLE 8
MISCELLANEOUS PROVISIONS

8.01 Further Assurances

Each party will promptly do, make, execute or deliver, or cause to be done, made, executed or delivered, all such further acts, documents and things as the other party may reasonably require from time to time for the purpose of giving effect to this Agreement and the CCAA Plan and will use reasonable efforts and take all such steps as may be reasonably within its power to implement to their full extent the provisions of this Agreement and the CCAA Plan.

8.02 Time is of the Essence

Time is of the essence of this Agreement and of every part of this Agreement. No extension of time or other variation of this Agreement will operate as a waiver of this provision.

8.03 Payment of Costs and Expenses

Except as otherwise expressly provided in this Agreement, each of the Company and the Plan Sponsor will pay its respective legal and accounting costs and expenses and any commissions incurred in connection with the preparation, execution and delivery of this Agreement and all documents and instruments executed pursuant to this Agreement and any other costs and expenses whatsoever and howsoever incurred and will indemnify and save harmless the other from and against any claim resulting from any broker's, finder's or placement fee or commission alleged to have been incurred as a result of any action by it in connection with the Transaction under this Agreement. For the avoidance of doubt, amounts owing to the Financial Advisor in connection with the Transaction shall be paid pursuant to the CCAA Plan.

8.04 Non- Disclosure

The Plan Sponsor acknowledges and agrees that the Company or the Monitor may disclose the terms of this Agreement to such Creditors as may be deemed appropriate by the Company or the Monitor in connection with discussions with such Creditor(s) concerning the CCAA Plan and will publicly disclose this Agreement in connection with seeking approval of this Agreement from the CCAA Court and as required under applicable securities laws to which the Company remains subject; provided that any other form of public disclosure concerning the Transaction or the Alternative Transaction will require the consent of the Plan Sponsor, acting reasonably.

8.05 Solicitors and Agents and Tender

(a) Any notice, approval, waiver, agreement, instrument, document or communication permitted, required or contemplated in this Agreement, the CCAA Plan or the Purchase Agreement may be given or delivered by the Plan Sponsor's counsel, Borden Ladner Gervais LLP, on behalf of the Plan Sponsor and by Cassels, on behalf of the Company.

(b) 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.

8.06 Successors and Assigns

This Agreement will enure to the benefit of, and be binding on, the parties and their respective successors and permitted assigns. This Agreement may be assigned by the Plan Sponsor to one or more of its Affiliates only with the prior written consent of the Company and the Monitor, and provided that (i) such assignee agrees to be bound by the terms of this Agreement, (ii) such assignment shall not release the Plan Sponsor from any obligation or liability hereunder and (iii) the Plan Sponsor acknowledges and confirms its continuing obligations and liabilities hereunder on a joint and several basis with such assignee in form and substance satisfactory to the Company and the Monitor.

8.07 Entire Agreement

This Agreement (including the Exhibits and Schedules hereto) constitutes the entire agreement between the parties pertaining to the subject matter hereof. None of the Company's obligations hereunder will be subject to compromise or arrangement pursuant to the CCAA Plan or otherwise under the CCAA Proceeding, provided that the Plan Sponsor shall not have any Claim or entitlement to the payment or distribution of funds under the CCAA Plan and shall have no claims or remedies constituting a Post-Filing Claim under the CCAA Plan.

8.08 Amendment and Waiver

Except as expressly provided in this Agreement, no amendment or waiver of this Agreement will be binding unless executed in writing by the party to be bound thereby. No waiver of any provision of this Agreement will constitute a waiver of any other provision nor will any waiver of any provision of this Agreement constitute a continuing waiver unless otherwise expressly provided.

8.09 Notice

(a) To be effective, a notice must be in writing and delivered (i) personally, either to the individual designated below or to an individual having apparent authority to accept deliveries on that party's behalf, to the address, (ii) by registered mail to the address, or (iii) by email to the email address, each as set out opposite the party's name below or to any other address, or email address for a party as that party from time to time designates to the other parties in the same manner:

in the case of the Company, to:

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

Attention: Merle Johnson
Email: mejohnson@connacheroil.com

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

in the case of the Plan Sponsor, to:

East River Oil and Gas Ltd.
Suite 600, 600 3rd Avenue SW
Calgary, AB T2P 0G5

Attention: Michael Lam
Email: lam.m@snencn.cn

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

Cassels Brock & Blackwell LLP 2100 Scotia Plaza 40 King St. West Toronto ON M5H 3C2	Borden Ladner Gervais LLP Centennial Place, East Tower 1900, 520 – 3rd Avenue S.W. Calgary AB T2P 0R3
Attention: Ryan C. Jacobs Joseph Bellissimo	Attention: Robyn Gurofsky Xiaodi Jin
Email: rjacobs@casselsbrock.com jbellissimo@casselsbrock.com	Email: rgurofsky@blg.com xjin@blg.com

in the case of the Monitor, to:

Ernst & Young Inc.
Calgary City Centre
Suite 2200, 215 - 2nd Street SW
Calgary, AB T2P 1M4

Attention: Neil Narfason

Email: neil.narfason@ca.ey.com

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

McCarthy Tétrault LLP
Suite 4000
421 - 7th Avenue SW
Calgary AB T2P 4K9

Attention: Sean Collins
Walker MacLeod

Email: scollins@mccarthy.ca
wmacleod@mccarthy.ca

(b) Notice given in accordance with this Section is deemed to have been received when given

(i) personally on the day of delivery if that day is a Business Day and it was received before 5:00 p.m. local time in the place of receipt and otherwise on the next Business Day;

(ii) by registered mail on the fourth Business Day following the day on which it is mailed, except that if at any time between those dates there is a disruption of postal service then any such notice is not deemed to have been received; or

(iii) by email on the day the sender sends it to the recipient, as confirmed by the sender's email server, if that day is a Business Day and it was sent before 5:00 p.m. local time in the place of receipt and otherwise on the next Business Day.

8.10 Remedies Cumulative

The right and remedies of the parties under this Agreement are cumulative and are in addition to, and not in substitution for, any other rights and remedies available at law or in equity or otherwise. No single or partial exercise by a party of any right or remedy precludes or otherwise affects the exercise of any other right or remedy to which that party may be entitled.

8.11 Third Party Beneficiaries

Each party hereto intends that this Agreement will not benefit or create any right or cause of action in or on behalf of any Person other than the parties hereto and their successors and permitted assigns, and no Person, other than the parties hereto and their successors and their permitted assigns, will be entitled to rely on the provisions hereof in any action, suit, proceeding, hearing or other forum.

8.12 Governing Law

The laws of Alberta and the laws of Canada applicable in that province, excluding any rule or principle of conflicts of law that may provide otherwise, govern this Agreement.

8.13 Submission to Jurisdiction

For purposes of all legal proceedings, this Agreement will be deemed to have been made and performed in the Province of Alberta. The parties irrevocably attorn to the jurisdiction of the courts of Alberta, which will have exclusive jurisdiction over any matter arising out of this Agreement.

8.14 Severability

Each of the provisions contained in this Agreement is distinct and severable and a declaration of invalidity or unenforceability of any such provision or part thereof by a court of competent jurisdiction will not affect the validity or enforceability of any other provision hereof. To the extent permitted by Applicable Law, the parties waive any provision of Applicable Law which renders any provision of this Agreement invalid or unenforceable in any respect. The parties will engage in good faith negotiations to replace any provision which is declared invalid or unenforceable with a valid and enforceable provision, the economic effect of which comes as close as possible to that of the invalid or unenforceable provision which it replaces.

8.15 No Registration of Agreement

The Plan Sponsor agrees that it will not register or cause to be registered this Agreement and that no reference to or notice of it or any caution, certificate of pending litigation or other similar court process in respect thereof will be registered on title to the Lands and/or any part thereof. The Plan Sponsor will indemnify and save the Company harmless from and against any and all claims whatsoever arising from or with respect to any such registration. This Section will survive the expiration and/or termination of this Agreement for any reason.

8.16 Construction of Terms

The parties acknowledge and agree that: (i) each party and its counsel reviewed and negotiated the terms and provisions of this Agreement and have contributed to their revision; (ii) the rule of construction to the effect that any ambiguities are resolved against the drafting party will not be employed in the interpretation of this Agreement; and (iii) the terms and provisions of this Agreement will be construed fairly as to the parties hereto and not in favour of or against any party, regardless of which party was generally responsible for the preparation of this Agreement.

8.17 No Partnership, etc.

Nothing contained in this Agreement will create a partnership, joint venture, principal-and-agent relationship, or any similar relationship between the parties.

8.18 Authorization in respect of the Company

Notwithstanding any other provision of this Agreement, this Agreement will not be binding on the Company unless and until the Authorization Order is made.

8.19 Counterparts

This Agreement may be signed in any number of counterparts, each of which is an original, and all of which taken together constitute one single document. Delivery of an executed signature page to this Agreement by any party by electronic transmission will be as effective as delivery of a manually executed copy of this Agreement by such party.

[The remainder of this page has been intentionally left blank]

This Agreement has been executed by the parties.

CONNACHER OIL AND GAS LIMITED

By: Merle Johnson
Name: MERLE JOHNSON
Title: CEO

By:
Name: Jeff Beeston
Title: CFO

EAST RIVER OIL AND GAS LTD.

By: ____________________
Name:
Title:

This Agreement has been executed by the parties.

CONNACHER OIL AND GAS LIMITED

By: ______________________________
Name:
Title:

By: ______________________________
Name:
Title:

EAST RIVER OIL AND GAS LTD.

By: ______________________________
Name: Michael Lam
Title: Authorized Signatory

EXHIBIT A
CCAA PLAN

COURT FILE NUMBER	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	**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)

Dated August 2, 2018

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. Pursuant to the Plan Sponsorship Agreement between the Company and the Plan Sponsor, the Company agreed to issue all of a newly created class of voting common shares to the Plan Sponsor conditional upon, among other things, the approval of this Plan by the Affected Creditors, its sanctioning by the CCAA Court and its implementation.

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:

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;

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

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

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

"**Alleged Emkay Claim**" mean the asserted claims of Emkay arising from the Emkay Decision, inclusive of interest and costs, which remain to be settled, determined and/or quantified by the CCAA Court;

"**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;

"**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 a beneficial or entitlement holder of Second Lien Notes holding 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 Adjustment Amount**" means the amount, if any, by which the dollar value of Existing Cash exceeds the dollar value of the Company's Cash on Hand as of the Effective Date;

"**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 and any funds being held by ATB as security for the obligations owing under the ATB Credit Facilities, but, for greater certainty, shall exclude 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) a Non-Continuing Employee Claim;

(l) an Equity Claim;

(m) a Post-Filing Claim;

(n) a Convenience Class Claim;

(o) a Crown Priority Claim;

(p) an Employee Priority Claim;

(q) a Municipal Tax Claim; and

(r) an Unaffected 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;

"**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 August 22, 2018 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;

“**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, which will be final and irrevocable once delivered to the Monitor;

“**Effective Date**” means the day on which the Monitor delivers the Monitor’s Certificate to the Company, the Plan Sponsor 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 Plan Sponsor;

“**Emkay**” means Emkay Canada Leasing Corp. and its affiliates and assigns;

"**Emkay Decision**" means the Reasons for Decision of the Honourable Mr. Justice K.D. Yamauchi of the CCAA Court granted in the CCAA Proceedings dated December 11, 2017;

"**Emkay Reserve**" has the meaning given to it in Section 3.9 of this Plan;

"**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;

"**Existing Cash**" means:

1. the Cash on Hand of the Company as of 12:01 a.m. on September 1, 2018; <u>plus</u>

2. the accounts receivable of the Company existing as of 12:01 a.m. on September 1, 2018 or related to the period prior to 12:01 a.m. on September 1, 2018 (whether or not invoiced by such time) which have been paid or collected during the period between 12:01 a.m. on September 1, 2018 and the Business Day prior to the Effective Date; <u>plus</u>

3. the prepaid expenses of the Company which were paid prior to and remain unused as of 12:01 a.m. on September 1, 2018; <u>minus</u>

4. the accounts payable of the Company which have accrued during the period between the Filing Date and 12:01 a.m. on September 1, 2018 (whether or not invoiced by such time) which have not been paid by the Company by the Business Day prior to the Effective Date or which will not be paid, compromised, discharged or released under this Plan and will remain an obligation or liability of the Company after the Effective Time, but for greater certainty, shall not include any Municipal Tax Claims; <u>minus</u>

5. the amounts paid by the Company from the Company's cash accounts during the period between 12:01 a.m. on September 1, 2018 and the Effective Date on account of fees and disbursements (plus any applicable Taxes thereon) for services rendered by Cassels, or other legal counsel and advisors to the Company, the Monitor, legal counsel to the Monitor, the Consenting First Lien Advisors, or other Persons from time to time retained by the Company, in each case in connection with the CCAA Proceeding, the Plan Sponsorship Agreement, or the implementation of this Plan (and the Restructuring Transactions) or the Alternative Transaction (as defined in the Plan Sponsorship Agreement),

calculated as applicable in accordance with International Financial Reporting Standards;

“**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;

“**Final Emkay Claim**” has the meaning given to it in Section 3.9 of this Plan;

“**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 the First Lien Claim minus the amount of the First Lien Lender Pool, 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 Lender Pool**” means the amount equal to the Plan Implementation Fund less:

(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, 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 Priority Secured Claims;

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

(e) 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;

(f) 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;

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

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

(i) the amount, if any, required to be held in the Emkay Reserve in accordance with Section 3.9 of this Plan in respect of the Alleged Emkay Claim; and

(j) the amount required to establish the General Creditor Pool,

plus any amounts added from time to time by the Monitor to the First Lien Lender Pool pursuant to Section 3.4, Section 3.5(b), Section 3.8(b), Section 3.8(c), Section 3.9, or Section 7.6(c) of this Plan.

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

"**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 5.6 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;

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

“**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;

"**Municipality**" means the Regional Municipality of Wood Buffalo;

"**New Board**" means the Company's board of directors appointed on the Effective Date which shall be comprised of individuals acceptable to the Plan Sponsor;

"**Non-Continuing Employee Claim**" means, with respect to an employee of the Company who does not receive an Offer of Employment or who does not accept an Offer of Employment by 5:00 p.m. (Calgary time) on August 21, 2018 (or such later date as may agreed to by the Company and the Plan Sponsor), a Claim for termination or severance pay or for payments arising from the termination of the employment of such employee pursuant to this Plan which Non-Continuing Employee Claim shall be filed and determined in accordance with the Supplemental Claims Procedure Order, provided that such employee's Non-Continuing Employee Claim shall exclude any Employee Priority Claim of the employee or any claim or entitlement of the employee secured by any of the CCAA Charges;

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

"**Offer of Employment**" has the meaning given to it in the Plan Sponsorship Agreement;

"**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 Plan Sponsorship Agreement;

"**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 Restructuring Transactions), as it may be amended, restated, supplemented or replaced in accordance with the terms hereof and the Plan Sponsorship Agreement;

"**Plan Implementation Fund**" means the amount equal to the sum of the Plan Sponsored Funds, the Cash on Hand up to the amount of the Existing Cash and the Cash Adjustment Amount, if any, to be delivered 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 Sponsor**" means East River Oil and Gas Ltd.;

"**Plan Sponsor Counsel**" means Borden Ladner Gervais LLP;

"**Plan Sponsored Funds**" means the amount of $113,500,000, which the Plan Sponsor will pay to the Monitor (in trust for the Company) prior to the Effective Time pursuant to the Plan Sponsorship Agreement;

"**Plan Sponsorship Agreement**" means the CCAA Acquisition and Plan Sponsorship Agreement between the Plan Sponsor and the Company dated August 2, 2018, as may be amended from time to time;

"**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, an Alleged Emkay Claim, a Final Emkay Claim, a Crown Priority Claim, a Municipal Tax Claim, an Unaffected 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, including but not limited to any Municipal Tax Claims that are Priority Secured Claims (other than the portion that is the Unaffected Municipal Tax Claim), but, for greater certainty, shall exclude 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 Lenders means the proportional share of a Beneficial First Lien Lender's holdings of the First Lien Claim to the total First Lien Claim; and (ii) the Second Lien Noteholders 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;

"**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, the First Lien Agent and the Plan Sponsor, 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, the First Lien Agent and the Plan Sponsor;

"**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 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;

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

“**Supplemental Claims Procedure Order**” means an Order to be sought by the Company from the CCAA Court on or about August 22, 2018 that, among other things, provides for the filing and determination of Secured Claims, certain Post-Filing Claims as of September 1, 2018, Post-Filing D&O Claims and Non-Continuing Employee 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 support agreement dated March 19, 2018 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;

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

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

“**Unaffected Municipal Tax Claims**” means 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;

"**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; 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 complete a reorganization of the Company's financial obligations, by implementing the Restructuring Transactions; and

(b) 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 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 three (3) 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) the Unaffected Municipal Tax Claims.

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 $1,000,000 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 (which in all cases shall exclude Plan Sponsor Counsel, post-Plan implementation) 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 add such funds to the First Lien Lender Pool.

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, including but not limited to any claim by the Municipality (but excluding the Unaffected Municipal Tax 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, 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, 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 will become part of the First Lien Lender Pool. 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.

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 and the Monitor, 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, 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, such portion of the Directors' Charge Claims Reserve will become part of the First Lien Lender Pool 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 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 or the KEIP which remain outstanding and have not been paid 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, 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, such portion of the Retention Plan Claims Reserve will become part of the First Lien Lender Pool.

(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, provided that, prior to the Effective Date, ATB shall release to the Company any funds that it is then holding as security for the Company's obligations to ATB and the Company (with the consent of the Plan Sponsor) shall provide replacement security to ATB after the Effective Date.

3.9 Emkay Reserve

In the event that the Alleged Emkay Claim remains in dispute and is not finally resolved or determined by an Order by the Effective Date, the Monitor shall hold the amount of $450,000 from the Plan Implementation Fund (the "**Emkay Reserve**") in escrow in accordance with this Section. In the event that the quantum of the Alleged Emkay Claim is subsequently agreed to between the Company and Emkay or determined by an Order (thereafter, the "**Final Emkay Claim**"), the Monitor shall pay the amount of the Final Emkay Claim to Emkay from the Emkay Reserve and the excess funds, if any, remaining in the Emkay Reserve shall become part of the First Lien Lender Pool.

ARTICLE 4
ESTABLISHMENT OF THE PLAN IMPLEMENTATION FUND

4.1 Plan Implementation Fund

At least two (2) Business Days prior to the Effective Date, in accordance with the Plan Sponsorship Agreement, the Plan Sponsor shall deliver to the Monitor the Plan Sponsored Funds to be held in trust for the Company. On or prior to the Effective Date, the Company shall deliver the Cash on Hand up to the amount of the Existing Cash to the Monitor. On or prior to the Effective Date, in accordance with the Plan Sponsorship Agreement, the Plan Sponsor shall deliver to the Monitor the Cash Adjustment Amount, if any, to be held in trust for the Company. Effective at the Effective Time, the Monitor shall release into the Plan Implementation Fund the sum of the Plan Sponsored Funds, the Existing Cash and the Cash Adjustment Amount, if any, to be held and distributed by the Monitor in accordance with this Plan.

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 (as defined in the Creditors' Meeting Order) 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 Claim

As soon as practicable following the Effective Date, the First Lien Lender Pool shall be distributed by the Monitor to the First Lien Agent.

5.3 Treatment of Second Lien Claim

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 Treatment of Non-Continuing Employees

Unless otherwise agreed to in writing by the Company and the Plan Sponsor, the employment or contracts of employment, as applicable, of employees of the Company who do not receive an Offer of Employment or who receive but do not accept an Offer of Employment by 5:00 p.m. (Calgary time) on August 21, 2018 (or such later date as may be agreed to by the Company and the Plan Sponsor) will be terminated effective as of the Effective Date and such employee will be entitled to submit a Non-Continuing Employee Claim in accordance with the Supplemental Claims Procedure Order. Non-Continuing Employee Claims shall constitute General Creditor Claims for the purposes of this Plan.

5.5 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 (as defined in the Creditors' Meeting Order) 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 (as defined in the Creditors' Meeting Order) 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.

5.6 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;

5.7 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.

5.8 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.

5.9 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.

5.10 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, Alleged Emkay Claims, Final Emkay Claims, 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, an Alleged Emkay Claim, a Final Emkay Claim, 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 and the Plan Sponsor 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 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

Distributions to the First Lien Lender Class shall be made by the Monitor in accordance with Section 5.2 of this Plan.

7.2 Distributions to the General Creditor Class

(a) General Creditors with Accepted Claims (including First Lien Lenders in respect of First Lien Lender 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 5.6 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 11.11 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 5.6 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

(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 by the Monitor into the First Lien Lender Pool, 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 Plan Sponsor, 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 Restructuring Transactions) are fair and reasonable;

(b) this Plan (including the compromises, arrangements, releases and the transactions contemplated herein, including 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 <u>Schedule “A”</u> to the 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 the 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 or the Plan Sponsor, the Monitor shall hold and distribute the funds received in accordance with this Plan;

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

(n) 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;

(o) 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;

(p) all Liens of Affected Creditors, including all security registrations in favour of any Affected Creditor, are discharged and extinguished; and

(q) 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 and the Plan Sponsor shall have complied with all provisions of the Plan Sponsorship Agreement and all conditions of the Plan Sponsorship Agreement shall have been satisfied or waived in accordance with its terms;

(b) the Company shall have complied with all provisions of the Support Agreement and all conditions of the Support Agreement 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 Plan Sponsor, 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) the Monitor shall have received the Plan Sponsored Funds and the Cash Adjustment Amount, if any, from the Plan Sponsor and the Existing Cash from the Company;

(f) no injunction or other order shall have been issued to enjoin, restrict or prohibit any of the transactions contemplated by this Plan and the Plan Sponsorship Agreement;

(g) 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

(h) 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 Plan Sponsor and 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 Plan Sponsor, 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, the Plan Sponsor 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, the Plan Sponsor 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 Schedule "B" 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 Plan Sponsor, 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 11.11 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 Plan Sponsor, 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, the Plan Sponsor 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, Ernst & Young Inc., the Monitor, the Financial Advisor, the Plan Sponsor, Plan Sponsor Counsel, 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, the Plan Sponsorship Agreement 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) 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 the 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 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 and the Plan Sponsor 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.

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

11.11 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 – 3nd Street SW
Calgary, Alberta T2P 1M4

Attention: Neil Narfason/Peter Chisholm
Email: neil.narfason@ca.ey.com/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 – 3nd Street SW
Calgary, Alberta T2P 1M4

Attention: Neil Narfason/Peter Chisholm
Email: neil.narfason@ca.ey.com/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 Plan Sponsor:

East River Oil and Gas Ltd.
Suite 600, 600 3rd Avenue SW
Calgary, Alberta T2P 0G5

Attention: Michael Lam
Email: lam.m@snencn.cn

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

Borden Ladner Gervais LLP
Centennial Place, East Tower
1900, 520 3rd Avenue SW
Calgary, Alberta T2P0R3

Attention: Robyn Gurofsky/ Xiaodi Jin
Email: rgurofsky@blg.com/xjin@blg.com

(d) 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 Plan Sponsor), without any further act or formality required on the part of any Person, except as may be expressly provided herein:

(a) the Monitor shall release into the Plan Implementation Fund the sum of the Plan Sponsored Funds, the Existing Cash and the Cash Adjustment Amount, if any, to be held and distributed by the Monitor in accordance with this Plan;

(b) 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;

(c) the Company shall issue 1,000 common shares to the Plan Sponsor in consideration of the payment by the Plan Sponsor of the Plan Sponsored Funds;

(d) paragraph 8 of the Articles of Continuance of the Company is hereby amended to add the following paragraphs:

The right to transfer the outstanding shares of the Corporation is restricted and no shares may be transferred without the approval of the Board of Directors of the Corporation.

The number of shareholders of the Corporation, exclusive of persons who are in its employment and exclusive of persons who, having been in the employment of the Corporation, were, while in that employment, and have continued after termination of that employment to be, shareholders of the Corporation, is limited to not more than fifty (50), two or more persons who are the joint registered owners of one or more shares being counted as one shareholder.

Any invitation to the public to subscribe for securities of the Corporation is prohibited.

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

(f) 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;

(g) 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;

(h) 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;

(i) the directors of the Company immediately prior to the Effective Time shall be deemed to have resigned and the New Board shall be deemed to have been appointed;

(j) 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; and

(k) 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 First Lien Lender Pool or the General Creditor Pool (as the case may be) held by the Monitor, or against the reserve and funds established pursuant to the Plan as applicable.

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 ●, 2018 (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 Sponsored Funds, the Existing Cash and the Cash Adjustment Amount, if any, in accordance with the terms of the Plan; and

3. This Certificate was delivered by the Monitor to the Company, the Plan Sponsor 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 A
PETROLEUM AND NATURAL GAS RIGHTS AND LANDS

CONNACHER OIL AND GAS LIMITED

Mineral Property Report

Generated by Kim Long on June 08, 2018 at 1:44:31 pm.

Selection

Admin Company:	CONNACHER OIL AND GAS LIMITED
Category:	
Country:	
Province:	
Division:	
Area(s):	
Active / Inactive:	Active
Status Types:	
Lease Types:	
Acreage Status:	
Expiry Period:	
Acreage Category:	

CS*EXPLORER Version: 9.10.04

CONNACHER OIL AND GAS LIMITED

Mineral Property Report

Print Options

Acres / Hectares:	Hectares		
Working Interest DOI:	Yes		
Other DOI:	No		
Related Contracts:	No	**Related Units:**	No
Royalty Information:	No		
Well Information:	No		
Remarks:	No		
Acreage:	Producing / Non Producing Developed / Undeveloped Proven / Unproven		

Sort Options

Division:	No
Category:	Yes
Province:	No
Area:	No
Location:	No

EXPLORER Software Solutions Ltd.

CS*EXPLORER Version: 9.1004

CONNACHER OIL AND GAS LIMITED
Mineral Property Report

Category: MINERAL

File Number / File Status / Mineral Int	Lse Type / Int Type / Operator	Lessor Type / Lse No/Name / Payor		Exposure / Gross / Net	Oper.Cont. ROFR / Doi Partner(s)	*	DOI Code *	Lease Description / Rights Held
M-0463	PNG LIC	CR	**Eff:** Feb 01, 1996	256.000			WI	Area : DIVIDE-PNG
Sub: A	WI		**Exp:** Jan 31, 2000	256.000	CONNACHER		100.00000000	TWP 82 RGE 12 W4M SEC 21
ACTIVE	5496020050		**Ext:** 8 (1)(H)	256.000				ALL PNG FROM BASE GRAND-RAPIDS
	CONNACHER		**Ext:** Dec 31, 2199		Total Rental:	896.00		TO BASE BASEMENT
100.00000000	RIFE							

Status		Hectares	Net		Hectares	Net
NON PRODUCING	**Prod:**	0.000	0.000	**NProd:**	256.000	256.000
UNDEVELOPED	**Dev:**	0.000	0.000	**Undev:**	256.000	256.000
	Prov:	0.000	0.000	**NProv:**	0.000	0.000

File Number / File Status / Mineral Int	Lse Type / Int Type / Operator	Lessor Type / Lse No/Name / Payor		Exposure / Gross / Net	Oper.Cont. ROFR / Doi Partner(s)	*	DOI Code *	Lease Description / Rights Held
M-0463	PNG LIC	CR	**Eff:** Feb 01, 1996	256.000			WI 2	Area : DIVIDE-PNG
Sub: B	NI		**Exp:** Jan 31, 2000	0.000	CONNACHER		85.00000000	TWP 82 RGE 12 W4M SEC 22
PENDING	5496020050		**Ext:** 8 (1)(H)	0.000	CHAIR		15.00000000	ALL PNG IN MCMURRAY (DUMMY
	CONNACHER		**Ext:** Dec 31, 2199					RIGHTS UNTIL EARNED (WELL
100.00000000	RIFE		**Count Acreage =** No		Total Rental:	0.00		COMPLETED/EQUIP/TIE-IN))

Status		Hectares	Net		Hectares	Net
NON PRODUCING	**Prod:**	0.000	0.000	**NProd:**	0.000	0.000
UNDEVELOPED	**Dev:**	0.000	0.000	**Undev:**	0.000	0.000
	Prov:	0.000	0.000	**NProv:**	0.000	0.000

File Number / File Status / Mineral Int	Lse Type / Int Type / Operator	Lessor Type / Lse No/Name / Payor		Exposure / Gross / Net	Oper.Cont. ROFR / Doi Partner(s)	*	DOI Code *	Lease Description / Rights Held
M-0521	PNG LIC	CR	**Eff:** Jun 26, 1997	192.000	C-0204 G No		WI 2	Area : DIVIDE-PNG
Sub: A	WI		**Exp:** Jun 25, 2001	64.000	ITERATION EN		60.00000000	TWP 81 RGE 11 W4M NW/4 27
ACTIVE	5497060172		**Ext:** 8 (1)(H)	16.000	CONNACHER		25.00000000	ALL PNG FROM TOP SURFACE TO
	CONNACHER		**Ext:** Dec 31, 2199		CHAIR		15.00000000	BASE MCMURRAY
100.00000000	CHINOOK INC.							EXCL PNG IN MCMURRAY
					Total Rental:	224.00		

Status		Hectares	Net		Hectares	Net
NON PRODUCING	**Prod:**	0.000	0.000	**NProd:**	64.000	16.000

CONNACHER OIL AND GAS LIMITED
Mineral Property Report

Category: MINERAL

File Number / File Status / Mineral Int	Lse Type / Lessor Type / Int Type / Lse No/Name / Operator / Payor		Exposure / Gross / Net	Oper.Cont. / ROFR / Doi Partner(s)	DOI Code *	*	Lease Description / Rights Held
(cont'd)							
M-0521							
Sub: A	UNDEVELOPED	**Dev:**	0.000	0.000	**Undev:** 64.000	16.000	
		Prov:	0.000	0.000	**NProv:** 0.000	0.000	
M-0521	PNG LIC CR	**Eff:** Jun 26, 1997	192.000	C-0204 C No	WI 2		Area : DIVIDE-PNG
Sub: B	WI	**Exp:** Jun 25, 2001	128.000	CONNACHER	25.00000000		TWP 81 RGE 11 W4M N/2 28
ACTIVE	5497060172	**Ext:** 8 (1)(H)	32.000	CHAIR	15.00000000		ALL PNG FROM TOP SURFACE TO
	CONNACHER	**Ext:** Dec 31, 2199		CHINOOK INC.	60.00000000		BASE MCMURRAY
100.00000000	CHINOOK INC.						
				Total Rental: 448.00			

	Status		Hectares	Net		Hectares	Net
M-0521 B	NON PRODUCING	**Prod:**	0.000	0.000	**NProd:**	128.000	32.000
	UNDEVELOPED	**Dev:**	0.000	0.000	**Undev:**	128.000	32.000
		Prov:	0.000	0.000	**NProv:**	0.000	0.000

File Number / File Status / Mineral Int	Lse Type / Lessor Type / Int Type / Lse No/Name / Operator / Payor		Exposure / Gross / Net	Oper.Cont. / ROFR / Doi Partner(s)	DOI Code *	*	Lease Description / Rights Held
M-0522	PNG CR	**Eff:** Jun 13, 1996	320.000	C-0204 E No	WI 2		Area : DIVIDE-PNG
Sub: A	WI	**Exp:** Jun 12, 2001	192.000	CHAIR	15.00000000		TWP 81 RGE 11 W4M W/2 33
ACTIVE	0596060271	**Ext:** 8 (1)(H)	163.200	CONNACHER	85.00000000		TWP 81 RGE 11 W4M SE/4 33
	CONNACHER	**Ext:** Dec 31, 2199					ALL PNG FROM TOP SURFACE TO
100.00000000	CHINOOK INC.			Total Rental: 672.00			BASE MCMURRAY
							EXCL PNG IN MCMURRAY

	Status		Hectares	Net		Hectares	Net
M-0522 A	NON PRODUCING	**Prod:**	0.000	0.000	**NProd:**	192.000	163.200
	UNDEVELOPED	**Dev:**	0.000	0.000	**Undev:**	192.000	163.200
		Prov:	0.000	0.000	**NProv:**	0.000	0.000

File Number	Lse Type / Lessor Type		Exposure	Oper.Cont. / ROFR	DOI Code		Lease Description / Rights Held
M-0522	PNG CR	**Eff:** Jun 13, 1996	320.000	C-0204 G No	WI 2		Area : DIVIDE-PNG

CONNACHER OIL AND GAS LIMITED
Mineral Property Report

Category: MINERAL

File Number / File Status / Mineral Int	Lse Type / Int Type / Lse No/Name / Operator / Payor	Lessor Type		Exposure / Gross / Net	Oper.Cont. / Doi Partner(s)	ROFR	DOI Code	Lease Description / Rights Held
(cont'd)								
M-0522								
Sub: B	WI		**Exp:** Jun 12, 2001	64.000	ITERATION EN		60.00000000	TWP 81 RGE 11 W4M SW/4 34
ACTIVE	0596060271		**Ext:** 8 (1)(H)	16.000	CONNACHER		25.00000000	ALL PNG FROM TOP SURFACE TO
	CONNACHER		**Ext:** Dec 31, 2199		CHAIR		15.00000000	BASE MCMURRAY
100.00000000	CHINOOK INC.							EXCL NATURAL_GAS IN MCMURRAY
					Total Rental: 224.00			

Status		Hectares	Net		Hectares	Net
NON PRODUCING	**Prod:**	0.000	0.000	**NProd:**	64.000	16.000
UNDEVELOPED	**Dev:**	0.000	0.000	**Undev:**	64.000	16.000
	Prov:	0.000	0.000	**NProv:**	0.000	0.000

M-0522	PNG	CR	**Eff:** Jun 13, 1996	320.000	C-0204	G No	WI 2	Area : DIVIDE-PNG
Sub: C	WI		**Exp:** Jun 12, 2001	64.000	ITERATION EN		60.00000000	TWP 81 RGE 11 W4M SE/4 32
ACTIVE	0596060271		**Ext:** 8 (1)(H)	16.000	CONNACHER		25.00000000	ALL PNG FROM TOP SURFACE TO
	CONNACHER		**Ext:** Dec 31, 2199		CHAIR		15.00000000	BASE MCMURRAY
100.00000000	CHINOOK INC.							EXCL NATURAL_GAS IN MCMURRAY
					Total Rental: 224.00			

Status		Hectares	Net		Hectares	Net
NON PRODUCING	**Prod:**	0.000	0.000	**NProd:**	64.000	16.000
UNDEVELOPED	**Dev:**	0.000	0.000	**Undev:**	64.000	16.000
	Prov:	0.000	0.000	**NProv:**	0.000	0.000

M-0522	PNG	CR	**Eff:** Jun 13, 1996	320.000	C-0204	D No	TWC	Area : DIVIDE-PNG
Sub: D	NI		**Exp:** Jun 12, 2001	0.000	CONNACHER		100.00000000	TWP 82 RGE 11 W4M SEC 8
PENDING	0596060271		**Ext:** 8 (1)(H)	0.000				ALL PNG IN MCMURRAY (DUMMY
	CONNACHER		**Ext:** Dec 31, 2199		Total Rental: 0.00			RIGHTS UNTIL EARNED)
100.00000000	CHINOOK INC.		**Count Acreage =** No					

File Number / File Status / Mineral Int	Lse Type / Lessor Type / Int Type / Lse No/Name / Operator / Payor		Exposure / Gross / Net	Oper.Cont. ROFR / Doi Partner(s)	DOI Code *	*	Lease Description / Rights Held

(cont'd)

M-0522
Sub: D

Status		Hectares	Net		Hectares	Net
NON PRODUCING	Prod:	0.000	0.000	NProd:	0.000	0.000
DEVELOPED	Dev:	0.000	0.000	Undev:	0.000	0.000
	Prov:	0.000	0.000	NProv:	0.000	0.000

M-0523	PNG CR	Eff: Nov 09, 1995	256.000	C-0204 F No	WI	Area : DIVIDE-PNG
Sub: A	WI	Exp: Nov 08, 2000	256.000	CONNACHER	50.00000000	TWP 82 RGE 11 W4M SEC 6
ACTIVE	0595110173	Ext: 8 (1)(H)	128.000	ITERATION EN	40.00000000	ALL PNG IN MCMURRAY
	CONNACHER	Ext: Dec 31, 2199		CHAIR	10.00000000	
100.00000000	ITERATION EN					

Total Rental: 896.00

Status		Hectares	Net		Hectares	Net
PRODUCING	Prod:	256.000	128.000	NProd:	0.000	0.000
DEVELOPED	Dev:	256.000	128.000	Undev:	0.000	0.000
	Prov:	0.000	0.000	NProv:	0.000	0.000

M-0523	PNG CR	Eff: Nov 09, 1995	256.000	C-0204 E No	WI 2	Area : DIVIDE-PNG
Sub: B	WI	Exp: Nov 08, 2000	192.000	CHAIR	15.00000000	TWP 82 RGE 11 W4M S/2 6
ACTIVE	0595110173	Ext: 8 (1)(H)	163.200	CONNACHER	85.00000000	TWP 82 RGE 11 W4M NE/4 6
	CONNACHER	Ext: Dec 31, 2199				ALL PNG FROM TOP SURFACE TO
100.00000000	ITERATION EN	Count Acreage = No		Total Rental: 0.00		BASE MCMURRAY
						EXCL PNG IN MCMURRAY

Status		Hectares	Net		Hectares	Net
NON PRODUCING	Prod:	0.000	0.000	NProd:	192.000	163.200
UNDEVELOPED	Dev:	0.000	0.000	Undev:	192.000	163.200
	Prov:	0.000	0.000	NProv:	0.000	0.000

CONNACHER OIL AND GAS LIMITED
Mineral Property Report

Category: MINERAL

File Number / File Status / Mineral Int	Lse Type / Lessor Type / Int Type / Lse No/Name / Operator / Payor		Exposure / Gross / Net	Oper.Cont. / ROFR / Doi Partner(s)	DOI Code	Lease Description / Rights Held
M-0524	PNG LIC CR	**Eff:** Jun 12, 1997	1,216.000	C-0204 E No	WI 2	Area : DIVIDE-PNG
Sub: A	WI	**Exp:** Jun 11, 2001	768.000	CHAIR	15.00000000	TWP 82 RGE 11 W4M N/2 18, SW/4
ACTIVE	5497060049	**Ext:** 8 (1)(H)	652.800	CONNACHER	85.00000000	18
	CONNACHER	**Ext:** Dec 31, 2199				TWP 82 RGE 11 W4M SEC 19
100.00000000	ITERATION EN			Total Rental: 1344.00		TWP 82 RGE 11 W4M SEC 20
						TWP 82 RGE 12 W4M SW/4 25
						ALL PNG FROM TOP SURFACE TO
						BASE MCMURRAY

Status		Hectares	Net		Hectares	Net
NON PRODUCING	**Prod:**	0.000	0.000	**NProd:**	768.000	652.800
UNDEVELOPED	**Dev:**	0.000	0.000	**Undev:**	768.000	652.800
	Prov:	0.000	0.000	**NProv:**	0.000	0.000

File Number / File Status / Mineral Int	Lse Type / Lessor Type / Int Type / Lse No/Name / Operator / Payor		Exposure / Gross / Net	Oper.Cont. / ROFR / Doi Partner(s)	DOI Code	Lease Description / Rights Held
M-0524	PNG LIC CR	**Eff:** Jun 12, 1997	1,216.000	C-0204 E No	WI 2	Area : DIVIDE-PNG
Sub: B	WI	**Exp:** Jun 11, 2001	192.000	CHAIR	15.00000000	TWP 82 RGE 11 W4M S/2 29, NW/4
ACTIVE	5497060049	**Ext:** 8 (1)(H)	163.200	CONNACHER	85.00000000	29
	CONNACHER	**Ext:** Dec 31, 2199				ALL PNG FROM TOP SURFACE TO
100.00000000	ITERATION EN			Total Rental: 336.00		BASE MCMURRAY
						EXCL PNG IN MCMURRAY
						EXCL PNG IN CLEARWATER

Status		Hectares	Net		Hectares	Net
NON PRODUCING	**Prod:**	0.000	0.000	**NProd:**	192.000	163.200
UNDEVELOPED	**Dev:**	0.000	0.000	**Undev:**	192.000	163.200
	Prov:	0.000	0.000	**NProv:**	0.000	0.000

File Number / File Status / Mineral Int	Lse Type / Lessor Type / Int Type / Lse No/Name / Operator / Payor		Exposure / Gross / Net	Oper.Cont. / ROFR / Doi Partner(s)	DOI Code	Lease Description / Rights Held
M-0524	PNG LIC CR	**Eff:** Jun 12, 1997	1,216.000	C-0204 E No	WI 2	Area : DIVIDE-PNG
Sub: C	WI	**Exp:** Jun 11, 2001	256.000	CHAIR	15.00000000	TWP 82 RGE 11 W4M SEC 30
ACTIVE	5497060049	**Ext:** 8 (1)(H)	217.600	CONNACHER	85.00000000	ALL PNG FROM TOP SURFACE TO
	CONNACHER	**Ext:** Dec 31, 2199				BASE MCMURRAY
100.00000000	ITERATION EN			Total Rental: 448.00		EXCL PNG IN CLEARWATER
						EXCL PNG IN GRAND RAPIDS

Status		Hectares	Net		Hectares	Net
NON PRODUCING	**Prod:**	0.000	0.000	**NProd:**	256.000	217.600

CONNACHER OIL AND GAS LIMITED
Mineral Property Report

Category: MINERAL

File Number / File Status / Mineral Int	Lse Type / Lessor Type / Int Type / Lse No/Name / Operator / Payor			Exposure / Gross / Net	Oper.Cont. / ROFR / Doi Partner(s)		DOI Code *	*	Lease Description / Rights Held

(cont'd)

M-0524

Sub: C	UNDEVELOPED	**Dev:**	0.000	0.000	**Undev:**	256.000	217.600
		Prov:	0.000	0.000	**NProv:**	0.000	0.000

M-0525 PNG LIC CR **Eff:** Mar 06, 1997 192.000 C-0204 E No WI 2 Area : DIVIDE-PNG
Sub: A WI **Exp:** Mar 05, 2001 64.000 CHAIR 15.00000000 TWP 82 RGE 11 W4M SE/4 31
ACTIVE 5497030065 **Ext:** 8 (1)(H) 54.400 CONNACHER 85.00000000 ALL PNG FROM TOP SURFACE TO
CONNACHER **Ext:** Dec 31, 2199 BASE MCMURRAY
100.00000000 CHINOOK INC. Total Rental: 224.00 EXCL PNG IN GRAND_RAPIDS

Status		Hectares	Net		Hectares	Net
NON PRODUCING	**Prod:**	0.000	0.000	**NProd:**	64.000	54.400
DEVELOPED	**Dev:**	64.000	54.400	**Undev:**	0.000	0.000
	Prov:	0.000	0.000	**NProv:**	0.000	0.000

M-0525 PNG LIC CR **Eff:** Mar 06, 1997 192.000 C-0204 E No WI 2 Area : DIVIDE-PNG
Sub: B WI **Exp:** Mar 05, 2001 128.000 CHAIR 15.00000000 TWP 82 RGE 11 W4M S/2 32
ACTIVE 5497030065 **Ext:** 8 (1)(H) 108.800 CONNACHER 85.00000000 ALL PNG FROM TOP SURFACE TO
CONNACHER **Ext:** Dec 31, 2199 BASE MCMURRAY
100.00000000 CHINOOK INC. Total Rental: 448.00 EXCL PNG IN MCMURRAY

Status		Hectares	Net		Hectares	Net
NON PRODUCING	**Prod:**	0.000	0.000	**NProd:**	128.000	108.800
DEVELOPED	**Dev:**	128.000	108.800	**Undev:**	0.000	0.000
	Prov:	0.000	0.000	**NProv:**	0.000	0.000

M-0525 PNG LIC CR **Eff:** Mar 06, 1997 192.000 C-0204 D No TWC Area : DIVIDE-PNG
Sub: C NI **Exp:** Mar 05, 2001 0.000 CONNACHER 100.00000000 TWP 82 RGE 11 W4M N/2 31, SW/4

CONNACHER OIL AND GAS LIMITED
Mineral Property Report

Category: MINERAL

File Number / File Status / Mineral Int	Lse Type / Lessor Type / Int Type / Lse No/Name / Operator / Payor		Exposure / Gross / Net	Oper.Cont. ROFR / Doi Partner(s)	DOI Code *	*	Lease Description / Rights Held

(cont'd)

M-0525
Sub: C

PENDING	5497030065	**Ext:** 8 (1)(H)	0.000			31 (PNG TBO MCMURRAY, EXCL PNG IN GRAND_RAPIDS)
	CONNACHER	**Ext:** Dec 31, 2199		Total Rental: 0.00		TWP 82 RGE 11 W4M N/2 32 (PNG TBO MCMURRAY, EXCL MCMURRAY)
100.00000000	CHINOOK INC.	**Count Acreage =** No				(SEE LANDS) (DUMMY RIGHTS UNTIL EARNED)

Status		Hectares	Net		Hectares	Net
NON PRODUCING	**Prod:**	0.000	0.000	**NProd:**	0.000	0.000
UNDEVELOPED	**Dev:**	0.000	0.000	**Undev:**	0.000	0.000
	Prov:	0.000	0.000	**NProv:**	0.000	0.000

M-0528	PNG LIC CR	**Eff:** Mar 06, 1997	320.000	C-0204 C No	WI	Area : DIVIDE-PNG
Sub: A	WI	**Exp:** Mar 05, 2001	320.000	CONNACHER	25.00000000	TWP 82 RGE 12 W4M SEC 34
ACTIVE	5497030066	**Ext:** 8 (1)(H)	80.000	ITERATION EN	60.00000000	TWP 82 RGE 12 W4M SW/4 35
	CONNACHER	**Ext:** Dec 31, 2199		CHAIR	15.00000000	ALL PNG FROM TOP SURFACE TO
100.00000000	CHINOOK INC.					BASE MCMURRAY
				Total Rental: 1120.00		

Status		Hectares	Net		Hectares	Net
NON PRODUCING	**Prod:**	0.000	0.000	**NProd:**	320.000	80.000
UNDEVELOPED	**Dev:**	0.000	0.000	**Undev:**	320.000	80.000
	Prov:	0.000	0.000	**NProv:**	0.000	0.000

M-0581	PNG CR	**Eff:** Nov 18, 1994	64.000	C-0204 C No	WI 2	Area : DIVIDE-PNG
Sub: A	WI	**Exp:** Nov 17, 1999	64.000	CONNACHER	25.00000000	TWP 82 RGE 11 W4M SE/4 3
ACTIVE	0594110285	**Ext:** 8 (1)(H)	16.000	CHAIR	15.00000000	ALL PNG FROM TOP SURFACE TO
	CONNACHER	**Ext:** Dec 31, 2199		CHINOOK INC.	60.00000000	BASE MCMURRAY
100.00000000	ITERATION EN					
				Total Rental: 224.00		

CONNACHER OIL AND GAS LIMITED
Mineral Property Report

Category: MINERAL

File Number / File Status / Mineral Int	Lse Type / Lessor Type / Int Type / Lse No/Name / Operator / Payor		Exposure / Gross / Net	Oper.Cont. ROFR / Doi Partner(s)	DOI Code * *	Lease Description / Rights Held
(cont'd)						

M-0581
Sub: A

Status		Hectares	Net		Hectares	Net
NON PRODUCING	**Prod:**	0.000	0.000	**NProd:**	64.000	16.000
UNDEVELOPED	**Dev:**	0.000	0.000	**Undev:**	64.000	16.000
	Prov:	0.000	0.000	**NProv:**	0.000	0.000

M-0583	PNG CR	**Eff:** Oct 26, 1995	128.000	C-0204 E No	WI 2	Area : DIVIDE-PNG
Sub: A	WI	**Exp:** Oct 25, 2000	128.000	CHAIR	15.00000000	TWP 82 RGE 11 W4M S/2 5
ACTIVE	0595100513	**Ext:** 8 (1)(H)	108.800	CONNACHER	85.00000000	ALL PNG FROM TOP SURFACE TO
	CONNACHER	**Ext:** Dec 31, 2199				BASE MCMURRAY
100.00000000	CHINOOK INC.			Total Rental: 448.00		

Status		Hectares	Net		Hectares	Net
NON PRODUCING	**Prod:**	0.000	0.000	**NProd:**	128.000	108.800
UNDEVELOPED	**Dev:**	0.000	0.000	**Undev:**	128.000	108.800
	Prov:	0.000	0.000	**NProv:**	0.000	0.000

M-0633	PNG CR	**Eff:** Jul 15, 1994	256.000		WI	Area : DIVIDE-PNG
Sub: A	WI	**Exp:** Jul 14, 1999	256.000	CONNACHER	100.00000000	TWP 82 RGE 11 W4M SEC 7
ACTIVE	0594070209	**Ext:** 8 (1)(H)	256.000			ALL PNG
	CONNACHER	**Ext:** Dec 31, 2199		Total Rental: 896.00		
100.00000000	CONNACHER					

Status		Hectares	Net		Hectares	Net
NON PRODUCING	**Prod:**	0.000	0.000	**NProd:**	256.000	256.000
UNDEVELOPED	**Dev:**	0.000	0.000	**Undev:**	256.000	256.000
	Prov:	0.000	0.000	**NProv:**	0.000	0.000

CONNACHER OIL AND GAS LIMITED
Mineral Property Report

Category: MINERAL

File Number / File Status / Mineral Int	Lse Type / Lessor Type / Int Type / Lse No/Name / Operator / Payor		Exposure / Gross / Net	Oper.Cont. / ROFR / Doi Partner(s)	DOI Code	Lease Description / Rights Held
M-0645	PNG CR	**Eff:** Oct 22, 1987	256.000		WI	Area : DIVIDE-PNG
Sub: A	WI	**Exp:** Oct 21, 1992	256.000	CONNACHER	100.00000000	TWP 82 RGE 12 W4M SEC 6
ACTIVE	0587100461	**Ext:** 8 (1)(H)	256.000			PNG TO BASE OF MANNVILLE
	CONNACHER	**Ext:** Dec 31, 2199		Total Rental: 0.00		EXCL PNG FROM TOP VIKING TO
100.00000000	CONNACHER					BASE WOODBEND (COMPENSATED RIGHTS)

Status		Hectares	Net		Hectares	Net
NON PRODUCING	**Prod:**	0.000	0.000	**NProd:**	256.000	256.000
DEVELOPED	**Dev:**	256.000	256.000	**Undev:**	0.000	0.000
	Prov:	0.000	0.000	**NProv:**	0.000	0.000

File Number / File Status / Mineral Int	Lse Type / Lessor Type / Int Type / Lse No/Name / Operator / Payor		Exposure / Gross / Net	Oper.Cont. / ROFR / Doi Partner(s)	DOI Code	Lease Description / Rights Held
M-0645	PNG CR	**Eff:** Oct 22, 1987	0.000		WI	Area : DIVIDE-PNG
Sub: B	WI	**Exp:** Oct 21, 1992	0.000	CONNACHER	100.00000000	TWP 82 RGE 12 W4M 6
ACTIVE	0587100461	**Ext:** 8 (1)(H)	0.000			
	CONNACHER	**Ext:** Dec 31, 2199		Total Rental: 0.00		ALL PNG FROM TOP VIKING TO BASE
100.00000000	CONNACHER	**Count Acreage =** No				WOODBEND (COMPENSATED RIGHTS)

Status		Hectares	Net		Hectares	Net
NON PRODUCING	**Prod:**	0.000	0.000	**NProd:**	0.000	0.000
DEVELOPED	**Dev:**	0.000	0.000	**Undev:**	0.000	0.000
	Prov:	0.000	0.000	**NProv:**	0.000	0.000

File Number / File Status / Mineral Int	Lse Type / Lessor Type / Int Type / Lse No/Name / Operator / Payor		Exposure / Gross / Net	Oper.Cont. / ROFR / Doi Partner(s)	DOI Code	Lease Description / Rights Held
M-0646	PNG CR	**Eff:** Jul 16, 1987	256.000		WI	Area : DIVIDE-PNG
Sub: A	WI	**Exp:** Jul 15, 1992	256.000	CONNACHER	100.00000000	TWP 82 RGE 12 W4M SEC 16
ACTIVE	0587070183	**Ext:** 8 (1)(H)	256.000			ALL PNG FROM TOP SURFACE TO
	CONNACHER	**Ext:** Dec 31, 2199		Total Rental: 0.00		BASE MANNVILLE
100.00000000	CONNACHER					EXCL PNG FROM TOP VIKING TO BASE WOODBEND (COMPENSATED RIGHTS)

Status		Hectares	Net		Hectares	Net
NON PRODUCING	**Prod:**	0.000	0.000	**NProd:**	256.000	256.000

CONNACHER OIL AND GAS LIMITED
Mineral Property Report

File Number / File Status / Mineral Int	Lse Type / Int Type / Lse No/Name / Operator / Payor	Lessor Type			Exposure / Gross / Net	Oper.Cont. / Doi Partner(s)	ROFR		DOI Code *	*	Lease Description / Rights Held
(cont'd)											
M-0646											
Sub: A		DEVELOPED	Dev:		256.000	256.000	Undev:		0.000	0.000	
			Prov:		0.000	0.000	NProv:		0.000	0.000	

M-0646	PNG	CR	Eff:	Jul 16, 1987	256.000			WI		Area : DIVIDE-PNG
Sub: B	WI		Exp:	Jul 15, 1992	256.000	CONNACHER		100.00000000		TWP 82 RGE 12 W4M SEC 17
ACTIVE	0587070183		Ext:	8 (1)(H)	256.000					
	CONNACHER		Ext:	Dec 31, 2199		Total Rental:	0.00			ALL PNG FROM TOP SURFACE TO
100.00000000	CONNACHER									BASE MANNVILLE
										EXCL PNG FROM TOP VIKING TO
		Status			Hectares	Net		Hectares	Net	BASE WOODBEND (COMPENSATED
		NON PRODUCING	Prod:		0.000	0.000	NProd:	256.000	256.000	RIGHTS)
		DEVELOPED	Dev:		256.000	256.000	Undev:	0.000	0.000	
			Prov:		0.000	0.000	NProv:	0.000	0.000	

M-0646	PNG	CR	Eff:	Jul 16, 1987	0.000			WI		Area : DIVIDE-PNG
Sub: C	WI		Exp:	Jul 15, 1992	0.000	CONNACHER		100.00000000		TWP 82 RGE 12 W4M SECS 16, 17
ACTIVE	0587070183		Ext:	8 (1)(H)	0.000					
	CONNACHER		Ext:	Dec 31, 2199		Total Rental:	0.00			ALL PNG FROM BASE OF VIKING TO
100.00000000	CONNACHER		Count Acreage =	No						BASE WOODBEND
										(COMPENSATED RIGHTS)
		Status			Hectares	Net		Hectares	Net	
		PRODUCING	Prod:		0.000	0.000	NProd:	0.000	0.000	
		DEVELOPED	Dev:		0.000	0.000	Undev:	0.000	0.000	
			Prov:		0.000	0.000	NProv:	0.000	0.000	

M-0647	PNG	CR	Eff:	Jun 23, 1994	256.000			WI		Area : DIVIDE-PNG
Sub: A	WI		Exp:	Jun 22, 1999	256.000	CONNACHER		100.00000000		TWP 82 RGE 12 W4M SEC 5

CONNACHER OIL AND GAS LIMITED
Mineral Property Report

File Number / File Status / Mineral Int	Lse Type / Lessor Type / Int Type / Lse No/Name / Operator / Payor		Exposure / Gross / Net	Oper.Cont. / ROFR / Doi Partner(s)	DOI Code * *	Lease Description / Rights Held
(cont'd)						

M-0647
Sub: A
ACTIVE 0594060672 **Ext:** 8 (1)(H) 256.000
CONNACHER **Ext:** Dec 31, 2199 Total Rental: 0.00
100.00000000 CONNACHER

ALL PNG FROM TOP SURFACE TO BASE BASEMENT
EXCL PNG FROM TOP VIKING TO BASE WOODBEND (COMPENSATED RIGHTS)

Status		Hectares	Net		Hectares	Net
PRODUCING	**Prod:**	256.000	256.000	**NProd:**	0.000	0.000
DEVELOPED	**Dev:**	256.000	256.000	**Undev:**	0.000	0.000
	Prov:	0.000	0.000	**NProv:**	0.000	0.000

M-0647 PNG CR **Eff:** Jun 23, 1994 0.000 WI
Sub: B WI **Exp:** Jun 22, 1999 0.000 CONNACHER 100.00000000
ACTIVE 0594060672 **Ext:** 8 (1)(H) 0.000
CONNACHER **Ext:** Dec 31, 2199 Total Rental: 0.00
100.00000000 CONNACHER **Count Acreage =** No

Area : DIVIDE-PNG
TWP 82 RGE 12 W4M SEC 5

ALL PNG FROM TOP VIKING TO BASE WOODBEND (COMPENSATED RIGHTS)

Status		Hectares	Net		Hectares	Net
PRODUCING	**Prod:**	0.000	0.000	**NProd:**	0.000	0.000
DEVELOPED	**Dev:**	0.000	0.000	**Undev:**	0.000	0.000
	Prov:	0.000	0.000	**NProv:**	0.000	0.000

M-0648 PNG CR **Eff:** Sep 10, 1987 256.000 WI
Sub: A WI **Exp:** Sep 09, 1992 256.000 CONNACHER 100.00000000
ACTIVE 0587090229 **Ext:** 15 256.000
CONNACHER Total Rental: 0.00
100.00000000 CONNACHER

Area : DIVIDE-PNG
TWP 82 RGE 12 W4M SEC 4

ALL PNG FROM TOP SURFACE TO BASE MANNVILLE
EXCL PNG FROM TOP VIKING TO BASE WOODBEND (COMPENSATED

Status		Hectares	Net		Hectares	Net

CONNACHER OIL AND GAS LIMITED
Mineral Property Report

Category: MINERAL

File Number / File Status / Mineral Int	Lse Type / Lessor Type / Int Type / Lse No/Name / Operator / Payor		Exposure / Gross / Net	Oper.Cont. ROFR / Doi Partner(s)	*	*	Lease Description / Rights Held
(cont'd)							

M-0648
Sub: A

Status		Hectares	Net		Hectares	Net
NON PRODUCING	Prod:	0.000	0.000	NProd:	256.000	256.000
DEVELOPED	Dev:	256.000	256.000	Undev:	0.000	0.000
	Prov:	0.000	0.000	NProv:	0.000	0.000

RIGHTS)

M-0648	PNG CR	Eff: Sep 10, 1987	0.000		WI	Area : DIVIDE-PNG
Sub: B	WI	Exp: Sep 09, 1992	0.000	CONNACHER	100.00000000	TWP 82 RGE 12 W4M SEC 4
ACTIVE	0587090229	Ext: 15	0.000			
	CONNACHER			Total Rental: 0.00		PNG FROM TOP VIKING TO BASE
100.00000000	CONNACHER	Count Acreage = No				WOODBEND (COMPENSATED RIGHTS)

Status		Hectares	Net		Hectares	Net
PRODUCING	Prod:	0.000	0.000	NProd:	0.000	0.000
DEVELOPED	Dev:	0.000	0.000	Undev:	0.000	0.000
	Prov:	0.000	0.000	NProv:	0.000	0.000

M-0648	PNG CR	Eff: Sep 10, 1987	256.000		WI	Area : DIVIDE-PNG
Sub: C	WI	Exp: Sep 09, 1992	256.000	CONNACHER	100.00000000	TWP 82 RGE 12 W4M SEC 9
ACTIVE	0587090229	Ext: 15	256.000			
	CONNACHER			Total Rental: 0.00		ALL PNG FROM TOP SURFACE TO
100.00000000	CONNACHER					BASE MANNVILLE
						EXCL PNG FROM TOP VIKING TO

Status		Hectares	Net		Hectares	Net	
							BASE WOODBEND (COMPENSATED
NON PRODUCING	Prod:	0.000	0.000	NProd:	256.000	256.000	RIGHTS)
DEVELOPED	Dev:	256.000	256.000	Undev:	0.000	0.000	
	Prov:	0.000	0.000	NProv:	0.000	0.000	

M-0648	PNG CR	Eff: Sep 10, 1987	0.000	WI	Area : DIVIDE-PNG

CONNACHER OIL AND GAS LIMITED
Mineral Property Report

Category: MINERAL

File Number / File Status / Mineral Int	Lse Type / Lessor Type / Int Type / Lse No/Name / Operator / Payor		Exposure / Gross / Net	Oper.Cont. ROFR / Doi Partner(s) *	DOI Code *	Lease Description / Rights Held

(cont'd)

M-0648						
Sub: D	WI	Exp: Sep 09, 1992	0.000	CONNACHER	100.00000000	TWP 82 RGE 12 W4M SEC 9
ACTIVE	0587090229	Ext: 15	0.000			
	CONNACHER			Total Rental: 0.00		ALL PNG FROM TOP VIKING TO BASE
100.00000000	CONNACHER	Count Acreage = No				WOODBEND (COMPENSATED RIGHTS)

Status		Hectares	Net		Hectares	Net
PRODUCING	Prod:	0.000	0.000	NProd:	0.000	0.000
DEVELOPED	Dev:	0.000	0.000	Undev:	0.000	0.000
	Prov:	0.000	0.000	NProv:	0.000	0.000

M-1249	PNG LIC CR	Eff: Jun 13, 1996	256.000	C-0528 A Unknown	WI	Area : DIVIDE-PNG
Sub: A	WI	Exp: Jun 12, 2000	256.000	CONNACHER	100.00000000	TWP 81 RGE 13 W4M SEC 12
ACTIVE	5496060062	Ext: 8 (1)(H)	256.000			ALL PNG FROM TOP SURFACE TO
	CONNACHER	Ext: Dec 31, 2099		Total Rental: 896.00		BASE MCMURRAY
100.00000000	HUSKY					EXCL CBM

Status		Hectares	Net		Hectares	Net
NON PRODUCING	Prod:	0.000	0.000	NProd:	256.000	256.000
UNDEVELOPED	Dev:	0.000	0.000	Undev:	256.000	256.000
	Prov:	0.000	0.000	NProv:	0.000	0.000

M-1250	PNG CR	Eff: Jul 07, 1994	192.000		WI	Area : DIVIDE-PNG
Sub: A	WI	Exp: Jul 06, 1999	192.000	CONNACHER	80.00000000	TWP 82 RGE 11 W4M S/2 17, NE/4
ACTIVE	0594070213	Ext: 8 (1)(H)	153.600	CHAIR	20.00000000	17
	CONNACHER	Ext: Dec 31, 2099				
100.00000000	CONNACHER			Total Rental: 672.00		ALL PNG FROM TOP SURFACE TO
						BASE MCMURRAY

Status		Hectares	Net		Hectares	Net

CONNACHER OIL AND GAS LIMITED
Mineral Property Report

Category: MINERAL

File Number / File Status / Mineral Int	Lse Type / Int Type / Lse No/Name / Operator / Payor	Lessor Type		Exposure / Gross / Net	Oper.Cont. / Doi Partner(s)	ROFR *	DOI Code *	Lease Description / Rights Held

(cont'd)

M-1250
Sub: A

	Status		Hectares	Net		Hectares	Net
	NON PRODUCING	**Prod:**	0.000	0.000	**NProd:**	192.000	153.600
	UNDEVELOPED	**Dev:**	0.000	0.000	**Undev:**	192.000	153.600
		Prov:	0.000	0.000	**NProv:**	0.000	0.000

M-1250	PNG	CR	**Eff:** Jul 07, 1994	64.000		WI	Area : DIVIDE-PNG
Sub: B	WI		**Exp:** Jul 06, 1999	64.000	CONNACHER	85.00000000	TWP 82 RGE 11 W4M NW/4 17
ACTIVE	0594070213		**Ext:** 8 (1)(H)	54.400	CHAIR	15.00000000	ALL PNG FROM TOP SURFACE TO
	CONNACHER		**Ext:** Dec 31, 2099				BASE MCMURRAY
100.00000000	CONNACHER				Total Rental: 224.00		

Status		Hectares	Net		Hectares	Net
	Prod:	0.000	0.000	**NProd:**	0.000	0.000
UNDEVELOPED	**Dev:**	0.000	0.000	**Undev:**	64.000	54.400
	Prov:	0.000	0.000	**NProv:**	0.000	0.000

M-1251	PNG LIC	CR	**Eff:** Aug 08, 1996	512.000	C-0543 A	Yes	WI	Area : DIVIDE-PNG
Sub: A	WI		**Exp:** Aug 07, 2000	512.000	CONNACHER		80.00000000	TWP 82 RGE 12 W4M SEC 31
ACTIVE	5496080043		**Ext:** 8 (1)(H)	409.600	CHAIR		20.00000000	TWP 83 RGE 12 W4M SEC 5
	CONNACHER		**Ext:** Dec 31, 2099					ALL PNG
100.00000000	CONNACHER				Total Rental: 1792.00			

Status		Hectares	Net		Hectares	Net
	Prod:	0.000	0.000	**NProd:**	0.000	0.000
UNDEVELOPED	**Dev:**	0.000	0.000	**Undev:**	512.000	409.600
	Prov:	0.000	0.000	**NProv:**	0.000	0.000

M-1251	PNG LIC	CR	**Eff:** Aug 08, 1996	832.000	C-0534 A	Unknown	WI	Area : DIVIDE-PNG

File Number / File Status / Mineral Int	Lse Type Lessor Type / Int Type / Lse No/Name / Operator / Payor		Exposure / Gross / Net	Oper.Cont. ROFR / Doi Partner(s) *	DOI Code *	Lease Description / Rights Held

(cont'd)

M-1251						
Sub: B	WI	**Exp:** Aug 07, 2000	832.000	CONNACHER	80.00000000	TWP 82 RGE 12 W4M SW/4 32, N
ACTIVE	5496080043	**Ext:** 8 (1)(H)	665.600	CHAIR	20.00000000	32, S 33
	CONNACHER	**Ext:** Dec 31, 2099				TWP 83 RGE 12 W4M SEC 3, 4
100.00000000	CONNACHER			Total Rental: 2912.00		ALL PNG
						(EXCL 2-4-83-12W4 WELL)

Status		Hectares	Net		Hectares	Net
	Prod:	0.000	0.000	**NProd:**	0.000	0.000
UNDEVELOPED	**Dev:**	0.000	0.000	**Undev:**	832.000	665.600
	Prov:	0.000	0.000	**NProv:**	0.000	0.000

M-1251	PNG LIC CR	**Eff:** Aug 08, 1996	192.000	C-0544 C No	WI	Area : DIVIDE-PNG
Sub: C	WI	**Exp:** Aug 07, 2000	192.000	CHAIR	15.00000000	TWP 82 RGE 12 W4M SE/4 32, N 33
ACTIVE	5496080043	**Ext:** 8 (1)(H)	163.200	CONNACHER	85.00000000	ALL PNG FROM TOP SURFACE TO
	CONNACHER	**Ext:** Dec 31, 2099				BASE MCMURRAY
100.00000000	CONNACHER			Total Rental: 672.00		

Status		Hectares	Net		Hectares	Net
	Prod:	0.000	0.000	**NProd:**	0.000	0.000
UNDEVELOPED	**Dev:**	0.000	0.000	**Undev:**	192.000	163.200
	Prov:	0.000	0.000	**NProv:**	0.000	0.000

M-1251	PNG LIC CR	**Eff:** Aug 08, 1996	0.000		WI	Area : DIVIDE-PNG
Sub: E	WI	**Exp:** Aug 07, 2000	0.000	CONNACHER	100.00000000	TWP 83 RGE 12 W4M LSD 02 SEC 4
ACTIVE	5496080043	**Ext:** 8 (1)(H)	0.000			2-4-83-12W4 WELL ONLY
	CONNACHER	**Ext:** Dec 31, 2099		Total Rental: 0.00		
100.00000000	CONNACHER	**Count Acreage =** No				

Status		Hectares	Net		Hectares	Net

File Number / File Status / Mineral Int	Lse Type / Int Type / Lse No/Name / Operator / Payor	Lessor Type			Exposure / Gross / Net	Oper.Cont. / Doi Partner(s)	ROFR	*	DOI Code	*	Lease Description / Rights Held
(cont'd)											
M-1251											
Sub: E			**Prod:**		0.000	0.000	**NProd:**		0.000	0.000	
	UNDEVELOPED		**Dev:**		0.000	0.000	**Undev:**		0.000	0.000	
			Prov:		0.000	0.000	**NProv:**		0.000	0.000	

File	Lse	Lessor		Date	Exposure	Oper.Cont. / Doi Partner(s)	ROFR		DOI Code	Lease Description / Rights Held
M-1252	PNG LIC	CR	**Eff:**	Sep 21, 2000	768.000	C-0543 A	Yes		WI	Area : DIVIDE-PNG
Sub: A	WI		**Exp:**	Sep 20, 2004	768.000	CONNACHER			80.00000000	TWP 84 RGE 11 W4M SEC 4, 5, 8
ACTIVE	5400090112		**Ext:**	8 (1)(H)	614.400	CHAIR			20.00000000	ALL PNG
	CONNACHER		**Ext:**	Dec 31, 2099						
100.00000000	CONNACHER					Total Rental:	2688.00			

Status		Hectares	Net		Hectares	Net
	Prod:	0.000	0.000	**NProd:**	0.000	0.000
DEVELOPED	**Dev:**	768.000	614.400	**Undev:**	0.000	0.000
	Prov:	0.000	0.000	**NProv:**	0.000	0.000

File	Lse	Lessor		Date	Exposure	Oper.Cont. / Doi Partner(s)	ROFR		DOI Code	Lease Description / Rights Held
M-1253	PNG	CR	**Eff:**	Sep 24, 1991	256.000	C-0533 A	No		WI	Area : DIVIDE-PNG
Sub: A	WI		**Exp:**	Sep 23, 1996	256.000	CONNACHER			20.83125000	TWP 82 RGE 11 W4M SEC 25
ACTIVE	0591090325		**Ext:**	8 (1)(H)	53.328	CHAIR			12.49875000	ALL PNG FROM TOP SURFACE TO
	PERPETUAL		**Ext:**	Dec 31, 2999		HARVEST			33.33000000	BASE MANNVILLE
100.00000000	PERPETUAL					PERPETUAL			33.34000000	
						Total Rental:	896.00			

Status		Hectares	Net		Hectares	Net
	Prod:	0.000	0.000	**NProd:**	0.000	0.000
DEVELOPED	**Dev:**	256.000	53.328	**Undev:**	0.000	0.000
	Prov:	0.000	0.000	**NProv:**	0.000	0.000

CONNACHER OIL AND GAS LIMITED
Mineral Property Report

Category: MINERAL

File Number / File Status / Mineral Int	Lse Type Lessor Type / Int Type / Lse No/Name / Operator / Payor		Exposure / Gross / Net	Oper.Cont. ROFR / Doi Partner(s) *	DOI Code *	Lease Description / Rights Held
M-1254	PNG LIC CR	**Eff:** Oct 30, 1997	1,280.000	C-0531 A Unknown	PAYOR	Area : DIVIDE-PNG
Sub: A	WI	**Exp:** Oct 29, 2002	1,280.000	CONNACHER	80.00000000	TWP 83 RGE 11 W4M SEC 19, 20,
ACTIVE	5497100219	**Ext:** 8 (1)(H)	1,024.000	CHAIR	20.00000000	21, 27, 28
	CONNACHER	**Ext:** Oct 29, 2025				ALL PNG
100.00000000	CONNACHER			Total Rental: 4480.00		

	Status		Hectares	Net		Hectares	Net
		Prod:	0.000	0.000	**NProd:**	0.000	0.000
	UNDEVELOPED	**Dev:**	0.000	0.000	**Undev:**	1,280.000	1,024.000
		Prov:	0.000	0.000	**NProv:**	0.000	0.000

File Number / File Status / Mineral Int	Lse Type Lessor Type / Int Type / Lse No/Name / Operator / Payor		Exposure / Gross / Net	Oper.Cont. ROFR / Doi Partner(s) *	DOI Code *	Lease Description / Rights Held
M-1255	PNG CR	**Eff:** Oct 05, 2000	512.000	C-0534 A Unknown	WI	Area : DIVIDE-PNG
Sub: A	WI	**Exp:** Oct 04, 2005	512.000	CONNACHER	80.00000000	TWP 84 RGE 11 W4M SEC 27, 34
ACTIVE	0500100232	**Ext:** 8 (1)(H)	409.600	CHAIR	20.00000000	ALL PNG
	CONNACHER	**Ext:** Oct 04, 2025				
100.00000000	CONNACHER			Total Rental: 1792.00		

	Status		Hectares	Net		Hectares	Net
		Prod:	0.000	0.000	**NProd:**	0.000	0.000
	UNDEVELOPED	**Dev:**	0.000	0.000	**Undev:**	512.000	409.600
		Prov:	0.000	0.000	**NProv:**	0.000	0.000

File Number / File Status / Mineral Int	Lse Type Lessor Type / Int Type / Lse No/Name / Operator / Payor		Exposure / Gross / Net	Oper.Cont. ROFR / Doi Partner(s) *	DOI Code *	Lease Description / Rights Held
M-1256	PNG CR	**Eff:** Oct 05, 2000	512.000	C-0534 A Unknown	WI	Area : DIVIDE-PNG
Sub: A	WI	**Exp:** Oct 04, 2005	512.000	CONNACHER	80.00000000	TWP 84 RGE 11 W4M SEC 26, 35
ACTIVE	0500100231	**Ext:** 8 (1)(H)	409.600	CHAIR	20.00000000	ALL PNG
	CONNACHER	**Ext:** Oct 05, 2025				
100.00000000	CONNACHER			Total Rental: 1792.00		

	Status		Hectares	Net		Hectares	Net
		Prod:	0.000	0.000	**NProd:**	0.000	0.000

File Number / File Status / Mineral Int	Lse Type / Lessor Type / Int Type / Lse No/Name / Operator / Payor			Exposure / Gross / Net	Oper.Cont. ROFR / Doi Partner(s)	*	DOI Code *		Lease Description / Rights Held

(cont'd)

M-1256

	Status		Hectares	Net		Hectares	Net
Sub: A	UNDEVELOPED	Dev:	0.000	0.000	Undev:	512.000	409.600
		Prov:	0.000	0.000	NProv:	0.000	0.000

M-1257	PNG CR	Eff: Oct 19, 2000	256.000		WI		Area : DIVIDE-PNG
Sub: A	WI	Exp: Oct 18, 2005	256.000	CONNACHER	80.00000000		TWP 83 RGE 11 W4M SEC 34
ACTIVE	0500100507	Ext: 8 (1)(H)	204.800	CHAIR	20.00000000		ALL PNG
	CONNACHER	Ext: Oct 19, 2025					
100.00000000	CONNACHER			Total Rental: 896.00			

Status		Hectares	Net		Hectares	Net
	Prod:	0.000	0.000	NProd:	0.000	0.000
DEVELOPED	Dev:	256.000	204.800	Undev:	0.000	0.000
	Prov:	0.000	0.000	NProv:	0.000	0.000

M-1258	PNG CR	Eff: Oct 29, 1996	768.000		WI		Area : DIVIDE-PNG
Sub: A	WI	Exp: Oct 28, 2001	768.000	CONNACHER	80.00000000		TWP 81 RGE 12 W4M SEC 2, 3, 4
ACTIVE	0596100907	Ext: 8 (1)(H)	614.400	CHAIR	20.00000000		ALL PNG FROM TOP SURFACE TO
	CONNACHER	Ext: Oct 28, 2025					BASE MCMURRAY
100.00000000	CONNACHER			Total Rental: 2688.00			

Status		Hectares	Net		Hectares	Net
	Prod:	0.000	0.000	NProd:	0.000	0.000
UNDEVELOPED	Dev:	0.000	0.000	Undev:	768.000	614.400
	Prov:	0.000	0.000	NProv:	0.000	0.000

M-1258	PNG CR	Eff: Oct 29, 1996	768.000		WI		Area : DIVIDE-PNG
Sub: B	NI	Exp: Oct 28, 2001	768.000	CONNACHER	100.00000000		TWP 81 RGE 12 W4M SEC 2, 3, 4

File Number / File Status / Mineral Int	Lse Type Lessor Type / Int Type / Lse No/Name / Operator / Payor		Exposure / Gross / Net	Oper.Cont. ROFR / Doi Partner(s)	DOI Code *	*	Lease Description / Rights Held
(cont'd)							
M-1258							
Sub: B							
ACTIVE	0596100907	Ext: 8 (1)(H)	768.000				ALL PNG BELOW BASE MCMURRAY
	CONNACHER	Ext: Oct 28, 2025		Total Rental: 0.00			
100.00000000	CONNACHER	Count Acreage = No					

Status		Hectares	Net		Hectares	Net
	Prod:	0.000	0.000	NProd:	0.000	0.000
UNDEVELOPED	Dev:	0.000	0.000	Undev:	768.000	768.000
	Prov:	0.000	0.000	NProv:	0.000	0.000

File Number / File Status / Mineral Int	Lse Type Lessor Type / Int Type / Lse No/Name / Operator / Payor		Exposure / Gross / Net	Oper.Cont. ROFR / Doi Partner(s)	DOI Code	Lease Description / Rights Held
M-1259	PNG CR	Eff: Oct 26, 1995	256.000		WI	Area : DIVIDE-PNG
Sub: A	WI	Exp: Oct 25, 2000	256.000	CONNACHER	80.00000000	TWP 81 RGE 11 W4M SEC 29
ACTIVE	0595100512	Ext: 8 (1)(H)	204.800	CHAIR	20.00000000	ALL PNG FROM TOP SURFACE TO
	CONNACHER	Ext: Oct 25, 2025				BASE MCMURRAY
100.00000000	CONNACHER			Total Rental: 896.00		

Status		Hectares	Net		Hectares	Net
	Prod:	0.000	0.000	NProd:	0.000	0.000
UNDEVELOPED	Dev:	0.000	0.000	Undev:	256.000	204.800
	Prov:	0.000	0.000	NProv:	0.000	0.000

File Number / File Status / Mineral Int	Lse Type Lessor Type / Int Type / Lse No/Name / Operator / Payor		Exposure / Gross / Net	Oper.Cont. ROFR / Doi Partner(s)	DOI Code	Lease Description / Rights Held
M-1260	PNG CR	Eff: Oct 26, 1995	128.000		WI	Area : DIVIDE-PNG
Sub: A	WI	Exp: Oct 25, 2000	128.000	CHAIR	15.00000000	TWP 82 RGE 11 W4M S/2 5
ACTIVE	0595100513	Ext: 8 (1)(H)	108.800	CONNACHER	85.00000000	ALL PNG FROM TOP SURFACE TO
	CONNACHER	Ext: Oct 25, 2025				BASE MCMURRAY
100.00000000	CONNACHER			Total Rental: 448.00		

Status		Hectares	Net		Hectares	Net

CONNACHER OIL AND GAS LIMITED
Mineral Property Report

Category: MINERAL

File Number / File Status / Mineral Int	Lse Type / Lessor Type / Int Type / Lse No/Name / Operator / Payor		Exposure / Gross / Net	Oper.Cont. / ROFR / Doi Partner(s)	*	*	Lease Description / Rights Held
(cont'd)							
M-1260							
Sub: A		**Prod:**	0.000	0.000	**NProd:** 0.000	0.000	
	UNDEVELOPED	**Dev:**	0.000	0.000	**Undev:** 128.000	108.800	
		Prov:	0.000	0.000	**NProv:** 0.000	0.000	

M-1260	PNG CR	**Eff:** Oct 26, 1995	256.000		WI	Area : DIVIDE-PNG
Sub: B	NI	**Exp:** Oct 25, 2000	256.000	HUSKY	100.00000000	TWP 82 RGE 11 W4M SEC 5
ACTIVE	0595100513	**Ext:** 8 (1)(H)	0.000			ALL PNG BELOW BASE MCMURRAY
	HUSKY	**Ext:** Oct 25, 2025		Total Rental: 0.00		
100.00000000	CONNACHER	**Count Acreage =** No				

	Status		**Hectares**	**Net**		**Hectares**	**Net**
		Prod:	0.000	0.000	**NProd:**	0.000	0.000
	UNDEVELOPED	**Dev:**	0.000	0.000	**Undev:**	256.000	0.000
		Prov:	0.000	0.000	**NProv:**	0.000	0.000

M-1260	PNG CR	**Eff:** Oct 26, 1995	128.000		WI	Area : DIVIDE-PNG
Sub: C	WI	**Exp:** Oct 25, 2000	128.000	CONNACHER	80.00000000	TWP 82 RGE 11 W4M N/2 5
ACTIVE	0595100513	**Ext:** 96	102.400	CHAIR	20.00000000	ALL PNG FROM TOP SURFACE TO
	CONNACHER	**Ext:** Oct 25, 2025				BASE MCMURRAY
100.00000000	CONNACHER			Total Rental: 448.00		

	Status		**Hectares**	**Net**		**Hectares**	**Net**
		Prod:	0.000	0.000	**NProd:**	0.000	0.000
	UNDEVELOPED	**Dev:**	0.000	0.000	**Undev:**	128.000	102.400
		Prov:	0.000	0.000	**NProv:**	0.000	0.000

M-1261	PNG LIC CR	**Eff:** Nov 26, 1997	768.000		WI	Area : DIVIDE-PNG

File Number / File Status / Mineral Int	Lse Type Lessor Type / Int Type / Lse No/Name / Operator / Payor		Exposure / Gross / Net	Oper.Cont. ROFR / Doi Partner(s) *	DOI Code *	Lease Description / Rights Held
(cont'd)						
M-1261						
Sub: A	WI	Exp: Nov 25, 2002	768.000	CONNACHER	80.00000000	TWP 83 RGE 11 W4M SEC 30, 31, 32
ACTIVE	5497110093	Ext: 8 (1)(H)	614.400	CHAIR	20.00000000	ALL PNG
	CONNACHER	Ext: Nov 27, 2010				
100.00000000	CONNACHER			Total Rental: 2688.00		

Status		Hectares	Net		Hectares	Net
	Prod:	0.000	0.000	NProd:	0.000	0.000
UNDEVELOPED	Dev:	0.000	0.000	Undev:	768.000	614.400
	Prov:	0.000	0.000	NProv:	0.000	0.000

M-1261	PNG LIC CR	Eff: Nov 26, 1997	512.000		WI	Area : DIVIDE-PNG
Sub: B	WI	Exp: Nov 25, 2002	512.000	CONNACHER	80.00000000	TWP 83 RGE 11 W4M SEC 29, 33
ACTIVE	5497110093	Ext: 8 (1)(H)	409.600	CHAIR	20.00000000	ALL PNG
	CONNACHER	Ext: Nov 27, 2010				
100.00000000	CONNACHER			Total Rental: 1792.00		

Status		Hectares	Net		Hectares	Net
	Prod:	0.000	0.000	NProd:	0.000	0.000
DEVELOPED	Dev:	512.000	409.600	Undev:	0.000	0.000
	Prov:	0.000	0.000	NProv:	0.000	0.000

M-1262	PNG LIC CR	Eff: Nov 27, 1997	256.000		WI	Area : DIVIDE-PNG
Sub: A	WRI	Exp: Nov 26, 2002	256.000	CONNACHER	80.00000000	TWP 83 RGE 11 W4M SEC 25
ACTIVE	5497110092	Ext: 8 (1)(H)	204.800	CHAIR	20.00000000	ALL PNG FROM TOP SURFACE TO
	CONNACHER	Ext: Nov 26, 2025				BASE MCMURRAY
100.00000000	CONNACHER			Total Rental: 896.00		

Status		Hectares	Net		Hectares	Net

File Number / File Status / Mineral Int	Lse Type / Lessor Type / Int Type / Lse No/Name / Operator / Payor			Exposure / Gross / Net	Oper.Cont. ROFR / Doi Partner(s)	*	DOI Code	*	Lease Description / Rights Held

(cont'd)

M-1262
Sub: A

Status		Hectares	Net		Hectares	Net
	Prod:	0.000	0.000	**NProd:**	0.000	0.000
UNDEVELOPED	**Dev:**	0.000	0.000	**Undev:**	256.000	204.800
	Prov:	0.000	0.000	**NProv:**	0.000	0.000

M-1262	PNG LIC CR	**Eff:**	Nov 27, 1997	256.000		WI	Area : DIVIDE-PNG
Sub: B	WRI	**Exp:**	Nov 26, 2002	256.000	CONNACHER	80.00000000	TWP 83 RGE 11 W4M SEC 23
ACTIVE	5497110092	**Ext:**	8 (1)(H)	204.800	CHAIR	20.00000000	ALL PNG FROM TOP SURFACE TO
	CONNACHER	**Ext:**	Nov 26, 2025				BASE MCMURRAY
100.00000000	CONNACHER				Total Rental: 896.00		

Status		Hectares	Net		Hectares	Net
	Prod:	0.000	0.000	**NProd:**	0.000	0.000
DEVELOPED	**Dev:**	256.000	204.800	**Undev:**	0.000	0.000
	Prov:	0.000	0.000	**NProv:**	0.000	0.000

M-1262	PNG LIC CR	**Eff:**	Nov 27, 1997	768.000		WI	Area : DIVIDE-PNG
Sub: C	WRI	**Exp:**	Nov 26, 2002	768.000	CONNACHER	80.00000000	TWP 83 RGE 11 W4M SEC 22. 24, 26
ACTIVE	5497110092	**Ext:**	8 (1)(H)	614.400	CHAIR	20.00000000	ALL PNG FROM TOP SURFAEC TO
	CONNACHER	**Ext:**	Nov 26, 2025				BASE MCMURRAY
100.00000000	CONNACHER				Total Rental: 2688.00		

Status		Hectares	Net		Hectares	Net
	Prod:	0.000	0.000	**NProd:**	0.000	0.000
UNDEVELOPED	**Dev:**	0.000	0.000	**Undev:**	768.000	614.400
	Prov:	0.000	0.000	**NProv:**	0.000	0.000

M-1262	PNG LIC CR	**Eff:**	Nov 27, 1997	1,280.000		WI	Area : DIVIDE-PNG

CONNACHER OIL AND GAS LIMITED
Mineral Property Report

Category: MINERAL

File Number / File Status / Mineral Int	Lse Type Lessor Type / Int Type / Lse No/Name / Operator / Payor		Exposure / Gross / Net	Oper.Cont. ROFR / Doi Partner(s) *	DOI Code *	Lease Description / Rights Held

(cont'd)

M-1262						
Sub: D	WI	**Exp:** Nov 26, 2002	1,280.000	CHAIR	14.40000000	TWP 83 RGE 11 W4M SEC 22, 23,
ACTIVE	5497110092	**Ext:** 8 (1)(H)	737.280	GROSMO	2.00000000	24, 25, 26
	CONNACHER	**Ext:** Nov 26, 2025		FIRENZE	26.00000000	PNG BELOW BASE MCMURRAY
100.00000000	CONNACHER	**Count Acreage =** No		CONNACHER	57.60000000	

Total Rental: 0.00

Status		Hectares	Net		Hectares	Net
	Prod:	0.000	0.000	**NProd:**	0.000	0.000
UNDEVELOPED	**Dev:**	0.000	0.000	**Undev:**	1,280.000	737.280
	Prov:	0.000	0.000	**NProv:**	0.000	0.000

M-1263	PNG LIC CR	**Eff:** Nov 23, 1995	256.000		WI	Area : DIVIDE-PNG
Sub: A	WI	**Exp:** Nov 22, 2000	256.000	CONNACHER	80.00000000	TWP 83 RGE 10 W4M SEC 28
ACTIVE	5495110130	**Ext:** 8 (1)(H)	204.800	CHAIR	20.00000000	ALL PNG
	CONNACHER	**Ext:** Nov 22, 2025				
100.00000000	CONNACHER					

Total Rental: 896.00

Status		Hectares	Net		Hectares	Net
	Prod:	0.000	0.000	**NProd:**	0.000	0.000
UNDEVELOPED	**Dev:**	0.000	0.000	**Undev:**	256.000	204.800
	Prov:	0.000	0.000	**NProv:**	0.000	0.000

M-1263	PNG LIC CR	**Eff:** Nov 23, 1995	2,304.000		WI	Area : DIVIDE-PNG
Sub: B	WI	**Exp:** Nov 22, 2000	2,304.000	CONNACHER	80.00000000	TWP 83 RGE 10 W4M SEC 3, 4, 9,
ACTIVE	5495110130	**Ext:** 8 (1)(H)	1,843.200	CHAIR	20.00000000	10, 15, 16, 21, 22, 27
	CONNACHER	**Ext:** Nov 22, 2025				ALL PNG
100.00000000	CONNACHER					

Total Rental: 8064.00

CONNACHER OIL AND GAS LIMITED
Mineral Property Report

Category: MINERAL

File Number / File Status / Mineral Int	Lse Type / Lessor Type / Int Type / Lse No/Name / Operator / Payor		Exposure / Gross / Net	Oper.Cont. ROFR / Doi Partner(s)	DOI Code *	*	Lease Description / Rights Held

(cont'd)

M-1263
Sub: B

Status		Hectares	Net		Hectares	Net
	Prod:	0.000	0.000	**NProd:**	0.000	0.000
UNDEVELOPED	**Dev:**	0.000	0.000	**Undev:**	2,304.000	1,843.200
	Prov:	0.000	0.000	**NProv:**	0.000	0.000

M-1264	PNG LIC CR	**Eff:** Nov 23, 1995	256.000		WI	Area : DIVIDE-PNG
Sub: A	WI	**Exp:** Nov 22, 1999	256.000	CONNACHER	80.00000000	TWP 83 RGE 10 W4M SEC 17
ACTIVE	5495110131	**Ext:** 8 (1)(H)	204.800	CHAIR	20.00000000	ALL PNG
	CONNACHER	**Ext:** Nov 22, 2025				
100.00000000	RIFE			Total Rental: 896.00		

Status		Hectares	Net		Hectares	Net
	Prod:	0.000	0.000	**NProd:**	0.000	0.000
DEVELOPED	**Dev:**	256.000	204.800	**Undev:**	0.000	0.000
	Prov:	0.000	0.000	**NProv:**	0.000	0.000

M-1264	PNG LIC CR	**Eff:** Nov 23, 1995	2,048.000		WI	Area : DIVIDE-PNG
Sub: B	WI	**Exp:** Nov 22, 1999	2,048.000	CONNACHER	80.00000000	TWP 83 RGE 10 W4M SEC 5, 6, 7,
ACTIVE	5495110131	**Ext:** 8 (1)(H)	1,638.400	CHAIR	20.00000000	18, 19, 20, 29, 30
	CONNACHER	**Ext:** Nov 22, 2025				ALL PNG
100.00000000	RIFE			Total Rental: 7168.00		

Status		Hectares	Net		Hectares	Net
	Prod:	0.000	0.000	**NProd:**	0.000	0.000
UNDEVELOPED	**Dev:**	0.000	0.000	**Undev:**	2,048.000	1,638.400
	Prov:	0.000	0.000	**NProv:**	0.000	0.000

