COURT FILE NO.	1601-06131	Clerk's Stamp
COURT	COURT OF QUEEN'S BENCH OF ALBERTA	CLERK OF THE COURT FILED MAY 0 6 2019 JUDICIAL CENTRE OF CALGARY
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** **(AMENDED & RESTATED SUPPORT AGREEMENT APPROVAL ORDER & 2019 CREDITORS' MEETINGS ORDER)** VOLUME I OF II	
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 May 6, 2019

I, Merle Johnson, of Calgary, Alberta, **MAKE OATH 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 (the "**Application**") under the *Companies' Creditors Arrangement Act* (Canada) (the "**CCAA**") for

(a) an order substantially in the form attached as Schedule "A" to the Application (the "**Amended and Restated Support Agreement Approval Order**"), *inter alia*:

(i) approving and authorizing Connacher's entry into that certain Amended and Restated Support Agreement dated May 6, 2019 (as may be amended from time to time, the "**Amended and Restated Support Agreement**") among Connacher, 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**") and Wilmington Trust, National Association (the "**First Lien Agent**");

(ii) authorizing and approving the credit bid key employee retention plan (the "**Credit Bid KERP**");

(iii) directing that all obligations under the Credit Bid KERP be secured by the KEIP Charge (as defined below); and

(iv) sealing on the Court file Confidential Exhibit "1" hereto; and

(b) an order substantially in the form attached as Schedule "B" to the Application (the "**2019 Creditors' Meetings Order**"), *inter alia*:

(i) accepting the filing of Connacher's Plan of Compromise and Arrangement dated May 6, 2019 attached at Schedule "C" to the Amended and Restated Support Agreement (as may be further amended from time to time, the "**2019 CCAA Plan**");

(ii) authorizing Connacher to establish two classes of creditors for the purpose of considering and voting on the 2019 CCAA Plan: (i) the First Lien Lender Class; and (ii) the General Creditor Class (each as defined below);

(iii) authorizing Connacher to call, hold and conduct a meeting of the First Lien Lender Class and a meeting of the General Creditor Class on June 19, 2019 (together, the "**2019 Creditors' Meetings**") to consider and vote on resolutions to approve the 2019 CCAA Plan, and approving the procedures to be followed with respect to the 2019 Creditors' Meetings; and

(iv) setting June 20, 2019 as the date for the hearing (the "**2019 Plan Sanction Hearing**") of Connacher's application for an order to sanction the 2019 CCAA Plan (the "**2019 Plan Sanction Order**") should the 2019 CCAA Plan be approved for filing and approved by the requisite majorities of creditors at the 2019 Creditors' Meetings.

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 2019 CCAA 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, this Honourable Court granted the Order (Support Agreement, SISP & KEIP Approval) (the "**Support Agreement, SISP & KEIP Approval Order**"). Since that time, with the support of the Consenting First Lien Lenders, Houlihan Lokey Capital, Inc. (the "**Financial Advisor**") and Ernst & Young, Inc. (the "**Monitor**"), Connacher conducted a Court-approved sale and investment solicitation process (the "**SISP**"), backstopped by a stalking horse credit bid from the Consenting First Lien Lenders (the "**Original Credit Bid Transaction**").

6. Connacher selected East River Oil and Gas Ltd. ("**East River**") as the successful bidder under the SISP and concluded definitive transaction agreements with East River. The agreements contemplated a going-concern sale of Connacher to East River, which was to be implemented either through a plan of compromise and arrangement under the CCAA or, upon the occurrence of certain events, a sale of substantially all of Connacher's assets, as described further below.

7. After obtaining Court-approval of the East River transaction agreements and authorization to file Connacher's Amended and Restated Plan of Compromise and Arrangement dated August 13, 2018 (the "**2018 CCAA Plan**") with the Court, Connacher obtained the unanimous approval of the affected creditors who voted in person or by proxy on the 2018 CCAA Plan at creditors' meetings held on October 3, 2018 (the "**2018 Creditors' Meetings**"). The 2018 CCAA Plan was sanctioned by this Court the following day.

8. As discussed further below, following several extensions of the outside dates under the transaction agreements with East River, on February 16, 2019, in consultation with the Monitor and with the consent of the Consenting First Lien Lenders, Connacher terminated the East River agreements and, by extension, the 2018 CCAA Plan. In accordance with the transaction agreements, Connacher retained the deposits, in the aggregate amount of $13.5 million, paid by East River.

9. Since that time, Connacher, the Consenting First Lien Lenders and the First Lien Agent have developed an alternative transaction structure to replace the Original Credit Bid Transaction that had backstopped the SISP, resulting in Connacher, the Consenting First Lien Lenders and the First Lien Agent entering into the Amended and Restated Support Agreement.

10. Pursuant to the Amended and Restated Support Agreement, Connacher, the Consenting First Lien Lenders and the First Lien Agent have agreed to pursue a credit bid of a portion of the first lien obligations through the implementation of a CCAA plan of compromise and arrangement, substantially on the terms set out in the 2019 CCAA Plan. If implemented, the 2019 CCAA Plan will effect (i) a recapitalization of Connacher's financial obligations, resulting in the First Lien Lenders becoming the sole equity holders of Connacher and (ii) the compromise of all Affected Claims. As discussed further below, under the 2019 CCAA Plan, the General Creditor Class will receive substantially the same treatment that they voted unanimously to receive under the now-terminated 2018 CCAA Plan.

11. Under the Amended and Restated Support Agreement, upon the occurrence of a "CCAA Plan Termination Event" (as defined in the Amended and Restated Support Agreement and described in greater detail below), Connacher, the Consenting First Lien Lenders and the First Lien Agent have agreed that they will instead implement a credit bid asset purchase transaction substantially similar to the Original Credit Bid Transaction under the Original Support Agreement (as defined below), with certain modifications to the terms of the financing facility.

12. Connacher and the Consenting First Lien Lenders prefer to complete the 2019 CCAA Plan transaction as opposed to completing an asset purchase transaction because the 2019 CCAA Plan transaction maximizes value to Connacher's creditors and other stakeholders that would not be available in an asset sale, including providing recoveries to Connacher's affected unsecured creditors that would not be realized in an asset sale scenario.

13. In addition, under the Amended and Restated Support Agreement, Connacher and the Consenting First Lien Lenders have also agreed on the terms of the Credit Bid KERP, to provide a retention payment program to Connacher's key employees in order to ensure these key employees remain with Connacher through implementation of a transaction and beyond Connacher's exit from CCAA protection. The Credit Bid KERP is discussed further below.

14. To effect these proposed transactions, on this Application, Connacher seeks the approval of (i) the Amended and Restated Support Agreement Approval Order, which, *inter alia*, approves the Amended and Restated Support Agreement and Credit Bid KERP, and (ii) the 2019 Creditors' Meetings Order, which, *inter alia*, accepts the filing of the 2019 CCAA Plan and sets out procedures for the solicitation of votes on the 2019 CCAA Plan from Connacher's affected creditors.

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

II. Background

A. Connacher's CCAA Proceeding

16. On May 17, 2016, the Honourable Madam Justice Dario granted the Initial Order (the "**Initial Order**"), which provided for, among other things, a stay of proceedings up to and including June 16, 2016 (the "**Stay Period**"). The Stay Period has been extended several times, including most recently on March 15, 2019, when the Honourable Mr. Justice Yamauchi granted an Order extending the Stay Period through and including June 28, 2019.

17. Since the CCAA filing, Connacher has, in consultation with the Consenting First Lien Lenders and the Monitor, continued its operations in the ordinary course and implemented a number of operational and financial improvements for the benefit of the business, in all cases subject to the terms of the Initial Order and the other Court orders granted to date.

18. 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.

B. Original Support Agreement and SISP

19. On March 28, 2018, this Court approved Connacher's entry into a support agreement dated March 19, 2018 (the "**Original Support Agreement**") with the First Lien Agent and the Consenting First Lien Lenders. On the same application, this Court approved a renewed sale and investment solicitation process (the "**SISP**"), which set out procedures for Connacher to test the market for a sale of, or investment in, its business or assets.

20. The Original Support Agreement provided that if a superior transaction identified pursuant to the SISP was not completed by the "Credit Bid Trigger Date" (as defined in the Original Support Agreement), subject to the satisfaction or waiver of various terms and conditions, the Consenting First Lien Lenders would direct the First Lien Agent to complete the Original Credit Bid Transaction, whereby the First Lien Agent would form a new company to credit-bid a portion of the first lien debt in exchange for all or substantially all of Connacher's assets. Effectively, the Original Credit Bid Transaction acted as a backstop to the SISP, whereby the First Lien Lenders would become the owner of Connacher's assets if a superior transaction was not identified and completed pursuant to the SISP.

21. Working with the Monitor and the Financial Advisor, Connacher conducted the SISP in accordance with its terms. As has been previously reported to this Court, the SISP attracted interest from several parties and resulted in a thorough market testing of Connacher's business and assets.

22. With the support of the Consenting First Lien Lenders and the Monitor, Connacher selected East River as the successful bidder in the SISP.

C. The East River Transactions

23. On August 2, 2018, Connacher agreed to effect a going concern sale of its business to East River either by completing:

(a) in the first instance, a CCAA plan transaction on the terms set out in the 2018 CCAA Plan (the "**East River Plan Transaction**") pursuant to the terms of a CCAA Acquisition and Plan Sponsorship Agreement dated August 2, 2018, as amended (the "**East River Plan Sponsorship Agreement**"); or

(b) alternatively, in the event of a CCAA Plan Termination Event (as defined in the East River Plan Sponsorship Agreement) an asset sale transaction (the "**East River Purchase Transaction**" and together with the East River Plan Transaction, the "**East River Transactions**") pursuant to the terms of a Purchase and Sale Agreement dated August 2, 2018, as amended (the "**East River Purchase Agreement**" and together with the East River Plan Sponsorship Agreement, the "**East River Transaction Agreements**").

24. The East River Transaction Agreements were approved by this Court on August 22, 2018. On that same application, this Court approved a Supplemental Claims Procedure Order (the "**Supplemental Claims Procedure Order**"), which, together with an earlier Claims Procedure Order granted on August 24, 2016 (the "**Claims Procedure Order**"), identified certain priority claims and other claims that would be required to be satisfied in full or compromised under the terms of the 2018 CCAA Plan.

25. In accordance with the Creditors' Meetings Order granted by this Court on August 22, 2018 (the "**2018 Creditors' Meetings Order**"), Connacher's 2018 CCAA Plan was unanimously approved by the affected creditors who voted in person or by proxy at the 2018 Creditors' Meetings.

26. On October 4, 2018, following the 2018 Creditors' Meetings, this Court granted an order, *inter alia*, sanctioning and approving the 2018 CCAA Plan pursuant to the CCAA. Connacher and East River then began preparing to complete the East River Plan Transaction.

27. As has been previously reported to this Court, the outside dates to complete the East River Transactions under the East River Transaction Agreements were extended several times in order to provide East River time to complete the East River Transactions.

28. Finally, in or around the end of January 2019, East River again notified Connacher that it would not be able to obtain all of the required regulatory approvals from authorities in the People's Republic of China (the "**East River PRC Approvals**") required to complete a transaction by the then January 31, 2019 outside date and requested a further amendment of the outside dates under the East River Transaction Agreements to March 29, 2019.

29. Following negotiations among the parties, on February 1, 2019, East River and Connacher, with the consent of the Consenting First Lien Lenders and in consultation with the Monitor, executed the Outside Date Amending Agreement No. 2, which, *inter alia*, provided for a further extension of the outside dates under the East River Transaction Agreements to March 29, 2019, subject to and conditional upon East River paying an additional deposit to the Monitor, in trust for Connacher, in the amount of $2,000,000 by February 15, 2019. In addition, the Outside Date Amending Agreement No. 2 provided that the deposits previously paid by East River to the Monitor (in the aggregate amount of $13,500,000) were immediately forfeited to Connacher for the account of Connacher, provided that the deposits would be applied to the consideration to be paid by East River if the East River Transactions were completed by March 29, 2019.

30. East River failed to deliver the further $2,000,000 deposit by February 15, 2019 and neither of the East River Transactions were completed on that date. As a result, on February 16, 2019, Connacher delivered a termination notice to East River pursuant to the East River Plan Sponsorship Agreement, terminating the East River Transactions and, by extension, the 2018 CCAA Plan. As a result, the Monitor paid over to Connacher the forfeited East River deposits in the aggregate amount of $13,500,000.

D. Support Agreement Amending Agreement

31. As a result of the termination of the East River Transactions, under the terms of the Original Support Agreement, the First Lien Agent and Consenting First Lien Lenders were required to promptly take steps to implement the Original Credit Bid Transaction.

32. However, the Consenting First Lien Lenders advised Connacher that they wished to further consider the structure of the Original Credit Bid Transaction and potential value-preservation options, including potentially pursuing the Original Credit Bid Transaction through a plan of compromise and arrangement under the CCAA**.**

33. On March 4, 2019, Connacher, the Consenting First Lien Lenders and the First Lien Agent entered into a Support Agreement Amending Agreement, which among other things:

    (a) deferred the "Credit Bid Trigger Date" to March 8, 2019 or such other date as the Consenting First Lien Lenders holding a majority of the principal amount of debt outstanding under the First Lien Credit Agreement ("**Majority Consenting First Lien Lenders**") and Connacher may agree; and

    (b) amended the definition of "Outside Date" under the Original Support Agreement to be May 31, 2019 or such other date as the Majority Consenting First Lien Lenders and Connacher may agree.

34. Subsequent to the execution of the Support Agreement Amending Agreement, Connacher and the Majority Consenting First Lien Lenders agreed to further extend the "Credit Bid Trigger Date" to May 16, 2019, to provide additional time for the parties to continue their ongoing discussions on potential amendments to the structure and terms of the Original Credit Bid Transaction. Further, Connacher and the Majority Consenting First Lien Lenders agreed to extend the "Outside Date" under the Original Support Agreement to June 28, 2019.

35. On May 6, 2019, Connacher, the Consenting First Lien Lenders and the First Lien Agent executed the Amended and Restated Support Agreement. A copy of the Amended and Restated Support Agreement is attached hereto as **Exhibit "A"**, with certain redactions that are the subject of Connacher's request for a sealing order, as discussed below. In addition, attached hereto as **Exhibit "B"** is a blackline of the Amended and Restated Support Agreement compared to the Original Support Agreement (with schedules omitted).

III. <u>Amended and Restated Support Agreement</u>

A. Amended and Restated Support Agreement Transactions

36. Subject to approval by this Court, the parties to the Amended and Restated Support Agreement have agreed to use commercially reasonable efforts to effect a transaction whereby the First Lien Lenders will own Connacher's business either through:

(a) an exchange of a portion of the first lien obligations for new senior secured debt of Connacher and all of Connacher's equity, which shall be effected by way of the 2019 CCAA Plan, which is summarized below (the "**Plan Transaction**"); or

(b) if a CCAA Plan Termination Event occurs (as discussed below), the First Lien Agent, on behalf of the First Lien Lenders, shall cause a new company to be formed by the First Lien Agent (the "**Credit Bid Purchaser**") to credit bid a portion of the first lien obligations for all or substantially all of Connacher's property and assets (the "**Credit Bid Transaction**").

37. The Plan Transaction is more particularly described in the Plan Term Sheet attached as Schedule "B" to the Amended and Restated Support Agreement (the "**Plan Term Sheet**"). The Credit Bid Transaction is more particularly described in the Credit Bid Term Sheet attached as Schedule "D" to the Amended and Restated Support Agreement (the "**Credit Bid Term Sheet**"). Each is also summarized below.

38. The obligations of Connacher, the Consenting First Lien Lenders and the First Lien Agent under the Amended and Restated Support Agreement remain subject to certain conditions precedent, including, but not limited to, obtaining Court approval of the Amended and Restated Support Agreement.

39. In addition to covenants and obligations substantially similar to those contained in the Original Support Agreement, certain of Connacher's additional covenants and obligations under the Amended and Restated Support Agreement include Connacher using its reasonable best efforts (including taking all reasonable actions necessary to obtain any regulatory approvals) to achieve the timelines set out in the Plan Term Sheet or the Credit Bid Term Sheet, as applicable.

40. Further, Connacher has agreed to keep the Consenting First Lien Lenders fully apprised of any third party discussions about any other proposed transaction and to not initiate any third party discussions without obtaining the prior approval of the Majority Consenting First Lien Lenders. If the special committee of Connacher's Board of Directors (the "**Special Committee**") believes that a third party transaction proposal is available that is reasonably expected to result in a transaction that is more favourable to Connacher, the First Lien Lenders and Connacher's other stakeholders (if applicable), and determines that it can no longer recommend the Plan Transaction or Credit Bid Transaction in light of its fiduciary duties, the Consenting First Lien Lenders shall have five business days after receipt of notification from Connacher of the terms of such proposal to propose an alternative that is of comparable value to Connacher and its stakeholders and provides for a treatment to the First Lien Lenders that is at least as favourable in all respect as the third party transaction at which time Connacher shall commit to and approve such alternative.

41. Pursuant to the Amended and Restated Support Agreement, the Consenting First Lien Lenders each agree to take all commercially reasonable actions necessary to consummate the Plan Transaction, including to vote on a timely basis in favour of the 2019 CCAA Plan and to support Connacher's requests for approval of the 2019 Creditors' Meetings Order and 2019 Plan Sanction Order.

42. A CCAA Plan Termination Event will occur if:

(a) within five business days of the applicable timelines set forth in the Plan Term Sheet, the Amended and Restated Support Agreement Approval Order, the 2019

Creditors' Meetings Order or the 2019 Plan Sanction Order are not granted or the 2019 CCAA Plan is not implemented;

(b) the requisite creditor approval of the 2019 CCAA Plan is not obtained at the 2019 Creditors' Meetings; or

(c) Connacher and the Majority Consenting First Lien Lenders jointly determine that it is no longer viable to implement the Plan Transaction pursuant to the 2019 CCAA Plan.

43. In the event of a CCAA Plan Termination Event, the Credit Bid Purchaser shall execute and deliver to Connacher the Credit Bid Purchase and Sale Agreement substantially in the form attached as Schedule "E" to the Amended and Restated Support Agreement (the "**PSA**") and Connacher will apply to this Court to seek approval of the PSA and the vesting of Connacher's assets in the Credit Bid Purchaser (the "**Approval and Vesting Order**"). The form of PSA is substantially the same as the form of purchase and sale agreement that was attached to the Original Support Agreement.

44. Each Consenting First Lien Lender agrees that it shall not take any action inconsistent with the Amended and Restated Support Agreement that would frustrate or hinder the consummation of the Plan Transaction or Credit Bid Transaction. Further, if a CCAA Plan Termination Event occurs, each Consenting First Lien Lender agrees to promptly deliver to the First Lien Agent an executed direction and to exercise any power or authority it has to cause the Credit Bid Purchaser to execute and deliver the PSA to Connacher and each agree to take all commercially reasonable actions necessary to consummate the Credit Bid Transaction.

45. I am advised by counsel to the Consenting First Lien Lenders that, collectively, the Consenting First Lien Lenders hold a sufficient amount of the first lien indebtedness to direct the First Lien Agent to enter into the PSA.

46. The Amended and Restated Support Agreement contains certain termination rights, including rights in favour of Connacher, the Consenting First Lien Lenders and the First Lien Agent if any of the timeline requirements set out in the Plan Term Sheet or the Credit Bid Term Sheet are not met. Connacher may also terminate the Amended and Restated Support Agreement if the Consenting First Lien Lenders no longer constitute the requisite number of First Lien Lenders under the First Lien Credit Agreement to direct the First Lien Agent to proceed with a transaction.

1. Plan Term Sheet

47. The Plan Term Sheet describes the material terms of the Plan Transaction.

48. The agreed timeline for the Plan Transaction is as follows:

(a) Obtain Court approval of the Amended and Restated Support Agreement Approval Order and the 2019 Creditors' Meetings Order – May 16, 2019;

(b) Hold the 2019 Creditors' Meetings – June 19, 2019;

(c) Obtain the 2019 Plan Sanction Order – June 20, 2019; and

(d) Implement the 2019 CCAA Plan and close the Plan Transaction – July 31, 2019.

49. Unless otherwise agreed by Connacher and the Consenting First Lien Lenders, implementation and closing of the Plan Transaction shall occur two business days following the satisfaction of all of the conditions precedent to the 2019 CCAA Plan.

50. The Plan Transaction shall include the following transactions whereby, among other things, pursuant to and in accordance with the 2019 CCAA Plan:

(a) all Affected Claims shall be compromised and extinguished;

(b) a portion of Connacher's cash-on-hand shall be used to (i) satisfy in full all claims which rank *pari passu* with or in priority to the First Lien Claim, and (ii) establish the Administrative Reserve Fund;

(c) each Tranche A Lender under the First Lien Credit Agreement shall receive in respect of the principal amount of its Tranche A Loans its *pro rata* share of the obligations under a new senior secured term facility (the "**New Senior Secured Term Facility**");

(d) each Tranche A Lender and Tranche B Lender shall receive in respect of, in the case of a Tranche A Lender, the accrued interest on its Tranche A Loans, and, in the case of a Tranche B Lender, the principal and accrued interest of its Tranche B Loans, its *pro rata* share of the New Shares; and

(e) a portion of Connacher's cash-on-hand shall be used to establish the General Creditor Pool in the amount of $500,000 (plus the amount required to satisfy "Convenience Class Claims" under the 2019 CCAA Plan) which shall be distributed to the Affected Creditors in accordance with the 2019 CCAA Plan.

51. The New Senior Secured Term Facility is a first lien term facility in the amount of US$41,837,684.35, to be made available to Connacher pursuant to the terms of a new first lien credit agreement to be entered into (the "**New First Lien Credit Agreement**"). The material terms of the New First Lien Credit Agreement include:

(a) Agent – the First Lien Agent or such other agent acceptable to the Consenting First Lien Lenders;

(b) Original issue discount – 2.0%, to be paid by Connacher to the new agent for the benefit of the First Lien Lenders on the effective date. This term requires Connacher to make a US$836,753.68 cash payment to the First Lien Lenders on the effective date;

(c) Maturity – five years from the effective date;

(d) Interest rate– term loans will bear interest at the three month U.S. dollar LIBOR rate plus 9.5% (with a minimum LIBOR floor of 2.0%), payable in cash quarterly in arrears;

(e) Guarantors – any existing and future subsidiaries of Connacher;

(f) Security and Ranking – first lien security interest in substantially all of Connacher's assets and subject to permitted encumbrances including (i) ATB Financial's security interest in certain cash collateral held by ATB in connection with credit facilities which will be unaffected by the 2019 CCAA Plan, and (ii) the security interests granted in connection with the BEH Royalty Agreement, which will be unaffected by the 2019 CCAA Plan; and

(g) Mandatory prepayments – subject to any intercreditor agreement, amounts outstanding under the New Senior Secured Term Facility will be subject to mandatory prepayments from asset dispositions under provisions similar to the comparable provisions of the First Lien Credit Agreement regarding asset dispositions, or as otherwise required (in the case of asset dispositions) by the Consenting First Lien Lenders; and for certainty no other mandatory prepayments except for payments pursuant to the amortization schedule.

52. The New Shares to be issued to the First Lien Lenders shall be voting common shares of a new class of shares of Connacher, which, immediately following issuance, will constitute all of the issued and outstanding shares of Connacher.

53. Connacher shall seek Court approval of the Credit Bid KERP and comply with its terms. Any claims of the beneficiaries under the Credit Bid KERP to payments due thereunder shall be an “Unaffected Claim” under the 2019 CCAA Plan.

54. A management incentive plan and key management employment agreements shall be in place on terms acceptable to the Consenting First Lien Lenders and the applicable management team members on the effective date of the Plan Transaction or on the closing of the Credit Bid Transaction. Connacher’s obligations to its non-executive employees shall remain unaffected by the 2019 CCAA Plan.

55. Upon implementation of the Plan Transaction, the board of directors of Connacher (the “**New Board**”) will be comprised of at least five directors, who will initially be:

(a) myself, as Chief Executive Officer of Connacher;

(b) a representative of each person (or group of persons acting jointly or in concert for this purpose) that upon implementation of the Plan Transaction will hold at least 20% of the New Shares; and

(c) to the extent not all of the initial New Board members are selected in accordance with the above criteria, the Consenting First Lien Lenders, in consultation with Connacher, shall designate the remaining members or the New Board, each of whom will be independent.

2. <u>Credit Bid Term Sheet</u>

56. The Credit Bid Term Sheet describes the material terms of the Credit Bid Transaction, which the Consenting First Lien Lenders have agreed to pursue in the event of a CCAA Plan Termination Event.

57. The agreed timeline for the Credit Bid Transaction is as follows:

(a) Execution of the PSA – promptly after the occurrence of a CCAA Plan Termination Event;

(b) Obtain the Approval and Vesting Order – within 15 business days after execution of the PSA;

(c) Submission to Alberta Energy Regulator (“**AER**”) of licence transfer applications – contemporaneously with the execution of the PSA; and

(d) Deadline for occurrence of effective date (i.e. closing of the PSA and completion of all other steps) – within 45 days after the Approval and Vesting Order is granted.

58. The Credit Bid Term Sheet provides, among other things, that in the event of a CCAA Plan Termination Event, the First Lien Agent and the Consenting First Lien Lenders shall take such steps as are required to promptly cause the Credit Bid Purchaser to execute and deliver the PSA to Connacher and to proceed in respect of the implementation of the Credit Bid Transaction as soon as possible thereafter. With the exception of certain of the terms of the financing facility, the Credit Bid Transaction described in the Credit Bid Term Sheet remains substantially similar to the Original Credit Bid Transaction that was previously set out in the Recapitalization Term Sheet attached to the Original Support Agreement.

59. The Credit Bid Term Sheet also details the conditions precedent to the Credit Bid Transaction, including, but not limited to:

(a) the Plan Transaction shall not have been consummated;

(b) the receipt of all definitive documents implementing the Credit Bid Transaction including, without limitation, the New First Lien Credit Agreement and any related guarantee or security documents, which shall be in form and substance acceptable to Connacher and the Consenting First Lien Lenders, acting reasonably;

(c) the receipt of all necessary governmental or regulatory approvals on terms satisfactory to the Consenting First Lien Lenders, including all necessary approvals from the AER;

(d) the Court's granting of the Approval and Vesting Order, among other things, approving the Credit Bid Transaction and the PSA, vesting Connacher's assets in and to the Credit Bid Purchaser free and clear of all liens and encumbrances except for permitted liens, and granting certain releases;

(e) if required, the Court's granting of an order assigning to the Credit Bid Purchaser any or all of Connacher's agreements that constitute assets subject to the PSA and not excluded therefrom; and

(f) a unanimous shareholder agreement shall be entered into in respect of the Credit Bid Purchaser, in form and substance acceptable to the Consenting First Lien Lenders.

60. I have reviewed the Seventeenth Report of the Monitor dated August 17, 2018. From my review of such report, I understand and do verily believe that the Monitor's counsel has reviewed the security held by the First Lien Agent on behalf of the First Lien Lenders and has issued an opinion that, subject to usual and customary assumptions and qualifications, all security held by the First Lien Agent is valid, enforceable and would rank in priority to any subsequently appointed trustee in bankruptcy. In addition, as noted above, pursuant to the Credit Bid Term Sheet, all claims that rank in priority to or *pari passu* to the First Lien Claim will be paid in full.

61. The Amended and Restated Support Agreement, the Plan Term Sheet and the Credit Bid Term Sheet are the result of extensive negotiations carried out between Connacher

and the Consenting First Lien Lenders, in consultation with and with the assistance of the Monitor and the Financial Advisor.

62. I believe that the Amended and Restated Support Agreement, and the Plan Transaction and Credit Bid Transaction contemplated thereby, 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 Amended and Restated Support Agreement, Plan Term Sheet and Credit Bid Term Sheet will allow for a going-concern continuation of Connacher's business, to the benefit of Connacher's employees, customers and suppliers.

63. The Special Committee played a key role in the negotiation of, and has approved and authorized Connacher to enter into, the Amended and Restated Support Agreement, including the Plan Term Sheet and Credit Bid Term Sheet.

64. It should be noted that while Connacher is presently seeking approval of the Amended and Restated Support Agreement (including the Plan Term Sheet and Credit Bid Term Sheet attached thereto), at this time Connacher is expressly not seeking the approval of the PSA or the transactions contemplated therein. If a CCAA Plan Termination Event occurs, Connacher will return before this Court on a further application to seek approval of the PSA and the granting of the Approval and Vesting Order approving the Credit Bid Transaction.

B. 2019 CCAA Plan

65. A copy of the 2019 CCAA Plan is attached as Schedule "C" to the Amended and Restated Support Agreement.

66. As noted above, the Plan Transaction includes the following components:

(a) all Affected Claims shall be compromised and extinguished;

(b) a portion of Connacher's cash-on-hand shall be used to (i) satisfy in full all claims which are *pari passu* to or ranking in priority over the First Lien Claim, and (ii) establish the Administrative Reserve Fund;

(c) each Tranche A Lender under the First Lien Credit Agreement shall receive in respect of the principal amount of its Tranche A Loans its *pro rata* share of the obligations under the New Senior Secured Term Facility;

(d) each Tranche A Lender and Tranche B Lender shall receive in respect of, in the case of a Tranche A Lender, the accrued interest on its Tranche A Loans, and, in the case of a Tranche B Lender, the principal and accrued interest of its Tranche B Loans, its *pro rata* share of the New Shares; and

(e) a portion of Connacher's cash-on-hand shall be used to establish the General Creditor Pool in the amount of $500,000 (plus the amount required to satisfy "Convenience Class Claims" under the 2019 CCAA Plan) which shall be distributed to the Affected Creditors in accordance with the 2019 CCAA Plan.

67. Following the implementation of the 2019 CCAA Plan, the Beneficial First Lien Lenders will own 100% of the outstanding shares of Connacher. On the effective date under the 2019 CCAA Plan (the "**Effective Date**"), each Beneficial First Lien Lender shall be deemed to become a party to and thereafter bound by the Shareholders Agreement,

each in its capacity as a holder of the New Shares. The Shareholders Agreement is deemed to be a "unanimous shareholders agreement" for purposes of the *Canada Business Corporations Act* (Canada) and each Beneficial First Lien Lender is deemed to have been given notice thereof.

68. The steps required to implement the 2019 CCAA Plan are set out in Schedule "A" to the 2019 CCAA Plan.

69. The 2019 CCAA Plan has been developed with the intention that distributions to be made to the General Creditor Class under the 2019 CCAA Plan will be substantially similar to the distributions that would have been made to General Creditors under the 2018 CCAA Plan. A blackline comparing the 2019 CCAA Plan against the 2018 CCAA Plan is attached as **Exhibit "C"** to this Affidavit.

1. <u>Classification of Creditors</u>

70. The 2019 CCAA Plan and the proposed 2019 Creditors' Meetings Order provide 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 October 31, 2018, as was the case under the 2018 CCAA Plan.

2. <u>Plan Implementation Fund</u>

71. Pursuant to the 2019 CCAA Plan, on or prior to the Effective Date, Connacher shall deliver to the Monitor from Connacher's Cash on Hand the aggregate amount necessary, as determined by the Monitor and Connacher, with the consent of the Majority Consenting First Lien Lenders, to establish the General Creditor Pool and to fully pay or satisfy the following amounts under the 2019 CCAA Plan:

(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 owing as of the Effective Date, 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 satisfy the payment in full of any remaining obligations secured by any of the KERP/LTIP Charge, the KEIP Charge or the Financial Advisor Charge;

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

(e) the amount of $750,000 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 2019 CCAA Plan and winding up the CCAA Proceeding;

(f) the amount required to satisfy Priority Secured Claims, which are accepted Secured Claims determined to rank in priority to the First Lien Claim;

(g) 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;

(h) 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;

(i) the amount required to satisfy Employee Priority Claims; and

(j) the amount required to establish the Municipal Tax Fund, discussed below.

3. Municipal Tax Fund

72. The Regional Municipality of Wood Buffalo (the "**Municipality**") submitted a proof of claim pursuant to the Supplemental Claims Procedure Order asserting a priority secured claim in respect of municipal property taxes in the amount of $13,957,811.63. Under the East River Plan Sponsorship Agreement, the parties agreed that Connacher's existing cash would be calculated as at September 1, 2018 and that one-third of the amount of the Municipal Tax Claims of the Municipality for the calendar year 2018 (being the portion of the Municipal Tax Claims for the 2018 attributable to the period from and after 12:01 a.m. on September 1, 2018) (the "**Remaining Municipal Tax Claims**") would be unaffected under the 2018 CCAA Plan.

73. On September 24, 2018, Connacher and the Municipality entered into a settlement agreement (the "**Wood Buffalo Settlement Agreement**"), settling the Municipality's claim other than the amounts that constitute Remaining Municipal Tax Claims. The Wood Buffalo Settlement Agreement was approved by this Court on October 4, 2018. A copy of the Wood Buffalo Settlement Agreement is attached hereto as **Exhibit "D"**.

74. Pursuant to the 2019 CCAA Plan, the Monitor shall hold an amount from the Plan Implementation Fund (the "**Municipal Tax Fund**") equal to (i) the Remaining Municipal Tax Claims, and (ii) the Municipal Tax Claims owing or to be owing for the calendar year 2019, and representing the amounts claimed by the Municipality as an Alleged Priority Secured Claim, in a separate trust account, which amount shall not be commingled with the Plan Implementation Fund. The Monitor shall be responsible for assessing the quantum, validity and enforceability of the Municipality's Alleged Priority Secured Claim. Upon the Effective Date, the Alleged Priority Secured Claim, and any security underlying such claim, shall be discharged as against Connacher, and the Municipal Tax Fund shall stand in the place and stead of the Municipality's security. No distributions shall be made from the Municipal Tax Fund absent (i) an agreement in writing as between the Municipality, Connacher, the Monitor and the Majority Consenting First Lien Lenders, or (ii) an order of the Court.

4. General Creditor Pool

75. The General Creditor Pool will consist of $500,000 plus the amount necessary to satisfy all Convenience Class Claims, being all accepted and identified 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.

76. 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.

77. Under the indenture dated as of May 8, 2015 (the "**Second Lien Indenture**") in respect of the 12% convertible second lien notes due August 31, 2018 (the "**Second Lien Notes**"), Computershare Trust Company N.A., in its capacity as the Second Lien Trustee, may have rights to deduct costs and expenses of the Second Lien Trustee from any distributions, including any distributions on account of Convenience Class Claims.

78. As noted above, the amount and distribution terms of the General Creditor Pool are the same that existed in the 2018 CCAA Plan with the intention that the General Creditors will receive substantially the same treatment and recovery under the 2019 CCAA Plan that they would have received under the 2018 CCAA Plan which was approved by all creditors that voted and sanctioned by this Court.

5. Distributions of New Shares to the First Lien Lenders

79. The New Shares issued under the 2019 CCAA Plan will be distributed by delivering share certificates representing the New Shares in the name of the applicable recipient.

6. Treatment of Equity Claims

80. Existing Shareholders and holders of Equity Claims shall not be entitled to receive any distributions under the 2019 CCAA Plan and all Equity Claims in Connacher shall be forever cancelled and extinguished on the Effective Date.

81. I have been advised by Connacher's counsel, Cassels Brock & Blackwell LLP ("**Cassels**"), that (i) the provisions of Multilateral Instrument 61-101 "Protection of Minority Securityholders in Special Transactions" ("**MI 61-101**"), which requires, in certain circumstances "minority" shareholder approval of certain "related party transactions", applies to the 2019 CCAA Plan as Connacher is a "reporting issuer" in the Provinces of Ontario, Quebec, New Brunswick and Alberta where such instrument is in force, (ii) the issuance of the New Shares pursuant to, and the entry into of the New Senior Secured Term Facility pursuant to the, 2019 CCAA Plan may constitute "related party transactions" within the meaning of MI 61-101, and (iii) the "minority" shareholder approval requirements of MI 61-101 do not apply in relation to related party transactions if the transaction is subject to Court approval under bankruptcy or insolvency law, the Court has been advised of the requirement for "minority" shareholder approval under MI 61-101 and the Court determines that such approval is not required.

7. Unaffected Claims

82. The 2019 CCAA Plan will compromise only the Affected Claims as set out therein. Unaffected Claims that will not be compromised pursuant to the 2019 CCAA Plan include:

(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 against Directors that, pursuant to section 5.1(2) of the CCAA, cannot be compromised, which have been preserved pursuant to the Claims Procedure Order 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 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 2019 CCAA Plan, indicating that the holder of such Claim has elected to assert its claim against an insurance policy held by Connacher;

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

(f) other than as set out in the 2019 CCAA Plan, any indebtedness owing by Connacher to ATB Financial under or pursuant to the ATB Credit Facilities; and

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

8. Conditions to 2019 CCAA Plan Implementation

83. There are a number of conditions to the implementation of the 2019 CCAA Plan, including:

(a) the satisfaction of all conditions in the Amended and Restated Support Agreement;

(b) the approval of the 2019 CCAA Plan by the Required Majorities;

(c) the 2019 Plan Sanction Order shall have been granted by this Court in form and substance acceptable to Connacher, the Monitor, the Consenting First Lien Lenders and the First Lien Agent, each acting reasonably ;

(d) all applicable appeal periods in respect of the 2019 Plan Sanction Order shall have expired;

(e) the Monitor shall have received the Plan Implementation Fund from Connacher;

(f) the AER shall have provided an advance ruling certificate confirming that the AER does not consider the change to control persons (within the meaning of AER Directive 067) resulting from the implementation from the 2019 CCAA Plan to be an unreasonable risk;

(g) the New First Lien Credit Agreement, the management incentive plan, the executive employment agreements, and the Shareholders Agreement and all related agreements and other documents contemplated by the Plan Transaction and the implementation of the 2019 CCAA Plan shall be in form and substance acceptable to Connacher and the Consenting First Lien Lenders, each acting reasonably, and shall have become effective, subject only to the implementation of the 2019 CCAA Plan;

(h) Connacher shall not be a reporting issuer (or equivalent) in any province or territory of Canada or any other jurisdiction upon implementation of the 2019 CCAA Plan; and

(i) all necessary corporate actions and other agreements shall have been executed and delivered,

any of which may be waived in accordance with the 2019 CCAA Plan.

9. Releases

84. The 2019 CCAA 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**"), which are substantially the same as the releases contained in the 2018 CCAA Plan.

85. The Released Parties have made significant and often critical contributions to the development and implementation of Connacher's restructuring, including, without limitation, as applicable, by devoting significant time and effort in overseeing Connacher's restructuring and two sales processes 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 Original Support Agreement to serve as an important backstop to the SISP, negotiating, obtaining Court-approval of, attempting to complete and ultimately terminating the East River Transactions and the 2018 CCAA Plan, negotiating the Amended and Restated Support Agreement and the terms of the 2019 CCAA Plan, providing professional advice to Connacher, the Monitor, the First Lien Agent and the Consenting First Lien Lenders, and, in the case of the First Lien Agent and Consenting First Lien Lenders, by amending the Original Support Agreement and, if approved and implemented, effecting a going concern purchase of Connacher's business.

86. The releases are broad in nature and, I am advised by Cassels, 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 2019 CCAA Plan, the Amended and Restated Support Agreement, the Equity Claims and the Existing Shares, contracts disclaimed in the CCAA proceedings, the Recapitalization and 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 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.

87. I believe that the Released Parties have worked diligently towards ensuring the implementation a restructuring of Connacher's financial obligations and operations for the benefit of its stakeholders and that such efforts have resulted in the execution and approval of the Amended and Restated Support Agreement, the Plan Transaction and the Credit Bid Transaction. If the Amended and Restated Support Agreement is approved and either the Plan Transaction or the Credit Bid Transaction is consummated, Connacher's going concern value will be preserved to the benefit of stakeholders. I

believe that the proposed Plan Transaction and Credit Bid Transaction would not have been possible without the direct and meaningful participation and support of the Released Parties.

88. I am advised 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 Transaction.

89. 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 nearly three years. The Special Committee of the Board (currently comprised of three independent directors) has been charged with overseeing, directing and developing with its advisors the potential restructuring options, and has dedicated significant time and resources prior to and since the commencement of this CCAA proceeding to achieving a successful outcome for Connacher and emergence from CCAA protection. The Special Committee's efforts as it relates to the Amended and Restated Support Agreement included conducting multiple meetings for the purpose of providing specific direction and authority on the negotiations with the First Lien Agent and Consenting First Lien Lenders. 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 important 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 Amended and Restated Support Agreement and proceed to seek approval of the 2019 CCAA Plan. I believe that the Special Committee was instrumental in formulating and executing the Amended and Restated Support Agreement.

90. Section 8.1 of the 2019 CCAA Plan requires that the 2019 Plan Sanction Order 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.

91. I am advised by counsel to the Monitor that the Monitor has reviewed the Releases in the 2019 CCAA Plan and supports their approval.

IV. <u>The Proposed 2019 Creditors' Meetings Order</u>

A. 2019 Creditors' Meetings Procedures

92. I am advised by Connacher's counsel that the proposed form of the 2019 Creditors' Meetings Order is substantially similar to the form of 2018 Creditors' Meetings Order granted by the Court on August 22, 2018, with necessary modifications to remove East River as plan sponsor and to update certain procedures, particularly with respect to the solicitation of Beneficial Noteholders holding Second Lien Notes. A blackline comparing the 2019 Creditors' Meetings Order against the Court-approved form of the 2018 Creditors' Meetings Order is attached as **Exhibit "E"** hereto.

93. The proposed 2019 Creditors' Meetings Order accepts the filing of the 2019 CCAA Plan and authorizes Connacher to convene the meetings of two classes of creditors to consider and vote on the 2019 CCAA Plan: (i) the First Lien Lender Class, and (ii) the General Creditor Class.

94. Connacher proposes that the 2019 Creditors' Meetings will be held at the offices of Cassels, 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 11:30 a.m. on June 19, 2019; and

(b) meeting of the General Creditor Class (the "**General Creditor Class Meeting**") beginning at 11:45 a.m. on June 19, 2019.

95. Additional information relevant for stakeholders with an interest in the 2019 CCAA Plan and procedures for voting thereon are set out in the Information Circular, a draft of which is attached as **Exhibit "F"** hereto.

1. Classification of Creditors

96. The 2019 Creditors' Meetings Order sets out two classes of creditors to consider and vote on the 2019 CCAA Plan: (i) the First Lien Lender Class, and (ii) the General Creditor Class.

97. 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.

98. The General Creditor Class is comprised of Connacher's remaining Affected Creditors (other than those to be paid in full or specifically addressed in the 2019 CCAA Plan). 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 2019 CCAA Plan), and holders of all other unsecured claims which are not Unaffected Claims.

2. Notice

99. The 2019 Creditors' Meetings Order provides for comprehensive notice of the 2019 Creditors' Meetings to Affected Creditors. To assist in this process, Connacher has retained Kingsdale Advisors (the "**Solicitation and Information Agent**"). Under the 2019 Creditors' Meetings Order:

(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 and Information 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.

100. The Monitor will cause a newspaper notice to creditors to be published on or prior to May 23, 2019 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).

101. No later than seven days before the date of the 2019 Creditors' Meetings, the Monitor shall serve a report regarding the 2019 CCAA Plan on the service list and cause such report to be posted on the Website.

102. As soon as practicable after the granting of the 2019 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 Affected Creditors will be compromised, the 2019 CCAA 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 2019 Creditors' Meetings.

3. <u>Conduct of the 2019 Creditors' Meetings</u>

103. The 2019 Creditors' Meetings Order provides that a representative of the Monitor will preside as the chairperson of the 2019 Creditors' Meetings and, subject to any further Order of the Court, will decide all matters relating to the conduct of the 2019 Creditors' Meetings.

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

105. 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, the Financial Advisor, and the Solicitation and Information Agent.

106. 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 (10) Business Days prior to the Creditors' Meeting for the General Creditor Class.

4. <u>Voting by Affected Creditors</u>

107. 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 2019 CCAA 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 2019 Creditors' Meetings Order. The 2019 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 to receive $2,000 in full and final satisfaction of their General Creditor Claim (subject to any rights held by the Second Lien Trustee under the Second Lien Indenture to deduct costs and expenses of the Second Lien Trustee from any such distributions) by making such election on the Voting Information and Election Form and returning such form to their Participant Noteholder. As Connacher does not know the individual holdings of Second Lien Notes held by Beneficial Noteholders, and therefore cannot deem Beneficial Noteholders who identify themselves as holding General Creditor Claims equal to or less than $2,000 to have made a Distribution Election, Connacher requires all such Beneficial Noteholders to return a completed Voting Information and Election Form to their Participant Holder in order to be deemed to have made a Distribution Election and receive the Distribution Election Amount. Any Beneficial Noteholder who does not return a Voting Information and Election Form to its Participant Holder prior to the Beneficial Noteholder Voting and Election Deadline will not be deemed to make a Distribution Election and will instead receive their *pro rata* share of $500,000 (subject to any rights held by the Second Lien Trustee under the Second Lien Indenture to deduct costs and expenses of the Second Lien Trustee from any such distributions);

(e) each Participant Holder shall aggregate the Voting Instructions they receive and provide to the Solicitation and Information Agent a summary of all Voting Instructions received from Beneficial Noteholders (the "**Master Proxy**") as soon as practicable following the Beneficial Noteholder Voting and Election Deadline, and by no later than 5:00 p.m. on June 17, 2019, and the Solicitation and Information 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 2019 CCAA 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 2019 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, provided however that a First Lien Lender must also return a Voting Information and Election Form to their Participant Holder prior to the Beneficial Noteholder Voting and Election Deadline for their vote in respect of their Second Lien Deficiency Claim to be recorded; 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 2019 Plan Sanction Hearing.

5. Approval and Court Sanction of the 2019 CCAA Plan

108. The Monitor shall provide a report to the Court as soon as practical following the 2019 Creditors' Meetings with respect to: (i) the results of any votes taken at the 2019 Creditors' Meetings, (ii) whether each of the Required Majorities has approved the 2019 CCAA 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 2019 CCAA Plan.

109. In the event that the 2019 CCAA Plan is approved by the Requisite Majorities, Connacher intends to apply to the Court at 10:00 a.m. on June 20, 2019 for the 2019 Plan Sanction Order.

110. The proposed 2019 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 2019 Plan Sanction Hearing and that no other materials need be served in respect of the 2019 Plan 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 2019 Plan Sanction Hearing.

111. The proposed 2019 Creditors' Meetings Order also provides that any Person who wishes to oppose the 2019 Plan 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 2019 Plan Sanction Hearing by no later than 5:00 p.m. seven Business Days prior to the 2019 Plan Sanction Hearing.

112. I believe that the procedures for notification and creditor voting set out in the proposed 2019 Creditors' Meetings Order are appropriate in the circumstances. Further, the 2019 CCAA 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).

113. In addition, the distributions to the General Creditor Class under the 2019 CCAA Plan are substantially similar to the distributions that were available under the 2018 CCAA

Plan, which was approved by 100% of the Affected Creditors who voted on the 2018 CCAA Plan in person or by proxy at the 2018 Creditors' Meetings.

V. The Proposed Amended and Restated Support Agreement Approval Order

A. Amended and Restated Support Agreement

114. The Amended and Restated Support Agreement Approval Order contains a provision approving Connacher's execution and delivery of the Amended and Restated Support Agreement and authorizing Connacher to take all steps and to comply with its obligations pursuant thereto.

115. I believe that the Amended and Restated Support Agreement is a critical agreement that advances the CCAA proceeding for the benefit of Connacher and its stakeholders. The Amended and Restated Support Agreement provides the framework for Connacher, the Consenting First Lien Lenders and the First Lien Agent to cooperate in good faith towards the completion of the Plan Transaction or, in the event of a CCAA Plan Termination Event, the Credit Bid Transaction.

116. By entering into the Amended and Restated Support Agreement, the parties have created a path forward that maximizes value and, if approved, will provide the same recovery to Connacher's General Creditors that such group voted to receive under the now-terminated 2018 CCAA Plan.

117. I believe it is reasonable and appropriate for this Court to approve the Amended and Restated Support Agreement and authorize Connacher to comply with its obligations thereunder.

B. Credit Bid KERP & KEIP Charge

1. Prior Employee Retention & Incentive Programs

118. Throughout Connacher's CCAA proceeding, with the support of the Monitor and the approval of this Court, Connacher has implemented certain key employee retention plans to ensure that Connacher retained its key employees, including the Credit Bid KERP Beneficiaries (as defined below) while it pursued its restructuring efforts.[1] Connacher's obligations under the terms of each of those prior key employee retention plans has been satisfied in full.

119. In addition, pursuant to the Support Agreement, SISP & KEIP Approval Order granted on March 28, 2018, in connection with the Original Support Agreement and the SISP, Connacher sought and this Court approved a key employee incentive plan (the "**KEIP**") designed to incentivize Connacher's four key employees (including myself) anticipated to be most actively involved with potential SISP bidders to maximize the proceeds of any superior offer under the SISP. Compensation under the KEIP was to be tied to the amount of proceeds realized in the SISP. In order to secure the payments under the SISP, this Court granted a charge on Connacher's property (the "**KEIP Charge**"), which ranks behind all of the other Court-ordered charges.

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[1] See the following Orders: (1) Initial Order granted on May 17, 2016; (2) Order (Stay Extension, Supplemental KERP & Sealing Order) granted on November 14, 2016; and (3) Order (Stay Extension, JPL Settlement & Approval of Second Supplemental KERP and 2017 LTIP) granted on June 27, 2017.

120. With the termination of the East River Transactions, no payments became owing pursuant to the KEIP. However, pursuant to the Amended and Restated Support Agreement, Connacher, the Consenting First Lien Lenders and the First Lien Agent have agreed that if a third party transaction is entered into in accordance with the terms of the Amended and Restated Support Agreement (as described in paragraph 40 above), such transaction will constitute a "Superior Offer" for the purposes of the KEIP and may result in KEIP payments becoming payable to the beneficiaries thereof.

2. Credit Bid KERP

121. Following the termination of the East River Transactions, Connacher's management and the Consenting First Lien Lenders engaged in discussions regarding the development of a new key employee retention and incentive program to ensure that the key employees will be retained and incentivized to complete either the Plan Transaction or the Credit Bid Transaction and to remain with Connacher for a period of time following exit from CCAA protection.

122. The Credit Bid KERP is structured as a milestone-based retention and incentive program and is designed specifically to ensure that Connacher's key employees (the "**Credit Bid KERP Beneficiaries**") are incentivized to remain in their positions with Connacher, successfully implement the transactions contemplated by the Amended and Restated Support Agreement, and ensure Connacher's ongoing operation following emergence from CCAA protection.

123. The Credit Bid KERP Beneficiaries are integral to the continued operation of the business and have unique knowledge of the business model, ongoing operations and CCAA process that is critical to complete an exit from CCAA protection and would be difficult to replace, especially at this stage of the CCAA proceeding while Connacher intends to solicit votes from affected creditors on the 2019 CCAA Plan, subject to Court-approval.

124. I also note that Connacher's CCAA proceeding has been ongoing for almost three years and has included two ultimately unsuccessful sales processes, which has created significant uncertainty for all of Connacher's employees, including in particular for the Credit Bid KERP Beneficiaries, three of whom were not going to have continued employment with Connacher if the East River Transactions were consummated.

125. The aggregate amount payable under the proposed Credit Bid KERP is $1,600,000.

126. The business terms of the Credit Bid KERP are attached as Schedule "H" to the Amended and Restated Support Agreement and are included in Confidential Exhibit "1" to this Affidavit, which is subject to Connacher's request for a sealing order as discussed below. These details include the names of the Credit Bid KERP Beneficiaries and the incentive payments offered to them under the terms of the proposed Credit Bid KERP.

127. The key elements of the proposed Credit Bid KERP are as follows**:**

(a) The Credit Bid KERP Beneficiaries will receive cash retention and incentive payments in the amounts set out in the Credit Bid KERP included in Confidential Exhibit "1" (the "**Credit Bid KERP Payments**"), of which the aggregate amount of $800,000 (50%) will be payable in 2019 (the "**2019 Payments**") and the aggregate amount of $800,000 (50%) will be payable in 2020 (the "**2020 Payments**"), all in accordance with the following schedule:

(i) 2019 Payments:

(A) 25% of the 2019 Payments (being the aggregate amount of ($200,000) are to be paid upon Court approval of the Credit Bid KERP;

(B) 25% of the 2019 Payments (being the aggregate amount of ($200,000) are to be paid upon the Credit Bid KERP Beneficiaries providing to the Consenting First Lien Lenders or their advisors or consultants the information reasonably required for the development of a long term plan for Connacher's business, which is anticipated to be satisfied on or before May 30, 2019;

(C) 25% of the 2019 Payments (being the aggregate amount of ($200,000) are to be paid upon the earliest of (i) implementation of the Plan Transaction, (ii) the closing of the Credit Bid Transaction, or (iii) Connacher otherwise emerging from its CCAA proceeding or the CCAA proceeding being terminated; and

(D) 25% of the 2019 Payments (being the aggregate amount of ($200,000) are to be paid upon Connacher achieving production from the Pad 203 infill wells, which is anticipated to be satisfied on or before September 30, 2019.

(ii) The 2020 Payments, being the remaining 50% of the Credit Bid KERP Payments in the aggregate amount of $800,000 will be paid to the Credit Bid KERP Beneficiaries in 2020 on a schedule to be determined by the Credit Bid KERP Beneficiaries and the Consenting First Lien Lenders, each acting reasonably, at the time of the preparation of Connacher's 2020 operating budget, anticipated to occur in the fall of 2019.

128. In order to be entitled to receive their respective Credit Bid KERP payments (or any remainder thereof):

(a) The Credit Bid KERP Beneficiary must not have disclosed these arrangements to any person other than immediate family members and personal accounting, tax and legal advisors (other than to Connacher's payroll personnel and any disclosure required by law); and

(b) Prior to the time that each portion of the Credit Bid KERP Payments becomes payable, the Credit Bid KERP Beneficiary has not:

(i) resigned;

(ii) been terminated with cause; or

(iii) failed to perform his or her duties and responsibilities diligently, faithfully and honestly in the reasonable opinion of his/her direct supervisor and/or Connacher's Board.

129. In the event that a Credit Bid KERP Beneficiary is terminated without cause, any unpaid portion of the total Credit Bid KERP Payments still outstanding and owing to such Credit Bid KERP Beneficiary at such time shall become immediately due and payable.

130. Connacher proposes that the Credit Bid KERP Payments be secured by the KEIP Charge granted pursuant to the Support Agreement, SISP & KEIP Approval Order on March 28, 2018.

131. The Credit Bid KERP Payments are treated as an Unaffected Claim under the 2019 CCAA Plan and, in the event that the Credit Bid Transaction is implemented, the Credit Bid KERP Payments shall be an "Assumed Liability" pursuant to the PSA.

132. Connacher's obligations under the Credit Bid KERP are subject to the Court approving the Credit Bid KERP and confirming that the obligations thereunder are secured by the KEIP Charge.

133. The Special Committee has reviewed the terms of the Credit Bid KERP and has recommended its approval. In exercising its business judgment to approve the Credit Bid KERP, the Special Committee considered, among other things:

(a) the specialized skills each of the Credit Bid KERP Beneficiaries possesses, their roles in overseeing Connacher's business and operations, and their familiarity with operating the business under the supervision of the Court and Monitor in the CCAA proceeding;

(b) that past employee attrition has been disruptive to Connacher's operations and it is important to minimize further attrition moving forward;

(c) that replacing the individual Credit Bid KERP Beneficiaries while maintaining current operations and division of labour among the key employees would be difficult in the circumstances, requiring the other employees to take on enlarged roles that may be outside of their areas of expertise;

(d) that the proposed Credit Bid KERP Beneficiaries have worked in uncertain conditions for the duration of the nearly three-year CCAA proceeding, and that their availability to remain in their positions and help to complete the transaction is not certain;

(e) that the participation of the Credit Bid KERP Beneficiaries throughout the 2019 CCAA Plan solicitation and implementation processes is important to the Consenting First Lien Lenders, who have been actively involved in the development of the Credit Bid KERP. The Consenting First Lien Lenders have agreed to cooperate with Connacher to implement the Plan Transaction (or, upon a CCAA Plan Termination Event, the Credit Bid Transaction), and expect that the business will continue to operate in the ordinary course while efforts to implement such transactions are underway. The loss of one or more of the Credit Bid KERP Beneficiaries would be an unwanted disruption that could consume the time of the remaining key employees and negatively impact the efforts to complete a transaction;

(f) that the Credit Bid KERP Beneficiaries are critical to the implementation of the Plan Transaction or, in the event of a CCAA Plan Termination Event, the Credit Bid Transaction, each of which would lead to Connacher's exit from CCAA protection;

(g) that the Credit Bid KERP Payments will be paid from Connacher's Cash on Hand and will not impact the recovery of General Creditors in the event that the Plan

Transaction is implemented as Connacher's First Lien lenders are not being paid in full; and

(h) that the payment structure is aligned with the goal of incentivizing the Credit Bid KERP Beneficiaries to complete the Plan Transaction or Credit Bid Transaction and remain with the business through and following implementation of either transaction. In this regard, the initial payments are tied to significant milestones in Connacher's restructuring process or to important events for Connacher's long-term prospects after the implementation of a transaction.

134. Connacher has negotiated the terms of the Credit Bid KERP with the Consenting First Lien Lenders. I am advised by counsel to the Monitor and counsel to the First Lien Agent and Consenting First Lien Lenders that each such party supports the Credit Bid KERP and the proposed payment terms. As the Consenting First Lien Lenders intend to become the owners of Connacher's business through the implementation of the Plan Transaction (or asset owners in the case of a Credit Bid Transaction), their support of the Credit Bid KERP and the payment of the Credit Bid KERP Payments from Connacher's cash on hand is demonstrative of their support of Connacher's key employees who are the proposed Credit Bid KERP Beneficiaries.

135. I understand that the Monitor's report to be filed in connection with Connacher's Application will provide the Monitor's views and recommendations regarding the Credit Bid KERP.

136. I believe the approval of the Credit Bid KERP and granting the security of the KEIP Charge over the payments to be made under the Credit Bid KERP is reasonable and appropriate in the circumstances.

C. Sealing Order

137. Connacher seeks to seal Confidential Exhibit "1" to this Affidavit on the Court file.

138. Confidential Exhibit "1" contains an unredacted copy of pages that are redacted in the copy of the Amended and Restated Support Agreement attached hereto as **Exhibit "A"**, being (i) the details of each of the Consenting First Lien Lenders' holdings, (ii) the Credit Bid KERP terms, and (iii) certain schedules to the PSA (the "**Redacted PSA Schedules**").

139. The individual holdings of the Consenting First Lien Lenders is commercially sensitive information which, I am advised by counsel to the Consenting First Lien Lenders, that the Consenting First Lien Lenders require to be sealed.

140. The details contained in the Credit Bid KERP includes personal information regarding the Credit Bid KERP Beneficiaries, the disclosure of which would be harmful to such individuals' privacy interests.

141. The Redacted PSA Schedules are comprised of:

(a) Schedule G – Details of claims ranking in priority to the claims of the First Lien Lenders; and

(b) Schedule H - Estimated costs for winding down Connacher following the completion of a transaction.

142. The Redacted PSA Schedules contain sensitive commercial information related to Connacher's business and operations. The disclosure of this information at this time would be harmful to Connacher's commercial interests.

143. I do not believe that the sealing of the information set out above would cause any prejudice to any parties, including any of Connacher's creditors or stakeholders and I note that the information has been made available to the Monitor.

144. I also note that the Redacted PSA Schedules and the Consenting First Lien Lenders' holdings were also sealed by this Court pursuant to the Support Agreement, SISP & KEIP Approval Order.

VI. Conclusion

145. I believe the relief sought in the Amended and Restated Support Agreement Approval Order and in the 2019 Creditors' Meetings Order is in the best interests of Connacher and its stakeholders and that the requested orders should be granted in the forms proposed.

SWORN before me at the City of Calgary, in the Province of Alberta, on May 6, 2019

Commissioner for Oaths/Notary Public in and for the Province of Alberta

Paola Viviana Berkman Rodriguez
Articling Student at Law
A Commissioner for Oaths
in and for Alberta

MERLE JOHNSON

EXHIBIT "A"

This is Exhibit "A"
referred to in the affidavit of
Merle Johnson
sworn before me this 6
day of May, 2019.

A Commissioner for Oaths in and for Alberta

Paola Viviana Berk-nan R
Articling Stud...
A Commissioner...
in and for Alb...

AMENDED AND RESTATED SUPPORT AGREEMENT

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

RECITALS

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

2. Implementation of Transaction

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

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

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

(d) If the CCAA Plan fails because:

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

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

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

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

3. Representations and Warranties of Consenting First Lien Lenders

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

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

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

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

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

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

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

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

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

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

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

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

4. Representations and Warranties of the First Lien Agent

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

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

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

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

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

5. Representations and Warranties of the Borrower

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

6. Consenting First Lien Lenders' Covenants and Consents

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

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

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

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

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

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

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

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

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

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

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

(i) not revoke the Direction;

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

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

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

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

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

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

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

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

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

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

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

7. First Lien Agent's Covenants

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

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

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

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

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

(i) not oppose the approval of the Transaction;

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

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

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

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

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

8. Borrower's Covenants

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(v) reduce its capital or the stated capital;

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

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

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

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

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

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

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

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

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

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

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

9. Negotiation of Documents

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

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

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

10. Conditions to Consenting First Lien Lenders' Obligations

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

(a) the Authorization Order shall have been granted;

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

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

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

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

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

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

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

11. Conditions to the Borrower's Obligations

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

(a) the Authorization Order shall have been granted;

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

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

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

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

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

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

12. Information and Access

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

13. Other Transactions

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

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

14. Termination

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

15. Confidentiality

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

16. Additional Consenting First Lien Lenders

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

17. Further Assurances

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

18. Miscellaneous

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

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

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

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

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

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

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

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

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

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

(k) Any provision of this Amended and Restated Support Agreement may be waived if, and only if, such waiver is in writing and signed by the Party against whom the waiver is to be effective (or, in the case of the Majority Consenting First Lien Lenders, Bennett Jones). A waiver by the Consenting First Lien Lenders will require the agreement of the Majority Consenting First Lien Lenders in order to be effective. No failure or delay by any Party in exercising any right, power or privilege hereunder shall operate as a waiver thereof nor shall any single or partial exercise thereof preclude any other or further exercise.

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

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

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

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

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

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

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

(i) If to the Borrower:

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

Email: sloov@connacheroil.com

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

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

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

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

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

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

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

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

(iii) If to the First Lien Agent:

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

Facsimile: 302.636.4145
Email: jfeil@wilmingtontrust.com

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

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

Facsimile: 212.755.7306
Email: lgrimm@jonesday.com

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

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

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

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

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

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

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

[Remainder of Page Intentionally Left Blank]

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

CONNACHER OIL AND GAS LIMITED

By: ______________________

Name: MERLE JOHNSON

Title: CEO

WILMINGTON TRUST, NATIONAL ASSOCIATION, as Administrative Agent

By: ______________________

Name:

Title:

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

CONNACHER OIL AND GAS LIMITED

By: ______________________________

Name:

Title:

WILMINGTON TRUST, NATIONAL ASSOCIATION, as Administrative Agent

By: ______________________________

Name: Joseph B. Feil

Title: Vice President

STRICTLY CONFIDENTIAL

Name of Consenting First Lien Lender:

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

Per: ______________________

Name: Sonia Gardner

Title: Member

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

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

STRICTLY CONFIDENTIAL

Name of Consenting First Lien Lender: CREDIT SUISSE LOAN FUNDING

Per:

Name: SIDDHARTH SWARUP

Title: AUTHORIZED SIGNATORY

Address: 11 MADISON AV
NEW YORK, NY, 10010

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

STRICTLY CONFIDENTIAL

Name of Consenting First Lien Lender:

Greywolf CLO II, LTD

By: Greywolf Loan Management LP, as Portfolio Manager

Per:

Name:

Title: Christopher Samios
Authorized Signatory

Address: 4 Manhattanville Road
Suite 201
Purchase, NY 10577

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

STRICTLY CONFIDENTIAL

Name of Consenting First Lien Lender:

Greywolf CLO III, LTD

By: Greywolf Loan Management LP, as Portfolio Manager

Per:

Name:

Title: Christopher Samios
Authorized Signatory

Address: 4 Manhattanville Road
Suite 201
Purchase, NY 10577

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

STRICTLY CONFIDENTIAL

Name of Consenting First Lien Lender:

Greywolf CLO IV, LTD

By: Greywolf Loan Management LP, as Portfolio Manager

Per: ______________________

Name:

Title: Christopher Samios
Authorized Signatory

Address: 4 Manhattanville Road
Suite 201
Purchase, NY 10577

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

STRICTLY CONFIDENTIAL

Name of Consenting First Lien Lender:

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

Per:

Name: Chris Samios

Title: General Counsel

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

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

STRICTLY CONFIDENTIAL

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

Per:

Name: Chris Samios

Title: General Counsel

Address: 4 Manhattanville Road Suite 201
Purchase, NY 10577

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

STRICTLY CONFIDENTIAL

Name of Consenting First Lien Lender: Trilogy Capital

Per: Barry D Kupferberg

Name: Barry D Kupferberg

Title: Director of Research

Address: 40 East 66th Street
New York, NY

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

STRICTLY CONFIDENTIAL

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

Per: [signature]

Name: Emile Du Toit

Title: Authorized Signatory

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

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

SCHEDULE "A"

DEFINITIONS

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

SCHEDULE “B”

PLAN TERM SHEET

SCHEDULE "B"

CONNACHER OIL AND GAS LIMITED

PLAN TERM SHEET

OUTLINE OF KEY TERMS AND CONDITIONS

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

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

I. PURPOSE OF TERM SHEET

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

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

II. PARTIES

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

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

III. IMPLEMENTATION OF TRANSACTION

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

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

IV. RECAPITALIZATION OF THE BORROWER

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

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

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

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

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

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

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

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

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

NEW SHARES:

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

V. NEW SENIOR SECURED TERM FACILITY

NEW SENIOR SECURED TERM FACILITY:

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

OID:

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

MATURITY:

5 years from the Effective Date.

INTEREST RATE:

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

BORROWER:

Connacher Oil and Gas Limited

AGENT:

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

AMORTIZATION:

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

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

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

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

VI. OTHER RESTRUCTURING TRANSACTION TERMS

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

- Loans under the ABL Facility will be available at any time prior to the maturity of the ABL Facility and amounts repaid under the ABL Facility may be re-borrowed.

- Subject to the priority of the ATB Security, as may be applicable, first lien priority ranking on account receivable of the Borrower and any Guarantor, and deposit accounts and general intangibles related thereto, and second lien priority ranking on all other collateral, all in accordance with an intercreditor agreement to be agreed.

- Other terms acceptable to the Consenting First Lien Lenders.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

VII. TRANSACTION – IMPLEMENTATION

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

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

VIII. PLAN TRANSACTION – TIMELINES

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

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

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

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

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

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

IX. ADDITIONAL MATTERS

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

SCHEDULE "C"

CCAA PLAN

COURT FILE NUMBER	1601-06131
COURT	COURT OF QUEEN'S BENCH OF ALBERTA
JUDICIAL CENTRE	CALGARY
APPLICANT	**IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED** **AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF CONNACHER OIL AND GAS LIMITED**
DOCUMENT	**PLAN OF COMPROMISE AND ARRANGEMENT**
ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT	**CASSELS BROCK & BLACKWELL LLP** Bankers Hall West 888-3rd Street SW Suite 3810 Calgary, Alberta T2P 5C5 Attn: Ryan Jacobs/Joseph Bellissimo/Natalie Levine Tel: 403-351-2920 Fax: 403-648-1151 rjacobs@casselsbrock.com jbellissimo@casselsbrock.com nlevine@casselsbrock.com

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PLAN OF COMPROMISE AND ARRANGEMENT OF CONNACHER OIL AND GAS LIMITED

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

Dated May 6, 2019

RECITALS

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

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

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

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

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

ARTICLE 1
DEFINITIONS AND INTERPRETATION

1.1 Definitions

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

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

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

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

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

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

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

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

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

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

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

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

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

"**ATB**" means ATB Financial;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(c) a Pre-Filing Claim;

(d) a Restructuring Period Claim;

(e) a D&O Claim;

(f) a D&O Restructuring Period Claim;

(g) a D&O Indemnity Claim;

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

(i) a Secured Claim;

(j) a Priority Secured Claim;

(k) an Equity Claim;

(l) a Post-Filing Claim;

(m) a Convenience Class Claim;

(n) a Crown Priority Claim;

(o) an Employee Priority Claim;

(p) a Municipal Tax Claim; and

(q) an Outstanding Municipal Tax Claim.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

"**Filing Date**" means May 17, 2016;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

"**Monitor's Certificate**" has the meaning given to it in Section 8.3 of this Plan;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

"**Second Lien Noteholders**" means holders of the Second Lien Notes;

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

"**Second Lien Notes Record Date**" has the meaning given to it in the Creditors' Meetings Order;

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

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

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

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

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

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

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

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

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

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

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

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

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

"**Tranche A Lender**" means a First Lien Lender holding Tranche A Loans;

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

"**Tranche B Lender**" means a First Lien Lender holding Tranche B Loans;

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

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

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

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

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

"**Voting Information and Election Form**" has the meaning given to it in the Creditors' Meetings Order; and

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

1.2 Article and Section Reference

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

1.3 Extended Meanings

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

1.4 Interpretation Not Affected by Headings

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

1.5 Inclusive Meaning

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

1.6 Currency

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

1.7 Statutory References

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

1.8 Successors and Assigns

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

1.9 Governing Law

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

1.10 Severability of Plan Provisions

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

1.11 Timing Generally

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

1.12 Time of Payments and Other Actions

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

1.13 Schedules

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

Schedule "A" - Restructuring Transactions

Schedule "B" - Form of Monitor's Certificate

ARTICLE 2
PURPOSE AND EFFECT OF PLAN

2.1 Purpose

The purpose of this Plan is:

(a) to implement the Recapitalization;

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

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

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

2.2 Persons Affected

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

2.3 Persons Not Affected

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

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

3.1 Claims Procedure

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

3.2 Classification of Creditors

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

3.3 Claims Unaffected by the Plan

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

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

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

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

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

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

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

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

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

3.4 Establishment of the Administrative Reserve Fund

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

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

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

3.5 Priority Secured Claims

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

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

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

3.6 Crown Priority Claims

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

3.7 Employee Priority Claims

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

3.8 Claims Secured by CCAA Charges

(a) Administration Charge

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

(b) Directors' Charge

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

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

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

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

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

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

(d) ATB Charge

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

ARTICLE 4
ESTABLISHMENT OF THE PLAN IMPLEMENTATION FUND

4.1 Plan Implementation Fund

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

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

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

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

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

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

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

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

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

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

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

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

ARTICLE 5
VOTING AND TREATMENT OF CREDITORS

5.1 Voting by the First Lien Lender Class

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

5.2 Treatment of the First Lien Lender Claims

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

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

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

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

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

5.3 Treatment of Second Lien Claims

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

5.4 Voting by Creditors in the General Creditor Class

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

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

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

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

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

5.5 Treatment of General Creditor Claims

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

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

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

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

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

5.6 Voting – Transferred Claims

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

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

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

5.7 Voting – All Classes

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

5.8 Existing Shareholders and Holders of Equity Claims

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

5.9 Other Non-Voting Persons

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

ARTICLE 6
IMPLEMENTATION OF THE RESTRUCTURING TRANSACTIONS

6.1 Restructuring Transactions

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

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

6.2 Effectuating Documents

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

ARTICLE 7
PROVISIONS GOVERNING DISTRIBUTIONS

7.1 Distribution to First Lien Lender Class

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

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

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

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

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

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

7.2 Distributions to the General Creditor Class

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

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

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

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

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

7.3 Disputed Claims

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

7.4 Interest on Affected Claims

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

7.5 Distributions in respect of Transferred Claims

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

7.6 Undeliverable and Unclaimed Distributions

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

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

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

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

7.7 Tax Matters

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

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

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

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

ARTICLE 8
CONDITIONS OF PLAN IMPLEMENTATION

8.1 Sanction Order

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

8.2 Conditions of Plan Implementation

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

8.3 Monitor's Certificate

Upon satisfaction or waiver of the conditions set out in Section 8.2, the Company and the Consenting First Lien Lenders, shall give written notice to the Monitor that the conditions set out in Section 8.2 have been satisfied or waived, and the Monitor shall, as soon as possible following receipt of such written notice, deliver to the Company and the Consenting First Lien Lenders, a certificate which states that all conditions precedent set out in Section 8.2 have been satisfied or waived, in substantially the form as the certificate attached as 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 Consenting First Lien Lenders and the Monitor to any such variation, modification, amendment or supplement, which consent shall not be unreasonably withheld. Any such supplementary or amended and restated plan or plans of compromise or arrangement or both shall, for all purposes, be deemed to be a part of and incorporated into this Plan. Any such variation, modification, amendment or supplement shall be posted on the Website and e-mail notice will be provided to the CCAA Proceeding service list. Creditors are advised to check the Website regularly. Creditors who wish to receive written notice of any variation, modification, amendment or supplement to the Plan should contact the Monitor in the manner set out in Section 11.12 of this Plan. Creditors in attendance at the Creditors' Meetings will also be advised of any such variation, modification, amendment or supplement to the Plan.

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

9.2 Amendments to Plan Following Approval

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

ARTICLE 10
EFFECT OF THE PLAN

10.1 Implementation

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

10.2 Effect of the Plan Generally

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

10.3 Compromise Effective for All Purposes

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

10.4 Release of Company and Other Released Parties

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

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

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

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

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

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

10.5 Injunction

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

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

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

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

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

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

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

10.6 Knowledge of Claims

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

10.7 Waiver of Defaults

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

10.8 Consents and Waivers

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

10.9 Deeming Provisions

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

10.10 Preferential Transactions

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

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

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

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

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

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

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

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

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

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

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

ARTICLE 11
GENERAL PROVISIONS

11.1 Further Assurances

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

11.2 Set-Off

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

11.3 Paramountcy

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

11.4 Revocation, Withdrawal, or Non-Consummation

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

11.5 Preservation of Rights of Action

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

11.6 Responsibilities of the Monitor

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

11.7 Reliance Upon Consent

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

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

11.8 Adjudication of Unresolved Claims

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

11.9 Obligation to Pay Only to the Extent Funds are Available

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

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

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

11.11 Monitor shall have no Personal Liability

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

11.12 Notices

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

(a) if to the Company:

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

Attention: Merle Johnson
Email: MeJohnson@Connacheroil.com

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

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

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

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

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

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

(b) if to the Monitor:

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

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

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

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

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

(c) if to the Consenting First Lien Lenders:

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

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

(d) if to the First Lien Agent

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

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

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

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

Attention: Lewis Grimm
Email: lgrimm@jonesday.com

(e) if to a Creditor:

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

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

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

SCHEDULE "A"

RESTRUCTURING TRANSACTIONS

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

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

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

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

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

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

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

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

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

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

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

(e) the Shareholders Agreement shall become effective;

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

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

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

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

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

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

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

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

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

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

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

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

SCHEDULE “B”

FORM OF MONITOR’S CERTIFICATE

COURT FILE NUMBER	1601-06131	Clerk’s Stamp
COURT	COURT OF QUEEN’S BENCH OF ALBERTA	
JUDICIAL CENTRE	CALGARY	
COMPANY	**IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED** **AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF CONNACHER OIL AND GAS LIMITED**	
DOCUMENT	**MONITOR’S CERTIFICATE**	
ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT	**MCCARTHY TETRAULT LLP** Suite 4000, 421 7th Avenue SW Calgary, Alberta T2P 4K9 Attn: Sean Collins/Walker MacLeod Tel: 403-260-3531 Fax: 403-260-3501 Email: scollins@mccarthy.ca wmacleod@mccarthy.ca	

RECITALS

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

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

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

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

THE MONITOR HEREBY CERTIFIES the following:

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

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

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

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

By: ______________________________

Name:

Title:

SCHEDULE "D"

CREDIT BID TERM SHEET

SCHEDULE "D"

CONNACHER OIL AND GAS LIMITED

CREDIT BID TERM SHEET

OUTLINE OF KEY TERMS AND CONDITIONS

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

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

I. PURPOSE OF TERM SHEET

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

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

II. PARTIES

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

LEGAL*47557649.11

CONSENTING FIRST LIEN LENDERS:

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

NEWCO:

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

III. IMPLEMENTATION OF TRANSACTION

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

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

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

IV. EFFECTIVE CONVERSION OF EXISTING FIRST LIEN DEBT

RESTRUCTURING TRANSACTION:

The Credit Bid Transaction shall include the following transactions whereby:

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

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

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

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

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

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

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

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

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

V. NEWCO SENIOR SECURED TERM FACILITY

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

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

MATURITY: 5 years from the Effective Date.

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

BORROWER: Newco.

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

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

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

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

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

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

	except for payments pursuant to the amortization schedule.
VOLUNTARY PREPAYMENTS:	Voluntary prepayments allowed at any time without penalty.
REPRESENTATIONS AND WARRANTIES:	Similar to those set forth in the First Lien Credit Agreement, or as otherwise required by the Consenting First Lien Lenders.
AFFIRMATIVE COVENANTS:	Similar to those set forth in the First Lien Credit Agreement, or as otherwise required by the Consenting First Lien Lenders.
NEGATIVE COVENANTS:	Similar to those set forth in the First Lien Credit Agreement, or as otherwise required by the Consenting First Lien Lenders.
FINANCIAL COVENANTS:	To be mutually agreed upon by the parties.
UNRESTRICTED SUBSIDIARIES:	None.
EVENTS OF DEFAULT:	Similar to those set forth in the First Lien Credit Agreement, or as otherwise required by the Consenting First Lien Lenders.
DEFAULT RATE:	Any principal or interest payable under or in respect of the Newco Senior Secured Term Facility not paid when due shall, to the extent permitted by law, bear interest at the applicable interest rate plus 2% per annum.
REPORTING:	Newco shall (i) provide annual and interim financial reports (including, for certainty, customary management and discussion analysis, reporting of reserves data and other information regarding oil and gas activities) in the form prescribed for US registrants together with, in connection with the annual reports, copies of independent evaluation report(s) in respect of Newco's reserves, and (ii) forthwith thereafter host quarterly calls with the lenders to discuss the foregoing, which calls will include a question and answer period.
VOTING OF LENDERS UNDER NEWCO FIRST LIEN CREDIT AGREEMENT:	Substantially the same as under the First Lien Credit Agreement.
COST AND YIELD PROTECTION:	Usual and customary provisions requiring Newco to reimburse the Newco Senior Secured Term Facility lenders for any increased costs incurred as a result of regulatory changes announced subsequent to the Effective Date.
ASSIGNMENTS AND PARTICIPATIONS:	Substantially the same as under the First Lien Credit Agreement.
EXPENSES AND INDEMNIFICATION:	Substantially the same as under the First Lien Credit Agreement.

OTHER TERMS:	Other terms generally consistent with the First Lien Credit Agreement and as agreed to by the Consenting First Lien Lenders.
GOVERNING LAW AND FORUM:	Alberta.

VI. OTHER RESTRUCTURING TRANSACTION TERMS

EFFECTIVE DATE:

If a CCAA Plan Termination Event occurs, then the Credit Bid Transaction shall promptly proceed and become effective on the date provided for under the Definitive Documents (as defined below) (the "**Effective Date**") and, as applicable, in accordance with any sequence specified therein.

ABL CREDIT FACILITY:

Newco may procure a senior secured multi-currency "first out" asset-based revolving credit facility in an amount up to US$25 million (the "**ABL Facility**"), which amount may be increased with the consent of lenders holding more than 50% of the principal amount outstanding under the Newco Senior Secured Term Facility, which may include the following terms:

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

CONDITIONS PRECEDENT:

The Credit Bid Transaction will be subject to the following closing conditions:

The Plan Transaction shall not have been consummated in accordance with the Support Agreement.

Receipt by the First Lien Agent (and New Agent, if applicable), and the Consenting First Lien Lenders of definitive legal documentation (the "**Definitive Documents**") implementing the Credit Bid Transaction (including, without limitation, the Newco

First Lien Credit Agreement and any related guarantees, security documents, and intercreditor agreement (as applicable), which Definitive Documents shall be in form and substance acceptable to the Borrower and Consenting First Lien Lenders, acting reasonably.

All necessary governmental or regulatory approvals shall have been received on terms and conditions satisfactory to the Borrower and the Consenting First Lien Lenders, including without limitation, all necessary approvals of the Alberta Energy Regulator (the "**AER**") including approvals of any license transfer applications, and any approvals of any other governmental or regulatory authority having or exercising jurisdiction with respect to the transfer, ownership or operation of the assets proposed to be transferred to Newco under the PSA.

Without limiting the foregoing, execution and delivery of (i) the PSA between the Borrower and Newco providing for the Newco Transfer and Assumption Transaction and (ii) the Payment and Settlement Agreement between the Borrower and the First Lien Agent, on terms and conditions acceptable to the Borrower and the Consenting First Lien Lenders, acting reasonably.

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

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

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

A unanimous shareholder agreement shall have been entered into in respect of Newco, such agreement in form and substance acceptable the Consenting First Lien Lenders.

Entry of an order of the Court, among other things, approving the Credit Bid Transaction and the PSA and vesting the Borrower's assets in Newco free and clear of all liens and encumbrances except for permitted liens (the "**Approval and Vesting Order**"), which Approval and Vesting Order shall be in form and substance acceptable to the Borrower, the Consenting First Lien Lenders and the First Lien Agent, and shall not have been reversed, amended or stayed. The application for the Approval and Vesting Order shall include a request for a release to be effective on the Effective Date of each Consenting First Lien Lender, the First Lien Agent and the Borrower and their respective present and former shareholders, members, partners, officers, directors, employees, auditors, financial advisors, legal counsel and agents (the "**Released Parties**") from and against any and all demands, claims, liabilities, causes of action, debts, accounts, covenants, damages, executions and other recoveries based in whole or in part on any act or omission, transaction, dealing or other occurrence existing or taking place on or prior to the Effective Date, relating to, arising out of or in connection with the First Lien Credit Agreement, the CCAA Proceeding, the Credit Bid Transaction (including the PSA) and the Support Agreement; provided that nothing herein or in any such requested release shall release or discharge the Released Parties if it is adjudged by the express terms of a judgment rendered on a final determination on the merits to have committed gross negligence, fraud or wilful misconduct (the "**Releases**").

If required, obtaining an order of the Court assigning to Newco any or all of the Borrower's agreements that constitute assets subject to the PSA and not excluded therefrom (the "**Assignment Order**"), which Assignment Order shall be in form and substance acceptable to the Borrower and the Consenting First Lien Lenders and shall not have been reversed, amended or stayed.

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

CORPORATE GOVERNANCE:	The board of directors of Newco upon or promptly following implementation of the Credit Bid Transaction (the "**New Board**") will be comprised of 5 directors, or such higher number of directors as may be determined by the Consenting First Lien Lenders, who will be initially selected as follows: • The Chief Executive Officer of Newco (who shall be Merle Johnson) shall occupy one position on the New Board. • Each person (or group of persons acting jointly or in concern for this purpose) that upon implementation of the Credit Bid Transaction will hold at least 20% of the Newco Shares will be entitled to select one of the initial members of the New Board, and thereafter such level of share ownership shall entitle the holder or holders, as applicable, to director nomination rights. • To the extent not all of the initial members of the New Board are selected based in accordance with the foregoing, the Consenting First Lien Lenders, in consultation with the Borrower, shall designate the remaining members of the New Board, each of which will be "independent".
EMPLOYEE MATTERS:	A management incentive plan shall be in place on terms acceptable to the Consenting First Lien Lenders and management on the Effective Date. A credit bid key employee retention plan substantially in the form attached as Schedule "H" to the Support Agreement shall have been approved by the Court pursuant to the Authorization Order. Key management employment agreements shall be in place on terms acceptable to Consenting First Lien Lenders and such key management employees on the Effective Date. The Borrower's obligations to its non-executive employees shall be assumed by Newco and shall otherwise remain unaffected by the Credit Bid Transaction. Executive employment arrangements will be as provided in the key management employment agreements referred to in the preceding paragraph.
TAX CONSIDERATIONS:	The Credit Bid Transaction will be structured in a manner acceptable to the Borrower and the Consenting First Lien Lenders to effectuate the terms and conditions outlined herein in a tax efficient and acceptable manner for the Borrower and the Consenting First Lien Lenders and in order to maximize Newco's tax position, including the movement of the Borrower's existing resource pools to Newco.

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

VII. TRANSACTION – IMPLEMENTATION

TRANSACTION:	The Borrower, the Consenting First Lien Lenders, the First Lien Agent and their respective legal and financial advisors, shall work cooperatively with each other in respect of all matters necessary to implement the Credit Bid Transaction.
SUPPORT AGREEMENT	The Borrower, First Lien Agent and Consenting First Lien Lenders have signed the Support Agreement to support and facilitate the closing of either the Plan Transaction or the Credit Bid Transaction, and agree to take such necessary steps to promptly implement and complete either Transaction in accordance therewith.

VIII. CREDIT BID TRANSACTION – TIMELINES[2]

Execution of PSA	Promptly after the occurrence of a CCAA Plan Termination Event
Obtain the Approval and Vesting Order (and Assignment Order, if required)	Within 15 business days after execution of the PSA
Submission of AER license transfer applications	Contemporaneously with/same day as execution of PSA
Deadline for occurrence of Effective Date (i.e. "Closing" under the PSA and completion of all other Credit	Within 45 days after Approval and Vesting Order is granted

[2] Applicable if Credit Bid Transaction proceeds as contemplated under Part III above.

Bid Transaction steps)

IX. ADDITIONAL MATTERS

REPAYMENT:	Notwithstanding anything else contained herein, the Borrower may repay in cash all First Lien Obligations under the First Lien Credit Agreement at any time prior to the consummation of any transaction, in which case the Support Agreement and the obligations thereunder shall be terminated and of no force and effect, except such agreements and obligations of the parties that by their terms expressly survive termination of the Support Agreement.
POST-TRANSACTION CLOSE TRANSITION MATTERS	In the event the Credit Bid Transaction is to be effected, the PSA and the Approval and Vesting Order shall provide, that the Borrower shall retain from existing cash on hand at closing, (i) such amounts as are necessary to satisfy in full any claims (including any claims under the CCAA Court-ordered charges established in the CCAA Proceeding) which are *pari passu* with or have priority over the claims under the First Lien Credit Agreement, and (ii) a cash reserve in the amount set forth on Schedule H to the PSA or such other amount as may be agreed to by each of the Borrower, the Monitor and the Consenting First Lien Lenders (the "**Administrative Reserve**")[3] in order to facilitate an orderly wind-down of the Borrower and/or the monetization or distribution of any assets of the Borrower not otherwise acquired by Newco. Contemporaneous with seeking the Approval and Vesting Order, the Borrower shall seek Court approval of a distribution order in form and substance acceptable to the Borrower, the First Lien Agent, the Consenting First Lien Lenders and Monitor, which order shall provide for, *inter alia*, (a) the distribution of the funds necessary to pay priority or *pari passu* claims in full (including all Court-ordered charges) or the establishment of a reserve of such funds as required to address priority or *pari passu* claims in full (including all Court-ordered charges) and (b) the funding and distribution of the Administrative Reserve (the "**Distribution Order**").

[3] It is assumed that the cash-on-hand at closing will be sufficient to satisfy all priority or *pari passu* claims.

SCHEDULE "E"

PSA

PURCHASE AND SALE AGREEMENT

BETWEEN

CONNACHER OIL AND GAS LIMITED

AND

[NEWCO][1]

•, 2019

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[1] NewCo to be incorporated prior to execution of PSA; particulars regarding formation and organization to be confirmed in advance of execution. The PSA contemplates that at the time of execution the Plan Transaction (as defined in the Amended and Restated Support Agreement) will have run its course and a CCAA Plan Termination Event will have occurred with the result that the parties are proceeding with the Credit Bid Transaction (as defined in the Amended and Restated Support Agreement). The Approval and Vesting Order will need to be obtained prior to Closing. AER license transfer applications would be submitted upon execution of the PSA, and Closing will occur once the AER license transfer applications have been approved (and all other conditions precedent have been satisfied). Bennett Jones, Cassels and current management of Connacher to consider when Newco will apply to AER for BA code, as Newco must have the BA code prior to submission of the AER license transfer applications to the AER, which will be initiated upon execution of the PSA.