CONNACHER OIL AND GAS LIMITED
Mineral Property Report

Category: MINERAL

File Number / File Status / Mineral Int	Lse Type / Lessor Type / Int Type / Lse No/Name / Operator / Payor		Exposure / Gross / Net	Oper.Cont. / ROFR / Doi Partner(s)	*	DOI Code	*	Lease Description / Rights Held
M-1265	PNG LIC CR	**Eff:** Nov 27, 1997	768.000			WI		Area : DIVIDE-PNG
Sub: A	WI	**Exp:** Nov 26, 2002	768.000	CONNACHER		80.00000000		TWP 83 RGE 11 W4M SEC 1, 12, 13
ACTIVE	5497110091	**Ext:** 8 (1)(H)	614.400	CHAIR		20.00000000		PNG FROM TOP SURFACE TO BASE
	CONNACHER	**Ext:** Nov 26, 2025						MCMURRAY
100.00000000	CONNACHER			Total Rental: 1344.00				

Status		Hectares	Net		Hectares	Net
	Prod:	0.000	0.000	**NProd:**	0.000	0.000
UNDEVELOPED	**Dev:**	0.000	0.000	**Undev:**	768.000	614.400
	Prov:	0.000	0.000	**NProv:**	0.000	0.000

File Number / File Status / Mineral Int	Lse Type / Lessor Type / Int Type / Lse No/Name / Operator / Payor		Exposure / Gross / Net	Oper.Cont. / ROFR / Doi Partner(s)	*	DOI Code	*	Lease Description / Rights Held
M-1265	PNG LIC CR	**Eff:** Nov 27, 1997	768.000			WI		Area : DIVIDE-PNG
Sub: B	NI	**Exp:** Nov 26, 2002	768.000	HUSKY	*	100.00000000		TWP 83 RGE 11 W4M SEC 1, 12, 13
ACTIVE	5497110091	**Ext:** 8 (1)(H)	0.000					PNG BELOW BASE MCMURRAY
	CONNACHER	**Ext:** Nov 26, 2025		Total Rental: 1344.00				
100.00000000	CONNACHER	**Count Acreage =** No						

Status		Hectares	Net		Hectares	Net
	Prod:	0.000	0.000	**NProd:**	0.000	0.000
UNDEVELOPED	**Dev:**	0.000	0.000	**Undev:**	768.000	0.000
	Prov:	0.000	0.000	**NProv:**	0.000	0.000

File Number / File Status / Mineral Int	Lse Type / Lessor Type / Int Type / Lse No/Name / Operator / Payor		Exposure / Gross / Net	Oper.Cont. / ROFR / Doi Partner(s)	*	DOI Code	*	Lease Description / Rights Held
M-1266	PNG CR	**Eff:** Nov 01, 1994	0.000			WI		Area : DIVIDE-PNG
Sub: A	WRI	**Exp:** Oct 31, 1999	0.000	CHAIR		15.00000000		TWP 82 RGE 11 W4M SW/4 3
ACTIVE	0549110285	**Ext:** 8 (1)(H)	0.000	CONNACHER		85.00000000		ALL PNG FROM TOP SURFACE TO
	CONNACHER	**Ext:** Oct 30, 2025						BASE MCMURRAY
100.00000000	CONNACHER	**Count Acreage =** No		Total Rental: 224.00				

Status		Hectares	Net		Hectares	Net
	Prod:	0.000	0.000	**NProd:**	0.000	0.000

File Number File Status Mineral Int	Lse Type Lessor Type Int Type / Lse No/Name Operator / Payor			Exposure Gross Net	Oper.Cont. ROFR Doi Partner(s)		DOI Code *	*	Lease Description / Rights Held
(cont'd)									
M-1266									
Sub: A			**Dev:**	0.000	0.000	**Undev:**	0.000	0.000	
			Prov:	0.000	0.000	**NProv:**	0.000	0.000	
M-1266	PNG CR	**Eff:** Nov 01, 1994		64.000			WI		Area : DIVIDE-PNG
Sub: B	WI	**Exp:** Oct 31, 1999		64.000	CONNACHER		80.00000000		TWP 82 RGE 11 W4M SW/4 3
ACTIVE	0549110285	**Ext:** 8 (1)(H)		51.200	CHAIR		20.00000000		PNG BELOW BASE MCMURRAY
	CONNACHER	**Ext:** Oct 30, 2025							
100.00000000	CONNACHER				Total Rental:	0.00			
	Status			**Hectares**	**Net**		**Hectares**	**Net**	
			Prod:	0.000	0.000	**NProd:**	0.000	0.000	
	UNDEVELOPED		**Dev:**	0.000	0.000	**Undev:**	64.000	51.200	
			Prov:	0.000	0.000	**NProv:**	0.000	0.000	
M-1266	PNG CR	**Eff:** Nov 01, 1994		192.000			WI		Area : DIVIDE-PNG
Sub: C	WI	**Exp:** Oct 31, 1999		192.000	CONNACHER		80.00000000		TWP 82 RGE 11 W4M SE/4, N/2 3
ACTIVE	0549110285	**Ext:** 8 (1)(H)		153.600	CHAIR		20.00000000		ALL PNG
	CONNACHER	**Ext:** Oct 30, 2025							
100.00000000	CONNACHER				Total Rental:	672.00			
	Status			**Hectares**	**Net**		**Hectares**	**Net**	
			Prod:	0.000	0.000	**NProd:**	0.000	0.000	
	UNDEVELOPED		**Dev:**	0.000	0.000	**Undev:**	192.000	153.600	
			Prov:	0.000	0.000	**NProv:**	0.000	0.000	
M-1267	PNG CR	**Eff:** Nov 01, 1994		256.000			WI		Area : DIVIDE-PNG
Sub: A	WI	**Exp:** Oct 31, 1999		256.000	CONNACHER		80.00000000		TWP 82 RGE 11 W4M SEC 4

File Number File Status Mineral Int	Lse Type Lessor Type Int Type / Lse No/Name Operator / Payor		Exposure Gross Net	Oper.Cont. ROFR Doi Partner(s) *	DOI Code *	Lease Description / Rights Held

(cont'd)

M-1267						
Sub: A						
ACTIVE	0594110286	**Ext:** 8 (1)(H)	204.800	CHAIR	20.00000000	ALL PNG FROM TOP SURFACE TO
	CONNACHER	**Ext:** Oct 31, 2025				BASE MCMURRAY
100.00000000	CONNACHER			Total Rental: 896.00		

Status		Hectares	Net		Hectares	Net
	Prod:	0.000	0.000	**NProd:**	0.000	0.000
DEVELOPED	**Dev:**	256.000	204.800	**Undev:**	0.000	0.000
	Prov:	0.000	0.000	**NProv:**	0.000	0.000

M-1267	PNG	CR	**Eff:** Nov 01, 1994	256.000		WI	Area : DIVIDE-PNG
Sub: B	WI		**Exp:** Oct 31, 1999	256.000	CONNACHER	80.00000000	TWP 82 RGE 11 W4M SEC 4
ACTIVE	0594110286		**Ext:** 8 (1)(H)	204.800	CHAIR	20.00000000	ALL PNG BELOW BASE MCMURRAY
	CONNACHER		**Ext:** Oct 31, 2025				
100.00000000	CONNACHER		**Count Acreage =** No		Total Rental: 0.00		

Status		Hectares	Net		Hectares	Net
	Prod:	0.000	0.000	**NProd:**	0.000	0.000
	Dev:	0.000	0.000	**Undev:**	0.000	0.000
	Prov:	0.000	0.000	**NProv:**	0.000	0.000

M-1268	PNG	CR	**Eff:** Nov 01, 1994	256.000		WI	Area : DIVIDE-PNG
Sub: A	WI		**Exp:** Oct 31, 1999	256.000	CONNACHER	80.00000000	TWP 109 RGE 5 W6M SE/4 23
ACTIVE	0594110287		**Ext:** 8 (1)(H)	204.800	CHAIR	20.00000000	PNG TO BASE KEG RIVER
	CONNACHER		**Ext:** Dec 31, 2099				
100.00000000	CONNACHER				Total Rental: 896.00		

Status		Hectares	Net		Hectares	Net

File Number / File Status / Mineral Int	Lse Type / Int Type / Lse No/Name / Operator / Payor	Lessor Type			Exposure / Gross / Net	Oper.Cont. ROFR / Doi Partner(s)		DOI Code *	*	Lease Description / Rights Held

(cont'd)

M-1268
Sub: A

Status		Hectares	Net		Hectares	Net
	Prod:	0.000	0.000	**NProd:**	0.000	0.000
DEVELOPED	**Dev:**	64.000	51.200	**Undev:**	192.000	153.600
	Prov:	0.000	0.000	**NProv:**	0.000	0.000

M-1269	PNG	CR	**Eff:**	Nov 01, 1994	256.000		WI	Area : DIVIDE-PNG
Sub: A	WI		**Exp:**	Oct 31, 1999	256.000	CONNACHER	80.00000000	TWP 82 RGE 11 W4M SEC 10
ACTIVE	0594110288		**Ext:**	8 (1)(H)	204.800	CHAIR	20.00000000	ALL PNG
	CONNACHER		**Ext:**	Oct 31, 2025				
100.00000000	CONNACHER					Total Rental: 896.00		

Status		Hectares	Net		Hectares	Net
	Prod:	0.000	0.000	**NProd:**	0.000	0.000
UNDEVELOPED	**Dev:**	0.000	0.000	**Undev:**	256.000	204.800
	Prov:	0.000	0.000	**NProv:**	0.000	0.000

M-1270	PNG	CR	**Eff:**	Nov 01, 1994	256.000		WI	Area : DIVIDE-PNG
Sub: A	WI		**Exp:**	Oct 31, 1999	256.000	CONNACHER	80.00000000	TWP 82 RGE 11 W4M SEC 11
ACTIVE	0594110289		**Ext:**	8 (1)(H)	204.800	CHAIR	20.00000000	ALL PNG
	CONNACHER		**Ext:**	Oct 31, 2025				
100.00000000	CONNACHER					Total Rental: 896.00		

Status		Hectares	Net		Hectares	Net
	Prod:	0.000	0.000	**NProd:**	0.000	0.000
UNDEVELOPED	**Dev:**	0.000	0.000	**Undev:**	256.000	204.800
	Prov:	0.000	0.000	**NProv:**	0.000	0.000

M-1271	PNG	CR	**Eff:**	Nov 09, 1995	256.000		WI	Area : DIVIDE-PNG

File Number / File Status / Mineral Int	Lse Type / Lessor Type / Int Type / Lse No/Name / Operator / Payor		Exposure / Gross / Net	Oper.Cont. ROFR / Doi Partner(s) *	DOI Code *	Lease Description / Rights Held
(cont'd)						
M-1271						
Sub: A	WI	Exp: Nov 08, 2000	256.000	CONNACHER	80.00000000	TWP 81 RGE 11 W4M SEC 15
ACTIVE	0595110168	Ext: 8 (1)(H)	204.800	CHAIR	20.00000000	ALL PNG
	CONNACHER	Ext: Nov 08, 2025				
100.00000000	CONNACHER			Total Rental: 896.00		

Status		Hectares	Net		Hectares	Net
	Prod:	0.000	0.000	NProd:	0.000	0.000
UNDEVELOPED	Dev:	0.000	0.000	Undev:	256.000	204.800
	Prov:	0.000	0.000	NProv:	0.000	0.000

M-1273	PNG CR	Eff: Nov 23, 1995	256.000		WI	Area : DIVIDE-PNG
Sub: A	WI	Exp: Nov 22, 2000	256.000	CONNACHER	80.00000000	TWP 82 RGE 11 W4M SEC 16
ACTIVE	0595110374	Ext: 8 (1)(H)	204.800	CHAIR	20.00000000	ALL PNG
	CONNACHER	Ext: Nov 22, 2025				
100.00000000	CONNACHER			Total Rental: 896.00		

Status		Hectares	Net		Hectares	Net
	Prod:	0.000	0.000	NProd:	0.000	0.000
DEVELOPED	Dev:	256.000	204.800	Undev:	0.000	0.000
	Prov:	0.000	0.000	NProv:	0.000	0.000

M-1274	PNG LIC CR	Eff: Jan 11, 2001	1,280.000		WI	Area : DIVIDE-PNG
Sub: A	WI	Exp: Jan 10, 2005	1,280.000	CONNACHER	80.00000000	TWP 85 RGE 10 W4M SEC 6, 7, 8
ACTIVE	5401010084	Ext: 8 (1)(H)	1,024.000	CHAIR	20.00000000	TWP 85 RGE 11 W4M SEC 1, 12
	CONNACHER	Ext: Dec 31, 2099				ALL PNG
100.00000000	CONNACHER			Total Rental: 4480.00		

Status		Hectares	Net		Hectares	Net

File Number / File Status / Mineral Int	Lse Type / Lessor Type / Int Type / Lse No/Name / Operator / Payor			Exposure / Gross / Net	Oper.Cont. ROFR / Doi Partner(s)	*	DOI Code	*	Lease Description / Rights Held
(cont'd)									
M-1274									
Sub: A		**Prod:**		0.000	0.000	**NProd:**	0.000	0.000	
	UNDEVELOPED	**Dev:**		0.000	0.000	**Undev:**	1,280.000	1,024.000	
		Prov:		0.000	0.000	**NProv:**	0.000	0.000	

File Number / File Status / Mineral Int	Lse Type / Int Type / Lse No/Name / Operator / Payor			Exposure / Gross / Net	Doi Partner(s)		DOI Code		Lease Description / Rights Held
M-1275	PNG LIC CR	**Eff:**	Jan 11, 2001	1,024.000			WI		Area : DIVIDE-PNG
Sub: A	WI	**Exp:**	Jan 10, 2005	1,024.000	CONNACHER		80.00000000		TWP 85 RGE 10 W4M SEC 16, 17, 22, 23
ACTIVE	5401010085	**Ext:**	8 (1)(H)	819.200	CHAIR		20.00000000		ALL PNG
	CONNACHER	**Ext:**	Dec 31, 2099						
100.00000000	CONNACHER				Total Rental:	3584.00			
	Status			**Hectares**	**Net**		**Hectares**	**Net**	
		Prod:		0.000	0.000	**NProd:**	0.000	0.000	
	UNDEVELOPED	**Dev:**		0.000	0.000	**Undev:**	1,024.000	819.200	
		Prov:		0.000	0.000	**NProv:**	0.000	0.000	

File Number / File Status / Mineral Int	Lse Type / Int Type / Lse No/Name / Operator / Payor			Exposure / Gross / Net	Doi Partner(s)		DOI Code		Lease Description / Rights Held
M-1275	PNG LIC CR	**Eff:**	Jan 11, 2001	192.000			WI		Area : DIVIDE-PNG
Sub: B	WI	**Exp:**	Jan 10, 2005	192.000	CONNACHER		80.00000000		TWP 85 RGE 10 W4M SE/4 15, N/2 15
ACTIVE	5401010085	**Ext:**	8 (1)(H)	153.600	CHAIR		20.00000000		ALL PNG
	CONNACHER	**Ext:**	Dec 31, 2099						
100.00000000	CONNACHER				Total Rental:	672.00			
	Status			**Hectares**	**Net**		**Hectares**	**Net**	
		Prod:		0.000	0.000	**NProd:**	0.000	0.000	
	UNDEVELOPED	**Dev:**		0.000	0.000	**Undev:**	192.000	153.600	
		Prov:		0.000	0.000	**NProv:**	0.000	0.000	

File Number	Lse Type			Exposure			DOI Code		Lease Description
M-1275	PNG LIC CR	**Eff:**	Jan 11, 2001	64.000			WI		Area : DIVIDE-PNG

CONNACHER OIL AND GAS LIMITED
Mineral Property Report

Category: MINERAL

File Number / File Status / Mineral Int	Lse Type Lessor Type / Int Type / Lse No/Name / Operator / Payor		Exposure / Gross / Net	Oper.Cont. ROFR / Doi Partner(s) *	DOI Code *	Lease Description / Rights Held

(cont'd)

M-1275						
Sub: C	WI	**Exp:** Jan 10, 2005	64.000	CONNACHER	80.00000000	TWP 85 RGE 10 W4M SW/4 15
ACTIVE	5401010085	**Ext:** 8 (1)(H)	51.200	CHAIR	20.00000000	ALL PNG
	CONNACHER	**Ext:** Dec 31, 2099				
100.00000000	CONNACHER			Total Rental: 224.00		

Status		Hectares	Net		Hectares	Net
	Prod:	0.000	0.000	**NProd:**	0.000	0.000
DEVELOPED	**Dev:**	64.000	51.200	**Undev:**	0.000	0.000
	Prov:	0.000	0.000	**NProv:**	0.000	0.000

M-1276	PNG CR	**Eff:** Jan 18, 1996	256.000		WI	Area : DIVIDE-PNG
Sub: A	WI	**Exp:** Jan 17, 2001	256.000	CONNACHER	80.00000000	TWP 84 RGE 11 W4M SEC 9
ACTIVE	0596010460	**Ext:** 8 (1)(H)	204.800	CHAIR	20.00000000	ALL PNG FROM TOP SURFACE TO
	CONNACHER	**Ext:** Dec 31, 2999				BASE MANNVILLE
100.00000000	CONNACHER			Total Rental: 896.00		

Status		Hectares	Net		Hectares	Net
	Prod:	0.000	0.000	**NProd:**	0.000	0.000
DEVELOPED	**Dev:**	256.000	204.800	**Undev:**	0.000	0.000
	Prov:	0.000	0.000	**NProv:**	0.000	0.000

M-1277	PNG LIC CR	**Eff:** Feb 01, 2000	512.000		WI	Area : DIVIDE-PNG
Sub: A	WI	**Exp:** Jan 31, 2005	512.000	CONNACHER	80.00000000	TWP 82 RGE 12 W4M SEC 27, 28
ACTIVE	5496020050	**Ext:** 8 (1)(H)	409.600	CHAIR	20.00000000	ALL PNG
	CONNACHER	**Ext:** Jan 31, 2025				
100.00000000	RIFE			Total Rental: 1792.00		

Status	Hectares	Net	Hectares	Net

File Number / File Status / Mineral Int	Lse Type Lessor Type / Int Type / Lse No/Name / Operator / Payor			Exposure / Gross / Net	Oper.Cont. ROFR / Doi Partner(s)	*	DOI Code	*	Lease Description / Rights Held
(cont'd)									
M-1277									
Sub: A		**Prod:**	0.000	0.000	**NProd:**	0.000	0.000		
	DEVELOPED	**Dev:**	512.000	409.600	**Undev:**	0.000	0.000		
		Prov:	0.000	0.000	**NProv:**	0.000	0.000		

M-1277	PNG LIC CR	**Eff:** Feb 01, 2000	256.000			WI	Area : DIVIDE-PNG
Sub: B	WI	**Exp:** Jan 31, 2005	256.000	CONNACHER		80.00000000	TWP 82 RGE 12 W4M SEC 26
ACTIVE	5496020050	**Ext:** 8 (1)(H)	204.800	CHAIR		20.00000000	ALL PNG
	CONNACHER	**Ext:** Jan 31, 2025					
100.00000000	RIFE			Total Rental:	896.00		

Status		Hectares	Net		Hectares	Net
	Prod:	0.000	0.000	**NProd:**	0.000	0.000
DEVELOPED	**Dev:**	256.000	204.800	**Undev:**	0.000	0.000
	Prov:	0.000	0.000	**NProv:**	0.000	0.000

M-1277	PNG LIC CR	**Eff:** Feb 01, 2000	0.000			WI	Area : DIVIDE-PNG
Sub: C	WI	**Exp:** Jan 31, 2005	0.000	CHAIR		20.00000000	TWP 82 RGE 12 W4M SEC 22
ACTIVE	5496020050	**Ext:** 8 (1)(H)	0.000	CONNACHER		80.00000000	PNG BELOW BASE MCMURRAY
	CONNACHER	**Ext:** Jan 31, 2025					
100.00000000	RIFE	**Count Acreage =** No		Total Rental:	0.00		

Status		Hectares	Net		Hectares	Net
	Prod:	0.000	0.000	**NProd:**	0.000	0.000
	Dev:	0.000	0.000	**Undev:**	0.000	0.000
	Prov:	0.000	0.000	**NProv:**	0.000	0.000

M-1277	PNG LIC CR	**Eff:** Feb 01, 2000	256.000	WI	Area : DIVIDE-PNG

CONNACHER OIL AND GAS LIMITED
Mineral Property Report

File Number / File Status / Mineral Int	Lse Type / Lessor Type / Int Type / Lse No/Name / Operator / Payor		Exposure / Gross / Net	Oper.Cont. ROFR / Doi Partner(s) *	DOI Code *	Lease Description / Rights Held

(cont'd)

M-1277						
Sub: D	WI	**Exp:** Jan 31, 2005	256.000	CHAIR	15.00000000	TWP 82 RGE 12 W4M SEC 22
ACTIVE	5496020050	**Ext:** 8 (1)(H)	217.600	CONNACHER	85.00000000	PNG TO BASE MCMURRAY
	CONNACHER	**Ext:** Jan 31, 2025				
100.00000000	RIFE			Total Rental: 896.00		

Status		Hectares	Net		Hectares	Net
	Prod:	0.000	0.000	**NProd:**	0.000	0.000
DEVELOPED	**Dev:**	256.000	217.600	**Undev:**	0.000	0.000
	Prov:	0.000	0.000	**NProv:**	0.000	0.000

M-1278	PNG LIC CR	**Eff:** Mar 06, 1997	1,280.000		WI	Area : DIVIDE-PNG
Sub: A	WI	**Exp:** Mar 05, 2001	1,280.000	CONNACHER	80.00000000	TWP 83 RGE 11 W4M SEC 5, 6
ACTIVE	5497030068	**Ext:** 8 (1)(H)	1,024.000	CHAIR	20.00000000	TWP 83 RGE 12 W4M SEC 1, 12, 13
	CONNACHER	**Ext:** Mar 05, 2025				ALL PNG
100.00000000	CONNACHER			Total Rental: 4480.00		

Status		Hectares	Net		Hectares	Net
	Prod:	0.000	0.000	**NProd:**	0.000	0.000
UNDEVELOPED	**Dev:**	0.000	0.000	**Undev:**	1,280.000	1,024.000
	Prov:	0.000	0.000	**NProv:**	0.000	0.000

M-1279	PNG LIC CR	**Eff:** Mar 06, 1997	320.000		WI	Area : DIVIDE-PNG
Sub: A	WI	**Exp:** Mar 05, 2001	320.000	CONNACHER	80.00000000	TWP 82 RGE 12 W4M SEC 34, SW 35
ACTIVE	5497030066	**Ext:** 8 (1)(H)	256.000	CHAIR	20.00000000	PNG BELOW BASE MCMURRAY
	CONNACHER	**Ext:** Mar 05, 2025				
100.00000000	CONNACHER			Total Rental: 0.00		

Status		Hectares	Net		Hectares	Net

File Number / File Status / Mineral Int	Lse Type / Lessor Type / Int Type / Lse No/Name / Operator / Payor			Exposure / Gross / Net	Oper.Cont. ROFR / Doi Partner(s)		*	*	Lease Description / Rights Held
(cont'd)									
M-1279									
Sub: A		**Prod:**	0.000	0.000	**NProd:**	0.000	0.000		
	UNDEVELOPED	**Dev:**	0.000	0.000	**Undev:**	320.000	256.000		
		Prov:	0.000	0.000	**NProv:**	0.000	0.000		

M-1279	PNG LIC CR	**Eff:** Mar 06, 1997	960.000			WI	Area : DIVIDE-PNG
Sub: B	WRI	**Exp:** Mar 05, 2001	960.000	CONNACHER		80.00000000	TWP 82 RGE 12 W4M SE/4 25, N/2
ACTIVE	5497030066	**Ext:** 8 (1)(H)	768.000	CHAIR		20.00000000	35, SEC. 36
	CONNACHER	**Ext:** Mar 05, 2025					TWP 83 RGE 12 W4M SEC 2, 11
100.00000000	CONNACHER			Total Rental:	3360.00		ALL PNG

Status		Hectares	Net		Hectares	Net
	Prod:	0.000	0.000	**NProd:**	0.000	0.000
UNDEVELOPED	**Dev:**	0.000	0.000	**Undev:**	960.000	768.000
	Prov:	0.000	0.000	**NProv:**	0.000	0.000

M-1279	PNG LIC CR	**Eff:** Mar 06, 1997	320.000			WI	Area : DIVIDE-PNG
Sub: C	WRI	**Exp:** Mar 05, 2001	320.000	CONNACHER		85.00000000	TWP 82 RGE 12 W4M SEC 34, SW/4
ACTIVE	5497030066	**Ext:** 8 (1)(H)	272.000	CHAIR		15.00000000	35
	CONNACHER	**Ext:** Mar 05, 2025					ALL PNG FROM TOP SURFACE TO
100.00000000	CONNACHER	**Count Acreage =** No		Total Rental:	1120.00		BASE MCMURRAY

Status		Hectares	Net		Hectares	Net
	Prod:	0.000	0.000	**NProd:**	0.000	0.000
UNDEVELOPED	**Dev:**	0.000	0.000	**Undev:**	320.000	272.000
	Prov:	0.000	0.000	**NProv:**	0.000	0.000

M-1280	PNG LIC CR	**Eff:** Mar 06, 1997	256.000	WI	Area : DIVIDE-PNG

CONNACHER OIL AND GAS LIMITED
Mineral Property Report

Category: MINERAL

File Number / File Status / Mineral Int	Lse Type / Lessor Type / Int Type / Lse No/Name / Operator / Payor		Exposure / Gross / Net	Oper.Cont. ROFR / Doi Partner(s)	*	DOI Code *	Lease Description / Rights Held
(cont'd)							
M-1280							
Sub: A	WI	**Exp:** Mar 05, 2001	256.000	CONNACHER		80.00000000	TWP 83 RGE 11 W4M SEC 3
ACTIVE	5497030065	**Ext:** 8 (1)(H)	204.800	CHAIR		20.00000000	PNG TO BASE MCMURRAY
	CONNACHER	**Ext:** Mar 05, 2025					
100.00000000	CONNACHER			Total Rental:	0.00		

Status		Hectares	Net		Hectares	Net
	Prod:	0.000	0.000	**NProd:**	0.000	0.000
DEVELOPED	**Dev:**	256.000	204.800	**Undev:**	0.000	0.000
	Prov:	0.000	0.000	**NProv:**	0.000	0.000

M-1280	PNG LIC CR	**Eff:** Mar 06, 1997	128.000			WI	Area : DIVIDE-PNG
Sub: B	WI	**Exp:** Mar 05, 2001	128.000	CONNACHER		80.00000000	TWP 82 RGE 11 W4M S/2 32
ACTIVE	5497030065	**Ext:** 8 (1)(H)	102.400	CHAIR		20.00000000	PNG IN MCMURRAY
	CONNACHER	**Ext:** Mar 05, 2025					
100.00000000	CONNACHER			Total Rental:	0.00		

Status		Hectares	Net		Hectares	Net
	Prod:	0.000	0.000	**NProd:**	0.000	0.000
UNDEVELOPED	**Dev:**	0.000	0.000	**Undev:**	128.000	102.400
	Prov:	0.000	0.000	**NProv:**	0.000	0.000

M-1280	PNG LIC CR	**Eff:** Mar 06, 1997	1,280.000			WI	Area : DIVIDE-PNG
Sub: C	WI	**Exp:** Mar 05, 2001	1,280.000	CONNACHER		100.00000000	TWP 82 RGE 11 W4M SEC 31, 32, 33
ACTIVE	5497030065	**Ext:** 8 (1)(H)	1,280.000				TWP 83 RGE 11 W4M SEC 3, 4
	CONNACHER	**Ext:** Mar 05, 2025		Total Rental:	2240.00		PNG BELOW BASE MCMURRAY
100.00000000	CONNACHER	**Count Acreage =** No					

Status		Hectares	Net		Hectares	Net

File Number / File Status / Mineral Int	Lse Type / Lessor Type / Int Type / Lse No/Name / Operator / Payor			Exposure / Gross / Net	Oper.Cont. ROFR / Doi Partner(s)		DOI Code *	*	Lease Description / Rights Held

(cont'd)

M-1280
Sub: C

	Prod:	0.000	0.000	**NProd:**	0.000	0.000	
UNDEVELOPED	**Dev:**	0.000	0.000	**Undev:**	1,280.000	1,280.000	
	Prov:	0.000	0.000	**NProv:**	0.000	0.000	

M-1280	PNG LIC CR	**Eff:** Mar 06, 1997	128.000			WI	Area : DIVIDE-PNG
Sub: D	WI	**Exp:** Mar 05, 2001	128.000	CONNACHER		85.00000000	TWP 82 RGE 11 W4M S/2 32
ACTIVE	5497030065	**Ext:** 8 (1)(H)	108.800	CHAIR		15.00000000	PNG TO TOP MCMURRAY
	CONNACHER	**Ext:** Mar 05, 2025					
100.00000000	CONNACHER	**Count Acreage =** No		Total Rental:	448.00		

Status		**Hectares**	**Net**		**Hectares**	**Net**
	Prod:	0.000	0.000	**NProd:**	0.000	0.000
UNDEVELOPED	**Dev:**	0.000	0.000	**Undev:**	128.000	108.800
	Prov:	0.000	0.000	**NProv:**	0.000	0.000

M-1280	PNG LIC CR	**Eff:** Mar 06, 1997	320.000			WI	Area : DIVIDE-PNG
Sub: E	WI	**Exp:** Mar 05, 2001	320.000	CONNACHER		80.00000000	TWP 82 RGE 11 W4M SW/4 31, N/2
ACTIVE	5497030065	**Ext:** 8 (1)(H)	256.000	CHAIR		20.00000000	31, N/2 32
	CONNACHER	**Ext:** Mar 05, 2025					PNG TO BASE MCMURRAY
100.00000000	CONNACHER			Total Rental:	0.00		

Status		**Hectares**	**Net**		**Hectares**	**Net**
	Prod:	0.000	0.000	**NProd:**	0.000	0.000
UNDEVELOPED	**Dev:**	0.000	0.000	**Undev:**	320.000	256.000
	Prov:	0.000	0.000	**NProv:**	0.000	0.000

M-1280	PNG LIC CR	**Eff:** Mar 06, 1997	64.000	WI	Area : DIVIDE-PNG

File Number	Lse Type Lessor Type		Exposure	Oper.Cont. ROFR	DOI Code		Lease Description / Rights Held
File Status	Int Type / Lse No/Name		Gross				
Mineral Int	Operator / Payor		Net	Doi Partner(s) *	*		

(cont'd)

M-1280							
Sub: F	WI	**Exp:** Mar 05, 2001	64.000	CONNACHER	85.00000000		TWP 82 RGE 11 W4M SE/4 31
ACTIVE	5497030065	**Ext:** 8 (1)(H)	54.400	CHAIR	15.00000000		PNG TO TOP MCMURRAY
	CONNACHER	**Ext:** Mar 05, 2025					EXCL PNG IN GRAND RAPIDS
100.00000000	CONNACHER	**Count Acreage =** No		Total Rental: 0.00			

Status		Hectares	Net		Hectares	Net
	Prod:	0.000	0.000	**NProd:**	0.000	0.000
DEVELOPED	**Dev:**	64.000	54.400	**Undev:**	0.000	0.000
	Prov:	0.000	0.000	**NProv:**	0.000	0.000

M-1280	PNG LIC CR	**Eff:** Mar 06, 1997	64.000		WI	Area : DIVIDE-PNG
Sub: G	WI	**Exp:** Mar 05, 2001	64.000	CONNACHER	80.00000000	TWP 82 RGE 11 W4M SE/4 13
ACTIVE	5497030065	**Ext:** 8 (1)(H)	51.200	CHAIR	20.00000000	PNG IN GRAND RAPIDS
	CONNACHER	**Ext:** Mar 05, 2025				
100.00000000	CONNACHER			Total Rental: 0.00		

Status		Hectares	Net		Hectares	Net
	Prod:	0.000	0.000	**NProd:**	0.000	0.000
UNDEVELOPED	**Dev:**	0.000	0.000	**Undev:**	64.000	51.200
	Prov:	0.000	0.000	**NProv:**	0.000	0.000

M-1280	PNG LIC CR	**Eff:** Mar 06, 1997	512.000		WI	Area : DIVIDE-PNG
Sub: H	WI	**Exp:** Mar 05, 2001	512.000	CONNACHER	80.00000000	TWP 82 RGE 11 W4M SEC 33
ACTIVE	5497030065	**Ext:** 8 (1)(H)	409.600	CHAIR	20.00000000	TWP 83 RGE 11 W4M SEC 04
	CONNACHER	**Ext:** Mar 05, 2025				ALL PNG FROM TOP SURFACE TO
100.00000000	CONNACHER			Total Rental: 1792.00		BASE MCMURRAY

Status		Hectares	Net		Hectares	Net

CONNACHER OIL AND GAS LIMITED
Mineral Property Report

Category: MINERAL

File Number / File Status / Mineral Int	Lse Type / Lessor Type / Int Type / Lse No/Name / Operator / Payor			Exposure / Gross / Net	Oper.Cont. ROFR / Doi Partner(s)	*	DOI Code *	Lease Description / Rights Held
(cont'd)								
M-1280								
Sub: H		**Prod:**		0.000	0.000	**NProd:** 0.000	0.000	
	UNDEVELOPED	**Dev:**		0.000	0.000	**Undev:** 512.000	409.600	
		Prov:		0.000	0.000	**NProv:** 0.000	0.000	

File Number / File Status / Mineral Int	Lse Type / Int Type / Lse No/Name / Operator / Payor			Exposure / Gross / Net	Oper.Cont. ROFR / Doi Partner(s)		DOI Code	Lease Description / Rights Held
M-1281	PNG LIC CR	**Eff:**	Mar 06, 1997	1,280.000			WI	Area : DIVIDE-PNG
Sub: A	WI	**Exp:**	Mar 05, 2001	1,280.000	CONNACHER		80.00000000	TWP 83 RGE 11 W4M SEC 2, 9, 10,
ACTIVE	5497030067	**Ext:**	8 (1)(H)	1,024.000	CHAIR		20.00000000	11, 14
	CONNACHER	**Ext:**	Mar 05, 2025					ALL PNG
100.00000000	CONNACHER				Total Rental:	4480.00		

	Status		Hectares	Net		Hectares	Net
		Prod:	0.000	0.000	**NProd:**	0.000	0.000
	UNDEVELOPED	**Dev:**	0.000	0.000	**Undev:**	1,280.000	1,024.000
		Prov:	0.000	0.000	**NProv:**	0.000	0.000

File Number / File Status / Mineral Int	Lse Type / Int Type / Lse No/Name / Operator / Payor			Exposure / Gross / Net	Oper.Cont. ROFR / Doi Partner(s)		DOI Code	Lease Description / Rights Held
M-1282	PNG LIC CR	**Eff:**	Mar 06, 1997	1,536.000			WI	Area : DIVIDE-PNG
Sub: A	WI	**Exp:**	Mar 05, 2001	1,536.000	CONNACHER		80.00000000	TWP 83 RGE 11 W4M SEC 7, 8, 15,
ACTIVE	5497030069	**Ext:**	8 (1)(H)	1,228.800	CHAIR		20.00000000	16, 17, 18
	CONNACHER	**Ext:**	Mar 05, 2025					ALL PNG
100.00000000	CONNACHER				Total Rental:	5376.00		

	Status		Hectares	Net		Hectares	Net
		Prod:	0.000	0.000	**NProd:**	0.000	0.000
	UNDEVELOPED	**Dev:**	0.000	0.000	**Undev:**	1,536.000	1,228.800
		Prov:	0.000	0.000	**NProv:**	0.000	0.000

File Number	Lse Type Lessor Type			Exposure			DOI Code	Lease Description / Rights Held
M-1284	PNG CR	**Eff:**	Aug 19, 1997	256.000			APO	Area : DIVIDE-PNG

CONNACHER OIL AND GAS LIMITED
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Category: MINERAL

File Number / File Status / Mineral Int	Lse Type / Lessor Type / Int Type / Lse No/Name / Operator / Payor		Exposure / Gross / Net	Oper.Cont. ROFR / Doi Partner(s)	DOI Code *	*	Lease Description / Rights Held
(cont'd)							
M-1284							
Sub: A	WI	**Exp:** Aug 18, 2002	256.000	CNRL	45.00000000		TWP 82 RGE 12 W4M SEC 3, 10
ACTIVE	0597080512	**Ext:** 8 (1)(H)	112.640	CHAIR	11.00000000		ALL PNG
	CONNACHER	**Ext:** Dec 31, 2099		CONNACHER	44.00000000		
100.00000000	CNRL						
				Total Rental: 896.00			

Status		Hectares	Net		Hectares	Net
	Prod:	0.000	0.000	**NProd:**	0.000	0.000
DEVELOPED	**Dev:**	256.000	112.640	**Undev:**	0.000	0.000
	Prov:	0.000	0.000	**NProv:**	0.000	0.000

File Number / File Status / Mineral Int	Lse Type / Lessor Type / Int Type / Lse No/Name / Operator / Payor		Exposure / Gross / Net	Oper.Cont. ROFR / Doi Partner(s)	DOI Code *	*	Lease Description / Rights Held
M-1284	PNG CR	**Eff:** Aug 19, 1997	256.000	C-0536 D No	WI		Area : DIVIDE-PNG
Sub: B	WI	**Exp:** Aug 18, 2002	256.000	CHAIR	11.00000000		TWP 82 RGE 12 W4M SEC 2
ACTIVE	0597080512	**Ext:** 8 (1)(H)	112.640	CNRL	45.00000000		ALL PNG
	CONNACHER	**Ext:** Aug 18, 2025		CONNACHER	44.00000000		
100.00000000	CNRL						
				Total Rental: 896.00			

Status		Hectares	Net		Hectares	Net
	Prod:	0.000	0.000	**NProd:**	0.000	0.000
DEVELOPED	**Dev:**	256.000	112.640	**Undev:**	0.000	0.000
	Prov:	0.000	0.000	**NProv:**	0.000	0.000

File Number / File Status / Mineral Int	Lse Type / Lessor Type / Int Type / Lse No/Name / Operator / Payor		Exposure / Gross / Net	Oper.Cont. ROFR / Doi Partner(s)	DOI Code *	*	Lease Description / Rights Held
M-1284	PNG CR	**Eff:** Aug 19, 1997	768.000	C-0536 D No	WI		Area : DIVIDE-PNG
Sub: C	WI	**Exp:** Aug 18, 2002	768.000	CHAIR	11.00000000		TWP 81 RGE 12 W4M SEC 34, 36
ACTIVE	0597080512	**Ext:** 8 (1)(H)	337.920	CNRL	45.00000000		ALL PNG
	CONNACHER	**Ext:** Aug 18, 2025		CONNACHER	44.00000000		
100.00000000	CNRL						

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File Number / File Status / Mineral Int	Lse Type / Lessor Type / Int Type / Lse No/Name / Operator / Payor		Exposure / Gross / Net	Oper.Cont. / ROFR / Doi Partner(s)	DOI Code	Lease Description / Rights Held

(cont'd)

M-1284
Sub: C

Total Rental: 2688.00

Status		Hectares	Net		Hectares	Net
	Prod:	0.000	0.000	**NProd:**	0.000	0.000
UNDEVELOPED	**Dev:**	0.000	0.000	**Undev:**	768.000	337.920
	Prov:	0.000	0.000	**NProv:**	0.000	0.000

M-1284	PNG CR	**Eff:** Aug 19, 1997	256.000	C-0536 D No	WI	Area : DIVIDE-PNG
Sub: D	WI	**Exp:** Aug 18, 2002	256.000	CHAIR	11.00000000	TWP 82 RGE 12 W4M SEC 1
ACTIVE	0597080512	**Ext:** 8 (1)(H)	112.640	CNRL	45.00000000	ALL PNG
	CONNACHER	**Ext:** Aug 18, 2025		CONNACHER	44.00000000	
100.00000000	CNRL					

Total Rental: 896.00

Status		Hectares	Net		Hectares	Net
	Prod:	0.000	0.000	**NProd:**	0.000	0.000
DEVELOPED	**Dev:**	256.000	112.640	**Undev:**	0.000	0.000
	Prov:	0.000	0.000	**NProv:**	0.000	0.000

M-1285	PNG CR	**Eff:** Aug 19, 1997	256.000		BPO	Area : DIVIDE-PNG
Sub: A	WI	**Exp:** Aug 18, 2002	256.000	CONNACHER	80.00000000	TWP 81 RGE 12 W4M SEC 13
ACTIVE	0597080511	**Ext:** 8 (1)(H)	204.800	CHAIR	20.00000000	ALL PNG
	CONNACHER	**Ext:** Dec 31, 2099				
100.00000000	CNRL					

Total Rental: 896.00

Status		Hectares	Net		Hectares	Net
	Prod:	0.000	0.000	**NProd:**	0.000	0.000
DEVELOPED	**Dev:**	256.000	204.800	**Undev:**	0.000	0.000

CONNACHER OIL AND GAS LIMITED
Mineral Property Report

Category: MINERAL

File Number / File Status / Mineral Int	Lse Type / Int Type / Lse No/Name / Operator / Payor	Lessor Type		Exposure / Gross / Net	Oper.Cont. / Doi Partner(s)	ROFR	DOI Code *	*	Lease Description / Rights Held

(cont'd)

M-1285
Sub: A — **Prov:** 0.000 0.000 **NProv:** 0.000 0.000

M-1285	PNG	CR	**Eff:** Aug 19, 1997	512.000	C-0536 A	No	WI	Area : DIVIDE-PNG
Sub: B	WI		**Exp:** Aug 18, 2002	512.000	BARNWELL		5.62500000	TWP 81 RGE 11 W4M SEC 7, 18
ACTIVE	0597080511		**Ext:** 8 (1)(H)	225.280	CNRL		34.87500000	ALL PNG
	CONNACHER		**Ext:** Dec 31, 2099		CHAIR		11.00000000	
100.00000000	CNRL				HARVEST		4.50000000	
					CONNACHER		44.00000000	

Total Rental: 1792.00

Status		Hectares	Net		Hectares	Net
	Prod:	0.000	0.000	**NProd:**	0.000	0.000
UNDEVELOPED	**Dev:**	0.000	0.000	**Undev:**	512.000	225.280
	Prov:	0.000	0.000	**NProv:**	0.000	0.000

M-1285	PNG	CR	**Eff:** Aug 19, 1997	768.000	C-0536 D	No	WI	Area : DIVIDE-PNG
Sub: C	WI		**Exp:** Aug 18, 2002	768.000	CHAIR		11.00000000	TWP 81 RGE 11 W4M SEC 8
ACTIVE	0597080511		**Ext:** 8 (1)(H)	337.920	CNRL		45.00000000	TWP 81 RGE 12 W4M SEC 24, 25
	CONNACHER		**Ext:** Dec 31, 2099		CONNACHER		44.00000000	ALL PNG
100.00000000	CNRL							

Total Rental: 2688.00

Status		Hectares	Net		Hectares	Net
	Prod:	0.000	0.000	**NProd:**	0.000	0.000
UNDEVELOPED	**Dev:**	0.000	0.000	**Undev:**	768.000	337.920
	Prov:	0.000	0.000	**NProv:**	0.000	0.000

CONNACHER OIL AND GAS LIMITED
Mineral Property Report

Category: MINERAL

File Number / File Status / Mineral Int	Lse Type Lessor Type / Int Type / Lse No/Name / Operator / Payor		Exposure / Gross / Net	Oper.Cont. ROFR / Doi Partner(s) *	DOI Code *	Lease Description / Rights Held
M-1287	PNG LIC CR	**Eff:** Jun 12, 1997	64.000		WI	Area : DIVIDE-PNG
Sub: A	WI	**Exp:** Jun 11, 2002	64.000	CONNACHER	80.00000000	TWP 82 RGE 11 W4M NE/4 29
ACTIVE	5497060049	**Ext:** 8 (1)(H)	51.200	CHAIR	20.00000000	(RENTAL SPLIT 50/50 BETWEEN
	CONNACHER	**Ext:** Jun 11, 2025				SHALLOW & DEEP RIGHTS)
100.00000000	CONNACHER			Total Rental: 112.00		ALL PNG FROM TOP SURFAEC TO
						BASE MCMURRAY

Status		Hectares	Net		Hectares	Net
	Prod:	0.000	0.000	**NProd:**	0.000	0.000
DEVELOPED	**Dev:**	64.000	51.200	**Undev:**	0.000	0.000
	Prov:	0.000	0.000	**NProv:**	0.000	0.000

File Number / File Status / Mineral Int	Lse Type Lessor Type / Int Type / Lse No/Name / Operator / Payor		Exposure / Gross / Net	Oper.Cont. ROFR / Doi Partner(s) *	DOI Code *	Lease Description / Rights Held
M-1287	PNG LIC CR	**Eff:** Jun 12, 1997	192.000		WI	Area : DIVIDE-PNG
Sub: B	WI	**Exp:** Jun 11, 2002	192.000	CONNACHER	80.00000000	TWP 82 RGE 11 W4M S/2 29, NW/4
ACTIVE	5497060049	**Ext:** 8 (1)(H)	153.600	CHAIR	20.00000000	29
	CONNACHER	**Ext:** Jun 11, 2025				PNG IN MCMURRAY
100.00000000	CONNACHER			Total Rental: 0.00		PNG IN CLEARWATER

Status		Hectares	Net		Hectares	Net
	Prod:	0.000	0.000	**NProd:**	0.000	0.000
DEVELOPED	**Dev:**	192.000	153.600	**Undev:**	0.000	0.000
	Prov:	0.000	0.000	**NProv:**	0.000	0.000

File Number / File Status / Mineral Int	Lse Type Lessor Type / Int Type / Lse No/Name / Operator / Payor		Exposure / Gross / Net	Oper.Cont. ROFR / Doi Partner(s) *	DOI Code *	Lease Description / Rights Held
M-1287	PNG LIC CR	**Eff:** Jun 12, 1997	256.000		WI	Area : DIVIDE-PNG
Sub: C	WI	**Exp:** Jun 11, 2002	256.000	CONNACHER	80.00000000	TWP 82 RGE 11 W4M SEC 30
ACTIVE	5497060049	**Ext:** 8 (1)(H)	204.800	CHAIR	20.00000000	PNG IN MCMURRAY
	CONNACHER	**Ext:** Jun 11, 2025				PNG IN CLEARWATER
100.00000000	CONNACHER			Total Rental: 0.00		PNG IN GRANDRAPIDS

Status		Hectares	Net		Hectares	Net
	Prod:	0.000	0.000	**NProd:**	0.000	0.000

File Number File Status Mineral Int	Lse Type Lessor Type Int Type / Lse No/Name Operator / Payor		Exposure Gross Net	Oper.Cont. ROFR Doi Partner(s) *	DOI Code *	Lease Description / Rights Held

(cont'd)

M-1287
Sub: C

	Hectares	Net		Hectares	Net
Dev:	0.000	0.000	Undev:	0.000	0.000
Prov:	0.000	0.000	NProv:	0.000	0.000

M-1287 PNG LIC CR — Eff: Jun 12, 1997 — 256.000 — WI — Area : DIVIDE-PNG
Sub: D WI — Exp: Jun 11, 2002 — 256.000 CONNACHER 80.00000000 — TWP 82 RGE 11 W4M SE/4 18
ACTIVE 5497060049 — Ext: 8 (1)(H) — 204.800 CHAIR 20.00000000 — TWP 82 RGE 12 W4M SE/4 25, N/2 25
CONNACHER — Ext: Jun 11, 2025
100.00000000 CONNACHER — Total Rental: 448.00

ALL PNG FROM TOP SURFACE TO BASE MCMURRAY

Status		Hectares	Net		Hectares	Net
	Prod:	0.000	0.000	NProd:	0.000	0.000
UNDEVELOPED	Dev:	0.000	0.000	Undev:	256.000	204.800
	Prov:	0.000	0.000	NProv:	0.000	0.000

M-1287 PNG LIC CR — Eff: Jun 12, 1997 — 512.000 — WI — Area : DIVIDE-PNG
Sub: E WI — Exp: Jun 11, 2002 — 512.000 CONNACHER 85.00000000 — TWP 82 RGE 11 W4M SW/4 18, N/2 18, SEC. 19
ACTIVE 5497060049 — Ext: 8 (1)(H) — 435.200 CHAIR 15.00000000 — TWP 82 RGE 12 W4M SW/4 25
CONNACHER — Ext: Jun 11, 2025
100.00000000 CONNACHER — Total Rental: 448.00

ALL PNG FROM TOP SURFACE TO BASE MCMURRAY

Status		Hectares	Net		Hectares	Net
	Prod:	0.000	0.000	NProd:	0.000	0.000
UNDEVELOPED	Dev:	0.000	0.000	Undev:	512.000	435.200
	Prov:	0.000	0.000	NProv:	0.000	0.000

M-1287 PNG LIC CR — Eff: Jun 12, 1997 — 192.000 — WI — Area : DIVIDE-PNG
Sub: F WI — Exp: Jun 11, 2002 — 192.000 CONNACHER 85.00000000 — TWP 82 RGE 11 W4M S/2 29, NW/4

File Number File Status Mineral Int	Lse Type Lessor Type Int Type / Lse No/Name Operator / Payor		Exposure Gross Net	Oper.Cont. ROFR Doi Partner(s) *	DOI Code *	Lease Description / Rights Held

(cont'd)

M-1287						
Sub: F						
ACTIVE	5497060049	Ext: 8 (1)(H)	163.200	CHAIR	15.00000000	29
	CONNACHER	Ext: Jun 11, 2025				PNG TO TOP MCMURRAY
100.00000000	CONNACHER	Count Acreage = No		Total Rental: 336.00		EXCL PNG IN CLEARWATER

Status		Hectares	Net		Hectares	Net
	Prod:	0.000	0.000	NProd:	0.000	0.000
UNDEVELOPED	Dev:	0.000	0.000	Undev:	192.000	163.200
	Prov:	0.000	0.000	NProv:	0.000	0.000

M-1287	PNG LIC CR	Eff: Jun 12, 1997	256.000		WI	Area : DIVIDE-PNG
Sub: G	WI	Exp: Jun 11, 2002	256.000	CONNACHER	85.00000000	TWP 82 RGE 11 W4M SEC 30
ACTIVE	5497060049	Ext: 8 (1)(H)	217.600	CHAIR	15.00000000	PNG TO TOP MCMURRAY
	CONNACHER	Ext: Jun 11, 2025				EXCL PNG IN CLEARWATER
100.00000000	CONNACHER	Count Acreage = No		Total Rental: 448.00		EXCL PNG IN GRANDRAPIDS

Status		Hectares	Net		Hectares	Net
	Prod:	0.000	0.000	NProd:	0.000	0.000
UNDEVELOPED	Dev:	0.000	0.000	Undev:	256.000	217.600
	Prov:	0.000	0.000	NProv:	0.000	0.000

M-1287	PNG LIC CR	Eff: Jun 12, 1997	256.000		WI	Area : DIVIDE-PNG
Sub: H	WI	Exp: Jun 11, 2002	256.000	CONNACHER	85.00000000	TWP 82 RGE 11 W4M SEC 20
ACTIVE	5497060049	Ext: 8 (1)(H)	217.600	CHAIR	15.00000000	PNG TO BASE MCMURRAY
	CONNACHER	Ext: Jun 11, 2025				
100.00000000	CONNACHER			Total Rental: 896.00		

Status		Hectares	Net		Hectares	Net

File Number / File Status / Mineral Int	Lse Type / Lessor Type / Int Type / Lse No/Name / Operator / Payor		Exposure / Gross / Net	Oper.Cont. ROFR / Doi Partner(s)	DOI Code *	*	Lease Description / Rights Held

(cont'd)

M-1287
Sub: H

	Status		Hectares	Net		Hectares	Net
		Prod:	0.000	0.000	**NProd:**	0.000	0.000
	DEVELOPED	**Dev:**	256.000	217.600	**Undev:**	0.000	0.000
		Prov:	0.000	0.000	**NProv:**	0.000	0.000

M-1287	PNG LIC CR	**Eff:** Jun 12, 1997	1,536.000		WI	Area : DIVIDE-PNG
Sub: I	WI	**Exp:** Jun 11, 2002	1,536.000	CONNACHER	100.00000000	TWP 82 RGE 11 W4M SEC 18, 19, 20, 29, 30
ACTIVE	5497060049	**Ext:** 8 (1)(H)	1,536.000			TWP 82 RGE 12 W4M SEC 25
	CONNACHER	**Ext:** Jun 11, 2025		Total Rental: 2688.00		PNG BELOW BASE MCMURRAY
100.00000000	CONNACHER	**Count Acreage =** No				

	Status		Hectares	Net		Hectares	Net
		Prod:	0.000	0.000	**NProd:**	0.000	0.000
	UNDEVELOPED	**Dev:**	0.000	0.000	**Undev:**	1,536.000	1,536.000
		Prov:	0.000	0.000	**NProv:**	0.000	0.000

M-1288	PNG LIC CR	**Eff:** Jun 12, 1997	256.000	C-0543 A Yes	WI	Area : DIVIDE-PNG
Sub: A	WI	**Exp:** Jun 11, 2002	256.000	CONNACHER	80.00000000	TWP 82 RGE 11 W4M SEC 27
ACTIVE	5497060050	**Ext:** 8 (1)(H)	204.800	CHAIR	20.00000000	PNG TO BASE MCMURRAY
	CONNACHER	**Ext:** Jun 11, 2025				
100.00000000	CONNACHER			Total Rental: 896.00		

	Status		Hectares	Net		Hectares	Net
		Prod:	0.000	0.000	**NProd:**	0.000	0.000
	DEVELOPED	**Dev:**	256.000	204.800	**Undev:**	0.000	0.000
		Prov:	0.000	0.000	**NProv:**	0.000	0.000

M-1288	PNG LIC CR	**Eff:** Jun 12, 1997	768.000	C-0543 A Yes	WI	Area : DIVIDE-PNG

File Number / File Status / Mineral Int	Lse Type / Lessor Type / Int Type / Lse No/Name / Operator / Payor		Exposure / Gross / Net	Oper.Cont. / ROFR / Doi Partner(s) *	DOI Code *	Lease Description / Rights Held
(cont'd)						
M-1288						
Sub: B	WI	**Exp:** Jun 11, 2002	768.000	CONNACHER	80.00000000	TWP 82 RGE 11 W4M SEC 21, 22, 28
ACTIVE	5497060050	**Ext:** 8 (1)(H)	614.400	CHAIR	20.00000000	PNG TO BASE MCMURRAY
	CONNACHER	**Ext:** Jun 11, 2025				
100.00000000	CONNACHER			Total Rental: 2688.00		

Status		Hectares	Net		Hectares	Net
	Prod:	0.000	0.000	**NProd:**	0.000	0.000
UNDEVELOPED	**Dev:**	0.000	0.000	**Undev:**	768.000	614.400
	Prov:	0.000	0.000	**NProv:**	0.000	0.000

File Number / File Status / Mineral Int	Lse Type / Lessor Type / Int Type / Lse No/Name / Operator / Payor		Exposure / Gross / Net	Oper.Cont. / ROFR / Doi Partner(s) *	DOI Code *	Lease Description / Rights Held
M-1289	PNG CR	**Eff:** Jun 13, 1996	64.000	C-0544 D No	WI	Area : DIVIDE-PNG
Sub: A	WI	**Exp:** Jun 12, 2001	64.000	CHAIR	15.00000000	TWP 82 RGE 11 W4M NE/4 8
ACTIVE	0596060271	**Ext:** 8 (1)(H)	54.400	CONNACHER	85.00000000	ALL PNG FROM TOP SURFACE TO
	CONNACHER	**Ext:** Jun 11, 2025				BASE MCMURRAY
100.00000000	CONNACHER			Total Rental: 0.00		

Status		Hectares	Net		Hectares	Net
	Prod:	0.000	0.000	**NProd:**	0.000	0.000
UNDEVELOPED	**Dev:**	0.000	0.000	**Undev:**	64.000	54.400
	Prov:	0.000	0.000	**NProv:**	0.000	0.000

File Number / File Status / Mineral Int	Lse Type / Lessor Type / Int Type / Lse No/Name / Operator / Payor		Exposure / Gross / Net	Oper.Cont. / ROFR / Doi Partner(s) *	DOI Code *	Lease Description / Rights Held
M-1289	PNG CR	**Eff:** Jun 13, 1996	192.000	C-0543 A Yes	WI	Area : DIVIDE-PNG
Sub: B	WI	**Exp:** Jun 12, 2001	192.000	CONNACHER	80.00000000	TWP 82 RGE 11 W4M S/2 8, NW/4 8
ACTIVE	0596060271	**Ext:** 8 (1)(H)	153.600	CHAIR	20.00000000	PNG TO BASE MCMURRAY
	CONNACHER	**Ext:** Jun 11, 2025				
100.00000000	CONNACHER			Total Rental: 0.00		

Status		Hectares	Net		Hectares	Net

CONNACHER OIL AND GAS LIMITED
Mineral Property Report

File Number / File Status / Mineral Int	Lse Type / Int Type / Lse No/Name / Operator / Payor	Lessor Type		Exposure / Gross / Net	Oper.Cont. ROFR / Doi Partner(s)	*	DOI Code *	Lease Description / Rights Held

(cont'd)

M-1289
Sub: B

Status		Hectares	Net		Hectares	Net
	Prod:	0.000	0.000	NProd:	0.000	0.000
UNDEVELOPED	Dev:	0.000	0.000	Undev:	192.000	153.600
	Prov:	0.000	0.000	NProv:	0.000	0.000

M-1289	PNG	CR	Eff: Jun 13, 1996	320.000	C-0544 D No	WI	Area : DIVIDE-PNG
Sub: D	WI		Exp: Jun 12, 2001	320.000	CHAIR	15.00000000	TWP 81 RGE 11 W4M SE/4 32, S/2
ACTIVE	0596060271		Ext: 8 (1)(H)	272.000	CONNACHER	85.00000000	33, NW/4 33, SW/4 34
	CONNACHER		Ext: Jun 11, 2025				PNG TO TOP MCMURRAY
100.00000000	CONNACHER				Total Rental: 0.00		

Status		Hectares	Net		Hectares	Net
	Prod:	0.000	0.000	NProd:	0.000	0.000
UNDEVELOPED	Dev:	0.000	0.000	Undev:	320.000	272.000
	Prov:	0.000	0.000	NProv:	0.000	0.000

M-1289	PNG	CR	Eff: Jun 13, 1996	192.000	C-0543 A Yes	WI	Area : DIVIDE-PNG
Sub: E	WI		Exp: Jun 12, 2001	192.000	CONNACHER	80.00000000	TWP 81 RGE 11 W4M N/2 34, SE/4
ACTIVE	0596060271		Ext: 8 (1)(H)	153.600	CHAIR	20.00000000	34
	CONNACHER		Ext: Jun 11, 2025				TWP 81 RGE 11 W4M N/2 34
100.00000000	CONNACHER				Total Rental: 0.00		ALL PNG

Status		Hectares	Net		Hectares	Net
	Prod:	0.000	0.000	NProd:	0.000	0.000
DEVELOPED	Dev:	192.000	153.600	Undev:	0.000	0.000
	Prov:	0.000	0.000	NProv:	0.000	0.000

M-1289	PNG	CR	Eff: Jun 13, 1996	256.000	C-0543 A Yes	WI	Area : DIVIDE-PNG

CONNACHER OIL AND GAS LIMITED
Mineral Property Report

Category: MINERAL

File Number / File Status / Mineral Int	Lse Type Lessor Type / Int Type / Lse No/Name / Operator / Payor		Exposure / Gross / Net	Oper.Cont. ROFR / Doi Partner(s)	*	DOI Code *	Lease Description / Rights Held
(cont'd)							
M-1289							
Sub: G	WI	**Exp:** Jun 12, 2001	256.000	CONNACHER		80.00000000	TWP 81 RGE 11 W4M SW/4 32, N/2
ACTIVE	0596060271	**Ext:** 8 (1)(H)	204.800	CHAIR		20.00000000	32, NE/4 33
	CONNACHER	**Ext:** Jun 11, 2025					PNG TO BASE MCMURRAY
100.00000000	CONNACHER			Total Rental:	0.00		

Status		Hectares	Net		Hectares	Net
	Prod:	0.000	0.000	**NProd:**	0.000	0.000
DEVELOPED	**Dev:**	256.000	204.800	**Undev:**	0.000	0.000
	Prov:	0.000	0.000	**NProv:**	0.000	0.000

M-1290	PNG LIC CR	**Eff:** Jun 26, 1997	128.000	C-0544 C No		WI	Area : DIVIDE-PNG
Sub: A	WI	**Exp:** Jun 25, 2001	128.000	CHAIR		15.00000000	TWP 81 RGE 11 W4M N/2 28
ACTIVE	5497060172	**Ext:** 8 (1)(H)	108.800	CONNACHER		85.00000000	PNG TO BASE MCMURRAY
	CONNACHER	**Ext:** Jun 25, 2025					
100.00000000	CONNACHER	**Count Acreage =** No		Total Rental:	448.00		

Status		Hectares	Net		Hectares	Net
	Prod:	0.000	0.000	**NProd:**	0.000	0.000
UNDEVELOPED	**Dev:**	0.000	0.000	**Undev:**	128.000	108.800
	Prov:	0.000	0.000	**NProv:**	0.000	0.000

M-1290	PNG LIC CR	**Eff:** Jun 26, 1997	64.000	C-0544 C No		WI	Area : DIVIDE-PNG
Sub: B	WI	**Exp:** Jun 25, 2001	64.000	CHAIR		15.00000000	TWP 81 RGE 11 W4M NW/4 27
ACTIVE	5497060172	**Ext:** 8 (1)(H)	54.400	CONNACHER		85.00000000	PNG TO TOP MCMURRAY
	CONNACHER	**Ext:** Jun 25, 2025					
100.00000000	CONNACHER	**Count Acreage =** No		Total Rental:	224.00		

Status		Hectares	Net		Hectares	Net

File Number / File Status / Mineral Int	Lse Type / Int Type / Lse No/Name / Operator / Payor	Lessor Type		Exposure / Gross / Net	Oper.Cont. / Doi Partner(s)	ROFR	DOI Code *	*	Lease Description / Rights Held

(cont'd)

M-1290
Sub: B

Status		Hectares	Net		Hectares	Net
	Prod:	0.000	0.000	NProd:	0.000	0.000
UNDEVELOPED	Dev:	0.000	0.000	Undev:	64.000	54.400
	Prov:	0.000	0.000	NProv:	0.000	0.000

M-1290	PNG LIC CR	Eff:	Jun 26, 1997	256.000	C-0543 A Yes	WI	Area : DIVIDE-PNG
Sub: C	WI	Exp:	Jun 25, 2001	256.000	CONNACHER	80.00000000	TWP 81 RGE 11 W4M SEC 21
ACTIVE	5497060172	Ext:	8 (1)(H)	204.800	CHAIR	20.00000000	ALL PNG
	CONNACHER	Ext:	Jun 25, 2025				
100.00000000	CONNACHER				Total Rental: 896.00		

Status		Hectares	Net		Hectares	Net
	Prod:	0.000	0.000	NProd:	0.000	0.000
UNDEVELOPED	Dev:	0.000	0.000	Undev:	256.000	204.800
	Prov:	0.000	0.000	NProv:	0.000	0.000

M-1290	PNG LIC CR	Eff:	Jun 26, 1997	512.000	C-0543 A Yes	WI	Area : DIVIDE-PNG
Sub: D	WI	Exp:	Jun 25, 2001	512.000	CONNACHER	80.00000000	TWP 81 RGE 11 W4M SEC 16, 22
ACTIVE	5497060172	Ext:	8 (1)(H)	409.600	CHAIR	20.00000000	ALL PNG
	CONNACHER	Ext:	Jun 25, 2025				
100.00000000	CONNACHER				Total Rental: 1792.00		

Status		Hectares	Net		Hectares	Net
	Prod:	0.000	0.000	NProd:	0.000	0.000
UNDEVELOPED	Dev:	0.000	0.000	Undev:	512.000	409.600
	Prov:	0.000	0.000	NProv:	0.000	0.000

M-1290	PNG LIC CR	Eff:	Jun 26, 1997	128.000	C-0543 A Yes	WI	Area : DIVIDE-PNG

File Number / File Status / Mineral Int	Lse Type / Lessor Type / Int Type / Lse No/Name / Operator / Payor		Exposure / Gross / Net	Oper.Cont. ROFR / Doi Partner(s)	DOI Code *	*	Lease Description / Rights Held

(cont'd)

M-1290						
Sub: E	WI	**Exp:** Jun 25, 2001	128.000	CONNACHER	80.00000000	TWP 81 RGE 11 W4M S/2 28
ACTIVE	5497060172	**Ext:** 8 (1)(H)	102.400	CHAIR	20.00000000	ALL PNG
	CONNACHER	**Ext:** Jun 25, 2025				
100.00000000	CONNACHER			Total Rental: 448.00		

Status		Hectares	Net		Hectares	Net
	Prod:	0.000	0.000	**NProd:**	0.000	0.000
UNDEVELOPED	**Dev:**	0.000	0.000	**Undev:**	128.000	102.400
	Prov:	0.000	0.000	**NProv:**	0.000	0.000

M-1290	PNG LIC CR	**Eff:** Jun 26, 1997	64.000	C-0543 A Yes	WI	Area : DIVIDE-PNG
Sub: F	WI	**Exp:** Jun 25, 2001	64.000	CONNACHER	80.00000000	TWP 81 RGE 11 W4M NW/4 27
ACTIVE	5497060172	**Ext:** 8 (1)(H)	51.200	CHAIR	20.00000000	PNG BELOW TOP MCMURRAY
	CONNACHER	**Ext:** Jun 25, 2025				
100.00000000	CONNACHER			Total Rental: 0.00		

Status		Hectares	Net		Hectares	Net
	Prod:	0.000	0.000	**NProd:**	0.000	0.000
DEVELOPED	**Dev:**	64.000	51.200	**Undev:**	0.000	0.000
	Prov:	0.000	0.000	**NProv:**	0.000	0.000

M-1290	PNG LIC CR	**Eff:** Jun 26, 1997	128.000	C-0543 A Yes	WI	Area : DIVIDE-PNG
Sub: G	WI	**Exp:** Jun 25, 2001	128.000	CONNACHER	80.00000000	TWP 81 RGE 11 W4M N/2 28
ACTIVE	5497060172	**Ext:** 8 (1)(H)	102.400	CHAIR	20.00000000	PNG BELOW BASE MCMURRAY
	CONNACHER	**Ext:** Jun 25, 2025				
100.00000000	CONNACHER			Total Rental: 0.00		

Status		Hectares	Net		Hectares	Net

File Number / File Status / Mineral Int	Lse Type / Lessor Type / Int Type / Lse No/Name / Operator / Payor		Exposure / Gross / Net	Oper.Cont. / ROFR / Doi Partner(s)	DOI Code *	*	Lease Description / Rights Held

(cont'd)

M-1290
Sub: G

Status		Hectares	Net		Hectares	Net
	Prod:	0.000	0.000	**NProd:**	0.000	0.000
UNDEVELOPED	**Dev:**	0.000	0.000	**Undev:**	128.000	102.400
	Prov:	0.000	0.000	**NProv:**	0.000	0.000

M-1290	PNG LIC CR	**Eff:** Jun 26, 1997	128.000	C-0543 A Yes	WI	Area : DIVIDE-PNG
Sub: H	WI	**Exp:** Jun 25, 2001	128.000	CONNACHER	80.00000000	TWP 81 RGE 11 W4M S/2 27
ACTIVE	5497060172	**Ext:** 8 (1)(H)	102.400	CHAIR	20.00000000	ALL PNG
	CONNACHER	**Ext:** Jun 25, 2025				
100.00000000	CONNACHER			Total Rental: 448.00		

Status		Hectares	Net		Hectares	Net
	Prod:	0.000	0.000	**NProd:**	0.000	0.000
DEVELOPED	**Dev:**	128.000	102.400	**Undev:**	0.000	0.000
	Prov:	0.000	0.000	**NProv:**	0.000	0.000

M-1290	PNG LIC CR	**Eff:** Jun 26, 1997	64.000	C-0543 A Yes	WI	Area : DIVIDE-PNG
Sub: I	WI	**Exp:** Jun 25, 2001	64.000	CONNACHER	80.00000000	TWP 81 RGE 11 W4M NE/4 27
ACTIVE	5497060172	**Ext:** 8 (1)(H)	51.200	CHAIR	20.00000000	ALL PNG
	CONNACHER	**Ext:** Jun 25, 2025				
100.00000000	CONNACHER			Total Rental: 224.00		

Status		Hectares	Net		Hectares	Net
	Prod:	0.000	0.000	**NProd:**	0.000	0.000
DEVELOPED	**Dev:**	64.000	51.200	**Undev:**	0.000	0.000
	Prov:	0.000	0.000	**NProv:**	0.000	0.000

M-1291	PNG LIC CR	**Eff:** Apr 30, 1998	1,024.000	C-0534 A Unknown	WI	Area : DIVIDE-PNG

File Number File Status Mineral Int	Lse Type Lessor Type Int Type / Lse No/Name Operator / Payor		Exposure Gross Net	Oper.Cont. ROFR Doi Partner(s) *	DOI Code *	Lease Description / Rights Held
(cont'd)						
M-1291						
Sub: A	WI	**Exp:** Apr 29, 2002	1,024.000	CONNACHER	80.00000000	TWP 82 RGE 11 W4M SEC 24, 34,
ACTIVE	5498040117	**Ext:** 8 (1)(H)	819.200	CHAIR	20.00000000	35, 36
	CONNACHER	**Ext:** Apr 29, 2025				ALL PNG
100.00000000	CONNACHER			Total Rental: 3584.00		

Status		Hectares	Net		Hectares	Net
	Prod:	0.000	0.000	**NProd:**	0.000	0.000
UNDEVELOPED	**Dev:**	0.000	0.000	**Undev:**	1,024.000	819.200
	Prov:	0.000	0.000	**NProv:**	0.000	0.000

M-1291	PNG LIC CR	**Eff:** Apr 30, 1998	256.000	C-0534 B Unknown	WI	Area : DIVIDE-PNG
Sub: B	WI	**Exp:** Apr 29, 2002	256.000	CONNACHER	80.00000000	TWP 82 RGE 11 W4M SEC 26
ACTIVE	5498040117	**Ext:** 8 (1)(H)	204.800	CHAIR	20.00000000	ALL PNG
	CONNACHER	**Ext:** Apr 29, 2025				
100.00000000	CONNACHER			Total Rental: 896.00		

Status		Hectares	Net		Hectares	Net
	Prod:	0.000	0.000	**NProd:**	0.000	0.000
DEVELOPED	**Dev:**	256.000	204.800	**Undev:**	0.000	0.000
	Prov:	0.000	0.000	**NProv:**	0.000	0.000

M-1291	PNG LIC CR	**Eff:** Apr 30, 1998	256.000		WI	Area : DIVIDE-PNG
Sub: C	WI	**Exp:** Apr 29, 2002	256.000	CONNACHER	100.00000000	TWP 82 RGE 11 W4M SEC 23
ACTIVE	5498040117	**Ext:** 8 (1)(H)	256.000			ALL PNG
	CONNACHER	**Ext:** Apr 29, 2025		Total Rental: 896.00		
100.00000000	CONNACHER					

Status		Hectares	Net		Hectares	Net

File Number / File Status / Mineral Int	Lse Type / Int Type / Lse No/Name / Operator / Payor	Lessor Type			Exposure / Gross / Net	Oper.Cont. / Doi Partner(s)	ROFR	*	DOI Code	*	Lease Description / Rights Held

(cont'd)

M-1291
Sub: C

Status		Hectares	Net		Hectares	Net
	Prod:	0.000	0.000	**NProd:**	0.000	0.000
UNDEVELOPED	**Dev:**	0.000	0.000	**Undev:**	256.000	256.000
	Prov:	0.000	0.000	**NProv:**	0.000	0.000

M-1572	PNG	CR	**Eff:**	Nov 09, 1995	192.000	C-0544 D No		WI	Area : DIVIDE-PNG
Sub: A	WI		**Exp:**	Nov 08, 2000	192.000	CHAIR		15.00000000	TWP 82 RGE 11 W4M S/2 6, NE/4 6
ACTIVE	0595110173		**Ext:**	8 (1)(H)	163.200	CONNACHER		85.00000000	PNG TO TOP MCMURRAY
	CONNACHER		**Ext:**	Nov 08, 2025					
100.00000000	CONNACHER		**Count Acreage =**	No		Total Rental:	0.00		

Status		Hectares	Net		Hectares	Net
	Prod:	0.000	0.000	**NProd:**	0.000	0.000
UNDEVELOPED	**Dev:**	0.000	0.000	**Undev:**	192.000	163.200
	Prov:	0.000	0.000	**NProv:**	0.000	0.000

M-1572	PNG	CR	**Eff:**	Nov 09, 1995	256.000			RENTAL	Area : DIVIDE-PNG
Sub: B	NI		**Exp:**	Nov 08, 2000	256.000	HUSKY	*	100.00000000	TWP 82 RGE 11 W4M SEC 6
ACTIVE	0595110173		**Ext:**	8 (1)(H)	0.000				ALL PNG FROM TOP SURFACE TO
	HUSKY		**Ext:**	Nov 08, 2025		Total Rental:	0.00		BASE MCMURRAY
100.00000000	CONNACHER		**Count Acreage =**	No					

Status		Hectares	Net		Hectares	Net
	Prod:	0.000	0.000	**NProd:**	0.000	0.000
UNDEVELOPED	**Dev:**	0.000	0.000	**Undev:**	256.000	0.000
	Prov:	0.000	0.000	**NProv:**	0.000	0.000

M-1572	PNG	CR	**Eff:**	Nov 09, 1995	256.000	C-0544 E No	WI	Area : DIVIDE-PNG

File Number / File Status / Mineral Int	Lse Type / Lessor Type / Int Type / Lse No/Name / Operator / Payor		Exposure / Gross / Net	Oper.Cont. ROFR / Doi Partner(s) *	DOI Code *	Lease Description / Rights Held

(cont'd)

M-1572						
Sub: C	WI	**Exp:** Nov 08, 2000	256.000	CONNACHER	90.00000000	TWP 82 RGE 11 W4M SEC 6
ACTIVE	0595110173	**Ext:** 8 (1)(H)	230.400	CHAIR	10.00000000	PNG IN MCMURRAY
	CONNACHER	**Ext:** Nov 08, 2025				
100.00000000	CONNACHER			Total Rental: 896.00		

Status		Hectares	Net		Hectares	Net
	Prod:	0.000	0.000	**NProd:**	0.000	0.000
DEVELOPED	**Dev:**	256.000	230.400	**Undev:**	0.000	0.000
	Prov:	0.000	0.000	**NProv:**	0.000	0.000

M-1572	PNG CR	**Eff:** Nov 09, 1995	64.000	C-0543 A Yes	WI	Area : DIVIDE-PNG
Sub: D	WI	**Exp:** Nov 08, 2000	64.000	CONNACHER	80.00000000	TWP 82 RGE 11 W4M NW/4 6
ACTIVE	0595110173	**Ext:** 8 (1)(H)	51.200	CHAIR	20.00000000	PNG TO TOP MCMURRAY
	CONNACHER	**Ext:** Nov 08, 2025				
100.00000000	CONNACHER	**Count Acreage =** No		Total Rental: 0.00		

Status		Hectares	Net		Hectares	Net
	Prod:	0.000	0.000	**NProd:**	0.000	0.000
UNDEVELOPED	**Dev:**	0.000	0.000	**Undev:**	64.000	51.200
	Prov:	0.000	0.000	**NProv:**	0.000	0.000

File Number	Lse Type Lessor Type	Exposure	Oper.Cont. ROFR	DOI Code	
File Status	Int Type / Lse No/Name	Gross			
Mineral Int	Operator / Payor	Net	Doi Partner(s) *	*	Lease Description / Rights Held

Category Total:	**Total Gross:**	41,856.000	**Total Net:**	32,569.168				
	Prod Gross:	512.000	**Prod Net:**	384.000	**NProd Gross:**	4,672.000	**NProd Net:**	3,846.400
	Dev Gross:	9,472.000	**Dev Net:**	7,440.848	**Undev Gross :**	32,128.000	**Undev Net :**	24,923.520
	Prov Gross:	0.000	**Prov Net:**	0.000	**NProv Gross:**	0.000	**NProv Net:**	0.000
Report Total:	**Total Gross:**	41,856.000	**Total Net:**	32,569.168				
	Prod Gross:	512.000	**Prod Net:**	384.000	**NProd Gross:**	4,672.000	**NProd Net:**	3,846.400
	Dev Gross:	9,472.000	**Dev Net:**	7,440.848	**Undev Gross :**	32,128.000	**Undev Net :**	24,923.520
	Prov Gross:	0.000	**Prov Net:**	0.000	**NProv Gross:**	0.000	**NProv Net:**	0.000

**** End of Report ****

CONNACHER OIL AND GAS LIMITED

Mineral Property Report

Generated by Kim Long on June 08, 2018 at 2:08:24 pm.

Selection

Admin Company:	
Category:	
Country:	
Province:	
Division:	
Area(s):	
Active / Inactive:	Active
Status Types:	
Lease Types:	
Acreage Status:	
Expiry Period:	
Acreage Category:	

EXPLORER™ Software Solutions Ltd.

CS*EXPLORER Version: 9.10.04

CONNACHER OIL AND GAS LIMITED

Mineral Property Report

Print Options

Acres / Hectares:	Hectares		
Working Interest DOI:	Yes		
Other DOI:	Reference		
Related Contracts:	No	**Related Units:**	No
Royalty Information:	No		
Well Information:	No		
Remarks:	No		
Acreage:	Producing / Non Producing Developed / Undeveloped Proven / Unproven		

Sort Options

Division:	No
Category:	Yes
Province:	No
Area:	No
Location:	No

CS*EXPLORER Version: 9.1004

CONNACHER OIL AND GAS LIMITED
Mineral Property Report

Category: MINERAL

File Number / File Status / Mineral Int	Lse Type / Lessor Type / Int Type / Lse No/Name / Operator / Payor		Exposure / Gross / Net	Oper.Cont. ROFR / Doi Partner(s)	DOI Code	Lease Description / Rights Held
M-0194	OILSND CR	Eff: Jan 08, 2004	3,072.000		WI	Area : DIVIDE-PNG
Sub: A	WI	Exp: Jan 07, 2019	3,072.000	CONNACHER	100.00000000	TWP 80 RGE 13 W4M SEC 2,3,10,11,14
ACTIVE	7404010454		3,072.000			TWP 80 RGE 13 W4M SEC 15,22,23,26
	CONNACHER			Total Rental: 10752.0(		TWP 80 RGE 13 W4M SEC 27,34,35
100.00000000	CONNACHER					ALL OIL_SANDS FROM TOP VIKING TO BASE WOODBEND

Status		Hectares	Net		Hectares	Net
NON PRODUCING	Prod:	0.000	0.000	NProd:	3,072.000	3,072.000
UNDEVELOPED	Dev:	0.000	0.000	Undev:	3,072.000	3,072.000
	Prov:	0.000	0.000	NProv:	0.000	0.000

File Number / File Status / Mineral Int	Lse Type / Lessor Type / Int Type / Lse No/Name / Operator / Payor		Exposure / Gross / Net	Oper.Cont. ROFR / Doi Partner(s)	DOI Code	Lease Description / Rights Held
M-0195	OILSND CR	Eff: Jan 08, 2004	3,072.000		WI	Area : DIVIDE-PNG
Sub: A	WI	Exp: Jan 07, 2019	3,072.000	CONNACHER	100.00000000	TWP 81 RGE 11 W4M SEC 27,28,29,30
ACTIVE	7404010456		3,072.000			TWP 81 RGE 11 W4M SEC 31,32,33,34
	CONNACHER			Total Rental: 10752.0(		TWP 82 RGE 11 W4M SEC 3,4,5,6
100.00000000	CONNACHER					ALL OIL_SANDS FROM TOP VIKING TO BASE WOODBEND

Status		Hectares	Net		Hectares	Net
NON PRODUCING	Prod:	0.000	0.000	NProd:	3,072.000	3,072.000
UNDEVELOPED	Dev:	0.000	0.000	Undev:	3,072.000	3,072.000
	Prov:	0.000	0.000	NProv:	0.000	0.000

File Number / File Status / Mineral Int	Lse Type / Lessor Type / Int Type / Lse No/Name / Operator / Payor		Exposure / Gross / Net	Oper.Cont. ROFR / Doi Partner(s)	DOI Code	Lease Description / Rights Held
M-0196	OILSND CR	Eff: Jan 08, 2004	3,328.000		WI	Area : DIVIDE-PNG
Sub: A	WI	Exp: Jan 07, 2019	3,328.000	CONNACHER	100.00000000	TWP 81 RGE 13 W4M SEC 15,16,17,18
ACTIVE	7404010457		3,328.000			TWP 81 RGE 13 W4M SEC 20,21,22
	CONNACHER			Total Rental: 11648.0(		TWP 81 RGE 13 W4M SEC 27,28,29
100.00000000	CONNACHER					TWP 81 RGE 13 W4M SEC 32,33,34
						ALL OIL_SANDS FROM TOP VIKING TO BASE WOODBEND

Status		Hectares	Net		Hectares	Net
NON PRODUCING	Prod:	0.000	0.000	NProd:	3,328.000	3,328.000
UNDEVELOPED	Dev:	0.000	0.000	Undev:	3,328.000	3,328.000

CONNACHER OIL AND GAS LIMITED
Mineral Property Report

Category: MINERAL

File Number / File Status / Mineral Int	Lse Type / Lessor Type / Int Type / Lse No/Name / Operator / Payor		Exposure / Gross / Net	Oper.Cont. / ROFR / Doi Partner(s)	DOI Code	Lease Description / Rights Held
(cont'd)						
M-0196 Sub: A		Prov:	0.000	0.000	NProv: 0.000 0.000	
M-0197 Sub: A ACTIVE 100.00000000	OILSND CR WI 7404010458 CONNACHER CONNACHER	Eff: Jan 08, 2004 Exp: Jan 07, 2019	2,048.000 2,048.000 2,048.000	CONNACHER Total Rental: 7168.00	WI 100.00000000	Area : DIVIDE-PNG TWP 81 RGE 14 W4M SEC 14,15,22,23 TWP 81 RGE 14 W4M SEC 26,27,34,35 ALL OIL_SANDS FROM TOP VIKING TO BASE WOODBEND

Status		Hectares	Net		Hectares	Net
NON PRODUCING	Prod:	0.000	0.000	NProd:	2,048.000	2,048.000
UNDEVELOPED	Dev:	0.000	0.000	Undev:	2,048.000	2,048.000
	Prov:	0.000	0.000	NProv:	0.000	0.000

File Number / File Status / Mineral Int	Lse Type / Lessor Type / Int Type / Lse No/Name / Operator / Payor		Exposure / Gross / Net	Oper.Cont. / ROFR / Doi Partner(s)	DOI Code	Lease Description / Rights Held
M-0198 Sub: A ACTIVE 100.00000000	OILSND CR WI 7404010459 CONNACHER CONNACHER	Eff: Jan 08, 2004 Exp: Jan 07, 2019	5,120.000 5,120.000 5,120.000	CONNACHER Total Rental: 17920.0(	WI 100.00000000	Area : DIVIDE-PNG TWP 82 RGE 11 W4M SEC 7,8,17,18,19 TWP 82 RGE 11 W4M SEC 20,29,30,31 TWP 82 RGE 11 W4M SEC 32 TWP 82 RGE 12 W4M SEC 11,12,13,14 TWP 82 RGE 12 W4M SEC 23,24,25,26 TWP 82 RGE 12 W4M SEC 35,36 ALL OIL_SANDS FROM TOP VIKING TO BASE WOODBEND

Status		Hectares	Net		Hectares	Net
NON PRODUCING	Prod:	0.000	0.000	NProd:	5,120.000	5,120.000
UNDEVELOPED	Dev:	0.000	0.000	Undev:	5,120.000	5,120.000
	Prov:	0.000	0.000	NProv:	0.000	0.000

CONNACHER OIL AND GAS LIMITED
Mineral Property Report

Category: MINERAL

File Number / File Status / Mineral Int	Lse Type / Lessor Type / Int Type / Lse No/Name / Operator / Payor		Exposure / Gross / Net	Oper.Cont. ROFR / Doi Partner(s) *	DOI Code *	Lease Description / Rights Held
M-0199	OILSND CR	**Eff:** Jan 08, 2004	4,608.000		WI	Area : DIVIDE-PNG
Sub: A	WI	**Exp:** Jan 07, 2019	4,160.000	CONNACHER	100.00000000	TWP 82 RGE 12 W4M SEC 8,9,10
ACTIVE	7404010460		4,160.000			TWP 82 RGE 12 W4M SEC 15
	CONNACHER			Total Rental: 14560.0(		TWP 82 RGE 12 W4M NE/4 16
100.00000000	CONNACHER					TWP 82 RGE 12 W4M S/2 16
						TWP 82 RGE 12 W4M S/2 17

Status		Hectares	Net		Hectares	Net	Lease Description / Rights Held
							TWP 82 RGE 12 W4M NW/4 17
NON PRODUCING	**Prod:**	0.000	0.000	**NProd:**	4,160.000	4,160.000	TWP 82 RGE 12 W4M SW/4 20
UNDEVELOPED	**Dev:**	0.000	0.000	**Undev:**	4,160.000	4,160.000	TWP 82 RGE 12 W4M N/2 20
	Prov:	0.000	0.000	**NProv:**	0.000	0.000	TWP 82 RGE 12 W4M SEC 22
							TWP 82 RGE 12 W4M SEC 27,28,29
							TWP 82 RGE 12 W4M SEC 32,33,34
							TWP 83 RGE 12 W4M SEC 2,3,4
							TWP 82 RGE 12 W4M NE/4 16
							ALL OIL_SANDS FROM TOP VIKING
							TO BASE WOODBEND

File Number / File Status / Mineral Int	Lse Type / Lessor Type / Int Type / Lse No/Name / Operator / Payor		Exposure / Gross / Net	Oper.Cont. ROFR / Doi Partner(s) *	DOI Code *	Lease Description / Rights Held
M-0199	OILSND CR	**Eff:** Jan 08, 2004	4,608.000		WI	Area : DIVIDE-PNG
Sub: B	WI	**Exp:** Jan 07, 2019	448.000	CONNACHER	100.00000000	TWP 82 RGE 12 W4M NW/4 16
ACTIVE	7404010460		448.000			TWP 82 RGE 12 W4M NE/4 17
	CONNACHER			Total Rental: 1568.00		TWP 82 RGE 12 W4M SE/4 20
100.00000000	CONNACHER					TWP 82 RGE 12 W4M SEC 21
						ALL OIL_SANDS FROM TOP VIKING

Status		Hectares	Net		Hectares	Net	Lease Description / Rights Held
							TO BASE WOODBEND
NON PRODUCING	**Prod:**	0.000	0.000	**NProd:**	448.000	448.000	
DEVELOPED	**Dev:**	448.000	448.000	**Undev:**	0.000	0.000	
	Prov:	0.000	0.000	**NProv:**	0.000	0.000	

File Number	Lse Type / Lessor Type		Exposure		DOI Code	Lease Description / Rights Held
M-0253	OILSND CR	**Eff:** Dec 16, 2004	4,608.000		WI	Area : DIVIDE-PNG

CONNACHER OIL AND GAS LIMITED
Mineral Property Report

Category: MINERAL

File Number / File Status / Mineral Int	Lse Type / Lessor Type / Int Type / Lse No/Name / Operator / Payor		Exposure / Gross / Net	Oper.Cont. ROFR / Doi Partner(s) *	DOI Code *	Lease Description / Rights Held

(cont'd)

M-0253						TWP 81 RGE 12 W4M SEC 5, 6, 7, 8
Sub: A	WI	**Exp:** Dec 15, 2019	4,608.000	CONNACHER	100.00000000	TWP 81 RGE 12 W4M SEC 17, 18, 19, 20
ACTIVE	7404120875		4,608.000			TWP 81 RGE 13 W4M SEC 1, 2, 3
	CONNACHER			Total Rental: 16128.0(		TWP 81 RGE 13 W4M SEC 10, 11, 12, 13, 14
100.00000000	CONNACHER					TWP 81 RGE 13 W4M SEC 23, 24 ALL OIL_SANDS FROM TOP VIKING TO BASE WOODBEND

Status		Hectares	Net		Hectares	Net
NON PRODUCING	**Prod:**	0.000	0.000	**NProd:**	4,608.000	4,608.000
UNDEVELOPED	**Dev:**	0.000	0.000	**Undev:**	4,608.000	4,608.000
	Prov:	0.000	0.000	**NProv:**	0.000	0.000

M-0260	OILSND CR	**Eff:** Jul 28, 2005	256.000		WI	Area : DIVIDE-PNG
Sub: A	WI	**Exp:** Jul 27, 2020	256.000	CONNACHER	100.00000000	TWP 83 RGE 12 W4M SEC 9
ACTIVE	7405070553		256.000			ALL OIL_SANDS FROM TOP VIKING
	CONNACHER			Total Rental: 896.00		TO BASE WOODBEND
100.00000000	CONNACHER					

Status		Hectares	Net		Hectares	Net
NON PRODUCING	**Prod:**	0.000	0.000	**NProd:**	256.000	256.000
UNDEVELOPED	**Dev:**	0.000	0.000	**Undev:**	256.000	256.000
	Prov:	0.000	0.000	**NProv:**	0.000	0.000

M-0261	OILSND CR	**Eff:** Jul 28, 2005	256.000		WI	Area : DIVIDE-PNG
Sub: A	WI	**Exp:** Jul 27, 2020	256.000	CONNACHER	100.00000000	TWP 83 RGE 12 W4M SEC 10
ACTIVE	7405070554		256.000			ALL OIL_SANDS FROM TOP VIKING
	CONNACHER			Total Rental: 896.00		TO BASE WOODBEND
100.00000000	CONNACHER					

File Number / File Status / Mineral Int	Lse Type / Int Type / Operator / Payor	Lessor Type / Lse No/Name		Exposure / Gross / Net	Oper.Cont. / Doi Partner(s)	ROFR / *	DOI Code	*	Lease Description / Rights Held

(cont'd)

M-0261
Sub: A

Status		Hectares	Net		Hectares	Net
NON PRODUCING	Prod:	0.000	0.000	NProd:	256.000	256.000
UNDEVELOPED	Dev:	0.000	0.000	Undev:	256.000	256.000
	Prov:	0.000	0.000	NProv:	0.000	0.000

M-0262	OILSND CR	Eff: Jul 28, 2005	256.000		WI	Area : DIVIDE-PNG
Sub: A	WI	Exp: Jul 27, 2020	256.000	CONNACHER	100.00000000	TWP 83 RGE 12 W4M SEC 14
ACTIVE	7405070555		256.000			ALL OIL_SANDS FROM TOP VIKING
	CONNACHER			Total Rental: 896.00		TO BASE WOODBEND
100.00000000	CONNACHER					

Status		Hectares	Net		Hectares	Net
NON PRODUCING	Prod:	0.000	0.000	NProd:	256.000	256.000
UNDEVELOPED	Dev:	0.000	0.000	Undev:	256.000	256.000
	Prov:	0.000	0.000	NProv:	0.000	0.000