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PURCHASE AND SALE AGREEMENT

THIS AGREEMENT made as of the [•] day of [•], 2019,

BETWEEN:

CONNACHER OIL AND GAS LIMITED, a corporation incorporated under the laws of Canada (hereinafter referred to as the "**Seller**")

- and -

[NEWCO], a corporation incorporated under the laws of **[British Columbia]** (hereinafter referred to as the "**Purchaser**")

RECITALS:

WHEREAS the Seller is indebted to the First Lien Agent and the First Lien Lenders in the principal amount of not less than **[US$•]**, plus accrued but unpaid interest and all other amounts (including fees, costs and expenses) under the First Lien Credit Agreement;

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

WHEREAS after extensive arm's length negotiations, the Seller entered into that certain Support Agreement dated as of March 19, 2018 (the "**Original Support Agreement**") with the First Lien Agent and the Initial Consenting First Lien Lenders;

WHEREAS on March 28, 2018, the Seller obtained an order (the "**SISP Order**") from the Court authorizing and directing it to commence and implement a comprehensive sale and investment solicitation process (the "**SISP**");

WHEREAS with the approval of the Consenting First Lien Lenders, the Seller identified and pursued an Alternative Transaction pursuant to the SISP, but such an Alternative Transaction was terminated by the Seller with the consent of the Consenting First Lien Lenders on February 16, 2019 pursuant to the SISP and in accordance with the terms of the Plan Sponsorship Agreement;

WHEREAS after extensive arm's length negotiations, the Seller entered into that certain amended and restated support agreement dated [•], 2019 (the "**Amended and Restated Support Agreement**") with the First Lien Agent and the Consenting First Lien Lenders which replaces the Original Support Agreement;

WHEREAS the Amended and Restated Support Agreement contemplated that the parties thereto would each use commercially reasonable efforts to give effect to the Plan Transaction by way of the CCAA Plan, subject to the terms thereof;

WHEREAS a CCAA Plan Termination Event has occurred such that parties to the Amended and Restated Support Agreement have no further obligations to give the effect to the Plan

Transaction by way of the CCAA Plan and are obligated to proceed to implement the Credit Bid Transaction as contemplated herein, subject to the terms of the Amended and Restated Support Agreement;

WHEREAS, in accordance with the Amended and Restated Support Agreement, the Seller desires to sell, transfer and assign, and the Purchaser desires to purchase and assume, substantially all of the Seller's assets used in connection with the Seller's business, and the Purchaser further desires to assume certain liabilities in connection therewith, upon the terms and subject to the conditions contained in this Agreement;

WHEREAS the Seller's ability to consummate the Transactions is subject to, among other things, the entry of the Approval and Vesting Order by the Court; and

NOW, THEREFORE, in consideration of the foregoing and the representations, warranties, covenants and agreements contained in this Agreement and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties hereto agree as follows:

ARTICLE I
DEFINITIONS

Section 1.1 Recitals.

The recitals set forth above are incorporated by reference and are expressly made part of this Agreement.

Section 1.2 Definitions.

In this Agreement and all Schedules attached hereto, unless the context otherwise requires:

"**Abandonment and Reclamation Obligations**" means all past, present and future obligations to:

(a) abandon, shut-down, close, decommission, dismantle or remove any and all Wells and Tangibles, including all structures, foundations, buildings, pipelines, equipment and other facilities located on the Lands or used or previously used in respect of Petroleum Substances produced or previously produced from the Lands; and

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

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

"**Accounts Receivable**" means any and all accounts receivable, notes receivable, cheques, similar instruments, and other amounts receivable owed to the Seller for goods and services rendered in the operation of the business of the Seller together with all security or other collateral therefor and any interest for unpaid financing charges accrued thereon.

"**Action**" means any claim, action, complaint, suit, litigation, arbitration, appeal, petition, inquiry, hearing, order, decree, proceeding, investigation or other legal dispute, whether civil, criminal, administrative or otherwise, at law or in equity, by or before any Governmental Authority.

"**Administrative Reserve**" means an amount in cash sufficient to satisfy the Wind-Down Amount and the Reserve Payment Amount to be paid to the Monitor from Cash and Cash Equivalents on hand in immediately available funds at Closing.

"**AER**" means the Alberta Energy Regulator, or any successor thereto having jurisdiction over the Purchased Assets or certain of them or the operation thereof.

"**Affiliate**" means, with respect to any Person, any other Person that directly, or indirectly through one or more intermediaries, controls, is controlled by, or is under common control with, such Person. For purposes of this definition, "control" (including, with correlative meaning, the terms "controlling" and "controlled") means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such Person, whether through ownership of voting securities, by contract or otherwise.

"**Agreement**" has the meaning set forth in the preamble.

"**Alternative Transaction**" has the meaning set forth in the Amended and Restated Support Agreement.

"**Amended and Restated Support Agreement**" has the meaning set forth in the preamble.

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

"**Approval and Vesting Order**" means an order of the Court substantially in the form attached hereto as Schedule I, as may be amended in a manner acceptable to the Parties, acting reasonably, approving the Transactions and vesting all of the Seller's right, title and interest in and to the Purchased Assets in the Purchaser.

"**Assignment Order**" means an order of the Court issued in the CCAA Proceeding, in form and substance satisfactory to the Parties, acting reasonably, assigning the Seller's interest in and to the Assumed Contracts that require consent to assign to the Purchaser pursuant to Section 11.3 of the CCAA, which Order may form part of the Approval and Vesting Order.

"**Assumed Contracts**" means the Contracts referenced in subsection (a) of the definition of Miscellaneous Interests, the Real Property Leases and all other Contracts other than the Excluded Contracts, which Contracts shall be assigned by the Seller and assumed by the Purchaser and/or one or more Purchaser Designees in accordance with the terms of this Agreement, the relevant Contracts or otherwise pursuant to Section 11.3 of the CCAA, the Approval and Vesting Order, or other order of the Court in form and substance satisfactory to the Parties.

"**Assumed Liabilities**" has the meaning set forth in Section 2.5.

"**ATB**" means Alberta Treasury Branches.

"**BEH Royalty Agreement**" means the royalty agreement between Seller and Burgess Energy Holdings L.L.C. dated January 29, 2018.

"**Bill of Sale**" means the bill of sale substantially in the form set forth in Schedule D.

"**Books and Records**" means all documents used by, and in the possession of, the Seller in connection with, or relating to, the Purchased Assets, the Assumed Liabilities, or the operations of the Seller's business, including the Title Documents, all files, data, reports, plans, mailing lists, supplier lists, customer lists, price lists, Financial Records, marketing information and procedures, advertising and promotional materials, equipment records, warranty information, environmental site assessments, building condition reports, surveys, records of operations, standard forms of documents, manuals of operations or business procedures, and other similar procedures (including all discs, tapes, and other media-storage data containing such information), other than Retained Books and Records.

"**Business Day**" means any day other than a Saturday, Sunday, or other day on which commercial banks in Calgary, Alberta, New York City, New York, or Toronto, Ontario are authorized or obligated to close under Applicable Laws.

"**Business Permits**" means all material permits, consents, licenses, approvals, or similar authorizations of Governmental Authorities required for operation of the business of the Seller, excluding any permits, consents, licenses, approvals, or authorizations which fall within the definition of Title Documents.

"**Cash and Cash Equivalents**" means all of the Seller's cash and cash equivalents (including restricted cash, petty cash and cheques received prior to the close of business on the Closing Date), chequing account balances, marketable securities, certificates of deposits, time deposits, bankers' acceptances, commercial paper and government securities and other cash equivalents, other than the Administrative Reserve as determined in accordance with (and subject to) the provisions of Sections 2.9 and 2.10.

"**CCAA**" has the meaning set forth in the recitals.

"**CCAA Plan**" has the meaning set forth in the Amended and Restated Support Agreement.

"**CCAA Plan Termination Event**" has the meaning set forth in the Amended and Restated Support Agreement.

"**CCAA Proceeding**" has the meaning set forth in the recitals.

"**Claims**" means all rights, claims, actions, refunds, causes of action, choses in action, suits or proceedings, including rights to refunds and rights of recovery, set off, recoupment, indemnity or contribution and other similar rights (known and unknown, matured and unmatured, accrued or contingent, regardless of whether such rights are currently exercisable).

"**Claims Bar Process**" means (i) the claims bar process conducted pursuant to the Order of the Court dated September 26, 2016, and (ii) the supplemental claims bar process conducted pursuant to the Order of the Court dated August 22, 2018, calling for certain Claims against the Seller.

"**Closing**" has the meaning set forth in Section 7.1.

"**Closing Date**" has the meaning set forth in Section 7.1.

"**Closing Documents**" means any agreements, instruments, or other documents to be delivered at the Closing pursuant to Section 7.2 or Section 7.3.

"**Conditions Certificates**" has the meaning set forth in Section 7.5.

"**Confidential Information**" all information obtained from the Seller or the Purchaser, or any of their respective Representatives or Affiliates, in connection with the Purchased Assets or the Transactions herein provided for (including any information concerning this Agreement).

"**Consent**" means any consent, approval, concession, grant, waiver, exemption, license, certificate, variance, registration, permit, order, or other authorization of or notice of any Person (excluding the Licence Transfers).

"**Contracts**" means any contract, agreement, commitment, understanding, arrangement, license or lease entered into by the Seller (whether oral or written) or affecting or related to any of the Seller's business, the Purchased Assets or the Assumed Liabilities or by which the Seller is bound or by which any property of the Seller is subject to an Encumbrance.

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

"**Court**" has the meaning set forth in the recitals.

"**Credit Bid KERP**" means the credit bid key employee retention plan substantially in the form attached at Schedule “H” to the Amended and Restated Support Agreement.

"**Credit Bid Transaction**" has the meaning given to such term in the Amended and Restated Support Agreement.

"**Cure Costs**" means in respect of all Assumed Contracts, all amounts, costs and expenses required to be paid at Closing to remedy all of Seller's monetary defaults in relation to the Assumed Contracts as may be required pursuant to the Assignment Order or otherwise required to secure a counterparty's or any other necessary Person's consent to the assignment of an Assumed Contract, and includes any other fees and expenses required to be paid to a counterparty or any other Person to effect an assignment of an Assumed Contract.

"**Disclosure Schedule**" means Schedule C.

"**Employee Benefit Plans**" means each employee benefit plan and all other compensation and benefits plans, agreements, programs, policies, commitments, arrangements or payroll practices, including each share purchase, share option, restricted share, profit sharing, pension, savings, retirement, retirement savings, pension, severance, retention, employment, consulting, change-of-control, collective bargaining, bonus, incentive, deferred compensation, disability or other insurance, health, dental, or similar benefits, supplemental unemployment benefit, employee loan, fringe benefit and other benefit plan, agreement, program, policy, commitment, arrangement or practice (including any related funding mechanism now in effect or required in the future) whether formal or informal, oral or written, funded or unfunded, registered or unregistered, in each case, that is sponsored, maintained, contributed to or required to be contributed to by the Seller, under which any Employees participate or are eligible to participate, or under which the Seller has any current or potential Liability.

"**Employees**" means the employees of the Seller, as set forth under the heading "Employees" in the Schedule F.

"**Encumbrances**" means all mortgages, pledges, charges, liens, debentures, trust deeds, Claims, assignments by way of security or otherwise, security interests, conditional sales contracts or other title retention agreements, security created under the *Bank Act* (Canada), rights of first refusal, or similar interests or instruments charging or creating a security interest in the Purchased Assets or any part thereof or interest therein, and any agreements, leases, licenses, occupancy agreements, options, easements, rights of way, restrictions, executions, or other encumbrances (including notices or other registrations in respect of any of the foregoing) affecting title to the Purchased Assets or any part thereof or interest therein.

"**Environment**" means the components of the earth and includes the air, the surface and subsurface of the earth, bodies of water (including rivers, streams, lakes and aquifers) and plant and animal life (including humans).

"**Environmental Laws**" means all Applicable Laws relating to pollution or protection of human health or the Environment (including ambient air, water, surface water, groundwater, land surface, soil, or subsurface) or natural resources, including Applicable Laws relating to the storage, transfer, transportation, investigation, cleanup, treatment, or use of, or release or threatened release into the Environment of, any Hazardous Substances.

"**Environmental Liabilities**" means all past, present and future Liabilities, Claims and other duties and obligations, whether arising under contract, Applicable Laws or otherwise, arising from, relating to or associated with:

(a) any damage, pollution, contamination or other adverse situations pertaining to the Environment howsoever and by whomsoever caused and regardless of whether such damage, pollution, contamination or other adverse situations occur or arise in whole or in part prior to, at or subsequent to the date of this Agreement;

(b) the presence, storage, use, holding, collection, accumulation, assessment, generation, manufacture, processing, treatment, stabilization, disposition, handling, transportation, release, emission or discharge of Petroleum Substances, oilfield wastes, water, Hazardous Substances, environmental contaminants and all other substances and materials regulated under any Applicable Law, including any forms of energy, or any corrosion to or deterioration of any structures or other property;

(c) compliance with or the consequences of any non-compliance with, or violation or breach of, any Applicable Law pertaining to the Environment or to the protection of the Environment;

(d) sampling, monitoring or assessing the Environment or any potential impacts thereon from any past, present or future activities or operations; or

(e) the protection, reclamation, remediation or restoration of the Environment;

that relate to or arise by virtue of the Purchased Assets or the ownership thereof or any past, present or future operations and activities conducted in connection with the Purchased Assets or on or in respect of the Lands or any lands pooled or unitized therewith.

"**ETA**" means the *Excise Tax Act* (Canada), R.S.C. 1985, c. E-15, as amended.

"**Excluded Assets**" has the meaning set forth in Section 2.2.

"**Excluded Contracts**" means the Contracts, if any, of the Seller identified as such in Schedule B.

"**Excluded Employees**" has the meaning set out in Section 5.8(a).

"**Excluded Liabilities**" has the meaning set forth in Section 2.6.

"**Facilities**" means the Seller's entire interest in and to all field facilities whether or not solely located on or under the surface of the Lands (or lands with which the Lands are pooled) and that are, or have been, used for production, gathering, treatment, compression, transportation, injection, water disposal, measurement, processing, storage or other operations respecting the Leased Substances, including any applicable battery, separator, compressor station, gathering system, pipeline, production storage facility or warehouse, including those field facilities specifically identified in Part 2 of Schedule A.

"**Filing Date**" means May 17, 2016.

"**Financial Records**" means all books of account and other financial data and information of the Seller and all such records, data, and information stored electronically, digitally, or on computer-related media.

"**First Lien Agent**" means Wilmington Trust, National Association, in its capacity as the successor administrative agent and collateral agent under the First Lien Credit Agreement, or any successor or sub-agent appointed thereto.

"**First Lien Credit Agreement**" means the Credit Agreement dated as of May 23, 2014 among the Seller, as borrower, the lenders party thereto (being the First Lien Lenders) and the First Lien Agent (as such agreement has been and may be amended, supplemented or otherwise modified from time to time, including by the Amendment No. 1 dated May 8, 2015).

"**First Lien Indebtedness**" means all present and future indebtedness, liabilities and obligations owing by the Seller to the First Lien Agent and the First Lien Lenders under the First Lien Credit Agreement (and for certainty, including without limitation, principal, interest, costs and expenses).

"**First Lien Lenders**" means the lenders from time to time under the First Lien Credit Agreement.

"General Conveyance, Assignment and Assumption Agreement" means an agreement providing for the assignment by the Seller of the Seller's right, title, and interest in and to the Purchased Assets, free and clear of all Encumbrances (other than Permitted Encumbrances), substantially in the form attached hereto as Schedule E, and the assumption by the Purchaser or one or more Purchaser Designees of the Assumed Liabilities, substantially in the form attached hereto as Schedule E.

"**Governmental Authority**" means any federal, national, provincial, territorial, municipal or other government, any political subdivision thereof, and any ministry, sub-ministry, agency or sub-agency, court, board, bureau, office, or department, including any government-owned entity, having jurisdiction over a Party, the Purchased Assets, the Excluded Assets or any of the Transactions.

"**GST**" means the goods and services tax provided for in the ETA and any other tax imposed or levied by the Government of Canada on or in respect of the sale or supply of goods or services in addition to or replacement for such goods and service tax.

"**Hazardous Substances**" means any substance, material or waste defined, regulated, listed or prohibited by Environmental Laws, including pollutants, contaminants, chemicals, deleterious substances, dangerous goods, hazardous or industrial toxic wastes or substances, radioactive materials, flammable substances, explosives, Petroleum Substances and products of Petroleum Substances, polychlorinated biphenyls, chlorinated solvents and asbestos.

"**Hired Employees**" means those employees and contractors of the Seller listed in Schedule F who accept an offer of employment from the Purchaser made in accordance with Section 5.8.

"**Indebtedness**" of any Person means, without duplication: (a) all obligations of such Person for borrowed money or advances; (b) all obligations of such Person evidenced by bonds, debentures, notes, loan agreements, or similar instruments; (c) all obligations of such Person under conditional sale or other title retention agreements relating to property purchased by such Person (even though the rights and remedies of the seller or lenders under such agreement in the event of default are limited to repossession or sale of such property); (d) all obligations of such Person issued or assumed as part of the deferred purchase price of property or services; (e) all indebtedness secured by any Encumbrance on property owned or acquired by such Person (including indebtedness arising under conditional sales or other title retention agreements), whether or not the obligations secured thereby have been assumed; (f) any obligations with respect to bank guarantees, deferred compensation arrangements, workers' compensation liabilities, employee medical liabilities, bonuses, and any required statutory payments to employees; (g) all obligations of such Person for the reimbursement of any obligor in respect of letters of credit, letters of guaranty, bankers' acceptances, and similar credit transactions; and (h) all contingent obligations of such Person in respect of Indebtedness or obligations of others of the kinds referred to in clauses (a) through (g) above.

"**Independent Contractors**" means consultants and independent contractors engaged by the Seller in the conduct of the business of the Seller as of •, 2019, as disclosed in the Schedule F.

"**Initial Consenting First Lien Lenders**" means those First Lien Lenders that are initial signatories to the Amended and Restated Support Agreement.

"**Initial Order**" has the meaning set forth in the recitals.

"**Intellectual Property Rights**" means trade names, brand names, corporate names, business names, trademarks (including logos), trademark registrations and applications, service marks, service mark registrations and applications, copyrights, copyright registrations and applications, derivative works, moral rights, all rights to use any name or mark, and any related or associated name, internet domain names, URLs, issued patents and pending applications and other patent rights, industrial design registrations, pending applications and other industrial design rights, improvements, trade secrets, proprietary information and know-how, equipment and parts lists and descriptions, instruction manuals, inventions, inventors' notes, research data, blueprints, drawings and designs, formulae, processes, computer software (including source code, executable code, firmware, data, databases, and technical documentation), internal-use software, and technical manuals and documentation used in connection therewith, technology, and other intellectual property, together with all rights under licenses, registered user agreements, technology transfer agreements, other agreements, or instruments relating to any of the foregoing, and goodwill associated with any of the foregoing, anywhere in the world.

"**Joining Consenting First Lien Lenders**" has the meaning set forth in the Amended and Restated Support Agreement.

"**Key Employees"** means Merle Johnson, Jeff Beeston, Suzanne Loov and Gordon Trainor.

"**Lands**" means the lands set out and described in Part 1 of Schedule A, and the Petroleum Substances within, upon or under such lands (subject to the restrictions and exclusions identified in Part 1 of Schedule A and in the Title Documents as to Petroleum Substances and geological formations).

"**Leased Substances**" means all Petroleum Substances, rights to or in respect of which are granted, reserved or otherwise conferred by or under the Title Documents (but only to the extent that the Title Documents pertain to the Lands).

"**Liability**" means any debt, liability, commitment, or other obligation (whether direct or indirect, known or unknown, absolute or contingent, accrued or unaccrued, liquidated or unliquidated, or due or not yet due) and including all costs, fees and expenses relating thereto.

"**Licence Transfers**" means the transfer from the Seller to the Purchaser of any permits, approvals, licences and authorizations granted by the AER in relation to the construction, installation, ownership, use or operation of the Well, pipeline or facility licences pertaining to Oil and Gas Assets.

"**LTAs**" has the meaning set forth in Section 3.1(a).

"**Management Incentive Plan**" means the management incentive plan substantially in the form set forth in Schedule K.

"**Material Adverse Effect**" means, in relation to a specified fact, circumstance or event or any combination thereof, that the fact, circumstance or event or combination thereof has or is reasonably expected to have a material adverse effect on the Oil and Gas Assets, the Assumed Liabilities or the Seller's business (excluding the Excluded Assets and the Excluded Liabilities), considered as a whole, but excluding any such effect or effects:

(a) that result from conditions affecting the Western Canadian oil and gas industry as a whole;

(b) that result from general economic, financial, currency exchange, securities or commodity market conditions in Canada or elsewhere;

(c) that result from natural declines in the production of Petroleum Substances or changes in the quantity, quality or rate of production of Petroleum Substances from the Lands or lands pooled or unitized therewith;

(d) that have been disclosed or are referred to in the Disclosure Schedule; or

(e) that result from changes in the market price of oil, bitumen or diluent;

provided that, with respect to clauses (a), (b) and (e) of this definition, the conditions or changes contemplated therein do not have a disproportionate effect on the Oil and Gas Assets, the Assumed Liabilities or the Seller's business relative to the effect of other commercial enterprises operating a business that is similar to the Seller's business or owning assets that are similar to the Oil and Gas Assets;

"**Material Contracts**" has the meaning set forth in the Amended and Restated Support Agreement.

"**Miscellaneous Interests**" means, subject to any and all limitations and exclusions provided for in this definition, Seller's entire interest in and to all property, assets, interests and rights pertaining to the Petroleum and Natural Gas Rights and the Tangibles (other than the Petroleum and Natural Gas Rights and the Tangibles), or either of them, but only to the extent that such property, assets, interests and rights pertain to the Petroleum and Natural Gas Rights and the Tangibles, or either of them, including any and all of the following:

(a) all Contracts relating to the Petroleum and Natural Gas Rights and the Tangibles, or either of them (including the Title Documents);

(b) all warranties, guarantees and similar rights relating to the Petroleum and Natural Gas Rights and the Tangibles, or either of them, including warranties and guarantees made by suppliers, manufacturers and contractors under the Purchased Assets, and claims against other Third Parties in connection with the contracts relating to the Petroleum and Natural Gas Rights and the Tangibles;

(c) all subsisting rights to carry out operations relating to the Lands or the Tangibles, and without limitation, all easements and other permits, licenses and authorizations pertaining to the Tangibles;

(d) rights to enter upon, use, occupy and enjoy the surface of any lands which are used or may be used to gain access to or otherwise use the Petroleum and Natural Gas Rights and the Tangibles, or either of them;

(e) all records, books, documents, licences, reports and data which relate to the Petroleum and Natural Gas Rights and the Tangibles, or either of them including any of the foregoing that pertain to geological or geophysical matters and, including plats, surveys, maps, cross-sections, production records, electric logs, cuttings, cores, core data, pressure data, decline and production curves, well files, and related matters, division of interest records, lease files, title opinions, abstracts of title, title curative documents, lease operating statements and all other accounting information, marketing reports, statements, gas balancing information, and all other documents relating to customers, sales information, supplier lists, records, literature and correspondence, physical maps, geologic or geophysical interpretation, electronic and physical project files; and

(f) the Wells, including the wellbores and any and all down-hole monitoring and pumping equipment;

Unless otherwise agreed in writing by the Parties, the Miscellaneous Interests shall not include agreements, documents or data to the extent that they are owned or licensed by Third Parties with restrictions on their deliverability or disclosure by Seller to an assignee.

"**Monitor**" means Ernst & Young Inc., in its capacity as Court-appointed monitor of the Seller, pursuant to the Initial Order.

"**Monitor's Certificate**" means the certificate, substantially in the form attached to the Approval and Vesting Order, signed by the Monitor.

"**Newco First Lien Credit Agreement**" has the meaning set forth in Section 2.4(b)(ii).

"**Notice**" has the meaning set forth in Section 9.5(b).

"**Offers of Comparable Employment**" has the meaning set forth in Section 5.8(a).

"**Oil and Gas Assets**" means the Petroleum and Natural Gas Rights, the Tangibles, and the Miscellaneous Interests, but specifically excluding the Excluded Assets.

"**Order**" means any order, writ, judgment, injunction, decree, stipulation, determination, decision, verdict, ruling, subpoena, or award entered by or with any Governmental Authority (whether temporary, preliminary, or permanent).

"**Original Support Agreement**" has the meaning set forth in the recitals.

"**Outstanding ROFR Assets**" has the meaning set forth in Section 5.13(e)(ii).

"**Outstanding ROFRs**" has the meaning set forth in Section 5.13(e).

"**Party**" means the Seller or the Purchaser.

"**Payment and Settlement Agreement**" means the agreement to be entered into between the Seller and the First Lien Agent providing for the payment and settlement by the Seller of all of its obligations under the First Lien Credit Agreement, in substantially the form attached hereto at Schedule J.

"**Permitted Encumbrances**" means:

(a) all Encumbrances, including any overriding royalties, net profits interests and other burdens, which are identified in Part 1 of Schedule A;

(b) the terms and conditions of the Assumed Contracts and the Title Documents, including ROFRs, the requirement to pay any rentals or royalties to the grantor thereof to maintain the Title Documents in good standing and any royalty or other burden reserved to the grantor thereof or any gross royalty trusts applicable to the grantor's interest in any of the Title Documents;

(c) the right reserved to or vested in any grantor, Governmental Authority or other public authority by the terms of any Title Document or by Applicable Laws to terminate any Title Document;

(d) easements, right of way, servitudes or other similar rights in land, including rights of way and servitudes for highways, railways, sewers, drains, gas and oil pipelines, gas and water mains, electric light, power, telephone or cable television conduits, poles, wires or cables;

(e) taxes on Petroleum Substances or the income or revenue therefrom, unless specifically excluded and governmental restrictions on production rates from the Wells or on operations being conducted on the Lands or otherwise affecting the value of any of the Oil and Gas Assets;

(f) agreements for the sale, processing, transmission or transportation of Petroleum Substances, which are set forth in the Disclosure Schedule or entered into by the Seller subsequent to the date of this Agreement;

(g) any obligation of Seller to hold any portion of its interest in and to any of the Purchased Assets in trust for Third Parties;

(h) any rights reserved to or vested in any Governmental Authority to control or regulate the ownership, use or operation of any of the Oil and Gas Assets in any manner, including governmental requirements imposed by statute or Governmental Authorities as to rates of production from operations or otherwise affecting recoverability of Petroleum Substances;

(i) undetermined or inchoate liens incurred or created as security in favour of any Person with respect to the development or operation of any of the Purchased Assets, as regards Seller's share of the costs and expenses thereof which are not due or delinquent as of the date hereof or, if then due or delinquent are being contested in good faith by Seller;

(j) the reservations, limitations, provisos and conditions in any grants or transfers from the Crown of any of the Lands or interests therein, and statutory exceptions to title;

(k) agreements respecting the operation of Wells by contract field operators;

(l) provisions for penalties and forfeitures under agreements as a consequence of non-participation in operations;

(m) liens granted in the ordinary course of business to a public utility, municipality or Governmental Authority with respect to operations pertaining to any of the Purchased Assets; and

(n) any Encumbrances not released by the Approval and Vesting Order.

"**Person**" means an individual, body corporate, partnership, limited liability company, corporation, trust, joint venture, association, joint stock company, unincorporated organization, Governmental Authority, or other entity, and includes the successors and assigns thereof and the heirs, executors, administrators or other legal representatives of an individual.

"**Personal Property**" means all furniture, furnishings, fixtures, equipment, appliances, tools, motor vehicles, parts, machinery, supplies, signs and signage, inventory (including inventory held at any location controlled by the Seller and any inventory previously purchased and in transit to the Seller), and all other tangible personal property used in the operation and maintenance of the Seller's business, excluding any property comprising the Oil and Gas Assets.

"**Petroleum and Natural Gas Rights**" means the Seller's entire interest in and to all rights to (including Crown oil sands rights) and in respect of the Leased Substances and the Title Documents (but only to the extent that the Title Documents pertain to the Lands), including the interests set out and described in Part 1 of Schedule A.

"**Petroleum Substances**" means any of crude oil, crude bitumen and products derived therefrom, synthetic crude oil, petroleum, natural gas, natural gas liquids, and any and all other substances related to any of the foregoing, whether liquid, solid or gaseous, and whether hydrocarbons or not, including sulphur.

"**Plan Sponsorship Agreement**" means the CCAA Acquisition and Plan Sponsorship Agreement between the Seller and East River Oil and Gas Ltd. dated August 2, 2018, as amended.

"**Plan Transaction**" has the meaning set forth in the Amended and Restated Support Agreement.

"Post-Filing Period" means the period from and including the Filing Date up to and including the Closing Date.

"Priority Claims" means any claims or portion thereof that rank *pari passu* with, or senior in priority to, the First Lien Indebtedness, including the following:

(a) all claims and amounts secured by the Charges (as defined in the Initial Order and as amended or supplemented from time to time) or such other charges ordered by the Court in the CCAA Proceedings;

(b) any claims subject to a statutory deemed trust as described in Section 37(2) of the CCAA (inclusive of the statutory deemed trusts described in paragraph 7(a) of the Initial Order) or subject to a statutory lien as described in Section 38(3) of the CCAA;

(c) any unpaid Sales Taxes (as defined in the Initial Order) required to be paid pursuant to paragraph 7(b) of the Initial Order;

(d) all municipal realty, municipal business or other taxes, assessments or levies of any kind or nature attributable to or in respect of the carrying on of the business accrued and unpaid by Seller accrued and unpaid to Closing required to be paid pursuant to paragraph 7(c) of the Initial Order; and

(e) any accrued and unpaid amounts in respect of the type of claims (but not amounts) subject to Section 36(7) of the CCAA and Sections 6(5)(a) and 6(6)(a) of the CCAA in respect of Employees up to and including the Closing Date (except for accrued vacation pay for Hired Employees assumed by Purchaser pursuant to Section 5.8).

"**Property Taxes**" has the meaning set forth in Section 2.1(h).

"**Purchase Price**" has the meaning set forth in Section 2.4(a).

"**Purchased Assets**" has the meaning set forth in Section 2.1.

"**Purchased Intellectual Property**" has the meaning set forth in Section 2.1(o).

"**Purchaser**" has the meaning set forth in the preamble.

"**Purchaser Designee**" means one or more Affiliates of the Purchaser designated by the Purchaser to the Seller prior to the Closing.

"**Purchaser Shares**" has the meaning set forth in Section 2.4(b)(iii).

"**Real Property Leases**" means the leases and agreements to lease real property of the Seller listed in the Disclosure Schedule.

"**Representative**" means, with respect to a particular Person, any director, officer, manager, partner, member, employee, agent, consultant, advisor, or other representative of such Person, including legal counsel, accountants, and financial advisors.

"**Reserve Payment Amount**" means an amount in cash sufficient to satisfy and pay, in full, the Priority Claims, which amount shall (i) be used to pay all Priority Claims, and (ii) be held in trust and administered by the Monitor in accordance with Section 2.10, which estimated amount to be reserved on Closing is estimated by the Seller as at the date of this Agreement to be as set out in Schedule G (which estimate for greater certainty shall include any claims filed as a Priority Claim in the Claims Bar Process that has not been finally determined, resolved or settled pursuant to the Claims Bar Process at such time, subject to adjustment from time to time up to the time of Closing as such claims are finally determined, resolved or settled pursuant to the Claims Bar Process); provided, that any remaining amount of the Reserve Payment Amount not required to fund the payment of Priority Claims after Closing in accordance with Section 2.10 shall be promptly delivered by the Monitor to the Purchaser as a Purchased Asset.

"**Retained Books and Records**" means (a) any documents (including books and records) that the Seller is required by Applicable Laws to retain, (b) corporate seals, minute books, charter documents, corporate record books, original tax and financial records, and such other books and records as pertain to the organization, existence, actions, or share capitalization of the Seller, and (c) any books and records or information related exclusively to any of the Excluded Assets or Excluded Liabilities.

"**ROFR**" means a right of first refusal, right of first offer or other pre-emptive or preferential right of purchase or similar right to acquire the Purchased Assets or certain of them that may become operative by virtue of this Agreement or the completion of the Transactions.

"**ROFR Proceeds**" has the meaning set forth in Section 5.13(c)(iii).

"**Seller**" has the meaning set forth in the preamble.

"**Seller Broker Fee**" has the meaning set forth in Section 4.1(d).

"**Seller's Knowledge**" means, with respect to the Seller, the actual knowledge or awareness of the Seller's officers after reasonable enquiry being made of such officer's direct reports, but does not include the knowledge or awareness of any other Person, or any constructive or imputed knowledge.

"**Seller Transaction Expenses**" means all fees, costs and expenses incurred by or on behalf of Seller in connection with this Agreement or the consummation of the Transactions including: (a) all brokers', finders' or investment bankers' fees incurred by or on behalf of Seller in connection with the negotiation, preparation, execution and consummation of the

Transactions, and (b) fees and expenses of legal counsel or other professional advisors incurred by or on behalf of Seller in connection with the consummation of the Transactions.

"**Service Providers**" means the Seller's current or former directors, officers, Employees, or Independent Contractors.

"**SISP**" has the meaning set forth in the recitals.

"**SISP Order**" has the meaning set forth in the recitals.

"**Specific Conveyances**" means all conveyances, assignments, transfers, novations and other documents or instruments that are reasonably required or desirable to convey, assign and transfer the interest of Seller in and to the Purchased Assets to Purchaser and to novate Purchaser in the place and stead of Seller with respect to the Purchased Assets (excluding the LTAs).

"**Tangibles**" means the Seller's entire interest in and to the Facilities and any and all tangible depreciable property and assets, if any, which are located within, upon or in the vicinity of the Lands and which are used or are intended to be used to produce, process, gather, treat, measure, make marketable or inject the Leased Substances or any of them, and any real property (other than the Lands).

"**Tax**" or "**Taxes**" includes all present and future taxes, surtaxes, duties, levies, imposts, rates, fees, assessments, withholdings, dues and other changes of any nature imposed by any Governmental Authority, including income, capital, withholding, consumption, sales, use, transfer, goods and services, harmonized or other value added, excise, customs, anti-dumping, countervail, net worth, stamp, registration, franchise, payroll, employment health, education, business, school, property, local improvement, development, education development and occupation taxes, surtaxes, duties, levies, imposts rates, fees, assessments, withholdings, dues and charges, and other assessments or similar charges in the nature of a tax, including Canada Pension Plan and provincial pension plan contributions, employment insurance and unemployment insurance premiums and workers compensation premiums, together with all fines, interest, penalties on or in respect of, or in lieu of or for non-collection of, those taxes, surtaxes, duties, levies, imposts, rates, fees, assessments, withholdings, dues and other changes, whether disputed or not.

"**Tax Act**" means the *Income Tax Act* (Canada), R.S.C. 1985, c. 1 (5th Supp).

"**Tax Return**" or "**Tax Returns**" means all returns, declarations of estimated tax payments, reports, estimates, information returns, and statements, including any related or supporting information with respect to any of the foregoing, filed or required to be filed with any taxing authority.

"**Term Note**" has the meaning set forth in Section 2.4(b)(ii).

"**Third Party**" means any Person other than the Monitor, the Seller and the Purchaser (or a Purchaser Designee).

"**Title Documents**" means, collectively, any and all certificates of title, leases, reservations, permits, licences, assignments, trust declarations, operating agreements, royalty agreements, gross overriding royalty agreements, participation agreements, farm-in agreements, sale and purchase agreements, pooling agreements, acreage contribution agreements, joint venture agreements and any other documents and agreements granting, reserving or otherwise conferring rights to (i) explore for, drill for, produce, take, use or market Petroleum Substances, (ii) share in the production of Petroleum Substances, (iii) share in the proceeds from, or measured or calculated by reference to the value or quantity of, Petroleum Substances which are produced, and (iv) rights to acquire any of the rights described in items (i) to (iii) of this definition; but only if the foregoing pertain in whole or in part to Petroleum Substances within, upon or under the Lands; including those, if any, set out and described in Part 1 of Schedule A.

"**Transactions**" means the transactions contemplated herein to be consummated at the Closing, including the purchase and sale of the Purchased Assets and the assumption of the Assumed Liabilities by the Purchaser as provided for in this Agreement.

"**Transfer Taxes**" means any transfer, sales, use, registration, and other such taxes, any conveyance fees, any recording charges, and any other similar fees and charges (including penalties and interest in respect thereof).

"**Transition Order**" means an order of the Court issued in the CCAA Proceeding, in form and substance satisfactory to the Parties, acting reasonably, providing the Monitor with enhanced powers in the CCAA Proceeding following the Closing.

"**Wells**" means the Seller's entire interest in and to all producing, shut-in, suspended, abandoned, capped, injection and disposal wells located on the Lands, including, without limitation, the wells listed in Part 2 of Schedule A.

"Wind-Down Amount" means an amount in cash sufficient to satisfy and pay, in full, the following:

(a) the amounts owing by the Seller in respect of goods and services provided to the Seller during the Post-Filing Period, not otherwise assumed by the Purchaser, if any;

(b) all fees and expenses of Seller's legal, financial and other advisors and the Monitor and its legal advisor for the period post-Closing;

(c) the Seller Transaction Expenses (to the extent unpaid at Closing); and

(d) the costs of winding down the Seller's estates after the Closing, in each case, as set out in the Wind-Down Budget;

which amounts shall be held in trust and administered by the Monitor in accordance with Section 2.9; provided, that, any remaining amount of the Wind-Down Amount not required to fund the costs of winding-down such estates after Closing in accordance with Section 2.9 shall be promptly delivered by the Monitor to the Purchaser as a Purchased Asset.

"**Wind-Down Budget**" means a budget for the post-Closing wind-down of Seller's estate that is appended hereto as Schedule H and which details the estimated costs and expenses permitted to be paid from the Wind-Down Amount.

Section 1.3 Other Terms.

(a) As used in this Agreement, any reference to any federal, provincial, local or foreign law, including any Applicable Laws, shall be deemed also to refer to all rules and regulations promulgated thereunder and all amendments or modifications thereto, unless the context requires otherwise.

(b) The words "include," "includes," and "including" shall be deemed to be followed by "without limitation." Pronouns in masculine, feminine, or neuter gender will be construed to include any other gender, and words in the singular form will be construed to include the plural and vice versa, unless the context otherwise requires.

(c) References to "this Agreement" shall include all Schedules attached hereto, which are incorporated herein by reference as though contained in the body hereof.

(d) Wherever any term or condition of any Schedule conflicts or is at variance with any term or condition in the body of this Agreement, such term or condition in the body of this Agreement shall prevail.

(e) The words "herein," "hereof," "hereby," "hereunder," and words of similar import refer to this Agreement as a whole and not to any particular subdivision, unless expressly so limited.

(f) References in this Agreement to Articles, Sections, or Schedules are to Articles or Sections of, or Schedules to, this Agreement, except to the extent otherwise specified herein.

(g) All terms defined in this Agreement shall have the defined meanings when used in any certificate or other document made or delivered pursuant hereto, unless otherwise defined therein.

(h) Any agreement, instrument, or statute defined or referred to herein shall mean such agreement, instrument, or statute, as from time to time amended, modified, or supplemented, including (in the case of agreements or instruments) by waiver or consent and (in the case of statutes) by succession of comparable successor statutes and references to all attachments thereto and instruments incorporated therein.

(i) The headings of the sections, paragraphs, and subsections of this Agreement are inserted for convenience only and are not part of this Agreement and do not in any way limit or modify the provisions of this Agreement and shall not affect the interpretation hereof.

(j) Any reference to "CAD$" refers to lawful currency of Canada. Any reference to "US$" refers to lawful currency of the United States of America.

Section 1.4 Interpretation.

The Parties have participated jointly in the negotiation and drafting of this Agreement. If an ambiguity or question of intent or interpretation arises, this Agreement will be construed as if drafted jointly by the Parties hereto and no presumption or burden of proof will arise favoring or disfavoring any Party hereto because of the authorship of any provision of this Agreement.

Section 1.5 Time.

Except as expressly set out in this Agreement, the computation of any period of time referred to in this Agreement shall exclude the first day and include the last day of such period. If the time limited for the performance or completion of any matter under this Agreement expires or falls on a day that is not a Business Day, the time so limited shall extend to the next following Business Day. Whenever action must be taken (including the giving of notice, the delivery of documents, or the payment of money) under this Agreement, prior to the expiration of, by no later than, or on a particular date, unless otherwise expressly provided in this Agreement, such action must be completed by 5:00 p.m., Mountain Standard Time, on such date (except for the filing of papers with the Court or the entry of any Order by the Court, which must be completed on such date by the deadline set forth in the rules of the Court). The time limited for performing or completing any matter under this Agreement may be extended or abridged by an agreement in writing by the Parties. All references herein to time are references to Mountain Standard Time, unless otherwise specified herein.

ARTICLE II
PURCHASE AND SALE

Section 2.1 Purchase and Sale of Purchased Assets.

The Seller hereby agrees to sell, transfer, assign, convey and deliver to the Purchaser and/or, as applicable, one or more Purchaser Designees, at the Closing, and the Purchaser hereby agrees to purchase, acquire and assume, or cause one or more Purchaser Designees to purchase, acquire and assume, from the Seller at the Closing, upon the terms and subject to the conditions of this Agreement, all right, title and interest of the Seller of any nature whatsoever in all of the Seller's properties, interests, rights and assets, other than the Excluded Assets, free and clear of any and all Encumbrances of any and every kind, nature and description (other than Permitted Encumbrances) (collectively, the "**Purchased Assets**") including the following:

(a) the Oil and Gas Assets;

(b) the Assumed Contracts and all rights thereunder;

(c) the Real Property Leases and all rights thereunder, together with all improvements, fixtures and other appurtenances thereto and rights in respect thereof, as applicable;

(d) all Accounts Receivable;

(e) any Cash and Cash Equivalents, whether on hand, in transit to the Seller on the Closing Date or in banks or other financial institutions, and all security entitlements, securities accounts, commodity contracts and commodity accounts, including for greater certainty any ROFR Proceeds received or receivable by the Seller in connection with the ROFR process as contemplated under Section 5.13;

(f) all deposits, prepaid expenses, advances, advance payments, prepayments, deferred charges, or rebates in favor of the Seller, including (i) security deposits with third-party suppliers, vendors or utility or Service Providers, ad valorem taxes and lease and rental payments, (ii) rebates, (iii) collateral pledged for workers' compensation and (iv) prepayments;

(g) all other Personal Property owned or leased (to the extent of the Seller's leasehold interest therein) by the Seller;

(h) all real property Taxes ("**Property Taxes**") that are prepaid and any refunds of Taxes;

(i) all advertising, marketing and promotional materials of the Seller;

(j) all Books and Records;

(k) all Business Permits (to the extent transferable under Applicable Laws);

(l) all assets of the Seller under the Employee Benefit Plans;

(m) all human resources and other employee-related files and records relating to the Hired Employees, except to the extent prohibited by Applicable Laws;

(n) all rights of the Seller under non-disclosure or confidentiality, non-compete, or non-solicitation agreements with employees and agents of the Seller or with Third Parties;

(o) all Intellectual Property Rights owned by the Seller or used by the Seller, including the name "Connacher" and "Connacher Oil and Gas" and any other name used by the Seller (the "**Purchased Intellectual Property**");

(p) all goodwill and other intangible assets associated with the business of the Seller;

(q) to the extent assignable or transferable in accordance with the terms and conditions of the applicable insurance policies, Applicable Laws or the Approval and Vesting Order, except those insurance policies (and any entitlements and payments thereunder) that are Excluded Assets: (i) all of the Seller's insurance policies and rights and benefits thereunder (including (A) all rights pursuant to and proceeds, condemnation, or expropriation awards or other compensation in respect of loss or damage to any Purchased Asset from such insurance policies and (B) all claims, demands, proceedings and causes of action asserted by the Seller under such insurance policies relating to any Purchased Asset or Assumed Liability), and (ii) any letters of credit related thereto;

(r) all motor vehicles owned or leased by Seller;

(s) all other assets, inventory of finished goods, raw materials, work-in-progress, properties and rights used or held for use by the Seller; and

(t) all rights, claims, actions, refunds, causes of action, choses in action, suits, proceedings, rights of recovery, rights of setoff, rights of recoupment, rights of indemnity or contribution, and other similar rights (known and unknown, matured and unmatured, accrued or contingent, regardless of whether such rights are currently exercisable) against any Person, including all warranties, representations, guarantees, indemnities, and other contractual claims (express, implied, or otherwise), to the extent related to the Purchased Assets or the Assumed Liabilities.

Section 2.2 Excluded Assets.

Nothing contained herein or in any Closing Document shall be deemed to sell, transfer, assign, convey or deliver the Excluded Assets to the Purchaser or any Affiliate of the Purchaser, and the Seller shall retain all right, title, and interest to, in, and under the Excluded Assets, and neither the Purchaser nor any Affiliate of the Purchaser shall have any Liability therefor. "**Excluded Assets**" shall mean the following assets, properties and rights of the Seller:

(a) any and all rights of the Seller under this Agreement;

(b) the Administrative Reserve, other than as set forth in Sections 2.9 and 2.10;

(c) the Excluded Contracts and any and all rights thereunder and prepaid assets related thereto;

(d) any shares, securities, or other interest of the Seller held in any other Person;

(e) all director and officer liability insurance policies, any proceeds paid or payable thereunder to or on behalf of the directors and officers of the Seller, or any deposit or prepayments of runoff coverage for the directors and officers;

(f) all rights, claims, actions, refunds, causes of action, choses in action, suits or proceedings, rights of recovery, rights of setoff, rights of recoupment, rights of indemnity or contribution, and other similar rights (known and unknown, matured and unmatured, accrued or contingent, regardless of whether such rights are currently exercisable) against any Person, including all warranties, representations, guarantees, indemnities, and other contractual claims (express, implied, or otherwise) to the extent related exclusively to the assets, rights, and properties set forth in this Section 2.2 or the Excluded Liabilities;

(g) Retained Books and Records; provided that the Seller shall provide the Purchaser with a copy (and shall allow the Purchaser to make a copy) of any Retained Books and Records that are related, directly or indirectly, to the Purchased Assets or the Assumed Liabilities; and

(h) such other assets, properties and rights (if any) that are not Tangibles, Lands or Wells and of which the Purchaser notifies the Seller in writing not less than three Business Days before the Closing Date.

Section 2.3 Condition of Conveyance.

Without limiting the provisions of this Agreement relating to the General Conveyance, Assignment and Assumption Agreement, Article III, or any other provisions of this Agreement relating to sale, transfer, assignment, conveyance, or delivery, the Purchased Assets and the Assumed Liabilities shall be sold, transferred, assigned, conveyed, and delivered by the Seller to the Purchaser and/or, as applicable, one or more Purchaser Designees, by the Licence Transfers, the Specific Conveyances and other appropriate instruments of transfer, bills of sale, endorsements, assignments, and deeds, in recordable form, or by way of an Order of the Court, as appropriate, and free and clear of any and all Encumbrances of any and every kind, nature, and description, other than Permitted Encumbrances, as applicable.

Section 2.4 Consideration.

(a) The amount payable by the Purchaser for the Purchased Assets (collectively, the "**Purchase Price**") shall be equal to the sum of **[US$•]**, plus the amount of the Assumed Liabilities.

(b) The Purchaser shall satisfy the obligation to pay the Purchase Price to the Seller at Closing by:

(i) assuming the Assumed Liabilities in accordance with Section 2.5;

(ii) entering into a first lien credit agreement with the Seller as initial lender thereunder (on terms consistent with Section V of the Term Sheet) (the "**Newco First Lien Credit Agreement**") and issuing a promissory note to the Seller in connection therewith in a principal amount equal to US$41,728,726.01[2] (the "**Term Note**"); and **[NTD: To determine amount of promissory note]**

[2] USD equivalent of CAD$50 million.

(iii) issuing to the Seller [•] [shares] in the capital of the Purchaser (the "**Purchaser Shares**") [with an aggregate redemption amount] [with a fair value] equal to **[US$•]**.

Section 2.5 Assumption of Liabilities.

As partial payment of the Purchase Price and, to the extent permitted by Applicable Laws, on the Closing Date, the Purchaser and/or, as applicable, one or more Purchaser Designees shall assume and agree to pay, perform and otherwise discharge, when due, the Assumed Liabilities. For purposes of this Agreement, "**Assumed Liabilities**" shall mean only the following Liabilities (to the extent not paid, performed or otherwise discharged at or prior to the Closing):

(a) all ordinary course Liabilities due or accrued payable to clients, vendors, suppliers and customers, and for greater certainty all of the Seller's trade payables incurred on or after May 17, 2016;

(b) all Environmental Liabilities and Abandonment and Reclamation Obligations subject to Section 2.8(b);

(c) any Liabilities of the Seller under, and the Cure Costs in respect of, Assumed Contracts;

(d) Property Taxes imposed with respect to the Purchased Assets or the Assumed Liabilities unless such Property Taxes are provided for in the Administrative Reserve;

(e) any Liabilities with respect to the Service Providers with respect to any period, other than Excluded Employees;

(f) other than the Court-ordered charges made in the CCAA Proceedings, any Liabilities of the Seller that rank in priority to the Encumbrances securing the obligations of the Seller to the First Lien Lenders;

(g) any Liabilities of the Seller under the Credit Bid KERP which are not yet due and owing, or have not been satisfied in full, as of the Closing Date; and

(h) to the extent not already described in Section 2.5(a) through to Section 2.5(f) above, all Liabilities arising from, related to, or associated with the Purchased Assets, to the extent that such Liabilities arise or accrue on or after the Closing Date.

In determining the Purchase Price, the Parties have taken into account the Purchaser's assumption of responsibility for the payment of all costs for existing or future Abandonment and Reclamation Obligations and Environmental Liabilities associated with the Purchased Assets, as set forth in this Agreement, and the absolute release of the Seller of all and any responsibility or Liabilities therefor.

Section 2.6 Excluded Liabilities.

Notwithstanding anything to the contrary in this Agreement or any Closing Document, neither the Purchaser nor any Affiliate of the Purchaser is assuming, shall assume, or shall be deemed to have assumed, any Liabilities of the Seller, other than the Assumed Liabilities (all such other Liabilities, the "**Excluded Liabilities**"). For the avoidance of doubt, the Excluded Liabilities shall include the following:

(a) except as contemplated by Section 2.5, all Liabilities of the Seller that: (i) are not secured by Encumbrances on any of the assets of the Seller; (ii) are secured by Encumbrances on the assets of the Seller that rank junior to the Encumbrances securing the obligations of the Seller to the First Lien Lenders (including without limitation in respect of the Convertible Notes); (iii) are subordinated to the obligations of the Seller to the First Lien Lenders; or (iv) are secured by court-ordered charges in the CCAA Proceedings;

(b) all Liabilities arising out of Excluded Assets, including or relating to the Excluded Contracts;

(c) all Liabilities in respect of Indebtedness of the Seller existing as of the Filing Date (including all Liabilities arising under or in connection with the First Lien Credit Agreement), other than obligations under the Assumed Contracts and the Assumed Liabilities set forth in Section 2.5(e);

(d) (i) Taxes imposed with respect to the Excluded Assets or the Excluded Liabilities for any taxable period; (ii) pre-Closing income Taxes with respect to the Purchased Assets and (iii) any Taxes payable by the Seller;

(e) all Liabilities of the Seller under this Agreement;

(f) all Liabilities with respect to Excluded Employees;

(g) any Liability with respect to any legal, accounting audit, financial advisory and investment banking fees, the Seller Broker Fee and any other expenses incurred by the Seller, including with respect to the Transactions or the CCAA Proceedings (including fees and expenses of the Monitor, the Monitor's legal counsel and the Seller's legal counsel); and

(h) any Liability of the Seller not expressly included among the Assumed Liabilities or expressly assumed by the Purchaser or a Purchaser Designee under this Agreement.

Section 2.7 Procedures for Assumption of Agreements; Delayed Transfer of Assets.

(a) At the Closing, the Seller shall transfer and assign to the Purchaser and/or, as applicable, one or more Purchaser Designees the Assumed Contracts, in each case in accordance with the terms of the relevant Contracts or otherwise pursuant to

Section 11.3 of the CCAA and the Assignment Order. The Cure Costs in respect of all of the Assumed Contracts as specified in the Assignment Order shall be paid by the Purchaser or a Purchaser Designee on or before the Closing.

(b) Nothing herein shall be deemed to require the transfer, assignment, conveyance or delivery of any Purchased Asset that by operation of Applicable Laws cannot be transferred, assigned, conveyed, delivered, or assumed, including any Purchased Asset that cannot be transferred, assigned, conveyed, delivered, or assumed without a Consent that has not been obtained (after giving effect to the Approval and Vesting Order, the Assignment Order, any other Order of the Court and the provisions of the CCAA).

(c) Notwithstanding anything to the contrary in this Agreement or any Closing Document, to the extent that the transfer, assignment, conveyance or delivery (or attempted transfer, assignment, conveyance, or delivery) to the Purchaser and/or, as applicable, one or more Purchaser Designees of any asset, property or right that would be a Purchased Asset or any claim, right or interest or any benefit arising thereunder or resulting therefrom is prohibited by any Applicable Laws or would require any Consent from any Governmental Authority or any other Third Party (after giving effect to the Approval and Vesting Order, the Assignment Order, any other Order of the Court and the provisions of the CCAA), excluding for greater certainty any of the Licence Transfers, and such Consents shall not have been obtained prior to the Closing, the Closing shall proceed without the sale, transfer, assignment, conveyance, or delivery of such asset unless there is a failure of one or more of the conditions set forth in Article VI, in which event the Closing shall proceed only if each failed condition is waived in writing by the Party entitled to the benefit thereof.

(d) In the event that Closing proceeds without the transfer, assignment, conveyance or delivery of any Purchased Asset in accordance with Section 2.7(c), then:

(i) following the Closing, the Seller shall use its best efforts, and cooperate with the Purchaser, to promptly obtain such Consent and, pending such Consent, to provide the Purchaser and/or the Purchaser Designees, as applicable, with all of the benefits of ownership, use and enjoyment of such Purchased Asset; and

(ii) once Consent for the transfer, assignment, conveyance or delivery of any such Purchased Asset is obtained, the Seller shall promptly complete the transfer, assignment, conveyance and delivery of such Purchased Asset to the Purchaser and/or, as applicable, one or more Purchaser Designees, for no additional consideration.

(e) To the extent that any Purchased Asset cannot be transferred or the full benefits of ownership, use and enjoyment of any Purchased Asset cannot be provided to the Purchaser and/or, the Purchaser Designees, as applicable, following the Closing pursuant to Section 2.7(d), then:

(i) to the extent permitted by Applicable Laws, the Seller shall enter into such arrangements (including subleasing, sublicensing, or subcontracting) with the Purchaser and/or one or more Purchaser Designees, as applicable, to provide to the Purchaser and/or such Purchaser Designee(s) with the economic (taking into account Tax costs and benefits) and operational equivalent, to the extent permitted, of a transfer, assignment, conveyance or delivery of the Purchased Asset as contemplated herein with such Consent having been obtained; and

(ii) the Seller shall hold in trust for, and pay to the Purchaser and/or, as applicable, one or more Purchaser Designees, promptly upon receipt thereof, all income, proceeds, and other monies received by the Seller that are derived from its ownership, use or enjoyment of any asset, property or right that would be a Purchased Asset in connection with the arrangements under this Section 2.7(e);

provided that notwithstanding anything to the contrary herein, nothing in this Section 2.7(e) shall be deemed to require the Seller to delay or otherwise alter the completion of the CCAA Proceedings or any winding-up of the Seller or any of its Affiliates.

(f) If, following the Closing, the Seller receives or becomes aware that it holds any asset, property or right that constitutes a Purchased Asset, then the Seller shall transfer such asset, property or right to the Purchaser and/or, as applicable, one or more Purchaser Designees as promptly as practicable for no additional consideration.

(g) If, following the Closing, the Purchaser receives or becomes aware that it holds any asset, property or right that constitutes an Excluded Asset, then the Purchaser shall transfer such asset, property or right to the Seller as promptly as practicable for no additional consideration.

Section 2.8 Indemnities.

(a) General Indemnity. Provided that Closing has occurred, Purchaser shall:

(i) assume, perform, pay, discharge and be solely liable and responsible for any and all Liabilities which the Seller may suffer, sustain, pay or incur; and

(ii) indemnify, release and save harmless the Seller from any and all Liabilities, actions, proceedings and demands, whatsoever which may be brought against or suffered by the Seller or which it may sustain, pay or incur,

as a result of any matter or thing arising out of, resulting from, attributable to or connected with any Liabilities to the extent arising or accruing on or after the Closing Date and which relate to the Assumed Liabilities.

(b) Environmental Matters and Abandonment and Reclamation Obligations. The Purchaser acknowledges that, insofar as the environmental condition of the Purchased Assets is concerned, it will acquire the Purchased Assets pursuant hereto on an "as is, where is" basis. The Purchaser acknowledges that it is familiar with the condition of the Purchased Assets, including the past and present use of the Lands and the Tangibles, that the Seller has provided the Purchaser with a reasonable opportunity to inspect the Purchased Assets at the sole cost, risk and expense of the Purchaser (insofar as the Seller could reasonably provide such access) and that the Purchaser is not relying upon any representation or warranty of the Seller, the Monitor or any of their respective Representatives as to the environmental condition of the Purchased Assets, or any Environmental Liabilities or Abandonment and Reclamation Obligations in respect thereof. Provided that Closing has occurred, the Purchaser shall:

(i) be solely liable and responsible for any and all Liabilities which the Seller may suffer, sustain, pay or incur; and

(ii) indemnify, release and save harmless the Seller from any and all Liabilities, actions, proceedings and demands, whatsoever which may be brought against or suffered by the Seller or which it may sustain, pay or incur,

as a result of any matter or thing arising out of, resulting from, attributable to or connected with any Environmental Liabilities or any Abandonment and Reclamation Obligations. Once Closing has occurred, the Purchaser shall be solely responsible for all Environmental Liabilities and all Abandonment and Reclamation Obligations as between the Seller and the Purchaser (including whether occurring or accruing prior to, on or after the Closing Date), and hereby releases the Seller from any claims the Purchaser may have against the Seller with respect to all such Environmental Liabilities and Abandonment and Reclamation Obligations. Without restricting the generality of the foregoing, the Purchaser shall be responsible for all Environmental Liabilities and Abandonment and Reclamation Obligations (including whether occurring or accruing prior to, on or after the Closing Date) in respect of all Wells and Tangibles.

Section 2.9 Wind Down Amount.

(a) On or before Closing, Seller will deliver the Wind-Down Amount to the Monitor to be held in trust by the Monitor in accordance with the Transition Order for the benefit of Persons entitled to be paid costs covered by the Wind-Down Amount in accordance with the Wind-Down Budget and the following provisions:

(i) Subject to Section 2.9(a)(ii) below, all claims for costs to be paid from the Wind-Down Amount pursuant to the Wind-Down Budget will be paid in accordance with the Wind-Down Budget, provided that such claims are valid (as determined by the Monitor).

(ii) To the extent that the Monitor seeks to pay any cost which is not included within any category of costs in the Wind-Down Budget or is in excess of the budget for such category in the Wind-Down Budget, the Monitor shall submit any such claims for costs to be paid from the Wind-Down Amount to the Purchaser, and the Purchaser shall have ten days to object in writing to any such claim on the basis that it is not a reasonable quantum or that it is not reasonably necessary for the winding down of the Seller's estate.

(iii) In the event that an objection is made by Purchaser and an agreement cannot be reached between the claimant and the Purchaser, the amount of any such payment still in dispute shall be determined, on application by the Purchaser or the Monitor (on notice to Purchaser) and any affected beneficiary of the Wind-Down Amount in each case, by Order of the Court. The costs of any such application shall be paid by the party or parties as the Court may determine.

(iv) Once the amount of any such claim has either been agreed to or determined by the Court, as set forth above, the Monitor shall promptly pay such claim from the Wind-Down Amount.

(v) Subsequent to Closing, the Monitor shall reduce the amount of the Wind-Down Amount as and to the extent that the Monitor may agree or a Court formally determines, and such amount reduced shall be distributed to Purchaser.

(vi) Pursuant to the Approval and Vesting Order, all right, title and interest in and to any amounts in the Wind-Down Amount that are agreed to by the Monitor and Purchaser, or by Order of the Court, to not be required to pay costs associated with winding down Seller's estate shall vest absolutely in Purchaser as at the Closing Date and shall promptly be distributed by the Monitor to Purchaser in accordance with this paragraph.

Section 2.10 Reserve Payment Amount.

On or before Closing, Seller will deliver the Reserve Payment Amount to Monitor, to be held in trust by Monitor in accordance with the Transition Order for the benefit of Persons entitled to be paid Priority Claims in accordance with the following provisions:

(a) All claims for Priority Claims to be paid from the Reserve Payment Amount must be submitted by Seller or Monitor, in consultation with the other, to Purchaser in writing.

(b) Upon the submission of any such Priority Claims to be paid from the Reserve Payment Amount, Purchaser shall have ten days to object in writing to any such claim.

(c) In the event that an objection is made by Purchaser and an agreement cannot be reached between the claimant, Seller, Monitor and Purchaser, the amount of any such payment still in dispute shall be determined, on application by Purchaser or Monitor, on notice to the affected claimant, Seller, Purchaser and Monitor, as applicable, in each case, by Order of the Court. The costs of any such application shall be paid as may be determined by the Court.

(d) Once the amount of any such claim has either been agreed to or formally determined by the Court, as set forth above, the Monitor shall promptly pay such claim from the Reserve Payment Amount.

(e) Subsequent to Closing, Monitor shall reduce the amount of the Reserve Payment Amount as and to the extent that Monitor may agree or a Court determines, and such amount reduced shall be distributed to Purchaser.

(f) Pursuant to the Approval and Vesting Order, all right, title and interest in and to any amounts in the Reserve Payment Amount that are agreed to or determined by Order of the Court in accordance with this Section 2.10, not to be required to pay Priority Claims shall vest absolutely in Purchaser as at the Closing Date and shall promptly be distributed to Purchaser in accordance with this paragraph.

ARTICLE III
LICENSE TRANSFERS AND CONVEYANCES

Section 3.1 Submission of License Transfer Applications.

Within two Business Days of the date hereof, the Seller shall:

(a) electronically submit applications to the AER for the Licence Transfers ("**LTAs**"), and, in each case, will provide a screen shot or other evidence indicating such submission to the Purchaser; and

(b) provide any information and documentation along with such LTAs to the AER which are required to be provided by the transferor in connection with the foregoing.

Section 3.2 Acceptance by the Purchaser.

The Purchaser shall accept or ratify (or cause the Purchaser Designee(s) to take such action to accept or ratify, as applicable) such LTAs without delay, provided that, if the Purchaser in good faith determines or believes that any of the LTAs are not complete and accurate, or the AER refuses to process any such LTAs because of some defect therein, the Parties shall cooperate to duly complete or to correct such incomplete or inaccurate LTAs as soon as practicable and, thereafter, the Seller shall promptly re-submit such LTAs and the Purchaser shall accept or ratify (or cause the Purchaser Designee(s) to take such action to accept or ratify, as applicable) such re-submitted LTAs without delay. All costs relating to LTAs hereunder, including any corrections and re-submissions thereof, shall be paid by the Seller. The Purchaser shall provide any information and documentation in respect of such LTAs to the AER which are required to be provided by the transferee in connection with the foregoing.

Section 3.3 Denial; Re-Submission of LTAs.

If the AER denies any of the LTAs because of misdescription or other minor deficiencies contained therein, the Seller shall, within two Business Days of such denial, correct the LTA(s) and amend and re-submit the LTA(s), and the Purchaser shall accept or ratify (or cause the Purchaser Designee(s) to take such action to accept or ratify, as applicable) such re-submitted LTAs without delay.

Section 3.4 Requirements to Obtain Approval of LTAs.

If, for any reason, the AER requires the Purchaser or the Purchaser Designee(s) to make a deposit, furnish any other form of security, provide any undertakings, information or other documentation or to take any action as a condition of or a prerequisite for the approval of any of the LTAs, then immediately after receiving notice of such requirements and at its sole cost, the Purchaser shall make (or shall cause the Purchaser Designee(s) to make) such deposits, furnish such security, provide such undertakings, information or other documentation and/or take such action, as the case may be.

Section 3.5 AER Matters.

(a) The Purchaser shall on a timely and continuing basis keep the Seller fully apprised and informed regarding all communications the Purchaser may have with the AER in connection with the Transaction, including all communications respecting LTAs, and without limiting the generality of the foregoing the Purchaser shall provide copies to the Seller of all related correspondence from the Purchaser to the AER, and the Purchaser shall request that the AER provide copies to the Seller of all related correspondence from the AER to the Purchaser.

(b) If Closing has not occurred by **[•]** and the AER has transferred some or all of the LTAs to the Purchaser, the Purchaser shall, within three Business Days following **[•]**, take all reasonable steps to forthwith effect a transfer of the applicable Well, pipeline and facility licenses back to the Seller, at the Purchaser's sole cost and expense and the Seller shall cooperate with the Purchaser and take all reasonable steps to facilitate such transfer. This Clause 3.5(c) shall survive termination of this Agreement and remain a continuing obligation of the Parties until the applicable Well, pipeline and facility licenses have been transferred back to the Seller.

Section 3.6 Specific Conveyances.

(a) The Parties shall cooperate in the preparation of the Specific Conveyances. At a reasonable time prior to Closing, but not later than three Business Days prior to the Closing Date, the Purchaser shall prepare and provide for the Seller's review all Specific Conveyances. The Parties shall execute such Specific Conveyances at Closing. None of the Specific Conveyances shall confer or impose upon either Party any greater right or obligation than as contemplated in this Agreement. Promptly after Closing, the Purchaser shall register and/or distribute (as applicable), all such Specific Conveyances and shall bear all costs incurred therewith and in preparing and registering any further assurances required to convey the Purchased Assets to the Purchaser.

(b) Notwithstanding the foregoing, requests for the transfers from the Seller to the Purchaser of the registered Crown oil sands leases, related surface rights and any other Title Documents described in Part 1 of Schedule A which are administered by Alberta Energy shall be submitted by the Seller and accepted by the Purchaser as soon as is practicable after Closing.

Section 3.7 Title Documents and Miscellaneous Interests.

As soon as practicable following Closing, the Seller shall deliver or cause to be delivered to the Purchaser such original copies of the Title Documents and any other agreements and documents to which the Oil and Gas Assets are subject and such original copies of contracts, agreements, records, books, documents, licenses, reports and data comprising Miscellaneous Interests which are now in the possession or control of the Seller or of which the Seller gains possession or control prior to Closing.

Section 3.8 Reclamation Certified Wells.

The Parties acknowledge that:

(a) the Seller currently holds the following Well which is reclamation certified:

    (i) Titanium Mervin 11/10-22-049-21W3 having a licence number 001314;

(b) the Government of Saskatchewan's Ministry of the Economy will not permit the legal transfer of licences pertaining to reclamation certified wells;

(c) accordingly, in respect of the Well identified in Section 3.8(a) which is reclamation certified and for which the licence cannot be transferred to the Purchaser pursuant to Applicable Laws, the Seller and the Purchaser agree that, upon the occurrence of Closing hereunder and thereafter:

    (i) the Seller will hold the licence applicable to such Well in trust as bare trustee for the Purchaser; and

(ii) the Seller will provide the Purchaser in a timely manner with copies of all correspondence received by the Seller that pertains to the licences applicable to such Well.

ARTICLE IV
REPRESENTATIONS AND WARRANTIES

Section 4.1 Representations and Warranties of the Seller.

The Seller hereby represents and warrants to the Purchaser as follows:

(a) Organization and Qualification. The Seller is a corporation duly organized and validly existing under the laws of Canada, and is authorized to carry on business in the provinces in which the Purchased Assets are located.

(b) Authorization of Agreements, Enforceability, No Conflicts, Etc. Subject to obtaining the Approval and Vesting Order:

(i) the Seller has good right, full power and absolute authority to sell its interest in and to the Purchased Assets according to the intent and meaning of this Agreement;

(ii) the execution, delivery and performance of this Agreement will not result in any violation of, be in conflict with, or constitute a default under, any term or provision of any agreement or document to which the Seller is party or by which the Seller is bound, nor under any judgement, decree, order, statute, regulation, rule or license applicable to the Seller, except in either case, where such conflict or default would not adversely affect the ability of the Seller to complete the Transactions on the basis contemplated in this Agreement;

(iii) this Agreement and any other agreements delivered in connection herewith constitute (or will constitute, as the case may be) valid and binding obligations of the Seller enforceable against the Seller in accordance with their terms, subject to general principles of equity; and

(iv) no authorization or approval or other action by, and no notice to or filing with, any Governmental Authority or regulatory body exercising jurisdiction over the Purchased Assets is required for the due execution, delivery and performance by the Seller of this Agreement, other than authorizations, approvals or exemptions from requirement therefor previously obtained and currently in force or to be obtained prior to or after Closing as provided for in this Agreement or the Approval and Vesting Order.

(c) Litigation.

(i) Litigation. Other than the CCAA Proceeding, there is no Action or Claim in progress, pending or, to the Seller's Knowledge, threatened against or relating to the Seller or any judgment, decree, injunction, rule or order of any court, governmental department, commission, agency, instrumentality or arbitrator which, in any case, might adversely affect the ability of the Seller to enter into this Agreement or to consummate the Transactions and the Seller is not aware of any existing ground on which any action, suit or proceeding may be commenced with any reasonable likelihood of success.

(ii) The Seller has not received notice from any Third Party claiming an interest in and to the Purchased Assets adverse to the interest of the Seller, and the Seller has no reason to believe that any such claim may be made.

(d) Brokers. Upon consummation of the Transactions, the Seller shall have incurred no Liability for brokerage or finders' fees or agents' commissions or other similar payment in connection with the Transactions (a "**Seller Broker Fee**"), other than to Houlihan Lokey. Neither the Purchaser nor any Affiliate of the Purchaser will have any Liability in connection with any Seller Broker Fee.

(e) Environmental Matters. Except as set forth in the Disclosure Schedule: (i) the Seller has not received written notice, demand, order or directive from any Governmental Authorities or Third Parties relating to any Environmental Liabilities or otherwise requiring any work, repairs, construction or capital expenditures relating to the Oil and Gas Assets, or otherwise alleging a violation of Environmental Laws relating to the Oil and Gas Assets and to Seller's Knowledge, no such notice, order demand, or directive is pending, and (ii) to the Seller's Knowledge, except where lack of compliance would not have a Material Adverse Effect, the Oil and Gas Assets are in compliance with all Environmental Laws.

(f) Employee and Contractor Matters.

(i) Schedule F sets forth a complete list of all Employees employed in the conduct of the business of the Seller as of the date hereof, including the following information for each such Employee: (i) title; (ii) division; (iii) original hire date; (iv) years of service (including any prior years of service that are required to be recognized for any purpose); (v) annual base salary; (vi) company vehicle allowance (monthly); (vii) car allowance (monthly); and (viii) annual vacation entitlement (weeks).

(ii) Schedule F sets forth a complete list of all Independent Contractors engaged by the Seller in the conduct of the business of the Seller as of •, 2019, including the following information for each such Independent Contractor: (i) name and (ii) the date the Independent Contractor first commenced providing services to the Seller.

(iii) Each Employee Benefit Plan is and has been established, registered (where applicable), administered, amended, funded and invested in accordance with its terms, in all material respects, and in compliance in all material respects with the applicable provisions of Applicable Laws. All Seller and Employee premiums or contributions due or payable with respect to any Employee Benefit Plan, have been timely made in accordance with Applicable Laws or remitted or paid in full or, to the extent not required to be made or remitted or paid on or before the date hereof, have been reflected in all material respects on the Financial Statements. All Employee Benefit Plans (i) that are intended to qualify for special Tax treatment meet all material requirements for such treatment, and (ii) that are required to be funded and/or book-reserved are funded and/or book-reserved, as appropriate, based upon reasonable actuarial assumptions and in accordance with Applicable Laws.

(iv) The Seller has provided the Purchaser with complete and current copies of the plan descriptions of each Employee Benefit Plan.

(v) All Tax, annual reporting, and other governmental filings for Employee Benefit Plans required by Applicable Laws, if any, have been timely filed with the appropriate Governmental Authority and all notices and disclosures have been timely provided to participants.

(vi) All obligations of the Seller regarding the Employee Benefit Plans have been satisfied in all material respects. Neither the Seller, nor, to Seller's Knowledge, any Employee or fiduciary in respect of any Employee Benefit Plan, is or has been in breach of any statutory or fiduciary duty with respect to the administration or investment of any Employee Benefit Plan.

(vii) Neither the execution and delivery of this Agreement nor the consummation of the Transactions will (either alone or in combination with another event) (i) result in any payment becoming due, or increase the amount of any compensation or benefits due, to any current or former Employee of the Seller or with respect to any Employee Benefit Plan; (ii) increase any benefits otherwise payable under any Employee Benefit Plan; or (iii) result in the acceleration of the time of payment or vesting of any such compensation or benefits under an Employee Benefit Plan.

(viii) The Seller has neither been, nor is now, a party to any contract with, commitment to, or collective agreement with any trade union, council of trade unions, employee bargaining agency, or affiliated bargaining agent and the Seller has not conducted negotiations with respect to any such future contracts, commitments, or collective agreements.

(ix) The Seller is and has been in compliance in all material respects with all Applicable Laws relating to employment of labor, including all Applicable Laws relating to wages, hours, overtime, collective bargaining, employment discrimination, civil rights, occupational health and safety, workers' compensation, pay equity, employment equity, classification of employees and Independent Contractors, and the collection and payment of withholding Taxes.

(g) Tax Matters. The Seller is a registrant for purposes of Part IX of the ETA, under the registration number 882137961RT0001.

(h) AFEs. The Disclosure Schedule sets forth a contains a list, true and correct as of the date set forth therein, of all material authorities for expenditures (collectively, "**AFEs**") for capital expenditures with respect to the Oil and Gas Assets that have been proposed by any Person having authority to do so (including internal AFEs of Seller not delivered to Third Parties) or other commitments to make expenditures in respect of the ownership or operation of the Oil and Gas Assets in an amount in each case (in respect of Seller's share) in excess CAD$100,000.

(i) Wells; Plug and Abandon Notice. Except as set forth in the Disclosure Schedule, there are no Wells in respect of which Seller has received an order from any Governmental Authority requiring that such Wells be plugged and abandoned.

(j) ROFRs/Preferential Purchase Rights. Other than as set forth in the Disclosure Schedule, there are no ROFRs exercisable by a Third Party in connection with the completion of the Transactions.

(k) LMR Rating. The Seller does not have a "Liability Management Rating" or "LMR" in respect of its assets and interests located in the Province of Alberta, as determined under or pursuant to the applicable AER rules, regulations, guidelines, directives, interim directives and policies that is less than 1.0 and the Seller is not aware of any fact or circumstance that would prevent or delay the Licence Transfers or the approval of the LTAs as contemplated hereunder.

(l) Tax Residency. The Seller is not a non-resident of Canada within the Tax Act.

Section 4.2 Representations and Warranties of the Purchaser.

The Purchaser represents and warrants to the Seller as follows:

(a) Organization. The Purchaser is a corporation duly organized and validly existing under the laws of **[British Columbia]**, and is authorized to carry on business in the provinces in which the Purchased Assets are located, except where failure to so register would not adversely affect the ability of the Purchaser to complete the Transactions on the basis contemplated in this Agreement.

(b) Authorization of Agreements, Enforceability, No Conflicts, Etc. Subject to the Approval and Vesting Order:

(i) the Purchaser has good right, full power and absolute authority to purchase and acquire the interest of the Seller in and to the Purchased Assets according to the true intent and meaning of this Agreement;

(ii) the execution, delivery and performance of this Agreement will not result in any violation of, be in conflict with, or constitute a default under, any term or provision of any agreement or document to which the Purchaser is party or by which the Purchaser is bound, nor under any judgement, decree, order, statute, regulation, rule or license applicable to the Purchaser, except in either case, where such conflict or default would not adversely affect the ability of the Purchaser to complete the Transactions on the basis contemplated in this Agreement;

(iii) this Agreement and any other agreements delivered in connection herewith constitute (or will constitute, as the case may be) valid and binding obligations of the Purchaser enforceable against the Purchaser in accordance with their terms, subject to the general principles of equity; and

(iv) no authorization or approval or other action by, and no notice to or filing with, any Governmental Authority or regulatory body exercising jurisdiction over the Purchased Assets is required for the due execution, delivery and performance by the Purchaser of this Agreement, other than authorizations, approvals or exemptions from requirement therefor previously obtained and currently in force or to be obtained prior to or after Closing as provided for in this Agreement or the Approval and Vesting Order.

(c) Litigation. There is no Action or Claim in progress, pending or, to the best of the Purchaser's knowledge, threatened against or relating to the Purchaser or any judgment, decree, injunction, rule or order of any court, governmental department, commission, agency, instrumentality or arbitrator which, in any case, might adversely affect the ability of the Purchaser to enter into this Agreement or to consummate the Transactions and the Purchaser is not aware of any existing ground on which any action, suit or proceeding may be commenced with any reasonable likelihood of success.

(d) Brokers. The Purchaser has not incurred any Liability for brokerage or finders' fees or agents' commissions or other similar payment in connection with the Transactions that would be payable by the Seller.

(e) Investigation. The Purchaser acknowledges and affirms that it has completed its own independent investigation, analysis, and evaluation of the Purchased Assets, that it has made all such reviews and inspections of the Purchased Assets as it deems necessary and appropriate, and that, in making its decision to enter into this Agreement and consummate the Transactions, it has relied on its own investigation, analysis, and evaluation with respect to all matters, without reliance upon any express or implied representations or warranties, except as set forth in this Agreement, any Closing Document or the Amended and Restated Support Agreement.

(f) AER Registration. The Purchaser has been issued a business associate code with the AER and the Purchaser is eligible to hold well, pipeline and facility licenses in accordance with AER Directive 067.

(g) LMR Rating. The Purchaser will not have a "Liability Management Rating" or "LMR" in respect of its assets and interests located in the Province of Alberta that is less than 2.0 following Closing and the completion of the Licence Transfers and the transfer of the Oil and Gas Assets as contemplated in this Agreement. The Purchaser is not aware of any fact or circumstance that would prevent or delay the Licence Transfers or the approval of the LTAs as contemplated hereunder.

(h) GST/HST. The Purchaser is a registrant for purposes of Part IX of the ETA, under the registration number **[●]**.

(i) Investment Canada Act. For the purpose of the *Investment Canada Act*, the Purchaser represents and warrants that it is not a non-Canadian.

(j) Purchaser Shares. On the Closing Date, the Purchaser Shares issued by the Purchaser to the Seller shall be free and clear of any claim, lien, charge, encumbrance or other adverse claim whatsoever.

Section 4.3 Disclaimer of Warranties.

Notwithstanding anything to the contrary in this Agreement or any Closing Document, it is the explicit intent of each Party that the Seller is not making any representation or warranty, express or implied, beyond those expressly given in Section 4.1 or contained in any Closing Document or the Amended and Restated Support Agreement, and it is understood that, except for such representations and warranties, the Purchaser and any Purchaser Designee take the Purchased Assets "as is" and "where is." Without limiting the generality of the immediately foregoing, except for the representations and warranties specifically contained in Section 4.1 or in any Closing Document or the Amended and Restated Support Agreement, the Seller hereby expressly disclaims and negates any representation or warranty, express or implied, at common law, by statute, or otherwise, relating to:

(a) the quality, quantity or recoverability of Petroleum Substances within or under the Lands or any lands pooled or unitized therewith;

(b) any estimates of the value of the Purchased Assets or the revenues or cash flows from future production from the Lands;

(c) the rates of production of Petroleum Substances from the Lands;

(d) the quality, condition, fitness or merchantability of any tangible depreciable equipment or property interests which comprise the Purchased Assets (including the Tangibles or the Personal Property);

(e) the accuracy or completeness of any data or information supplied by the Seller, the Monitor or any of their Representatives in connection with the Seller, its business or the Purchased Assets, whether pursuant to the SISP or otherwise;

(f) the suitability of the Purchased Assets for any purpose;

(g) compliance with Applicable Laws, including, for greater certainty, Environmental Laws; or

(h) the title and interest of the Seller in and to the Oil and Gas Assets.

ARTICLE V
COVENANTS

Section 5.1 Interim Covenants of the Seller.

Between the date hereof and the Closing Date, except as required by this Agreement, the Amended and Restated Support Agreement, the Initial Order, the SISP Order, the SISP, the Approval and Vesting Order or any other Order of the Court, or Applicable Laws, or with the prior written consent of the Purchaser, the Seller shall conduct the business of the Seller in the ordinary course of business consistent with past practice and shall:

(a) use commercially reasonable efforts to maintain the Purchased Assets in a proper and prudent manner, in accordance with good industry practice, and in material compliance with all Applicable Laws and directions of Governmental Authorities;

(b) pay or cause to be paid all costs and expenses relating to the Purchased Assets which become due from the date hereof to the Closing Date;

(c) (i) perform in all material respects all of its obligations under the Assumed Contracts, as and when such obligations become due; (ii) not, unless the Seller has provided five Business Days' notice of same to the advisors to the Purchaser and has not received objection to same, grant any material Consent under any Assumed Contracts (other than as expressly required by such Assumed Contracts or in the ordinary course of performing its obligations under such Assumed Contracts); and (iii) not, unless the Seller has provided five Business Days' notice of same to the advisors to the Purchaser and has not received objection to same, modify, amend, or terminate in any material respect any Material Contract (other than a marketing contract or as expressly required by such Material Contracts or in the ordinary course of performing its obligations under such Material Contracts) or enter into any new material Contract (other than in the ordinary course of business consistent with past practices);

(d) comply with all Applicable Laws in all material respects;

(e) maintain the Books and Records;

(f) not sell, pledge, assign, lease, license, or cause, permit, or suffer the imposition of any Encumbrance (other than Permitted Encumbrances) on, or otherwise dispose of, any of the Purchased Assets, other than (i) in the ordinary course of business consistent with past practices, (ii) the sale or disposition of assets that are obsolete or not otherwise used in the operation of the business of the Seller (which specifically includes certain tanker trailers currently owned by the Seller) and are immaterial, in the aggregate, to the business of the Seller, and (iii) in connection with a transaction that provides for the payment in full of all amounts outstanding under and in connection with the First Lien Credit Agreement; or (iv) the pledge of Cash and Cash Equivalents by the Seller to ATB in connection with the credit facilities provided by ATB to the seller;

(g) not enter into a plan of compromise or arrangement, merger, share exchange, or reorganization with any Person or adopt a plan of complete or partial liquidation, other than in connection with a transaction that provides for the payment in full of all amounts outstanding under and in connection with the First Lien Credit Agreement;

(h) not authorize, declare, or pay any dividends on or make any distribution with respect to its outstanding shares (whether in cash, assets, shares, or other securities);

(i) not enter into any Contract the effect of which would be to grant to a Third Party any license to use any Purchased Intellectual Property, other than in the ordinary course of business;

(j) not enter in any (i) settlement agreement with a Third Party or Governmental Authority or (ii) consent decree with a Governmental Authority that, in any case, would require the payment by the Purchaser or any Affiliate thereof of any amount after the Closing or would compromise the Seller's ability to sell, transfer, assign, convey and deliver the Purchased Assets to the Purchaser and/or one or more Purchaser Designees, as applicable, in accordance with this Agreement;

(k) not expend any insurance proceeds, condemnation or expropriation awards, or other compensation in respect of loss or damage to any Purchased Asset to the extent occurring after the date hereof but prior to the Closing Date, except, in each case, as is reasonably necessary to repair or replace such Purchased Asset in the ordinary course of business; and

(l) (i) other than in the ordinary course of business consistent with past practices, not increase the compensation or benefits of any Service Provider except as required by Applicable Laws, (ii) other than in the ordinary course of business consistent with past practices, not pay any amounts or increase any amounts payable to any Service Provider that is not required by any current plan or agreement, except as required by Applicable Laws, (iii) not become a party to, establish, amend, commence participation in, terminate, or commit itself to any plan, agreement, program, policy, commitment, arrangement or practice that, if sponsored, maintained, contributed to or required to be contributed to by the Seller, could be an Employee Benefit Plan, or any employment agreement with or for the benefit of any Service Provider (or newly hired employee), except as required by Applicable Laws, (iv) not accelerate the vesting of or lapsing of restrictions with respect to any stock-based compensation or other long-term incentive compensation, (v) not (x) hire any Service Provider, (y) terminate the employment of any Service Provider, or (z) promote any Service Provider, in each case other than in the ordinary course of business, (vi) not cause the funding of any trust or similar arrangement or take any action to fund or in any other way secure the payment of compensation or benefits under any Employee Benefit Plan, and (vii) not change any actuarial or other assumptions used to calculate funding obligations with respect to any Employee Benefit Plan or change the manner in which contributions to any Employee Benefit Plan plans are made or the basis on which such contributions are determined, except as required by Applicable Laws; and

(m) Other than as contemplated in its 2019 approved budget, not make any commitment or propose, initiate or authorize any capital expenditure with respect to the Oil and Gas Assets in excess of $300,000, except in case of an emergency.

Section 5.2 Closing Documents.

The Parties shall proceed diligently and in good faith to attempt to settle, on or before the Closing Date, or such earlier date as may be expressly set forth herein, the contents of all Closing Documents to be executed and delivered by the Seller and the Purchaser.

Section 5.3 Matters Requiring Notice; Matters Requiring Consent of Purchaser.

(a) The Seller shall, promptly and in any event within two Business Days of receipt thereof, provide to the Purchaser a copy of any notices of any breach or default that the Seller receives in respect of any Assumed Contract, any notices that it receives with respect to any of the Purchased Assets from a Governmental Authority, or any notices of a breach or default under any Assumed Contract that the Seller sends to another Person, in each case after the date of this Agreement.

(b) The Seller, on the one hand, and the Purchaser, on the other hand, shall forthwith notify the other of:

(i) any notice or other communication received by the Seller, in the case of the Seller, or the Purchaser, in the case of the Purchaser, from any Person alleging that the Consent of such Person is or may be required in connection with the Transactions or any of them;

(ii) any inaccuracy of any representation or warranty of such Party contained in this Agreement at any time that would make such representation or warranty false in any material respect; and

(iii) any breach of any covenant or agreement of such Party contained in this Agreement at any time.

(c) Notwithstanding anything to the contrary in this Agreement or any Closing Document, delivery of any notice pursuant to Section 5.3(b) and any access to or provision of information (including pursuant to Section 5.4) shall not modify any of the representations, warranties, covenants, or agreements of the Parties (or rights or remedies with respect thereto) or the conditions to the obligations of the Parties under this Agreement.

Section 5.4 Access to Information/Confidentiality/Preservation of Books and Records.

(a) From the date hereof until the earlier of (i) termination of this Agreement and (ii) the Closing, the Purchaser shall be entitled, through its legal and financial advisors and accountants, to make such reasonable investigation of the Seller, the Purchased Assets, and the Assumed Liabilities and such examination of the Books and Records as it reasonably requests, provided that any such investigation and examination shall be conducted upon reasonable advance notice to the Seller and in such a manner as does not unreasonably disrupt the conduct of the Seller's business, and to make extracts and copies of such Books and Records.

(b) Subject to Section 5.4(c), the Seller shall use its commercially reasonable efforts to cause its Representatives to cooperate with the Purchaser and its legal and financial advisors and accountants in connection with such reasonable investigation and examination. Any confidential information provided to the Purchaser shall be deemed "Information" under the First Lien Credit Agreement and shall be subject to the terms thereof relating to confidentiality (including Section 9.18 thereof).

(c) The Purchaser hereby agrees to comply with and be bound by the confidentiality terms of the First Lien Credit Agreement and will remain bound thereby notwithstanding any termination of the Amended and Restated Support Agreement.

(d) Subject to the occurrence of the Closing, the Seller shall, and shall cause its Representatives to, keep confidential and not disclose to any party any Confidential Information, unless (i) required by Applicable Laws or the CCAA

Proceedings, (ii) in compliance with a request or requirement of a Governmental Authority, (iii) such Confidential Information is generally available to the public at the time of such disclosure, other than as a result of a breach of this Section 5.4 by the Seller or its Representatives, (iv) consented to in advance in writing by the Purchaser and the First Lien Agent on behalf of the First Lien Lenders, or (v) in connection with obtaining consents or complying with ROFRs as contemplated hereunder; provided that, in the case of (i) or (ii), the Seller shall, to the extent not legally prohibited, provide the Purchaser with as much written notice of such request or requirement as practical so the Purchaser may seek a protective order or other appropriate remedy, if necessary. If a protective order or other remedy is not obtained and disclosure is required, the Seller and its Representatives shall (A) disclose such information only to the extent required in the opinion of outside counsel and (B) give advance notice to the Purchaser of the information to be actually disclosed as far in advance as is reasonably possible. In any such event, the Seller shall use commercially reasonable efforts, at no cost to the Seller, to ensure that all Confidential Information that is so disclosed is accorded confidential treatment by the recipient thereof.