M-0263	OILSND CR	Eff: Jul 28, 2005	256.000		WI	Area : DIVIDE-PNG
Sub: A	WI	Exp: Jul 27, 2020	256.000	CONNACHER	100.00000000	TWP 83 RGE 12 W4M SEC 15
ACTIVE	7405070556		256.000			ALL OIL_SANDS FROM TOP VIKING
	CONNACHER			Total Rental: 896.00		TO BASE WOODBEND
100.00000000	CONNACHER					

Status		Hectares	Net		Hectares	Net
NON PRODUCING	Prod:	0.000	0.000	NProd:	256.000	256.000
UNDEVELOPED	Dev:	0.000	0.000	Undev:	256.000	256.000
	Prov:	0.000	0.000	NProv:	0.000	0.000

CONNACHER OIL AND GAS LIMITED
Mineral Property Report

Category: MINERAL

File Number / File Status / Mineral Int	Lse Type / Lessor Type / Int Type / Lse No/Name / Operator / Payor		Exposure / Gross / Net	Oper.Cont. ROFR / Doi Partner(s)	DOI Code	Lease Description / Rights Held
M-0264	OILSND CR	Eff: Jul 28, 2005	256.000		WI	Area : DIVIDE-PNG
Sub: A	WI	Exp: Jul 27, 2020	256.000	CONNACHER	100.00000000	TWP 81 RGE 14 W4M SEC 24
ACTIVE	7405070551		256.000			ALL OIL_SANDS FROM TOP VIKING
	CONNACHER			Total Rental: 896.00		TO BASE WOODBEND
100.00000000	CONNACHER					

Status		Hectares	Net		Hectares	Net
NON PRODUCING	Prod:	0.000	0.000	NProd:	256.000	256.000
UNDEVELOPED	Dev:	0.000	0.000	Undev:	256.000	256.000
	Prov:	0.000	0.000	NProv:	0.000	0.000

M-0265	OILSND CR	Eff: Jul 28, 2005	256.000		WI	Area : DIVIDE-PNG
Sub: A	WI	Exp: Jul 27, 2020	256.000	CONNACHER	100.00000000	TWP 81 RGE 14 W4M SEC 36
ACTIVE	7405070552		256.000			ALL OIL_SANDS FROM TOP VIKING
	CONNACHER			Total Rental: 896.00		TO BASE WOODBEND
100.00000000	CONNACHER					

Status		Hectares	Net		Hectares	Net
NON PRODUCING	Prod:	0.000	0.000	NProd:	256.000	256.000
UNDEVELOPED	Dev:	0.000	0.000	Undev:	256.000	256.000
	Prov:	0.000	0.000	NProv:	0.000	0.000

M-0278	OILSND CR	Eff: Jan 12, 2006	256.000	C-0088 A No	WI	Area : DIVIDE-PNG
Sub: A	WI	Exp: Jan 11, 2021	256.000	CONNACHER	100.00000000	TWP 83 RGE 12 W4M SEC 23
ACTIVE	7406010664		256.000			ALL OIL_SANDS FROM TOP VIKING
	CONNACHER			Total Rental: 896.00		TO BASE WOODBEND
100.00000000	CONNACHER					

Status		Hectares	Net		Hectares	Net
NON PRODUCING	Prod:	0.000	0.000	NProd:	256.000	256.000

File Number / File Status / Mineral Int	Lse Type / Lessor Type / Int Type / Lse No/Name / Operator / Payor			Exposure / Gross / Net	Oper.Cont. ROFR / Doi Partner(s)		DOI Code *	*	Lease Description / Rights Held

(cont'd)

M-0278

Sub: A	UNDEVELOPED	**Dev:**	0.000	0.000	**Undev:**	256.000	256.000
		Prov:	0.000	0.000	**NProv:**	0.000	0.000

M-0279	OILSND CR	**Eff:** Jan 12, 2006	256.000	C-0088 A No		WI	Area : DIVIDE-PNG
Sub: A	WI	**Exp:** Jan 11, 2021	256.000	CONNACHER		100.00000000	TWP 83 RGE 12 W4M SEC 26
ACTIVE	7406010665		256.000				ALL OIL_SANDS FROM TOP VIKING
	CONNACHER			Total Rental:	896.00		TO BASE WOODBEND
100.00000000	CONNACHER						

Status		Hectares	Net		Hectares	Net
NON PRODUCING	**Prod:**	0.000	0.000	**NProd:**	256.000	256.000
UNDEVELOPED	**Dev:**	0.000	0.000	**Undev:**	256.000	256.000
	Prov:	0.000	0.000	**NProv:**	0.000	0.000

M-0280	OILSND CR	**Eff:** Jan 12, 2006	256.000	C-0088 A No		WI	Area : DIVIDE-PNG
Sub: A	WI	**Exp:** Jan 11, 2021	256.000	CONNACHER		100.00000000	TWP 83 RGE 12 W4M SEC 35
ACTIVE	7406010666		256.000				ALL OIL_SANDS FROM TOP VIKING
	CONNACHER			Total Rental:	896.00		TO BASE WOODBEND
100.00000000	CONNACHER						

Status		Hectares	Net		Hectares	Net
NON PRODUCING	**Prod:**	0.000	0.000	**NProd:**	256.000	256.000
UNDEVELOPED	**Dev:**	0.000	0.000	**Undev:**	256.000	256.000
	Prov:	0.000	0.000	**NProv:**	0.000	0.000

M-0453	OILSND CR	**Eff:** May 18, 2006	256.000		WI	Area : DIVIDE-PNG
Sub: A	WI	**Exp:** May 17, 2021	256.000	CONNACHER	100.00000000	TWP 83 RGE 13 W4M SEC 7

CONNACHER OIL AND GAS LIMITED
Mineral Property Report

Category: MINERAL

File Number File Status Mineral Int	Lse Type Lessor Type Int Type / Lse No/Name Operator / Payor		Exposure Gross Net	Oper.Cont. ROFR Doi Partner(s)	DOI Code * *	Lease Description / Rights Held

(cont'd)

M-0453 **Sub:** A ACTIVE 100.00000000	 7406050801 CONNACHER CONNACHER		 256.000	 Total Rental: 896.00		 ALL OIL_SANDS FROM TOP VIKING TO BASE WOODBEND

Status		Hectares	Net		Hectares	Net
NON PRODUCING	**Prod:**	0.000	0.000	**NProd:**	256.000	256.000
UNDEVELOPED	**Dev:**	0.000	0.000	**Undev:**	256.000	256.000
	Prov:	0.000	0.000	**NProv:**	0.000	0.000

M-0454 **Sub:** A ACTIVE 100.00000000	OILSND CR WI 7406050803 CONNACHER CONNACHER	**Eff:** May 18, 2006 **Exp:** May 17, 2021	256.000 256.000 256.000	 CONNACHER Total Rental: 896.00	WI 100.00000000	Area : DIVIDE-PNG TWP 83 RGE 13 W4M SEC 18 ALL OIL_SANDS FROM TOP VIKING TO BASE WOODBEND

Status		Hectares	Net		Hectares	Net
NON PRODUCING	**Prod:**	0.000	0.000	**NProd:**	256.000	256.000
UNDEVELOPED	**Dev:**	0.000	0.000	**Undev:**	256.000	256.000
	Prov:	0.000	0.000	**NProv:**	0.000	0.000

M-0455 **Sub:** A ACTIVE 100.00000000	OILSND CR WI 7406050804 CONNACHER CONNACHER	**Eff:** May 18, 2006 **Exp:** May 17, 2021	256.000 256.000 256.000	 CONNACHER Total Rental: 896.00	WI 100.00000000	Area : DIVIDE-PNG TWP 83 RGE 14 W4M SEC 1 ALL OIL_SANDS FROM TOP VIKING TO BASE WOODBEND

Status		Hectares	Net		Hectares	Net

File Number / File Status / Mineral Int	Lse Type / Int Type / Lse No/Name / Operator / Payor	Lessor Type		Exposure / Gross / Net	Oper.Cont. / Doi Partner(s)	ROFR	DOI Code *	*	Lease Description / Rights Held

(cont'd)

M-0455
Sub: A

Status		Hectares	Net		Hectares	Net
NON PRODUCING	**Prod:**	0.000	0.000	**NProd:**	256.000	256.000
UNDEVELOPED	**Dev:**	0.000	0.000	**Undev:**	256.000	256.000
	Prov:	0.000	0.000	**NProv:**	0.000	0.000

M-0456	OILSND CR	**Eff:** May 18, 2006	256.000		WI	Area : DIVIDE-PNG
Sub: A	WI	**Exp:** May 17, 2021	256.000	CONNACHER	100.00000000	TWP 83 RGE 14 W4M SEC 12
ACTIVE	7406050805		256.000			ALL OIL_SANDS FROM TOP VIKING
	CONNACHER			Total Rental: 896.00		TO BASE WOODBEND
100.00000000	CONNACHER					

Status		Hectares	Net		Hectares	Net
NON PRODUCING	**Prod:**	0.000	0.000	**NProd:**	256.000	256.000
UNDEVELOPED	**Dev:**	0.000	0.000	**Undev:**	256.000	256.000
	Prov:	0.000	0.000	**NProv:**	0.000	0.000

M-0457	OILSND CR	**Eff:** May 18, 2006	256.000		WI	Area : DIVIDE-PNG
Sub: A	WI	**Exp:** May 17, 2021	256.000	CONNACHER	100.00000000	TWP 83 RGE 14 W4M SEC 13
ACTIVE	7406050806		256.000			ALL OIL_SANDS FROM TOP VIKING
	CONNACHER			Total Rental: 896.00		TO BASE WOODBEND
100.00000000	CONNACHER					

Status		Hectares	Net		Hectares	Net
NON PRODUCING	**Prod:**	0.000	0.000	**NProd:**	256.000	256.000
UNDEVELOPED	**Dev:**	0.000	0.000	**Undev:**	256.000	256.000
	Prov:	0.000	0.000	**NProv:**	0.000	0.000

M-0464	OILSND CR	**Eff:** Jul 13, 2006	2,304.000		WI	Area : DIVIDE-PNG

CONNACHER OIL AND GAS LIMITED
Mineral Property Report

File Number / File Status / Mineral Int	Lse Type / Lessor Type / Int Type / Lse No/Name / Operator / Payor		Exposure / Gross / Net	Oper.Cont. ROFR / Doi Partner(s)	DOI Code	Lease Description / Rights Held
(cont'd)						
M-0464						
Sub: A	WI	**Exp:** Jul 12, 2021	2,304.000	CONNACHER	100.00000000	TWP 82 RGE 14 W4M SECS 4, 5, 8,
ACTIVE	7406070401		2,304.000			9, 10, 15, 16, 21, 22
	CONNACHER			Total Rental: 8064.00		ALL OIL_SANDS FROM TOP VIKING
100.00000000	CONNACHER					TO BASE WOODBEND

Status		Hectares	Net		Hectares	Net
NON PRODUCING	**Prod:**	0.000	0.000	**NProd:**	2,304.000	2,304.000
UNDEVELOPED	**Dev:**	0.000	0.000	**Undev:**	2,304.000	2,304.000
	Prov:	0.000	0.000	**NProv:**	0.000	0.000

M-0493	OILSND CR	**Eff:** Nov 30, 2006	256.000		WI	Area : DIVIDE-PNG
Sub: A	WI	**Exp:** Nov 29, 2021	256.000	CONNACHER	100.00000000	TWP 82 RGE 14 W4M SEC 28
ACTIVE	7406110501		256.000			OIL SANDS BELOW THE TOP OF THE
	CONNACHER			Total Rental: 896.00		VIKING TO THE BASE OF THE
100.00000000	CONNACHER					WOODBEND GROUP

Status		Hectares	Net		Hectares	Net
NON PRODUCING	**Prod:**	0.000	0.000	**NProd:**	256.000	256.000
UNDEVELOPED	**Dev:**	0.000	0.000	**Undev:**	256.000	256.000
	Prov:	0.000	0.000	**NProv:**	0.000	0.000

M-0494	OILSND CR	**Eff:** Nov 30, 2006	256.000		WI	Area : DIVIDE-PNG
Sub: A	WI	**Exp:** Nov 29, 2021	256.000	CONNACHER	100.00000000	TWP 83 RGE 13 W4M SEC 19
ACTIVE	7406110503		256.000			OIL SANDS BELOW THE TOP OF THE
	CONNACHER			Total Rental: 896.00		VIKING TO THE BASE OF THE
100.00000000	CONNACHER					WOODBEND GROUP

Status		Hectares	Net		Hectares	Net

CONNACHER OIL AND GAS LIMITED
Mineral Property Report

File Number / File Status / Mineral Int	Lse Type / Int Type / Lse No/Name / Operator / Payor	Lessor Type		Exposure / Gross / Net	Oper.Cont. ROFR / Doi Partner(s)		DOI Code *	*	Lease Description / Rights Held
(cont'd)									
M-0494									
Sub: A	NON PRODUCING	**Prod:**		0.000	0.000	**NProd:**	256.000	256.000	
	UNDEVELOPED	**Dev:**		0.000	0.000	**Undev:**	256.000	256.000	
		Prov:		0.000	0.000	**NProv:**	0.000	0.000	
M-0495	OILSND	CR	**Eff:** Nov 30, 2006	256.000			WI		Area : DIVIDE-PNG
Sub: A	WI		**Exp:** Nov 29, 2021	256.000	CONNACHER		100.00000000		TWP 83 RGE 13 W4M SEC 30
ACTIVE	7406110506			256.000					OIL SANDS BELOW THE TOP OF THE
	CONNACHER				Total Rental: 896.00				VIKING TO THE BASE OF THE
100.00000000	CONNACHER								WOODBEND GROUP
	Status			**Hectares**	**Net**		**Hectares**	**Net**	
	NON PRODUCING	**Prod:**		0.000	0.000	**NProd:**	256.000	256.000	
	UNDEVELOPED	**Dev:**		0.000	0.000	**Undev:**	256.000	256.000	
		Prov:		0.000	0.000	**NProv:**	0.000	0.000	
M-0496	OILSND	CR	**Eff:** Nov 30, 2006	256.000			WI		Area : DIVIDE-PNG
Sub: A	WI		**Exp:** Nov 29, 2021	256.000	CONNACHER		100.00000000		TWP 83 RGE 13 W4M SEC 31
ACTIVE	7406110507			256.000					ALL OIL_SANDS BELOW TOP VIKING
	CONNACHER				Total Rental: 896.00				TO BASE WOODBEND
100.00000000	CONNACHER								
	Status			**Hectares**	**Net**		**Hectares**	**Net**	
	NON PRODUCING	**Prod:**		0.000	0.000	**NProd:**	256.000	256.000	
	UNDEVELOPED	**Dev:**		0.000	0.000	**Undev:**	256.000	256.000	
		Prov:		0.000	0.000	**NProv:**	0.000	0.000	
M-0506	OILSND	CR	**Eff:** Jan 11, 2007	256.000			WI		Area : DIVIDE-PNG

CONNACHER OIL AND GAS LIMITED
Mineral Property Report

Category: MINERAL

File Number / File Status / Mineral Int	Lse Type / Lessor Type / Int Type / Lse No/Name / Operator / Payor		Exposure / Gross / Net	Oper.Cont. ROFR / Doi Partner(s)	DOI Code * *	Lease Description / Rights Held

(cont'd)

M-0506						
Sub: A	WI	Exp: Jan 10, 2022	256.000	CONNACHER	100.00000000	TWP 80 RGE 14 W4M SEC 12
ACTIVE	7407010522		256.000			OILSANDS BELOW THE TOP OF THE
	CONNACHER			Total Rental: 896.00		VIKING TO THE BASE OF THE
100.00000000	CONNACHER					WOODBEND GROUP

Status		Hectares	Net		Hectares	Net
NON PRODUCING	Prod:	0.000	0.000	NProd:	256.000	256.000
UNDEVELOPED	Dev:	0.000	0.000	Undev:	256.000	256.000
	Prov:	0.000	0.000	NProv:	0.000	0.000

M-0507	OILSND CR	Eff: Jan 11, 2007	256.000		WI	Area : DIVIDE-PNG
Sub: A	WI	Exp: Jan 10, 2022	256.000	CONNACHER	100.00000000	TWP 80 RGE 14 W4M SEC 13
ACTIVE	7407010523		256.000			OILSANDS BELOW THE TOP OF THE
	CONNACHER			Total Rental: 896.00		VIKING TO THE BASE OF THE
100.00000000	CONNACHER					WOODBEND GROUP

Status		Hectares	Net		Hectares	Net
NON PRODUCING	Prod:	0.000	0.000	NProd:	256.000	256.000
UNDEVELOPED	Dev:	0.000	0.000	Undev:	256.000	256.000
	Prov:	0.000	0.000	NProv:	0.000	0.000

M-0508	OILSND CR	Eff: Jan 11, 2007	256.000		WI	Area : DIVIDE-PNG
Sub: A	WI	Exp: Jan 10, 2022	256.000	CONNACHER	100.00000000	TWP 80 RGE 14 W4M SEC 24
ACTIVE	7407010524		256.000			OILSANDS BELOW THE TOP OF THE
	CONNACHER			Total Rental: 896.00		VIKING TO THE BASE OF THE
100.00000000	CONNACHER					WOODBEND GROUP

Status		Hectares	Net		Hectares	Net

File Number / File Status / Mineral Int	Lse Type / Int Type / Lse No/Name / Operator / Payor	Lessor Type		Exposure / Gross / Net	Oper.Cont. / Doi Partner(s)	ROFR	DOI Code *	*	Lease Description / Rights Held

(cont'd)

M-0508

	Status		Hectares	Net		Hectares	Net
Sub: A	NON PRODUCING	**Prod:**	0.000	0.000	**NProd:**	256.000	256.000
	UNDEVELOPED	**Dev:**	0.000	0.000	**Undev:**	256.000	256.000
		Prov:	0.000	0.000	**NProv:**	0.000	0.000

M-0509	OILSND	CR	**Eff:** Jan 11, 2007	256.000		WI	Area : DIVIDE-PNG
Sub: A	WI		**Exp:** Jan 10, 2022	256.000	CONNACHER	100.00000000	TWP 81 RGE 14 W4M SEC 25
ACTIVE	7407010525			256.000			OILSANDS BELOW THE TOP OF THE
	CONNACHER				Total Rental: 896.00		VIKING TO THE BASE OF THE
100.00000000	CONNACHER						WOODBEND GROUP

Status		Hectares	Net		Hectares	Net
NON PRODUCING	**Prod:**	0.000	0.000	**NProd:**	256.000	256.000
UNDEVELOPED	**Dev:**	0.000	0.000	**Undev:**	256.000	256.000
	Prov:	0.000	0.000	**NProv:**	0.000	0.000

M-0510	OILSND	CR	**Eff:** Jan 11, 2007	256.000		WI	Area : DIVIDE-PNG
Sub: A	WI		**Exp:** Jan 10, 2022	256.000	CONNACHER	100.00000000	TWP 83 RGE 12 W4M SEC 11
ACTIVE	7407010531			256.000			OILSANDS BELOW THE TOP OF THE
	CONNACHER				Total Rental: 896.00		VIKING TO THE BASE OF THE
100.00000000	CONNACHER						WOODBEND GROUP

Status		Hectares	Net		Hectares	Net
NON PRODUCING	**Prod:**	0.000	0.000	**NProd:**	256.000	256.000
UNDEVELOPED	**Dev:**	0.000	0.000	**Undev:**	256.000	256.000
	Prov:	0.000	0.000	**NProv:**	0.000	0.000

M-0705	OILSND	CR	**Eff:** Dec 16, 2010	768.000		WI	Area : DIVIDE-PNG

CONNACHER OIL AND GAS LIMITED
Mineral Property Report

Category: MINERAL

File Number / File Status / Mineral Int	Lse Type / Int Type / Lse No/Name / Operator / Payor	Lessor Type	Exposure / Gross / Net	Oper.Cont. / Doi Partner(s)	ROFR	DOI Code *	*	Lease Description / Rights Held
(cont'd)								
M-0705								
Sub: A	WI	**Exp:** Dec 15, 2025	768.000	CONNACHER		100.00000000		TWP 81 RGE 15 W4M SEC 7, 8, 9
ACTIVE	7410120503		768.000					OILSANDS BELOW THE TOP OF THE
	CONNACHER			Total Rental:	2688.00			VIKING TO THE BASE OF THE
100.00000000	CONNACHER							WOODBEND GROUP

Status		Hectares	Net		Hectares	Net
NON PRODUCING	**Prod:**	0.000	0.000	**NProd:**	768.000	768.000
UNDEVELOPED	**Dev:**	0.000	0.000	**Undev:**	768.000	768.000
	Prov:	0.000	0.000	**NProv:**	0.000	0.000

CONNACHER OIL AND GAS LIMITED
Mineral Property Report

Category: MINERAL

File Number	Lse Type Lessor Type	Exposure	Oper.Cont. ROFR	DOI Code	
File Status	Int Type / Lse No/Name	Gross			
Mineral Int	Operator / Payor	Net	Doi Partner(s) *	*	Lease Description / Rights Held

Category Total:	**Total Gross:**	34,816.000	**Total Net:**	34,816.000				
	Prod Gross:	0.000	**Prod Net:**	0.000	**NProd Gross:**	34,816.000	**NProd Net:**	34,816.000
	Dev Gross:	448.000	**Dev Net:**	448.000	**Undev Gross :**	34,368.000	**Undev Net :**	34,368.000
	Prov Gross:	0.000	**Prov Net:**	0.000	**NProv Gross:**	0.000	**NProv Net:**	0.000
Report Total:	**Total Gross:**	34,816.000	**Total Net:**	34,816.000				
	Prod Gross:	0.000	**Prod Net:**	0.000	**NProd Gross:**	34,816.000	**NProd Net:**	34,816.000
	Dev Gross:	448.000	**Dev Net:**	448.000	**Undev Gross :**	34,368.000	**Undev Net :**	34,368.000
	Prov Gross:	0.000	**Prov Net:**	0.000	**NProv Gross:**	0.000	**NProv Net:**	0.000

**** End of Report ****

SCHEDULE B
FACILITIES AND WELLS

Project Area	Asset Location							Asset Description
	UWI	LSD	Sec	Twp	Rg	Mer	events	
Pod One		13	16	082	12	4		Pod One SAGD Facility; Area 1 (Truck Loading)
Pod One		13	16	082	12	4		Pod One SAGD Facility; Area 2 (Steam Generation)
Pod One		13	16	082	12	4		Pod One SAGD Facility; Area 3 (Treater)
Pod One		13	16	082	12	4		Pod One SAGD Facility; Area 4 (Tank Farm)
Pod One		13	16	082	12	4		Pod One SAGD Facility; Area 5 (Glycol)
Pod One		13	16	082	12	4		Pod One SAGD Facility; Area 6 (Water Treatment)
Pod One		13	16	082	12	4		Pod One SAGD Facility; Area 7 (Flare System)
Pod One		13	16	082	12	4		Pod One SAGD Facility; Area 8 (Administration/Control Room)
Pod One		13	16	082	12	4		Pod One SAGD Facility; 2011 additions
Pod One		13	16	082	12	4		Pod One SAGD Facility; 2013 additions
Algar		14	18	082	11	4		Algar SAGD Facility; Area 1 (CoGeneration)
Algar		14	18	082	11	4		Algar SAGD Facility; Area 2 (Steam Generation)
Algar		14	18	082	11	4		Algar SAGD Facility; Area 3 (Treater)
Algar		14	18	082	11	4		Algar SAGD Facility; Area 4 (Tank Farm)
Algar		14	18	082	11	4		Algar SAGD Facility; Area 5 (Glycol)
Algar		14	18	082	11	4		Algar SAGD Facility; Area 6 (Water Treatment)
Algar		14	18	082	11	4		Algar SAGD Facility; Area 7 (Flare System)
Algar		14	18	082	11	4		Algar SAGD Facility; Area 8 (Source Water Pond)
Algar		14	18	082	11	4		Algar SAGD Facility; Area 9 (Administration/Control Room)
Algar		14	18	082	11	4		Algar SAGD Facility; 2011 additions
Algar		14	18	082	11	4		Algar SAGD Facility; 2013 additions
Algar		14	18	082	11	4		Algar SAGD Facility; 2014 additions
Pod One		SW	21	082	12	4		Wellpad 101
Pod One		SW	21	082	12	4		Wellpad 101; 2011 additions
Pod One		SW	21	082	12	4		Wellpad 101; 2013 additions
Pod One		SW	21	082	12	4		Wellpad 101; 2014 additions
Pod One		02&03	21	082	12	4		Wellpad 102
Pod One		02&03	21	082	12	4		Wellpad 102; 2011 additions
Pod One		02&03	21	082	12	4		Wellpad 102; 2013 additions
Pod One		02&03	21	082	12	4		Wellpad 102; 2014 additions
Pod One		14	16	082	12	4		Wellpad 104
Pod One		-	-	-	-	-		Flowlines & AGP associated with Pads 101, 102 & 104
Algar		01	24	082	11	4		Wellpad 201
Algar		01	24	082	11	4		Wellpad 201; 2011 additions
Algar		01	24	082	11	4		Wellpad 201; 2013 additions
Algar		13	18	082	11	4		Wellpad 202
Algar		13	18	082	11	4		Wellpad 202; 2013 additions
Algar		05	19	082	11	4		Wellpad 203
Algar		05	19	082	11	4		Wellpad 203; 2011 additions
Algar		-	-	-	-	-		Flowlines & AGP associated with Pads 201, 202 & 203
Pod One		02	17	082	11	4		WSW 02-17
Pod One		08	17	082	11	4		WSW 08-17
Pod One		09	17	082	11	4		WSW 09-17
Pod One		09	17	082	12	4		WSW 09-17; 2011 additions
Pod One		16	17	082	11	4		WSW 16-17
Pod One		05	21	082	11	4		WSW 05-21
Algar		02	19	082	12	4		WSW 02-19
Algar		03	19	082	12	4		WSW 03-19
Algar		04	19	082	12	4		WSW 04-19
Algar		06	19	082	12	4		WSW 06-19
Algar		N1/2	13	082	12	4		Algar Operations camp
Algar		SW	24	082	12	4		Algar Construction camp
Pod One		NE	17	082	11	4		Pod One Operations camp

	Active final reclamation file	No activity	2 (Karr / NEBC)	Alberta	100	13	30	066	03	6	03	Connacher Karr 13-30-66-3
	Active final reclamation file	No activity	2 (Karr / NEBC)	Alberta	100	11	27	066	03	6	00	Connacher Karr 11-27-66-3
	No activity	No activity	*3 (Lloydminster)*	Alberta	100	16	13	050	04	4	00	COGL 16C LLOYD 16-13-50-4
	Status unknown	*No activity*	*3 (Lloydminster)*	*Alberta*	*100*	*13*	*28*	*050*	*01*	*4*	*00*	*PURSUIT ET AL 13D LLOYD 13-28-50-1 (Non-Op to Emerge)*
	Status unknown	*No activity*	*3 (Lloydminster)*	*Alberta*	*100*	*14*	*28*	*050*	*01*	*4*	*00*	*PURSUIT ET AL 14B LLOYD 14-28-50-1 (Non-Op to Twin Butte Energy)*
	Status unknown	*No activity*	*3 (Lloydminster)*	*Alberta*	*102*	*11*	*28*	*050*	*01*	*4*	*00*	*PURSUIT ET AL LLOYD 11-28-50-1 (Non-Op to Twin Butte Energy)*
	No activity	No activity	*1 (Hangingstone / Divide)*	Alberta	100	15	19	082	11	4	00	GDOC Hangstn 15-19-82-11
	No activity	No activity	*1 (Hangingstone / Divide)*	Alberta	100	13	20	082	11	4	00	GDOC Hangstn 13-20-82-11
	No activity	No activity	*1 (Hangingstone / Divide)*	Alberta	100	01	31	082	11	4	00	GDOC Hangstn 1-31-82-11
	No activity	No activity	*1 (Hangingstone / Divide)*	Alberta	100	14	32	082	11	4	04	GDOC Hangstn 14-32-82-11
	No activity	No activity	*1 (Hangingstone / Divide)*	Alberta	100	03	08	082	11	4	00	Connacher Hangingstone 3-8-82-11
	No activity	No activity	*1 (Hangingstone / Divide)*	Alberta	100	10	17	082	12	4	02	COGL Divide 10-17-82-12
	No activity	No activity	*1 (Hangingstone / Divide)*	Alberta	100	14	05	082	12	4	02	COGL Divide 14-5-82-12
	No activity	No activity	*1 (Hangingstone / Divide)*	Alberta	100	08	06	082	12	4	00	COGL Divide 8-6-82-12
	No activity	No activity	*1 (Hangingstone / Divide)*	Alberta	100	07	09	082	12	4	00	COGL Divide 7-9-82-12
	No activity	No activity	*1 (Hangingstone / Divide)*	Alberta	100	08	04	082	12	4	00	COGL Divide 8-4-82-12
	No activity	No activity	*1 (Hangingstone / Divide)*	Alberta	100	08	09	082	12	4	00	COGL Divide 8-9-82-12
	Active final reclamation file	No activity	*1 (Hangingstone / Divide)*	Alberta	100	16	27	082	15	5	02	Provident Seal 16-27-82-15
	Active final reclamation file	No activity	*1 (Hangingstone / Divide)*	Alberta	100	05	16	082	12	4	03	COGL Divide 5-16-82-12
	Active final reclamation file	No activity	*1 (Hangingstone / Divide)*	Alberta	102	03	35	082	15	5	00	Seal 102/03-35-082-15 W5M
	Active final reclamation file	No activity	2 (Karr / NEBC)	British Columbia	100	04	35	081	14	6	00	Luke Mica 4-35-81-14W6 (Bottom 13-26)
Asset Modified	Active final reclamation file	No activity	2 (Karr / NEBC)	British Columbia	100	01	03	088	20	6	00	Luke Squirrel 1-3-88-20 W6
Asset Modified	Active final reclamation file	No activity	2 (Karr / NEBC)	British Columbia		16	34	087	20	6		Squirrel 16-34-087-20 W6
	No activity	No activity	1 (Hangingstone / Divide)	Alberta	100	9	27	81	11	4	00	100/09-27-081-11W4/00
	No activity	No activity	1 (Hangingstone / Divide)	Alberta	100	10	27	81	11	4	03	100/10-27-081-11W4/03
	No activity	No activity	1 (Hangingstone / Divide)	Alberta	100	9	28	81	11	4	03	100/09-28-081-11W4/03
	No activity	No activity	1 (Hangingstone / Divide)	Alberta	100	9	32	81	11	4	02	100/09-32-081-11W4/02
	No activity	No activity	1 (Hangingstone / Divide)	Alberta	100	9	33	81	11	4	00	100/09-33-081-11W4/00
	No activity	No activity	1 (Hangingstone / Divide)	Alberta	100	8	34	81	11	4	00	100/08-34-081-11W4/00
	No activity	No activity	1 (Hangingstone / Divide)	Alberta	100	12	34	81	11	4	02	100/12-34-081-11W4/02
	No activity	No activity	1 (Hangingstone / Divide)	Alberta	100	3	13	81	12	4	00	100/03-13-081-12W4/00
	No activity	No activity	1 (Hangingstone / Divide)	Alberta	100	6	4	82	11	4	00	100/06-04-082-11W4/00
	No activity	No activity	1 (Hangingstone / Divide)	Alberta	100	15	5	82	11	4	04	100/15-05-082-11W4/04
	No activity	No activity	1 (Hangingstone / Divide)	Alberta	100	8	6	82	11	4	00	100/08-06-082-11W4/00
	No activity	No activity	1 (Hangingstone / Divide)	Alberta	100	7	26	82	11	4	00	100/07-26-082-11W4/00
	No activity	No activity	1 (Hangingstone / Divide)	Alberta	100	8	27	82	11	4	02	100/08-27-082-11W4/02
	No activity	No activity	1 (Hangingstone / Divide)	Alberta	100	12	29	82	11	4	02	100/12-29-082-11W4/02
	No activity	No activity	1 (Hangingstone / Divide)	Alberta	100	10	30	82	11	4	03	100/10-30-082-11W4/03
	No activity	No activity	1 (Hangingstone / Divide)	Alberta	102	10	30	82	11	4	00	102/10-30-082-11W4/00
	No activity	No activity	1 (Hangingstone / Divide)	Alberta	100	11	31	82	11	4	00	100/11-31-082-11W4/00
	No activity	No activity	1 (Hangingstone / Divide)	Alberta	100	11	33	82	11	4	02	100/11-33-082-11W4/02
	No activity	No activity	1 (Hangingstone / Divide)	Alberta	100	8	2	82	12	4	02	100/08-02-082-12W4/02
	No activity	No activity	1 (Hangingstone / Divide)	Alberta	100	7	3	82	12	4	02	100/07-03-082-12W4/02
	No activity	No activity	1 (Hangingstone / Divide)	Alberta	100	6	10	82	12	4	02	100/06-10-082-12W4/02
	No activity	No activity	1 (Hangingstone / Divide)	Alberta	100	4	22	82	12	4	02	100/04-22-082-12W4/02
	No activity	No activity	1 (Hangingstone / Divide)	Alberta	100	6	27	82	12	4	00	100/06-27-082-12W4/00
	No activity	No activity	1 (Hangingstone / Divide)	Alberta	100	7	28	82	12	4	02	100/07-28-082-12W4/02
	No activity	No activity	1 (Hangingstone / Divide)	Alberta	100	2	17	83	10	4	00	100/02-17-083-10W4/00
Asset Modified	No activity	No activity	1 (Hangingstone / Divide)	Alberta	100	10	28	83	10	4	00	100/10-28-083-10W4/00
	No activity	No activity	1 (Hangingstone / Divide)	Alberta	100	4	3	83	11	4	04	100/04-03-083-11W4/04
	No activity	No activity	1 (Hangingstone / Divide)	Alberta	100	2	4	83	11	4	00	100/02-04-083-11W4/00
Asset Modified	No activity	No activity	1 (Hangingstone / Divide)	Alberta	100	9	25	83	11	4	00	100/09-25-083-11W4/00
	Status unknown	*No activity*	*1 (Hangingstone / Divide)*	*Alberta*	*100*	*1*	*29*	*83*	*11*	*4*	*00*	*100/01-29-083-11W4/00*
	No activity	No activity	1 (Hangingstone / Divide)	Alberta	100	11	34	83	11	4	00	100/11-34-083-11W4/00
	No activity	No activity	1 (Hangingstone / Divide)	Alberta	100	15	34	83	11	4	00	100/15-34-083-11W4/00
	No activity	No activity	1 (Hangingstone / Divide)	Alberta	100	2	4	83	12	4	00	100/02-04-083-12W4/00
	No activity	No activity	1 (Hangingstone / Divide)	Alberta	100	7	11	83	12	4	02	100/07-11-083-12W4/02
	No activity	No activity	1 (Hangingstone / Divide)	Alberta	100	10	4	84	11	4	02	100/10-04-084-11W4/02 (15-04 surface)
	No activity	No activity	1 (Hangingstone / Divide)	Alberta	100	9	5	84	11	4	02	100/09-05-084-11W4/02 (surf @ 16-05, BH @ 09-05)
	No activity	No activity	1 (Hangingstone / Divide)	Alberta	100	8	8	84	11	4	02	100/08-08-084-11W4/02 (surf @ 01-08, BH @ 08-08)
	No activity	No activity	1 (Hangingstone / Divide)	Alberta	100	2	9	84	11	4	00	100/08-09-084-11W4/00
	No activity	No activity	1 (Hangingstone / Divide)	Alberta	100	5	15	85	10	4	00	100/05-15-085-10W4/00
	No activity	No activity	1 (Hangingstone / Divide)	*Alberta*	*100*	*11*	*25*	*82*	*11*	*4*	*00*	*100/11-25-082-11W4/00 (Non-op to Perpetual Energy)*

Location	Asset Location							Well Name	Licence	Well Type
	UWI	LSD	Sec	Twp	Rg	Mer	events			
Pod One	1F2	02	17	082	12	4	0	WSW 02-17 (1F2/02-17-082-12 W4M)	407451	water source
Pod One	1F1	08	17	082	12	4	0	CONNACHER P1WS 02 DIVIDE 8-17-82-12 (1F1/08-17-082-12 W4M)	375130	water source
Pod One	1F1	09	17	082	12	4	0	CONNACHER P1WS 02 DIVIDE 9-17-82-12 (1F1/09-17-082-12 W4M)	375153	water source
Pod One	1F2	16	17	082	12	4	0	CONNACHER P1WS 03 DIVIDE 16-17-82-12 (1F2/16-17-082-12 W4M)	379054	water source
Pod One	100	08	17	082	12	4	0	CONNACHER DIVIDE 8-17-82-12 (100/08-17-082-12 W4M)	323705	observation
Pod One	100	05	21	082	12	4	3	GDOC DIVIDE 5-21-82-12 (100/05-21-082-12 W4M)	186803	observation
Algar	100	09	30	082	11	4	0	GDOC Hangstn 9-30-82-11 (100/09-30-082-11 W4M)	370157	observation
Pod One	100	09	13	082	12	4	0	Connacher Divide 9-13-82-12 (100/09-13-082-12 W4M)	390256	observation
Pod One	100	10	13	082	12	4	0	Connacher Divide 10-13-82-12 (100/10-13-082-12 W4M)	390539	observation
Pod One	100	15	13	082	12	4	0	Connacher Divide 15-13-82-12 (100/15-13-082-12 W4M)	390540	observation
Pod One	100	04	16	082	12	4	0	Connacher Divide 4-16-82-12 (100/04-16-082-12 W4M)	323702	observation
Pod One	111	12	16	082	12	4	0	Connacher Divide 12-16-82-12 (111/12-16-082-12 W4M)	416083	observation
Pod One	100	09	17	082	12	4	0	Connacher Divide 9-17-82-12 (100/09-17-082-12 W4M)	322786	
Pod One	100	16	17	082	12	4	0	Connacher Divide 16-17-82-12 (100/16-17-082-12 W4M)	322788	observation
Pod One	100	06	21	082	12	4		Connacher Divide 6-21-82-12 (100/06-21-082-12 W4M)	374668	observation
Pod One	100	01	24	082	12	4	0	Connacher Divide 1-24-82-12 (100/01-24-082-12 W4M)	394905	observation
Algar	1F1	02	19	082	11	4	0	WSW 02-19 (1F1/02-19-082-11 W4M)	405435	water source
Algar	1F2	03	19	082	11	4	0	WSW 03-19 (1F2/03-19-082-11 W4M)	390535	water source
Algar	1F1	04	19	082	11	4	0	WSW 04-19 (1F1/04-19-082-11 W4M)	390536	water source
Algar	1F1	06	19	082	11	4	0	WSW 06-19 (1F1/06-19-082-11 W4M)	390537	water source
Algar	1F1	03	19	082	11	4	0	OBS 03-19 (1F1/03-19-082-11 W4M)	394836	observation
Algar	100	04	19	082	11	4		OBS 04-19 (100/04-19-082-11 W4M)	405436	observation
Algar	05	07	13	082	12	4	0	CONNACHER 201-P1 DIVIDE 7-13-82-12 (Pad 201)	411715	SAGD producer
Algar	08	07	13	082	12	4	0	CONNACHER 201-I1 DIVIDE 7-13-82-12 (Pad 201)	411735	SAGD injector
Algar	06	07	13	082	12	4	0	CONNACHER 201-P2 DIVIDE 7-13-82-12 (Pad 201)	411716	SAGD producer
Algar	09	07	13	082	12	4	0	CONNACHER 201-I2 DIVIDE 7-13-82-12 (Pad 201)	411736	SAGD injector
Algar	04	06	13	082	12	4	0	CONNACHER 201-P3 DIVIDE 6-13-82-12 (Pad 201)	411717	SAGD producer

Algar	06	06	13	082	12	4	0	CONNACHER 201-I3 DIVIDE 6-13-82-12 (Pad 201)	411737	SAGD injector
Algar	02	06	13	082	12	4	0	CONNACHER 201-P4 DIVIDE 6-13-82-12 (Pad 201)	411718	SAGD producer
Algar	03	06	13	082	12	4	0	CONNACHER 201-I4 DIVIDE 6-13-82-12 (Pad 201)	411738	SAGD injector
Algar	05	06	13	082	12	4	0	CONNACHER 201-P5 DIVIDE 6-13-82-12 (Pad 201)	411719	SAGD producer
Algar	07	06	13	082	12	4	0	CONNACHER 201-I5 DIVIDE 6-13-82-12 (Pad 201)	411739	SAGD injector
Algar	04	08	13	082	12	4	0	CONNACHER 202-P1 DIVIDE 8-13-82-12 (Pad 202)	411615	SAGD producer
Algar	00	08	13	082	12	4	0	CONNACHER 202-I1 DIVIDE 8-13-82-12 (Pad 202)	411588	SAGD injector
Algar	03	01	13	082	12	4	0	CONNACHER 202-P2 DIVIDE 1-13-82-12 (Pad 202)	411617	SAGD producer
Algar	00	01	13	082	12	4	0	CONNACHER 202-I2 DIVIDE 1-13-82-12 (Pad 202)	411589	SAGD injector
Algar	06	08	13	082	12	4	0	CONNACHER 202-P3 DIVIDE 8-13-82-12 (Pad 202)	411618	SAGD producer
Algar	02	01	13	082	12	4	0	CONNACHER 202-I3 DIVIDE 1-13-82-12 (Pad 202)	411590	SAGD injector
Algar	00	07	13	082	12	4	0	CONNACHER 202-P4 DIVIDE 7-13-82-12 (Pad 202)	411586	SAGD producer
Algar	03	07	13	082	12	4	0	CONNACHER 202-I4 DIVIDE 7-13-82-12 (Pad 202)	411591	SAGD injector
Algar	02	07	13	082	12	4	0	CONNACHER 202-P5 DIVIDE 7-13-82-12 (Pad 202)	411587	SAGD producer
Algar	04	07	13	082	12	4	0	CONNACHER 202-I5 DIVIDE 7-13-82-12 (Pad 202)	411592	SAGD injector
Algar	04	01	13	082	12	4	0	CONNACHER HZ 202 P01-1 DIVIDE 1-13-82-12 (Pad 202)	450332	SAGD producer
Algar	05	01	13	082	12	4	0	CONNACHER HZ 202 I01-1 DIVIDE 1-13-82-12 (Pad 202)	450336	SAGD injector
Algar	02	13	18	082	11	4	0	CONNACHER 203-P1 HANGSTN 13-18-82-11 (Pad 203)	411632	SAGD producer
Algar	00	13	18	082	11	4	0	CONNACHER 203-I1 HANGSTN 13-18-82-11 (Pad 203)	411623	SAGD injector
Algar	W2	13	18	082	11	4	0	CONNACHER 203-P2 DIVIDE 13-18-82-11 (Pad 203)	411633	SAGD producer
Algar	W0	13	18	082	11	4	0	CONNACHER 203-I2 DIVIDE 13-18-082-11 (Pad 203)	411624	SAGD injector
Algar	08	16	13	082	12	4	0	CONNACHER 203-P3 DIVIDE 16-13-82-12 (Pad 203)	411674	SAGD producer
Algar	02	16	13	082	12	4	0	CONNACHER 203-I3 DIVIDE 16-13-82-12 (Pad 203)	411625	SAGD injector
Algar	09	16	13	082	12	4	0	CONNACHER 203-P4 DIVIDE 16-13-82-12 (Pad 203)	411676	SAGD producer
Algar	03	16	13	082	12	4	0	CONNACHER 203-I4 DIVIDE 16-13-82-12 (Pad 203)	411626	SAGD injector
Algar	10	16	13	082	12	4	0	CONNACHER 203-P5 DIVIDE 16-13-82-12 (Pad 203)	411678	SAGD producer
Algar	04	16	13	082	12	4	0	CONNACHER 203-I5 DIVIDE 16-13-82-12 (Pad 203)	411627	SAGD injector
Algar	07	16	13	082	12	4	0	CONNACHER 203-P6 DIVIDE 16-13-82-12 (Pad 203)	411639	SAGD producer
Algar	05	16	13	082	12	4	0	CONNACHER 203-I6 DIVIDE 16-13-82-12 (Pad 203)	411628	SAGD injector
Algar	03	15	13	082	12	4	0	CONNACHER 203-P7 DIVIDE 15-13-82-12 (Pad 203)	411640	SAGD producer

Algar	02	15	13	082	12	4	0	CONNACHER 203-I7 DIVIDE 15-13-82-12 (Pad 203)	411629	SAGD injector
Pod One	03	14	21	082	12	4	0	CONNACHER 101 P1N DIVIDE 14-21-82-12 (Pad 101)	374144	SAGD producer
Pod One	00	14	21	082	12	4	0	CONNACHER 101 I1N DIVIDE 14-21-82-12 (Pad 101)	374120	SAGD injector
Pod One	04	14	21	082	12	4	0	CONNACHER 101 P2N DIVIDE 14-21-82-12 (Pad 101)	374145	SAGD producer
Pod One	02	14	21	082	12	4	0	CONNACHER 101 I2N DIVIDE 14-21-82-12 (Pad 101)	374121	SAGD injector
Pod One	02	06	21	082	12	4	0	CONNACHER 101 P3N DIVIDE 6-21-82-12 (Pad 101)	374146	SAGD producer
Pod One	06	15	21	082	12	4	0	CONNACHER P3NA DIVIDE 15-21-82-12 (Pad 101)	376562	SAGD producer
Pod One	02	15	21	082	12	4	0	CONNACHER 101 I3N DIVIDE 15-21-82-12 (Pad 101)	374122	SAGD injector
Pod One	05	15	21	082	12	4	0	CONNACHER 101 P4N DIVIDE 15-21-82-12 (Pad 101)	374147	SAGD producer
Pod One	03	15	21	082	12	4	0	CONNACHER 101 I4N DIVIDE 15-21-82-12 (Pad 101)	374123	SAGD injector
Pod One	02	10	21	082	12	4	0	CONNACHER 101 P5N DIVIDE 10-21-82-12 (Pad 101)	374148	SAGD producer
Pod One	00	10	21	082	12	4	0	CONNACHER 101 I5N DIVIDE 10-21-82-12 (Pad 101)	374124	SAGD injector
Pod One	02	16	17	082	12	4	0	CONNACHER 101 P6S DIVIDE 16-17-82-12 (Pad 101)	374125	SAGD producer
Pod One	05	16	17	082	12	4	0	CONNACHER 101 I6S DIVIDE 16-17-82-12 (Pad 101)	374200	SAGD injector
Pod One	03	16	17	082	12	4	0	CONNACHER 101 P7S DIVIDE 16-17-82-12 (Pad 101)	374126	SAGD producer
Pod One	06	16	17	082	12	4	0	CONNACHER 101 I7S DIVIDE 16-17-82-12 (Pad 101)	374201	SAGD injector
Pod One	04	16	17	082	12	4	0	CONNACHER 101 P8S DIVIDE 16-17-82-12 (Pad 101)	374127	SAGD producer
Pod One	07	16	17	082	12	4	0	CONNACHER 101 I8S DIVIDE 16-17-82-12 (Pad 101)	374202	SAGD injector
Pod One	02	09	17	082	12	4	0	*CONNACHER 101 P9S DIVIDE 9-17-82-12 (Pad 101)*	*374128*	*SAGD producer*
Pod One	04	09	17	082	12	4	0	CONNACHER HZ P9S2 DIVIDE 9-17-82-12 (Pad 101)	395387	SAGD producer
Pod One	03	09	17	082	12	4	0	CONNACHER 101 I9S DIVIDE 9-17-82-12 (Pad 101)	374203	SAGD injector
Pod One	00	12	16	082	12	4	0	CONNACHER 101P10S DIVIDE 12-16-82-12 (Pad 101)	374129	SAGD producer
Pod One	02	12	16	082	12	4	0	CONNACHER 101I10S DIVIDE 12-16-82-12 (Pad 101)	374204	SAGD injector
Pod One	03	12	16	082	12	4	0	CONNACHER HZ P11S DIVIDE 12-16-82-12 (Pad 101)	404786	SAGD producer
Pod One	04	12	16	082	12	4	0	CONNACHER HZ I11S DIVIDE 12-16-82-12 (Pad 101)	404787	SAGD injector
Pod One	W0	12	21	082	12	4	0	CONNACHER 102 P1W DIVIDE 12-21-82-12 (Pad 102)	366302	SAGD producer
Pod One	00	09	20	082	12	4	0	CONNACHER 102 I1W DIVIDE 9-20-82-12 (Pad 102)	366303	SAGD injector
Pod One	W0	05	21	082	12	4	0	CONNACHER 102 P2W DIVIDE 5-21-82-12 (Pad 102)	366304	SAGD producer
Pod One	06	08	20	082	12	4	0	CONNACHER 102 I2W DIVIDE 8-20-82-12 (Pad 102)	366308	SAGD injector
Pod One	04	08	20	082	12	4	0	CONNACHER 102 P3W DIVIDE 8-20-82-12 (Pad 102)	366305	SAGD producer

Pod One	07	08	20	082	12	4	0	CONNACHER 102 I3W DIVIDE 8-20-82-12 (Pad 102)	366309	SAGD injector
Pod One	05	08	20	082	12	4	0	CONNACHER 102 P4W DIVIDE 8-20-82-12 (Pad 102)	366306	SAGD producer
Pod One	08	08	20	082	12	4	0	CONNACHER 102 I4W DIVIDE 8-20-82-12 (Pad 102)	366310	SAGD injector
Pod One	02	08	20	082	12	4	0	CONNACHER 102 P5W DIVIDE 8-20-82-12 (Pad 102)	366307	SAGD producer
Pod One	03	08	20	082	12	4	0	CONNACHER 102 I5W DIVIDE 8-20-82-12 (Pad 102)	366311	SAGD injector
Pod One	05	12	16	082	12	4	0	CONNACHER HZ P12S DIVIDE 12-16-82-12 (Pad 102)	404788	SAGD producer
Pod One	02	05	16	082	12	4	0	CONNACHER HZ I12S DIVIDE 5-16-82-12 (Pad 102)	404790	SAGD injector
Pod One	07	12	16	082	12	4	0	CONNACHER HZ P13S DIVIDE 12-16-82-12 (Pad 102)	415335	SAGD producer
Pod One	09	12	16	082	12	4	0	CONNACHER HZ I13S DIVIDE 12-16-82-12 (Pad 102)	415337	SAGD injector
Pod One	03	05	16	082	12	4	0	CONNACHER HZ P14S DIVIDE 05-16-82-12 (Pad 102)	415336	SAGD producer
Pod One	04	05	16	082	12	4	0	CONNACHER HZ I14S DIVIDE 5-16-82-12 (Pad 102)	415338	SAGD injector
Pod One	12	05	21	082	12	4	0	CONNACHER 102 INF02 DIVIDE 05-21-82-12 (Pad 102)	452611	SAGD Infill (producer)
Pod One	13	05	21	082	12	4	0	CONNACHER 102 INF03 DIVIDE 08-20-82-12 (Pad 102)	452612	SAGD Infill (producer)
Pod One	10	08	20	082	12	4	0	CONNACHER 102 INF04 DIVIDE 08-20-82-12 (Pad 102)	452613	SAGD Infill (producer)
Pod One	11	08	20	082	12	4	0	CONNACHER 102 INF05 DIVIDE 08-20-82-12 (Pad 102)	452614	SAGD Infill (producer)
Pod One	06	02	17	082	12	4	0	CONNACHER 104 P03 DIVIDE 2-17-82-12 (Pad 104)	441124	SAGD producer
Pod One	07	02	17	082	12	4	0	CONNACHER 104 I03 DIVIDE 2-17-82-12 (Pad 104)	445265	SAGD injector
Pod One	06	01	17	082	12	4	0	CONNACHER 104 P04 DIVIDE 1-17-82-12 (Pad 104)	441121	SAGD producer
Pod One	11	01	17	082	12	4	0	CONNACHER 104 I04 DIVIDE 1-17-82-12 (Pad 104)	445266	SAGD injector
Pod One	10	01	17	082	12	4	0	CONNACHER 104 P05 DIVIDE 1-17-82-12 (Pad 104)	441127	SAGD producer
Pod One	12	01	17	082	12	4	0	CONNACHER 104 I05 DIVIDE 1-17-82-12 (Pad 104)	445267	SAGD injector
Pod One	05	01	17	082	12	4	0	CONNACHER 104 P06 DIVIDE 1-17-82-12 (Pad 104)	441120	SAGD producer
Pod One	13	01	17	082	12	4	0	CONNACHER 104 I06 DIVIDE 1-17-82-12 (Pad 104)	445268	SAGD injector
Pod One	100	11	21	082	12	4	0	OBS 11-21 (100/11-21-082-12 W4M)	428276	observation
Pod One	100	09	22	082	12	4	0	CONNACHER DIVIDE 9-22-82-12	461938	observation
Pod One	113	12	16	082	12	4	0	CONNACHER 101 INF12 DIVIDE 12-16-82-12	464014	SAGD Infill (producer)
Pod One	114	12	16	082	12	4	0	CONNACHER 101 INF11 DIVIDE 12-16-82-12	464017	SAGD Infill (producer)

Pod One	108	16	17	082	12	4	0	CONNACHER 101 INF08 DIVIDE 16-17-82-12	464013	SAGD Infill (producer)
Pod One	109	16	17	082	12	4	0	CONNACHER 101 INF07 DIVIDE 16-17-82-12	464016	SAGD Infill (producer)
Pod One	100	13	16	082	12	4	0	CONNACHER 101 INF10 DIVIDE 13-16-82-12	464012	SAGD Infill (producer)
Pod One	105	09	17	082	12	4	0	CONNACHER 101 INF09 DIVIDE 09-17-82-12	464015	SAGD Infill (producer)
Pod One	116	12	16	082	12	4	0	CONNACHER 102 INF14 DIVIDE 12-16-82-12	464933	SAGD Infill (producer)
Pod One	115	12	16	082	12	4	0	CONNACHER 102 INF13 DIVIDE 12-16-82-12	464932	SAGD Infill (producer)
Pod One	112	08	20	082	12	4	0	CONNACHER 102 INF06 DIVIDE 08-20-82-12	464931	SAGD Infill (producer)
Thornbury	100	05	22	081	13	4	0	CONNACHER THORNB 5-22-81-13	389197	observation
Pod One	100	09	28	082	12	4	0	CONNACHER DIVIDE 9-28-82-12	347327	observation
Pod One	100	07	17	082	12	4	0	CLL DIVIDE 7-17-82-12	442595	observation
Pod One	111	05	21	082	12	4	0	CLL 103 DIVIDE 5-21-82-12	442059	observation
Algar	111	16	13	082	12	4	0	CLL DIVIDE 16-13-82-12	442056	observation

EXHIBIT "C"

This is Exhibit "C"
referred to in the affidavit of
Merle Johnson
sworn before me this 13
day of August, 20 18.

R Comstock

A Commissioner for Oaths in and for Alberta

Richard Comstock
My Commission Expires September 21, 20 18

COURT FILE NUMBER	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	**AMENDED AND RESTATED 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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AMENDED AND RESTATED PLAN OF COMPROMISE AND ARRANGEMENT OF CONNACHER OIL AND GAS LIMITED

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

Dated August 13, 2018

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. Pursuant to the Plan Sponsorship Agreement between the Company and the Plan Sponsor, the Company agreed to issue all of a newly created class of voting common shares to the Plan Sponsor conditional upon, among other things, the approval of this Plan by the Affected Creditors, its sanctioning by the CCAA Court and its implementation.

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:

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;

"**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 Emkay Claim**" mean the asserted claims of Emkay arising from the Emkay Decision, inclusive of interest and costs, which remain to be settled, determined and/or quantified by the CCAA Court;

"**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;

"**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 Adjustment Amount**" means the amount, if any, by which the dollar value of Existing Cash exceeds the dollar value of the Company's Cash on Hand as of the Effective Date;

"**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 and any funds being held by ATB as security for the obligations owing under the ATB Credit Facilities, but, for greater certainty, shall exclude 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) a Non-Continuing Employee Claim;

(l) an Equity Claim;

(m) a Post-Filing Claim;

(n) a Convenience Class Claim;

(o) a Crown Priority Claim;

(p) an Employee Priority Claim;

(q) a Municipal Tax Claim; and

(r) an Unaffected 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;

"**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 August 22, 2018 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;

"**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, which will be final and irrevocable once delivered to the Monitor;

"**Effective Date**" means the day on which the Monitor delivers the Monitor's Certificate to the Company, the Plan Sponsor 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 Plan Sponsor;

"**Emkay**" means Emkay Canada Leasing Corp. and its affiliates and assigns;

"**Emkay Decision**" means the Reasons for Decision of the Honourable Mr. Justice K.D. Yamauchi of the CCAA Court granted in the CCAA Proceedings dated December 11, 2017;

"**Emkay Reserve**" has the meaning given to it in Section 3.9 of this Plan;

"**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;

"**Existing Cash**" means:

1. the Cash on Hand of the Company as of 12:01 a.m. on September 1, 2018; plus

2. the accounts receivable of the Company existing as of 12:01 a.m. on September 1, 2018 or related to the period prior to 12:01 a.m. on September 1, 2018 (whether or not invoiced by such time) which have been paid or collected during the period between 12:01 a.m. on September 1, 2018 and the Business Day prior to the Effective Date; plus

3. the prepaid expenses of the Company which were paid prior to and remain unused as of 12:01 a.m. on September 1, 2018; minus

4. the accounts payable of the Company which have accrued during the period between the Filing Date and 12:01 a.m. on September 1, 2018 (whether or not invoiced by such time) which have not been paid by the Company by the Business Day prior to the Effective Date or which will not be paid, compromised, discharged or released under this Plan and will remain an obligation or liability of the Company after the Effective Time, but for greater certainty, shall not include any Municipal Tax Claims; minus

5. the amounts paid by the Company from the Company's cash accounts during the period between 12:01 a.m. on September 1, 2018 and the Effective Date on account of fees and disbursements (plus any applicable Taxes thereon) for services rendered by Cassels, or other legal counsel and advisors to the Company, the Monitor, legal counsel to the Monitor, the Consenting First Lien Advisors, or other Persons from time to time retained by the Company, in each case in connection with the CCAA Proceeding, the Plan Sponsorship Agreement, or the implementation of this Plan (and the Restructuring Transactions) or the Alternative Transaction (as defined in the Plan Sponsorship Agreement),

calculated as applicable in accordance with International Financial Reporting Standards;

“**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;

“**Final Emkay Claim**” has the meaning given to it in Section 3.9 of this Plan;

“**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 the First Lien Claim minus the amount of the First Lien Lender Pool, 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 Lender Pool**” means the amount equal to the Plan Implementation Fund less:

(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, 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 Priority Secured Claims;

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

(e) 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;

(f) 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;

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

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

(i) the amount, if any, required to be held in the Emkay Reserve in accordance with Section 3.9 of this Plan in respect of the Alleged Emkay Claim; and

(j) the amount required to establish the General Creditor Pool,

plus any amounts added from time to time by the Monitor to the First Lien Lender Pool pursuant to Section 3.4, Section 3.5(b), Section 3.8(b), Section 3.8(c), Section 3.9, or Section 7.6(c) of this Plan.

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

"**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 5.6 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;

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

"**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;

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

“**New Board**” means the Company’s board of directors appointed on the Effective Date which shall be comprised of individuals acceptable to the Plan Sponsor;

“**Non-Continuing Employee Claim**” means, with respect to an employee of the Company who does not receive an Offer of Employment or who does not accept an Offer of Employment by 5:00 p.m. (Calgary time) on August 21, 2018 (or such later date as may agreed to by the Company and the Plan Sponsor), a Claim for termination or severance pay or for payments arising from the termination of the employment of such employee pursuant to this Plan which Non-Continuing Employee Claim shall be filed and determined in accordance with the Supplemental Claims Procedure Order, provided that such employee’s Non-Continuing Employee Claim shall exclude any Employee Priority Claim of the employee or any claim or entitlement of the employee secured by any of the CCAA Charges;

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

“**Offer of Employment**” has the meaning given to it in the Plan Sponsorship Agreement;

“**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 Plan Sponsorship Agreement;

“**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 the Plan of Compromise and Arrangement (including the Restructuring Transactions) dated August 2, 2018 as amended and restated as of the date hereof, as it may be further amended, restated, supplemented or replaced in accordance with the terms hereof and the Plan Sponsorship Agreement;

“**Plan Implementation Fund**” means the amount equal to the sum of the Plan Sponsored Funds, the Cash on Hand up to the amount of the Existing Cash and the Cash Adjustment Amount, if any, to be delivered 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 Sponsor**” means East River Oil and Gas Ltd.;

“**Plan Sponsor Counsel**” means Borden Ladner Gervais LLP;

“**Plan Sponsored Funds**” means the amount of $113,500,000, which the Plan Sponsor will pay to the Monitor (in trust for the Company) prior to the Effective Time pursuant to the Plan Sponsorship Agreement;

“**Plan Sponsorship Agreement**” means the CCAA Acquisition and Plan Sponsorship Agreement between the Plan Sponsor and the Company dated August 2, 2018, as may be amended from time to time;

“**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, an Alleged Emkay Claim, a Final Emkay Claim, a Crown Priority Claim, a Municipal Tax Claim, an Unaffected 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, including but not limited to any Municipal Tax Claims that are Priority Secured Claims (other than the portion that is the Unaffected Municipal Tax Claim), but, for greater certainty, shall exclude 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 Lenders means the proportional share of a Beneficial First Lien Lender's holdings of the First Lien Claim to the total First Lien Claim; and (ii) the Second Lien Noteholders 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;

"**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, the First Lien Agent and the Plan Sponsor, 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, the First Lien Agent and the Plan Sponsor;

"**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 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;

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

“**Supplemental Claims Procedure Order**” means an Order to be sought by the Company from the CCAA Court on or about August 22, 2018 that, among other things, provides for the filing and determination of Secured Claims, certain Post-Filing Claims as of September 1, 2018, Post-Filing D&O Claims and Non-Continuing Employee 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 support agreement dated March 19, 2018 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;

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

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

“**Unaffected Municipal Tax Claims**” means 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;

“**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; 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 complete a reorganization of the Company's financial obligations, by implementing the Restructuring Transactions; and

(b) 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 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 three (3) 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) the Unaffected Municipal Tax Claims.

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 $1,000,000 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 (which in all cases shall exclude Plan Sponsor Counsel, post-Plan implementation) 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 add such funds to the First Lien Lender Pool.

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, including but not limited to any claim by the Municipality (but excluding the Unaffected Municipal Tax 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, 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, 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 will become part of the First Lien Lender Pool. 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.

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 and the Monitor, 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, 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, such portion of the Directors' Charge Claims Reserve will become part of the First Lien Lender Pool 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 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 or the KEIP which remain outstanding and have not been paid 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, 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, such portion of the Retention Plan Claims Reserve will become part of the First Lien Lender Pool.

(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, provided that, prior to the Effective Date, ATB shall release to the Company any funds that it is then holding as security for the Company's obligations to ATB and the Company (with the consent of the Plan Sponsor) shall provide replacement security to ATB after the Effective Date.

3.9 Emkay Reserve

In the event that the Alleged Emkay Claim remains in dispute and is not finally resolved or determined by an Order by the Effective Date, the Monitor shall hold the amount of $450,000 from the Plan Implementation Fund (the "**Emkay Reserve**") in escrow in accordance with this Section. In the event that the quantum of the Alleged Emkay Claim is subsequently agreed to between the Company and Emkay or determined by an Order (thereafter, the "**Final Emkay Claim**"), the Monitor shall pay the amount of the Final Emkay Claim to Emkay from the Emkay Reserve and the excess funds, if any, remaining in the Emkay Reserve shall become part of the First Lien Lender Pool.

ARTICLE 4
ESTABLISHMENT OF THE PLAN IMPLEMENTATION FUND

4.1 Plan Implementation Fund

At least two (2) Business Days prior to the Effective Date, in accordance with the Plan Sponsorship Agreement, the Plan Sponsor shall deliver to the Monitor the Plan Sponsored Funds to be held in trust for the Company. On or prior to the Effective Date, the Company shall deliver the Cash on Hand up to the amount of the Existing Cash to the Monitor. On or prior to the Effective Date, in accordance with the Plan Sponsorship Agreement, the Plan Sponsor shall deliver to the Monitor the Cash Adjustment Amount, if any, to be held in trust for the Company. Effective at the Effective Time, the Monitor shall release into the Plan Implementation Fund the sum of the Plan Sponsored Funds, the Existing Cash and the Cash Adjustment Amount, if any, to be held and distributed by the Monitor in accordance with this Plan.

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 (as defined in the Creditors' Meeting Order) 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 Claim

As soon as practicable following the Effective Date, the First Lien Lender Pool shall be distributed by the Monitor to the First Lien Agent.

5.3 Treatment of Second Lien Claim

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 Treatment of Non-Continuing Employees

Unless otherwise agreed to in writing by the Company and the Plan Sponsor, the employment or contracts of employment, as applicable, of employees of the Company who do not receive an Offer of Employment or who receive but do not accept an Offer of Employment by 5:00 p.m. (Calgary time) on August 21, 2018 (or such later date as may be agreed to by the Company and the Plan Sponsor) will be terminated effective as of the Effective Date and such employee will be entitled to submit a Non-Continuing Employee Claim in accordance with the Supplemental Claims Procedure Order. Non-Continuing Employee Claims shall constitute General Creditor Claims for the purposes of this Plan.

5.5 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 (as defined in the Creditors’ Meeting Order) 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 (as defined in the Creditors’ Meeting Order) 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.

5.6 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;

5.7 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.

5.8 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.

5.9 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.

5.10 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, Alleged Emkay Claims, Final Emkay Claims, 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, an Alleged Emkay Claim, a Final Emkay Claim, 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 and the Plan Sponsor 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 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

Distributions to the First Lien Lender Class shall be made by the Monitor in accordance with Section 5.2 of this Plan.

7.2 Distributions to the General Creditor Class

(a) General Creditors with Accepted Claims (including First Lien Lenders in respect of First Lien Lender 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 5.6 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 11.11 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 5.6 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

(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 by the Monitor into the First Lien Lender Pool, 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 Plan Sponsor, 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 Restructuring Transactions) are fair and reasonable;

(b) this Plan (including the compromises, arrangements, releases and the transactions contemplated herein, including 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 the 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 the 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 or the Plan Sponsor, the Monitor shall hold and distribute the funds received in accordance with this Plan;

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

(n) 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;

(o) 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;

(p) all Liens of Affected Creditors, including all security registrations in favour of any Affected Creditor, are discharged and extinguished; and

(q) 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 and the Plan Sponsor shall have complied with all provisions of the Plan Sponsorship Agreement and all conditions of the Plan Sponsorship Agreement shall have been satisfied or waived in accordance with its terms;

(b) the Company shall have complied with all provisions of the Support Agreement and all conditions of the Support Agreement 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 Plan Sponsor, 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) the Monitor shall have received the Plan Sponsored Funds and the Cash Adjustment Amount, if any, from the Plan Sponsor and the Existing Cash from the Company;

(f) no injunction or other order shall have been issued to enjoin, restrict or prohibit any of the transactions contemplated by this Plan and the Plan Sponsorship Agreement;

(g) 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

(h) 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 Plan Sponsor and 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 Plan Sponsor, 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, the Plan Sponsor 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, the Plan Sponsor 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 Schedule "B" 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 Plan Sponsor, 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 11.11 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 Plan Sponsor, 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, the Plan Sponsor 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 Plan Sponsor, Plan Sponsor Counsel, 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, the Plan Sponsorship Agreement 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) 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 the 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 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 and the Plan Sponsor 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.

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

11.11 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: Neil Narfason/Peter Chisholm
Email: neil.narfason@ca.ey.com/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: Neil Narfason/Peter Chisholm
Email: neil.narfason@ca.ey.com/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 Plan Sponsor:

East River Oil and Gas Ltd.
Suite 600, 600 3rd Avenue SW
Calgary, Alberta T2P 0G5

Attention: Michael Lam
Email: lam.m@snencn.cn

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

Borden Ladner Gervais LLP
Centennial Place, East Tower
1900, 520 3rd Avenue SW
Calgary, Alberta T2P0R3

Attention: Robyn Gurofsky/ Xiaodi Jin
Email: rgurofsky@blg.com/xjin@blg.com

(d) 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 Plan Sponsor), without any further act or formality required on the part of any Person, except as may be expressly provided herein:

(a) the Monitor shall release into the Plan Implementation Fund the sum of the Plan Sponsored Funds, the Existing Cash and the Cash Adjustment Amount, if any, to be held and distributed by the Monitor in accordance with this Plan;

(b) 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;

(c) the Company shall issue 1,000 common shares to the Plan Sponsor in consideration of the payment by the Plan Sponsor of the Plan Sponsored Funds;

(d) paragraph 8 of the Articles of Continuance of the Company is hereby amended to add the following paragraphs:

The right to transfer the outstanding shares of the Corporation is restricted and no shares may be transferred without the approval of the Board of Directors of the Corporation.

The number of shareholders of the Corporation, exclusive of persons who are in its employment and exclusive of persons who, having been in the employment of the Corporation, were, while in that employment, and have continued after termination of that employment to be, shareholders of the Corporation, is limited to not more than fifty (50), two or more persons who are the joint registered owners of one or more shares being counted as one shareholder.

Any invitation to the public to subscribe for securities of the Corporation is prohibited.

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

(f) 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;

(g) 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;

(h) 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;

(i) the directors of the Company immediately prior to the Effective Time shall be deemed to have resigned and the New Board shall be deemed to have been appointed;

(j) 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; and

(k) 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 First Lien Lender Pool or the General Creditor Pool (as the case may be) held by the Monitor, or against the reserve and funds established pursuant to the Plan as applicable.

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 7^{th} 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 ●, 2018 (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 Sponsored Funds, the Existing Cash and the Cash Adjustment Amount, if any, in accordance with the terms of the Plan; and

3. This Certificate was delivered by the Monitor to the Company, the Plan Sponsor 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:

EXHIBIT "D"

This is Exhibit "D"
referred to in the affidavit of
Merle Johnson
sworn before me this 13
day of August, 2018.

A Commissioner for Oaths in and for Alberta

Richard Comstock
My Commission Expires September 21, 2018

PURCHASE AND SALE AGREEMENT

BETWEEN

CONNACHER OIL AND GAS LIMITED

AND

EAST RIVER OIL AND GAS LTD.

AUGUST 2, 2018

CASSELS BROCK
LAWYERS

PURCHASE AND SALE AGREEMENT

Dated August 2, 2018.

B E T W E E N:

CONNACHER OIL AND GAS LIMITED, a corporation incorporated under the laws of Canada (hereinafter referred to as "**Vendor**")

- and -

EAST RIVER OIL AND GAS LTD., a corporation incorporated under the laws of Alberta (hereinafter referred to as "**Purchaser**")

R E C I T A L S:

WHEREAS on May 17, 2016 Vendor obtained an initial order (the "**Initial Order**") from the Court of Queen's Bench of Alberta (the "**Court**") commencing a proceeding (the "**CCAA Proceeding**") under the *Companies' Creditors Arrangement Act* ("**CCAA**");

AND WHEREAS pursuant to an order obtained by Vendor on March 28, 2018 (the "**SISP Order**"), the Court approved a sale and investment solicitation process ("**SISP**") to be conducted by Vendor in conjunction with the CCAA Proceeding and related procedures to be followed with respect to the SISP (the "**SISP Procedures**");

AND WHEREAS in accordance with the SISP and the SISP Procedures, the bid submitted by Purchaser is the "Successful Bid" (as defined in the SISP Procedures);

AND WHEREAS Vendor and Purchaser have entered into the Plan Sponsorship Agreement for the completion of the transaction as contemplated in the Plan Sponsorship Agreement;

AND WHEREAS Vendor and Purchaser wish to enter into this Agreement in the event that a CCAA Plan Termination Event occurs under the terms of the Plan Sponsorship Agreement;

AND WHEREAS in the event of a CCAA Plan Termination Event, Vendor wishes to sell, and Purchaser wishes to purchase, all of the interest of Vendor in and to the Assets (as hereinafter defined), subject to and in accordance with the terms and conditions hereof;

AND WHEREAS the Transaction contemplated hereunder is subject to the authorization and approval of the Court as set forth herein;

NOW THEREFORE, THIS AGREEMENT WITNESSETH that in consideration of the premises and the mutual covenants and agreements hereinafter set forth, the Parties have agreed as follows:

ARTICLE 1
INTERPRETATION

1.1 Definitions

In this Agreement, unless the context otherwise requires:

(a) “**Abandonment and Reclamation Obligations**” means all past, present and future obligations to:

(i) abandon, shut-down, close, decommission, dismantle or remove any and all Wells and Tangibles, including all structures, foundations, buildings, pipelines, equipment and other facilities located on the Lands or used or previously used in respect of Petroleum Substances produced or previously produced from the Lands; and

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

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

(b) “**Additional Deposit**” means an additional deposit of One Million Five Hundred Thousand Dollars ($1,500,000) to be paid to the Monitor by Purchaser in connection with each election to extend the Outside Date for Closing in accordance with the terms hereof;

(c) “**Advance Ruling Certificate**” means an advance ruling certificate issued by the Commissioner of Competition pursuant to Section 102 of the Competition Act;

(d) “**AER**” means the Alberta Energy Regulator, or any successor thereto having jurisdiction over the Assets or certain of them and the operation thereof;

(e) “**Affiliate**” means, with respect to any Person, any other Person or group of Persons acting in concert, directly or indirectly, that controls, is controlled by or is under common control with such Person. The term “**control**” as used in the preceding sentence means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of a Person whether through ownership or more than fifty percent (50%) of the voting securities of such Person, by contract or otherwise;

(f) “**Agreement**” means this Purchase and Sale Agreement and all schedules attached hereto;

(g) “**Applicable Law**” means, in relation to any Person, property or circumstance, all laws, statutes, rules, regulations, official directives and orders of Authorized Authorities (whether administrative, legislative, executive or otherwise), including judgments, orders and decrees of courts, commissions or bodies exercising similar functions, as amended, and includes the provisions and conditions of any permit, license or other governmental or regulatory authorization, that are in effect as at the relevant time and are applicable to such Person, property or circumstance;

(h) "**Assets**" means the Petroleum and Natural Gas Rights, the Tangibles, and the Miscellaneous Interests, but specifically excluding the Excluded Assets;

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

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

(ii) 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;

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

(iv) 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;

(j) "**Burgess Royalty Agreement**" means the Royalty Agreement between Vendor and Burgess Energy Holdings L.L.C. dated January 29, 2018;

(k) "**Business Day**" means a day other than a Saturday, a Sunday or a statutory holiday in Calgary, Alberta;

(l) "**CCAA**" has the meaning ascribed thereto in the recitals;

(m) "**CCAA Approval and Vesting Order**" has the meaning ascribed thereto in subsection 4.1;

(n) "**CCAA Plan Termination Event**" has the meaning ascribed thereto in the Plan Sponsorship Agreement;

(o) "**CCAA Proceeding**" has the meaning ascribed thereto in the recitals;

(p) "**Closing**" means the completion of the Transaction contemplated in this Agreement;

(q) "**Closing Date**" means 10:00 a.m. (Calgary time) on the later of:

(i) the 3rd Business Day following the day on which the Regulatory Approvals are obtained and the funds approved to be wired under the SAFE Registration have arrived in Canada;

(ii) two Business Days following the entry by the Court of the CCAA Approval and Vesting Order;

(iii) 10 Business Days after a CCAA Plan Termination Event; or

(iv) such other date as may be agreed upon by the Parties in writing, with the consent of the Consenting First Lien Lenders and in consultation with the Financial Advisor and the Monitor.

(r) "**Closing Place**" means the office of Cassels Brock & Blackwell LLP in Calgary, Alberta, or such other place as may be agreed upon in writing by the Parties;

(s) "**Closing Statement**" has the meaning ascribed thereto in the subsection 8.2(a);

(t) "**Commissioner of Competition**" means the Commissioner of Competition appointed under the Competition Act or any person authorized to exercise the powers and perform the duties of the Commissioner of Competition;

(u) "**Competition Act**" means the *Competition Act* (Canada) R.S.C. 1985, c.C-34, as amended and any regulations made thereunder;

(v) "**Competition Act Approval**" means that with respect to the Competition Act, prior to the Closing Date, Competition Act Notice has been given and:

(i) the Parties shall have received an Advance Ruling Certificate in respect of the Transaction in form and substance acceptable to Purchaser, acting reasonably; or

(ii) Purchaser shall have received a No Action Letter, and

(A) the applicable waiting period in section 123 of the Competition Act shall have expired or been earlier terminated; or

(B) the obligation to give the requisite notice has been waived by the Commissioner of Competition or a Person authorized by the Commissioner of Competition pursuant to subsection 113(c) of the Competition Act; and

in addition to the occurrence of subsection (i) or (ii)(A) or (ii)(B) above, in the interim period prior to the Closing Date, there shall have been no threatened or actual application by the Commissioner of Competition for an order under section 92, section 100 or section 104 of the Competition Act;

(w) "**Competition Act Notice**" means notification of the Transaction or the transaction completed under the Plan Sponsorship Agreement pursuant to: (i) a written request for the Commissioner of Competition to issue an Advance Ruling Certificate or alternatively a No Action Letter and waiver pursuant to section 113(c) of the Competition Act; or (ii) section 114 of the Competition Act, including information required to be supplied pursuant to a request under section 114(2) of the Competition Act;

(x) **"Consenting First Lien Lenders**" has the meaning ascribed thereto in the SISP Procedures.

(y) "**Court**" has the meaning ascribed thereto in the recitals;

(z) "**Cumulative Canadian Development Expense**" shall have the meaning set forth in subsection 66.2(5) of the Tax Act;

(aa) "**Cumulative Canadian Exploration Expense**" shall have the meaning set forth in subsection 66.1(6) of the Tax Act;

(bb) "**Deposit**" has the meaning ascribed thereto in section 2.10;

(cc) "**Disclosure Letter**" means the disclosure letter dated the date hereof from Vendor to Purchaser;

(dd) "**Due Diligence Information**" means all information provided or made available to Purchaser in hard copy or electronic form in relation to Vendor and/or the Assets;

(ee) "**Effective Date**" means 12:01 a.m. (Calgary time) on September 1, 2018**;**

(ff) "**Employees**" means the employees of Vendor, as set forth in the Disclosure Letter;

(gg) "**Environment**" means the components of the earth and includes, without limitation, the air, the surface and subsurface of the earth, bodies of water (including, without limitation, rivers, streams, lakes and aquifers) and plant and animal life (including humans);

(hh) "**Environmental Laws**" means all applicable federal, provincial, state, territorial, municipal and local laws, statutes, ordinances, by-laws and regulations, judgments, decrees, common laws and principles thereof, and orders, directives and decisions rendered or issued by any Authorized Authority relating to the protection of human health, natural resources, or the Environment or to Hazardous Substances;

(ii) "**Environmental Liabilities**" means any Liabilities in respect of the Environment which relate to the Assets or which arise in connection with the ownership thereof or operations pertaining thereto, whether arising before and/or after the Closing Date, including without limitation, Liabilities related to or arising from:

(i) transportation, storage, use or disposal of toxic or Hazardous Substances;

(ii) release, spill, escape, emission, leak, discharge, migration or dispersal of toxic or Hazardous Substances; or

(iii) pollution or contamination of or damage to the Environment;

including, without limitation, Liabilities to compensate Third Parties for damages and Losses resulting from the items described in items (i), (ii) and (iii) above (including, without limitation, damage to property, personal injury and death) and obligations to take action to prevent or rectify damage to or otherwise protect the Environment;

(jj) "**Escrow Agent**" shall mean Cassels Brock & Blackwell LLP;

(kk) "**Escrow Assets**" has the meaning ascribed thereto in subsection 10.1(e)(ii);

(ll) "**Excluded Assets**" means:

(i) all cash and cash equivalents (including marketable securities and short-term investments of Vendor);

(ii) all refunds, credits, net operating losses and similar tax assets attributable to income taxes imposed on Vendor;

(iii) all rights, titles, claims and interests of Vendor relating to claims and causes of action, including under any insurance policy or agreement, to any insurance proceeds or to or under any bond or bond proceeds, in each case attributable to acts, events or occurrences prior to the Effective Date;

(iv) all privileged solicitor-client communications and other documents (other than title opinions);

(v) all materials and information that cannot be disclosed to Purchaser as a result of confidentiality obligations to Third Parties;

(vi) all audit rights arising under any contracts with respect to any periods of time prior to the Effective Date or to any Excluded Assets;

(vii) all valuations, bidder lists, presentations and communications developed or prepared in connection with the SISP; and

(viii) the amounts owing to the Vendor as determined pursuant to Article 8;

(mm) "**Facilities**" means Vendor'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, without limitation, those field facilities specifically identified in Schedule "B";

(nn) "**Final Statement of Adjustments**" has the meaning ascribed thereto in subsection 8.2(b);

(oo) "**Financial Advisor**" means Houlihan Lokey Capital, Inc., financial advisor to Vendor;

(pp) "**GST**" means the goods and services tax payable pursuant to the GST Legislation;

(qq) "**GST Legislation**" means Part IX of the *Excise Tax Act*, R.S.C. 1985, c. E-15, as amended, and the regulations promulgated thereunder;

(rr) "**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;

(ss) "**Hired Employees**" means those former Employees and contractors of Vendor who accept an Offer of Employment from Purchaser made in accordance with section 4.2;

(tt) "**Identified ROFRs**" means the ROFRs set forth and described in the Disclosure Letter;

(uu) "**Initial Order**" has the meaning ascribed thereto in the recitals;

(vv) "**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, including SAGD+, but excluding the names "Connacher" and "Connacher Oil and Gas";

(ww) "**Lands**" means the lands set out and described in Schedule "A", and the Petroleum Substances within, upon or under such lands (subject to the restrictions and exclusions identified in Schedule "A" and in the Title Documents as to Petroleum Substances and geological formations);

(xx) "**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);

(yy) "**Liability**" means any debt, loss, damage, adverse claim, fines, penalties, liability or obligation (whether direct or indirect, known or unknown, asserted or unasserted, absolute or contingent, accrued or unaccrued, matured or unmatured, determined or determinable, liquidated or unliquidated, due or to become due, and whether in contract, tort, strict liability or otherwise), and including all costs and expenses relating thereto including all fees, disbursements and expenses of legal counsel, experts, engineers and consultants and costs of investigation;

(zz) "**Licence Transfers**" means the transfer from Vendor to 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 licenses pertaining to the Assets;

(aaa) "**Losses**" means all losses, costs, claims, damages, expenses and Liabilities which a Party suffers, sustains, pays or incurs, including reasonable legal fees on a solicitor and his own client basis but notwithstanding the foregoing shall not include any Liability for indirect or consequential damages including business loss, loss of profit, economic loss, punitive damages or income tax Liabilities;

(bbb) "**LTAs**" has the meaning ascribed thereto in subsection 3.1(a);

(ccc) "**Majority Consenting First Lien Lenders**" has the meaning set forth in the Support Agreement;

(ddd) "**Miscellaneous Interests**" means, subject to any and all limitations and exclusions provided for in this definition, Vendor's entire interest in and to all property, assets, interests and rights pertaining to the Petroleum and Natural Gas Rights and the Tangibles (other than the Petroleum and Natural Gas Rights and the Tangibles), or either of them, but only to the extent that such property, assets, interests and rights pertain to the Petroleum and Natural Gas Rights and the Tangibles, or either of them, including without limitation any and all of the following:

(i) all contracts and agreements relating to the Petroleum and Natural Gas Rights and the Tangibles, or either of them (including the Title Documents);

(ii) all warranties, guarantees and similar rights relating to the Petroleum and Natural Gas Rights and the Tangibles, or either of them, including warranties and guarantees made by suppliers, manufacturers and contractors under the Assets, and claims against other Third Parties in connection with the contracts relating to the Petroleum and Natural Gas Rights and the Tangibles;

(iii) all subsisting rights to carry out operations relating to the Lands or the Tangibles, and without limitation, all easements and other permits, licenses and authorizations pertaining to the Tangibles;

(iv) rights to enter upon, use, occupy and enjoy the surface of any lands which are used or may be used to gain access to or otherwise use the Petroleum and Natural Gas Rights and the Tangibles, or either of them;

(v) all records, books, documents, licences, reports and data which relate to the Petroleum and Natural Gas Rights, the Tangibles and the operation of Vendor's business, or either of them including any of the foregoing that pertain to geological or geophysical matters and, including without limitation, 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, division orders, 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;

(vi) the Wells, including the wellbores and any and all casing;

(vii) the Intellectual Property Rights;

(viii) the Seismic; and

(ix) the Office Lease.

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

(eee) "**MOFCOM"** means the Ministry of Commerce of the People's Republic of China or the applicable local counterpart of it;

(fff) "**MOFCOM Approval**" means the outbound investment certificate issued by MOFCOM in respect of the Transaction;

(ggg) "**Monitor**" means Ernst & Young Inc., solely in its capacity as court-appointed monitor of Vendor in the CCAA Proceeding, and not in its corporate or personal capacity;

(hhh) "**Monitor's Certificate**" has the meaning ascribed thereto in subsection 4.1(b);

(iii) "**Municipality**" means the Regional Municipality of Wood Buffalo;

(jjj) "**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;

(kkk) "**NDRC**" means the National Development and Reform Commission of the People's Republic of China or the applicable local counterpart of it;

(lll) "**NDRC Approval**" means the oversea investment project record filing notice issued by the NDRC in respect of the Transaction;

(mmm) "**No Action Letter**" means confirmation, in writing, by the Commissioner of Competition or a Person authorized by the Commissioner of Competition that the Commissioner of Competition does not, at that time, intend to make an application under section 92 of the Competition Act in respect of the Transaction, and such advice has not been rescinded or amended and is in a form and on such terms or conditions as are acceptable to Purchaser, acting reasonably;

(nnn) "**Offers of Employment**" has the meaning ascribed thereto in subsection 4.2(b);

(ooo) "**Office Lease**" means the Sublease dated July 11, 2016, as amended by a Sublease Extension Agreement dated June 30, 2017 between Prairie Provident Resources Canada Ltd. as sublandlord and Vendor as subtenant with respect to 12,346 square feet of office premises on the 10th floor of the building located at 640, 5th Avenue S.W., Calgary, Alberta;

(ppp) "**Outside Date for Closing**" means: (i) October 31, 2018, provided that if the Regulatory Approvals have not been obtained by the date that is five Business Days prior to such Outside Date for Closing, Purchaser shall have the right to extend the Outside Date for Closing up to two consecutive times upon three Business Days written notice to Vendor, in each case in 30-day increments from the then Outside Date for Closing which extension shall only be effective if in the case of each requested extension Purchaser has paid and the Monitor has received (prior to the expiry of the then current Outside Date for Closing) of an Additional Deposit; and (ii) such other date(s) and on such other terms as may be agreed by Purchaser and Vendor with the consent of the Consenting First Lien Lenders and in consultation with the Monitor;

(qqq) "**Outside Date for the Approval Order**" means the earlier of: (i) August 24, 2018; or (ii) within 10 Business Days of CCAA Plan Termination Event, or such later date as may be agreed to by Purchaser and Vendor with the consent of the Consenting First Lien Lenders and in consultation with the Financial Advisor and the Monitor;

(rrr) "**Outstanding ROFR**" has the meaning ascribed thereto in subsection 10.1(e);

(sss) "**Party**" means a party to this Agreement and "**Parties**" means the parties to this Agreement, collectively;

(ttt) "**Permitted Encumbrances**" means:

(i) all encumbrances, overriding royalties, net profits interests and other burdens identified in Schedule "A";

(ii) all Identified ROFRs arising under or pursuant to the Title Documents;

(iii) the terms and conditions of the Title Documents, including, without limitation, the requirement to pay any rentals or royalties to the grantor thereof to maintain the Title Documents in good standing and any royalty or other burden reserved to the grantor thereof or any gross royalty trusts applicable to the grantor's interest in any of the Title Documents;

(iv) the right reserved to or vested in any grantor, Authorized Authority or other public authority by the terms of any Title Document or by Applicable Law to terminate any Title Document;

(v) easements, right of way, servitudes or other similar rights in land, including, without in any way limiting the generality of the foregoing, rights of way and servitudes for highways, railways, sewers, drains, gas and oil pipelines, gas and water mains, electric light, power, telephone or cable television conduits, poles, wires or cables;

(vi) Taxes on Petroleum Substances or the income or revenue therefrom, unless specifically excluded and governmental restrictions on production rates from the Wells or on operations being conducted on the Lands or otherwise affecting the value of any of the Assets;

(vii) agreements for the sale, processing, transmission or transportation of Petroleum Substances, which are set forth in the Disclosure Letter or which are entered into by Vendor subsequent to the date of this Agreement;

(viii) any obligation of Vendor to hold any portion of its interest in and to any of the Assets in trust for Third Parties;

(ix) the right reserved to or vested in any municipality, Authorized Authority or other public authority to control or regulate any of the Assets in any manner, including any directives or notices received from any municipality, Authorized Authority or other public authority pertaining to the Assets;

(x) undetermined or inchoate liens incurred or created as security in favour of any Person with respect to the development or operation of any of the Assets, as regards Vendor's share of the costs and expenses thereof which are not due or delinquent as of the date hereof or, if then due or delinquent are being contested in good faith by Vendor;

(xi) 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;

(xii) agreements respecting the operation of Wells by contract field operators;

(xiii) provisions for penalties and forfeitures under agreements as a consequence of non-participation in operations; and

(xiv) liens granted in the ordinary course of business to a public utility, municipality or Authorized Authority with respect to operations pertaining to any of the Assets.

(uuu) "**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, however designated or constituted, including any Authorized Authority, and the trustees, executors, administrators or other legal representatives of an individual;

(vvv) "**Petroleum and Natural Gas Rights**" means Vendor'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, including, without limitation, the interests set out and described in Schedule "A";

(www) "**Petroleum Substances**" means any of crude oil, crude bitumen and products derived therefrom, synthetic crude oil, petroleum, natural gas, natural gas liquids, and any and all other substances related to any of the foregoing, whether liquid, solid or gaseous, and whether hydrocarbons or not, including without limitation, sulphur;

(xxx) "**Plan Sponsorship Agreement**" means the CCAA Acquisition and Plan Sponsorship Agreement dated the date hereof among the Parties;

(yyy) "**Plans**" shall mean all benefit and compensation plans and related contracts, policies, programs, commitments, payroll practices and arrangements of Vendor in connection with the business of Vendor (whether written or unwritten, formal or informal, funded or unfunded, registered or unregistered), including all registered retirement savings, pension, profit sharing, savings and thrift, bonus, stock option, retention or other cash or equity-based incentive or deferred compensation, salary continuation, sick leave, vacation, holiday, severance pay and medical, dental, accident, disability and life insurance plans in which any Employees or their dependents participate or for which Vendor has any obligation or Liability, contingent or otherwise;

(zzz) "**PRC Approvals**" means collectively: (i) the MOFCOM Approval; (ii) the NDRC Approval; and (iii) the SAFE Registration;

(aaaa) "**Prime Rate**" means the rate of interest, expressed as a rate per annum, designated by ATB Financial as the reference rate used by it to determine rates of interest charged by it on Canadian dollar commercial loans made in Canada and which is announced by ATB Financial, from time to time, as its prime rate, provided that whenever such bank announces a change in such reference rate the "Prime Rate" shall correspondingly change effective on the date the change in such reference rate is effective;

(bbbb) "**Proposal**" has the meaning ascribed thereto in section 9.3;

(cccc) "**Purchase Price**" has the meaning ascribed thereto in section 2.3;

(dddd) "**Regulatory Approvals**" means, collectively, the: (i) Competition Act Approval; and (ii) PRC Approvals;

(eeee) "**Representative**" means, with, respect to any Person, its Affiliates, and its and their respective directors, officers, servants, agents, legal counsel, advisors, employees and consultants;

(ffff) "**Resource Pools**" means the full balance of Vendor's Cumulative Canadian Exploration Expense, Cumulative Canadian Development Expense and cumulative Canadian oil and gas property expense accounts immediately before Closing;

(gggg) "**ROFR**" means a right of first refusal, right of first offer or other pre-emptive or preferential right of purchase or similar right to acquire the Assets or certain of them that may become operative by virtue of this Agreement or the completion of the Transaction;

(hhhh) "**SAFE**" means the State Administration of Foreign Exchange of the People's Republic of China or the applicable local counterpart of it;

(iiii) "**SAFE Registration**" means the SAFE registration and confirmation notified to Purchaser by the bank where Purchaser's funds will be wired from in accordance with the applicable SAFE regulations in order to permit Purchaser to purchase Canadian dollars and wire funds to the Monitor's or Vendor's account in Canada to complete the Transaction;

(jjjj) "**Sales Taxes**" means all transfer, sales, excise, stamp, license, production, value-added and other like taxes, assessments, charges, duties, fees, levies or other governmental charges of any kind, and includes, but is not limited to, additions by way of penalties, interest and other amounts with respect thereto, but excludes GST;

(kkkk) "**Seismic**" means: (i) the seismic data relating to or in respect of Vendor's 100% proprietary seismic data lines; (ii) to the extent transferable, in respect of all partner seismic; and (iii) Vendor's rights in and to any and all licensed seismic;

(llll) "**SISP**" has the meaning ascribed thereto in the recitals;

(mmmm) "**SISP Order**" has the meaning ascribed thereto in the recitals;

(nnnn) "**SISP Procedures**" has the meaning ascribed thereto in the recitals;

(oooo) "**Specific Conveyances**" means all conveyances, assignments, transfers, novations and other documents or instruments that are reasonably required or desirable to convey, assign and transfer the interest of Vendor in and to the Assets to Purchaser and to novate Purchaser in the place and stead of Vendor with respect to the Assets (excluding the LTAs);

(pppp) "**Tangibles**" means Vendor's entire interest in and to:

(i) the Facilities and any and all tangible depreciable property and assets and any real property (other than the Lands);

(ii) all equipment, machinery, fixtures and other tangible personal property and improvements located on, used or held for use or obtained in connection with the ownership or operation of the Lands, including tanks, boilers, plants, buildings, field offices and other structures, fixtures, injection facilities, saltwater disposal facilities, compressors and other compression facilities (whether installed or not), pumping units, flow lines, pipelines, gathering systems, treating or processing systems or facilities, meters, machinery, power and other utility lines, roads, computer and automation equipment, telecommunications equipment, field radio telemetry and associated frequencies and licences, pressure transmitters, central processing equipment, tools, spare parts, major warehouse inventory, vehicles, and all equipment used in connection with such vehicles, including safety equipment, special tools, dynamometers, hand tools and fluid level equipment, and other appurtenances, improvements and facilities;

(iii) all pipes, casing, tubulars, fittings, and other spare parts, supplies, tools, and materials; and

(iv) all furniture, copiers, office equipment, fixtures, artwork, phone lines, satellite services, cellular modems, cell phones, computer hardware, servers, plotters, computer software, software licenses, printers, routers and other equipment;

(qqqq) "**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;

(rrrr) "**Tax Act**" means the *Income Tax Act* (Canada), including the regulations thereunder, as amended;

(ssss) "**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;

(tttt) "**Third Party**" means any individual or entity other than the Monitor, Vendor and Purchaser, including without limitation any partnership, corporation, trust, unincorporated organization, union, government and any department and agency thereof and any heir, executor, administrator or other legal representative of an individual;

(uuuu) "**Third Party Claim**" has the meaning ascribed thereto in section 7.5;

(vvvv) **"this Agreement**", "**herein**", "**hereto**", "**hereof**" and similar expressions mean and refer to this Agreement;

(wwww) "**Title Documents**" means, collectively, any and all certificates of title, leases, reservations, permits, licences, assignments, trust declarations, operating agreements, royalty agreements (including, for certainty, the Burgess Royalty Agreement), 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, without limitation, those, if any, set out and described in Schedule "A";

(xxxx) "**Transaction**" means the transaction for the purchase and sale of the Assets as contemplated by this Agreement;

(yyyy) "**Unaffected Municipal Tax Claims**" means 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

(zzzz) "**Wells**" means Vendor'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 Schedule "B".

1.2 Headings

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

1.3 Interpretation Not Affected by Headings

The division of this Agreement into Articles, sections, subsections, clauses, subclauses and paragraphs and the provision of headings for all or any thereof are for convenience and reference only and shall not affect the construction or interpretation of this Agreement.

1.4 Included Words

When the context reasonably permits, words suggesting the singular shall be construed as suggesting the plural and *vice versa*, and words suggesting gender or gender neutrality shall be construed as suggesting the masculine, feminine and neutral genders.

1.5 Schedules

There are appended to this Agreement the following schedules pertaining to the following matters:

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

Such schedules are incorporated herein by reference as though contained in the body hereof. Wherever any term or condition of such schedules conflicts or is at variance with any term or condition in the body of this Agreement, such term or condition in the body of this Agreement shall prevail.

1.6 Damages

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

1.7 Derivatives

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

1.8 Interpretation if Closing Does Not Occur

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

1.9 Conflicts

If there is any conflict or inconsistency between a provision of the body of this Agreement and that of a schedule or a Specific Conveyance or LTA, the provision of the body of this Agreement shall prevail. If any term or condition of this Agreement conflicts with a term or condition of a Title Document or any Applicable Law, the term or condition of such Title Document or the Applicable Law shall prevail, and this Agreement shall be deemed to be amended to the extent required to eliminate any such conflict.

1.10 Currency

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

ARTICLE 2
PURCHASE AND SALE AND CLOSING

2.1 Purchase and Sale

Vendor hereby agrees to sell, assign, transfer, convey and set over to Purchaser, and Purchaser hereby agrees to purchase from Vendor, all of the right, title, and interest of Vendor (whether absolute or contingent, legal or beneficial) in and to the Assets in the event of a CCAA Plan Termination Event, subject to and in accordance with the terms of this Agreement.

2.2 Assumption of Obligations and Liabilities

Purchaser shall, upon Closing, become responsible and assume all Liabilities of every nature and kind relating to the ownership and operations of the Assets that occur, arise or accrue on or subsequent to the Effective Date, whether known or unknown to either Vendor or Purchaser at the Closing Date including without limitation, all obligations set forth in Section 4.2, obligations related to the Office Lease and the Unaffected Municipal Tax Claims.

2.3 Purchase Price

The aggregate consideration to be paid by Purchaser to Vendor for Vendor's interest in and to the Assets shall be **One Hundred and Nine Million Five Hundred Thousand Dollars ($109,500,000.00)** (the "**Purchase Price**") plus applicable GST and/or Sales Taxes and interest payable pursuant to Section 2.12, plus or minus (as applicable) the net amount of the adjustments made pursuant to Article 8, satisfied by Purchaser as follows:

(a) payment of the Deposit (as set forth and defined in section 2.10), plus each Additional Deposit, if any, paid pursuant to the terms hereof; and

(b) the balance in cash in the amount of **Ninety Seven Million Five Hundred Thousand Dollars ($97,500,000.00)**, less each Additional Deposit, if any, paid pursuant to the terms hereof, payable to Vendor at Closing in immediately available funds and in accordance with section 2.9.

2.4 Allocation of Purchase Price

The Parties shall allocate the Purchase Price as follows:

Petroleum and Natural Gas Rights	80%
Tangibles	20% less $10.00
Miscellaneous Interests	$10.00

Purchaser and Vendor shall report an allocation of the Purchase Price among the Assets in a manner entirely consistent with this section 2.4 and shall not take any position inconsistent therewith in the filing of any tax returns or in the course of any audit by any Authorized Authority, tax review or tax proceeding relating to any tax return.

2.5 Assumption of Abandonment and Reclamation Obligations

In determining the Purchase Price, the Parties have taken into account Purchaser's assumption of responsibility for the payment of all costs for existing or future Abandonment and Reclamation

Obligations associated with the Assets, as set forth in this Agreement, and the absolute release of Vendor of all and any responsibility or Liability therefor.

2.6 Closing

Closing shall take place at the Closing Place on the Closing Date if there has been satisfaction or waiver of the conditions of Closing herein contained. Upon the successful Closing and subject to all other provisions of this Agreement, possession, risk and beneficial ownership of Vendor's interest in and to the Assets shall pass from Vendor to Purchaser on the Closing Date.

(a) On the Closing Date, Vendor shall deliver to Purchaser:

   (i) the General Conveyance in the form attached as Schedule "C", duly executed by Vendor;

   (ii) the Officer's Certificate substantially in the form attached as Schedule "D", duly executed by an authorized officer of Vendor;

   (iii) a receipt for the Purchase Price, as adjusted herein, plus applicable GST and/or Sales Taxes;

   (iv) the tax elections as contemplated by this Agreement, duly executed by Vendor;

   (v) a copy of the CCAA Approval and Vesting Order; and

   (vi) any other necessary deeds, conveyances, assurances, transfers and assignments and any other instruments necessary or reasonably required to transfer the Assets to Purchaser duly executed by Vendor (as applicable) including without limitation, any agreements required in respect of the Burgess Royalty Agreement which may be delivered to Purchaser by Vendor or Burgess Energy Holdings L.L.C., as applicable, as contemplated by the Burgess Royalty Agreement.

(b) On the Closing Date, Purchaser shall deliver to Vendor:

   (i) evidence of or certificates certifying the receipt of the Regulatory Approvals;

   (ii) the Purchase Price, as adjusted herein, plus applicable GST and/or Sales Taxes and interest payable pursuant to Section 2.12;

   (iii) the tax elections as contemplated by this Agreement, duly executed by Purchaser;

   (iv) the General Conveyance in the form attached as Schedule "C", duly executed by Purchaser;

   (v) the Officer's Certificate substantially in the form attached as Schedule "D", duly executed by an authorized officer of Purchaser; and

   (vi) any other necessary deeds, conveyances, assurances, transfers and assignments and any other instruments necessary or reasonably required to transfer the Assets to Purchaser duly executed by Purchaser (as applicable) including without limitation, any agreements required in respect of the Burgess Royalty Agreement.

2.7 Monitor's Certificate

When the conditions to Closing as set out in sections 4.3, 4.4 and 4.5 have been satisfied and/or waived by Vendor or Purchaser, as applicable, Vendor and Purchaser will each deliver to Monitor the Officer's Certificate substantially in the form attached as Schedule "D", duly executed by an authorized officer of Vendor or Purchaser, as the case may be, confirming, *inter alia,* that such conditions of Closing, as applicable, have been satisfied and/or waived. Upon receipt of such Officer's Certificates, the Monitor shall:

(a) issue forthwith its Monitor's Certificate concurrently to Vendor and Purchaser, at which time the Closing will be deemed to have occurred; and

(b) file as soon as practicable a copy of the Monitor's Certificate with the Court (and shall provide a true copy of such filed certificate to Vendor and Purchaser).

2.8 Title Documents and Miscellaneous Interests

As soon as practicable following Closing, Vendor shall deliver to Purchaser such original copies of the Title Documents and any other agreements and documents to which the Assets are subject and such original copies of contracts, agreements, records, books, documents, licenses, reports and data comprising Miscellaneous Interests which are now in the possession of Vendor or of which Vendor gains possession prior to Closing.

2.9 Form of Payment

All payments to be made pursuant to this Agreement shall be in Canadian funds. All payments to be made pursuant to this Agreement shall be made by wire transfer.

2.10 Deposit

The Parties acknowledge that a deposit in the amount of **Twelve Million Dollars ($12,000,000.00)**, has been provided by Purchaser to the Monitor in accordance with the terms of the Plan Sponsorship Agreement and, if a CCAA Plan Termination Event occurs, is to be released only in accordance with the provisions of this section 2.10 (the "**Deposit**").

In the event of a CCAA Plan Termination Event, the Deposit, along with any Additional Deposit paid pursuant to the terms of the Plan Sponsorship Agreement or this Agreement, shall be held in trust by the Monitor until one of the following events occurs:

(a) if Closing occurs, the Deposit (plus each Additional Deposit, if any) shall be paid to Vendor at Closing for its own account absolutely and be applied as partial payment of the Purchase Price;

(b) if Closing does not occur by the Outside Date for Closing due to:

    (i) failure by Purchaser to obtain the PRC Approvals by the Outside Date for Closing (as may be extended pursuant to the terms hereof) and Vendor is not in breach of this Agreement at such time (other than by reason of Purchaser's breach), and all of the other conditions to Closing in favour of Purchaser that are capable of having been satisfied at such time and were required to have been satisfied at such time have been satisfied other than those conditions set forth in Sections 4.3(e) *[Monitor Certificate]* and 4.4(c) *[PRC Approvals]*; or

(ii) a material breach by Purchaser of any of its obligations hereunder and such material breach results in the termination of this Agreement and Vendor is not in breach of this Agreement at such time (other than by reason of Purchaser's breach),

then the Deposit (including any Additional Deposit) shall be immediately and irrevocably forfeited to Vendor for the account of Vendor absolutely as liquidated damages and not as a penalty; and

(c) if Closing does not occur by the Outside Date for Closing due to any reason other than as addressed by subsection 2.10(b), the Deposit (including any Additional Deposit) shall immediately be paid to Purchaser for the account of Purchaser absolutely.

2.11 Taxes

(a) GST

Vendor is a registrant for GST purposes and will continue to be a registrant at the Closing Date in accordance with the provisions of the GST Legislation. Vendor's GST registration number is 882137961RT0001. Purchaser is in the process of becoming a registrant for GST purposes and when registered will continue to be a registrant at the Closing Date. Purchaser shall provide notice to Vendor of its GST registration number promptly upon receipt thereof. Parties agree to make an election under subsection 167(1) of the GST Legislation in respect of the GST payable as a result of the Transaction contemplated herein. Purchaser, acting reasonably, shall prepare, and each Party agrees to execute and file, such elections in the form and within the time periods prescribed or specified under Applicable Law. If subsequent to Closing, the subsection 167(1) election is rejected or overturned by the Minister of National Revenue, then Purchaser shall be responsible for the payment of any amount of GST payable in respect of its purchase of the Assets pursuant hereto and any interest and penalties payable in respect of such additional GST and shall indemnify and save harmless Vendor in respect thereof. Notwithstanding any other provision of this Agreement, this indemnity shall survive indefinitely.

(b) Sales Taxes Generally

The Parties acknowledge that the Purchase Price is exclusive of all Sales Taxes. Purchaser shall be solely responsible for all Sales Taxes which may be imposed by any Authorized Authority and which pertain to Purchaser's acquisition of the Assets or to the registration of any Specific Conveyances or LTAs necessitated hereby. Except where Vendor is required under Applicable Law to collect or pay such Sales Taxes, Purchaser shall pay such Sales Taxes directly to the appropriate Authorized Authority or other entity within the required time period and shall file all necessary documentation with respect to such Sales Taxes when due. Vendor will do and cause to be done such things as are reasonably requested to enable Purchaser to comply with such obligation in a timely manner. If Vendor is required under Applicable Law to pay any such Sales Taxes, Purchaser shall promptly reimburse Vendor the full amount of such Sales Taxes upon delivery to Purchaser of copies of receipts showing payment of such Sales Taxes. Purchaser shall be responsible for the payment of any amount of Sales Taxes payable in respect of its purchase of the Assets pursuant hereto and any interest and penalties payable in respect thereto and shall indemnify and save harmless Vendor in respect thereof. Notwithstanding any other provision of this Agreement, this indemnity shall survive indefinitely.

(c) Joint Election

Vendor agrees that, to the maximum extent allowable under Applicable Law, Purchaser shall be entitled to the maximum benefit of the Resource Pools from and after Closing. The Parties agree to make any and all elections, directions or filings necessary or allowable under Applicable Law to ensure the transfer of such Resource Pools to Purchaser, including without limitation:

(i) If requested by Purchaser, Vendor shall execute a joint election in the prescribed form (T2010) under paragraph 66.7(7)(e) of the Tax Act as to the deduction of the Resource Pools by Purchaser; and

(ii) If requested by Purchaser, Vendor shall file an election in the prescribed form (T1046) under subsection 66.7(12.1) of the Tax Act to designate in favor of Purchaser the amounts of its Resource Pools as are requested by Purchaser, provided such requested amounts are permitted by Applicable Law. For greater certainty, Purchaser may require Vendor to designate amounts under subsection 66.7(12.1) of the Tax Act which result in a reduction in Vendor's non-capital loss and other tax pool balances, by designating the full amount of Vendor's Cumulative Canadian Exploration Expense balance immediately before Closing on the prescribed form (T1046).

The Parties shall file such election forms, along with any documentation necessary or desirable to give effect to such elections, with the Canada Revenue Agency and any other appropriate taxation authority, all within the time limits prescribed by Applicable Law.

(d) Additional Elections

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

2.12 Interest

At Closing, Purchaser shall pay to Vendor an amount equal to the interest that would have accrued at the Prime Rate on the Purchase Price, as adjusted in accordance with Section 8.1, calculated daily and not compounded, from and including the Effective Date to and including the day prior to the Closing Date, which amount shall constitute an increase to the Purchase Price and shall be allocated to the Petroleum and Natural Gas Rights.

ARTICLE 3
LICENSE TRANSFERS AND CONVEYANCES

3.1 Submission of License Transfer Applications

When directed in writing by Purchaser following Closing, Vendor 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 Purchaser; and

(b) provide any information and documentation along with such LTAs to the AER which are required to be provided by Vendor in connection with the foregoing.

3.2 Acceptance by Purchaser

Upon Vendor submitting the LTAs pursuant to section 3.1, Purchaser shall accept or ratify the LTAs without delay, provided that, if 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, Vendor shall promptly re-submit such LTAs and Purchaser shall accept or ratify such re-submitted LTAs without delay. All costs relating to the LTAs hereunder, including any corrections and re-submissions thereof, shall be paid by Vendor. Purchaser shall provide any information and documentation in respect of such LTAs to the AER which are required to be provided by Purchaser in connection with the foregoing.

3.3 Denial; Re-Submission of LTAs

If the AER denies any of the LTAs because of misdescription or other minor deficiencies contained therein, Vendor shall, within two Business Days of such denial, correct the LTA(s) and amend and re-submit the LTA(s), and Purchaser shall accept or ratify such re-submitted LTAs without delay.

3.4 Requirements to Obtain Approval of LTAs

If, for any reason, the AER requires Purchaser 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, Purchaser shall make such deposits, furnish such security, provide such undertakings, information or other documentation and/or take such action, as the case may be.

3.5 AER Matters

Purchaser shall on a timely and continuing basis keep Vendor and the Monitor fully apprised and informed regarding all communications Purchaser may have with the AER in connection with the Transaction, including all communications respecting LTAs, and without limiting the generality of the foregoing Purchaser shall provide copies to Vendor and the Monitor of all related correspondence from Purchaser to the AER, and Purchaser shall request that the AER provide copies to Vendor and the Monitor of all related correspondence from the AER to Purchaser.

3.6 Specific Conveyances

(a) The Parties shall cooperate in the preparation of the Specific Conveyances. Vendor shall prepare and provide for Purchaser review all Specific Conveyances which it is able to prepare not less than three (3) Business Days prior to Closing. 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.

(b) If all Specific Conveyances are not prepared prior to the Closing, Purchaser shall prepare such remaining Specific Conveyances as soon as practicable after Closing, and in any event no later than thirty (30) days after Closing and the Parties shall execute such Specific Conveyances when prepared.

(c) Promptly after Closing, Purchaser shall register and/or distribute (as applicable), all such Specific Conveyances and shall bear all costs incurred therewith and in preparing and registering any further assurances required to convey the Assets to Purchaser.

(d) Notwithstanding the foregoing, requests for the transfers from Vendor to Purchaser of the registered Crown oil sands leases, related surface rights and any other Title Documents described in Schedule “A” which are administered by Alberta Energy shall be submitted by Vendor and accepted by Purchaser as soon as is practicable after Closing.

3.7 Reclamation Certified Wells

The Parties acknowledge that:

(a) Vendor currently holds the reclamation certified Well described as 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 subsection 3.7(a) which is reclamation certified and for which the licence cannot be transferred to Purchaser pursuant to Applicable Laws, Vendor and Purchaser agree that, upon the occurrence of Closing hereunder and thereafter:

    (i) Vendor will hold the licence applicable to such Well in trust as bare trustee for Purchaser; and

    (ii) Vendor will provide Purchaser in a timely manner with copies of all correspondence received by Vendor that pertains to the licences applicable to such Well.

ARTICLE 4
COVENANTS AND CONDITIONS OF CLOSING

4.1 CCAA Approval and Vesting Order

Upon execution of this Agreement Vendor shall apply for an order of the Court, substantially in the form attached hereto as Schedule “E” (the “**CCAA Approval and Vesting Order**”):

(a) approving this Agreement and the Transaction and authorizing Vendor to carry out the terms hereof, and

(b) vesting in Purchaser all right, title and interest of Vendor in and to the Assets free and clear of any encumbrances, other than Permitted Encumbrances, such vesting to occur upon the delivery to the Parties of a certificate, substantially in the form attached to the CCAA Approval and Vesting Order, signed by the Monitor confirming that all conditions required for Closing have been satisfied or waived (the “**Monitor’s Certificate**”).

The CCAA Approval and Vesting Order shall be made on or before the Outside Date for the Approval Order.

4.2 Employees

(a) The Disclosure Letter includes a complete list of all Employees employed in the conduct of the business of Vendor 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; (vii) car allowance; and (viii) annual vacation entitlement (weeks). The Disclosure Letter includes a complete list of all independent contractors engaged by Vendor in the conduct of the business of Vendor as of the date hereof, including the following information for each such independent contractor's name, job description and rate of pay.

(b) No later than August 14, 2018, Purchaser shall make written offers of employment, conditional and effective on Closing, to substantially all but not less than 85% of the Employees, on terms and conditions that (i) provide recognition of past service, (ii) comply with the *Employment Standards Code* (Alberta), and (iii) contain commercially reasonable and market standard terms and conditions of employment ("**Offers of Employment**"). Such written Offers of Employment shall remain open for acceptance until 5:00 p.m. (Calgary time) on August 21, 2018. Purchaser shall provide Vendor with a list of Employees that will receive Offers of Employment and a copy of each of the actual, written offer agreements to be used for the Offers of Employment and a reasonable opportunity (but not less than 48 hours) to review and comment on such agreements to be used for the Offers of Employment before such Offers of Employment are made by Purchaser to the applicable Employees. On August 22, 2018, Purchaser shall provide Vendor a list of those Employees who have not accepted or have rejected an Offer of Employment.

(c) Hired Employees shall cease to accrue benefits under the Plans effective as of the Closing Date. From and after the Closing Date, Purchaser shall be liable for, and shall indemnify and save harmless Vendor from and against all Liabilities arising from and after the Closing Date with respect to the Hired Employees, including but not limited to all claims by any Hired Employee for wages, salaries, bonuses, accrued overtime, banked hours, flex time, sick leave, severance, vacation entitlement and other benefits in respect of any period from and after the Closing Date and all Liabilities arising from termination of employment of any Hired Employee by Purchaser after the Closing Date.

(d) Notwithstanding any other provision hereof, and with the exception of Purchaser's Offer of Employment, Purchaser shall not communicate with the Employees in any manner until Purchaser has received the consent of Vendor with respect to any such communication. Vendor shall make commercially reasonable efforts to provide access to Purchaser to interview all manager level employees and above during normal business hours.

(e) The Parties acknowledge that it is the intention of Vendor to cancel, effective as of the Closing Date, Vendor's arrangements with certain independent contractors utilized by it in the physical operation of the Assets and the Parties agree as follows:

    (i) within five Business Days of the date of execution of this Agreement, Vendor shall provide Purchaser with written details, including contract terms, regarding those independent contractors utilized by Vendor in relation to the physical operation of the Assets and whose arrangements Vendor intends to terminate; and

(ii) at Purchaser's request Vendor shall endeavour to arrange for Purchaser to meet with such independent contractors to discuss such independent contractors entering into arrangements with Purchaser to continue to provide services in relation to the Assets after the Closing Date.

(f) Purchaser shall have no Liability for Employees who are not Hired Employees.

4.3 Mutual Conditions

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

(a) the entry by the Court of the CCAA Approval and Vesting Order;

(b) once entered, the CCAA 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;

(c) the Competition Act Approval shall have been obtained;

(d) there shall not have been instituted any legal proceedings to obtain, and no court or Authorized Authority of competent jurisdiction shall have issued, promulgated, enforced or entered any judgment, decree, injunction or other order, whether temporary, preliminary or permanent, that restrains, enjoins or otherwise prohibits consummation of the Transaction;

(e) on the Closing Date, the Monitor shall have delivered to Vendor and Purchaser the Monitor's Certificate; and

(f) a CCAA Plan Termination Event shall have occurred.

4.4 Purchaser's Conditions

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

(a) the representations and warranties of Vendor herein contained shall be true in all material respects when made and as of the Closing Date (except to the extent such representations and warranties are given as of an earlier date in section 5.1, in which event such representations and warranties shall be true in all material respects as of such earlier date);

(b) all obligations of Vendor contained in this Agreement to be performed prior to or at Closing shall have been timely performed in all material respects; and

(c) Purchaser shall have obtained the PRC Approvals;

If any one or more of the foregoing conditions precedent has or have not been satisfied, complied with, or waived by Purchaser, at or before the Closing Date, Purchaser may rescind this Agreement by written notice to Vendor.

4.5 Vendor's Conditions

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

(a) the representations and warranties of Purchaser herein contained shall be true in all material respects when made and as of the Closing Date;

(b) all obligations of Purchaser contained in this Agreement to be performed prior to or at Closing shall have been timely performed in all material respects; and

(c) all amounts to be paid by Purchaser to Vendor at Closing, including, without limitation, the Purchase Price, shall have been paid to Vendor in the form stipulated in this Agreement.

If any one or more of the foregoing conditions precedent has or have not been satisfied, complied with, or waived by Vendor, at or before the Closing Date, Vendor may rescind this Agreement by written notice to Purchaser.

4.6 Efforts to Fulfil Conditions Precedent

Purchaser and Vendor shall proceed diligently and in good faith and use all reasonable efforts to satisfy and comply with and assist in the satisfaction and compliance with the foregoing conditions precedent. Purchaser shall cooperate with Vendor in its efforts to obtain all applicable Court approvals and shall, at its own cost and expense, use reasonable efforts to provide or cause to be provided to Vendor, at Vendor's request, all certificates, affidavits or other documents and instruments reasonably required by Vendor to obtain the Court approvals.

4.7 Competition Act Notice

This section 4.7 shall only apply in the event the Parties are required to obtain the Competition Act Approval to complete the Transaction, and in such event:

(a) Purchaser shall, as soon as reasonably practical, file with the Commissioner of Competition a request for an Advance Ruling Certificate (or, in the event that the Commissioner of Competition is not prepared to issue an Advance Ruling Certificate, a No Action Letter and waiver under section 113(c) of the Competition Act relieving the Parties from the obligation to file under Part IX of the Competition Act) and Vendor shall furnish Purchaser with such information and assistance as may be reasonably requested in order to prepare and file such request for an Advance Ruling Certificate. The Parties shall, as soon as reasonably practical, file with the Commissioner of Competition their respective filings in accordance with section 114 of the Competition Act, unless the Parties mutually agree otherwise as to the necessity or timing of such filings.

(b) The Parties shall use commercially reasonable efforts to respond promptly to any request or notice from any Authorized Authority requiring the Parties, or either of them, to supply additional information that is relevant to the Commissioner of Competition's assessment of the Transaction and the transaction contemplated under the Plan Sponsorship Agreement including, without limitation, pursuant to section 114(2) of the Competition Act.

(c) Purchaser shall pay all filing fees payable to Authorized Authorities in respect of the applications and filings made in connection with obtaining the Competition Act Approval.

(d) Subject to Applicable Law, each Party shall provide the other Party (or its external counsel in respect of competitively-sensitive, privileged or confidential matters) with reasonable opportunity to review and comment on all filings, applications and submissions to be made by it with or to the Commissioner of Competition or any other Authorized Authority relevant to the Competition Act Approval, to participate in all meetings with the Commissioner of Competition or any other Authorized Authority in connection with obtaining the Competition Act Approval and to review all notices and correspondence received from the Commissioner of Competition or any other Authorized Authority with respect to all such filings, applications and submissions made under the Competition Act and such other Party shall use its commercially reasonable efforts to cooperate with and assist such Party in the preparation and making of all such filings, applications and submissions and obtaining the Competition Act Approval.

(e) Notwithstanding any other provision herein, in no event will Purchaser be required hereunder or otherwise to agree to any hold separate, divestiture or similar order or restriction on the business of Purchaser.

4.8 PRC Approvals

(a) Purchaser covenants and agrees that:

- (a) within ten (10) Business Days of signing this Agreement, it will make the necessary submissions to obtain the MOFCOM Approval and the NDRC Approval and contemporaneously provide written notice to Vendor that such applications have been submitted;

- (b) it will keep Vendor reasonably informed regarding the status of the PRC Approvals and any developments in connection therewith; and

- (c) upon receipt of the MOFCOM Approval and NDRC Approval, it will promptly and no later than five (5) Business Days after such approvals are received seek the SAFE Registration and promptly advise Vendor of the date on which it will be entitled to purchase the amount of Canadian currency necessary to complete the Transaction or the transaction contemplated under the CCAA Plan and to wire such funds out of the People’s Republic of China and into an account in Canada designated by the Monitor or Vendor, as applicable.

(b) The Parties acknowledge that the PRC Approvals and the related applications to be made pursuant to the Plan Sponsorship Agreement will also apply to the Transaction contemplated pursuant to this Agreement and no separate applications or approvals will be required.

ARTICLE 5
REPRESENTATIONS AND WARRANTIES

5.1 Representations and Warranties of Vendor

Vendor makes only the following representations to Purchaser:

(a) Vendor is a corporation duly organized, validly existing and is authorized to carry on business in the provinces in which the Lands are located;

(b) provided the CCAA Approval and Vesting Order is obtained, Vendor has good right, full power and absolute authority to sell its interest in and to the Assets according to the true intent and meaning of this Agreement;

(c) except for obtaining the CCAA Approval and Vesting Order and subject to obtaining the Competition Act Approval, the execution, delivery and performance of this Agreement has been duly and validly authorized by any and all requisite corporate, shareholders', directors' or equivalent actions and will not result in any violation of, be in conflict with, or constitute a default under, any articles, charter, bylaw or other governing document to which Vendor is bound;

(d) provided the CCAA Approval and Vesting Order is obtained, 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 Vendor is party or by which Vendor is bound, nor under any judgement, decree, order, statute, regulation, rule or license applicable to Vendor;

(e) provided the CCAA Approval and Vesting Order is obtained, this Agreement and any other agreements delivered in connection herewith constitute (or will constitute, as the case may be) valid and binding obligations of Vendor enforceable against Vendor in accordance with their terms;

(f) except as provided for in this Agreement, no authorization or approval or other action by, and no notice to or filing with, any Authorized Authority or regulatory body exercising jurisdiction over the Assets is required for the due execution, delivery and performance by Vendor 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 or the CCAA Approval and Vesting Order;

(g) as of the July 31, 2018 Vendor has not received written notice, demand, order or directive from any Authorized Authorities or Third Parties:

    (i) relating to any Environmental Liabilities or otherwise requiring any work, repairs, construction or capital expenditures relating to the Assets, in each case which individually or in the aggregate are material to the Assets, taken as a whole; or

    (ii) otherwise alleging a material violation of Environmental Laws relating to the Assets,

    and as of July 31, 2018, to Vendor's knowledge, no such notice, order demand, or directive is pending;

(h) as of July 31, 2018 where Vendor is operator, the Assets are and have been operated in material compliance with all Environmental Laws, and where Vendor is not operator, to Vendor's knowledge, the Assets are and have been operated in material compliance with all Environmental Laws;

(i) to Vendor's knowledge, the Assets are not subject to any ROFRs other than the Identified ROFRs;

(j) the Disclosure Letter sets forth a list, true and correct as of July 31, 2018, of all material authorities for expenditures (collectively, "**AFEs**") for capital expenditures with respect to the Assets that have been proposed by any Person having authority to do so (including internal AFEs of Vendor not delivered to Third Parties) or other commitments to make expenditures in respect of the ownership or operation of the Assets in an amount in each case (in respect of Vendor's share) in excess $100,000;

(k) Vendor does not have a "Liability Management Rating" or "LMR" in respect of its assets and interest 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 Vendor is not aware of any fact or circumstance that would prevent or delay the Licence Transfers or the approval of the LTAs as contemplated in this Agreement; and

(l) Vendor is not a non-resident of Canada within the Tax Act.

5.2 Representations and Warranties of Purchaser

Purchaser makes the following representations and warranties to Vendor:

(a) Purchaser is a corporation duly organized, validly existing and is authorized to carry on business in the provinces in which the Lands are located;

(b) Purchaser has good right, full power and absolute authority to purchase and acquire the interest of Vendor in and to the Assets according to the true intent and meaning of this Agreement;

(c) the execution, delivery and performance of this Agreement has been duly and validly authorized by any and all requisite corporate, shareholders', directors' or equivalent actions and will not result in any violation of, be in conflict with, or constitute a default under, any articles, charter, bylaw or other governing document to which Purchaser is bound;

(d) the execution, delivery and performance of this Agreement will not result in any violation of, be in conflict with, or constitute a default under, any term or provision of any agreement or document to which Purchaser is party or by which Purchaser is bound, nor under any judgement, decree, order, statute, regulation, rule or license applicable to Purchaser;

(e) this Agreement and any other agreements delivered in connection herewith constitute valid and binding obligations of Purchaser enforceable against Purchaser in accordance with their terms;

(f) no authorization or approval or other action by, and no notice to or filing with, any Authorized Authority or regulatory body exercising jurisdiction over the Assets is required for the due execution, delivery and performance by Purchaser of this Agreement, other than authorizations, approvals or exemptions from requirement therefor previously obtained and currently in force or to be obtained prior to or after Closing as provided for in this Agreement;

(g) there is no suit, action, litigation, arbitration proceeding or governmental proceeding, including appeals and applications for review, in progress, pending or, to the best of Purchaser's knowledge, threatened against or relating to 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 Purchaser to enter into this Agreement or to consummate the Transaction contemplated and Purchaser is not aware of any existing ground on which any action, suit or proceeding may be commenced with any reasonable likelihood of success;

(h) Purchaser has adequate funds available in an aggregate amount sufficient to pay: (i) subject to receipt of the PRC Approvals, all amounts required to be paid by Purchaser under this Agreement; and (ii) all expenses which have been or will be incurred by Purchaser in connection with this Agreement and the Transaction;

(i) Purchaser has not incurred any obligation or Liability, contingent or otherwise, for brokers' or finders' fees in respect of this Agreement or the Transaction for which Vendor shall have any obligation or Liability;

(j) Purchaser does not have a "Liability Management Rating" or "LMR" in respect of its assets and interest 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 2.0 following Closing and the transfer of the Assets as contemplated in this Agreement; and 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 in this Agreement; and

(k) Purchaser: (i) is a "WTO investor"; and (ii) is not a "state-owned enterprise", in each case for the purposes of the *Investment Canada Act* (Canada).

5.3 Limitation of Representations by Vendor

(a) Subject to section 5.1, Vendor expressly negates and disclaims any representations or warranties, whether written or verbal, made by Vendor, the Monitor or their Representatives and in particular, without limiting the generality of the foregoing, Vendor disclaims all Liability and responsibility for any such representation, warranty, statement or information made or communicated, whether verbal or in writing, to Purchaser or any of its Representatives. Vendor's interest in and to the Assets shall be purchased on a strictly "as is, where is" basis and there are no collateral agreements, conditions, representations or warranties of any nature whatsoever made by Vendor or the Monitor, express or implied, arising at law, by statute, in equity or otherwise, with respect to the Assets and in particular, without limiting the generality of the foregoing, there are no collateral agreements, conditions, representations or warranties made by Vendor or the Monitor, express or implied, arising at law, by statute, in equity or otherwise with respect to:

(i) any engineering, geological or other interpretation or economic evaluations respecting the Assets;

(ii) the quality, quantity or recoverability of Petroleum Substances within or under the Lands or any lands pooled or unitized therewith;

(iii) any estimates of the value of the Assets or the revenues or cash flows from future production from the Lands;

(iv) the rates of production of Petroleum Substances from the Lands;

(v) the quality, condition, fitness or merchantability of any tangible depreciable equipment or property interests which comprise the Assets (including the Tangibles);

(vi) the accuracy or completeness of the Due Diligence Information or any other data or information supplied by Vendor, the Monitor or any of their Representatives in connection with Vendor, its business or the Assets, whether pursuant to the SISP or otherwise;

(vii) the suitability of the Assets for any purpose;

(viii) compliance with Applicable Laws, including, for greater certainty, Environmental Laws; or

(ix) the title and interest of Vendor in and to the Assets.

(b) Without restricting the generality of the foregoing, Purchaser acknowledges that it has made its own independent investigation, analysis, evaluation and inspection of Vendor's interests in the Assets and the state and condition thereof and that it is satisfied with, and has relied solely on, such investigation, analysis, evaluation and inspection as to its assessment of the condition, quantum and value of the Assets.

(c) Except with respect to the representations and warranties expressly contained in section 5.1, Purchaser forever releases and discharges Vendor, the Monitor and their Representatives from any claims and all Liability to Purchaser or Purchaser's assigns and successors, as a result of the use or reliance upon advice, information or materials pertaining to the Assets which was delivered or made available to Purchaser by Vendor, the Monitor or their Representatives prior to or pursuant to this Agreement, including, without limitation, any evaluations, projections, reports and interpretive or non-factual materials prepared by or for Vendor, or otherwise in Vendor's possession.

ARTICLE 6
SURVIVAL OF REPRESENTATIONS AND WARRANTIES

6.1 Vendor's Representations and Warranties

The representations and warranties of Vendor in section 5.1 shall terminate at and not survive Closing and thereafter shall be of no further force or effect. The sole remedy that shall be available to Purchaser as a result of a breach by Vendor of such representations or warranties in section 5.1 in advance of Closing shall be to rescind this Agreement pursuant to section 4.4.

6.2 Purchaser's Representations and Warranties

The representations and warranties of Purchaser contained in this Agreement shall survive Closing for a period of two years. No claim in respect of the representations and warranties of Purchaser shall be made or be enforceable by Vendor unless written notice of such claim, with reasonable particulars, is given by Vendor to Purchaser within a period of two years following the Closing Date.

ARTICLE 7
INDEMNITIES

7.1 Purchaser's Indemnities for Representations, Warranties and Covenants

Purchaser shall be liable to Vendor for and shall, in addition, indemnify Vendor from and against, all Losses suffered, sustained, paid or incurred by Vendor, in either case, as a consequence of:

(a) any of the representations and warranties contained in section 5.2 being untrue or incorrect; and

(b) any breach by Purchaser of any of its covenants contained in this Agreement that are to be performed or complied with at, prior to or after the Closing Date.

7.2 Post-Closing Date Indemnity

Provided that Closing has occurred, Purchaser shall:

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

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

as a result of any matter or thing resulting from, attributable to or connected with the Assets and arising or accruing after the Effective Date (excluding any Losses that pertain to Environmental Liabilities or Abandonment and Reclamation Obligations, which shall be dealt with in section 7.3).

7.3 Environmental Matters and Abandonment and Reclamation Obligations

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

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

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

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

7.4 Additional Indemnities of Parties

Notwithstanding any termination of this Agreement in accordance with section 12.1, each Party shall indemnify and save harmless the other Party from and against all of the other Party's Losses arising as a consequence of a breach by the indemnifying Party in this section of the provisions of sections 2.10 and 12.15.

7.5 Third Party Claims

The following procedures shall be applicable to any claim by Vendor for indemnification pursuant to this Agreement from Purchaser in respect of any Losses in relation to a Third Party (a "**Third Party Claim**"):

(a) upon the Third Party Claim being made against or commenced against Vendor, Vendor shall within ten Business Days of notice thereof provide written notice thereof to Purchaser. The notice shall describe the Third Party Claim in reasonable detail and indicate the estimated amount, if practicable, of the indemnifiable Losses that have been or may be sustained by Vendor in respect thereof. If Vendor does not provide notice to Purchaser within such ten Business Day period, then such failure shall only lessen or limit Vendor's rights to indemnity hereunder to the extent that the defence of the Third Party Claim was prejudiced by such lack of timely notice;

(b) if at any point in time Purchaser acknowledges to Vendor in writing that Purchaser is responsible to indemnify Vendor in respect of the Third Party Claim pursuant hereto, Purchaser shall have the right to do either or both of the following:

    (i) assume carriage of the defence of the Third Party Claim using legal counsel of its choice and at its sole cost; and/or

    (ii) settle the Third Party Claim, provided Purchaser pays the full monetary amount of the settlement and the settlement does not impose any restrictions or obligations on Vendor;

(c) each Party shall co-operate with the other Party in the defence of the Third Party Claim, including making available to the other Party and its Representatives whose assistance, testimony or presence is of material assistance in evaluating and defending the Third

Party Claim, provided that any costs reasonably incurred by Vendor to assist Purchaser shall be reimbursed by Purchaser;

(d) Vendor shall not enter into any settlement, consent order or other compromise with respect to the Third Party Claim without the prior written consent of Purchaser (which consent shall not be unreasonably withheld or delayed), unless Vendor waives its rights to indemnification in respect of the Third Party Claim;

(e) upon payment of the Third Party Claim, Purchaser shall be subrogated to all claims Vendor may have relating thereto. Vendor shall give such further assurances and co-operate with Purchaser to permit Purchaser to pursue such subrogated claims as reasonably requested by it; and

(f) if Purchaser has paid an amount pursuant to the indemnification obligations herein and Vendor shall subsequently be reimbursed from any source in respect of the Third Party Claim from any Third Party, Vendor shall promptly pay the amount of the reimbursement (including interest actually received) to Purchaser, net of Taxes required to be paid by Vendor as a result of any such receipt.

ARTICLE 8
ADJUSTMENTS

8.1 Costs and Revenues to be Apportioned

(a) Subject to subsection 8.1(b) below and except as otherwise provided in this Agreement, all costs and expenses relating to the Assets (including, without limitation and without duplication, maintenance, development, capital and operating costs, the Office Lease and Employee salaries, wages and benefits and independent contractor wages) and all revenues relating to the Assets (including, without limitation, proceeds from the sale of production, refunds, credits and fees from processing, treating or transporting Petroleum Substances on behalf of Third Parties) shall be apportioned as of the Effective Date between Vendor and Purchaser on an accrual basis in accordance with generally accepted accounting principles and standard industry practice, provided that:

(i) advances made by Vendor in respect of the costs of operations relating to the Assets or lands pooled or unitized with the Lands or facilities interests included in the Assets which have not been applied to the payment of costs prior to the Closing Date and stand to the credit of Vendor will be transferred to Purchaser and an adjustment will be made in favour of Vendor equal to the amount of the advance transferred;

(ii) deposits made by Vendor relative to operations relating to the Assets shall be returned to Vendor;

(iii) costs and expenses of work done, services provided and goods supplied shall be deemed to accrue for the purposes of this Article when the work is done or the goods or services are provided, regardless of when such costs and expenses become payable;

(iv) no adjustments shall be made in respect of Vendor's income taxes;

(v) Petroleum Substances which were produced, but not sold, as of the Effective Date shall be retained by Vendor. For certainty, for those Petroleum Substances produced prior to the Effective Date, the Vendor shall derive and receive the benefit of the revenues from the sale of such Petroleum Substances, regardless of the actual date of sale or receipt of the proceeds of sale therefrom and Vendor shall be responsible for all royalties or other encumbrances thereon and all processing, treating and transportation expenses (including diluents costs) pertaining thereto. Petroleum Substances will be deemed to be sold on a first in, first out basis;

(vi) all rentals and similar payments in respect of the Leased Substances or surface rights comprised in the Assets and all Taxes (other than income taxes) levied with respect to the Assets or operations in respect thereof shall be apportioned between Vendor and Purchaser on a per diem basis as of the Effective Date; and

(vii) any and all unpaid rentals and royalties which accrue to the Assets and are not a corporate debt (including without limitation, unpaid surface lease rentals, mineral lease rentals, Crown royalties and municipal taxes for surface sites) which are identified by Purchaser prior to the preparation of the interim accounting statement shall be credited to Purchaser.

(b) Notwithstanding the foregoing, Vendor shall not be required to provide a credit at Closing for any benefits accruing to Purchaser after the Effective Date but not actually received by Vendor at least three Business Days prior to the Closing.

8.2 Adjustments to Account

(a) An interim accounting of the adjustments pursuant to section 8.1 shall be made at Closing, based on Vendor's and Purchaser's good faith estimate of the costs and expenses paid by Vendor prior to Closing and the revenues received by Vendor prior to Closing. Vendor and Purchaser shall cooperate in preparing such interim accounting and Vendor shall provide a statement setting forth the adjustments to be made at Closing (the "**Closing Statement**") not later than three Business Days prior to Closing and shall assist Purchaser in verifying the amounts set forth in the Closing Statement.

(b) A final accounting of the adjustments pursuant to section 8.1 shall be prepared by Vendor within ninety days following the Closing Date, setting forth any adjustments to be made between the Parties pursuant to and in accordance with section 8.1 that were not included in the Closing Statement or, if included in the Closing Statement, were not accurately included therein, together with the net amount payable by one Party to the other in respect of such adjustments (the "**Final Statement of Adjustments**"), and no further or other adjustments whatsoever will be made thereafter. Vendor shall assist Purchaser in verifying the amounts and adjustments set forth in the Final Statement of Adjustments. All adjustments after Closing shall be settled by payment by the Party required to make payment to the other Party hereunder within fifteen Business Days of delivery of the Final Statement of Adjustments.

(c) All adjustments provided for in this Article shall be adjustments to the Purchase Price. An adjustment payable by a Party after Closing pursuant to this section 8.2 which is not paid within fifteen Business Days of a written request for payment from the other Party, shall bear interest at the Prime Rate plus three percent per annum payable by the paying Party to the other Party from the end of such fifteen Business Day period until the adjustment is paid.

ARTICLE 9
MAINTENANCE OF ASSETS

9.1 Maintenance of Assets

From the date hereof until the Closing Date, Vendor shall, to the extent that the nature of its interest permits, and subject to the terms of the Initial Order, the SISP Order, the SISP, the CCAA Approval and Vesting Order, the Title Documents and any other order of the Court or any agreements and documents to which the Assets are subject:

(a) use commercially reasonable efforts to maintain the Assets in a proper and prudent manner in accordance with past practices, and in the ordinary course of business, in material compliance with all Applicable Laws and directions of Authorized Authorities; and

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

9.2 Consent of Purchaser

Notwithstanding section 9.1, Vendor shall not from the date hereof to the Closing Date, without the written consent of Purchaser, which consent shall not be unreasonably withheld by Purchaser and which, if provided, shall be provided in a timely manner:

(a) Other than as contemplated in its 2018 approved budget, make any commitment or propose, initiate or authorize any capital expenditure with respect to the Assets of which Vendor’s share is in excess of $300,000, except in case of an emergency or in respect of amounts which Vendor may be committed to expend or be deemed to authorize for expenditure without its consent;

(b) surrender or abandon any of the Assets, unless an expenditure of money in excess of $10,000 is required to avoid the surrender or abandonment and Purchaser does not provide same in a timely fashion, in which event the Assets in question shall be surrendered or abandoned without abatement or reduction in the Purchase Price;

(c) amend or terminate any Title Document or enter into any new agreement or commitment relating to the Assets (other than entering into agreements for the sale of Petroleum Substances in the ordinary course of business for a term not to exceed 3 months);

(d) other than in the normal course of business, enter in any: (i) settlement agreement with a Third Party or Authorized Authority; or (ii) consent decree with a Authorized Authority that, in any case, would require the payment by Purchaser thereof of any amount after the Closing or would compromise Vendor’s ability to sell, transfer, assign, convey and deliver the Assets to Purchaser;

(e) except as set forth in the Disclosure Letter, make any material modification to its usual sales, human resource, accounting, software, marketing, transportation or management practices, processes or systems, which form a part of or affect the Assets;

(f) other than as otherwise permitted under this section 9.2, enter into any contract or agreement which forms a part of the Assets: (i) outside of the ordinary course of business; (ii) for which obligation thereunder shall reasonably exceed $200,000; and (iii) which are not terminable without penalty on notice of 61 days or less; or

(g) sell, encumber, replace or otherwise dispose of any of the Assets or any part or portion thereof excepting sales of the Leased Substances in the normal course of business.

9.3 Proposed Actions

If an operation or the exercise of any right or option respecting the Assets is proposed in circumstances in which such operation or the exercise of such right or option would result in Purchaser incurring an obligation pursuant to section 9.2, the following shall apply to such operation or the exercise of such right or option (hereinafter referred to as the "**Proposal**"):

(a) Vendor shall promptly give Purchaser notice of the Proposal, describing the particulars in reasonable detail;

(b) Purchaser shall, not later than 24 hours prior to the time Vendor is required to make its election with respect to the Proposal, advise Vendor, by notice, whether Purchaser wishes Vendor to exercise Vendor's rights with respect to the Proposal on Purchaser's behalf, provided that Purchaser's failure to make such election within such period shall be deemed to be Purchaser's election to participate in the Proposal;

(c) Vendor shall make the election authorized (or deemed to be authorized) by Purchaser with respect to the Proposal within the period during which Vendor may respond to the Proposal; and

(d) Purchaser's election (including, its deemed election) to not participate in any Proposal required to preserve the existence of any of the Assets shall not entitle Purchaser to any reduction of the Purchase Price if Vendor's interest therein is terminated as a result of such election, and such termination shall not constitute a failure of Vendor's representations and warranties pertaining to such Assets.

9.4 Post-Closing Transition

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

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

(b) Vendor shall forthwith deliver to Purchaser all revenues, proceeds and other benefits received by Vendor with respect to the Assets, provided that Vendor shall be permitted to deduct from such revenues, proceeds and other benefits, any other costs and expenses which it incurs as a result of such delivery to Purchaser or if such costs and expenses exceed all revenues, proceeds and other benefits received by Vendor with respect to the Assets, Purchaser shall reimburse Vendor for such costs and expenses within five Business Days of receipt of invoice from Vendor with accounting;

(c) Vendor shall, in a timely manner, deliver to Purchaser all Third Party notices and communications, including authorizations for expenditures and mail ballots and all notices and communications received in respect of the Assets or events and occurrences affecting the Assets, and Vendor shall respond to such notices pursuant to Purchaser's written instructions, if received on a timely basis, provided that Vendor may refuse to follow any instructions which it reasonably believes to be unlawful, unethical or in conflict with any applicable agreement or contract, and provided that nothing shall preclude Vendor from taking such actions as Vendor reasonably determines are necessary for the protection of life or property, or as are required by all Applicable Laws, rules, regulations, orders and directions of Authorized Authorities and other competent authorities; and

(d) Vendor shall, in a timely manner, deliver to Third Parties all such notices and communications which Purchaser may reasonably request and all such monies and other items as Purchaser may reasonably provide in respect of the Assets, provided that Vendor may (but shall not be obligated to) refuse to follow instructions which it reasonably believes to be unlawful, unethical or in conflict with any applicable agreement or contract.

9.5 Vendor Deemed Purchaser's Agent

(a) Insofar as Vendor maintains the Assets and takes actions in relation thereto on Purchaser's behalf pursuant to this Article 9, Vendor shall be deemed to have been Purchaser's agent hereunder. Purchaser ratifies all actions taken by Vendor or refrained from being taken by Vendor pursuant to this Article 9 in such capacity during such period, with the intention that all such actions shall be deemed to be Purchaser's actions.

(b) Insofar as Vendor participates in either operations or the exercise of rights or options as Purchaser's agent pursuant to this Article 9, Vendor may require Purchaser to secure costs to be incurred by Vendor on Purchaser's behalf pursuant to such election in such manner as may be reasonably appropriate in the circumstances.

(c) Purchaser shall indemnify Vendor and its Representatives against all Losses which Vendor or its Representatives may suffer or incur as a result of Vendor maintaining the Assets as Purchaser's agent pursuant to this Article 9, insofar as such Losses are not a direct result of the gross negligence or wilful misconduct of Vendor or its Representatives, as proven by a final non-appealable order of a court of competent jurisdiction. An action or omission of Vendor or of its Representatives shall not be regarded as gross negligence or wilful misconduct to the extent to which it was done or omitted from being done in accordance with Purchaser's instructions (including any election deemed pursuant to subsection 9.3(b)) or concurrence. Notwithstanding any other provision of this Agreement, this indemnity shall survive indefinitely.

9.6 Transfer of Operatorship

Insofar as Vendor operates any of the Assets, Purchaser acknowledges that Vendor may not be able to transfer operatorship of some or all of such Assets to Purchaser at or after Closing. Vendor covenants with Purchaser that Vendor shall reasonably cooperate with Purchaser, at

Purchaser's cost and expense, to obtain appropriate consents and approvals for the assignment and transfer to Purchaser of operatorship of those of the Assets of which Vendor is currently the operator.

9.7 Risk and Insurance

The risk of loss of the Assets shall remain with Vendor until Closing. Any property, liability and other insurance maintained by Vendor shall not (unless otherwise specified herein) be transferred as of the Closing Date, but shall remain the responsibility of Vendor until the Closing Date. Purchaser shall be responsible for placing its own property, liability and other insurance coverage with respect to the Assets in respect of the period from and after the Closing Date.

ARTICLE 10
RIGHTS OF FIRST REFUSAL

10.1 Rights of First Refusal

(a) Vendor has advised Purchaser which Assets are subject to an Identified ROFRs. Within five (5) Business Days of a CCAA Plan Termination Event, Purchaser, acting reasonably and in good faith, shall advise in writing of its bona fide allocations of value for the Assets to which the Identified ROFRs relate.

(b) Vendor shall issue notices to the Third Parties holding Identified ROFRs in accordance with the applicable provisions of such rights no later than three (3) Business Days after it receives the value allocations relating to the Assets affected by each such Identified ROFR from Purchaser as provided in section 10.1(a).

(c) Vendor shall notify Purchaser in writing forthwith upon receipt of notice from any Third Party exercising or waiving any Identified ROFRs for which notices were issued pursuant to section 10.1(b)

(d) Vendor shall comply with the terms of each of the Identified ROFRs exercised by the holders thereof by selling and conveying to such holders the portion of the Assets which are subject to such exercised Identified ROFR. If any Identified ROFRs are exercised by the holders thereof this Agreement shall be deemed to have been amended, effective as of the date of this Agreement, to exclude the applicable Assets from the definitions of "Assets", "Lands", "Miscellaneous Interests", "Petroleum and Natural Gas Rights", "Facilities", "Tangibles" and "Wells", as may be applicable, and to reduce the Purchase Price and any applicable GST and/or Sales Taxes accordingly by the aggregate of the values allocated to such Assets as provided in section 10.1(a).

(e) Closing shall not be delayed even though certain of the Identified 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 to Closing without any reduction in the Purchase Price for the Outstanding ROFRs;

  (ii) the Parties will deposit into escrow with the Escrow Agent, that portion of the Purchase Price allocated to the Assets subject to the Outstanding ROFRs (the

"**Escrow Assets**") and all closing documentation and Specific Conveyances required for the sale of all Escrow Assets by Vendor;

(iii) if an Outstanding ROFR is exercised by a Third Party, the Parties will promptly notify the Escrow Agent thereof in writing and:

(A) the funds deposited with the Escrow Agent in respect of such Escrow Assets will be refunded by the Escrow Agent to Purchaser together with the interest earned thereon while held by the Escrow Agent; and

(B) the closing documentation and Specific Conveyances related to such Escrow Assets deposited with the Escrow Agent will be of no force or effect;

(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 Parties will promptly notify the Escrow Agent thereof in writing and:

(A) the Escrow Agent will promptly pay the funds deposited with the Escrow Agent in respect of such Escrow Assets to Vendor together with the interest earned thereon while held by the Escrow Agent; and

(B) the Escrow Agent will promptly deliver copies of the closing documentation and Specific Conveyances deposited with the Escrow Agent in relation to such Escrow Assets to each Party, such documentation shall be effective and the sale of such Escrow Assets to Purchaser pursuant hereto shall have closed.

(f) From and after Closing the Parties shall cooperate and shall take all steps required to comply with any ROFRs identified after Closing in accordance with the terms thereof. Purchaser shall be entitled to receive all proceeds payable by the holders of any such ROFRs exercised after Closing and there will be no adjustment to the Purchase Price as a consequence of the identification of any such ROFRs or the exercise thereof after Closing.

(g) Purchaser shall be liable for all Losses suffered, sustained, paid or incurred by Vendor or any of its Representatives, and, in addition and as an independent covenant, shall indemnify Vendor and its Representatives from and against, all Losses suffered, sustained, paid or incurred by it and all claims made against it, in either case, as a consequence of any allocation of value provided by Purchaser and used by Vendor in the issuance of a notice in respect of a Identified ROFR pursuant to section 10.1(a), any failure by Purchaser to comply with the terms of any ROFR identified after Closing and any allocation of value used by Purchaser in the issuance of a notice in respect of a ROFR identified after Closing.

ARTICLE 11
PURCHASER’S REVIEW AND ACCESS TO BOOKS AND RECORDS

11.1 Vendor to Provide Access

Prior to Closing, Vendor shall, subject to all contractual and fiduciary obligations, at the offices of Vendor during normal business hours, provide reasonable access for Purchaser and its Representatives, upon reasonable notice of request from Purchaser or its Representatives, to Vendor’s senior management, records, books, accounts, documents, files, reports, information, materials, filings, and data, to the extent they relate directly to the Assets, as well as physical access to the Assets (insofar as Vendor can reasonably provide such access) for the purpose of Purchaser’s review of the Assets for transition purposes following Closing, in each case subject to the supervision of the Monitor, provided that such access does not interfere with the operation of the business of Vendor, and it being understood and agreed that all information obtained by Purchaser and Representatives pursuant thereto shall be subject to the provisions of the Confidentiality Agreement between Vendor and a related party of Purchaser dated April 20, 2018, the provisions of which the Purchaser agrees that it is bound by.

11.2 Access to Information

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

(a) Vendor’s ownership of the Assets (including taxation matters and Liabilities that arise from or relate to acts, omissions, events, circumstances or operations on or before the Closing Date);

(b) enforcing its rights under this Agreement;

(c) compliance with Applicable Law; or

(d) any claim commenced or threatened by any Third Party against Vendor.

11.3 Maintenance of Information

All of the information, materials and other records delivered to Purchaser pursuant to the terms hereof shall be maintained in good order and good condition and kept in a reasonably accessible location by Purchaser for a period of time beginning on the Closing Date and ending on the later of:

(a) four (4) years from the Closing Date;

(b) the expiration of all applicable limitations periods beginning before the Closing Date for all tax periods provided for under the Applicable Law or the pronouncements of all relevant Authorized Authorities beginning before the Closing Date for all tax periods; or

(c) the end of any such period that may be required by the Applicable Law or the ruling by an Authorized Authority having jurisdiction.

ARTICLE 12
GENERAL

12.1 Termination

This Agreement:

(a) may be terminated by Vendor in accordance with section 4.5;

(b) may be terminated by Purchaser in accordance with section 4.4;

(c) may be terminated by either Vendor or Purchaser if, on the Closing Date, one or more of the conditions contained in sections 4.3(b) to 4.3(e) have not been performed or satisfied, as applicable;

(d) shall automatically terminate without any further action on the part of either Vendor or Purchaser if the condition contained in section 4.3(a) has not been performed or satisfied before the Outside Date for the Approval Order;

(e) shall automatically terminate without any further action on the part of either Vendor or Purchaser if the transaction contemplated by the Plan Sponsorship Agreement is completed; or

(f) shall automatically terminate without any further action on the part of either Vendor or Purchaser if Closing has not occurred by the Outside Date for Closing.

In the event of any termination of this Agreement pursuant to this Section 12.1: (i) this Agreement (except the provisions set forth in sections 2.10, this Section 12.1 and 12.15) shall forthwith become null and void and be deemed of no further force and effect, and subject to the exceptions set forth above, 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.

12.2 Further Assurances

Each Party will, from time to time and at all times after Closing, without further consideration or any payment, do such further acts and deliver all such further assurances, deeds and documents as shall be reasonably required to fully perform and carry out the terms of this Agreement.

12.3 No Merger

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

12.4 Entire Agreement

The provisions contained in any and all documents and agreements collateral hereto shall at all times be read subject to the provisions of this Agreement and, in the event of conflict, the provisions of this Agreement shall prevail. This Agreement supersedes all other agreements (other than the Confidentiality Agreement dated April 20, 2018 between Vendor and a related party of Purchaser), documents, writings and verbal understandings between the Parties relating to the subject matter hereof and expresses the entire agreement of the Parties with respect to the subject matter hereof.

12.5 Solicitors and Agents and Tender

(a) Any notice, approval, waiver, agreement, instrument, document or communication permitted, required or contemplated in this Agreement may be given or delivered by Purchaser’s counsel, Borden Ladner Gervais LLP, on behalf of Purchaser and by Cassels Brock & Blackwell LLP, on behalf of Vendor.

(b) 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.

12.6 Governing Law

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

12.7 Signs and Notifications

Within sixty (60) days following Closing, Purchaser shall remove any signage which indicates Vendor’s ownership or operation of the Assets. It shall be the responsibility of Purchaser to erect or install any signage required by applicable Authorized Authorities indicating Purchaser to be the owner or operator of the Assets.

12.8 Assignment and Enurement

This Agreement will enure to the benefit of, and be binding on, the Parties and their respective successors and permitted assigns. This Agreement may be assigned by Purchaser to one or more of its Affiliates only with the prior written consent of Vendor and the Monitor, and provided that (i) such assignee agrees to be bound by the terms of this Agreement, (ii) such assignment shall not release Purchaser from any obligation or liability hereunder and (iii) Purchaser acknowledges and confirms its continuing obligations and liabilities hereunder on a joint and several basis with such assignee in form and substance satisfactory to Vendor and the Monitor.

12.9 Time of Essence

Time shall be of the essence in this Agreement.

12.10 Payment of Costs

Unless otherwise provided in this Agreement, each Party shall pay its own costs incurred in negotiating this Agreement and in consummating the Transaction, including any fees or commission payable to any Third Party pursuant to any agreement or arrangement relating to this Agreement or the Transaction.

12.11 Notices

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

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

Attention: Suzanne Loov
Email: sloov@connacheroil.com

with a copy to:

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

Attention: Ryan Jacobs
Keith Templeton
Email: rjacobs@casselsbrock.com
ktempleton@casselsbrock.com

and:

with a copy to the Monitor at the address and email set out below.

Monitor -

Ernst & Young Inc.
Calgary City Centre
Suite 2200, 215 - 2nd Street SW
Calgary, AB T2P 1M4

Attention: Neil Narfason
Email: neil.narfason@ca.ey.com

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

McCarthy Tétrault LLP
Suite 4000
421 - 7th Avenue SW
Calgary AB T2P 4K9

Attention: Sean Collins
Walker MacLeod

Email: scollins@mccarthy.ca
wmacleod@mccarthy.ca

Purchaser - East River Oil and Gas Ltd.
Suite 600, 600 3rd Avenue S.W.
Calgary, AB T2P 0G5

Attention: Michael Lam
Email: lam.m@snencn.cn

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

Borden Ladner Gervais LLP
Centennial Place, East Tower
1900, 520 – 3rd Avenue S.W.
Calgary AB T2P 0R3

Attention: Robyn Gurofsky
Xiaodi Jin
Email: rgurofsky@blg.com
xjin@blg.com

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

(a) by delivery to a Party between 8:00 a.m. and 4:00 p.m. on a Business Day at the address of such Party for notices, in which case, the notice shall be deemed to have been received by that Party when it is delivered;

(b) by electronic mail to a Party to the email of such Party for notices, in which case, if the notice was electronically mailed prior to 4:00 p.m. on a Business Day, the notice shall be deemed to have been received by that Party when it was electronically mailed and if it is electronically mailed on a day which is not a Business Day or is electronically mailed after 4:00 p.m. on a Business Day, it shall be deemed to have been received on the next following Business Day; or

(c) except in the event of an actual or threatened postal strike or other labour disruption that may affect mail service, by first class registered postage prepaid mail to a Party at the address of such Party for notices, in which case, the notice shall be deemed to have been received by that Party on the fourth (4th) Business Day following the date of mailing.

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

12.12 Invalidity of Provisions

In case any of the provisions of this Agreement should be invalid, illegal or unenforceable in any respect, the validity, legality or enforceability of the remaining provisions contained herein shall not in any way be affected or impaired thereby.

12.13 Waiver

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

12.14 Amendment

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

12.15 Confidentiality and Public Announcements

Until Closing has occurred, each Party shall keep confidential all information obtained from the other Party in connection with the Assets and shall not release any information concerning this Agreement and the Transaction without the prior written consent of the other Party, which consent shall not be unreasonably withheld. Nothing contained herein shall prevent a Party at any time from furnishing information (i) to any Authorized Authority or regulatory authority or to the public if required by Applicable Law; (ii) in connection with obtaining the CCAA Approval and Vesting Order; or (iii) as required by the CCAA, the Initial Order, the SISP Order or the SISP.

12.16 Counterpart Execution

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

[*Remainder of page intentionally left blank – Signature page follows*]

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

CONNACHER OIL AND GAS LIMITED	EAST RIVER OIL AND GAS LTD.
Per:	Per:
Name: Merle Johnson	Name:
Title: CEO	Title:
Per:	
Name: Jeff Beeton	
Title: CFO.	

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

CONNACHER OIL AND GAS LIMITED	**EAST RIVER OIL AND GAS LTD.**
Per: ____________________ Name: Title:	Per: ____________________ Name: Michael Lam Title: Authorized signatory
Per: ____________________ Name: Title:	

THE FOLLOWING COMPRISES SCHEDULE "A" ATTACHED TO AND FORMING PART OF A PURCHASE AND SALE AGREEMENT DATED THE 2nd DAY OF AUGUST, 2018 BETWEEN CONNACHER OIL AND GAS LIMITED, and EAST RIVER OIL AND GAS LTD.

Lands and Petroleum and Natural Gas Rights

The following 74 pages comprise Schedule "A".

CONNACHER OIL AND GAS LIMITED

Mineral Property Report

Generated by Kim Long on June 08, 2018 at 1:44:31 pm.

Selection

Admin Company:	CONNACHER OIL AND GAS LIMITED
Category:	
Country:	
Province:	
Division:	
Area(s):	
Active / Inactive:	Active
Status Types:	
Lease Types:	
Acreage Status:	
Expiry Period:	
Acreage Category:	

CS*EXPLORER Version: 9.10.04

CONNACHER OIL AND GAS LIMITED

Mineral Property Report

Print Options

Acres / Hectares:	Hectares		
Working Interest DOI:	Yes		
Other DOI:	No		
Related Contracts:	No	**Related Units:**	No
Royalty Information:	No		
Well Information:	No		
Remarks:	No		
Acreage:	Producing / Non Producing Developed / Undeveloped Proven / Unproven		

Sort Options

Division:	No
Category:	Yes
Province:	No
Area:	No
Location:	No

EXPLORER™ Software Solutions Ltd.

CS*EXPLORER Version: 9.1004

CONNACHER OIL AND GAS LIMITED
Mineral Property Report

Category: MINERAL

File Number / File Status / Mineral Int	Lse Type / Lessor Type / Int Type / Lse No/Name / Operator / Payor		Exposure / Gross / Net	Oper.Cont. ROFR / Doi Partner(s)	DOI Code *	*	Lease Description / Rights Held
M-0463	PNG LIC CR	**Eff:** Feb 01, 1996	256.000		WI		Area : DIVIDE-PNG
Sub: A	WI	**Exp:** Jan 31, 2000	256.000	CONNACHER	100.00000000		TWP 82 RGE 12 W4M SEC 21
ACTIVE	5496020050	**Ext:** 8 (1)(H)	256.000				ALL PNG FROM BASE GRAND-RAPIDS
	CONNACHER	**Ext:** Dec 31, 2199		Total Rental: 896.00			TO BASE BASEMENT
100.00000000	RIFE						

Status		Hectares	Net		Hectares	Net
NON PRODUCING	**Prod:**	0.000	0.000	**NProd:**	256.000	256.000
UNDEVELOPED	**Dev:**	0.000	0.000	**Undev:**	256.000	256.000
	Prov:	0.000	0.000	**NProv:**	0.000	0.000

File Number / File Status / Mineral Int	Lse Type / Lessor Type / Int Type / Lse No/Name / Operator / Payor		Exposure / Gross / Net	Oper.Cont. ROFR / Doi Partner(s)	DOI Code *	*	Lease Description / Rights Held
M-0463	PNG LIC CR	**Eff:** Feb 01, 1996	256.000		WI 2		Area : DIVIDE-PNG
Sub: B	NI	**Exp:** Jan 31, 2000	0.000	CONNACHER	85.00000000		TWP 82 RGE 12 W4M SEC 22
PENDING	5496020050	**Ext:** 8 (1)(H)	0.000	CHAIR	15.00000000		ALL PNG IN MCMURRAY (DUMMY
	CONNACHER	**Ext:** Dec 31, 2199					RIGHTS UNTIL EARNED (WELL
100.00000000	RIFE	**Count Acreage =** No		Total Rental: 0.00			COMPLETED/EQUIP/TIE-IN))

Status		Hectares	Net		Hectares	Net
NON PRODUCING	**Prod:**	0.000	0.000	**NProd:**	0.000	0.000
UNDEVELOPED	**Dev:**	0.000	0.000	**Undev:**	0.000	0.000
	Prov:	0.000	0.000	**NProv:**	0.000	0.000

File Number / File Status / Mineral Int	Lse Type / Lessor Type / Int Type / Lse No/Name / Operator / Payor		Exposure / Gross / Net	Oper.Cont. ROFR / Doi Partner(s)	DOI Code *	*	Lease Description / Rights Held
M-0521	PNG LIC CR	**Eff:** Jun 26, 1997	192.000	C-0204 G No	WI 2		Area : DIVIDE-PNG
Sub: A	WI	**Exp:** Jun 25, 2001	64.000	ITERATION EN	60.00000000		TWP 81 RGE 11 W4M NW/4 27
ACTIVE	5497060172	**Ext:** 8 (1)(H)	16.000	CONNACHER	25.00000000		ALL PNG FROM TOP SURFACE TO
	CONNACHER	**Ext:** Dec 31, 2199		CHAIR	15.00000000		BASE MCMURRAY
100.00000000	CHINOOK INC.						EXCL PNG IN MCMURRAY
				Total Rental: 224.00			

Status		Hectares	Net		Hectares	Net
NON PRODUCING	**Prod:**	0.000	0.000	**NProd:**	64.000	16.000

CONNACHER OIL AND GAS LIMITED
Mineral Property Report

Category: MINERAL

File Number / File Status / Mineral Int	Lse Type / Lessor Type / Int Type / Lse No/Name / Operator / Payor			Exposure / Gross / Net	Oper.Cont. / ROFR / Doi Partner(s) *		DOI Code *		Lease Description / Rights Held
(cont'd)									
M-0521									
Sub: A	UNDEVELOPED	**Dev:**		0.000	0.000	**Undev:**	64.000	16.000	
		Prov:		0.000	0.000	**NProv:**	0.000	0.000	

M-0521	PNG LIC CR	**Eff:**	Jun 26, 1997	192.000	C-0204 C No	WI 2	Area : DIVIDE-PNG
Sub: B	WI	**Exp:**	Jun 25, 2001	128.000	CONNACHER	25.00000000	TWP 81 RGE 11 W4M N/2 28
ACTIVE	5497060172	**Ext:**	8 (1)(H)	32.000	CHAIR	15.00000000	ALL PNG FROM TOP SURFACE TO
	CONNACHER	**Ext:**	Dec 31, 2199		CHINOOK INC.	60.00000000	BASE MCMURRAY
100.00000000	CHINOOK INC.						
					Total Rental: 448.00		

Status		Hectares	Net		Hectares	Net
NON PRODUCING	**Prod:**	0.000	0.000	**NProd:**	128.000	32.000
UNDEVELOPED	**Dev:**	0.000	0.000	**Undev:**	128.000	32.000
	Prov:	0.000	0.000	**NProv:**	0.000	0.000

M-0522	PNG CR	**Eff:**	Jun 13, 1996	320.000	C-0204 E No	WI 2	Area : DIVIDE-PNG
Sub: A	WI	**Exp:**	Jun 12, 2001	192.000	CHAIR	15.00000000	TWP 81 RGE 11 W4M W/2 33
ACTIVE	0596060271	**Ext:**	8 (1)(H)	163.200	CONNACHER	85.00000000	TWP 81 RGE 11 W4M SE/4 33
	CONNACHER	**Ext:**	Dec 31, 2199				ALL PNG FROM TOP SURFACE TO
100.00000000	CHINOOK INC.				Total Rental: 672.00		BASE MCMURRAY
							EXCL PNG IN MCMURRAY

Status		Hectares	Net		Hectares	Net
NON PRODUCING	**Prod:**	0.000	0.000	**NProd:**	192.000	163.200
UNDEVELOPED	**Dev:**	0.000	0.000	**Undev:**	192.000	163.200
	Prov:	0.000	0.000	**NProv:**	0.000	0.000

M-0522	PNG CR	**Eff:**	Jun 13, 1996	320.000	C-0204 G No	WI 2	Area : DIVIDE-PNG

CONNACHER OIL AND GAS LIMITED
Mineral Property Report

Category: MINERAL

File Number / File Status / Mineral Int	Lse Type / Int Type / Lse No/Name / Operator / Payor	Lessor Type		Exposure / Gross / Net	Oper.Cont. / Doi Partner(s)	ROFR	DOI Code	Lease Description / Rights Held

(cont'd)

M-0522						
Sub: B	WI	Exp: Jun 12, 2001	64.000	ITERATION EN	60.00000000	TWP 81 RGE 11 W4M SW/4 34
ACTIVE	0596060271	Ext: 8 (1)(H)	16.000	CONNACHER	25.00000000	ALL PNG FROM TOP SURFACE TO
	CONNACHER	Ext: Dec 31, 2199		CHAIR	15.00000000	BASE MCMURRAY
100.00000000	CHINOOK INC.					EXCL NATURAL_GAS IN MCMURRAY
				Total Rental: 224.00		

Status		Hectares	Net		Hectares	Net
NON PRODUCING	Prod:	0.000	0.000	NProd:	64.000	16.000
UNDEVELOPED	Dev:	0.000	0.000	Undev:	64.000	16.000
	Prov:	0.000	0.000	NProv:	0.000	0.000

M-0522	PNG	CR	Eff: Jun 13, 1996	320.000	C-0204 G No	WI 2	Area : DIVIDE-PNG
Sub: C	WI		Exp: Jun 12, 2001	64.000	ITERATION EN	60.00000000	TWP 81 RGE 11 W4M SE/4 32
ACTIVE	0596060271		Ext: 8 (1)(H)	16.000	CONNACHER	25.00000000	ALL PNG FROM TOP SURFACE TO
	CONNACHER		Ext: Dec 31, 2199		CHAIR	15.00000000	BASE MCMURRAY
100.00000000	CHINOOK INC.						EXCL NATURAL_GAS IN MCMURRAY
					Total Rental: 224.00		

Status		Hectares	Net		Hectares	Net
NON PRODUCING	Prod:	0.000	0.000	NProd:	64.000	16.000
UNDEVELOPED	Dev:	0.000	0.000	Undev:	64.000	16.000
	Prov:	0.000	0.000	NProv:	0.000	0.000

M-0522	PNG	CR	Eff: Jun 13, 1996	320.000	C-0204 D No	TWC	Area : DIVIDE-PNG
Sub: D	NI		Exp: Jun 12, 2001	0.000	CONNACHER	100.00000000	TWP 82 RGE 11 W4M SEC 8
PENDING	0596060271		Ext: 8 (1)(H)	0.000			ALL PNG IN MCMURRAY (DUMMY
	CONNACHER		Ext: Dec 31, 2199		Total Rental: 0.00		RIGHTS UNTIL EARNED)
100.00000000	CHINOOK INC.		Count Acreage = No				

CONNACHER OIL AND GAS LIMITED
Mineral Property Report

Category: MINERAL

File Number / File Status / Mineral Int	Lse Type / Lessor Type / Int Type / Lse No/Name / Operator / Payor		Exposure / Gross / Net	Oper.Cont. / ROFR / Doi Partner(s)	DOI Code * *	Lease Description / Rights Held

(cont'd)

M-0522
Sub: D

Status		Hectares	Net		Hectares	Net
NON PRODUCING	**Prod:**	0.000	0.000	**NProd:**	0.000	0.000
DEVELOPED	**Dev:**	0.000	0.000	**Undev:**	0.000	0.000
	Prov:	0.000	0.000	**NProv:**	0.000	0.000

M-0523	PNG CR	**Eff:** Nov 09, 1995	256.000	C-0204 F No	WI	Area : DIVIDE-PNG
Sub: A	WI	**Exp:** Nov 08, 2000	256.000	CONNACHER	50.00000000	TWP 82 RGE 11 W4M SEC 6
ACTIVE	0595110173	**Ext:** 8 (1)(H)	128.000	ITERATION EN	40.00000000	ALL PNG IN MCMURRAY
	CONNACHER	**Ext:** Dec 31, 2199		CHAIR	10.00000000	
100.00000000	ITERATION EN					

Total Rental: 896.00

Status		Hectares	Net		Hectares	Net
PRODUCING	**Prod:**	256.000	128.000	**NProd:**	0.000	0.000
DEVELOPED	**Dev:**	256.000	128.000	**Undev:**	0.000	0.000
	Prov:	0.000	0.000	**NProv:**	0.000	0.000

M-0523	PNG CR	**Eff:** Nov 09, 1995	256.000	C-0204 E No	WI 2	Area : DIVIDE-PNG
Sub: B	WI	**Exp:** Nov 08, 2000	192.000	CHAIR	15.00000000	TWP 82 RGE 11 W4M S/2 6
ACTIVE	0595110173	**Ext:** 8 (1)(H)	163.200	CONNACHER	85.00000000	TWP 82 RGE 11 W4M NE/4 6
	CONNACHER	**Ext:** Dec 31, 2199				ALL PNG FROM TOP SURFACE TO
100.00000000	ITERATION EN	**Count Acreage =** No		Total Rental: 0.00		BASE MCMURRAY
						EXCL PNG IN MCMURRAY

Status		Hectares	Net		Hectares	Net
NON PRODUCING	**Prod:**	0.000	0.000	**NProd:**	192.000	163.200
UNDEVELOPED	**Dev:**	0.000	0.000	**Undev:**	192.000	163.200
	Prov:	0.000	0.000	**NProv:**	0.000	0.000

CONNACHER OIL AND GAS LIMITED
Mineral Property Report

Category: MINERAL

File Number / File Status / Mineral Int	Lse Type Lessor Type / Int Type / Lse No/Name / Operator / Payor		Exposure / Gross / Net	Oper.Cont. ROFR / Doi Partner(s)	DOI Code	Lease Description / Rights Held
M-0524	PNG LIC CR	**Eff:** Jun 12, 1997	1,216.000	C-0204 E No	WI 2	Area : DIVIDE-PNG
Sub: A	WI	**Exp:** Jun 11, 2001	768.000	CHAIR	15.00000000	TWP 82 RGE 11 W4M N/2 18, SW/4 18
ACTIVE	5497060049	**Ext:** 8 (1)(H)	652.800	CONNACHER	85.00000000	TWP 82 RGE 11 W4M SEC 19
	CONNACHER	**Ext:** Dec 31, 2199				TWP 82 RGE 11 W4M SEC 20
100.00000000	ITERATION EN			Total Rental: 1344.00		TWP 82 RGE 12 W4M SW/4 25
						ALL PNG FROM TOP SURFACE TO BASE MCMURRAY

Status		Hectares	Net		Hectares	Net
NON PRODUCING	**Prod:**	0.000	0.000	**NProd:**	768.000	652.800
UNDEVELOPED	**Dev:**	0.000	0.000	**Undev:**	768.000	652.800
	Prov:	0.000	0.000	**NProv:**	0.000	0.000

File Number / File Status / Mineral Int	Lse Type Lessor Type / Int Type / Lse No/Name / Operator / Payor		Exposure / Gross / Net	Oper.Cont. ROFR / Doi Partner(s)	DOI Code	Lease Description / Rights Held
M-0524	PNG LIC CR	**Eff:** Jun 12, 1997	1,216.000	C-0204 E No	WI 2	Area : DIVIDE-PNG
Sub: B	WI	**Exp:** Jun 11, 2001	192.000	CHAIR	15.00000000	TWP 82 RGE 11 W4M S/2 29, NW/4 29
ACTIVE	5497060049	**Ext:** 8 (1)(H)	163.200	CONNACHER	85.00000000	ALL PNG FROM TOP SURFACE TO BASE MCMURRAY
	CONNACHER	**Ext:** Dec 31, 2199				EXCL PNG IN MCMURRAY
100.00000000	ITERATION EN			Total Rental: 336.00		EXCL PNG IN CLEARWATER

Status		Hectares	Net		Hectares	Net
NON PRODUCING	**Prod:**	0.000	0.000	**NProd:**	192.000	163.200
UNDEVELOPED	**Dev:**	0.000	0.000	**Undev:**	192.000	163.200
	Prov:	0.000	0.000	**NProv:**	0.000	0.000

File Number / File Status / Mineral Int	Lse Type Lessor Type / Int Type / Lse No/Name / Operator / Payor		Exposure / Gross / Net	Oper.Cont. ROFR / Doi Partner(s)	DOI Code	Lease Description / Rights Held
M-0524	PNG LIC CR	**Eff:** Jun 12, 1997	1,216.000	C-0204 E No	WI 2	Area : DIVIDE-PNG
Sub: C	WI	**Exp:** Jun 11, 2001	256.000	CHAIR	15.00000000	TWP 82 RGE 11 W4M SEC 30
ACTIVE	5497060049	**Ext:** 8 (1)(H)	217.600	CONNACHER	85.00000000	ALL PNG FROM TOP SURFACE TO BASE MCMURRAY
	CONNACHER	**Ext:** Dec 31, 2199				EXCL PNG IN CLEARWATER
100.00000000	ITERATION EN			Total Rental: 448.00		EXCL PNG IN GRAND RAPIDS

Status		Hectares	Net		Hectares	Net
NON PRODUCING	**Prod:**	0.000	0.000	**NProd:**	256.000	217.600

CONNACHER OIL AND GAS LIMITED
Mineral Property Report

Category: MINERAL

File Number / File Status / Mineral Int	Lse Type / Lessor Type / Int Type / Lse No/Name / Operator / Payor			Exposure / Gross / Net	Oper.Cont. / ROFR / Doi Partner(s)	*	DOI Code	*	Lease Description / Rights Held

(cont'd)

M-0524
Sub: C

	Status		Hectares	Net		Hectares	Net
	UNDEVELOPED	**Dev:**	0.000	0.000	**Undev:**	256.000	217.600
		Prov:	0.000	0.000	**NProv:**	0.000	0.000

M-0525	PNG LIC CR	**Eff:** Mar 06, 1997	192.000	C-0204 E No		WI 2	Area : DIVIDE-PNG
Sub: A	WI	**Exp:** Mar 05, 2001	64.000	CHAIR		15.00000000	TWP 82 RGE 11 W4M SE/4 31
ACTIVE	5497030065	**Ext:** 8 (1)(H)	54.400	CONNACHER		85.00000000	ALL PNG FROM TOP SURFACE TO
	CONNACHER	**Ext:** Dec 31, 2199					BASE MCMURRAY
100.00000000	CHINOOK INC.			Total Rental:	224.00		EXCL PNG IN GRAND_RAPIDS

	Status		Hectares	Net		Hectares	Net
	NON PRODUCING	**Prod:**	0.000	0.000	**NProd:**	64.000	54.400
	DEVELOPED	**Dev:**	64.000	54.400	**Undev:**	0.000	0.000
		Prov:	0.000	0.000	**NProv:**	0.000	0.000

M-0525	PNG LIC CR	**Eff:** Mar 06, 1997	192.000	C-0204 E No		WI 2	Area : DIVIDE-PNG
Sub: B	WI	**Exp:** Mar 05, 2001	128.000	CHAIR		15.00000000	TWP 82 RGE 11 W4M S/2 32
ACTIVE	5497030065	**Ext:** 8 (1)(H)	108.800	CONNACHER		85.00000000	ALL PNG FROM TOP SURFACE TO
	CONNACHER	**Ext:** Dec 31, 2199					BASE MCMURRAY
100.00000000	CHINOOK INC.			Total Rental:	448.00		EXCL PNG IN MCMURRAY

	Status		Hectares	Net		Hectares	Net
	NON PRODUCING	**Prod:**	0.000	0.000	**NProd:**	128.000	108.800
	DEVELOPED	**Dev:**	128.000	108.800	**Undev:**	0.000	0.000
		Prov:	0.000	0.000	**NProv:**	0.000	0.000

M-0525	PNG LIC CR	**Eff:** Mar 06, 1997	192.000	C-0204 D No		TWC	Area : DIVIDE-PNG
Sub: C	NI	**Exp:** Mar 05, 2001	0.000	CONNACHER		100.00000000	TWP 82 RGE 11 W4M N/2 31, SW/4

CONNACHER OIL AND GAS LIMITED
Mineral Property Report

Category: MINERAL

File Number / File Status / Mineral Int	Lse Type Lessor Type / Int Type / Lse No/Name / Operator / Payor		Exposure / Gross / Net	Oper.Cont. ROFR / Doi Partner(s)	DOI Code *	*	Lease Description / Rights Held

(cont'd)

M-0525
Sub: C

PENDING	5497030065	**Ext:** 8 (1)(H)	0.000				31 (PNG TBO MCMURRAY, EXCL PNG IN GRAND_RAPIDS)
	CONNACHER	**Ext:** Dec 31, 2199		Total Rental: 0.00			TWP 82 RGE 11 W4M N/2 32 (PNG TBO MCMURRAY, EXCL MCMURRAY) (SEE LANDS) (DUMMY RIGHTS UNTIL EARNED)
100.00000000	CHINOOK INC.	**Count Acreage =** No					

Status		**Hectares**	**Net**		**Hectares**	**Net**
NON PRODUCING	**Prod:**	0.000	0.000	**NProd:**	0.000	0.000
UNDEVELOPED	**Dev:**	0.000	0.000	**Undev:**	0.000	0.000
	Prov:	0.000	0.000	**NProv:**	0.000	0.000

M-0528	PNG LIC CR	**Eff:** Mar 06, 1997	320.000	C-0204 C No	WI	Area : DIVIDE-PNG
Sub: A	WI	**Exp:** Mar 05, 2001	320.000	CONNACHER	25.00000000	TWP 82 RGE 12 W4M SEC 34
ACTIVE	5497030066	**Ext:** 8 (1)(H)	80.000	ITERATION EN	60.00000000	TWP 82 RGE 12 W4M SW/4 35
	CONNACHER	**Ext:** Dec 31, 2199		CHAIR	15.00000000	ALL PNG FROM TOP SURFACE TO BASE MCMURRAY
100.00000000	CHINOOK INC.					
				Total Rental: 1120.00		

Status		**Hectares**	**Net**		**Hectares**	**Net**
NON PRODUCING	**Prod:**	0.000	0.000	**NProd:**	320.000	80.000
UNDEVELOPED	**Dev:**	0.000	0.000	**Undev:**	320.000	80.000
	Prov:	0.000	0.000	**NProv:**	0.000	0.000

M-0581	PNG CR	**Eff:** Nov 18, 1994	64.000	C-0204 C No	WI 2	Area : DIVIDE-PNG
Sub: A	WI	**Exp:** Nov 17, 1999	64.000	CONNACHER	25.00000000	TWP 82 RGE 11 W4M SE/4 3
ACTIVE	0594110285	**Ext:** 8 (1)(H)	16.000	CHAIR	15.00000000	ALL PNG FROM TOP SURFACE TO BASE MCMURRAY
	CONNACHER	**Ext:** Dec 31, 2199		CHINOOK INC.	60.00000000	
100.00000000	ITERATION EN					
				Total Rental: 224.00		

CONNACHER OIL AND GAS LIMITED
Mineral Property Report

Category: MINERAL

File Number / File Status / Mineral Int	Lse Type / Lessor Type / Int Type / Lse No/Name / Operator / Payor		Exposure / Gross / Net	Oper.Cont. ROFR / Doi Partner(s)	DOI Code	Lease Description / Rights Held

(cont'd)

M-0581
Sub: A

Status		Hectares	Net		Hectares	Net
NON PRODUCING	**Prod:**	0.000	0.000	**NProd:**	64.000	16.000
UNDEVELOPED	**Dev:**	0.000	0.000	**Undev:**	64.000	16.000
	Prov:	0.000	0.000	**NProv:**	0.000	0.000

M-0583	PNG CR	**Eff:** Oct 26, 1995	128.000	C-0204 E No	WI 2	Area : DIVIDE-PNG
Sub: A	WI	**Exp:** Oct 25, 2000	128.000	CHAIR	15.00000000	TWP 82 RGE 11 W4M S/2 5
ACTIVE	0595100513	**Ext:** 8 (1)(H)	108.800	CONNACHER	85.00000000	ALL PNG FROM TOP SURFACE TO
	CONNACHER	**Ext:** Dec 31, 2199				BASE MCMURRAY
100.00000000	CHINOOK INC.			Total Rental: 448.00		

Status		Hectares	Net		Hectares	Net
NON PRODUCING	**Prod:**	0.000	0.000	**NProd:**	128.000	108.800
UNDEVELOPED	**Dev:**	0.000	0.000	**Undev:**	128.000	108.800
	Prov:	0.000	0.000	**NProv:**	0.000	0.000

M-0633	PNG CR	**Eff:** Jul 15, 1994	256.000		WI	Area : DIVIDE-PNG
Sub: A	WI	**Exp:** Jul 14, 1999	256.000	CONNACHER	100.00000000	TWP 82 RGE 11 W4M SEC 7
ACTIVE	0594070209	**Ext:** 8 (1)(H)	256.000			ALL PNG
	CONNACHER	**Ext:** Dec 31, 2199		Total Rental: 896.00		
100.00000000	CONNACHER					

Status		Hectares	Net		Hectares	Net
NON PRODUCING	**Prod:**	0.000	0.000	**NProd:**	256.000	256.000
UNDEVELOPED	**Dev:**	0.000	0.000	**Undev:**	256.000	256.000
	Prov:	0.000	0.000	**NProv:**	0.000	0.000