Section 5.5 Transition Services/Access of Seller to Records.

(a) The Purchaser shall provide the Seller with administrative services relating to any winding-up undertaken by the Seller and the CCAA Proceedings, record keeping, financial, tax and other reporting obligations, and other similar administrative services as reasonably requested by the Seller, the Monitor or their agents or advisors (the "**Transition Services**") until **[6 months]** from the Closing Date at no cost other than reimbursement of documented Third Party costs incurred by the Purchaser in performing the Transition Services which will be paid from the Wind-Down Amount.

(b) The Seller shall, for a period of six (6) years from the Closing Date, have access to, and the right to copy, at its expense, for *bona fide* business purposes and for purposes of the CCAA Proceedings, during usual and business hours, upon reasonable advance notice to the Purchaser and in such a manner as does not unreasonably disrupt the conduct of the Purchaser's business, the Books and Records relating to the Seller's business prior to the Closing, the Purchased Assets and the Assumed Liabilities. The Purchaser shall retain and preserve all such Books and Records for such six (6) year period.

Section 5.6 Required Approvals.

(a) Prior to the Closing, upon the terms and subject to the conditions of this Agreement, and except as contemplated by this Agreement, the Parties shall use their reasonable best efforts to cooperate and take or cause to be taken all such actions, and do or cause to be done all such things, as are commercially reasonable (subject to any Applicable Laws) to consummate the Closing and the Transactions as promptly as reasonably practicable, including (and in addition to the Licence Transfers and Specific Conveyances contemplated to be completed in accordance with Article III) the preparation and filing of all forms, registrations and notices required pursuant to Applicable Laws to be filed to consummate the Closing and the Transactions and the taking of commercially reasonable actions to obtain any requisite approvals, authorizations, Consents, releases, orders, licenses, Business Permits, qualifications, exemptions, or waivers by any Third Party or Governmental Authority.

(b) In furtherance of the foregoing, the Parties agree that, as promptly as reasonably practicable following the execution of this Agreement, the Parties shall (i) make all filings required under any Applicable Laws; and (ii) promptly comply with any formal or informal request by a Governmental Authority for additional information, documents or other materials in respect of such filings.

(c) Subject to Applicable Laws, each Party shall promptly inform the other Party of any oral communication with, and provide copies of written communication with, any Governmental Authority regarding any such filings or otherwise. No Party shall independently participate in any material meeting or discussion, either in person, by telephone, or by electronic means, with any Governmental Authority in respect of any such filings, investigation, or other inquiry regarding the Transactions without giving the other Party prior notice of the meeting and, to the extent permitted by such Governmental Authority, the opportunity to attend and/or participate (including for greater certainty in relation to the LTAs).

(d) Subject to Applicable Laws, the Parties will consult and cooperate with one another in connection with any analyses, appearances, presentations, memoranda, briefs, arguments, opinions, and proposals made or submitted by or on behalf of any Party hereto with respect to the Transactions relating to proceedings under any Applicable Laws.

(e) The Parties shall use commercially reasonable efforts to obtain an approval from, to resolve any objection or assertion by, or to resolve an action or proceeding by any Governmental Authority, whether by judicial or administrative action, challenging this Agreement or the consummation of the Transactions or the performance of obligations hereunder under any Applicable Laws.

(f) For greater certainty, the Parties' rights, obligations, covenants and responsibilities in relation to the LTAs and Specific Conveyances shall be as set out in Article III, and shall not be limited in any manner by the provisions of this Section 5.6.

Section 5.7 Publicity.

Except as required by Applicable Laws (including any Order by the Court) or in filings by the Seller with, or hearings before, the Court under the CCAA Proceeding, neither Party shall issue any press release or make any public announcement concerning this Agreement or the Transactions without the other Party's consent, not to be unreasonably withheld, delayed or conditioned.

Section 5.8 Employees.

(a) No later than five Business Days prior to the Closing Date, the Purchaser shall make written offers of employment, conditional and effective on the Closing Date, to all Employees, in each case on terms and conditions that are substantially similar to those in effect prior to Closing, including compensation and benefits in accordance with the Employee Benefit Plans and recognition of past service, and which comply with *Employment Standards Code* (Alberta) ("**Offers of Comparable Employment**"). No later than ten Business Days prior to the Closing Date, the Purchaser shall provide the Seller with each form of offer to be used for the Offers of Comparable Employment and a reasonable opportunity to review and comment on each form of offer to be used for the Offers of Comparable Employment before such offers are made by the Purchaser. Any Employees who do not accept and sign an offer of employment by Purchaser are collectively referred to as the "**Excluded Employees**".

(b) The Purchaser shall advise the Seller at least forty eight hours prior to the Closing Date of those Employees who have accepted a written offer of employment.

(c) From and after the Closing Date, Purchaser shall be liable for, and shall indemnify and save harmless the Seller from and against, all Liabilities arising from and after the Closing Date with respect to the Hired Employee for wages, salaries, vacation entitlement, bonuses, accrued overtime, banked hours, flex time, sick leave and other benefits in respect of any period from and after the Closing Date and in accordance with the *Employment Standards Code* (Alberta) and other equivalent legislation in other provinces, and all Liabilities arising from termination of employment of any Hired Employee by the Purchaser after the Closing Date.

(d) Notwithstanding any other provision hereof, and with the exception of the Purchaser's Offer of Comparable Employment, the Purchaser shall not communicate with the Employees in any manner until the Purchaser has received the consent of the Seller with respect to any such communications.

Section 5.9 Insurance Obligations.

(a) Prior to the Closing, the Seller shall use reasonable commercial efforts to cause all of its the insurance policies to be assigned to the Purchaser and obtain any Consents required in respect thereof. In the event the Seller is unable to assign one or more of such policies to the Purchaser, the Seller shall use reasonable commercial efforts to cause the Purchaser to be named as an additional insured and loss payee on each such policy. Notwithstanding anything to the contrary herein or in any Closing Document, the Seller will not cancel, terminate or otherwise impair any such insurance policy (other than, in respect of any occurrence based policy with a policy period expiring after the Closing, a termination of any portion of the policy period occurring on or after the Closing), and, in the event that any such policy is so terminated, cancelled or otherwise impaired by the Seller, any Liability which would have otherwise been covered under such policy shall not be an Assumed Liability and instead shall be an Excluded Liability.

(b) In the event that the Seller succeeds in assigning one or more of its insurance policies to the Purchaser, the Purchaser shall cause the Seller to be named as an additional insured and loss payee on each such policy concurrently with the effectiveness of such assignment. Notwithstanding anything to the contrary herein or in any Closing Document, the Purchaser will not cancel, terminate or otherwise impair any such transferred insurance policy (other than, in respect of any occurrence based policy with a policy period expiring after the Closing, a termination of any portion of the policy period occurring on or after the Closing), and, in the event that any such policy is so terminated, cancelled or otherwise impaired by the Purchaser, any Liability which would have otherwise been covered under such policy shall be treated as an Assumed Liability hereunder.

Section 5.10 CCAA Proceedings.

(a) Upon execution of this Agreement, the Seller shall use all reasonable efforts to obtain the Approval and Vesting Order:

(i) approving this Agreement and the Transactions (and for certainty, including the subject matter of the Credit Bid Transaction) and authorizing the Seller to carry out the terms hereof; and

(ii) vesting in Purchaser all right, title and interest of the Seller in and to the Purchased Assets free and clear of any encumbrances, other than Permitted Encumbrances, such vesting to occur upon the delivery to the parties of the Monitor's Certificate confirming that all conditions required for Closing have been satisfied or waived.

(b) The Purchaser shall cooperate with the Seller in its efforts to obtain the Approval and Vesting Order and shall use reasonable efforts to provide or cause to be provided to the Seller, at the Seller's request, all certificates, affidavits or other documents and instruments reasonably required by the Seller to obtain the Approval and Vesting Order.

Section 5.11 Updates and Amendments of Schedules.

Until the third Business Day before Closing, the Seller shall have the right to, with the prior consent of the Purchaser, acting reasonably, amend, modify and/or supplement Schedule A and Schedule B, in each case, as applicable, in order to reflect:

(a) any additional Contracts or leases and licences of Petroleum Substances to be acquired by the Purchaser; or

(b) the deletion of any Contracts or leases and licenses of Petroleum Substances from any such Schedule.

Section 5.12 ROFRs.

(a) The Seller has advised the Purchaser which Oil and Gas Assets are subject to a ROFR, as outlined in the Disclosure Schedule.

(b) The Seller shall courier ROFR notices to the Third Parties holding such ROFRs promptly following execution and delivery of this Agreement. The Seller shall notify the Purchaser in writing forthwith upon each Third Party exercising or waiving such a ROFR. The Seller shall ensure that any such notices include *bona fide* allocations of value for the Seller's interest in and to the applicable Oil and Gas Assets which are subject to a ROFR.

(c) If any such Third Party elects to exercise such ROFR, then:

(i) the definition of Oil and Gas Assets shall be deemed to be amended to exclude those Oil and Gas Assets in respect of which the ROFR has been exercised;

(ii) such Oil and Gas Assets shall not be conveyed to the Purchaser; and

(iii) any proceeds received by the Seller from a Third Party in respect of the sale and conveyance of any Oil and Gas Assets which are subject to a ROFR ("**ROFR Proceeds**") shall be deemed to form part of the Purchased Assets to be transferred to the Purchaser hereunder in accordance with Section 2.1(e), and, accordingly, the Purchase Price shall not be subject to any reduction in the event of the exercise of any such ROFR by a Third Party.

(d) In the event that a Third Party exercises a ROFR and is then unable or unwilling to enter into a conveyance agreement with the Seller for the relevant Oil and Gas Assets, the Purchaser agrees to accept a conveyance of such Oil and Gas Assets under the same terms and conditions as this Agreement to whatever extent possible.

(e) Closing shall not be delayed even though certain of the ROFRs are outstanding and capable of exercise by the holders thereof as of the Closing Date (such ROFRs being referred to as "**Outstanding ROFRs**"). In such case, the following procedures shall apply:

(i) the Parties shall proceed with Closing (for greater certainty without any reduction in the Purchase Price for the Outstanding ROFRs, and without variation of any other terms or conditions of this Agreement);

(ii) the Seller shall have (as of the Closing Date) prepared all Specific Conveyances and other closing documentation required for the sale of the Oil and Gas Assets subject to the Outstanding ROFRs (the "**Outstanding ROFR Assets**");

(iii) if an Outstanding ROFR is exercised by a Third Party, the Seller will promptly notify the Purchaser thereof in writing, the Specific Conveyances and other closing documentation related to such Outstanding ROFR Assets will be of no force or effect and shall be destroyed by the Seller, and the provisions of Section 5.13(c) shall apply to the Oil and Gas Assets which are the subject of the Outstanding ROFR being exercised by the Third Party, *mutatis mutandis*.

(iv) if after Closing an Outstanding ROFR is extinguished by lapse of time, waiver or otherwise (other than as a result of being exercised), the Seller will promptly notify the Purchaser thereof in writing and promptly deliver copies of the Specific Conveyances and closing documentation previously prepared it to the Purchaser, and such documentation shall be effective and the sale of such Outstanding ROFR Assets to Purchaser pursuant hereto shall be deemed to have closed on the Closing Date.

Section 5.13 Use of Name.

As soon as reasonably practicable after the Closing (and in no event later than five (5) Business Days after the Closing), the Seller shall take all reasonably necessary actions to change its name to a name that does not contain the words "Connacher" or "Connacher Oil and Gas Limited" and will file such documents as are necessary to reflect such name change in each province in which the Seller is incorporated or qualified to do business as a foreign entity. The Seller agrees to promptly notify the Purchaser of such name change and the name chosen by the Seller. Notwithstanding the foregoing, the Seller may refer to "Connacher" or "Connacher Oil and Gas Limited" (or other variant of the foregoing) as a former name, including for legal and noticing purposes in the CCAA Proceedings, the winding down of the affairs of the Seller, or as otherwise required by Applicable Laws.

ARTICLE VI
CONDITIONS TO CLOSING

Section 6.1 Conditions for the Purchaser.

The obligation of the Purchaser to consummate the Closing is subject to the satisfaction or waiver in writing by the Purchaser, at or before the Closing, of each of the following conditions:

(a) the Amended and Restated Support Agreement shall not have been terminated in accordance with its terms;

(b) all of the covenants and agreements in this Agreement, the Amended and Restated Support Agreement and the Approval and Vesting Order to be complied with or performed by the Seller on or before the Closing Date shall have been complied with and performed in all material respects (without giving effect to any limitation as to materiality set forth therein), and all conditions in this Agreement, the Amended and Restated Support Agreement and the Approval and Vesting Order shall have been satisfied or waived in accordance with the terms thereof, as applicable;

(c) the representations and warranties of the Seller set forth in Section 4.1 shall be true and correct in all material respects as of the date of this Agreement and as of the Closing Date as if made on the Closing Date (except for any representation or warranty made as of a specified date, which shall be true and correct in all respects as of such specified date);

(d) no Governmental Authority of competent jurisdiction shall have enacted, issued, promulgated, enforced or entered any Applicable Laws (including any Order) that has the effect of making the Transactions illegal or otherwise restraining or prohibiting consummation of the Transactions and which is not satisfied, resolved or pre-empted by the Approval and Vesting Order;

(e) Seller shall have obtained the Approval and Vesting Order and the Approval and Vesting Order shall not have been (i) stayed as of the Closing Date (whether pending appeal or otherwise) or vacated, or (ii) amended, supplemented or otherwise modified in a manner not acceptable to the Parties, acting reasonably;

(f) the board of directors of the Purchaser shall have approved the Management Incentive Plan, which Management Incentive Plan shall be implemented by the Purchaser immediately following the Closing;

(g) each of the Key Employees shall have duly executed and delivered to the Purchaser an employment agreement and such other agreements or documents incidental thereto, in form acceptable to the Purchaser and the applicable Employee;

(h) the Seller shall have assigned to the Purchaser and/or, as applicable, one or more Purchaser Designees, all of the Assumed Contracts (other than any Contract that, in the opinion of the Purchaser, is not material to the business of the Seller), in each case in accordance with the terms of the applicable Contracts or pursuant to Section 11.3 of the CCAA and the Assignment Order;

(i) all LTAs shall have been accepted by the AER, and all Licence Transfers shall otherwise have been completed with applicable Governmental Authorities, and all other necessary governmental and other regulatory approvals to the sale of the Purchased Assets that are required to be obtained prior to Closing shall have been obtained without conditions;

(j) Seller's cash at Closing shall be sufficient to fund the full amount of the Administrative Reserve to be delivered by Seller to Monitor pursuant to Section 2.9 and Section 2.10; and

(k) all of the deliveries described in Section 7.2 shall have been made.

If any one or more of the foregoing conditions precedent in this Section 6.1 has or have not been satisfied or waived by the Purchaser, at or before the Closing Date, the Purchaser may rescind this Agreement by written notice to the Seller. If the Purchaser rescinds this Agreement, the Seller and the Purchaser shall be released and discharged from all obligations hereunder.

Section 6.2 Conditions for the Seller.

The obligation of the Seller to consummate the Closing is subject to the satisfaction or waiver in writing by the Seller, at or before the Closing, of each of the following conditions:

(a) the Amended and Restated Support Agreement shall not have been terminated in accordance with its terms;

(b) all of the covenants and agreements in this Agreement, the Amended and Restated Support Agreement and the Approval and Vesting Order to be complied with or performed by the Purchaser or the First Lien Lenders, as applicable, or, in the case of the Payment and Settlement Agreement, the First Lien Agent on behalf of the First Lien Lenders, on or before the Closing Date shall have been complied with and performed in all material respects (without giving effect to any limitation as to materiality set forth therein), and all conditions in this Agreement, the Amended and Restated Support Agreement and the Approval and Vesting Order shall have been satisfied or waived in accordance with the terms thereof, as applicable;

(c) the representations and warranties of the Purchaser set forth in Section 4.2 shall be true and correct in all material respects, in each case, as of the date of this Agreement and as of the Closing Date as if made on the Closing Date (except for any representation or warranty made as of a specified date, which shall be true and correct in all material respects as of such specified date);

(d) no Governmental Authority of competent jurisdiction shall have enacted, issued, promulgated, enforced or entered any Applicable Laws (including any Order) that has the effect of making the Transactions illegal or otherwise restraining or prohibiting consummation of the Transactions and which is not satisfied, resolved or pre-empted by the Approval and Vesting Order;

(e) Seller shall have obtained the Approval and Vesting Order and the Approval and Vesting Order shall not have been (i) stayed as of the Closing Date (whether pending appeal or otherwise) or vacated, or (ii) amended, supplemented or otherwise modified in a manner not acceptable to the Seller;

(f) all LTAs shall have been accepted by the AER, and all Licence Transfers shall otherwise have been completed with applicable Governmental Authorities, and all other necessary governmental and other regulatory approvals to the sale of the Purchased Assets that are required to be obtained prior to Closing shall have been obtained without conditions;

(g) the Administrative Reserve shall have been paid in cash to the Monitor;

(h) the Seller Transaction Expenses shall have been paid;

(i) the Payment and Settlement Agreement shall be in full force and effect and the release of the First Lien Indebtedness specified therein shall be operative concurrently with the Closing without any other action required whatsoever;

(j) the board of directors of the Purchaser shall have approved a Management Incentive Plan attached hereto as Schedule K, which Management Incentive Plan shall be implemented by the Purchaser immediately following the Closing;

(k) Seller's cash at Closing shall be sufficient to fund the full amount of the Administrative Reserve to be delivered by Seller to Monitor pursuant to Section 2.9 and Section 2.10; and

(l) all of the deliveries described in Section 7.3 shall have been made.

If any one or more of the foregoing conditions precedent in this Section 6.2 has or have not been satisfied or waived by the Seller, at or before the Closing Date, the Seller may rescind this Agreement by written notice to Purchaser. If the Seller rescinds this Agreement, the Seller and the Purchaser shall be released and discharged from all obligations hereunder.

Section 6.3 Efforts to Fulfil Conditions Precedent.

The Purchaser and the Seller shall proceed diligently and in good faith and use all reasonable efforts to satisfy and comply with and assist in the satisfaction and compliance with the foregoing conditions precedent. Each Party shall promptly notify the other of the occurrence, to such Party's knowledge, of any event or condition, or the existence, to such Party's knowledge, of any fact that would reasonably be expected to result in:

(a) any of the representations and warranties in Article 4 not being true and correct; or

(b) any of the conditions set forth in Article 6 not being satisfied.

For certainty, if the Purchaser determines, acting reasonably, that there has been a breach of inaccuracy of any of the Seller's representations and warranties, it shall provide the Seller with notice of such breach or inaccuracy as promptly as reasonably practicable so that the Seller may attempt to cure such breach or inaccuracy to the Purchaser's reasonable satisfaction on or before the Closing Date.

ARTICLE VII
CLOSING

Section 7.1 Closing Arrangements.

The consummation of the Transactions (the "**Closing**") shall take place at 10:00 a.m. on the second Business Day following the date on which all of the conditions set forth in Sections 6.1 and 6.2 have been satisfied or waived (other than any conditions that can only be satisfied as of the Closing, but subject to the satisfaction or waiver of such conditions) or such other time and date as may be mutually agreed to by the Parties (the "**Closing Date**"), at the offices of Bennett Jones LLP, or at such other place as may be mutually agreed to by the Parties.

Section 7.2 Seller's Deliveries.

On or before the Closing Date, the Seller shall deliver or cause to be delivered the following items and documents to the Purchaser, with each such document to be effective as of the Closing:

(a) a certificate executed on behalf of the Seller representing and certifying that the conditions set forth in Section 6.1 have been satisfied;

(b) the Cash and Cash Equivalents, net of the Administrative Reserve, by wire transfer of immediately available funds to such accounts as are designated by the Purchaser two Business Days prior to the Closing;

(c) any other necessary deeds, conveyances, assurances, transfers and assignments and any other instruments necessary or reasonably required to transfer the Purchased Assets to the Purchaser duly executed by the Seller (as applicable) including without limitation, any agreements required in respect of the BEH Royalty Agreement which may be delivered to the Purchaser by the Seller or Burgess Energy Holdings L.L.C., as applicable as contemplated by the BEH Royalty Agreement;

(d) the General Conveyance, Assignment and Assumption Agreement, duly executed by the Seller;

(e) the Bill of Sale, duly executed by the Seller;

(f) the tax elections as contemplated by this Agreement, duly executed by the Seller;

(g) certified copy of the Approval and Vesting Order;

(h) the Payment and Settlement Agreement, duly executed by the Seller; and

(i) duly executed copies of all Consents required to be obtained by the Seller hereunder as set forth in the Disclosure Schedule, in form and substance reasonably satisfactory to the Purchaser.

Section 7.3 Purchaser's Deliveries.

On or before the Closing Date, the Purchaser shall deliver or cause to be delivered the following items and documents to the Seller, with each such document to be effective as of the Closing:

(a) a certificate executed on behalf of the Purchaser representing and certifying that the conditions set forth in Section 6.2 have been satisfied;

(b) any other necessary deeds, conveyances, assurances, transfers and assignments and any other instruments necessary or reasonably required to transfer the Purchased Assets to the Purchaser duly executed by the Purchaser (as applicable), including without limitation, any agreements required in respect of the BEH Royalty Agreement;

(c) the General Conveyance, Assignment and Assumption Agreement, duly executed by the Purchaser and/or, as applicable, one or more Purchaser Designees;

(d) the Bill of Sale, duly executed by the Purchaser;

(e) the Newco First Lien Credit Agreement, duly executed by the Purchaser;

(f) the Term Note, duly executed by the Purchaser;

(g) a share certificate representing the Purchaser Shares in the name of the Seller, duly executed by the Purchaser; and

(h) the tax elections as contemplated by this Agreement, duly executed by the Purchaser.

Section 7.4 Tax Matters.

(a) The Parties shall jointly execute and file the election contemplated by subsection 66.7(7) of the Tax Act, within the time and in the manner prescribed therefor by the Tax Act, in respect of the acquisition of the Purchased Assets by the Purchaser. In addition, the Seller shall execute and file the designation contemplated by subsection 66.7(12.1) of the Tax Act, within the time and in the manner prescribed therefor by the Tax Act so as to designate in favour of the Purchaser an amount of not less than **[CAD$•]**.

(b) If requested by the Purchaser, the Seller and the Purchaser shall, as soon as possible after the Closing, jointly execute and file an election under Section 22 of the Tax Act and equivalent provisions of any applicable provincial or territorial regulation in respect of the sale of the Accounts Receivable and other assets that are described in Section 22 of the Tax Act and shall designate therein the applicable portion of the Purchase Price as the consideration paid by the Purchaser therefor. The Parties shall each file such elections with the Canada Revenue Agency (or any applicable provincial or territorial taxing authority) forthwith after execution thereof (and, in any event, with their respective tax returns for the year of sale) to make such election.

(c) If requested by the Purchaser, the Seller and the Purchaser shall, as soon as possible after the Closing, jointly execute and file an election under Subsection 20(24) of the Tax Act and equivalent provisions of any applicable provincial or territorial regulation. The Parties shall each file such election with the Canada Revenue Agency (or any applicable provincial or territorial taxing authority) forthwith after execution thereof (and, in any event, with their respective tax returns for the year of sale) to make such election.

(d) The Purchaser, shall pay and shall be responsible for all federal, provincial and municipal Transfer Taxes, if any, occasioned by the conveyance of the Purchased Assets from the Seller to the Purchaser and, as applicable, one or more Purchaser Designees, including any notarial fees incurred in connection therewith; provided, however, that the Parties shall reasonably cooperate in availing themselves of any available exemptions from any such Transfer Taxes. The Purchaser shall be responsible for the preparation and filing of all Tax Returns relating to Transfer Taxes.

(e) Each of the Purchaser and the Seller will continue to be a registrant, for purposes of Part IX of the ETA, at the Closing Date in accordance with the applicable provisions of the ETA. The Seller and the Purchaser shall, jointly make an election under subsection 167(1) of the ETA, in prescribed form and containing the prescribed information, and under the corresponding provisions of any applicable provincial legislation imposing a value-added or transfer tax, in order to exempt the purchase of the Purchased Assets by the Purchaser from the harmonized sales tax or any provincial value added or transfer tax, and shall file each such joint election in compliance with the requirements of the ETA and the corresponding provisions of any application provincial legislation, as applicable.

(f) The Parties agree that, as between Seller and Purchaser, Purchaser shall be solely liable for and Purchaser shall indemnify, defend and keep harmless Seller from any GST, penalty, interest or other amounts which may be payable by or assessed against Seller under the ETA or any Liabilities suffered, sustained, paid or incurred by Seller or any Claims made against Seller as a result of or in connection with the failure by Purchaser to pay or Seller to collect or remit any GST at Closing, and without limiting the generality of the foregoing, if subsequent to Closing, the election under subsection 167(1) of the ETA is rejected or overturned by the Minister of National Revenue, then Purchaser shall pay the GST that is determined to be payable in respect of the transfer of the Purchased Assets, including any interest and penalties payable in respect thereof. Notwithstanding any other provision of this Agreement, this indemnity shall survive indefinitely.

(g) The Purchaser and the Seller shall furnish or cause to be furnished to each other, as promptly as reasonably practicable, such information in their possession and assistance relating to the Purchased Assets and the Assumed Liabilities as is reasonably necessary for the preparation and filing of any Tax Return, claim for refund, or other filings relating to Tax matters, or in connection with any Tax audit or other Tax proceeding.

Section 7.5 Monitor's Certificate.

When the conditions to Closing set out in Article VI have been satisfied and/or waived by Seller or Purchaser, as applicable, Seller and Purchaser will each deliver to Monitor written confirmation that such conditions of Closing, as applicable, have been satisfied and/or waived, (the "**Conditions Certificates**"). Upon receipt of (a) the Administrative Reserve and (b) all the Conditions Certificates, Monitor shall (I) issue forthwith its Monitor's Certificate concurrently to Seller and Purchaser, at which time the Closing will be deemed to have occurred; and (II) file as soon as practicable a copy of Monitor's Certificate with the Court (and shall provide a true copy of such filed certificate to Seller and Purchaser).

ARTICLE VIII
TERMINATION OF AGREEMENT

Section 8.1 Termination.

This Agreement may be terminated at any time prior to the Closing:

(a) by mutual written consent of the Seller and the Purchaser;

(b) by the Purchaser:

(i) in the event of any inaccuracy in any of the Seller's representations or warranties contained in this Agreement or any breach of any of the Seller's covenants or agreements contained in this Agreement which, individually or in the aggregate with all other such inaccuracies and breaches, (1) would result in a failure of a condition set forth in Section 6.1 and (2) is either incapable of being cured or, if capable of being cured, is not cured in all material respects within five calendar days after written notice thereof; provided that the Purchaser shall not have the right to terminate this Agreement under this Section 8.1(b) at a time when the Seller has (or would have after the passage of time) the right to terminate this Agreement under Section 8.1(c); or

(ii) if any fact, circumstance or event or combination thereof arises or occurs after the date of this Agreement that has a Material Adverse Effect (as determined on the date of such termination), and such fact, circumstance or event remains in existence or is continuing;

(c) by the Seller, in the event of any inaccuracy in any of the Purchaser's representations or warranties contained in this Agreement or any breach of any of the Purchaser's covenants or agreements contained in this Agreement which, individually or in the aggregate with all other such inaccuracies and breaches, (i) would result in a failure of a condition set forth in Section 6.2 and (ii) is either incapable of being cured or, if capable of being cured, is not cured in all material respects within five calendar days after written notice thereof; provided that the Seller shall not have the right to terminate this Agreement under this Section 8.1(c) at a time when the Purchaser has (or would have after the passage of time) the right to terminate this Agreement under Section 8.1(b);

(d) by either the Seller or the Purchaser, if a Governmental Authority of competent jurisdiction shall have issued a final Order or taken any other non-appealable final action, in each case, having the effect of permanently making the Transactions or any of them illegal or otherwise permanently restraining or prohibiting consummation of the Transactions or any of them; and

(e) by either the Seller or the Purchaser, if the Amended and Restated Support Agreement is terminated in accordance with the terms thereof.

Section 8.2 Effect of Termination.

In the event of any termination of this Agreement pursuant to Section 8.1, this Agreement (except the provisions set forth in this Section 8.2 and Article IX) shall forthwith become null and void and be deemed of no further force and effect. Subject to the exceptions set forth in the preceding sentence, upon termination there shall be no liability or obligation thereafter on the part of any Party hereunder, except for fraud or arising out of the willful breach of any provision of this Agreement prior to termination. Notwithstanding anything to the contrary herein or in any Closing Document, the termination of this Agreement shall not affect any of the rights or obligations of the Parties under the First Lien Credit Agreement.

ARTICLE IX
MISCELLANEOUS

Section 9.1 Survival.

The representations and warranties of the Parties in this Agreement, any Closing Documents, or in any agreement, document or certificate delivered pursuant to or in connection with this Agreement or the Transactions shall not survive the Closing. The Seller shall have no liability, whether before or after the Closing, for any breach of the Seller's representations and warranties, and the Purchaser acknowledges that its exclusive remedy for any such breach shall be the termination of this Agreement prior to Closing (but only if permitted by Section 8.1(b)).

Section 9.2 Non-Recourse.

No past, present or future director, officer, employee, incorporator, manager, member, partner, shareholder, agent, attorney or representative or other Affiliate of the respective Parties hereto, in such capacity, shall have any liability for any obligations or liabilities of the Purchaser or the Seller, as applicable, under this Agreement and the completion of the Transactions.

Section 9.3 Relationship of the Parties.

Nothing in this Agreement shall be construed so as to make the Purchaser or any Affiliate of the Purchaser a partner of the Seller.

Section 9.4 Amendment of Agreement.

This Agreement may not be amended, supplemented or otherwise modified except by a written agreement executed by each Party.

Section 9.5 Liability

No director, officer or employee of the Seller or any of the Seller's legal, financial or other advisors shall have any personal liability to the Purchaser under this Agreement or as a result of the execution or delivery of items required by this Agreement. No director, officer or employee of Purchaser shall have any personal liability to the Seller under this Agreement.

Section 9.6 Notices.

(a) The addresses for service and electronic mail (Email) transmission of the Parties shall be as follows:

If to the Purchaser, to:

[•]
[•]
[•]
Attention: [•]

with a copy (which shall not constitute notice) given in like manner to:

Bennett Jones LLP
3400 One First Canadian Place
P.O. Box 130
Toronto, ON M5X 1A4
Attention: Sean Zweig and Luke Morrison
Email: zweigs@bennettjones.com; morrisonl@bennettjones.com

If to the Seller, to:

Connacher Oil and Gas Limited
Suite 1040, 640 5th Avenue SW
Calgary, AB T2P 3G4
Attention: Suzanne Loov
Email: sloov@connacheroil.com

with a copy (which shall not constitute notice) given in like manner to:

Cassels Brock & Blackwell LLP
Suite 3810, Bankers Hall West
888 – 3rd Street SW
Calgary, AB T2P 5C5
Attention: Ryan Jacobs and Keith Templeton
Email: rjacobs@casselsbrock.com; ktempleton@casselsbrock.com

(b) All notices, communications and statements required, permitted or contemplated in this Agreement ("**Notice**") shall be in writing, and shall be delivered and received:

(i) if personally served on the other Party by hand delivery or courier delivery, such Notices so served shall be deemed to be received by the other Party:

(I) on the date of delivery if delivered within the normal working hours of a Business Day; or

(II) if delivered outside the normal working hours of a Business Day, at the commencement of the next ensuing Business Day following delivery thereof; or

(ii) if served by Email directed to the other Party on whom they are to be served at that Party's Email address, as applicable above, such Notices shall be deemed to have been received by the other Party;

(I) on the date of electronic transmission if the electronic transmission is sent, with receipt confirmation, within the normal working hours of a Business Day; or

(II) if the electronic transmission is sent, with receipt confirmation, outside the normal working hours of a Business Day, on the next ensuing Business Day following transmission thereof.

(c) A Party may from time to time change its address for service or Email address by giving Notice of such change to the other Party.

Section 9.7 Fees and Expenses.

The Parties agree that, except as otherwise expressly provided in this Agreement (including in Section 5.6 and Section 7.4(a)), each Party shall bear and pay all costs, fees and expenses that it incurs, or which may be incurred on its behalf, in connection with this Agreement and the Transactions.

Section 9.8 Governing Law; Jurisdiction; Service of Process.

(a) This Agreement shall be governed by and construed in accordance with the CCAA, to the extent applicable, and the laws of the Province of Alberta and the federal laws applicable therein, without giving effect to any principles of conflicts of law to the extent the Applicable Laws of another jurisdiction would apply as a result of the application thereof.

(b) Without limiting any Party's right to appeal any order of the Court, the Parties agree that if any dispute arises out of or in connection with this Agreement or any of the documents executed hereunder or in connection herewith, the Court shall have exclusive personal and subject matter jurisdiction and shall be the exclusive venue to resolve any and all disputes relating to the Transactions. The Court shall have sole jurisdiction over such matters and the parties affected thereby and the Purchaser and the Seller hereby consent and submit to such jurisdiction; provided, however, that, if the CCAA Proceedings have closed and cannot be reopened, the Parties agree to unconditionally and irrevocably submit to the exclusive jurisdiction of the Province of Alberta and any appellate court thereof, for the resolution of any such claim or dispute.

(c) The Parties hereby irrevocably waive, to the fullest extent permitted by Applicable Laws, any objection which they may now or hereafter have to the laying of venue of any such dispute brought in such court or any defense of inconvenient forum for the maintenance of such dispute.

(d) Each of the Parties hereto agrees that a judgment in any such dispute may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by Applicable Laws.

(e) In the event any such action, suit or proceeding is commenced, the Parties hereby agree and consent that service of process may be made, and personal jurisdiction over any Party hereto in any such action, suit, or proceeding may be obtained, by service of a copy of the summons, complaint, and other pleadings required to commence such action, suit, or proceeding upon the Party at the address of such Party set forth in Section 9.5, unless another address has been designated by such Party in a notice given to the other Parties in accordance with the provisions of Section 9.5.

Section 9.9 Further Assurances.

Subject to the other provisions of this Agreement, each of the Parties hereto agrees to execute, acknowledge, deliver, file, and record such further certificates, amendments, instruments, and documents, and to do all such other acts and things, as may be reasonably requested by any other Party in order to carry out the intent and purpose of this Agreement at the expense of the requesting Party.

Section 9.10 Specific Performance.

(a) The Seller acknowledges that the Purchaser would be damaged irreparably in the event that this Agreement is not performed by the Seller in accordance with its specific terms or is otherwise breached by the Seller or the Seller fails to consummate the Closing as required hereunder, subject to its right to terminate this Agreement under Section 8.1, and shall be entitled to seek injunctive relief to prevent breaches of the terms of this Agreement and to enforce specifically the terms and provisions hereof that are required to be performed by the Seller and to seek to enforce specifically the terms and provisions hereof that are required to be performed by the Seller.

(b) The Purchaser acknowledges that the Seller would be damaged irreparably in the event that this Agreement is not performed by the Purchaser in accordance with its specific terms or is otherwise breached by the Purchaser of the Purchaser fails to consummate the Closing as required hereunder, subject to its right to terminate this Agreement under Section 8.1, and shall be entitled to seek injunctive relief to prevent breaches of the terms of this Agreement and to enforce specifically the terms and provisions hereof that are required to be performed by the Purchaser, and to seek to enforce specifically the terms and provisions hereof that are required to be performed by the Purchaser.

Section 9.11 Entire Agreement.

Except as set forth herein, this Agreement and the Amended and Restated Support Agreement (including for certainty all agreements contemplated thereby) constitute the full and entire agreement between the Parties hereto pertaining to the Transactions and supersedes all other prior agreements, understandings, negotiations, and discussions, whether oral or written, with respect thereto made by any Party.

Section 9.12 Waiver.

No waiver of any of the provisions of this Agreement shall be deemed or shall constitute a waiver of any other provision (whether or not similar) nor shall any waiver constitute a continuing waiver unless otherwise expressed or provided. All waivers hereunder must be in writing to be effective.

Section 9.13 Assignment.

Neither the Seller nor the Purchaser may assign or otherwise transfer their respective rights and/or obligations hereunder (or agree to do so) without the prior written consent of the other Party; provided that the Purchaser may, without the consent of the Seller, assign or otherwise transfer any or all of its right and/or obligations hereunder to one or more of its Affiliates (it being understood that the Purchaser nonetheless shall remain liable for the performance of all of the Purchaser's obligations hereunder to the extent not performed by the assignee or any Purchaser Designee).

Section 9.14 Successors and Assigns.

This Agreement shall bind and inure to the benefit of the Parties hereto and their respective successors and permitted assigns.

Section 9.15 No Third-Party Beneficiaries.

Nothing in this Agreement is intended to, or shall, confer any third-party beneficiary or other rights or remedies upon any Person other than the Parties hereto.

Section 9.16 Severability of Provisions.

If any provision of this Agreement is held to be illegal, invalid or unenforceable under any present or future laws or regulations, and if the rights or obligations of any Party hereto under this Agreement will not be materially and adversely affected thereby, (a) such provision will be fully severable, (b) this Agreement will be construed and enforced as if such illegal, invalid or unenforceable provision had never comprised a part hereof, (c) the remaining provisions of this Agreement will remain in full force and effect and will not be affected by the illegal, invalid or unenforceable provision or by its severance from this Agreement and (d) in lieu of such illegal, invalid or unenforceable provision, the Parties shall negotiate in good faith to add to this Agreement a legal, valid and enforceable provision as similar in terms to such illegal, invalid or unenforceable provision as may be possible.

Section 9.17 Counterparts.

This Agreement may be executed in multiple counterparts, each of which shall be deemed an original hereof, and all of which shall constitute a single agreement effective as of the date hereof. Any delivery of an executed counterpart of this Agreement by facsimile or electronic mail shall be as effective as delivery of a manually executed counterpart of this Agreement.

IN WITNESS WHEREOF, the Parties hereto have caused this Asset Purchase Agreement to be executed as of the day and year first above written.

SELLER:	**PURCHASER:**
CONNACHER OIL AND GAS LIMITED	[NEWCO]
By: ______________________________	By: ______________________________
Name:	Name:
Title:	Title:

<u>Schedule A</u>

Oil and Gas Assets Listing

[to be inserted prior to execution]

Part 1 – Lands and Petroleum and Natural Gas Rights

Part 2 – Wells and Facilities and Certain Tangibles

Schedule B

Excluded Contracts

[to be inserted prior to execution]

Schedule C

Disclosure Schedule

[to be inserted prior to execution]

Schedule D

Bill of Sale

[to be inserted prior to execution]

Schedule E

Form of General Conveyance, Assignment and Assumption Agreement

[to be inserted prior to execution]

<u>Schedule F</u>

Employees and Independent Contractors

[to be inserted prior to execution]

Schedule G

Estimated Priority Claims Amount

[subject to a request for a sealing order]

<u>Schedule H</u>

Estimated Wind-Down Budget

[subject to a request for a sealing order]

Schedule I

Form of 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 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 "**Seller**") for an order approving the sale transaction and related matters (the "**Transaction**") contemplated by an agreement of purchase and sale (the "**Purchase Agreement**") between the Seller and ● (the

“**Purchaser**”) dated ●, 2019, and vesting in the Purchaser the Seller’s right, title and interest in and to the purchased assets described in the Purchase Agreement (the “**Purchased Assets**”);

AND UPON HAVING READ the Application, the Affidavit of Merle Johnson sworn on ●, 2019 (the “**Johnson Affidavit**”), the ● Report of Ernst & Young Inc., the Court-appointed monitor of the Seller (the “**Monitor**”), and the pleadings and proceedings herein, including the Initial Order granted on May 17, 2016 (the “**Initial Order**”);

AND UPON hearing counsel for the Seller, the Monitor, the Consenting First Lien Lenders and the First Lien Agent (each as defined in the Johnson Affidavit) and no one appearing for any other person on the service list, although properly served as appears from the Affidavit of Service of ● sworn ●, filed;

IT IS HEREBY ORDERED AND DECLARED THAT:

SERVICE

1 Service of notice of this application and supporting materials is hereby declared to be good and sufficient, and no other person is required to have been served with notice of this application, and time for service of this application is abridged to that actually given.

DEFINED TERMS

2 All capitalized terms not defined herein shall have the respective meanings ascribed to them in the Purchase Agreement.

APPROVAL OF TRANSACTIONS

3 The Purchase Agreement is hereby approved in its entirety. The Transaction is hereby approved and the execution of the Purchase Agreement by the Seller is hereby authorized, ratified, confirmed and approved, with such minor amendments as the Purchaser and the Seller may deem necessary, with the consent of the Monitor. The Seller is hereby authorized and directed to complete the Transaction subject to the terms

of the Purchase Agreement, to perform its obligations under the Purchase Agreement and any ancillary documents related thereto, and to take such additional steps and to execute such additional documents as may be necessary or desirable for the completion of the Transaction or for the conveyance of the Purchased Assets to the Purchaser.

VESTING OF PROPERTY

4 Upon delivery of a Monitor's certificate to the Purchaser substantially in the form set out in **Schedule "A"** hereto (the "**Monitor's Certificate**"), subject only to approval of the transfer of applicable licences, permits, and approvals by the Alberta Energy Regulator (the "**AER**") and the British Columbia Oil and Gas Commission (the "**BCOGC**") pursuant to legislation administered by the AER and the BCOGC, all of the Seller's right, title, interest and estate, whether absolute or contingent, legal or beneficial, in and to the Purchased Assets described in the Purchase Agreement shall vest absolutely, exclusively, entirely and forever in the Purchaser, free and clear of any and all rights, titles, benefits, priorities, claims (including claims provable in bankruptcy in the event that the Seller should be adjudged bankrupt), liabilities (direct, indirect, absolute or contingent), obligations, interests, prior claims, security interests (whether contractual, statutory or otherwise), liens, charges, hypothecs, caveats, mortgages, pledges, trusts, deemed trusts (whether contractual, statutory, or otherwise), assignments, judgments, executions, writs of seizure or execution, notices of sale, options, agreements, rights of distress, legal, equitable or contractual setoff, adverse claims, levies, taxes, disputes, debts, charges, options to purchase, rights of first refusal or other pre-emptive rights in favour of third parties, restrictions on transfer of title, or other claims or encumbrances, whether or not they have attached or been perfected, registered, published or filed and whether secured, unsecured or otherwise (collectively, the "**Encumbrances**"), including, without limiting the generality of the foregoing:

(a) any encumbrances or charges as created by and/or defined in:

   (i) the Initial Order;

   (ii) the Order (Approval of ATB Credit Facilities) of the Honourable Mr. Justice Jones dated November 10, 2017;

   (iii) the Order (Engagement of Financial Advisor) of the Honourable Mr. Justice Jeffrey dated February 28, 2018;

   (iv) the Order (Support Agreement, SISP & KEIP) of the Honourable Associate Chief Justice J.D. Rooke dated March 28, 2018; and

   (v) any other orders granted in this Action;

(b) all charges, security interests or claims evidenced by registration, filing or publication pursuant to:

   (i) the *Personal Property Security Act,* RSA 2000, c P-7;

   (ii) the *Personal Property Security Act,* RSBC 1996, c 359;

   (iii) The *Personal Property Security Act*, 1993, RSS 1993, c P-6.2;

   (iv) the *Mines and Minerals Act*, RSA 2000, c M-17;

   (v) the *Land Titles Act,* RSA 2000, c L-7 (the "***Land Titles Act*** **(Alberta)**");

   (vi) the *Land Title Act,* RSBC 1996, c 250 (the "***Land Title Act*** **(BC)**");

   (vii) the *Land Titles Act*, 2000, RSS, 2000, c L-5.1 (the "***Land Titles Act*** **(Saskatchewan)**"); and

   (viii) any other personal or real property registration system; and

(c) those Encumbrances listed in **Schedule "B"** hereto,

but in each case, excluding the permitted encumbrances listed in **Schedule "C"** hereto (collectively, the "**Permitted Encumbrances**"), and this Court orders that all of the

Encumbrances affecting or relating to the Purchased Assets, other than the Permitted Encumbrances, are hereby expunged and discharged as against the Purchased Assets.

5 From and after the closing of the Transaction, if requested in writing by the Purchaser, the Seller, to the extent able and necessary, is authorized and directed to take all necessary steps within its power and execute all documents to effect any and all discharges relating to the Encumbrances (except for Permitted Encumbrances) and the registrars and all other Persons in control or otherwise supervising such offices of the registration or recording shall forthwith remove and discharge all such registrations.

6 The Purchaser shall, by virtue of the completion of the Transaction, have no liability of any kind whatsoever in respect of any Encumbrances against the Seller, other than the Permitted Encumbrances.

7 The Monitor is to file with the Court a copy of the Monitor's Certificate forthwith after delivery thereof to the Purchaser.

8 Except as provided for in the Purchase Agreement, no further authorization or approval or any other action by any authority or regulatory body exercising jurisdiction over the Purchased Assets shall be required for the Closing and post-Closing implementation of the Transaction contemplated in the Purchase Agreement.

9 The Purchaser shall be entitled to enter into and upon, hold and enjoy the Purchased Assets for its own use and benefit without any interference of or by any Person claiming by or through or against the Seller, other than the Permitted Encumbrances.

10 The Seller and all Persons who claim by, through or under the Seller in respect of the Purchased Assets, save and except for the Persons entitled to the benefit of the Permitted Encumbrances, shall stand absolutely and forever barred, estopped, and foreclosed from and permanently enjoined from pursuing, asserting, or claiming any and all estate, right,

title, interest, royalty, rental, equity of redemption, or Encumbrance in respect of or to the Purchased Assets and, to the extent that any such Persons remain in possession or control of any of the Purchased Assets, or any artifacts or any certificates, instruments or other indicia of title representing or evidencing any right, title, estate or interest in and to the Purchased Assets, they shall forthwith deliver possession thereof to the Purchaser upon request.

11 Immediately after the Closing of the Transaction, the holders of the Permitted Encumbrances shall have no claim whatsoever against the Monitor or the Seller.

12 Notwithstanding:

(a) the pendency of these proceedings;

(b) any applications for a bankruptcy order now or hereafter issued pursuant to the *Bankruptcy and Insolvency Act* (Canada) ("**BIA**") in respect of the Seller and any bankruptcy order issued pursuant to any such applications;

(c) any assignment in bankruptcy made in respect of the Seller; and

(d) the provisions of any federal or provincial legislation,

the vesting of the Purchased Assets in and to the Purchaser pursuant to this Order shall be binding on any trustee in bankruptcy that may be appointed in respect of the Seller and shall not be void or voidable by creditors of the Seller, nor shall it constitute or be deemed to be a settlement, fraudulent preference, assignment, fraudulent conveyance, transfer at undervalue or other reviewable transaction under the BIA or any other applicable federal or provincial legislation, nor shall it constitute oppressive conduct or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

CREDIT BID AND PAYMENT AND SETTLEMENT AGREEMENT

13 The First Lien Agent does not require any authorization in addition to the Direction issued to it by the Consenting First Lien Lenders in order to complete the Transaction in accordance with the terms of the Purchase Agreement.

14 The form of the Payment and Settlement Agreement among the Seller and the First Lien Agent attached at Exhibit "●" to the Johnson Affidavit and the transactions contemplated thereby are hereby approved. The execution and delivery of the Payment and Settlement Agreement by the Seller is hereby authorized and approved, with such minor amendments as the Purchaser and the Seller may deem necessary, and the Seller is hereby authorized and empowered to take all steps and actions in respect of, and to comply with all of its obligations pursuant to, the Payment and Settlement Agreement.

15 Immediately upon the delivery of the Monitor's Certificate to the Purchaser:

(a) $● in principal amount owing under the First Lien Credit Agreement to the First Lien Lenders shall be deemed to have been repaid and satisfied pursuant to the terms of the Purchase Agreement and the other documents relating to the Transaction contemplated thereby including without limitation the Amended and Restated Support Agreement (as defined in the Johnson Affidavit) and the Payment and Settlement Agreement; and

(b) each Consenting First Lien Lender, the First Lien Agent, the Seller and their respective present and former shareholders, members, affiliates, partners, officers, directors, employees, auditors, financial advisors, legal counsel and agents (the "**Released Parties**") shall be released and discharged from any and all demands, claims, actions, applications, causes of action, counterclaims, suits, debts, sums of money, accounts, covenants, damages, judgments, orders, including for injunctive relief or specific performance and compliance orders, expenses, executions, Encumbrances and other recoveries on account of any liability, obligation, demand or cause of action of whatever nature which any Person may be entitled to assert, including any and all claims in respect of the payment and receipt of proceeds, statutory liabilities of the directors, officers and employees of the Seller and any alleged fiduciary or other duty (whether such employees are acting as a director, officer or employee), whether known or unknown, matured or unmatured, foreseen or unforeseen, existing or hereafter arising, based in whole or in part on any omission, transaction, duty, responsibility, indebtedness, liability, obligation, dealing or other occurrence existing or taking place on or prior to the latter of the Closing Date and the date on which actions are taken to implement the Transaction that are in any way relating to, arising out of or in connection with the CCAA Proceeding, the SISP, the Transaction (including the Purchase Agreement) and the Amended and Restated Support Agreement, all to the full extent permitted by applicable law, provided that nothing herein shall release or discharge: (i) a Released Party if such Released Party is adjudged by the express terms of a judgment rendered on a final determination on the merits to have committed gross negligence, fraud or wilful misconduct; or (ii) the Borrower from its obligations that remain outstanding under and in connection with the First Lien Credit Agreement after completion of the Transaction.

16 The Seller, the Monitor, the Purchaser, the First Lien Agent, and any other Person required to make any distributions or deliveries or take any steps or actions related to the Transaction are hereby authorized and directed to complete such distributions or deliveries and to take any such steps or actions, as the case may be, in accordance with the terms of the Purchase Agreement, and such distributions, deliveries, steps and

actions are hereby approved. No such Person shall incur any liability with respect to such distributions, deliveries, steps and actions, save and except for any gross negligence or wilful misconduct on its part.

CANCELLATION OF PERSONAL PROPERTY SECURITY REGISTRATIONS

17 Upon: (i) receipt of the Monitor's Certificate and any applicable registration fees by the applicable PPR Registrar (as defined below); and (ii) the filing of a certified copy of this Order with such PPR Registrar:

(a) the Registrar of the Personal Property Registry (Alberta) (the "**Alberta PPR Registrar**") is hereby authorized and directed to cancel and discharge those Encumbrances listed in **Schedule "B-1"** hereto, if any, registered against the interest of the Seller in and to the Purchased Assets;

(b) the Registrar of the Personal Property Registry (British Columbia) (the "**BC PPR Registrar**") is hereby authorized and directed to cancel and discharge those Encumbrances listed in **Schedule** "**B-2**" hereto, if any, registered against the interest of the Seller in and to the Purchased Assets; and

(c) the Registrar of the Personal Property Registry (Saskatchewan) (the "**Saskatchewan PPR Registrar**", collectively with the Alberta PPR Registrar and the BC PPR Registrar, the "**PPR Registrars**" and each a "**PPR Registrar**") is hereby authorized and directed to cancel and discharge those Encumbrances listed in **Schedule "B-3"** hereto, if any, registered against the interest of the Seller in and to the Purchased Assets.

REAL PROPERTY AND MINERAL RIGHTS IN ALBERTA

18 Upon: (i) receipt of the Monitor's Certificate and any applicable registration fees by the applicable Alberta Governmental Authority (as defined below); and (ii) the filing of a certified copy of this Order with such Alberta Governmental Authority:

(a) the Department of Energy and the Minister of Energy (the "**Alberta Department and Minister of Energy**" and together with the Alberta PPR Registrar, the "**Alberta Governmental Authorities**" and each an "**Alberta Governmental Authority**") are hereby authorized, requested, and directed to, in each case to the extent applicable:

(i) enter the Purchaser as the owner and/or lessee of the mines and minerals comprising the Alberta real or mineral property subject only to the Permitted Encumbrances; and

(ii) delete and expunge from title to the Alberta Real or Mineral Property all of the Encumbrances listed in **Schedule "B-1"** hereto,

in each case, in order to convey clear title to such mines and minerals comprising the Alberta Real or Mineral Property to the Purchaser subject only to Permitted Encumbrances. For further certainty, the Alberta Department and Minister of Energy shall not cancel or discharge the registration of any builders' liens or security notices registered against estates or interests other than the estate or interest of the Seller.

REAL PROPERTY AND MINERAL RIGHTS IN BRITISH COLUMBIA

19 Upon: (i) receipt of delivery of the Monitor's Certificate and any applicable registration fees by the applicable BC Governmental Authority (as defined below); and (ii) the filing of a certified copy of this Order with such BC Governmental Authority,

(a) a Registrar or Registrars under the (i) *Land Title Act* (BC), (ii) British Columbia Ministry of Natural Gas Development, Upstream Development Division, Tenure and Geoscience Branch, (iii) the British Columbia Ministry of Agriculture and Lands,

(iv) FrontCounterBC, (v) British Columbia Oil and Gas Commission, and (vi) all other government ministries and authorities in British Columbia exercising jurisdiction with respect to the Purchased Assets (collectively, and together with the BC PPR Registrar, the "**BC Governmental Authorities**" and each a "**BC Governmental Authority**") are hereby authorized, requested and directed to (in each case, as applicable):

(i) enter the Purchaser as the owner and/or lessee and/or licensee of the Purchased Assets (including the Crown mineral leases listed in **Schedule "C-1"** hereto);

(ii) delete and expunge from the existing title documents respecting the Purchased Assets, all Encumbrances listed in **Schedule "B-3"** hereto; and

(iii) register such transfers, discharges, discharge statements or conveyances, as may be required to convey clear title to the Purchased Assets, subject only to Permitted Encumbrances.

in each case, in order to convey clear title to such Purchased Assets to the Purchaser, subject only to Permitted Encumbrances. For further certainty, the BC Governmental Authorities shall not cancel or discharge the registration of any builders' liens or security notices registered against estates or interests other than the estate or interest of the Seller.

WIND-DOWN AMOUNT

20 The Wind-Down Amount shall not be considered proceeds of sale of the Purchased Assets and no Encumbrances other than the Administration Charge shall attach to the Wind-Down Amount, which shall attach to the Wind-Down Amount with the same terms

and priority it had with respect to the Purchased Assets immediately prior to delivery of the Monitor's Certificate.

21 The Monitor is hereby authorized and directed to disburse payments from the Wind-Down Amount in accordance with the provisions of the Purchase Agreement, including, without limitation, Section 2.9 thereof.

22 All right, title and interest in and to any portion of the Wind-Down Amount that is no longer required to be held by the Monitor, as determined in accordance with the provisions of the Purchase Agreement, including, without limitation, Section 2.9 thereof, shall be released by the Monitor and promptly be delivered to the Purchaser as a Purchased Asset.

RESERVE PAYMENT AMOUNT

23 The Reserve Payment Amount shall not be considered to be proceeds of sale of the Purchased Assets and no Encumbrances shall attach to the Reserve Payment Amount, other than the Administration Charge, Directors' Charge, KERP/LTIP Charge, the FA Charge and the KEIP Charge (each as created by and defined in the Initial Order or a subsequent order of this Court and as may be amended by subsequent Order of the Court, including herein) which shall each attach to the Reserve Payment Amount with the same terms and priority it had with respect to the Purchased Assets immediately prior to delivery of the Monitor's Certificate.

24 The Monitor is hereby authorized and directed to administer the Reserve Payment Amount in accordance with the provisions of the Purchase Agreement, including, without limitation, Section 2.10 thereof.

25 All right, title and interest in and to any portion of the Reserve Payment Amount that is no longer required to be held in the Reserve Payment Amount as determined by the Monitor in accordance with the provisions of the Purchase Agreement, including, without

limitation, Section 2.10 thereof, shall be released by the Monitor and promptly be distributed to the Purchaser as a Purchased Asset.

AID AND RECOGNITION

26 The Alberta Governmental Authorities, the BC Governmental Authorities, the Ministry of the Economy for the Province of Saskatchewan (together with the Saskatchewan Land Registrar and the Saskatchewan PPR Registrar, the "**Saskatchewan Governmental Authorities**"), and any other applicable registrar or government ministries or authorities exercising jurisdiction with respect to the Purchased Assets (collectively, the **"Governmental Authorities**") are expressly authorized and directed to include in the discharges of the Encumbrances described above all Encumbrances registered after the date the Initial Order was granted, other than the Permitted Encumbrances.

27 In order to effect the discharges and transfers described above, this Court requests that the Governmental Authorities each take such steps as are necessary to give effect to the terms of this Order, and the Purchase Agreement authorized herein. Presentment of this Order and a copy of the Monitor's Certificate shall be the sole and sufficient authority of the Governmental Authorities to make and register the said transfers and cancel and discharge the registrations of any Encumbrances on the Purchased Assets other than the Permitted Encumbrances.

28 This Court hereby requests the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in the United States of America, Canada or in any of its provinces or territories, to act in aid of and to be complimentary to this Court in carrying out the terms of this Order, to give effect to this Order and to assist the Monitor, the Seller and its agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies of all such jurisdictions are hereby respectfully requested to make such orders and to provide such assistance to the Monitor, as an

officer of the Court, and the Seller, as may be necessary or desirable to give effect to this Order or to assist the Monitor, the Seller and their agents in carrying out the terms of this Order.

SEALING ORDER

29 Confidential Exhibit "●" to the Johnson Affidavit (the "**Confidential Material**") shall be sealed on the Court file, notwithstanding Division 4 of Part 6 of the *Alberta Rules of Court*. The Confidential Material shall be kept confidential and shall not form part of the public record, but rather shall be placed, separate and apart from all contents in the Court file to be shown only to a Justice of this Court, in a sealed envelope attached to a notice that sets out the title of these proceedings and a statement that the contents are subject to a sealing order.

MISCELLANEOUS MATTERS

30 The Unanimous Shareholder Agreement (as defined in the Johnson Affidavit) shall be effective and binding on all shareholders of the Purchaser and any Persons entitled to receive, directly or indirectly, shares of the Purchaser pursuant to or in connection with the Transaction, immediately upon such Persons acquiring shares of the Purchaser, with the same force and effect as if such Persons were original signatories to the Unanimous Shareholder Agreement.

31 Pursuant to clause 7(3)(c) of the Canada *Personal Information Protection and Electronic Documents Act* and section 20(e) of the Alberta *Personal Information Protection Act*, the Seller is authorized and permitted to disclose and transfer to the Purchaser all human resources and payroll information in the Seller's records pertaining to the Seller's past and current employees, including personal information of those employees listed in the Purchase Agreement. The Purchaser (or its nominee) shall maintain and protect the privacy of such information and shall be entitled to use the personal information provided

to it in a manner which is in all material respects identical to the prior use of such information by the Seller.

32 On or after the Closing Date, the Seller is hereby permitted to execute and file articles of reorganization or such other documents or instruments as may be required to change its legal name in accordance with section 5.13 of the Purchase Agreement, and such articles, documents or other instruments shall be deemed to be duly authorized, valid and effective and shall be accepted by the applicable Governmental Authority without the requirement (if any) of obtaining director or shareholder approval pursuant to any federal or provincial legislation. Upon the official change to the legal name of the Seller that is to occur as soon as reasonably practicable after the Closing Date in accordance with 5.13 of the Purchase Agreement, the name of the Seller in the within title of proceedings shall be deleted and replaced with the new legal name of the Seller, and any document filed thereafter in these proceedings (other than the Monitor's Certificate) shall be filed using such revised title of proceedings.

33 The Seller, Purchaser and Monitor may pursue the provisional execution of this Order, including without limiting the general application of the foregoing, notwithstanding any appeal and without requirement to provide any security or provision for costs whatsoever. Without limiting the generality of the foregoing, this Order shall be registered by the Alberta Land Registrar notwithstanding the requirements of section 191(1) of the *Land Titles Act* (Alberta) and notwithstanding that the appeal period in respect of this Order has not elapsed, which appeal period is expressly waived.

34 Leave is granted to the Monitor, the Purchaser and any other interested party, and such parties shall be at liberty to apply for further advice, assistance and directions as may be necessary in order to give full force and effect to the terms of this Order and to assist and aid the parties in closing the Transaction.

35 This Order must be served only upon those interested parties attending or represented at the within Application and service may be effected by facsimile, electronic mail, personal delivery or courier. Service is deemed to be effected the next business day following the transmission or delivery of such documents. Service of this Order on any party not attending this Application is hereby dispensed with.

____
J.C. C.Q.B.A.

Schedule "A"

Form of Monitor's Certificate

COURT FILE NO.	1601-06131	Clerk's Stamp
COURT	COURT OF QUEEN'S BENCH OF ALBERTA	
JUDICIAL CENTRE	CALGARY	
APPLICANT	**IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED** **AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF CONNACHER OIL AND GAS LIMITED**	
DOCUMENT	**MONITOR'S CERTIFICATE**	
ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT	**McCarthy Tétrault LLP** Suite 400 421-7th Avenue SW Calgary, Alberta T2P 4K9 Attn: Sean Collins/Walker MacLeod Tel: 403-260-3531 Fax: 403-260-3500 scollins@mccarthy.ca /wmacleod@mccarthy.ca	

RECITALS

1 Pursuant to an Order of the Honourable Madam Justice Dario of the Court of Queen's Bench of Alberta, Judicial District of Calgary (the "**Court**") dated May 17, 2016 Ernst & Young Inc. was appointed as the Monitor (the "**Monitor**") of Connacher Oil and Gas Limited (the "**Seller**").

2 Pursuant to an Order of the Court dated ●, 2019 the Court approved the agreement of purchase and sale made as of ● , 2019 (the "**Purchase Agreement**") between the Seller and ● (the "**Purchaser**") and provided for the vesting in the Purchaser of the Seller's right, title and interest in and to the Purchased Assets, which vesting is to be effective with respect to the Purchased Assets upon the delivery by the Monitor to the Purchaser of a

certificate confirming: (i) the conditions to closing set out in sections 6.1 and 6.2 of the Purchase Agreement have been satisfied or waived in accordance with the terms of the Purchase Agreement; and (ii) the Transaction has been completed to the satisfaction of the Monitor.

3 Unless otherwise indicated herein, terms with initial capitals have the meanings set out in the Purchase Agreement or the Approval and Vesting Order, as applicable.

THE MONITOR CERTIFIES the following:

(a) The Monitor has been advised in writing by the Seller and the Purchaser that each of the conditions to closing set out in sections 6.1 and 6.2 of the Purchase Agreement has been satisfied or waived in accordance with the Purchase Agreement; and

(b) The Transaction has been completed to the satisfaction of the Monitor.

This Certificate was delivered by the Monitor at ________ [Time] on ____________________________, 2019 [Date].

Ernst & Young Inc., in its capacity as Court-appointed Monitor of Connacher Oil and Gas Limited

Per: ________________________________

Name: ________________________________

Title: ________________________________

Schedule "B"

Encumbrances

Schedule "B-1"

Schedule "B-2"

Schedule "B-3"

Schedule "C"

Schedule "C-1"

Schedule J

Form of Payment and Settlement Agreement

[to be inserted prior to execution]

Schedule K

Management Incentive Plan

[to be inserted prior to execution]

SCHEDULE "F"

JOINDER AGREEMENT

Form of Joinder To Amended and Restated Support Agreement

This Joinder to the Support Agreement (this "**Joinder Agreement**") is made as of •, by and among • (the "**Joining Consenting First Lien Lender**"), Connacher Oil and Gas Limited in consideration of the mutual covenants herein contained and benefits to be derived herefrom.

WITNESSETH:

WHEREAS, reference is made to a certain Amended and Restated Support Agreement dated as of •, 2019 (as amended, modified, supplemented or restated and in effect from time to time, the "**Amended and Restated Support Agreement**"), by and among the Borrower, the First Lien Agent and the Initial Consenting First Lien Lenders. All capitalized terms used herein and not otherwise defined herein shall have the meanings assigned to such terms in the Amended and Restated Support Agreement;

WHEREAS, the Joining Consenting First Lien Lender desires to become a party to, and to be bound by the terms of, the Amended and Restated Support Agreement; and

WHEREAS, pursuant to the terms of the Amended and Restated Support Agreement, in order for the Joining Consenting First Lien Lender to become party to the Amended and Restated Support Agreement, the Joining Consenting First Lien Lender is required to execute this Joinder Agreement;

NOW, THEREFORE, in consideration of the premises contained herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto hereby agree as follows:

1. Representations and Warranties

The Joining Consenting First Lien Lender hereby represents and warrants to the Borrower that:

(a) effective as of the date of this Joinder Agreement, the Joining Consenting First Lien Lender (or a client thereof for which it has discretionary authority to manage and administer funds) is the legal or beneficial holder of, or exercises control and discretion over, Loans in the principal amount set forth on such Joining Consenting First Lien Lender's signature page hereto (inclusive of any Loans acquired as of the date hereof as a Consenting Transferee pursuant to a Transfer permitted by Section 6(d)(i) of the Amended and Restated Support Agreement) (for purposes of this Joinder Agreement, such Joining Consenting First Lien Lender's "**Relevant Loans**") and the additional claims against the Borrower identified in the principal amount set forth on such Joining Consenting First Lien Lender's signature page hereto; and

(b) effective as of the date hereof, the principal amount of Debt, Relevant Loans or Additional Claims set forth on such Joining Consenting First Lien Lender's signature page to this Joinder Agreement constitute all of the Debt, Relevant Loans or Additional Claims that are legally or beneficially owned by it (or over which it exercises control or discretion on behalf of clients for which it has discretionary authority to manage or administer funds).

2. Joinder and Assumption of Obligations

Effective as of the date of this Joinder Agreement, the Joining Consenting First Lien Lender hereby acknowledges that the Joining Consenting First Lien Lender has received and reviewed a copy of the Amended and Restated Support Agreement, and acknowledges and agrees:

(a) that all representations and warranties set forth in section 3 of the Amended and Restated Support Agreement are true and correct as of the date hereof with respect to the Joining Consenting First Lien Lender;

(b) to join in the execution of, and become a party to, the Amended and Restated Support Agreement as a Joining Consenting First Lien Lender thereunder, as indicated with its signature below;

(c) subject to section (d) below, to be bound by all agreements of the Consenting First Lien Lenders under the Amended and Restated Support Agreement with the same force and effect as if such Joining Consenting First Lien Lender was a signatory to the Amended and Restated Support Agreement and was expressly named as a party therein; and

(d) to assume all rights and interests and perform all applicable duties and obligations of the Consenting First Lien Lenders under the Amended and Restated Support Agreement other than those expressed therein to be solely the rights, interests, duties and obligations of the Initial Consenting First Lien Lenders, if any.

3. Binding Effect

Except as specifically amended by this Joinder Agreement, all of the terms and conditions of the Amended and Restated Support Agreement shall remain in full force and effect as in effect prior to the date hereof.

4. Miscellaneous

(a) This Joinder Agreement may be executed by facsimile or other electronic means and in one or more counterparts, all of which shall be considered one and the same agreement.

(b) This Joinder Agreement constitutes the entire agreement and supersedes all prior agreements and understandings, both oral and written, among the parties with respect to the subject matter hereof.

(c) If any term, provision, covenant or restriction of this Joinder Agreement is held by a court of competent jurisdiction to be invalid, void or unenforceable, the remainder of the provisions, including terms, covenants and restrictions, of this Joinder Agreement shall remain in full force and effect and shall in no way be affected, impaired or invalidated and the parties shall negotiate in good faith to modify this Joinder Agreement to preserve each party's anticipated benefits under this Joinder Agreement.

(d) The Joining Consenting First Lien Lender represents and warrants that the Joining Consenting First Lien Lender has consulted with independent legal counsel of its selection in connection with this Joinder Agreement and is not relying on any representations or warranties of any other Consenting First Lien Lender, their respective counsel or the Advisors in entering into this Joinder Agreement.

(e) This Joinder Agreement is to be governed and construed in accordance with the laws of the Province of Alberta and the laws of Canada applicable therein applicable to contracts made and to be performed in such state, without giving effect to the conflict of laws principles thereof, and all actions or proceedings arising out of or relating to this Joinder Agreement shall be heard and determined exclusively in the courts of the Province of Alberta.

[SIGNATURE PAGES FOLLOW]

IN WITNESS WHEREOF, each of the undersigned has caused this Joinder Agreement to be duly executed and delivered by its proper and duly authorized officer as of the date first written above.

STRICTLY CONFIDENTIAL

Name of Joining Consenting First Lien Lender:

____

Per: ________________________________

Name:

Title:

Address:

____

____

____

____

Name of Consenting First Lien Lender (if applicable):

____

Per: ______________________________

Name:

Title:

Address:

____

____

____

____

Aggregate Principal amount of Tranche A Loans held by the Consenting First Lien Lender pursuant to the First Lien Credit Agreement	
Aggregate Principal amount of Tranche B Loans held by the Consenting First Lien Lender pursuant to the First Lien Credit Agreement	

Aggregate Principal amount of 12% convertible second lien notes held by the Consenting First Lien Lender under the Indenture dated May 8, 2015	
Aggregate Principal amount of Additional Claims held by the Consenting First Lien Lender	

Accepted and agreed to as of the date first above written.

CONNACHER OIL AND GAS LIMITED

By:

____

Name:

Title:

SCHEDULE “G”

FORM OF DIRECTION

SCHEDULE “H”

CREDIT BID KERP

[subject to a request for a sealing order]

EXHIBIT "B"

This is Exhibit "B"
referred to in the affidavit of
Merle Johnson
sworn before me this 6
day of May, 2019.

A Commissioner for Oaths in and for Alberta

Paola Viviana Berkman Rodriguez
Articling Student at Law
A Commissioner for Oaths
in and for Alberta

AMENDED AND RESTATED SUPPORT AGREEMENT

This amended and restated support agreement dated as of ~~March 19, 2018~~May 6, 2019 (as amended, supplemented or otherwise modified from time to time, the "**Amended and Restated Support Agreement**"), is entered into by and among Connacher Oil and Gas Limited (the "**Borrower**"), Wilmington Trust, National Association, in its capacity as the successor administrative agent under the First Lien Credit Agreement (as defined below) (the "**First Lien Agent**"), and each of the other signatories hereto (collectively, the "**Initial Consenting First Lien Lenders**", and together with the Joining Consenting First Lien Lenders (as defined below), collectively, the "**Consenting First Lien Lenders**", and each individually a "**Consenting First Lien Lender**").

RECITALS

WHEREAS, each of the Consenting First Lien Lenders is a holder of, and/or investment advisor or manager with investment discretion with respect to holdings of, credit issued by the Borrower (the "**Loans**" and the holders thereof, the "**First Lien Lenders**") pursuant to that certain Credit Agreement dated as of May 23, 2014 among the Borrower, the First Lien Agent and certain other lenders party thereto (as such agreement has been and may be amended, modified and supplemented from time to time, including by the Amendment No. 1 dated May 8, 2015) (the "**First Lien Credit Agreement**");

AND WHEREAS, on May 17, 2016, the Borrower obtained an initial order (the "**Initial Order**") from the Court of Queen's Bench of Alberta (the "**Court**") in a proceeding (the "**CCAA Proceeding**") under the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-35 ("**CCAA**");

~~**AND WHEREAS** on February 28, 2018, the Borrower obtained an order (the "**FA Approval Order**") from the Court approving the engagement of Houlihan Lokey Capital, Inc. ("**Houlihan**") as financial advisor to the Borrower pursuant to an engagement letter dated February 6, 2018 (the "**Houlihan Engagement Letter**") between the Borrower and Houlihan, which contemplates that Houlihan will assist in developing and implementing a Court-approved sales and investment solicitation process to be conducted in the CCAA Proceeding, as described below and in accordance with the procedures attached hereto as Schedule "D" (the "**SISP**");~~

AND WHEREAS, the Borrower, the First Lien Agent, and the Consenting First Lien Lenders (collectively, the "**Parties**", and each individually a "**Party**") ~~and their respective advisors have engaged in good faith negotiations regarding a comprehensive restructuring of certain financial obligations of the Borrower in accordance with this Support Agreement, including the term sheet (the "**Term Sheet**") attached as Schedule "B" hereto; **AND WHEREAS**, the Parties have entered into this Support Agreement in~~entered into a support agreement dated as of March 19, 2018 (the "**Support Agreement**") whereby, *inter alia*, the Consenting First Lien Lenders agreed, subject to the terms and conditions thereof, to support ~~of~~ a transaction ~~(the "**Transaction**") which will~~that would be implemented through the CCAA Proceeding and ~~will be~~ effected through either: (i) a transaction that ~~qualifies~~qualified as a Superior Offer (the "**Alternative Transaction**") identified pursuant to the ~~SISP, or (ii) if the SISP does not result in an Alternative Transaction in accordance with its terms,~~Court-approved sale and investment solicitation process (“**SISP**”) approved by the Court on March 28, 2018, or (ii) a transaction whereby the First Lien Agent, on behalf of the First Lien Lenders, ~~shall~~would credit bid a portion of the First Lien Obligations for all or substantially all of the Borrower's property and assets ~~on terms~~and enter into certain related transactions as more particularly ~~described~~set out in the Term Sheet (the “~~**Credit Bid**” and together with the other transactions described in the Term Sheet,~~ **Original Term Sheet**”) appended at Schedule B to the Support Agreement (the “**Restructuring Transaction**”);

AND WHEREAS, with the approval of the Consenting First Lien Lenders, the Borrower identified and pursued an Alternative Transaction with East River Oil and Gas Ltd. pursuant to the SISP, but such an Alternative Transaction was terminated by the Borrower with the consent of the Consenting First Lien Lenders on February 16, 2019;

AND WHEREAS, the Parties entered into a support agreement amending agreement dated March 4, 2019 which, *inter alia*, extended the “Credit Bid Trigger Date” under the Original Term Sheet to pursue implementation of the Restructuring Transaction to March 8, 2019 (or such other date as the Majority Consenting First Lien Lenders and the Borrower may agree), in order to provide sufficient time to examine the Restructuring Transaction structure and potential value-preservation options, including potentially pursuing the Restructuring Transaction through a plan of compromise and arrangement under the CCAA;

AND WHEREAS, on March 8, 2019 the Majority Consenting First Lien Lenders and the Borrower agreed to further extend the “Credit Bid Trigger Date” to March 22, 2019;

AND WHEREAS, on March 22, 2019 the Majority Consenting First Lien Lenders and the Borrower agreed to further extend the “Credit Bid Trigger Date” to April 12, 2019;

AND WHEREAS, on April 12, 2019 the Majority Consenting First Lien Lenders and the Borrower agreed to further extend the “Credit Bid Trigger Date” to April 15, 2019;

AND WHEREAS, on April 15, 2019 the Majority Consenting First Lien Lenders and the Borrower agreed to further extend the “Credit Bid Trigger Date” to April 23, 2019;

AND WHEREAS, on April 24, 2019 the Majority Consenting First Lien Lenders and the Borrower agreed to further extend the “Credit Bid Trigger Date” to May 16, 2019;

AND WHEREAS, on April 24, 2019 the Majority Consenting First Lien Lenders and the Borrower agreed to extend the “Outside Date” under the Support Agreement to June 28, 2019;

AND WHEREAS, the Parties have determined to pursue a credit bid of the First Lien Obligations through a plan of compromise and arrangement under the CCAA and that, if such a plan is unsuccessful, to complete the Restructuring Transaction in the manner originally contemplated by the Original Term Sheet;

AND WHEREAS, the Parties have therefore entered into this Amended and Restated Support Agreement in support of a transaction (the “**Transaction**”) which will be implemented through the CCAA Proceeding and will be effected through either: (i) a transaction whereby a portion of the First Lien Obligations will be exchanged for new senior secured debt of the

Borrower and all of the equity of the Borrower on terms more particularly described in the term sheet attached as Schedule "B" hereto (the "**Plan Term Sheet**" and together with the related transactions described in the Plan Term Sheet, the "**Plan Transaction**") which shall be effected by way of a plan of compromise and arrangement substantially in the form attached as Schedule "C" hereto (the "**CCAA Plan**") or (ii) if a CCAA Plan Termination Event (as defined below) occurs, a transaction whereby the First Lien Agent, on behalf of the First Lien Lenders, shall credit bid a portion of the First Lien Obligations for all or substantially all of the Borrower's property and assets on terms more particularly described in the term sheet attached as Schedule "D" hereto (the "**Credit Bid Term Sheet**" and together with the related transactions described in the Credit Bid Term Sheet, the "**Credit Bid Transaction**") which shall be effected by the Credit Bid Purchaser (as defined below) and the Borrower executing and delivering the purchase and sale agreement substantially in the form attached ~~hereto~~ as Schedule "~~C~~E" hereto (the "**PSA**") and the First Lien Agent and the Borrower executing and delivering the Payment and Settlement Agreement (as defined in the PSA);

AND WHEREAS, each Party and its respective counsel and other advisors have reviewed or have had the opportunity to review the Plan Term Sheet, the CCAA Plan, the Credit Bid Term Sheet, the PSA and this Amended and Restated Support Agreement (and all schedules to each of the foregoing) and each Party has agreed to the terms and conditions set forth therein and herein;

AND WHEREAS, capitalized terms used but not otherwise defined in the main text of this Amended and Restated Support Agreement shall have the meanings ascribed to such terms in Schedule "A" hereto:

1. Incorporation of Terms; Conflict of Terms; Support Agreement

(a) Subject to approval of the Court in the CCAA Proceeding, the terms of the ~~Alternative~~Plan Transaction and the ~~Restructuring~~Credit Bid Transaction as agreed among the Parties and to be implemented in accordance with this Amended and Restated Support Agreement are set forth ~~in the Term Sheet, and~~, in the case of the ~~Restructuring Transaction,~~Plan Transaction, in the Plan Term Sheet and CCAA Plan and, in the case of the Credit Bid Transaction, in the Credit Bid Term Sheet and the PSA, which are incorporated herein and made a part of this Amended and Restated Support Agreement, but provided that, any obligations of the Borrower under the CCAA Plan shall be subject to separate approval of the Court in the CCAA Proceeding and any obligations of the parties under the PSA shall be subject to execution thereof and separate approval of the Court in the CCAA Proceeding.

(b) In the case of a conflict between the provisions contained in the text of this Amended and Restated Support Agreement and either the Plan Term Sheet or the Credit Bid Term Sheet, as applicable, the terms of this Amended and Restated Support Agreement shall govern. In the case of a conflict between the provisions contained in the text of this Amended and Restated Support Agreement and either the CCAA Plan (if approved by the Court) or the PSA (if executed by the parties thereto and approved by the Court), if applicable, the terms of the CCAA Plan or the PSA, as applicable, shall govern.

I The Borrower hereby represents and warrants to each of the Consenting First Lien Lenders and the First Lien Agent, that as of the date of execution of this Amended and Restated Support Agreement, (i) the Borrower is in compliance with the terms of the Support Agreement and (ii) the Borrower is not aware of any existing breach of any of its obligations or covenants under the terms of the Support Agreement. Each Consenting First Lien Lender, severally and not jointly, hereby represents and warrants to each of the other Parties that, to its knowledge, as of the date of execution of this Amended and Restated Support Agreement, (i) it is in compliance with the terms of the Support Agreement, and (ii) it is not aware of any existing breach of any of its obligations or covenants under the terms of the Support Agreement.

(d) For greater certainty, from and after the date of this Amended and Restated Support Agreement, none of the Parties shall have any further obligations under the Support Agreement (including the Original Term Sheet) except to the extent expressly set forth in this Amended and Restated Support Agreement (including the Plan Term Sheet or the Credit Bid Term Sheet, as applicable).

(e) The following schedules are attached to, form part of and are incorporated in this Amended and Restated Support Agreement:

Schedule "A"	Definitions
Schedule "B"	Plan Term Sheet
Schedule "C"	~~PSA~~CCAA Plan
Schedule "D"	~~SISP Procedures~~ Credit Bid Term Sheet
Schedule "E"	~~Joinder Agreement~~PSA
Schedule "F"	~~SISP Approval Order~~Joinder Agreement
Schedule "G"	Form of Direction
Schedule "H"	Credit Bid KERP

2. Implementation of Transaction

(a) The Parties will each use commercially reasonable efforts to give effect to the Plan Transaction by way of the CCAA Plan prior to the Plan Outside Date on the terms set out in and consistent in all material respects with this Amended and Restated Support Agreement, the Plan Term Sheet and the CCAA Plan.

(b) The Parties agree to cooperate with each other in order ensure that the Plan Transaction or the Credit Bid Transaction, as applicable, is structured and effectuated in a tax efficient manner acceptable to the Borrower and the Majority Consenting First Lien Lenders.

(c) The Parties agree to cooperate with each other in good faith and use commercially reasonable efforts to complete the following steps in accordance with the timeline set out in the Plan Term Sheet (or such other timeline as may hereafter be agreed by the Borrower and the Majority Consenting First Lien Lenders).

(d) If the CCAA Plan fails because:

(i) within five Business Days of the applicable times set forth in clause I above (or such other date(s) as may be agreed by the Majority Consenting First Lien Lenders and the Borrower, in consultation with the Monitor): (A) the Creditors' Meeting Order is not granted; (B) the Sanction Order is not granted; or (C) the CCAA Plan is not implemented and the Plan Transaction is not closed for any reason;

(ii) the requisite Creditor approval of the CCAA Plan is not obtained at the Creditors' Meetings (or any adjournment(s) thereof) held in accordance with the Creditors' Meeting Order; or

(iii) it is jointly determined by the Borrower and the Majority Consenting First Lien Lenders, each acting reasonably, that for any other reason it is no longer viable to implement the Plan Transaction pursuant to the CCAA Plan,

(each of the foregoing, a "**CCAA Plan Termination Event**"), the Parties will promptly proceed to implement the Credit Bid Transaction in accordance with the terms of the Credit Bid Term Sheet and will each use commercially reasonable efforts to give effect to the Credit Bid Transaction by way of the PSA on the terms set out in and consistent in all material respects with this Amended and Restated Support Agreement, the Credit Bid Term Sheet and the PSA within the time frames set forth in the Credit Bid Term Sheet (or such other timeline as may be agreed by the Borrower and the Majority Consenting First Lien Lenders).

3. ~~2.~~ Representations and Warranties of Consenting First Lien Lenders

Each Consenting First Lien Lender, severally and not jointly, hereby represents and warrants to each of the other Parties (and acknowledges that each of the other Parties is relying upon such representations and warranties) that:

(a) it (or clients thereof for which it has discretionary authority to manage or administer funds) is the legal or beneficial holder of, or exercises control and direction over, (i) the Loans in the principal amount set forth on such Consenting First Lien Lender's signature page to this Amended and Restated Support Agreement or its Joinder Agreement, as the case may be (the "**Relevant Loans**") and (ii) the additional claims against the Borrower identified in the principal amount set forth on such Consenting First Lien Lender's signature page (the "**Additional Claims**");

(b) as of the date hereof, the principal amount of Relevant Loans set forth on such Consenting First Lien Lender's signature page to this Amended and Restated Support Agreement or its Joinder Agreement, as the case may be, constitute all of the Loans that are legally or beneficially owned by it (or over which it exercises control and direction on behalf of clients for which it has discretionary authority to manage or administer funds);

(c) as of the date hereof or of its Joinder Agreement, as applicable, the principal amount of Additional Claims set forth on such Consenting First Lien Lender's signature page to this Amended and Restated Support Agreement or its Joinder Agreement, as the case may be, constitute all of the Additional Claims that are legally or beneficially owned by it (or over which it exercises control and direction on behalf of clients for which it has discretionary authority to manage or administer funds);

(d) it has the authority with respect to its Debt to support, or, if necessary, to direct the First Lien Agent with respect to its Debt to support ~~an Alternative~~, the Plan Transaction~~,~~ and the CCAA Plan;

(e) it has, together with the other Consenting First Lien Lenders, the authority to direct the First Lien Agent to support the ~~Restructuring~~Plan Transaction and the CCAA Plan or, if applicable, support the Credit Bid Transaction and to enter into the PSA and effect the Credit Bid Transaction;

(f) ~~(e)~~ it is a sophisticated party with sufficient knowledge and experience to evaluate properly the terms and conditions of this Amended and Restated Support Agreement; it has conducted its own analysis and made its own decision to enter into this Amended and Restated Support Agreement and has obtained such independent advice in this regard as it deemed appropriate (it being recognized that Bennett Jones, Jones Day and PricewaterhouseCoopers LLP (collectively, the "**Advisors**") are not the advisors to any individual holder of the Loans, including any Consenting First Lien Lender, on an individual basis), and it has not relied on such analysis or decision on any Person other than its own independent advisors;

(g) ~~(f)~~ this Amended and Restated Support Agreement has been duly executed and delivered by it, and, assuming the due authorization, execution and delivery by all Parties, this Amended and Restated Support Agreement constitutes the legal, valid and binding obligation of such Consenting First Lien Lender, enforceable in accordance with its terms, subject to laws of general application and bankruptcy, insolvency and other similar laws affecting creditors' rights generally and general principles of equity;

(h) ~~(g)~~ it is duly organized, validly existing and in good standing under the laws of the jurisdiction of its organization and has all necessary power and authority to execute and deliver this Amended and Restated Support Agreement and to perform its obligations hereunder, including the power and authority to bind the beneficial owner(s) of the Relevant Loans and Additional Claims (as applicable) to the terms of this Amended and Restated Support Agreement and consummate the transactions contemplated hereby;

(i) ~~(h)~~ the execution and delivery of this Amended and Restated Support Agreement by it and the completion by it of the transactions contemplated herein do not and will not violate or conflict with any judgment, order, notice, decree, statute, law, ordinance, rule or regulation applicable to such Consenting First Lien Lender or any of its properties or assets, or result (with or without notice or the passage of time) in a violation, conflict or breach of, or constitute a default under, or require any consent to be obtained under, its certificate of incorporation, articles, bylaws or other charter documents;

(j) ~~(i)~~ except as contemplated by this Amended and Restated Support Agreement, it has not deposited any of its Relevant Loans, other Debt or Additional Claims into a voting trust, or granted (or permitted to be granted) any proxies or powers of attorney or attorney in fact, or entered into a voting agreement, understanding or arrangement, with respect to the voting of its Relevant Loans, other Debt or Additional Claims where such trust, grant, agreement, understanding or arrangement would in any manner restrict the ability of the Consenting First Lien Lender to comply with its obligations under this Amended and Restated Support Agreement; and

(k) ~~(j)~~ there is not now pending or threatened against it or any of its properties, nor has it received notice in respect of, any claim, potential claim, litigation, action, suit, arbitration, investigation or other proceeding before any governmental entity that, individually or in the aggregate, would reasonably be expected to have an adverse effect on such Consenting First Lien Lender's ability to execute and deliver this Amended and Restated Support Agreement and to consummate the Transaction.

4. ~~3.~~ **Representations and Warranties of the First Lien Agent**

The First Lien Agent hereby represents and warrants to the Borrower and the Consenting First Lien Lenders (and the First Lien Agent acknowledges that the Borrower is relying upon such representations and warranties):

(a) it is the validly appointed successor administrative agent under the First Lien Credit Agreement;

(b) the Direction is in form and substance satisfactory to the First Lien Agent and will, when executed and delivered to the First Lien Agent by a Consenting First Lien Lender and assuming the due authorization, execution and delivery by each such Consenting First Lien Lender signatory thereto, constitute a legal, valid, enforceable direction by such Consenting First Lien Lender under the First Lien Credit Agreement to the First Lien Agent to (i) effect the Credit Bid Transaction and (ii) take such other steps and execute such other documents as expressly contemplated herein or thereby to complete the ~~Restructuring~~Credit Bid Transaction for and on behalf of all First Lien Lenders;

(c) based on the amount of the Relevant Loans set forth on the signature pages of the Initial Consenting First Lien Lenders to this Amended and Restated Support Agreement, such Initial Consenting First Lien Lenders hold a sufficient amount of the Loans to direct and cause the First Lien Agent to (i) effect the Credit Bid Transaction and (ii) take such other steps and execute such other documents as expressly contemplated herein or thereby to complete the ~~Restructuring~~Credit Bid Transaction for and on behalf of all First Lien Lenders, in each case upon and subject to (A) the Approval and Vesting Order being granted, and (B) the Consenting First Lien Lenders delivering an executed Direction to the First Lien Agent; and

(d) upon the Consenting First Lien Lenders delivering an executed Direction to the First Lien Agent, the First Lien Agent shall, as soon as possible thereafter, effect the Credit Bid Transaction and promptly take all actions and steps and execute and deliver such further documents as expressly contemplated herein or thereby to complete the ~~Restructuring~~Credit Bid Transaction, in each case upon and subject to the Approval and Vesting Order being granted; and for certainty, no other direction, undertaking or agreement shall be required from any of the First Lien Lenders to cause the First Lien Agent to take such actions.