File Number / File Status / Mineral Int	Lse Type / Int Type / Lse No/Name / Operator / Payor	Lessor Type		Exposure / Gross / Net	Oper.Cont. ROFR / Doi Partner(s)	DOI Code * *	Lease Description / Rights Held
M-0645	PNG	CR	**Eff:** Oct 22, 1987	256.000		WI	Area : DIVIDE-PNG
Sub: A	WI		**Exp:** Oct 21, 1992	256.000	CONNACHER	100.00000000	TWP 82 RGE 12 W4M SEC 6
ACTIVE	0587100461		**Ext:** 8 (1)(H)	256.000			PNG TO BASE OF MANNVILLE
	CONNACHER		**Ext:** Dec 31, 2199		Total Rental: 0.00		EXCL PNG FROM TOP VIKING TO
100.00000000	CONNACHER						BASE WOODBEND (COMPENSATED RIGHTS)

Status		Hectares	Net		Hectares	Net
NON PRODUCING	**Prod:**	0.000	0.000	**NProd:**	256.000	256.000
DEVELOPED	**Dev:**	256.000	256.000	**Undev:**	0.000	0.000
	Prov:	0.000	0.000	**NProv:**	0.000	0.000

File Number / File Status / Mineral Int	Lse Type / Int Type / Lse No/Name / Operator / Payor	Lessor Type		Exposure / Gross / Net	Oper.Cont. ROFR / Doi Partner(s)	DOI Code * *	Lease Description / Rights Held
M-0645	PNG	CR	**Eff:** Oct 22, 1987	0.000		WI	Area : DIVIDE-PNG
Sub: B	WI		**Exp:** Oct 21, 1992	0.000	CONNACHER	100.00000000	TWP 82 RGE 12 W4M 6
ACTIVE	0587100461		**Ext:** 8 (1)(H)	0.000			
	CONNACHER		**Ext:** Dec 31, 2199		Total Rental: 0.00		ALL PNG FROM TOP VIKING TO BASE
100.00000000	CONNACHER		**Count Acreage =** No				WOODBEND (COMPENSATED RIGHTS)

Status		Hectares	Net		Hectares	Net
NON PRODUCING	**Prod:**	0.000	0.000	**NProd:**	0.000	0.000
DEVELOPED	**Dev:**	0.000	0.000	**Undev:**	0.000	0.000
	Prov:	0.000	0.000	**NProv:**	0.000	0.000

File Number / File Status / Mineral Int	Lse Type / Int Type / Lse No/Name / Operator / Payor	Lessor Type		Exposure / Gross / Net	Oper.Cont. ROFR / Doi Partner(s)	DOI Code * *	Lease Description / Rights Held
M-0646	PNG	CR	**Eff:** Jul 16, 1987	256.000		WI	Area : DIVIDE-PNG
Sub: A	WI		**Exp:** Jul 15, 1992	256.000	CONNACHER	100.00000000	TWP 82 RGE 12 W4M SEC 16
ACTIVE	0587070183		**Ext:** 8 (1)(H)	256.000			ALL PNG FROM TOP SURFACE TO
	CONNACHER		**Ext:** Dec 31, 2199		Total Rental: 0.00		BASE MANNVILLE
100.00000000	CONNACHER						EXCL PNG FROM TOP VIKING TO BASE WOODBEND (COMPENSATED RIGHTS)

Status		Hectares	Net		Hectares	Net
NON PRODUCING	**Prod:**	0.000	0.000	**NProd:**	256.000	256.000

CONNACHER OIL AND GAS LIMITED
Mineral Property Report

Category: MINERAL

File Number / File Status / Mineral Int	Lse Type / Lessor Type / Int Type / Lse No/Name / Operator / Payor		Exposure / Gross / Net	Oper.Cont. ROFR / Doi Partner(s)	DOI Code *	*	Lease Description / Rights Held

(cont'd)

M-0646

Sub: A	Status		Hectares	Net		Hectares	Net
	DEVELOPED	Dev:	256.000	256.000	Undev:	0.000	0.000
		Prov:	0.000	0.000	NProv:	0.000	0.000

M-0646	PNG CR	Eff: Jul 16, 1987	256.000		WI	Area : DIVIDE-PNG
Sub: B	WI	Exp: Jul 15, 1992	256.000	CONNACHER	100.00000000	TWP 82 RGE 12 W4M SEC 17
ACTIVE	0587070183	Ext: 8 (1)(H)	256.000			
	CONNACHER	Ext: Dec 31, 2199		Total Rental: 0.00		ALL PNG FROM TOP SURFACE TO BASE MANNVILLE EXCL PNG FROM TOP VIKING TO BASE WOODBEND (COMPENSATED RIGHTS)
100.00000000	CONNACHER					

Status		Hectares	Net		Hectares	Net
NON PRODUCING	Prod:	0.000	0.000	NProd:	256.000	256.000
DEVELOPED	Dev:	256.000	256.000	Undev:	0.000	0.000
	Prov:	0.000	0.000	NProv:	0.000	0.000

M-0646	PNG CR	Eff: Jul 16, 1987	0.000		WI	Area : DIVIDE-PNG
Sub: C	WI	Exp: Jul 15, 1992	0.000	CONNACHER	100.00000000	TWP 82 RGE 12 W4M SECS 16, 17
ACTIVE	0587070183	Ext: 8 (1)(H)	0.000			
	CONNACHER	Ext: Dec 31, 2199		Total Rental: 0.00		ALL PNG FROM BASE OF VIKING TO BASE WOODBEND (COMPENSATED RIGHTS)
100.00000000	CONNACHER	Count Acreage = No				

Status		Hectares	Net		Hectares	Net
PRODUCING	Prod:	0.000	0.000	NProd:	0.000	0.000
DEVELOPED	Dev:	0.000	0.000	Undev:	0.000	0.000
	Prov:	0.000	0.000	NProv:	0.000	0.000

M-0647	PNG CR	Eff: Jun 23, 1994	256.000		WI	Area : DIVIDE-PNG
Sub: A	WI	Exp: Jun 22, 1999	256.000	CONNACHER	100.00000000	TWP 82 RGE 12 W4M SEC 5

File Number / File Status / Mineral Int	Lse Type / Lessor Type / Int Type / Lse No/Name / Operator / Payor		Exposure Gross Net	Oper.Cont. ROFR / Doi Partner(s)	DOI Code *	*	Lease Description / Rights Held

(cont'd)

M-0647
Sub: A
ACTIVE 0594060672 **Ext:** 8 (1)(H) 256.000
CONNACHER **Ext:** Dec 31, 2199 Total Rental: 0.00
100.00000000 CONNACHER

ALL PNG FROM TOP SURFACE TO BASE BASEMENT
EXCL PNG FROM TOP VIKING TO BASE WOODBEND (COMPENSATED RIGHTS)

Status		Hectares	Net		Hectares	Net
PRODUCING	**Prod:**	256.000	256.000	**NProd:**	0.000	0.000
DEVELOPED	**Dev:**	256.000	256.000	**Undev:**	0.000	0.000
	Prov:	0.000	0.000	**NProv:**	0.000	0.000

M-0647	PNG CR	**Eff:** Jun 23, 1994	0.000		WI	Area : DIVIDE-PNG
Sub: B	WI	**Exp:** Jun 22, 1999	0.000	CONNACHER	100.00000000	TWP 82 RGE 12 W4M SEC 5
ACTIVE	0594060672	**Ext:** 8 (1)(H)	0.000			
	CONNACHER	**Ext:** Dec 31, 2199		Total Rental: 0.00		ALL PNG FROM TOP VIKING TO BASE
100.00000000	CONNACHER	**Count Acreage =** No				WOODBEND (COMPENSATED RIGHTS)

Status		Hectares	Net		Hectares	Net
PRODUCING	**Prod:**	0.000	0.000	**NProd:**	0.000	0.000
DEVELOPED	**Dev:**	0.000	0.000	**Undev:**	0.000	0.000
	Prov:	0.000	0.000	**NProv:**	0.000	0.000

M-0648	PNG CR	**Eff:** Sep 10, 1987	256.000		WI	Area : DIVIDE-PNG
Sub: A	WI	**Exp:** Sep 09, 1992	256.000	CONNACHER	100.00000000	TWP 82 RGE 12 W4M SEC 4
ACTIVE	0587090229	**Ext:** 15	256.000			
	CONNACHER			Total Rental: 0.00		ALL PNG FROM TOP SURFACE TO
100.00000000	CONNACHER					BASE MANNVILLE
						EXCL PNG FROM TOP VIKING TO

Status	Hectares	Net	Hectares	Net	
					BASE WOODBEND (COMPENSATED

File Number / File Status / Mineral Int	Lse Type / Int Type / Lse No/Name / Operator / Payor	Lessor Type		Exposure / Gross / Net	Oper.Cont. ROFR / Doi Partner(s)	*	DOI Code *	Lease Description / Rights Held

(cont'd)

M-0648
Sub: A

Status		Hectares	Net		Hectares	Net
NON PRODUCING	Prod:	0.000	0.000	NProd:	256.000	256.000
DEVELOPED	Dev:	256.000	256.000	Undev:	0.000	0.000
	Prov:	0.000	0.000	NProv:	0.000	0.000

RIGHTS)

M-0648	PNG	CR	Eff: Sep 10, 1987	0.000		WI	Area : DIVIDE-PNG
Sub: B	WI		Exp: Sep 09, 1992	0.000	CONNACHER	100.00000000	TWP 82 RGE 12 W4M SEC 4
ACTIVE	0587090229		Ext: 15	0.000			
	CONNACHER				Total Rental: 0.00		PNG FROM TOP VIKING TO BASE
100.00000000	CONNACHER		Count Acreage = No				WOODBEND (COMPENSATED RIGHTS)

Status		Hectares	Net		Hectares	Net
PRODUCING	Prod:	0.000	0.000	NProd:	0.000	0.000
DEVELOPED	Dev:	0.000	0.000	Undev:	0.000	0.000
	Prov:	0.000	0.000	NProv:	0.000	0.000

M-0648	PNG	CR	Eff: Sep 10, 1987	256.000		WI	Area : DIVIDE-PNG
Sub: C	WI		Exp: Sep 09, 1992	256.000	CONNACHER	100.00000000	TWP 82 RGE 12 W4M SEC 9
ACTIVE	0587090229		Ext: 15	256.000			
	CONNACHER				Total Rental: 0.00		ALL PNG FROM TOP SURFACE TO
100.00000000	CONNACHER						BASE MANNVILLE
							EXCL PNG FROM TOP VIKING TO
							BASE WOODBEND (COMPENSATED
							RIGHTS)

Status		Hectares	Net		Hectares	Net
NON PRODUCING	Prod:	0.000	0.000	NProd:	256.000	256.000
DEVELOPED	Dev:	256.000	256.000	Undev:	0.000	0.000
	Prov:	0.000	0.000	NProv:	0.000	0.000

M-0648	PNG	CR	Eff: Sep 10, 1987	0.000		WI	Area : DIVIDE-PNG

CONNACHER OIL AND GAS LIMITED
Mineral Property Report

File Number / File Status / Mineral Int	Lse Type / Lessor Type / Int Type / Lse No/Name / Operator / Payor		Exposure / Gross / Net	Oper.Cont. ROFR / Doi Partner(s) *	DOI Code *	Lease Description / Rights Held

(cont'd)

M-0648						
Sub: D	WI	**Exp:** Sep 09, 1992	0.000	CONNACHER	100.00000000	TWP 82 RGE 12 W4M SEC 9
ACTIVE	0587090229	**Ext:** 15	0.000			
	CONNACHER			Total Rental: 0.00		ALL PNG FROM TOP VIKING TO BASE
100.00000000	CONNACHER	**Count Acreage =** No				WOODBEND (COMPENSATED RIGHTS)

Status		Hectares	Net		Hectares	Net
PRODUCING	**Prod:**	0.000	0.000	**NProd:**	0.000	0.000
DEVELOPED	**Dev:**	0.000	0.000	**Undev:**	0.000	0.000
	Prov:	0.000	0.000	**NProv:**	0.000	0.000

M-1249	PNG LIC CR	**Eff:** Jun 13, 1996	256.000	C-0528 A Unknown	WI	Area : DIVIDE-PNG
Sub: A	WI	**Exp:** Jun 12, 2000	256.000	CONNACHER	100.00000000	TWP 81 RGE 13 W4M SEC 12
ACTIVE	5496060062	**Ext:** 8 (1)(H)	256.000			ALL PNG FROM TOP SURFACE TO
	CONNACHER	**Ext:** Dec 31, 2099		Total Rental: 896.00		BASE MCMURRAY
100.00000000	HUSKY					EXCL CBM

Status		Hectares	Net		Hectares	Net
NON PRODUCING	**Prod:**	0.000	0.000	**NProd:**	256.000	256.000
UNDEVELOPED	**Dev:**	0.000	0.000	**Undev:**	256.000	256.000
	Prov:	0.000	0.000	**NProv:**	0.000	0.000

M-1250	PNG CR	**Eff:** Jul 07, 1994	192.000		WI	Area : DIVIDE-PNG
Sub: A	WI	**Exp:** Jul 06, 1999	192.000	CONNACHER	80.00000000	TWP 82 RGE 11 W4M S/2 17, NE/4
ACTIVE	0594070213	**Ext:** 8 (1)(H)	153.600	CHAIR	20.00000000	17
	CONNACHER	**Ext:** Dec 31, 2099				
100.00000000	CONNACHER			Total Rental: 672.00		ALL PNG FROM TOP SURFACE TO
						BASE MCMURRAY

Status		Hectares	Net		Hectares	Net

CONNACHER OIL AND GAS LIMITED
Mineral Property Report

Category: MINERAL

File Number / File Status / Mineral Int	Lse Type / Lessor Type / Int Type / Lse No/Name / Operator / Payor		Exposure / Gross / Net	Oper.Cont. ROFR / Doi Partner(s)	DOI Code *	*	Lease Description / Rights Held

(cont'd)

M-1250
Sub: A

Status		Hectares	Net		Hectares	Net
NON PRODUCING	**Prod:**	0.000	0.000	**NProd:**	192.000	153.600
UNDEVELOPED	**Dev:**	0.000	0.000	**Undev:**	192.000	153.600
	Prov:	0.000	0.000	**NProv:**	0.000	0.000

M-1250	PNG CR	**Eff:** Jul 07, 1994	64.000		WI	Area : DIVIDE-PNG
Sub: B	WI	**Exp:** Jul 06, 1999	64.000	CONNACHER	85.00000000	TWP 82 RGE 11 W4M NW/4 17
ACTIVE	0594070213	**Ext:** 8 (1)(H)	54.400	CHAIR	15.00000000	ALL PNG FROM TOP SURFACE TO
	CONNACHER	**Ext:** Dec 31, 2099				BASE MCMURRAY
100.00000000	CONNACHER			Total Rental: 224.00		

Status		Hectares	Net		Hectares	Net
	Prod:	0.000	0.000	**NProd:**	0.000	0.000
UNDEVELOPED	**Dev:**	0.000	0.000	**Undev:**	64.000	54.400
	Prov:	0.000	0.000	**NProv:**	0.000	0.000

M-1251	PNG LIC CR	**Eff:** Aug 08, 1996	512.000	C-0543 A Yes	WI	Area : DIVIDE-PNG
Sub: A	WI	**Exp:** Aug 07, 2000	512.000	CONNACHER	80.00000000	TWP 82 RGE 12 W4M SEC 31
ACTIVE	5496080043	**Ext:** 8 (1)(H)	409.600	CHAIR	20.00000000	TWP 83 RGE 12 W4M SEC 5
	CONNACHER	**Ext:** Dec 31, 2099				ALL PNG
100.00000000	CONNACHER			Total Rental: 1792.00		

Status		Hectares	Net		Hectares	Net
	Prod:	0.000	0.000	**NProd:**	0.000	0.000
UNDEVELOPED	**Dev:**	0.000	0.000	**Undev:**	512.000	409.600
	Prov:	0.000	0.000	**NProv:**	0.000	0.000

M-1251	PNG LIC CR	**Eff:** Aug 08, 1996	832.000	C-0534 A Unknown	WI	Area : DIVIDE-PNG

File Number / File Status / Mineral Int	Lse Type Lessor Type / Int Type / Lse No/Name / Operator / Payor		Exposure / Gross / Net	Oper.Cont. ROFR / Doi Partner(s)	DOI Code *	*	Lease Description / Rights Held

(cont'd)

M-1251
Sub: B | WI | **Exp:** Aug 07, 2000 | 832.000 | CONNACHER | 80.00000000 | TWP 82 RGE 12 W4M SW/4 32, N 32, S 33
ACTIVE | 5496080043 | **Ext:** 8 (1)(H) | 665.600 | CHAIR | 20.00000000 | TWP 83 RGE 12 W4M SEC 3, 4
CONNACHER | **Ext:** Dec 31, 2099 | ALL PNG
100.00000000 | CONNACHER | Total Rental: 2912.00 | (EXCL 2-4-83-12W4 WELL)

Status		Hectares	Net		Hectares	Net
	Prod:	0.000	0.000	**NProd:**	0.000	0.000
UNDEVELOPED	**Dev:**	0.000	0.000	**Undev:**	832.000	665.600
	Prov:	0.000	0.000	**NProv:**	0.000	0.000

M-1251	PNG LIC CR	**Eff:** Aug 08, 1996	192.000	C-0544 C No	WI	Area : DIVIDE-PNG
Sub: C	WI	**Exp:** Aug 07, 2000	192.000	CHAIR	15.00000000	TWP 82 RGE 12 W4M SE/4 32, N 33
ACTIVE	5496080043	**Ext:** 8 (1)(H)	163.200	CONNACHER	85.00000000	ALL PNG FROM TOP SURFACE TO
	CONNACHER	**Ext:** Dec 31, 2099				BASE MCMURRAY
100.00000000	CONNACHER			Total Rental: 672.00		

Status		Hectares	Net		Hectares	Net
	Prod:	0.000	0.000	**NProd:**	0.000	0.000
UNDEVELOPED	**Dev:**	0.000	0.000	**Undev:**	192.000	163.200
	Prov:	0.000	0.000	**NProv:**	0.000	0.000

M-1251	PNG LIC CR	**Eff:** Aug 08, 1996	0.000		WI	Area : DIVIDE-PNG
Sub: E	WI	**Exp:** Aug 07, 2000	0.000	CONNACHER	100.00000000	TWP 83 RGE 12 W4M LSD 02 SEC 4
ACTIVE	5496080043	**Ext:** 8 (1)(H)	0.000			2-4-83-12W4 WELL ONLY
	CONNACHER	**Ext:** Dec 31, 2099		Total Rental: 0.00		
100.00000000	CONNACHER	**Count Acreage =** No				

Status		Hectares	Net		Hectares	Net

CONNACHER OIL AND GAS LIMITED
Mineral Property Report

Category: MINERAL

File Number / File Status / Mineral Int	Lse Type / Lessor Type / Int Type / Lse No/Name / Operator / Payor		Exposure / Gross / Net	Oper.Cont. ROFR / Doi Partner(s)	DOI Code *	*	Lease Description / Rights Held

(cont'd)

M-1251
Sub: E

Status		Hectares	Net		Hectares	Net
	Prod:	0.000	0.000	**NProd:**	0.000	0.000
UNDEVELOPED	**Dev:**	0.000	0.000	**Undev:**	0.000	0.000
	Prov:	0.000	0.000	**NProv:**	0.000	0.000

M-1252	PNG LIC CR	**Eff:** Sep 21, 2000	768.000	C-0543 A Yes	WI	Area : DIVIDE-PNG
Sub: A	WI	**Exp:** Sep 20, 2004	768.000	CONNACHER	80.00000000	TWP 84 RGE 11 W4M SEC 4, 5, 8
ACTIVE	5400090112	**Ext:** 8 (1)(H)	614.400	CHAIR	20.00000000	ALL PNG
	CONNACHER	**Ext:** Dec 31, 2099				
100.00000000	CONNACHER			Total Rental: 2688.00		

Status		Hectares	Net		Hectares	Net
	Prod:	0.000	0.000	**NProd:**	0.000	0.000
DEVELOPED	**Dev:**	768.000	614.400	**Undev:**	0.000	0.000
	Prov:	0.000	0.000	**NProv:**	0.000	0.000

M-1253	PNG CR	**Eff:** Sep 24, 1991	256.000	C-0533 A No	WI	Area : DIVIDE-PNG
Sub: A	WI	**Exp:** Sep 23, 1996	256.000	CONNACHER	20.83125000	TWP 82 RGE 11 W4M SEC 25
ACTIVE	0591090325	**Ext:** 8 (1)(H)	53.328	CHAIR	12.49875000	ALL PNG FROM TOP SURFACE TO
	PERPETUAL	**Ext:** Dec 31, 2999		HARVEST	33.33000000	BASE MANNVILLE
100.00000000	PERPETUAL			PERPETUAL	33.34000000	
				Total Rental: 896.00		

Status		Hectares	Net		Hectares	Net
	Prod:	0.000	0.000	**NProd:**	0.000	0.000
DEVELOPED	**Dev:**	256.000	53.328	**Undev:**	0.000	0.000
	Prov:	0.000	0.000	**NProv:**	0.000	0.000

CONNACHER OIL AND GAS LIMITED
Mineral Property Report

Category: MINERAL

File Number / File Status / Mineral Int	Lse Type Lessor Type / Int Type / Lse No/Name / Operator / Payor		Exposure / Gross / Net	Oper.Cont. ROFR / Doi Partner(s) *	DOI Code *	Lease Description / Rights Held
M-1254	PNG LIC CR	**Eff:** Oct 30, 1997	1,280.000	C-0531 A Unknown	PAYOR	Area : DIVIDE-PNG
Sub: A	WI	**Exp:** Oct 29, 2002	1,280.000	CONNACHER	80.00000000	TWP 83 RGE 11 W4M SEC 19, 20,
ACTIVE	5497100219	**Ext:** 8 (1)(H)	1,024.000	CHAIR	20.00000000	21, 27, 28
	CONNACHER	**Ext:** Oct 29, 2025				ALL PNG
100.00000000	CONNACHER			Total Rental: 4480.00		

Status		Hectares	Net		Hectares	Net
	Prod:	0.000	0.000	**NProd:**	0.000	0.000
UNDEVELOPED	**Dev:**	0.000	0.000	**Undev:**	1,280.000	1,024.000
	Prov:	0.000	0.000	**NProv:**	0.000	0.000

File Number / File Status / Mineral Int	Lse Type Lessor Type / Int Type / Lse No/Name / Operator / Payor		Exposure / Gross / Net	Oper.Cont. ROFR / Doi Partner(s) *	DOI Code *	Lease Description / Rights Held
M-1255	PNG CR	**Eff:** Oct 05, 2000	512.000	C-0534 A Unknown	WI	Area : DIVIDE-PNG
Sub: A	WI	**Exp:** Oct 04, 2005	512.000	CONNACHER	80.00000000	TWP 84 RGE 11 W4M SEC 27, 34
ACTIVE	0500100232	**Ext:** 8 (1)(H)	409.600	CHAIR	20.00000000	ALL PNG
	CONNACHER	**Ext:** Oct 04, 2025				
100.00000000	CONNACHER			Total Rental: 1792.00		

Status		Hectares	Net		Hectares	Net
	Prod:	0.000	0.000	**NProd:**	0.000	0.000
UNDEVELOPED	**Dev:**	0.000	0.000	**Undev:**	512.000	409.600
	Prov:	0.000	0.000	**NProv:**	0.000	0.000

File Number / File Status / Mineral Int	Lse Type Lessor Type / Int Type / Lse No/Name / Operator / Payor		Exposure / Gross / Net	Oper.Cont. ROFR / Doi Partner(s) *	DOI Code *	Lease Description / Rights Held
M-1256	PNG CR	**Eff:** Oct 05, 2000	512.000	C-0534 A Unknown	WI	Area : DIVIDE-PNG
Sub: A	WI	**Exp:** Oct 04, 2005	512.000	CONNACHER	80.00000000	TWP 84 RGE 11 W4M SEC 26, 35
ACTIVE	0500100231	**Ext:** 8 (1)(H)	409.600	CHAIR	20.00000000	ALL PNG
	CONNACHER	**Ext:** Oct 05, 2025				
100.00000000	CONNACHER			Total Rental: 1792.00		

Status		Hectares	Net		Hectares	Net
	Prod:	0.000	0.000	**NProd:**	0.000	0.000

CONNACHER OIL AND GAS LIMITED
Mineral Property Report

File Number / File Status / Mineral Int	Lse Type / Int Type / Lse No/Name / Operator / Payor	Lessor Type		Exposure / Gross / Net	Oper.Cont. ROFR / Doi Partner(s)	*	DOI Code *		Lease Description / Rights Held
(cont'd)									
M-1256									
Sub: A	UNDEVELOPED		Dev:	0.000	0.000	Undev:	512.000	409.600	
			Prov:	0.000	0.000	NProv:	0.000	0.000	
M-1257	PNG	CR	Eff: Oct 19, 2000	256.000			WI		Area : DIVIDE-PNG
Sub: A	WI		Exp: Oct 18, 2005	256.000	CONNACHER		80.00000000		TWP 83 RGE 11 W4M SEC 34
ACTIVE	0500100507		Ext: 8 (1)(H)	204.800	CHAIR		20.00000000		ALL PNG
	CONNACHER		Ext: Oct 19, 2025						
100.00000000	CONNACHER				Total Rental:	896.00			
	Status			Hectares	Net		Hectares	Net	
			Prod:	0.000	0.000	NProd:	0.000	0.000	
	DEVELOPED		Dev:	256.000	204.800	Undev:	0.000	0.000	
			Prov:	0.000	0.000	NProv:	0.000	0.000	
M-1258	PNG	CR	Eff: Oct 29, 1996	768.000			WI		Area : DIVIDE-PNG
Sub: A	WI		Exp: Oct 28, 2001	768.000	CONNACHER		80.00000000		TWP 81 RGE 12 W4M SEC 2, 3, 4
ACTIVE	0596100907		Ext: 8 (1)(H)	614.400	CHAIR		20.00000000		ALL PNG FROM TOP SURFACE TO
	CONNACHER		Ext: Oct 28, 2025						BASE MCMURRAY
100.00000000	CONNACHER				Total Rental:	2688.00			
	Status			Hectares	Net		Hectares	Net	
			Prod:	0.000	0.000	NProd:	0.000	0.000	
	UNDEVELOPED		Dev:	0.000	0.000	Undev:	768.000	614.400	
			Prov:	0.000	0.000	NProv:	0.000	0.000	
M-1258	PNG	CR	Eff: Oct 29, 1996	768.000			WI		Area : DIVIDE-PNG
Sub: B	NI		Exp: Oct 28, 2001	768.000	CONNACHER		100.00000000		TWP 81 RGE 12 W4M SEC 2, 3, 4

File Number / File Status / Mineral Int	Lse Type Lessor Type / Int Type / Lse No/Name / Operator / Payor		Exposure / Gross / Net	Oper.Cont. ROFR / Doi Partner(s)	DOI Code * *	Lease Description / Rights Held

(cont'd)

M-1258
Sub: B

ACTIVE	0596100907	Ext: 8 (1)(H)	768.000			ALL PNG BELOW BASE MCMURRAY
	CONNACHER	Ext: Oct 28, 2025		Total Rental: 0.00		
100.00000000	CONNACHER	Count Acreage = No				

Status		Hectares	Net		Hectares	Net
	Prod:	0.000	0.000	NProd:	0.000	0.000
UNDEVELOPED	Dev:	0.000	0.000	Undev:	768.000	768.000
	Prov:	0.000	0.000	NProv:	0.000	0.000

M-1259	PNG CR	Eff: Oct 26, 1995	256.000		WI		Area : DIVIDE-PNG
Sub: A	WI	Exp: Oct 25, 2000	256.000	CONNACHER	80.00000000		TWP 81 RGE 11 W4M SEC 29
ACTIVE	0595100512	Ext: 8 (1)(H)	204.800	CHAIR	20.00000000		ALL PNG FROM TOP SURFACE TO
	CONNACHER	Ext: Oct 25, 2025					BASE MCMURRAY
100.00000000	CONNACHER			Total Rental: 896.00			

Status		Hectares	Net		Hectares	Net
	Prod:	0.000	0.000	NProd:	0.000	0.000
UNDEVELOPED	Dev:	0.000	0.000	Undev:	256.000	204.800
	Prov:	0.000	0.000	NProv:	0.000	0.000

M-1260	PNG CR	Eff: Oct 26, 1995	128.000		WI		Area : DIVIDE-PNG
Sub: A	WI	Exp: Oct 25, 2000	128.000	CHAIR	15.00000000		TWP 82 RGE 11 W4M S/2 5
ACTIVE	0595100513	Ext: 8 (1)(H)	108.800	CONNACHER	85.00000000		ALL PNG FROM TOP SURFACE TO
	CONNACHER	Ext: Oct 25, 2025					BASE MCMURRAY
100.00000000	CONNACHER			Total Rental: 448.00			

Status		Hectares	Net		Hectares	Net

CONNACHER OIL AND GAS LIMITED
Mineral Property Report

Category: MINERAL

File Number / File Status / Mineral Int	Lse Type / Int Type / Lse No/Name / Operator / Payor	Lessor Type		Exposure / Gross / Net	Oper.Cont. / Doi Partner(s)	ROFR	DOI Code *	*	Lease Description / Rights Held

(cont'd)

M-1260
Sub: A

Status		Hectares	Net		Hectares	Net
	Prod:	0.000	0.000	**NProd:**	0.000	0.000
UNDEVELOPED	**Dev:**	0.000	0.000	**Undev:**	128.000	108.800
	Prov:	0.000	0.000	**NProv:**	0.000	0.000

M-1260 PNG CR **Eff:** Oct 26, 1995 256.000 WI Area : DIVIDE-PNG
Sub: B NI **Exp:** Oct 25, 2000 256.000 HUSKY 100.00000000 TWP 82 RGE 11 W4M SEC 5
ACTIVE 0595100513 **Ext:** 8 (1)(H) 0.000 ALL PNG BELOW BASE MCMURRAY
HUSKY **Ext:** Oct 25, 2025 Total Rental: 0.00
100.00000000 CONNACHER **Count Acreage =** No

Status		Hectares	Net		Hectares	Net
	Prod:	0.000	0.000	**NProd:**	0.000	0.000
UNDEVELOPED	**Dev:**	0.000	0.000	**Undev:**	256.000	0.000
	Prov:	0.000	0.000	**NProv:**	0.000	0.000

M-1260 PNG CR **Eff:** Oct 26, 1995 128.000 WI Area : DIVIDE-PNG
Sub: C WI **Exp:** Oct 25, 2000 128.000 CONNACHER 80.00000000 TWP 82 RGE 11 W4M N/2 5
ACTIVE 0595100513 **Ext:** 96 102.400 CHAIR 20.00000000 ALL PNG FROM TOP SURFACE TO BASE MCMURRAY
CONNACHER **Ext:** Oct 25, 2025
100.00000000 CONNACHER Total Rental: 448.00

Status		Hectares	Net		Hectares	Net
	Prod:	0.000	0.000	**NProd:**	0.000	0.000
UNDEVELOPED	**Dev:**	0.000	0.000	**Undev:**	128.000	102.400
	Prov:	0.000	0.000	**NProv:**	0.000	0.000

M-1261 PNG LIC CR **Eff:** Nov 26, 1997 768.000 WI Area : DIVIDE-PNG

CONNACHER OIL AND GAS LIMITED
Mineral Property Report

File Number / File Status / Mineral Int	Lse Type / Lessor Type / Int Type / Lse No/Name / Operator / Payor		Exposure / Gross / Net	Oper.Cont. ROFR / Doi Partner(s) *	DOI Code *	Lease Description / Rights Held

(cont'd)

M-1261						
Sub: A	WI	**Exp:** Nov 25, 2002	768.000	CONNACHER	80.00000000	TWP 83 RGE 11 W4M SEC 30, 31, 32
ACTIVE	5497110093	**Ext:** 8 (1)(H)	614.400	CHAIR	20.00000000	ALL PNG
	CONNACHER	**Ext:** Nov 27, 2010				
100.00000000	CONNACHER			Total Rental: 2688.00		

Status		Hectares	Net		Hectares	Net
	Prod:	0.000	0.000	**NProd:**	0.000	0.000
UNDEVELOPED	**Dev:**	0.000	0.000	**Undev:**	768.000	614.400
	Prov:	0.000	0.000	**NProv:**	0.000	0.000

M-1261	PNG LIC CR	**Eff:** Nov 26, 1997	512.000		WI	Area : DIVIDE-PNG
Sub: B	WI	**Exp:** Nov 25, 2002	512.000	CONNACHER	80.00000000	TWP 83 RGE 11 W4M SEC 29, 33
ACTIVE	5497110093	**Ext:** 8 (1)(H)	409.600	CHAIR	20.00000000	ALL PNG
	CONNACHER	**Ext:** Nov 27, 2010				
100.00000000	CONNACHER			Total Rental: 1792.00		

Status		Hectares	Net		Hectares	Net
	Prod:	0.000	0.000	**NProd:**	0.000	0.000
DEVELOPED	**Dev:**	512.000	409.600	**Undev:**	0.000	0.000
	Prov:	0.000	0.000	**NProv:**	0.000	0.000

M-1262	PNG LIC CR	**Eff:** Nov 27, 1997	256.000		WI	Area : DIVIDE-PNG
Sub: A	WRI	**Exp:** Nov 26, 2002	256.000	CONNACHER	80.00000000	TWP 83 RGE 11 W4M SEC 25
ACTIVE	5497110092	**Ext:** 8 (1)(H)	204.800	CHAIR	20.00000000	ALL PNG FROM TOP SURFACE TO
	CONNACHER	**Ext:** Nov 26, 2025				BASE MCMURRAY
100.00000000	CONNACHER			Total Rental: 896.00		

Status		Hectares	Net		Hectares	Net

File Number / File Status / Mineral Int	Lse Type Lessor Type / Int Type / Lse No/Name / Operator / Payor			Exposure / Gross / Net	Oper.Cont. ROFR / Doi Partner(s)	*	DOI Code	*	Lease Description / Rights Held
(cont'd)									
M-1262									
Sub: A		Prod:		0.000	0.000	NProd:	0.000	0.000	
	UNDEVELOPED	Dev:		0.000	0.000	Undev:	256.000	204.800	
		Prov:		0.000	0.000	NProv:	0.000	0.000	

File Number / File Status / Mineral Int	Lse Type Lessor Type / Int Type / Lse No/Name / Operator / Payor			Exposure / Gross / Net	Oper.Cont. ROFR / Doi Partner(s)		DOI Code		Lease Description / Rights Held
M-1262	PNG LIC CR	Eff:	Nov 27, 1997	256.000			WI		Area : DIVIDE-PNG
Sub: B	WRI	Exp:	Nov 26, 2002	256.000	CONNACHER		80.00000000		TWP 83 RGE 11 W4M SEC 23
ACTIVE	5497110092	Ext:	8 (1)(H)	204.800	CHAIR		20.00000000		ALL PNG FROM TOP SURFACE TO
	CONNACHER	Ext:	Nov 26, 2025						BASE MCMURRAY
100.00000000	CONNACHER				Total Rental:	896.00			
	Status			Hectares	Net		Hectares	Net	
		Prod:		0.000	0.000	NProd:	0.000	0.000	
	DEVELOPED	Dev:		256.000	204.800	Undev:	0.000	0.000	
		Prov:		0.000	0.000	NProv:	0.000	0.000	

File Number / File Status / Mineral Int	Lse Type Lessor Type / Int Type / Lse No/Name / Operator / Payor			Exposure / Gross / Net	Oper.Cont. ROFR / Doi Partner(s)		DOI Code		Lease Description / Rights Held
M-1262	PNG LIC CR	Eff:	Nov 27, 1997	768.000			WI		Area : DIVIDE-PNG
Sub: C	WRI	Exp:	Nov 26, 2002	768.000	CONNACHER		80.00000000		TWP 83 RGE 11 W4M SEC 22. 24, 26
ACTIVE	5497110092	Ext:	8 (1)(H)	614.400	CHAIR		20.00000000		ALL PNG FROM TOP SURFAEC TO
	CONNACHER	Ext:	Nov 26, 2025						BASE MCMURRAY
100.00000000	CONNACHER				Total Rental:	2688.00			
	Status			Hectares	Net		Hectares	Net	
		Prod:		0.000	0.000	NProd:	0.000	0.000	
	UNDEVELOPED	Dev:		0.000	0.000	Undev:	768.000	614.400	
		Prov:		0.000	0.000	NProv:	0.000	0.000	

File Number	Lse Type Lessor Type			Exposure			DOI Code		Lease Description / Rights Held
M-1262	PNG LIC CR	Eff:	Nov 27, 1997	1,280.000			WI		Area : DIVIDE-PNG

File Number File Status Mineral Int	Lse Type Lessor Type Int Type / Lse No/Name Operator / Payor		Exposure Gross Net	Oper.Cont. ROFR Doi Partner(s) *	DOI Code *	Lease Description / Rights Held

(cont'd)

M-1262						
Sub: D	WI	**Exp:** Nov 26, 2002	1,280.000	CHAIR	14.40000000	TWP 83 RGE 11 W4M SEC 22, 23,
ACTIVE	5497110092	**Ext:** 8 (1)(H)	737.280	GROSMO	2.00000000	24, 25, 26
	CONNACHER	**Ext:** Nov 26, 2025		FIRENZE	26.00000000	PNG BELOW BASE MCMURRAY
100.00000000	CONNACHER	**Count Acreage =** No		CONNACHER	57.60000000	

Total Rental: 0.00

Status		Hectares	Net		Hectares	Net
	Prod:	0.000	0.000	**NProd:**	0.000	0.000
UNDEVELOPED	**Dev:**	0.000	0.000	**Undev:**	1,280.000	737.280
	Prov:	0.000	0.000	**NProv:**	0.000	0.000

M-1263	PNG LIC CR	**Eff:** Nov 23, 1995	256.000		WI	Area : DIVIDE-PNG
Sub: A	WI	**Exp:** Nov 22, 2000	256.000	CONNACHER	80.00000000	TWP 83 RGE 10 W4M SEC 28
ACTIVE	5495110130	**Ext:** 8 (1)(H)	204.800	CHAIR	20.00000000	ALL PNG
	CONNACHER	**Ext:** Nov 22, 2025				
100.00000000	CONNACHER			Total Rental: 896.00		

Status		Hectares	Net		Hectares	Net
	Prod:	0.000	0.000	**NProd:**	0.000	0.000
UNDEVELOPED	**Dev:**	0.000	0.000	**Undev:**	256.000	204.800
	Prov:	0.000	0.000	**NProv:**	0.000	0.000

M-1263	PNG LIC CR	**Eff:** Nov 23, 1995	2,304.000		WI	Area : DIVIDE-PNG
Sub: B	WI	**Exp:** Nov 22, 2000	2,304.000	CONNACHER	80.00000000	TWP 83 RGE 10 W4M SEC 3, 4, 9,
ACTIVE	5495110130	**Ext:** 8 (1)(H)	1,843.200	CHAIR	20.00000000	10, 15, 16, 21, 22, 27
	CONNACHER	**Ext:** Nov 22, 2025				ALL PNG
100.00000000	CONNACHER			Total Rental: 8064.00		

CONNACHER OIL AND GAS LIMITED
Mineral Property Report

File Number / File Status / Mineral Int	Lse Type Lessor Type / Int Type / Lse No/Name / Operator / Payor			Exposure / Gross / Net	Oper.Cont. ROFR / Doi Partner(s) *	DOI Code *	Lease Description / Rights Held

(cont'd)

M-1263
Sub: B

Status		Hectares	Net		Hectares	Net
	Prod:	0.000	0.000	**NProd:**	0.000	0.000
UNDEVELOPED	**Dev:**	0.000	0.000	**Undev:**	2,304.000	1,843.200
	Prov:	0.000	0.000	**NProv:**	0.000	0.000

M-1264	PNG LIC CR	**Eff:**	Nov 23, 1995	256.000		WI	Area : DIVIDE-PNG
Sub: A	WI	**Exp:**	Nov 22, 1999	256.000	CONNACHER	80.00000000	TWP 83 RGE 10 W4M SEC 17
ACTIVE	5495110131	**Ext:**	8 (1)(H)	204.800	CHAIR	20.00000000	ALL PNG
	CONNACHER	**Ext:**	Nov 22, 2025				
100.00000000	RIFE				Total Rental: 896.00		

Status		Hectares	Net		Hectares	Net
	Prod:	0.000	0.000	**NProd:**	0.000	0.000
DEVELOPED	**Dev:**	256.000	204.800	**Undev:**	0.000	0.000
	Prov:	0.000	0.000	**NProv:**	0.000	0.000

M-1264	PNG LIC CR	**Eff:**	Nov 23, 1995	2,048.000		WI	Area : DIVIDE-PNG
Sub: B	WI	**Exp:**	Nov 22, 1999	2,048.000	CONNACHER	80.00000000	TWP 83 RGE 10 W4M SEC 5, 6, 7,
ACTIVE	5495110131	**Ext:**	8 (1)(H)	1,638.400	CHAIR	20.00000000	18, 19, 20, 29, 30
	CONNACHER	**Ext:**	Nov 22, 2025				ALL PNG
100.00000000	RIFE				Total Rental: 7168.00		

Status		Hectares	Net		Hectares	Net
	Prod:	0.000	0.000	**NProd:**	0.000	0.000
UNDEVELOPED	**Dev:**	0.000	0.000	**Undev:**	2,048.000	1,638.400
	Prov:	0.000	0.000	**NProv:**	0.000	0.000

CONNACHER OIL AND GAS LIMITED
Mineral Property Report

Category: MINERAL

File Number / File Status / Mineral Int	Lse Type Lessor Type / Int Type / Lse No/Name / Operator / Payor		Exposure / Gross / Net	Oper.Cont. ROFR / Doi Partner(s)	*	DOI Code	*	Lease Description / Rights Held
M-1265	PNG LIC CR	Eff: Nov 27, 1997	768.000			WI		Area : DIVIDE-PNG
Sub: A	WI	Exp: Nov 26, 2002	768.000	CONNACHER		80.00000000		TWP 83 RGE 11 W4M SEC 1, 12, 13
ACTIVE	5497110091	Ext: 8 (1)(H)	614.400	CHAIR		20.00000000		PNG FROM TOP SURFACE TO BASE
	CONNACHER	Ext: Nov 26, 2025						MCMURRAY
100.00000000	CONNACHER			Total Rental: 1344.00				

Status		Hectares	Net		Hectares	Net
	Prod:	0.000	0.000	NProd:	0.000	0.000
UNDEVELOPED	Dev:	0.000	0.000	Undev:	768.000	614.400
	Prov:	0.000	0.000	NProv:	0.000	0.000

File Number / File Status / Mineral Int	Lse Type Lessor Type / Int Type / Lse No/Name / Operator / Payor		Exposure / Gross / Net	Oper.Cont. ROFR / Doi Partner(s)	*	DOI Code	*	Lease Description / Rights Held
M-1265	PNG LIC CR	Eff: Nov 27, 1997	768.000			WI		Area : DIVIDE-PNG
Sub: B	NI	Exp: Nov 26, 2002	768.000	HUSKY	*	100.00000000		TWP 83 RGE 11 W4M SEC 1, 12, 13
ACTIVE	5497110091	Ext: 8 (1)(H)	0.000					PNG BELOW BASE MCMURRAY
	CONNACHER	Ext: Nov 26, 2025		Total Rental: 1344.00				
100.00000000	CONNACHER	Count Acreage = No						

Status		Hectares	Net		Hectares	Net
	Prod:	0.000	0.000	NProd:	0.000	0.000
UNDEVELOPED	Dev:	0.000	0.000	Undev:	768.000	0.000
	Prov:	0.000	0.000	NProv:	0.000	0.000

File Number / File Status / Mineral Int	Lse Type Lessor Type / Int Type / Lse No/Name / Operator / Payor		Exposure / Gross / Net	Oper.Cont. ROFR / Doi Partner(s)	*	DOI Code	*	Lease Description / Rights Held
M-1266	PNG CR	Eff: Nov 01, 1994	0.000			WI		Area : DIVIDE-PNG
Sub: A	WRI	Exp: Oct 31, 1999	0.000	CHAIR		15.00000000		TWP 82 RGE 11 W4M SW/4 3
ACTIVE	0549110285	Ext: 8 (1)(H)	0.000	CONNACHER		85.00000000		ALL PNG FROM TOP SURFACE TO
	CONNACHER	Ext: Oct 30, 2025						BASE MCMURRAY
100.00000000	CONNACHER	Count Acreage = No		Total Rental: 224.00				

Status		Hectares	Net		Hectares	Net
	Prod:	0.000	0.000	NProd:	0.000	0.000

CONNACHER OIL AND GAS LIMITED
Mineral Property Report

Category: MINERAL

File Number / File Status / Mineral Int	Lse Type / Lessor Type / Int Type / Lse No/Name / Operator / Payor			Exposure / Gross / Net	Oper.Cont. ROFR / Doi Partner(s)		DOI Code *	*	Lease Description / Rights Held
(cont'd)									
M-1266									
Sub: A			**Dev:**	0.000	0.000	**Undev:**	0.000	0.000	
			Prov:	0.000	0.000	**NProv:**	0.000	0.000	

M-1266	PNG	CR	**Eff:** Nov 01, 1994	64.000			WI		Area : DIVIDE-PNG
Sub: B	WI		**Exp:** Oct 31, 1999	64.000	CONNACHER		80.00000000		TWP 82 RGE 11 W4M SW/4 3
ACTIVE	0549110285		**Ext:** 8 (1)(H)	51.200	CHAIR		20.00000000		PNG BELOW BASE MCMURRAY
	CONNACHER		**Ext:** Oct 30, 2025						
100.00000000	CONNACHER				Total Rental:	0.00			
	Status			**Hectares**	**Net**		**Hectares**	**Net**	
			Prod:	0.000	0.000	**NProd:**	0.000	0.000	
	UNDEVELOPED		**Dev:**	0.000	0.000	**Undev:**	64.000	51.200	
			Prov:	0.000	0.000	**NProv:**	0.000	0.000	

M-1266	PNG	CR	**Eff:** Nov 01, 1994	192.000			WI		Area : DIVIDE-PNG
Sub: C	WI		**Exp:** Oct 31, 1999	192.000	CONNACHER		80.00000000		TWP 82 RGE 11 W4M SE/4, N/2 3
ACTIVE	0549110285		**Ext:** 8 (1)(H)	153.600	CHAIR		20.00000000		ALL PNG
	CONNACHER		**Ext:** Oct 30, 2025						
100.00000000	CONNACHER				Total Rental:	672.00			
	Status			**Hectares**	**Net**		**Hectares**	**Net**	
			Prod:	0.000	0.000	**NProd:**	0.000	0.000	
	UNDEVELOPED		**Dev:**	0.000	0.000	**Undev:**	192.000	153.600	
			Prov:	0.000	0.000	**NProv:**	0.000	0.000	

M-1267	PNG	CR	**Eff:** Nov 01, 1994	256.000			WI		Area : DIVIDE-PNG
Sub: A	WI		**Exp:** Oct 31, 1999	256.000	CONNACHER		80.00000000		TWP 82 RGE 11 W4M SEC 4

CONNACHER OIL AND GAS LIMITED
Mineral Property Report

Category: MINERAL

File Number / File Status / Mineral Int	Lse Type / Lessor Type / Int Type / Lse No/Name / Operator / Payor		Exposure / Gross / Net	Oper.Cont. ROFR / Doi Partner(s) *	DOI Code *	Lease Description / Rights Held
(cont'd)						
M-1267						
Sub: A						
ACTIVE	0594110286	Ext: 8 (1)(H)	204.800	CHAIR	20.00000000	ALL PNG FROM TOP SURFACE TO
	CONNACHER	Ext: Oct 31, 2025				BASE MCMURRAY
100.00000000	CONNACHER			Total Rental: 896.00		

Status		Hectares	Net		Hectares	Net
	Prod:	0.000	0.000	NProd:	0.000	0.000
DEVELOPED	Dev:	256.000	204.800	Undev:	0.000	0.000
	Prov:	0.000	0.000	NProv:	0.000	0.000

M-1267	PNG CR	Eff: Nov 01, 1994	256.000		WI	Area : DIVIDE-PNG
Sub: B	WI	Exp: Oct 31, 1999	256.000	CONNACHER	80.00000000	TWP 82 RGE 11 W4M SEC 4
ACTIVE	0594110286	Ext: 8 (1)(H)	204.800	CHAIR	20.00000000	ALL PNG BELOW BASE MCMURRAY
	CONNACHER	Ext: Oct 31, 2025				
100.00000000	CONNACHER	Count Acreage = No		Total Rental: 0.00		

Status		Hectares	Net		Hectares	Net
	Prod:	0.000	0.000	NProd:	0.000	0.000
	Dev:	0.000	0.000	Undev:	0.000	0.000
	Prov:	0.000	0.000	NProv:	0.000	0.000

M-1268	PNG CR	Eff: Nov 01, 1994	256.000		WI	Area : DIVIDE-PNG
Sub: A	WI	Exp: Oct 31, 1999	256.000	CONNACHER	80.00000000	TWP 109 RGE 5 W6M SE/4 23
ACTIVE	0594110287	Ext: 8 (1)(H)	204.800	CHAIR	20.00000000	PNG TO BASE KEG RIVER
	CONNACHER	Ext: Dec 31, 2099				
100.00000000	CONNACHER			Total Rental: 896.00		

Status		Hectares	Net		Hectares	Net

File Number / File Status / Mineral Int	Lse Type / Lessor Type / Int Type / Lse No/Name / Operator / Payor		Exposure / Gross / Net	Oper.Cont. ROFR / Doi Partner(s)	DOI Code *	*	Lease Description / Rights Held
(cont'd)							

M-1268
Sub: A

Status		Hectares	Net		Hectares	Net
	Prod:	0.000	0.000	**NProd:**	0.000	0.000
DEVELOPED	**Dev:**	64.000	51.200	**Undev:**	192.000	153.600
	Prov:	0.000	0.000	**NProv:**	0.000	0.000

M-1269	PNG CR	**Eff:** Nov 01, 1994	256.000		WI	Area : DIVIDE-PNG
Sub: A	WI	**Exp:** Oct 31, 1999	256.000	CONNACHER	80.00000000	TWP 82 RGE 11 W4M SEC 10
ACTIVE	0594110288	**Ext:** 8 (1)(H)	204.800	CHAIR	20.00000000	ALL PNG
	CONNACHER	**Ext:** Oct 31, 2025				
100.00000000	CONNACHER			Total Rental: 896.00		

Status		Hectares	Net		Hectares	Net
	Prod:	0.000	0.000	**NProd:**	0.000	0.000
UNDEVELOPED	**Dev:**	0.000	0.000	**Undev:**	256.000	204.800
	Prov:	0.000	0.000	**NProv:**	0.000	0.000

M-1270	PNG CR	**Eff:** Nov 01, 1994	256.000		WI	Area : DIVIDE-PNG
Sub: A	WI	**Exp:** Oct 31, 1999	256.000	CONNACHER	80.00000000	TWP 82 RGE 11 W4M SEC 11
ACTIVE	0594110289	**Ext:** 8 (1)(H)	204.800	CHAIR	20.00000000	ALL PNG
	CONNACHER	**Ext:** Oct 31, 2025				
100.00000000	CONNACHER			Total Rental: 896.00		

Status		Hectares	Net		Hectares	Net
	Prod:	0.000	0.000	**NProd:**	0.000	0.000
UNDEVELOPED	**Dev:**	0.000	0.000	**Undev:**	256.000	204.800
	Prov:	0.000	0.000	**NProv:**	0.000	0.000

M-1271	PNG CR	**Eff:** Nov 09, 1995	256.000		WI	Area : DIVIDE-PNG

File Number / File Status / Mineral Int	Lse Type / Lessor Type / Int Type / Lse No/Name / Operator / Payor		Exposure / Gross / Net	Oper.Cont. ROFR / Doi Partner(s) *	DOI Code *	Lease Description / Rights Held

(cont'd)

M-1271						
Sub: A	WI	**Exp:** Nov 08, 2000	256.000	CONNACHER	80.00000000	TWP 81 RGE 11 W4M SEC 15
ACTIVE	0595110168	**Ext:** 8 (1)(H)	204.800	CHAIR	20.00000000	ALL PNG
	CONNACHER	**Ext:** Nov 08, 2025				
100.00000000	CONNACHER			Total Rental: 896.00		

Status		**Hectares**	**Net**		**Hectares**	**Net**
	Prod:	0.000	0.000	**NProd:**	0.000	0.000
UNDEVELOPED	**Dev:**	0.000	0.000	**Undev:**	256.000	204.800
	Prov:	0.000	0.000	**NProv:**	0.000	0.000

M-1273	PNG CR	**Eff:** Nov 23, 1995	256.000		WI	Area : DIVIDE-PNG
Sub: A	WI	**Exp:** Nov 22, 2000	256.000	CONNACHER	80.00000000	TWP 82 RGE 11 W4M SEC 16
ACTIVE	0595110374	**Ext:** 8 (1)(H)	204.800	CHAIR	20.00000000	ALL PNG
	CONNACHER	**Ext:** Nov 22, 2025				
100.00000000	CONNACHER			Total Rental: 896.00		

Status		**Hectares**	**Net**		**Hectares**	**Net**
	Prod:	0.000	0.000	**NProd:**	0.000	0.000
DEVELOPED	**Dev:**	256.000	204.800	**Undev:**	0.000	0.000
	Prov:	0.000	0.000	**NProv:**	0.000	0.000

M-1274	PNG LIC CR	**Eff:** Jan 11, 2001	1,280.000		WI	Area : DIVIDE-PNG
Sub: A	WI	**Exp:** Jan 10, 2005	1,280.000	CONNACHER	80.00000000	TWP 85 RGE 10 W4M SEC 6, 7, 8
ACTIVE	5401010084	**Ext:** 8 (1)(H)	1,024.000	CHAIR	20.00000000	TWP 85 RGE 11 W4M SEC 1, 12
	CONNACHER	**Ext:** Dec 31, 2099				ALL PNG
100.00000000	CONNACHER			Total Rental: 4480.00		

Status	**Hectares**	**Net**	**Hectares**	**Net**

File Number / File Status / Mineral Int	Lse Type / Lessor Type / Int Type / Lse No/Name / Operator / Payor			Exposure / Gross / Net	Oper.Cont. ROFR / Doi Partner(s)	*	DOI Code	*	Lease Description / Rights Held

(cont'd)

M-1274
Sub: A

	Status		Hectares	Net		Hectares	Net
		Prod:	0.000	0.000	**NProd:**	0.000	0.000
	UNDEVELOPED	**Dev:**	0.000	0.000	**Undev:**	1,280.000	1,024.000
		Prov:	0.000	0.000	**NProv:**	0.000	0.000

M-1275	PNG LIC CR	**Eff:** Jan 11, 2001	1,024.000		WI	Area : DIVIDE-PNG
Sub: A	WI	**Exp:** Jan 10, 2005	1,024.000	CONNACHER	80.00000000	TWP 85 RGE 10 W4M SEC 16, 17,
ACTIVE	5401010085	**Ext:** 8 (1)(H)	819.200	CHAIR	20.00000000	22, 23
	CONNACHER	**Ext:** Dec 31, 2099				ALL PNG
100.00000000	CONNACHER			Total Rental: 3584.00		

Status		Hectares	Net		Hectares	Net
	Prod:	0.000	0.000	**NProd:**	0.000	0.000
UNDEVELOPED	**Dev:**	0.000	0.000	**Undev:**	1,024.000	819.200
	Prov:	0.000	0.000	**NProv:**	0.000	0.000

M-1275	PNG LIC CR	**Eff:** Jan 11, 2001	192.000		WI	Area : DIVIDE-PNG
Sub: B	WI	**Exp:** Jan 10, 2005	192.000	CONNACHER	80.00000000	TWP 85 RGE 10 W4M SE/4 15, N/2
ACTIVE	5401010085	**Ext:** 8 (1)(H)	153.600	CHAIR	20.00000000	15
	CONNACHER	**Ext:** Dec 31, 2099				ALL PNG
100.00000000	CONNACHER			Total Rental: 672.00		

Status		Hectares	Net		Hectares	Net
	Prod:	0.000	0.000	**NProd:**	0.000	0.000
UNDEVELOPED	**Dev:**	0.000	0.000	**Undev:**	192.000	153.600
	Prov:	0.000	0.000	**NProv:**	0.000	0.000

M-1275	PNG LIC CR	**Eff:** Jan 11, 2001	64.000		WI	Area : DIVIDE-PNG

CONNACHER OIL AND GAS LIMITED
Mineral Property Report

File Number / File Status / Mineral Int	Lse Type / Int Type / Lse No/Name / Operator / Payor	Lessor Type		Exposure / Gross / Net	Oper.Cont. ROFR / Doi Partner(s) *	DOI Code *	Lease Description / Rights Held

(cont'd)

M-1275							
Sub: C	WI	**Exp:**	Jan 10, 2005	64.000	CONNACHER	80.00000000	TWP 85 RGE 10 W4M SW/4 15
ACTIVE	5401010085	**Ext:**	8 (1)(H)	51.200	CHAIR	20.00000000	ALL PNG
	CONNACHER	**Ext:**	Dec 31, 2099				
100.00000000	CONNACHER				Total Rental: 224.00		

Status		Hectares	Net		Hectares	Net
	Prod:	0.000	0.000	**NProd:**	0.000	0.000
DEVELOPED	**Dev:**	64.000	51.200	**Undev:**	0.000	0.000
	Prov:	0.000	0.000	**NProv:**	0.000	0.000

M-1276	PNG CR	**Eff:**	Jan 18, 1996	256.000		WI	Area : DIVIDE-PNG
Sub: A	WI	**Exp:**	Jan 17, 2001	256.000	CONNACHER	80.00000000	TWP 84 RGE 11 W4M SEC 9
ACTIVE	0596010460	**Ext:**	8 (1)(H)	204.800	CHAIR	20.00000000	ALL PNG FROM TOP SURFACE TO
	CONNACHER	**Ext:**	Dec 31, 2999				BASE MANNVILLE
100.00000000	CONNACHER				Total Rental: 896.00		

Status		Hectares	Net		Hectares	Net
	Prod:	0.000	0.000	**NProd:**	0.000	0.000
DEVELOPED	**Dev:**	256.000	204.800	**Undev:**	0.000	0.000
	Prov:	0.000	0.000	**NProv:**	0.000	0.000

M-1277	PNG LIC CR	**Eff:**	Feb 01, 2000	512.000		WI	Area : DIVIDE-PNG
Sub: A	WI	**Exp:**	Jan 31, 2005	512.000	CONNACHER	80.00000000	TWP 82 RGE 12 W4M SEC 27, 28
ACTIVE	5496020050	**Ext:**	8 (1)(H)	409.600	CHAIR	20.00000000	ALL PNG
	CONNACHER	**Ext:**	Jan 31, 2025				
100.00000000	RIFE				Total Rental: 1792.00		

Status	Hectares	Net	Hectares	Net

CONNACHER OIL AND GAS LIMITED
Mineral Property Report

Category: MINERAL

File Number / File Status / Mineral Int	Lse Type / Lessor Type / Int Type / Lse No/Name / Operator / Payor		Exposure / Gross / Net	Oper.Cont. ROFR / Doi Partner(s)	DOI Code * *	Lease Description / Rights Held

(cont'd)

M-1277
Sub: A

Status		Hectares	Net		Hectares	Net
	Prod:	0.000	0.000	**NProd:**	0.000	0.000
DEVELOPED	**Dev:**	512.000	409.600	**Undev:**	0.000	0.000
	Prov:	0.000	0.000	**NProv:**	0.000	0.000

M-1277	PNG LIC CR	**Eff:** Feb 01, 2000	256.000		WI	Area : DIVIDE-PNG
Sub: B	WI	**Exp:** Jan 31, 2005	256.000	CONNACHER	80.00000000	TWP 82 RGE 12 W4M SEC 26
ACTIVE	5496020050	**Ext:** 8 (1)(H)	204.800	CHAIR	20.00000000	ALL PNG
	CONNACHER	**Ext:** Jan 31, 2025				
100.00000000	RIFE			Total Rental: 896.00		

Status		Hectares	Net		Hectares	Net
	Prod:	0.000	0.000	**NProd:**	0.000	0.000
DEVELOPED	**Dev:**	256.000	204.800	**Undev:**	0.000	0.000
	Prov:	0.000	0.000	**NProv:**	0.000	0.000

M-1277	PNG LIC CR	**Eff:** Feb 01, 2000	0.000		WI	Area : DIVIDE-PNG
Sub: C	WI	**Exp:** Jan 31, 2005	0.000	CHAIR	20.00000000	TWP 82 RGE 12 W4M SEC 22
ACTIVE	5496020050	**Ext:** 8 (1)(H)	0.000	CONNACHER	80.00000000	PNG BELOW BASE MCMURRAY
	CONNACHER	**Ext:** Jan 31, 2025				
100.00000000	RIFE	**Count Acreage =** No		Total Rental: 0.00		

Status		Hectares	Net		Hectares	Net
	Prod:	0.000	0.000	**NProd:**	0.000	0.000
	Dev:	0.000	0.000	**Undev:**	0.000	0.000
	Prov:	0.000	0.000	**NProv:**	0.000	0.000

M-1277	PNG LIC CR	**Eff:** Feb 01, 2000	256.000		WI	Area : DIVIDE-PNG

CONNACHER OIL AND GAS LIMITED
Mineral Property Report

Category: MINERAL

File Number / File Status / Mineral Int	Lse Type / Lessor Type / Int Type / Lse No/Name / Operator / Payor		Exposure / Gross / Net	Oper.Cont. ROFR / Doi Partner(s) *	DOI Code *	Lease Description / Rights Held

(cont'd)

M-1277						
Sub: D	WI	**Exp:** Jan 31, 2005	256.000	CHAIR	15.00000000	TWP 82 RGE 12 W4M SEC 22
ACTIVE	5496020050	**Ext:** 8 (1)(H)	217.600	CONNACHER	85.00000000	PNG TO BASE MCMURRAY
	CONNACHER	**Ext:** Jan 31, 2025				
100.00000000	RIFE			Total Rental: 896.00		

Status		Hectares	Net		Hectares	Net
	Prod:	0.000	0.000	**NProd:**	0.000	0.000
DEVELOPED	**Dev:**	256.000	217.600	**Undev:**	0.000	0.000
	Prov:	0.000	0.000	**NProv:**	0.000	0.000

M-1278	PNG LIC CR	**Eff:** Mar 06, 1997	1,280.000		WI	Area : DIVIDE-PNG
Sub: A	WI	**Exp:** Mar 05, 2001	1,280.000	CONNACHER	80.00000000	TWP 83 RGE 11 W4M SEC 5, 6
ACTIVE	5497030068	**Ext:** 8 (1)(H)	1,024.000	CHAIR	20.00000000	TWP 83 RGE 12 W4M SEC 1, 12, 13
	CONNACHER	**Ext:** Mar 05, 2025				ALL PNG
100.00000000	CONNACHER			Total Rental: 4480.00		

Status		Hectares	Net		Hectares	Net
	Prod:	0.000	0.000	**NProd:**	0.000	0.000
UNDEVELOPED	**Dev:**	0.000	0.000	**Undev:**	1,280.000	1,024.000
	Prov:	0.000	0.000	**NProv:**	0.000	0.000

M-1279	PNG LIC CR	**Eff:** Mar 06, 1997	320.000		WI	Area : DIVIDE-PNG
Sub: A	WI	**Exp:** Mar 05, 2001	320.000	CONNACHER	80.00000000	TWP 82 RGE 12 W4M SEC 34, SW 35
ACTIVE	5497030066	**Ext:** 8 (1)(H)	256.000	CHAIR	20.00000000	PNG BELOW BASE MCMURRAY
	CONNACHER	**Ext:** Mar 05, 2025				
100.00000000	CONNACHER			Total Rental: 0.00		

Status		Hectares	Net		Hectares	Net

File Number / File Status / Mineral Int	Lse Type Lessor Type / Int Type / Lse No/Name / Operator / Payor		Exposure / Gross / Net	Oper.Cont. ROFR / Doi Partner(s)	*	DOI Code *	Lease Description / Rights Held

(cont'd)

M-1279
Sub: A

Status		Hectares	Net		Hectares	Net
	Prod:	0.000	0.000	NProd:	0.000	0.000
UNDEVELOPED	Dev:	0.000	0.000	Undev:	320.000	256.000
	Prov:	0.000	0.000	NProv:	0.000	0.000

M-1279	PNG LIC CR	Eff: Mar 06, 1997	960.000		WI	Area : DIVIDE-PNG
Sub: B	WRI	Exp: Mar 05, 2001	960.000	CONNACHER	80.00000000	TWP 82 RGE 12 W4M SE/4 25, N/2
ACTIVE	5497030066	Ext: 8 (1)(H)	768.000	CHAIR	20.00000000	35, SEC. 36
	CONNACHER	Ext: Mar 05, 2025				TWP 83 RGE 12 W4M SEC 2, 11
100.00000000	CONNACHER			Total Rental: 3360.00		ALL PNG

Status		Hectares	Net		Hectares	Net
	Prod:	0.000	0.000	NProd:	0.000	0.000
UNDEVELOPED	Dev:	0.000	0.000	Undev:	960.000	768.000
	Prov:	0.000	0.000	NProv:	0.000	0.000

M-1279	PNG LIC CR	Eff: Mar 06, 1997	320.000		WI	Area : DIVIDE-PNG
Sub: C	WRI	Exp: Mar 05, 2001	320.000	CONNACHER	85.00000000	TWP 82 RGE 12 W4M SEC 34, SW/4
ACTIVE	5497030066	Ext: 8 (1)(H)	272.000	CHAIR	15.00000000	35
	CONNACHER	Ext: Mar 05, 2025				ALL PNG FROM TOP SURFACE TO
100.00000000	CONNACHER	Count Acreage = No		Total Rental: 1120.00		BASE MCMURRAY

Status		Hectares	Net		Hectares	Net
	Prod:	0.000	0.000	NProd:	0.000	0.000
UNDEVELOPED	Dev:	0.000	0.000	Undev:	320.000	272.000
	Prov:	0.000	0.000	NProv:	0.000	0.000

M-1280	PNG LIC CR	Eff: Mar 06, 1997	256.000		WI	Area : DIVIDE-PNG

File Number File Status Mineral Int	Lse Type Lessor Type Int Type / Lse No/Name Operator / Payor		Exposure Gross Net	Oper.Cont. ROFR Doi Partner(s)	DOI Code * *	Lease Description / Rights Held

(cont'd)

M-1280						
Sub: A	WI	**Exp:** Mar 05, 2001	256.000	CONNACHER	80.00000000	TWP 83 RGE 11 W4M SEC 3
ACTIVE	5497030065	**Ext:** 8 (1)(H)	204.800	CHAIR	20.00000000	PNG TO BASE MCMURRAY
	CONNACHER	**Ext:** Mar 05, 2025				
100.00000000	CONNACHER			Total Rental: 0.00		

Status		Hectares	Net		Hectares	Net
	Prod:	0.000	0.000	**NProd:**	0.000	0.000
DEVELOPED	**Dev:**	256.000	204.800	**Undev:**	0.000	0.000
	Prov:	0.000	0.000	**NProv:**	0.000	0.000

M-1280	PNG LIC CR	**Eff:** Mar 06, 1997	128.000		WI	Area : DIVIDE-PNG
Sub: B	WI	**Exp:** Mar 05, 2001	128.000	CONNACHER	80.00000000	TWP 82 RGE 11 W4M S/2 32
ACTIVE	5497030065	**Ext:** 8 (1)(H)	102.400	CHAIR	20.00000000	PNG IN MCMURRAY
	CONNACHER	**Ext:** Mar 05, 2025				
100.00000000	CONNACHER			Total Rental: 0.00		

Status		Hectares	Net		Hectares	Net
	Prod:	0.000	0.000	**NProd:**	0.000	0.000
UNDEVELOPED	**Dev:**	0.000	0.000	**Undev:**	128.000	102.400
	Prov:	0.000	0.000	**NProv:**	0.000	0.000

M-1280	PNG LIC CR	**Eff:** Mar 06, 1997	1,280.000		WI	Area : DIVIDE-PNG
Sub: C	WI	**Exp:** Mar 05, 2001	1,280.000	CONNACHER	100.00000000	TWP 82 RGE 11 W4M SEC 31, 32, 33
ACTIVE	5497030065	**Ext:** 8 (1)(H)	1,280.000			TWP 83 RGE 11 W4M SEC 3, 4
	CONNACHER	**Ext:** Mar 05, 2025		Total Rental: 2240.00		PNG BELOW BASE MCMURRAY
100.00000000	CONNACHER	**Count Acreage =** No				

Status		Hectares	Net		Hectares	Net

File Number / File Status / Mineral Int	Lse Type / Lessor Type / Int Type / Lse No/Name / Operator / Payor		Exposure / Gross / Net	Oper.Cont. / ROFR / Doi Partner(s)	DOI Code *	*	Lease Description / Rights Held

(cont'd)

M-1280
Sub: C

Status		Hectares	Net		Hectares	Net
	Prod:	0.000	0.000	**NProd:**	0.000	0.000
UNDEVELOPED	**Dev:**	0.000	0.000	**Undev:**	1,280.000	1,280.000
	Prov:	0.000	0.000	**NProv:**	0.000	0.000

M-1280	PNG LIC CR	**Eff:** Mar 06, 1997	128.000		WI	Area : DIVIDE-PNG
Sub: D	WI	**Exp:** Mar 05, 2001	128.000	CONNACHER	85.00000000	TWP 82 RGE 11 W4M S/2 32
ACTIVE	5497030065	**Ext:** 8 (1)(H)	108.800	CHAIR	15.00000000	PNG TO TOP MCMURRAY
	CONNACHER	**Ext:** Mar 05, 2025				
100.00000000	CONNACHER	**Count Acreage =** No		Total Rental: 448.00		

Status		Hectares	Net		Hectares	Net
	Prod:	0.000	0.000	**NProd:**	0.000	0.000
UNDEVELOPED	**Dev:**	0.000	0.000	**Undev:**	128.000	108.800
	Prov:	0.000	0.000	**NProv:**	0.000	0.000

M-1280	PNG LIC CR	**Eff:** Mar 06, 1997	320.000		WI	Area : DIVIDE-PNG
Sub: E	WI	**Exp:** Mar 05, 2001	320.000	CONNACHER	80.00000000	TWP 82 RGE 11 W4M SW/4 31, N/2
ACTIVE	5497030065	**Ext:** 8 (1)(H)	256.000	CHAIR	20.00000000	31, N/2 32
	CONNACHER	**Ext:** Mar 05, 2025				PNG TO BASE MCMURRAY
100.00000000	CONNACHER			Total Rental: 0.00		

Status		Hectares	Net		Hectares	Net
	Prod:	0.000	0.000	**NProd:**	0.000	0.000
UNDEVELOPED	**Dev:**	0.000	0.000	**Undev:**	320.000	256.000
	Prov:	0.000	0.000	**NProv:**	0.000	0.000

M-1280	PNG LIC CR	**Eff:** Mar 06, 1997	64.000		WI	Area : DIVIDE-PNG

File Number File Status Mineral Int	Lse Type Lessor Type Int Type / Lse No/Name Operator / Payor		Exposure Gross Net	Oper.Cont. ROFR Doi Partner(s) *	DOI Code *	Lease Description / Rights Held

(cont'd)

M-1280						
Sub: F	WI	**Exp:** Mar 05, 2001	64.000	CONNACHER	85.00000000	TWP 82 RGE 11 W4M SE/4 31
ACTIVE	5497030065	**Ext:** 8 (1)(H)	54.400	CHAIR	15.00000000	PNG TO TOP MCMURRAY
	CONNACHER	**Ext:** Mar 05, 2025				EXCL PNG IN GRAND RAPIDS
100.00000000	CONNACHER	**Count Acreage =** No		Total Rental: 0.00		

Status		Hectares	Net		Hectares	Net
	Prod:	0.000	0.000	**NProd:**	0.000	0.000
DEVELOPED	**Dev:**	64.000	54.400	**Undev:**	0.000	0.000
	Prov:	0.000	0.000	**NProv:**	0.000	0.000

M-1280	PNG LIC CR	**Eff:** Mar 06, 1997	64.000		WI	Area : DIVIDE-PNG
Sub: G	WI	**Exp:** Mar 05, 2001	64.000	CONNACHER	80.00000000	TWP 82 RGE 11 W4M SE/4 13
ACTIVE	5497030065	**Ext:** 8 (1)(H)	51.200	CHAIR	20.00000000	PNG IN GRAND RAPIDS
	CONNACHER	**Ext:** Mar 05, 2025				
100.00000000	CONNACHER			Total Rental: 0.00		

Status		Hectares	Net		Hectares	Net
	Prod:	0.000	0.000	**NProd:**	0.000	0.000
UNDEVELOPED	**Dev:**	0.000	0.000	**Undev:**	64.000	51.200
	Prov:	0.000	0.000	**NProv:**	0.000	0.000

M-1280	PNG LIC CR	**Eff:** Mar 06, 1997	512.000		WI	Area : DIVIDE-PNG
Sub: H	WI	**Exp:** Mar 05, 2001	512.000	CONNACHER	80.00000000	TWP 82 RGE 11 W4M SEC 33
ACTIVE	5497030065	**Ext:** 8 (1)(H)	409.600	CHAIR	20.00000000	TWP 83 RGE 11 W4M SEC 04
	CONNACHER	**Ext:** Mar 05, 2025				ALL PNG FROM TOP SURFACE TO
100.00000000	CONNACHER			Total Rental: 1792.00		BASE MCMURRAY

Status		Hectares	Net		Hectares	Net

File Number / File Status / Mineral Int	Lse Type / Lessor Type / Int Type / Lse No/Name / Operator / Payor			Exposure / Gross / Net	Oper.Cont. ROFR / Doi Partner(s)	*	DOI Code	*	Lease Description / Rights Held

(cont'd)

M-1280
Sub: H

		Hectares	Net		Hectares	Net
	Prod:	0.000	0.000	**NProd:**	0.000	0.000
UNDEVELOPED	**Dev:**	0.000	0.000	**Undev:**	512.000	409.600
	Prov:	0.000	0.000	**NProv:**	0.000	0.000

M-1281	PNG LIC CR	**Eff:** Mar 06, 1997	1,280.000			WI	Area : DIVIDE-PNG
Sub: A	WI	**Exp:** Mar 05, 2001	1,280.000	CONNACHER		80.00000000	TWP 83 RGE 11 W4M SEC 2, 9, 10,
ACTIVE	5497030067	**Ext:** 8 (1)(H)	1,024.000	CHAIR		20.00000000	11, 14
	CONNACHER	**Ext:** Mar 05, 2025					ALL PNG
100.00000000	CONNACHER			Total Rental:	4480.00		

Status		**Hectares**	**Net**		**Hectares**	**Net**
	Prod:	0.000	0.000	**NProd:**	0.000	0.000
UNDEVELOPED	**Dev:**	0.000	0.000	**Undev:**	1,280.000	1,024.000
	Prov:	0.000	0.000	**NProv:**	0.000	0.000

M-1282	PNG LIC CR	**Eff:** Mar 06, 1997	1,536.000			WI	Area : DIVIDE-PNG
Sub: A	WI	**Exp:** Mar 05, 2001	1,536.000	CONNACHER		80.00000000	TWP 83 RGE 11 W4M SEC 7, 8, 15,
ACTIVE	5497030069	**Ext:** 8 (1)(H)	1,228.800	CHAIR		20.00000000	16, 17, 18
	CONNACHER	**Ext:** Mar 05, 2025					ALL PNG
100.00000000	CONNACHER			Total Rental:	5376.00		

Status		**Hectares**	**Net**		**Hectares**	**Net**
	Prod:	0.000	0.000	**NProd:**	0.000	0.000
UNDEVELOPED	**Dev:**	0.000	0.000	**Undev:**	1,536.000	1,228.800
	Prov:	0.000	0.000	**NProv:**	0.000	0.000

M-1284	PNG CR	**Eff:** Aug 19, 1997	256.000	APO	Area : DIVIDE-PNG

CONNACHER OIL AND GAS LIMITED
Mineral Property Report

Category: MINERAL

File Number / File Status / Mineral Int	Lse Type / Lessor Type / Int Type / Lse No/Name / Operator / Payor		Exposure / Gross / Net	Oper.Cont. ROFR / Doi Partner(s)	DOI Code * *	Lease Description / Rights Held
(cont'd)						
M-1284						
Sub: A	WI	**Exp:** Aug 18, 2002	256.000	CNRL	45.00000000	TWP 82 RGE 12 W4M SEC 3, 10
ACTIVE	0597080512	**Ext:** 8 (1)(H)	112.640	CHAIR	11.00000000	ALL PNG
	CONNACHER	**Ext:** Dec 31, 2099		CONNACHER	44.00000000	
100.00000000	CNRL					
				Total Rental: 896.00		

Status		Hectares	Net		Hectares	Net
	Prod:	0.000	0.000	**NProd:**	0.000	0.000
DEVELOPED	**Dev:**	256.000	112.640	**Undev:**	0.000	0.000
	Prov:	0.000	0.000	**NProv:**	0.000	0.000

M-1284	PNG CR	**Eff:** Aug 19, 1997	256.000	C-0536 D No	WI	Area : DIVIDE-PNG
Sub: B	WI	**Exp:** Aug 18, 2002	256.000	CHAIR	11.00000000	TWP 82 RGE 12 W4M SEC 2
ACTIVE	0597080512	**Ext:** 8 (1)(H)	112.640	CNRL	45.00000000	ALL PNG
	CONNACHER	**Ext:** Aug 18, 2025		CONNACHER	44.00000000	
100.00000000	CNRL					
				Total Rental: 896.00		

Status		Hectares	Net		Hectares	Net
	Prod:	0.000	0.000	**NProd:**	0.000	0.000
DEVELOPED	**Dev:**	256.000	112.640	**Undev:**	0.000	0.000
	Prov:	0.000	0.000	**NProv:**	0.000	0.000

M-1284	PNG CR	**Eff:** Aug 19, 1997	768.000	C-0536 D No	WI	Area : DIVIDE-PNG
Sub: C	WI	**Exp:** Aug 18, 2002	768.000	CHAIR	11.00000000	TWP 81 RGE 12 W4M SEC 34, 36
ACTIVE	0597080512	**Ext:** 8 (1)(H)	337.920	CNRL	45.00000000	ALL PNG
	CONNACHER	**Ext:** Aug 18, 2025		CONNACHER	44.00000000	
100.00000000	CNRL					

CONNACHER OIL AND GAS LIMITED
Mineral Property Report

Category: MINERAL

File Number / File Status / Mineral Int	Lse Type / Lessor Type / Int Type / Lse No/Name / Operator / Payor		Exposure / Gross / Net	Oper.Cont. ROFR / Doi Partner(s)	DOI Code *	*	Lease Description / Rights Held

(cont'd)

M-1284
Sub: C

Total Rental: 2688.00

Status		Hectares	Net		Hectares	Net
	Prod:	0.000	0.000	**NProd:**	0.000	0.000
UNDEVELOPED	**Dev:**	0.000	0.000	**Undev:**	768.000	337.920
	Prov:	0.000	0.000	**NProv:**	0.000	0.000

M-1284	PNG CR	**Eff:** Aug 19, 1997	256.000	C-0536 D No	WI	Area : DIVIDE-PNG
Sub: D	WI	**Exp:** Aug 18, 2002	256.000	CHAIR	11.00000000	TWP 82 RGE 12 W4M SEC 1
ACTIVE	0597080512	**Ext:** 8 (1)(H)	112.640	CNRL	45.00000000	ALL PNG
	CONNACHER	**Ext:** Aug 18, 2025		CONNACHER	44.00000000	
100.00000000	CNRL					

Total Rental: 896.00

Status		Hectares	Net		Hectares	Net
	Prod:	0.000	0.000	**NProd:**	0.000	0.000
DEVELOPED	**Dev:**	256.000	112.640	**Undev:**	0.000	0.000
	Prov:	0.000	0.000	**NProv:**	0.000	0.000

M-1285	PNG CR	**Eff:** Aug 19, 1997	256.000		BPO	Area : DIVIDE-PNG
Sub: A	WI	**Exp:** Aug 18, 2002	256.000	CONNACHER	80.00000000	TWP 81 RGE 12 W4M SEC 13
ACTIVE	0597080511	**Ext:** 8 (1)(H)	204.800	CHAIR	20.00000000	ALL PNG
	CONNACHER	**Ext:** Dec 31, 2099				
100.00000000	CNRL					

Total Rental: 896.00

Status		Hectares	Net		Hectares	Net
	Prod:	0.000	0.000	**NProd:**	0.000	0.000
DEVELOPED	**Dev:**	256.000	204.800	**Undev:**	0.000	0.000

CONNACHER OIL AND GAS LIMITED
Mineral Property Report

Category: MINERAL

File Number / File Status / Mineral Int	Lse Type / Lessor Type / Int Type / Lse No/Name / Operator / Payor		Exposure / Gross / Net	Oper.Cont. ROFR / Doi Partner(s)	DOI Code *	*	Lease Description / Rights Held
(cont'd)							
M-1285							
Sub: A		**Prov:**	0.000	0.000	**NProv:** 0.000	0.000	

M-1285	PNG CR	**Eff:** Aug 19, 1997	512.000	C-0536 A No	WI	Area : DIVIDE-PNG
Sub: B	WI	**Exp:** Aug 18, 2002	512.000	BARNWELL	5.62500000	TWP 81 RGE 11 W4M SEC 7, 18
ACTIVE	0597080511	**Ext:** 8 (1)(H)	225.280	CNRL	34.87500000	ALL PNG
	CONNACHER	**Ext:** Dec 31, 2099		CHAIR	11.00000000	
100.00000000	CNRL			HARVEST	4.50000000	
				CONNACHER	44.00000000	
				Total Rental: 1792.00		

Status		Hectares	Net		Hectares	Net
	Prod:	0.000	0.000	**NProd:**	0.000	0.000
UNDEVELOPED	**Dev:**	0.000	0.000	**Undev:**	512.000	225.280
	Prov:	0.000	0.000	**NProv:**	0.000	0.000

M-1285	PNG CR	**Eff:** Aug 19, 1997	768.000	C-0536 D No	WI	Area : DIVIDE-PNG
Sub: C	WI	**Exp:** Aug 18, 2002	768.000	CHAIR	11.00000000	TWP 81 RGE 11 W4M SEC 8
ACTIVE	0597080511	**Ext:** 8 (1)(H)	337.920	CNRL	45.00000000	TWP 81 RGE 12 W4M SEC 24, 25
	CONNACHER	**Ext:** Dec 31, 2099		CONNACHER	44.00000000	ALL PNG
100.00000000	CNRL					
				Total Rental: 2688.00		

Status		Hectares	Net		Hectares	Net
	Prod:	0.000	0.000	**NProd:**	0.000	0.000
UNDEVELOPED	**Dev:**	0.000	0.000	**Undev:**	768.000	337.920
	Prov:	0.000	0.000	**NProv:**	0.000	0.000

CONNACHER OIL AND GAS LIMITED
Mineral Property Report

Category: MINERAL

File Number / File Status / Mineral Int	Lse Type / Int Type / Lse No/Name / Operator / Payor	Lessor Type	Dates	Exposure / Gross / Net	Oper.Cont. / Doi Partner(s)	ROFR *	DOI Code *	Lease Description / Rights Held
M-1287	PNG LIC	CR	**Eff:** Jun 12, 1997	64.000			WI	Area : DIVIDE-PNG
Sub: A	WI		**Exp:** Jun 11, 2002	64.000	CONNACHER		80.00000000	TWP 82 RGE 11 W4M NE/4 29
ACTIVE	5497060049		**Ext:** 8 (1)(H)	51.200	CHAIR		20.00000000	(RENTAL SPLIT 50/50 BETWEEN
	CONNACHER		**Ext:** Jun 11, 2025					SHALLOW & DEEP RIGHTS)
100.00000000	CONNACHER				Total Rental: 112.00			ALL PNG FROM TOP SURFAEC TO
								BASE MCMURRAY

Status		Hectares	Net		Hectares	Net
	Prod:	0.000	0.000	**NProd:**	0.000	0.000
DEVELOPED	**Dev:**	64.000	51.200	**Undev:**	0.000	0.000
	Prov:	0.000	0.000	**NProv:**	0.000	0.000

File Number / File Status / Mineral Int	Lse Type / Int Type / Lse No/Name / Operator / Payor	Lessor Type	Dates	Exposure / Gross / Net	Oper.Cont. / Doi Partner(s)	ROFR *	DOI Code *	Lease Description / Rights Held
M-1287	PNG LIC	CR	**Eff:** Jun 12, 1997	192.000			WI	Area : DIVIDE-PNG
Sub: B	WI		**Exp:** Jun 11, 2002	192.000	CONNACHER		80.00000000	TWP 82 RGE 11 W4M S/2 29, NW/4
ACTIVE	5497060049		**Ext:** 8 (1)(H)	153.600	CHAIR		20.00000000	29
	CONNACHER		**Ext:** Jun 11, 2025					PNG IN MCMURRAY
100.00000000	CONNACHER				Total Rental: 0.00			PNG IN CLEARWATER

Status		Hectares	Net		Hectares	Net
	Prod:	0.000	0.000	**NProd:**	0.000	0.000
DEVELOPED	**Dev:**	192.000	153.600	**Undev:**	0.000	0.000
	Prov:	0.000	0.000	**NProv:**	0.000	0.000

File Number / File Status / Mineral Int	Lse Type / Int Type / Lse No/Name / Operator / Payor	Lessor Type	Dates	Exposure / Gross / Net	Oper.Cont. / Doi Partner(s)	ROFR *	DOI Code *	Lease Description / Rights Held
M-1287	PNG LIC	CR	**Eff:** Jun 12, 1997	256.000			WI	Area : DIVIDE-PNG
Sub: C	WI		**Exp:** Jun 11, 2002	256.000	CONNACHER		80.00000000	TWP 82 RGE 11 W4M SEC 30
ACTIVE	5497060049		**Ext:** 8 (1)(H)	204.800	CHAIR		20.00000000	PNG IN MCMURRAY
	CONNACHER		**Ext:** Jun 11, 2025					PNG IN CLEARWATER
100.00000000	CONNACHER				Total Rental: 0.00			PNG IN GRANDRAPIDS

Status		Hectares	Net		Hectares	Net
	Prod:	0.000	0.000	**NProd:**	0.000	0.000

File Number / File Status / Mineral Int	Lse Type / Lessor Type / Int Type / Lse No/Name / Operator / Payor			Exposure / Gross / Net	Oper.Cont. / ROFR / Doi Partner(s)	*	DOI Code	*	Lease Description / Rights Held

(cont'd)

M-1287
Sub: C

Dev:	0.000	0.000	**Undev:**	0.000	0.000
Prov:	0.000	0.000	**NProv:**	0.000	0.000

M-1287	PNG LIC CR	**Eff:** Jun 12, 1997	256.000		WI	Area : DIVIDE-PNG
Sub: D	WI	**Exp:** Jun 11, 2002	256.000	CONNACHER	80.00000000	TWP 82 RGE 11 W4M SE/4 18
ACTIVE	5497060049	**Ext:** 8 (1)(H)	204.800	CHAIR	20.00000000	TWP 82 RGE 12 W4M SE/4 25, N/2 25
	CONNACHER	**Ext:** Jun 11, 2025				
100.00000000	CONNACHER			Total Rental: 448.00		ALL PNG FROM TOP SURFACE TO BASE MCMURRAY

Status		**Hectares**	**Net**		**Hectares**	**Net**
	Prod:	0.000	0.000	**NProd:**	0.000	0.000
UNDEVELOPED	**Dev:**	0.000	0.000	**Undev:**	256.000	204.800
	Prov:	0.000	0.000	**NProv:**	0.000	0.000

M-1287	PNG LIC CR	**Eff:** Jun 12, 1997	512.000		WI	Area : DIVIDE-PNG
Sub: E	WI	**Exp:** Jun 11, 2002	512.000	CONNACHER	85.00000000	TWP 82 RGE 11 W4M SW/4 18, N/2 18, SEC. 19
ACTIVE	5497060049	**Ext:** 8 (1)(H)	435.200	CHAIR	15.00000000	
	CONNACHER	**Ext:** Jun 11, 2025				TWP 82 RGE 12 W4M SW/4 25
100.00000000	CONNACHER			Total Rental: 448.00		ALL PNG FROM TOP SURFACE TO BASE MCMURRAY

Status		**Hectares**	**Net**		**Hectares**	**Net**
	Prod:	0.000	0.000	**NProd:**	0.000	0.000
UNDEVELOPED	**Dev:**	0.000	0.000	**Undev:**	512.000	435.200
	Prov:	0.000	0.000	**NProv:**	0.000	0.000

M-1287	PNG LIC CR	**Eff:** Jun 12, 1997	192.000		WI	Area : DIVIDE-PNG
Sub: F	WI	**Exp:** Jun 11, 2002	192.000	CONNACHER	85.00000000	TWP 82 RGE 11 W4M S/2 29, NW/4

File Number File Status Mineral Int	Lse Type Lessor Type Int Type / Lse No/Name Operator / Payor		Exposure Gross Net	Oper.Cont. ROFR Doi Partner(s) *	DOI Code *	Lease Description / Rights Held
(cont'd)						
M-1287 **Sub:** F ACTIVE 100.00000000	 5497060049 CONNACHER CONNACHER	 **Ext:** 8 (1)(H) **Ext:** Jun 11, 2025 **Count Acreage =** No	 163.200	 CHAIR Total Rental: 336.00	 15.00000000	 29 PNG TO TOP MCMURRAY EXCL PNG IN CLEARWATER

Status		Hectares	Net		Hectares	Net
	Prod:	0.000	0.000	**NProd:**	0.000	0.000
UNDEVELOPED	**Dev:**	0.000	0.000	**Undev:**	192.000	163.200
	Prov:	0.000	0.000	**NProv:**	0.000	0.000

File Number File Status Mineral Int	Lse Type Lessor Type Int Type / Lse No/Name Operator / Payor		Exposure Gross Net	Oper.Cont. ROFR Doi Partner(s)	DOI Code	Lease Description / Rights Held
M-1287 **Sub:** G ACTIVE 100.00000000	PNG LIC CR WI 5497060049 CONNACHER CONNACHER	**Eff:** Jun 12, 1997 **Exp:** Jun 11, 2002 **Ext:** 8 (1)(H) **Ext:** Jun 11, 2025 **Count Acreage =** No	256.000 256.000 217.600	 CONNACHER CHAIR Total Rental: 448.00	WI 85.00000000 15.00000000	Area : DIVIDE-PNG TWP 82 RGE 11 W4M SEC 30 PNG TO TOP MCMURRAY EXCL PNG IN CLEARWATER EXCL PNG IN GRANDRAPIDS

Status		Hectares	Net		Hectares	Net
	Prod:	0.000	0.000	**NProd:**	0.000	0.000
UNDEVELOPED	**Dev:**	0.000	0.000	**Undev:**	256.000	217.600
	Prov:	0.000	0.000	**NProv:**	0.000	0.000

File Number File Status Mineral Int	Lse Type Lessor Type Int Type / Lse No/Name Operator / Payor		Exposure Gross Net	Oper.Cont. ROFR Doi Partner(s)	DOI Code	Lease Description / Rights Held
M-1287 **Sub:** H ACTIVE 100.00000000	PNG LIC CR WI 5497060049 CONNACHER CONNACHER	**Eff:** Jun 12, 1997 **Exp:** Jun 11, 2002 **Ext:** 8 (1)(H) **Ext:** Jun 11, 2025	256.000 256.000 217.600	 CONNACHER CHAIR Total Rental: 896.00	WI 85.00000000 15.00000000	Area : DIVIDE-PNG TWP 82 RGE 11 W4M SEC 20 PNG TO BASE MCMURRAY

Status		Hectares	Net		Hectares	Net

File Number / File Status / Mineral Int	Lse Type / Lessor Type / Int Type / Lse No/Name / Operator / Payor		Exposure / Gross / Net	Oper.Cont. / ROFR / Doi Partner(s)	DOI Code *	*	Lease Description / Rights Held

(cont'd)

M-1287
Sub: H

Status		Hectares	Net		Hectares	Net
	Prod:	0.000	0.000	**NProd:**	0.000	0.000
DEVELOPED	**Dev:**	256.000	217.600	**Undev:**	0.000	0.000
	Prov:	0.000	0.000	**NProv:**	0.000	0.000

M-1287	PNG LIC CR	**Eff:** Jun 12, 1997	1,536.000		WI	Area : DIVIDE-PNG
Sub: I	WI	**Exp:** Jun 11, 2002	1,536.000	CONNACHER	100.00000000	TWP 82 RGE 11 W4M SEC 18, 19, 20, 29, 30
ACTIVE	5497060049	**Ext:** 8 (1)(H)	1,536.000			
	CONNACHER	**Ext:** Jun 11, 2025		Total Rental: 2688.00		TWP 82 RGE 12 W4M SEC 25
100.00000000	CONNACHER	**Count Acreage =** No				PNG BELOW BASE MCMURRAY

Status		Hectares	Net		Hectares	Net
	Prod:	0.000	0.000	**NProd:**	0.000	0.000
UNDEVELOPED	**Dev:**	0.000	0.000	**Undev:**	1,536.000	1,536.000
	Prov:	0.000	0.000	**NProv:**	0.000	0.000

M-1288	PNG LIC CR	**Eff:** Jun 12, 1997	256.000	C-0543 A Yes	WI	Area : DIVIDE-PNG
Sub: A	WI	**Exp:** Jun 11, 2002	256.000	CONNACHER	80.00000000	TWP 82 RGE 11 W4M SEC 27
ACTIVE	5497060050	**Ext:** 8 (1)(H)	204.800	CHAIR	20.00000000	PNG TO BASE MCMURRAY
	CONNACHER	**Ext:** Jun 11, 2025				
100.00000000	CONNACHER			Total Rental: 896.00		

Status		Hectares	Net		Hectares	Net
	Prod:	0.000	0.000	**NProd:**	0.000	0.000
DEVELOPED	**Dev:**	256.000	204.800	**Undev:**	0.000	0.000
	Prov:	0.000	0.000	**NProv:**	0.000	0.000

M-1288	PNG LIC CR	**Eff:** Jun 12, 1997	768.000	C-0543 A Yes	WI	Area : DIVIDE-PNG

CONNACHER OIL AND GAS LIMITED
Mineral Property Report

Category: MINERAL

File Number / File Status / Mineral Int	Lse Type / Lessor Type / Int Type / Lse No/Name / Operator / Payor		Exposure / Gross / Net	Oper.Cont. ROFR / Doi Partner(s) *	DOI Code *	Lease Description / Rights Held

(cont'd)

M-1288						
Sub: B	WI	**Exp:** Jun 11, 2002	768.000	CONNACHER	80.00000000	TWP 82 RGE 11 W4M SEC 21, 22, 28
ACTIVE	5497060050	**Ext:** 8 (1)(H)	614.400	CHAIR	20.00000000	PNG TO BASE MCMURRAY
	CONNACHER	**Ext:** Jun 11, 2025				
100.00000000	CONNACHER			Total Rental: 2688.00		

Status		Hectares	Net		Hectares	Net
	Prod:	0.000	0.000	**NProd:**	0.000	0.000
UNDEVELOPED	**Dev:**	0.000	0.000	**Undev:**	768.000	614.400
	Prov:	0.000	0.000	**NProv:**	0.000	0.000

M-1289	PNG CR	**Eff:** Jun 13, 1996	64.000	C-0544 D No	WI	Area : DIVIDE-PNG
Sub: A	WI	**Exp:** Jun 12, 2001	64.000	CHAIR	15.00000000	TWP 82 RGE 11 W4M NE/4 8
ACTIVE	0596060271	**Ext:** 8 (1)(H)	54.400	CONNACHER	85.00000000	ALL PNG FROM TOP SURFACE TO
	CONNACHER	**Ext:** Jun 11, 2025				BASE MCMURRAY
100.00000000	CONNACHER			Total Rental: 0.00		

Status		Hectares	Net		Hectares	Net
	Prod:	0.000	0.000	**NProd:**	0.000	0.000
UNDEVELOPED	**Dev:**	0.000	0.000	**Undev:**	64.000	54.400
	Prov:	0.000	0.000	**NProv:**	0.000	0.000

M-1289	PNG CR	**Eff:** Jun 13, 1996	192.000	C-0543 A Yes	WI	Area : DIVIDE-PNG
Sub: B	WI	**Exp:** Jun 12, 2001	192.000	CONNACHER	80.00000000	TWP 82 RGE 11 W4M S/2 8, NW/4 8
ACTIVE	0596060271	**Ext:** 8 (1)(H)	153.600	CHAIR	20.00000000	PNG TO BASE MCMURRAY
	CONNACHER	**Ext:** Jun 11, 2025				
100.00000000	CONNACHER			Total Rental: 0.00		

Status		Hectares	Net		Hectares	Net

CONNACHER OIL AND GAS LIMITED
Mineral Property Report

Category: MINERAL

File Number File Status Mineral Int	Lse Type Lessor Type Int Type / Lse No/Name Operator / Payor		Exposure Gross Net	Oper.Cont. ROFR Doi Partner(s)	DOI Code *	*	Lease Description / Rights Held

(cont'd)

M-1289
Sub: B

Status		Hectares	Net		Hectares	Net
	Prod:	0.000	0.000	**NProd:**	0.000	0.000
UNDEVELOPED	**Dev:**	0.000	0.000	**Undev:**	192.000	153.600
	Prov:	0.000	0.000	**NProv:**	0.000	0.000

M-1289	PNG CR	**Eff:** Jun 13, 1996	320.000	C-0544 D No	WI	Area : DIVIDE-PNG
Sub: D	WI	**Exp:** Jun 12, 2001	320.000	CHAIR	15.00000000	TWP 81 RGE 11 W4M SE/4 32, S/2
ACTIVE	0596060271	**Ext:** 8 (1)(H)	272.000	CONNACHER	85.00000000	33, NW/4 33, SW/4 34
	CONNACHER	**Ext:** Jun 11, 2025				PNG TO TOP MCMURRAY
100.00000000	CONNACHER			Total Rental: 0.00		

Status		Hectares	Net		Hectares	Net
	Prod:	0.000	0.000	**NProd:**	0.000	0.000
UNDEVELOPED	**Dev:**	0.000	0.000	**Undev:**	320.000	272.000
	Prov:	0.000	0.000	**NProv:**	0.000	0.000

M-1289	PNG CR	**Eff:** Jun 13, 1996	192.000	C-0543 A Yes	WI	Area : DIVIDE-PNG
Sub: E	WI	**Exp:** Jun 12, 2001	192.000	CONNACHER	80.00000000	TWP 81 RGE 11 W4M N/2 34, SE/4
ACTIVE	0596060271	**Ext:** 8 (1)(H)	153.600	CHAIR	20.00000000	34
	CONNACHER	**Ext:** Jun 11, 2025				TWP 81 RGE 11 W4M N/2 34
100.00000000	CONNACHER			Total Rental: 0.00		ALL PNG

Status		Hectares	Net		Hectares	Net
	Prod:	0.000	0.000	**NProd:**	0.000	0.000
DEVELOPED	**Dev:**	192.000	153.600	**Undev:**	0.000	0.000
	Prov:	0.000	0.000	**NProv:**	0.000	0.000

M-1289	PNG CR	**Eff:** Jun 13, 1996	256.000	C-0543 A Yes	WI	Area : DIVIDE-PNG

File Number / File Status / Mineral Int	Lse Type Lessor Type / Int Type / Lse No/Name / Operator / Payor		Exposure / Gross / Net	Oper.Cont. ROFR / Doi Partner(s) *	DOI Code *	Lease Description / Rights Held

(cont'd)

M-1289						
Sub: G	WI	**Exp:** Jun 12, 2001	256.000	CONNACHER	80.00000000	TWP 81 RGE 11 W4M SW/4 32, N/2
ACTIVE	0596060271	**Ext:** 8 (1)(H)	204.800	CHAIR	20.00000000	32, NE/4 33
	CONNACHER	**Ext:** Jun 11, 2025				PNG TO BASE MCMURRAY
100.00000000	CONNACHER			Total Rental: 0.00		

Status		Hectares	Net		Hectares	Net
	Prod:	0.000	0.000	**NProd:**	0.000	0.000
DEVELOPED	**Dev:**	256.000	204.800	**Undev:**	0.000	0.000
	Prov:	0.000	0.000	**NProv:**	0.000	0.000

M-1290	PNG LIC CR	**Eff:** Jun 26, 1997	128.000	C-0544 C No	WI	Area : DIVIDE-PNG
Sub: A	WI	**Exp:** Jun 25, 2001	128.000	CHAIR	15.00000000	TWP 81 RGE 11 W4M N/2 28
ACTIVE	5497060172	**Ext:** 8 (1)(H)	108.800	CONNACHER	85.00000000	PNG TO BASE MCMURRAY
	CONNACHER	**Ext:** Jun 25, 2025				
100.00000000	CONNACHER	**Count Acreage =** No		Total Rental: 448.00		

Status		Hectares	Net		Hectares	Net
	Prod:	0.000	0.000	**NProd:**	0.000	0.000
UNDEVELOPED	**Dev:**	0.000	0.000	**Undev:**	128.000	108.800
	Prov:	0.000	0.000	**NProv:**	0.000	0.000

M-1290	PNG LIC CR	**Eff:** Jun 26, 1997	64.000	C-0544 C No	WI	Area : DIVIDE-PNG
Sub: B	WI	**Exp:** Jun 25, 2001	64.000	CHAIR	15.00000000	TWP 81 RGE 11 W4M NW/4 27
ACTIVE	5497060172	**Ext:** 8 (1)(H)	54.400	CONNACHER	85.00000000	PNG TO TOP MCMURRAY
	CONNACHER	**Ext:** Jun 25, 2025				
100.00000000	CONNACHER	**Count Acreage =** No		Total Rental: 224.00		

Status		Hectares	Net		Hectares	Net

File Number / File Status / Mineral Int	Lse Type Lessor Type / Int Type / Lse No/Name / Operator / Payor			Exposure / Gross / Net	Oper.Cont. ROFR / Doi Partner(s)		DOI Code *	*	Lease Description / Rights Held
(cont'd)									
M-1290									
Sub: B			**Prod:**	0.000	0.000	**NProd:**	0.000	0.000	
	UNDEVELOPED		**Dev:**	0.000	0.000	**Undev:**	64.000	54.400	
			Prov:	0.000	0.000	**NProv:**	0.000	0.000	

File Number	Lse Type / Lessor Type		Exposure	Oper.Cont. ROFR	DOI Code	Lease Description / Rights Held
M-1290	PNG LIC CR	**Eff:** Jun 26, 1997	256.000	C-0543 A Yes	WI	Area : DIVIDE-PNG
Sub: C	WI	**Exp:** Jun 25, 2001	256.000	CONNACHER	80.00000000	TWP 81 RGE 11 W4M SEC 21
ACTIVE	5497060172	**Ext:** 8 (1)(H)	204.800	CHAIR	20.00000000	ALL PNG
	CONNACHER	**Ext:** Jun 25, 2025				
100.00000000	CONNACHER			Total Rental: 896.00		

Status		Hectares	Net		Hectares	Net
	Prod:	0.000	0.000	**NProd:**	0.000	0.000
UNDEVELOPED	**Dev:**	0.000	0.000	**Undev:**	256.000	204.800
	Prov:	0.000	0.000	**NProv:**	0.000	0.000

File Number	Lse Type / Lessor Type		Exposure	Oper.Cont. ROFR	DOI Code	Lease Description / Rights Held
M-1290	PNG LIC CR	**Eff:** Jun 26, 1997	512.000	C-0543 A Yes	WI	Area : DIVIDE-PNG
Sub: D	WI	**Exp:** Jun 25, 2001	512.000	CONNACHER	80.00000000	TWP 81 RGE 11 W4M SEC 16, 22
ACTIVE	5497060172	**Ext:** 8 (1)(H)	409.600	CHAIR	20.00000000	ALL PNG
	CONNACHER	**Ext:** Jun 25, 2025				
100.00000000	CONNACHER			Total Rental: 1792.00		

Status		Hectares	Net		Hectares	Net
	Prod:	0.000	0.000	**NProd:**	0.000	0.000
UNDEVELOPED	**Dev:**	0.000	0.000	**Undev:**	512.000	409.600
	Prov:	0.000	0.000	**NProv:**	0.000	0.000

File Number	Lse Type / Lessor Type		Exposure	Oper.Cont. ROFR	DOI Code	Lease Description / Rights Held
M-1290	PNG LIC CR	**Eff:** Jun 26, 1997	128.000	C-0543 A Yes	WI	Area : DIVIDE-PNG

File Number / File Status / Mineral Int	Lse Type Lessor Type / Int Type / Lse No/Name / Operator / Payor		Exposure / Gross / Net	Oper.Cont. ROFR / Doi Partner(s)	* DOI Code	*	Lease Description / Rights Held

(cont'd)

M-1290						
Sub: E	WI	**Exp:** Jun 25, 2001	128.000	CONNACHER	80.00000000	TWP 81 RGE 11 W4M S/2 28
ACTIVE	5497060172	**Ext:** 8 (1)(H)	102.400	CHAIR	20.00000000	ALL PNG
	CONNACHER	**Ext:** Jun 25, 2025				
100.00000000	CONNACHER			Total Rental: 448.00		

Status		Hectares	Net		Hectares	Net
	Prod:	0.000	0.000	**NProd:**	0.000	0.000
UNDEVELOPED	**Dev:**	0.000	0.000	**Undev:**	128.000	102.400
	Prov:	0.000	0.000	**NProv:**	0.000	0.000

M-1290	PNG LIC CR	**Eff:** Jun 26, 1997	64.000	C-0543 A Yes	WI	Area : DIVIDE-PNG
Sub: F	WI	**Exp:** Jun 25, 2001	64.000	CONNACHER	80.00000000	TWP 81 RGE 11 W4M NW/4 27
ACTIVE	5497060172	**Ext:** 8 (1)(H)	51.200	CHAIR	20.00000000	PNG BELOW TOP MCMURRAY
	CONNACHER	**Ext:** Jun 25, 2025				
100.00000000	CONNACHER			Total Rental: 0.00		

Status		Hectares	Net		Hectares	Net
	Prod:	0.000	0.000	**NProd:**	0.000	0.000
DEVELOPED	**Dev:**	64.000	51.200	**Undev:**	0.000	0.000
	Prov:	0.000	0.000	**NProv:**	0.000	0.000

M-1290	PNG LIC CR	**Eff:** Jun 26, 1997	128.000	C-0543 A Yes	WI	Area : DIVIDE-PNG
Sub: G	WI	**Exp:** Jun 25, 2001	128.000	CONNACHER	80.00000000	TWP 81 RGE 11 W4M N/2 28
ACTIVE	5497060172	**Ext:** 8 (1)(H)	102.400	CHAIR	20.00000000	PNG BELOW BASE MCMURRAY
	CONNACHER	**Ext:** Jun 25, 2025				
100.00000000	CONNACHER			Total Rental: 0.00		

Status	Hectares	Net	Hectares	Net

CONNACHER OIL AND GAS LIMITED
Mineral Property Report

Category: MINERAL

File Number / File Status / Mineral Int	Lse Type / Lessor Type / Int Type / Lse No/Name / Operator / Payor		Exposure / Gross / Net	Oper.Cont. ROFR / Doi Partner(s)	DOI Code	Lease Description / Rights Held

(cont'd)

M-1290
Sub: G

Status		Hectares	Net		Hectares	Net
	Prod:	0.000	0.000	NProd:	0.000	0.000
UNDEVELOPED	Dev:	0.000	0.000	Undev:	128.000	102.400
	Prov:	0.000	0.000	NProv:	0.000	0.000

M-1290	PNG LIC CR	Eff: Jun 26, 1997	128.000	C-0543 A Yes	WI	Area : DIVIDE-PNG
Sub: H	WI	Exp: Jun 25, 2001	128.000	CONNACHER	80.00000000	TWP 81 RGE 11 W4M S/2 27
ACTIVE	5497060172	Ext: 8 (1)(H)	102.400	CHAIR	20.00000000	ALL PNG
	CONNACHER	Ext: Jun 25, 2025				
100.00000000	CONNACHER			Total Rental: 448.00		

Status		Hectares	Net		Hectares	Net
	Prod:	0.000	0.000	NProd:	0.000	0.000
DEVELOPED	Dev:	128.000	102.400	Undev:	0.000	0.000
	Prov:	0.000	0.000	NProv:	0.000	0.000

M-1290	PNG LIC CR	Eff: Jun 26, 1997	64.000	C-0543 A Yes	WI	Area : DIVIDE-PNG
Sub: I	WI	Exp: Jun 25, 2001	64.000	CONNACHER	80.00000000	TWP 81 RGE 11 W4M NE/4 27
ACTIVE	5497060172	Ext: 8 (1)(H)	51.200	CHAIR	20.00000000	ALL PNG
	CONNACHER	Ext: Jun 25, 2025				
100.00000000	CONNACHER			Total Rental: 224.00		

Status		Hectares	Net		Hectares	Net
	Prod:	0.000	0.000	NProd:	0.000	0.000
DEVELOPED	Dev:	64.000	51.200	Undev:	0.000	0.000
	Prov:	0.000	0.000	NProv:	0.000	0.000

M-1291	PNG LIC CR	Eff: Apr 30, 1998	1,024.000	C-0534 A Unknown	WI	Area : DIVIDE-PNG

CONNACHER OIL AND GAS LIMITED
Mineral Property Report

Category: MINERAL

File Number / File Status / Mineral Int	Lse Type Lessor Type / Int Type / Lse No/Name / Operator / Payor		Exposure / Gross / Net	Oper.Cont. ROFR / Doi Partner(s) *	DOI Code *	Lease Description / Rights Held
(cont'd)						
M-1291						
Sub: A	WI	**Exp:** Apr 29, 2002	1,024.000	CONNACHER	80.00000000	TWP 82 RGE 11 W4M SEC 24, 34,
ACTIVE	5498040117	**Ext:** 8 (1)(H)	819.200	CHAIR	20.00000000	35, 36
	CONNACHER	**Ext:** Apr 29, 2025				ALL PNG
100.00000000	CONNACHER			Total Rental: 3584.00		

Status		Hectares	Net		Hectares	Net
	Prod:	0.000	0.000	**NProd:**	0.000	0.000
UNDEVELOPED	**Dev:**	0.000	0.000	**Undev:**	1,024.000	819.200
	Prov:	0.000	0.000	**NProv:**	0.000	0.000

M-1291	PNG LIC CR	**Eff:** Apr 30, 1998	256.000	C-0534 B Unknown	WI	Area : DIVIDE-PNG
Sub: B	WI	**Exp:** Apr 29, 2002	256.000	CONNACHER	80.00000000	TWP 82 RGE 11 W4M SEC 26
ACTIVE	5498040117	**Ext:** 8 (1)(H)	204.800	CHAIR	20.00000000	ALL PNG
	CONNACHER	**Ext:** Apr 29, 2025				
100.00000000	CONNACHER			Total Rental: 896.00		

Status		Hectares	Net		Hectares	Net
	Prod:	0.000	0.000	**NProd:**	0.000	0.000
DEVELOPED	**Dev:**	256.000	204.800	**Undev:**	0.000	0.000
	Prov:	0.000	0.000	**NProv:**	0.000	0.000

M-1291	PNG LIC CR	**Eff:** Apr 30, 1998	256.000		WI	Area : DIVIDE-PNG
Sub: C	WI	**Exp:** Apr 29, 2002	256.000	CONNACHER	100.00000000	TWP 82 RGE 11 W4M SEC 23
ACTIVE	5498040117	**Ext:** 8 (1)(H)	256.000			ALL PNG
	CONNACHER	**Ext:** Apr 29, 2025		Total Rental: 896.00		
100.00000000	CONNACHER					

Status	Hectares	Net	Hectares	Net

CONNACHER OIL AND GAS LIMITED
Mineral Property Report

Category: MINERAL

File Number / File Status / Mineral Int	Lse Type / Lessor Type / Int Type / Lse No/Name / Operator / Payor		Exposure / Gross / Net	Oper.Cont. ROFR / Doi Partner(s)	DOI Code	Lease Description / Rights Held

(cont'd)

M-1291
Sub: C

Status		Hectares	Net		Hectares	Net
	Prod:	0.000	0.000	**NProd:**	0.000	0.000
UNDEVELOPED	**Dev:**	0.000	0.000	**Undev:**	256.000	256.000
	Prov:	0.000	0.000	**NProv:**	0.000	0.000

M-1572	PNG CR	**Eff:** Nov 09, 1995	192.000	C-0544 D No	WI	Area : DIVIDE-PNG
Sub: A	WI	**Exp:** Nov 08, 2000	192.000	CHAIR	15.00000000	TWP 82 RGE 11 W4M S/2 6, NE/4 6
ACTIVE	0595110173	**Ext:** 8 (1)(H)	163.200	CONNACHER	85.00000000	PNG TO TOP MCMURRAY
	CONNACHER	**Ext:** Nov 08, 2025				
100.00000000	CONNACHER	**Count Acreage =** No		Total Rental: 0.00		

Status		Hectares	Net		Hectares	Net
	Prod:	0.000	0.000	**NProd:**	0.000	0.000
UNDEVELOPED	**Dev:**	0.000	0.000	**Undev:**	192.000	163.200
	Prov:	0.000	0.000	**NProv:**	0.000	0.000

M-1572	PNG CR	**Eff:** Nov 09, 1995	256.000		RENTAL	Area : DIVIDE-PNG
Sub: B	NI	**Exp:** Nov 08, 2000	256.000	HUSKY	* 100.00000000	TWP 82 RGE 11 W4M SEC 6
ACTIVE	0595110173	**Ext:** 8 (1)(H)	0.000			ALL PNG FROM TOP SURFACE TO
	HUSKY	**Ext:** Nov 08, 2025		Total Rental: 0.00		BASE MCMURRAY
100.00000000	CONNACHER	**Count Acreage =** No				

Status		Hectares	Net		Hectares	Net
	Prod:	0.000	0.000	**NProd:**	0.000	0.000
UNDEVELOPED	**Dev:**	0.000	0.000	**Undev:**	256.000	0.000
	Prov:	0.000	0.000	**NProv:**	0.000	0.000

M-1572	PNG CR	**Eff:** Nov 09, 1995	256.000	C-0544 E No	WI	Area : DIVIDE-PNG

CONNACHER OIL AND GAS LIMITED
Mineral Property Report

Category: MINERAL

File Number / File Status / Mineral Int	Lse Type / Lessor Type / Int Type / Lse No/Name / Operator / Payor		Exposure / Gross / Net	Oper.Cont. ROFR / Doi Partner(s) *	DOI Code *	Lease Description / Rights Held

(cont'd)

M-1572						
Sub: C	WI	**Exp:** Nov 08, 2000	256.000	CONNACHER	90.00000000	TWP 82 RGE 11 W4M SEC 6
ACTIVE	0595110173	**Ext:** 8 (1)(H)	230.400	CHAIR	10.00000000	PNG IN MCMURRAY
	CONNACHER	**Ext:** Nov 08, 2025				
100.00000000	CONNACHER			Total Rental: 896.00		

Status		Hectares	Net		Hectares	Net
	Prod:	0.000	0.000	**NProd:**	0.000	0.000
DEVELOPED	**Dev:**	256.000	230.400	**Undev:**	0.000	0.000
	Prov:	0.000	0.000	**NProv:**	0.000	0.000

M-1572	PNG CR	**Eff:** Nov 09, 1995	64.000	C-0543 A Yes	WI	Area : DIVIDE-PNG
Sub: D	WI	**Exp:** Nov 08, 2000	64.000	CONNACHER	80.00000000	TWP 82 RGE 11 W4M NW/4 6
ACTIVE	0595110173	**Ext:** 8 (1)(H)	51.200	CHAIR	20.00000000	PNG TO TOP MCMURRAY
	CONNACHER	**Ext:** Nov 08, 2025				
100.00000000	CONNACHER	**Count Acreage =** No		Total Rental: 0.00		

Status		Hectares	Net		Hectares	Net
	Prod:	0.000	0.000	**NProd:**	0.000	0.000
UNDEVELOPED	**Dev:**	0.000	0.000	**Undev:**	64.000	51.200
	Prov:	0.000	0.000	**NProv:**	0.000	0.000

CONNACHER OIL AND GAS LIMITED
Mineral Property Report

Category: MINERAL

File Number	Lse Type Lessor Type	Exposure	Oper.Cont. ROFR	DOI Code	
File Status	Int Type / Lse No/Name	Gross			
Mineral Int	Operator / Payor	Net	Doi Partner(s) *	*	Lease Description / Rights Held

Category Total:	**Total Gross:**	41,856.000	**Total Net:**	32,569.168				
	Prod Gross:	512.000	**Prod Net:**	384.000	**NProd Gross:**	4,672.000	**NProd Net:**	3,846.400
	Dev Gross:	9,472.000	**Dev Net:**	7,440.848	**Undev Gross :**	32,128.000	**Undev Net :**	24,923.520
	Prov Gross:	0.000	**Prov Net:**	0.000	**NProv Gross:**	0.000	**NProv Net:**	0.000
Report Total:	**Total Gross:**	41,856.000	**Total Net:**	32,569.168				
	Prod Gross:	512.000	**Prod Net:**	384.000	**NProd Gross:**	4,672.000	**NProd Net:**	3,846.400
	Dev Gross:	9,472.000	**Dev Net:**	7,440.848	**Undev Gross :**	32,128.000	**Undev Net :**	24,923.520
	Prov Gross:	0.000	**Prov Net:**	0.000	**NProv Gross:**	0.000	**NProv Net:**	0.000

**** End of Report ****

CONNACHER OIL AND GAS LIMITED

Mineral Property Report

Generated by Kim Long on June 08, 2018 at 2:08:24 pm.

Selection

Admin Company:	
Category:	
Country:	
Province:	
Division:	
Area(s):	
Active / Inactive:	Active
Status Types:	
Lease Types:	
Acreage Status:	
Expiry Period:	
Acreage Category:	

CS*EXPLORER Version: 9.10.04

CONNACHER OIL AND GAS LIMITED

Mineral Property Report

Print Options

Acres / Hectares:	Hectares		
Working Interest DOI:	Yes		
Other DOI:	Reference		
Related Contracts:	No	**Related Units:**	No
Royalty Information:	No		
Well Information:	No		
Remarks:	No		
Acreage:	Producing / Non Producing Developed / Undeveloped Proven / Unproven		

Sort Options

Division:	No
Category:	Yes
Province:	No
Area:	No
Location:	No

CS*EXPLORER Version: 9.1004

CONNACHER OIL AND GAS LIMITED
Mineral Property Report

Category: MINERAL

File Number / File Status / Mineral Int	Lse Type / Int Type / Lse No/Name / Operator / Payor	Lessor Type		Exposure Gross Net	Oper.Cont. ROFR / Doi Partner(s)	DOI Code *	*	Lease Description / Rights Held
M-0194	OILSND	CR	**Eff:** Jan 08, 2004	3,072.000		WI		Area : DIVIDE-PNG
Sub: A	WI		**Exp:** Jan 07, 2019	3,072.000	CONNACHER	100.00000000		TWP 80 RGE 13 W4M SEC
ACTIVE	7404010454			3,072.000				2,3,10,11,14
	CONNACHER				Total Rental: 10752.0(			TWP 80 RGE 13 W4M SEC
100.00000000	CONNACHER							15,22,23,26
								TWP 80 RGE 13 W4M SEC 27,34,35

Status		Hectares	Net		Hectares	Net	Lease Description / Rights Held
NON PRODUCING	**Prod:**	0.000	0.000	**NProd:**	3,072.000	3,072.000	ALL OIL_SANDS FROM TOP VIKING
UNDEVELOPED	**Dev:**	0.000	0.000	**Undev:**	3,072.000	3,072.000	TO BASE WOODBEND
	Prov:	0.000	0.000	**NProv:**	0.000	0.000	

File Number / File Status / Mineral Int	Lse Type / Int Type / Lse No/Name / Operator / Payor	Lessor Type		Exposure Gross Net	Oper.Cont. ROFR / Doi Partner(s)	DOI Code *	*	Lease Description / Rights Held
M-0195	OILSND	CR	**Eff:** Jan 08, 2004	3,072.000		WI		Area : DIVIDE-PNG
Sub: A	WI		**Exp:** Jan 07, 2019	3,072.000	CONNACHER	100.00000000		TWP 81 RGE 11 W4M SEC
ACTIVE	7404010456			3,072.000				27,28,29,30
	CONNACHER				Total Rental: 10752.0(			TWP 81 RGE 11 W4M SEC
100.00000000	CONNACHER							31,32,33,34
								TWP 82 RGE 11 W4M SEC 3,4,5,6

Status		Hectares	Net		Hectares	Net	Lease Description / Rights Held
NON PRODUCING	**Prod:**	0.000	0.000	**NProd:**	3,072.000	3,072.000	ALL OIL_SANDS FROM TOP VIKING
UNDEVELOPED	**Dev:**	0.000	0.000	**Undev:**	3,072.000	3,072.000	TO BASE WOODBEND
	Prov:	0.000	0.000	**NProv:**	0.000	0.000	

File Number / File Status / Mineral Int	Lse Type / Int Type / Lse No/Name / Operator / Payor	Lessor Type		Exposure Gross Net	Oper.Cont. ROFR / Doi Partner(s)	DOI Code *	*	Lease Description / Rights Held
M-0196	OILSND	CR	**Eff:** Jan 08, 2004	3,328.000		WI		Area : DIVIDE-PNG
Sub: A	WI		**Exp:** Jan 07, 2019	3,328.000	CONNACHER	100.00000000		TWP 81 RGE 13 W4M SEC
ACTIVE	7404010457			3,328.000				15,16,17,18
	CONNACHER				Total Rental: 11648.0(			TWP 81 RGE 13 W4M SEC 20,21,22
100.00000000	CONNACHER							TWP 81 RGE 13 W4M SEC 27,28,29
								TWP 81 RGE 13 W4M SEC 32,33,34

Status		Hectares	Net		Hectares	Net	Lease Description / Rights Held
NON PRODUCING	**Prod:**	0.000	0.000	**NProd:**	3,328.000	3,328.000	ALL OIL_SANDS FROM TOP VIKING
UNDEVELOPED	**Dev:**	0.000	0.000	**Undev:**	3,328.000	3,328.000	TO BASE WOODBEND

CONNACHER OIL AND GAS LIMITED
Mineral Property Report

Category: MINERAL

File Number / File Status / Mineral Int	Lse Type Lessor Type / Int Type / Lse No/Name / Operator / Payor		Exposure / Gross / Net	Oper.Cont. ROFR / Doi Partner(s)	*	DOI Code	*	Lease Description / Rights Held

(cont'd)

M-0196
Sub: A **Prov:** 0.000 0.000 **NProv:** 0.000 0.000

M-0197	OILSND CR	**Eff:** Jan 08, 2004	2,048.000		WI	Area : DIVIDE-PNG
Sub: A	WI	**Exp:** Jan 07, 2019	2,048.000	CONNACHER	100.00000000	TWP 81 RGE 14 W4M SEC
ACTIVE	7404010458		2,048.000			14,15,22,23
	CONNACHER			Total Rental: 7168.00		TWP 81 RGE 14 W4M SEC
100.00000000	CONNACHER					26,27,34,35
						ALL OIL_SANDS FROM TOP VIKING
						TO BASE WOODBEND

Status		Hectares	Net		Hectares	Net
NON PRODUCING	**Prod:**	0.000	0.000	**NProd:**	2,048.000	2,048.000
UNDEVELOPED	**Dev:**	0.000	0.000	**Undev:**	2,048.000	2,048.000
	Prov:	0.000	0.000	**NProv:**	0.000	0.000

M-0198	OILSND CR	**Eff:** Jan 08, 2004	5,120.000		WI	Area : DIVIDE-PNG
Sub: A	WI	**Exp:** Jan 07, 2019	5,120.000	CONNACHER	100.00000000	TWP 82 RGE 11 W4M SEC
ACTIVE	7404010459		5,120.000			7,8,17,18,19
	CONNACHER			Total Rental: 17920.0(		TWP 82 RGE 11 W4M SEC
100.00000000	CONNACHER					20,29,30,31
						TWP 82 RGE 11 W4M SEC 32
						TWP 82 RGE 12 W4M SEC
						11,12,13,14
						TWP 82 RGE 12 W4M SEC
						23,24,25,26
						TWP 82 RGE 12 W4M SEC 35,36
						ALL OIL_SANDS FROM TOP VIKING
						TO BASE WOODBEND

Status		Hectares	Net		Hectares	Net
NON PRODUCING	**Prod:**	0.000	0.000	**NProd:**	5,120.000	5,120.000
UNDEVELOPED	**Dev:**	0.000	0.000	**Undev:**	5,120.000	5,120.000
	Prov:	0.000	0.000	**NProv:**	0.000	0.000

CONNACHER OIL AND GAS LIMITED
Mineral Property Report

Category: MINERAL

File Number / File Status / Mineral Int	Lse Type / Lessor Type / Int Type / Lse No/Name / Operator / Payor		Exposure / Gross / Net	Oper.Cont. ROFR / Doi Partner(s)	DOI Code	Lease Description / Rights Held
M-0199	OILSND CR	**Eff:** Jan 08, 2004	4,608.000		WI	Area : DIVIDE-PNG
Sub: A	WI	**Exp:** Jan 07, 2019	4,160.000	CONNACHER	100.00000000	TWP 82 RGE 12 W4M SEC 8,9,10
ACTIVE	7404010460		4,160.000			TWP 82 RGE 12 W4M SEC 15
	CONNACHER			Total Rental: 14560.0(		TWP 82 RGE 12 W4M NE/4 16
100.00000000	CONNACHER					TWP 82 RGE 12 W4M S/2 16
						TWP 82 RGE 12 W4M S/2 17

Status		Hectares	Net		Hectares	Net
NON PRODUCING	**Prod:**	0.000	0.000	**NProd:**	4,160.000	4,160.000
UNDEVELOPED	**Dev:**	0.000	0.000	**Undev:**	4,160.000	4,160.000
	Prov:	0.000	0.000	**NProv:**	0.000	0.000

TWP 82 RGE 12 W4M NW/4 17
TWP 82 RGE 12 W4M SW/4 20
TWP 82 RGE 12 W4M N/2 20
TWP 82 RGE 12 W4M SEC 22
TWP 82 RGE 12 W4M SEC 27,28,29
TWP 82 RGE 12 W4M SEC 32,33,34
TWP 83 RGE 12 W4M SEC 2,3,4
TWP 82 RGE 12 W4M NE/4 16
ALL OIL_SANDS FROM TOP VIKING
TO BASE WOODBEND

File Number / File Status / Mineral Int	Lse Type / Lessor Type / Int Type / Lse No/Name / Operator / Payor		Exposure / Gross / Net	Oper.Cont. ROFR / Doi Partner(s)	DOI Code	Lease Description / Rights Held
M-0199	OILSND CR	**Eff:** Jan 08, 2004	4,608.000		WI	Area : DIVIDE-PNG
Sub: B	WI	**Exp:** Jan 07, 2019	448.000	CONNACHER	100.00000000	TWP 82 RGE 12 W4M NW/4 16
ACTIVE	7404010460		448.000			TWP 82 RGE 12 W4M NE/4 17
	CONNACHER			Total Rental: 1568.00		TWP 82 RGE 12 W4M SE/4 20
100.00000000	CONNACHER					TWP 82 RGE 12 W4M SEC 21
						ALL OIL_SANDS FROM TOP VIKING
						TO BASE WOODBEND

Status		Hectares	Net		Hectares	Net
NON PRODUCING	**Prod:**	0.000	0.000	**NProd:**	448.000	448.000
DEVELOPED	**Dev:**	448.000	448.000	**Undev:**	0.000	0.000
	Prov:	0.000	0.000	**NProv:**	0.000	0.000

File Number	Lse Type / Lessor Type		Exposure		DOI Code	Lease Description / Rights Held
M-0253	OILSND CR	**Eff:** Dec 16, 2004	4,608.000		WI	Area : DIVIDE-PNG

CONNACHER OIL AND GAS LIMITED
Mineral Property Report

Category: MINERAL

File Number / File Status / Mineral Int	Lse Type Lessor Type / Int Type / Lse No/Name / Operator / Payor		Exposure / Gross / Net	Oper.Cont. ROFR / Doi Partner(s) *	DOI Code *	Lease Description / Rights Held
(cont'd)						
M-0253						
Sub: A	WI	**Exp:** Dec 15, 2019	4,608.000	CONNACHER	100.00000000	TWP 81 RGE 12 W4M SEC 5, 6, 7, 8
ACTIVE	7404120875		4,608.000			TWP 81 RGE 12 W4M SEC 17, 18, 19, 20
	CONNACHER			Total Rental: 16128.0(		TWP 81 RGE 13 W4M SEC 1, 2, 3
100.00000000	CONNACHER					TWP 81 RGE 13 W4M SEC 10, 11, 12, 13, 14
						TWP 81 RGE 13 W4M SEC 23, 24
						ALL OIL_SANDS FROM TOP VIKING TO BASE WOODBEND

Status		Hectares	Net		Hectares	Net
NON PRODUCING	**Prod:**	0.000	0.000	**NProd:**	4,608.000	4,608.000
UNDEVELOPED	**Dev:**	0.000	0.000	**Undev:**	4,608.000	4,608.000
	Prov:	0.000	0.000	**NProv:**	0.000	0.000

File Number / File Status / Mineral Int	Lse Type Lessor Type / Int Type / Lse No/Name / Operator / Payor		Exposure / Gross / Net	Oper.Cont. ROFR / Doi Partner(s) *	DOI Code *	Lease Description / Rights Held
M-0260	OILSND CR	**Eff:** Jul 28, 2005	256.000		WI	Area : DIVIDE-PNG
Sub: A	WI	**Exp:** Jul 27, 2020	256.000	CONNACHER	100.00000000	TWP 83 RGE 12 W4M SEC 9
ACTIVE	7405070553		256.000			ALL OIL_SANDS FROM TOP VIKING
	CONNACHER			Total Rental: 896.00		TO BASE WOODBEND
100.00000000	CONNACHER					

Status		Hectares	Net		Hectares	Net
NON PRODUCING	**Prod:**	0.000	0.000	**NProd:**	256.000	256.000
UNDEVELOPED	**Dev:**	0.000	0.000	**Undev:**	256.000	256.000
	Prov:	0.000	0.000	**NProv:**	0.000	0.000

File Number / File Status / Mineral Int	Lse Type Lessor Type / Int Type / Lse No/Name / Operator / Payor		Exposure / Gross / Net	Oper.Cont. ROFR / Doi Partner(s) *	DOI Code *	Lease Description / Rights Held
M-0261	OILSND CR	**Eff:** Jul 28, 2005	256.000		WI	Area : DIVIDE-PNG
Sub: A	WI	**Exp:** Jul 27, 2020	256.000	CONNACHER	100.00000000	TWP 83 RGE 12 W4M SEC 10
ACTIVE	7405070554		256.000			ALL OIL_SANDS FROM TOP VIKING
	CONNACHER			Total Rental: 896.00		TO BASE WOODBEND
100.00000000	CONNACHER					

CONNACHER OIL AND GAS LIMITED
Mineral Property Report

Category: MINERAL

File Number / File Status / Mineral Int	Lse Type / Lessor Type / Int Type / Lse No/Name / Operator / Payor		Exposure / Gross / Net	Oper.Cont. ROFR / Doi Partner(s)	DOI Code *	*	Lease Description / Rights Held

(cont'd)

M-0261
Sub: A

Status		Hectares	Net		Hectares	Net
NON PRODUCING	**Prod:**	0.000	0.000	**NProd:**	256.000	256.000
UNDEVELOPED	**Dev:**	0.000	0.000	**Undev:**	256.000	256.000
	Prov:	0.000	0.000	**NProv:**	0.000	0.000

M-0262	OILSND CR	**Eff:** Jul 28, 2005	256.000		WI	Area : DIVIDE-PNG
Sub: A	WI	**Exp:** Jul 27, 2020	256.000	CONNACHER	100.00000000	TWP 83 RGE 12 W4M SEC 14
ACTIVE	7405070555		256.000			ALL OIL_SANDS FROM TOP VIKING
	CONNACHER			Total Rental: 896.00		TO BASE WOODBEND
100.00000000	CONNACHER					

Status		Hectares	Net		Hectares	Net
NON PRODUCING	**Prod:**	0.000	0.000	**NProd:**	256.000	256.000
UNDEVELOPED	**Dev:**	0.000	0.000	**Undev:**	256.000	256.000
	Prov:	0.000	0.000	**NProv:**	0.000	0.000

M-0263	OILSND CR	**Eff:** Jul 28, 2005	256.000		WI	Area : DIVIDE-PNG
Sub: A	WI	**Exp:** Jul 27, 2020	256.000	CONNACHER	100.00000000	TWP 83 RGE 12 W4M SEC 15
ACTIVE	7405070556		256.000			ALL OIL_SANDS FROM TOP VIKING
	CONNACHER			Total Rental: 896.00		TO BASE WOODBEND
100.00000000	CONNACHER					

Status		Hectares	Net		Hectares	Net
NON PRODUCING	**Prod:**	0.000	0.000	**NProd:**	256.000	256.000
UNDEVELOPED	**Dev:**	0.000	0.000	**Undev:**	256.000	256.000
	Prov:	0.000	0.000	**NProv:**	0.000	0.000

File Number / File Status / Mineral Int	Lse Type Lessor Type / Int Type / Lse No/Name / Operator / Payor		Exposure / Gross / Net	Oper.Cont. ROFR / Doi Partner(s)	DOI Code	Lease Description / Rights Held
M-0264	OILSND CR	Eff: Jul 28, 2005	256.000		WI	Area : DIVIDE-PNG
Sub: A	WI	Exp: Jul 27, 2020	256.000	CONNACHER	100.00000000	TWP 81 RGE 14 W4M SEC 24
ACTIVE	7405070551		256.000			ALL OIL_SANDS FROM TOP VIKING
	CONNACHER			Total Rental: 896.00		TO BASE WOODBEND
100.00000000	CONNACHER					

Status		Hectares	Net		Hectares	Net
NON PRODUCING	Prod:	0.000	0.000	NProd:	256.000	256.000
UNDEVELOPED	Dev:	0.000	0.000	Undev:	256.000	256.000
	Prov:	0.000	0.000	NProv:	0.000	0.000

M-0265	OILSND CR	Eff: Jul 28, 2005	256.000		WI	Area : DIVIDE-PNG
Sub: A	WI	Exp: Jul 27, 2020	256.000	CONNACHER	100.00000000	TWP 81 RGE 14 W4M SEC 36
ACTIVE	7405070552		256.000			ALL OIL_SANDS FROM TOP VIKING
	CONNACHER			Total Rental: 896.00		TO BASE WOODBEND
100.00000000	CONNACHER					

Status		Hectares	Net		Hectares	Net
NON PRODUCING	Prod:	0.000	0.000	NProd:	256.000	256.000
UNDEVELOPED	Dev:	0.000	0.000	Undev:	256.000	256.000
	Prov:	0.000	0.000	NProv:	0.000	0.000

M-0278	OILSND CR	Eff: Jan 12, 2006	256.000	C-0088 A No	WI	Area : DIVIDE-PNG
Sub: A	WI	Exp: Jan 11, 2021	256.000	CONNACHER	100.00000000	TWP 83 RGE 12 W4M SEC 23
ACTIVE	7406010664		256.000			ALL OIL_SANDS FROM TOP VIKING
	CONNACHER			Total Rental: 896.00		TO BASE WOODBEND
100.00000000	CONNACHER					

Status		Hectares	Net		Hectares	Net
NON PRODUCING	Prod:	0.000	0.000	NProd:	256.000	256.000

CONNACHER OIL AND GAS LIMITED
Mineral Property Report

File Number / File Status / Mineral Int	Lse Type Lessor Type / Int Type / Lse No/Name / Operator / Payor		Exposure / Gross / Net	Oper.Cont. ROFR / Doi Partner(s)	*	DOI Code	*	Lease Description / Rights Held

(cont'd)

M-0278

Sub: A	Status		Hectares	Net		Hectares	Net
	UNDEVELOPED	Dev:	0.000	0.000	Undev:	256.000	256.000
		Prov:	0.000	0.000	NProv:	0.000	0.000

M-0279 | OILSND CR | Eff: Jan 12, 2006 | 256.000 | C-0088 A No | WI | Area : DIVIDE-PNG
Sub: A | WI | Exp: Jan 11, 2021 | 256.000 | CONNACHER | 100.00000000 | TWP 83 RGE 12 W4M SEC 26
ACTIVE | 7406010665 | | 256.000 | | | ALL OIL_SANDS FROM TOP VIKING
| CONNACHER | | | Total Rental: 896.00 | | TO BASE WOODBEND
100.00000000 | CONNACHER

Status		Hectares	Net		Hectares	Net
NON PRODUCING	Prod:	0.000	0.000	NProd:	256.000	256.000
UNDEVELOPED	Dev:	0.000	0.000	Undev:	256.000	256.000
	Prov:	0.000	0.000	NProv:	0.000	0.000

M-0280 | OILSND CR | Eff: Jan 12, 2006 | 256.000 | C-0088 A No | WI | Area : DIVIDE-PNG
Sub: A | WI | Exp: Jan 11, 2021 | 256.000 | CONNACHER | 100.00000000 | TWP 83 RGE 12 W4M SEC 35
ACTIVE | 7406010666 | | 256.000 | | | ALL OIL_SANDS FROM TOP VIKING
| CONNACHER | | | Total Rental: 896.00 | | TO BASE WOODBEND
100.00000000 | CONNACHER

Status		Hectares	Net		Hectares	Net
NON PRODUCING	Prod:	0.000	0.000	NProd:	256.000	256.000
UNDEVELOPED	Dev:	0.000	0.000	Undev:	256.000	256.000
	Prov:	0.000	0.000	NProv:	0.000	0.000

M-0453 | OILSND CR | Eff: May 18, 2006 | 256.000 | | WI | Area : DIVIDE-PNG
Sub: A | WI | Exp: May 17, 2021 | 256.000 | CONNACHER | 100.00000000 | TWP 83 RGE 13 W4M SEC 7

File Number / File Status / Mineral Int	Lse Type / Lessor Type / Int Type / Lse No/Name / Operator / Payor		Exposure / Gross / Net	Oper.Cont. / ROFR / Doi Partner(s)	DOI Code	Lease Description / Rights Held

(cont'd)

M-0453						
Sub: A						
ACTIVE	7406050801		256.000			ALL OIL_SANDS FROM TOP VIKING
	CONNACHER			Total Rental: 896.00		TO BASE WOODBEND
100.00000000	CONNACHER					

Status		Hectares	Net		Hectares	Net
NON PRODUCING	**Prod:**	0.000	0.000	**NProd:**	256.000	256.000
UNDEVELOPED	**Dev:**	0.000	0.000	**Undev:**	256.000	256.000
	Prov:	0.000	0.000	**NProv:**	0.000	0.000

M-0454	OILSND CR	**Eff:** May 18, 2006	256.000		WI	Area : DIVIDE-PNG
Sub: A	WI	**Exp:** May 17, 2021	256.000	CONNACHER	100.00000000	TWP 83 RGE 13 W4M SEC 18
ACTIVE	7406050803		256.000			ALL OIL_SANDS FROM TOP VIKING
	CONNACHER			Total Rental: 896.00		TO BASE WOODBEND
100.00000000	CONNACHER					

Status		Hectares	Net		Hectares	Net
NON PRODUCING	**Prod:**	0.000	0.000	**NProd:**	256.000	256.000
UNDEVELOPED	**Dev:**	0.000	0.000	**Undev:**	256.000	256.000
	Prov:	0.000	0.000	**NProv:**	0.000	0.000

M-0455	OILSND CR	**Eff:** May 18, 2006	256.000		WI	Area : DIVIDE-PNG
Sub: A	WI	**Exp:** May 17, 2021	256.000	CONNACHER	100.00000000	TWP 83 RGE 14 W4M SEC 1
ACTIVE	7406050804		256.000			ALL OIL_SANDS FROM TOP VIKING
	CONNACHER			Total Rental: 896.00		TO BASE WOODBEND
100.00000000	CONNACHER					

Status		Hectares	Net		Hectares	Net

CONNACHER OIL AND GAS LIMITED
Mineral Property Report

File Number / File Status / Mineral Int	Lse Type / Int Type / Lse No/Name / Operator / Payor	Lessor Type		Exposure / Gross / Net	Oper.Cont. ROFR / Doi Partner(s)	*	DOI Code *		Lease Description / Rights Held
(cont'd)									
M-0455									
Sub: A	NON PRODUCING	**Prod:**		0.000	0.000	**NProd:**	256.000	256.000	
	UNDEVELOPED	**Dev:**		0.000	0.000	**Undev:**	256.000	256.000	
		Prov:		0.000	0.000	**NProv:**	0.000	0.000	
M-0456	OILSND	CR	**Eff:** May 18, 2006	256.000			WI		Area : DIVIDE-PNG
Sub: A	WI		**Exp:** May 17, 2021	256.000	CONNACHER		100.00000000		TWP 83 RGE 14 W4M SEC 12
ACTIVE	7406050805			256.000					ALL OIL_SANDS FROM TOP VIKING
	CONNACHER				Total Rental: 896.00				TO BASE WOODBEND
100.00000000	CONNACHER								
	Status			**Hectares**	**Net**		**Hectares**	**Net**	
	NON PRODUCING	**Prod:**		0.000	0.000	**NProd:**	256.000	256.000	
	UNDEVELOPED	**Dev:**		0.000	0.000	**Undev:**	256.000	256.000	
		Prov:		0.000	0.000	**NProv:**	0.000	0.000	
M-0457	OILSND	CR	**Eff:** May 18, 2006	256.000			WI		Area : DIVIDE-PNG
Sub: A	WI		**Exp:** May 17, 2021	256.000	CONNACHER		100.00000000		TWP 83 RGE 14 W4M SEC 13
ACTIVE	7406050806			256.000					ALL OIL_SANDS FROM TOP VIKING
	CONNACHER				Total Rental: 896.00				TO BASE WOODBEND
100.00000000	CONNACHER								
	Status			**Hectares**	**Net**		**Hectares**	**Net**	
	NON PRODUCING	**Prod:**		0.000	0.000	**NProd:**	256.000	256.000	
	UNDEVELOPED	**Dev:**		0.000	0.000	**Undev:**	256.000	256.000	
		Prov:		0.000	0.000	**NProv:**	0.000	0.000	
M-0464	OILSND	CR	**Eff:** Jul 13, 2006	2,304.000			WI		Area : DIVIDE-PNG

File Number / File Status / Mineral Int	Lse Type / Lessor Type / Int Type / Lse No/Name / Operator / Payor		Exposure / Gross / Net	Oper.Cont. ROFR / Doi Partner(s)	DOI Code	Lease Description / Rights Held

(cont'd)

M-0464

M-0464						
Sub: A	WI	**Exp:** Jul 12, 2021	2,304.000	CONNACHER	100.00000000	TWP 82 RGE 14 W4M SECS 4, 5, 8, 9, 10, 15, 16, 21, 22
ACTIVE	7406070401		2,304.000			ALL OIL_SANDS FROM TOP VIKING TO BASE WOODBEND
	CONNACHER			Total Rental: 8064.00		
100.00000000	CONNACHER					

Status		Hectares	Net		Hectares	Net
NON PRODUCING	**Prod:**	0.000	0.000	**NProd:**	2,304.000	2,304.000
UNDEVELOPED	**Dev:**	0.000	0.000	**Undev:**	2,304.000	2,304.000
	Prov:	0.000	0.000	**NProv:**	0.000	0.000

M-0493

M-0493	OILSND CR	**Eff:** Nov 30, 2006	256.000		WI	Area : DIVIDE-PNG
Sub: A	WI	**Exp:** Nov 29, 2021	256.000	CONNACHER	100.00000000	TWP 82 RGE 14 W4M SEC 28
ACTIVE	7406110501		256.000			OIL SANDS BELOW THE TOP OF THE VIKING TO THE BASE OF THE WOODBEND GROUP
	CONNACHER			Total Rental: 896.00		
100.00000000	CONNACHER					

Status		Hectares	Net		Hectares	Net
NON PRODUCING	**Prod:**	0.000	0.000	**NProd:**	256.000	256.000
UNDEVELOPED	**Dev:**	0.000	0.000	**Undev:**	256.000	256.000
	Prov:	0.000	0.000	**NProv:**	0.000	0.000

M-0494

M-0494	OILSND CR	**Eff:** Nov 30, 2006	256.000		WI	Area : DIVIDE-PNG
Sub: A	WI	**Exp:** Nov 29, 2021	256.000	CONNACHER	100.00000000	TWP 83 RGE 13 W4M SEC 19
ACTIVE	7406110503		256.000			OIL SANDS BELOW THE TOP OF THE VIKING TO THE BASE OF THE WOODBEND GROUP
	CONNACHER			Total Rental: 896.00		
100.00000000	CONNACHER					

Status		Hectares	Net		Hectares	Net

CONNACHER OIL AND GAS LIMITED
Mineral Property Report

File Number / File Status / Mineral Int	Lse Type / Lessor Type / Int Type / Lse No/Name / Operator / Payor		Exposure / Gross / Net	Oper.Cont. ROFR / Doi Partner(s)	DOI Code *	*	Lease Description / Rights Held

(cont'd)

M-0494
Sub: A

Status		Hectares	Net		Hectares	Net
NON PRODUCING	Prod:	0.000	0.000	NProd:	256.000	256.000
UNDEVELOPED	Dev:	0.000	0.000	Undev:	256.000	256.000
	Prov:	0.000	0.000	NProv:	0.000	0.000

M-0495	OILSND CR	Eff: Nov 30, 2006	256.000		WI	Area : DIVIDE-PNG
Sub: A	WI	Exp: Nov 29, 2021	256.000	CONNACHER	100.00000000	TWP 83 RGE 13 W4M SEC 30
ACTIVE	7406110506		256.000			OIL SANDS BELOW THE TOP OF THE
	CONNACHER			Total Rental: 896.00		VIKING TO THE BASE OF THE
100.00000000	CONNACHER					WOODBEND GROUP

Status		Hectares	Net		Hectares	Net
NON PRODUCING	Prod:	0.000	0.000	NProd:	256.000	256.000
UNDEVELOPED	Dev:	0.000	0.000	Undev:	256.000	256.000
	Prov:	0.000	0.000	NProv:	0.000	0.000

M-0496	OILSND CR	Eff: Nov 30, 2006	256.000		WI	Area : DIVIDE-PNG
Sub: A	WI	Exp: Nov 29, 2021	256.000	CONNACHER	100.00000000	TWP 83 RGE 13 W4M SEC 31
ACTIVE	7406110507		256.000			ALL OIL_SANDS BELOW TOP VIKING
	CONNACHER			Total Rental: 896.00		TO BASE WOODBEND
100.00000000	CONNACHER					

Status		Hectares	Net		Hectares	Net
NON PRODUCING	Prod:	0.000	0.000	NProd:	256.000	256.000
UNDEVELOPED	Dev:	0.000	0.000	Undev:	256.000	256.000
	Prov:	0.000	0.000	NProv:	0.000	0.000

M-0506	OILSND CR	Eff: Jan 11, 2007	256.000		WI	Area : DIVIDE-PNG

CONNACHER OIL AND GAS LIMITED
Mineral Property Report

File Number / File Status / Mineral Int	Lse Type / Lessor Type / Int Type / Lse No/Name / Operator / Payor		Exposure / Gross / Net	Oper.Cont. ROFR / Doi Partner(s) *	DOI Code *	Lease Description / Rights Held
(cont'd)						
M-0506						
Sub: A	WI	Exp: Jan 10, 2022	256.000	CONNACHER	100.00000000	TWP 80 RGE 14 W4M SEC 12
ACTIVE	7407010522		256.000			OILSANDS BELOW THE TOP OF THE
	CONNACHER			Total Rental: 896.00		VIKING TO THE BASE OF THE
100.00000000	CONNACHER					WOODBEND GROUP

Status		Hectares	Net		Hectares	Net
NON PRODUCING	Prod:	0.000	0.000	NProd:	256.000	256.000
UNDEVELOPED	Dev:	0.000	0.000	Undev:	256.000	256.000
	Prov:	0.000	0.000	NProv:	0.000	0.000

File Number / File Status / Mineral Int	Lse Type / Lessor Type / Int Type / Lse No/Name / Operator / Payor		Exposure / Gross / Net	Oper.Cont. ROFR / Doi Partner(s) *	DOI Code *	Lease Description / Rights Held
M-0507	OILSND CR	Eff: Jan 11, 2007	256.000		WI	Area : DIVIDE-PNG
Sub: A	WI	Exp: Jan 10, 2022	256.000	CONNACHER	100.00000000	TWP 80 RGE 14 W4M SEC 13
ACTIVE	7407010523		256.000			OILSANDS BELOW THE TOP OF THE
	CONNACHER			Total Rental: 896.00		VIKING TO THE BASE OF THE
100.00000000	CONNACHER					WOODBEND GROUP

Status		Hectares	Net		Hectares	Net
NON PRODUCING	Prod:	0.000	0.000	NProd:	256.000	256.000
UNDEVELOPED	Dev:	0.000	0.000	Undev:	256.000	256.000
	Prov:	0.000	0.000	NProv:	0.000	0.000

File Number / File Status / Mineral Int	Lse Type / Lessor Type / Int Type / Lse No/Name / Operator / Payor		Exposure / Gross / Net	Oper.Cont. ROFR / Doi Partner(s) *	DOI Code *	Lease Description / Rights Held
M-0508	OILSND CR	Eff: Jan 11, 2007	256.000		WI	Area : DIVIDE-PNG
Sub: A	WI	Exp: Jan 10, 2022	256.000	CONNACHER	100.00000000	TWP 80 RGE 14 W4M SEC 24
ACTIVE	7407010524		256.000			OILSANDS BELOW THE TOP OF THE
	CONNACHER			Total Rental: 896.00		VIKING TO THE BASE OF THE
100.00000000	CONNACHER					WOODBEND GROUP

Status		Hectares	Net		Hectares	Net

File Number / File Status / Mineral Int	Lse Type / Int Type / Lse No/Name / Operator / Payor	Lessor Type		Exposure / Gross / Net	Oper.Cont. ROFR / Doi Partner(s)	DOI Code *	*	Lease Description / Rights Held
(cont'd)								

M-0508

	Status		Hectares	Net		Hectares	Net
Sub: A	NON PRODUCING	**Prod:**	0.000	0.000	**NProd:**	256.000	256.000
	UNDEVELOPED	**Dev:**	0.000	0.000	**Undev:**	256.000	256.000
		Prov:	0.000	0.000	**NProv:**	0.000	0.000

M-0509	OILSND CR	**Eff:** Jan 11, 2007	256.000			WI	Area : DIVIDE-PNG
Sub: A	WI	**Exp:** Jan 10, 2022	256.000	CONNACHER		100.00000000	TWP 81 RGE 14 W4M SEC 25
ACTIVE	7407010525		256.000				OILSANDS BELOW THE TOP OF THE
	CONNACHER			Total Rental:	896.00		VIKING TO THE BASE OF THE
100.00000000	CONNACHER						WOODBEND GROUP

Status		Hectares	Net		Hectares	Net
NON PRODUCING	**Prod:**	0.000	0.000	**NProd:**	256.000	256.000
UNDEVELOPED	**Dev:**	0.000	0.000	**Undev:**	256.000	256.000
	Prov:	0.000	0.000	**NProv:**	0.000	0.000

M-0510	OILSND CR	**Eff:** Jan 11, 2007	256.000			WI	Area : DIVIDE-PNG
Sub: A	WI	**Exp:** Jan 10, 2022	256.000	CONNACHER		100.00000000	TWP 83 RGE 12 W4M SEC 11
ACTIVE	7407010531		256.000				OILSANDS BELOW THE TOP OF THE
	CONNACHER			Total Rental:	896.00		VIKING TO THE BASE OF THE
100.00000000	CONNACHER						WOODBEND GROUP

Status		Hectares	Net		Hectares	Net
NON PRODUCING	**Prod:**	0.000	0.000	**NProd:**	256.000	256.000
UNDEVELOPED	**Dev:**	0.000	0.000	**Undev:**	256.000	256.000
	Prov:	0.000	0.000	**NProv:**	0.000	0.000

M-0705	OILSND CR	**Eff:** Dec 16, 2010	768.000	WI	Area : DIVIDE-PNG

CONNACHER OIL AND GAS LIMITED
Mineral Property Report

Category: MINERAL

File Number / File Status / Mineral Int	Lse Type / Lessor Type / Int Type / Lse No/Name / Operator / Payor		Exposure / Gross / Net	Oper.Cont. ROFR / Doi Partner(s) *	DOI Code *	Lease Description / Rights Held
(cont'd)						
M-0705						
Sub: A	WI	**Exp:** Dec 15, 2025	768.000	CONNACHER	100.00000000	TWP 81 RGE 15 W4M SEC 7, 8, 9
ACTIVE	7410120503		768.000			OILSANDS BELOW THE TOP OF THE
	CONNACHER			Total Rental: 2688.00		VIKING TO THE BASE OF THE
100.00000000	CONNACHER					WOODBEND GROUP

Status		Hectares	Net		Hectares	Net
NON PRODUCING	**Prod:**	0.000	0.000	**NProd:**	768.000	768.000
UNDEVELOPED	**Dev:**	0.000	0.000	**Undev:**	768.000	768.000
	Prov:	0.000	0.000	**NProv:**	0.000	0.000

CONNACHER OIL AND GAS LIMITED
Mineral Property Report

Category: MINERAL

File Number	Lse Type Lessor Type	Exposure	Oper.Cont. ROFR	DOI Code		
File Status	Int Type / Lse No/Name	Gross				
Mineral Int	Operator / Payor	Net	Doi Partner(s)	*	*	Lease Description / Rights Held

Category Total:	**Total Gross:**	34,816.000	**Total Net:**	34,816.000				
	Prod Gross:	0.000	**Prod Net:**	0.000	**NProd Gross:**	34,816.000	**NProd Net:**	34,816.000
	Dev Gross:	448.000	**Dev Net:**	448.000	**Undev Gross :**	34,368.000	**Undev Net :**	34,368.000
	Prov Gross:	0.000	**Prov Net:**	0.000	**NProv Gross:**	0.000	**NProv Net:**	0.000
Report Total:	**Total Gross:**	34,816.000	**Total Net:**	34,816.000				
	Prod Gross:	0.000	**Prod Net:**	0.000	**NProd Gross:**	34,816.000	**NProd Net:**	34,816.000
	Dev Gross:	448.000	**Dev Net:**	448.000	**Undev Gross :**	34,368.000	**Undev Net :**	34,368.000
	Prov Gross:	0.000	**Prov Net:**	0.000	**NProv Gross:**	0.000	**NProv Net:**	0.000

**** End of Report ****

THE FOLLOWING COMPRISES SCHEDULE “B” ATTACHED TO AND FORMING PART OF A PURCHASE AND SALE AGREEMENT DATED THE 2nd DAY OF AUGUST, 2018 BETWEEN CONNACHER OIL AND GAS LIMITED, and EAST RIVER OIL AND GAS LTD.

Wells and Facilities

The following 7 pages comprise Schedule “B”.

Project Area	Asset Location							Asset Description
	UWI	LSD	Sec	Twp	Rg	Mer	events	
Pod One		13	16	082	12	4		Pod One SAGD Facility; Area 1 (Truck Loading)
Pod One		13	16	082	12	4		Pod One SAGD Facility; Area 2 (Steam Generation)
Pod One		13	16	082	12	4		Pod One SAGD Facility; Area 3 (Treater)
Pod One		13	16	082	12	4		Pod One SAGD Facility; Area 4 (Tank Farm)
Pod One		13	16	082	12	4		Pod One SAGD Facility; Area 5 (Glycol)
Pod One		13	16	082	12	4		Pod One SAGD Facility; Area 6 (Water Treatment)
Pod One		13	16	082	12	4		Pod One SAGD Facility; Area 7 (Flare System)
Pod One		13	16	082	12	4		Pod One SAGD Facility; Area 8 (Administration/Control Room)
Pod One		13	16	082	12	4		Pod One SAGD Facility; 2011 additions
Pod One		13	16	082	12	4		Pod One SAGD Facility; 2013 additions
Algar		14	18	082	11	4		Algar SAGD Facility; Area 1 (CoGeneration)
Algar		14	18	082	11	4		Algar SAGD Facility; Area 2 (Steam Generation)
Algar		14	18	082	11	4		Algar SAGD Facility; Area 3 (Treater)
Algar		14	18	082	11	4		Algar SAGD Facility; Area 4 (Tank Farm)
Algar		14	18	082	11	4		Algar SAGD Facility; Area 5 (Glycol)
Algar		14	18	082	11	4		Algar SAGD Facility; Area 6 (Water Treatment)
Algar		14	18	082	11	4		Algar SAGD Facility; Area 7 (Flare System)
Algar		14	18	082	11	4		Algar SAGD Facility; Area 8 (Source Water Pond)
Algar		14	18	082	11	4		Algar SAGD Facility; Area 9 (Administration/Control Room)
Algar		14	18	082	11	4		Algar SAGD Facility; 2011 additions
Algar		14	18	082	11	4		Algar SAGD Facility; 2013 additions
Algar		14	18	082	11	4		Algar SAGD Facility; 2014 additions
Pod One		SW	21	082	12	4		Wellpad 101
Pod One		SW	21	082	12	4		Wellpad 101; 2011 additions
Pod One		SW	21	082	12	4		Wellpad 101; 2013 additions
Pod One		SW	21	082	12	4		Wellpad 101; 2014 additions
Pod One		02&03	21	082	12	4		Wellpad 102
Pod One		02&03	21	082	12	4		Wellpad 102; 2011 additions
Pod One		02&03	21	082	12	4		Wellpad 102; 2013 additions
Pod One		02&03	21	082	12	4		Wellpad 102; 2014 additions
Pod One		14	16	082	12	4		Wellpad 104
Pod One		-	-	-	-	-		Flowlines & AGP associated with Pads 101, 102 & 104
Algar		01	24	082	11	4		Wellpad 201
Algar		01	24	082	11	4		Wellpad 201; 2011 additions
Algar		01	24	082	11	4		Wellpad 201; 2013 additions
Algar		13	18	082	11	4		Wellpad 202
Algar		13	18	082	11	4		Wellpad 202; 2013 additions
Algar		05	19	082	11	4		Wellpad 203
Algar		05	19	082	11	4		Wellpad 203; 2011 additions
Algar		-	-	-	-	-		Flowlines & AGP associated with Pads 201, 202 & 203
Pod One		02	17	082	11	4		WSW 02-17
Pod One		08	17	082	11	4		WSW 08-17
Pod One		09	17	082	11	4		WSW 09-17
Pod One		09	17	082	12	4		WSW 09-17; 2011 additions
Pod One		16	17	082	11	4		WSW 16-17
Pod One		05	21	082	11	4		WSW 05-21
Algar		02	19	082	12	4		WSW 02-19
Algar		03	19	082	12	4		WSW 03-19
Algar		04	19	082	12	4		WSW 04-19
Algar		06	19	082	12	4		WSW 06-19
Algar		N1/2	13	082	12	4		Algar Operations camp
Algar		SW	24	082	12	4		Algar Construction camp
Pod One		NE	17	082	11	4		Pod One Operations camp

	Active final reclamation file	No activity	2 (Karr / NEBC)	Alberta	100	13	30	066	03	6	03	Connacher Karr 13-30-66-3
	Active final reclamation file	No activity	2 (Karr / NEBC)	Alberta	100	11	27	066	03	6	00	Connacher Karr 11-27-66-3
	No activity	No activity	*3 (Lloydminster)*	Alberta	100	16	13	050	04	4	00	COGL 16C LLOYD 16-13-50-4
	Status unknown	*No activity*	*3 (Lloydminster)*	*Alberta*	*100*	*13*	*28*	*050*	*01*	*4*	*00*	*PURSUIT ET AL 13D LLOYD 13-28-50-1 (Non-Op to Emerge)*
	Status unknown	*No activity*	*3 (Lloydminster)*	*Alberta*	*100*	*14*	*28*	*050*	*01*	*4*	*00*	*PURSUIT ET AL 14B LLOYD 14-28-50-1 (Non-Op to Twin Butte Energy)*
	Status unknown	*No activity*	*3 (Lloydminster)*	*Alberta*	*102*	*11*	*28*	*050*	*01*	*4*	*00*	*PURSUIT ET AL LLOYD 11-28-50-1 (Non-Op to Twin Butte Energy)*
	No activity	No activity	*1 (Hangingstone / Divide)*	Alberta	100	15	19	082	11	4	00	GDOC Hangstn 15-19-82-11
	No activity	No activity	*1 (Hangingstone / Divide)*	Alberta	100	13	20	082	11	4	00	GDOC Hangstn 13-20-82-11
	No activity	No activity	*1 (Hangingstone / Divide)*	Alberta	100	01	31	082	11	4	00	GDOC Hangstn 1-31-82-11
	No activity	No activity	*1 (Hangingstone / Divide)*	Alberta	100	14	32	082	11	4	04	GDOC Hangstn 14-32-82-11
	No activity	No activity	*1 (Hangingstone / Divide)*	Alberta	100	03	08	082	11	4	00	Connacher Hangingstone 3-8-82-11
	No activity	No activity	*1 (Hangingstone / Divide)*	Alberta	100	10	17	082	12	4	02	COGL Divide 10-17-82-12
	No activity	No activity	*1 (Hangingstone / Divide)*	Alberta	100	14	05	082	12	4	02	COGL Divide 14-5-82-12
	No activity	No activity	*1 (Hangingstone / Divide)*	Alberta	100	08	06	082	12	4	00	COGL Divide 8-6-82-12
	No activity	No activity	*1 (Hangingstone / Divide)*	Alberta	100	07	09	082	12	4	00	COGL Divide 7-9-82-12
	No activity	No activity	*1 (Hangingstone / Divide)*	Alberta	100	08	04	082	12	4	00	COGL Divide 8-4-82-12
	No activity	No activity	*1 (Hangingstone / Divide)*	Alberta	100	08	09	082	12	4	00	COGL Divide 8-9-82-12
	Active final reclamation file	No activity	*1 (Hangingstone / Divide)*	Alberta	100	16	27	082	15	5	02	Provident Seal 16-27-82-15
	Active final reclamation file	No activity	*1 (Hangingstone / Divide)*	Alberta	100	05	16	082	12	4	03	COGL Divide 5-16-82-12
	Active final reclamation file	No activity	*1 (Hangingstone / Divide)*	Alberta	102	03	35	082	15	5	00	Seal 102/03-35-082-15 W5M
	Active final reclamation file	No activity	2 (Karr / NEBC)	British Columbia	100	04	35	081	14	6	00	Luke Mica 4-35-81-14W6 (Bottom 13-26)
Asset Modified	Active final reclamation file	No activity	2 (Karr / NEBC)	British Columbia	100	01	03	088	20	6	00	Luke Squirrel 1-3-88-20 W6
Asset Modified	Active final reclamation file	No activity	2 (Karr / NEBC)	British Columbia		16	34	087	20	6		Squirrel 16-34-087-20 W6
	No activity	No activity	1 (Hangingstone / Divide)	Alberta	100	9	27	81	11	4	00	100/09-27-081-11W4/00
	No activity	No activity	1 (Hangingstone / Divide)	Alberta	100	10	27	81	11	4	03	100/10-27-081-11W4/03
	No activity	No activity	1 (Hangingstone / Divide)	Alberta	100	9	28	81	11	4	03	100/09-28-081-11W4/03
	No activity	No activity	1 (Hangingstone / Divide)	Alberta	100	9	32	81	11	4	02	100/09-32-081-11W4/02
	No activity	No activity	1 (Hangingstone / Divide)	Alberta	100	9	33	81	11	4	00	100/09-33-081-11W4/00
	No activity	No activity	1 (Hangingstone / Divide)	Alberta	100	8	34	81	11	4	00	100/08-34-081-11W4/00
	No activity	No activity	1 (Hangingstone / Divide)	Alberta	100	12	34	81	11	4	02	100/12-34-081-11W4/02
	No activity	No activity	1 (Hangingstone / Divide)	Alberta	100	3	13	81	12	4	00	100/03-13-081-12W4/00
	No activity	No activity	1 (Hangingstone / Divide)	Alberta	100	6	4	82	11	4	00	100/06-04-082-11W4/00
	No activity	No activity	1 (Hangingstone / Divide)	Alberta	100	15	5	82	11	4	04	100/15-05-082-11W4/04
	No activity	No activity	1 (Hangingstone / Divide)	Alberta	100	8	6	82	11	4	00	100/08-06-082-11W4/00
	No activity	No activity	1 (Hangingstone / Divide)	Alberta	100	7	26	82	11	4	00	100/07-26-082-11W4/00
	No activity	No activity	1 (Hangingstone / Divide)	Alberta	100	8	27	82	11	4	02	100/08-27-082-11W4/02
	No activity	No activity	1 (Hangingstone / Divide)	Alberta	100	12	29	82	11	4	02	100/12-29-082-11W4/02
	No activity	No activity	1 (Hangingstone / Divide)	Alberta	100	10	30	82	11	4	03	100/10-30-082-11W4/03
	No activity	No activity	1 (Hangingstone / Divide)	Alberta	102	10	30	82	11	4	00	102/10-30-082-11W4/00
	No activity	No activity	1 (Hangingstone / Divide)	Alberta	100	11	31	82	11	4	00	100/11-31-082-11W4/00
	No activity	No activity	1 (Hangingstone / Divide)	Alberta	100	11	33	82	11	4	02	100/11-33-082-11W4/02
	No activity	No activity	1 (Hangingstone / Divide)	Alberta	100	8	2	82	12	4	02	100/08-02-082-12W4/02
	No activity	No activity	1 (Hangingstone / Divide)	Alberta	100	7	3	82	12	4	02	100/07-03-082-12W4/02
	No activity	No activity	1 (Hangingstone / Divide)	Alberta	100	6	10	82	12	4	02	100/06-10-082-12W4/02
	No activity	No activity	1 (Hangingstone / Divide)	Alberta	100	4	22	82	12	4	02	100/04-22-082-12W4/02
	No activity	No activity	1 (Hangingstone / Divide)	Alberta	100	6	27	82	12	4	00	100/06-27-082-12W4/00
	No activity	No activity	1 (Hangingstone / Divide)	Alberta	100	7	28	82	12	4	02	100/07-28-082-12W4/02
	No activity	No activity	1 (Hangingstone / Divide)	Alberta	100	2	17	83	10	4	00	100/02-17-083-10W4/00
Asset Modified	No activity	No activity	1 (Hangingstone / Divide)	Alberta	100	10	28	83	10	4	00	100/10-28-083-10W4/00
	No activity	No activity	1 (Hangingstone / Divide)	Alberta	100	4	3	83	11	4	04	100/04-03-083-11W4/04
	No activity	No activity	1 (Hangingstone / Divide)	Alberta	100	2	4	83	11	4	00	100/02-04-083-11W4/00
Asset Modified	No activity	No activity	1 (Hangingstone / Divide)	Alberta	100	9	25	83	11	4	00	100/09-25-083-11W4/00
	Status unknown	*No activity*	*1 (Hangingstone / Divide)*	*Alberta*	*100*	*1*	*29*	*83*	*11*	*4*	*00*	*100/01-29-083-11W4/00*
	No activity	No activity	1 (Hangingstone / Divide)	Alberta	100	11	34	83	11	4	00	100/11-34-083-11W4/00
	No activity	No activity	1 (Hangingstone / Divide)	Alberta	100	15	34	83	11	4	00	100/15-34-083-11W4/00
	No activity	No activity	1 (Hangingstone / Divide)	Alberta	100	2	4	83	12	4	00	100/02-04-083-12W4/00
	No activity	No activity	1 (Hangingstone / Divide)	Alberta	100	7	11	83	12	4	02	100/07-11-083-12W4/02
	No activity	No activity	1 (Hangingstone / Divide)	Alberta	100	10	4	84	11	4	02	100/10-04-084-11W4/02 (15-04 surface)
	No activity	No activity	1 (Hangingstone / Divide)	Alberta	100	9	5	84	11	4	02	100/09-05-084-11W4/02 (surf @ 16-05, BH @ 09-05)
	No activity	No activity	1 (Hangingstone / Divide)	Alberta	100	8	8	84	11	4	02	100/08-08-084-11W4/02 (surf @ 01-08, BH @ 08-08)
	No activity	No activity	1 (Hangingstone / Divide)	Alberta	100	2	9	84	11	4	00	100/08-09-084-11W4/00
	No activity	No activity	1 (Hangingstone / Divide)	Alberta	100	5	15	85	10	4	00	100/05-15-085-10W4/00
	No activity	No activity	1 (Hangingstone / Divide)	*Alberta*	*100*	*11*	*25*	*82*	*11*	*4*	*00*	*100/11-25-082-11W4/00 (Non-op to Perpetual Energy)*

Location	Asset Location							Well Name	Licence	Well Type
	UWI	LSD	Sec	Twp	Rg	Mer	events			
Pod One	1F2	02	17	082	12	4	0	WSW 02-17 (1F2/02-17-082-12 W4M)	407451	water source
Pod One	1F1	08	17	082	12	4	0	CONNACHER P1WS 02 DIVIDE 8-17-82-12 (1F1/08-17-082-12 W4M)	375130	water source
Pod One	1F1	09	17	082	12	4	0	CONNACHER P1WS 02 DIVIDE 9-17-82-12 (1F1/09-17-082-12 W4M)	375153	water source
Pod One	1F2	16	17	082	12	4	0	CONNACHER P1WS 03 DIVIDE 16-17-82-12 (1F2/16-17-082-12 W4M)	379054	water source
Pod One	100	08	17	082	12	4	0	CONNACHER DIVIDE 8-17-82-12 (100/08-17-082-12 W4M)	323705	observation
Pod One	100	05	21	082	12	4	3	GDOC DIVIDE 5-21-82-12 (100/05-21-082-12 W4M)	186803	observation
Algar	100	09	30	082	11	4	0	GDOC Hangstn 9-30-82-11 (100/09-30-082-11 W4M)	370157	observation
Pod One	100	09	13	082	12	4	0	Connacher Divide 9-13-82-12 (100/09-13-082-12 W4M)	390256	observation
Pod One	100	10	13	082	12	4	0	Connacher Divide 10-13-82-12 (100/10-13-082-12 W4M)	390539	observation
Pod One	100	15	13	082	12	4	0	Connacher Divide 15-13-82-12 (100/15-13-082-12 W4M)	390540	observation
Pod One	100	04	16	082	12	4	0	Connacher Divide 4-16-82-12 (100/04-16-082-12 W4M)	323702	observation
Pod One	111	12	16	082	12	4	0	Connacher Divide 12-16-82-12 (111/12-16-082-12 W4M)	416083	observation
Pod One	100	09	17	082	12	4	0	Connacher Divide 9-17-82-12 (100/09-17-082-12 W4M)	322786	
Pod One	100	16	17	082	12	4	0	Connacher Divide 16-17-82-12 (100/16-17-082-12 W4M)	322788	observation
Pod One	100	06	21	082	12	4		Connacher Divide 6-21-82-12 (100/06-21-082-12 W4M)	374668	observation
Pod One	100	01	24	082	12	4	0	Connacher Divide 1-24-82-12 (100/01-24-082-12 W4M)	394905	observation
Algar	1F1	02	19	082	11	4	0	WSW 02-19 (1F1/02-19-082-11 W4M)	405435	water source
Algar	1F2	03	19	082	11	4	0	WSW 03-19 (1F2/03-19-082-11 W4M)	390535	water source
Algar	1F1	04	19	082	11	4	0	WSW 04-19 (1F1/04-19-082-11 W4M)	390536	water source
Algar	1F1	06	19	082	11	4	0	WSW 06-19 (1F1/06-19-082-11 W4M)	390537	water source
Algar	1F1	03	19	082	11	4	0	OBS 03-19 (1F1/03-19-082-11 W4M)	394836	observation
Algar	100	04	19	082	11	4		OBS 04-19 (100/04-19-082-11 W4M)	405436	observation
Algar	05	07	13	082	12	4	0	CONNACHER 201-P1 DIVIDE 7-13-82-12 (Pad 201)	411715	SAGD producer
Algar	08	07	13	082	12	4	0	CONNACHER 201-I1 DIVIDE 7-13-82-12 (Pad 201)	411735	SAGD injector
Algar	06	07	13	082	12	4	0	CONNACHER 201-P2 DIVIDE 7-13-82-12 (Pad 201)	411716	SAGD producer
Algar	09	07	13	082	12	4	0	CONNACHER 201-I2 DIVIDE 7-13-82-12 (Pad 201)	411736	SAGD injector
Algar	04	06	13	082	12	4	0	CONNACHER 201-P3 DIVIDE 6-13-82-12 (Pad 201)	411717	SAGD producer

Algar	06	06	13	082	12	4	0	CONNACHER 201-I3 DIVIDE 6-13-82-12 (Pad 201)	411737	SAGD injector
Algar	02	06	13	082	12	4	0	CONNACHER 201-P4 DIVIDE 6-13-82-12 (Pad 201)	411718	SAGD producer
Algar	03	06	13	082	12	4	0	CONNACHER 201-I4 DIVIDE 6-13-82-12 (Pad 201)	411738	SAGD injector
Algar	05	06	13	082	12	4	0	CONNACHER 201-P5 DIVIDE 6-13-82-12 (Pad 201)	411719	SAGD producer
Algar	07	06	13	082	12	4	0	CONNACHER 201-I5 DIVIDE 6-13-82-12 (Pad 201)	411739	SAGD injector
Algar	04	08	13	082	12	4	0	CONNACHER 202-P1 DIVIDE 8-13-82-12 (Pad 202)	411615	SAGD producer
Algar	00	08	13	082	12	4	0	CONNACHER 202-I1 DIVIDE 8-13-82-12 (Pad 202)	411588	SAGD injector
Algar	03	01	13	082	12	4	0	CONNACHER 202-P2 DIVIDE 1-13-82-12 (Pad 202)	411617	SAGD producer
Algar	00	01	13	082	12	4	0	CONNACHER 202-I2 DIVIDE 1-13-82-12 (Pad 202)	411589	SAGD injector
Algar	06	08	13	082	12	4	0	CONNACHER 202-P3 DIVIDE 8-13-82-12 (Pad 202)	411618	SAGD producer
Algar	02	01	13	082	12	4	0	CONNACHER 202-I3 DIVIDE 1-13-82-12 (Pad 202)	411590	SAGD injector
Algar	00	07	13	082	12	4	0	CONNACHER 202-P4 DIVIDE 7-13-82-12 (Pad 202)	411586	SAGD producer
Algar	03	07	13	082	12	4	0	CONNACHER 202-I4 DIVIDE 7-13-82-12 (Pad 202)	411591	SAGD injector
Algar	02	07	13	082	12	4	0	CONNACHER 202-P5 DIVIDE 7-13-82-12 (Pad 202)	411587	SAGD producer
Algar	04	07	13	082	12	4	0	CONNACHER 202-I5 DIVIDE 7-13-82-12 (Pad 202)	411592	SAGD injector
Algar	04	01	13	082	12	4	0	CONNACHER HZ 202 P01-1 DIVIDE 1-13-82-12 (Pad 202)	450332	SAGD producer
Algar	05	01	13	082	12	4	0	CONNACHER HZ 202 I01-1 DIVIDE 1-13-82-12 (Pad 202)	450336	SAGD injector
Algar	02	13	18	082	11	4	0	CONNACHER 203-P1 HANGSTN 13-18-82-11 (Pad 203)	411632	SAGD producer
Algar	00	13	18	082	11	4	0	CONNACHER 203-I1 HANGSTN 13-18-82-11 (Pad 203)	411623	SAGD injector
Algar	W2	13	18	082	11	4	0	CONNACHER 203-P2 DIVIDE 13-18-82-11 (Pad 203)	411633	SAGD producer
Algar	W0	13	18	082	11	4	0	CONNACHER 203-I2 DIVIDE 13-18-082-11 (Pad 203)	411624	SAGD injector
Algar	08	16	13	082	12	4	0	CONNACHER 203-P3 DIVIDE 16-13-82-12 (Pad 203)	411674	SAGD producer
Algar	02	16	13	082	12	4	0	CONNACHER 203-I3 DIVIDE 16-13-82-12 (Pad 203)	411625	SAGD injector
Algar	09	16	13	082	12	4	0	CONNACHER 203-P4 DIVIDE 16-13-82-12 (Pad 203)	411676	SAGD producer
Algar	03	16	13	082	12	4	0	CONNACHER 203-I4 DIVIDE 16-13-82-12 (Pad 203)	411626	SAGD injector
Algar	10	16	13	082	12	4	0	CONNACHER 203-P5 DIVIDE 16-13-82-12 (Pad 203)	411678	SAGD producer
Algar	04	16	13	082	12	4	0	CONNACHER 203-I5 DIVIDE 16-13-82-12 (Pad 203)	411627	SAGD injector
Algar	07	16	13	082	12	4	0	CONNACHER 203-P6 DIVIDE 16-13-82-12 (Pad 203)	411639	SAGD producer
Algar	05	16	13	082	12	4	0	CONNACHER 203-I6 DIVIDE 16-13-82-12 (Pad 203)	411628	SAGD injector
Algar	03	15	13	082	12	4	0	CONNACHER 203-P7 DIVIDE 15-13-82-12 (Pad 203)	411640	SAGD producer

Algar	02	15	13	082	12	4	0	CONNACHER 203-I7 DIVIDE 15-13-82-12 (Pad 203)	411629	SAGD injector
Pod One	03	14	21	082	12	4	0	CONNACHER 101 P1N DIVIDE 14-21-82-12 (Pad 101)	374144	SAGD producer
Pod One	00	14	21	082	12	4	0	CONNACHER 101 I1N DIVIDE 14-21-82-12 (Pad 101)	374120	SAGD injector
Pod One	04	14	21	082	12	4	0	CONNACHER 101 P2N DIVIDE 14-21-82-12 (Pad 101)	374145	SAGD producer
Pod One	02	14	21	082	12	4	0	CONNACHER 101 I2N DIVIDE 14-21-82-12 (Pad 101)	374121	SAGD injector
Pod One	02	06	21	082	12	4	0	CONNACHER 101 P3N DIVIDE 6-21-82-12 (Pad 101)	374146	SAGD producer
Pod One	06	15	21	082	12	4	0	CONNACHER P3NA DIVIDE 15-21-82-12 (Pad 101)	376562	SAGD producer
Pod One	02	15	21	082	12	4	0	CONNACHER 101 I3N DIVIDE 15-21-82-12 (Pad 101)	374122	SAGD injector
Pod One	05	15	21	082	12	4	0	CONNACHER 101 P4N DIVIDE 15-21-82-12 (Pad 101)	374147	SAGD producer
Pod One	03	15	21	082	12	4	0	CONNACHER 101 I4N DIVIDE 15-21-82-12 (Pad 101)	374123	SAGD injector
Pod One	02	10	21	082	12	4	0	CONNACHER 101 P5N DIVIDE 10-21-82-12 (Pad 101)	374148	SAGD producer
Pod One	00	10	21	082	12	4	0	CONNACHER 101 I5N DIVIDE 10-21-82-12 (Pad 101)	374124	SAGD injector
Pod One	02	16	17	082	12	4	0	CONNACHER 101 P6S DIVIDE 16-17-82-12 (Pad 101)	374125	SAGD producer
Pod One	05	16	17	082	12	4	0	CONNACHER 101 I6S DIVIDE 16-17-82-12 (Pad 101)	374200	SAGD injector
Pod One	03	16	17	082	12	4	0	CONNACHER 101 P7S DIVIDE 16-17-82-12 (Pad 101)	374126	SAGD producer
Pod One	06	16	17	082	12	4	0	CONNACHER 101 I7S DIVIDE 16-17-82-12 (Pad 101)	374201	SAGD injector
Pod One	04	16	17	082	12	4	0	CONNACHER 101 P8S DIVIDE 16-17-82-12 (Pad 101)	374127	SAGD producer
Pod One	07	16	17	082	12	4	0	CONNACHER 101 I8S DIVIDE 16-17-82-12 (Pad 101)	374202	SAGD injector
Pod One	02	09	17	082	12	4	0	*CONNACHER 101 P9S DIVIDE 9-17-82-12 (Pad 101)*	*374128*	*SAGD producer*
Pod One	04	09	17	082	12	4	0	CONNACHER HZ P9S2 DIVIDE 9-17-82-12 (Pad 101)	395387	SAGD producer
Pod One	03	09	17	082	12	4	0	CONNACHER 101 I9S DIVIDE 9-17-82-12 (Pad 101)	374203	SAGD injector
Pod One	00	12	16	082	12	4	0	CONNACHER 101P10S DIVIDE 12-16-82-12 (Pad 101)	374129	SAGD producer
Pod One	02	12	16	082	12	4	0	CONNACHER 101I10S DIVIDE 12-16-82-12 (Pad 101)	374204	SAGD injector
Pod One	03	12	16	082	12	4	0	CONNACHER HZ P11S DIVIDE 12-16-82-12 (Pad 101)	404786	SAGD producer
Pod One	04	12	16	082	12	4	0	CONNACHER HZ I11S DIVIDE 12-16-82-12 (Pad 101)	404787	SAGD injector
Pod One	W0	12	21	082	12	4	0	CONNACHER 102 P1W DIVIDE 12-21-82-12 (Pad 102)	366302	SAGD producer
Pod One	00	09	20	082	12	4	0	CONNACHER 102 I1W DIVIDE 9-20-82-12 (Pad 102)	366303	SAGD injector
Pod One	W0	05	21	082	12	4	0	CONNACHER 102 P2W DIVIDE 5-21-82-12 (Pad 102)	366304	SAGD producer
Pod One	06	08	20	082	12	4	0	CONNACHER 102 I2W DIVIDE 8-20-82-12 (Pad 102)	366308	SAGD injector
Pod One	04	08	20	082	12	4	0	CONNACHER 102 P3W DIVIDE 8-20-82-12 (Pad 102)	366305	SAGD producer

Pod One	07	08	20	082	12	4	0	CONNACHER 102 I3W DIVIDE 8-20-82-12 (Pad 102)	366309	SAGD injector
Pod One	05	08	20	082	12	4	0	CONNACHER 102 P4W DIVIDE 8-20-82-12 (Pad 102)	366306	SAGD producer
Pod One	08	08	20	082	12	4	0	CONNACHER 102 I4W DIVIDE 8-20-82-12 (Pad 102)	366310	SAGD injector
Pod One	02	08	20	082	12	4	0	CONNACHER 102 P5W DIVIDE 8-20-82-12 (Pad 102)	366307	SAGD producer
Pod One	03	08	20	082	12	4	0	CONNACHER 102 I5W DIVIDE 8-20-82-12 (Pad 102)	366311	SAGD injector
Pod One	05	12	16	082	12	4	0	CONNACHER HZ P12S DIVIDE 12-16-82-12 (Pad 102)	404788	SAGD producer
Pod One	02	05	16	082	12	4	0	CONNACHER HZ I12S DIVIDE 5-16-82-12 (Pad 102)	404790	SAGD injector
Pod One	07	12	16	082	12	4	0	CONNACHER HZ P13S DIVIDE 12-16-82-12 (Pad 102)	415335	SAGD producer
Pod One	09	12	16	082	12	4	0	CONNACHER HZ I13S DIVIDE 12-16-82-12 (Pad 102)	415337	SAGD injector
Pod One	03	05	16	082	12	4	0	CONNACHER HZ P14S DIVIDE 05-16-82-12 (Pad 102)	415336	SAGD producer
Pod One	04	05	16	082	12	4	0	CONNACHER HZ I14S DIVIDE 5-16-82-12 (Pad 102)	415338	SAGD injector
Pod One	12	05	21	082	12	4	0	CONNACHER 102 INF02 DIVIDE 05-21-82-12 (Pad 102)	452611	SAGD Infill (producer)
Pod One	13	05	21	082	12	4	0	CONNACHER 102 INF03 DIVIDE 08-20-82-12 (Pad 102)	452612	SAGD Infill (producer)
Pod One	10	08	20	082	12	4	0	CONNACHER 102 INF04 DIVIDE 08-20-82-12 (Pad 102)	452613	SAGD Infill (producer)
Pod One	11	08	20	082	12	4	0	CONNACHER 102 INF05 DIVIDE 08-20-82-12 (Pad 102)	452614	SAGD Infill (producer)
Pod One	06	02	17	082	12	4	0	CONNACHER 104 P03 DIVIDE 2-17-82-12 (Pad 104)	441124	SAGD producer
Pod One	07	02	17	082	12	4	0	CONNACHER 104 I03 DIVIDE 2-17-82-12 (Pad 104)	445265	SAGD injector
Pod One	06	01	17	082	12	4	0	CONNACHER 104 P04 DIVIDE 1-17-82-12 (Pad 104)	441121	SAGD producer
Pod One	11	01	17	082	12	4	0	CONNACHER 104 I04 DIVIDE 1-17-82-12 (Pad 104)	445266	SAGD injector
Pod One	10	01	17	082	12	4	0	CONNACHER 104 P05 DIVIDE 1-17-82-12 (Pad 104)	441127	SAGD producer
Pod One	12	01	17	082	12	4	0	CONNACHER 104 I05 DIVIDE 1-17-82-12 (Pad 104)	445267	SAGD injector
Pod One	05	01	17	082	12	4	0	CONNACHER 104 P06 DIVIDE 1-17-82-12 (Pad 104)	441120	SAGD producer
Pod One	13	01	17	082	12	4	0	CONNACHER 104 I06 DIVIDE 1-17-82-12 (Pad 104)	445268	SAGD injector
Pod One	100	11	21	082	12	4	0	OBS 11-21 (100/11-21-082-12 W4M)	428276	observation
Pod One	100	09	22	082	12	4	0	CONNACHER DIVIDE 9-22-82-12	461938	observation
Pod One	113	12	16	082	12	4	0	CONNACHER 101 INF12 DIVIDE 12-16-82-12	464014	SAGD Infill (producer)
Pod One	114	12	16	082	12	4	0	CONNACHER 101 INF11 DIVIDE 12-16-82-12	464017	SAGD Infill (producer)

Pod One	108	16	17	082	12	4	0	CONNACHER 101 INF08 DIVIDE 16-17-82-12	464013	SAGD Infill (producer)
Pod One	109	16	17	082	12	4	0	CONNACHER 101 INF07 DIVIDE 16-17-82-12	464016	SAGD Infill (producer)
Pod One	100	13	16	082	12	4	0	CONNACHER 101 INF10 DIVIDE 13-16-82-12	464012	SAGD Infill (producer)
Pod One	105	09	17	082	12	4	0	CONNACHER 101 INF09 DIVIDE 09-17-82-12	464015	SAGD Infill (producer)
Pod One	116	12	16	082	12	4	0	CONNACHER 102 INF14 DIVIDE 12-16-82-12	464933	SAGD Infill (producer)
Pod One	115	12	16	082	12	4	0	CONNACHER 102 INF13 DIVIDE 12-16-82-12	464932	SAGD Infill (producer)
Pod One	112	08	20	082	12	4	0	CONNACHER 102 INF06 DIVIDE 08-20-82-12	464931	SAGD Infill (producer)
Thornbury	100	05	22	081	13	4	0	CONNACHER THORNB 5-22-81-13	389197	observation
Pod One	100	09	28	082	12	4	0	CONNACHER DIVIDE 9-28-82-12	347327	observation
Pod One	100	07	17	082	12	4	0	CLL DIVIDE 7-17-82-12	442595	observation
Pod One	111	05	21	082	12	4	0	CLL 103 DIVIDE 5-21-82-12	442059	observation
Algar	111	16	13	082	12	4	0	CLL DIVIDE 16-13-82-12	442056	observation

THE FOLLOWING COMPRISES SCHEDULE "C" ATTACHED TO AND FORMING PART OF A PURCHASE AND SALE AGREEMENT DATED THE 2nd DAY OF AUGUST, 2018 BETWEEN CONNACHER OIL AND GAS LIMITED, and EAST RIVER OIL AND GAS LTD.