5. ~~4.~~ Representations and Warranties of the Borrower

The Borrower hereby represents and warrants to each of the Consenting First Lien Lenders and the First Lien Agent (and the Borrower acknowledges that the Consenting First Lien Lenders and the First Lien Agent are relying upon such representations and warranties) that:

(a) (i) the Borrower is indebted to the First Lien Agent and the First Lien Lenders in the principal amount of not less than US$~~153,844,591.40,~~154,246,296.72, plus accrued but unpaid interest and all other amounts (including fees, costs and expenses) owing under the First Lien Credit Agreement and related security documents (the "**Security**"), (ii) the Security is fully valid and enforceable by the First Lien Agent against the Borrower in accordance with the terms thereof, unaltered, and (iii) the Borrower has no claim, demand, set-off, counterclaim or any similar right or claim against the First Lien Agent or the First Lien Lenders;

(b) the Special Committee has approved this Amended and Restated Support Agreement and concluded that entering into this Amended and Restated Support Agreement is in the best interests of the Borrower;

(c) it is a sophisticated party with sufficient knowledge and experience to evaluate properly the terms and conditions of this Amended and Restated Support Agreement; it has conducted its own analysis and made its own decision to enter into this Amended and Restated Support Agreement and has obtained such independent advice in this regard as it deemed appropriate; and it has not relied in such analysis or decision on any Person other than its own independent advisors;

(d) subject to approval of the Court, this Amended and Restated Support Agreement has been duly executed and delivered by it, and, assuming the due authorization, execution and delivery by all Parties, this Amended and Restated Support Agreement constitutes its legal, valid and binding obligation, enforceable in accordance with its terms, subject to laws of general application and bankruptcy, insolvency and other similar laws affecting creditors' rights generally and general principles of equity;

(e) it is duly organized, validly existing and in good standing under the federal laws of Canada and, subject to approval by the Court, has all necessary power and authority to execute and deliver this Amended and Restated Support Agreement;

(f) subject to the satisfaction of the conditions precedent contained herein and ~~approval of~~ the ~~Restructuring~~Requisite Transaction ~~(including the PSA) by the Court~~Approvals, the execution and delivery of this Amended and Restated Support Agreement by it and the completion by it of ~~the Restructuring~~either the Plan Transaction or the Credit Bid Transaction do not and will not:

  (i) violate or conflict with any judgment, order, notice, decree, statute, law, ordinance, rule or regulation applicable to it or any of its properties or assets; or

  (ii) as at the date hereof and except where such violation or conflict would not be reasonably expected to cause a material adverse effect on the Borrower, result (with or without notice or the passage of time) in a violation, conflict or breach of, or constitute a default under, or require any consent to be obtained under, or give rise to any third party right of termination, amendment, first refusal, cancellation or acceleration under, or result in any penalty or payment obligation or right of purchase or sale under, any provision of:

    (A) its certificate of incorporation, articles, bylaws or other charter documents; or

    (B) any agreement, arrangement or understanding to which the Borrower is a party or by which the Borrower or any of its properties or assets is bound or affected;

(g) as at ~~the date hereof,~~March 19, 2018, there ~~is~~was no proceeding, claim or investigation pending before any court, regulatory body, tribunal, agency, governmental or legislative body, or threatened against it or any of its properties that individually or in the aggregate (i) could reasonably be expected to have a material adverse effect on its ability to execute and deliver this Amended and Restated Support Agreement and to consummate the Transaction, or (ii) is material to its business;

(h) the Audited Financial Statements have been prepared in accordance with GAAP and the Borrower's accounting policies and practices consistently applied throughout the periods included therein. The Audited Financial Statements present fairly, in all material respects, the financial condition of the business of the Borrower as of the dates set forth therein, and the results of operations and cash flows for the periods covered thereby, in conformity with GAAP. The unaudited interim financial statements of the Borrower as of and for the nine-month period ended September 30, 2017 have been reviewed by the Borrower's auditor and there are no material modifications that need to be made to the Borrower's interim financial statements for them to be in conformity with GAAP;

(i) as ~~of the date hereof~~at March 19, 2018, the Borrower ~~does~~did not have any liabilities or obligations of any nature (whether absolute, accrued, contingent or otherwise) except: (i) as set forth in the Audited Financial Statements; (ii) for liabilities incurred in the ordinary course of business consistent with past practice subsequent to December 31, 2016 which would not have a material adverse affect on the Borrower; and (iii) claims against it or liabilities set forth in the Disclosure Letter;

(j) all Projections that have been or will be provided or made available by it or any of its representatives to any Consenting First Lien Lender and/or the Advisors have been or will be, when furnished, prepared in good faith and based upon assumptions that the Borrower believes to be reasonable;

(k) as at ~~the date hereof,~~March 19, 2018, (i) the Advisors or the Initial Consenting First Lien Lenders ~~have~~had been provided with a true, accurate and complete copy of each Material Contract (or if not provided with such a copy, the Borrower has made available for review each Material Contract, as applicable), (ii) the Borrower ~~is~~was in compliance with the terms of the Material Contracts, (iii) the Borrower ~~is~~was not aware of any existing breach or other event that provides a counterparty to any Material Contract with the right (with or without notice) to terminate such Material Contract, and (iv) the Borrower ~~is~~was not aware of any other obligation, undertaking, arrangement, document, commitment, entitlement or engagement to which the Borrower is a party or by which the Borrower is bound that is material to the business or financial condition of the Borrower;

(l) other than as set forth in the Disclosure Letter, as at March 19, 2018, the Borrower ~~does~~did not own or occupy any real property;

(m) a complete and correct copy of the Sublease dated July 11, 2016 as amended by a Sublease Extension Agreement dated June 30, 2017 has been provided to the Advisors prior to the date hereof. The names of the other parties to the Real

Property Leases, the description of the Leased Premises, the term, rent and other amounts payable under the Real Property Leases are accurately described in the Disclosure Letter. The terms and conditions of the Real Property Leases will not be affected by, nor will the Real Property Leases be in default as a result of, the completion of the Transaction;

(n) other than as set forth in the Disclosure Letter, as at March 19, 2018, the Borrower ~~is~~was not party to or bound by any written employment, service or consulting agreement or other similar agreement that is material to the business or financial condition of the Borrower, and the Borrower ~~is~~was not aware of any other arrangement, plan, obligation or understanding to which the Borrower is a party or bound in respect of employment, service or consulting that is material to the business or financial condition of the Borrower. ~~The~~As at March 19, 2018, the Initial Consenting First Lien Lenders or the Advisors ~~have been~~were provided with copies of all written agreements between the Borrower and each director, officer, consultant and employee of the Borrower that provides for severance or termination or other payments in connection with the termination of the employment or engagement of, or resignation of, any such person following a change of control of the Borrower or a sale of all or substantially all of the assets of the Borrower;

(o) as at March 19, 2018, it ~~has~~had conducted its business in material compliance with all applicable laws and has not received any notice to the effect that, or ~~has~~had otherwise been advised that, it is not in material compliance with such laws. Without limiting the generality of the foregoing, as at March 19, 2018, the Borrower ~~has~~had not made any payment, directly or indirectly, on behalf of or for the benefit of the Borrower, in violation of any applicable laws prohibiting the payment of undisclosed commissions or bonuses or the making of bribe or incentive payments or other arrangements of a similar nature with respect to the conduct of the business of the Borrower, including the *Corruption of Foreign Public Officials Act* (Canada);

(p) as at March 19, 2018, all material Tax Returns required to be filed by the Borrower have been timely filed (taking into account extensions). All such Tax Returns were correct and complete in all material respects. Other than as set forth in the Disclosure Letter, as ~~of the date of this Agreement,~~at March 19, 2018, no audit (other than routine audits), administrative proceeding, or judicial proceeding that involves a material amount of Tax insofar as they may affect the Restructuring Transaction is pending;

(q) to its knowledge, as at March 19, 2018, the assets of the Borrower have been insured against risks normally covered by insurance policies by companies carrying on business of a similar nature of the Borrower and all such insurance policies are in full force and effect, all premiums due and payable thereon have been paid, all material terms and conditions of such policies have been complied with, and no written notice of cancellation or termination has been received by the

Borrower with respect to any such policy that is not replaceable by the Borrower on substantially similar terms prior to the date of such cancellation;

(r) except as set forth in the Disclosure Letter, since commencement of the CCAA Proceeding, as at March 19, 2018, it ~~has~~had not undergone an adverse change that is material to its business or financial condition, excluding any such effect or effects that result from general economic, financial, currency exchange, securities or commodity market conditions in Canada or elsewhere; and

(s) no representation or warranty of it contained in this Amended and Restated Support Agreement contains any untrue statement of a material fact or omits to state a material fact necessary in order to make the statements contained herein not misleading. All responses by it to the inquiries of the Initial Consenting First Lien Lenders and the Advisors concerning it and its business during the due diligence investigation of the Initial Consenting First Lien Lenders and the Advisors have been made in good faith and to the knowledge of the Borrower. To the knowledge of the Borrower, all documents provided to the Initial Consenting First Lien Lenders and the Advisors are true, accurate and complete copies in all material respects of the documents they purport to be.

6. ~~5.~~ Consenting First Lien Lenders' Covenants and Consents

In each case subject to applicable law and any order that may be granted by a court of competent jurisdiction:

(a) Each Consenting First Lien Lender, severally, and not joint and severally, consents and agrees to the terms of this Amended and Restated Support Agreement.

(b) Each Consenting First Lien Lender agrees to take all commercially reasonable actions necessary to consummate the Plan Transaction in accordance with the terms and conditions set forth in this Amended and Restated Support Agreement (including the Plan Term Sheet~~ and the SISP~~) and the CCAA Plan and for certainty, including without limitation, as may be applicable, (i) voting on a timely basis in favour of the CCAA Plan in respect of its Relevant Loans, other Debt and Additional Claims in accordance with the Creditors' Meeting Order or, if necessary, directing the First Lien Agent to vote on a timely basis in favour of the CCAA Plan in respect of its Relevant Loans, other Debt and Additional Claims in accordance with the Creditors' Meeting Order, (ii) supporting the Borrower's request from the AER of an advance ruling that the AER does not consider the change to control persons (within the meaning of Directive 067) resulting from the implementation of the CCAA Plan to be an unreasonable risk and providing the Borrower with all information pertaining to it (or its affiliates) which is necessary to make such request, as applicable (iii) supporting the Borrower's request for approval of the Authorization Order, the Creditors' Meeting Order and the Sanction Order, and (iv) such other actions as may be reasonably required to complete the Plan Transaction, including, to the extent required, directing the First

Lien Agent to take all action reasonably necessary to assist the Borrower and the Monitor with the implementation of the CCAA Plan, including the payments and distributions to the First Lien Lenders contemplated therein.

(c) Following the occurrence of a CCAA Plan Termination Event, each Consenting First Lien Lender agrees to take all commercially reasonable actions necessary to consummate the Credit Bid Transaction in accordance with the terms and conditions set forth in this Amended and Restated Support Agreement (including the Credit Bid Term Sheet) and for certainty, including without limitation, as may be applicable, (i) causing the Credit Bid Purchaser to execute, deliver and perform its obligations under the PSA, (ii) supporting the Borrower's license transfer application to the AER and providing all information pertaining to it (or its affiliates) which is necessary to make such applications, as applicable (iii) supporting the Borrower's request for an Approval and Vesting Order ~~(or sanction order, as applicable)~~ approving the Credit Bid Transaction, the request for the Releases, the funding in full of any priority claims (including claims arising under the Court-ordered charges), and the funding of the Administrative Reserve, (~~iii~~iv) supporting the Borrower's request for approval of the Distribution Order (as applicable), and (~~iv~~v) such other actions as may be reasonably required to complete the Credit Bid Transaction.

(d) ~~(c)~~ Each Consenting First Lien Lender agrees that between the date of execution of this Amended and Restated Support Agreement and the termination of this Amended and Restated Support Agreement, it shall not, directly or indirectly:

(i) sell, assign, lend, pledge, hypothecate (except with respect to security generally applying to its investments which does not adversely affect such Consenting First Lien Lender's ability to perform its obligations under this Amended and Restated Support Agreement) or otherwise transfer (a "**Transfer**") any of its Relevant Loans, other Debt or Additional Claims or any rights or interests therein (or permit any of the foregoing with respect to any of its Relevant Loans, other Debt or Additional Claims) or enter into any agreement, arrangement or understanding in connection therewith, except that the Consenting First Lien Lender may Transfer its Relevant Loans, other Debt or Additional Claims (x) to the extent the Consenting First Lien Lender is managing the Relevant Loans, other Debt or Additional Claims on behalf of a fund, to another fund managed by the same Consenting First Lien Lender for which the Consenting First Lien Lender has sole voting and investment discretion, including sole discretionary authority to manage or administer funds and continues to exercise sole investment and voting authority with respect to the Relevant Loans, other Debt or Additional Claims (a "**Managed Fund**") provided that such Consenting First Lien Lender shall continue to be, and the Managed Fund shall be, bound by the terms of this Amended and Restated Support Agreement, (y) to another Consenting First Lien Lender or a Managed Fund of another Consenting First Lien Lender, or (z) to any other transferee provided that such transferee constitutes an "Eligible Assignee" (as that term is defined in the First Credit Agreement) and agrees pursuant to a duly executed Joinder Agreement prior to such Transfer to be bound by all of the terms of this Support Agreement as if such transferee had originally executed this Support Agreement (each such transferee, a "**Consenting Transferee**"). Within 5 Business Days of any Transfer, each of the transferor and the transferee shall provide the Borrower and the Advisors with written notice of such Transfer (including the principal amount of the Relevant Loans, other Debt and/or Additional Claims affected by such Transfer) and, if applicable, a copy of the Joinder Agreement executed by the Consenting Transferee. Any Transfer that does not comply with this paragraph shall be void *ab initio*. For greater certainty, if a Consenting First Lien Lender assigns all of its Relevant Loans, other Debt and/or Additional Claims pursuant to this Section ~~5~~6(~~c~~d)(i) this Amended and Restated Support Agreement shall continue to be binding upon such First Lien Lender with respect to any Relevant Loans, other Debt or Additional Claims it subsequently acquires;

(ii) except as contemplated by this Amended and Restated Support Agreement, deposit any of its Relevant Loans, other Debt or Additional Claims into a voting trust, or grant (or permit to be granted) any proxies or powers of attorney or attorney in fact, or enter into a voting agreement, understanding or arrangement, with respect to the voting of its Relevant Loans, other Debt or Additional Claims if such trust, grant, agreement, understanding or arrangement would in any manner restrict the ability of the Consenting First Lien Lender to comply with its obligations under this Support Agreement; or

(iii) take any action inconsistent with this Amended and Restated Support Agreement that would frustrate or hinder the consummation of the Transaction.

(e) ~~(d)~~ Each Consenting First Lien Lender agrees that to the extent such Consenting First Lien Lender acquires additional Loans or Additional Claims, such Loans or Additional Claims (as applicable) shall be subject to this Amended and Restated Support Agreement and, with respect to such additional Loans or Additional Claims, shall become Relevant Loans or Additional Claims for the purposes hereunder, and further agrees that it shall direct the First Lien Agent with respect to any such additional Relevant Loans or such other applicable party with respect to Additional Claims in a manner consistent with this Amended and Restated Support Agreement.

(f) ~~(e) If the Credit Bid Trigger Date~~If a CCAA Plan Termination Event occurs, each Consenting First Lien Lender shall (i) promptly deliver to the First Lien Agent, copied to the Borrower, an executed Direction for and in respect of all Relevant Loans then held by such Consenting First Lien Lender legally or beneficially and (ii) as soon as possible thereafter, exercise any power or authority it has to cause the Credit Bid Purchaser to execute, enter into and deliver to the Borrower the PSA.

(g) ~~(f)~~ Each Consenting First Lien Lender agrees that, until the termination of this Amended and Restated Support Agreement, it shall, on and subject to the terms and conditions hereof:

(i) not revoke the Direction;

(ii) use commercially reasonable efforts and take all reasonable necessary actions to support the approval of the Transaction as promptly as practicable;

(iii) not propose, file, solicit, vote for or otherwise support any alternative offer, restructuring, liquidation, workout or plan of compromise or arrangement or reorganization of or for the Borrower;

(iv) support or instruct the Advisors to support all applications filed by the Borrower in any such court proceeding that are in furtherance of the Transaction;

~~(v) in the event that the Alternative Transaction is implemented through a plan of compromise, vote on a timely basis and in accordance with all applicable Court orders, all Relevant Loans, Debt and Additional Claims in favour of such plan;~~

(v) ~~(vi)~~ not accelerate or enforce or take any action or initiate any proceeding to accelerate or enforce the payment or repayment of any of its Debt (including for greater certainty any due and unpaid interest on its Relevant Loans) or Additional Claims;

(vi) ~~(vii)~~ forbear from exercising, or directing the First Lien Agent to exercise, any default-related rights, remedies, powers or privileges, or from instituting any enforcement actions or collection actions with respect to any obligations under the First Lien Credit Agreement;

(vii) ~~(viii)~~ forbear from exercising, or directing the trustee of the Convertible Notes to exercise, any default-related rights, remedies, powers or privileges, or from instituting any enforcement actions or collection actions with respect to the Convertible Notes;

(viii) ~~(ix)~~ not take, or omit to take, any action, directly or indirectly, that is materially inconsistent with, or is intended or is likely to interfere with the approval or consummation of the Transaction; and

(ix) ~~(x)~~ execute any and all documents and perform any and all commercially reasonable acts required by this Amended and Restated Support Agreement to satisfy all of its obligations hereunder including any consent, approval or waiver requested by the Borrower in furtherance of the Transaction, acting reasonably;

provided, however, that nothing contained herein shall limit the ability of a Consenting First Lien Lender to appear and be heard concerning any matter arising in the CCAA Proceeding so long as such appearance is not inconsistent with the Consenting First Lien Lender's obligations hereunder.

(h) ~~(g)~~ Each Consenting First Lien Lender agrees, subject to Section ~~14~~15, to the existence and factual details of this Amended and Restated Support Agreement being set out in any public disclosure made by the Borrower, including press releases and Court materials, provided that such public disclosure is approved by the Borrower and Advisors, acting reasonably.

(i) Each Consenting First Lien Lender agrees to support the approval of the Credit Bid KERP in the Authorization Order, to comply with the terms of the Credit Bid KERP, and to use commercially reasonable efforts to either cause Connacher to comply with the terms of the Credit Bid KERP following the implementation of the Plan Transaction or to cause the Credit Bid Purchaser to comply with the terms of the Credit Bid KERP following the closing of the Credit Bid Transaction, as applicable.

7. ~~6.~~ **First Lien Agent's Covenants**

In each case subject to applicable law and any order that may be granted by a court of competent jurisdiction:

(a) The First Lien Agent covenants and agrees that, if required by the terms of the Creditors' Meeting Order or any other order of the Court and upon receiving written instruction from any Consenting First Lien Lender, the First Lien Agent will exercise such Consenting First Lien Lender's vote in favour of the CCAA Plan on a timely basis in accordance with the Creditors' Meeting Order or other order of the Court.

(b) the First Lien Agent covenants and agrees that, subject to the Consenting First Lien Lenders delivering any required direction(s) to it, the First Lien Agent shall, as soon as possible thereafter, promptly take all action reasonably necessary to assist the Borrower and the Monitor with the implementation of the CCAA Plan, including the payments and distributions to First Lien Lenders contemplated therein.

(c) ~~(a)~~ The First Lien Agent covenants and agrees that upon the Consenting First Lien Lenders delivering an executed Direction to it, the First Lien Agent shall, as soon as possible thereafter, promptly take all actions and steps and execute and deliver such documents as may be requested by the Consenting First Lien Lenders to effect ~~the Credit Bid~~ and complete the ~~Restructuring~~Credit Bid Transaction, including without limitation, the PSA and the Payment and Settlement Agreement (and including taking all actions that may be requested by the Consenting First Lien Lenders as contemplated by Section ~~8~~9(a) and Section ~~16~~17). For certainty, the First Lien Agent confirms and agrees that no other direction, undertaking or agreement, other than the signed Direction from the Consenting First Lien Lenders, shall be required from any of the First Lien Lenders or from any other Person to cause the First Lien Agent execute, deliver, enter into and perform its obligations in connection with the ~~Restructuring~~Credit Bid Transaction. For greater certainty, notwithstanding anything in this Amended and Restated Support Agreement or any other agreement related to the Transaction to the contrary, the First Lien Agent is acting in connection with the Transactions ~~(including, without limitation, any Alternative Transaction and in connection with any Credit Bid)~~ solely (i) in its capacity as First Lien Agent under the First Lien Credit Agreement and (ii) at the direction of the Consenting First Lien Lenders (who are, for certainty, the "Required Lenders" under and as defined in the First Lien Credit Agreement). As such, the Parties hereby agree that all provisions under the First Lien Credit Agreement (and any other loan document applicable to the First Lien Agent and the agency that the First Lien Agent is providing under and in connection with the First Lien Credit Agreement) continue to apply, including the provisions of Article VIII of the First Lien Credit Agreement (and, without limiting the generality of the foregoing, the First Lien Agent's right to delegate any of its duties and/or rights and powers to a sub-agent in accordance with the terms of Section 8.05 of the First Lien Credit Agreement), provided, however, that in the case of any delegation to a subagent, the First Lien Agent covenants and agrees to take all such steps as requested by the Consenting First Lien Lenders to cause the subagent to do such things as are necessary to effect ~~the Credit Bid~~ and complete the ~~Restructuring~~Plan Transaction or the Credit Bid Transaction, as applicable.

(d) ~~(b)~~ The First Lien Agent agrees that, until the termination of this Amended and Restated Support Agreement, it shall, on and subject to the terms and conditions hereof:

(i) not oppose the approval of the Transaction;

(ii) support or instruct the Advisors to support all applications filed by the Borrower in any such court proceeding that are in furtherance of the Transaction;

~~(iii) in the event that the Transaction is implemented through a plan of compromise, vote on a timely basis and in accordance with all applicable Court orders, all Relevant Loans, Debt and Additional Claims in favour of such plan, if applicable;~~

(iii) ~~(iv)~~ forbear from exercising any default-related rights, remedies, powers or privileges, or from instituting any enforcement actions or collection actions with respect to any obligations under the First Lien Credit Agreement;

(iv) ~~(v)~~ not take, or omit to take, any action, directly or indirectly, that is materially inconsistent with, or is intended or is likely to interfere with the approval or consummation of the Transaction; and

(v) ~~(vi)~~ execute any and all documents and perform any and all commercially reasonable acts required by this Amended and Restated Support Agreement to satisfy all of its obligations hereunder including any consent, approval or waiver requested by the Borrower in furtherance of the Transaction, acting reasonably;

provided, however, that nothing contained herein shall limit the ability of the First Lien Agent to appear and be heard concerning any matter arising in the CCAA Proceeding so long as such appearance is not inconsistent with the First Lien Agent's obligations hereunder.

8. ~~7.~~ Borrower's Covenants

In each case subject to obtaining the Authorization Order and subject to applicable law and any order that may be granted by a court of competent jurisdiction:

(a) The Borrower consents and agrees to the terms of this Amended and Restated Support Agreement, including, for greater certainty, the terms of the Plan Term Sheet~~.~~

~~(b) The Borrower shall comply with the FA Approval Order and the terms of the Houlihan Engagement Letter~~ and the Credit Bid Term Sheet.

~~(c) The Borrower shall seek approval from the Court of the SISP no later than March 28, 2018.~~

(b) ~~(d)~~ The Borrower agrees to use its reasonable best efforts (including taking all reasonable actions necessary to obtain any regulatory approvals for the Transaction) to achieve the timelines set out in the Plan Term Sheet or the Credit Bid Term Sheet, as applicable (which timelines may be extended at any time with the approval of the Borrower and the Majority Consenting First Lien Lenders). Notwithstanding the foregoing, the Borrower agrees that it shall submit (i) ~~the applications to be submitted under the Competition Act (if required) and (ii)~~in the case of the Plan Transaction, a request to the AER for an advance ruling that the AER does not consider the change to control persons (within the meaning of Directive 067) resulting from the implementation of the CCAA Plan to be an unreasonable risk in strict accordance with the dates and/or timelines as specified in the Plan Term Sheet, and (ii) in the case of the Credit Bid Transaction, the license transfer applications to be submitted to the AER~~, in each case~~ (if applicable) in strict accordance with the dates and/or timelines as specified in the Credit Bid Term Sheet. The Borrower agrees that it shall be responsible for the payment of any filing fees or other costs in connection with the foregoing filings and applications.

(c) ~~(e)~~ The Borrower shall provide draft copies of all applications and other documents the Borrower intends to file with the Court to Bennett Jones at least three Business Days prior to the date when the Borrower intends to file such document (or as soon as possible where it is not reasonably practicable to provide copies three Business Days in advance), all such filings to be filed in form and substance reasonably acceptable to the Majority Consenting First Lien Lenders (except in the case of the Sanction Order in respect of the Plan Transaction or the Approval and Vesting Order in respect of the ~~Restructuring~~Credit Bid Transaction which, in either case, shall be in form and substance acceptable to the Borrower and Majority Consenting First Lien Lenders, in their sole discretion).

(d) ~~(f)~~ The Borrower hereby agrees to promptly notify the Consenting First Lien Lenders if, at any time before the termination of this Amended and Restated Support Agreement, the Borrower becomes aware (i) that any information disclosure for the First Lien Lenders, an application for a regulatory approval or any other order, registration, consent, filing, ruling, exemption or approval under applicable laws contains a statement which is inaccurate or incomplete in any material respect, or (ii) of information that otherwise requires an amendment or supplement to such information disclosure or such application, and (in such event) the Borrower shall co-operate in the preparation of such amendment or supplement as required.

(e) ~~(g)~~ The Borrower hereby agrees to (A) indemnify and hold harmless the First Lien Agent, each Consenting First Lien Lender, and their respective subsidiaries and affiliates, and their respective funds, shareholders, officers, directors, employees, partners, advisors, legal counsel and agents (each an "**Indemnified Party**") from and against any and all liabilities or claims by Persons who are not party to this Amended and Restated Support Agreement (other than liabilities or claims attributable to any of such Persons' gross negligence, fraud or willful misconduct as determined by the final, non-appealable judgment of a court of competent jurisdiction) arising on or prior to the earlier of (i) the Effective Date and (ii) the date on which this Amended and Restated Support Agreement is terminated, and (B) reimburse each Indemnified Party promptly upon demand for all reasonable legal and other expenses reasonably incurred by it in connection with investigating, preparing to defend or defending, or providing evidence in or preparing to serve or serving as a witness with respect to, any lawsuit, investigation, claim or other proceeding relating to any of the foregoing (including, without limitation, in connection with the enforcement of the indemnification obligations set forth herein).

(f) ~~(h)~~ With respect to Material Contracts, the Borrower shall not, unless it has provided five Business Days' notice of same to the Advisors and has not received an objection to same, materially amend, materially modify, replace, terminate, repudiate, disclaim, waive any material right under or take any other material steps or actions (other than a marketing contract consistent with the Borrower's past practice or as expressly required by such Material Contracts or in the ordinary course of performing its obligations under such Material Contracts) under or in respect of such Material Contracts in any manner.

(g) ~~(i)~~ Except as agreed by the Majority Consenting First Lien Lenders, the Borrower shall not materially increase compensation or severance entitlements or other benefits payable to its directors, officers or employees, including by way of a key employee incentive plan, or pay any bonuses whatsoever, other than as required by law or as contemplated by the Plan Term Sheet or the Credit Bid Term Sheet. The Borrower shall not amalgamate, consolidate with or merge into or sell all or substantially all of its assets to another entity, or change the nature of its business or its corporate or capital structure, other than with the consent of the Majority Consenting First Lien Lenders~~ or in accordance with the SISP~~.

(h) ~~(j)~~ The Borrower shall not (i) prepay, redeem prior to maturity, defease, repurchase or make other prepayments in respect of any non-revolving indebtedness, (ii) directly or indirectly, create, incur, assume, guarantee or otherwise become directly or indirectly liable with respect to any indebtedness of any kind whatsoever, and (iii) create, incur, assume or otherwise cause or suffer to exist or become effective any lien, charge, mortgage, hypothec or security interest of any kind whatsoever on, over or against any of its assets or property, in each case other than with the consent of the Majority Consenting First Lien Lenders.

(i) ~~(k) Except in accordance with the SISP~~Subject to the terms of this Amended and Restated Support Agreement, the Borrower shall not transfer, lease, license or otherwise dispose of all or any part of its property, assets or undertakings outside the ordinary course consistent with past practice, other than with the consent of the Majority Consenting First Lien Lenders.

(j) ~~(l)~~ The Borrower shall use commercially reasonable efforts to maintain its assets in a proper and prudent manner in accordance with past practices, and in the ordinary course of business, in material compliance with all laws and directions of governmental entities, and pay or cause to be paid all costs and expenses relating to its assets which become due from the date hereof to the Effective Date.

(k) ~~(m) Except in accordance with the SISP, the~~The Borrower shall operate its business in the ordinary course of business, having regard to the Borrower's financial condition, and, in any event, the Borrower shall not, other than as contemplated by this Amended and Restated Support Agreement, enter into any material agreement (other than agreements for sale of dilbit, purchase of condensate and purchase of natural gas consistent with the Borrower's past practice), unless it has provided five Business Days' notice of same to the Advisors and has not received an objection to same.

(l) ~~(n) Except in accordance with the SISP, the~~The Borrower shall not, directly or indirectly, do any of the following, other than as consented to by the Majority Consenting First Lien Lenders:

(i) issue, sell, grant, pledge, assign, dispose of, encumber or agree to issue, sell, grant, pledge, assign, dispose of or encumber any shares or other securities of, or any options, warrants, calls, conversion privileges or rights of any kind to acquire any of its securities;

(ii) amend or propose to amend its certificate of incorporation, articles, by-laws or other constating documents;

(iii) declare, set aside or pay any dividend or other distribution payable in cash, stock, property or otherwise with respect to any of its shares;

(iv) redeem, purchase or offer to purchase any of its securities;

(v) reduce its capital or the stated capital;

(vi) (A) acquire or agree to acquire (by merger, amalgamation, acquisition of securities or assets or otherwise) any Person or (B) make any investment either by purchase of securities, contributions of capital, property transfer or purchase of any property or assets of any other Person;

(vii) Other than as contemplated in its approved ~~2018~~IH 2019 budget, make any commitment or propose, initiate or authorize any capital expenditures in excess of CAD$300,000, except in case of an emergency or in respect of amounts which the Borrower may be committed to expend or be deemed to authorize for expenditure without its consent;

(viii) waive, release, assign, settle or compromise any claims against or liabilities of the Borrower in excess of CAD$1,000,000; or

(ix) make any changes in accounting methods, principles, policies or practices, except insofar as may be required by generally accepted accounting principles as in effect from time to time in Canada or applicable laws.

(m) ~~(o)~~ The Borrower shall promptly notify the Advisors of:

(i) any resignation of, or leave of absence taken by, any of its directors or senior officers;

(ii) any claims threatened or brought against it in excess of CAD$1,000,000; or

(iii) any event, condition or development that has resulted in the inaccuracy or breach of any representation or warranty, covenant or agreement contained in this Amended and Restated Support Agreement made by or to be complied with by it.

(n) ~~(p)~~ The Borrower shall at all times prior to the termination of this Amended and Restated Support Agreement carry on its business only in the ordinary course consistent with past practice, in accordance with generally accepted oil and gas industry practices and in compliance with all laws, except as may be expressly otherwise provided for in this Amended and Restated Support Agreement or as may be consented to by the Majority Consenting First Lien Lenders.

(o) ~~(q)~~ The Borrower shall maintain and shall continue to maintain appropriate insurance coverage in amounts and on terms that are customary in the industry of the Borrower.

(p) ~~(r)~~ The Borrower shall forthwith upon receipt pay the reasonable and documented fees of the First Lien Agent and the Advisors pursuant to and in accordance with the respective engagement letters or other arrangements or practices in place prior to the date hereof until the Effective Date or termination of this Amended and Restated Support Agreement.

9. ~~8.~~ Negotiation of Documents

(a) The Parties shall cooperate with each other and shall coordinate their activities (to the extent reasonably practicable) in respect of (i) the timely satisfaction of conditions with respect to and the effectiveness of the Transaction, (ii) all matters concerning the implementation of the Transaction, and (iii) the pursuit and support of the Transaction. Furthermore, subject to the terms hereof, each of the Borrower and the Consenting First Lien Lenders shall take such actions as may be reasonably necessary to carry out the purposes and intent of this Support Agreement, including making and filing any required regulatory filings (provided that the Consenting First Lien Lenders shall not be required to incur any expense, liability or other obligation that is not reimbursed by the Borrower), and, as applicable, directing the First Lien Agent to take all such actions.

(b) Each Party hereby covenants and agrees (i) to cooperate and negotiate in good faith, and consistent with this Amended and Restated Support Agreement, the definitive documents implementing, achieving and relating to the Transaction, all ancillary documents relating thereto, and any orders of the Court relating thereto, each of which shall contain terms and conditions consistent in all material respects with the Plan Term Sheet and the CCAA Plan or the Credit Bid Term Sheet and the PSA, as applicable, and (ii) to execute (to the extent they are a party thereto) and otherwise support such documents.

(c) The Borrower shall work cooperatively with the Advisors to prepare and, subject to approval of the Court as required, finalize all documentation (including, without limitation, the documents identified in the Plan Term Sheet and CCAA Plan or the Credit Bid Term Sheet and the PSA, as applicable) utilized or required to effect the Transaction. ~~In that the event that the Transaction pursued is the Restructuring Transaction, all~~All such documentation shall be in form and substance acceptable to the Borrower and the Majority Consenting First Lien Lenders.

++10.++ ~~9.~~ **Conditions to Consenting First Lien Lenders' Obligations**

Notwithstanding anything to the contrary contained in this Amended and Restated Support Agreement and without limiting any other rights of the Consenting First Lien Lenders hereunder, the obligations of the Consenting First Lien Lenders shall be specifically and expressly subject to each and all of the following conditions:

(a) ~~approval of this Support Agreement by the Court in the CCAA Proceeding in form satisfactory to the Consenting First Lien Lenders;~~the Authorization Order shall have been granted;

(b) the Borrower shall have executed this Amended and Restated Support Agreement and delivered its signature pages hereto to the Consenting First Lien Lenders;

(c) all material agreements, consents and other material documents relating to the Transaction shall be in form and substance reasonably satisfactory to the Majority Consenting First Lien Lenders;

(d) all orders made and judgments rendered by any competent court of law, and all rulings and decrees of any competent regulatory body, agent or official in relation to the Transaction shall be satisfactory to the Majority Consenting First Lien Lenders, acting reasonably;

(e) all actions taken by the Borrower in furtherance of the Transaction shall be consistent in all material respects with this Amended and Restated Support Agreement;

(f) the Borrower shall have complied in all material respects with its covenants and obligations under or in respect of this Amended and Restated Support Agreement (including, for greater certainty, the Plan Term Sheet or the Credit Bid Term Sheet, as applicable);

(g) ~~in the case of the Restructuring Transaction,~~ there shall not have occurred, after the date hereof, any change, effect, event, occurrence or state of facts (other than matters related to the First Lien Credit Agreement) that, individually or in the aggregate, is, or could reasonably be expected to be, materially adverse to the business, properties, assets (tangible or intangible), liabilities (absolute, accrued, contingent or otherwise), condition (financial or otherwise), capitalization, operation or results of operations of the Borrower, taken as a whole but excluding any such effect or effects that result from general economic, financial, currency exchange, securities or commodity market conditions in Canada or elsewhere; and

(h) in the case of the ~~Restructuring~~Credit Bid Transaction, following the execution of the PSA, such PSA shall be in full force and effect and the Borrower shall be in compliance in all material respects with each of its covenants and obligations thereunder.

11. ~~10.~~ Conditions to the Borrower's Obligations

Notwithstanding anything to the contrary contained in this Amended and Restated Support Agreement and without limiting any other rights of the Borrower hereunder, the obligations of the Borrower under this Amended and Restated Support Agreement shall be specifically and expressly subject to each and all of the following conditions:

(a) ~~approval of this Support Agreement by the Court in the CCAA Proceeding in form satisfactory to the Borrower;~~the Authorization Order shall have been granted;

(b) the Consenting First Lien Lenders and First Lien Agent shall have executed this Amended and Restated Support Agreement and delivered their signature pages hereto to the Borrower;

(c) the Consenting First Lien Lenders and First Lien Agent shall have complied in all material respects with each of their covenants and obligations in this Amended and Restated Support Agreement (including, for greater certainty, the Plan Term Sheet or the Credit Bid Term Sheet, as applicable) that is to be performed on or before the implementation of the Transaction;

(d) following the execution of the PSA by the Credit Bid Purchaser, the PSA shall be in full force and effect and the Credit Bid Purchaser shall be in compliance in all material respects with its covenants and obligations thereunder;

(e) all actions taken by the Consenting First Lien Lenders or First Lien Agent in furtherance of the Transaction shall be consistent in all material respects with this Amended and Restated Support Agreement; and

(f) all orders made and judgments rendered by any competent court of law, and all rulings and decrees of any competent regulatory body, agent or official in relation to the Transaction shall be satisfactory to the Borrower, acting reasonably.

12. ~~11.~~ Information and Access

The Borrower shall provide to each Consenting First Lien Lender and the Advisors on a timely basis in accordance with the terms of any applicable Court ~~orders, including any~~ order ~~approving the SISP~~: (a) any and all information, documents, materials, and access reasonably requested by the Majority Consenting First Lien Lenders or the Advisors, ~~including without limiting the generality of the foregoing, any information, documents, materials, and access in relation to the SISP, and~~ and (b) any and all other information which might be reasonably expected to be of material interest to them in relation to this Amended and Restated Support Agreement or the Transaction. The Borrower shall promptly notify the Consenting First Lien Lenders if there has been any material change in any of the information the Borrower has provided to the Consenting First Lien Lenders and/or the Advisors in connection with the transactions contemplated by this Amended and Restated Support Agreement or the Transaction. The Borrower agrees that if at any time during the term of this Amended and Restated Support Agreement the Borrower has actual knowledge of the fact that any of the material assumptions upon which any Projections provided to the Consenting First Lien Lenders and/or the Advisors are based are no longer reasonable if they were being furnished at such time, then the Borrower will promptly supplement, or cause to be supplemented, such Projections.

~~**12. Superior Proposal**~~

~~**(a)** The Borrower shall diligently and in good faith pursue the SISP pursuant to and in accordance with the terms of the SISP and shall take such steps in furtherance of consummation of an investment or a sale of all or substantially all of its assets pursuant to such process in lieu of the Restructuring Transaction, provided that any such sale or investment is a Superior Offer and provided further that the Borrower does not otherwise repay all obligations under the First Lien Credit Agreement in accordance with the terms of the Term Sheet.~~

~~(b) Subject to Section 12(a), in the event the Transaction to be implemented under this Support Agreement is the Restructuring Transaction, the Borrower shall, subject to approval and authorization of the Court in the CCAA Proceeding, pursue and support the Restructuring Transaction promptly in good faith upon the terms and conditions set forth herein and in the PSA, and the Borrower shall not take any steps or actions that could reasonably be expected to prevent, delay or impede the successful and timely implementation of the Restructuring Transaction, or take any other action that is inconsistent with, or that could reasonably be expected to impede the consummation or effectiveness of the Restructuring Transaction, except, in each case, with the approval of the Majority Consenting First Lien Lenders.~~

~~(c) Other than through and in accordance with the SISP and this Support Agreement, the Borrower shall not directly or indirectly through any representative: (i) solicit, initiate, knowingly facilitate or knowingly encourage (including by way of furnishing information or entering into any agreement) any inquiries or proposals regarding any other transaction (an "**Other Transaction**"); (ii) participate in any substantive discussions or negotiations with any Person regarding any Other Transaction; (iii) accept, approve, endorse or recommend or propose publicly to accept, approve, endorse or recommend any Other Transaction; or (iv) enter into, or publicly propose to enter into, any agreement in respect of any Other Transaction; provided for greater certainty that nothing in this Section 12(c) shall prohibit or restrict in any way the Borrower's rights under the SISP to solicit, discuss, negotiate and implement a Superior Offer, in each case in accordance with the terms of the SISP and this Support Agreement.~~

13. Other Transactions

Subject to the terms of this Amended and Restated Support Agreement, the Borrower shall keep the Consenting First Lien Lenders fully apprised on a contemporaneous basis of any discussions, inquiries or proposals made to the Borrower or initiated by a third party regarding any other proposed transaction (an "**Other Transaction**") and, except as permitted pursuant to this Amended and Restated Support Agreement, the Borrower shall not initiate any discussions, inquiries or proposals with a third party in respect of any transaction or agree to or enter into any non-binding or binding term sheets, commitments, understandings or agreements in respect of any Other Transaction without obtaining the prior approval of the Majority Consenting First Lien Lenders, and the Borrower shall cease any discussions with third parties with respect to any Other Transaction upon the written direction of Bennett Jones on behalf of the Majority Consenting First Lien Lenders; provided that, notwithstanding the foregoing, or any other term of this Amended and Restated Support Agreement, the Borrower shall be permitted to negotiate an Other Transaction if, prior to any negotiation of definitive documents related to such Other Transaction, the Special Committee determines, on the advice of its financial and legal advisors, and after such legal or financial advisors have advised the Advisors that such proposal would be reasonably expected to result in a transaction that is more favorable to the Borrower, the First Lien Lenders and the Borrower's other stakeholders (as applicable) and provides for a treatment to the First Lien Lenders that is more favorable in all respects as the terms set forth in the CCAA Plan (a "**Superior Proposal**"); and the Special Committee has determined, based on the advice of the Borrower's financial and legal advisors, that the support of such Superior Proposal would be necessary for their compliance with their fiduciary duties as directors of a CBCA corporation. In the event the Borrower receives any proposal from a third party that the Special Committee believes may constitute a Superior Proposal, before accepting such Superior Proposal it will promptly notify the Consenting First Lien Lenders of the terms thereof, including the identity of the proposing party(ies). In the event that the Special Committee, after consultation with its financial and legal advisors, determines in good faith that it can no longer support or recommend the Transaction because of the receipt of a Superior Proposal, the Company shall promptly (in any event no later than one (1) business day following such determination) so inform the Consenting First Lien Lenders and the Advisors (including as to the terms of any such proposal that the Special Committee has determined is a Superior Proposal) and the Consenting First Lien Lenders, collectively, shall have five (5) Business Days in which to propose an alternative to the Superior Proposal that is of comparable value to the Borrower and its stakeholders and provides for a treatment to the First Lien Lenders that is at least as favourable in all respects as the terms set forth in the Superior Proposal and, at which time, the Borrower shall commit to and pursue such alternative proposal (and prior to the expiration of such five (5) Business Day period shall not accept such Superior Proposal). For certainty, the parties acknowledge and agree that, notwithstanding the completion of the SISP, any Other Transaction that is entered into by the Borrower in accordance with this Section 13 will constitute a "Superior Offer" for the purposes of the key employee incentive plan approved by the Court on March 28, 2018 and will constitute a "Transaction" for the purposes of the Borrower's engagement letter with Houlihan Lokey Capital, Inc. as approved by the Court on February 28, 2018, as amended from time to time.

14. ~~13.~~ Termination

(a) This Amended and Restated Support Agreement may be terminated by the Majority Consenting First Lien Lenders or First Lien Agent, in their sole discretion, by providing written notice to the other Parties hereto, upon:

(i) the Borrower failing to meet any of the timeline requirements set forth in the Credit Bid Term Sheet within the times set forth therein (as such times may be extended in accordance with the terms hereof);

(ii) the Borrower breaching any of its material obligations, covenants, representations or warranties under this Amended and Restated Support Agreement (including the Plan Term Sheet or the Credit Bid Term Sheet, as applicable), provided that if such obligation, covenant, representation or warranty is curable, it remains uncured for ~~5~~five Business Days after receipt by the Borrower of written notice thereof;

(iii) the issuance of any preliminary or final decision, order or decree by a governmental entity, or the commencement of an action or investigation by any governmental entity, in consequence of or in connection with the ~~Restructuring~~ Transaction, which restrains, impedes or prohibits the ~~Restructuring~~ Transaction;

(iv) the appointment of a receiver, interim receiver, receiver and manager, trustee in bankruptcy, liquidator or administrator with respect to the Borrower, unless such appointment is made with the prior written consent of the Majority Consenting First Lien Lenders; or

(v) any of the conditions set out in Section ~~9~~10 not being waived, or satisfied and discharged in accordance with the terms thereof;~~ or~~

~~(vi) if the Transaction has not been completed by the Outside Date,~~

in each case unless the event giving rise to the termination right is waived or cured in accordance with the terms hereof.

(b) This Amended and Restated Support Agreement may be terminated by the Borrower, by providing written notice to the Consenting First Lien Lenders and First Lien Agent, upon:

(i) (A) with respect to any Consenting First Lien Lender, if such Consenting First Lien Lender has materially breached any of its obligations, covenants, representations or warranties under this Amended and Restated Support Agreement, provided that if such obligation, covenant, representation or warranty is curable, it remains uncured for ~~5~~five Business Days after receipt by the applicable Consenting First Lien Lender of written notice thereof, and

(B) with respect to all of the Consenting First Lien Lenders if at any time the aggregate outstanding principal amount of the Loans held by all Consenting First Lien Lenders does not equal more than 50% of the aggregate outstanding principal amount of the Loans, and remains uncured for ~~5~~five Business Days;

(ii) in the event ~~the Transaction to be implemented pursuant to this Support Agreement is the Restructuring Transaction, (a) the PSA is not executed and delivered on or before August 17, 2018; (b) the PSA not being approved by the Court by August 30, 2018; or (c) following the execution of such document, the PSA being terminated in accordance with its terms;~~that any of the timeline requirements set forth in the Credit Bid Term Sheet are not satisfied within the times set forth therein (as such times may be extended in accordance with the terms hereof);

(iii) upon the issuance of any preliminary or final decision, order or decree by a governmental entity, or the commencement of an action or investigation by any governmental entity, in consequence of or in connection with the Transaction, which restrains, impedes or prohibits the Transaction; or

(iv) any of the conditions set out in Section ~~10~~11 not being waived, or satisfied and discharged in accordance with the terms thereof~~; or~~.

~~(v) if the Transaction has not been completed by the Outside Date.~~

~~(c)~~ This Amended and Restated Support Agreement may be terminated at any time by written consent of all of the Borrower, each Consenting First Lien Lender~~,~~ and the First Lien Agent.

(c) ~~(d)~~ This Amended and Restated Support Agreement shall automatically terminate following the completion of the Transaction on the Effective Date.

(d) ~~(e)~~ Subject to Sections ~~13~~14(~~f~~e) and ~~13~~14(~~g~~f) below, this Amended and Restated Support Agreement, upon its termination, shall be of no further force and effect and each Party hereto shall be automatically and simultaneously released from its commitments, undertakings, and agreements under or related to this Support Agreement.

(e) ~~(f)~~ Each Party shall be responsible and shall remain liable for any breach of this Amended and Restated Support Agreement by such Party (but not, in the case of Consenting First Lien Lenders, the breach by any other Consenting First Lien Lender) occurring prior to the termination of this Amended and Restated Support Agreement.

(f) ~~(g)~~ Notwithstanding the termination of this Amended and Restated Support Agreement pursuant to this Section ~~13~~14, the agreements and obligations of the Parties in Sections ~~7~~8(~~g~~e), ~~7~~8(~~r~~p), ~~14~~15, ~~17~~18(m) through ~~17~~18(v) shall survive such termination and shall continue in full force and effect for the benefit of the Parties in accordance with the terms hereof.

15. ~~14.~~ Confidentiality

The Borrower agrees to maintain the confidentiality of the identity and the specific holdings of each Consenting First Lien Lender, provided however, that such information may be disclosed: (i) to the Borrower's directors, trustees, executives, officers, auditors, employees and financial and legal advisors or other agents (collectively referred to herein as the "**Representatives**" and individually as a "**Representative**") provided that each such Representative is informed of, and directed to comply with, this confidentiality provision; (ii) to the First Lien Agent, (iii) the Monitor appointed in the CCAA Proceeding and the Monitor's legal counsel; (iv) the Court, provided that the Borrower shall make reasonable efforts to obtain an order of the Court sealing such information; and (v) to Persons in response to, and to the extent required by, (x) any subpoena, or other legal process, including, without limitation, by a court of competent jurisdiction or applicable rules, regulations or procedures of a court of competent jurisdiction, or (y) any regulatory agency or authority. If the Borrower or any of its Representatives receive a subpoena or other legal process as referred to in clause (v)(x) above in connection with this Amended and Restated Support Agreement, the Borrower shall provide the applicable Consenting First Lien Lenders with prompt written notice of any such request or requirement, to the extent permissible and practicable under the circumstances, so that the Consenting First Lien Lenders may seek a protective order or other appropriate remedy. Each Consenting First Lien Lender agrees that the Borrower is permitted to publicly disclose the existence, content, terms and factual details of this Amended and Restated Support Agreement, including the aggregate holdings of the Consenting First Lien Lenders, (but not the identity and specific individual holdings of, any Consenting First Lien Lender), including, without limitation, in press releases and court materials, produced by the Borrower in connection with seeking approval of the Amended and Restated Support Agreement or the ~~Restructuring~~ Transaction.

16. ~~15.~~ Additional Consenting First Lien Lenders

Each Party hereby acknowledges that additional First Lien Lenders may join this Amended and Restated Support Agreement at any time by agreeing pursuant to the Joinder Agreement to be bound by all of the terms of this Amended and Restated Support Agreement as if such First Lien Lender had originally executed this Support Agreement in respect of all Loans beneficially owned and/or managed by such First Lien Lender (each such First Lien Lender, an "**Additional Consenting First Lien Lender**" and all such Additional Consenting First Lien Lenders together with the Consenting Transferees, the "**Joining Consenting First Lien Lenders**").

17. ~~16.~~ Further Assurances

The Borrower and each Consenting First Lien Lender shall do all such things in their control, take all such actions as are commercially reasonable, deliver to the other Parties such further information and documents and execute and deliver to the other Parties such further instruments and agreements as another Party shall reasonably request to consummate or confirm the transactions provided for in this Amended and Restated Support Agreement, to accomplish the purpose of this Amended and Restated Support Agreement or to assure to the other Party the benefits of this Amended and Restated Support Agreement, including, as applicable, directing the First Lien Agent to take all such actions.

++18.++ ~~17.~~ **Miscellaneous**

(a) Any reference to "CAD$" refers to lawful currency of Canada. Any reference to "US$" refers to lawful currency of the United States of America.

(b) The agreements, representations, warranties and covenants of the Consenting First Lien Lenders herein are, in all respects, several, and not joint or joint and several.

(c) Nothing in this Amended and Restated Support Agreement is intended to preclude the Consenting First Lien Lenders or their respective affiliated funds, investment vehicles, managed accounts or portfolio companies from engaging in any securities transactions, subject to the agreements set forth in Section ~~5~~6 with respect to the Relevant Loans and other Debt.

(d) The headings in this Amended and Restated Support Agreement are for reference only and shall not affect the meaning or interpretation of this Amended and Restated Support Agreement.

(e) Unless the context otherwise requires, words importing the singular shall include the plural and vice versa and words importing any gender shall include all genders.

(f) This Amended and Restated Support Agreement (including all schedules hereto) and all other agreements entered into in connection with the Transaction constitutes the entire agreement and supersedes all prior agreements and understandings, both oral and written, among the Parties with respect to the subject matter hereof.

(g) For purposes of this Amended and Restated Support Agreement~~, the SISP~~ or the Transaction, the Borrower shall be entitled to rely on written confirmation from Bennett Jones that the Majority Consenting First Lien Lenders have agreed, waived, consented to or approved a particular matter. Bennett Jones shall be entitled to rely on a communication in any form acceptable to Bennett Jones, in its sole discretion, from any Initial Consenting First Lien Lenders for the purpose of determining whether such Initial Consenting First Lien Lender has agreed, waived, consented to or approved a particular matter, and the principal amount of Loans held by such Initial Consenting First Lien Lender.

(h) No director, officer or employee of the Borrower or any of the Borrower's legal, financial or other advisors shall have any personal liability to any of the Consenting First Lien Lenders or the First Lien Agent under this Amended and Restated Support Agreement or as a result of the execution or delivery of items required by this Amended and Restated Support Agreement. No director, officer or employee of any of the Consenting First Lien Lenders or the First Lien Agent shall have any personal liability to the Borrower, the other Consenting First Lien Lenders or First Lien Agent under this Amended and Restated Support Agreement.

(i) For purposes of this Amended and Restated Support Agreement~~, the SISP~~ or the Transaction, where a matter shall have been agreed, waived, consented to or approved by the Borrower, or a matter must be satisfactory or acceptable to the Borrower, such agreement, waiver, consent, approval or other action shall be determined by the Special Committee. The Consenting First Lien Lenders and the First Lien Agent shall be entitled to reply on written confirmation from Cassels that the Special Committee has agreed, waived, consented to or approved a particular matter.

(j) This Amended and Restated Support Agreement may be modified, amended or supplemented as to any matter in writing signed by the Borrower, the Majority Consenting First Lien Lenders and First Lien Agent~~; provided however, that any amendment to the definitions of "Minimum Consideration Threshold" or "Superior Offer" under the SISP shall require the written approval of all of the Initial Consenting First Lien Lenders~~.

(k) Any provision of this Amended and Restated Support Agreement may be waived if, and only if, such waiver is in writing and signed by the Party against whom the waiver is to be effective (or, in the case of the Majority Consenting First Lien Lenders, Bennett Jones). A waiver by the Consenting First Lien Lenders will require the agreement of the Majority Consenting First Lien Lenders in order to be effective. No failure or delay by any Party in exercising any right, power or privilege hereunder shall operate as a waiver thereof nor shall any single or partial exercise thereof preclude any other or further exercise.

(l) Any date, time or period referred to in this Amended and Restated Support Agreement shall be of the essence except to the extent to which the Parties agree in writing to vary any date, time or period, in which event the varied date, time or period shall be of the essence.

(m) This Amended and Restated Support Agreement is to be governed and construed in accordance with the laws of the Province of Alberta and the laws of Canada applicable therein applicable to contracts made and to be performed in such province, without giving effect to the conflict of laws principles thereof, and all actions or proceedings arising out of or relating to this Amended and Restated Support Agreement shall be heard and determined exclusively in the courts of the Province of Alberta.

(n) It is understood and agreed by the Parties that money damages would not be a sufficient remedy for any breach of Sections ~~5~~6(b), ~~5~~6(c), ~~5~~6(d), ~~5~~6(e), 6(f) and/or ~~5~~6(~~f~~g) by any of the Consenting First Lien Lenders and each non-breaching Party shall be entitled to specific performance and injunctive or other equitable relief as a remedy of any such breach, including an order by a court of competent jurisdiction requiring any Party to comply promptly with any of such obligations.

(o) In the event of a material breach of this Amended and Restated Support Agreement by any of the Consenting First Lien Lenders, the Consenting First Lien

Lenders and the First Lien Agent agree that the breaching Consenting First Lien Lender shall be stayed from any action to (i) accelerate or enforce or take any action or initiate any proceeding to accelerate or enforce the payment or repayment of any Debt (including for greater certainty any due and unpaid interest on its Relevant Loans) or Additional Claims for a period of 6 months or (ii) object to a reasonable extension of the stay of proceedings in the CCAA Proceedings.

(p) Unless expressly stated otherwise herein, this Amended and Restated Support Agreement is intended to solely bind and inure to the benefit of the Parties and their respective successors, permitted assigns, heirs, executors, administrators and representatives, and, with respect to Section ~~7~~8(~~g~~e) to also inure to the benefit of the respective Persons named therein and their respective successors, permitted assigns, heirs, executors, administrators and representatives. No other Person or entity shall be a third party beneficiary hereof.

(q) No Party may assign, delegate or otherwise transfer any of its rights, interests or obligations under this Amended and Restated Support Agreement without the prior written consent of the other Parties hereto, except by the Consenting First Lien Lenders with respect to a Transfer of Relevant Loans and other Debt in compliance with and to the extent permitted by Section ~~5~~6(~~c~~d)(i).

(r) All notices, requests, consents and other communications hereunder to any Party shall be deemed to be sufficient if contained in a written instrument delivered in person or sent by facsimile, internationally-recognized overnight courier or email. All notices required or permitted hereunder shall be deemed effectively given: (i) upon personal delivery to the Party to be notified; (ii) when sent by facsimile or email if sent during normal business hours of the recipient, if not, then on the next Business Day of the recipient; or (iii) one Business Day after deposit with an internationally recognized overnight courier, specifying next day delivery, with written verification of receipt. All deliveries required or permitted hereunder shall be deemed effectively made: (i) upon personal delivery to the Party receiving the delivery; (ii) one Business Day after deposit with an internationally recognized overnight courier, specifying next day delivery, with written verification of receipt; or (iii) upon receipt of delivery in accordance with instructions given by the Party receiving the delivery. Any Party may change the address to which notice should be given to such Party by providing written notice to the other Parties hereto of such change. The address, facsimile and email for each of the Parties shall be as follows:

(i) If to the Borrower:

Connacher Oil and Gas Limited
Suite 1040, 640 5th Avenue SW
Calgary, AB T2P 3G4
Attention: Suzanne Loov

Email: ~~sloov@connacheroil.com~~sloov@connacheroil.com

with a copy (which shall not constitute notice) given in like manner to:

Cassels Brock & Blackwell LLP
2100 Scotia Plaza
40 King St West
Toronto, ON M5H 3C2
Attention: Ryan Jacobs and Joseph Bellissimo

Facsimile: 416.640.3189
Email: rjacobs@casselsbrock.com; ~~jbellissimo@casselsbrock.com~~jbellissimo@casselsbrock.com

(ii) If to one or more Initial Consenting First Lien Lenders or Consenting First Lien Lenders at:

The address set forth for each applicable Initial Consenting First Lien Lender or Consenting First Lien Lenders at the address shown for it beside its signature.

with a copy (which shall not constitute notice) given in like manner to:

Bennett Jones LLP
3400 One First Canada Place
Toronto, ON M5X 1A4
Attention: Sean Zweig and Luke Morrison

Facsimile: 416.863.1716
Email: zweigs@bennettjones.com; ~~morrisonl@bennettjones.com~~morrisonl@bennettjones.com

(iii) If to the First Lien Agent:

Wilmington Trust, National Association
Rodney Square North, 1100 North Market Street
Wilmington, DE 19890
Attention: ~~Jennifer K. Anderson~~ Joseph B. Feil

Facsimile: 302.636.4145
Email: ~~jkanderson@wilmingtontrust.com~~jfeil@wilmingtontrust.com

with a copy (which shall not constitute notice) given in like manner to:

Jones Day
222 East 41st Street
New York, NY 10017-6702
Attention: Lewis Grimm ~~and Pedro Jimenez~~

Facsimile: 212.755.7306
Email: ~~lgrimm@jonesday.com; Pjimenez@jonesday.com~~lgrimm@jonesday.com

with a copy (which shall not constitute notice) given in like manner to:

Bennett Jones LLP
3400 One First Canada Place
Toronto, ON M5X 1A4
Attention: Sean Zweig and Luke Morrison

Facsimile: 416.863.1716
Email: zweigs@bennettjones.com; ~~morrisonl@bennettjones.com~~morrisonl@bennettjones.com

(s) The payment and issuance of fees, costs, expenses, compensation and other amounts under this Amended and Restated Support Agreement will be made free and clear of and without withholding or deduction for or on account of any present or future tax, duty, levy, impost, assessment or other governmental charged (including penalties, interest and other liabilities, or expenses related thereto) imposed or levied by or on behalf of any authority or agency having power to tax.

(t) If any term, provision, covenant or restriction of this Amended and Restated Support Agreement is held by a court of competent jurisdiction to be invalid, void or unenforceable, the remainder of the provisions, including terms, covenants and restrictions, of this Amended and Restated Support Agreement shall remain in full force and effect and shall in no way be affected, impaired or invalidated and the Parties shall negotiate in good faith to modify this Amended and Restated Support Agreement to preserve each Party's anticipated benefits under this Support Agreement.

(u) Except as explicitly provided for herein, and notwithstanding any termination of this Amended and Restated Support Agreement, nothing herein is intended to, or does, in any manner waive, limit, impair or restrict the ability of any Consenting First Lien Lender or the Borrower to protect and preserve its rights, remedies and interests (including, with respect to the Consenting First Lien Lenders, their claims against the Borrower), and each Party fully reserves any and all of its rights. Nothing herein shall be deemed an admission of any kind.

(v) This Amended and Restated Support Agreement may be executed by facsimile or other electronic means and in one or more counterparts, all of which shall be considered one and the same agreement.

[Remainder of Page Intentionally Left Blank]

IN WITNESS WHEREOF, each of the undersigned has caused this Amended and Restated Support Agreement to be duly executed and delivered by its proper and duly authorized officer as of the date first written above.

CONNACHER OIL AND GAS LIMITED

By: ________________________________

Name:

Title:

WILMINGTON TRUST, NATIONAL ASSOCIATION, as Administrative Agent

By: ________________________________

Name:

Title:

Name of Consenting First Lien Lender:

Per:

Name:

Title:

Address:

Aggregate Principal amount of Tranche A Loans held by the Consenting First Lien Lender pursuant to the First Lien Credit Agreement	
Aggregate Principal amount of Tranche B Loans held by the Consenting First Lien Lender pursuant to the First Lien Credit Agreement	

Aggregate Principal amount of 12% convertible second lien notes held by the Consenting First Lien Lender under the Indenture dated May 8, 2015	
Aggregate Principal amount of Additional Claims held by the Consenting First Lien Lender	

SCHEDULE "A"

DEFINITIONS

Definition	Section
"Additional Claims"	Section ~~2~~3(a)
"Additional Consenting First Lien Lender"	Section ~~15~~16
"Advisors"	Section ~~2~~3(~~e~~f)
"Alternative Transaction"	Recitals
"Amended and Restated Support Agreement"	Recitals
"Borrower"	Recitals
"CCAA"	Recitals
"CCAA Plan"	Recitals
"CCAA Plan Termination Event"	Section 2
"CCAA Proceeding"	Recitals
"Consenting First Lien Lenders"	Recitals
"Consenting Transferee"	Section ~~5~~6(~~e~~d)(i)
"Court"	Recitals
"Credit Bid Term Sheet"	Recitals
"~~FA Approval Order~~Credit Bid Transaction"	Recitals
"First Lien Agent"	Recitals
"First Lien Credit Agreement"	Recitals
"First Lien Lenders"	Recitals
~~"Houlihan"~~	~~Recitals~~
~~"Houlihan Engagement Letter"~~	~~Recitals~~
"Indemnified Party" or "Indemnified Parties"	Section ~~7~~8(~~g~~e)
"Initial Consenting First Lien Lenders"	Recitals
"Initial Order"	Recitals
"Joining Consenting First Lien Lenders"	Section ~~15~~16

"Loans"	Recitals
"Managed Fund"	Section ~~5~~6(~~c~~d)(i)
"Original Term Sheet"	Recitals
"Other Transaction"	Section ~~12(c)~~13
"Party" or "Parties"	Recitals
"Plan Term Sheet"	Recitals
"Plan Transaction"	Recitals
"PSA"	Recitals
"Relevant Loans"	Section ~~2~~3(a)
"Representative(s)"	Section ~~14~~15
"Restructuring Transaction"	Recitals
"Security"	Section ~~4~~5(a)
"SISP"	Recitals
"Support Agreement"	Recitals
~~"Term Sheet"~~	~~Recitals~~
"Transaction"	Recitals
"Transfer"	Section ~~5~~6(~~c~~d)(i)

"**Administrative Reserve**" has the meaning ascribed to that term in the Credit Bid Term Sheet.

"**AER**" means the Alberta Energy Regulator, or any successor thereto having jurisdiction over the assets of the Borrower or certain of them or the operation thereof.

"**Approval and Vesting Order**" means an order of the Court, substantially in the form attached to the PSA.

"**Audited Financial Statements**" means the audited balance sheets, and the related statements of operations and comprehensive income (loss), statements of changes in shareholders' equity, and statements of cash flows, of the Borrower as of and for the fiscal year ended December 31, 2016, together with the notes thereto.

"**Authorization Order**" means an order of the Court, in form and substance satisfactory to the Borrower and the Majority Consenting First Lien Lenders, each acting reasonably, among other things: (i) authorizing the Borrower to enter into this Amended and Restated Support Agreement and to pursue the Transaction in accordance with the terms of this Amended and Restated Support Agreement, including either the Plan Term Sheet or the Credit Bid Term Sheet, as applicable; (ii) approving the Credit Bid KERP; and (iii) sealing certain portions of this Amended and Restated Support Agreement.

"**Bennett Jones**" means Bennett Jones LLP, counsel to the Initial Consenting First Lien Lenders and the First Lien Agent.

"**Business Day**" means each day, other than a Saturday or Sunday or a statutory or civic holiday, that banks are open for business in Toronto, Ontario, or Calgary, Alberta Canada.

"**Cassels**" means Cassels Brock & Blackwell, LLP, counsel to the Borrower.

"~~**Competition Act**" means the *Competition Act* (Canada), R.S.C. 1985, c. C-35.~~**Claim**" has the meaning set forth in the CCAA Plan.

"**Contingent Liabilities**" means, with respect to a Person, any agreement, undertaking or arrangement by which the Person guarantees, endorses or otherwise becomes or is contingently liable upon (by direct or indirect agreement, contingent or other, to provide funds for payment, to supply funds to, or otherwise to invest in a debtor, or otherwise to assure a creditor against loss) the obligation, debt or other liability of any other Person or guarantees the payment of dividends or other distributions upon the shares (or other ownership interests) of any Person. The amount of any contingent liability will, subject to any limitation contained therein, be deemed to be the outstanding principal amount (or maximum principal amount, if larger) of the obligation, debt or other liability to which the contingent liability is related.

"**Contract(s)**" means all agreements, contracts, leases (whether for real or personal property), purchase orders, undertakings, covenants not to compete, employment agreements, confidentiality agreements, licenses, instruments, obligations and commitments to which a Person is a party or by which a Person or any of its assets are bound or affected, whether written or oral.

"**Convertible Notes**" means the convertible notes issued to certain participating holders pursuant to an indenture dated May 8, 2015 among the Borrower and Wilmington Trust, National Association, as trustee, having a face value of US$35 million and a maturation date of August 31, 2018, which are secured on a second priority basis.

"**Credit Bid KERP**" means the credit bid key employee retention plan substantially in the form attached as Schedule "H" hereto.

"**Credit Bid Purchaser**" means the Person (referred to in the Credit Bid Term Sheet as "**Newco**") incorporated and organized at the instruction of the Consenting First Lien Lenders to act as the "Purchaser" as defined in and under the PSA.

"~~**Credit Bid Trigger Date**" has the meaning ascribed to that term in the Term Sheet.~~ **Creditor**" means the holder of a Claim and includes a transferee or assignee of a Claim that is recognized as a Creditor by the Monitor in accordance with the CCAA Plan, and any trustee, liquidator, receiver, receiver and manager or other Person acting on behalf of such holder.

"**Creditors' Meetings**" means the meetings of each class of Creditors called for the purposes of considering and voting in respect of the CCAA Plan, as set out in and held pursuant to the Creditors' Meeting Order, and includes any postponements or adjournments thereof.

"**Creditors' Meeting Order**" means an order of the Court, in form and substance satisfactory to the Borrower and the Majority Consenting First Lien Lenders, each acting reasonably, among other things, authorizing the Borrower to convene one or more meetings of its Creditors to consider and vote on the CCAA Plan.

"**Debt**" means the Relevant Loans, together with the aggregate amount owing in respect of the Relevant Loans, including accrued and unpaid interest and any other amount that such Consenting First Lien Lender is entitled to claim in respect of the Relevant Loans pursuant to the First Lien Credit Agreement.

"**Direction**" means a direction substantially in the form attached hereto as Schedule "G".

"**Disclosure Letter**" means ~~a~~the letter from the Borrower to the Advisors dated ~~the date hereof,~~March 19, 2018, all or any portion of which the Advisors shall be entitled to share with the Consenting First Lien Lenders which they represent, subject to the terms of the confidentiality provisions contained in the First Lien Credit Agreement.

"**Distribution Order**" has the meaning ascribed to that term in the Credit Bid Term Sheet.

"**Effective Date**" means the date on which a Transaction is implemented.

"**First Lien Obligations**" means all obligations and liabilities owing by the Borrower under the First Lien Credit Agreement.

"**GAAP**" means International Financial Reporting Standards, as adopted by the Canadian Accounting Standards Board, being Canadian generally accepted accounting principles for publicly accountable enterprises, as in effect from time to time.

"**Joinder Agreement**" means the joinder agreement, in the form attached hereto as Schedule "~~E~~F".

"**Leased Premises**" means the premises leased by the Borrower under the Real Property Leases;

"**Majority Consenting First Lien Lenders**" means (i) as of the date of execution hereof, the Initial Consenting First Lien Lenders holding not less than a majority of the principal amount of Loans held by all Initial Consenting First Lien Lenders, and (ii) after the date hereof, in the event that there are Joining Consenting First Lien Lenders, the Consenting First Lien Lenders holding not less than a majority of the principal amount of Loans held by all Consenting First Lien Lenders.

"**Material Contract**" means each Contract and other instrument or document (including any amendment to any of the foregoing) of the Borrower:

(i) with any director, officer or affiliate of the Borrower;

(ii) that in any way purports to materially restrict the business activity of the Borrower or to limit the freedom of the Borrower to engage in any line of business or to compete with any Person or in any geographic area or to hire or retain any Person;

(iii) that could reasonably be expected to have a material effect on the business, affairs, condition, capitalization, properties, assets, liabilities, prospects, operations or financial performance of the Borrower, or on the Transaction; and

(iv) any other Contract, if a breach of such Contract could reasonably be expected to result in a material adverse effect.

~~"**Outside Date**" means September 30, 2018, or such other date as the Majority Consenting First Lien Lenders and the Borrower may agree.~~

"**Person**" means an individual, a corporation, a partnership, a limited liability company, a trust, an unincorporated association, a governmental entity or any agency, instrumentality or political subdivision of a governmental entity, or any other entity or body.

"**Plan Outside Date**" means July 31, 2019, or such other date as the Majority Consenting First Lien Lenders and the Borrower may agree.

"**Projections**" means all forward looking information and future oriented financial information and all other financial projections.

"**PSA**" has the meaning given to it in the recitals of this Amended and Restated Support Agreement.

"**Real Property Leases**" means the leases and agreements to lease real property of the Borrower listed in the Disclosure Letter.

"**Releases**" shall have the meaning ascribed to that term in the Credit Bid Term Sheet.

"~~**SISP Approval Order**" means the order of the Court approving the SISP, in the form attached hereto as Schedule "F".~~**Requisite Transaction Approvals**" means (i) the Authorization Order; (ii) in the case of a Plan Transaction, the Creditors' Meeting Order and the Sanction Order or, in the case of a Credit Bid Transaction, the Approval and Vesting Order; and (iii) any other order of the Court in connection with the implementation of the Transaction.

"**Sanction Order**" means an order of the Court, in form and substance satisfactory to the Borrower and the Majority Consenting First Lien Lenders, each acting reasonably, among other things, approving the CCAA Plan and providing for the releases and other relief from the Court contemplated by the CCAA Plan.

"**Special Committee**" means the Special Committee of the board of directors of the Borrower.

"**Superior Offer**" has the meaning ascribed to the term Superior Transaction in the SISP.

"**Tax**" or "**Taxes**" includes all present and future taxes, surtaxes, duties, levies, imposts, rates, fees, assessments, withholdings, dues and other changes of any nature imposed by any governmental authority, including income, capital, withholding, consumption, sales, use, transfer, goods and services, harmonized or other value added, excise, customs, anti-dumping, countervail, net worth, stamp, registration, franchise, payroll, employment health, education, business, school, property, local improvement, development, education development and occupation taxes, surtaxes, duties, levies, imposts rates, fees, assessments, withholdings, dues and charges, and other assessments or similar charges in the nature of a tax, including Canada Pension Plan and provincial pension plan contributions, employment insurance and unemployment insurance premiums and workers compensation premiums, together with all fines, interest, penalties on or in respect of, or in lieu of or for non-collection of, those taxes, surtaxes, duties, levies, imposts, rates, fees, assessments, withholdings, dues and other changes, whether disputed or not.

"**Tax Return**" or "**Tax Returns**" means all returns, declarations of estimated tax payments, reports, estimates, information returns, and statements, including any related or supporting information with respect to any of the foregoing, filed or required to be filed with any taxing authority.

SCHEDULE “B”

<u>PLAN</u> TERM SHEET

SCHEDULE “C”

~~PSA~~

CCAA PLAN

SCHEDULE "D"

~~SISP PROCEDURES~~ CREDIT BID TERM SHEET

SCHEDULE "E"

PSA

SCHEDULE "F"

JOINDER AGREEMENT

Form of Joinder To Amended and Restated Support Agreement

This Joinder to the Support Agreement (this "**Joinder Agreement**") is made as of •, by and among • (the "**Joining Consenting First Lien Lender**"), Connacher Oil and Gas Limited in consideration of the mutual covenants herein contained and benefits to be derived herefrom.

WITNESSETH:

WHEREAS, reference is made to a certain Amended and Restated Support Agreement dated as of ~~March 19, 2018~~•, 2019 (as amended, modified, supplemented or restated and in effect from time to time, the "**Amended and Restated Support Agreement**"), by and among the Borrower, the First Lien Agent and the Initial Consenting First Lien Lenders. All capitalized terms used herein and not otherwise defined herein shall have the meanings assigned to such terms in the Amended and Restated Support Agreement;

WHEREAS, the Joining Consenting First Lien Lender desires to become a party to, and to be bound by the terms of, the Amended and Restated Support Agreement; and

WHEREAS, pursuant to the terms of the Amended and Restated Support Agreement, in order for the Joining Consenting First Lien Lender to become party to the Amended and Restated Support Agreement, the Joining Consenting First Lien Lender is required to execute this Joinder Agreement;

NOW, THEREFORE, in consideration of the premises contained herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto hereby agree as follows:

1. Representations and Warranties

The Joining Consenting First Lien Lender hereby represents and warrants to the Borrower that:

(a) effective as of the date of this Joinder Agreement, the Joining Consenting First Lien Lender (or a client thereof for which it has discretionary authority to manage and administer funds) is the legal or beneficial holder of, or exercises control and discretion over, Loans in the principal amount set forth on such Joining Consenting First Lien Lender's signature page hereto (inclusive of any Loans acquired as of the date hereof as a Consenting Transferee pursuant to a Transfer permitted by Section ~~5~~6(~~e~~d)(i) of the Amended and Restated Support Agreement) (for purposes of this Joinder Agreement, such Joining Consenting First Lien Lender's "**Relevant Loans**") and the additional claims against the Borrower identified in the principal amount set forth on such Joining Consenting First Lien Lender's signature page hereto; and

(b) effective as of the date hereof, the principal amount of Debt, Relevant Loans or Additional Claims set forth on such Joining Consenting First Lien Lender's signature page to this Joinder Agreement constitute all of the Debt, Relevant Loans or Additional Claims that are legally or beneficially owned by it (or over which it exercises control or discretion on behalf of clients for which it has discretionary authority to manage or administer funds).

2. Joinder and Assumption of Obligations

Effective as of the date of this Joinder Agreement, the Joining Consenting First Lien Lender hereby acknowledges that the Joining Consenting First Lien Lender has received and reviewed a copy of the Amended and Restated Support Agreement, and acknowledges and agrees:

(a) that all representations and warranties set forth in section ~~2~~3 of the Amended and Restated Support Agreement are true and correct as of the date hereof with respect to the Joining Consenting First Lien Lender;

(b) to join in the execution of, and become a party to, the Amended and Restated Support Agreement as a Joining Consenting First Lien Lender thereunder, as indicated with its signature below;

(c) subject to section (d) below, to be bound by all agreements of the Consenting First Lien Lenders under the Amended and Restated Support Agreement with the same force and effect as if such Joining Consenting First Lien Lender was a signatory to the Amended and Restated Support Agreement and was expressly named as a party therein; and

(d) to assume all rights and interests and perform all applicable duties and obligations of the Consenting First Lien Lenders under the Amended and Restated Support Agreement other than those expressed therein to be solely the rights, interests, duties and obligations of the Initial Consenting First Lien Lenders, if any.

3. Binding Effect

Except as specifically amended by this Joinder Agreement, all of the terms and conditions of the Amended and Restated Support Agreement shall remain in full force and effect as in effect prior to the date hereof.

4. Miscellaneous

(a) This Joinder Agreement may be executed by facsimile or other electronic means and in one or more counterparts, all of which shall be considered one and the same agreement.

(b) This Joinder Agreement constitutes the entire agreement and supersedes all prior agreements and understandings, both oral and written, among the parties with respect to the subject matter hereof.

(c) If any term, provision, covenant or restriction of this Joinder Agreement is held by a court of competent jurisdiction to be invalid, void or unenforceable, the remainder of the provisions, including terms, covenants and restrictions, of this Joinder Agreement shall remain in full force and effect and shall in no way be affected, impaired or invalidated and the parties shall negotiate in good faith to modify this Joinder Agreement to preserve each party's anticipated benefits under this Joinder Agreement.

(d) The Joining Consenting First Lien Lender represents and warrants that the Joining Consenting First Lien Lender has consulted with independent legal counsel of its selection in connection with this Joinder Agreement and is not relying on any representations or warranties of any other Consenting First Lien Lender, their respective counsel or the Advisors in entering into this Joinder Agreement.

(e) This Joinder Agreement is to be governed and construed in accordance with the laws of the Province of Alberta and the laws of Canada applicable therein applicable to contracts made and to be performed in such state, without giving effect to the conflict of laws principles thereof, and all actions or proceedings arising out of or relating to this Joinder Agreement shall be heard and determined exclusively in the courts of the Province of Alberta.

[SIGNATURE PAGES FOLLOW]

IN WITNESS WHEREOF, each of the undersigned has caused this Joinder Agreement to be duly executed and delivered by its proper and duly authorized officer as of the date first written above.

STRICTLY CONFIDENTIAL

Name of Joining Consenting First Lien Lender:

____

Per:

____

Name:

Title:

Address:

____

____

____

____

Name of Consenting First Lien Lender (if applicable):

____

Per: ______________________________

Name:

Title:

Address:

____

____

____

____

Aggregate Principal amount of Tranche A Loans held by the Consenting First Lien Lender pursuant to the First Lien Credit Agreement	
Aggregate Principal amount of Tranche B Loans held by the Consenting First Lien Lender pursuant to the First Lien Credit Agreement	

Aggregate Principal amount of 12% convertible second lien notes held by the Consenting First Lien Lender under the Indenture dated May 8, 2015	
Aggregate Principal amount of Additional Claims held by the Consenting First Lien Lender	

Accepted and agreed to as of the date first above written.

CONNACHER OIL AND GAS LIMITED

By: ______________________________

Name:

Title:

~~SCHEDULE "F"~~

~~SISP APPROVAL ORDER~~

SCHEDULE "G"

FORM OF DIRECTION

SCHEDULE "H"

CREDIT BID KERP

Document comparison by Workshare Compare on Sunday, May 05, 2019 11:53:21 AM

Input:	
Document 1 ID	interwovenSite://CASSELS-DMS/LEGAL/47549719/1
Description	#47549719v1<LEGAL> - Support Agreement - Final Version
Document 2 ID	interwovenSite://CASSELS-DMS/LEGAL/47526778/12
Description	#47526778v12<LEGAL> - Amended and Restated Support Agreement -- Cassels Draft
Rendering set	Standard

Legend:	
Insertion	
~~Deletion~~	
~~Moved from~~	
Moved to	
Style change	
Format change	
~~Moved deletion~~	
Inserted cell	
Deleted cell	
Moved cell	
Split/Merged cell	
Padding cell	

Statistics:	
	Count
Insertions	455
Deletions	257
Moved from	8
Moved to	8
Style change	0
Format changed	0
Total changes	728

COURT FILE NO.	1601-06131	Clerk's Stamp
COURT	COURT OF QUEEN'S BENCH OF ALBERTA	CLERK OF THE COURT FILED MAY 06 2019 JUDICIAL CENTRE OF CALGARY
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** **(AMENDED & RESTATED SUPPORT AGREEMENT APPROVAL ORDER & 2019 CREDITORS' MEETINGS ORDER)** VOLUME II OF II	
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	

EXHIBIT "C"

This is Exhibit " C "
referred to in the affidavit of
Merle Johnson
sworn before me this 6
day of May, 20 19.

A Commissioner for Oaths in and for Alberta

Paola Viviana Berkman Rodriguez
Articling Student at Law
A Commissioner for Oaths
in and for Alberta

COURT FILE NUMBER	1601-06131
COURT	COURT OF QUEEN'S BENCH OF ALBERTA
JUDICIAL CENTRE	CALGARY
APPLICANT	**IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED** **AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF CONNACHER OIL AND GAS LIMITED**
DOCUMENT	**~~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

~~Clerk's Stamp~~

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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) and the *Canada Business Corporations Act*

Dated ~~August 13, 2018~~May 6, 2019

RECITALS

A. The Company is a corporation incorporated under the CBCA and is insolvent.

B. The Company commenced a proceeding under the CCAA and obtained the Initial Order from the CCAA Court on May 17, 2016 which, among other things, appointed the Monitor of the Company, stayed proceedings against the Company and permitted the filing, upon further Order of the CCAA Court, of a plan of compromise or arrangement under the CCAA.

C. ~~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.~~The Company, the Consenting First Lien Lenders and the First Lien Agent entered into the Support Agreement pursuant to which the Consenting First Lien Lenders agreed to the Recapitalization and agreed to support this Plan.

D. This Plan will facilitate the continuation of the business of the Company as a going concern and makes provision for recoveries to certain stakeholders.

NOW THEREFORE the Company hereby proposes and presents this Plan under and pursuant to the CCAA and the CBCA:

ARTICLE 1
DEFINITIONS AND INTERPRETATION

1.1 Definitions

In this Plan (including the Schedules hereto), unless otherwise stated, the capitalized terms and phrases set out below shall have the following meanings:

"**Accepted Claim**" means the Affected Claim of a Creditor, as finally determined in accordance with the Claims Procedure Order, the Supplemental Claims Procedure Order, any other Order and/or this Plan and, for greater certainty (a) the Accepted Claim of each First Lien Lender shall be its Pro Rata Share of the First Lien Claim and (b) the Accepted Claim of each Second Lien Noteholder shall be its Pro Rata Share of the Second Lien Claim;

"**Administration Charge**" means the Administration Charge granted under the Initial Order;

"**Administration Expenses**" has the meaning given to it in Section 3.4 of this Plan;

"**Administrative Reserve Fund**" has the meaning given to it in Section 3.4 of this Plan;

"**AER**" means the Alberta Energy Regulator;

"**Affected Claim**" means a Claim, other than an Unaffected Claim;

"**Affected Creditor**" means a holder of an Affected Claim;

"**Akin Gump**" means Akin Gump Strauss Hauer & Feld LLP;

"**Alleged Directors' Charge Claim**" has the meaning given to it in Section 3.8(b) of this Plan;

~~"**Alleged 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;

"**Authorization Order**" means an Order to be sought by the Company from the CCAA Court on or about May 16, 2019 that, among other things, approves the Support Agreement, approves the Credit Bid KERP and seals certain portions of the Support Agreement;

"**BEH**" means Burgess Energy Holdings L.L.C.;

"**BEH Royalty Agreement**" means that certain royalty agreement between the Company and BEH dated January 29, 2018, approved pursuant to the BEH Royalty Approval Order;

"**BEH Royalty Approval Order**" means the Order granted in the CCAA Proceeding dated January 29, 2018 approving the BEH Royalty Agreement;

"**Beneficial First Lien Lender**" means a beneficial holder of a portion of the First Lien Claim;

"**Beneficial Noteholder**" means (i) a registered holder of Second Lien Notes, if such registered holder holds Second Lien Notes as principal and for its own account; or (ii) a holder who is not a registered holder but is a beneficial or entitlement holder of Second Lien Notes who holds such Second Lien Notes in one or more securities account(s) with a depository participant or other securities intermediary, including for greater certainty, such depository participant or other securities intermediary only if and to the extent such depository participant or other securities intermediary holds Second Lien Notes as principal and for its own account;

"**BIA**" means the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended;

"**Business Day**" means, with respect to any action to be taken, any day, other than Saturday, Sunday or a statutory holiday, on which banks are generally open for business in Calgary, Alberta, Canada;

~~"**Cash 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~~, but, for greater certainty, shall exclude any funds ~~being~~ held by ATB as security for ~~the~~ obligations ~~owing~~ under the ATB Credit Facilities~~, but, for greater certainty, shall exclude~~ and any funds held on deposit or in escrow in respect of insurance policies in favour of the Directors or Officers which shall be applied on the Effective Date as set out in Schedule "A" to this Plan;

"**Cassels**" means Cassels Brock & Blackwell LLP;

"**CBCA**" means the *Canada Business Corporations Act*, R.S.C. 1985, c. C-44, as amended;

"**CCAA**" means the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended;

"**CCAA Charges**" means the Administration Charge, the Directors' Charge, the KERP/LTIP Charge, the ATB Charge, the Financial Advisor Charge, and the KEIP Charge, each as may be amended by Order of the CCAA Court;

"**CCAA Court**" means the Court of Queen's Bench of Alberta;

"**CCAA Proceeding**" means the proceedings commenced by the Company under the CCAA on May 17, 2016 in the CCAA Court bearing Court File No. 1601-06131;

"**Claim**" means any of the following:

(a) a First Lien Claim, including a First Lien Deficiency Claim;

(b) a Second Lien Claim, including a Second Lien Deficiency Claim;

(c) a Pre-Filing Claim;

(d) a Restructuring Period Claim;

(e) a D&O Claim;

(f) a D&O Restructuring Period Claim;

(g) a D&O Indemnity Claim;

(h) a Post-Filing D&O Claim;

(i) a Secured Claim;

(j) a Priority Secured Claim;

~~(k) a Non-Continuing Employee Claim;~~

(k) ~~(l)~~ an Equity Claim;

(l) ~~(m)~~ a Post-Filing Claim;

(m) ~~(n)~~ a Convenience Class Claim;

(n) ~~(o)~~ a Crown Priority Claim;

(o) ~~(p)~~ an Employee Priority Claim;

(p) ~~(q)~~ a Municipal Tax Claim; and

(q) ~~(r)~~ an ~~Unaffected~~Outstanding Municipal Tax Claim.

"**Claims Procedure Order**" means the Claims Procedure Order granted by the CCAA Court in the CCAA Proceeding dated August 24, 2016, as such Order may be amended, restated or varied from time to time by subsequent Order(s);

"**Class**" means any one of the classes of Creditors set out in Section 3.2 hereof for the purpose of considering and voting upon this Plan and receiving distributions hereunder**;**

"**Collateral Trust Agreement**" means the collateral trust and intercreditor agreement dated December 3, 2007 initially among, *inter alios*, the Company, the guarantors party thereto, The Bank of New York Mellon (formerly known as The Bank of New York), the Collateral Trustee and Royal Bank of Canada, as amended, restated, supplemented or replaced from time to time;

"**Collateral Trustee**" means Computershare Trust Company of Canada, as collateral trustee for (i) the First Lien Agent and the First Lien Lenders under the First Lien Credit Agreement and (ii) the Second Lien Trustee and the purchasers under the Second Lien Indenture pursuant to the Collateral Trust Agreement;

"**Company**" means Connacher Oil and Gas Limited;

"**Consenting First Lien Advisors**" means Bennett Jones LLP, PricewaterhouseCoopers LLP and such other advisors as may be retained by the Consenting First Lien Lenders;

“**Consenting First Lien Lenders**” means those certain First Lien Lenders that are party to the Support Agreement;

“**Continuing Contract**” means a contract, arrangement or other agreement (oral or written) for which a notice of disclaimer pursuant to Section 32 of the CCAA has not been sent by the Company on or prior to the Disclaimer Deadline;

“**Convenience Class Claim**” means (a) any Accepted Claim of a General Creditor in an amount that is less than or equal to $2,000, and (b) any Accepted Claim of a General Creditor in an amount greater than $2,000 if the relevant Creditor has made a valid Distribution Election for purposes of this Plan in accordance with the Creditors’ Meetings Order and this Plan;

“**Convenience Class Creditor**” means a General Creditor with a Convenience Class Claim, provided that in order to be a Convenience Class Creditor in respect of a Second Lien Deficiency Claim a Beneficial Noteholder must deliver a Voting Information and Election Form in accordance with the Creditors’ Meetings Order;

“**Credit Bid KERP**” means the credit bid key employee retention plan substantially in the form attached at Schedule “H” to the Support Agreement, as approved pursuant to the Authorization Order;

“**Creditor**” means any holder of a Claim and includes a transferee of a Claim that is recognized as a Creditor by the Monitor in accordance with this Plan, the Claims Procedure Order, the Supplemental Claims Procedure Order or any other Order, as applicable, or a trustee, liquidator, receiver, receiver and manager or other Person acting on behalf of such holder;

“**Creditors’ Meetings**” means the meetings of each Class of Creditors called for the purposes of considering and voting in respect of this Plan, as set out in and held pursuant to the Creditors’ Meetings Order, and includes any postponements or adjournments thereof;

“**Creditors’ Meetings Order**” means an Order to be sought by the Company from the CCAA Court on or about ~~August 22, 2018~~May 16, 2019 that, among other things, accepts the filing of the Plan, and orders and declares the procedures to be followed in connection with the Creditors’ Meetings, as such Order may be amended, restated or varied from time to time by subsequent Order;

“**Creditors’ Meetings Record Date**” means, subject to the Creditors’ Meetings Order, 1:00 p.m. (Calgary time) on the date that is two (2) Business Days prior to the Creditors’ Meetings;

“**Crown**” means Her Majesty in right of Canada or any province or territory of Canada;

“**Crown Priority Claims**” means all unpaid amounts, if any, provided for in Section 6(3) of the CCAA;

“**D&O Claim**” has the meaning given to it in the Claims Procedure Order;

“**D&O Indemnity Claim**” means any existing or future right of any Director or Officer against the Company which arose or arises as a result of any Person filing a Proof of Claim in respect of such Director or Officer for which such Director or Officer is entitled to be indemnified by the Company;

“**D&O Restructuring Period Claim**” has the meaning given to it in the Claims Procedure Order;

“**Director**” means any Person who is or was, or may be deemed to be or have been, whether by statute, operation of law or otherwise, a director or *de facto* director of the Company;

“**Directors’ Charge**” means the Directors’ Charge granted under the Initial Order in favour of the Directors and Officers;

“**Directors’ Charge Claims Reserve**” has the meaning given to it in Section 3.8(b) of this Plan;

“**Disallowed Claim**” means a Claim (or any portion thereof) which has been finally disallowed in accordance with the Claims Procedure Order, the Supplemental Claims Procedure Order or any other Order;

“**Disclaimer Deadline**” means 5:00 p.m. (Calgary time) on the day which is 35 days prior to the Creditors’ Meeting for the General Creditor Class or if such day is not a Business Day then the immediately preceding Business Day;

“**Disputed Claim**” means that portion of a Claim in respect of which a Creditor has delivered a Notice of Dispute pursuant to the Claims Procedure Order or the Supplemental Claims Procedure Order which has not been allowed or accepted for voting and/or distribution purposes or which has not been barred or finally disallowed pursuant to the Claims Procedure Order or the Supplemental Claims Procedure Order. For greater certainty, once a Disputed Claim is finally determined, it shall become an Accepted Claim or Disallowed Claim;

“**Distribution Date**” means the date or dates from time to time on or after the Effective Date, set by the Monitor in its discretion, to effect interim and final distributions in respect of Accepted Claims;

“**Distribution Election**” means an election:

(a) made by a General Creditor with an Accepted Claim greater than $2,000 by delivery of a duly completed and executed Distribution Election Notice to the Monitor by no later than the Distribution Election Deadline electing to receive the Distribution Election Amount in full satisfaction of its Accepted Claim; and

(b) deemed to have been made by each General Creditor with an Accepted Claim equal to or less than $~~2,000~~2,000, provided that in the case of a Beneficial Noteholder in respect of a Second Lien Deficiency Claim such Beneficial Noteholder shall have delivered a Voting Information and Election Form in accordance with the Creditors' Meetings Order;

"**Distribution Election Amount**" means, in respect of any Accepted Claim of a General Creditor for which a valid Distribution Election has been made or has been deemed to have been made in accordance with this Plan, the lesser of (a) a cash amount equal to $2,000 and (b) the amount of such Accepted Claim;

"**Distribution Election Deadline**" has the meaning given to such term in the Creditors' Meetings Order;

"**Distribution Election Notice**" means a notice substantially in the form attached to the Creditors' Meetings Order~~, which will be final and irrevocable once delivered to the Monitor~~ or, in the case of a Beneficial Noteholder, a Voting Information and Election Form;

"**Effective Date**" means the day on which the Monitor delivers the Monitor's Certificate to the Company~~, 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~~Consenting First Lien Lenders;

"**Employee Priority Claim**" means all unpaid amounts, if any, provided for in Section 6(5)(a) of the CCAA;

"**Equity Claim**" has the meaning given to it in Section 2(1) of the CCAA;

"~~**Existing Cash**" means:~~**Executive Employment Agreements**" means the key management employment agreements to be in place on the Effective Date in accordance with the Plan Term Sheet;

~~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,~~$117,000,000, which shall be deemed to be an unsecured deficiency Claim and constitute a General Creditor Claim for purposes of this Plan;

"**First Lien Lender Class**" means the Class comprised of the First Lien Lenders;

~~"**First Lien 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;

"**First Lien Record Date**" has the meaning given to it in the Creditors' Meeting Order;

"**General Creditor**" means the holder of a General Creditor Claim;

"**General Creditor Claim**" means all Affected Claims, other than First Lien Claims (except to the extent of a First Lien Deficiency Claim, which is a General Creditor Claim), Priority Secured Claims, Employee Priority Claims, Crown Priority Claims and Equity Claims;

"**General Creditor Class**" means the Class comprised of General Creditors;

"**General Creditor Pool**" means the amount of $500,000 plus the amount necessary to satisfy all Convenience Class Claims in accordance with Section ~~5.6~~5.5 of this Plan;

"**Initial Distribution Date**" means a date not more than two (2) Business Days after the Effective Date or such other date specified in the Sanction Order;

"**Initial Distribution Record Date**" means the date that is five (5) Business Days prior to the Initial Distribution Date;

“**Initial Order**” means the Order granted by the CCAA Court in the CCAA Proceeding on May 17, 2016, as such Order may be amended, restated, varied or extended from time to time by subsequent Orders;

“**Insured Claim**” means that portion of a Claim arising from a cause of action for which the Company is insured under a policy or policies of insurance existing as of the Filing Date to the extent that such Claim, or portion thereof, is insured under such policies, limited to the amount of any insurance proceeds actually received in respect of such Claim;

“**Insured Claim Option Notice**” means a notice substantially in the form attached to the Creditors’ Meetings Order, which will be final and irrevocable once delivered to the Monitor;

“**ITA**” means the *Income Tax Act* (Canada), R.S.C. 1985, c.1 (5th Supp.), as amended;

“**KEIP**” means the key employee incentive plan approved pursuant to the Support Agreement & SISP Approval Order;

“**KEIP Charge**” means the charge granted under the Support Agreement & SISP Approval Order in favour of the beneficiaries of the KEIP and, pursuant to the Authorization Order, in favour of the beneficiaries of the Credit Bid KERP;

“**KERP**” means the key employee retention plan(s) approved pursuant to the Initial Order, the Supplemental KERP Order ~~and~~, the Second Supplemental KERP & LTIP 2017 Order and the Authorization Order;

“**KERP/LTIP Charge**” has the meaning given to it in the Initial Order, as amended by the Supplemental KERP Order and the Second Supplemental KERP & LTIP 2017 Order;

“**Lien**” means any mortgage, charge, pledge, assignment by way of security, lien, hypothec, security interest, deemed trust or other encumbrance granted or arising pursuant to a written agreement or statute or otherwise created by law;

“**LTIP**” means the Company’s existing long term cash incentive plan, as amended and as approved in the Initial Order;

“**LTIP 2017**” means the Company’s long term incentive plan payment as approved in the Second Supplemental KERP & LTIP 2017 Order;

“**Majority Consenting First Lien Lenders**” has the meaning given to it in the Support Agreement;

“**MIP**” means the management incentive plan to be in place on the Effective Date in accordance with the Plan Term Sheet;

"**Monitor**" means Ernst & Young Inc., solely in its capacity as Court-appointed monitor of the Company in the CCAA Proceeding, and not in its corporate or personal capacity;

"**Monitor's Certificate**" has the meaning given to it in Section 8.3 of this Plan;

"**Municipal Tax Claims**" means all amounts owing by the Company to the Municipality with respect to or on account of taxes of any kind whatsoever, including but not limited to property tax, equipment and machinery tax, linear property tax, education tax, and any interest, fees or penalties;

"**Municipal Tax Fund**" has the meaning given to it in Section 3.5(c) of this Plan;

"**Municipality**" means the Regional Municipality of Wood Buffalo;

"**New Board**" means the ~~Company's~~ board of directors of the Company to be appointed and constituted on the Effective Date in accordance with this Plan and the Restructuring Transactions, which shall be comprised of individuals ~~acceptable to the Plan Sponsor~~selected in accordance with the Plan Term Sheet;

"~~**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;~~**New Senior Secured Term Facility**" means the new senior secured term facility on the terms set out in the Plan Term Sheet to be entered into by the Company on the Effective Date in accordance with this Plan and the Restructuring Transactions;

"**New Senior Secured Term Facility Agent**" means Wilmington Trust, National Association, or such other agent acceptable to the Consenting First Lien Lenders, in its capacity as administrative agent for the lenders under the New Senior Secured Term Facility Agreement;

"**New Senior Secured Term Facility Agreement**" has the meaning given to it in Section 8.2(i) of this Plan;

"**New Shareholder Information**" means such information and documentation as the Company may require from recipients of the New Shares in order to comply with any anti-money laundering, know your client, proceeds of crime and other Applicable Laws applicable to the Company, which shall be communicated to the First Lien Lenders by the Company in accordance with the Creditors' Meeting Order;

“**New Shares**” means voting common shares of a newly created class of shares of the Company, to be designated as "Class A Common Shares", in such aggregate number as shall be determined by the Majority Consenting First Lien Lenders, which shall be issued by the Company to the First Lien Lenders, or their designates, in accordance with this Plan and, immediately following the issuance thereof, shall constitute all of the issued and outstanding shares of the Company;

“**Notice of Dispute**” has the meaning given to it in the Claims Procedure Order or the Supplemental Claims Procedure Order;

~~“**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~~Support Agreement;

“**Outstanding Municipal Tax Claims**” means (i) one third (1/3) of the amount of the Municipal Tax Claims for the calendar year 2018, being the portion of the Municipal Tax Claims for the 2018 calendar year attributable to the period from and after 12:01 a.m. on September 1, 2018 and (ii) the Municipal Tax Claims owing or to be owing for the calendar year 2019;

“**Person**” shall be broadly interpreted and includes an individual, partnership, firm, joint venture, venture capital fund, limited liability company, unlimited liability company, association, trust, entity, corporation, unincorporated association or organization, syndicate, committee, court appointed representative, the government of a country or any political subdivision thereof, or any agency, board, tribunal, commission, bureau, instrumentality or department of such government or political subdivision, or any other entity, howsoever designated or constituted, including any Taxing Authority, and the trustees, executors, administrators, or other legal representatives of an individual, and for greater certainty includes any Authorized Authority;

“**Plan**” means ~~the~~this Plan of Compromise and Arrangement (including the Recapitalization and the Restructuring Transactions) dated ~~August 2, 2018 as amended and restated as of the date hereof,~~May 6, 2019, as it may be further amended, restated, supplemented or replaced in accordance with the terms hereof and the ~~Plan Sponsorship~~Support Agreement;

“**Plan Implementation Fund**” means ~~the~~an 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,~~aggregate amount of funds to be delivered by the

Company to the Monitor pursuant to Section 4.1 of this Plan, to be held and distributed by the Monitor in accordance with this Plan;

"**Plan** ~~**Sponsor**" means East River Oil and Gas Ltd.;~~ **Term Sheet**" means the Plan Term Sheet attached as Schedule "B" to the Support Agreement, as it may be amended, restated, supplemented or replaced in accordance with the terms of the Support Agreement;

~~"**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~~Outstanding Municipal Tax Claim, or an Employee Priority Claim;

"**Post-Filing D&O Claim**" has the meaning given to it in the Supplemental Claims Procedure Order;

"**Pre-Filing Claims**" means any right or claim of any Person that may be asserted or made in whole or in part against the Company, whether or not asserted or made, in connection with any indebtedness, liability or obligation of any kind whatsoever, and any interest accrued thereon or costs payable in respect thereof, including without limitation, by reason of the commission of a tort (intentional or unintentional), by reason of any breach of contract, arrangement or other agreement (oral or written), by reason of any breach of duty (including, without limitation, any legal, statutory, regulatory, equitable or fiduciary duty or obligation) or by reason of any right of ownership of or title to property or assets or right to a trust or deemed trust (statutory, express, implied, resulting, constructive or otherwise), and whether or not any indebtedness, liability or obligation is reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured, unsecured, perfected, unperfected, present or future, known or unknown, by guarantee, surety or otherwise, and whether or not any right or claim is executory or anticipatory in nature including, without limitation, any right or ability of any Person to advance a claim for contribution or indemnity or otherwise with respect to any matter, action, cause or chose in action, whether existing at present or commenced in the future, which indebtedness, liability or obligation, and any interest accrued thereon or costs payable in respect thereof (A) is based in whole or in part on facts prior to the Filing Date, (B) relates to a time period prior to the Filing Date, or (C) is a right or claim of any kind that would be a debt provable in bankruptcy within the meaning of the BIA had the Company become bankrupt on the Filing Date;

"**Priority Secured Claim**" means any Secured Claims (other than Employee Priority Claims, Crown Priority Claims or Claims secured by the CCAA Charges), which are Accepted Claims and are determined to be in priority to the Liens securing the First Lien Claims in accordance with the Supplemental Claims Procedure Order, ~~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 a Municipal Tax Claim or any Claims held by ATB or BEH against the Company;

"**Priority Secured Claims Reserve**" has the meaning given to it in Section 3.5(b) of this Plan;

"**Pro Rata Share**" means the proportionate share of a Creditor's Accepted Claim to the total of all Accepted Claims and all Disputed Claims in such Creditor's Class and in the case of :

(i) the First Lien ~~Lenders~~Claim, 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 First Lien Deficiency Claim, means the proportional share of the sum of (a) the amount of accrued interest (but not principal) under a Beneficial First Lien Lender's Tranche A Loans as of October 31, 2018 plus (b) the amount of principal and accrued interest under such Beneficial First Lien Lender's Tranche B Loans as of October 31, 2018 to the sum of (x) the aggregate amount of accrued interest (but not principal) under the Tranche A Loans owing to all Tranche A Lenders as of October 31, 2018 plus (y) the aggregate amount of principal and accrued interest under the Tranche B Loans owing to all Tranche B Lenders as of October 31, 2018; and

(iii) the Second Lien ~~Noteholders~~Deficiency Claim, means the proportional share of a Second Lien Noteholder's holdings of Second Lien Notes to the total Second Lien Claim;

"**Professional Retainers**" means any monetary retainers previously provided by the Company to Cassels, other legal counsel or advisors to the Company, the Monitor, or legal counsel to the Monitor in connection with the CCAA Proceeding;

"**Proof of Assignment**" means a notice of transfer of a Claim executed by a Creditor and the transferee, together with satisfactory evidence of such transfer as may be reasonably required by the Monitor;

"**Proof of Claim**" means a proof of claim, in substantially the form(s) attached to the Claims Procedure Order or the Supplemental Claims Procedure Order, as submitted to the Monitor by a Creditor in accordance with the Claims Procedure Order or the Supplemental Claims Procedure Order;

"**Recapitalization**" means the transactions on the terms set out in the Plan Term Sheet;

"**Released Claims**" has the meaning given to it in Section 10.4 of this Plan;

"**Released Party**" has the meaning given to it in Section 10.4 of this Plan;

"**Required Majorities**" means, with respect to each Class of Affected Creditors, the affirmative vote of a majority in number of all voting (in person or by proxy) Creditors holding Accepted Claims in such Class and representing not less than 66⅔% in value of the Accepted Claims voting (in person or by proxy) in such Class at such Creditors' Meeting;

"**Restructuring Period Claim**" has the meaning given to it in the Claims Procedure Order;

"**Restructuring Transactions**" has the meaning given to it in Section 6.1 of this Plan;

"**Retention Plan Claims Reserve**" has the meaning given to it in Section 3.8(c) of this Plan;

"**Sanction Order**" means an Order, in form and substance acceptable to the Company, the Monitor, the Consenting First Lien Lenders~~,~~ and the First Lien Agent ~~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~~,~~ and 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 Notes Record Date**” has the meaning given to it in the Creditors’ Meetings Order;

“**Second Lien Trustee**” means Computershare Trust Company, N.A., in its capacity as trustee under the Second Lien Indenture;

“**Second Supplemental KERP**” means the second supplemental key employee retention plan approved pursuant to the Second Supplemental KERP & LTIP 2017 Order;

“**Second Supplemental KERP & LTIP 2017 Order**” means the Order (Stay Extension, JPL Settlement & Approval of Second Supplemental KERP and 2017 LTIP) granted by the CCAA Court in the CCAA Proceeding dated June 27, 2017;

“**Secured Claim**” has the meaning given to it in the Supplemental Claims Procedure Order;

“**Shareholders Agreement**” means the shareholders agreement to be made between and among the holders of the New Shares on the Effective Date, which shall be in form and substance acceptable to the Consenting First Lien Lenders;

“**Shut Down Restricted Cash**” has the meaning given to it in the Initial Order;

“**Supplemental Claims Procedure Order**” means ~~an~~the Order ~~to be sought~~granted by the ~~Company from the~~ CCAA Court on ~~or about~~ August 22, 2018 that, among other things, ~~provides~~provided for the filing and determination of Secured Claims, certain Post-Filing Claims ~~as of September 1, 2018,~~and 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 amended and restated support agreement dated ~~March 19, 2018~~May 6, 2019 among the Company, the Consenting First Lien Lenders and the First Lien Agent, as may be amended from time to time;

"**Support Agreement & SISP Approval Order**" means the Order (Support Agreement, SISP & KEIP) granted by the CCAA Court in the CCAA Proceeding dated March 28, 2018;

"**Tax**" or "**Taxes**" means any and all taxes including all income, sales, use, goods and services, harmonized sales, value added, capital, capital gains, alternative, net worth, transfer, profits, withholding, payroll, employer health, excise, franchise, real property and personal property taxes, and any other taxes, customs duties, fees, levies, imposts and other assessments or similar charges in the nature of a tax including Canada Pension Plan and provincial pension plan contributions, employment insurance and unemployment insurance payments and workers' compensation premiums, together with any instalments with respect thereto, and any interest, penalties, fines, fees, other charges and additions with respect thereto;

"**Taxing Authorities**" means Her Majesty the Queen, Her Majesty the Queen in right of Canada, Her Majesty the Queen in right of any province or territory of Canada, the Canada Revenue Agency, any similar revenue or taxing authority of each and every province or territory of Canada or municipality therein and any political subdivision thereof, and any Canadian or foreign governmental authority exercising taxing powers in administering and/or collecting Taxes;

"**Tranche A Lender**" means a First Lien Lender holding Tranche A Loans;

"**Tranche A Loans**" has the meaning given to it in the First Lien Credit Agreement;

"**Tranche B Lender**" means a First Lien Lender holding Tranche B Loans;

"**Tranche B Loans**" has the meaning given to it in the First Lien Credit Agreement;

"**Unaffected Claim**" has the meaning given to it in Section 3.3 of this Plan;

"**Unaffected Creditor**" means a holder of an Unaffected Claim;

"~~**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;~~ **Unissued New Shares**" has the meaning given to it in Section 7.1(c) of this Plan;

"**Voting Claim**" means the amount of an Affected Claim for which a Proof of Claim is filed, which, as at the Creditors' Meetings Record Date, (i) is an Accepted Claim or (ii) has been accepted by the Company or deemed to be accepted solely for voting purposes pursuant to the Claims Procedure Order, the Supplemental Claims Procedure Order, the Creditors' Meeting Order or any other Order;

"**Voting Information and Election Form**" has the meaning given to it in the Creditors' Meetings Order; and

"**Website**" means the website of the Monitor, www.ey.com/ca/connacheroilandgas, upon which the various materials arising in connection with the CCAA Proceeding are posted from time to time.

1.2 Article and Section Reference

The terms "**this Plan**", "**hereof**", "**hereunder**", "**herein**", and similar expressions refer to this Plan, and not to any particular article, section, subsection, paragraph or clause of this Plan and include any variations, amendments, modifications or supplements hereto. In this Plan, a reference to an article, section, subsection, clause or paragraph shall, unless otherwise stated, refer to an article, section, subsection, paragraph or clause of this Plan.

1.3 Extended Meanings

In this Plan, where the context so requires, any word importing the singular number shall include the plural and vice versa, and any word or words importing gender shall include all genders.

1.4 Interpretation Not Affected by Headings

The division of this Plan into articles, sections, subsections, paragraphs and clauses and the insertion of a table of contents and headings are for convenience of reference and shall not affect the construction or interpretation of this Plan.

1.5 Inclusive Meaning

As used in this Plan, the words "**include**", "**includes**", "**including**" or similar words of inclusion means, in any case, those words as modified by the words "**without limitation**" and "**including without limitation**"; so that references to included matters shall be regarded as illustrative rather than exhaustive.

1.6 Currency

Unless otherwise stated herein, all references to currency in this Plan are to lawful money of Canada. For the purposes of voting or distribution, a Claim shall be denominated in Canadian Dollars and all cash distributions under this Plan shall be paid in Canadian Dollars. Any Claim in a currency other than Canadian Dollars will be deemed to have been converted to Canadian Dollars at the noon spot rate of exchange quoted by the Bank of Canada for exchanging such currency to Canadian Dollars as at the Filing Date, which rate for greater certainty for the conversion of United States Dollars to Canadian Dollars was US$1 = CDN $1.2885.

1.7 Statutory References

Any reference in this Plan to a statute includes all regulations made thereunder, all amendments to such statute or regulations in force from time to time to the date of this Plan and any statute or regulation that supplements or supersedes such statute or regulation to the date of this Plan.

1.8 Successors and Assigns

The rights, benefits and obligations of any Person named or referenced in this Plan shall be binding on and shall inure to the benefit of any heir, administrator, executor, legal personal representative, successor or assign, as the case may be, or a trustee, receiver, interim receiver, receiver and manager, liquidator or other Person acting on behalf of such Person, as permitted hereunder.

1.9 Governing Law

This Plan shall be governed by and construed and interpreted in accordance with the laws of the Province of Alberta and the federal laws of Canada applicable therein, without regard to any conflict of law provision that would require the application of the law of any other jurisdiction. Any dispute or issue in connection with, or related to the interpretation, application or effect of this Plan and all proceedings taken in connection with this Plan and its revisions shall be subject to the exclusive jurisdiction of the CCAA Court.

1.10 Severability of Plan Provisions

If any provision of this Plan is or becomes illegal, invalid or unenforceable on or following the Effective Date in any jurisdiction, the illegality, invalidity or unenforceability of that provision will not affect the legality, validity or enforceability of the remaining provisions of this Plan, or the legality, validity or enforceability of that provision in any other jurisdiction.

1.11 Timing Generally

Unless otherwise specified, all references to time herein, and in any document issued pursuant hereto, shall mean local time in Calgary, Alberta, Canada and any reference to an event occurring on a Business Day shall mean prior to 5:00 p.m. (Calgary time) on such Business Day.

1.12 Time of Payments and Other Actions

Unless otherwise specified, time periods within or following which any payment is to be made or act is to be done shall be calculated by excluding the day on which the period commences and including the day on which the period ends and by extending the period to the next succeeding Business Day if the last day of the period is not a Business Day. Wherever any payment to be made or action to be taken under this Plan is required to be made or to be taken on a day other than a Business Day, such payment shall be made or action taken on the next succeeding Business Day.

1.13 **Schedules**

The following are the Schedules to this Plan, which are incorporated by reference into this Plan and form an integral part hereof:

Schedule "A" - Restructuring Transactions

Schedule "B" - Form of Monitor's Certificate

ARTICLE 2
PURPOSE AND EFFECT OF PLAN

2.1 **Purpose**

The purpose of this Plan is:

(a) to implement the Recapitalization;

(b) to complete a reorganization of the Company's financial obligations~~, by implementing the Restructuring Transactions~~; and

(c) ~~(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 Recapitalization by means of the Restructuring Transactions. This Plan will become effective at the Effective Time and shall be binding upon and enure to the benefit of the Company and all Persons named or referred to in, or subject to, this Plan and their respective heirs, executors, administrators, legal representatives, successors and assigns in accordance with its terms.

2.3 **Persons Not Affected**

For greater certainty, except as expressly provided in this Plan, the Plan does not affect the Unaffected Creditors with respect to and to the extent of their Unaffected Claims.

ARTICLE 3
CLASSIFICATION OF CREDITORS AND CLAIMS, ESTABLISHMENT OF RESERVES AND OTHER ACTIONS ON EFFECTIVE DATE

3.1 Claims Procedure

The procedure for determining the validity and quantum of the Affected Claims and resolving Disputed Claims for voting and distribution purposes under this Plan shall be governed by the Claims Procedure Order, the Supplemental Claims Procedure Order, the Creditors' Meetings Order, the CCAA and this Plan.

3.2 Classification of Creditors

For the purposes of considering and voting on this Plan and receiving a distribution hereunder, the Affected Creditors are grouped into two Classes: (a) the First Lien Lender Class; and (b) the General Creditor Class.

3.3 Claims Unaffected by the Plan

This Plan does not compromise, release, discharge or otherwise affect the following (collectively, "**Unaffected Claims**"):

(a) Post-Filing Claims, provided that any Post-Filing Claims that were required to be preserved pursuant to the Supplemental Claims Procedure Order have been preserved;

(b) Claims which have been preserved in accordance with the Claims Procedure Order or the Supplemental Claims Procedure Order against Directors that cannot be compromised due to the provisions of Section 5.1(2) of the CCAA;

(c) Claims which have been preserved in accordance with the Claims Procedure Order or the Supplemental Claims Procedure Order that cannot be compromised due to the provisions of Section 19(2) of the CCAA, except any Claims to which Section 10.11 of this Plan applies which shall be Affected Claims for the purposes of this Plan;

(d) an Insured Claim provided that the Person holding the Insured Claim delivers to the Monitor by no later than 5:00 pm (Calgary time) on a date that is ~~three~~two (~~3~~2) Business Days before the date of the Creditors' Meetings a completed and duly signed Insured Claim Option Notice in which the Person elects to pursue an Insured Claim for its Claim and waives any right to recover such Insured Claim from the Company or under this Plan;

(e) any indebtedness, liability or obligation of the Company of any kind to BEH under or pursuant to the BEH Royalty Agreement;

(f) except as expressly provided in Section 3.8(d) hereof, any indebtedness, liability or obligation of the Company of any kind to ATB under or pursuant to the ATB Credit Facilities; and

(g) ~~the Unaffected Municipal Tax Claims.~~any obligation of the Company under the Credit Bid KERP which is not yet due and owing, or has not been satisfied in full, as of the Effective Date.

Persons with Unaffected Claims shall not be entitled to vote at any Creditors' Meeting or receive any distributions under this Plan in respect of the portion of their claim which is an Unaffected Claim. Nothing in this Plan shall affect the Company's or the Directors' rights to defences, both legal and equitable, with respect to any Unaffected Claim including any rights with respect to legal and equitable defences or entitlements to set-offs or recoupments against such Unaffected Claims.

3.4 Establishment of the Administrative Reserve Fund

The Monitor shall hold the amount of $~~1,000,000~~750,000 from the Plan Implementation Fund as an administrative reserve (the "**Administrative Reserve Fund**") in escrow until payment by the Monitor out of the Administrative Reserve Fund of reasonable fees and disbursements (plus any applicable Taxes thereon) for any services rendered by Cassels, other legal counsel and advisors to the Company, the Monitor, legal counsel to the Monitor, or other Persons from time to time retained by the Company or the Monitor~~ (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~~release and return such funds to the ~~First Lien Lender Pool~~Company.

Any existing Professional Retainers held by Cassels, other legal counsel and advisors to the Company, the Monitor, or legal counsel to the Monitor will continue to be held by such Persons for services rendered on and after the Effective Date and shall not be affected by this Plan; provided that if, on or after the Effective Date, and subject to the terms of this Plan, the Monitor determines that no further services are required of any Person holding a Professional Retainer, the Monitor shall advise such Person in writing on five (5) days prior notice and request a final accounting and return of the remaining Professional Retainer, if any, held by such Person. Such Person shall, as soon as reasonably practicable following receipt of such a written notice, pay to the Company the amount of the Professional Retainer remaining, if any, after deducting its fees, costs and Taxes incurred up to the effective date of such notice and any outstanding invoices owing to such Person by the Company.

3.5 Priority Secured Claims

(a) On or as soon as practicable following the Effective Date, the Monitor, on behalf of the Company, shall pay in full all Priority Secured Claims from the Plan Implementation Fund.

(b) In the event that a Secured Claim that is alleged to be a Priority Secured Claim~~, 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 or by agreement between the Company and the Person holding the Alleged Priority Secured Claim (with the consent of the Consenting First Lien Lenders), the Monitor shall pay the whole or the portion of the Alleged Priority Secured Claim that is determined to be a Priority Secured Claim from the Priority Secured Claims Reserve. In the event that such an Alleged Priority Secured Claim is subsequently finally determined not to be a Priority Secured Claim (in whole or in part) in accordance with the Supplemental Claims Procedure Order or other Order or by agreement between the Company and the Person holding the Alleged Priority Secured Claim, in terms of either or both the quantum or its priority secured status, such portion of the Priority Secured Claims Reserve relating to such Alleged Priority Secured Claim (or the portion thereof) that is determined to not be a Priority Secured Claim ~~will become part of the First Lien Lender Pool~~ shall be released and returned by the Monitor to the Company. As of the Effective Date, any security underlying any Alleged Priority Secured Claim, whether arising pursuant to agreement or statute, registered or unregistered, perfected or unperfected, shall be irrevocably, fully and finally discharged as against the Company and all of the Company's business, assets and undertaking. Upon such discharge, the Priority Secured Claims Reserve shall stand in the place and stead of the security underlying the Alleged Priority Secured Claim, with the same priority as it had just prior to the Effective Date, as if the security had not been discharged.

(c) In accordance with Section 4.1 of this Plan, at least two (2) Business Days prior to the Effective Date, the Monitor shall hold an amount from the Plan Implementation Fund equal to the Outstanding Municipal Tax Claims (the "**Municipal Tax Fund**"), representing the amounts claimed by the

Municipality as an Alleged Priority Secured Claim against the Company. The Monitor shall hold the Municipal Tax Fund in a separate trust account which shall not be co-mingled with the Plan Implementation Fund. The Monitor shall be responsible for assessing the quantum, validity and enforceability of the Municipality's Alleged Priority Secured Claim. Upon the Effective Date, the Alleged Priority Secured Claim, and any security underlying such claim, shall be irrevocably, fully and finally discharged as against the Company, and all of the Company's business, assets and undertaking. Upon such discharge, the Municipal Tax Fund shall stand in the place and stead of the Municipality's security, with the same priority as it had just prior to the Effective Date, as if the security had not been discharged. The Monitor shall hold the Municipal Tax Fund and shall make no distribution of any portion of such amounts held without (i) an agreement in writing as between the Municipality, the Company, the Monitor and the Majority Consenting First Lien Lenders, or (ii) an order of the court. In the event there are excess funds in the Municipal Tax Fund after distribution is made by the Monitor as aforesaid, such excess shall be returned to the Company.

3.6 Crown Priority Claims

On or as soon as practicable following the Effective Date, the Monitor shall pay in full, on behalf of the Company, all Crown Priority Claims, if any, that were outstanding at the Filing Date or related to the period ending on the Filing Date, to the Crown, from the Plan Implementation Fund.

3.7 Employee Priority Claims

On or as soon as practicable following the Effective Date, the Monitor shall pay in full, on behalf of the Company, all Employee Priority Claims due and accrued to the Effective Date in the amount agreed to between the Company, the Monitor and the ~~Monitor~~Consenting First Lien Lenders, to each holder of an Employee Priority Claim to the full amount of his, her or its respective Employee Priority Claim, from the Plan Implementation Fund.

3.8 Claims Secured by CCAA Charges

(a) Administration Charge

On the Effective Date, all outstanding obligations, liabilities, fees and disbursements secured by the Administration Charge which are evidenced by invoices as at the Effective Date shall be fully paid by the Monitor, on behalf of the Company, from the Plan Implementation Fund. The fees and disbursements of Cassels and other legal counsel to the Company, the Monitor, legal counsel to the Monitor or other Persons from time to time retained by the Company or the Monitor and any other costs and expenses incurred by the Company or the Monitor in connection with the implementation of this Plan, the resolution of Disputed Claims, and the termination of the CCAA Proceeding following the Effective Date shall continue to be secured by the assets of the Administrative Reserve Fund only, and the Administration Charge shall be and be deemed to be fully and finally satisfied and discharged from and against any and all other assets of the Company and the Plan Implementation Fund.

(b) Directors' Charge

On the Effective Date, all D&O Claims, D&O Restructuring Period Claims and Post-Filing D&O Claims shall be fully, finally and irrevocably compromised, released, discharged, cancelled, extinguished and barred in accordance with Article 10 hereof and the Directors' Charge shall be and be deemed to be fully and finally satisfied and discharged from and against any and all assets of the Company and the Plan Implementation Fund.

In the event that any D&O Claims, D&O Restructuring Period Claims or Post-Filing D&O Claims which would be secured by the Directors' Charge remain outstanding and have not been fully paid prior to the Effective Date (an "**Alleged Directors' Charge Claim**"), the Monitor shall hold an amount from the Plan Implementation Fund equal to any and all such Alleged Directors' Charge Claims up to the aggregate amount of the Directors' Charge (the "**Directors' Charge Claims Reserve**") in escrow in accordance with this Section. In the event that such an Alleged Directors' Charge Claim is subsequently finally determined to be owing pursuant to the Supplemental Claims Procedure Order or other Order or by agreement between the Company and the Person holding the Alleged Directors' Charge Claim (with the consent of the Consenting First Lien Lenders), the Monitor shall pay in full such claim from the Directors' Charge Claims Reserve. In the event that such an Alleged Directors' Charge Claim is determined not to be owing pursuant to the Supplemental Claims Procedure Order or other Order or by agreement between the Company and the Person holding the Alleged Directors' Charge Claim, such portion of the Directors' Charge Claims Reserve ~~will become part of the First Lien Lender Pool~~shall be released and returned by the Monitor to the Company as long as the amount that will thereafter exist in the Directors' Charge Claims Reserve is sufficient to satisfy all remaining Alleged Directors' Charge Claims whether or not such Alleged Directors' Charge Claims were previously accounted for in the Directors' Charge Claims Reserve.

(c) KERP/LTIP Charge, KEIP Charge and Financial Advisor Charge

On the Effective Date, any remaining outstanding obligations of the Company secured by any of the KERP/LTIP Charge, the KEIP Charge or the Financial Advisor Charge which are due and owing as of the Effective Date shall be fully paid by the Monitor on behalf of the Company, from the Plan Implementation Fund to the applicable beneficiaries of such CCAA Charges and each of the KERP/LTIP Charge, the KEIP Charge and the Financial Advisor Charge shall be and be deemed to be fully and finally satisfied and discharged from and against any and all assets of the Company and the Plan Implementation Fund.

In the event that the Company disputes any Person's entitlement under the LTIP, the LTIP 2017, the KERP, the Supplemental KERP, the Second Supplemental KERP ~~or~~, the KEIP or the Credit Bid KERP which are due and owing as of the Effective Date and which remain outstanding and have not been paid on or prior to the Effective Date (an "**Alleged Retention Plan Claim**"), the Monitor shall hold an amount from the Plan Implementation Fund equal to any and all such Alleged Retention Plan Claims (the "**Retention Plan Claims Reserve**") in escrow in accordance with this Section. In the event that such an Alleged Retention Plan Claim is subsequently finally determined to be owing pursuant to the Supplemental Claims Procedure Order or other Order or by agreement between the Company and the Person holding the Alleged Retention Plan Claim (with the consent of the Consenting First Lien Lenders), the Monitor shall pay in full such claim from the Retention Plan Claims Reserve. In the event that such an Alleged Retention Plan Claim is determined to not be owing pursuant to the Supplemental Claims Procedure Order or other Order or by agreement between the Company and the Person holding the Alleged Retention Plan Claim, such portion of the Retention Plan Claims Reserve ~~will become part of the First Lien Lender Pool~~shall be released and returned by the Monitor to the Company.

(d) ATB Charge

Effective upon the Effective Date, the ATB Charge shall be and be deemed to be fully and finally satisfied and discharged from and against any and all assets of the Company and the Plan Implementation Fund, provided that nothing herein shall discharge or compromise any other security (other than the ATB Charge) granted by the Company to ATB pursuant to the ATB Credit Facilities which shall be unaffected by this Plan in accordance with Section 3.3(f) of this Plan~~, 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~~to the Monitor from the Company's 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.~~the aggregate amount necessary, as determined by the Monitor and the Company, with the consent of the Majority Consenting First Lien Lenders (each acting in good faith), to fully pay or satisfy:

(a) the amount required to satisfy the CCAA Charges as of the Effective Date in accordance with Section 3.8 of this Plan;

(b) the amount, if any, required to be held in the Directors' Charge Claims Reserve in accordance with Section 3.8(b) of this Plan in respect of Alleged Directors' Charge Claims;

(c) the amount required to satisfy the payment in full of any remaining obligations secured by any of the KERP/LTIP Charge, the KEIP Charge or the Financial Advisor Charge as of the Effective Date in accordance with Section 3.8(c) of this Plan;

(d) the amount, if any, required to be held in the Retention Plan Claims Reserve in accordance with Section 3.8(c) of this Plan in respect of Alleged Retention Plan Claims;

(e) the amount required to be held in the Administrative Reserve Fund in accordance with Section 3.4 of this Plan on the Effective Date;

(f) the amount required to satisfy the payment in full of the Priority Secured Claims as of the Effective Date in accordance with Section 3.5 of this Plan;

(g) the amount, if any, required to be held in the Priority Secured Claims Reserve in accordance with Section 3.5 of this Plan in respect of Alleged Priority Secured Claims;

(h) the amount required to satisfy the payment in full of the Crown Priority Claims in accordance with Section 3.6 of this Plan;

(i) the amount required to satisfy the payment in full of the Employee Priority Claims in accordance with Section 3.7 of this Plan;

(j) the amount required to establish the General Creditor Pool; and

(k) the amount required to establish the Municipal Tax Fund.

ARTICLE 5
VOTING AND TREATMENT OF CREDITORS

5.1 Voting by the First Lien Lender Class

Beneficial First Lien Lenders as of the First Lien Record Date ~~(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~~ Claims

~~As soon as practicable following the Effective Date, the First Lien Lender Pool shall be distributed by the Monitor to the First Lien Agent.~~

(a) On the Effective Date, in accordance with this Plan and in accordance with the steps and in the sequence set forth in the Restructuring Transactions, each Beneficial First Lien Lender shall be entitled to the following:

(i) each Tranche A Lender shall receive in respect of the principal amount (but not accrued interest) of its Tranche A Loans its *pro rata* share of the obligations under the New Senior Secured Term Facility based on the outstanding principal amount of Tranche A Loans owing to such Tranche A Lender in relation to the outstanding aggregate principal amount of the Tranche A Loans owing to all Tranche A Lenders as of the Effective Date; and

(ii) each Tranche A Lender and Tranche B Lender, or their designates, shall be issued and, subject to Section 7.1, entitled to receive in respect of, in the case of a Tranche A Lender, the accrued interest on its Tranche A Loans, and, in the case of a Tranche B Lender, the principal and accrued interest of its Tranche B Loans, its *pro rata* share of the New Shares issued pursuant to this Plan, based on the outstanding accrued interest of Tranche A Loans and the outstanding principal and interest of Tranche B Loans owing to a First Lien Lender in relation to the outstanding aggregate amount of interest of Tranche A Loans and principal and interest of Tranche B Loans owing to all First Lien Lenders as of the Effective Date.

(b) On the Effective Date, each Beneficial First Lien Lender shall be deemed to become a party to and thereafter bound by the Shareholders Agreement, each in its capacity as a holder of the New Shares. The Shareholders Agreement is deemed to be a "unanimous shareholder agreement" for purposes of the CBCA, and each Beneficial First Lien Lender is deemed to have been given notice thereof.

(c) The entire amount of the First Lien Deficiency Claim shall be deemed to be an unsecured deficiency claim and shall constitute a General Creditor Claim for the purposes of this Plan.

5.3 Treatment of Second Lien ~~Claim~~Claims

The entire amount of the Second Lien Claim shall be deemed to be an unsecured deficiency claim (being the Second Lien Deficiency Claim) and shall constitute a General Creditor Claim for the purposes of this Plan.

~~5.4 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.~~

5.4 ~~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.

5.5 ~~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;

(c) Notwithstanding the foregoing, a Beneficial Noteholder in respect of a Second Lien Deficiency Claim shall only be deemed to have made a Distribution Election or shall only be entitled to make a Distribution Election if such Beneficial Noteholder delivers a Voting Information and Election Form in accordance with the Creditors' Meetings Order.

5.6 ~~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.

5.7 ~~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.

5.8 ~~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.

5.9 ~~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~~Municipal Tax Claims, ~~Final Emkay Claims~~Municipal Tax Fund, Crown Priority Claims, Employee Priority Claims or Post-Filing Claims shall not be entitled to vote at any Creditors' Meeting in respect of the portion of their claim which is a claim secured by the CCAA Charges, an Alleged Directors' Charge Claim, a claim or entitlement to the Administrative Reserve Fund, an Alleged Retention Plan Claim, a Secured Claim, an Alleged Priority Secured Claim, a Priority Secured Claim, ~~an Alleged Emkay~~a Municipal Tax Claim, a ~~Final Emkay Claim~~Municipal Tax Fund, a Crown Priority Claim, an Employee Priority Claim or a Post-Filing Claim.

ARTICLE 6
IMPLEMENTATION OF THE RESTRUCTURING TRANSACTIONS

6.1 Restructuring Transactions

The Company ~~and the Plan Sponsor~~, the Consenting First Lien Lenders, the Monitor and, subject to receiving written direction from the Consenting First Lien Lenders, the First Lien Agent, each as applicable, will take the steps set forth in Schedule "A" hereto (collectively, the "**Restructuring Transactions**"), which shall be consummated and become effective in the order set out therein, and will take any actions as may be necessary to effect a restructuring of the Company's business or overall organizational structure to reflect and implement the Recapitalization, the Restructuring Transactions and the provisions of this Plan.

The adoption, execution, delivery, implementation and consummation of all matters contemplated under this Plan involving corporate action of the Company will occur and be effective by the Effective Time, and will be authorized and approved under this Plan and by the CCAA Court, where appropriate, as part of the Sanction Order, in all respects and for all purposes without any requirement of further action by shareholders, Directors or Officers of the Company. All necessary approvals to take actions shall be deemed to have been obtained from the directors or shareholders of the Company, as applicable, including the deemed passing by any class of shareholders of any resolution or special resolution and no shareholders' agreement or agreement between a shareholder and another Person limiting in any way the right to vote shares held by such shareholder or shareholders with respect to any of the steps contemplated by this Plan shall be deemed to be effective and any such agreement shall have no force and effect.

6.2 Effectuating Documents

Any current Officer shall be authorized to execute, deliver, file, or record such contracts, instruments, releases, indentures and other agreements or documents, and take such other actions, as may be necessary or appropriate, on behalf of the Company, to effectuate and further evidence the terms and conditions of this Plan.

ARTICLE 7
PROVISIONS GOVERNING DISTRIBUTIONS

7.1 Distribution to First Lien Lender Class

~~Distributions to the First Lien Lender Class shall be made by the Monitor in accordance with Section 5.2 of this Plan.~~

(a) Delivery of the New Shares issued and distributed under this Plan will be made by delivering share certificates representing the New Shares in the name of the applicable recipient.

(b) On the Effective Date, the Company shall issue New Shares in accordance with Section 5.2 (or reserve New Shares for issuance, as applicable, in accordance with Section 7.1(c)).

(c) Notwithstanding Section 7.1(b), no Beneficial First Lien Lender shall be entitled to the rights associated with the New Shares and all such New Shares shall be reserved for issuance on the books and records of the Company until such time as it has delivered its New Shareholder Information to the Company. In the event that a Beneficial First Lien Lender fails to deliver its New Shareholder Information in accordance with this Section 7.1(c) on or before the date that is six (6) months following the Effective Date, the Company shall have no further obligation to issue or deliver, and shall have no further obligation to reserve on its books and records, any New Shares otherwise issuable to Beneficial First Lien Lenders (such shares, the "**Unissued New Shares**") that have not delivered their New Shareholder Information accordance this Section 7.1(c) and all such Beneficial First Lien Lenders shall cease to have a claim to, or interest of any kind or nature against or in, the Company or the Unissued New Shares.

(d) No fractional shares of the Company shall be allocated or issued under this Plan. Any legal, equitable, contractual and any other rights or claims (whether actual or contingent, and whether or not previously asserted) of any Person with respect to fractional shares of the Company issued pursuant to this Plan shall be rounded down to the nearest whole number without compensation therefor.

(e) All New Shares issued under this Plan shall be deemed to have been issued as fully paid and non-assessable shares of the Company, free and clear of any Liens except as provided in the Company's articles and in the Shareholders Agreement.

(f) The stated capital accounts for the Existing Shares and the New Shares and any adjustments thereto resulting from the transactions contemplated by this Plan shall be as determined by the New Board in accordance with the CBCA.

7.2 Distributions to the General Creditor Class

(a) General Creditors with Accepted Claims (including First Lien Lenders in respect of First Lien~~ 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~~5.5 of this Plan.

(b) Distributions to be made under this Plan on account of First Lien Deficiency Claims shall be made by the Monitor to the First Lien Agent. Distributions to be made under this Plan on account of Second Lien Deficiency Claims shall be made by the Monitor to the Second Lien Trustee.

(c) Other than as specifically provided in Section 7.2(b), all distributions to be made under this Plan to a Creditor shall be made by the Monitor on behalf of the Company by cheque and will be sent, via regular mail, to such Creditor to the address specified in the Proof of Claim filed by such Creditor or such other address as the Creditor may from time to time notify the Monitor in writing in accordance with Section ~~11.11~~11.12 of this Plan.

(d) The Monitor may, but shall not be obligated to, make any distribution to the General Creditors before all Disputed Claims have been finally resolved for distribution purposes in accordance with the Claims Procedure Order, the Supplemental Claims Procedure Order or further Order.

(e) Notwithstanding anything else in this Plan, the aggregate of the distributions provided for in Section ~~5.6~~5.5 and this Section 7.2 shall not exceed the amount of funds in the General Creditor Pool.

7.3 Disputed Claims

An Affected Creditor holding a Disputed Claim shall not be entitled to receive a distribution under the Plan in respect of any portion thereof unless and until such Disputed Claim becomes an Accepted Claim.

7.4 Interest on Affected Claims

Except in respect of First Lien Claims and Second Lien Claims, no interest or penalties shall accrue or be paid on an Affected Claim from and after or in respect of the period following the Filing Date and, except in the case of holders of First Lien Claims or Second Lien Claims, no holder of an Affected Claim will be entitled to any interest in respect of such Affected Claim accruing on or after or in respect of the period following the Filing Date. At the Effective Time, all interest accruing on any Affected Claim after or in respect of the period following the Filing Date shall be forever extinguished and released under this Plan as against the Company.

7.5 Distributions in respect of Transferred Claims

The Company and the Monitor shall not be obligated to deliver any distributions under this Plan to any transferee of an Affected Claim unless a Proof of Assignment has been delivered to the Monitor no later than the Initial Distribution Record Date.

7.6 Undeliverable and Unclaimed Distributions

In addition to the provisions of Section 7.1(c) of this Plan regarding the distribution of New Shares:

(a) If any Creditor entitled to a distribution pursuant to this Plan cannot be located by the Monitor on the applicable Distribution Date, or if any delivery or distribution to be made pursuant to Article 7 of this Plan is returned as undeliverable, such cash shall be set aside by the Monitor and deposited in a segregated, interest-bearing account to be maintained by the Monitor.

(b) If such Creditor is located by the Monitor within six (6) months after the applicable Distribution Date, such cash shall be distributed to such Creditor.

(c) If such Creditor cannot be located by the Monitor or if any delivery or distribution to be made pursuant to Article 7 of this Plan is returned as undeliverable, or in the case of any distribution made by cheque, the cheque remains uncashed, for a period of more than six (6) months after the applicable Distribution Date or the date of delivery or mailing of the cheque, whichever is later, the Claim of any Creditor with respect to such undelivered or unclaimed distribution shall be discharged and forever barred, notwithstanding any Applicable Law to the contrary, and any such cash allocable to the undeliverable or unclaimed distribution shall be released and returned by the Monitor ~~into~~to the ~~First Lien Lender Pool~~Company, free and clear of any claims of such Creditor or any other Creditors and their respective successors and assigns. Nothing contained in this Plan shall require the Company or the Monitor to attempt to locate any holder of any undeliverable or unclaimed distributions.

7.7 Tax Matters

(a) All distributions to a Creditor or Person on behalf of a Creditor shall be made first with respect to the principal amount of the Claim owing to such Creditor and only after all such principal has been paid shall the distribution be made with respect to the interest owing on such Claim.

(b) Notwithstanding any other provision in this Plan, each Creditor that is to receive a distribution or payment pursuant to this Plan shall have sole and exclusive responsibility for the satisfaction and payment of any Tax obligations imposed by any Authorized Authority on account of such distribution.

(c) All distributions hereunder shall be subject to any withholding and reporting requirements imposed by any Applicable Law or any Taxing Authority and the Company shall direct the Monitor, on behalf of the Company, to deduct, withhold and remit from any distributions hereunder payable to a Creditor or to any Person on behalf of any Creditor, such amounts, if any, as the Company determines that it or the Monitor, on behalf of the Company, is required to deduct and withhold with respect to such payment under the ITA or under Applicable Law. To the extent that amounts are so deducted and withheld, such withheld amounts shall be treated for all purposes as having been paid to the Creditor in respect of which such deduction and withholding was made, provided that such withheld amounts are actually remitted to the appropriate Taxing Authority.

ARTICLE 8
CONDITIONS OF PLAN IMPLEMENTATION

8.1 Sanction Order

If this Plan is approved by the Required Majorities, the Company shall bring an application before the CCAA Court for the Sanction Order, which Sanction Order shall provide (unless otherwise agreed to by the Company, ~~the 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 Recapitalization and the Restructuring Transactions) are fair and reasonable;

(b) this Plan (including the compromises, arrangements, releases and the transactions contemplated herein, including the Recapitalization and the Restructuring Transactions) shall be sanctioned and approved pursuant to Section 6 of the CCAA and will be binding and effective as herein set out on the Company, all Creditors and all other Persons as provided for in this Plan or the Sanction Order and, at the Effective Time, will be effective and enure to the benefit of the Company, the Creditors and all other Persons as provided in this Plan or the Sanction Order;

(c) authorizing and approving the steps to be taken under this Plan, including the Restructuring Transactions, on the date they are deemed to occur and be effected by this Plan, and in the sequential order contemplated by Schedule "A" to ~~the~~this Plan on the Effective Date;

(d) subject to the performance by the Company of its obligations under this Plan, and except to the extent expressly contemplated by this Plan or the Sanction Order, all Continuing Contracts that have not expired or been terminated prior to the Effective Date pursuant to their terms or by agreement will be and shall remain in full force and effect as at the Effective Date, unamended except as they may have been amended by agreement of the parties thereto subsequent to the Filing Date, and no Person who is a party to any such agreement shall, following the Effective Date, accelerate, terminate, rescind, refuse to perform or otherwise repudiate its obligations thereunder, or enforce or exercise any right (including any right of set-off, option, dilution or other remedy) or make any demand under or in respect of any such agreement, by reason of:

(i) any defaults or events of default arising as a result of the insolvency of the Company prior to the Effective Date;

(ii) any change of control of the Company arising from implementation of ~~the~~this Plan;

(iii) the fact that the Company has sought or obtained relief under the CCAA or that this Plan has been implemented by the Company;

(iv) the effect on the Company of the completion of any of the transactions contemplated by this Plan;

(v) any compromises or arrangements effected pursuant to this Plan; or

(vi) any other event(s) which occurred on or prior to the Effective Date which would have entitled any Person thereto to enforce those rights and remedies, subject to any express provisions to the contrary in any agreements entered into with the Company after the Filing Date.

(e) all Accepted Claims and Disallowed Claims determined in accordance with the Claims Procedure Order or the Supplemental Claims Procedure Order are final and binding on the Company and all Creditors;

(f) upon the Effective Date, all Alleged Priority Secured Claims and any security underlying such Alleged Priority Secured Claims shall be irrevocably, fully and finally discharged as against the Company and all of the Company's business assets and undertaking and the Priority Secured Claims Reserve shall stand in the place and stead of such security, with the same priority as it had just prior to the Effective Date;

(g) no meetings or votes of the Existing Shareholders or Persons holding Equity Claims are required in connection with this Plan (including the Restructuring Transactions);

(h) the commencement or prosecution, whether directly, indirectly, derivatively or otherwise, of any demands, claims, actions, counterclaims, suits, judgments, or other remedies or recoveries with respect to any Claim released, discharged or terminated pursuant to this Plan shall be permanently enjoined;

(i) the releases effected by this Plan are approved, and declared to be binding and effective as of the Effective Date upon all Creditors, the Company, the Monitor and all other Persons affected by this Plan and shall enure to the benefit of all such Persons;

(j) any Claims which have been preserved in accordance with the Claims Procedure Order or the Supplemental Claims Procedure Order against Directors that cannot be compromised due to the provisions of Section 5.1(2) of the CCAA will be limited in recovery to the proceeds of any Directors insurance policies;

(k) except for the Administration Charge which shall continue against the Administrative Reserve Fund subject to further Order, all CCAA Charges established by the Initial Order or any other Order, shall be terminated, released and discharged effective on the Effective Date;

(l) upon receipt from the Company ~~or the Plan Sponsor~~, the Monitor shall hold and distribute the ~~funds received~~Plan Implementation Fund 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) each Beneficial First Lien Lender shall be deemed to be a party to the Shareholders Agreement on the Effective Date, each in its capacity as a holder of the New Shares;

(o) ~~(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;

(p) ~~(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;

(q) ~~(p)~~ all Liens of Affected Creditors, including all security registrations in favour of any Affected Creditor, are discharged and extinguished, and the Company or its counsel shall be authorized and permitted to file discharges and full terminations of all Lien filings (whether pursuant to personal property security legislation or otherwise) against the Company in favour of the First Lien Agent, the Second Lien Trustee, the Collateral Trustee or any other Affected Creditor in any jurisdiction without any further action or consent required whatsoever; and

(r) ~~(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, the Consenting First Lien Lenders and the ~~Plan Sponsor~~First Lien Agent 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~~Support Agreement;

(b) ~~the Company shall have complied with all provisions of the Support Agreement and~~ all conditions of the Support Agreement (including, for certainty, as set out the Plan Term Sheet) shall have been satisfied or waived in accordance with its terms;

(c) this Plan shall have been approved by the Required Majorities;

(d) the Sanction Order shall have been granted by the CCAA Court in a form acceptable to the Company, the Monitor, ~~the 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) all applicable appeal periods in respect of the Sanction Order shall have expired and in the event of an appeal or application for leave to appeal, final determination shall have been made by the applicable appellate court;

(f) ~~(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~~Implementation Fund from the Company;

(g) the AER shall have provided an advance ruling confirming that the AER does not consider the change to control persons (within the meaning of Directive 067) resulting from the implementation of the Plan to be an unreasonable risk;

(h) ~~(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~~Support Agreement, and no proceedings therefor shall have been commenced before any court or governmental or regulatory authority;

(i) the credit agreement documenting the New Senior Secured Term Facility (the "**New Senior Secured Term Facility Agreement**"), the MIP, the Executive Employment Agreements, and the Shareholders Agreement and all related agreements and other documents contemplated by the Recapitalization and the implementation of this Plan, shall be in form and substance acceptable to the Company and the Consenting First Lien Lenders, each acting reasonably, and shall have become effective, subject only to the implementation of the Plan;

(j) the Company shall not be a reporting issuer (or equivalent) in any province or territory of Canada or any other jurisdiction upon implementation of the Plan;

(k) the articles of reorganization to be filed under the CBCA in respect of the Restructuring Transactions and, in particular, the creation of the New Shares, shall be in form acceptable to the Consenting First Lien Lenders;

(l) the aggregate number of New Shares to be issued pursuant to this Plan shall be acceptable to the to the Consenting First Lien Lenders;

(m) the composition of the New Board shall be as determined in accordance with the Support Agreement;

(n) ~~(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

(o) ~~(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~~11.12 of this Plan. Creditors in attendance at the Creditors' Meetings will also be advised of any such variation, modification, amendment or supplement to the Plan.

In addition, the Company may propose a variation or modification of, or amendment or supplement to, this Plan during the Creditors' Meetings, provided that the Company obtains the prior consent of~~ the 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) the Recapitalization and any Restructuring Transaction in respect of which the Released Parties had any role, whether in their capacity as Officers, Directors or in any other capacity, (h) liabilities of the Directors and Officers and any alleged fiduciary or other duty, including any and all Claims that may be made against the Directors or Officers where by law such Directors or Officers may be liable in their capacity as Directors or Officers, or (i) any Claim that has been barred or extinguished by the Claims Procedure Order or the Supplemental Claims Procedure Order (all collectively, the "**Released Claims**"); and at the Effective Time the Company is deemed to and does fully, finally, irrevocably and unconditionally release and forever discharge every other Released Party of and from any and all Released Claims.

Notwithstanding the foregoing, nothing in this Section 10.4 shall release or discharge:

(a) the Company from any Unaffected Claim that has not been paid in full under this Plan to the extent of such non-payment;

(b) a Released Party from its obligations under ~~the~~this Plan;

(c) a Released Party found by a court of competent jurisdiction by final determination on the merits to have committed fraud in relation to a Released Claim for which it is responsible at law; or

(d) the Directors from any Claims which have been preserved in accordance with the Claims Procedure Order or the Supplemental Claims Procedure Order that cannot be compromised due to the provisions of Section 5.1(2) of the CCAA.

10.5 Injunction

Subject to the exceptions stated in sub-paragraphs (a) through (d) of Section 10.4 of this Plan, all Persons, along with their respective affiliates, present and former officers, directors, employees, associated individuals, auditors, beneficiaries, financial advisors, legal counsel, other professionals, sureties, insurers, indemnitors, agents, dependents, heirs, executors, administrators, representatives, successors and assigns, as applicable, are permanently and forever barred, estopped, stayed and enjoined, on and after the Effective Time, with respect to the Affected Claims, the Equity Claims and the Released Claims, from:

(a) commencing, conducting or continuing in any manner, directly or indirectly, any action, suit, demand or other proceeding of any nature or kind whatsoever (including any proceeding in a judicial, arbitral, administrative, regulatory or other forum) against any of the Released Parties or their property;

(b) enforcing, levying, attaching, collecting or otherwise recovering or enforcing by any manner or means, directly or indirectly, any judgment, award, decree or order against any of the Released Parties or their property;

(c) commencing, conducting or continuing in any manner, directly or indirectly, any action, suit or demand (including by way of contribution or indemnity or other relief, in common law, or in equity, breach of trust or breach of fiduciary duty or under the provisions of any statute or regulation) or other proceeding of any nature or kind whatsoever (including any proceeding in a judicial, arbitral, administrative, regulatory or other forum) against any Person who makes such a claim or might reasonably be expected to make such a claim in any manner or forum, against one or more of the Released Parties;

(d) creating, perfecting, asserting or otherwise enforcing, directly or indirectly, any Lien or encumbrance of any kind; or

(e) taking any action to interfere with the implementation or consummation of the Plan (including the Recapitalization and the Restructuring Transactions);

and any such proceedings will be deemed to have no further effect against the Company or any of its assets and will be released, discharged or vacated without cost to the Company. All Persons shall cooperate with the Company and the Monitor in lifting any Lien or discontinuing any proceeding filed or commenced prior to the Effective Time, as the Company or the Monitor may reasonably request. The Company may apply to the CCAA Court to obtain a discharge or dismissal of any such proceedings if necessary without notice to any Person.

10.6 Knowledge of Claims

Each Person to which Section 10.4 applies shall be deemed to have granted the releases set out in this Section 10.4 notwithstanding that it may hereafter discover facts in addition to, or different from, those which it now knows or believes to be true, and without regard to the subsequent discovery or existence of such different or additional facts, and such party expressly waives any and all rights that it may have under any Applicable Law which would limit the effect of such releases to those Claims or causes of action known or suspected to exist at the Effective Time.

10.7 Waiver of Defaults

At the Effective Time, and subject to any express provisions to the contrary in any amending agreement entered into with the Company after the Filing Date, all Persons shall be deemed to have waived any and all defaults of the Company then existing or previously committed, caused by any of the provisions hereof, or non-compliance with any covenant, warranty, representation, term, provision, condition or obligation, express or implied, in every contract, mortgage, security agreement, indenture, trust indenture, loan agreement, commitment letter, agreement for sale, lease, personal property lease or other agreement, written or oral, and any amendments or supplements thereto, existing between such Person and the Company. Any and all notices of default, acceleration of payments and demands for payments under any instrument, or other notices, including any notices of intention to proceed to enforce security, arising from any of such aforesaid defaults shall be deemed to have been rescinded and withdrawn.

For greater certainty, nothing in this Section shall waive any obligations of the Company in respect of any Unaffected Claim.

10.8 Consents and Waivers

At the Effective Time, all Creditors shall be deemed to have consented and to have agreed to all of the provisions of this Plan in its entirety. Each Creditor shall be deemed to have (a) granted, and executed and delivered to the Company all consents, releases, assignments and waivers, statutory or otherwise, required to implement and carry out this Plan in its entirety and (b) agreed that if any conflict exists between the provisions of any agreement or arrangement, written or oral, existing between the Company and such Creditor and the provisions of this Plan, then the provisions of this Plan shall govern and the provisions of such other agreement or arrangement shall be amended accordingly.

10.9 Deeming Provisions

In this Plan, the deeming provisions are not rebuttable and are conclusive and irrevocable.

10.10 Preferential Transactions

Sections 95 to 101 of the BIA and any Applicable Law relating to preferences, settlements, fraudulent conveyances or transfers at undervalue shall not apply in any respect, including, without limitation, to any dealings prior to the Filing Date, to this Plan, to any payments or distributions made in connection with the restructuring and recapitalization of the Company, whether made before or after the Filing Date, or to any and all transactions contemplated by and to be implemented pursuant to this Plan.

10.11 Compromise of Claims under Section 19(2) of the CCAA

On the Effective Date, the following Claims which have been preserved in accordance with the Claims Procedure Order or the Supplemental Claims Procedure Order shall be compromised under this Plan, including pursuant to the terms of this Article 10 and shall be deemed to be a Released Claim pursuant to Section 10.4 of this Plan:

(a) any fine, penalty, restitution order or other order similar in nature to a fine, penalty or restitution order, imposed by a court in respect of an offence;

(b) any award of damages by a court in civil proceedings in respect of

  (i) bodily harm intentionally inflicted, or sexual assault, or

  (ii) wrongful death resulting from an act referred to in subparagraph (i);

(c) any debt or liability arising out of fraud, embezzlement, misappropriation or defalcation while acting in a fiduciary capacity or, in Quebec, as a trustee or an administrator of the property of others;

(d) any debt or liability resulting from obtaining property or services by false pretences or fraudulent misrepresentation, other than a debt or liability of the Company that arises from an Equity Claim; or

(e) any debt for interest owed in relation to an amount referred to in any of paragraphs (a) to (d),

provided that this Section shall only apply to a Person who voted (in person or by proxy) in favour of this Plan at the Creditors' Meetings.

ARTICLE 11
GENERAL PROVISIONS

11.1 Further Assurances

Notwithstanding that the transactions and events set out in this Plan may be deemed to occur without any additional act or formality other than as may be expressly set out herein, each of the Persons affected hereto shall make, do, and execute or cause to be made, done or executed all such further acts, deeds, agreements, assignments, transfers, conveyances, discharges, assurances, instruments, documents, elections, consents or filings as may be reasonably required by the Company in order to implement this Plan.

11.2 Set-Off

The law of set-off applies to all Claims made against the Company and to all actions instituted by it for the recovery of debts due to the Company in the same manner and to the same extent as if the Company was plaintiff or defendant, as the case may be.

11.3 Paramountcy

Without limiting any other provision hereof, from and after the Effective Date, in the event of any conflict between this Plan and the covenants, warranties, representations, terms, conditions, provisions or obligations, expressed, or implied, of any contract, mortgage, security agreement, indenture, trust indenture, loan agreement, commitment letter, agreement for sale, lease, personal property lease or other agreement, written or oral, and any and all amendments or supplements thereto, existing between the Company and any other Persons affected by this Plan, the terms, conditions and provisions of this Plan shall govern and shall take precedence and priority.

11.4 Revocation, Withdrawal, or Non-Consummation

The Company reserves the right to revoke or withdraw this Plan at any time prior to the Effective Time and to file subsequent plans of compromises or arrangement. If the Company revokes or withdraws this Plan, or if the Sanction Order is not issued, (a) this Plan shall be null and void in all respects, (b) any Affected Claim, any settlement or compromise embodied in this Plan (including the fixing or limiting of any Affected Claim to an amount certain), and any document or agreement executed pursuant to this Plan shall be deemed null and void, and (c) nothing contained in this Plan, and no action taken in preparation for consummation of this Plan, shall (i) constitute or be deemed to constitute a waiver or release of any Affected Claims by or against the Company or any Person; (ii) prejudice in any manner the rights of the Company or any Person in any further proceedings involving the Company, or (iii) constitute an admission of any sort by the Company or any Person.

11.5 **Preservation of Rights of Action**

Except as otherwise provided in this Plan or in the Sanction Order, or in any contract, instrument, release, indenture or other agreement entered into in connection with the Plan, following the Effective Time, the Company will retain and may enforce, sue on, settle, or compromise (or decline to do any of the foregoing) all claims, rights or causes of action, suits and proceedings, whether in law or in equity, whether known or unknown, that the Company may hold against any Person or entity, without further approval of the CCAA Court.

11.6 **Responsibilities of the Monitor**

The Monitor is acting in its capacity as Monitor in the CCAA Proceeding with respect to the Company and is not responsible or liable for any obligations of the Company. The Monitor will have the powers and protections granted to it by this Plan, by the CCAA and by any Order, including the Initial Order, the Claims Procedure Order, the Supplemental Claims Procedure Order and the Creditors' Meetings Order. Both prior to and after the Effective Date, the Company~~ 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 Application of First Lien Credit Agreement to Actions of First Lien Agent

The First Lien Credit Agreement (and any other loan document applicable to the First Lien Agent and the agency that the First Lien Agent is providing under and in connection with the First Lien Credit Agreement) continue to apply, including the provisions of Article VIII of the First Lien Credit Agreement (and, without limiting the generality of the foregoing, the First Lien Agent's right to delegate any of its duties and/or rights and powers to a sub-agent in accordance with the terms of Section 8.05 of the First Lien Credit Agreement), provided, however, that in the case of any delegation to a sub-agent, the First Lien Agent shall take all such steps as requested by the Consenting First Lien Lenders to cause such sub-agent to do such things as are necessary to effect and complete the actions and steps contemplated under this Plan.

11.11 ~~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.

11.12 ~~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~~Consenting First Lien Lenders:

~~East River Oil and Gas Ltd.~~
~~Suite 600, 600 3rd Avenue SW~~
Bennett Jones LLP
3400 One First Canadian Place
~~Calgary, Alberta T2P 0G5~~Toronto, Ontario M5X 1A4

Attention: ~~Michael Lam~~ Sean Zweig/Luke Morrison
Email:

~~lam.m@snencn.cn~~zweigs@bennettjones.com/morrisonl@bennettjones.com

(d) if to the First Lien Agent

Wilmington Trust, National Association
Rodney Square North, 1100 North Market Street
Wilmington, DE 19890

Attention: Joseph B. Feil
Email: jfeil@wilmingtontrust.com

~~With~~with a copy ~~to~~ (which shall not constitute notice) given in like manner to:
~~Borden Ladner Gervais LLP~~

Jones Day
~~Centennial Place, East Tower~~222 East 41st Street
~~1900, 520 3rd Avenue SW~~
~~Calgary, Alberta T2P0R3~~
New York, NY 10017-6702

Attention: ~~Robyn Gurofsky/ Xiaodi Jin~~ Lewis Grimm
Email: ~~rgurofsky@blg.com/xjin@blg~~ lgrimm@jonesday.com

(e) ~~(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~~Consenting First Lien Lenders), without any further act or formality required on the part of any Person, except as may be expressly provided herein:

(a) the Monitor shall ~~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;~~make the payments and distributions contemplated by the Plan on the Effective Date;

(b) the articles of the Company under the CBCA shall be amended

(i) to create the New Shares as a new class of shares that the Company is authorized to issue, which shares shall be unlimited in number, be designated as “Class A Common Shares”, and have attached thereto the following rights, privileges, restrictions and conditions:

(A) the right to receive notice of and to attend all meetings of shareholders of the Corporation, and to one vote in respect of each Class A Common Share at all such meetings;

(B) subject to the rights of the holders of the First Preferred Shares and the Second Preferred Shares and any other class of shares ranking senior to the Class A Common Shares, the right to receive and participate rateably in any dividend declared by the Board of Directors of the Corporation; and

(C) subject to the rights of the holders of the First Preferred Shares and the Second Preferred Shares and any other class of shares ranking senior to the Class A Common Shares, in the event of the liquidation, dissolution or winding up of the Corporation or other distribution of the property of the Corporation among the shareholders for the purpose of winding up its affairs, the right to receive and participate rateably in the distribution of the remaining property of the Corporation;

(ii) to include a restriction on the transfer of shares of the Company, to the effect that no shares may be transferred without the approval of the board of directors of the Company; and

(iii) to provide that the Company has a lien on a share registered in the name of a shareholder or the shareholder's personal representative for a debt of that shareholder to the Company;

(c) the Company shall issue Class A Common Shares to the First Lien Lenders in accordance with Sections 5.2 and 7.1 of the Plan, provided, however, that no fractional Class A Common Shares shall be allocated or issued and any fractional Class A Common Shares that would have otherwise been issued shall be rounded down to the nearest whole number without compensation therefor;

(d) ~~(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;

(e) ~~(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;~~ Shareholders Agreement shall become effective;

~~(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.~~

(f) ~~(e)~~ the ~~Monitor shall make the payments and distributions contemplated by the Plan on the Effective Date;~~ Company shall execute and deliver to the New Senior Secured Term Facility Agent the New Senior Secured Term Facility;

(g) ~~(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;

(h) ~~(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;

(i) ~~(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;

(j) ~~(i)~~ the directors of the Company holding office immediately prior to the Effective Time shall be deemed to have resigned and the individuals comprising the New Board shall be deemed to have been appointed as directors;

(k) ~~(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~~

(l) ~~(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~~reserves and funds established pursuant to the Plan as applicable~~.~~; and

(m) the Company and its wholly owned subsidiary, ●, shall amalgamate to continue as one corporation under Section 184(1) of the CBCA.

SCHEDULE B

FORM OF MONITOR'S CERTIFICATE

COURT FILE NUMBER	1601-06131	Clerk's Stamp
COURT	COURT OF QUEEN'S BENCH OF ALBERTA	
JUDICIAL CENTRE	CALGARY	
COMPANY	**IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED** **AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF CONNACHER OIL AND GAS LIMITED**	
DOCUMENT	**MONITOR'S CERTIFICATE**	
ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT	**MCCARTHY TETRAULT LLP** Suite 4000, 421 7th Avenue SW Calgary, Alberta T2P 4K9 Attn: Sean Collins/Walker MacLeod Tel: 403-260-3531 Fax: 403-260-3501 Email: scollins@mccarthy.ca wmacleod@mccarthy.ca	

RECITALS

A. Pursuant to the order of this Honourable Court dated May 17, 2016 (the "**Initial Order**"), the Company filed for and obtained protection from its creditors under the *Companies' Creditors Arrangement Act* R.S.C. 1985, c. C-36, as amended.

B. Pursuant to the Initial Order, Ernst & Young Inc. was appointed as the monitor of the Company (the "**Monitor**") with the powers, duties and obligations set out in the Initial Order;

C. The Company has filed a Plan of Compromise and Arrangement under the CCAA dated ~~●, 2018~~May 6, 2019 (the "**Plan**"), which Plan has been approved by the requisite majorities of Creditors in each Class and the Court; and

D. Unless otherwise indicated herein, initially capitalized terms used herein have the meaning set out in the Plan.

THE MONITOR HEREBY CERTIFIES the following:

1. The Monitor has received written confirmation from the Company, in form and substance satisfactory to the Monitor, that the conditions to the implementation of the Plan set out in Section 8.2 of the Plan have been satisfied or waived in accordance with the Plan;

2. The Monitor has received the Plan ~~Sponsored Funds, the Existing Cash and the Cash Adjustment Amount, if any,~~Implementation Fund 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:

Document comparison by Workshare Compare on Sunday, May 05, 2019 11:58:38 AM

Input:	
Document 1 ID	interwovenSite://CASSELS-DMS/LEGAL/47549855/1
Description	#47549855v1<LEGAL> - Connacher - Amended and Restated Plan - August 13, 2018 - FINAL
Document 2 ID	interwovenSite://CASSELS-DMS/LEGAL/47557661/16
Description	#47557661v16<LEGAL> - Connacher - 2019 CCAA Plan - Cassels Draft
Rendering set	Standard

Legend:	
Insertion	
~~Deletion~~	
~~Moved from~~	
Moved to	
Style change	
Format change	
~~Moved deletion~~	
Inserted cell	
Deleted cell	
Moved cell	
Split/Merged cell	
Padding cell	

Statistics:	
	Count
Insertions	318
Deletions	296
Moved from	33
Moved to	33
Style change	0
Format changed	0
Total changes	680

EXHIBIT "D"

This is Exhibit "D"
referred to in the affidavit of
Merle Johnson.
sworn before me this 6
day of May, 2019.

A Commissioner for Oaths in and for Alberta

Paola Viviana Berkman Rodriguez
Articling Student at Law
A Commissioner for Oaths
in and for Alberta

THIS IS EXHIBIT "A"
Referred to in the Affidavit of
Jeff Beeston
Sworn before me this 24th
Day of September A.D. 2018
A Commissioner for Oaths in and for Alberta
Lindsay M. Rydl
Barrister & Solicitor

SETTLEMENT AGREEMENT
(the "**Settlement Agreement**")

BETWEEN:

Connacher Oil and Gas Limited
("**Connacher**")

\- and -

Regional Municipality of Wood Buffalo
("**Wood Buffalo**")

RECITALS:

Whereas:

(a) On May 17, 2016, Connacher sought and obtained protection under the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "**CCAA**") pursuant to an Initial Order granted by the Court of Queen's Bench of Alberta (the "**Court**"), as amended and extended from time to time (the "**Initial Order**");

(b) Pursuant to the Initial Order, Ernst & Young Inc. was appointed as monitor (the "**Monitor**") in Connacher's CCAA proceeding;

(c) On August 22, 2018, the Court granted a Creditors' Meeting Order which, *inter alia*, authorized Connacher to file an Amended and Restated Plan of Compromise and Arrangement dated August 13, 2018 in the form attached thereto at Schedule "B" (the "**CCAA Plan**");

(d) On August 22, 2018, the Court also granted an Approval and Vesting Order (the "**Approval and Vesting Order**") which approved an agreement of purchase and sale dated August 2, 2018 (the "**Purchase Agreement**") between Connacher and East River Oil and Gas Ltd. (the "**Purchaser**");

(e) On August 22, 2018, the Court also granted a Supplemental Claims Procedure Order (the "**Supplemental C.P.O.**") which approved a procedure for the determination and resolution of, *inter alia*, priority claims asserted against Connacher, including alleged priority claims asserted by Wood Buffalo;

(f) Wood Buffalo submitted a Proof of Claim pursuant to the Supplemental C.P.O. asserting a Secured Claim (as defined in the Supplemental C.P.O.) in the amount of $13,957,811.63 in respect of which Wood Buffalo asserts a priority secured claim pursuant to the *Municipal Government Act* (the "**Wood Buffalo Proof of Claim**"); and

(g) The parties hereto have agreed to fully and finally resolve and settle certain claims of Wood Buffalo against Connacher as set forth in this Settlement Agreement.

NOW THEREFORE, FOR THE SUM OF TWO DOLLARS ($2.00) AND SUCH OTHER GOOD AND VALUABLE CONSIDERATION, THE RECEIPT AND SUFFICIENCY OF WHICH ARE HEREBY ACKNOWLEDGED BY THE UNDERSIGNED, THE UNDERSIGNED AGREE AS FOLLOWS:

1. The above noted recitals are true and accurate and form part of this Settlement Agreement. Terms used but not defined in this Settlement Agreement shall have the meaning given to them in the CCAA Plan.

2. This Settlement Agreement is subject to and conditional upon approval of its terms by the Court in an order substantially in the form attached hereto as **Schedule "A"** (the "**Settlement Approval Order**").

3. On or about October 4, 2018, Connacher will bring an application before the Court seeking the Settlement Approval Order. Wood Buffalo shall consent to and support such application and shall provide such other assistance as may be reasonably required by Connacher in seeking the Settlement Approval Order.

4. Within five (5) business days following the granting of the Settlement Approval Order, Connacher shall pay to Wood Buffalo the amount of $8,000,000.00 (the "**Settlement Amount**") in full and final satisfaction of all amounts owing by Connacher to Wood Buffalo, including but not limited to with respect to or on account of property tax, equipment and machinery tax, linear property tax, education tax, and any interest, fees or penalties and the claims asserted in the Wood Buffalo Proof of Claim, other than amounts that constitute an "Unaffected Municipal Tax Claim" (the "**Settled Municipal Tax Claims**").

5. Without limiting the terms of this Settlement Agreement (including the releases provided in Section 6 of this Settlement Agreement), Connacher agrees that Wood Buffalo shall be entitled to apply the Settlement Amount to taxes derived from assessments of land and machinery and equipment and not in respect of linear property.

6. Effective immediately upon payment by Connacher of the Settlement Amount in accordance with Section 4 of this Settlement Agreement (without the requirement of any person taking any further action), Wood Buffalo hereby forever fully, finally and unconditionally remises, releases, acquits, waives and forever discharges Connacher and Ernst & Young Inc. and each of their respective subsidiaries, affiliated and associated corporations and entities and each of their respective officers, directors, shareholders, employees, servants, agents, advisors, successors and assigns, both present and former (collectively, the "**Connacher Releasees**") of and from any and all actual or potential actions, causes of action, suits, debts, duties, accounts, bonds, dues, covenants, contracts, rights, costs and expenses, judgments, claims, proceedings, obligations and demands whatsoever, contingent or otherwise, whether liquidated or unliquidated, matured or unmatured, disputed or undisputed, contractual, legal or equitable, including fees and disbursements of legal counsel, whether known or unknown, howsoever arising of every

nature and kind whatsoever which Wood Buffalo ever had, now have or may hereinafter have against the Connacher Releasees relating to or arising from the Settled Municipal Tax Claims, Connacher's proceeding under the CCAA or the CCAA Plan. Wood Buffalo (i) covenants and agrees not to make any claim or to commence or maintain any action or proceeding against any person, firm, or corporation in which any claims referred to in this paragraph could arise against the Connacher Releasees, and (ii) represents and warrants that it has not assigned to any person, partnership, corporation, or other such entity any of the matters which it releases by this Settlement Agreement or with respect to which it agrees not to make any claim or take any proceedings by this Settlement Agreement.

7. Without limiting the generality of Section 6 of this Settlement Agreement, Wood Buffalo acknowledges and agrees that effective immediately upon payment by Connacher of the Settlement Amount in accordance with Section 4 of this Settlement Agreement (without the requirement of any person taking any further action):

   (a) Wood Buffalo shall have no Alleged Priority Secured Claim under the CCAA Plan and the Monitor shall not be required to hold any amounts in escrow pursuant to the Priority Secured Claims Reserve pursuant to Section 3.5(b) of the CCAA Plan on account of Wood Buffalo claims; and

   (b) Wood Buffalo shall have no rights, claims or entitlements to (i) payments or distributions under the CCAA Plan, including without limitation payments or distributions on account of Priority Secured Claims or General Creditor Claims, and (ii) distributions to creditors from the proceeds of the Purchase Agreement.

8. For greater certainty, nothing in this Settlement Agreement, including Sections 6 and 7 of this Settlement Agreement, shall:

   (a) release Connacher from its obligations under this Settlement Agreement;

   (b) subject to and in accordance with the CCAA Plan, the Sanction Order, the Supplemental C.P.O. and any other Orders of the Court, prevent Wood Buffalo from continuing to assert its Unaffected Municipal Tax Claims against Connacher; or

   (c) subject to and in accordance with the Purchase Agreement, the Approval and Vesting Order, the Supplemental C.P.O. and any other Orders of the Court, prevent Wood Buffalo from asserting its Unaffected Municipal Tax Claims against the Purchaser as an assumed obligation under the Purchase Agreement and a "Permitted Encumbrance" under the Approval and Vesting Order in the event that the transactions contemplated by the Purchase Agreement are consummated.

9. Effective immediately upon payment by Connacher of the Settlement Amount in accordance with Section 4 of this Settlement Agreement (without the requirement of any person taking any further action), the portion of the Wood Buffalo Proof of Claim relating to the Settled Municipal Tax Claims shall be deemed withdrawn and released in accordance with Section 6 of this Settlement Agreement.

10. Each of the parties acknowledges and declares as follows:

    (a) it has had an adequate opportunity to read and consider this Settlement Agreement and to obtain such advice in regard to it as it considers advisable;

    (b) it fully understands the nature and effect of this Settlement Agreement; and

    (c) this Settlement Agreement has been duly executed voluntarily.

11. Wood Buffalo agrees to keep the existence and terms of this Settlement Agreement strictly confidential, except to the extent publicly disclosed by Connacher or the Monitor in any Court or other filings in connection with Connacher's CCAA proceedings, including in connection with seeking the Settlement Approval Order or the Sanction Order.

12. By entering into this Settlement Agreement, Connacher does not admit any liabilities or obligations whatsoever by any of the Connacher Releasees to Wood Buffalo.

13. Time is of the essence in the performance of the parties' respective obligations under this Settlement Agreement.

14. This Settlement Agreement shall be binding upon the parties hereto and their respective successors and assigns and enure to the benefit of each of Connacher, Wood Buffalo and the Connacher Releasees and their respective heirs, executors, estate trustees, administrators, personal representatives and assigns. Neither Connacher nor Wood Buffalo shall be permitted to assign any of its rights or obligations hereunder.

15. The parties agree that this Settlement Agreement shall be governed by the laws of the Province of Alberta and the federal laws of Canada applicable therein, excluding any rule or principle of conflicts of law that may provide otherwise. The parties irrevocably attorn to the jurisdiction of the Province of Alberta and agree that any dispute in connection with the subject matter of this Settlement Agreement shall be decided by the Court in Connacher's CCAA proceeding.

16. All amounts in this Settlement Agreement are stated in Canadian dollars.

17. This Settlement Agreement shall not be amended, modified or terminated except by written agreement between the parties.

18. This Settlement Agreement may be executed in counterparts, and each executed counterpart shall have the same force and effect as the original instrument as if both of the parties had signed the same instrument. The exchange of copies of this Settlement Agreement and of the signature pages by facsimile transmission, by electronic mail in portable document format (.PDF), or by any other means shall constitute effective execution and delivery of this Settlement Agreement to the parties and may be used in lieu of the original document for all purposes.

Dated: September 24, 2018

CONNACHER OIL AND GAS LIMITED

Per: ______________________________
Name:
Title:
I have the authority to bind the corporation

REGIONAL MUNICIPALITY OF WOOD BUFFALO

Per: ______________________________
Name: Annette Antoniak
Title: CAO
I have the authority to bind the corporation

Dated: September 24, 2018

CONNACHER OIL AND GAS LIMITED

Per: ______________________________
Name: Jeff Beeston
Title: CFO
I have the authority to bind the corporation

REGIONAL MUNICIPALITY OF WOOD BUFFALO

Per: ______________________________
Name:
Title:
I have the authority to bind the corporation

Schedule "A" – Settlement Approval Order

Clerk's stamp:

COURT FILE NO.	1601-06131
COURT	COURT OF QUEEN'S BENCH OF ALBERTA
JUDICIAL CENTRE	CALGARY
APPLICANT	**IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED** **AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF CONNACHER OIL AND GAS LIMITED**
DOCUMENT	**ORDER (WOOD BUFFALO SETTLEMENT APPROVAL)**
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

DATE ON WHICH ORDER WAS PRONOUNCED: ●, 2018

NAME OF JUDGE WHO MADE THIS ORDER: The Honourable Justice ●

LOCATION OF HEARING: Calgary, Alberta

UPON the application of Connacher Oil and Gas Limited (the "**Applicant**"); **AND UPON** having read the Affidavit of Jeff Beeston sworn ●, 2018 (the "**Beeston Affidavit**"); the ● Report of Ernst & Young Inc., the Court-appointed monitor of the Applicant (the "**Monitor**") filed ●, 2018 (the "**●th Report**"); and the pleadings and proceedings herein; **AND UPON** hearing counsel for the Applicant, the Monitor, the Regional Municipality of Wood Buffalo ("**Wood Buffalo**"), the First Lien Agent and Consenting First Lien Lenders and from any other affected parties that may be present and no one appearing for any other person on the service list, although properly served as appears from the Affidavit of Service of ● sworn ●, 2018, filed;

IT IS HEREBY ORDERED AND DECLARED THAT:

1. Service of this Application and supporting documents is hereby deemed to be good and sufficient, the time for notice is hereby abridged to the time provided, and no other person is required to have been served with notice of this Application.

SETTLEMENT AGREEMENT

2. The Settlement Agreement dated September ●, 2018 (the "**Settlement Agreement**") between the Applicant and Wood Buffalo, as attached at Exhibit "●" to the Beeston Affidavit, is hereby approved, and the Applicant is hereby authorized and directed to perform its obligations under the Settlement Agreement.

3. Any disputes in connection with the Settlement Agreement shall be determined by this Court on application, on not less than 7 days' notice, by either the Applicant or Wood Buffalo.

MISCELLANEOUS

4. This Court hereby requests the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States to give effect to this Order and to assist the Applicant and its agents in carrying out the terms of this Order. All courts, regulatory tribunals and administrative bodies are hereby respectfully requested to make such orders as to provide such assistance to the Applicant as may be necessary or desirable to give effect to this Order or to assist the Applicant and its agents in carrying out the terms of this Order.

5. 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.

6. Service of this Order on any party not attending this application is hereby dispensed with.

Justice of the Court of Queen's Bench of Alberta

EXHIBIT "E"

This is Exhibit "E"
referred to in the affidavit of
Merle Johnson
sworn before me this 6
day of May, 2019.