THIS GENERAL CONVEYANCE made as of this _____ day of _______________, 2018.

BETWEEN:

CONNACHER OIL AND GAS LIMITED, a corporation incorporated under the laws of Canada (hereinafter referred to as "**Vendor**")

- and -

EAST RIVER OIL AND GAS LTD., a corporation incorporated under the laws of the Province of Alberta (hereinafter referred to as "**Purchaser**")

WHEREAS Vendor has commenced a proceeding under the *Companies' Creditors Arrangement Act* in the Alberta Court of Queen's Bench;

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

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

1. Definitions

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

"**Purchase Agreement**" means that Purchase and Sale Agreement between Vendor and Purchaser dated August 2, 2018.

2. Conveyance

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

3. Assumption

Pursuant to and for the consideration provided for in the Purchase Agreement, Purchaser hereby assumes all Liabilities of every nature and kind relating to the ownership and operations of the Assets that occur, arise or accrue on or subsequent to the Effective Date, whether known or unknown to either Vendor or Purchaser at the Closing Date.

4. Subordinate Document

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

5. No Merger

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

6. Governing Law

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

7. Enurement

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

8. Further Assurances

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

9. Counterpart Execution

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

[*Remainder of page intentionally left blank – Signature page follows*]

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

CONNACHER OIL AND GAS LIMITED	**EAST RIVER OIL AND GAS LTD.**
Per: ________________________ Name: Title:	Per: ________________________ Name: Title:

THE FOLLOWING COMPRISES SCHEDULE “D” ATTACHED TO AND FORMING PART OF A PURCHASE AND SALE AGREEMENT DATED THE 2nd DAY OF AUGUST, 2018 BETWEEN CONNACHER OIL AND GAS LIMITED, and EAST RIVER OIL AND GAS LTD.

[VENDOR’S][PURCHASER’S] OFFICER’S CERTIFICATE

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

AND TO: Ernst & Young Inc., in its capacity as court-appointed Monitor of Connacher Oil and Gas Limited

RE: Purchase and Sale Agreement dated August 2, 2018 between Vendor and Purchaser (the “Agreement”)

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

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

1. The undersigned is personally familiar, in ***[his][her]*** capacity as an officer of ***[Vendor][Purchaser]***, with the matters hereinafter mentioned.

2. Each of the covenants, representations and warranties of ***[Vendor][Purchaser]*** contained in Article 5 of the Agreement were true and correct in all material respects when made and are true and correct in all material respects as of the Closing Date.

3. All obligations of ***[Vendor][Purchaser*]** contained in the Agreement to be performed prior to or at Closing have been timely performed in all material respects.

4. All conditions precedent to Closing for the benefit of ***[Vendor][Purchaser]*** pursuant to Article 4, have been satisfied, complied with or waived by ***[Vendor][Purchaser*]**.

5. This Certificate is made for and on behalf of ***[Vendor][Purchaser*]** and is binding upon it, and I am not incurring, and will not incur, any personal liability whatsoever with respect to it.

6. This Certificate is made with full knowledge that ***[Vendor][Purchaser*]** is relying on the same for the Closing of the Transaction contemplated by the Agreement.

IN WITNESS WHEREOF I have executed this Certificate this ___ day of ____________, 2018.

[Name of Vendor/Purchaser]

Per:____________________
Name:
Title:

THE FOLLOWING COMPRISES SCHEDULE “E” ATTACHED TO AND FORMING PART OF A PURCHASE AND SALE AGREEMENT DATED THE 2nd DAY OF AUGUST, 2018 BETWEEN CONNACHER OIL AND GAS LIMITED, and EAST RIVER OIL AND GAS LTD.

CCAA Approval and Vesting Order

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	**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 E. Levine Tel: 403-351-2920 Fax: 403-648-1151 rjacobs@casselsbrock.com jbellissimo@casselsbrock.com nlevine@casselsbrock.com	

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 "**Vendor**") 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 Vendor and East River Oil and Gas Ltd. (the "**Purchaser**") dated July ●, 2018, and vesting in the Purchaser the Vendor'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 No. ● of Merle Johnson sworn on ●, 2018 (the "**Johnson Affidavit**"), the ● Report of Ernst & Young Inc., the Court-appointed monitor of the Vendor (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 Vendor, the Monitor, the Consenting First Lien Lenders, the First Lien Agent (each as defined in the Johnson Affidavit), and counsel for the other interested parties appearing, 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 Vendor is hereby authorized, ratified, confirmed and approved, with such minor amendments as the Purchaser and the Vendor may deem necessary, with the consent of the Monitor and the Majority Consenting First Lien Lenders. In the event of a CCAA Plan Termination Event (as defined in the Purchase Agreement) or unless otherwise ordered by the Court, the Vendor 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 (collectively, with the Purchase Agreement, the "**Transaction Documents**"), 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**"), all of the Vendor'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 Vendor 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 pronounced November 10, 2017;

(iii) the Order (Engagement of Financial Advisor) of the Honourable Mr. Justice Jeffrey pronounced February 28, 2018;

(iv) the Order (Support Agreement, SISP, & KEIP Approval) of the Honourable Associate Chief Justice J.D. Rooke pronounced March 28, 2018; and

(v) any other orders pronounced 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, SS 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 *Municipal Government Act*, RSA 2000, c M-26; 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 and the Unaffected Municipal Tax Claims (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. Nothing in this order abrogates or amends the approval process to transfer the applicable licences, permits, and approvals by the Alberta Energy Regulator and the British Columbia Oil and Gas Commission pursuant to legislation administered by the Alberta Energy Regulator and the British Columbia Oil and Gas Commission.

6. From and after the closing of the Transaction, if requested in writing by the Purchaser, the Vendor, to the extent able and necessary and at Purchaser's expense, 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.

7. For the purposes of determining the nature and priority of Claims, including but not limited to the Municipal Tax Claims (other than the Unaffected Municipal Tax Claims), the net proceeds from the sale of the Purchased Assets (to be held in an interest bearing trust account by the Vendor) shall stand in the place and stead of the Purchased Assets, and from and after the delivery of the Monitor's Certificate all Claims and Encumbrances shall attach to the net proceeds from the sale of the Purchased Assets with the same priority as they had with respect to the Purchased Assets immediately prior to the sale, as if the Purchased Assets had not been sold and remained in the possession or control of the person having that possession or control immediately prior to the sale.

8. Upon delivery of the Monitor's Certificate, the Municipality shall have no further claims or remedies in respect of the Municipal Tax Claims other than the Unaffected Municipal Tax Claims as against the Purchaser or the Purchased Assets.

9. 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 Vendor, other than the Permitted Encumbrances, to the extent expressly provided in the Transaction Documents.

10. Upon delivery of the Monitor's Certificate, the Vendor and all Persons who claim by, through or under the Vendor in respect of the Purchased Assets, save and except for the Persons entitled to the benefit of the Permitted Encumbrances or as otherwise expressly provided in the Transaction Documents, 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. Upon delivery of the Monitor's Certificate, 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 Vendor, other than the Permitted Encumbrances.

12. Upon delivery of the Monitor's Certificate, the holders of the Permitted Encumbrances shall cease to have any claim whatsoever against the Monitor or the Vendor.

13. The Monitor is to file with the Court a copy of the Monitor's Certificate forthwith after delivery thereof to the Purchaser.

14. 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.

15. 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 Vendor and any bankruptcy order issued pursuant to any such applications;

(c) any assignment in bankruptcy made in respect of the Vendor; 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 Vendor and shall not be void or voidable by creditors of the Vendor, 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.

CANCELLATION OF PERSONAL PROPERTY SECURITY REGISTRATIONS

16. Upon receipt of the Monitor's Certificate, counsel to the Purchaser is authorized to discharge the encumbrances listed on Schedule B hereto and the Registrar of the Personal Property Registry (Saskatchewan) is directed to provide any applicable RIN numbers to the Purchaser.

REAL PROPERTY AND MINERAL RIGHTS IN ALBERTA

17. 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, The Department of Energy and the Minister of Energy (the "**Alberta Department and Minister of Energy**" and together with the Registrar of the Personal Property Registry (Alberta), the "**Alberta Governmental Authorities**" and each an "**Alberta Governmental Authority**") are hereby authorized, requested, and directed to, in each case to the extent applicable

(a) enter the Purchaser as owner and/or lessee of the Vendor's interest in the mines and minerals comprising the Alberta real or mineral property;

(b) record the discharge, deletion and expunging from the Alberta real or mineral Property all of the Encumbrances listed in **Schedule "B-1"** hereto, and

(c) register such transfers, discharges, discharge statements or conveyances, as may be required to convey clear title to the Purchased Assets,

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 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 Vendor.

REAL PROPERTY AND MINERAL RIGHTS IN BRITISH COLUMBIA

18. 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 Registrar or Registrars under the *Land Title Act* (BC); British Columbia Ministry of Natural Gas Development, Upstream Development Division, Tenure and Geoscience Branch; the British Columbia Ministry of Agriculture and Lands; FrontCounterBC; British Columbia Oil and Gas Commission; and 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):

    (a) enter the Purchaser as the owner and/or lessee of the Vendor's interest in the mines and minerals subject only to the Permitted Encumbrances;

    (b) record the discharge, deletion and expunging from the existing title documents respecting the Purchased Assets, all Encumbrances listed in **Schedule "B-2"** hereto; and

    (c) 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 Vendor.

19. The Alberta Governmental Authorities, the BC Governmental Authorities, the Ministry of the Economy for the Province of Saskatchewan (together with 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.

AID AND RECOGNITION

20. 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.

21. 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 Vendor and their 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 Vendor, as may be necessary or desirable to give effect to this Order or to assist the Monitor, the Vendor and their agents in carrying out the terms of this Order.

SEALING ORDER

22. 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. **[NTD: to be determined]**

MISCELLANEOUS MATTERS

23. 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 Vendor is authorized and permitted to disclose and transfer to the Purchaser all human resources and payroll information in the Vendor's records pertaining to the Vendor'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 Vendor.

24. The Vendor, 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)

or any similar act in any province of Canada and notwithstanding that the appeal period in respect of this Order has not elapsed, which appeal period is expressly waived.

25. The Vendor, the Monitor, the Purchaser and any other interested party 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.

26. 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.

27. 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

28. 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, 2017 Ernst & Young Inc. was appointed as the Monitor (the "**Monitor**") of Connacher Oil and Gas Limited (the "**Vendor**").

29. Pursuant to an Order of the Court dated July ●, 2018 the Court approved the agreement of purchase and sale made as of July ●, 2018 (the "**Purchase Agreement**") between the Vendor and East River Oil and Gas Ltd. (the "**Purchaser**") and provided for the vesting in the Purchaser of the Vendor'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 4.4 and 4.5 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.

30. 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 Vendor and the Purchaser that each of the conditions to closing set out in sections 4.4 and 4.5 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 __________________________, 2018 [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 "C"

Schedule "C-1"

EXHIBIT "E"

This is Exhibit "E"
referred to in the affidavit of
Merle Johnson
sworn before me this 13
day of August, 2018.

R Comstock

A Commissioner for Oaths in and for Alberta

Richard Comstock
My Commission Expires September 21, 2018

CONNACHER OIL AND GAS LIMITED

INFORMATION CIRCULAR
WITH RESPECT TO A
PLAN OF COMPROMISE AND ARRANGEMENT

pursuant to the

Companies' Creditors Arrangement Act (Canada)

concerning, affecting and involving Connacher Oil and Gas Limited

August 22, 2018

This circular is being sent to certain creditors of Connacher Oil and Gas Limited in connection with meetings called to consider its amended and restated plan of compromise and arrangement dated August 13, 2018 (as may be further amended) that are scheduled to be held on October 3, 2018 at 10:00 a.m. and 10:15 a.m. (Calgary time).

These materials require your immediate attention. You should consult your legal, financial, tax and other professional advisors in connection with the contents of these documents.

For any questions relating to the procedures for delivering Beneficial Second Lien Voting Instructions, please contact the Company's solicitation agent, Kingsdale Advisors, at 416-867-2272 or, toll free at 877-659-1821, or by email at contactus@kingsdaleadvisors.com.

If you have any questions regarding voting procedures for any other Affected Creditors or other matters or if you wish to obtain additional copies of these materials, you may contact the court-appointed monitor, Ernst & Young Inc., by telephone at 403-206-5650 or by email at Connacher.Monitor@ca.ey.com. Copies of these materials and other materials in the within proceedings are also posted on the following website: www.ey.com/ca/connacheroilandgas.

NOTICE OF CREDITORS' MEETINGS AND SANCTION HEARING FOR AFFECTED CREDITORS

TO: The Affected Creditors of Connacher Oil and Gas Limited (the "**Applicant**")

Creditors' Meetings

NOTICE IS HEREBY GIVEN that a meeting of the First Lien Lender Class and a meeting of the General Creditor Class will be held on October 3, 2018 at 10:00 a.m. (Calgary time) and 10:15 a.m. (Calgary time), respectively, at the offices of Cassels Brock & Blackwell LLP, Suite 3810, Bankers Hall West, 888 3rd Street SW, Calgary, Alberta (the "**Creditors' Meetings**") for the following purposes:

1. to consider and, if deemed advisable, to pass, with or without variation, resolutions of the First Lien Lender Class and the General Creditor Class (each a "**Resolution**") approving the Amended and Restated Plan of Compromise and Arrangement of the Applicant pursuant to the *Companies' Creditors Arrangement Act* (Canada) (the "**CCAA**") dated August 13, 2018 (as may be further amended, restated, varied, modified and/or supplemented from time to time in accordance with the terms thereof, the "**Plan**"); and

2. to transact such other business as may properly come before either of the Creditors' Meetings or any adjournment or postponement thereof.

The Creditors' Meetings are being held pursuant to an order (the "**Creditors Meetings Order**") of the Court of Queen's Bench of Alberta (the "**Court**") made on August 22, 2018.

Capitalized terms used and not otherwise defined in this Notice have the respective meanings given to them in the Plan or the Creditors' Meetings Order.

The Plan

The Plan contemplates the compromise of the Claims of the Affected Creditors. The Creditors' Meetings Order has established that quorum for the Creditors' Meetings is the presence, in person or by proxy, (i) at the meeting of the First Lien Lender Class one Beneficial First Lien Lender with an Accepted Claim and (ii) at the meeting of the General Creditor Class one General Creditor with an Accepted Claim.

In order for the Plan to be approved and binding in accordance with the CCAA, the Resolution must be approved by a required majority of Affected Creditors with Accepted Claims in each of the First Lien Lender Class and the General Creditor Class who validly vote in person or by proxy, or were deemed to do so, at the applicable Creditors' Meetings.

Each Affected Creditor with a Voting Claim will be entitled to one vote in the total amount of its Voting Claim in the applicable class at the applicable Creditors' Meeting(s) in accordance with the Creditors' Meetings Order. If the Plan is approved in each of the Creditors' Meetings, the Plan must then be sanctioned by the Court before it can be implemented. Subject to Court sanction and the satisfaction of the other conditions precedent to implementation of the Plan, all Affected Creditors will then receive the treatment set forth in the Plan.

Forms and Proxies for Affected Creditors

An Affected Creditor, other than a Beneficial Noteholder, may vote at the applicable Creditors' Meeting(s) in person or may appoint another person as its proxyholder by duly completing and submitting to the Monitor the form of First Lien Lenders Proxy or General Creditors Proxy (collectively, the "**Proxies**"), as applicable.

In order to be effective, Proxies must be received by the Monitor at Ernst & Young Inc., Calgary City Centre, 2200-215 2nd Street SW, Calgary, Alberta T2P 1M4 (Attention: Holly McGregor), email: connacher.monitor@ca.ey.com prior to 5:00 p.m. on the last business day before the Creditors' Meetings. Persons appointed as proxyholders need not be Affected Creditors.

If an Affected Creditor at the applicable Creditors' Meeting specifies a vote on the Plan in their Proxy, the Proxy will be voted in accordance with the specification so made. In absence of such specification, a Proxy will be voted FOR the Resolution provided that the proxyholder does not otherwise exercise its right to vote at the applicable Creditors' Meeting(s).

Beneficial Noteholders should promptly contact their Participant Holder and obtain and follow their Participant Holder's instructions with respect to the applicable voting procedures and deadlines, which may be earlier than the deadlines that are applicable to other Affected Creditors. It should be noted that the only way for a Beneficial Noteholder to vote is to provide Voting Instructions. Beneficial Noteholders with questions regarding the solicitation process should contact the Solicitation Agent, Kingsdale Advisors, by phone: 416-867-2272; North American Toll Free: 877-659-1821; or e-mail: contactus@kingsdaleadvisors.com.

Beneficial Noteholders who hold General Creditor Claims other than Second Lien Deficiency Claims are instructed to complete a General Creditors Proxy (in addition to providing Voting Instructions) in order to vote the amount of such General Creditor Claims.

Sanction Hearing

NOTICE IS ALSO HEREBY GIVEN that if the Plan is approved at each of the Creditors' Meetings, the Applicant intends to bring an application before the Court on October 4, 2018 at 10:00 a.m. (Calgary time) or such later date as may be posted on the Monitor's Website, at the Court located at Calgary Courts Centre, 601 5 Street SW, Calgary.

The application seeks an order sanctioning the Plan under the CCAA and ancillary relief consequent upon such sanction. Any Affected Creditor that wishes to oppose the sanctioning of the Plan must serve on the Applicant, the Monitor and the service list for the Applicant's CCAA proceeding a notice setting out the basis for such opposition and a copy of the materials to be used to oppose the application no later than 5:00 p.m. on the date that is seven (7) Business Days prior to the Sanction Hearing Date.

A copy of the service list may be obtained from the Monitor's Website at www.ey.com/ca/connacheroilandgas together with copies of other materials related to this process.

This Notice is given by the Applicant pursuant to the Creditors' Meetings Order.

DATED this 22nd day of August, 2018.

TABLE OF CONTENTS

INFORMATION CIRCULAR

SUMMARY

The following is a summary of certain information contained elsewhere in this Circular. This summary is included for convenience only and is qualified in its entirety by the more detailed information contained elsewhere in this Circular, including the terms of the Plan, which should be read by all Affected Creditors to determine whether to approve the Plan. Unless otherwise indicated, terms defined in the section "Glossary of Terms" starting at page 54 have the same meaning in this summary. References to Connacher relating to agreements and arrangements post-implementation of the Plan refer to Connacher as owned by East River Oil and Gas Ltd. and as restructured pursuant to the Plan and the restructuring transaction.

Connacher Oil and Gas Limited

Connacher Oil and Gas Limited ("**Connacher**" or the "**Company**") is an in situ oil sands developer, producer, and marketer of bitumen. Connacher holds a 100% interest in approximately 465 million barrels of proved and probable bitumen reserves and operates two SAGD facilities located on the Company's Great Divide oil sands leases near Fort McMurray, Alberta ("**Great Divide**").

Connacher's two producing projects at Great Divide are known as Pod One and Algar. A total of 23 SAGD well pairs and 13 infill wells are located at Pod One and a total of 18 SAGD well pairs are located at Algar.

On May 17, 2016, Connacher sought and obtained creditor protection under the CCAA pursuant to the Initial Order. Connacher continues to operate its business and no trustee or receiver has been appointed. Pursuant a Court-supervised sales process (described in detail below), Connacher has selected a bid from East River Oil and Gas Ltd. as a "Successful Bid" pursuant to the Second SISP. These materials are being distributed in connection with the solicitation of votes to approve a plan of compromise and arrangement that will transfer the ownership of Connacher to East River Oil and Gas Ltd. and will compromise certain claims against Connacher.

Creditors' Meetings

Meetings of the Affected Creditors will be held on October 3, 2018 at the offices of Cassels Brock & Blackwell LLP, Suite 3810, Bankers Hall West, 888 3rd Street SW, Calgary, Alberta. See the section below entitled "*The Creditors' Meetings*". The purpose of the Creditors' Meetings is to consider and, if thought advisable, to pass, with or without variation, the Resolutions to approve the Plan proposed by the Company under the CCAA. A copy of the Plan is set out as Exhibit B to this Circular.

For the reasons set out in this summary and the balance of the Circular, the Board and the Monitor recommend that all Affected Creditors vote FOR the Resolution(s) to approve the Plan.

Instructions for voting at the meeting in person or by proxy can be found in these materials. See the section below entitled "*The Creditors' Meetings*".

The Plan

The objective of the Plan is to allow the Company to emerge from the CCAA Proceeding while balancing the interests of all stakeholders of the Company in a fair and reasonable manner in the circumstances.

As described in further detail in this Circular, upon implementation of the Plan:

(a) All of the existing Equity Claims and Existing Shares will be cancelled for no consideration;

(b) The Plan Sponsor will subscribe for and purchase 1,000 new, validly issued, fully paid and non-assessable common shares in the capital of the Company (the "**New Common Shares**") for a subscription price of $113.5 million in accordance with the terms and conditions of the Plan. Through the issuance of the New Common Shares, the Plan Sponsor will become the sole shareholder of the Company;

(c) Subject to certain adjustments and deductions provided for the in Plan, Plan Sponsored Funds and the Existing Cash of the Company will be available to satisfy certain Claims against the Company;

(d) The Affected Claims shall be irrevocably and finally extinguished in exchange for cash payments from the Plan Implementation Fund and, in particular:

    (i) As soon as practicable following the Effective Date, the First Lien Lender Pool shall be distributed by the Monitor to the First Lien Agent on behalf of the First Lien Lenders;

    (ii) each General Creditor (which includes holders of First Lien Deficiency Claims and Second Lien Noteholders) with Accepted Claims not exceeding an aggregate of $2,000 will be deemed to have made a Distribution Election and to have elected to and will receive payment in full in respect of their Accepted Claim; and

    (iii) each General Creditor (which includes holders of First Lien Deficiency Claims and Beneficial Noteholders) with Accepted Claims that exceed an aggregate of $2,000 will be entitled to make a Distribution Election and will receive either:

        A. $2,000 if it makes a Distribution Election; or

        B. its Pro Rata Share of $500,000 if it does not make a Distribution Election;

(e) All Continuing Contracts that have not expired or been terminated prior to the Effective Date pursuant to their terms or by agreement shall remain in full force and effect as at the Effective Date; and

(f) Employees who have received and accepted Offers of Employment from the Plan Sponsor will continue with reorganized Connacher. The employment or contracts of employment of Employees who do not receive Offers of Employment or who do not accept Offers of Employment by the deadline provided in the Plan will be terminated effective on the Effective Date and such employees will be entitled to assert claims and vote as General Creditors. See "*Description of the Plan"*.

2018 Sale and Investment Solicitation Process and Support Agreement

On March 28, 2018, the Court approved (i) the Company's entry into the Support Agreement with certain First Lien Lenders holding in excess of 75% of the principal amount of debt outstanding under the First Lien Credit Agreement, and (ii) the commencement of the Second SISP.

The Support Agreement provided the foundation for the Company's CCAA exit strategy by securing majority First Lien Lender support for the commencement of the Second SISP and the implementation of either a: (i) "Superior Transaction" identified during the Second SISP (being a transaction that provides greater than $90 million of cash consideration, excluding existing cash on hand, plus payment of all priority claims and assumption of certain liabilities); or (ii) a pre-negotiated credit bid transaction (the "**Credit Bid Transaction**") pursuant to which a newly-incorporated company ("**Newco**") would acquire the assets of the Company in the event a Superior Transaction is not identified during the Second SISP.

The Support Agreement also contains a number of financial and non-financial covenants and restrictions on the Company.

The key features of the Credit Bid Transaction include: (i) formation of Newco to acquire all or substantially all of the Company's assets; (ii) assumption by Newco of the Company's post-CCAA filing trade payables; (iii) offers of employment being made by Newco to all of the Company's employees; (iv) entry by Newco into a new senior secured facility; and, (v) distribution of the shares of Newco and the obligation under the new senior secured facility to the existing First Lien Lenders on the terms set out in the Support Agreement and related exhibits.

The Credit Bid Transaction, if implemented, would not provide a recovery to stakeholders other than the First Lien Lenders and creditors with allowed claims that rank in priority to or *pari passu* with the First Lien Lenders.

Plan Sponsorship Agreement

On August 2, 2018, Connacher and East River Oil and Gas Ltd. (the "**Plan Sponsor**") entered into Plan Sponsorship Agreement, as approved pursuant to the Creditors' Meetings Order.

Pursuant to the terms of the Plan Sponsorship Agreement, Connacher and the Plan Sponsor agreed that, subject to the terms and conditions set forth therein, each of Connacher and the Plan Sponsor will use commercially reasonable efforts to give effect to a restructuring of Connacher by way of a plan of compromise and arrangement under the CCAA substantially in the form of the Plan prior to the Outside Date.

If the Plan is not implemented because a CCAA Plan Termination Event occurs (as described in detail below), the Plan Sponsor and the Company will continue with the proposed transaction under the Purchase Agreement (the "**Alternative Transaction**").

To ensure that the parties are prepared to implement the Alternative Transaction, if required, in accordance with the Plan Sponsorship Agreement, the Plan Sponsor and the Company have entered into the Purchase Agreement, pursuant to which the Company has agreed to sell, and the Plan Sponsor has agreed to purchase, all of the assets, rights and properties of the Company for consideration of $109.5 million. On August 22, 2018, the Court entered the Approval and Vesting Order, approving the Alternative Transaction. The Alternative Transaction will only be pursued in the event of a CCAA Plan Termination Event. The price to be paid in the Alternative Transaction scenario is $4 million less than would be paid pursuant to the Plan Transaction to reflect the Plan Sponsor's valuation of the benefits to be achieved under the Plan that will be unavailable to the Plan Sponsor in the Alternative Transaction.

In the event that the Plan Sponsor and the Company are unable to implement either the Plan Transaction or the Alternative Transaction, the Company intends to consummate the Credit Bid Transaction in accordance with the terms of the Support Agreement.

Approval of the Plan

For the purposes of considering and voting on the Resolution(s), there will be two classes of Affected Creditors: (i) the First Lien Lender Class, and (ii) the General Creditor Class.

At the Creditors' Meetings, Affected Creditors will be asked to consider and, if thought advisable, approve the applicable Resolutions. The Resolutions must be approved by the Required Majorities of Affected Creditors present in person or represented by proxy at each of the Creditors' Meetings with each Affected Creditor holding a Voting Claim entitled to one vote at the applicable Creditors' Meeting(s), which vote will have the value of such person's Voting Claim. Creditors holding Disputed Claims may vote their Claims and have such votes separately recorded.

Procedures for Voting at the Creditors' Meetings

Affected Creditors (Other than Beneficial Noteholders)

Each Affected Creditor entitled to vote at a Creditors' Meeting (other than Beneficial Noteholders who must provide their Voting Instructions in advance of the Creditors' Meeting) may vote at the applicable Creditors' Meeting in person or by proxy. An Affected Creditor may appoint another person as its proxyholder by completing the form of First Lien Lenders Proxy or General Creditors Proxy (collectively, the "**Proxies**"), as applicable. Forms of Proxy for use at the Creditors' Meetings are attached to the Creditors' Meetings Order.

In order to be effective, Proxies must be received by the Monitor at Ernst & Young Inc., Calgary City Centre, 2200-215 2nd Street SW, Calgary, Alberta T2P 1M4 (Attention: Holly McGregor), email: Connacher.Monitor@ca.ey.com prior to 5:00 p.m. (Calgary time) two (2) Business Days before the Creditors' Meetings. Persons appointed as proxyholders need not be Affected Creditors.

An Affected Creditor may indicate on the form of proxy how it wishes its proxyholder to vote. Proxies in favour of the Monitor will be voted on any ballot that may be called for and, when the Affected Creditor has specified a choice, will be voted in accordance with that specification. **In the absence of any specification on the Proxy, the Proxy will be voted FOR approval of the Resolution.**

An Affected Creditor who wishes to make a Distribution Election must send a Distribution Election Notice to the Monitor by email, fax, or mail such that it is received by the Monitor by the Distribution Election Deadline.

The vote "FOR" or "AGAINST" approval of the Plan indicated by a First Lien Lender on its First Lien Lenders Proxy shall be deemed to be such First Lien Lender's vote in respect of any General Creditor Claims including any First Lien Deficiency Claims or Second Lien Deficiency Claims held by such First Lien Lender for the meeting of the General Creditor Class.

Beneficial Noteholders

Second Lien Noteholders who wish to vote on the Plan must submit Voting Instructions through the forms provided by their Participant Holders, or in the case of a Registered Holder, directly to the Solicitation Agent. Second Lien Noteholders (other than Registered Holders) are not entitled to vote in person or by proxy because the Company requires Participant Holders to verify holdings of Beneficial Noteholders.

Beneficial Noteholders should promptly contact their Participant Holder and obtain and follow their Participant Holder's instructions with respect to the applicable voting procedures and deadlines, which may be earlier than the deadlines that are applicable to other Affected Creditors. It should be noted that the only way for a Beneficial Noteholder to vote is to provide Voting Instructions. No other voting channel will be available and no other form of proxy will be used to vote the Second Lien Deficiency Claims held by Beneficial Noteholders. Beneficial Noteholders are required to disclose their identity and aggregate principal amount of Second Lien Notes they hold. If they do not disclose such information, their votes will not be counted.

Beneficial Noteholders who wish to make a Distribution Election in respect of their Second Lien Deficiency Claim shall follow the procedures set out in the Voting Information and Election Form. Beneficial Noteholders who do not return Voting Instructions or make a Distribution Election will not be Convenience Class Creditors, regardless of the size of their Accepted Claims.

Each General Creditor is entitled to one vote for the aggregate dollar value of such General Creditor's: (i) Pro Rata Share of the First Lien Deficiency Claim as of the First Lien Record Date, (ii) Pro Rata Share, if any of the Second Lien Deficiency Claim as of the Second Lien Notes Record Date, and (iii) General Creditor Claim, if any, that is not either a First Lien Deficiency Claim or a Second Lien Deficiency Claim.

A Beneficial Noteholder who holds both Second Lien Claims and other General Creditor Claims must submit Voting Instructions and a General Creditor Proxy to vote its entire General Creditor Claim.

Conditions to Implementation of the Plan

In order for the Plan to be implemented, the following conditions, among others, must be satisfied:

(a) the Company and the Plan Sponsor shall have complied with all provisions of the Plan Sponsorship Agreement and such conditions shall have been satisfied or waived in accordance with its terms;

(b) the Company shall have complied with all provisions of the Support Agreement and all conditions of the Support Agreement shall have been satisfied or waived in accordance with the terms of the Support Agreement

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

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

(e) the Monitor shall have received the Plan Sponsored Funds, and the Cash Adjustment Amount, if any, from the Plan Sponsor and the Existing Cash from the Company;

(f) no injunction or other Order shall have been issued to enjoin, restrict or prohibit any of the transactions contemplated by the Plan and the Plan Sponsorship Agreement;

(g) all necessary corporate action and proceedings of the Company shall have been taken to approve the 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 the Plan; and

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

If the approval of the Affected Creditors is obtained, the hearing in respect of the Sanction Order is scheduled to take place at 10:00 a.m. on October 4, 2018 at Calgary Courts Centre, 601 5 Street SW, Calgary, Alberta, Canada. Any objections to the sanction of the Plan must be served on the Company, the Monitor and the Service List no later than seven Business Days prior to the hearing.

Recommendation of the Special Committee and the Board

The Special Committee was formed, among other things, to investigate, evaluate and consider (i) possible financing alternatives available to the Company and (ii) possible restructuring alternatives relating to the Company's current capital structure, including, without limitation, the advisability of proceeding with a restructuring under the CCAA. Since its formation in early 2016, the Special Committee has directly overseen all aspects of the restructuring of Connacher. The Special Committee met frequently and was intimately involved in evaluating all restructuring options available and providing recommendations to the Board in respect of the actions to be taken by Connacher.

After careful consideration, including a review of the Initial SISP and the Second SISP; the terms of the Plan Sponsorship Agreement and the Plan; the advice of the Financial Advisor and the Monitor; the need for relief from Connacher's existing obligations as well as a thorough review of other matters (including those described in "*Recommendation of the Special Committee and the Board*") the Special Committee unanimously determined that the Plan is in the best interests of Connacher and to recommend to the Board that they approve the Plan and recommend that Affected Creditors vote FOR the Resolutions to approve the Plan.

The Board, after careful consideration of the recommendation of the Special Committee and the factors set out below and in *Recommendation of the Special Committee and the Board* unanimously determined (with those directors who are representatives of certain of Connacher's stakeholders having declared their interest in the transaction and abstained from voting) to accept the recommendation of the Special Committee and approve the Plan, authorize its submission to the Affected Creditors for approval and recommend that Affected Creditors vote FOR the Resolutions to approve the Plan.

If the Plan is not implemented, subject to the terms of the Plan Sponsorship Agreement, Connacher and the Plan Sponsor intend to implement the Alternative Transaction. If the Plan Sponsor is unable to close the Alternative Transaction, the Company intends to implement the Credit Bid Transaction with the First Lien Lenders.

Subject to the approval of the Affected Creditors the Plan will be submitted to the Court for approval.

Additional Information and Inquiries

If you have any questions regarding voting procedures or other matters or if you wish to obtain additional copies of these materials, you may contact the Monitor by telephone at 1-403-206-5650 or by email at Connacher.Monitor@ca.ey.com. Copies of these materials and other materials in the within proceedings are also posted on the following website: www.ey.com/ca/connacheroilandgas.

For any questions relating to the procedures for delivering Voting Instructions, please contact the Company's solicitation agent, Kingsdale Advisors, at 416-867-2272 or, toll free at 877-659-1821, or by email at contactus@kingsdaleadvisors.com.

IMPORTANT INFORMATION

THIS CIRCULAR CONTAINS IMPORTANT INFORMATION THAT SHOULD BE READ BEFORE ANY DECISION IS MADE WITH RESPECT TO THE MATTERS REFERRED TO HEREIN. NO PERSON HAS BEEN AUTHORIZED TO GIVE ANY INFORMATION OR TO MAKE ANY REPRESENTATION NOT CONTAINED IN THIS CIRCULAR, AND, IF GIVEN OR MADE, SUCH INFORMATION OR REPRESENTATION SHOULD NOT BE RELIED UPON. THIS CIRCULAR DOES NOT CONSTITUTE AN OFFER TO SELL, OR A SOLICITATION OF AN OFFER TO PURCHASE, THE SECURITIES DESCRIBED IN THIS CIRCULAR, OR THE SOLICITATION OF A PROXY OR VOTE, IN ANY JURISDICTION, TO OR FROM ANY PERSON TO WHOM IT IS UNLAWFUL TO MAKE SUCH OFFER, SOLICITATION OF AN OFFER OR PROXY SOLICITATION IN SUCH JURISDICTION.

Capitalized terms used herein, and not otherwise defined, have the meaning given to them in the Glossary of Terms, which begins on page 54.

This Circular is furnished in connection with the solicitation of proxies by and on behalf of the Company for use at the Creditors' Meetings to be held on October 3, 2018. This Circular contains important information that should be read before any decision is made with respect to the matters referred to herein. All summaries of and references to the Plan in this Circular are qualified in their entirety by references to the text of the Plan, which is set out in Exhibit B to this Circular. All summaries of and references to other documents entered into in connection with the Plan are qualified in their entirety by the definitive documentation in respect thereof and the terms of such documents may, in accordance with their terms and the Plan, be amended or supplemented.

Information in this Circular is given as at August 13, 2018 unless otherwise indicated. The delivery of this Circular will not, under any circumstances, create any implication that there has been no change in the information set forth herein since the date of this Circular.

Affected Creditors should not construe the contents of this Circular as investment, legal or tax advice. Affected Creditors should consult their own counsel, accountants and other advisors as to legal, tax, business, financial and related aspects of the Plan. All persons are urged to consult their own tax advisors regarding the tax consequences of their participation in the Plan.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING INFORMATION AND RISKS

Certain statements and other information in this Circular may constitute forward-looking information within the meaning of applicable Canadian and United States securities laws. This forward-looking information reflects the current beliefs of management of the Company and is based on assumptions and information currently available to management of the Company. In some cases, forward-looking information can be identified by terminology such as "may", "will", "expect", "plan", "anticipate", "believe", "intend", "estimate", "predicts", "forecast", "outlook", "potential", "continue", "should", "likely", "project", "future" or the negative of these terms or other comparable terminology.

In particular, this Circular contains forward-looking information pertaining to:

- the anticipated benefits and effects of the Plan, including the entitlements of various security holders;
- the potential effects on the Company and various stakeholders if the Plan is not concluded; and
- the timing of the Creditors' Meetings and the completion of the Plan.

Forward-looking information respecting the anticipated benefits of the Plan Transaction are based upon a number of facts, including the terms and conditions of the Plan (including receipt of required stakeholder, regulatory and Court approvals), current industry, economic and market conditions and the current financial condition and prospects of the Company; the structure and effect of the Plan Transaction are based upon the terms of the Plan and the Restructuring Transactions contemplated thereby; and the steps and timing of the Plan Transaction are based upon the terms of the Plan and the expected timing to receive the required Court approvals and to otherwise satisfy the conditions to effectiveness of the Plan.

Although management of the Company believes that the anticipated future results, performances or achievements expressed or implied by the forward-looking information in this Circular are based upon reasonable assumptions and expectations, readers of this Circular should not place undue reliance on such forward-looking information because they involve assumptions, known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to differ materially from anticipated future results, performance or achievements expressed or implied by such forward-looking information. Such assumptions include, without limitation: the Company's ability to generate sufficient cash flow from operations or to obtain adequate financing to fund capital expenditures and working capital needs and to maintain the Company's ongoing obligations during the CCAA Proceeding and thereafter, the ability to maintain relationships with suppliers, customers, employees, shareholders and other third parties in light of the Company's current liquidity situation and the CCAA Proceeding, as well as the risks associated with the oil and gas industry (e.g., operational risks in development, exploration and production; delays or changes in plans with respect to exploration or development projects or capital expenditures; the uncertainty of reserve and resource estimates; the uncertainty of geological interpretations; the uncertainty of estimates and projections relating to production, costs and expenses; and health, safety and environmental risks), risk of commodity price and foreign exchange rate fluctuations, risks associated with the impact of general economic conditions, risks and uncertainties associated with maintaining the necessary regulatory approvals and securing the financing to continue operations and increase production to levels previously achieved. Forward-looking information are statements about the future and are inherently uncertain. There can be no assurance that the forward-looking information will prove to be accurate. The forward-looking information speaks only as of the date of this Circular.

Forward-looking information is subject to a variety of risks, uncertainties and other factors which could cause actual events or results to differ from those expressed or implied by the forward-looking information, including, without limitations: the completion of the Plan being subject to conditions that must be satisfied or waived; and risks related to the Company.

This list is not exhaustive of the factors and assumptions that may affect any of the forward-looking information. Additional risks and uncertainties that could affect forward-looking information are describe further under the heading "*Risk Factors*" in this Circular. The forward-looking information contained in this Circular is expressly qualified by this cautionary statement, and the Company does not undertake any obligation to update it to reflect new information or future developments, except to the extent required by law.

THE CREDITORS' MEETINGS

Procedures for Creditors' Meetings

Pursuant to the Creditors' Meetings Order made on August 22, 2018 by Mr. Justice Macleod of the Alberta Court of Queen's Bench (the "**Creditors' Meetings Order**"), a copy of which is posted on the Monitor's Website at www.ey.com/ca/connacheroilandgas, the Creditors' Meetings of Affected Creditors have been called to consider and vote on the Plan. The Creditors' Meetings will be held at the offices of Cassels Brock & Blackwell LLP, Suite 3810, Bankers Hall West, 888 3rd Street SW, Calgary, Alberta on October 3, 2018. The Creditors' Meeting of First Lien Lenders will begin at 10:00 a.m. (Calgary time). The Creditors' Meeting of General Creditors will begin at 10:15 a.m. (Calgary time).

Each Creditors' Meeting will be held and conducted in accordance with the provisions of the Creditors' Meetings Order, notwithstanding the provisions of any other agreement or instrument.

A representative of the Monitor will act as the chairperson (the "**Chairperson**") of each Creditors' Meeting and decide all matters relating to the conduct of the Creditors' Meeting. The Monitor may appoint scrutineers (the "**Scrutineers**") for the supervision and tabulation of the attendance, quorum and votes cast at each Meeting. A Person designated by the Monitor will act as secretary at each Creditors' Meeting.

The only Persons entitled to attend a Creditors' Meeting are (i) the Affected Creditors entitled to vote at that Creditors' Meeting (or, if applicable, any Person holding a valid First Lien Lenders Proxy or General Creditors Proxy on behalf of one or more such Affected Creditors) and any such Affected Creditor's legal counsel and financial advisors; (ii) Convenience Class Creditors; (iii) the Chairperson, the Scrutineers and the secretary; (iv) the Monitor and the Monitor's legal counsel; (v) one or more representatives of the Board and/or senior management of the Company, and the Company's legal counsel and financial advisors; (vi) the Consenting First Lien Lenders' legal counsel and financial advisors; (vii) the First Lien Agent and its legal counsel; (viii) the Second Lien Trustee and its legal counsel; (ix) the Solicitation Agent; (x) the Financial Advisor; and (xi) the Plan Sponsor and its legal counsel and financial advisors. Any other person may be admitted to a Creditors' Meeting on invitation of the Company, in consultation with the Monitor.

The quorum required at each Creditors' Meeting has been set by the Creditors' Meetings Order as Affected Creditor with an Accepted Claim against the Company present at the applicable Creditors' Meeting in person or by proxy.

If the requisite quorum is not present at a Creditors' Meeting, the Chairperson may adjourn the meeting, provided that any such adjournment or adjournments must be for a period of not more than seven days in total, unless otherwise agreed to by the Company, the Plan Sponsor, the Consenting First Lien Lenders and the Monitor. In the event of any such adjournment, Connacher and the Monitor will not be required to deliver any notice of adjournment of a Creditors' Meeting or adjourned Creditors' Meeting provided that the Monitor shall: (i) announce the adjournment at the Creditors' Meeting(s) or adjourned Creditors' Meeting(s), as applicable; (ii) post notice of the adjournment at the originally designated time and location of the Creditors' Meeting(s) or adjourned Creditors' Meeting(s), as applicable; (iii) forthwith post notice of the adjournment on the Website at www.ey.com/ca/connacheroilandgas; and (iv) provide notice of the adjournment to the Service List forthwith. Any proxy validly delivered in connection with the Creditors' Meeting will be accepted as a proxy in respect of any adjourned Creditors' Meeting.

Voting at the Creditors' Meetings

Voting and Classes

There are two classes of Affected Creditors: the First Lien Lender Class and the General Creditor Class. The vote on the Resolutions to approve the Plan will be decided by approval of a majority in number of the Affected Creditors of each Class holding Accepted Claims representing not less than

66⅔% in value of such class that is present and voting at each Creditors' Meeting in person or by proxy (the "**Required Majorities**").

The following Creditors are entitled to vote (a) Beneficial First Lien Lenders as of the First Lien Record Date; (b) Beneficial Noteholders as of the Second Lien Notes Record Date; and (c) General Creditors with Voting Claims.

Unaffected Creditors and holders of Equity Claims are not entitled, in such capacity, to attend the Creditors' Meetings or vote on the Plan. **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**.

The voting entitlement on the Plan is calculated as follows:

(a) Beneficial First Lien Lenders will be entitled to vote as part of the First Lien Lender Class on the basis of such First Lien Lender's Pro Rata Share of the First Lien Claim as of the First Lien Record Date;

(b) Beneficial First Lien Lenders will be entitled to vote as part of the General Creditor Class on the basis of such First Lien Lender's Pro Rata Share of the First Lien Deficiency Claim as of the First Lien Record Date;

(c) Beneficial Noteholders will be entitled to vote as part of the General Creditor Class on the basis of such Beneficial Noteholder's Pro Rata Share of the Second Lien Claim as of the Second Lien Notes Record Date. The entire amount of the Second Lien Claim is deemed to be an unsecured deficiency claim and constitutes a General Creditor Claim;

(d) General Creditors who are Convenience Class Creditors will be deemed to vote as part of the General Creditor Class in favour of the Plan in the amount of such Convenience Class Creditor's Accepted Claim; and

(e) Other General Creditors will be entitled to one vote as part of the General Creditor Class in the amount of such creditor's Voting Claim.

Disputed Claims

Affected Creditors (other than Beneficial Noteholders) with Disputed Claims (or their proxies) may attend and vote at the Creditors' Meetings and will have their voting intentions with respect to the Disputed Claims separately recorded by the Monitor and reported to the Court. 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. In addition, an Affected Creditor holding a Disputed Claim shall not be entitled to receive a distribution under the Plan unless and until such Disputed Claim becomes an Accepted Claim.

Voting by Proxy and Distribution Election Notices (Other than Beneficial Noteholders)

Each Affected Creditor entitled to vote at a Creditors' Meeting (other than Beneficial Noteholders who must provide their Voting Instructions in advance of the Creditors' Meeting) may vote at the Creditors' Meeting in person or by proxy. An Affected Creditor may appoint another person as its proxyholder by completing the form of First Lien Lenders Proxy or General Creditors Proxy (collectively, the "**Proxies**"), as applicable. Forms of proxy for use at the Creditors' Meetings are attached to the Creditors' Meetings Order.

In order to be effective, Proxies must be received by the Monitor at Ernst & Young Inc., Calgary City Centre, 2200-215 2nd Street SW, Calgary, Alberta T2P 1M4 (Attention: Holly McGregor), email: Connacher.Monitor@ca.ey.com prior to 5:00 p.m. (Calgary time) two Business Days before the Creditors' Meetings. Persons appointed as proxyholders need not be Affected Creditors.

An Affected Creditor may indicate on the form of proxy how it wishes its proxyholder to vote. Proxies in favour of the Monitor will be voted on any ballot that may be called for and, when the Affected Creditor has specified a choice, will be voted in accordance with that specification. **In the absence of any specification on the proxy, the proxy will be voted FOR approval of the Resolution.**

First Lien Lenders

First Lien Lenders who wish to vote on the Plan should submit a First Lien Lenders Proxy. The Creditors' Meetings Order provides that any First Lien Lenders Proxy submitted by a First Lien Lender will be deemed to be a vote for any General Creditor Class Claims held by such First Lien Lender (including the First Lien Deficiency Claim and any Second Lien Notes held by such First Lien Lender). If conflicting proxies and/or Voting Instructions are returned by any Creditor that owns First Lien Claims or General Claims, such votes will not be counted.

General Creditors

General Creditors with Accepted Claims (other than Beneficial Noteholders) not exceeding an aggregate of $2,000 are not required to attend the Creditors' Meetings or to complete or file any forms as they are deemed to be Convenience Class Creditors and will be deemed to vote in favour of the Plan.

General Creditors with Accepted Claims exceeding an aggregate of $2,000 may elect to be Convenience Class Creditors and to receive $2,000 in full satisfaction of such Accepted Claims in accordance with the Plan (to the extent implemented and in accordance with the terms thereof). Such election can be made by completing and duly submitting a Distribution Election Notice. Once such an election is made, the Convenience Class Creditor will be deemed to vote in favour of the Plan. A Convenience Class Creditor may attend the Creditors' meeting of General Creditors, but such creditor will not be entitled to cast any additional votes or revoke its Distribution Election.

All General Creditors with Accepted Claims (other than Beneficial Noteholders) exceeding an aggregate of $2,000 that do not make a Distribution Election may vote by submitting a proxy (in which case they are not required to attend the Meeting) or may attend the Creditors' Meeting of General Creditors to vote by proxy or in person.

Any Distribution Election Notice must be sent to the Monitor by email, fax, or mail such that it is received by the Monitor **by no later than 5:00 p.m. (Calgary time) on October 1, 2018** (provided that the Monitor and the Company may waive strict compliance with the time limits imposed for receipt of a Distribution Election Notice if deemed advisable to do so by the Monitor and the Company).

Voting by Beneficial Noteholders

Second Lien Noteholders who wish to vote on the plan must submit Voting Instructions through the forms provided by their Participant Holders or, in the case of the Registered Holders, directly to the Solicitation Agent. Second Lien Noteholders (other than Registered Holders) are not entitled to vote in person or by proxy because the Company requires Participant Holders to verify holdings of Beneficial Noteholders.

Beneficial Noteholders should promptly contact their Participant Holder and obtain and follow their Participant Holder's instructions with respect to the applicable voting procedures and deadlines, which may be earlier than the deadlines that are applicable to other Affected Creditors. It should be noted that the only way for a Beneficial Noteholder to vote is to provide Voting Instructions. No other voting channel will be available and no other form of proxy will be used to vote the Second Lien Deficiency Claims held by Beneficial Noteholders. Beneficial Noteholders are required to disclose their identity and aggregate principal amount of Second Lien Notes they hold. If they do not disclose such information, their votes will not be counted.

Beneficial Noteholders with Accepted Claims not exceeding an aggregate of $2,000 must complete their Voting Information and Election Form to be treated as Convenience Class Creditors and vote on the Plan because the Company does not have access to a list of Beneficial Noteholders and their holdings. If the Plan is implemented, Beneficial Noteholders with Accepted Claims not exceeding $2,000 who have not returned Voting Information and Election Forms identifying themselves will not be Convenience Class Creditors, but will instead receive their Pro Rata Share of $500,000.

Beneficial Noteholders who wish to be make a Distribution Election must return their Distribution Election with the Voting Information and Election Form.

Solicitation of Voting Instruments

Solicitation of Proxies from Affected Creditors other than Beneficial Noteholders will be primarily by mail and e-mail, and may be supplemented by telephone or other personal contact by the Solicitation Agent, the current Directors, Officers, employees or other agents of the Company, and the costs of such solicitation will be borne by the Company as a cost of the CCAA Proceeding.

In addition, the Company has retained Kingsdale Advisors to act as Solicitation Agent for the Creditors' Meetings and in connection with the identification of, and communication to, Affected Creditors.

The Company is not relying on the notice-and-access delivery procedures outlined in *National Instrument 54-101-Communication with Beneficial Owners of Securities of a Reporting Issuer* to distribute copies of proxy-related materials in connection with the Creditors' Meetings.

Transfer of Claims

A First Lien Lender may transfer its Claim in accordance with the First Lien Credit Agreement. Only those Beneficial First Lien Lenders as at the First Lien Record Date shall be entitled to vote at the Creditors' Meeting of First Lien Lenders. The obligations of Consenting First Lien Lenders with respect to the transfer of their claims (as set out in the Support Agreement) are not modified by the Creditors' Meetings Order or the Plan.

A Beneficial Noteholder may transfer its Claim in accordance with the Second Lien Indenture. Only those Beneficial Noteholders as at the Second Lien Notes Record Date shall be entitled to vote at the Creditors' Meeting of General Creditors.

Any General Creditor may transfer the whole of its Claim prior to the Creditors' Meeting of the General Creditors in accordance with the Creditors' Meetings Order. The Monitor is not 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 and acknowledged 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.

BACKGROUND TO THE PLAN

Background and Operations

Connacher was formed on July 3, 1997 through the amalgamation pursuant to the ABCA of Petro Power Energy Inc. and Justinian Exploration Ltd. and continued as Justinian Exploration Ltd., a public corporation listed on the TSX-V. On January 23, 2001, the outstanding common shares of the Company were consolidated on a ten-for-one basis and the name of the Company was changed to "Connacher Oil and Gas Limited." Trading in the common shares under the symbol "CLL" commenced on the TSX-V on March 23, 2001. This listing was surrendered on August 1, 2003 when the Company graduated to, and commenced trading on, the TSX.

The Company was continued from the ABCA to the CBCA on March 30, 2015. After reaching an agreement with its primary funded debt holders, on May 8, 2015, Connacher was amalgamated with 9171665 Canada Ltd. and continued pursuant to a plan of arrangement under the CBCA (the "**Recapitalization**") as "Connacher Oil and Gas Limited". Subsequent to closing the Recapitalization, trading on the TSX under the symbol "CLC" commenced on May 14, 2015. As discussed below, the Company's existing shares were consolidated under the Recapitalization.

As a result of divestitures of its refinery and conventional oil and gas properties in 2012, Connacher was transformed into a single purpose entity active solely in the development, production and sale of bitumen. Due to the high quality of its oil sands reservoir with critical cap rock spread over the area, Connacher has been able to utilize the proven technology of SAGD. This allows the Company to extract bitumen from oil sands formations located approximately 475 meters below the surface.

In light of low commodity prices, the Company reduced its production in the first quarter of 2016. Average production for the first quarter of 2016 was approximately 5,900 barrels per day ("**bbl/d**") as a result of the Company's strategic decision to reduce production in the low commodity price environment and a previously scheduled turnaround at Pod One at the end of the first quarter of 2016. The Company increased production at Great Divide to approximately 8,000 bbl/d in April 2016.

Circumstances Prior to Filing under CCAA

During 2013 and 2014, the Company focused its efforts on improving operational efficiencies and optimizing production at Pod One and Algar. In light of the Company's substantial debt obligations, in October 2014, the Board hired advisors to assist in assessing various alternatives available to address the Company's liquidity and capital structure.

With the support of 100% of the lenders under the first lien term loan agreement dated May 23, 2014, on May 8, 2015, the Company closed its Recapitalization which was aimed at significantly reducing the Company's debt burden and providing additional liquidity to fund ongoing operations.

On March 11, 2016, the Company announced that it was undertaking a process to investigate, evaluate and consider possible financing and restructuring alternatives available to the Company. The Board formed a special committee (the "**Special Committee**") composed of the four independent directors that have been authorized to evaluate and implement restructuring strategies.

The Special Committee worked with management and the Company's advisors to review and consider all potential strategic options and available restructuring paths, including parallel paths of a sales process and creditor sponsored restructuring. In connection therewith, the Company and its advisors, including E&Y (in its pre-CCAA capacity as financial advisor), Cassels and Akin Gump, engaged in extensive discussions with the First Lien Agent, an ad hoc group of First Lien Lenders, their legal and financial advisors and certain significant holders of the Second Lien Notes regarding restructuring options for the Company, including the Initial SISP discussed below.

Also on March 11, 2016, Connacher announced that it had elected to exercise its right to defer the cash payment of interest payable on March 31, 2016 on the Second Lien Notes until June 30, 2016 or such later date as Connacher may elect.

On March 31, 2016, the Company entered into a forbearance agreement (the "**Forbearance Agreement**") with Credit Suisse AG, Cayman Islands Branch, as administrative agent, and certain lenders constituting the "Required Lenders" in respect of US$153.8 million of loans made by the lenders under the First Lien Credit Agreement. Under the terms of the Forbearance Agreement, the lenders agreed to, among other things, forbear from exercising enforcement rights and remedies arising from the Company's failure to pay the cash interest and principal payments due on March 31, 2016 until the earlier of April 30, 2016; the occurrence of an event of default under the First Lien Credit Agreement, unrelated to the failure to pay principal and interest due on March 31, 2016; or the occurrence of a default or breach of representation by the Company under the Forbearance Agreement.

On April 30, 2016, the Company entered into the Second Forbearance Agreement which extended the forbearance period until May 16, 2016.

Filing for CCAA Protection and Subsequent Events

Court Orders

Copies of the Orders made in the CCAA Proceeding are available on the Website. Certain of the Orders, but not all, are summarized below.

Initial Order

On May 17, 2016, the Company sought and obtained creditor protection under the CCAA pursuant to an order (the "**Initial Order**") granted by the Court of Queen's Bench of Alberta, Judicial Centre of Calgary (the "**Court**").

Among other things, the Initial Order:

(a) granted CCAA stay protection for an initial period expiring on June 16, 2016. Since the Initial Order, eight Court-ordered stay extensions have been obtained, with the most recent extending the stay of proceedings until and including September 30, 2018;

(b) appointed the Monitor to assist the Company in various matters relating to the CCAA Proceeding and to report to the Court from time to time on matter that may be relevant to the CCAA Proceeding;

(c) approved the Initial SISP;

(d) established the Administration Charge;

(e) granted an indemnity in favour of the directors and officers of the Company and granted the Directors' Charge as security for such indemnity;

(f) authorized Connacher to borrow up to US$20,000,000 pursuant to the interim financing term sheet dated as of May 16, 2016 and established the Interim Lenders' Charge as security for the Company's obligations thereunder; and

(g) authorized the KERP and established the KERP/LTIP Charge as security for the Company's obligations in connection therewith.

The Administration Charge, Interim Lenders' Charge, Directors' Charge and KERP/LTIP Charge are charges against all of the current and future property and assets of the Company (collectively, the

"**Property**"), and rank in priority to all other Encumbrances, in favour of any Person. As described below, the Interim Lenders' Charge has been released and the Interim Financing has been repaid.

Claims Procedure Order

On August 24, 2016, the Court granted the Claims Procedure Order, which establishes, among other things, a claims process for the identification, quantification and determination of certain claims against the Company and the identification of Claims (as defined in the Claims Procedure Order) against the Directors and Officers.

Pursuant to the terms of the Claims Procedure Order, September 26, 2016 at 5:00 p.m. (Calgary time) was set as the Claims Bar Date for filing certain claims against the Company or the directors or officers. The Monitor continues to assist the Company in the conduct of the claims procedure pursuant to the Claims Procedure Order.

KERP/LTIP and Severance Orders

On November 14, 2016, the Court granted the Supplemental KERP Order, which provides for, among other things the approval of the Supplemental KERP. The order also granted all of the rights and benefits of the KERP/LTIP Charge to the beneficiaries of the Supplemental KERP. On February 6, 2017, the Court granted the Employee Severance Order, which, among other things, approved an employee severance program providing a formula for calculation of severance for employees terminated under certain circumstances. On June 27, 2017, the Court granted the Second Supplemental KERP Order which provides for a Second Supplemental KERP and extends the benefit of the KERP/LTIP Charge to the beneficiaries of the Second Supplemental KERP.

Seismic Data Sale Order

On August 18, 2017, the Court granted the Seismic Data Sale Order, which provides for, among other things, the approval of the sale transaction contemplated by an agreement of purchase and sale between Connacher and Divestco Inc. dated July 18, 2017 and the vesting in the purchaser of Connacher's right, title and interest in and to the assets described in such sale agreement.

ATB Credit Facilities Order

On November 14, 2017, the Court granted the ATB Credit Facilities Order, which provides for, among other things, the approval of the ATB Credit Facilities. The ATB Credit Facilities Order also granted the ATB Charge over certain cash deposits held by ATB in an amount not to exceed $8,555,000. The ATB Credit Facilities Order provides that the ATB Charge shall rank in priority to all other Encumbrances, including the Administration Charge, the Interim Lenders' Charge, the Directors' Charge and the KERP/LTIP Charge in respect of the cash deposits described in the agreement.

BEH Royalty Approval Order

On January 29, 2018, the Court granted the BEH Royalty Approval Order, which, among other things, authorized Connacher to enter into the BEH Royalty Agreement with BEH, approved the grant by Connacher in favour of BEH of a royalty in accordance with the terms of the BEH Royalty Agreement and vested all of Connacher's right, title and interest in and to the royalty in BEH. With the proceeds from the BEH Royalty Agreement, Connacher repaid all of its obligations in respect of the Interim Financing.

Financial Advisor Approval Order

On February 28, 2018, the Court granted the Financial Advisor Approval Order, which provides for, among other things, the approval of the Company's engagement of the Financial Advisor. The Financial Advisor Approval Order also granted the Financial Advisor Charge over all current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate including proceeds thereof as security for all fees and costs payable to the Financial Advisor. The Financial Advisor

Approval Order provides that the Financial Advisor Charge shall rank in priority to all other Encumbrances while ranking subordinate in priority to each of the Administration Charge, the Directors' Charge, the KERP/LTIP Charge and the ATB Charge.

Support Agreement & SISP Approval Order

On March 28, 2018, the Court granted the Support Agreement & SISP Approval Order, which provided for, among other things, (i) the approval of the Company's entry into the Support Agreement, and (ii) commencement of the Second SISP.

The Support Agreement provides the foundation for the Company's exit from CCAA protection by securing majority First Lien Lender support for the commencement of the Second SISP and the implementation of either a: (i) "Superior Transaction" identified during the Second SISP (being a transaction that provides greater than $90 million of cash consideration, excluding existing cash on hand, plus payment of all priority claims and assumption of certain liabilities); or (ii) pre-negotiated Credit Bid Transaction.

The Support Agreement also contains a number of financial and non-financial covenants and restrictions on the Company.

The key features of the Credit Bid Transaction include: (i) formation of Newco to acquire all or substantially all of the Company's assets; (ii) assumption by Newco of the Company's post-CCAA filing trade payables; (iii) offers of employment being made by Newco to all of the Company's employees; (iv) entry by Newco into a new senior secured facility; and (v) distribution of the shares of Newco and the obligation under the new senior secured facility to the existing first lien lenders on the terms set out in the Support Agreement and related exhibits.

The Credit Bid Transaction, if implemented, would not provide a recovery to stakeholders beyond the existing first lien lenders and creditors with allowed claims that rank in priority to the First Lien Lenders.

The Support Agreement and SISP Approval Order also approved the key employee incentive plan and granted the KEIP Charge over the Property to secure all obligations under the incentive plan.

Creditors' Meetings Order

On August 22, 2018, the Court granted the Creditors' Meetings Order authorizing and directing the Company to call the Creditors' Meetings and establishing procedures for the votes in respect of the Plan. The Creditors' Meetings Order authorizes and directs the Company to call the Creditors' Meeting of First Lien Lenders on October 3, 2018 at 10:00 a.m. (Calgary time) and the Creditors' Meeting of General Creditors on October 3, 2018, 2018 at 10:15 a.m. (Calgary time). The Creditors' Meetings Order also, among other things, establishes (i) procedures for delivery of proxies and voting, (ii) procedures for delivery of Distribution Election Notices and (iii) the applicable records dates.

The Creditors' Meetings Order also approves the Company's entry into and obligations under the Plan Sponsorship Agreement.

Supplemental Claims Procedure Order

On August 22, 2018, the Court also granted the Supplemental Claims Procedure Order to facilitate the implementation of the Plan Transaction or the Alternative Transaction, as applicable. The Supplemental Claims Procedure Order establishes, among other things, a claims process for the identification, quantification and determination of Secured Claims, Non-Continuing Employee Claims and Post-Filing Claims against the Company and Post-Filing D&O Claims against the Directors and Officers.

Claimants asserting Secured Claims against the Company or Post-Filing D&O Claims against the Directors and Officers are required to file a Proof of Claim with the Monitor prior to the Supplemental Claims Bar Date in accordance with the instructions set out in the Supplemental Claims Procedure Order.

With respect to Non-Continuing Employee Claims and Post-Filing Claims, the Company is conducting a "negative option" claims process through which the Company will provide each Non-Continuing Employee and each Claimant who the Company believes holds a Post-Filing Claim a notice identifying the amount owed according to the Company's books and records (the "**Initial Determination**"). If a holder of a Post-Filing Claim or a Non-Continuing Employee Claim disagrees with the Initial Determination, such holder may provide to the Monitor a Notice of Dispute by no later than fifteen (15) calendar days after delivery of the Notice of Post-Filing Claim or Notice of Non-Continuing Employee Claim. If no Notice of Dispute is timely provided to the Monitor, the Initial Determination will be deemed to be final. Claimants who believe they hold Non-Continuing Employee Claims or Post-Filing Claims but do not receive a notice from the Company are required to file a Proof of Claim prior to the applicable claims bar date.

Pursuant to the terms of the Supplemental Claims Procedure Order, **the Supplemental Claims Bar Date is September 19, 2018 at 1:00 p.m. (Calgary time)**.

Pursuant to the terms of the Supplemental Claims Procedure Order, **the Post-Filing Claims Bar Date is October 1, 2018 at 1:00 p.m. (Calgary time)**.

Approval and Vesting Order

Also on August 22, 2018, the Court granted the Approval and Vesting Order with respect to the Alternative Transaction, which among other things, approves the Purchase Agreement and provides for the vesting of the Company's assets free and clear of certain Encumbrances in the Plan Sponsor, upon delivery of the Monitor's Certificate. The Approval and Vesting Order will not be pursued unless and until a CCAA Plan Termination Event occurs and the Monitor's Certificate (described in the Approval and Vesting Order) is delivered by the Monitor.

The Initial SISP

The Initial Order approved and authorized the Company and the Monitor to conduct the Initial SISP to identify one or more purchasers and/or investors in the Company's business and/or property.

Connacher, with the assistance of the Monitor, commenced the marketing process of the Initial SISP on May 18, 2016, immediately following the granting of the Initial Order. The Monitor contacted 152 potential counterparties, including both strategic buyers operating in similar industries as the Company and financial sponsors including private equity funds. Of the parties contacted, a certain number of them signed non-disclosure agreements and then became qualified bidders ("**Initial SISP Qualified Bidders**"). Initial SISP Qualified Bidders had access to a corporate management presentation on the operations of the Company and a virtual data room, and asked and received responses from Company management with respect to the business and assets of Connacher. Initial SISP Qualified Bidders also had access to management presentations, the opportunity to meet with management and the opportunity to meet with the Monitor and the Company's legal counsel to discuss transaction structuring consideration.

The Initial SISP had a bid deadline for non-binding letters of intent of June 30, 2016 and a bid deadline for binding offers of July 27, 2016. Connacher received interest in the Initial SISP from various types of parties, including industry participants and financial parties. Connacher and the Monitor worked closely to ensure that information was made available to potential bidders in a timely manner, in order to encourage active participation in the Initial SISP. To address the requests by certain interested parties, on June 24, 2016, Connacher, with the consent of the Interim Financing Agent and the Interim Lenders, extended the deadline for the first phase of the Initial SISP to July 14, 2016. Prior to the initial bid deadline, the Monitor and Connacher received several non-binding letters of intent in connection with the Initial SISP. Connacher reviewed and assessed the non-binding letters of intent received, consulted with the Consultation Parties (as defined in the Initial SISP) in respect of those bids and determined to proceed to the second phase of the Initial SISP.

Under the terms of the Initial SISP, final binding bids were due August 10, 2016 with a closing to occur on or before August 31, 2016. To address the requests by certain interested parties, on August 5, 2016, Connacher, with the consent of the Interim Financing Agent and Interim Lender, extended the applicable bid deadline in the Initial SISP to August 19, 2016, with a closing to occur on or before September 7, 2016. On or about the bid deadline, Connacher received several conditional offers to acquire the property and/or business of Connacher. Connacher, in consultation and with the support of the Monitor and the Interim Lenders, elected not to select a successful bid.

Connacher believed that improved market conditions could present opportunities to enhance stakeholder recoveries, such as long-term contract negotiations and hedging opportunities to stabilize and/or enhance cash flow and strategic transactions or a sale, that were not previously available or economical.

The Interim Financing

As authorized and approved by the Initial Order, the Company secured interim financing in the form of a senior secured debtor-in-possession credit facility (the "**Interim Financing**") established pursuant to a credit arrangement dated as of May 15, 2016 with certain existing lenders (certain of which are or were also significant shareholders of the Company) (the "**Interim Lenders**") for up to US$20 million (collectively, the "**Total Interim Financing Commitments**"), with initial commitments of up to US$11.5 million (the "**Initial Commitments**").

On October 26, 2016, the Company entered into a Waiver, Approval, and Modification Agreement with the Interim Lenders, pursuant to which the Interim Lenders agreed to waive certain limited defaults under the Interim Financing related to the Initial SISP timelines and advance to the Company an additional amount of approximately US$5.0 million of the Total Interim Financing Commitments to support the Company's continuing operations.

On December 16, 2016, the Company entered into a further Approval and Modification Agreement with the Interim Lenders, which extended the maturity date under the Interim Financing from May 17, 2017 to December 31, 2017 and amended certain provisions of the Interim Financing in order to provide the Company with greater flexibility to enter into hedging agreements and other long-term contracts.

On June 27, 2017, the Company entered into Approval and Modification Agreement #3 with the Interim Lenders, which extended the maturity date of the Interim Financing from December 31, 2017 to January 31, 2018.

As described below, the Interim Financing was repaid in full in the beginning of 2018.

The BEH Royalty Agreement

On January 29, 2018, the Company granted a royalty in respect of certain of its producing and non-producing lands to BEH pursuant to the BEH Royalty Agreement. On January 30, 2018, the Court granted the BEH Royalty Approval Order, which approved the grant of the royalty.

The royalty consists of the grant to BEH of an undivided interest in and to the Bitumen within, upon or under the royalty lands equal to the royalty share for total consideration of $43,750,000. The royalty share for a given month will be calculated and determined based on a sliding scale percentage rate that is dependent on a "Benchmark Reference Price" (as defined in the BEH Royalty Agreement) for the prevailing reference grade of the type of Dilbit (as defined in the BEH Royalty Agreement) that includes Bitumen produced from the royalty lands.

The consideration from the grant of the royalty was used to repay the Interim Financing in full, which was then terminated, and for general corporate purposes.

The Second SISP

The Support Agreement & SISP Approval Order authorized the Company to conduct the Second SISP in order to determine whether a "Superior Transaction" was available. If no Superior Transaction was identified, the Company would complete the Credit Bid Transaction.

In accordance with the terms of the Second SISP, the Company and the Financial Advisor launched Phase I of the Second SISP on April 3, 2018. Among other things, Connacher and the Financial Advisor prepared a teaser letter and a confidential information memorandum, and established a data room. The teaser letter and the Second SISP procedures were posted on the Monitor's Website. In total, the Financial Advisor provided the teaser letter to 230 parties.

Sixteen potential bidders executed the confidentiality agreements and SISP acknowledgments to become qualified Phase I bidders. The bidders were granted access to the dataroom and provided with a copy of the confidential information memorandum, containing significant confidential information about the Company's business and operations and details of the Minimum Consideration Threshold in the Second SISP. In the initial phase of the Second SISP, Connacher and the Financial Advisor hosted 14 initial launch and diligence meetings with bidders.

Connacher received a number of letters of intent on or prior to the phase one bid deadline of 12:00 p.m. (Calgary time) on May 23, 2018. Following the receipt of the letters of intent, Connacher, in consultation with the Financial Advisor, the Monitor, and the Consenting First Lien Lenders, determined that each of the letters of intent constituted Qualified Phase I Bids.

Connacher continued to engage with the parties who submitted Qualified Phase I Bids in advance of the bid deadline on June 20, 2018 at 12:00 p.m. (Calgary time), including providing additional information and arranging management meetings and site visits.

On the bid deadline, the bid received from the Plan Sponsor was subject to receipt of investment committee approval from its financial sponsor. As a result, with the consent of the First Lien Agent and the Consenting First Lien Lenders and in consultation with the Financial Advisor and the Monitor, Connacher delayed the time to determine whether the Plan Sponsor's Phase II Bid (as defined in the Second SISP) was a Qualified Phase II Bid until such time as the Plan Sponsor obtained the necessary internal approval.

On July 19, 2018, the Plan Sponsor obtained its required internal approvals and provided the Monitor with a deposit of $12 million. Connacher, after discussions with its advisors, the Monitor and the Consenting First Lien Lenders, moved to negotiate with the Plan Sponsor, the Plan Sponsorship Agreement, the Plan, and the Purchase Agreement. The principal transaction documents were signed on August 2, 2018.

The Plan Sponsorship Agreement

On August 1, 2018 the Plan Sponsor was selected as the Successful Bidder pursuant to the Second SISP and the Plan Sponsorship Agreement (which contemplates a proposed Plan and a Purchase Agreement to be consummated if the Plan cannot be implemented) and the transactions with the Plan Sponsor were determined to be a "Superior Transaction". The Company and the Plan Sponsor entered into the Plan Sponsorship Agreement pursuant to which the Company and the Plan Sponsor agreed, among other things, to use commercially reasonable efforts to give effect to a restructuring of the Company by way of the Plan, on the terms set out in and consistent in all material respects with the Plan Sponsorship Agreement and the Plan and, if necessary, the Purchase Agreement.

The Plan

On August 1, 2018, the Board approved the proposed Plan. On August 13, 2018, the Company filed application materials with the Court seeking an Order authorizing it to file the Plan and directing meetings of the Affected Creditors. The terms of the Plan are outlined in detail in this Circular.

The Purchase Agreement

If the Plan cannot be implemented for the reasons described in the Plan Sponsorship Agreement, then the parties will proceed with a sale pursuant to the Purchase Agreement. The terms of the Purchase Agreement were approved by the Court on August 22, 2018 but the Approval and Vesting Order will only become effective in the event of a CCAA Plan Termination Event.

OVERVIEW OF THE TRANSACTION

Pursuant to the Plan, the Plan Sponsor will acquire the newly issued common shares of the Company and will thereby acquire all of the Company's operating assets and business on a going concern basis.

The Company believes that the implementation of the Plan will generate the highest reasonable value in a timely manner for Affected Creditors given the available alternatives.

SUMMARY OF THE PLAN SPONSORSHIP AGREEMENT

The description of the Plan Sponsorship Agreement, both below and elsewhere in this Circular, is a summary only, is not exhaustive and is qualified in its entirety by reference to the terms of the Plan Sponsorship Agreement. Capitalized terms used and not otherwise defined in this section of the Circular have the respective meanings given to them in the Plan Sponsorship Agreement. Readers are encouraged to review the Plan Sponsorship Agreement which may be found on the Monitor's Website and under the Company's profile on SEDAR at www.sedar.com.

On August 2, 2018, the Company and the Plan Sponsor entered into the Plan Sponsorship Agreement. The terms of the Plan Sponsorship Agreement are the result of arm's length negotiations conducted between representatives of the Company and the Plan Sponsor and their respective advisors. The Court, through the Creditors Meetings Order, has approved the Company's entry into and compliance with the Plan Sponsorship Agreement.

Pursuant to the terms of the Plan Sponsorship Agreement, the Company and the Plan Sponsor agreed that, subject to the terms and conditions set forth therein, each of the Company and the Plan Sponsor will use commercially reasonable efforts to give effect to a restructuring of the Company by way of a plan of compromise and arrangement under the CCAA substantially in the form of the Plan prior to the Outside Date. In the event of a CCAA Plan Termination Event, the parties have agreed to immediately complete the transaction through the Purchase Agreement.

Cooperation

Under the terms of the Plan Sponsorship Agreement, the Company and the Plan Sponsor have agreed to cooperate with each other in good faith and use commercially reasonable efforts to implement the Plan Transaction, including, among other things, working to complete steps in accordance with the following timeline, which may be amended in accordance with the Plan Sponsorship Agreement:

- The Supplemental Claims Procedure Order and the Creditors' Meetings Order must be obtained by August 24, 2018;
- The Sanction Order must be obtained by October 5, 2018; and
- The Plan must be implemented by the Outside Date.

Alternative Transaction

Concurrently with entering into the Plan Sponsorship Agreement, the Company and the Plan Sponsor entered into the Purchase Agreement. If the Plan fails because:

(a) within five Business Days of the applicable times set forth in the Plan Sponsorship Agreement (as may be otherwise agreed in accordance with the agreement) (a) the Creditors' Meetings Order is not granted; (b) the Sanction Order is not granted; or (c) the Plan is not implemented and the Plan Transaction is not closed by the Outside Date, but none of the Regulatory Approvals have been denied;

(b) the requisite Creditor approval of the Plan is not obtained at the Creditors' Meetings held in accordance with the Creditors' Meetings Order; or

(c) it is jointly determined by the Company and the Plan Sponsor, each acting reasonably, that for any other reason it is no longer viable to implement the Plan Transaction pursuant to the Plan,

(each of the foregoing, a "**CCAA Plan Termination Event**"), the Plan Sponsor and the Company will continue with the Alternative Transaction (described in detail below).

Deposits

The Plan Sponsor has deposited the sum of $12 million with the Monitor (the "**Deposit**"). The Plan Sponsor has the right to extend the Outside Date from October 31, 2018, up to two times, in thirty (30) day increments, in the event certain regulatory approvals have not been obtained by such date and notice is given to the Company pursuant to the Plan Sponsorship Agreement. Upon each extension of the Outside Date, the Plan Sponsor is required to make an additional deposit of $1.5 million.

If a CCAA Plan Termination Event occurs then the Deposit and any Additional Deposits will be deemed to be the Deposit for the purposes of the Purchase Agreement.

Creation of Plan Implementation Fund

The Plan Sponsorship Agreement requires that:

- the Plan Sponsor pay the sum of $113.5 million (less the amount of the Deposit and the amounts of any Additional Deposits that have been paid prior to such date) to the Monitor at least two Business Days prior to the Effective Date of the Plan Transaction, to be held in trust by the Monitor and released into the Plan Implementation Fund in accordance with the Plan;
- the Company transfer the Cash on Hand up to the amount of the Existing Cash to an account designated by the Monitor prior to the Effective Time of the Plan Transaction to be held in trust by the Monitor and released into the Plan Implementation Fund in accordance with the Plan; and
- the Plan Sponsor pay the Cash Adjustment Amount, if any, to an account designated by the Monitor prior to the Effective Time of the Plan Transaction to be held in trust by the Monitor and released into the Plan Implementation Fund in accordance with the Plan. The Cash Adjustment Amount is the amount, if any, by which the dollar value of Existing Cash exceeds the dollar value of the Company's Cash on Hand as of the Effective Date and it is intended to ensure that the timing of the Effective Date does not reduce the cash available for distribution pursuant to the Plan.

Calculation of the Existing Cash

In summary, the Company's "Existing Cash" will consist of:

- the Cash on Hand of the Company as of 12:01 a.m. on September 1, 2018; plus
- the accounts receivable of the Company existing as of 12:01 a.m. on September 1, 2018 or related to the period prior to 12:01 a.m. on September 1, 2018 which have been paid or collected during the period between 12:01 a.m. on September 1, 2018 and the Business Day prior to the Effective Date; plus
- the prepaid expenses of the Company which were paid prior to and remain unused as of 12:01 a.m. on September 1, 2018; minus
- the accounts payable of the Company which have accrued during the period between the May 17, 2016 and 12:01 a.m. on September 1, 2018 (whether or not invoiced by such time) which have not been paid by the Company by the Business Day prior to the Effective Date or which will not be paid, compromised, discharged or released under the Plan and will remain

an obligation or liability of the Company after the Effective Time, but, for greater certainty, shall not include Municipal Tax Claims; minus

- the amounts paid by the Company from the Company's cash accounts during the period between 12:01 a.m. on September 1, 2018 and the Effective Date on account of fees and disbursements (plus any applicable Taxes thereon) for services rendered by legal counsel and advisors to the Company, the Monitor, legal counsel to the Monitor, the Consenting First Lien Advisors, or other Persons from time to time retained by the Company, in each case in connection with the CCAA Proceeding, the Plan Sponsorship Agreement, or the implementation of the Plan (and the Restructuring Transactions) or the Alternative Transaction,

- calculated as applicable in accordance with International Financial Reporting Standards.

At least five Business Days prior to the Effective Date, the Company is required to prepare and deliver to the Plan Sponsor and the Monitor its good faith calculation of the estimated Existing Cash as of the Effective Date. If the Company and the Plan Sponsor are not able to agree upon the calculation of the Existing Cash as of the Effective Date by the Business Day prior to the Effective Date, the Company shall request that the Monitor review the calculation with respect to Existing Cash. The Monitor's determination of the Existing Cash amount shall be determinative and final and the Company and the Plan Sponsor agree not to take any proceedings to appeal such determination.

Termination

The Plan Sponsorship Agreement may be terminated at any time prior to the Effective Time:

(a) by mutual written agreement of the Plan Sponsor and the Company;

(b) by either party, upon written notice to the other party and the Monitor if the Effective Date does not occur on or before the Outside Date, or in the event of a CCAA Plan Termination Event, the Closing Date of the Alternative Transaction does not occur before the Outside Date for Closing, or such later date as the parties may agree to in writing;

(c) by the Plan Sponsor if the Company has breached any term of the Plan Sponsorship Agreement, or if any of the conditions in Section 5.01 of the Plan Sponsorship Agreement have not been satisfied by the Outside Date, or in the case of conditions contained in the Plan, by any earlier date specified in such conditions (or are incapable of being satisfied by such date) and the Plan Sponsor has not waived such condition by notice in writing in accordance with the Plan Sponsorship Agreement or the Plan, as the case may be; or

(d) by the Company if the Plan Sponsor has breached any term of the Plan Sponsorship Agreement, or if any of the conditions in Section 5.02 of the Plan Sponsorship Agreement have not been satisfied by the Outside Date, or in the case of conditions contained in the Plan, by any earlier date specified in such conditions (or are incapable of being satisfied by such date) and the Company has not waived such condition by notice in writing in accordance with the Plan Sponsorship Agreement or the Plan, as the case may be;

in each case, (the "**Termination Date**").

In certain circumstances, the Plan Sponsor will forfeit the Deposit (and any Additional Deposit) to the Company. More specifically, if the Plan Sponsorship Agreement has been terminated due to:

- failure by the Plan Sponsor to obtain the PRC Approvals by the Outside Date (as may be extended pursuant to the terms hereof) and the Company is not in breach of the Plan Sponsorship Agreement at such time (other than by reason of the Plan Sponsor's breach), and all other conditions for the benefit of the Plan Sponsor in Section 5.01 of the Plan Sponsorship Agreement that were capable of having been satisfied at such time and were required to have been satisfied at such time have been satisfied other than Section 5.01(a)(iii) *[PRC Approvals]* and 5.01(a)(v) *[Plan Completed]* of the Plan Sponsorship Agreement; or

- a material breach by the Plan Sponsor of its obligations under the Plan Sponsorship Agreement and the Company is not in breach of the Plan Sponsorship Agreement at such time (other than by reason of Plan Sponsor's breach),

then the Deposit (as well as any Additional Deposit(s)) will be forfeited to the Company.

If the Plan Sponsorship Agreement has been terminated for any other reason, the Deposit (including any Additional Deposit) will be paid to the Plan Sponsor.

Representations and Warranties

The Plan Sponsorship Agreement contains representations and warranties made by the Company to the Plan Sponsor and representations and warranties made by the Plan Sponsor to the Company. Those representations and warranties were made solely for the purposes of the Plan Sponsorship Agreement and are subject to important qualifications and limitations agreed to by the parties in connection with negotiating its terms. For the foregoing reasons, you should not rely on the representations and warranties contained in the Plan Sponsorship Agreement as statements of factual information at the time they were made or otherwise.

The representations and warranties provided by the Company in favour of the Plan Sponsor relate to, among other things: (a) organization and corporate authority; (b) authorization to enter into the Plan Sponsorship Agreement and perform obligations thereunder; (c) share capital of the Company after giving effect to the Plan; (d) governmental authorizations; (e) the existence of any rights of first refusal on the Assets; (f) absence of any notice, demand, order or directive relating to environmental liabilities; (g) existence of any material authorities for expenditures; and (h) the Company not being a non-resident of Canada for purposes of the Tax Act.

The representations and warranties provided by the Plan Sponsor in favour of the Company relate to, among other things: (a) organization and corporate authority; (b) authorization to enter into the Plan Sponsorship Agreement and perform obligations thereunder; (c) Plan Sponsor's "WTO investor" and "state-owned enterprise status" for purposes of the Tax Act; (d) governmental authorizations and regulatory approvals; (e) absence of any proceedings before or pending before any Authorized Authority; (f) non-contravention of organizational documents or any applicable law; and (g) availability of funds.

Restrictions on Business

Under the terms of the Plan Sponsorship Agreement, the Company has agreed that from the date of the Plan Sponsorship Agreement to the Effective Date, it will not (without the written consent of the Plan Sponsor):

- other than as contemplated in its 2018 approved budget, make any commitment or propose, initiate or authorize any capital expenditure with respect to the Assets of which the Company's share is in excess of $300,000, except in case of an emergency or in respect of amounts which the Company may be committed to expend or be deemed to authorize for expenditure without its consent;

- surrender or abandon any of the Assets, unless an expenditure of money in excess of $10,000 is required to avoid the surrender or abandonment and the Plan Sponsor does not provide same in a timely fashion, in which event the Assets in question shall be surrendered or abandoned without abatement or reduction in the Plan Sponsored Funds or modification of Existing Cash;

- amend or terminate any Title Document or enter into any new agreement or commitment relating to the Assets (other than entering into agreements for the sale of Petroleum Substances in the ordinary course of business for a term not to exceed 3 months);

- other than in the ordinary course of business enter in any: (i) settlement agreement with a third party or Authorized Authority; or (ii) consent decree with an Authorized Authority that, in any case, would require the payment by the Plan Sponsor of any amount after the Effective Date or would compromise the Company's ability to sell, transfer, assign, convey and deliver the Assets to the Plan Sponsor;

- except as set forth in the Disclosure Letter, make any material modification to its usual sales, human resource, accounting, software, marketing, transportation or management practices, processes or systems, which form a part of or affect the Assets;

- except as otherwise permitted, enter into any contract or agreement which forms part of the Assets: (i) outside of the ordinary course of business; (ii) for which obligation thereunder shall reasonably exceed $200,000; and (iii) which are not terminable without penalty on notice of 61 days or less; or

- sell, encumber, replace or otherwise dispose of any of the Assets or any part or portion thereof excepting sales of the Leased Substances (as defined in the Plan Sponsorship Agreement) in the normal course of business.

Covenants

In the Plan Sponsorship Agreement, each of the Company and the Plan Sponsor has agreed to certain covenants, including customary affirmative and negative covenants to satisfy the conditions precedent to their respective obligations under the Plan Sponsorship Agreement.