A Commissioner for Oaths in and for Alberta

Paola Viviana Berkman Rodriguez
Articling Student at Law
A Commissioner for Oaths
in and for Alberta

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	**<u>2019 CREDITORS' MEETINGS ORDER</u>**	
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, 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	
DATE ON WHICH ORDER WAS PRONOUNCED:	~~August 22,~~<u>May 16,</u> ~~2018~~<u>2019</u>	
LOCATION OF HEARING OR TRIAL:	Calgary, Alberta	
NAME OF JUDGE WHO MADE THIS ORDER:	The Honourable <u>Mr.</u> Justice ~~Macleod~~<u>Jones</u>	

UPON the application of Connacher Oil and Gas Limited (the "**Applicant**") for an Order, among other things, (i) ~~approving the Plan Sponsorship Agreement (defined below) and authorizing the Applicant to comply with its obligations thereunder; (ii)~~ accepting the filing of the ~~Amended and Restated~~ Plan of Compromise and Arrangement~~,~~ dated May 6, 2019, as it may be amended, restated, supplemented or replaced in accordance with its terms and the ~~Plan Sponsorship~~Amended and Restated Support Agreement, attached hereto as Schedule "B" (the "**Plan**"); (~~iii~~ii) authorizing the classification of creditors for purposes of voting on the Plan; (~~iv~~iii) authorizing and directing the Applicant to call, hold and conduct meetings of Affected Creditors to vote on resolutions to approve the Plan; (~~v~~iv) authorizing and directing the mailing and distribution of the First Lien Lenders Meeting Materials, the Beneficial Noteholder Information Package and the General Creditors Meeting Materials; (~~vi~~v) approving the procedures to be followed with respect to the Creditors' Meetings; and (~~vii~~vi) setting a date for the hearing of the Applicant's application for an Order sanctioning the Plan;

AND UPON having read the Application, the Affidavit of Merle Johnson sworn ~~on August 13, 2018~~May 6, 2019 (the "**Johnson Affidavit**"), the ~~17th~~21st Report of Ernst & Young Inc., as the Court-appointed Monitor of the Applicant, and the pleadings and proceedings herein, including the Initial Order granted on May 17, 2016 (the "**Initial Order**");

AND UPON hearing counsel for the Applicant, the Monitor, the First Lien Agent and the Consenting First Lien Lenders, ~~the Plan Sponsor,~~ and counsel for the other interested parties appearing, with no one else appearing although duly served as appears from the ~~Affidavits~~Affidavit of Service of Benjamin Goodis sworn ~~August 13, 2018, August 14, 2018 and August 16, 2016, and the Affidavit of Service of Jeff Beeston sworn August 16, 2018,~~May ●, 2019, filed;

IT IS HEREBY ORDERED AND DECLARED THAT:

DEFINED TERMS

1. All capitalized terms not otherwise defined herein have the meaning ascribed to them in (i) the Plan; or (ii) the Glossary of Terms attached as Schedule "A" hereto.

SERVICE

2. Service of this Application and supporting documents is hereby deemed to be good and sufficient, the time for notice is hereby abridged to the time provided, and no other person is required to have been served with notice of this Application.

INTERPRETATION

3. All references to time herein 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. on such Business Day unless otherwise indicated herein.

4. All references to the word "including" shall mean "including without limitation".

5. All references to the singular herein shall include the plural, the plural include the singular and any gender includes the other gender.

~~**STAY EXTENSION**~~

~~6. The Stay Period, as ordered and defined in paragraph 14 of the Initial Order, is hereby extended until and including October 31, 2018.~~

~~**PLAN SPONSORSHIP AGREEMENT**~~

~~7. The Plan Sponsorship Agreement is hereby approved. The execution and delivery of the Plan Sponsorship Agreement by the Applicant is hereby authorized and approved, with such minor amendments as the Applicant may deem necessary, and the Applicant is~~

~~hereby authorized and empowered to take all steps and actions in respect of, and to comply with all of its obligations pursuant to, the Plan Sponsorship Agreement.~~

THE PLAN

6. ~~8.~~ The Plan is hereby accepted for filing and the Applicant is hereby authorized and directed to call the Creditors' Meetings for the purpose of having the Affected Creditors vote on the Plan in the manner set out herein.

7. ~~9.~~ The Applicant may, at any time and from time to time prior to the Creditors' Meetings, amend, restate, modify and/or supplement the Plan, with the consent of ~~the Plan Sponsor,~~ the Majority Consenting First Lien Lenders and the Monitor, provided that any such variation, modification, amendment or supplement shall be posted on the Website and email notice shall be provided to the Service List.

8. ~~10.~~ The Applicant may propose a variation ~~or~~, modification ~~of~~, ~~or~~ amendment or supplement to~~,~~ the Plan during the Creditors' Meetings, with the consent of ~~the Plan Sponsor,~~ the Majority Consenting First Lien Lenders and the Monitor, provided that notice of such variation, modification, amendment or supplement is given to all Creditors entitled to vote and present in person at the applicable Creditors' Meeting(s) prior to the vote being taken at such Creditors' Meeting(s). Any variation, amendment, modification or supplement at a Creditors' Meeting(s) shall be posted promptly on the Website, served by email to the Service List and filed with the Court as soon as practicable following the applicable Creditors' Meeting(s).

9. ~~11.~~ The Applicant may, at any time and from time to time after one or more of the Creditors' Meetings (and both prior to and subsequent to obtaining the Sanction Order), amend, restate, vary, modify and/or supplement the Plan without the need for obtaining an Order or providing notice to the Creditors, if the Applicant~~, the Plan Sponsor~~, the

Monitor and the Majority Consenting First Lien Lenders, acting reasonably and in good faith, determine that such amendment, restatement, variation, modification or supplement would not be materially prejudicial to 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. All other amendments, restatements, variations, modifications or supplements to the Plan shall be subject to approval by the Monitor~~, the Plan Sponsor~~, the Majority Consenting First Lien Lenders and an Order of the Court.

SUPPLEMENT TO INFORMATION CIRCULAR

10. With the consent of the Majority Consenting First Lien Lenders and the Monitor, the Applicant may, from time to time until the date that is five (5) days prior to the Creditors' Meetings, supplement the Information Circular in connection with providing the First Lien Lenders with details concerning the terms of the Shareholders Agreement, the New Senior Secured Term Facility Agreement and/or the information required in respect of the registration of the New Shares, provided that any such supplement(s) shall be disseminated to the First Lien Lenders in the same manner as the Information Circular.

MONITOR'S ROLE

11. ~~12.~~ The Monitor, in addition to its prescribed rights and obligations under the CCAA and any Orders made in this CCAA Proceeding, is hereby directed and empowered to take such other actions and fulfill such other roles as are authorized by this 2019 Creditors' Meetings Order.

12. ~~13.~~ In carrying out the provisions of this 2019 Creditors' Meetings Order, the Monitor shall: (i) have all the protections given to it by the CCAA and any Orders made in this CCAA Proceeding, or as an officer of the Court, including the stay of proceedings in its favour; (ii) incur no liability or obligation as a result of carrying out the provisions of this 2019 Creditors' Meetings Order, save and except for any gross negligence or wilful

misconduct on its part; (iii) be entitled to rely on the books and records of the Applicant and any information provided by the Applicant, CDS, DTC, the Participant Holders, the Solicitation and Information Agent, the First Lien Agent, the Second Lien Trustee, the Affected Creditors and any information acquired by the Monitor as a result of carrying out its duties under this 2019 Creditors' Meetings Order without independent investigation; and (iv) not be liable for any claims or damages resulting from any errors or omissions in such books, records or information.

PUBLICATION OF NEWSPAPER NOTICE

13. ~~14.~~ The Monitor will cause the Newspaper Notice to be published on or prior to ~~August 29, 2018~~May 23, 2019 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 an adjournment of the Creditors' Meeting(s).

SHAREHOLDER NOTICE

14. ~~15.~~ As soon as practicable after the granting of this 2019 Creditors' Meetings Order, the Applicant shall issue the Shareholder Notice and the Monitor shall post an electronic copy thereof on the Website.

15. ~~16.~~ Pursuant to and in accordance with the terms of the Plan, no meetings or votes of Existing Shareholders or holders of Equity Claims are required or shall occur in connection with the Plan.

FORMS OF DOCUMENTS

16. ~~17.~~ The (i) forms of Notice to Affected Creditors, First Lien Lenders Proxy, General Creditors Proxy, Distribution Election Notice, Beneficial Noteholders' Notice, Voting Information and Election Form, Shareholder Notice, Newspaper Notice, Insured Claim Option Notice and Master Proxy attached hereto, and (ii) the Information Circular

substantially in the form attached to the Johnson Affidavit, as may be amended, supplemented or restated in accordance with paragraph 10 herein, are hereby approved. The Applicant may make any changes to such materials as are necessary or desirable to conform the content thereof to the terms of the Plan or this 2019 Creditors' Meetings Order.

CLASSIFICATION OF CREDITORS

17. ~~18.~~ For the purposes of considering and voting on the Plan, there will be two (2) Classes of Creditors:

(a) the First Lien Lender Class; and

(b) the General Creditor Class.

NOTICE TO THE FIRST LIEN LENDERS

18. ~~19.~~ The Monitor shall, forthwith following the date of this 2019 Creditors' Meetings Order, post electronic copies of the First Lien Lenders Meeting Materials on the Website.

19. ~~20.~~ Only Beneficial First Lien Lenders as of the First Lien Record Date are entitled to receive notice of the Creditors' Meetings and vote at the Creditors' Meetings, without prejudice to any other record date or dates for the purposes of distributions under the Plan or for other purposes.

20. ~~21.~~ Within one (1) Business Day following the date of this 2019 Creditors' Meetings Order the First Lien Agent shall provide the Applicant and the Monitor with a complete list of the names and email addresses of the Beneficial First Lien Lenders and the amount of the First Lien Claim held by such Beneficial First Lien Lender as of the First Lien Record Date.

21. ~~22.~~ The Monitor shall, on or prior to the Mailing Date, send the First Lien Lenders Meeting Materials by email to the First Lien Agent who will distribute ~~the material~~such materials to each Beneficial First Lien Lender in accordance with paragraph ~~21~~20 of this 2019 Creditors' Meetings Order. The Monitor will also provide a copy of the First Lien Lenders Meeting Materials to counsel to the Consenting First Lien Lenders.

NOTICE TO BENEFICIAL NOTEHOLDERS

22. ~~23.~~ Only the Beneficial Noteholders as of the Second Lien Notes Record Date are entitled to receive notice of the Creditors' Meetings and vote at the Creditors' Meeting of General Creditors, without prejudice to any other record date or dates for the purpose of distributions under the Plan or for other purposes.

23. ~~24.~~ Within one (1) Business Day following the date of this 2019 Creditors' Meetings Order,~~ the Second Lien Trustee and/or~~ the Solicitation and Information Agent~~,~~ shall provide the Applicant, and the Monitor with the Participant Holders List.

24. ~~25.~~ The Solicitation Agent shall (i) determine the number of Beneficial Noteholder Information Packages that Broadridge or each mailing intermediary requires in order to provide a Beneficial Noteholder Information Package to each Beneficial Noteholder that has an account (directly or indirectly through an agent or custodian) with a Participant Holder, and (ii) by no later than ~~August 30, 2018,~~May 27, 2019, send a Beneficial Noteholder Information Package to (a) the Second Lien Trustee, and (b) to Broadridge and other mailing intermediaries for distribution to each Beneficial Noteholder as set out in the books and records of each Participant Holder in accordance with the terms of this 2019 Creditors' Meetings Order and standing procedures. The Solicitation and Information Agent shall mail a Beneficial Noteholder Information Package to Registered Holders.

25. ~~26.~~ The Solicitation and Information Agent shall, as soon as practical following the filing of the Information Circular on SEDAR, cause CDS and DTC to publish a bulletin to Participant Holders outlining the particulars of the Creditors' Meetings and the instructions for obtaining and recording the Voting Instructions.

26. ~~27.~~ Beneficial Noteholders are required to provide their Voting Instructions to their Participant Holder in accordance with the Voting Information and Election Form on or prior to the Beneficial Noteholder Voting and Election Deadline, or such earlier deadline that their Participant Holder may require subject to a later date as the Applicant, in consultation with the Monitor~~, the Plan Sponsor,~~ and the Majority Consenting First Lien Lenders, may agree in the event of an adjournment, postponement or other rescheduling of the Creditors' Meeting of General Creditors in order to vote at the Creditors' Meeting of General Creditors. Registered Holders other than CDS or DTC will provide the Voting Information and Election Form directly to the Solicitation and Information Agent prior to the Proxy Deadline.

27. ~~28.~~ If multiple Voting Instructions are received from the same Beneficial Noteholder, the latest dated Voting Instruction will supersede and revoke any earlier received Voting Instructions. If multiple Voting Instructions are received from the same Beneficial Noteholder and such Voting Instructions are dated with the same date but are voted inconsistently, such Voting Instructions will not be counted. If Voting Instructions are not dated, they shall be deemed dated as of the date received by the Participant Holder.

28. ~~29.~~ Each Participant Holder shall provide to the Solicitation and Information Agent a Master Proxy containing all Voting Instructions received from Beneficial Noteholders as soon as practical following the Beneficial Noteholder Voting and Election Deadline and in any event by no later than 5:00 p.m. on ~~October 2, 2018~~June 18, 2019 or such later date as the Applicant, in consultation with the Monitor~~, the Plan Sponsor,~~ and the

Majority Consenting First Lien Lenders, may agree in the event of an adjournment, postponement or other rescheduling of the Creditors' Meeting of General Creditors. The Solicitation and Information Agent shall deliver to the Monitor the tabulation of votes cast by Beneficial Noteholders, which shall include the votes deemed to be cast FOR the Plan by those Beneficial Noteholders who are Convenience Class Creditors. The Solicitation and Information Agent shall provide the Master List to the Monitor and the Scrutineers for the Creditors' Meeting of General Creditors prior to 9:00 a.m. on the Creditors' Meetings Date. The voting tabulation shall separately identify the principal value and number of Beneficial Noteholders voting FOR and AGAINST the Plan, following normal industry procedures.

29. ~~30.~~ The accidental failure of, or accidental omission by, the Solicitation and Information Agent to provide a copy of the Beneficial Noteholder Information Package to any one or more of the Participant Holders, the non-receipt of a copy of the Beneficial Noteholder Information Package by any Beneficial Noteholder beyond the reasonable control of the Solicitation and Information Agent or any failure or omission to provide a copy of the Beneficial Noteholder Information Package as a result of events beyond the reasonable control of the Solicitation and Information Agent (including, without limitation, any inability to use postal services) shall not constitute a breach of this 2019 Creditors' Meetings Order, and shall not invalidate any resolution passed or proceedings taken at the Creditors' Meeting of General Creditors, but if any such failure or omission is brought to the attention of the Solicitation and Information Agent prior to the Creditors' Meeting of General Creditors, then the Solicitation and Information Agent shall use reasonable efforts to rectify the failure or omission by the method and in the time most reasonably practicable in the circumstances.

NOTICE TO GENERAL CREDITORS

30. ~~31.~~ The Monitor shall forthwith, following the date of this 2019 Creditors' Meetings Order, post electronic copies of the General Creditors Meeting Materials on the Website.

31. ~~32.~~ The Monitor shall, on the Mailing Date, deliver the General Creditors Meeting Materials by pre-paid ordinary mail, courier, personal delivery or email to ~~(i)~~ each General Creditor (other than First Lien Lenders~~,~~ and Second Lien Noteholders ~~and Non-Continuing Employees~~), at the address set out in such General Creditor's Proof of Claim (or in any other written notice that has been received by the Monitor in advance of such date regarding a change of address for a General Creditor)~~, and (ii) each Non-Continuing Employee at the address set out in the books and records of the Applicant (or in any other written notice that has been received by the Monitor in advance of such date regarding a change of address for a Non-Continuing Employee)~~.

MONITOR'S REPORT ON PLAN

32. ~~33.~~ No later than seven (7) days before the Creditors' Meetings Date, the Monitor shall serve a report regarding the Plan pursuant to section 23(1)(d.1) of the CCAA on the Service List and cause such report to be posted on the Website.

CONDUCT OF MEETINGS AND DELIVERY OF PROXIES

33. ~~34.~~ The Applicant is hereby authorized and directed to call the Creditors' Meetings and to hold and conduct the Creditors' Meetings at, in the case of the ~~meeting~~Creditors' Meeting of the First Lien Lender Class, ~~10~~11:~~00~~30 a.m., and, in the case of the meeting of the General Creditor Class, at ~~10~~11:~~15~~45 a.m., on the Creditors' Meetings Date, at the offices of Cassels Brock & Blackwell LLP, Suite 3810, Bankers Hall West, 888 3rd Street SW, Calgary, Alberta, in the manner set forth herein. In the event that the Creditors' Meetings Date is extended after the Mailing Date, the Monitor shall post

notice of the extension of the Creditors' Meetings Date on the Website and provide notice of the extension of the Creditors' Meetings Date to the Service List.

34. ~~35.~~ The Chairperson shall preside as the chair of each of the Creditors' Meetings and, subject to this 2019 Creditors' Meetings Order or any further Order of the Court, shall decide all matters relating to the conduct of each of the Creditors' Meetings.

35. ~~36.~~ The Monitor may appoint one or more Scrutineers for the supervision and tabulation of the attendance at, quorum at and votes cast at each of the Creditors' Meetings. One or more people designated by the Monitor shall act as Secretary at each of the Creditors' Meetings.

36. ~~37.~~ The quorum required at each Creditors' Meeting shall be one (1) Affected Creditor with an Accepted Claim against the Applicant present in person or by proxy at the applicable Creditors' Meeting ~~in person or by proxy~~.

37. ~~38.~~ If the requisite quorum is not present at any Creditors' Meeting, or if the Creditors' Meetings Date is postponed or rescheduled pursuant to the terms of this Order, then the Chairperson shall reschedule the Creditors' Meeting(s) to a new date, time and place. Any adjournment or adjournments described in this paragraph ~~38~~37 shall be for a period of not more than seven (7) days in total unless otherwise agreed to by the Applicant~~, the Plan Sponsor~~, the Majority Consenting First Lien Lenders and the Monitor. In the event of any adjournment described in this paragraph ~~38~~37, no Person shall be required to deliver any notice of the adjournment of the Creditors' Meeting(s) or adjourned Creditors' Meeting(s), 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; and (iv) provide notice of the adjournment to the Service List forthwith. Any General Creditors Proxies and First Lien Lenders Proxies validly delivered in connection with the Creditors' Meeting(s) shall be accepted as proxies in respect of any adjourned Creditors' Meeting(s).

38. ~~39.~~ The only Persons entitled to attend and speak at 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 Scrutineer and the Secretary; (iv) the Monitor and the Monitor's legal counsel; (v) one or more representatives of the current board of Directors and/or senior management of the Applicant, as selected by the Applicant, and the Applicant'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 and Information Agent, and (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 Applicant, in consultation with the Monitor.

39. ~~40.~~ The Monitor may, with the consent of the Applicant, waive in writing the time limits imposed on Affected Creditors as set out in this 2019 Creditors' Meetings Order (including the schedules hereto), generally or in individual circumstances, if the Monitor deems it advisable to do so.

ASSIGNMENT OF AFFECTED CLAIMS PRIOR TO THE CREDITORS' MEETINGS

40. ~~41.~~ Subject to any restrictions contained in Applicable Laws, a General Creditor (other than a holder of a First Lien Deficiency Claim or a Beneficial Noteholder) may transfer or

assign the whole of its Claim prior to the Creditors' Meeting of General Creditors (or any adjournment thereof), provided that neither the Applicant nor the Monitor shall be obliged to deal with any transferee or assignee thereof as a General Creditor in respect of such Claim, including allowing such transferee or assignee to attend or vote at the Creditors' Meeting of General Creditors, unless and until a Proof of Assignment has been received and acknowledged by the Monitor in writing, on or before 5:00 p.m. on the date that is ten (10) Business Days prior to the Creditors' Meeting of General Creditors (or any adjournment thereof). If the Monitor receives and acknowledges such Proof of Assignment in accordance with this Order: (i) the transferor of the applicable Claim shall no longer constitute a General Creditor in respect of such Claim; and (ii) the transferee or assignee of the applicable Claim shall constitute a General Creditor in respect of such Claim and shall be bound by any and all notices previously given to the transferor or assignor in respect thereof and shall be bound by any General Creditors Proxy duly submitted to the Monitor in accordance with this 2019 Creditors' Meetings Order. For greater certainty, 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, provided that such General Creditor may, by notice in writing to the Monitor and acknowledged by the Monitor in writing prior to 5:00 p.m. on the date that is ten (10) Business Days prior to the Creditors' Meeting of General Creditors (or any adjournment thereof), direct that 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.

41. ~~42.~~ Only those Beneficial First Lien Lenders that have beneficial ownership of a portion of the First Lien Claim at the First Lien Record Date shall be entitled to vote at the Creditors' Meetings. Nothing in this 2019 Creditors' Meetings Order, including paragraph ~~41~~40, restricts any Beneficial First Lien Lenders from transferring or assigning its portion of the First Lien Claim prior to or after the First Lien Record Date, provided that if such transfer or assignment occurs after the First Lien Record Date, only the original Beneficial First Lien Lender as at the First Lien Record Date shall be treated as a Beneficial First Lien Lender for purposes of this 2019 Creditors' Meetings Order. For greater certainty, any transferee or assignee who takes assignment of a portion of the First Lien Claim after the First Lien Record Date will be required to obtain its entitled distribution from the transferor or assignor, who will remain the party treated as a Beneficial First Lien Lender pursuant to this 2019 Creditors' Meetings Order.

42. ~~43.~~ Only those Beneficial Noteholders that have beneficial ownership of one or more Second Lien Notes as at the Second Lien Notes Record Date shall be entitled to vote at the Creditors' Meeting of General Creditors. Nothing in this 2019 Creditors' Meetings Order, including paragraph ~~41~~40, restricts any Beneficial Noteholders from transferring or assigning its Second Lien Notes prior to or after the Second Lien Notes Record Date, provided that if such transfer or assignment occurs after the Second Lien Notes Record Date, only the original Beneficial Noteholder as at the Second Lien Notes Record Date shall be treated as a Beneficial Noteholder for purposes of this 2019 Creditors' Meetings Order.

43. ~~44.~~ The provisions of this 2019 Creditors' Meetings Order shall govern the assignment of Claims and override the assignment provisions contained at paragraphs 37 through 39 of the Claims Procedure Order, except in respect of claims that have, as at the date

of this 2019 Creditors' Meetings Order, been acknowledged by the Monitor in writing as assigned pursuant to the Claims Procedure Order.

VOTING AT THE MEETING OF THE FIRST LIEN LENDER CLASS

44. ~~45.~~ 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 Lender's Pro Rata Share of the First Lien Claim as of the First Lien Record Date.

VOTING AT THE MEETING OF THE GENERAL CREDITOR CLASS

45. ~~46.~~ Each General Creditor shall be entitled to one vote as part of the General Creditor Class, which vote shall have a value equal to the aggregate dollar value of such General Creditor's:

(a) Pro Rata Share, if any, of the First Lien Deficiency Claim as of the First Lien Record Date;

(b) Pro Rata Share, if any, of the Second Lien Deficiency Claim as of the Second Lien Notes Record Date, which vote, for greater certainty, shall be made by submitting Voting Instructions to the applicable Participant Holder in accordance with the terms of this 2019 Creditors' Meetings Order; and

(c) the balance of such General Creditor's Voting Claim, if any.

46. ~~47.~~ For greater certainty, with respect to voting by Beneficial Noteholders, only the Beneficial Noteholders through their Participant Holder, and not the Registered ~~Noteholder~~Holder or Participant Holder (unless such Registered Holder or Participant Holder holds such Second Lien Notes as beneficial owner on its own behalf) shall be entitled to vote on the Plan using the procedures provided for in this 2019 Creditors'

Meetings Order. Beneficial Noteholders must disclose their beneficial owner information through their Participant Holder in order to vote on the Plan. Participant Holders will aggregate Voting Instructions submitted by Beneficial Noteholders and submit a Master Proxy to the Solicitation and Information Agent.

47. ~~48.~~ Any General Creditor with an Accepted Claim greater than $2,000 (other than a Beneficial Noteholder) may make a Distribution Election in respect of their General Creditor Claim by submitting a Distribution Election Notice to the Monitor by no later than 5:00 p.m. on the Distribution Election Deadline. A Beneficial Noteholder with an Accepted Claim greater than $2,000 may make a Distribution Election by ~~indicating its election on its~~identifying itself and instructing its Participant Holder in accordance with the Voting Information and Election Form~~.~~, which must be provided to the Participant Holder prior to the Beneficial Noteholder Voting and Election Deadline. Unlike other General Creditors, a Beneficial Noteholder with an Accepted Claim equal to or less than $2,000 will only be deemed to be a Convenience Class Creditor if it provides a Voting Information and Election Form identifying itself and instructing its Participant Holder to make a Distribution Election prior to the Beneficial Noteholder Voting and Election Deadline. All Beneficial Noteholders with Accepted Claims ~~of less than $2,000~~in any amount who do not provide ~~Voting Instructions~~a Voting Information and Election Form to their Participant Holder prior to the Beneficial Noteholder Voting and Election Deadline will not be deemed to make a Distribution Election or be deemed to be Convenience Class Creditors and will instead be entitled to such Beneficial Noteholder's Pro Rata Share of the General Creditor Pool. For greater certainty, Beneficial Noteholders who take assignment following the Second Lien Notes Record Date are not entitled to return Voting Instructions or make a Distribution Election and shall be bound by and subject to

any Voting Information and Election Form delivered in respect of such Second Lien Notes in accordance with this 2019 Creditors' Meetings Order.

48. ~~49.~~ Notwithstanding anything else in this 2019 Creditors' Meetings Order, each Convenience Class Creditor will be deemed to vote as part of the General Creditor Class in favour of the Plan. Each vote shall have a value equal to such Convenience Class Creditor's Distribution Election Amount. Convenience Class Creditors shall not be entitled to vote at the Creditors' Meeting of General Creditors, whether in person or by proxy.

GENERAL VOTING PROCEDURE AND PROXIES

49. ~~50.~~ At each Creditors' Meeting, the Chairperson shall direct a vote, by written ballot, on a resolution to approve the Plan and any amendments thereto.

50. ~~51.~~ Subject to paragraph ~~46~~45, for the purpose of calculating the two-thirds majority in value of Accepted Claims at each Creditors' Meeting, the aggregate amount of Accepted Claims of all Affected Creditors that vote in favour of the Plan (in person or by proxy) at the Creditors' Meeting shall be divided by the aggregate amount of all Voting Claims of all Affected Creditors that vote on the Plan (in person or by proxy) at the Creditors' Meeting.

51. ~~52.~~ For the purposes of tabulating the votes cast on any matter that may come before a Creditors' Meeting, the Chairperson shall be entitled to rely on any vote cast by a holder of a First Lien Lenders Proxy and/or a General Creditors Proxy that has been duly submitted to the Monitor in the manner set forth in this 2019 Creditors' Meetings Order.

52. ~~53.~~ Any Affected Creditor (other than a Beneficial Noteholder) that is entitled to vote at one or more Creditors' Meetings must: (i) duly complete and sign a First Lien Lenders Proxy or General Creditors Proxy, as applicable; (ii) specify in the First Lien Lenders

Proxy and/or General Creditors Proxy the name of the Person with the power to attend and vote at the applicable Creditors' Meeting(s) on behalf of such Affected Creditor, as the case may be; and (iii) deliver such 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 and such delivery must be made in accordance with the instructions accompanying such First Lien Lenders Proxy and/or General Creditors Proxy. Upon receipt of a First Lien Lenders Proxy from a First Lien Lender, the Monitor shall deliver a copy of the Issuance Instructions included in a First Lien Lenders Proxy to the Solicitation and Information Agent.

53. ~~54.~~ The vote "FOR" or "AGAINST" a resolution indicated by a First Lien Lender on its First Lien ~~Lender~~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 Creditor's Meeting of General Creditors, provided however that a First Lien Lender shall also return a Voting Information and Election Form to their Participant Holder prior to the Beneficial Noteholder Voting and Election Deadline for its vote in respect of its Second Lien Deficiency Claim to be recorded.

54. ~~55.~~ In the event that an Affected Creditor (other than a Beneficial Noteholder) validly submits a Proxy to the Monitor and subsequently attends a Creditors' Meeting in person and votes inconsistently, such Affected Creditor's vote at the applicable Creditors' Meeting shall supersede and revoke the earlier received Proxy.

55. ~~56.~~ In the event that a Beneficial Noteholder who holds General Creditor Claims other than Second Lien Deficiency Claims submits Voting Instructions and a General Creditors Proxy with inconsistent votes, its vote in respect of their entire General

Creditor Claim shall be deemed invalid and shall be disregarded and not counted for any purpose.

56. ~~57.~~ Notwithstanding anything in paragraphs ~~53~~52 or ~~54~~53 or any minor error or omission in any First Lien Lenders Proxy or General Creditors Proxy that is submitted to the Monitor, the Chairperson shall have the discretion to accept for voting purposes any First Lien Lenders Proxy or General Creditors Proxy submitted to the Monitor in accordance with this 2019 Creditors' Meetings Order.

VOTING OF DISPUTED CLAIMS

57. ~~58.~~ If there is any dispute as to the amount of the Pro Rata Share of the First Lien Claim or the First Lien Deficiency Claim owing to any individual Beneficial First Lien Lender, the Monitor will request the First Lien Agent to confirm with the Monitor the information provided with respect to such Beneficial First Lien Lender's Claim. If any such dispute is not resolved by the date of the Creditors' Meetings (or any adjournment thereof), the Monitor shall tabulate the vote FOR or AGAINST the Plan in respect of the disputed amount owing or claimed to be owing to such Beneficial First Lien Lender separately. If: (i) any such dispute remains unresolved as of the Sanction Hearing date; and (ii) the approval or non-approval of the Plan would be affected by the votes cast in respect of such disputed amount, then such result shall be reported to the Court at the Sanction Hearing and, if necessary, the Applicant or the Monitor may make a request to the Court for directions.

58. ~~59.~~ If there is any dispute as to the amount owing under or number of Second Lien Notes held by any Beneficial Noteholder, the Monitor will request the Participant Holder, if any, who maintains book entry records or other records evidencing such Beneficial Noteholder's ownership of Second Lien Notes, to confirm with the Monitor the

information provided with respect to such Beneficial Noteholder's Claim. If any such dispute is not resolved by the date of the Creditors' Meeting of General Creditors (or any adjournment thereof), the Monitor shall tabulate the vote FOR or AGAINST the Plan in respect of the disputed amount owing or claimed to be owing under such Beneficial Noteholder's Second Lien Notes separately. If: (i) any such dispute remains unresolved as of the Sanction Hearing Date; and (ii) the approval or non-approval of the Plan would be affected by the votes cast in respect of such disputed amount, then such result shall be reported to the Court at the Sanction Hearing and, if necessary, the Applicant or the Monitor may make a request to the Court for directions.

59. ~~60.~~ Notwithstanding anything to the contrary herein or in the Plan, each Affected Creditor with a Disputed Claim against the Applicant as at the Creditors' Meetings Record Date shall be entitled to attend the applicable Creditors' Meeting(s) and shall be entitled to one vote at said Creditors' Meeting(s) in respect of such Disputed Claim. Any vote cast in respect of a Disputed Claim shall be dealt with in accordance with paragraph ~~61~~60, unless and until (and then only to the extent that) such Disputed Claim is ultimately determined to be: (i) an Accepted Claim, in which case such vote shall have the dollar value attributable to such Accepted Claim; or (ii) a Disallowed Claim, in which case such vote shall be disregarded and not counted for any purpose.

60. ~~61.~~ The Monitor shall keep a separate record of votes cast by Affected Creditors with Disputed Claims and shall report to the Court with respect thereto at the Sanction Hearing. If approval or non-approval of the Plan by Affected Creditors would be affected by the votes cast in respect of Disputed Claims, such result shall be reported to the Court as soon as reasonably practicable after the Creditors' Meetings.

61. ~~62.~~ The Applicant and the Monitor shall have the right to seek the assistance of the Court at any time in valuing any Disputed Claim if required to ascertain the result of any vote on the Plan.

APPROVAL OF THE PLAN

62. ~~63.~~ The Plan must receive an affirmative vote of the Required Majorities at each Creditors' Meeting in order to be approved by the Affected Creditors.

63. ~~64.~~ The result of any vote at any of the Creditors' Meetings shall be binding on all Affected Creditors, regardless of whether such Affected Creditor was present at or voted at the applicable Creditors' Meeting(s) or was entitled to be present or vote at either of or both of the Creditors' Meetings.

64. Having been advised of the provisions of Multilateral Instrument 61-101 "*Protection of Minority Security Holders in Special Transactions*", relating to the requirement for "minority" shareholder approval in certain circumstances, this Court orders that no meeting of shareholders or other holders of Equity Claims in the Applicant is required to be held in respect of the Plan.

PLAN SANCTION

65. The Monitor shall provide the Monitor's Report Regarding the Creditors' Meetings to the Court as soon as practicable ~~(and in any event within one (1) Business Day)~~ after the Creditors' Meetings with respect to:

(a) the results of any votes taken at the Creditors' Meetings (or any adjournment thereof);

(b) whether each of the Required Majorities has approved the Plan;

(c) any separate tabulation of votes required by paragraphs ~~58~~57, ~~59~~58 or ~~61~~60 herein; and

(d) in its discretion, any other matter relating to the Applicant's motion seeking sanction of the Plan.

66. An electronic copy of the Monitor's Report Regarding the Creditors' Meetings and a copy of the materials filed in respect of the Sanction Hearing shall be served on the Service List and posted on the Website prior to the Sanction Hearing.

67. In the event the Plan is approved by each of the Required Majorities, the Sanction Hearing shall be held on the Sanction Hearing Date.

68. Any Person who wishes to oppose the Sanction Hearing shall serve on the Applicant, 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. on the date that is seven (7) Business Days prior to the Sanction Hearing Date.

69. Service of this 2019 Creditors' Meetings Order by the Monitor or the Applicant to the parties on the Service List shall constitute good and sufficient service of notice of the Sanction Hearing on all Persons entitled to receive such service and no other form of notice or service need be made and no other materials need be served in respect of the Sanction Hearing, except that, subject to paragraph 68, any party who intends to rely upon any additional materials in support of the Sanction Hearing shall also serve the Service List with such additional materials by no later than 5:00 p.m. on the date that is at least one (1) Business Day prior to the Sanction Hearing Date.

70. In the event that the Sanction Hearing is adjourned, only those Persons appearing on the Service List as of the date of service or who have provided notice under paragraph 68 herein shall be served with notice of the adjourned date.

MISCELLANEOUS

71. Notwithstanding anything contained in this 2019 Creditors' Meetings Order, the Applicant may decide not to call, hold and conduct one or more of the Creditors' Meetings, provided that:

(a) in the case of a decision not to conduct a Creditors' Meeting, the Monitor, the Applicant or the Chairperson shall communicate such decision to Affected Creditors present at the Creditors' Meeting(s) prior to any vote being taken at the Creditors' Meeting(s);

(b) the Applicant shall forthwith provide notice to the Service List of any such decision and shall file a copy thereof with the Court forthwith and in any event prior to the Sanction Hearing; and

(c) the Monitor shall post an electronic copy of any such decision on the Website forthwith and in any event prior to the Sanction Hearing.

72. Nothing in this 2019 Creditors' Meetings Order (including the acceptance or determination of any Claim, or any part thereof, as a Voting Claim in accordance with this 2019 Creditors' Meetings Order) has the effect of determining Accepted Claims for purposes of distributions or payments under the Plan.

73. The Monitor's fulfillment of the notice, delivery and Website posting requirements set out in this 2019 Creditors' Meetings Order shall constitute good and sufficient notice, service and delivery thereof on all Persons who may be entitled to receive notice, service or delivery thereof or who may wish to be present or vote (in person or by proxy) at the Creditors' Meetings, and that no other form of notice, service or delivery need be given or made on such Persons and no other document or material need be served on such Persons.

74. The Applicant and the Monitor shall use reasonable discretion as to the adequacy of compliance with respect to the manner in which any forms hereunder are completed and executed and the time in which they are submitted and may waive strict compliance with the requirements of this 2019 Creditors' Meetings Order including with respect to the completion, execution and time of delivery of required forms.

75. The Applicant or the Monitor may, from time to time, apply to the Court to amend, vary, supplement or replace this 2019 Creditors' Meetings Order or for advice and directions concerning the discharge of their respective powers and duties under this 2019 Creditors' Meetings Order or the interpretation or application of this 2019 Creditors' Meetings Order.

76. Subject to any further Order of the Court, in the event of any conflict, inconsistency, ambiguity or difference between the provisions of the Plan and this 2019 Creditors' Meetings Order, the provisions of the Plan shall govern and be paramount, and any such provision of this 2019 Creditors' Meetings Order shall be deemed to be amended to the extent necessary to eliminate any such conflict, inconsistency, ambiguity or difference.

77. Any notice or other communication to be given under this 2019 Creditors' Meetings Order by an Affected Creditor to the Applicant, the Monitor or the Consenting First Lien Lenders shall be in writing in substantially the form, if any, provided for in this 2019 Creditors' Meetings Order and will be sufficiently given only if given by prepaid ordinary mail, registered mail, courier, personal delivery, or email addressed to:

The Applicant	Connacher Oil and Gas Limited Suite 1040 – 640 5th Ave SW Calgary, Alberta T2P 3G4 Attention: Suzanne Loov Email: sloov@connacheroil.com

With a copy to the Applicant's counsel and a copy to the Monitor (which shall not constitute notice):	Cassels Brock & Blackwell LLP Scotia Plaza, 40 King Street West Suite 2100 Toronto, ON M5H 3C2 Attention: Ryan Jacobs/ Joseph Bellissimo E-mail: rjacobs@casselsbrock.com/ jbellissimo@casselsbrock.com
The Monitor:	Ernst & Young Inc. Calgary City Centre 2200-215 2nd Street SW Calgary, Alberta T2P 1M4 Attention: ~~Neil Narfason/~~Peter Chisholm/Jose Aldana Herbas E-mail: ~~neil.narfason@ca.ey.com/~~ peter.chisholm@ca.ey.com/ jose.aldana.herbas@ca.ey.com
With a copy to the Monitor's Counsel (which shall not constitute notice):	McCarthy Tétrault LLP Suite 4000, 421 7th Avenue SW Calgary, Alberta T2P 4K9 Attention: Sean F. Collins/Walker MacLeod E-mail: scollins@mccarthy.ca/ wmacleod@mccarthy.ca
The Consenting First Lien Lenders	Bennett Jones LLP 3400 One First Canadian Place P.O. Box 130 Toronto, ON M5X 1A4 Attention: Sean Zweig/ Michael Shakra Email: zweigs@bennettjones.com shakram@bennettjones.com

78. Any such notice or other communication shall be deemed to have been received: (a) if sent by prepaid ordinary mail or registered mail, on the third (3rd) Business Day after mailing in Alberta, the fifth (5th) Business Day after mailing within Canada (other than within Alberta), and the tenth (10th) Business Day after mailing internationally; (b) if sent by courier or personal delivery, on the next Business Day following dispatch; and (c) if

sent by email by 5:00 p.m. on a Business Day, on such Business Day and if delivered after 5:00 p.m. or other than on a Business Day, on the following Business Day.

79. In the event that the day on which any notice or communication required to be delivered pursuant to this 2019 Creditors' Meetings Order is not a Business Day, then such notice or communication shall be required to be delivered on the next Business Day.

80. If, during any period during which notices or other communications are being given pursuant to this 2019 Creditors' Meetings Order, a postal strike or postal work stoppage of general application should occur, such notices or other communications sent by ordinary or registered mail and then not received shall not, absent further Order of this 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 e-mail in accordance with this 2019 Creditors' Meetings Order.

81. This Court hereby requests the aid and recognition of any court, tribunal, and regulatory or administrative body having jurisdiction in Canada or the United States, or in any other foreign jurisdiction, to give effect to this 2019 Creditors' Meetings Order and to assist the Applicant, the Monitor and their respective agents in carrying out the terms of this 2019 Creditors' Meetings Order. All courts, tribunals, and regulatory or administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Applicant, or any of them, and to the Monitor, as an officer of the Court, as may be necessary or desirable to give effect to this 2019 Creditors' Meetings Order, to grant representative status to the Applicant in any foreign proceeding, or to assist the Applicant and the Monitor and their respective agents in carrying out the terms of this 2019 Creditors' Meetings Order.

J.C.Q.B.A.

SCHEDULE "A"

GLOSSARY

For the purposes of this 2019 Creditors' Meetings Order, the following terms shall have the following meanings[1]:

(a) "**2019 Creditors' Meetings Order**" means this order, as amended, restated or varied from time to time by subsequent Order(s);

(b) "**Amended and Restated Support Agreement**" means that certain Amended and Restated Support Agreement dated May 6, 2019 among the Company, the Consenting First Lien Lenders and the First Lien Agent, as may be amended from time to time;

(c) ~~(a)~~ "**Applicant**" has the meaning given to it in the preamble to this 2019 Creditors' Meetings Order;

(d) ~~(b)~~ **"Beneficial Noteholder Information Package"** includes the Beneficial Noteholders' Notice, the 2019 Creditors' Meetings Order, the Information Circular, and the Voting Information and Election Form;

(e) ~~(c)~~ "**Beneficial Noteholder Voting and Election Deadline**" means 5:00 p.m. two Business Days before the Creditors' Meetings Date;

(f) ~~(d)~~ "**Beneficial Noteholders' Notice**" means the notice substantially in the form attached as Schedule "G " hereto;

(g) "**Broadridge**" means Broadridge Financial Solutions, Inc.

(h) ~~(e)~~ "**Court**" means the Court of Queen's Bench of Alberta;

[1] Capitalized terms not defined in the Glossary have the meanings given to them in the Plan.

(i) ~~(f)~~ "**CDS**" means CDS Clearing and Depository Services Inc.;

(j) ~~(g)~~ "**Chairperson**" means a representative of the Monitor, designated by the Monitor, who will preside as the chair of each of the Creditors' Meetings;

(k) "**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.

(l) "**Convenience Class Creditor**" means a General Creditor with a Convenience Class Claim, provided that in order to be a Convenience Class Creditor in respect of a Second Lien Deficiency Claim a Beneficial Noteholder must deliver a Voting Information and Election Form.

(m) ~~(h)~~ "**Creditors' Meetings**" means the creditors' meetings of the (i) First Lien Lender Class, and (ii) the General Creditor Class, and includes any adjournments or postponements thereof;

(n) ~~(i)~~ "**Creditors' Meetings Date**" means ~~October 3, 2018,~~June 19, 2019, provided that the Creditors' Meetings Date may be adjourned, postponed or otherwise rescheduled by (i) the Applicant with the consent of the Monitor~~, the Plan Sponsor,~~ and the Majority Consenting First Lien Lenders, or (ii) the vote of a majority in value of Voting Claims of the Affected Creditors present at the applicable Creditors' Meetings in person or by proxy;

~~(j)~~ ~~"**Creditors' Meetings Order**" means this order, as amended, restated or varied from time to time by subsequent Order(s);~~

(o) ~~(k)~~ "**Distribution Election Deadline**" means 5:00 p.m. two Business Days before the Creditors' Meetings Date;

(p) ~~(l)~~ "**DTC**" means The Depository Trust Company;

(q) ~~(m)~~ "**First Lien Lenders Meeting Materials**" means copies of:

(i) the Notice to Affected Creditors;

(ii) the Information Circular;

(iii) the 2019 Creditors' Meetings Order; and

(iv) a blank form of the First Lien Lenders Proxy;

(r) ~~(n)~~ "**First Lien Lenders Proxy**" means a proxy substantially in the form attached as Schedule "D" hereto, 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;

(s) ~~(o)~~ "**First Lien Record Date**" means ~~August 22, 2018~~May 16, 2019;

(t) ~~(p)~~ "**General Creditors Meeting Materials**" means copies of:

(i) the Notice to Affected Creditors

(ii) the Information Circular;

(iii) the 2019 Creditors' Meetings Order;

(iv) a blank form of the General Creditors Proxy;

(v) the Distribution Election Notice; and

(vi) the Insured Claim Option Notice;

(u) ~~(q)~~ "**General Creditors Proxy**" means a proxy substantially in the form attached as Schedule "E" hereto, 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;

(v) ~~(r)~~ "**Information Circular**" means the information circular in respect of the Plan and the Creditors' Meetings substantially in the form attached as Exhibit "~~E~~F" to the Johnson Affidavit, as the same may be amended, supplemented or restated from time to time;

(w) "**Initial Order**" means the Initial Order granted by the Honourable Madam Justice Dario on May 17, 2016;

(x) ~~(s)~~ "**Insured Claim Option Notice**" means the notice pursuant to paragraph ~~17~~16 of this 2019 Creditors' Meetings Order, substantially in the form attached as Schedule "K" hereto;

(y) "**Issuance Instructions**" means the instructions provided by a First Lien Lender in a First Lien Lenders Proxy for the issuance of the New Shares;

(z) ~~(t)~~ "**Johnson Affidavit**" has the meaning given to it in the preamble to this 2019 Creditors' Meetings Order;

(aa) ~~(u)~~ "**Mailing Date**" means the second (2nd) Business Day following the date of this 2019 Creditors' Meetings Order;

(bb) ~~(v)~~ "**Master List**" means the master list of all Voting Instructions and Distribution Election Notices provided by Participant Holders to the Solicitation and Information Agent;

(cc) “**Master Proxy**” means the proxy to be delivered by each Participant Holder to the Solicitation and Information Agent, substantially in the form attached as Schedule “L” hereto;

(dd) ~~(w)~~ “**Monitor’s Report Regarding the Creditors’ Meetings**” means a report of the Monitor regarding the Creditors’ Meetings;

(ee) ~~(x)~~ “**Newspaper Notice**” means the notice for publication pursuant to paragraph ~~14~~13 of this 2019 Creditors’ Meetings Order, substantially in the form attached as Schedule “J” hereto;

~~(y)~~ ~~“**Non-Continuing Employee**” means an employee of the Applicant 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 be agreed to by the Applicant and the Plan Sponsor);~~

(ff) ~~(z)~~ “**Notice to Affected Creditors**” means the notice to Affected Creditors substantially in the form attached as Schedule “C “ hereto;

(gg) ~~(aa)~~ “**Participant Holder**” means an institution that is a CDS or DTC participant with respect to the Second Lien Notes;

(hh) ~~(bb)~~ “**Participant Holders List**” means the list provided by the Second Lien Trustee to the Monitor showing the names of Participant Holders and the principal amount of Second Lien Notes held by each Participant Holder as at the Second Lien Notes Record Date;

~~(cc)~~ ~~“**Plan Sponsorship Agreement**” means the CCAA Acquisition and Plan Sponsorship Agreement between the Applicant and East River Oil and Gas Ltd. dated August 2, 2018, as may be amended from time to time;~~

(ii) ~~(dd)~~ "**Proxy Deadline**" means 5:00 p.m. two Business Days before the Creditors' Meetings Date;

(jj) ~~(ee)~~ "**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;

(kk) ~~(ff)~~ "**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;

(ll) ~~(gg)~~ "**Sanction Hearing**" means the Applicant's Application for the Sanction Order on the Sanction Hearing Date;

(mm) ~~(hh)~~ "**Sanction Hearing Date**" means ~~October 4, 2018,~~June 20, 2019, or such later date as may be acceptable to the Applicant, the Monitor~~, the Plan Sponsor,~~ and the Majority Consenting First Lien Lenders;

(nn) ~~(ii)~~ "**Scrutineer**" means a scrutineer appointed by the Monitor;

(oo) ~~(jj)~~ "**Second Lien Notes Record Date**" means ~~August 22, 2018~~May 16, 2019;

(pp) ~~(kk)~~ "**Secretary**" means a secretary at each Creditors' Meeting designated by the Monitor;

(qq) ~~(ll)~~ "**SEDAR**" means the System for Electronic Document Analysis and Retrieval system for public filing of securities regulatory information, accessible online at the web address https://www.sedar.com/;

(rr) ~~(mm)~~ “**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;

(ss) ~~(nn)~~ “**Shareholder Notice**” means the press release to be issued by the Applicant including the information contained in Schedule “I” hereto;

(tt) ~~(oo)~~ “**Solicitation and Information Agent**” means Kingsdale Advisors;

(uu) ~~(pp)~~ **“Voting Information and Election Form”** means the Voting Information and Election Form for Beneficial Noteholders substantially in the form attached as Schedule “H “ hereto; and

(vv) ~~(qq)~~ **“Voting Instructions”** means the voting instructions and Distribution Election Notices submitted by Beneficial Noteholders entitled to vote at the Creditors’ Meeting of General Creditors.

SCHEDULE “B”

PLAN OF COMPROMISE AND ARRANGEMENT

[intentionally omitted from this draft 2019 Creditors’ Meetings Order – please refer to the version included in the Johnson Affidavit]

SCHEDULE "C"

FORM OF NOTICE TO AFFECTED CREDITORS

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 for holders as of the applicable record dates will be held on ~~October 3, 2018~~June 19, 2019 at ~~10~~11:~~00~~30 a.m. (Calgary time) and ~~10~~11:~~15~~45 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, respectively (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~~May 6, 2019 (as may be ~~further~~ amended, restated, ~~varied, modified and/or~~ supplemented or replaced 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.~~May 16, 2019.

Capitalized terms used and not otherwise defined in this Notice have the respective meanings given to them in the Plan or the 2019 Creditors' Meetings Order.

The Plan

The Plan contemplates the compromise of the Claims of the Affected Creditors. The 2019 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, of at least one Beneficial First Lien Lender with an Accepted Claim and (ii) at the meeting of the General Creditor Class, of at least one General Creditor with an Accepted Claim.

In order for the Plan to be approved and binding in accordance with the CCAA, the applicable 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~~Meeting(s).

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 2019 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~~Jose Aldana Herbas), email: connacher.monitor@ca.ey.com prior to 5:00 p.m. (Calgary time) on the ~~last~~day that is two business ~~day~~days 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 to their Participant Holder. Beneficial Noteholders with questions regarding the solicitation process should contact the Solicitation and Information Agent, Kingsdale Advisors, by phone: 416-867-2272; North American Toll Free: 1-~~877-659-1821~~888-642-3150; 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~~June 20, 2019 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, Alberta.

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. (Calgary time) 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 2019 Creditors' Meetings Order.

DATED this ~~22nd~~16th day of ~~August~~May, ~~2018.~~2019.

SCHEDULE "D"

FORM OF FIRST LIEN LENDERS PROXY

PROXY AND INSTRUCTIONS
FOR FIRST LIEN LENDERS
IN THE MATTER OF THE PROPOSED
PLAN OF COMPROMISE AND ARRANGEMENT OF
CONNACHER OIL AND GAS LIMITED

MEETINGS OF FIRST LIEN LENDERS AND GENERAL CREDITORS

to be held pursuant to an Order of the Court of Queen's Bench of Alberta (the "**Court**") made on ~~August 22, 2018~~May 16, 2019 (the "**2019 Creditors' Meetings Order**") in connection with the ~~Amended and Restated~~ Plan of Compromise and Arrangement of Connacher Oil and Gas Limited (the "**Applicant**") dated ~~August 13, 2018~~May 6, 2019 (as may be further amended, restated, varied, modified and/or supplemented from time to time, the "**Plan**") on ~~October 3, 2018~~June 19, 2019 at ~~10~~11:~~00~~30 a.m. (Calgary time) and at any adjournment, postponement or other rescheduling thereof (the "**First Lien Lender Meeting**"), and on ~~October 3, 2018~~June 19, 2019 at ~~10~~11:~~15~~45 a.m. (Calgary time) and at any adjournment, postponement or other rescheduling thereof (the "**General Creditor Class Meeting**") at:

Cassels Brock & Blackwell LLP
Suite 3810, Bankers Hall West
888-3rd Street SW
Calgary, Alberta

Please complete, sign and date this Proxy and return it to the Monitor, Ernst & Young Inc., so it is actually received by 5:00 p.m. (Calgary time) on ~~October 1, 2018,~~June 17, 2019, or by two (2) Business Days prior to any adjourned, postponed or rescheduled Creditors' Meeting (the "**Proxy Deadline**").

The Plan is included in the First Lien Lender Meeting Materials delivered by the Monitor to all First Lien Lenders, a copy of which you have received. All capitalized terms used but not defined in this Proxy shall have the meanings ascribed to such terms in the Plan or in the 2019 Creditors' Meetings Order.

You should review the Plan before you vote. In addition, on ~~August 22, 2018,~~May 16, 2019, the Court issued the 2019 Creditors' Meetings Order establishing certain procedures for the conduct of the Creditors' Meetings, a copy of which is included in the First Lien Lender Meeting Materials. The 2019 Creditors' Meetings Order contains important information regarding the voting process. Please read the 2019 Creditors' Meetings Order and the instructions sent with this Proxy prior to submitting this Proxy.

If the Plan is approved by the Required Majorities, is sanctioned by the Court and is implemented, it will be binding on you whether or not you vote.

APPOINTMENT OF PROXYHOLDER AND VOTE

By checking one of the two boxes below, the undersigned First Lien Lender hereby revokes all proxies previously given and nominates, constitutes and appoints either (if no box is checked, the Monitor will act as your proxyholder):

☐ ____, or

☐ Sean Zweig of Bennett Jones LLP, counsel to the First Lien Agent and Consenting First Lien Lenders,

as proxyholder, with full power of substitution, to attend, vote and otherwise act for and on behalf of the undersigned at the First Lien Lender Meeting and at adjournment(s), postponement(s) and rescheduling(s) thereof, and at the General Creditor Class Meeting and at adjournment(s), postponement(s) and rescheduling(s) thereof and to vote the amount of the First Lien Lender's Voting Claim(s), as follows (*mark only one*):

☐ Vote **FOR** the approval of the Plan, or

☐ Vote **AGAINST** the approval of the Plan

Please note that if no specification is made above, the First Lien Lender will be deemed to have voted FOR approval of the Plan at the First Lien Lender Meeting and at the General Creditor Class Meeting provided unless the First Lien Lender otherwise exercises its right to vote at the First Lien Lender Meeting or the General Creditor Class Meeting.

The person named as proxyholder is specifically directed to vote as shown below. The person named as proxyholder is also directed to vote at the proxyholder's discretion and otherwise act for and on behalf of the undersigned with respect to any amendments or variations to the Plan and to any matters that may come before the First Lien Lender Meeting or at the General Creditor Class Meeting or at any adjournment, postponement or rescheduling thereof.

DEEMED VOTE IN GENERAL CREDITOR CLASS

For greater certainty, the vote "FOR" or "AGAINST" approval of the Plan indicated by a First Lien Lender on its First Lien ~~Lender~~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 General Creditor Class Meeting~~.~~, provided however that a First Lien Lender must also return a Voting Information and Election Form to their Participant Holder prior to the Beneficial Noteholder Voting and Election Deadline for their vote in respect of their Second Lien Deficiency Claim to be recorded.

The General Creditor Class Claims held by the undersigned First Lien Lender are:

1 The First Lien Deficiency Claim associated with the amount set of the First Lien Lender Claim set out above

2 ____

Claim Description Amount

3 ____

Claim Description | Amount

(attach additional pages if required)

Although any General Creditor Claims held by the undersigned First Lien Lender will be deemed to be voted in accordance with this Proxy, First Lien Lenders are required to submit their Voting Instructions on account of any the Second Lien Deficiency Claim held by the First Lien Lender to allow the applicable Participant Holder to verify the beneficial ownership of the Second Lien Notes.

DATED at ______________________ this _______ day of ___________________, ~~2018.~~2019.

FIRST LIEN LENDER'S SIGNATURE:

(Print Legal Name of First Lien Lender)

(Print Legal Name of Assignee, if applicable)

Signature of Witness	(Signature of the First Lien Lender/Assignee or an Authorized Signing Officer of the First Lien Lender/Assignee)
Print Name of Witness	(Print Name and Title of Authorized Signing Officer of the First Lien Lender/Assignee, if applicable)

(Mailing Address of the First Lien Lender/Assignee)

(Telephone Number and E-mail of the First Lien Lender/Assignee or Authorized Signing Officer of the First Lien Lender/Assignee)

YOUR PROXY MUST BE RECEIVED BY THE MONITOR AT THE MAILING ADDRESS OR EMAIL ADDRESS LISTED BELOW OR BEFORE THE PROXY DEADLINE.

Ernst & Young Inc.
Calgary City Centre

2200-215 2nd Street SW
Calgary, Alberta T2P 1M4

Attention: ~~Holly McGregor~~Jose Aldana Herbas
E-mail: connacher.monitor@ca.ey.com

If you have any questions regarding this Proxy or the voting procedures, or if you need an additional copy or additional copies of the enclosed materials, please contact the Monitor at connacher.monitor@ca.ey.com or visit the Monitor's Website at www.ey.com/ca/connacheroilandgas.

INSTRUCTIONS FOR COMPLETION OF PROXY FOR FIRST LIEN LENDERS

1. All capitalized terms used but not defined in this Proxy shall have the meanings ascribed to such terms in the Plan or in the 2019 Creditors' Meetings Order, copies of which you have received.

2. 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. 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 Lender's Pro Rata Share of the First Lien Claim as of the First Lien Record Date.

3. Each Beneficial First Lien Lender 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 Beneficial First Lien Lender'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) Affected Claim, if any, that is not either a First Lien Deficiency Claim or a Second Lien Deficiency Claim.

4. Check the appropriate box to vote FOR or AGAINST the Plan. If you do not check either box, you will be deemed to have voted FOR approval of the Plan provided you do not otherwise exercise your right to vote at the First Lien Lender Meeting or the General Creditor Class Meeting.

5. The vote "FOR" or "AGAINST" approval of the Plan indicated by a First Lien Lender on its First Lien ~~Lender~~Lenders Proxy shall be deemed to be such First Lien Lender's vote in respect of any General Creditor Claims including any portion of First Lien Deficiency Claim or Second Lien Deficiency Claim held by such First Lien Lender for the General Creditor Class Meeting. First Lien Lenders need not calculate the amount of the First Lien Deficiency Claim held when completing the First Lien ~~Lender~~Lenders Proxy. However, First Lien Lenders who hold a portion of the Second Lien Deficiency Claim must return Voting Instructions and their identifying information for their Second Lien Deficiency Claim vote to be counted.

6. Each First Lien Lender who has a right to vote at the First Lien Lender Meeting and the General Creditor Class Meeting has the right to appoint a person (who need not be an Affected Creditor) to attend, act and vote for and on behalf of the First Lien Lender and such right may be exercised by inserting in the space provided the name of the person to be appointed, or to select a representative of the Monitor as its proxyholder. If no proxyholder is specifically identified, the First Lien Lender will be deemed to have appointed Sean Zweig of Bennett Jones LLP, counsel to the First Lien Agent and the Consenting First Lien Lenders, or such other person as Sean Zweig may designate, as proxyholder of the First Lien Lender, with full power of substitution, to attend, vote and otherwise act for and on behalf of the First Lien Lender at the First Lien Lender Meeting and the General Creditor Class Meeting to be held in connection with the Plan and at any and all adjournment(s), postponement(s) or other rescheduling(s) thereof.

7. Please read and follow these instructions carefully. Your completed Proxy must actually be received (i) by the Monitor at Ernst & Young Inc., Monitor of Connacher Oil and Gas

Limited, Calgary City Centre, 2200-215 2nd Street SW, Calgary, Alberta T2P 1M4 (Attention: ~~Holly McGregor~~Jose Aldana Herbas), email: connacher.monitor@ca.ey.com prior to 5:00 p.m. two business days before the Creditors' Meetings (or any adjournment, postponement or rescheduling thereof). Proxies can be sent to the Monitor at the mailing address or email address listed above. If your Proxy is not received by the Proxy Deadline, unless such time is extended, your Proxy will be disregarded and not counted.

8. Sign the Proxy - your signature is required on the Proxy to appoint a proxyholder and vote at the First Lien Lender Meeting and the General Creditor Class Meeting. If you are completing the Proxy as a duly authorized representative of a corporation or other entity, indicate your relationship with such corporation or other entity and the capacity in which you are signing, and if subsequently requested, provide proof of your authorization to so sign. In addition, please provide your name, mailing address, telephone number and e-mail address.

9. If you need additional Proxies, please immediately contact the Monitor.

10. If multiple Proxies are received from the same person with respect to the same Claims prior to the Proxy Deadline, the latest dated, validly executed Proxy that is timely received by the Monitor will supersede and revoke any earlier received Proxy. However, if a holder of Claims casts Proxies received by the Monitor dated with the same date, but which are voted inconsistently, such Proxies will be disregarded and not counted. If a Proxy is not dated in the space provided, it shall be deemed dated as of the date it is received by the Monitor.

11. If a First Lien Lender validly submits a Proxy to the Monitor and subsequently attends the First Lien Lender Meeting or the General Creditor Class Meeting and votes in person inconsistently, such First Lien Lender's vote at the First Lien Lender Meeting or the General Creditor Class Meeting will supersede and revoke the earlier received Proxy.

12. Proxies may be accepted for purposes of an adjourned, postponed or other rescheduled Creditors' Meeting if received by the Monitor by the Proxy Deadline.

13. Any Proxy that is illegible or contains insufficient information to permit the identification of the claimant will not be counted.

14. After the Proxy Deadline, no Proxy may be withdrawn or modified, except by a First Lien Lender voting in person at the First Lien Lender Meeting (or the General Creditor Class Meeting), without the prior consent of the Monitor and the Applicant.

If you have any questions regarding this Proxy or the voting procedures, or if you need an additional copy or additional copies of the enclosed materials, please contact the Monitor at connacher.monitor@ca.ey.com or visit the Monitor's Website at ~~www.ey.com/ca/connacheroilandgas~~www.ey.com/ca/connacheroilandgas.

FIRST LIEN LENDER SHARE ISSUANCE INSTRUCTIONS

A First Lien Lender must also provide the information requested below (the "**Issuance Instructions**"). Upon receipt of the Issuance Instructions from a First Lien Lender, the Monitor will provide the Issuance Instructions to the Solicitation and Information Agent. If the Plan is implemented, the Issuance Instructions will be used to issue the New Shares to be distributed under the Plan to the applicable First Lien Lender.

Important: No First Lien Lender shall be entitled to the rights associated with the New Shares and all such New Shares shall be reserved on the books and records of the Applicant and credited to the benefit of the applicable First Lien Lender until such time as such First Lien Lender has delivered the Issuance Instructions set forth below.

(Name as it should appear on the share certificate)
(Street Address and Number)
(City and Province or State)
(Country and Postal (ZIP) Code)
(Contact Name and Telephone – Business Hours)
(Email Address)
(Facsimile Number)

SCHEDULE "E"

FORM OF GENERAL CREDITORS PROXY

PROXY AND INSTRUCTIONS FOR GENERAL CREDITORS (OTHER THAN BENEFICIAL NOTEHOLDERS) IN THE MATTER OF THE PROPOSED PLAN OF COMPROMISE AND ARRANGEMENT OF CONNACHER OIL AND GAS LIMITED

MEETING OF GENERAL CREDITORS

to be held pursuant to an Order of the Court of Queen's Bench of Alberta (the "**Court**") made on ~~August 22, 2018~~May 16, 2019 (the "**2019 Creditors' Meetings Order**") in connection with the ~~Amended and Restated~~ Plan of Compromise and Arrangement of Connacher Oil and Gas Limited (the "**Applicant**") dated ~~August 13, 2018~~May 6, 2019 (as may be further amended, restated, varied, modified and/or supplemented from time to time, the "**Plan**")

on ~~October 3, 2018~~June 19, 2019 at~~10~~11:~~15~~45 a.m. (Calgary time) at:

Cassels Brock & Blackwell LLP
Suite 3810, Bankers Hall West
888-3rd Street SW
Calgary, Alberta

and at any adjournment, postponement or other rescheduling thereof (the "**General Creditor Class Meeting**").

Please complete, sign and date this Proxy and return it to the Monitor, Ernst & Young Inc. so it is actually received by 5:00 p.m. (Calgary time) on ~~October 1, 2018,~~June 17, 2019, or by two (2) business days prior to any adjourned, postponed or rescheduled Creditors' Meeting (the "**Proxy Deadline**").

First Lien Lenders who have submitted a First Lien ~~Lender~~Lenders Proxy should not submit this form.

The Plan is included in the General Creditor Meeting Materials delivered by the Monitor to all General Creditors, a copy of which you have received. All capitalized terms used but not defined in this Proxy shall have the meanings ascribed to such terms in the Plan or in the 2019 Creditors' Meetings Order.

You should review the Plan before you vote. In addition, on ~~August 22, 2018,~~May 16, 2019, the Court issued the 2019 Creditors' Meetings Order establishing certain procedures for the conduct of the General Creditor Class Meeting, a copy of which is included in the General Creditor Meeting Materials. The 2019 Creditors' Meetings Order contains important information regarding the voting process. Please read the 2019 Creditors' Meetings Order and the instructions sent with this Proxy prior to submitting this Proxy.

If the Plan is approved by the Required Majorities, is sanctioned by the Court and is implemented, it will be binding on you whether or not you vote.

APPOINTMENT OF PROXYHOLDER AND VOTE

By checking one of the two boxes below, the undersigned General Creditor hereby revokes all proxies previously given and nominates, constitutes and appoints either (if no box is checked, the Monitor will act as your proxyholder):

☐ ______________________________________, or

☐ a representative of Ernst & Young Inc. in its capacity as Monitor of the Applicant

as proxyholder, with full power of substitution, to attend, vote and otherwise act for and on behalf of the undersigned at the General Creditor Class Meeting and at adjournment(s), postponement(s) and other rescheduling(s) thereof, and to vote the amount of the General Creditor's Voting Claim, except the amount of any Second Lien Deficiency Claims held by such General Creditor, as follows (*mark only one*):

☐ Vote **FOR** the approval of the Plan, or

☐ Vote **AGAINST** the approval of the Plan

Please note that if no specification is made above, the General Creditor will be deemed to have voted FOR approval of the Plan at the General Creditor Class Meeting provided unless the General Creditor otherwise exercises its right to vote at the General Creditor Class Meeting.

The person named herein as proxyholder is also directed to vote at the proxyholder's discretion and otherwise act for and on behalf of the undersigned with respect to any amendments or variations to the Plan and to any other matters that may come before the General Creditor Class Meeting or at any adjournment(s), postponement(s) or other rescheduling(s) thereof.

DATED at ______________________ this _______ day of ___________________, ~~2018.~~2019.

GENERAL CREDITOR'S SIGNATURE:

____
(Print Legal Name of General Creditor)

____
(Print Legal Name of Assignee, if applicable)

Signature of Witness	(Signature of the General Creditor/Assignee or an Authorized Signing Officer of the General Creditor/Assignee)
Print Name of Witness	(Print Name and Title of Authorized Signing Officer of the General Creditor/Assignee, if applicable)

____
(Mailing Address of the General Creditor/Assignee)

(Telephone Number and E-mail of the General Creditor/Assignee or Authorized Signing Officer of the General Creditor/Assignee)

YOUR PROXY MUST BE RECEIVED BY THE MONITOR AT THE MAILING ADDRESS OR EMAIL ADDRESS LISTED BELOW OR BEFORE THE PROXY DEADLINE.

Ernst & Young Inc.
Calgary City Centre
2200-215 2nd Street SW
Calgary, Alberta T2P 1M4

Attention: ~~Holly McGregor~~Jose Aldana Herbas
E-mail: connacher.monitor@ca.ey.com

If you have any questions regarding this Proxy or the voting procedures, or if you need an additional copy or additional copies of the enclosed materials, please contact the Monitor at connacher.monitor@ca.ey.com, or visit the Monitor's Website at www.ey.com/ca/connacheroilandgas.

INSTRUCTIONS FOR COMPLETION OF PROXY FOR GENERAL CREDITORS

1. All capitalized terms used but not defined in this Proxy shall have the meanings ascribed to such terms in the Plan or in the 2019 Creditors' Meetings Order, copies of which you have received.

2. The aggregate amount of your Claim in respect of which you are entitled to vote (your "**Voting Claim**") shall be your Accepted Claim, or with respect to a claim which is not yet an Accepted Claim or a Disputed Claim, the amount as determined by the Monitor to be your Voting Claim in accordance with the Plan, the Claims Procedure Order, the Supplemental Claims Procedure Order and the 2019 Creditors' Meetings Order.

3. General Creditors are entitled to vote at the General Creditor Class Meeting in respect of their Claims. This General Creditors Proxy, however, may only be used to vote the amount of your General Creditor Claim that is not a Second Lien Deficiency Claim.

4. Check the appropriate box to vote FOR or AGAINST the Plan. If you do not check either box, you will be deemed to have voted FOR approval of the Plan provided you do not otherwise exercise your right to vote at the General Creditor Class Meeting.

5. Each General Creditor who has a right to vote at the General Creditor Class Meeting has the right to appoint a person (who need not be an Affected Creditor) to attend, act and vote for and on behalf of the General Creditor and such right may be exercised by inserting in the space provided the name of the person to be appointed, or to select a representative of the Monitor as its proxyholder. If no proxyholder is selected, the General Creditor will be deemed to have appointed any officer of Ernst & Young Inc., in

its capacity as Monitor, or such other person as Ernst & Young Inc. may designate, as proxyholder of the General Creditor, with full power of substitution, to attend, vote and otherwise act for on behalf of the General Creditor at the General Creditor Class Meeting to be held in connection with the Plan and at any and all adjournment(s), postponement(s) or other rescheduling(s) thereof.

6. Please read and follow these instructions carefully. Your completed Proxy must actually be received (i) by the Monitor at Ernst & Young Inc., Monitor of Connacher Oil and Gas Limited, Calgary City Centre, 2200-215 2nd Street SW, Calgary, Alberta T2P 1M4 (Attention: ~~Holly McGregor~~Jose Aldana Herbas), email: connacher.monitor@ca.ey.com prior to 5:00 p.m. two business days before the Creditors' Meetings (or any adjournment, postponement or rescheduling thereof). Proxies can be sent to the Monitor at the mailing address or email address listed above. If your Proxy is not received by the Proxy Deadline, unless such time is extended, your Proxy will be disregarded and not counted.

7. Sign the Proxy - your signature is required on the Proxy to appoint a proxyholder and vote at the General Creditor Class Meeting. If you are completing the Proxy as a duly authorized representative of a corporation or other entity, indicate your relationship with such corporation or other entity and the capacity in which you are signing, and if subsequently requested, provide proof of your authorization to so sign. In addition, please provide your name, mailing address, telephone number and e-mail address.

8. If you need additional Proxies, please immediately contact the Monitor.

9. If multiple Proxies are received from the same person with respect to the same Claims prior to the Proxy Deadline, the latest dated, validly executed Proxy that is timely received by the Monitor will supersede and revoke any earlier received Proxy. However, if a holder of Claims casts Proxies received by the Monitor dated with the same date, but which are voted inconsistently, such Proxies will be disregarded and not counted. If a Proxy is not dated in the space provided, it shall be deemed dated as of the date it is received by the Monitor.

10. If a General Creditor validly submits a Proxy to the Monitor and subsequently attends the General Creditor Class Meeting and votes in person inconsistently, such General Creditor's vote at the General Creditor Class Meeting will supersede and revoke the earlier received Proxy.

11. If a General Creditor who holds General Creditor Claims other than Second Lien Deficiency Claims submits Voting Instructions and a General Creditors Proxy with inconsistent votes on the Plan, their vote in respect of their entire General Creditor Claim shall be discarded.

12. Proxies may be accepted for purposes of an adjourned, postponed or other rescheduled Creditors' Meeting if received by the Monitor by the Proxy Deadline.

13. Any Proxy that is illegible or contains insufficient information to permit the identification of the claimant will not be counted.

14. After the Proxy Deadline, no Proxy may be withdrawn or modified, except by a General Creditor voting in person at the General Creditor Class Meeting, without the prior consent of the Monitor and the Applicant.

If you have any questions regarding this Proxy or the voting procedures, or if you need an additional copy or additional copies of the enclosed materials, please contact the Monitor at connacher.monitor@ca.ey.com or visit the Monitor's Website at www.ey.com/ca/connacheroilandgas.

SCHEDULE "F"

FORM OF DISTRIBUTION ELECTION NOTICE

TO: ERNST & YOUNG INC., in its capacity as Monitor of Connacher Oil and Gas Limited (the "Monitor")

WITH A COPY TO: Connacher Oil and Gas Limited (the "Applicant")

Reference is made to the ~~Amended and Restated~~ Plan of Compromise and Arrangement of the Applicant dated ~~August 13, 2018~~May 6, 2019 made pursuant to the *Companies' Creditors Arrangement Act* (Canada) (as may be further amended, restated or supplemented from time to time, the "**Plan**").

Capitalized terms used herein and not defined herein have the same meaning given to them in the Plan.

The undersigned is a General Creditor and, excluding any Second Lien Deficiency Claim, has a General Creditor Claim against the Applicant in excess of $2,000 being, in particular, the amount of $____________________.

Pursuant to Section ~~5.6~~5.5(b) of the Plan, the undersigned hereby elects to receive in full and final satisfaction of its General Creditor Claim against the Applicant $2,000 and hereby notifies the Applicant and the Monitor of such election.

The undersigned acknowledges that in delivering this election, it will be deemed to vote in favour of the Plan.

If the undersigned does not deliver a valid Distribution Election Notice prior to the Distribution Election Deadline, the undersigned will only be entitled to receive its pro rata share of $500,000, up to the amount of its Accepted Claim, if any, and shall be required to attend at the Creditors' Meeting of General Creditors, in person or by proxy to cast its vote on the Plan.

The undersigned acknowledges that this election will be final and irrevocable once delivered to the Monitor.

DATED at __________________ this ________ day of __________________, ~~2018.~~2019.

AFFECTED CREDITOR'S SIGNATURE:

____

(Print Legal Name of Affected Creditor)

____

(Print Legal Name of Assignee, if applicable)

Signature of Witness	(Signature of the Affected Creditor/Assignee or an Authorized Signing Officer of the General Creditor/Assignee)
Print Name of Witness	(Print Name and Title of Authorized Signing Officer of the Affected Creditor/Assignee, if applicable)
	(Mailing Address of the Affected Creditor/Assignee)
	(Telephone Number and E-mail of the Affected Creditor/Assignee or Authorized Signing Officer of the Affected Creditor/Assignee)

Note: To be valid, this Distribution Election Notice must be received by the Monitor before 5:00 p.m. (Calgary time) on ~~October 1, 2018,~~June 17, 2019, or two business days prior to any adjournment of the Creditors' Meetings.

SCHEDULE "G"

FORM OF BENEFICIAL NOTEHOLDERS NOTICE OF CREDITORS' MEETINGS AND SANCTION HEARING

BENEFICIAL NOTEHOLDERS NOTICE OF CREDITORS' MEETINGS AND SANCTION HEARING

TO: The Beneficial Noteholders of Connacher Oil and Gas Limited (the "**Applicant**")

NOTICE IS HEREBY GIVEN that a meeting of the First Lien Lenders Class and a meeting of the General Creditors Class will be held on ~~October 3, 2018~~June 19, 2019 at ~~10~~11:~~00~~30 a.m. (Calgary time) and ~~10~~11:~~15~~45 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~~May 6, 2019 (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.~~May 16, 2019.

Capitalized terms used and not otherwise defined in this Notice have the respective meanings given to them in the Plan or the 2019 Creditors' Meetings Order.

The Plan

The Plan contemplates the compromise of the Claims of the Affected Creditors. The 2019 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 Lenders Class one Beneficial First Lien Lender with an Accepted Claim and (ii) at the meeting of the General Creditors Class (the "**General Creditor Class Meeting**"), one General Creditor with an Accepted Claim.

In order for the Plan to be approved and binding in accordance with the CCAA, the applicable 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 Creditors' Meetings.

With the exception of Beneficial Noteholders, for whom different voting procedures apply, as set out below, each Affected Creditor with a Voting Claim will be entitled to vote at the applicable Creditors' Meeting(s) in accordance with the 2019 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.

Voting Instructions for Beneficial Noteholders

A Beneficial Noteholder may vote at the General Creditor Class Meeting by following the procedures outlined in the Information Circular. In order for a Beneficial Noteholder to vote at the General Creditor Class Meeting, a Beneficial Noteholder must deliver Voting Instructions specifying their vote FOR or AGAINST the Plan. Beneficial Noteholders cannot vote by proxy in respect of their Second Lien Deficiency Claim.

Only Beneficial Noteholders who were Beneficial Noteholders at 5:00 p.m. (Calgary time) on ~~August 22, 2018~~May 16, 2019 (the "**Second Lien Notes Record Date**") are entitled to vote as General Creditors for the purposes of the General Creditor Class Meeting.

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 and disclose the Beneficial Noteholder information to the applicable Participant Holder who will aggregate Voting Instructions and deliver a Master Proxy to the Solicitation and Information Agent. 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 who wish to vote must deliver their Voting Instructions to their Participant Holder prior to the deadline set by the Participant Holder. 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. Under no circumstances should any person deliver Second Lien Notes or evidences of interests in Second Lien Notes to the Applicant, the Monitor, the Second Lien Trustee, or the Solicitation and Information Agent. ~~If a Beneficial Noteholder wishes to attend the General Creditor Class Meeting in person, please contact the Solicitation Agent as soon as possible.~~

Beneficial Noteholders who hold General Creditor Claims other than Second Lien Deficiency Claims are instructed to complete a General Creditors Proxy in order to vote the amount of such General Creditor Claims. Please refer to the form of General Creditors Proxy provided to you for further instructions. If a Beneficial Noteholder who holds General Creditor Claims other than Second Lien Deficiency Claims submits Voting Instructions and a General Creditors Proxy with inconsistent votes on the Plan, their vote in respect of their entire General Creditor Claim shall be disregarded and not counted.

Any requests for assistance relating to the procedure for delivering Voting Instructions or if you wish to attend the General Creditor Class Meeting in person may be directed to the Solicitation and Information Agent at the following address:

Kingsdale Advisors
The Exchange Tower

130 King Street West, Suite 2950
P.O. Box 361
Toronto, ON
M5X 1E2

Phone: 416-867-2272
North American Toll Free: 1-~~877-659-1821~~888-642-3150
Email: contactus@kingsdaleadvisors.com

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~~June 20, 2019 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, Alberta.

The application seeks and 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 by 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 2019 Creditors' Meetings Order.

DATED this ~~22nd~~16th day of ~~August~~May, ~~2018.~~2019.

SCHEDULE "H"

FORM OF VOTING INFORMATION AND ELECTION FORM FOR BENEFICIAL NOTEHOLDERS

PLEASE NOTE: This Voting Information and Election Form outlines information that Beneficial Noteholders are required to provide to their Participant Holders in order to vote and, if desired, make a Distribution Election. Each Participant Holder will have its own procedures for collecting instructions from Beneficial Noteholders. Beneficial Noteholder must confirm these instructions with their Participant Holder. This form is not a proxy but rather sets out the available instructions a Beneficial Noteholder may give its Participant Holder.

The Voting Instruction and Election Form to be distributed to Beneficial Noteholders in accordance with the order (the "2019 Creditors' Meetings Order") of the Court of Queen's Bench of Alberta (the "Court") made on ~~August 22, 2018~~May 16, 2019 shall include the information substantially as set forth in this Voting and Information Election Form.

Capitalized terms used, but not defined herein, shall have the meanings given to them in the 2019 Creditors' Meetings Order.

Beneficial Noteholders who wish to vote in respect of their Second Lien Deficiency Claim must deliver their voting instructions ("**Voting Instructions**") to their CDS Clearing and Depository Services Inc., ("**CDS**") or The Depository Trust Company ("**DTC**") intermediary institution ("**Participant Holder**") prior to the deadline set by the Participant Holder. Under no circumstances should any person deliver Second Lien Notes or evidences of interests in Second Lien Notes to the Applicant, the Monitor, the Second Lien Trustee, or the Solicitation and Information Agent. Beneficial Noteholders should not deliver a form of Proxy with respect to their Second Lien Deficiency Claim.

Any requests for assistance relating to the procedure for delivering Beneficial Noteholder Voting Instructions may be directed to the Solicitation and Information Agent at the following address:

Kingsdale Advisors
The Exchange Tower
130 King Street West, Suite 2950
P.O. Box 361
Toronto, ON
M5X 1E2

Phone: 416-867-2272
North America Toll Free: 1-~~877-659-1821~~888-642-3150
Email: contactus@kingsdaleadvisors.com

Beneficial Noteholders are required to provide their Voting Instructions in each case prior to the Beneficial Noteholder Voting and Election Deadline, being ~~October 1, 2018~~June 17, 2019 (or such earlier date as your Participant Holder may establish).

Voting Instructions

Beneficial Noteholders with Voting Claims equal to or less than $2,000 shall be entitled to make the following election:

☐ Make a Distribution Election, which will be deemed to be a vote **FOR** the approval of the Plan.

*Beneficial Noteholders with Voting Claims equal to or less than $2,000 (and who return voting instructions and identifying information) shall be deemed to make a Distribution Election and to vote **FOR** the approval of the Plan.*

Beneficial Noteholders with Voting Claims greater than $2,000 shall be entitled to make the following elections. Please select one.

☐ Make a Distribution Election, which will be deemed to be a vote **FOR** the approval of the Plan.

☐ Do not make a Distribution Election, and vote **FOR** the approval of the Plan.

☐ Do not make a Distribution Election, and vote **AGAINST** the approval of the Plan.

☐ Do not make a Distribution Election, and take no voting action.

~~*Beneficial Noteholders with Voting Claims equal to or less than $2,000 (and who return voting instructions and identifying information) shall be deemed to make a Distribution Election and to vote **FOR** the approval of the Plan.*~~

Distribution Election

If you elect to make a Distribution Election, please complete the following section.

Reference is made to the ~~Amended and Restated~~ Plan of Compromise and Arrangement of the Applicant dated ~~August 13, 2018~~May 6, 2019 made pursuant to the *Companies' Creditors Arrangement Act* (Canada) (as may be further amended, restated, varied, modified and/or supplemented from time to time, the "**Plan**").

Capitalized terms used herein and not defined herein have the same meaning given to them in the Plan.

The undersigned is a Beneficial Noteholder and has an Pro Rata Share of the Second Lien Deficiency Claim against the Applicant in excess of $2,000 being, in particular, the amount of $____________________.

Pursuant to Section ~~5.6~~5.5(b) of the Plan, the undersigned hereby elects to receive in full and final satisfaction of its Second Lien Deficiency Claim against the Applicant $2,000 and hereby notifies the Applicant and the Monitor of such election.

The undersigned acknowledges that in delivering this election, it will be deemed to vote in favour of the Plan.

If the undersigned does not ~~to~~ make a Distribution Election or identify itself as a Second Lien Noteholder with a total claim less than $2,000, the undersigned will only be entitled to receive its ~~pro rata share of $500,000, up to the amount of its~~ Pro Rata Share of the ~~Second Lien Deficiency Claim~~General Creditor Pool.

The undersigned acknowledges that this election will be final and irrevocable once delivered to ~~its Participant Holder~~the Monitor.

DATED at ___________________ this _________ day of ___________________, ~~2018.~~2019.

BENEFICIAL NOTEHOLDER'S SIGNATURE:

	(Print Legal Name of Affected Creditor)
	(Print Legal Name of Assignee, if applicable)
Signature of Witness	(Signature of the Affected Creditor/Assignee or an Authorized Signing Officer of the General Creditor/Assignee)
Print Name of Witness	(Print Name and Title of Authorized Signing Officer of the Affected Creditor/Assignee, if applicable)
	(Mailing Address of the Affected Creditor/Assignee)
	(Telephone Number and E-mail of the Affected Creditor/Assignee or Authorized Signing Officer of the Affected Creditor/Assignee)

SCHEDULE "I"

FORM OF SHAREHOLDER NOTICE

PRESS RELEASE

Connacher Announces Meetings of Creditors and ~~Supplemental Claims Procedure~~Approval of Amended and Restated Support Agreement

Calgary, Alberta; ~~August 22, 2018~~May 16, 2019: Connacher Oil and Gas Limited ("**Connacher**" or the "**Company**") announced today that its ~~amended and restated~~ plan of compromise and arrangement dated ~~August 13, 2018~~May 6, 2019 (the "**Plan**") has been accepted for filing by the Court of Queen's Bench of Alberta (the "**Court**") in connection with the Company's restructuring proceedings under the *Companies' Creditors Arrangement Act* (the "**CCAA**").

In connection with the filing of the Plan, the Court has granted ~~orders (i) authorizing meetings of the Company's creditors to be held on October 3, 2018 to consider approval of the Plan (the "**Creditors' Meetings Order**"); (ii)~~: (i) an order (the "**Amended and Restated Support Agreement Approval Order**"), *inter alia*, approving and authorizing ~~Connacher~~the Company's entry into the ~~previously announced Purchase and Sale Agreement dated August 2, 2018 (the "**Purchase Agreement**") between the Company and East River Oil and Gas Ltd. (the "**Plan Sponsor**") and, in the event that the Plan is not implemented, authorizing the Company to perform its obligations under the Purchase Agreement (the "**Approval and Vesting Order**"); and (iii) 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 the Company, and post-CCAA filing claims against Connacher's directors and officers (the "**Supplemental Claims Procedure Order**")~~Amended and Restated Support Agreement dated May 6, 2019 (the "**Amended and Restated Support Agreement**") among the Company, the Consenting First Lien Lenders and the First Lien Agent, and approving a key employee retention plan for certain of the Company's senior executives to incentivize them to remain with the Company through the successful completion of the transactions contemplated by the Amended and Restated Support Agreement and beyond emerge from CCAA protection; and (ii) and order (the "**2019 Creditors' Meetings Order**") authorizing meetings of the Company's creditors to be held on June 19, 2019 to consider approval of the Plan.

Ernst & Young Inc. is overseeing the Company's CCAA proceeding as the court-appointed Monitor (the "**Monitor**"). Terms not otherwise defined herein have the meanings provided for in the Plan, which is available on the Monitor's website at www.ey.com/ca/connacheroilandgas (the "**Website**").

The Plan

The ~~Creditors' Meetings~~Amended and Restated Support Agreement Approval Order contains a provision approving the Company's execution and delivery of the ~~previously announced Plan Sponsorship Agreement dated August 2, 2018 (the "**Plan Sponsorship Agreement**"),~~Amended and Restated Support Agreement and authorizes the Company to take all steps and to comply with its obligations thereunder. The Company is now preparing to implement the terms of the ~~Plan Sponsorship~~Amended and Restated Support Agreement, including its preparations for the Creditors' Meetings (as defined below) ~~and the solicitation of claims under the Supplemental Claims Procedure, each as set out in further detail below.~~.

The Plan provides that, subject to the terms and conditions set out therein, the ~~Plan Sponsor will acquire a 100% equity interest~~Consenting First Lien Lenders will exchange a portion of the first lien obligations owed to them for 100% of the equity interests in the Company ~~for cash consideration of $113.5 million~~and new senior secured debt. The Plan provides for payments and distributions to the Company's affected creditors with proven claims from the ~~cash consideration plus~~Plan Implementation Fund to be funded from the Company's ~~existing cash as determined and adjusted pursuant to the Plan~~cash on hand.

As the ~~cash consideration being paid by the Plan Sponsor under the plan, along with Connacher's adjusted existing cash, is insufficient to pay all of the~~ claims of affected creditors ~~of Connacher~~will be compromised under the Plan and affected creditor claims will not be paid in full, no value will accrue to Connacher's shareholders as a result of the implementation of the Plan and the outstanding shares and options of Connacher will be cancelled for no consideration and without any vote of the existing shareholders.

The above description is a summary only and is subject to the final provisions of the Plan.

Creditors' Meetings

Voting by Affected Creditors

The Plan contemplates two classes of creditors: (i) a class of the Company's first lien lenders (the "**First Lien Lender Class**"); and (ii) a class (the "**General Creditor Class**") comprised of all other affected creditors, other than holders of certain priority claims and holders of equity claims in the Company (each, a "**General Creditor**"). The first lien lenders will vote in both the First Lien Lender Class and, with respect to their deficiency claims, in the General Creditor Class.

The Court has ordered a meeting of the First Lien Lender Class and a meeting of the General Creditor Class to take place on ~~October 3, 2018~~June 19, 2019 at ~~10~~11:~~00~~30 a.m. and ~~10~~11:~~15~~45 a.m. (Calgary time) (together, the "**Creditors' Meetings**"), respectively, at the offices of the Company's legal counsel, Cassels Brock & Blackwell LLP, Suite 3810, Bankers Hall West, 888 3rd Street SW, Calgary, Alberta. The purpose of the Creditors' Meetings will be to consider and, if deemed advisable, to pass, with or without variation, resolutions approving the Plan.

To become effective under the CCAA, the Plan must be submitted to meetings of each class of creditors and each class must approve the Plan by a majority in number representing at least two thirds in value of the voting claims of creditors who actually vote (in person or by proxy) at each of the Creditors' Meetings ~~(the "**Required Majorities**")~~. The Creditors' Meetings will be conducted pursuant to the 2019 Creditors' Meetings Order granted by the Court on ~~August 22, 2018.~~May 16, 2019.

No Voting by Equity Claims

The Plan provides that all existing shares and related equity instruments and claims of Connacher (collectively, the "Equity Claims") will be cancelled and extinguished for no consideration and without any return of capital. Holders of Equity Claims will not be entitled to attend or vote at the Creditors' Meetings.

Sanction Hearing

If the Plan is approved at the Creditors' Meetings, Connacher intends to bring an application (the "**Sanction Hearing**") before the Court on ~~October 4, 2018~~June 20, 2019 at 10:00 a.m. (Calgary time) or such later date as may be posted on the Website, at the Court located at Calgary Courts Centre, 601 5 Street SW, Calgary, Alberta.

At the Sanction Hearing, Connacher will be seeking the granting of an order sanctioning the Plan under the CCAA and for ancillary relief consequent upon such sanction. Any objections to the Sanction Hearing must be served on Connacher, the Monitor and the service list no later than 5:00 p.m. on the date that is seven (7) business days prior to the Sanction Hearing.

Notification of Voting Process

Forthwith after the granting of the 2019 Creditors' Meetings Order, the Monitor will send meeting materials to (i) the first lien agent for distribution to each beneficial first lien lender, and (ii) to each General Creditor (other than first lien lenders~~,~~ and second lien noteholders ~~and non-continuing employees~~), at the address set out in such General Creditor's proof of claim~~, and (iii) to each non-continuing employee at the address set out in the books and records of the Company~~. The meeting materials include a notice of the applicable Creditors' Meeting(s), an information circular (the "**Circular**"), and a form of proxy. The Monitor has posted a copy of the meeting materials, including the Circular, on the Website.

Detailed instructions as to how affected creditors ~~(other than~~can vote in advance of, or, with the exception of beneficial holders of second lien notes ("**Beneficial Noteholders**")~~) can vote~~, at the applicable Creditors' Meeting(s) are set out in the Circular. Except for certain excepted affected creditors, as detailed in the Circular, an affected creditor may, generally, attend at the applicable Creditors' Meeting(s) in person or may appoint another person as its proxyholder to attend the meeting on their behalf.

Special procedures apply to voting by Beneficial Noteholders and are set out in the Circular and a Beneficial Noteholder may vote at the General Creditor Class meeting by following these procedures.

Beneficial Noteholders should promptly contact the institution holding their second lien notes (each, a "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 and disclose the Beneficial Noteholder's information to the applicable Participant Holder. 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.

Any requests for assistance relating to the procedure for delivering voting instructions or if you wish to attend the General Creditor Class meeting in person may be directed to Kingsdale Advisors (the "Solicitation and Information Agent") at the following address:

Kingsdale Advisors
The Exchange Tower
130 King Street West, Suite 2950
P.O. Box 361
Toronto, ON
M5X 1E2

Phone: 416-867-2272
North American Toll Free: 1-~~877-659-1821~~888-642-3150
Email: contactus@kingsdaleadvisors.com

~~**Supplemental Claims Procedure Order**~~

~~On August 22, 2018, the Court also granted the Supplemental Claims Procedure Order. The Supplemental Claims Procedure Order establishes, among other things, a process for the identification, quantification and determination of secured claims, non-continuing employee claims and certain post-filing claims against the Company and post-CCAA filing claims against the directors and officers.~~

~~Claimants asserting secured claims against the Company or post-filing claims against the directors and officers are required to file a proof of claim with the Monitor prior to 1:00 p.m. (Calgary time) on September 19, 2018 (the "**Supplemental Claims Bar Date**").~~

~~With respect to non-continuing employee claims and post-CCAA 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 to such person according to the Company's books and records (the "**Claim Determination**"). If a holder of a post-filing claim or a non-continuing employee claim disagrees with the Claim 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-CCAA filing claim or notice of non-continuing employee claim, as applicable. If no notice of dispute is timely provided to the Monitor, the Claim 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 Supplemental Claims Bar Date, in the case of non-continuing employee claims, or prior to 1:00 p.m. (Calgary time) on October 1, 2018 (the "**Post-Filing Claims Bar Date**").~~

~~**Approval and Vesting Order**~~

~~On August 22, 2018, the Court granted the Approval and Vesting Order with respect to the transaction contemplated by the Purchase Agreement, 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 relied upon 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.~~

~~**Extension of the Stay of Proceedings**~~

~~In connection with its pursuit of the transactions described above, the Company has obtained an extension of the CCAA stay of proceedings through and including October 31, 2018.~~

Additional Information

The above description is a summary only and is subject to the express terms of the orders and documents described herein. A copy of the 2019 Creditors' Meetings ~~Order, the Supplemental Claims Procedure Order, the Approval and Vesting~~ Order and all related CCAA materials can be found on the Website and will be filed under the Company's profile on www.sedar.com.

About Connacher

Connacher is a Calgary-based in situ oil sands developer, producer, and marketer of bitumen. The Company holds a 100 per cent interest in approximately 465 million barrels of proved and provable bitumen reserves and operates two steam-assisted gravity drainage facilities located on the Company's Great Divide oil sands leases near Fort McMurray, Alberta.

~~**Forward Looking Statements**~~

This press release contains forward looking information including, but not limited to the status of the Creditors Meetings, the implementation of the Plan, the ~~transaction~~transactions contemplated by the ~~Purchase~~Amended and Restated Support Agreement and the Company's CCAA proceedings.

Forward looking information is based on management's expectations regarding the voting of creditors at the Creditors Meetings, the implementation of the Plan and the completion of the ~~transactions~~credit-bid transaction contemplated by the ~~Purchase~~Amended and Restated Support Agreement in the event the Plan is not implemented. Forward looking information involves significant known and unknown risks and uncertainties, which could cause actual results to differ materially from those anticipated. These risks include, but are not limited to: that ~~the Plan Sponsor and/or~~ the Company may not obtain required creditor, regulatory and Court approvals required to successfully implement the Plan or the ~~Purchase Agreement~~Credit Bid Transaction; that the Company may not be able to prevent third parties from obtaining court orders or approvals that are contrary to the Company's interests, risks relating to the future co-operation of the creditors of the Company, including but not limited to the agreements of certain creditors to vote in favour of the Plan, as well as the risks associated with conducting business in 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.

Although Connacher believes that the expectations in such forward looking information are reasonable, there can be no assurance that such expectations shall prove to be correct. Any forward looking information included in this press release is expressly qualified in its entirety by this cautionary statement. Any forward looking information included herein is made as of the date of this press release and Connacher assumes no obligation to update or revise any forward looking information to reflect new events or circumstances, except as required by law.

Contact

Merle Johnson
Chief Executive Officer

Jeff Beeston
Chief Financial Officer

Connacher Oil and Gas Limited
Phone: (403) 538-6201
Fax: (403) 538-6225
Suite 1040, 640 - 5th Avenue SW
Calgary, Alberta T2P 3G4
inquiries@connacheroil.com
www.connacheroil.com

SCHEDULE "J"

FORM OF NEWSPAPER NOTICE

IN THE MATTER OF THE CCAA PROCEEDING OF CONNACHER OIL AND GAS LIMITED (the "APPLICANT")

NOTICE IS HEREBY GIVEN that Connacher Oil and Gas Limited (the "**Applicant**") has filed with the Court of Queen's Bench of Alberta (the "**Court**") an ~~amended and restated~~ plan of compromise and arrangement dated ~~August 13, 2018~~May 6, 2019 (as may be further amended, restated, varied, modified and/or supplemented from time to time in accordance with the terms thereof, the "**Plan**") pursuant to the *Companies' Creditors Arrangement Act* (Canada) (the "**CCAA**").

You can view copies of the documents relating to this process, including the Plan and applicable proxy forms on the following website (the "**Website**"): www.ey.com/ca/connacheroilandgas.

Creditors' Meetings

NOTICE IS HEREBY GIVEN that a meeting of the First Lien Lenders Class and a meeting of the General Creditors Class will be held on ~~October 3, 2018~~June 19, 2019 at ~~10~~11:~~00~~30 a.m. (Calgary time) and ~~10~~11:~~15~~45 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 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 made on ~~August 22, 2018.~~May 16, 2019.

Capitalized terms used and not otherwise defined in this Notice have the respective meanings given to them in the Plan or the 2019 Creditors' Meetings Order, copies of which are can be viewed on the Website.

The Plan

The Plan contemplates the compromise of the Claims of the Affected Creditors. The 2019 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 Lenders Class one Beneficial First Lien Lender with an Accepted Claim and (ii) at the meeting of the General Creditors Class one General Creditor with an Accepted Claim.

In order for the Plan to be approved and binding in accordance with the CCAA, the applicable 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 Creditors' Meetings.

Each Affected Creditor with a Voting Claim will be entitled to vote at the applicable Creditors' Meeting(s) in accordance with the 2019 Creditors' Meetings Order. If the Plan is approved in each of the Creditors' Meetings, the Plan must then be sanctioned by the Court. Subject to 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 attend 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~~Jose Aldana Herbas), email: connacher.monitor@ca.ey.com prior to 5:00 p.m. two business days 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).

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~~June 20, 2019 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, Alberta.

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 by 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 2019 Creditors' Meetings Order.

DATED this ~~22nd~~16th day of ~~August~~May, ~~2018.~~2019.

SCHEDULE "K"

FORM OF INSURED CLAIM OPTION NOTICE

TO: ERNST & YOUNG INC., in its capacity as Monitor of Connacher Oil and Gas Limited (the "Monitor")

WITH A COPY TO: Connacher Oil and Gas Limited (the "Applicant"")

Reference is made to the ~~Amended and Restated~~ Plan of Compromise and Arrangement of the Applicant dated ~~August 13, 2018~~May 6, 2019 made pursuant to the *Companies' Creditors Arrangement Act* (Canada) (as may be further amended, restated or supplemented from time to time, the "**Plan**").

Capitalized terms used herein and not defined herein have the same meaning given to them in the Plan.

The undersigned is an Affected Creditor holding a Claim in the amount of $__________________. The undersigned hereby elects to pursue the entirety of its Claim as an Insured Claim against the relevant insurer and hereby irrevocably waives any right to pursue its Claim or any part thereof against the Applicant or any other Released Party, and waives any right or entitlement to a distribution under the Plan. The undersigned acknowledges and agrees that neither the Applicant nor the Monitor has made any representation or warranty to it that an Insured Claim exists or is recoverable in any way from any policy of insurance.

The undersigned acknowledges that this election will be final and irrevocable once delivered to the Monitor.

DATED at __________________ this ________ day of __________________, ~~2018.~~2019.

AFFECTED CREDITOR'S SIGNATURE:

____

(Print Legal Name of Affected Creditor)

____

(Print Legal Name of Assignee, if applicable)

____

Signature of Witness	(Signature of the Affected Creditor/Assignee or an Authorized Signing Officer of the General Creditor/Assignee)
Print Name of Witness	(Print Name and Title of Authorized Signing Officer of the Affected Creditor/Assignee, if applicable)

(Mailing Address of the Affected Creditor/Assignee)

(Telephone Number and E-mail of the Affected Creditor/Assignee or Authorized Signing Officer of the Affected Creditor/Assignee)

Note: To be valid, this Insured Claim Option Notice must be received by the Monitor before 5:00 p.m. (Calgary time) on ~~September 28, 2018.~~June 17, 2019.

SCHEDULE "L"

FORM OF MASTER PROXY

IN THE MATTER OF THE PROPOSED PLAN OF COMPROMISE AND ARRANGEMENT OF CONNACHER OIL AND GAS LIMITED

MASTER PROXY

12% Convertible Notes due August 31, 2018
CUSIP: 20588YAJ2 / C2627NAG0
ISIN: US20588YAJ29 / USC2627NAG00

Second Lien Notes Record Date: 5:00 p.m. (Calgary Time) on ~~August 22, 2018~~May 16, 2019

Beneficial Noteholder Voting and Election Deadline: 5:00 p.m. (Calgary Time) on ~~October 1, 2018,~~June 17, 2019, (or such earlier date as a Participant Holder may establish) or 2 business days prior to any adjournment of the Creditors' Meetings.

Defined terms used and not otherwise defined herein have the meanings ascribed to them in the Information Circular of Connacher Oil and Gas Limited ("**Connacher**") dated ~~August 13, 2018~~May 16, 2019 relating to a meeting of holders of 12% Convertible Notes due August 31, 2018 (the "**Second Lien Notes**") issued by Connacher.

INSTRUCTIONS: Participant Holders holding the above-referenced security through DTC should complete this Master Proxy on their own behalf or on behalf of the Beneficial Noteholders for whom they hold the Second Lien Notes as of the Second Lien Notes Record Date, and return this Master Proxy to Kingsdale Advisors, in its capacity as the Solicitation ~~Agent.~~ and Information Agent as soon as practical following the Voting and Election Deadline and by no later than 5:00 p.m. on June 18, 2019.

Second Lien Noteholder Voting Instructions either for or against approval of Connacher's ~~Amended and Restated~~ Plan of Compromise and Arrangement dated ~~August 13, 2018~~May 6, 2019 (as may be further amended, restated, varied, modified and/or supplemented from time to time, the "**Plan**") must be aggregated by Participant Holders outside of DTC on this Master Proxy and submitted to and tabulated by the Solicitation and Information Agent.

In addition, for the purposes of determining eligibility to receive Distribution Elections and to calculate the number of creditors voting on the Plan, Beneficial Noteholders must provide and agree to disclose their identity and aggregate amount of Second Lien Notes held.

For clarity, only the Voting Instructions submitted by Participant Holders to the Solicitation Agent will count for the purposes of the vote on the Plan and submission of instructions via DTC will not constitute a vote for the Plan.

Beneficial Noteholders of Second Lien Notes held through a Participant Holder (such as a bank, broker or other intermediary) should not use this Master Proxy.

FOR ASSISTANCE IN COMPLETING THIS FORM OR FOR ADDITIONAL MATERIALS, PLEASE CONTACT KINGSDALE ADVISORS, IN ITS CAPACITY AS SOLICITATION AND INFORMATION AGENT, AT 416-867-2272 OR TOLL-FREE AT 1-~~877-659-1821.~~888-642-3150.

It is the sole and exclusive responsibility of Beneficial Noteholders to ensure that their instructions are properly submitted by the Participant Holder and to Kingsdale Advisors on or before the applicable deadlines set forth in the Information Circular. The Company will bear no responsibility for failure of a Beneficial Noteholder or a Participant Holder to deliver the voting instructions to Kingsdale Advisors prior to the deadlines set out in the Information Circular.

THE PARTICIPANT HOLDER, in its capacity as such, hereby revokes all proxies previously given in respect of the Plan (other than a proxy given in a capacity other than as a Participant ~~Noteholder~~Holder) and hereby votes the amounts set forth below in accordance with the 2019 Creditors' Meetings Order:

Beneficial Noteholder Name and Contact Information	Principal Amount Held by Beneficial Noteholder	Votes FOR the Resolution	Votes AGAINST the Resolution	Beneficial Noteholder has made a Distribution Election – Include VOI number

(attach additional sheets if required)

By signing below, the Participant Holder hereby certifies that: (i) the information above is a true and accurate list of Second Lien Notes held by the Participant Holder's Beneficial Noteholders as of the Beneficial Noteholder Voting and Election Deadline who have delivered voting instructions to the undersigned Participant Holder, and (ii) the undersigned Participant Holder is the holder, through a position held at DTC, of the Second Lien Notes that are represented by this Master Proxy.

DATED at ____________________ this ______ day of ____________________, ~~2018.~~2019.

____

(DTC PARTICIPANT NUMBER)

____

(PRINT NAME OF DTC PARTICIPANT)

____

(PRINT NAME OF AUTHORIZED EMPLOYEE CONTACT)

(TITLE)

(TELEPHONE NUMBER & EMAIL)

X

(SIGNATURE)

MEDALLION STAMP BELOW

Master Proxies need to be delivered to Kingsdale Advisors, by the following options:

Email to: corpaction@kingsdaleadvisors.com **(Attn: Connacher Oil and Gas Limited Proxy - DTC Participant Number);**

Fax: to either (866) 545-5580 or (416) 867-2271

You must ensure your scan is completed in colour to ensure visibility of the medallion. Black and white copies will not be accepted;

Mail to: **Kingsdale Advisors**
The Exchange Tower
130 King Street West, Suite 2950,
P.O. Box 361,
Toronto, Ontario, M5X 1E2,

in each case such that it is received by ~~no later than the Second Lien Notes Record Date for eligibility to receive Second Lien Notes or the Beneficial Noteholder Voting and Election Deadline for eligible voting at the Creditors' Meetings or, if the Creditors' Meetings are adjourned or postponed,~~ no later than 5:00 p.m. on June 18, 2019 (~~Calgary time) two Business Days prior to any adjournments or postponements thereof.~~ or such other date as may be announced).

DELIVERY OF THIS MASTER PROXY OTHER THAN AS SET FORTH ABOVE WILL NOT CONSTITUTE VALID DELIVERY.

Copies of this and other documents should be retained for your files.

The Court has ordered that you verify each Beneficial Noteholder's Voting Instructions and include the amounts of their holdings and their identity on the Master Proxy for delivery to the Solicitation ~~Agent before~~and Information Agent as soon as practical following the Beneficial Noteholder Voting and Election Deadline and in any event by no later than 5:00 p.m. ~~(Calgary Time) on October 1, 2018, or two Business days prior to any adjournments or postponements~~on June 18, 2019 or as announced in the event of an adjournment of the Creditors' ~~Meetings.~~Meeting of General Creditors.

Connacher and the Monitor may use reasonable discretion as to the adequacy of compliance with respect to the manner in which any forms are completed and executed and the time in which they are submitted and may waive strict compliance with the requirements of the 2019 Creditors' Meetings Order including with respect to the completion, execution and time of delivery of required forms.

Document comparison by Workshare Compare on Sunday, May 05, 2019 12:01:29 PM

Input:	
Document 1 ID	interwovenSite://CASSELS-DMS/LEGAL/47724980/1
Description	#47724980v1<LEGAL> - (2018 FINAL) Connacher - Creditors' Meetings Order
Document 2 ID	interwovenSite://CASSELS-DMS/LEGAL/47724982/11
Description	#47724982v11<LEGAL> - Connacher - 2019 Creditors' Meetings Order - Draft
Rendering set	Standard

Legend:	
Insertion	
~~Deletion~~	
~~Moved from~~	
Moved to	
Style change	
Format change	
~~Moved deletion~~	
Inserted cell	
Deleted cell	
Moved cell	
Split/Merged cell	
Padding cell	

Statistics:	
	Count
Insertions	413
Deletions	381
Moved from	6
Moved to	6
Style change	0
Format changed	0
Total changes	806

EXHIBIT "F"

This is Exhibit "F"
referred to in the affidavit of
Merle Johnson
sworn before me this 6
day of May, 2019.

A Commissioner for Oaths in and for Alberta

Paola Viviana Berkman Rodriguez
Articling Student at Law
A Commissioner for Oaths
in and for Alberta

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CONNACHER OIL AND GAS LIMITED

INFORMATION CIRCULAR
WITH RESPECT TO A
PLAN OF COMPROMISE AND ARRANGEMENT

pursuant to the

Companies' Creditors Arrangement Act (Canada)

and the

Canada Business Corporations Act (Canada)

concerning, affecting and involving Connacher Oil and Gas Limited

May 16, 2019

This circular is being sent to certain creditors of Connacher Oil and Gas Limited in connection with meetings called to consider its plan of compromise and arrangement dated May 6, 2019 (as may be amended) that are scheduled to be held on June 19, 2019 at 11:30 a.m. and 11:45 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 Second Lien Noteholder voting instructions, please contact the Company's solicitation and information agent, Kingsdale Advisors, at 416-867-2272 or, toll free at 1-888-642-3150, 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 2019 CREDITORS' MEETINGS AND 2019 SANCTION HEARING FOR AFFECTED CREDITORS

TO: The Affected Creditors of Connacher Oil and Gas Limited (the "**Company**")

2019 Creditors' Meetings

NOTICE IS HEREBY GIVEN that a meeting of the First Lien Lender Class and a meeting of the General Creditor Class for holders as of the applicable record dates will be held on June 19, 2019 at 11:30 a.m. (Calgary time) and 11:45 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 "**2019 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, respectively (each a "**Resolution**") approving the Plan of Compromise and Arrangement of the Company pursuant to the *Companies' Creditors Arrangement Act* (Canada) (the "**CCAA**") dated May 6, 2019 (as may be amended, restated, supplemented or replaced from time to time in accordance with the terms thereof, the "**2019 CCAA Plan**"); and

2. to transact such other business as may properly come before either of the 2019 Creditors' Meetings or any adjournment or postponement thereof.

The 2019 Creditors' Meetings are being held pursuant to an order (the "**2019 Creditors Meetings Order**") of the Court of Queen's Bench of Alberta (the "**Court**") made on May 16, 2019.

Capitalized terms used and not otherwise defined in this Notice have the respective meanings given to them in the 2019 CCAA Plan or the 2019 Creditors' Meetings Order.

The 2019 CCAA Plan

The 2019 CCAA Plan contemplates the compromise of the Claims of the Affected Creditors. The 2019 Creditors' Meetings Order has established that quorum for the 2019 Creditors' Meetings is the presence, in person or by proxy, (i) at the meeting of the First Lien Lender Class, of at least one Beneficial First Lien Lender with an Accepted Claim and (ii) at the meeting of the General Creditor Class, of at least one General Creditor with an Accepted Claim.

In order for the 2019 CCAA Plan to be approved and binding in accordance with the CCAA, the applicable 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 2019 Creditors' Meeting(s).

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 2019 Creditors' Meeting(s) in accordance with the 2019 Creditors' Meetings Order. If the 2019 CCAA Plan is approved in each of the 2019 Creditors' Meetings, the 2019 CCAA 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 2019 CCAA Plan, all Affected Creditors will then receive the treatment set forth in the 2019 CCAA Plan.

Forms and Proxies for Affected Creditors

An Affected Creditor, other than a Beneficial Noteholder, may vote at the applicable 2019 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: Jose Aldana Herbas), email: connacher.monitor@ca.ey.com prior to 5:00 p.m. (Calgary time) on the day that is two business days before the 2019 Creditors' Meetings. Persons appointed as proxyholders need not be Affected Creditors.

If an Affected Creditor at the applicable 2019 Creditors' Meeting specifies a vote on the 2019 CCAA 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 2019 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 to their Participant Holder. Beneficial Noteholders with questions regarding the solicitation process should contact the Solicitation and Information Agent, Kingsdale Advisors, by phone: 416-867-2272; North American Toll Free: 1-888-642-3150; 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.

2019 Sanction Hearing

NOTICE IS ALSO HEREBY GIVEN that if the 2019 CCAA Plan is approved at each of the 2019 Creditors' Meetings, the Company intends to bring an application before the Court on June 20, 2019 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, Alberta.

The application seeks an order sanctioning the 2019 CCAA Plan under the CCAA and ancillary relief consequent upon such sanction. Any Affected Creditor that wishes to oppose the sanctioning of the 2019 CCAA Plan must serve on the Company, the Monitor and the service list for the Company'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. (Calgary time) on the date that is seven (7) Business Days prior to the 2019 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 Company pursuant to the 2019 Creditors' Meetings Order.

DATED this 16th day of May, 2019

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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 79.

This Circular is furnished in connection with the solicitation of proxies by and on behalf of the Company for use at the 2019 Creditors' Meetings to be held on June 19, 2019. 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 2019 CCAA Plan in this Circular are qualified in their entirety by references to the text of the 2019 CCAA 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 2019 CCAA 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 2019 CCAA Plan, be amended or supplemented.

Information in this Circular is given as at May 16, 2019 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 2019 CCAA Plan. All persons are urged to consult their own tax advisors regarding the tax consequences of their participation in the 2019 CCAA Plan.

The issuance of the New Shares pursuant to the 2019 CCAA Plan will be exempt from the prospectus requirements of applicable Canadian securities laws. As a consequence of these exemptions, certain protections, rights and remedies provided by Canadian securities legislation, including statutory rights of rescission or damages, will not be available in respect of such New Shares to be issued pursuant to the 2019 CCAA Plan. See "*Certain Legal Matters - Canadian Securities Laws* ".

NOTICE TO HOLDERS OF AFFECTED CLAIMS IN THE UNITED STATES

NEITHER THE 2019 CCAA PLAN NOR THE SECURITIES ISSUABLE IN CONNECTION WITH THE 2019 CCAA PLAN HAVE BEEN APPROVED OR DISAPPROVED BY THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION ("SEC") OR SECURITIES REGULATORY AUTHORITIES IN ANY STATE OF THE UNITED STATES; NOR HAS THE SEC OR ANY STATE SECURITIES REGULATORY AUTHORITY PASSED UPON THE ADEQUACY OR ACCURACY OF THIS CIRCULAR. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

New Shares issued under the 2019 CCAA Plan will not be registered under the United States Securities Act of 1933, as amended, or the securities laws of any state of the United States. Such New Shares will instead be issued in reliance upon exemptions under the 1933 Act and applicable exemptions under state securities laws.

The New Shares are being issued in reliance on the exemption from registration under the 1933 Act set forth in Subsection 3(a)(10) thereof on the basis of the approval of the Court, which will consider, among other things, the fairness of the 2019 CCAA Plan to the Persons affected.

The solicitation of proxies hereby is not subject to the proxy requirements of Section 14(a) of the United States Securities Exchange Act of 1934, as amended. This Circular has been prepared in accordance with applicable disclosure requirements in Canada. Securityholders in the United States should be aware that such requirements are different than those of the United States.

The Company's financial statements have been prepared in accordance with International Financial Reporting Standards ("**IFRS**"), which differ from the United States Generally Accepted Accounting Principles ("**U.S. GAAP**") in certain material respects, and thus the financial statements of Connacher may not be comparable to financial statements of United States companies. The Company is not required to prepare a reconciliation of their consolidated financial statements and related footnote disclosures between IFRS and U.S. GAAP and have not quantified such differences.

In particular, information in this Circular or in the documents referred to or incorporated by reference herein concerning the properties and operations of the Company has been prepared in accordance with Canadian standards under applicable Canadian securities laws, which differ from the requirements of United States federal securities laws and the rules and regulations thereunder.

Accordingly, information contained in this Circular and the documents incorporated by reference herein describing the Company's properties and operation may not be comparable to similar information made public by U.S. companies subject to the reporting and disclosure requirements under the United States federal securities laws and the rules and regulations thereunder.

The enforcement by investors of civil liabilities under the United States securities laws may be affected adversely by the fact that the Company is incorporated or organized outside the United States, that some or all of the Officers and Directors of Connacher and the experts named herein are residents of a foreign country, and that all or a substantial portion of the assets of the Company and said Persons are located outside the United States. As a result, it may be difficult or impossible for holders of the Company's securities in the United States to effect service of process within the United States upon the Company and its Officers and Directors, or to realize, against them, upon judgments of courts of the United States predicated upon civil liabilities under the federal securities laws of the United States or "blue sky" laws of any state within the United States. In addition, holders of the Company's securities in the United States should not assume that the courts of Canada or any other jurisdiction: (a) would enforce judgments of United States courts obtained in actions against such Persons predicated upon civil liabilities under the federal securities laws of the United States or "blue sky" laws of any state within the United States; or (b) would enforce, in original actions, liabilities against such Persons predicated upon civil liabilities under the federal securities laws of the United States or "blue sky" laws of any state within the United States.

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 2019 CCAA Plan, including the entitlements of various security holders;
- the potential effects on the Company and various stakeholders if the 2019 CCAA Plan is not concluded; and
- the timing of the 2019 Creditors' Meetings and the completion of the 2019 CCAA 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 2019 CCAA 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 2019 CCAA Plan and the Restructuring Transactions contemplated thereby; and the steps and timing of the Plan Transaction are based upon the terms of the 2019 CCAA Plan and the expected timing to receive the required Court approvals and to otherwise satisfy the conditions to effectiveness of the 2019 CCAA 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 2019 CCAA 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 described 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.

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 2019 CCAA Plan, which should be read by all Affected Creditors to determine whether to approve the 2019 CCAA Plan. Unless otherwise indicated, terms defined in the section "Glossary of Terms" starting at page 79 have the same meaning in this summary. References to Connacher relating to agreements and arrangements post-implementation of the 2019 CCAA Plan refer to Connacher as owned by the First Lien Lenders and as restructured pursuant to the 2019 CCAA Plan and the Restructuring Transactions.

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. 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 the First Lien Lenders and will compromise certain claims against Connacher.

2019 Creditors' Meetings

Meetings of the Affected Creditors will be held on June 19, 2019 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 2019 Creditors' Meetings*". The purpose of the 2019 Creditors' Meetings is to consider and, if thought advisable, to pass, with or without variation, the Resolutions to approve the 2019 CCAA Plan proposed by the Company under the CCAA. A copy of the 2019 CCAA 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 2019 CCAA Plan.

Instructions for voting at the meeting in person or by proxy can be found in these materials. See the section below entitled "*The 2019 Creditors' Meetings*".

Amended and Restated Support Agreement

On May 6, 2019, the Company, the Consenting First Lien Lenders and the First Lien Agent agreed to amend and restate the Original Support Agreement, which was executed in its original form on March 19, 2018 and approved by the Court on March 28, 2018.

The amendment and restatement of the Original Support Agreement was the result of arm's length negotiations among the Company, the Consenting First Lien Lenders and the First Lien Agent, in consultation with the Monitor, to develop an alternative transaction structure to the Original Credit Bid Transaction.

Pursuant to the Amended and Restated Support Agreement, the Company, the Consenting First Lien Lenders and the First Lien Agent have agreed to pursue a credit bid of a portion of the first lien obligations through the implementation of a CCAA plan of compromise and arrangement, substantially on the terms set out in the 2019 CCAA Plan. Upon the occurrence of a CCAA Plan Termination Event, the parties have agreed that they will instead implement a credit bid asset purchase transaction substantially similar to the Original Credit Bid Transaction, with certain modifications to the terms of the financing facility.

The Company and the Consenting First Lien Lenders prefer to complete the Plan Transaction, as it maximizes value to the Company's creditors and other stakeholders that would not be available in an asset sale, including providing recoveries to the Company's affected unsecured creditors that would not be realized in an asset sale scenario.

The Amended and Restated Support Agreement was approved pursuant to the Amended and Restated Support Agreement Approval Order granted by the Court on May 16, 2019.

The 2019 CCAA Plan

The purpose of the 2019 CCAA Plan is (i) to implement the Recapitalization, (ii) to complete a reorganization of the Company's financial obligations, and (iii) to effect a compromise and arrangement of all Affected Claims, in the expectation that a greater benefit will be derived from the 2019 CCAA Plan than would result from the Credit Bid Transaction.

If the 2019 CCAA Plan is implemented, the First Lien Lenders will be entitled to receive the New Shares and will become the sole equity holders of the Company. **First Lien Lenders are required to provide Registration Instructions and Equityholder Information to the Solicitation and Information Agent in order to receive New Shares. Failure to provide Registration Instructions and Equityholder Information to the Solicitation and Information Agent in a timely manner may cause a First Lien Lender to lose its entitlement to the New Shares.**

The Company's General Creditors will receive substantially the same treatment under the 2019 CCAA Plan that they voted to receive under the 2018 CCAA Plan, which was approved unanimously by the voting creditors and sanctioned by the Court prior to its termination by the Company.

As described in further detail in this Circular, upon implementation of the 2019 CCAA Plan, the Affected Claims shall be irrevocably and finally extinguished and the following transactions shall occur:

(a) a portion of the Company's Cash on Hand shall be used to (i) satisfy in full all claims which rank *pari passu* with or in priority to the First Lien Claim, and (ii) establish the Administrative Reserve Fund;

(b) the Municipality's Alleged Priority Secured Claim, and any security underlying such claim, shall be discharged as against the Company and the Municipal Tax Fund shall stand in the place and stead of the Municipality's security;

(c) each Tranche A Lender shall receive in respect of the principal amount of its Tranche A Loans its *pro rata* share of the obligations under the New Senior Secured Term Facility which will be automatically recorded with the Tranche A registration details;

(d) each Tranche A Lender and Tranche B Lender shall receive in respect of, in the case of a Tranche A Lender, the accrued interest on its Tranche A Loans, and, in the case of a

Tranche B Lender, the principal and accrued interest on its Tranche B Loans, its *pro rata* share of the New Shares; and

(e) a portion of the Company's Cash on Hand shall be used to establish the General Creditor Pool in the amount of $500,000 (plus the amount required to satisfy Convenience Class Claims) which shall be distributed to the Affected Creditors in the General Creditor Class in accordance with the 2019 CCAA Plan.

The 2019 CCAA Plan has been developed with the intention that distributions to be made to General Creditors under the 2019 CCAA Plan will be substantially similar to the distributions that would have been made to General Creditors under the 2018 CCAA Plan, had such 2018 CCAA Plan been implemented.

Approval of the 2019 CCAA 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 2019 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 2019 Creditors' Meetings with each Affected Creditor holding a Voting Claim entitled to one vote at the applicable 2019 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 2019 Creditors' Meetings

Affected Creditors (Other than Beneficial Noteholders)

Each Affected Creditor entitled to vote at a 2019 Creditors' Meeting (other than Beneficial Noteholders who must provide their Voting Instructions in advance of the 2019 Creditors' Meeting) may vote at the applicable 2019 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 2019 Creditors' Meetings are attached to the 2019 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: Jose Aldana Herbas) email: Connacher.Monitor@ca.ey.com prior to 5:00 p.m. (Calgary time) on the day that is two Business Days before the 2019 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 other than a Beneficial Noteholder 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 2019 CCAA 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, provided however that a First Lien Lender must also return a Voting Information and Election Form to their Participant Holder prior to the Beneficial Noteholder Voting and Election Deadline for their vote in respect of their Second Lien Deficiency Claim to be recorded.

Beneficial Noteholders

Second Lien Noteholders who wish to vote on the 2019 CCAA 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 and Information 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 to their Participant Holder. 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 a Voting Information and Election Form to their Participant Holder, who will make an election through DTC, will not be deemed to be Convenience Class Creditors, regardless of the size of their Accepted Claims, and will be limited to recovering their Pro Rata Share of the General Creditor Pool. To be clear, unlike other General Creditors with Accepted Claims equal to or less than $2,000, a Beneficial Noteholder with an Accepted Claim equal to or less than $2,000 must return a completed Voting Information and Election Form instructing their Participant Holder to make a Distribution Election in order to recover the Distribution Election Amount.

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 a portion of the Second Lien Claim and other General Creditor Claims (including a portion of the First Lien Deficiency Claim) must submit (i) Voting Instructions to their Participant Holder, and (ii) a General Creditor Proxy to the Monitor to vote its entire General Creditor Claim.

Conditions to Implementation of the 2019 CCAA Plan

In order for the 2019 CCAA Plan to be implemented, the following conditions, among others, must be satisfied:

(a) the Company, the Consenting First Lien Lenders and the First Lien Agent shall have complied with all provisions of the Amended and Restated Support Agreement and such conditions shall have been satisfied or waived in accordance with its terms;

(b) the 2019 CCAA Plan shall have been approved by the Required Majorities;

(c) the 2019 Plan Sanction Order shall have been granted by the Court in a form acceptable to the Company, the Monitor, the Consenting First Lien Lenders and the First Lien Agent, each acting reasonably, and shall be in full force and effect and not reversed, stayed, varied, modified or amended;

(d) all applicable appeal periods in respect of the 2019 Plan Sanction Order shall have expired and in the event of an appeal or application for leave to appeal, final determination shall have been made by the applicable appellate court;

(e) the Monitor shall have received the Plan Implementation Fund from the Company;

(f) the AER shall have provided an advance ruling confirming that the AER does not consider the change to control persons (within the meaning of Directive 067) resulting from the implementation of the 2019 CCAA Plan to be an unreasonable risk;

(g) no injunction or other Order shall have been issued to enjoin, restrict or prohibit any of the transactions contemplated by the 2019 CCAA Plan and the Amended and Restated Support Agreement, and no proceedings therefor shall have been commenced before any court or governmental or regulatory authority;

(h) the New Senior Secured Term Facility Agreement, the MIP, the Executive Employment Agreements, and the Shareholders Agreement and all related agreements and other documents contemplated by the Recapitalization and the implementation of the 2019 CCAA Plan, shall be in form and substance acceptable to the Company and the Consenting First Lien Lenders, each acting reasonably, and shall have become effective, subject only to the implementation of the 2019 CCAA Plan;

(i) the Company shall not be a reporting issuer (or equivalent) in any province or territory of Canada or any other jurisdiction upon implementation of the 2019 CCAA Plan;

(j) the articles of reorganization to be filed under the CBCA in respect of the Restructuring Transactions and, in particular, the creation of the New Shares, shall be in form acceptable to the Consenting First Lien Lenders;

(k) the aggregate number of New Shares to be issued pursuant to the 2019 CCAA Plan shall be acceptable to the Consenting First Lien Lenders;

(l) the composition of the New Board shall be as determined in accordance with the Amended and Restated Support Agreement;

(m) all necessary corporate action and proceedings of the Company shall have been taken to approve the 2019 CCAA 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 2019 CCAA Plan; and

(n) all agreements, resolutions, documents and other instruments, which are reasonably necessary to be executed and delivered by the Company, in order to implement the 2019 CCAA Plan or the 2019 Plan Sanction Order or perform the Company's obligations under the 2019 CCAA Plan, shall have been executed and delivered.

If the approval of the Affected Creditors is obtained, the hearing in respect of the 2019 Plan Sanction Order is scheduled to take place at 10:00 a.m. on June 20, 2019 at Calgary Courts Centre, 601 5 Street SW, Calgary, Alberta, Canada. Any objections to the sanction of the 2019 CCAA 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 the Company. 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 the Company.

After careful consideration, including (i) a review of the terms of the Amended and Restated Support Agreement and the 2019 CCAA Plan; (ii) the advice of the Financial Advisor and the Monitor; (iii) the need for relief from the Company'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 2019 CCAA Plan is in the best interests of the Company and to recommend to the Board that they approve the 2019 CCAA Plan and recommend that Affected Creditors vote FOR the Resolutions to approve the 2019 CCAA 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 the Company's stakeholders having declared their interest in the transaction and abstained from voting) to accept the recommendation of the Special Committee and approve the 2019 CCAA Plan, authorize its submission to the Affected Creditors for approval and recommend that Affected Creditors vote FOR the Resolutions to approve the 2019 CCAA Plan.

If the 2019 CCAA Plan is not implemented, subject to the terms of the Amended and Restated Support Agreement, the Company, the Consenting First Lien Lenders and the First Lien Agent intend to implement the Credit Bid Transaction.

Subject to the approval of the Affected Creditors the 2019 CCAA Plan will be submitted to the Court for approval.

New Shares

The 2019 CCAA Plan provides that First Lien Lenders who are Tranche A Lenders will receive, in respect of accrued interest on their Tranche A Loans and First Lien Lenders who are Tranche B Lenders will receive, in respect of the principal and accrued interest on their Tranche B Loans, their respective pro rata entitlement of the New Shares. Each Tranche A Lender and Tranche B Lender is required to provide the Solicitation and Information Agent with the Registration Instructions and Equityholder Information in order to receive the New Shares.

No Tranche A Lender or Tranche B Lender shall be entitled to the rights associated with the New Shares and all such New Shares shall be reserved on the books and records of the Company and credited to the applicable lender until such time as such Tranche A Lender or Tranche B Lender, as the case may be, has delivered its Equityholder Information to the Solicitation and Information Agent or post-Effective Date to the Company, or its entitlement to New Shares has lapsed for failure to provide this information under the terms of the 2019 CCAA Plan. In the event that a Tranche A Lender or Tranche B Lender fails to deliver its Equityholder Information on or before the date that is 6 months following the Effective Date, the Company shall be entitled to cancel the entitlement to any New Shares otherwise issuable to such Tranche A Lender or Tranche B Lender that has not delivered its Equityholder Information.

Shareholders Agreement

Pursuant to the terms of the 2019 Plan Sanction Order, all recipients of New Shares will be deemed to be parties to the Shareholders Agreement. The terms of the Shareholders Agreement have not been settled as of the date of this Circular and will be notified to the proposed recipients of New Shares by a supplement to this Circular. Certificates representing New Shares will bear a legend referring to the Shareholders Agreement and the requirements and restrictions on transfer set out therein.

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 and Information Agent, Kingsdale Advisors, at 416-867-2272 or, toll free at 1-888-642-3150, or by email at contactus@kingsdaleadvisors.com.

THE 2019 CREDITORS' MEETINGS

Procedures for 2019 Creditors' Meetings

Pursuant to the 2019 Creditors' Meetings Order made on May 16, 2019 by the Honourable Mr. Justice Jones of the Alberta Court of Queen's Bench (the "**2019 Creditors' Meetings Order**"), a copy of which is posted on the Monitor's Website at www.ey.com/ca/connacheroilandgas, the 2019 Creditors' Meetings of Affected Creditors have been called to consider and vote on the 2019 CCAA Plan. The 2019 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 June 19, 2019. The 2019 Creditors' Meeting of First Lien Lenders will begin at 11:30 a.m. (Calgary time). The 2019 Creditors' Meeting of General Creditors will begin at 11:45 a.m. (Calgary time).

Each 2019 Creditors' Meeting will be held and conducted in accordance with the provisions of the 2019 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 2019 Creditors' Meeting and decide all matters relating to the conduct of the 2019 Creditors' Meeting. The Monitor may appoint scrutineers (the "**Scrutineers**") for the supervision and tabulation of the attendance, quorum and votes cast at each 2019 Creditors' Meeting. A Person designated by the Monitor will act as secretary at each 2019 Creditors' Meeting.

The only Persons entitled to attend a 2019 Creditors' Meeting are (i) the Affected Creditors entitled to vote at that 2019 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 and Information Agent; and (x) the Financial Advisor. Any other person may be admitted to a 2019 Creditors' Meeting on invitation of the Company, in consultation with the Monitor.

The quorum required at each 2019 Creditors' Meeting has been set by the 2019 Creditors' Meetings Order as one Affected Creditor with an Accepted Claim against the Company present at the applicable 2019 Creditors' Meeting in person or by proxy.

If the requisite quorum is not present at a 2019 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 Consenting First Lien Lenders and the Monitor. In the event of any such adjournment, the Company and the Monitor will not be required to deliver any notice of adjournment of a 2019 Creditors' Meeting or adjourned 2019 Creditors' Meeting provided that the Monitor shall: (i) announce the adjournment at the 2019 Creditors' Meeting(s) or adjourned 2019 Creditors' Meeting(s), as applicable; (ii) post notice of the adjournment at the originally designated time and location of the 2019 Creditors' Meeting(s) or adjourned 2019 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 2019 Creditors' Meeting will be accepted as a proxy in respect of any adjourned 2019 Creditors' Meeting.

Voting at the 2019 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 2019 CCAA 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 2019 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 2019 Creditors' Meetings or vote on the 2019 CCAA 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 2019 CCAA 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 2019 CCAA 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 2019 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 2019 CCAA 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 2019 Creditors' Meeting (other than Beneficial Noteholders who must provide their Voting Instructions in advance of the 2019 Creditors' Meeting) may vote at the 2019 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 2019 Creditors' Meetings are attached to the 2019 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: Jose Aldana Herbas), email: Connacher.Monitor@ca.ey.com prior to 5:00 p.m. (Calgary time) on the day that is two Business Days before the 2019 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 2019 CCAA Plan should submit a First Lien Lenders Proxy. The 2019 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), provided however that a First Lien Lender must also return a Voting Information and Election Form to their Participant Holder prior to the Beneficial Noteholder Voting and Election Deadline for their vote in respect of their Second Lien Deficiency Claim to be recorded. If conflicting proxies and/or Voting Instructions are returned by any Creditor that owns First Lien Claims or General Creditor Class Claims, such votes will not be counted.

The 2019 CCAA Plan provides that First Lien Lenders who are Tranche A Lenders will receive, in respect of accrued interest on their Tranche A Loans and First Lien Lenders who are Tranche B Lenders will receive, in respect of the principal and accrued interest on their Tranche B Loans, their respective *pro rata* entitlement of the New Shares. Each Tranche A Lender and Tranche B Lender is required to provide the Solicitation and Information Agent with the Registration Instructions and the Equityholder Information in order to receive the New Shares.

No Tranche A Lender or Tranche B Lender shall be entitled to the rights associated with the New Shares and all such New Shares shall be reserved on the books and records of the Company and credited to the applicable lender until such time as such Tranche A Lender or Tranche B Lender, as the case may be, has delivered its Equityholder Information to the Solicitation and Information Agent or Company post-Effective Date. **In the event that a Tranche A Lender or Tranche B Lender fails to deliver its Equityholder Information on or before the date that is 6 months following the Effective Date, the Company shall be entitled to cancel the entitlement to any New Shares otherwise issuable to such Tranche A Lender or Tranche B Lender that has not delivered its Equityholder Information.**

General Creditors

General Creditors with Accepted Claims (other than Beneficial Noteholders) not exceeding an aggregate of $2,000 are not required to attend the 2019 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 2019 CCAA 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 2019 CCAA Plan (to the extent implemented and in accordance with the terms thereof), subject to any rights held by the Second Lien Trustee under the Second Lien Indenture to deduct costs and expenses from any such distributions. 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 2019 CCAA Plan. A Convenience Class Creditor may attend the 2019 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 2019 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 June 17, 2019** (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 2019 CCAA 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 and Information 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. Participant Holders will submit votes received from Beneficial Noteholders by completing a Master Proxy and sending it to the Solicitation and Information Agent in accordance with their instructions contained therein.

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 to their Participant Holder who will in-turn submit a Master Proxy to the Solicitation and Information Agent, representing each of the votes received from voting Beneficial Noteholders. 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 exceeding $2,000 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 and instruct their Participant Holder to make a Distribution Election therein. Beneficial Noteholders should not fill out a Distribution Election Notice, as that form is only applicable to General Creditors who are not Second Lien Noteholders. Beneficial Noteholders who do not return a Voting Information and Election Form to their Participant Holder will not be deemed to be Convenience Class Creditors, regardless of the size of their Accepted Claims, and will be limited to recovering their Pro Rata Share of the General Creditor Pool. To be clear, unlike other General Creditors with Accepted Claims equal to or less than $2,000, a Beneficial Noteholder with an Accepted Claim equal to or less than $2,000 must return a completed Voting Information and Election Form instructing their Participant Holder to make a Distribution Election in order to recover the Distribution Election Amount, as such Beneficial Noteholders cannot be deemed to be Convenience Class Creditors.

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 and Information 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 and Information Agent for the 2019 Creditors' Meetings and in connection with the identification of, and communication to, Affected Creditors.

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 2019 Creditors' Meeting of First Lien Lenders. For greater certainty, any transferee or assignee who takes assignment of a portion of the First Lien Claim after the First Lien Record Date will be required to obtain their entitled distribution from the transferor or assignor, who will remain the party treated as the Beneficial First Lien Lender pursuant to the 2019 Creditors' Meetings Order. The obligations of Consenting First Lien Lenders with respect to the transfer of their claims (as set out in the Amended and Restated Support Agreement) are not modified by the 2019 Creditors' Meetings Order or the 2019 CCAA 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 2019 Creditors' Meeting of General Creditors. Beneficial Noteholders who take assignment following the Second Lien Notes Record Date are not entitled to return Voting Instructions or make a Distribution Election and shall be bound by and subject to any Voting Information and Election Form delivered in respect of such Second Lien Notes in accordance with the 2019 Creditors' Meetings Order.

Any General Creditor may transfer the whole of its Claim prior to the 2019 Creditors' Meeting of the General Creditors in accordance with the 2019 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 2019 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 2019 Creditors' Meeting for General Creditors.

BACKGROUND TO THE 2019 CCAA 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 “**2015 Recapitalization**”) as “Connacher Oil and Gas Limited”. Subsequent to closing the 2015 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 2015 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 2015 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 is currently comprised of three independent directors.

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 approximately 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 (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, several Court-ordered stay extensions have been obtained, with the most recent extending the stay of proceedings until and including June 28, 2019;

(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.

On June 16, 2016 the Toronto Stock Exchange delisted the Company's securities effective at the close of the market.

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 Supplemental KERP 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 Original Support Agreement, and (ii) commencement of the Second SISP.

The Original Support Agreement secured majority First Lien Lender support for the commencement of the Second SISP and the implementation of either: (i) a "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) the Original Credit Bid Transaction.

The Original Support Agreement also contained a number of financial and non-financial covenants and restrictions on the Company.

The key features of the Original Credit Bid Transaction included: (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 Original Support Agreement and related exhibits.

The Original Credit Bid Transaction, if implemented, would not have provided 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 KEIP and granted the KEIP Charge over the Property to secure all obligations under the KEIP.

2018 Creditors' Meetings Order

On August 22, 2018, the Court granted the 2018 Creditors' Meetings Order authorizing and directing the Company to call the 2018 Creditors' Meetings and establishing procedures for the votes in respect of the 2018 CCAA Plan. The 2018 Creditors' Meetings Order authorized the Company to call the 2018 Creditors' Meeting of First Lien Lenders on October 3, 2018 at 10:00 a.m. (Calgary time) and the 2018 Creditors' Meeting of General Creditors on October 3, 2018, 2018 at 10:15 a.m. (Calgary time). The 2018 Creditors' Meetings Order also, among other things, established (i) procedures for delivery of proxies and voting, (ii) procedures for delivery of Distribution Election Notices and (iii) the applicable records dates.

The 2018 Creditors' Meetings Order also approved the Company's entry into and obligations under the East River 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 East River Plan Transaction or the East River Purchase Transaction, as applicable. The Supplemental Claims Procedure Order established, 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 who were asserting Secured Claims against the Company or Post-Filing D&O Claims against the Directors and Officers were 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.

East River Approval and Vesting Order

On August 22, 2018, the Court granted the East River Approval and Vesting Order with respect to the East River Purchase Transaction, which among other things, approved the East River Purchase Agreement and provided for the vesting of the Company's assets free and clear of certain Encumbrances in East River, upon delivery of the Monitor's Certificate. The East River Approval and Vesting Order will not be pursued, as the East River Plan Sponsorship Agreement, East River Purchase Agreement and the 2018 CCAA Plan have been terminated.

2018 Plan Sanction Order

On October 4, 2018, the Court granted the 2018 Plan Sanction Order, which among other things, sanctioned and approved the 2018 CCAA Plan pursuant to the CCAA. The 2018 Plan Sanction Order was granted following approval of the 2018 CCAA Plan by the Required Majorities at the 2018 Creditors' Meetings held on October 3, 2018. The 2018 Plan Sanction Order will not be pursued, as the East River Plan Sponsorship Agreement and the 2018 CCAA Plan have been terminated.

Wood Buffalo Settlement Approval Order

Following several months of negotiations, on September 24, 2018, the Company and the Municipality agreed to the terms of the Wood Buffalo Settlement Agreement, settling on a final basis the Municipality's Alleged Priority Secured Claim submitted pursuant to the Supplemental Claims Procedure Order. The settlement terms included the Company making a payment to the Municipality in the amount of $8,000,000 to settle certain of the Municipal Tax Claims asserted by the Municipality in its proof of claim. The Municipality granted the Company, the Monitor, and certain other parties a broad release of all claims arising from or related to the settled portion of the Municipal Tax Claims, and the Municipality was permitted to continue to assert its Outstanding Municipal Tax Claims.

On October 4, 2018, the Court granted the Wood Buffalo Settlement Approval Order, which approved the Wood Buffalo Settlement Agreement and authorized the Company to perform its obligations thereunder. The Wood Buffalo Settlement Agreement was implemented shortly thereafter.

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 I 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 East River 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 East River’s Phase II Bid (as defined in the Second SISP) was a Qualified Phase II Bid until such time as East River obtained the necessary internal approval.

On July 19, 2018 East River 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 the East River Plan Sponsorship Agreement, the 2018 CCAA Plan, and the East River Purchase Agreement with East River. The principal transaction documents were signed on August 2, 2018.

The East River Plan Sponsorship Agreement

On August 1, 2018 East River was selected as the Successful Bidder pursuant to the Second SISP and the East River Plan Sponsorship Agreement (which contemplated the 2018 CCAA Plan and East River Purchase Agreement which was to be consummated if the 2018 CCAA Plan could not be implemented for certain reasons) and the transactions with East River were determined to be a "Superior Transaction". The Company and East River entered into the East River Plan Sponsorship Agreement pursuant to which the Company and East River agreed, among other things, to use commercially reasonable efforts to give effect to a restructuring of the Company by way of the 2018 CCAA Plan, on the terms set out in and consistent in all material respects with the East River Plan Sponsorship Agreement and the 2018 CCAA Plan and, if necessary, the East River Purchase Agreement.

The 2018 CCAA Plan

On August 1, 2018, on the recommendation of the Special Committee, the Board approved the 2018 CCAA Plan. On August 13, 2018, the Company filed application materials with the Court seeking the 2018 Creditors' Meetings Order.

The East River Purchase Agreement

If a CCAA Plan Termination Event (as defined in the East River Plan Sponsorship Agreement) was to occur, the Company and East River agreed to proceed with a sale pursuant to the East River Purchase Agreement. The terms of the East River Purchase Agreement were approved by the Court on August 22, 2018 but the East River Approval and Vesting Order was not to become effective until the occurrence of a CCAA Plan Termination Event.

The Extension Agreement

Following discussions with certain of the Company's key stakeholders regarding the need for certainty with respect to the timing of the closing, on August 17, 2018, the Company and East River entered into a letter agreement extending the East River Outside Date, from October 31, 2018 to November 15, 2018. Additionally, the parties agreed they would not implement the 2018 CCAA Plan, or the East River Purchase Agreement, as applicable, prior to November 8, 2018.

In consideration for East River's agreement to the foregoing, the Company also agreed that East River's obligation to pay Connacher interest pursuant to section 2.12 of the East River Purchase Agreement, if applicable, shall be calculated to exclude the interest that would have accrued during the period from November 1, 2018 and November 15, 2018.

Court Sanction of the 2018 CCAA Plan

On October 3, 2018, the Company held the 2018 Creditors' Meetings. The resolutions put forward to the First Lien Lender Class and General Creditor Class were approved by 100% of the Affected Creditors who voted on the 2018 CCAA Plan in person or by proxy in each Class, providing the Company with the support of the Required Majorities to proceed to seek Court sanction of the 2018 CCAA Plan.

On October 4, 2018, the Court granted the 2018 Plan Sanction Order, sanctioning the 2018 CCAA Plan pursuant to the CCAA.

Termination of the East River Plan Sponsorship Agreement and 2018 CCAA Plan

On November 7, 2018, East River notified the Company that, since not all of the East River PRC Approvals would be obtained by November 15, 2018, East River was exercising its first pre-negotiated right under the East River Plan Sponsorship Agreement to extend the East River Outside Date to December 15, 2018. East River paid an Additional Deposit to the Monitor on November 15, 2018.

On December 10, 2018, East River notified the Company that it intended to exercise its second pre-negotiated extension right under the East River Plan Sponsorship Agreement to extend the East River Outside Date to January 15, 2019, as it had not yet obtained all of the East River PRC Approvals. However, East River informed the Company that it would not be able to deliver a second Additional Deposit. Following further discussions, East River requested that the East River Outside Date be extended past January 15, 2019 (without the contemporaneous payment of an Additional Deposit) to allow additional time to obtain all of the East River PRC Approvals.

On December 17, 2018, the Company and East River executed the Outside Date Amending Agreement, which, among other things, extended the East River Outside Date to January 31, 2019.

On February 1, 2019, East River and the Company executed the Outside Date Amending Agreement No. 2. This agreement provided a further extension of the East River Outside Date to March 29, 2019, subject to and conditional upon East River making a further $2,000,000 deposit payment to the Monitor, in trust for the Company, by February 15, 2019. The parties agreed that if such payment was not received by the Monitor by February 15, 2019, the East River Outside Date would be deemed to be February 15, 2019, and that the $13,500,000 in previously paid deposits being held by the Monitor would be immediately forfeited to the Company, but would be credited towards a transaction if timely completed by East River.

East River failed to deliver the further $2,000,000 deposit required by the Outside Date Amending Agreement No. 2, and failed to complete a transaction by February 15, 2019.

On February 16, 2019, the Company terminated the East River Plan Sponsorship Agreement and, by extension, the 2018 CCAA Plan. As a result, the Monitor paid over to the Company the forfeited East River deposits in the aggregate amount of $13,500,000.

The Support Agreement Amending Agreement

As a result of the termination of the East River transactions, under the terms of the Original Support Agreement, the First Lien Agent and Consenting First Lien Lenders were to promptly take steps to implement the Original Credit Bid Transaction.

On March 4, 2019, Connacher, the Consenting First Lien Lenders and the First Lien Agent entered into the Support Agreement Amending Agreement, which deferred the “Credit Bid Trigger Date under the Original Support Agreement to March 8, 2019 or such other date as the Majority Consenting First Lien Lenders and the Company may agree, and amended the definition of “Outside Date” under the Original Support Agreement to be May 31, 2019 or such other date as the Majority Consenting First Lien Lenders and the Company may agree.

Subsequent to the execution of the Support Agreement Amending Agreement, the Company and the Majority Consenting First Lien Lenders agreed to further defer (i) the “Credit Bid Trigger Date” to May 16, 2019, and (ii) the “Outside Date” under the Original Support Agreement to June 28, 2019, to provide additional time for the parties to continue their discussions on potential amendments to the structure and terms of the Original Credit Bid Transaction**.** Such discussions culminated in the execution of the Amended and Restated Support Agreement on May 6, 2019.

OVERVIEW OF THE TRANSACTION

Pursuant to the 2019 CCAA Plan, the First Lien Lenders 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 2019 CCAA Plan will generate the highest reasonable value in a timely manner for Affected Creditors given the available alternatives.

SUMMARY OF THE AMENDED AND RESTATED SUPPORT AGREEMENT

The description of the Amended and Restated Support 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 Amended and Restated Support Agreement. Capitalized terms used and not otherwise defined in this section of the Circular have the respective meanings given to them in the Amended and Restated Support Agreement. Readers are encouraged to review the Amended and Restated Support Agreement which may be found on the Monitor's Website and under the Company's profile on SEDAR at www.sedar.com.

On May 6, 2019, the Company, the Consenting First Lien Lenders and the First Lien Agent entered into the Amended and Restated Support Agreement. The terms of the Amended and Restated Support Agreement are the result of arm's length negotiations conducted between representatives of the Company, the Consenting First Lien Lenders, the First Lien Agent, and their respective advisors. The Court, through the 2019 Creditors' Meetings Order, has approved the Company's entry into and compliance with the Amended and Restated Support Agreement.

Cooperation

Under the terms of the Amended and Restated Support Agreement, the Company, the Consenting First Lien Lenders and the First Lien Agent have agreed to cooperate with each other in good faith and use commercially reasonable efforts to implement the Plan Transaction by way of the 2019 CCAA Plan prior to the Plan Outside Date, including, among other things, working to complete steps in accordance with the following timeline, which may be amended in accordance with the terms of the Amended and Restated Support Agreement:

- The Authorization Order must be obtained by May 16, 2019;
- The 2019 Creditors' Meetings Order must be obtained by May 16, 2019;
- The 2019 Creditors' Meetings must be held by June 19, 2019;
- The 2019 Plan Sanction Order must be obtained by June 20, 2019; and
- The 2019 CCAA Plan must be implemented by July 31, 2019.

Credit Bid Transaction

If the 2019 CCAA Plan fails because:

(a) within five Business Days of the applicable times set forth in the Plan Term Sheet (as may be amended) (a) the 2019 Creditors' Meetings Order is not granted; (b) the 2019 Plan Sanction Order is not granted; or (c) the 2019 CCAA Plan is not implemented and the Plan Transaction is not implemented;

(b) the requisite Creditor approval of the 2019 CCAA Plan is not obtained at the 2019 Creditors' Meetings held in accordance with the 2019 Creditors' Meetings Order; or

(c) it is jointly determined by the Company and the Majority Consenting First Lien Lenders, each acting reasonably, that for any other reason it is no longer viable to implement the Plan Transaction pursuant to the 2019 CCAA Plan,

(each of the foregoing, a "**CCAA Plan Termination Event**"), the Company, the Consenting First Lien Lenders and the First Lien Agent will promptly proceed to implement the Credit Bid Transaction in accordance with the terms of the Credit Bid Term Sheet and will each use commercially reasonable efforts to give effect to the Credit Bid Transaction by way of the PSA on the terms set out in and consistent in all material respects with the Amended and Restated Support Agreement, the Credit Bid Term Sheet and the PSA within the time frames set for in the Credit Bid Term Sheet (or such other timeline as may be agreed by the Company and the Consenting First Lien Lenders).

Representations and Warranties

Representations and Warranties of Consenting First Lien Lenders

Under the terms of the Amended and Restated Support Agreement, each Consenting First Lien Lender, severally and not jointly, represents and warrants to each of the other parties (and acknowledges that each of the other parties is relying upon such representations and warranties) that:

(a) it (or clients thereof for which it has discretionary authority to manage or administer funds) is the legal or beneficial holder of, or exercises control and direction over, (i) the loans in the principal amount set forth on such Consenting First Lien Lender's signature page to the Amended and Restated Support Agreement or its Joinder Agreement, as the case may be (ii) the additional claims against the Company identified in the principal amount set forth on such Consenting First Lien Lender's signature page;

(b) as of the date of the Amended and Restated Support Agreement, the principal amount of loans set forth on such Consenting First Lien Lender's signature page to the Amended and Restated Support Agreement or its Joinder Agreement, as the case may be, constitute all of the loans that are legally or beneficially owned by it (or over which it exercises control and direction on behalf of clients for which it has discretionary authority to manage or administer funds);

(c) as of the date of the Amended and Restated Support Agreement or of its Joinder Agreement, as applicable, the principal amount of additional claims set forth on such Consenting First Lien Lender's signature page to the Amended and Restated Support Agreement or its Joinder Agreement, as the case may be, constitute all of the additional claims that are legally or beneficially owned by it (or over which it exercises control and direction on behalf of clients for which it has discretionary authority to manage or administer funds);

(d) it has the authority with respect to its debt to support, or, if necessary, to direct the First Lien Agent with respect to its debt to support, the Plan Transaction and the 2019 CCAA Plan;

(e) it has, together with the other Consenting First Lien Lenders, the authority to direct the First Lien Agent to support the Plan Transaction and the 2019 CCAA Plan or, if applicable, support the Credit Bid Transaction and to enter into the PSA and effect the Credit Bid Transaction;

(f) it is a sophisticated party with sufficient knowledge and experience to evaluate properly the terms and conditions of the Amended and Restated Support Agreement; it has conducted its own analysis and made its own decision to enter into the Amended and Restated Support Agreement and has obtained such independent advice in this regard as it deemed appropriate (it being recognized that Bennett Jones, Jones Day and PricewaterhouseCoopers LLP (collectively, the "**Advisors**") are not the advisors to any individual holder of the Loans, including any Consenting First Lien Lender, on an individual basis), and it has not relied on such analysis or decision on any Person other than its own independent advisors;

(g) the Amended and Restated Support Agreement has been duly executed and delivered by it, and, assuming the due authorization, execution and delivery by all parties, the Amended and Restated Support Agreement constitutes the legal, valid and binding obligation of such Consenting First Lien Lender, enforceable in accordance with its terms, subject to laws of general application and bankruptcy, insolvency and other similar laws affecting creditors' rights generally and general principles of equity;

(h) it is duly organized, validly existing and in good standing under the laws of the jurisdiction of its organization and has all necessary power and authority to execute and deliver the Amended and Restated Support Agreement and to perform its obligations hereunder, including the power and authority to bind the beneficial owner(s) of the loans and additional claims (as applicable) to the terms of the Amended and Restated Support Agreement and consummate the transactions contemplated by the Amended and Restated Support Agreement;

(i) the execution and delivery of the Amended and Restated Support Agreement by it and the completion by it of the transactions contemplated in the Amended and Restated Support Agreement do not and will not violate or conflict with any judgment, order, notice, decree, statute, law, ordinance, rule or regulation applicable to such Consenting First Lien Lender or any of its properties or assets, or result (with or without notice or the passage of time) in a violation, conflict or breach of, or constitute a default under, or require any consent to be obtained under, its certificate of incorporation, articles, bylaws or other charter documents;

(j) except as contemplated by the Amended and Restated Support Agreement, it has not deposited any of its loans, other debt or additional claims into a voting trust, or granted (or permitted to be granted) any proxies or powers of attorney or attorney in fact, or entered into a voting agreement, understanding or arrangement, with respect to the voting of its loans, other debt or additional claims where such trust, grant, agreement, understanding or arrangement would in any manner restrict the ability of the Consenting First Lien Lender to comply with its obligations under the Amended and Restated Support Agreement; and

(k) there is not pending or threatened against it or any of its properties, nor has it received notice in respect of, any claim, potential claim, litigation, action, suit, arbitration, investigation or other proceeding before any governmental entity that, individually or in the aggregate, would reasonably be expected to have an adverse effect on such Consenting First Lien Lender's ability to execute and deliver the Amended and Restated Support Agreement and to consummate the transactions contemplated by the Amended and Restated Support Agreement.

Representations and Warranties of First Lien Agent

Under the terms of the Amended and Restated Support Agreement, the First Lien Agent represents and warrants to the Company and the Consenting First Lien Lenders (and the First Lien Agent acknowledges that the Company is relying upon such representations and warranties):

(a) it is the validly appointed successor administrative agent under the First Lien Credit Agreement;

(b) the direction is in form and substance satisfactory to the First Lien Agent and will, when executed and delivered to the First Lien Agent by a Consenting First Lien Lender and assuming the due authorization, execution and delivery by each such Consenting First Lien Lender signatory thereto, constitute a legal, valid, enforceable direction by such Consenting First Lien Lender under the First Lien Credit Agreement to the First Lien Agent to (i) effect the Credit Bid Transaction and (ii) take such other steps and execute such other documents as expressly contemplated in the Amended and Restated Support Agreement or thereby to complete the Credit Bid Transaction for and on behalf of all First Lien Lenders;

(c) based on the amount of the loans set forth on the signature pages of the Initial Consenting First Lien Lenders to the Amended and Restated Support Agreement, such Initial Consenting First Lien Lenders hold a sufficient amount of the loans to direct and cause the First Lien Agent to (i) effect the Credit Bid Transaction and (ii) take such other steps and execute such other documents as expressly contemplated by the Amended and Restated Support Agreement or thereby to complete the Credit Bid Transaction for and on behalf of all First Lien Lenders, in each case upon and subject to (A) the Approval and Vesting Order being granted, and (B) the Consenting First Lien Lenders delivering an executed direction to the First Lien Agent; and

(d) upon the Consenting First Lien Lenders delivering an executed direction to the First Lien Agent, the First Lien Agent shall, as soon as possible thereafter, effect the Credit Bid Transaction and promptly take all actions and steps and execute and deliver such further documents as expressly contemplated by the Amended and Restated Support Agreement or thereby to complete the Credit Bid Transaction, in each case upon and subject to the Approval and Vesting Order being granted; and for certainty, no other direction, undertaking or agreement shall be required from any of the First Lien Lenders to cause the First Lien Agent to take such actions.

Representations and Warranties of the Company

Under the terms of the Amended and Restated Support Agreement, the Company represents and warrants to each of the Consenting First Lien Lenders and the First Lien Agent (and the Company acknowledges that the Consenting First Lien Lenders and the First Lien Agent are relying upon such representations and warranties) that:

(a) (i) the Company is indebted to the First Lien Agent and the First Lien Lenders in the principal amount of not less than US$154,246,296.72, plus accrued but unpaid interest and all other amounts (including fees, costs and expenses) owing under the First Lien Credit Agreement and related security documents, (ii) the security held by the First Lien Agent is fully valid and enforceable by the First Lien Agent against the Company in accordance with the terms thereof, unaltered, and (iii) the Company has no claim, demand, set-off, counterclaim or any similar right or claim against the First Lien Agent or the First Lien Lenders;

(b) the Special Committee has approved the Amended and Restated Support Agreement and concluded that entering into the Amended and Restated Support Agreement is in the best interests of the Company and recommended to the Board that it approve the Amended and Restated Support Agreement;

(c) it is a sophisticated party with sufficient knowledge and experience to evaluate properly the terms and conditions of the Amended and Restated Support Agreement; it has conducted its own analysis and made its own decision to enter into the Amended and Restated Support Agreement and has obtained such independent advice in this regard as it deemed appropriate; and it has not relied in such analysis or decision on any Person other than its own independent advisors;

(d) subject to approval of the Court, the Amended and Restated Support Agreement has been duly executed and delivered by it, and, assuming the due authorization, execution and delivery by all parties, the Amended and Restated Support Agreement constitutes its legal, valid and binding obligation, enforceable in accordance with its terms, subject to laws of general application and bankruptcy, insolvency and other similar laws affecting creditors' rights generally and general principles of equity;

(e) it is duly organized, validly existing and in good standing under the federal laws of Canada and, subject to approval by the Court, has all necessary power and authority to execute and deliver the Amended and Restated Support Agreement;

(f) subject to the satisfaction of the conditions precedent contained in the Amended and Restated Support Agreement and the requisite transaction approvals, the execution and delivery of the Amended and Restated Support Agreement by it and the completion by it of either the Plan Transaction or the Credit Bid Transaction do not and will not:

  (i) violate or conflict with any judgment, order, notice, decree, statute, law, ordinance, rule or regulation applicable to it or any of its properties or assets; or

  (ii) as at the date of the Amended and Restated Support Agreement and except where such violation or conflict would not be reasonably expected to cause a material adverse effect on the Company, result (with or without notice or the passage of time) in a violation, conflict or breach of, or constitute a default under, or require any consent to be obtained under, or give rise to any third party right of termination, amendment, first refusal, cancellation or acceleration under, or result in any penalty or payment obligation or right of purchase or sale under, any provision of:

    A. its certificate of incorporation, articles, bylaws or other charter documents; or

    B. any agreement, arrangement or understanding to which the Company is a party or by which the Company or any of its properties or assets is bound or affected;

(g) as at March 19, 2018, there was no proceeding, claim or investigation pending before any court, regulatory body, tribunal, agency, governmental or legislative body, or threatened against it or any of its properties that individually or in the aggregate (i) could reasonably be expected to have a material adverse effect on its ability to execute and deliver the Amended and Restated Support Agreement and to consummate the transaction, or (ii) is material to its business;

(h) the audited financial statements have been prepared in accordance with GAAP and the Company's accounting policies and practices consistently applied throughout the periods included therein. The audited financial statements present fairly, in all material respects, the financial condition of the business of the Company as of the dates set forth therein, and the results of operations and cash flows for the periods covered thereby, in conformity with GAAP. The unaudited interim financial statements of the Company as of and for the nine-month period ended September 30, 2017 have been reviewed by the Company's auditor and there are no material modifications that need to be made to the Company's interim financial statements for them to be in conformity with GAAP;

(i) as at March 19, 2018, the Company did not have any liabilities or obligations of any nature (whether absolute, accrued, contingent or otherwise) except: (i) as set forth in the audited financial statements; (ii) for liabilities incurred in the ordinary course of business consistent with past practice subsequent to December 31, 2016 which would not have a material adverse affect on the Company; and (iii) claims against it or liabilities set forth in the Disclosure Letter;

(j) all projections that have been or will be provided or made available by it or any of its representatives to any Consenting First Lien Lender and/or the Advisors have been or will be, when furnished, prepared in good faith and based upon assumptions that the Company believes to be reasonable;

(k) as at March 19, 2018, (i) the Advisors or the Initial Consenting First Lien Lenders had been provided with a true, accurate and complete copy of each material contract (or if not provided with such a copy, the Company has made available for review each material contract, as applicable), (ii) the Company was in compliance with the terms of the material contracts, (iii) the Company was not aware of any existing breach or other event that provides a counterparty to any material contract with the right (with or without notice) to terminate such material contract, and (iv) the Company was not aware of any other obligation, undertaking, arrangement, document, commitment, entitlement or engagement to which the Company is a party or by which the Company is bound that is material to the business or financial condition of the Company;

(l) other than as set forth in the Disclosure Letter, as at March 19, 2018, the Company did not own or occupy any real property;

(m) a complete and correct copy of the agreements to sublease the Company's premises have been provided to the Advisors prior to the date of the Amended and Restated Support Agreement. The details of the subleasing agreements are accurately described in the Disclosure Letter. The terms and conditions of the Company's real property leases will not be affected by, nor will such leases be in default as a result of, the completion of the transactions contemplated by the Amended and Restated Support Agreement;

(n) other than as set forth in the Disclosure Letter, as at March 19, 2018, the Company was not party to or bound by any written employment, service or consulting agreement or other similar agreement that is material to the business or financial condition of the Company, and the Company was not aware of any other arrangement, plan, obligation or understanding to which the Company is a party or bound in respect of employment, service or consulting that is material to the business or financial condition of the Company. As at March 19, 2018, the Initial Consenting First Lien Lenders or the Advisors were provided with copies of all written agreements between the Company and each director, officer, consultant and employee of the Company that provides for severance or termination or other payments in connection with the termination of the employment or engagement of, or resignation of, any such person following a change of control of the Company or a sale of all or substantially all of the assets of the Company;

(o) as at March 19, 2018, it had conducted its business in material compliance with all applicable laws and has not received any notice to the effect that, or had otherwise been advised that, it is not in material compliance with such laws. Without limiting the generality of the foregoing, as at March 19, 2018, the Company had not made any payment, directly or indirectly, on behalf of or for the benefit of the Company, in violation of any applicable laws prohibiting the payment of undisclosed commissions or bonuses or the making of bribe or incentive payments or other arrangements of a similar nature with respect to the conduct of the business of the Company, including the *Corruption of Foreign Public Officials Act* (Canada);

(p) as at March 19, 2018, all material tax returns required to be filed by the Company have been timely filed (taking into account extensions). All such tax returns were correct and complete in all material respects. Other than as set forth in the Disclosure Letter, as at

March 19, 2018, no audit (other than routine audits), administrative proceeding, or judicial proceeding that involves a material amount of tax insofar as they may affect the transaction is pending;

(q) to its knowledge, as at March 19, 2018, the assets of the Company have been insured against risks normally covered by insurance policies by companies carrying on business of a similar nature of the Company and all such insurance policies are in full force and effect, all premiums due and payable thereon have been paid, all material terms and conditions of such policies have been complied with, and no written notice of cancellation or termination has been received by the Company with respect to any such policy that is not replaceable by the Company on substantially similar terms prior to the date of such cancellation;

(r) except as set forth in the Disclosure Letter, since commencement of the CCAA Proceeding, as at March 19, 2018, it had not undergone an adverse change that is material to its business or financial condition, excluding any such effect or effects that result from general economic, financial, currency exchange, securities or commodity market conditions in Canada or elsewhere; and

(s) no representation or warranty of it contained in the Amended and Restated Support Agreement contains any untrue statement of a material fact or omits to state a material fact necessary in order to make the statements contained in the Amended and Restated Support Agreement not misleading. All responses by it to the inquiries of the Initial Consenting First Lien Lenders and the Advisors concerning it and its business during the due diligence investigation of the Initial Consenting First Lien Lenders and the Advisors have been made in good faith and to the knowledge of the Company. To the knowledge of the Company, all documents provided to the Initial Consenting First Lien Lenders and the Advisors are true, accurate and complete copies in all material respects of the documents they purport to be.

Covenants

Consenting First Lien Lenders' Covenants and Consents

The Amended and Restated Support Agreement provides that, in each case subject to applicable law and any order that may be granted by a court of competent jurisdiction:

(a) Each Consenting First Lien Lender, severally, and not joint and severally, consents and agrees to the terms of the Amended and Restated Support Agreement.

(b) Each Consenting First Lien Lender agrees to take all commercially reasonable actions necessary to consummate the Plan Transaction in accordance with the terms and conditions set forth in the Amended and Restated Support Agreement (including the Plan Term Sheet) and the 2019 CCAA Plan and for certainty, including without limitation, as may be applicable, (i) voting on a timely basis in favour of the 2019 CCAA Plan in respect of its loans, other debt and additional claims in accordance with the 2019 Creditors' Meetings Order or, if necessary, directing the First Lien Agent to vote on a timely basis in favour of the 2019 CCAA Plan in respect of its loans, other debt and additional claims in accordance with the 2019 Creditors' Meetings Order, (ii) supporting the Company's request from the AER of an advance ruling that the AER does not consider the change to control persons (within the meaning of Directive 067) resulting from the implementation of the 2019 CCAA Plan to be an unreasonable risk and providing the Company with all information pertaining to it (or its affiliates) which is necessary to make such request, as applicable (iii) supporting the Company's request for approval of the Authorization Order, the 2019 Creditors' Meetings Order and the 2019 Plan Sanction Order, and (iv) such other actions as may be reasonably required to complete the Plan Transaction, including, to the extent required, directing the First Lien Agent to take all action reasonably necessary to assist the Company and the Monitor with the implementation of the 2019 CCAA Plan, including the payments and distributions to the First Lien Lenders contemplated therein.

(c) Following the occurrence of a CCAA Plan Termination Event, each Consenting First Lien Lender agrees to take all commercially reasonable actions necessary to consummate the Credit Bid Transaction in accordance with the terms and conditions set forth in the Amended and Restated Support Agreement (including the Credit Bid Term Sheet) and for certainty, including without limitation, as may be applicable, (i) causing the Credit Bid Purchaser to execute, deliver and perform its obligations under the PSA, (ii) supporting the Company's license transfer application to the AER and providing all information pertaining to it (or its affiliates) which is necessary to make such applications, as applicable (iii) supporting the Company's request for an Approval and Vesting Order approving the Credit Bid Transaction, the request for the releases, the funding in full of any priority claims (including claims arising under the Court-ordered charges), and the funding of the Administrative Reserve Fund, (iv) supporting the Company's request for approval of the distribution order (as applicable), and (v) such other actions as may be reasonably required to complete the Credit Bid Transaction.

(d) Each Consenting First Lien Lender agrees that between the date of execution of the Amended and Restated Support Agreement and the termination of the Amended and Restated Support Agreement, it shall not, directly or indirectly:

(i) sell, assign, lend, pledge, hypothecate (except with respect to security generally applying to its investments which does not adversely affect such Consenting First Lien Lender's ability to perform its obligations under the Amended and Restated Support Agreement) or otherwise transfer any of its loans, other debt or additional claims or any rights or interests therein (or permit any of the foregoing with respect to any of its loans, other debt or additional claims) or enter into any agreement, arrangement or understanding in connection therewith, except that the Consenting First Lien Lender may transfer its relevant loans, other debt or additional claims (x) to the extent the Consenting First Lien Lender is managing the loans, other debt or additional claims on behalf of a fund, to another fund managed by the same Consenting First Lien Lender for which the Consenting First Lien Lender has sole voting and investment discretion, including sole discretionary authority to manage or administer funds and continues to exercise sole investment and voting authority with respect to the Loans, other debt or additional claims provided that such Consenting First Lien Lender shall continue to be bound by the terms of the Amended and Restated Support Agreement, (y) to another Consenting First Lien Lender, or (z) to any other transferee provided that such transferee constitutes an "Eligible Assignee" (as that term is defined in the First Credit Agreement) and agrees pursuant to a duly executed Joinder Agreement prior to such transfer to be bound by all of the terms of the Amended and Restated Support Agreement as if such transferee had originally executed the Amended and Restated Support Agreement. Within five Business Days of any transfer, each of the transferor and the transferee shall provide the Company and the advisors with written notice of such transfer (including the principal amount of the loans, other debt and/or additional claims affected by such transfer) and, if applicable, a copy of the Joinder Agreement executed by the consenting transferee. Any transfer that does not comply with this paragraph shall be void *ab initio*. For greater certainty, if a Consenting First Lien Lender assigns all of its relevant loans, other debt and/or additional claims pursuant to Section 6(d)(i) of the Amended and Restated Support Agreement shall continue to be binding upon such First Lien Lender with respect to any loans, other debt or additional claims it subsequently acquires;

(ii) except as contemplated by the Amended and Restated Support Agreement, deposit any of its loans, other debt or additional claims into a voting trust, or grant (or permit to be granted) any proxies or powers of attorney or attorney in fact, or enter into a voting agreement, understanding or arrangement, with respect to the voting of its loans, other debt or additional claims if such trust, grant, agreement, understanding or arrangement would in any manner restrict the ability of the Consenting First Lien Lender to comply with its obligations under the Amended and Restated Support Agreement; or

(iii) take any action inconsistent with the Amended and Restated Support Agreement that would frustrate or hinder the consummation of the transaction contemplated by the Amended and Restated Support Agreement.

(e) Each Consenting First Lien Lender agrees that to the extent such Consenting First Lien Lender acquires additional loans or additional claims, such loans or additional claims (as applicable) shall be subject to the Amended and Restated Support Agreement and, with respect to such additional loans or additional claims, shall become loans or additional claims for the purposes of the Amended and Restated Support Agreement, and further agrees that it shall direct the First Lien Agent with respect to any such additional loans or such other applicable party with respect to additional claims in a manner consistent with the Amended and Restated Support Agreement.

(f) If a CCAA Plan Termination Event occurs, each Consenting First Lien Lender shall (i) promptly deliver to the First Lien Agent, copied to the Company, an executed direction for and in respect of all loans then held by such Consenting First Lien Lender legally or beneficially and (ii) as soon as possible thereafter, exercise any power or authority it has to cause the Credit Bid Purchaser to execute, enter into and deliver to the Company the PSA.

(g) Each Consenting First Lien Lender agrees that, until the termination of the Amended and Restated Support Agreement, it shall, on and subject to the terms and conditions of the Amended and Restated Support Agreement:

(i) not revoke the direction;

(ii) use commercially reasonable efforts and take all reasonable necessary actions to support the approval of the transaction as promptly as practicable;

(iii) not propose, file, solicit, vote for or otherwise support any alternative offer, restructuring, liquidation, workout or plan of compromise or arrangement or reorganization of or for the Company;

(iv) support or instruct the Advisors to support all applications filed by the Company in any such court proceeding that are in furtherance of the transaction;

(v) not accelerate or enforce or take any action or initiate any proceeding to accelerate or enforce the payment or repayment of any of its debt (including for greater certainty any due and unpaid interest on its loans) or additional claims;

(vi) forbear from exercising, or directing the First Lien Agent to exercise, any default-related rights, remedies, powers or privileges, or from instituting any enforcement actions or collection actions with respect to any obligations under the First Lien Credit Agreement;

(vii) forbear from exercising, or directing the trustee of the Second Lien Notes to exercise, any default-related rights, remedies, powers or privileges, or from instituting any enforcement actions or collection actions with respect to the Second Lien Notes;

(viii) not take, or omit to take, any action, directly or indirectly, that is materially inconsistent with, or is intended or is likely to interfere with the approval or consummation of the transaction; and

(ix) execute any and all documents and perform any and all commercially reasonable acts required by the Amended and Restated Support Agreement to satisfy all of its obligations including any consent, approval or waiver requested by the Company in furtherance of the transaction, acting reasonably;

provided, however, that nothing contained in the Amended and Restated Support Agreement shall limit the ability of a Consenting First Lien Lender to appear and be heard concerning any matter arising in the CCAA Proceeding so long as such appearance is not inconsistent with the Consenting First Lien Lender's obligations under the Amended and Restated Support Agreement.

(h) Each Consenting First Lien Lender agrees, subject to Section 15 of the Amended and Restated Support Agreement, to the existence and factual details of the Amended and Restated Support Agreement being set out in any public disclosure made by the Company, including press releases and Court materials, provided that such public disclosure is approved by the Company and Advisors, acting reasonably.

(i) Each Consenting First Lien Lender agrees to support the approval of the Credit Bid KERP in the Authorization Order and to comply with the terms of the Credit Bid KERP.

First Lien Agent's Covenants

The Amended and Restated Support Agreement provides that the First Lien Agent covenants and agrees that, in each case subject to applicable law and any order that may be granted by a court of competent jurisdiction:

(a) if required by the terms of the 2019 Creditors' Meetings Order or any other order of the Court and upon receiving written instruction from any Consenting First Lien Lender, the First Lien Agent will exercise such Consenting First Lien Lender's vote in favour of the 2019 CCAA Plan on a timely basis in accordance with the 2019 Creditors' Meetings Order or other order of the Court.

(b) subject to the Consenting First Lien Lenders delivering any required direction(s) to it, the First Lien Agent shall, as soon as possible thereafter, promptly take all action reasonably necessary to assist the Company and the Monitor with the implementation of the 2019 CCAA Plan, including the payments and distributions to First Lien Lenders contemplated therein.

(c) upon the Consenting First Lien Lenders delivering an executed direction to it, the First Lien Agent shall, as soon as possible thereafter, promptly take all actions and steps and execute and deliver such documents as may be requested by the Consenting First Lien Lenders to effect and complete the Credit Bid Transaction, including without limitation, the PSA and the Payment and Settlement Agreement (and including taking all actions that may be requested by the Consenting First Lien Lenders as contemplated by Section 9(a) and Section 17 of the Amended and Restated Support Agreement).

(d) until the termination of the Amended and Restated Support Agreement, it shall, on and subject to the terms and conditions of the Amended and Restated Support Agreement:

(i) not oppose the approval of the transaction;

(ii) support or instruct the Advisors to support all applications filed by the Company in any such court proceeding that are in furtherance of the transaction;

(iii) forbear from exercising any default-related rights, remedies, powers or privileges, or from instituting any enforcement actions or collection actions with respect to any obligations under the First Lien Credit Agreement;

(iv) not take, or omit to take, any action, directly or indirectly, that is materially inconsistent with, or is intended or is likely to interfere with the approval or consummation of the transaction; and

(v) execute any and all documents and perform any and all commercially reasonable acts required by the Amended and Restated Support Agreement to satisfy all of its obligations hereunder including any consent, approval or waiver requested by the Company in furtherance of the transaction, acting reasonably;

provided, however, that nothing contained in the Amended and Restated Support Agreement shall limit the ability of the First Lien Agent to appear and be heard concerning any matter arising in the CCAA Proceeding so long as such appearance is not inconsistent with the First Lien Agent's obligations under the Amended and Restated Support Agreement.

Company's Covenants

The Amended and Restated Support Agreement provides that, in each case subject to obtaining the Authorization Order and subject to applicable law and any order that may be granted by a court of competent jurisdiction:

(a) The Company consents and agrees to the terms of the Amended and Restated Support Agreement, including, for greater certainty, the terms of the Plan Term Sheet and the Credit Bid Term Sheet.

(b) The Company agrees to use its reasonable best efforts (including taking all reasonable actions necessary to obtain any regulatory approvals for the Transaction) to achieve the timelines set out in the Plan Term Sheet or the Credit Bid Term Sheet, as applicable (which timelines may be extended at any time with the approval of the Company and the Majority Consenting First Lien Lenders). Notwithstanding the foregoing, the Company agrees that it shall submit (i) in the case of the Plan Transaction, a request to the AER for an advance ruling that the AER does not consider the change to control persons (within the meaning of Directive 067) resulting from the implementation of the 2019 CCAA Plan to be an unreasonable risk in strict accordance with the dates and/or timelines as specified in the Plan Term Sheet, and (ii) in the case of the Credit Bid Transaction, the license transfer applications to be submitted to the AER (if applicable) in strict accordance with the dates and/or timelines as specified in the Credit Bid Term Sheet. The Company agrees that it shall be responsible for the payment of any filing fees or other costs in connection with the foregoing filings and applications.

(c) The Company shall provide draft copies of all applications and other documents the Company intends to file with the Court to Bennett Jones at least three Business Days prior to the date when the Company intends to file such document (or as soon as possible where it is not reasonably practicable to provide copies three Business Days in advance), all such filings to be filed in form and substance reasonably acceptable to the Majority Consenting First Lien Lenders (except in the case of the 2019 Plan Sanction Order in respect of the Plan Transaction or the Approval and Vesting Order in respect of the Credit Bid Transaction which, in either case, shall be in form and substance acceptable to the Company and Majority Consenting First Lien Lenders, in their sole discretion).

(d) The Company agrees to promptly notify the Consenting First Lien Lenders if, at any time before the termination of the Amended and Restated Support Agreement, the Company becomes aware (i) that any information disclosure for the First Lien Lenders, an application for a regulatory approval or any other order, registration, consent, filing, ruling, exemption or approval under applicable laws contains a statement which is inaccurate or incomplete in any material respect, or (ii) of information that otherwise requires an amendment or supplement to such information disclosure or such application, and (in such event) the Company shall co-operate in the preparation of such amendment or supplement as required.

(e) The Company agrees to (A) indemnify and hold harmless the First Lien Agent, each Consenting First Lien Lender, and their respective subsidiaries and affiliates, and their respective funds, shareholders, officers, directors, employees, partners, advisors, legal counsel and agents from and against any and all liabilities or claims by Persons who are not party to the Amended and Restated Support Agreement (other than liabilities or claims attributable to any of such Persons' gross negligence, fraud or wilful misconduct as determined by the final, non-appealable judgment of a court of competent jurisdiction) arising on or prior to the earlier of (i) the Effective Date and (ii) the date on which the Amended and Restated Support Agreement is terminated, and (B) reimburse each of the indemnified parties promptly upon demand for all reasonable legal and other expenses reasonably incurred by it in connection with investigating, preparing to defend or defending, or providing evidence in or preparing to serve or serving as a witness with respect to, any lawsuit, investigation, claim or other proceeding relating to any of the foregoing (including, without limitation, in connection with the enforcement of the indemnification obligations set forth in the Amended and Restated Support Agreement).