Covenants of the Plan Sponsor

The Plan Sponsor has agreed that as of the date of the Plan Sponsorship Agreement and prior to the earlier of the Effective Time and the Termination Date:

- it will refrain from taking any action which would cause any of its representations or warranties contained in the Plan Sponsorship Agreement to be untrue or incorrect in any material respect as of the Effective Time or the Closing Date, as applicable, and it will promptly notify the Company, upon any representation or warranty made by or in the Plan Sponsorship Agreement becoming untrue, incorrect or misleading, and any such notification will set out particulars of the untrue, incorrect or misleading representation or warranty and details of any action being taken to rectify same;

- it will cooperate with the Company in good faith to pursue and support the Plan and its implementation, to obtain the Orders contemplated and to effect the Plan Transaction and in the Plan, and it will do all such things and take all such actions as may be reasonably necessary to carry out the purposes and intent of the Plan Sponsorship Agreement and the Plan and consummate the Plan Transaction or, in the event of a CCAA Plan Termination Event, the Alternative Transaction;

- subject to the CCAA Proceeding and the provisions of the Plan Sponsorship Agreement, it will use commercially reasonable efforts to fulfill all conditions to the Company's obligations to consummate the Plan and the Plan Transaction or the Alternative Transaction, as applicable, in accordance with the terms and conditions set forth herein and therein and to cause the Effective Date or the Closing Date, as applicable, to occur as promptly as reasonably practicable;

- it will not take any action that could reasonably be expected to frustrate, delay or hinder, or that is inconsistent with, the successful and timely consummation of the Plan Transaction or the Alternative Transaction, as applicable;

- within ten (10) Business Days of signing the Plan Sponsorship Agreement, it will make the necessary submissions to obtain the MOFCOM Approval and the NDRC Approval and contemporaneously provide written notice to the Company that such applications have been submitted;

- it will keep the Company reasonably informed regarding the status of the (i) the MOFCOM Approval; (ii) the NDRC Approval; and (iii) the SAFE Registration and any developments in connection therewith;

- upon receipt of the MOFCOM Approval and NDRC Approval, it will promptly and no later than five (5) Business Days after such approvals are received seek the SAFE Registration and promptly advise the Company of the date on which it will be entitled to purchase the amount of Canadian currency necessary to complete the Plan Transaction or the Alternative Transaction and to wire such funds out of the People's Republic of China and into an account in Canada designated by the Monitor or the Company, as applicable;

- no later than August 14, 2018, the Plan Sponsor shall make written offers of employment, conditional and effective on the Effective Date (in the case of completion of the Plan Transaction) or the Closing Date (in the case of closing of the Alternative Transaction), to substantially all but not less than 85% of the Employees, on terms and conditions that (i) provide recognition of past service, (ii) comply with the Employment Standards Code (Alberta), and (iii) contain commercially reasonable and market standard terms and conditions of employment ("**Offers of Employment**"). Such written Offers of Employment shall remain open for acceptance until 5:00 p.m. (Calgary time) on August 21, 2018. The Plan Sponsor shall provide the Company with a list of Employees that will receive Offers of Employment, and a copy of each of the actual, written offer agreements to be used for the Offers of Employment, and a reasonable opportunity (but not less than 48 hours) to review and comment on such agreements to be used for the Offers of Employment before such Offers of Employment are made by the Plan Sponsor to the applicable Employees. On August 22, 2018 the Plan Sponsor shall provide the Company with a list of Employees who have not accepted or have rejected an Offer of Employment; and

- to the extent the Plan Sponsor receives or has access to any personal information about an identifiable individual in the care or control of the Company, it shall treat such information in compliance with the *Personal Information Protection and Electronic Documents Act* (Canada) and, pursuant to the Support Agreement & SISP Approval Order, the *Personal Information Protection Act* (Alberta).

Covenants of the Company

The Company has agreed that after the date of the Plan Sponsorship Agreement and prior to the earlier of the Effective Time and the Termination Date:

- it will refrain from taking any action which would cause any of its representations or warranties contained in the Plan Sponsorship Agreement to be untrue or incorrect in any material respect as of the Effective Time or the Closing Date, as applicable;

- subject to requisite Creditor and Court approval and subject to the CCAA, the Initial Order or any other Orders, it will in good faith pursue the Plan, seek to obtain the Orders contemplated and to effect the Plan Transaction contemplated in the Plan, and it will do all such things to carry out the purposes and intent of the Plan Sponsorship Agreement and the Plan and consummate the Plan Transaction or, in the event of a CCAA Plan Termination Event, the Alternative Transaction;

- subject to requisite Creditor and Court approval and subject to the CCAA, the Initial Order or any other Orders, it will use commercially reasonable efforts to fulfill all conditions to the Plan Sponsor's obligation to consummate the Plan and the Plan Transaction, or the Alternative Transaction, as applicable, and therein and to cause the Effective Date or the Closing Date, as applicable to occur as promptly as reasonably practicable;

- subject to all contractual and fiduciary obligations and under the supervision of the Monitor, it will continue to (i) give the Plan Sponsor, upon reasonable advance notice and during regular business hours, reasonable access to all books and records, personnel, officers and other facilities and properties of the business and (ii) permit the Plan Sponsor to make inspections thereof, upon reasonable advance notice and during regular business hours, as the Plan Sponsor may reasonably request, provided, however, that such access must not interfere with or affect the normal course operation of the business or the ability of any employee to timely perform their required functions at the Company, and it being understood and agreed that all information obtained by the Plan Sponsor and affiliates pursuant thereto shall be subject to the provisions of the Confidentiality Agreement between the Company and a related party of Plan Sponsor dated April 20, 2018, the provisions of which the Plan Sponsor agrees that it is bound by;

- it will conduct its business in the usual and ordinary course of business consistent with past practice (for greater certainty, where it is an operator of any oil or natural gas property, it shall operate and maintain such property in a proper and prudent manner in accordance with good industry practice in Canada and the agreements governing the ownership and operation of such property) and it shall use commercially reasonable efforts to maintain and preserve its business, Assets, properties and goodwill and maintain satisfactory business relationships with shippers, distributors, customers and others having business relationships with it; and

- it will promptly notify the Plan Sponsor, upon any representation or warranty made by it contained in the Plan Sponsorship Agreement becoming untrue, incorrect or misleading and any such notification will set out particulars of the untrue, incorrect or misleading representation or warranty and details of any action being taken to rectify same.

Competition Act

In the event the parties are required to obtain the Competition Act Approval to complete the Plan Transaction or the Alternative Transaction:

- The Plan Sponsor shall file with the Commissioner of Competition a request for an Advance Ruling Certificate (or, in the event that the Commissioner of Competition is not prepared to issue an Advance Ruling Certificate, a No Action Letter and waiver under section 113(c) of the Competition Act relieving the parties from the obligation to file under Part IX of the Competition Act) and the Company shall furnish the Plan Sponsor with such information and assistance as may be reasonably requested in order to prepare and file such request for an Advance Ruling Certificate. The parties shall, as soon as reasonably practical, file with the Commissioner of Competition their respective filings in accordance with section 114 of the Competition Act, unless the parties mutually agree otherwise as to the necessity or timing of such filings.

- The parties shall use commercially reasonable efforts to respond promptly to any request or notice from any Authorized Authority requiring the parties, or either of them, to supply additional information that is relevant to the Commissioner of Competition's assessment of the Plan Transaction and the Alternative Transaction including, without limitation, pursuant to section 114(2) of the Competition Act.

- The Plan Sponsor shall pay all filing fees to Authorized Authorities in respect of the applications and filings.

- Subject to applicable law, each party shall provide the other party with reasonable opportunity to review and comment on submissions to any Authorized Authority relevant to the Competition Act Approval, to participate in all meetings with the Commissioner of Competition or any other Authorized Authority in connection with obtaining the Competition Act Approval and to review all notices and correspondence received.

- In no event will the Plan Sponsor be required to agree to any hold separate, divestiture or similar order or restriction on the business of the Plan Sponsor.

Conditions to Closing

Conditions for the Benefit of the Plan Sponsor

The obligations of the Plan Sponsor to consummate the Plan Transaction are, unless waived by the Plan Sponsor in accordance with the Plan Sponsorship Agreement, subject to the fulfillment, of each of the following conditions:

- the representations and warranties of the Company set forth in the Plan Sponsorship Agreement will be true and correct in all material respects (except that any representations and warranties that are qualified by materiality will be true and correct in all respects) as of the Effective Time;

- the Company will have performed and complied in all material respects with all covenants and agreements set forth in the Plan Sponsorship Agreement;

- the PRC Approvals shall have been obtained;

- the Competition Act Approval shall have been obtained; and

- in the event the parties proceed with the Plan, all of the conditions set out in Article 8 of the Plan shall be satisfied or waived prior to the date specified therein.

Conditions for the Benefit of the Company

The obligations of the Company to consummate the Plan Transaction are, unless waived by the Company in accordance with the Plan Sponsorship Agreement, subject to the fulfillment, of each of the following conditions:

- the Plan Sponsored Funds and Existing Cash shall have been deposited with the Monitor in accordance with the terms of the Plan Sponsorship Agreement and the Plan;

- the representations and warranties of the Plan Sponsor set forth in the Plan Sponsorship Agreement will be true and correct in all material respects (except that any representations and warranties that are qualified by materiality will be true and correct in all respects) on and as of the Effective Time;

- the Plan Sponsor shall have performed and complied in all material respects with all covenants and agreements set forth in the Plan Sponsorship Agreement required to be performed or complied with by the Plan Sponsor prior to or concurrently with the Effective Date;

- the Competition Act Approval shall have been obtained;

- the PRC Approvals shall have been obtained; and

- in the event the parties proceed with the Plan, all of the conditions set out in Article 8 of the Plan shall be satisfied or waived prior to the date specified therein.

DESCRIPTION OF THE PLAN

The description of the Plan, both below and elsewhere in this Circular, is a summary only, is not exhaustive and is qualified in its entirety by reference to the terms of the Plan which is attached to this Circular as Exhibit B. Readers are encouraged to review the Plan in its entirety.

Purpose and Effect of the Plan

The objective of the Plan is to allow the Company to emerge from the CCAA Proceeding while balancing the interests of all stakeholders of the Company in a fair and reasonable manner in the circumstances.

Affected Claims, Unaffected Claims and Equity Claims

Affected Claims

The Plan provides for a compromise of all Affected Claims and the implementation of the Restructuring Transactions. As described in further detail below, upon implementation of the Plan, the Affected Claims shall be irrevocably and finally extinguished in exchange for cash payments from the Plan Implementation Fund and, in particular

(a) as soon as practicable following the Effective Date, the cash which comprises the First Lien Lender Pool will be distributed by the Monitor to the First Lien Agent;

(b) distributions on account of the First Lien Deficiency Claims and the Second Lien Deficiency Claims (each of which are General Creditor Claims) will be made to the First Lien Agent and Second Lien Trustee, respectively;

(c) each General Creditor with Accepted Claims not exceeding an aggregate of $2,000 will be deemed to have made a Distribution Election and to have elected to and will receive $2,000 in respect of their Accepted Claim; and

(d) each General Creditor with Accepted Claims that exceed an aggregate of $2,000 will be entitled to make a Distribution Election and will receive either the Distribution Election Amount insofar as a valid Distribution Election is provided or its Pro Rata Share of $500,000.

Unaffected Claims

Subject to certain provisions, the Plan does not compromise the following (collectively, the "**Unaffected Claims**"):

(a) Post-Filing Claims;

(b) Claims against Directors that cannot be compromised due to the provisions of Section 5.1(2) of the CCAA, provided that the recovery of such Claims shall be limited to the proceeds of any Director insurance policies;

(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 the Plan applies which shall be Affected Claims for the purposes of the 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 three 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 Claim from the Company or under the Plan;

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

(f) Except as expressly provided in Section 3.8(d) of the Plan, any indebtedness, liability or obligation of the Company of any kind to ATB under or pursuant to the ATB Credit Facilities.

Persons with Unaffected Claims shall not be entitled to vote at any Creditors' Meeting or receive any distributions under the Plan in respect of the portion of their Claim which is an Unaffected Claim.

Equity Claims

At the Effective Time, the Plan will be binding on all holders of Equity Claims. Holders of Equity Claims will not receive a distribution or other consideration under the Plan and will not be entitled to vote on the Plan in respect of their Equity Claims. **On the Effective Date all Equity Claims will be finally and irrevocably and forever compromised, released, discharged, cancelled, extinguished and barred on the Effective Date without any compensation.**

In proposing the Plan, the Company considered, among other things, the legal entitlements of stakeholders in the absence of the CCAA Proceeding, their expected economic recovery if no Plan is approved and their proposed treatment under the Plan. Since the value of the recoveries to be given to Affected Creditors is less than the value of their Claims, there is no residual value in the Company to be given to the holders of Existing Shares and other holders of Equity Claims. The Company believes that the Plan fairly balances all stakeholder interests.

Claims Procedures

The procedure for determining the validity and quantum of the Affected Claims for voting and/or distribution purposes under the Plan will be governed by the Claims Procedure Order, the Supplemental Claims Procedure Order, the Creditors' Meetings Order, the CCAA, the Plan and any further Order of the Court. The applicable orders are posted on the Website. All Affected Creditors should refer to the Claims Procedure Order and the Supplemental Claims Procedure Order for a complete description of the procedures pursuant to which Affected Claims are determined for both voting and distribution purposes.

With respect to the determination of claims, 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.

Claims Procedure Order

The Claims Procedure Order provides for, among other things (a) procedures for the filing of Proofs of Claim by holders of pre-filing claims and restructuring period claims against the Company excluding certain Excluded Claims (as defined in the Claims Procedure Order); (b) the process for the determination of secured and unsecured claims against the Company; and (c) a process for the filing of pre-filing claims and restructuring period claims against Directors and Officers of the Company. The Claims Bar Date under the Claims Procedure Order was September 26, 2016.

Supplemental Claims Procedure Order

The Supplemental Claims Procedure Order provides for, among other things (a) procedures for the filing of Proofs of Claim by holders of claims on account of Secured Claims, Non-Continuing Employee Claims, and Post-Filing D&O Claims; and (b) the process for the determination of such claims. **The Supplemental Claims Bar Date is 1:00 p.m. (Calgary time) on September 19, 2018 (for Secured**

Claims, Non-Continuing Employees Claims and Post-Filing D&O Claims) and the Post-Filing Claims Bar Date is 1:00 p.m. (Calgary time) on October 1, 2018 (for Post-Filing Claims).

The Supplemental Claims Procedure Order will ensure that the Company is aware of all Secured Claims that are required to be paid pursuant to the Plan, identify any Post-Filing D&O Claims that are secured by the Directors' Charge, permit Non-Continuing Employees to confirm their claims and vote on the Plan and confirm the Post-Filing Claims that will be unaffected by the Plan.

Anyone who wishes to assert a claim pursuant to the Supplemental Claims Procedure Order and does not receive a Claims Package from the Monitor may contact the Monitor at telephone at 403-206-5650 or by email at Connacher.Monitor@ca.ey.com.

Secured Claims

The Supplemental Claims Procedure Order calls for Secured Claims, which include any Claims that are *pari passu* with or senior to the First Lien Claims. Secured Claims must be filed with the Monitor by the Supplemental Claims Bar Date using the forms provided in the Supplemental Claims Procedure Order.

Post-Filing D&O Claims

The Supplemental Claims Procedure Order also calls for Post-Filing D&O Claims. Post-Filing D&O Claims must be filed with the Monitor by the Supplemental Claims Bar Date using the forms provided in the Supplemental Claims Procedure Order.

Non-Continuing Employee Claims

Pursuant to the Plan Sponsorship Agreement, the Plan Sponsor has agreed to provide Offers of Employment to not less than 85% of the current employees by August 14, 2018. Employees will have until August 21, 2018 to determine whether to accept or reject such offers. On August 22, 2018, the Plan Sponsor will advise the Company of any employees who have not received or accepted an Offer of Employment ("**Non-Continuing Employees**").

The Company and the Monitor will prepare a Notice of Non-Continuing Employee Claim setting out the Employee's claim against the Company, excluding any portion of the claim which constitutes an Employee Priority Claim. Notices of Non-Continuing Employee Claim will be mailed to Non-Continuing Employees not later than August 27, 2018. If a Non-Continuing Employee wishes to dispute the amount of the Non-Continuing Employee Claims set out therein, the Non-Continuing Employee must deliver to the Monitor (with a copy to the Company) a Notice of Dispute within 15 calendar days in accordance with the Supplemental Claims Procedure Order. Non-Continuing Employees who do not dispute the amounts set out in the Notice of Non-Continuing Employee Claim by the date that is 15 calendar days after delivery of the Notice of Non-Continuing Employee Claim will be deemed to have Accepted Claims in the amounts set out therein. Non-Continuing Employees with Accepted Claims will be entitled to vote in the General Creditor Class.

Former employees or persons alleging to be former employees of Connacher whose employment or contract of employment was terminated (or alleged to be terminated) after the Filing Date other than Non-Continuing Employees (the "**Former Employees**") will receive a claims package and be entitled to complete and return a proof of claim to the Monitor by the Supplemental Claims Bar Date. The claims of Former Employees will, other than the specific terms of the Supplemental Claims Procedure Order relating thereto, be governed by the Initial Claims Procedure Order.

Post-Filing Claims

Pursuant to the Supplemental Claims Procedure Order, the Company is seeking to identify and confirm Post-Filing Claims against the Company as of September 1, 2018. Post-Filing Claims that are properly preserved pursuant to the Supplemental Claims Procedure Order will be unaffected pursuant to the Plan and are not entitled to vote on the Plan.

By September 10, 2018, the Monitor will send a Notice of Post-Filing Claim with respect to each Claimant identified by the Company as the holder of a Post-Filing Claim. If a holder of a Post-Filing Claim wishes to dispute the amount of the Post-Filing Claim set out therein, such Claimant must deliver to the Monitor (with a copy to the Applicant) a Notice of Dispute within 15 calendar days in accordance with the Supplemental Claims Procedure Order. Claimants who do not dispute the amounts set out in the Notice of Post-Filing Claim by the date that is 15 calendar days after delivery of the Notice of Post-Filing Claim will be deemed to have Unaffected Claims in the amounts set out therein.

Classification of Creditors

In accordance with the Creditors' Meetings Order, Affected Creditors will be divided into two separate classes for the purposes of considering and voting on the Plan as follows:

(a) the First Lien Lender Class; and

(b) the General Creditor Class.

The First Lien Lender Class is comprised of the First Lien Lenders.

The General Creditor Class consists of all Affected Creditors other than creditors explicitly excluded pursuant to the Plan. The General Creditor Class includes, among others, the First Lien Lenders (with respect to the First Lien Deficiency Claim), the Beneficial Noteholders (on account of the Second Lien Claim, the entire amount of which is an unsecured deficiency claim), holders of Non-Continuing Employee Claims and other unsecured creditors.

Creditors' Meetings

The Creditors' Meetings will be held in accordance with the Creditors' Meetings Order and any further Order of the Court. The only Persons entitled to attend the Creditors' Meetings are those specified in the Creditors' Meetings Order and any further Order of the Court. See the section above entitled *"The Creditors' Meetings"*.

Restructuring Steps

If the conditions precedent are satisfied and the Plan becomes effective, at the Effective Time, the following will occur in the order set out below, unless otherwise specified (collectively, the "**Restructuring Transactions**"):

(a) the Monitor shall release into the Plan Implementation Fund the sum of the Plan Sponsored Funds, the Cash on Hand up to the amount of the Existing Cash and the Cash Adjustment Amount, if any, to be held and distributed by the Monitor in accordance with the Plan;

(b) all of the Company's issued and outstanding Equity Claims shall be compromised and 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;

(c) the Company shall issue 1,000 common shares to the Plan Sponsor in consideration of the payment by the Plan Sponsor of the Plan Sponsored Funds;

(d) paragraph 8 of the Articles of Continuance of the Company will be amended to provide:

The right to transfer the outstanding shares of the Corporation is restricted and no shares may be transferred without the approval of the Board of Directors of the Corporation.

The number of shareholders of the Corporation, exclusive of persons who are in its employment and exclusive of persons who, having been in the employment of the Corporation, were, while in that employment, and have continued after termination of that employment to be, shareholders of the Corporation, is limited to not more than fifty (50), two or more persons who are the joint registered owners of one or more shares being counted as one shareholder.

Any invitation to the public to subscribe for securities of the Corporation is prohibited.

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

(f) 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;

(g) 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;

(h) 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;

(i) the directors of the Company immediately prior to the Effective Time shall be deemed to have resigned and the New Board shall be deemed to have been appointed;

(j) 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; and

(k) the releases and injunctions referred to in Article 10 of the Plan shall become effective.

The implementation of all matters contemplated under the Plan involving corporate action of the Company, including the Restructuring Transactions and filing of the Articles of Reorganization, will be authorized and approved under the Plan and by the Court as part of the Sanction Order without any requirement of further action.

Funding of the Plan Implementation Fund

The Plan Sponsor is required, pursuant to the Plan Sponsorship Agreement, to deliver to the Monitor, at least two Business Days prior to the Effective Date the Plan Sponsored Funds to be held by the Monitor in accordance with the Plan. On or prior to the Effective Date, the Company is required to deliver the Cash on Hand up to the Existing Cash to the Monitor. On or prior to the Effective Date the Plan Sponsor shall deliver to the Monitor the Cash Adjustment Amount, if any, to be held in trust for the Company. The Plan Sponsored Funds and the Cash Adjustment Amount, if any, together with the Existing Cash will be held in escrow by the Monitor to be dealt with in accordance with the Plan.

First Lien Lender Pool

The First Lien Lender Pool will be an amount equal to the Plan Implementation Fund less

(a) the amount required to satisfy 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 Court as of the Effective Date;

(b) the amount, if any, required to be held in the Directors’ Charge Claims Reserve;

(c) the amount, if any, required to be held in the Retention Plan Claims Reserve in respect of Alleged Priority Secured Claims;

(d) $1 million to be held in the Administrative Reserve Fund on the Effective Date;

(e) the amount required to satisfy the payment in full of the Priority Secured Claims as of the Effective Date;

(f) the amount, if any, required to be held in the Priority Secured Claims Reserve in respect of Alleged Priority Secured Claims;

(g) the amount required to satisfy the payment in full of the Crown Priority Claims;

(h) the amount required to satisfy the payment in full of the Employee Priority Claims;

(i) the amount, if any, required to be held in the Emkay Reserve in respect of the Alleged Emkay Claim; and

(j) the amount required to establish the General Creditor Pool (which will be $500,000 plus amounts necessary to satisfy the Convenience Class Creditors).

If, subject to the terms of the Plan, the Monitor determines that excess funds exist in any of the reserve funds identified above after all amounts for which such funds have been reserved have been paid or provided for to the satisfaction of the Monitor, then the Monitor shall add such funds to the First Lien Lender Pool.

General Creditor Pool

The General Creditor Pool will be an amount equal to $500,000 plus the amount necessary to satisfy all Convenience Class Claims.

Treatment of First Lien Claims

As soon as practicable following the Effective Date, the cash which comprises the First Lien Lender Pool will be distributed by the Monitor to the First Lien Agent. The estimated range of the First Lien Lender Pool set out herein is an estimate only and remains subject to change depending on, among other things, the resolution of certain alleged secured and priority claims, the cash available to the Company as of the Effective Time, and the number of General Creditors who made a Distribution Election.

Treatment of General Claims

Following the Effective Time, distributions will be made by the Monitor on behalf of the Company to General Creditors from the General Creditor Pool on behalf of the Company and pursuant to the Plan.

In particular:

(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) $2,000 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) their Pro Rata Share of $500,000 if a Distribution Election is not made prior to the Distribution Election Deadline.

Beneficial Noteholders who wish to make a Distribution Election in respect of their Second Lien Deficiency Claim shall follow the procedures set out in the Voting Information and Election Form. Beneficial Noteholders who do not return Voting Instructions or make a Distribution Election will not be Convenience Class Creditors, regardless of the size of their Accepted Claims.

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 any further Order.

At the Effective Time, all General Creditor Claims will be fully released and discharged, cancelled and barred subject only to the right of General Creditors with Accepted Claims to receive distributions from the General Creditor Pool.

Extinguishment of Claims

At the Effective Time, all Affected Claims and all Released Claims will be fully discharged and the Company will have no further obligation in respect of the Affected Claims and the Released Claims; provided that nothing in the Plan shall release or discharge (a) the Company from any Unaffected Claim that has not been paid in full under the Plan to the extent of such non-payment; (b) a Released Party from its obligations under the 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.

Provisions Regarding Distributions, Payments and Currency

Distribution Mechanics

The Monitor, will distribute to each General Creditor with an Accepted Claim (other than the First Lien Deficiency Claim or the Second Lien Deficiency Claim) its share of the General Creditor Pool by cheque, which 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 the Plan.

Distributions to be made under the Plan on account of the First Lien Deficiency Claim or Second Lien Deficiency Claim shall be made by the Monitor to the First Lien Agent and the Second Lien Trustee, respectively. Under their respective governing documents, the First Lien Agent and the Second Lien Trustee may have rights to deduct costs and expenses of the First Lien Agent and the Second Lien Trustee from any such distributions.

Distributions in Respect of 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.

Allocation of Distributions

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.

Treatment of Unclaimed Distributions

If any Creditor entitled to a distribution pursuant to the Plan cannot be located by the Monitor on the applicable Distribution Date, or if any delivery or distribution to be made pursuant to the 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.

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

If such Creditor cannot be located by the Monitor or if any delivery or distribution to be made pursuant to the 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 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 by the Monitor into the First Lien Lender Pool, free and clear of any claims of such Creditor or any other Creditors and their respective successors and assigns. Nothing contained in the Plan requires the Company or the Monitor to attempt to locate any holder of any undeliverable or unclaimed distributions.

Withholding Rights

All distributions under the Plan are subject to any withholding and reporting requirements imposed by any applicable law or any Taxing Authority and the Company will direct the Monitor, on behalf of the Company, to deduct, withhold and remit from any distributions 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 *Income Tax Act* (Canada) 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.

Currency Matters

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.

Preferential Transactions

The Plan provides that 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 the 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 the Plan.

Releases

Plan Releases

The Plan provides that at the Effective Time, 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 Plan Sponsor, Plan Sponsor Counsel, 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, the Plan Sponsorship Agreement 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) 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 section 10.4 of the Plan shall release or discharge:

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

(b) a Released Party from its obligations under the 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.

The releases apply to all claims, whether known or unknown and regardless of whether a party discovers facts in addition to, or different from, those which it now knows or believes to be true at the Effective Time.

Injunctions

Subject to the exceptions stated the 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 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 Court to obtain a discharge or dismissal of any such proceedings if necessary without notice to any Person.

To the extent not barred, released or otherwise affected by the Sanction Order, any Person having, or claiming any entitlement or compensation relating to, a D&O Claim, a D&O Restructuring Period Claim, and a Post-Filing D&O Claim (collectively referred to as the "**Director/Officer Claims**") (with the exception of any Director/Officer Claims judged by the express terms of a judgment rendered on a final determination on the merits to have resulted from criminal, fraudulent or other willful misconduct on the part of the Director or Officer (an "**Excluded Director/Officer Claim**")) will be irrevocably limited to recovery in respect of such Director/Officer Claim solely from the proceeds of the applicable insurance policies held by the Company (the "**Insurance Policies**"), and Persons with any Director/Officer Claims will have no right to, and shall not, directly or indirectly, make any claim or seek any recoveries from the Company or any Released Party, other than enforcing such Person's rights to be paid by the applicable insurer(s) from the proceeds of the applicable Insurance Policies. Nothing in the Sanction Order prejudices, compromises, releases or otherwise affects any right or defence of any insurer in respect of an Insurance Policy or any insured in respect of a Director/Officer Claim. Notwithstanding anything to the contrary in the Sanction Order, from and after the Effective Time, a Person may only commence or continue an action for an Excluded Director/Officer Claim against a Director or Officer if such Person has first obtained leave of the Court on notice to the applicable Directors and Officers, the Monitor and the Company.

Court Sanction

The Plan has been filed with the Court pursuant to the CCAA. The CCAA requires that the Plan be sanctioned by the Court following approval by the Affected Creditors. The hearing in respect of the Sanction Order, at which Court sanction of the Plan under CCAA will be sought, is scheduled to take place on October 4, 2018 at 10:00 a.m. (Calgary time), at the Court located at Calgary Courts Centre, 601 5 Street SW, Calgary, Alberta, subject to the approval of each class of Affected Creditors being obtained. Any Person who wishes to oppose the Sanction Hearing shall serve on the Company, the Monitor and the Service List a notice setting out the basis for such opposition and a copy of the materials to be used to oppose the Sanction Hearing by no later than seven (7) Business Days prior to the Sanction Hearing Date.

The authority and discretion of the Court is very broad under the CCAA. Counsel for the Company has advised that the Court will consider, among other things, the fairness of the terms and conditions of the Plan. The Court may approve the Plan as proposed or as amended and subject to such terms and conditions, if any, as the Court thinks fit.

If the Sanction Order is granted, any interested person may appeal the provisions of the Sanction Order, with leave of the Court or the Court of Appeal of Alberta, within 21 days of the date on which the Sanction Order is granted.

Other Conditions

In addition to the required approvals described above, implementation of the Plan is conditional on the satisfaction or mutual waiver (except (c) and (d), below, which may not be waived) of the additional conditions set out below:

(a) the Company and the Plan Sponsor shall have complied with all provisions of the Plan Sponsorship Agreement and all conditions of the Plan Sponsorship Agreement shall have been satisfied or waived in accordance with its terms;

(b) the Company shall have complied with all provisions of the Support Agreement and all conditions of the Support Agreement shall have been satisfied or waived in accordance with its terms;

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

(d) the Sanction Order shall have been granted by the Court in a form acceptable to the Company, the Monitor, the Plan Sponsor, 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) the Monitor shall have received the Plan Sponsored Funds from the Plan Sponsor and the Existing Cash;

(f) no injunction or other Order shall have been issued to enjoin, restrict or prohibit any of the transactions contemplated by the Plan and the Plan Sponsorship Agreement;

(g) all necessary corporate action and proceedings of the Company shall have been taken to approve the 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 the Plan; and

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

If the conditions set forth above have not been satisfied or waived in accordance with the Plan by October 31, 2018 (unless extended in accordance with the terms of the Plan Sponsorship Agreement), the Plan shall automatically terminate, in which case the Company shall not be under any further obligation to implement the Plan.

Timing for Plan to be Effective

The Company's proposed timeline to emergence from the CCAA Proceeding is set out below, provided that such timeline may be extended pursuant to the Plan Sponsorship Agreement:

August 22, 2018	Creditors' Meetings Order
As soon as practicable after August 22, 2018	Mailing of the Circular and related materials as required by the Creditors' Meetings Order
October 3, 2018	Creditors' Meetings

October 4, 2018	Court hearing in respect of the Sanction Order
Prior to October 31, 2018 (unless extended)	Effective Date

Any number of circumstances, including a failure to satisfy a condition to implementation of the Plan and an appeal of the Sanction Order, may cause the Effective Date to be delayed. In such circumstances, the Company will apply to the Court for extension of the stay of proceedings under the Initial Order.

Modification of the Plan

The Company may amend the Plan by written instrument at any time and from time to time before and during the Creditors' Meeting in accordance with the notice and other terms of the Plan and the Creditors' Meetings Order. After the Creditors' Meetings, the Company may only amend the Plan without a further Court order if the Company, the Plan Sponsor, the Consenting First Lien Lenders 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 the Plan or is necessary in order to give effect to the substance of the Plan or the Sanction Order.

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 the Plan without the need for obtaining an Order or providing notice to the Creditors, if the Company, the Plan Sponsor 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 the Plan or is necessary in order to give effect to the substance of the Plan or the Sanction Order.

RISK FACTORS

Risk Factors Relating to the Company

Certain risk factors relating to the business and securities of Connacher are contained in the AIF, which has been publicly filed on SEDAR at www.sedar.com. Affected Creditors should review and carefully consider the risk factors set forth in the AIF, which is hereby incorporated herein by reference, and consider all other information contained therein and herein and in Connacher's other public filings before determining how to vote on the Plan.

Risk Factors Relating to the Plan

The Effective Date of the Plan may not occur in the time or manner expected, if at all.

The Plan will not become effective unless and until all conditions precedent to the Plan are satisfied or waived. In particular, the Plan Transaction is subject to regulatory, court and creditor approval. There can be no certainty, nor can the Company provide any assurance, that all conditions precedent to the Plan will be satisfied or waived, nor can there be any certainty of the timing of their satisfaction or waiver. In particular, the Plan is subject to certain approvals in the People's Republic of China that are outside of the Company's control and the timing of which remains uncertain. Even if the Plan is completed, it may not be completed on the terms or schedule described in this Circular.

Potential Effect of the Plan on Connacher's Relationships

There can be no assurance as to the effect of the announcement of the Plan on the Company's suppliers, customers, purchasers, or contractors, nor can there be any assurance as to the effect on such relationships of any delay in the completion of the Plan, or the effect if the Plan Transaction is completed. To the extent that any of these events result in the tightening of payment or loan terms, increases in the price of supplied goods, or the loss of a major supplier or contractor, or of multiple other suppliers or contractors, this could have a material adverse effect on Connacher's business, financial condition, liquidity and results of operations. The Company may also be unable to retain and motivate key executives and employees following the Effective Date and the Company may have difficulty attracting new employees.

Risk Factors Relating to Non-Implementation of the Plan Transaction

The Company may be unable to continue as a going concern.

Pursuant to the Plan Sponsorship Agreement, if the Plan Transaction cannot be completed, the parties have agreed to pursue the Alternative Transaction. However, the financing risks related to the Plan Sponsor's financing described below are also applicable to the Alternative Transaction. If neither the Plan Transaction nor the Alternative Transaction is implemented, the Company will pursue the Credit Bid Transaction with the First Lien Lenders. The Credit Bid Transaction has been negotiated, but remains subject to satisfaction of additional conditions and approvals, including Court and regulatory approvals. If any of the required approvals are not obtained or the parties cannot agree on the final terms of the documents, the Company may be unable to continue as going concern and may be required to liquidate in the near or medium term. The Company has constrained ability to generate cash flow and a significant debt burden which severely limit the alternatives available to the Company to raise additional capital. There can be no assurance that the Company will be able to obtain additional capital on terms acceptable to the Company or at all.

The Company is in default on certain of their obligations under the First Lien Credit Agreement and the Second Lien Indenture.

The Company is in default under both the First Lien Credit Agreement and the Second Lien Indenture. The stay granted by the Court in the CCAA Proceeding currently prevents any action being taken by holders of the First Lien Claim and Second Lien Claim. If either the Plan Transaction or the

Alternative Transaction is not completed, or the Credit Bid Transaction is not completed, the CCAA stay may not be continued and the holders of the First Lien Claim and Second Lien Claim could pursue the remedies provided in the applicable credit documents.

The Plan Sponsor's financing is subject to certain regulations in the People's Republic of China.

As described in the Plan, the Plan Sponsor's financing is subject to the PRC Approvals. If any of these governmental approvals are not obtained, the Plan Sponsor will not have sufficient financing to go effective on the Plan or close the Alternative Transaction. The timing for obtaining these approvals is uncertain. Moreover, these approvals are impacted by factors outside the Plan Sponsor's control including the global economic situation and the monetary policy in the People's Republic of China.

CERTAIN CANADIAN FEDERAL INCOME TAX CONSIDERATIONS

The following is a summary of the principal Canadian federal income tax considerations under the *Income Tax Act* (Canada) and the regulations thereunder (collectively, the "**Tax Act**") of the Plan applicable to an Affected Creditor who, at all relevant times for purposes of the Tax Act, deals at arm's length with, and is not affiliated with, the Company, and holds their Affected Claims as capital property. An Affected Claim will generally be considered to be capital property for this purpose to an Affected Creditor, unless either the Affected Creditor acquires or holds an Affected Claim in the course of carrying on a business or the Affected Creditor has held or acquired the Affected Claim in a transaction or transactions considered to be an adventure or concern in the nature of trade.

This summary is based on the current provisions of the Tax Act and counsel's understanding of the current published administrative policies and assessing practices of the Canada Revenue Agency. This summary also takes into account all specific proposals to amend the Tax Act that have been publicly announced by or on behalf of the Minister of Finance (Canada) prior to the date hereof (the "**Tax Proposals**"), and assumes that the Tax Proposals will be enacted in the form proposed, although no assurance can be given that the Tax Proposals will be enacted in the form proposed or at all. Except for the Tax Proposals, this summary does not take into account or anticipate any changes in law or administrative policy or assessing practice, whether by way of legislative, judicial, regulatory or administrative decision or action, nor does it address any other federal or any foreign, provincial or territorial tax considerations.

THE FOLLOWING SUMMARY IS OF A GENERAL NATURE ONLY AND IS NOT INTENDED TO BE, AND SHOULD NOT BE CONSTRUED TO BE, LEGAL OR TAX ADVICE TO AFFECTED CREDITORS, AND NO REPRESENTATION WITH RESPECT TO THE TAX CONSEQUENCES TO ANY PARTICULAR AFFECTED CREDITOR IS MADE. ACCORDINGLY, ALL AFFECTED CREDITORS SHOULD CONSULT WITH THEIR OWN TAX ADVISORS FOR ADVICE WITH RESPECT TO THE INCOME TAX CONSEQUENCES TO THEM OF THE PLAN. THE DISCUSSION BELOW IS QUALIFIED ACCORDINGLY.

This summary does not describe the income tax consequences under the Plan to holders of Equity Claims. Such persons should consult their own tax advisors in this regard.

For purposes of the Tax Act, all amounts relevant in computing the income, taxable income and taxes payable by an Affected Creditor must be determined in Canadian dollars based on the exchange rate quoted by the Bank of Canada on the date such amount first arose or such other exchange rate that is acceptable to the Minister of National Revenue.

Residents of Canada

This portion of the summary is generally applicable to an Affected Creditor that, at all relevant times for purposes of the Tax Act, is (or is deemed to be) resident in Canada and meets the other relevant requirements described above (referred to in this portion of the summary as a "**Resident Holder**").

This portion of the summary is not applicable to a Resident Holder (i) that is a "financial institution" for purposes of the "mark-to-market" rules, (ii) that is a "specified financial institution", (iii) an interest in which is a "tax shelter investment", (iv) that has elected to report its "Canadian tax results" in a currency other than the Canadian currency, or (v) that has entered or will enter into a "derivative forward agreement" or a "synthetic disposition arrangement" with respect to its Affected Claim, all within the meaning of the Tax Act. All such Resident Holders should consult with their own tax advisors.

Settlement of Affected Claims

A Resident Holder of an Affected Claim will be considered to have disposed of its Affected Claim for proceeds of disposition equal to the amount received on settlement of the Affected Claim under the Plan. A Resident Holder of an Affected Claim will realize a capital gain (or capital loss) equal to the amount by which the proceeds of disposition, net of any portion of the amount received by the Affected Creditor which is included in the Resident Holder's income as interest, exceeds (or is less than) the Resident Holder's adjusted cost base of such Affected Claim and any reasonable costs of disposition. Any such capital gain (or capital loss) will be subject to the tax treatment described below under "*Certain Canadian Federal Income Tax Considerations — Residents of Canada — Taxation of Capital Gains and Capital Losses*".

Allocation of Plan Consideration

Under the Plan, the amount received by an Affected Creditor on settlement of its Affected Claim will be allocated first to the principal amount of its Affected Claim and the balance, if any, to the accrued and unpaid interest on its Affected Claim. The amount received by an Affected Creditor under the Plan is not expected to exceed the principal amount of its Affected Claim. Consequently, it is not expected that any amount of interest accrued on the Affected Claims will be paid or satisfied under the Plan.

Interest on Affected Claims

A Resident Holder that is a corporation, partnership, unit trust or any trust of which a corporation or partnership is a beneficiary will be required to include in income for a taxation year any interest on the Affected Claims that accrues (or is deemed to accrue) to it in that taxation year or that is received or becomes receivable by it in that year, except to the extent that such interest was included in computing its income for a preceding taxation year.

Any other Resident Holder, including an individual, will be required to include in computing its income for a taxation year any interest on the Affected Claims that is received or receivable by such Resident Holder in that taxation year, except to the extent that such amount was otherwise included in its income for the year or a preceding taxation year.

Where a Resident Holder included an amount in income on account of accrued and unpaid interest on the Affected Claims, the Resident Holder should be entitled to a deduction of an equivalent amount in computing income to the extent that such amount was not received by it on or before the settlement of Affected Claims pursuant to the Plan.

Taxation of Capital Gains and Capital Losses

In general, one-half of any capital gain (a "**taxable capital gain**") realized by a Resident Holder in a taxation year will be included in the Resident Holder's income in the year and one-half of the amount of any capital loss (an "**allowable capital loss**") realized by a Resident Holder in a taxation year is required to be deducted from taxable capital gains realized by the Resident Holder in the year. Allowable capital losses in excess of taxable capital gains for a taxation year may be carried back three years or forward indefinitely, subject to the rules in the Tax Act. The amount of any capital loss realized by a Resident Holder that is a corporation on the disposition of a share may be reduced by the amount of dividends previously received (or deemed to have been received) by it on such share (or on a share for which the share has been substituted) subject to the rules in the Tax Act. Similar rules may apply where a corporation is a member of a partnership or a beneficiary of a trust that owns shares, directly or indirectly, through a partnership or a trust.

Additional Refundable Tax

A Resident Holder that is a "Canadian-controlled private corporation" (as defined in the Tax Act) may be liable to pay an additional refundable tax on certain investment income including amounts in respect of interest, taxable capital gains and dividends.

Alternative Minimum Tax

Capital gains realized by an individual (including certain trusts) may give rise to liability for alternative minimum tax under the detailed rules set out in the Tax Act.

Non-Residents of Canada

This portion of the summary applies to an Affected Creditor who, for the purposes of the Tax Act and any applicable income tax treaty or convention, and at all relevant times, (i) is a non-resident of Canada, (ii) does not use or hold any Affected Claim in carrying on a business in Canada, (iii) is not a foreign affiliate of a taxpayer resident in Canada, and (iv) is not an insurer who carries on an insurance business in Canada and elsewhere or an authorized foreign bank that carries on a Canadian banking business (a "**Non-Resident Holder**").

Settlement of Affected Claims

A Non-Resident Holder generally will not be subject to tax under the Tax Act in respect of any amount received on settlement of Affected Claims under the Plan.

CERTAIN U.S. FEDERAL INCOME TAX CONSEQUENCES OF THE PLAN

The following discussion is a summary of certain U.S. federal income tax consequences of the consummation of the Plan applicable to an Affected Creditor. This summary is based on the Internal Revenue Code of 1986, as amended (the "**Tax Code**"), the Treasury Regulations, judicial authorities, published administrative positions of the Internal Revenue Service ("**IRS**") and other applicable authorities, all as in effect on the date of this Information Circular and all of which are subject to change or differing interpretations, possibly with retroactive effect. The Company has not requested, nor does it intend to request, a private letter ruling from the IRS or an opinion of counsel with respect to any of the aspects of the Plan. The discussion below is not binding upon the IRS or any court and does not reflect any independent analysis by the Company. No assurance can be given that the IRS would not assert, or that a court would not sustain, a different position than any position discussed herein.

This discussion does not apply to holders of Claims that are not "U.S. persons" (as such phrase is defined in the Tax Code) and does not purport to address all aspects of U.S. federal income taxation that may be relevant to the Company or to holders in light of their individual circumstances. This discussion does not address tax issues with respect to holders subject to special treatment under the U.S. federal income tax laws (including, for example, banks, governmental authorities or agencies, passthrough entities, dealers and traders in securities, insurance companies, financial institutions, tax-exempt organizations, small business investment companies, real estate investment trusts and regulated investment companies). No aspect of state, local, estate, gift or non-U.S. taxation is addressed. The following discussion assumes that each holder of a Claim holds its Claim as a "capital asset" within the meaning of section 1221 of the Tax Code.

For purposes of this summary, a "U.S. Holder" means a holder of a Claim that, in any case, is, for U.S. federal income tax purposes: (i) an individual that is a citizen or resident of the United States; (ii) a corporation, or other entity treated as a corporation for U.S. federal income tax purposes, created or organized in or under the laws of the U.S., any state thereof or the District of Columbia; (iii) an estate, the income of which is subject to U.S. federal income taxation regardless of its source; or (iv) a trust, if (a) a court within the U.S. is able to exercise primary supervision over its administration and one or more U.S. persons have the authority to control all of the substantial decisions of such trust, or (b) it has a valid election in effect under applicable Treasury regulations to be treated as a U.S. person.

THE U.S. FEDERAL INCOME TAX CONSEQUENCES OF THE PLAN ARE COMPLEX. THE FOLLOWING SUMMARY OF CERTAIN U.S. FEDERAL INCOME TAX CONSEQUENCES IS FOR INFORMATIONAL PURPOSES ONLY AND IS NOT A SUBSTITUTE FOR CAREFUL TAX PLANNING AND ADVICE BASED UPON THE INDIVIDUAL CIRCUMSTANCES PERTAINING TO A HOLDER OF A CLAIM. ALL HOLDERS OF CLAIMS ARE URGED TO CONSULT THEIR OWN TAX ADVISORS AS TO THE U.S. FEDERAL, STATE, LOCAL AND NON-U.S. TAX CONSEQUENCES OF THE PLAN.

Federal Income Tax Consequences to U.S. Holders of Claims

The U.S. federal income tax consequences to U.S. Holders of Affected Claim arising from the Plan may vary, depending upon, among other things: (a) the manner in which a U.S. Holder acquired an Affected Claim; (b) the type of consideration received by the U.S. Holder of an Affected Claim in exchange for the interest it holds; (c) the nature of the indebtedness owed to it; (d) whether the U.S. Holder previously claimed a bad debt deduction in respect of the Affected Claim; (e) whether the U.S. Holder of the Affected Claim reports income on the accrual or cash basis method of accounting; and (f) whether the U.S. Holder receives distributions in more than one (1) taxable year. In addition, where gain or loss is recognized by a U.S. Holder, the character of such gain or loss as long-term or short-term capital gain or loss or as ordinary income or loss will be determined by a number of factors, including the tax status of the U.S. Holder, whether the Affected Claim constitutes a capital asset in the hands of the U.S. Holder and how long it has been held or is treated as having been held, and whether the Affected Claim was acquired at a market discount.

Gain or Loss

In general, the receipt of cash in exchange for an Affected Claim should result in the recognition of gain or loss in an amount equal to the difference between (i) the amount of any cash paid in U.S. Dollars and the value in U.S. Dollars of any cash received in Canadian Dollars (other than any cash attributable to accrued but unpaid interest) and (ii) the U.S. Holder's tax basis in its Affected Claim (other than any Affected Claim for accrued but unpaid interest). If the Affected Claim in the U.S. Holder's hands is a capital asset, the gain or loss realized will generally be characterized as a capital gain or loss. Such gain or loss will constitute long-term capital gain or loss if the U.S. Holder held such Affected Claim for longer than one (1) year or short-term capital gain or loss if the U.S. Holder held such Affected Claim for one (1) year or less. If the U.S. Holder realizes a capital loss, the U.S. Holder's deduction of the loss may be subject to limitation.

Accrued But Unpaid Interest

U.S. Holders of Affected Claims who were not previously required to include any accrued but unpaid interest in their gross income on a Affected Claim may be treated as receiving taxable interest income taxable at tax rates for ordinary income to the extent any consideration they receive under the Plan is allocable to such interest. U.S. Holders of Affected Claims previously required to include in their gross income any accrued but unpaid interest on a Affected Claim may be entitled to recognize a deductible loss to the extent such interest is not satisfied under the Plan. Under the Plan, to the extent that any Affected Claim entitled to a distribution is comprised of indebtedness and accrued but unpaid interest thereon, such distribution shall be allocated to the principal amount of the Affected Claim first and then, to the extent the distribution exceeds the principal amount of the Affected Claim, to the portion of such Affected Claim representing accrued but unpaid interest. Consequently, it is not expected that any amount of interest accrued on the Affected Claims will be paid or satisfied under the Plan. It is expected that the U.S. federal income tax treatment should be consistent with such treatment under the Plan. However, there is no assurance that such treatment will be respected by the IRS for U.S. federal income tax purposes.

Certain Losses

A U.S. Holder of an Affected Claim who receives, in respect of its Affected Claim, an amount that is less than its tax basis in such Affected Claim may be entitled to a bad debt deduction under section 166(a) of the Tax Code or a loss under section 165(a) of the Tax Code. A U.S. Holder that has previously recognized a loss or deduction in respect of its Affected Claim may be required to include in its gross income (as ordinary income) any amounts received under the Plan to the extent such amounts exceed the U.S. Holder's adjusted basis in such Affected Claim. Whether the U.S. Holder of Affected Claims will recognize a loss, a bad debt deduction or any other tax treatment will depend upon facts and circumstances that are specific to the nature of the U.S. Holder and its Affected Claims. Accordingly, U.S. Holders of Affected Claims should consult their own tax advisors.

Market Discount

If a U.S. Holder of an Affected Claim purchased the Affected Claim at a discount, the difference may constitute “market discount” for U.S. federal income tax purposes. Any gain recognized by a U.S. Holder on the disposition of debt instruments that it acquired with market discount should be treated as ordinary income to the extent of the market discount that accrued thereon while such debt instruments were considered to be held by the U.S. Holder (unless such U.S. Holder elected to include market discount in income as it accrued).

Information Reporting and Back-Up Withholding

Under U.S. federal income tax law, interest and other reportable payments may be, under certain circumstances, subject to “backup withholding” at the then-applicable withholding rate (currently 24%). Backup withholding generally applies if a Holder (i) fails to furnish its social security number or other taxpayer identification number (“**TIN**”), (ii) furnishes an incorrect TIN, (iii) fails properly to report interest or dividends, or (iv) under certain circumstances, fails to provide a certified statement, signed under penalty of perjury, that the TIN provided is its correct TIN and that it is a U.S. person not subject to backup withholding.

Backup withholding is not an additional tax. Amounts withheld under the backup withholding rules may be credited against a U.S. Holder’s U.S. federal income tax liability, and a U.S. Holder may obtain a refund of any excess amounts withheld under the backup withholding rules by filing an appropriate claim for refund with the IRS (generally, a federal income tax return).

In addition, from an information reporting perspective, the Treasury Regulations generally require disclosure by a taxpayer on its U.S. federal income tax return of certain types of transactions in which the taxpayer participated, including, among other types of transactions, certain transactions that result in the taxpayer’s claiming a loss in excess of specified thresholds. Holders are urged to consult their tax advisors regarding these regulations and whether the transactions contemplated by the Plan would be subject to these regulations and require disclosure on the holders’ tax returns.

THE FOREGOING SUMMARY HAS BEEN PROVIDED FOR INFORMATIONAL PURPOSES ONLY AND DOES NOT DISCUSS ALL ASPECTS OF U.S. FEDERAL INCOME TAXATION THAT MAY BE RELEVANT TO A PARTICULAR HOLDER OF AFFECTED CLAIMS IN LIGHT OF SUCH HOLDER’S CIRCUMSTANCES AND INCOME TAX SITUATION. ALL HOLDERS OF AFFECTED CLAIMS SHOULD CONSULT WITH THEIR TAX ADVISORS AS TO THE PARTICULAR TAX CONSEQUENCES TO THEM UNDER THE PLAN, INCLUDING THE APPLICABILITY AND EFFECT OF ANY STATE, LOCAL, NON-U.S. OR OTHER APPLICABLE TAX LAWS.

RECOMMENDATION OF THE SPECIAL COMMITTEE AND THE BOARD

The Board, on the recommendation of the Special Committee, has approved the Plan and has authorized its submission to the Affected Creditors for their approval and, subject to that approval, to the Court for approval.

The Special Committee and the Board are of the view that the completion of the Plan Transaction as contemplated is in the best interests of the Company and its stakeholders.

The Board recommends that Affected Creditors vote FOR the applicable Resolutions to approve the Plan.

Determination of the Special Committee

The Special Committee was formed in 2016 to investigate, evaluate and consider (i) possible financing alternatives available to the Company and (ii) possible restructuring alternatives relating to the Company's current capital structure, including, without limitation, the advisability of proceeding with a restructuring under the CCAA.

Since its formation, the Special Committee has directly overseen all aspects of the restructuring of Connacher. The Special Committee met frequently and was intimately involved in evaluating all restructuring options available and providing recommendations to the Board in respect of the actions to be taken by Connacher to evaluate and consider the best interests of Connacher related to a negotiated restructuring of Connacher’s debt, and any alternatives thereto, including, without limitation, the advisability of proceeding with a restructuring under the CCAA.

The Special Committee has been assisted in its work by Cassels, Akin Gump, the Financial Advisor and the Monitor. The Monitor assisted the Company prior to and since the commencement of the CCAA Proceeding in May 2016. The Monitor worked closely with Connacher in connection with the 2016 court-approved sales process and provided information that allowed the Special Committee and the Board to determine that a sale based on the 2016 market conditions was not in the best interests of Connacher.

The Financial Advisor was retained pursuant to a Court order in February 2018 to assist with the development and implementation of the Second SISP. The Financial Advisor has rendered restructuring advice covering a range of matters including stakeholder analysis and advice relating to strategic marketing and transaction negotiation. The Special Committee, having received legal advice from Cassels, and having worked closely with the Financial Advisor, conducted an extensive and time intensive process to identify potential transactions involving a sale, restructuring, recapitalization of the Company. Approximately 230 strategic and financial parties were contacted as part of the Second SISP.

In making its recommendation to the Board regarding the Plan Transaction, the Special Committee considered, among other things:

1. **Implementation of the Plan results in the highest recoveries for all stakeholders; in all other potential transactions, there would be no recovery to creditors that rank behind the First Lien Lenders;**

2. **The support of the Consenting First Lien Lenders, who represent a majority of the Company’s First Lien Lenders;**

3. **The length of the CCAA Proceeding and the business initiatives that the Company has undertaken in the past two years;**

4. **The market test of the Company’s value in the Initial SISP and the Second SISP, including the feedback from the other bidders and Second SISP participants; and**

5. **The Plan is a going concern transaction that allows Connacher to continue to operate with limited disruption to its business;**

6. **The Plan Sponsor has committed to making offers of employment to at least 85% of Connacher's employees; and**

7. **Connacher has conducted two Court-supervised sales processes to identify the best available transaction.**

8. **The general fairness standards and considerations expected to be applied by the Court in connection with the Sanction Order.**

9. **The Plan Transaction emerged from the Second SISP process as the most promising bid and, following several weeks of complex negotiations with the Company and the Consenting First Lien Lenders, a transaction with the Plan Sponsor (either through the Plan Transaction of the Alternative Transaction) is the only offer that has sufficient stakeholder support to result in a completed transaction at this time.**

The Special Committee also considered a number of other factors and potential risks relating to the Plan, including:

- the treatment of each stakeholder group having regard to relative legal priorities and to overall fairness between stakeholders in the circumstances;
- the financial condition of the Company on emergence from CCAA protection, including liquidity and leverage and other factors affecting viability such as the ability of the Company to undertake strategic capital expenditures that are critical to its future;
- credibility of the Plan Sponsor and its sponsors and the likelihood of the transaction being completed;
- the advice of the Company's Financial Advisor provided to the Board;
- the advice of the Company's legal advisors, including with respect to the Plan and the considerations expected to be applied by the Court in connection with the Sanction Order;
- the opinions and views of management;
- the Plan approval procedures, including the requirement for the approval of Affected Creditors and the approval by the Court at which the fairness of the Plan will be considered;
- the circumstances leading up to the Plan;
- the risks to the Company if the Plan Transaction is not completed;
- the conditions to the various counterparties' obligations to complete the Plan Transaction; and
- such other considerations as it deemed appropriate.

The Special Committee unanimously determined that the Plan is in the best interests of Connacher and to recommend to the Board that they approve the Plan and recommend that Affected Creditors vote FOR the Resolutions to approve the Plan.

Determination of the Board

The Board, after careful consideration of the recommendation of the Special Committee and the factors set out above, unanimously determined (with those directors who are representatives of certain of

Connacher's stakeholders having declared their interest in the transaction and abstained from voting) to accept the recommendation of the Special Committee and approve the Plan, authorize its submission to the Affected Creditors for approval and recommend that Affected Creditors vote FOR the Resolutions to approve the Plan.

The foregoing description includes the principal factors considered by the Special Committee and the Board, but is not intended to be exhaustive of all of the factors considered, and, in view of the number and complexity of factors considered. The Special Committee and the Board did not find it practicable to, nor did it attempt to, quantify, rank or otherwise assign relative weights to the specific factors considered by it in making its recommendation (and individual members of the Board may have given different weights to different factors). The Special Committee and the Board reached their recommendations based on the totality of the information presented to, and considered by through their deliberations.

The Special Committee and the Board believe that the Plan will produce more favourable results for the Affected Creditors and other stakeholders of the Company than would a liquidation or sale of the underlying assets or business (through the Alternative Transaction, the Credit Bid Transaction or otherwise). The Plan provides the Company with an opportunity to continue as a viable going concern with a new owner (thereby preserving employment and commercial relationships with customers and vendors). Failure to implement the Plan could result in Affected Creditors and other creditors receiving significantly less value at a much later unknown date.

The Monitor has assisted the Special Committee, the Board and the Company while at the same time, as an officer of the Court, independently keeping the Court up to date on financial performance of the Company and the status of the restructuring process. The Monitor's recommendations and advice have been considered by the Special Committee and the Board as a factor in their approval of the Plan.

APPROVAL OF CIRCULAR

The contents and the sending of this Circular have been approved by the Board.

Calgary, Alberta	Connacher Oil and Gas Limited
August 22, 2018	"●"
	●
	●

GLOSSARY OF TERMS

In this Circular, other than the Exhibits:

"**ABCA**" means the *Business Corporations Act* (Alberta).

"**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 the 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.

"**Additional Deposit**" means an additional deposit of $1.5 million to be paid to the Monitor by the Plan Sponsor in connection with each election to extend the Outside Date or the Outside Date for Closing, as applicable, in accordance with the terms of the Plan Sponsorship Agreement.

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

"**Administrative Reserve Fund**" means the amount of $1,000,000 out of the Plan Implementation Fund to be held in escrow by the Monitor.

"**Advance Ruling Certificate**" means an advance ruling certificate issued by the Commissioner of Competition pursuant to section 102 (1) of the Competition Act.

"**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, United States counsel to the Company.

"**Alleged Directors' Charge Claim**" means any D&O Claims, D&O Restructuring Period Claims or Post-Filing D&O Claims which would be secured by the Directors' Charge that remain outstanding and have not been fully paid prior to the Effective Date.

"**Alleged Emkay Claim**" means the asserted claims of Emkay arising from the Emkay Decision, inclusive of interest and costs, which remain to be settled, determined and/or quantified by the Court.

"**Alleged Priority Secured Claim**" means a Secured Claim that is alleged to be a Priority Secured Claim, including but not limited to any claim by the Municipality (but excluding the Unaffected Municipal Tax Claim), that 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.

"**Alleged Retention Plan Claim**" means any Person's entitlement under the LTIP, the LTIP 2017, the KERP, the Supplemental KERP, the Second Supplemental KERP or the KEIP that is disputed by the Company and which remains outstanding and has not been paid prior to the Effective Date.

"**Alternative Transaction**" has the meaning set forth in *Information Circular Summary*.

"**Approval and Vesting Order**" means an order of the Court in substantially the form attached to the Purchase Agreement.

"**Articles of Continuance**" means the Articles of Continuance of the Company**.**

"**Articles of Reorganization**" means the articles of reorganization of Connacher, substantially in the form attached as Schedule B to the Plan and to be filed pursuant to section 191 of the CBCA.

"**Assets**" means all of the property and assets of the Company of every kind and description and wherever located used by or in connection with or otherwise relating in whole or in part to the Business, including the petroleum and natural gas rights, the tangibles and the miscellaneous interests.

"**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 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.

"**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.

"**Bitumen**" has the meaning set forth in the BEH Royalty Agreement.

"**Board**" means the board of directors of Connacher.

"**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 Adjustment Amount**" means the amount, if any, by which the dollar value of Existing Cash exceeds the dollar value of the Company's Cash on Hand as of the Effective Date.

"**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 and any funds being held by ATB as security for the obligations owing under the ATB Credit Facilities, but, for greater certainty, shall exclude 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 the 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 Court.

"**CCAA Plan Termination Event**" has the meaning set forth in *Summary of the Plan Sponsorship Agreement*.

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

"**CDS**" means CDS Clearing and Depository Services Inc.

"**Chairperson**" has the meaning set forth in *The Creditors' Meetings*.

"**Circular**" means this information circular including the attached Exhibits and any amendment hereto.

"**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) a Non-Continuing Employee Claim;

l) an Equity Claim;

m) a Post-Filing Claim;

n) a Convenience Class Claim;

o) a Crown Priority Claim;

p) an Employee Priority Claim;

q) a Municipal Tax Claim; and

r) an Unaffected Municipal Tax Claim.

"**Claimant"** means any Person asserting a Claim and includes without limitation a Person who, according to the books and records of the Company, may have a Claim against the Company, the transferee or assignee of a Claim transferred and recognized as such in accordance with the Creditors' Meetings Order, or a trustee, executor, liquidator, receiver, receiver and manager, or other Person acting on or behalf of or through such Person;

"**Claims Bar Date**" means 5:00 p.m. (Calgary time) on September 26, 2016.

"**Claims Package**" means the material to be provided by the Monitor to Claimants who may have a Claim, which material shall include:

a) in the case of employees who may have a Non-Continuing Employee Claim: an Instruction Letter, a Notice of Non-Continuing Claim, a blank form of Notice of Dispute, and blank Proof of Claim forms;

b) in the case of Claimants who may have a Post-Filing Claim: an Instruction Letter, a Notice of Post-Filing Claim, and a blank form of Notice of Dispute; and

c) in the case of Claimants who may have a Secured Claim and/or a Post-Filing D&O Claim: an Instruction Letter and blank Proof of Claim form,

in each case, along with such other materials as the Company or the Monitor may consider appropriate or desirable.

"**Claims Procedure Order**" means the Claims Procedure Order granted by the 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 First Lien Lender Class or the General Creditor Class.

"**Closing Date**" means 10:00 a.m. (Calgary time) on the later of:

a) the 3rd Business Day following the day on which the Regulatory Approvals are obtained and the funds approved to be wired under the SAFE Registration have arrived in Canada;

b) two Business Days following the entry by the Court of the Approval and Vesting Order;

c) 10 Business Days after a CCAA Plan Termination Event; or

d) such other date as may be agreed upon by the parties to the Purchase Agreement in writing, with the consent of the Consenting First Lien Lenders and in consultation with the Financial Advisor and the Monitor.

"**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.

"**Commissioner of Competition**" means the Commissioner of Competition appointed pursuant to the Competition Act or any person duly authorized to exercise the powers and perform the duties of the Commissioner of Competition.

"**Company**" has the meaning set out in *Summary.*

“**Competition Act**” means the *Competition Act* (Canada), R.S.C. 1985, c. C-34, as amended and any regulations made thereunder.

“**Competition Act Approval**” means, that with respect to the Competition Act, prior to the Effective Date or the Closing Date, as applicable, Competition Act Notice has been given and:

1. the parties shall have received an Advance Ruling Certificate in respect of the Plan Transaction and the Alternative Transaction in form and substance acceptable to the Plan Sponsor, acting reasonably; or

2. the Plan Sponsor shall have received a No Action Letter; and

    a. the applicable waiting period in section 123 of the Competition Act shall have expired or been earlier terminated; or

    b. the obligation to give the requisite notice has been waived by the Commissioner of Competition or a Person authorized by the Commissioner of Competition pursuant to subsection 113(c) of the Competition Act; and

    c. in addition to the occurrence of subsection (1) or (2)(i) or (2)(ii) above, in the interim period prior to the Effective Date or the Closing Date, as applicable, there shall have been no threatened or actual application by the Commissioner of Competition for an order under section 92, section 100 or section 104 of the Competition Act.

“**Competition Act Notice**” means notification of the Plan Transaction and the Alternative Transaction pursuant to: (i) a written request for the Commissioner of Competition to issue an Advance Ruling Certificate or alternatively a No Action Letter and waiver pursuant to section 113(c) of the Competition Act; or (ii) section 114 of the Competition Act, including information required to be supplied pursuant to a request under section 114(2) of the Competition Act.

“**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 the Plan in accordance with the Creditors’ Meetings Order and the Plan.

“**Convenience Class Creditor**” means a General Creditor with a Convenience Class Claim.

“**Court**” means the Court of Queen’s Bench of Alberta.

“**Credit Bid Transaction**” has the meaning set forth in *Information Circular Summary*.

“**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 the 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 the 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 Court on or about August 22, 2018 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**" means:

a) any right or claim of any Person that may be asserted or made in whole or in part against one or more Directors or Officers that relates to a claim for which such Directors or Officers are by law liable to pay in their capacity as Directors or Officers; or

b) any right or claim of any Person that may be asserted or made in whole or in part against one or more Directors or Officers, in that capacity, 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 by reason of the commission of a tort (intentional or unintentional), by reason of any breach of contract or other agreement (oral or written), by reason of any breach of duty (including 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, and any interest accrued thereon or costs payable in respect thereof, is reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured, unsecured, 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 any right or ability of any Person to advance a claim for contribution or indemnity from any such Directors or Officers 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, or (B) relates to a time period prior to the Filing Date.

"**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**" means any right or claim of any Person against a Director or Officer in connection with any indebtedness, liability or obligation of any kind whatsoever resulting from the restructuring, disclaimer, resiliation, termination or breach by the Company on or after the Filing Date of any contract, lease, or other agreement or obligation, whether written or oral and whether such restructuring, disclaimer, resiliation, termination or breach took place or takes place before or after the date of the Claims Procedure Order.

"**Deposit**" has the meaning set forth in *Overview of the Transaction*.

"**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.

"**Director/Officer Claims**" has the meaning set forth in *Description of the Plan*.

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

"**Directors' Charge Claims Reserve**" means the amount from the Plan Implementation Fund equal to any and all Alleged Directors' Charge Claims to be held in escrow by the Monitor.

"**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.

"**Disclosure Letter**" means the disclosure letter dated August 2, 2018 from the Company to the Plan Sponsor.

"**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.

"**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 the Plan, the lesser of (a) a cash amount equal to $2,000 and (b) the amount of such Accepted Claim.

"**Distribution Election Deadline**" means 5:00 p.m. (Calgary time) on October 1, 2018.

"**Distribution Election 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.

"**DTC**" means The Depository Trust Company.

"**Effective Date**" means the day on which the Monitor delivers the Monitor's Certificate to the Company, the Plan Sponsor and counsel to the Consenting First Lien Lenders pursuant to Section 8.3 of the 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 Plan Sponsor.

"**Emkay**" means Emkay Canada Leasing Corp. and its affiliates and assigns.

"**Emkay Decision**" means the Reasons for Decision of the Honourable Mr. Justice K.D. Yamauchi of the Court granted in the CCAA Proceeding dated December 11, 2017.

"**Emkay Reserve**" means the amount of $450,000 from the Plan Implementation Fund to be held by the Monitor in escrow in the event that the Alleged Emkay Claim remains in dispute and is not finally resolved or determined by an Order on the Effective Date.

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

"**Employees**" means the employees of the Company, as set forth in the Disclosure Letter.

"**Employee Severance Order**" means the Order of the Court granted in the CCAA Proceeding dated February 6, 2017.

"**Encumbrance**" means any security interest, trust, lien, charges and encumbrance, or claim of a secured creditor statutory or otherwise.

"**Equity Claim**" has the meaning given to it in Section 2(1) of the CCAA.

"**Excluded Claim**" means:

a) any claim secured by the Administration Charge, the Directors' Charge, Interim Lenders' Charge or the KERP/LTIP Charge;

b) any other claim secured by a Court-ordered charge in the CCAA Proceeding arising after the date of the Claims Procedure Order;

c) any claim arising under a contract entered into by the Company on or after the Filing Date or with respect to goods or services provided to the Company on or after the Filing Date;

d) any D&O Indemnity Claim; and

e) claim in respect of employee amounts that become payable on or after the Filing Date, other than a Restructuring Period Claim.

"**Excluded Director/Officer Claim**" has the meaning set forth in *Description of the Plan*.

"**Existing Cash**" means:

1. the Cash on Hand of the Company as of 12:01 a.m. on September 1, 2018; <u>plus</u>

2. the accounts receivable of the Company existing as of 12:01 a.m. on September 1, 2018 or related to the period prior to 12:01 a.m. on September 1, 2018 (whether or not invoiced by such time) which have been paid or collected during the period between 12:01 a.m. on September 1, 2018 and the Business Day prior to the Effective Date; <u>plus</u>

3. the prepaid expenses of the Company which were paid prior to and remain unused as of 12:01 a.m. on September 1, 2018; <u>minus</u>

4. the accounts payable of the Company which have accrued during the period between the Filing Date and 12:01 a.m. on September 1, 2018 (whether or not invoiced by such time) which have not been paid by the Company by the Business Day prior to the Effective Date or which will not be paid, compromised, discharged or released under the Plan and will remain an obligation or liability of the Company after the Effective Time, but for greater certainty, shall not include any Municipal Tax Claims; minus

5. the amounts paid by the Company from the Company's cash accounts during the period between 12:01 a.m. on September 1, 2018 and the Effective Date on account of fees and

disbursements (plus any applicable Taxes thereon) for services rendered by Cassels, or other legal counsel and advisors to the Company, the Monitor, legal counsel to the Monitor, the Consenting First Lien Advisors, or other Persons from time to time retained by the Company, in each case in connection with the CCAA Proceeding, the Plan Sponsorship Agreement, or the implementation of the Plan (and the Restructuring Transactions) or the Alternative Transaction (as defined in the Plan Sponsorship Agreement),

calculated as applicable in accordance with International Financial Reporting Standards.

"**Existing Shares**" means the common shares, preferred shares, warrants and stock options in the capital of the Company.

"**Filing Date**" means May 17, 2016.

"**Final Emkay Claim**" means the quantum of the Alleged Emkay Claim agreed to between the Company and Emkay or determined by an Order.

"**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 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 the First Lien Claim minus the amount of the First Lien Lender Pool, which shall be deemed to be an unsecured deficiency Claim and constitute a General Creditor Claim for purposes of the Plan.

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

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

"**First Lien Lender Pool**" means the amount equal to the Plan Implementation Fund less:

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

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

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

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

(e) 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 the Plan;

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

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

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

(i) the amount, if any, required to be held in the Emkay Reserve in accordance with Section 3.9 of the Plan in respect of the Alleged Emkay Claim; and

(j) the amount required to establish the General Creditor Pool,

plus any amounts added from time to time by the Monitor to the First Lien Lender Pool pursuant to Section 3.4, Section 3.5(b), Section 3.8(b), Section 3.8(c), Section 3.9, or Section 7.6(c) of the Plan.

"**First Lien Lenders Proxy"** means a proxy to be submitted to the Monitor by a Beneficial First Lien Lender who wishes to vote at the meeting of the First lien Lender Class and at the meeting of the General Creditor Class, whether by voting in person or by proxy.

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

"**Forbearance Agreement**" has the meaning set forth in *Circumstances Prior to Filing under CCAA*.

"**Former Employee**" has the meaning set forth in *Claims Procedures.*

"**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.

"**General Creditors Proxy**" means a proxy to be submitted to the Monitor by any General Creditor who wishes to vote at the meeting of the General Creditor Class, whether in person or by proxy.

"**Great Divide**" has the meaning set forth in *Information Circular Summary*.

"**Initial Commitments**" has the meaning set forth in *Background to the Plan*.

"**Initial Determination**" has the meaning set forth in *Background to the 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 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.

"**Initial SISP**" means the sale and investment solicitation process granted pursuant to the Initial Order.

“**Initial SISP Qualified Bidders**” has the meaning set forth in *Background to the Plan*.

“**Instruction Letter**” means the instruction letter to Claimants;

“**Insurance Policies**” has the meaning set forth in *Description of the Plan*.

“**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.

“**Insured Claims**” 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.

“**Interim Financing**” has the meaning set forth in *Filing for CCAA Protection and Subsequent Events*.

“**Interim Financing Agent**” means Wilmington Trust, National Association as administrative agent and collateral agent under the Interim Financing.

“**Interim Lenders**” has the meaning set forth in *Filing for CCAA Protection and Subsequent Events*.

“**Interim Lenders’ Charge**” means the charge granted in favour of the Interim Lenders pursuant to the Initial Order.

“**IRS**” has the meaning set forth in *Certain U.S. Federal Income Tax Consequences of the Plan*.

“**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.

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

“**Minimum Consideration Threshold**” means (i) cash consideration of $90,000,000; plus (ii) cash consideration sufficient to indefeasibly pay all priority claims, exclusive of the Company’s cash on hand.

“**MOFCOM**” means the Ministry of Commerce of the People’s Republic of China or the applicable local counterpart of it;

“**MOFCOM Approval**” means the outbound investment certificate issued by MOFCOM in respect of the Transaction and the Alternative Transaction;

"**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**" means the certificate to be delivered from the Monitor to the Company, the Plan Sponsor, and the Consenting First Lien Lenders stating that all Conditions precedent set out in Section 8.2 of the Plan have been satisfied or waived.

"**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.

"**Municipality**" means the Regional Municipality of Wood Buffalo.

"**NDRC**" means the National Development and Reform Commission of the People's Republic of China or the applicable local counterpart of it.

"**NDRC Approval**" means the oversea investment project record filing notice issued by the NDRC in respect of the Plan Transaction and the Alternative Transaction.

"**New Board**" means the Company's board of directors appointed on the Effective Date which shall be comprised of individuals acceptable to the Plan Sponsor.

"**New Common Shares**" has the meaning set forth in *Information Circular Summary*.

"**Newco**" means a newly formed entity on behalf of the First Lien Lenders.

"**No Action Lette**r" means confirmation, in writing, by the Commissioner of Competition or a Person authorized by the Commissioner of Competition that the Commissioner of Competition does not, at that time, intend to make an application under section 92 of the Competition Act in respect of the Plan Transaction and the Alternative Transaction, and such advice has not been rescinded or amended, and is in a form and on such terms or conditions as are acceptable to the Plan Sponsor, acting reasonably.

"**Non-Continuing Employee Claim**" means, with respect to an employee of the Company who does not receive an Offer of Employment or who does not accept an Offer of Employment by 5:00 p.m. (Calgary time) on August 21, 2018 (or such later date as may agreed to by the Company and the Plan Sponsor), a Claim for termination or severance pay or for payments arising from the termination of the employment of such employee pursuant to the Plan which Non-Continuing Employee Claim shall be filed and determined in accordance with the Supplemental Claims Procedure Order, provided that such employee's Non-Continuing Employee Claim shall exclude any Employee Priority Claim of the employee or any claim or entitlement of the employee secured by any of the CCAA Charges.

"**Non-Resident Holder**" has the meaning set forth in *Certain Canadian Federal Income Tax Considerations*.

"**Notice of Dispute**" means the form of notice for a Claimant to dispute the quantum of their Claim, as is attached to the Claims Procedure Order or the Supplemental Claims Procedure Order.

"**Notice of Non-Continuing Employee Claim**" means the notice referred to in the Supplemental Claims Procedure Order advising each Non-Continuing Employee of the Initial Determination amount with respect to his or her Non-Continuing Employee Claim.

"**Notice of Post-Filing Claim**" means the notice referred to in the Supplemental Claims Procedure Order advising each Claimant who holds a Post-Filing Claim of the Initial Determination of his/her or its Post-Filing Claim.

"**Offer of Employment**" means a written offer of employment, conditional and effective on the Effective Date (in the case of completion of the Plan Transaction) or the Closing Date (in the case of closing of the Alternative Transaction), made to substantially all but not less than 85% of the employees, on terms and conditions that (i) provide recognition of past service, (ii) comply with the *Employment Standards Code*

(Alberta), and (iii) contain commercially reasonable and market standard terms and conditions of employment.

“**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 Court in the CCAA Proceeding.

“**Outside Date**” means: (i) October 31, 2018, provided that if the Regulatory Approvals have not been obtained by the date that is five Business Days prior to such Outside Date, the Plan Sponsor shall have the right to extend the Outside Date up to two consecutive times upon three Business Days written notice to the Company, in each case in 30-day increments from the then Outside Date, which extension shall only be effective, if in the case of each requested extension, the Plan Sponsor has paid and the Monitor has received (prior to the expiry of the then current Outside Date) an Additional Deposit; and (ii) such other date(s) and on such other terms as may be agreed by the Plan Sponsor and the Company with the consent of the Consenting First Lien Lenders and in consultation with the Monitor.

“**Participant Holder**” means an institution that is a CDS or DTC participant with respect to the Second Lien Notes.

“**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.

“**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.

“**Phase I**” means the first phase of the Initial SISP or the Second SISP, as applicable.

“**Phase II**” means the second phase of the Initial SISP or the Second SISP, as applicable.

“**Phase II Bid Deadline**” means the deadline to submit bids in the second phase of the Initial SISP, or the Second SISP, as applicable.

“**Plan**” means the Amended and Restated Plan of Compromise and Arrangement (including the Restructuring Transactions) dated August 13, 2018 as may be further amended and restated as of the date hereof, as it may be further amended, restated, supplemented or replaced in accordance with the terms hereof and the Plan Sponsorship Agreement.

“**Plan Implementation Fund**” means the amount equal to the sum of the Plan Sponsored Funds, the Cash on Hand up to the amount of the Existing Cash and the Cash Adjustment Amount, if any, to be delivered to the Monitor pursuant to Section 4.1 of the Plan, to be held and distributed by the Monitor in accordance with the Plan.

“**Plan Sponsor**” has the meaning set forth in *Summary*.

“**Plan Sponsor Counsel**” means Borden Ladner Gervais LLP.

“**Plan Sponsored Funds**” means the amount of $113,500,000, which the Plan Sponsor will pay to the Monitor (in trust for the Company) prior to the Effective Time pursuant to the Plan Sponsorship Agreement.

“**Plan Sponsorship Agreement**” means the CCAA Acquisition and Plan Sponsorship Agreement between the Plan Sponsor and the Company dated August 2, 2018, as may be amended from time to time.

“**Plan Transaction**” means a restructuring of the Company by way of the Plan prior to the Outside Date, on the terms set out in and consistent in all material respects with the Plan Sponsorship Agreement and the Plan.

“**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, an Alleged Emkay Claim, a Final Emkay Claim, a Crown Priority Claim, a Municipal Tax Claim, an Unaffected Municipal Tax Claim, or an Employee Priority Claim.

“**Post-Filing Claims Bar Date**” means 1:00 p.m. (Calgary time) on October 1, 2018.

“**Post-Filing D&O Claim**” means:

a) any right or claim of any Claimant that may be asserted or made in whole or in part against one or more Directors or Officers that relates to a Secured Claim or a Non-Continuing Employee Claim for which such Directors or Officers are by law liable to pay in their capacity as Directors or Officers; or

b) any right or claim of any Claimant that may be asserted or made in whole or in part against one or more Directors or Officers, in that capacity, 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 by reason of the commission of a tort (intentional or unintentional), by reason of any breach of contract or other agreement (oral or written), by reason of any breach of duty (including 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, and any interest accrued thereon or costs payable in respect thereof, is reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured, unsecured, 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 any right or ability of any Claimant to advance a claim for contribution or indemnity from any such Directors or Officers 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 subsequent to the Filing Date, or (B) relates to a time period subsequent to the Filing Date.

“**PRC Approvals**” means collectively: (i) the MOFCOM Approval; (ii) the NDRC Approval; and (iii) the SAFE Registration.

“**Pre-Filing Claim**” 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, including but not limited to any Municipal Tax Claims that are Priority Secured Claims (other than the portion that is the Unaffected Municipal Tax Claim), but, for greater certainty, shall exclude any Claims held by ATB or BEH against the Company.

"**Priority Secured Claims Reserve**" means the amount from the Plan Implementation Fund equal to any and all Alleged Priority Secured Claims to be held in escrow by the Monitor.

"**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 Lenders means the proportional share of a Beneficial First Lien Lender's holdings of the First Lien Claim to the total First Lien Claim; and (ii) the Second Lien Noteholders means the proportional share of a Second Lien Noteholder's holdings of Second Lien Notes to the total Second Lien Claim.

"**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.

"**Property**" has the meaning set forth in *Background to the Plan*.

"**Proxies**" has the meaning set forth in *Forms and Proxies for Affected Creditors (Other than Beneficial Noteholders)*.

"**Purchase Agreement**" means the Purchase and Sale Agreement between the Plan Sponsor and the Company dated August 2, 2018.

"**Qualified Phase I Bid**" means a bid in that meets the criteria set out in paragraph 17 of the Second SISP.

"**Qualified Phase II Bid**" means a bid in that meets the criteria set out in paragraph 26 of the Second SISP.

"**Recapitalization**" has the meaning set forth in *Background to the Plan*.

"**Registered Holder**" means, in respect of the Second Lien Notes, the holder of such Second Lien Notes as recorded on the books and records of the Second Lien Trustee.

"**Regulatory Approvals**" means, collectively, the: (i) Competition Act Approval; and (ii) PRC Approvals.

"**Released Claims**" has the meaning set forth in *Releases*.

"**Released Party**" has the meaning set forth in *Releases*.

"**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.

"**Resident Holder**" has the meaning set forth in *Certain Canadian Federal Income Tax Considerations*.

"**Resolutions**" means the resolutions to approve the Plan in the form set out in Exhibit A to this Circular.

"**Restructuring Period Claim**" means any right or claim of any Person against the Company in connection with any indebtedness, liability or obligation of any kind whatsoever resulting from the restructuring, disclaimer, resiliation, termination or breach by the Company on or after the Filing Date of any contract, lease, or other agreement or obligation, whether written or oral and whether such restructuring, disclaimer, resiliation, termination or breach took place or takes place before or after the date of the Claims Procedure Order.

"**Restructuring Transactions**" has the meaning set forth in "Restructuring Steps".

"**Retention Plan Claims Reserve**" means the amount from the Plan Implementation Fund equal to any and all Alleged Retention Plan Claims to be held in escrow by the Monitor.

"**SAFE**" means the State Administration of Foreign Exchange of the People's Republic of China or the applicable local counterpart of it.

"**SAFE Registration**" means the SAFE registration and confirmation notified to the Plan Sponsor by the bank where the Plan Sponsor's funds will be wired from in accordance with the applicable SAFE regulations in order to permit the Plan Sponsor to purchase Canadian dollars and wire funds to the Monitor's or Company's account in Canada, as applicable, to complete the Plan Transaction and the Alternative Transaction, as applicable.

"**SAGD**" means steam-assisted gravity drainage.

"**Sanction Hearing**" means the Company's Application for the Sanction Order on the Sanction Hearing Date.

"**Sanction Hearing Date**" means October 4, 2018, or such later date as may be acceptable to the Company, the Monitor, the Plan Sponsor, and the Majority Consenting First Lien Lenders.

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

"**Scrutineers**" has the meaning set forth in *Creditors' Meetings*.

"**Second Forbearance Agreement**" means the agreement among the Company and Credit Suisse AG, Cayman Islands Branch, as administrative agent, and certain lenders constituting the "Required Lenders" dated April 30, 2016.

"**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 the 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 Noteholder**" means a holder 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 Trustee**" means Computershare Trust Company, N.A., in its capacity as trustee under the Second Lien Indenture.

"**Second SISP**" means the Sale and Solicitation Process approved pursuant to the Support Agreement & SISP Approval Order.

"**Second Supplemental KERP**" means the second supplemental key employee retention plan approved pursuant to the Second Supplemental KERP & LTIP 2017 Order.

"**Secured Claim**" means any rights or claims, or a portion thereof, that rank pari passu with, or senior in priority to, the First Lien Indebtedness, including the following:

a) any claims and amounts secured by any of the CCAA Charges;

b) amounts deemed to be held in trust pursuant to:

  a. subsection 227(4) or (4.1) of the *Income Tax Act* (Canada) (the "***Income Tax Act***");

  b. subsection 23(3) or (4) of the *Canada Pension Plan* (Canada) (the "***Canada Pension Plan***");

  c. subsection 86(2) or (2.1) of the *Employment Insurance Act* (Canada) (the "***Employment Insurance Act***"); or

  d. any provincial law that creates a deemed trust the sole purpose of which is to ensure remittance of amounts deducted or withheld under such provincial law if:

    i. that provincial law imposes a tax similar in nature to the tax imposed under the *Income Tax Act* and the amounts deducted or withheld under that law are of the same nature as the amounts referred to in subsection 227(4) or (4.1) of the *Income Tax Act*; or

    ii. the province is a "province providing a comprehensive pension plan", as such phrase is defined in subsection 3(1) of the *Canada Pension Plan*, the law establishes a "provincial pension plan" as defined in that subsection and the amounts deducted or withheld under that law are of the same nature as amounts referred to in subsection 23(3) or (4) of the *Canada Pension Plan*;

c) any rights or claims that result from the operation of:

  a. subsections 224(1.2) and (1.3) of the *Income Tax Act*;

  b. any provision of the Canada Pension Plan or of the *Employment Insurance Act* that refers to subsection 224(1.2) of the *Income Tax Act* and provides for the collection of a contribution, as defined in the *Canada Pension Plan*, or an employee's premium, or employer's premium, as defined in the *Employment Insurance Act*, or a premium under Part VII.1 of that Act, and of any related interest, penalties or other amounts; or

  c. any provision of provincial legislation that has a similar purpose to subsection 224(1.2) of the *Income Tax Act*, or that refers to that subsection, to the extent that it provides for the collection of a sum, and of any related interest, penalties or other amounts, where the sum:

i. has been withheld or deducted by a Person from a payment to another Person and is in respect of a tax similar in nature to the income tax imposed on individuals under the *Income Tax Act*; or

ii. is of the same nature as a contribution under the *Canada Pension Plan* if the province is a “province providing a comprehensive pension plan” as defined in subsection 3(1) of the *Canada Pension Plan* and the provincial legislation establishes a “provincial pension plan” as defined in that subsection;

d) any unpaid goods and service taxes or other applicable sales taxes required to be remitted by the Applicant in connection with the sale of goods and services by the Applicant, but only where such sales taxes are accrued or collected after the Filing Date, or where such sales taxes were accrued or collected prior to the Filing Date but not required to be remitted until on or after the Filing Date;

e) 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 the Applicant which are required at law to be paid in priority to claims of secured creditors; and

f) any accrued and unpaid amounts in respect of claims of employees for amounts equal to the amounts that they would be qualified to receive under paragraph 136(1)(d) of the *Bankruptcy and Insolvency Act* (Canada) if the Applicant became bankrupt on the Filing Date, as well as wages, salaries, commissions or compensation for services rendered after the Filing Date, together with, in the case of travelling salesmen, disbursements properly incurred by those salesmen in and about the Business during the same period.

“**Seismic Data Sale Order**” means the Approval and Vesting Order (Seismic Data Sale) granted by the Court in the CCAA Proceeding dated August 18, 2017.

“**Service List**” means the list of counsel and other interested parties who have requested service of materials filed with the Court in the CCAA Proceeding, as posted by the Monitor on the Website.

“**Solicitation Agent**” means Kingsdale Advisors.

“**Special Committee**” means the special committee of Connacher’s Board.

“**Successful Bidder**” means the person(s) who has settled a definitive agreement with the Company in the Second SISP.

“**Superior Transaction**” means a sale of the business or all of the property of an investment in the Company which is, among other things, acceptable to the Company and provides net sale or investment proceeds (exclusive of the Company’s cash on hand) of at least the Minimum Consideration Threshold.

“**Supplemental Claims Bar Date**” means 1:00 p.m. (Calgary time) on September 19, 2018.

“**Supplemental Claims Procedure Order**” means an Order to be sought by the Company from the Court on or about August 22, 2018 that, among other things, provides for the filing and determination of Secured Claims, certain Post-Filing Claims as of September 1, 2018, Post-Filing D&O Claims and Non-Continuing Employee 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 Court in the CCAA Proceeding dated November 14, 2016.

“**Support Agreement**” means that certain support agreement dated March 19, 2018 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 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.

“**Tax Act**” has the meaning set out in *Certain Canadian Federal Income Tax Considerations*.

“**Tax Code**” has the meaning set forth in *Certain U.S. Federal Income Tax Consequences of the Plan*.

“**Tax Proposals**” has the meaning set forth in *Certain Canadian Federal Income Tax Considerations*.

“**Taxing Authority**” 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.

“**Termination Date**” has the meaning set forth in Overview of the Transaction.

“**Title Document**” 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 or lands pooled or unitized therewith; including those, if any, set out and described in Schedule “A” to the Plan Sponsorship Agreement.

“**Total Interim Financing Commitments**” has the meaning set forth in *Filing for CCAA Protection and Subsequent Events*.

“**TSX**” means the Toronto Stock Exchange.

“**TSX-V**” means the TSX Venture Exchange.

“**Unaffected Claim**” means:

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 the Plan applies which shall be Affected Claims for the purposes of the 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 three (3) 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 the 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) of the Plan, any indebtedness, liability or obligation of the Company of any kind to ATB under or pursuant to the ATB Credit Facilities; and

g) the Unaffected Municipal Tax Claims.

"**Unaffected Creditor**" means a holder of an Unaffected Claim.

"**Unaffected Municipal Tax Claim**" means 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.

"**U.S. Holder**" has the meaning set forth in *Certain U.S. Federal Income Tax Consequences of the 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' Meetings Order or any other Order.

"**Voting Instructions**" means the voting instructions and Distribution Election Notices submitted by Beneficial Noteholders entitled to vote at the Creditors' Meeting of General Creditors.

"**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.

The rules of interpretation set out in Sections 1.2 through 1.5 of the Plan apply to this Circular.

A.
PLAN RESOLUTIONS

FIRST LIEN LENDERS' RESOLUTION

BE IT RESOLVED THAT:

1. The Amended and Restated Plan of Compromise and Arrangement of Connacher Oil and Gas Limited (the "**Company**") pursuant to the *Companies' Creditors Arrangement Act* (Canada) dated August 13, 2018 (the "**Plan**"), which Plan has been presented to this meeting (as such Plan may be amended, restated, supplemented and/or modified as provided for in the Plan), be and it is hereby accepted, approved, agreed to and authorized; and

2. any one director or officer of the Company be and is hereby authorized and directed, for and on behalf of the Company (whether under its respective corporate seal or otherwise), to execute and deliver, or cause to be executed and delivered, any and all documents and instruments and to take or cause to be taken such other actions as he or she may deem necessary or desirable to implement this resolution and the matters authorized hereby, including the transactions required by the Plan, such determination to be conclusively evidenced by the execution and delivery of such documents or other instruments or the taking of any such actions.

GENERAL CREDITORS' RESOLUTION

BE IT RESOLVED THAT:

1. The Amended and Restated Plan of Compromise and Arrangement of Connacher Oil and Gas Limited (the "**Company**") pursuant to the *Companies' Creditors Arrangement Act* (Canada) dated August 13, 2018 (the "**Plan**"), which Plan has been presented to this meeting (as such Plan may be amended, restated, supplemented and/or modified as provided for in the Plan), be and it is hereby accepted, approved, agreed to and authorized; and

2. any one director or officer of the Company be and is hereby authorized and directed, for and on behalf of the Company (whether under its respective corporate seal or otherwise), to execute and deliver, or cause to be executed and delivered, any and all documents and instruments and to take or cause to be taken such other actions as he or she may deem necessary or desirable to implement this resolution and the matters authorized hereby, including the transactions required by the Plan, such determination to be conclusively evidenced by the execution and delivery of such documents or other instruments or the taking of any such actions.

B.
PLAN OF COMPROMISE AND ARRANGEMENT

[To be attached]