(f) With respect to material contracts, the Company shall not, unless it has provided five Business Days' notice of same to the Advisors and has not received an objection to same, materially amend, materially modify, replace, terminate, repudiate, disclaim, waive any material right under or take any other material steps or actions (other than a marketing contract consistent with the Company's past practice or as expressly required by such material contracts or in the ordinary course of performing its obligations under such material contracts) under or in respect of such material contracts in any manner.

(g) Except as agreed by the Majority Consenting First Lien Lenders, the Company shall not materially increase compensation or severance entitlements or other benefits payable to its directors, officers or employees, including by way of a key employee incentive plan, or pay any bonuses whatsoever, other than as required by law or as contemplated by the Plan Term Sheet or the Credit Bid Term Sheet. The Company shall not amalgamate, consolidate with or merge into or sell all or substantially all of its assets to another entity, or change the nature of its business or its corporate or capital structure, other than with the consent of the Majority Consenting First Lien Lenders.

(h) The Company shall not (i) prepay, redeem prior to maturity, defease, repurchase or make other prepayments in respect of any non-revolving indebtedness, (ii) directly or indirectly, create, incur, assume, guarantee or otherwise become directly or indirectly liable with respect to any indebtedness of any kind whatsoever, and (iii) create, incur, assume or otherwise cause or suffer to exist or become effective any lien, charge, mortgage, hypothec or security interest of any kind whatsoever on, over or against any of its assets or property, in each case other than with the consent of the Majority Consenting First Lien Lenders.

(i) Subject to the terms of the Amended and Restated Support Agreement, the Company shall not transfer, lease, license or otherwise dispose of all or any part of its property, assets or undertakings outside the ordinary course consistent with past practice, other than with the consent of the Majority Consenting First Lien Lenders.

(j) The Company shall use commercially reasonable efforts to maintain its assets in a proper and prudent manner in accordance with past practices, and in the ordinary course of business, in material compliance with all laws and directions of governmental entities, and pay or cause to be paid all costs and expenses relating to its assets which become due from the date of the Amended and Restated Support Agreement to the Effective Date.

(k) The Company shall operate its business in the ordinary course of business, having regard to the Company's financial condition, and, in any event, the Company shall not, other than as contemplated by the Amended and Restated Support Agreement, enter into any material agreement (other than agreements for sale of dilbit, purchase of condensate and purchase of natural gas consistent with the Company's past practice), unless it has provided five Business Days' notice of same to the Advisors and has not received an objection to same.

(l) The Company shall not, directly or indirectly, do any of the following, other than as consented to by the Majority Consenting First Lien Lenders:

(i) issue, sell, grant, pledge, assign, dispose of, encumber or agree to issue, sell, grant, pledge, assign, dispose of or encumber any shares or other securities of, or any options, warrants, calls, conversion privileges or rights of any kind to acquire any of its securities;

(ii) amend or propose to amend its certificate of incorporation, articles, by-laws or other constating documents;

(iii) declare, set aside or pay any dividend or other distribution payable in cash, stock, property or otherwise with respect to any of its shares;

(iv) redeem, purchase or offer to purchase any of its securities;

(v) reduce its capital or the stated capital;

(vi) (A) acquire or agree to acquire (by merger, amalgamation, acquisition of securities or assets or otherwise) any Person or (B) make any investment either by purchase of securities, contributions of capital, property transfer or purchase of any property or assets of any other Person;

(vii) Other than as contemplated in its approved budget, make any commitment or propose, initiate or authorize any capital expenditures in excess of CAD$300,000, except in case of an emergency or in respect of amounts which the Company may be committed to expend or be deemed to authorize for expenditure without its consent;

(viii) waive, release, assign, settle or compromise any claims against or liabilities of the Company in excess of CAD$1,000,000; or

(ix) make any changes in accounting methods, principles, policies or practices, except insofar as may be required by generally accepted accounting principles as in effect from time to time in Canada or applicable laws.

(m) The Company shall promptly notify the Advisors of:

(i) any resignation of, or leave of absence taken by, any of its directors or senior officers;

(ii) any claims threatened or brought against it in excess of CAD$1,000,000; or

(iii) any event, condition or development that has resulted in the inaccuracy or breach of any representation or warranty, covenant or agreement contained in the Amended and Restated Support Agreement made by or to be complied with by it.

(n) The Company shall at all times prior to the termination of the Amended and Restated Support Agreement carry on its business only in the ordinary course consistent with past practice, in accordance with generally accepted oil and gas industry practices and in compliance with all laws, except as may be expressly otherwise provided for in the Amended and Restated Support Agreement or as may be consented to by the Majority Consenting First Lien Lenders.

(o) The Company shall maintain and shall continue to maintain appropriate insurance coverage in amounts and on terms that are customary in the industry of the Company.

(p) The Company shall forthwith upon receipt pay the reasonable and documented fees of the First Lien Agent and the Advisors pursuant to and in accordance with the respective engagement letters or other arrangements or practices in place prior to the date of the Amended and Restated Support Agreement until the Effective Date or termination of the Amended and Restated Support Agreement.

Conditions to Consenting First Lien Lenders' Obligations

The Amended and Restated Support Agreement provides that notwithstanding anything to the contrary contained in such Agreement and without limiting any other rights of the Consenting First Lien Lenders under such Agreement, the obligations of the Consenting First Lien Lenders are specifically and expressly subject to each and all of the following conditions:

(a) the Authorization Order shall have been granted;

(b) the Company shall have executed the Amended and Restated Support Agreement and delivered its signature pages to the Amended and Restated Support Agreement to the Consenting First Lien Lenders;

(c) all material agreements, consents and other material documents relating to the transaction shall be in form and substance reasonably satisfactory to the Majority Consenting First Lien Lenders;

(d) all orders made and judgments rendered by any competent court of law, and all rulings and decrees of any competent regulatory body, agent or official in relation to the transaction shall be satisfactory to the Majority Consenting First Lien Lenders, acting reasonably;

(e) all actions taken by the Company in furtherance of the transaction shall be consistent in all material respects with the Amended and Restated Support Agreement;

(f) the Company shall have complied in all material respects with its covenants and obligations under or in respect of the Amended and Restated Support Agreement (including, for greater certainty, the Plan Term Sheet or the Credit Bid Term Sheet, as applicable);

(g) there shall not have occurred, after the date of the Amended and Restated Support Agreement, any change, effect, event, occurrence or state of facts (other than matters related to the First Lien Credit Agreement) that, individually or in the aggregate, is, or could reasonably be expected to be, materially adverse to the business, properties, assets (tangible or intangible), liabilities (absolute, accrued, contingent or otherwise), condition (financial or otherwise), capitalization, operation or results of operations of the Company, taken as a whole but excluding any such effect or effects that result from general economic, financial, currency exchange, securities or commodity market conditions in Canada or elsewhere; and

(h) in the case of the Credit Bid Transaction, following the execution of the PSA, such PSA shall be in full force and effect and the Company shall be in compliance in all material respects with each of its covenants and obligations thereunder.

Conditions to the Company's Obligations

The Amended and Restated Support Agreement provides that notwithstanding anything to the contrary contained in such Agreement and without limiting any other rights of the Company under such Agreement, the obligations of the Company are specifically and expressly subject to each and all of the following conditions:

(a) the Authorization Order shall have been granted;

(b) the Consenting First Lien Lenders and First Lien Agent shall have executed the Amended and Restated Support Agreement and delivered their signature pages hereto to the Company;

(c) the Consenting First Lien Lenders and First Lien Agent shall have complied in all material respects with each of their covenants and obligations in the Amended and Restated Support Agreement (including, for greater certainty, the Plan Term Sheet or the Credit Bid Term Sheet, as applicable) that is to be performed on or before the implementation of the transaction;

(d) following the execution of the PSA by the Credit Bid Purchaser, the PSA shall be in full force and effect and the Credit Bid Purchaser shall be in compliance in all material respects with its covenants and obligations thereunder;

(e) all actions taken by the Consenting First Lien Lenders or First Lien Agent in furtherance of the transaction shall be consistent in all material respects with the Amended and Restated Support Agreement; and

(f) all orders made and judgments rendered by any competent court of law, and all rulings and decrees of any competent regulatory body, agent or official in relation to the transaction shall be satisfactory to the Company, acting reasonably.

Superior Transaction

Pursuant to the Amended and Restated Support Agreement, the Company has agreed to keep the Consenting First Lien Lenders fully apprised of any third party discussions about any other proposed transaction and to not initiate any third party discussions without obtaining the prior approval of the Majority Consenting First Lien Lenders. If the Special Committee believes that an alternative transaction proposal is available that is reasonably expected to result in a transaction (a "**Superior Transaction**") that is more favourable to the Company, the First Lien Lenders and the Company's other stakeholders (if applicable), and determines that it can no longer recommend the Plan Transaction or Credit Bid Transaction in light of its fiduciary duties, the Consenting First Lien Lenders shall have five Business Days after receipt of notification from the Company of the terms of such proposal to propose an alternative that is of comparable value to the Company and its stakeholders and provides for a treatment to the First Lien Lenders that is at least as favourable in all respects as the Superior Transaction at which time the Company shall commit to and approve such alternative proposal.

Credit Bid KERP

The Credit Bid KERP is a milestone-based retention and incentive program designed specifically to ensure that the Company's key employees (the "**Credit Bid KERP Beneficiaries**") are incentivized to remain in their positions with the Company, successfully implement a transaction, and ensure the Company's continuing operation following emergence from CCAA protection.

The aggregate amount payable under the Credit Bid KERP is $1,600,000. The Credit Bid KERP will be paid out half ($800,000 in the aggregate) in 2019 and half ($800,000) in 2020. Pursuant to the Amended and Restated Support Agreement Approval Order, the payments under the Credit Bid KERP (the "**Credit Bid KERP Payments**") are secured by the KEIP Charge.

The Credit Bid KERP Payments are treated as an Unaffected Claim under the 2019 CCAA Plan and, in the event that the Credit Bid Transaction is implemented, the Credit Bid KERP Payments shall be an "Assumed Liability" pursuant to the PSA.

Termination

The Amended and Restated Support Agreement may be terminated by the Majority Consenting First Lien Lenders or First Lien Agent, in their sole discretion, by providing written notice to the other parties to the Amended and Restated Support Agreement, upon:

(a) the Company failing to meet any of the timeline requirements set for in the Credit Bid Term Sheet (as such times may be extended in accordance with the terms of the Amended and Restated Support Agreement);

(b) the Company breaching any of its material obligations, covenants, representations or warranties under the Amended and Restated Support Agreement, provided that if such obligation, covenant, representation or warranty is curable, it remains uncured for five Business Days after receipt by the Company of written notice thereof;

(c) the issuance of any preliminary or final decision, order or decree by a governmental entity, or the commencement of an action or investigation by any governmental entity, in consequence of or in connection with the transaction, which restrains, impedes or prohibits the transaction;

(d) the appointment of a receiver, interim receiver, receiver and manager, trustee in bankruptcy, liquidator or administrator with respect to the Company, unless such appointment is made with the prior written consent of the Majority Consenting First Lien Lenders; or

(e) any of the conditions precedent set out in Section 10 of the Amended and Restated Support Agreement not being waived, or satisfied or discharged in accordance with the terms thereof,

in each case unless the event giving rise to the termination right is waived or cured in accordance with the terms of the Amended and Restated Support Agreement;

The Amended and Restated Support Agreement may be terminated by the Company by providing written notice to the other parties to the Consenting First Lien Lenders and First Lien Agent, upon:

(a) (i) with respect to any Consenting First Lien Lender, if such Consenting First Lien Lender has materially breached any of its obligations, covenants, representations or warranties under the Amended and Restated Support Agreement, provided that if such obligation, covenant, representation or warranty is curable, it remains uncured for five business days after receipt by the applicable Consenting First Lien Lender or written notice thereof; and

(ii) with respect to all of the Consenting First Lien Lenders if at any time the aggregate outstanding principal amount of the Loans held by all Consenting First Lien Lenders does not equal more than 50% of the aggregate outstanding principal amount of the loans, and remains uncured for five business days;

(b) in the event that any of the timeline requirements set forth in the Credit Bid Term Sheet are not satisfied within the times set forth therein (as such times may be extended in accordance with the terms of the Amended and Restated Support Agreement);

(c) the issuance of any preliminary or final decision, order or decree by a governmental entity, or the commencement of an action or investigation by any governmental entity, in consequence of or in connection with the transaction, which restrains, impedes or prohibits the transaction; or

(d) any of the conditions set out in Section 11 of the Amended and Restated Support Agreement not being waived, or satisfied or discharged in accordance with the terms thereof.

The Amended and Restated Support Agreement may be terminated at any time by written consent of the Company, each Consenting First Lien Lender and the First Lien Agent.

DESCRIPTION OF THE PLAN TERM SHEET

The description of the Plan Term Sheet, 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 Term Sheet which is attached as Schedule "B" to the Amended and Restated Support Agreement. Readers are encouraged to review the Plan Term Sheet and the 2019 CCAA Plan in their entirety.

Timeline for the Plan Transaction

The agreed timeline for the Plan Transaction is as follows:

(a) Obtain Court approval of the Authorization Order – May 16, 2019;

(b) Obtain Court approval of the Creditors' Meetings Order – May 16, 2019;

(c) Hold the 2019 Creditors' Meetings – June 19, 2019;

(d) Obtain the 2019 Plan Sanction Order – June 20, 2019; and

(e) Implement the 2019 CCAA Plan and close the Plan Transaction – July 31, 2019.

Unless otherwise agreed by the Company and the Consenting First Lien Lenders, implementation and closing of the Plan Transaction shall occur two Business Days following the satisfaction of all of the conditions precedent to the 2019 CCAA Plan.

Plan Transaction

The Plan Transaction shall include the following transactions whereby, among other things, pursuant to and in accordance with the 2019 CCAA Plan:

(a) All Affected Claims shall be compromised and extinguished;

(b) A portion of Connacher's Cash on Hand shall be used to (i) satisfy in full all claims which rank *pari passu* with or in priority to the First Lien Claim, and (ii) establish the Administrative Reserve Fund;

(c) The Municipality's Alleged Priority Secured Claim, and any security underlying such claim, shall be discharged as against the Company and the Municipal Tax Fund shall stand in the place and stead of the Municipality's security;

(d) Each Tranche A Lender shall receive in respect of the principal amount of its Tranche A Loans its *pro rata* share of the obligations under the New Senior Secured Term Facility;

(e) Each Tranche A Lender and Tranche B Lender shall receive in respect of, in the case of a Tranche A Lender, the accrued interest on its Tranche A Loans, and, in the case of a Tranche B Lender, the principal and accrued interest on its Tranche B Loans, its *pro rata* share of the New Shares; and

(f) A portion of the Company's Cash on Hand shall be used to establish the General Creditor Pool in the amount of $500,000 (plus the amount required to satisfy Convenience Class Claims) which shall be distributed to the Affected Creditors in the General Creditor Class in accordance with the 2019 CCAA Plan.

New Senior Secured Term Facility

The New Senior Secured Term Facility is a first lien term facility in the amount of US$41,837,684.35, to be made available to the Company pursuant to the terms of a new first lien credit agreement to be entered into (the "**New First Lien Credit Agreement**). The material terms of the New First Lien Credit Agreement include:

(a) Original Issue Discount – 2.0%, to be paid by the Borrower to the New Senior Secured Term Facility Agent on the Effective Date. This term requires the Company to make a US$836,753.68 cash payment to the First Lien Lenders on the Effective Date;

(b) Agent – the First Lien Agent or such other agent acceptable to the Consenting First Lien Lenders;

(c) Maturity – five years from the effective date;

(d) Interest rate– term loans will bear interest at the three month U.S. dollar LIBOR rate plus 9.5% (with a minimum LIBOR "floor" of 2.0%), payable in cash quarterly in arrears;

(e) Amortization – Partial repayments of the principal amount of the New Senior Secured Term Facility payable on the last Business Day of each fiscal quarter of the Company during the term of the New Senior Secured Term Facility as follows:

Term	% Amort	$ Amort	Outstanding Principal
0.25y	1.2500%	$522,971	$41,314,713
0.50y	1.2500%	$522,971	$40,791,742
0.75y	1.2500%	$522,971	$40,268,771
1.00y	1.2500%	$522,971	$39,745,800
1.25y	1.8750%	$784,457	$38,961,343
1.50y	1.8750%	$784,457	$38,176,887
1.75y	1.8750%	$784,457	$37,392,430
2.00y	1.8750%	$784,457	$36,607,974
2.25y	2.5000%	$1,045,942	$35,562,031
2.50y	2.5000%	$1,045,942	$34,516,089
2.75y	2.5000%	$1,045,942	$33,470,147
3.00y	2.5000%	$1,045,942	$32,424,205
3.25y	3.1250%	$1,307,428	$31,116,777
3.50y	3.1250%	$1,307,428	$29,809,350
3.75y	3.1250%	$1,307,428	$28,501,922
4.00y	3.1250%	$1,307,428	$27,194,495
4.25y	3.75%	$1,568,913	$25,625,581
4.50y	3.75%	$1,568,913	$24,056,668
4.75y	3.75%	$1,568,913	$22,487,755
5.00y	53.75%	$22,487,755	$0

(f) Guarantors – any existing and future subsidiaries of the Company;

(g) Security and ranking – first lien security interest in substantially all of the Company's and guarantors' assets, subject to the terms of any intercreditor agreement entered into in connection with any ABL Facility (as defined below) and subject to permitted encumbrances including (i) ATB's security interest in certain cash collateral held by ATB in connection with the ATB Credit Facilities which will be unaffected by the 2019 CCAA Plan, and (ii) the security interests granted in connection with the BEH Royalty Agreement, which will be unaffected by the 2019 CCAA Plan; and

(h) Mandatory prepayments – subject to any intercreditor agreement, amounts outstanding under the New Senior Secured Term Facility will be subject to mandatory prepayments from asset dispositions under provisions similar to the comparable provisions of the First Lien Credit Agreement regarding asset dispositions, or as otherwise required (in the case of asset dispositions) by the Consenting First Lien Lenders; and for certainty no other mandatory prepayments except for payments pursuant to the amortization schedule.

The terms of the New Senior Secured Term Facility are different from the terms of the exit term loan contemplated by the Recapitalization Term Sheet under the Original Support Agreement as a result of, among other things, (i) a different principal amount and different mandatory quarterly principal repayment amounts, (ii) a different reference rate for interest payable on the loan, (iii) no excess cash flow sweep and related principal repayment requirement, and (iv) an original issue discount payment by the Company equal to 2.0% of the amount of the New Senior Secured Term Facility to be paid by the Company on the Effective Date as described in clause (a) above.

New Shares

The New Shares to be issued to the First Lien Lenders shall be voting common shares of a new class of shares of the Company, which, immediately following issuance, will constitute all of the issued and outstanding shares of the Company.

The issuance of the New Shares pursuant to the 2019 CCAA Plan will be exempt from the prospectus requirements of applicable Canadian securities laws. As a consequence of these exemptions, certain protections, rights and remedies provided by Canadian securities legislation, including statutory rights of rescission or damages, will not be available in respect of such New Shares to be issued pursuant to the 2019 CCAA Plan. See "*Certain Legal Matters* - *Canadian Securities Laws* ".

New Shares issued under the 2019 CCAA Plan will not be registered under the United States Securities Act of 1933, as amended, or the securities laws of any state of the United States. Such New Shares will instead be issued in reliance upon exemptions under the 1933 Act and applicable exemptions under state securities laws.

Employee Matters

The MIP and Executive Employment Agreements shall be in place on terms acceptable to the Consenting First Lien Lenders and the applicable management team employees on the effective date. The Company's obligations to its non-executive employees shall remain unaffected by the 2019 CCAA Plan.

The Credit Bid KERP shall have been approved by the Court pursuant to the Authorization Order.

New Board

Upon implementation of the Plan Transaction, the New Board will be comprised of at least five directors, who will initially be:

(a) Merle Johnson, who shall be Chief Executive Officer of the Company;

(b) A representative of each person (or group of persons acting jointly or in concert for this purpose) that, upon implementation of the Plan Transaction, will hold at least 20% of the New Shares; and

(c) To the extent not all of the initial New Board members are selected in accordance with the above criteria, the Consenting First Lien Lenders, in consultation with the Company, shall designate the remaining members of the New Board, each of which will be independent.

ABL Credit Facility

Following the Effective Date, the Company may procure a senior secured multi-currency "first out" asset-based revolving credit facility in an amount up to US$25 million (the "**ABL Facility**"), which amount may be increased with the consent of lenders holding more than 50% of the principal amount outstanding under the Newco Senior Secured Term Facility.

DESCRIPTION OF THE CREDIT BID TERM SHEET

The description of the Credit Bid Term Sheet, 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 Credit Bid Term Sheet which is attached as Schedule "D" to the Amended and Restated Support Agreement. Readers are encouraged to review the Credit Bid Term Sheet and the PSA in their entirety.

Timeline for the Credit Bid Transaction

The agreed timeline for the Credit Bid Transaction is as follows:

(a) Execution of the PSA – promptly after the occurrence of a CCAA Plan Termination Event;

(b) Obtain the Approval and Vesting Order – within 15 Business Days after execution of the PSA;

(c) Submission of AER licence transfer applications – contemporaneously with the execution of the PSA; and

(d) Deadline for occurrence of effective date (ie. closing of the PSA and completion of all other steps) – within 45 days after the Approval and Vesting Order is granted.

The Credit Bid Term Sheet provides, among other things, that in the event of a CCAA Plan Termination Event, the First Lien Agent and the Consenting First Lien Lenders shall take such steps as are required to promptly cause the Credit Bid Purchaser to execute and deliver the PSA to the Company and to proceed in respect of the implementation of the Credit Bid Transaction as soon as possible thereafter.

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 *pari passu* with or in priority to the First Lien Claim.

The Company has not sought Court approval of the PSA or the transactions contemplated therein. If a CCAA Plan Termination Event occurs, the Company intends to return to the Court to seek approval of the PSA and the granting of an Approval and Vesting Order approving the PSA and vesting the purchased assets in the Credit Bid Purchaser.

Credit Bid Transaction – Conversion of Existing First Lien Debt

The Credit Bid Transaction shall include the following transactions whereby:

(a) The Company shall transfer to the Credit Bid Purchaser all or substantially all of its Assets, and the Credit Bid Purchaser shall assume substantially all of the Company's post-CCAA filing trade payables and contractual obligations and make offers of employment to all employees and assume all related obligations;

(b) The Company shall maintain cash necessary to satisfy in full any claims (including claims under the Court-ordered charges) which rank *pari passu* with or in priority to the First Lien Claim;

(c) The Credit Bid Purchaser and the Company as initial lender shall enter into the New First Lien Credit Agreement, and the Credit Bid Purchaser shall issue to the Company a term note in a principal amount equal to US$41,837,684.35 (the "**Term Note**");

(d) The Credit Bid Purchaser shall issue the Newco Shares to the Company;

(e) At closing, the Company and the First Lien Agent will enter into a "**Payment and Settlement Agreement**" whereby (i) the Company will transfer to the First Lien Agent on behalf of the First Lien Lenders (A) all of the Company's rights and obligations under each of the New First Lien Credit Agreement and the Term Note, and (B) all of the Company's rights in the Newco Shares; and (ii) a portion of the Company's obligations to the First Lien Agent shall be confirmed as repaid, with the Company's remaining obligations to the First Lien Agent to be classified as residual debt;

(f) Each Tranche A Lender shall receive in respect of the principal amount (but not accrued interest) of its Tranche A Loans its *pro rata* share of the obligations under the New Senior Secured Term Facility, based on the outstanding principal amount of Tranche A Loans owing to a Tranche A Lender in relation to the outstanding aggregate principal amount of Tranche A Loans owing to all Tranche A Lenders as of the effective date;

(g) Each Tranche A Lender and Tranche B Lender shall receive in respect of, in the case of a Tranche A Lender, the accrued interest on its Tranche A Loans, and in the case of a Tranche B Lender, the principal and accrued interest on its Tranche B Loans, its *pro rata* share of the Newco Shares issued to First Lien Lenders, based on the outstanding accrued interest of Tranche A Loans and the outstanding principal and accrued interest of Tranche B Loans owing to a First Lien Lender in relation to the outstanding aggregate accrued interest on Tranche A Loans and principal and accrued interest of Tranche B Loans owing to all First Lien Lenders as of the effective date; and

(h) The Credit Bid Purchaser will become the operating entity of the Company's business upon successful completion of the Credit Bid Transaction.

Credit Bid Purchaser

The Credit Bid Purchaser, also referred to in this Circular as "Newco", is to be a newly incorporated company to be organized in a jurisdiction acceptable to the Consenting First Lien Lenders. The Credit Bid Purchaser will not be a "reporting issuer" (or the equivalent) in any jurisdiction of Canada or the United States.

Newco Shares

The number of Newco Shares to be issued upon or in connection with implementation of the Credit Bid Transaction will be determined by the Consenting First Lien Lenders, in consultation with the Company, prior to execution of the PSA.

New Senior Secured Term Facility

The New Senior Secured Term Facility is a first lien term facility in the amount of US$41,837,684.35, to be made available to Newco pursuant to the terms of a new first lien credit agreement to be entered into (the "**New First Lien Credit Agreement**). The material terms of the New First Lien Credit Agreement include:

(a) Borrower – Newco;

(b) Original Issue Discount – 2.0% to be paid by Newco to the First Lien Agent or such other agent acceptable to the Consenting First Lien Lenders for the benefit of the First Lien Lenders on the Effective Date. This term requires Newco to make a US$836,753.68 cash payment to the First Lien Lenders on the Effective Date;

(c) Agent – the First Lien Agent or such other agent acceptable to the Consenting First Lien Lenders;

(d) Maturity – five years from the effective date;

(e) Interest rate– term loans will bear interest at the three month U.S. dollar LIBOR rate plus 9.5% (with a minimum LIBOR "floor" of 2.0%), payable in cash quarterly in arrears;

(f) Amortization – Partial repayments of the principal amount of the Newco Senior Secured Term Facility payable on the last Business Day of each fiscal quarter of Newco during the term of the Newco Senior Secured Term Facility as follows:

Term	% Amort	$ Amort	Outstanding Principal
0.25y	1.2500%	$522,971	$41,314,713
0.50y	1.2500%	$522,971	$40,791,742
0.75y	1.2500%	$522,971	$40,268,771
1.00y	1.2500%	$522,971	$39,745,800
1.25y	1.8750%	$784,457	$38,961,343
1.50y	1.8750%	$784,457	$38,176,887
1.75y	1.8750%	$784,457	$37,392,430
2.00y	1.8750%	$784,457	$36,607,974
2.25y	2.5000%	$1,045,942	$35,562,031
2.50y	2.5000%	$1,045,942	$34,516,089
2.75y	2.5000%	$1,045,942	$33,470,147
3.00y	2.5000%	$1,045,942	$32,424,205
3.25y	3.1250%	$1,307,428	$31,116,777
3.50y	3.1250%	$1,307,428	$29,809,350
3.75y	3.1250%	$1,307,428	$28,501,922
4.00y	3.1250%	$1,307,428	$27,194,495
4.25y	3.75%	$1,568,913	$25,625,581
4.50y	3.75%	$1,568,913	$24,056,668

4.75y	3.75%	$1,568,913	$22,487,755
5.00y	53.75%	$22,487,755	$0

(g) Guarantors – any existing and future subsidiaries of Newco;

(h) Security and ranking – first lien security interest in substantially all of Newco's and the guarantors' assets, subject to the terms of any intercreditor agreement entered into in connection with any ABL Facility (as defined below) and subject to permitted encumbrances including (i) ATB's security interest in certain cash collateral held by ATB in connection with the ATB Credit Facilities which will be unaffected by the 2019 CCAA Plan, and (ii) the security interests granted in connection with the BEH Royalty Agreement, which will be unaffected by the 2019 CCAA Plan; and

(i) Mandatory prepayments – subject to any intercreditor agreement, amounts outstanding under the Newco Senior Secured Term Facility will be subject to mandatory prepayments from asset dispositions under provisions similar to the comparable provisions of the First Lien Credit Agreement regarding asset dispositions, or as otherwise required (in the case of asset dispositions) by the Consenting First Lien Lenders; and for certainty no other mandatory prepayments except for payments pursuant to the amortization schedule.

The terms of the New Senior Secured Term Facility are different from the terms of the exit term loan contemplated by the Recapitalization Term Sheet under the Original Support Agreement as a result of, among other things, (i) a different principal amount and different mandatory quarterly principal repayment amounts, (ii) a different reference rate for interest payable on the loan, (iii) no excess cash flow sweep and related principal repayment requirement, and (iv) an original issue discount payment by Newco equal to 2.0% of the amount of the New Senior Secured Term Facility to be paid by Newco on the Effective Date as described in clause (b) above.

Employee Matters

The MIP and the Executive Employment Agreements shall be in place on terms acceptable to the Consenting First Lien Lenders and the applicable management team employees on the effective date. The Credit Bid Purchaser's obligations to its non-executive employees shall be assumed by the Credit Bid Purchaser and shall otherwise remain unaffected by the Credit Bid Transaction.

The Credit Bid KERP shall have been approved by the Court pursuant to the Authorization Order.

Corporate Governance

Upon implementation of the Credit Bid Transaction, the New Board of Newco will be comprised of at least five directors, who will initially be:

(a) Merle Johnson, who shall be Chief Executive Officer of the Credit Bid Purchaser;

(b) A representative of each person (or group of persons acting jointly or in concert for this purpose) that, upon implementation of the Credit Bid Transaction, will hold at least 20% of the Newco Shares; and

(c) To the extent not all of the initial New Board members are selected in accordance with the above criteria, the Consenting First Lien Lenders, in consultation with the Credit Bid Purchaser shall designate the remaining members of the New Board, each of which will be independent.

ABL Credit Facility

Newco may procure a senior secured multi-currency "first out" asset-based revolving credit facility in an amount up to US$25 million (the "**ABL Facility**"), which amount may be increased with the consent of lenders holding more than 50% of the principal amount outstanding under the Newco Senior Secured Term Facility.

DESCRIPTION OF THE 2019 CCAA PLAN

The description of the 2019 CCAA 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 2019 CCAA Plan which is attached to this Circular as Exhibit B. Readers are encouraged to review the 2019 CCAA Plan in its entirety.

Purpose and Effect of the 2019 CCAA Plan

The purpose of the 2019 CCAA Plan is (i) to implement the Recapitalization, (ii) to complete a reorganization of the Company's financial obligations, and (iii) 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 Plan Transaction than would result from the Credit Bid Transaction.

If the 2019 CCAA Plan is implemented, the First Lien Lenders will become the sole equity holders of the Company. With the exception of the distributions to be made to the First Lien Lenders, all of the Company's General Creditors will receive substantially the same treatment under the 2019 CCAA Plan that they voted unanimously to receive under the 2018 CCAA Plan, which was approved unanimously by the voting creditors and sanctioned by the Court prior to its termination.

Pursuant to the 2019 CCAA Plan, the Monitor shall hold the Municipal Tax Fund and shall be responsible for assessing the quantum, validity and enforceability of the Municipality's Alleged Priority Secured Claim. Upon the Effective Date, the Alleged Priority Secured Claim, and any security underlying such claim, shall be discharged as against the Company, and the Municipal Tax Fund shall stand in the place and stead of the Municipality's security. No distributions shall be made from the Municipal Tax Fund absent (i) an agreement in writing as between the Municipality, the Company, the Monitor and the Majority Consenting First Lien Lenders, or (ii) an order of the Court.

Affected Claims, Unaffected Claims and Equity Claims

Affected Claims

The 2019 CCAA Plan provides for a compromise of all Affected Claims and the implementation of the Recapitalization and the Restructuring Transactions. As described in further detail below, upon implementation of the 2019 CCAA Plan, the Affected Claims shall be irrevocably and finally extinguished and the following transactions shall occur:

(a) a portion of the Company's Cash on Hand shall be used to (i) satisfy in full all claims which rank *pari passu* with or in priority to the First Lien Claim, and (ii) establish the Administrative Reserve Fund;

(b) each Tranche A Lender shall receive in respect of the principal amount of its Tranche A Loans its *pro rata* share of the obligations under the New Senior Secured Term Facility;

(c) each Tranche A Lender and Tranche B Lender shall receive in respect of, in the case of a Tranche A Lender, the accrued interest on its Tranche A Loans, and, in the case of a

Tranche B Lender, the principal and accrued interest on its Tranche B Loans, its *pro rata* share of the New Shares; and

(d) a portion of the Company's Cash on Hand shall be used to establish the General Creditor Pool in the amount of $500,000 (plus the amount required to satisfy Convenience Class Claims) which shall be distributed to the Affected Creditors in the General Creditor Class in accordance with the 2019 CCAA Plan.

Unaffected Claims

Subject to certain provisions, the 2019 CCAA Plan does not compromise the following (collectively, the "**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, 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 2019 CCAA Plan applies which shall be Affected Claims for the purposes of the 2019 CCAA Plan;

(d) An Insured Claim provided that the Person holding the Insured Claim delivers to the Monitor by no later than 5:00 pm (Calgary time) on a date that is two Business Days before the date of the 2019 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 2019 CCAA 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 2019 CCAA Plan, any indebtedness, liability or obligation of the Company of any kind to ATB under or pursuant to the ATB Credit Facilities; and

(g) Any obligation of the Company under the Credit Bid KERP which is not yet due and owing, or has not been satisfied in full, as of the Effective Date.

Persons with Unaffected Claims shall not be entitled to vote at any 2019 Creditors' Meeting or receive any distributions under the 2019 CCAA Plan in respect of the portion of their Claim which is an Unaffected Claim. Nothing in the 2019 CCAA 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.

Equity Claims

At the Effective Time, the 2019 CCAA Plan will be binding on all holders of Equity Claims. Holders of Equity Claims will not receive a distribution or other consideration under the 2019 CCAA Plan and will not be entitled to vote on the 2019 CCAA 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 2019 CCAA 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 2019 CCAA Plan is approved and their proposed treatment under the 2019 CCAA 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 2019 CCAA Plan fairly balances all stakeholder interests.

Claims Procedures

The procedure for determining the validity and quantum of the Affected Claims and resolving Disputed Claims for voting and distribution purposes under the 2019 CCAA Plan is governed by the Claims Procedure Order, the Supplemental Claims Procedure Order, the 2019 Creditors' Meetings Order, the CCAA, the 2019 CCAA 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.

Classification of Creditors

For the purposes of considering and voting on the 2019 CCAA Plan and receiving a distribution thereunder, the Affected Creditors are grouped into two Classes: (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 2019 CCAA 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), and other unsecured creditors.

2019 Creditors' Meetings

The 2019 Creditors' Meetings will be held in accordance with the 2019 Creditors' Meetings Order and any further Order of the Court. The only Persons entitled to attend the 2019 Creditors' Meetings are those specified in the 2019 Creditors' Meetings Order and any further Order of the Court.

Restructuring Transactions

Commencing at the Effective Time, the following events or transactions will occur, or be deemed to have occurred and be taken and effected in five minute increments (unless otherwise indicated) and at the times set out in this section (or in such other manner or order or at such other time or times as the Company may determine in consultation with the Monitor and the Consenting First Lien Lenders), without any further act or formality required on the part of any Person, except as may be expressly provided herein:

(a) the Monitor shall make the payments and distributions contemplated by the 2019 CCAA Plan on the Effective Date;

(b) the articles of the Company under the CBCA shall be amended

(i) to create the New Shares as a new class of shares that the Company is authorized to issue, which shares shall be unlimited in number, be designated as "Class A Common Shares", and have attached thereto the following rights, privileges, restrictions and conditions:

A. the right to receive notice of and to attend all meetings of shareholders of the Company, and to one vote in respect of each Class A Common Share at all such meetings;

B. subject to the rights of the holders of the First Preferred Shares and the Second Preferred Shares and any other class of shares ranking senior to the Class A Common Shares, the right to receive and participate rateably in any dividend declared by the Board of Directors of the Company; and

C. subject to the rights of the holders of the First Preferred Shares and the Second Preferred Shares and any other class of shares ranking senior to the Class A Common Shares, in the event of the liquidation, dissolution or winding up of the Company or other distribution of the property of the Company among the shareholders for the purpose of winding up its affairs, the right to receive and participate rateably in the distribution of the remaining property of the Company;

(ii) to include a restriction on the transfer of shares of the Company, to the effect that no shares may be transferred without the approval of the board of directors of the Company; and

(iii) to provide that the Company has a lien on a share registered in the name of a shareholder or the shareholder's personal representative for a debt of that shareholder to the Company;

(c) the Company shall issue Class A Common Shares to the First Lien Lenders in accordance with Sections 5.2 and 7.1 of the 2019 CCAA Plan, provided, however, that no fractional Class A Common Shares shall be allocated or issued and any fractional Class A Common Shares that would have otherwise been issued shall be rounded down to the nearest whole number without compensation therefor;

(d) all of the Company's issued and outstanding Equity Claims shall be cancelled without any return of capital or other payment in respect thereof and in particular, but without limitation, all outstanding Existing Shares, warrants, options and other rights or obligations to acquire Existing Shares shall be cancelled for no consideration;

(e) the Shareholders Agreement shall become effective;

(f) the Company shall execute and deliver to the New Senior Secured Term Facility Agent the New Senior Secured Term Facility;

(g) the Administration Charge, the Directors' Charge, the KERP/LTIP Charge, the KEIP Charge, the Financial Advisor Charge and the ATB Charge shall be deemed to be released as against the assets of the Company and the Plan Implementation Fund, provided that the Administration Charge shall continue to be secured against the assets of the Administrative Reserve Fund;

(h) the Affected Creditors shall be entitled to the treatment set out in the 2019 CCAA 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 2019 CCAA 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 2019 CCAA Plan and will be deemed cancelled and extinguished;

(iv) all distributions made pursuant to the 2019 CCAA Plan to Affected Creditors will be allocated first towards the repayment of the amount of the Affected Claim attributable to principal and, if greater than the amount of principal, second, towards the repayment of any amount of such Claim attributable to unpaid interest;

(i) the discovery, extended reporting, or run-off period under applicable insurance policies in favour of Directors or Officers shall be deemed to be triggered, with payment of insurance premiums and any applicable fees for such run-off period being made from funds on deposit with or held in escrow for such purpose by the Company's insurance broker;

(j) the directors of the Company holding office immediately prior to the Effective Time shall be deemed to have resigned and the individuals comprising the New Board shall be deemed to have been appointed as directors;

(k) all rights to indemnification or exculpation now existing in favour of present and former employees, officers and directors of the Company and its subsidiaries shall survive the completion of the 2019 CCAA Plan and shall continue in full force and effect in accordance with their terms for a period of not less than six (6) years from the Effective Date;

(l) the releases and injunctions referred to in Article 10 of the 2019 CCAA Plan shall become effective, and shall be deemed to be, fully, finally, irrevocably and forever compromised, settled, released, discharged, extinguished, cancelled and barred and the Company shall be fully, finally and irrevocably released from any and all claims, liabilities or obligations of any kind to an Affected Creditor, Creditor or Person, and the Affected Creditors shall only have rights thereafter as against the General Creditor Pool held by the Monitor or against the reserves and funds established pursuant to the 2019 CCAA Plan as applicable; and

(m) the Company and its wholly owned subsidiary, ●, shall amalgamate to continue as one corporation under Section 184(1) of the CBCA.

The implementation of all matters contemplated under the 2019 CCAA Plan involving corporate action of the Company, including the Restructuring Transactions and the filing of the Articles of Reorganization, will be authorized and approved under the 2019 CCAA Plan and by the Court as part of the 2019 Plan Sanction Order without any requirement of further action.

The amalgamation of the Company and its wholly owned subsidiary, ●, will be effected pursuant to the "short form" amalgamation provisions of the CBCA, which permit the amalgamation of a parent corporation with one or more wholly-owned subsidiaries in summary fashion. In accordance with these provisions, the articles of the amalgamated corporation – which will continue under the name Connacher Oil and Gas Limited – will be the same as the articles of the Company as in effect immediately before the amalgamation. Going forward, the Company's articles of amalgamation will therefore reflect the amendments set out in the Articles of Reorganization.

The Company's amalgamation with its wholly owned subsidiary, ●, which has no active business operations, nominal assets and no liabilities, will have no impact on its continuing business or financial position.

Funding of the Plan Implementation Fund

On or prior to the Effective Date, the Company is required to deliver to the Monitor from the Company's Cash on Hand the aggregate amount necessary, as determined by the Monitor and the Company, with the consent of the Majority Consenting First Lien Lenders (each acting in good faith), to fully pay or satisfy:

(a) the amount required to satisfy the 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 Retention Plan Claims;

(d) $750,000 to be held in the Administrative Reserve Fund on the Effective Date, which is to be held by the Monitor to account for the reasonable fees and disbursements of advisors retained by the Company and the Monitor and other reasonable costs and expenses incurred by such parties in connection with implementing the 2019 CCAA Plan and winding up the CCAA Proceeding;

(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 required to establish the General Creditor Pool (which will be $500,000 plus amounts necessary to satisfy the Convenience Class Creditors); and

(j) the amount required to establish the Municipal Tax Fund.

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, being all accepted and identified claims equal to or less than $2,000 and the claims of all General Creditors who make a Distribution Election to receive $2,000 in full and final satisfaction of their claim, subject to any rights held by the Second Lien Trustee under the Second Lien Indenture to deduct costs and expenses from any such distributions. Please note that, as provided above in *Beneficial Noteholders*, Beneficial Noteholders with Accepted Claims not exceeding an aggregate of $2,000 must complete their Voting Information and Election Form in order to be treated as Convenience Class Creditors and vote on the 2019 CCAA Plan.

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.

Under the Second Lien Indenture, the Second Lien Trustee may have rights to deduct costs and expenses of the Second Lien Trustee from any distributions, including any distributions on account of Convenience Class Claims.

The amount and distribution terms of the General Creditor Pool are the same that existed in the 2018 CCAA Plan with the intention that the General Creditors will receive the same treatment and recovery under the 2019 CCAA Plan that they would have received under the 2018 CCAA Plan which was approved by all the creditors who voted on the 2018 CCAA Plan and sanctioned by the Court.

Municipal Tax Fund

The Municipality submitted a proof of claim pursuant to the Supplemental Claims Procedure Order asserting a Priority Secured Claim in respect of municipal property taxes in the amount of $13,957,811.63. Under the East River Plan Sponsorship Agreement, the parties agreed that the Company’s existing cash would be calculated as at September 1, 2018 and that one-third (1/3) of the amount of the Municipal Tax Claims of the Municipality 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) (the “**Remaining Municipal Tax Claims**”) would be unaffected under the 2018 CCAA Plan.

On September 24, 2018, the Company and the Municipality entered into the Wood Buffalo Settlement Agreement, settling the Municipality’s claim other than the amounts that constitute Remaining Municipal Tax Claims. The Wood Buffalo Settlement Agreement was approved by the Court on October 4, 2018.

Pursuant to the 2019 CCAA Plan, the Monitor shall hold an amount from the Plan Implementation Fund (the “**Municipal Tax Fund**”) equal to (i) the Remaining Municipal Tax Claims, and (ii) the Municipal Tax Claims owing or to be owing for the calendar year 2019, and representing the amounts claimed by the Municipality as an Alleged Priority Secured Claim, in a separate trust account, which amount shall not be commingled with the Plan Implementation Fund. The Monitor shall be responsible for assessing the quantum, validity and enforceability of the Municipality’s Alleged Priority Secured Claim. Upon the Effective Date, the Alleged Priority Secured Claim, and any security underlying such claim, shall be discharged as against the Company, and the Municipal Tax Fund shall stand in the place and stead of the Municipality’s security. No distributions shall be made from the Municipal Tax Fund absent (i) an agreement in writing as between the Municipality, the Company, the Monitor and the Majority Consenting First Lien Lenders, or (ii) an order of the Court.

Treatment of First Lien Claims

(a) On the Effective Date, in accordance with the 2019 CCAA Plan and in accordance with the steps and in the sequence set forth in the Restructuring Transactions, each Beneficial First Lien Lender shall be entitled to the following:

(i) each Tranche A Lender shall receive in respect of the principal amount (but not accrued interest) of its Tranche A Loans its *pro rata* share of the obligations under the New Senior Secured Term Facility based on the outstanding principal amount of Tranche A Loans owing to such Tranche A Lender in relation to the outstanding aggregate principal amount of the Tranche A Loans owing to all Tranche A Lenders as of the Effective Date and to be recorded with the same registration details as its Tranche A Loans; and

(ii) each Tranche A Lender and Tranche B Lender, or their designates, shall be issued and, subject to Section 7.1 of the 2019 CCAA Plan, entitled to receive in respect of, in the case of a Tranche A Lender, the accrued interest on its Tranche A Loans, and, in the case of a Tranche B Lender, the principal and accrued interest of its Tranche B Loans, its *pro rata* share of the New Shares issued pursuant to the 2019 CCAA Plan, based on the outstanding accrued interest of Tranche A Loans and the outstanding principal and interest of Tranche B Loans owing to a First Lien Lender in relation to the outstanding aggregate amount of interest of Tranche A Loans and principal and interest of Tranche B Loans owing to all First Lien Lenders as of the Effective Date.

(b) Following the implementation of the 2019 CCAA Plan, the Beneficial First Lien Lenders will own 100% of the outstanding equity of the Company.

(c) On the Effective Date, each Beneficial First Lien Lender shall be deemed to become a party to and thereafter bound by the Shareholders Agreement, each in its capacity as a holder of the New Shares. The Shareholders Agreement will be deemed to be a "unanimous shareholder agreement" for purposes of the CBCA, and each Beneficial First Lien Lender is deemed to have been given notice thereof.

(d) The entire amount of the First Lien Deficiency Claim shall be deemed to be an unsecured deficiency claim and shall constitute a General Creditor Claim for the purposes of the 2019 CCAA Plan.

(e) The New Shares to be issued under the 2019 CCAA Plan will be distributed either (i) by delivering share certificates representing the New Shares in the name of the applicable recipient.

Treatment of Second Lien Claims

The entire amount of the Second Lien Claim shall be deemed to be an unsecured deficiency claim (being the Second Lien Deficiency Claim) and shall constitute a General Creditor Claim for the purposes of the 2019 CCAA Plan.

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 2019 CCAA Plan, subject to any rights held by the Second Lien Trustee under the Second Lien Indenture to deduct costs and expenses from any such distributions;

(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 2019 CCAA Plan if a Distribution Election is made prior to the Distribution Election Deadline, subject to any rights held by the Second Lien Trustee under the Second Lien Indenture to deduct costs and expenses from any such distributions; or

(ii) their Pro Rata Share of $500,000 (after deducting all Distribution Election Amounts payable under the 2019 CCAA Plan) if a Distribution Election is not made prior to the Distribution Election Deadline;

(c) Notwithstanding the foregoing, a Beneficial Noteholder in respect of a Second Lien Deficiency Claim shall only be deemed to have made a Distribution Election or shall only be entitled to make a Distribution Election if such Beneficial Noteholder delivers a Voting Information and Election Form in accordance with the 2019 Creditors' Meetings Order.

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 2019 CCAA Plan shall release or discharge (a) the Company from any Unaffected Claim that has not been paid in full under the 2019 CCAA Plan to the extent of such non-payment; (b) a Released Party from its obligations under the 2019 CCAA 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 2019 CCAA Plan.

Distributions to be made under the 2019 CCAA 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 2019 CCAA 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 2019 CCAA Plan cannot be located by the Monitor on the applicable Distribution Date, or if any delivery or distribution to be made pursuant to the 2019 CCAA 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 2019 CCAA 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 and returned by the Monitor to the Company, free and clear of any claims of such Creditor or any other Creditors and their respective successors and assigns. Nothing contained in the 2019 CCAA 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 2019 CCAA 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

Unless otherwise stated herein, all references to currency in the 2019 CCAA 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 the 2019 CCAA 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.

Preferential Transactions

The 2019 CCAA 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 2019 CCAA 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 2019 CCAA Plan.

Releases

2019 CCAA Plan Releases

The 2019 CCAA Plan provides that at the Effective Time, for good and valuable consideration, including the distributions to be made pursuant to the 2019 CCAA Plan, every Creditor, Affected Creditor or other Person, on the Creditor's, Affected Creditor's or other Person's own behalf and on behalf of the Creditor's, Affected Creditor's or other Person's respective affiliates, present and former officers, directors, employees, associated individuals, auditors, beneficiaries, financial advisors, legal counsel, other professionals, sureties, insurers, indemnitors, agents, dependents, heirs, executors, administrators, representatives, successors and assigns, as applicable, hereby is deemed to and does fully, finally, irrevocably and unconditionally release and forever discharge each of the Company, the Directors, the Officers and any alleged fiduciary (whether acting as a director, officer, or other responsible party), Cassels, Akin Gump, Ernst & Young Inc., the Monitor, the Financial Advisor, the First Lien Agent, the Collateral Trustee, the Second Lien Trustee, the Consenting First Lien Lenders, and the Consenting First Lien Advisors, together with each of their respective current and former legal counsel, financial advisors, representatives, directors, officers, predecessors, affiliates, member companies, related companies, shareholders, heirs, spouses, dependants, administrators, executors, employees, professional advisors including solicitors, auditors, contractors, consultants, servants, agents and assigns (collectively, the "**Released Parties**" and individually, a "**Released Party**"), of and from any and all Claims, and, without limitation, any and all past, present and future claims, causes of action, debts, rights, interests, actions, rights of indemnity, liabilities, demands, duties, injuries, accounts, covenants, damages, expenses, fees (including solicitors' fees or liens), costs, compensation, or causes of action of whatsoever kind or nature whether foreseen or unforeseen, known or unknown, matured or unmatured, direct, indirect or derivative, asserted or unasserted, contingent or actual, liquidated or unliquidated, whether in tort or contract, whether statutory, at common law or in equity, based on, in connection with, arising out of, or in any way related to, in whole or in part, directly or indirectly, any act, inaction or omission, transaction, dealing or other occurrence existing or taking place on or prior to the Effective Time relating to or otherwise in connection with the Company, including, (a) the business and operations of the Company, (b) the property and assets of the Company, (c) the Affected Claims, the 2019 CCAA Plan or the CCAA Proceeding, (d) the Amended and Restated Support Agreement, (e) the Equity Claims and the Existing Shares; (f) a contract that has been restructured, terminated, repudiated, disclaimed or resiliated prior to the Disclaimer Deadline in accordance with the CCAA, (g) the Recapitalization and any Restructuring Transaction in respect of which the Released Parties had any role, whether in their capacity as Officers, Directors or in any other capacity, (h) liabilities of the Directors and Officers and any alleged fiduciary or other duty, including any and all Claims that may be made against the Directors or Officers where by law such Directors or Officers may be liable in their capacity as Directors or Officers, or (i) any Claim that has been barred or extinguished by the Claims Procedure Order or the Supplemental Claims Procedure Order (all collectively, the "**Released Claims**"); and at the Effective Time the Company is deemed to and does fully, finally, irrevocably and unconditionally release and forever discharge every other Released Party of and from any and all Released Claims.

Notwithstanding the foregoing, nothing in Section 10.4 of the 2019 CCAA Plan shall release or discharge:

(a) the Company from any Unaffected Claim that has not been paid in full under the 2019 CCAA Plan to the extent of such non-payment;

(b) a Released Party from its obligations under the 2019 CCAA 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 2019 CCAA 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 2019 CCAA Plan (including the Recapitalization and the Restructuring Transactions);

and any such proceedings will be deemed to have no further effect against the Company or any of its assets and will be released, discharged or vacated without cost to the Company. All Persons shall cooperate with the Company and the Monitor in lifting any Lien or discontinuing any proceeding filed or commenced prior to the Effective Time, as the Company or the Monitor may reasonably request. The Company may apply to the 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 2019 Plan 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 wilful 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 2019 Plan 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 2019 Plan 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 2019 CCAA Plan has been filed with the Court pursuant to the CCAA. The CCAA requires that the 2019 CCAA Plan be sanctioned by the Court following approval by the Affected Creditors. The hearing in respect of the 2019 Plan Sanction Order, at which Court sanction of the 2019 CCAA Plan under the CCAA will be sought, is scheduled to take place on June 20, 2019 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 2019 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 2019 Sanction Hearing by no later than seven (7) Business Days prior to the 2019 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 2019 CCAA Plan. The Court may approve the 2019 CCAA Plan as proposed or as amended and subject to such terms and conditions, if any, as the Court thinks fit.

If the 2019 Plan Sanction Order is granted, any interested person may appeal the provisions of the 2019 Plan Sanction Order, with leave of the Court or the Court of Appeal of Alberta, within 21 days of the date on which the 2019 Plan Sanction Order is granted.

Other Conditions

At the Effective Time, subject to the satisfaction or waiver of the conditions contained in Section 8.2 of the 2019 CCAA Plan, the 2019 CCAA Plan shall be implemented by the Company and shall be binding upon all Persons in accordance with the terms of the 2019 CCAA Plan and the 2019 Plan Sanction Order.

Timing for 2019 CCAA 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 Amended and Restated Support Agreement:

May 16, 2019	2019 Creditors' Meetings Order
As soon as practicable after May 16, 2019	Mailing of the Circular and related materials as required by the 2019 Creditors' Meetings Order
June 19, 2019	2019 Creditors' Meetings
June 20, 2019	Court hearing in respect of the 2019 Plan Sanction Order

July 31, 2019	Effective Date

Any number of circumstances, including a failure to satisfy a condition to implementation of the 2019 CCAA Plan and an appeal of the 2019 Plan 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 2019 CCAA Plan Prior to Approval

The Company reserves the right to vary, modify, amend or supplement the 2019 CCAA Plan by way of a supplementary or amended and restated plan or plans of compromise or arrangement or both filed with the Court at any time or from time to time prior to the commencement of the 2019 Creditors' Meetings, provided that the Company obtains the prior consent of the Consenting First Lien Lenders and the Monitor to any such variation, modification, amendment or supplement, which consent shall not be unreasonably withheld. Any such supplementary or amended and restated plan or plans of compromise or arrangement or both shall, for all purposes, be deemed to be a part of and incorporated into the 2019 CCAA Plan. Any such variation, modification, amendment or supplement shall be posted on the Website and e-mail notice will be provided to the 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 2019 CCAA Plan should contact the Monitor in the manner set out in Section 11.12 of the 2019 CCAA Plan. Creditors in attendance at the 2019 Creditors' Meetings will also be advised of any such variation, modification, amendment or supplement to the 2019 CCAA Plan.

In addition, the Company may propose a variation or modification of, or amendment or supplement to, the 2019 CCAA Plan during the 2019 Creditors' Meetings, provided that the Company obtains the prior consent of the Consenting First Lien Lenders and the Monitor to any such variation, modification, amendment or supplement, which consent shall not be unreasonably withheld, and that notice of such variation, modification, amendment or supplement is given to all Creditors entitled to vote present in person or by proxy at the applicable 2019 Creditors' Meeting prior to the vote being taken at such 2019 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 the 2019 CCAA Plan. Any variation, amendment, modification or supplement at a 2019 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 Court as soon as practicable following the applicable 2019 Creditors' Meeting.

Modification of the 2019 CCAA Plan Following Approval

After one or more of the 2019 Creditors' Meetings (and both prior to and subsequent to obtaining the 2019 Plan Sanction Order), the Company may at any time and from time to time vary, amend, modify or supplement the 2019 CCAA Plan without the need for obtaining an Order or providing notice to the Creditors, if the Company and the Monitor, acting reasonably and in good faith, determine that such variation, amendment, modification or supplement would not be materially prejudicial to the interests of any of the Creditors under the 2019 CCAA Plan or is necessary in order to give effect to the substance of the 2019 CCAA Plan or the 2019 Plan Sanction Order.

RISK FACTORS

In evaluating the 2019 CCAA Plan, Affected Creditors should carefully consider the following risk factors relating to the 2019 CCAA Plan. The following risk factors are not a definitive list of all risk factors associated with the 2019 CCAA Plan. Additional risks and uncertainties, including those currently unknown or considered immaterial by the Company, may also adversely affect the business of the Company following completion of the 2019 CCAA Plan In addition to the risk factors associated with the businesses of the Company described elsewhere in this Circular, including the documents incorporated by reference into this Circular, the following are additional and supplemental risk factors which Affected

Creditors should carefully consider. If any of the risk factors materialize, the expectations, and the predictions based on them, may need to be re-evaluated.

Risk Factors Relating to the Company

Certain risk factors relating to the business and securities of the Company 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, that are 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 2019 CCAA Plan.

Risk Factors Relating to the 2019 CCAA Plan

The Effective Date of the 2019 CCAA Plan may not occur in the time or manner expected, if at all.

The 2019 CCAA Plan will not become effective unless and until all conditions precedent to the 2019 CCAA 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 2019 CCAA Plan will be satisfied or waived, nor can there be any certainty of the timing of their satisfaction or waiver. Even if the 2019 CCAA Plan is completed, it may not be completed on the terms or schedule described in this Circular.

Potential Effect of the 2019 CCAA Plan on the Company's Relationships

There can be no assurance as to the effect of the announcement of the 2019 CCAA 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 2019 CCAA 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 the Company'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.

If the 2019 CCAA Plan is not implemented, the Company will pursue the Credit Bid Transaction with the Consenting First Lien Lenders and the First Lien Agent in accordance with and subject to the terms of the Amended and Restated Support Agreement. 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 the 2019 CCAA Plan, a Superior

Transaction, or the Credit Bid Transaction is not completed, the CCAA stay of proceedings 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 Company will be a private company following implementation of the 2019 CCAA Plan

The Company will be a "private company" following completion of the transactions contemplated by the 2019 CCAA Plan and will not be a "reporting issuer" under the securities laws of any of the Provinces of Canada. In addition, the transferability of the New Shares will be restricted by the terms of the Company's Articles and by the terms of the Shareholder's Agreement. Consequently, there will be no market for the New Shares and it may be difficult or impossible for shareholders to sell or value their New Shares.

CERTAIN LEGAL MATTERS

Canadian Securities Laws

Resale of Securities

The New Shares to be issued pursuant to the 2019 CCAA Plan will be issued in reliance on exemptions from the prospectus requirements of applicable Canadian securities laws. Consequently, certain protections, rights and remedies provided by Canadian securities legislation, including statutory rights of rescission or damages, will not be available in respect of the New Shares issued pursuant to the 2019 CCAA Plan.

The Company is currently a reporting issuer under the securities legislation of each province of Canada and subject to timely and periodic disclosure obligations thereunder. It is a condition precedent to the completion of the 2019 CCAA Plan that the Company shall not be a reporting issuer (or equivalent) in any province or territory of Canada or any other jurisdiction upon implementation of the 2019 CCAA Plan. The Company therefore intends to apply to the applicable Canadian securities regulatory authorities for an order that it be deemed to no longer be a reporting issuer under the securities legislation of any Canadian jurisdiction, such that its reporting obligations thereunder shall terminate in connection with implementation of the 2019 CCAA Plan. As a consequence of the Company not being a "reporting issuer", the New Shares will not be "freely tradable" under applicable Canadian securities laws. The New Shares will only be transferable in Canada pursuant to a further exemption from the prospectus requirements of Canadian securities laws.

In addition, the amended Articles of the Company will provide that transfers of the New Shares must be approved by the Board, and may be subject to further limitations on transfer and other provisions set out in the Shareholders Agreement. Certificates representing New Shares will bear a legend referring to the Shareholders Agreement and the requirements and restrictions on transfer set out therein. All prospective holders of New Shares are urged to consult their legal advisors to ensure that the resale of their New Shares complies with applicable securities legislation and other applicable restrictions. Holders of New Shares residing elsewhere than in Canada are urged to consult their legal advisors to determine the extent of all applicable resale provisions in their jurisdiction of residency.

Multilateral Instrument 61-101

As a reporting issuer in each of the provinces of Canada, the Company is subject to applicable securities laws of such provinces. The securities regulatory authorities in certain provinces have adopted Multilateral Instrument 61-101 *Protection of Minority Security Holders in Special Transactions"* ("**MI 61-101**"), which applies to certain transaction types that are considered to have heightened potential for conflicts of interest and, in connection therewith, imposes additional requirements aimed at fair treatment of security holders. Such additional requirements can include one or more of enhanced disclosure, minority security holder approval, formal valuations, and independent director oversight.

The protections afforded by MI 61-101 apply to, among other transactions, “related party transactions” (as defined in MI 61-101) which include issuances of securities to, and the issuance of, or material amendments to, debts or liabilities owed by or to, a “related party”. Certain of the First Lien Lenders are “related parties” of the Company within the meaning of MI 61-101 on the basis of holding more than 10% of the outstanding common shares.

The issuance of the New Shares to, and the entry into of the New Senior Secured Term Facility with one or more “related parties” pursuant to the 2019 CCAA Plan may be considered to be “related party transactions” within the meaning of MI 61-101 to which minority shareholder approval and formal valuation requirements would, absent available exemptions, be applicable. The minority shareholder approval requirements of MI 61-101 do not apply where the transaction is subject to Court approval under bankruptcy or insolvency law, the Court is advised of the minority approval requirements of MI 61-101, and the Court does not require such approval. Pursuant to the 2019 Creditors’ Meetings Order, and in accordance with CCAA requirements, the Court was advised of the minority shareholder approval requirements of MI 61-101 and the Court determined that a meeting of the Company’s shareholders is not required to be held in order to approve the 2019 CCAA Plan. In addition, the formal valuation requirements of MI 61-101 are not applicable in respect of the 2019 CCAA Plan transactions as the Company’s shares are not listed for trading on certain specified markets.

United States Securities Laws

Status Under U.S. Securities Laws

At the time of the implementation of the 2019 CCAA Plan, the Company will be a “foreign private issuer” as defined in Rule 3b-4 under the United States Securities Exchange Act of 1934 (the “**1934 Act**”).

Issuance and Resale of Securities Under U.S. Securities Laws

The following discussion is a general overview of certain requirements of U.S. federal securities laws that may be applicable to securityholders. All securityholders are urged to consult with their own legal counsel to ensure that any subsequent resale of securities issued to them under the 2019 CCAA Plan complies with applicable securities legislation.

The following discussion does not address the Canadian securities laws that will apply to the issuance to or the resale by securityholders within Canada of the New Shares. In addition, all New Shares to be issued under the 2019 CCAA Plan will be subject to restrictions on transfer pursuant to the articles of the Company and the Shareholders Agreement. See the above discussion under “*Resale of Securities*”, and the Articles of Reorganization of the Company attached as Exhibit “C” to this Circular.

Exemption from the registration requirements of the 1933 Act

The issuance of the New Shares under the 2019 CCAA Plan will not be registered under the 1933 Act or the securities laws of any state of the United States.

The New Shares to be issued to First Lien Lenders pursuant to the 2019 CCAA Plan will be issued in reliance on the exemption from registration set forth in Section 3(a)(10) of the 1933 Act on the basis of the approval of the Court, which will consider, among other things, the fairness of the 2019 CCAA Plan to the persons affected. Section 3(a)(10) of the 1933 Act exempts from registration the distribution of a security that is issued in exchange for outstanding securities and/or claims where the terms and conditions of such issuance and exchange are approved, after a hearing upon the fairness of such terms and conditions at which all persons to whom it is proposed to issue securities in such exchange have the right to appear, by a court or by a governmental authority expressly authorized by law to grant such approval. Accordingly, the 2019 Plan Sanction Order will, if granted, constitute a basis for the exemption from the registration requirements of the 1933 Act with respect to the New Shares issued under the 2019 CCAA Plan.

Persons who are not affiliates of the Company after the 2019 CCAA Plan may resell the New Shares that they receive in the United States without restriction under the 1933 Act. A Person who will be an "affiliate" of the Company after the 2019 CCAA Plan will be subject to certain restrictions on resale imposed by the 1933 Act. As defined in Rule 144 under the 1933 Act, an "affiliate" of an issuer is a person that, directly or indirectly through one or more intermediaries, controls, is controlled by, or is under common control with, the issuer and may include certain officers and directors of such issuer as well as principal shareholders of such issuer.

Persons who are affiliates of the Company after the implementation of the 2019 CCAA Plan may not resell the New Shares that they receive pursuant to the 2019 CCAA Plan in the absence of registration under the 1933 Act, unless an exemption from registration is available, such as the exemptions provided by Rule 144 or Regulation S under the 1933 Act.

The foregoing discussion is only a general overview of certain requirements of United States federal securities laws applicable to the New Shares received upon completion of the 2019 CCAA Plan. Holders of New Shares will also be subject to the restrictions on transfer of such shares set forth in the terms of the New Shares, the Articles of the Company and the Shareholders Agreement. All holders of New Shares are urged to consult with their counsel to ensure that the resale of New Shares complies with applicable securities legislation.

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 2019 CCAA 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 2019 CCAA PLAN. THE DISCUSSION BELOW IS QUALIFIED ACCORDINGLY.

This summary does not describe the income tax consequences under the 2019 CCAA 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 2019 CCAA Plan. The fair market value of the New Senior Secured Term Facility and the New Shares received by the Affected Creditors will be considered to be the proceeds of disposition of their Affected Claims (less the amount thereof received as the interest portion of such Affected Claims). 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 2019 CCAA Plan Consideration

Under the 2019 CCAA 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. Tranche A Lenders and Tranche B Lenders shall receive New Shares, in part, as payment of accrued interest on their Affected Claims.

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.

The fair market value of the New Shares received by a Resident Holder as payment of interest on its Affected Claims will be considered the amount of interest received by such Resident Holder for these purposes.

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 2019 CCAA Plan.

Dividends on New Shares

A Resident Holder who is an individual will be required to include in income the amount of any dividend receiver or deemed to be received on its New Shares, and will be subject to the gross-up and dividend tax credit rules applicable to taxable dividends received from taxable Canadian corporations, including the enhanced gross-up and dividend tax credit applicable to any dividends designated by the Company as "eligible dividends", as defined in the Tax Act.

A Resident Holder that is a corporation will be required to include in income any dividend received or deemed to be received on its New Shares and generally will be entitled to deduct an equivalent amount in computing its taxable income. A "private corporation" as defined in the Tax Act or a "subject corporation" as defined in the Tax Act may be liable under Part IV of the Tax Act to pay a refundable tax on any dividend that it receives or is deemed to receive on its New Shares to the extent that the dividend is deductible in computing the corporation's taxable income.

Disposition of New Shares

A Resident Holder that disposes or is deemed to dispose of a New Share in a taxation year will realize a capital gain (or a capital loss) equal to the amount by which the proceeds of disposition of the share exceed (or are less than) the aggregate of the adjusted cost base to the Resident Holder of such share, determined immediately before the disposition, and any reasonable costs of disposition. A Resident Holder will be required to include any resulting taxable capital gain in income, or be entitled to deduct any resulting allowable capital loss, in accordance with the usual rules applicable to capital gains and capital losses. See "*Taxation of Capital Gains and Capital Losses*".

The adjusted cost base to a Resident Holder of New Shares received under the 2019 CCAA Plan will be the fair market value of such shares on the date received by the Resident Holder.

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, (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, and (v) is not a "specified shareholder" (as defined in subsection 18(5) of the Tax Act) of the Company or does not deal at arm's length with such a specified shareholder for purposes of the Tax Act (a "**Non-Resident Holder**").

Dividends on New Shares

Dividends paid or credited, or deemed to be paid or credited, on New Shares to a Non-Resident Holder generally will be subject to Canadian withholding tax at a rate of 25% of the gross amount of the dividend, unless the rate is reduced under the provisions of an applicable income tax convention. The rate of withholding tax under the U.S. Treaty applicable to a Non-Resident Holder, who is a resident of the United States for the purposes of the U.S. Treaty, is the beneficial owner of the dividend, and is entitled to all of the benefits under the U.S. Treaty generally will be 15% (5% for a company that holds at least 10% of the voting stock of the Company).

Disposition of New Shares

A Non-Resident Holder that disposes or is deemed to dispose of a New Share in a taxation year will realize a capital gain (or a capital loss) equal to the amount by which the proceeds of disposition of the share exceed (or are less than) the aggregate of the adjusted cost base to the Non-Resident Holder of such share, determined immediately before the disposition, and any reasonable costs of disposition.

Such gain will be subject to tax in Canada, and there will be withholding tax and reporting requirements to comply with on a disposition of the New Shares, unless the New Shares do not constitute "taxable Canadian property" to the Non-Resident Holder at the time of the disposition or deemed disposition, subject to the terms of a tax treaty between Canada and the country of residence of the Non-Resident Holder.

Subject to certain scenarios where the New Shares are listed on a prescribed stock exchange at the time of the disposition or deemed disposition, the New Shares will be taxable Canadian property to a Non-Resident Holder to the extent that, at any time during the 60-month period preceding the disposition, more than 50% of the fair market value of the New Shares was derived from, directly or indirectly, any combination of (i) real or immovable property situated in Canada, (ii) Canadian resource property, (iii) timber resource property), and (iv) options in respect of, or interest in, the property described in (i) to (iii). **Such holders should consult their tax advisors about their particular circumstances**.

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 2019 CCAA Plan.

CERTAIN U.S. FEDERAL INCOME TAX CONSEQUENCES OF THE 2019 CCAA PLAN

The following discussion is a summary of certain U.S. federal income tax consequences of the consummation of the 2019 CCAA 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 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 2019 CCAA 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 2019 CCAA 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 2019 CCAA 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 2019 CCAA 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. A U.S. Holder's tax basis in New Shares and New Senior Secured Term Facility (other than New Shares and New Senior Secured Term Facility, if any, allocable to accrued interest) should equal the fair market value of New Shares and the issue price of the New Senior Secured Term Facility (as determined for U.S. federal income tax purposes) on the Effective Date. A U.S. Holder's holding period for the New Shares and New Senior Secured Term Facility should begin on the day following the Effective Date.

In certain circumstances, holders of General Creditor Claims (other than Second Lien Deficiency Claims) may be entitled to ordinary loss treatment if the underlying claim did not represent a capital asset.

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 2019 CCAA 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 an Affected Claim may be entitled to recognize a deductible loss to the extent such interest is not satisfied under the 2019 CCAA Plan. Under the 2019 CCAA 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 2019 CCAA Plan. It is expected that the U.S. federal income tax treatment should be consistent with such treatment under the 2019 CCAA 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 2019 CCAA 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).

Interest on New Senior Secured Term Facility

Stated interest paid to a U.S. Holder will be includible in the U.S. Holder's gross income as ordinary interest income at the time interest is received or accrued in accordance with the U.S. Holder's regular method of tax accounting for U.S. federal income tax purposes. The New Senior Secured Term Facility will be considered to be issued with original issue discount ("**OID**") for U.S. federal income tax purposes. A U.S. Holder generally (a) will be required to include the OID in gross income as ordinary interest income as it accrues on a constant yield to maturity basis over the term of the New Senior Secured Term Facility in advance of the receipt of the cash attributable to such OID and regardless of the U.S. Holder's method of accounting for U.S. federal income tax purposes, but (b) will not be required to recognize additional income upon the receipt of any cash payment on the New Senior Secured Term Facility that is attributable to previously accrued OID that has been included in its income.

Accrual method U.S. Holders that prepare an "applicable financial statement" (as defined in section 451 of the U.S. Internal Revenue Code of 1986, as amended) generally would be required to include certain items of income such as OID (but not market discount, as described above) no later than the time such amounts are reflected on such a financial statement. The application of this rule to income of a debt instrument with OID is effective for taxable years beginning after December 31, 2018. U.S. Holders should consult their tax advisors with regard to interest, OID, and market discount.

Dividends on New Shares

A U.S. Holder of ***New Shares*** generally will be required to include in gross income as ordinary dividend income the amount of any distributions paid on the ***New Shares*** to the extent of the ***Company's*** current or accumulated earnings and profits as determined for ***U.S.*** federal income tax purposes. "Qualified dividend income" received by a non-corporate U.S. Holder is subject to preferential tax rates. Distributions not treated as dividends for federal income tax purposes will constitute a return of capital and will first be applied against and reduce a U.S. Holder's adjusted tax basis in the ***New Shares***, but not below zero. Any excess amount will be treated as gain from a sale or exchange of the ***New Shares***. U.S. Holders that are treated as corporations for federal income tax purposes may be entitled to a dividends received deduction with respect to distributions out of the Company's earnings and profits**. In the event of Canadian withholding taxes are imposed on dividends paid to a U.S. Holder, the U.S. Holder may be entitled to a foreign tax credit to offset part of the corresponding U.S. federal income tax liability. A U.S. corporation that holds more than 10% of the shares of the Company and receives a dividend may be eligible for an exclusion from income on such dividend. Consult with your tax advisor to determine whether you would be entitled to this exclusion.**

Disposition of New Shares

A U.S. Holder of ***New Shares*** will recognize gain or loss upon the sale or other taxable disposition of ***New Shares*** equal to the difference between the amount realized upon the disposition and the U.S. Holder's adjusted tax basis in the ***New Shares***. Subject to the recapture rules under IRC Section 108(e)(7), any such gain or loss generally will be capital gain or loss, and will be long-term capital gain or loss if the U.S. Holder has held the ***New Shares*** for more than one year as of the date of disposition. Under the IRC Section 108(e)(7) recapture rules, a U.S. Holder may be required to treat gain recognized on the taxable disposition of ***New Shares*** as ordinary income if the U.S. Holder took a bad debt deduction with respect to the ***Existing First Lien*** Debt. U.S. Holders should consult their tax advisors regarding the applicable tax rates and netting rules for capital gains and losses.

Limitation on Use of Capital Losses

A U.S. Holder of an Affected Claim who recognizes capital losses as a result of the distributions under the Plan or upon a disposition of the New Shares or New Senior Secured Term Facility will be subject to limits on its use of capital losses. For a non-corporate U.S. Holder, capital losses may be used to offset any capital gains (without regard to holding periods) plus ordinary income to the extent of the lesser of (i) $3,000 ($1,500 for married individuals filing separate returns) or (ii) the excess of the capital losses over the capital gains. A non-corporate U.S. Holder may carry over unused capital losses and apply them to capital gains and a portion of *its* ordinary income for an unlimited number of years. For corporate U.S. Holders, losses from the sale or exchange of capital assets may only be used to offset capital gains. A corporate U.S. Holder that has more capital losses than can be used in a tax year may be allowed to carry over the excess capital losses for use in other tax years. Corporate U.S. Holders may only carry over unused capital losses for the five years following the capital loss year, but are allowed to carry back unused capital losses to the three years preceding the capital loss year.

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 U.S. 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. U.S. Holders are urged to consult their tax advisors regarding these regulations and whether the transactions contemplated by the 2019 CCAA 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 2019 CCAA 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 2019 CCAA 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 2019 CCAA 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 has met frequently and has been 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 Akin Gump, 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 2019 CCAA 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;**

5. **The 2019 CCAA Plan is a going concern transaction that allows Connacher to continue to operate with limited disruption to its business;**

6. **Connacher has conducted two Court-supervised sales processes to identify the best available transaction; and**

7. **The general fairness standards and considerations expected to be applied by the Court in connection with the 2019 Plan Sanction Order.**

The Special Committee also considered a number of other factors and potential risks relating to the 2019 CCAA 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;
- 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 2019 CCAA Plan and the considerations expected to be applied by the Court in connection with the 2019 Plan Sanction Order;
- the opinions and views of management;

- the 2019 CCAA Plan approval procedures, including the requirement for the approval of Affected Creditors and the approval by the Court at which the fairness of the 2019 CCAA Plan will be considered;
- the circumstances leading up to the 2019 CCAA 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 2019 CCAA Plan is in the best interests of Connacher and to recommend to the Board that they approve the 2019 CCAA Plan and recommend that Affected Creditors vote FOR the Resolutions to approve the 2019 CCAA 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 2019 CCAA Plan, authorize its submission to the Affected Creditors for approval and recommend that Affected Creditors vote FOR the Resolutions to approve the 2019 CCAA 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 2019 CCAA Plan will produce more favourable results for the Affected Creditors and other stakeholders of the Company than would the Credit Bid Transaction or a liquidation or sale of the underlying assets or business. The 2019 CCAA 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 2019 CCAA 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 2019 CCAA Plan.

DOCUMENTS INCORPORATED BY REFERENCE

Information has been incorporated by reference in this Circular from documents filed with the various securities commissions or similar regulatory authorities in each of the provinces and territories of Canada. Copies of the documents incorporated herein by reference, are available electronically under the Company's profile on SEDAR at www.sedar.com. The Company's filings on SEDAR are not incorporated by reference in this Circular except as specifically set out herein.

The following documents filed by the Company with the securities commissions or similar authorities in each of the provinces and territories of Canada are specifically incorporated by reference in, and form an integral part of, this Circular:

(i) the portion of the Company's AIF dated March 29, 2016 entitled "Risk Factors" on pages 30 to 48 thereof other than those in the sections entitled "Risks Related to Financing and the Company's Indebtedness" and "Risks Relating to Company's Equity Securities";

(ii) the audited consolidated financial statements for the years ended December 31, 2018 and 2017, together with the notes thereto and the report of the independent registered public accounting firm thereon;

(iii) the management's discussion and analysis for the year ended December 31, 2018 dated April 26, 2019;

(iv) the material change report dated February 19, 2019;

(v) the material change report dated February 11, 2019;

(vi) the material change report dated August 23, 2018;

(vii) the material change report dated August 3, 2018;

(viii) the material change report dated January 30, 2018;

(ix) the material change report dated July 10, 2017;

(x) the material change report dated February 3, 2017;

(xi) the material change report dated December 22, 2016;

(xii) the material change report dated November 2, 2016;

(xiii) the material change reports dated May 25, 2016; and

(xiv) the material change report dated April 5, 2016.

Any document of the type referred to in section 11.1 of Form 44-101F1 of National Instrument 44-101 – Short Form Prospectus (excluding confidential material change reports), if filed by the Company with a securities commission or similar regulatory authority in Canada after the date of this Circular disclosing additional or updated information including the documents incorporated by reference herein, filed pursuant to the requirements of the applicable securities legislation in Canada, will be deemed to be incorporated by reference in this Circular.

Any statement contained in a document incorporated or deemed to be incorporated by reference herein shall be deemed to be modified or superseded for the purposes of this Circular to the extent that a statement contained in this Circular or in any subsequently filed document that also is or is deemed to be incorporated by reference herein modifies or supersedes such statement. Any statement so modified or superseded shall not constitute a part of this Circular, except as so modified or superseded. The modifying or superseding statement need not state that it has modified or superseded a prior statement or include any other information set forth in the document that it modifies or supersedes. Making such a modifying or superseding statement shall not be deemed to be an admission for any purpose that the modified or superseded statement, when made, constituted a misrepresentation, untrue statement of a material fact, nor an omission to state a material fact that is required to be stated or necessary to make a statement not misleading in light of the circumstances in which it is made.

APPROVAL OF CIRCULAR

The contents and the sending of this Circular have been approved by the Board.

Calgary, Alberta	Connacher Oil and Gas Limited
May 16, 2019	*"Scott G. Pearl"*
	"Eugene I. Davis"

GLOSSARY OF TERMS

In this Circular, other than the Exhibits:

"**1933 Act**" means the United States Securities Act of 1933.

"**1934 Act**" has the meaning set forth in *Certain Legal Matters – Status Under U.S. Securities Laws*.

"**2015 Recapitalization**" has the meaning set forth in *Background and Operations*.

"**2018 Creditors' Meetings**" means the meetings of each Class of Creditors held on October 3, 2018.

"**2018 Creditors' Meetings Order**" means the Order granted by the Court in the CCAA Proceeding dated August 22, 2018 that, among other things, accepted the filing of the 2018 CCAA Plan, and ordered and declared the procedures to be followed in connection with the 2018 Creditors' Meetings.

"**2018 CCAA Plan**" means the Company's Amended and Restated Plan of Compromise and Arrangement dated August 13, 2018, which was sanctioned by the Court in the CCAA Proceedings pursuant to the 2018 Plan Sanction Order.

"**2018 Plan Sanction Order**" means the Order granted by the Court in the CCAA Proceedings dated October 4, 2018, sanctioning the 2018 CCAA Plan pursuant to the CCAA.

"**2019 CCAA Plan**" means the Company's Plan of Compromise and Arrangement (including the Restructuring Transactions) dated May 6, 2019, as it may be amended, restated, supplemented or replaced in accordance with the terms thereof and the Amended and Restated Support Agreement.

"**2019 Creditors' Meetings**" means the meetings of each Class of Creditors called for the purposes of considering and voting in respect of the 2019 CCAA Plan, as set out in and held pursuant to the 2019 Creditors' Meetings Order, and includes any postponements or adjournments thereof.

"**2019 Creditors' Meetings Order**" means the 2019 Creditors' Meetings Order granted by the Court in the CCAA proceeding on about May 16, 2019 that, among other things, accepts the filing of the 2019 CCAA Plan, and orders and declares the procedures to be followed in connection with the 2019 Creditors' Meetings, as such Order may be amended, restated or varied from time to time by subsequent Order.

"**2019 Creditors' Meetings Record Date**" means, subject to the 2019 Creditors' Meetings Order, 1:00 p.m. (Calgary time) on the date that is two (2) Business Days prior to the 2019 Creditors' Meetings.

"**2019 Plan Sanction Order**" means an Order, in form and substance acceptable to the Company, the Monitor, the Consenting First Lien Lenders, and the First Lien Agent, each acting reasonably, among other things, sanctioning the 2019 CCAA Plan and giving directions regarding its implementation, which shall include the provisions set out in Section 8.1 of the 2019 CCAA Plan unless otherwise agreed to in writing by the Company, the Monitor, the Consenting First Lien Lenders, and the First Lien Agent.

"**2019 Sanction Hearing**" means the Company's application for the 2019 Plan Sanction Order on the 2019 Sanction Hearing Date.

"**2019 Sanction Hearing Date**" means June 20, 2019, or such later date as may be acceptable to the Company, the Monitor, and the Majority Consenting First Lien Lenders.

"**ABCA**" means the *Business Corporations Act* (Alberta).

"**ABL Facility**" has the meaning set forth in *Description of the Plan Term Sheet* or *Description of the Credit Bid Term Sheet*, as applicable.

“**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 2019 CCAA 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 East River in connection with each election to extend the East River Outside Date in accordance with the terms of the East River Plan Sponsorship Agreement and East River Purchase Agreement.

“**Administration Charge”** means the Administration Charge granted under the Initial Order.

“**Administrative Reserve Fund**” means the amount of $750,000 out of the Plan Implementation Fund to be held in escrow by the Monitor.

“**Advisors**” has the meaning set forth in *Representations and Warranties of Consenting First Lien Lenders*.

“**AER**” means the Alberta Energy Regulator.

“**Affected Claim**” means a Claim, other than an Unaffected Claim.

“**Affected Creditor**” means a holder of an Affected Claim.

“**AIF**” means the Annual Information Form of the Company dated March 29, 2016.

“**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 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 Outstanding 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, the KEIP or the Credit Bid KERP that is disputed by the Company and which remains outstanding and has not been paid prior to the Effective Date.

“**Allowable Capital Loss**” has the meaning set forth in *Taxation of Capital Gains and Capital Losses*.

“**Amended and Restated Support Agreement**” means the amended and restated support agreement among the Company, the Consenting First Lien Lenders and the First Lien Agent dated May 6, 2019, as may be further amended or amended and restated from time to time.

“**Amended and Restated Support Agreement Approval Order**” means the Order (Approval of Amended and Restated Support Agreement) granted by the Court in the CCAA proceeding on May 16, 2019, *inter alia*, approving the Amended and Restated Support Agreement and authorizing the Company to comply with its obligations thereunder.

"**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.

"**Approval and Vesting Order**" means the Order to be sought from the Court in the event of a CCAA Plan Termination Event, *inter alia*, approving the PSA and vesting the purchased assets in the Credit Bid Purchaser.

"**Articles of Reorganization**" means the articles of reorganization of the Company substantially in the form attached as Exhibit "C" hereto 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 of the Company, 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.

"**Authorization Order**" means the Order granted in the CCAA Proceeding dated May 16, 2019 that, among other things, approves the Amended and Restated Support Agreement, approves the Credit Bid KERP and seals certain portions of the Amended and Restated Support 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**" 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.

“**Beneficial Noteholder Voting and Election Deadline**” means 5:00 p.m. (Calgary time) on the day that is two Business Days prior to the 2019 Creditors’ Meetings.

“**Bennett Jones**” means Bennett Jones LLP, counsel to the First Lien Agent and Consenting First Lien Lenders.

“**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 the Company.

“**Business Day**” means, with respect to any action to be taken, any day, other than Saturday, Sunday or a statutory holiday, on which banks are generally open for business in Calgary, Alberta, Canada.

“**Cash on Hand**” means all cash and cash equivalents (including marketable securities and short-term investments), including any funds being held by the Company as Shut Down Restricted Cash pursuant to the Initial Order, but, for greater certainty, shall exclude any funds held by ATB as security for obligations owing under the ATB Credit Facilities and 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 <u>Schedule “A”</u> to the 2019 CCAA 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 *Credit Bid Transaction – Conversion of Existing First Lien Debt*.

“**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 2019 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) an Equity Claim;

l) a Post-Filing Claim;

m) a Convenience Class Claim;

n) a Crown Priority Claim;

o) an Employee Priority Claim;

p) a Municipal Tax Claim; and

q) an Outstanding Municipal Tax Claim.

"**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 2019 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 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.

"**Class A Common Shares**" has the meaning set forth in *Restructuring Transactions*.

“**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**” has the meaning set forth in *Summary.*

“**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 Amended and Restated 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 2019 CCAA Plan in accordance with the 2019 Creditors’ Meetings Order and the 2019 CCAA Plan.

“**Convenience Class Creditor**” means a General Creditor with a Convenience Class Claim, provided that in order to be a Convenience Class Creditor in respect of a Second Lien Deficiency Claim a Beneficial Noteholder must deliver a Voting Information and Election Form in accordance with the 2019 Creditors’ Meetings Order.

“**Court**” means the Court of Queen’s Bench of Alberta.

“**Credit Bid KERP**” means the credit bid key employee retention program substantially in the form attached as Schedule “H” to the Amended and Restated Support Agreement.

“**Credit Bid KERP Beneficiaries**” has the meaning set forth in *Credit Bid KERP.*

“**Credit Bid KERP Payments**” has the meaning set forth in *Credit Bid KERP.*

“**Credit Bid Purchaser**” has the same meaning as the term “Newco”, defined below.

“**Credit Bid Term Sheet**” means the Credit Bid Term Sheet attached as Schedule “D” to the Amended and Restated Support Agreement, as it may be amended, restated, supplemented or replaced in accordance with the terms of the Amended and Restated Support Agreement.

“**Credit Bid Transaction**” has the meaning set forth in *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 2019 CCAA 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.

“**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.

“**Directive 067**” means Directive 067: Eligibility Requirements for Acquiring and Holding Energy Licences and Approvals released by the AER on December 6, 2017.

“**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 2019 CCAA 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 2019 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 letter from the Company to the Advisors dated March 19, 2018, all or any portion of which the Advisors shall be entitled to share with the Consenting First Lien Lenders which they represent, subject to the terms of the confidentiality provisions contained in the First Lien Credit Agreement.

"**Disputed Claim**" means that portion of a Claim in respect of which a Creditor has delivered a Notice of Dispute pursuant to the Claims Procedure Order or the Supplemental Claims Procedure Order which has not been allowed or accepted for voting and/or distribution purposes or which has not been barred or finally disallowed pursuant to the Claims Procedure Order or the Supplemental Claims Procedure Order. For greater certainty, once a Disputed Claim is finally determined, it shall become an Accepted Claim or Disallowed Claim.

"**Distribution Date**" means the date or dates from time to time on or after the Effective Date, set by the Monitor in its discretion, to effect interim and final distributions in respect of Accepted Claims.

"**Distribution Election**" means an election:

a) made by a General Creditor with an Accepted Claim greater than $2,000 by delivery of a duly completed and executed Distribution Election Notice to the Monitor by no later than the Distribution Election Deadline electing to receive the Distribution Election Amount in full satisfaction of its Accepted Claim; and

b) deemed to have been made by each General Creditor with an Accepted Claim equal to or less than $2,000, provided that in the case of a Beneficial Noteholder in respect of a Second Lien Deficiency Claim such Beneficial Noteholder shall have delivered a Voting Information and Election Form in accordance with the 2019 Creditors' Meetings Order.

"**Distribution Election Amount**" means, in respect of any Accepted Claim of a General Creditor for which a valid Distribution Election has been made or has been deemed to have been made in accordance with the 2019 CCAA 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 June 17, 2019.

"**Distribution Election Notice**" means a notice substantially in the form attached to the 2019 Creditors' Meetings Order, or in the case of a Beneficial Noteholder, a Voting Information and Election Form.

"**DTC**" means The Depository Trust Company.

"**East River**" has the meaning set forth in *Summary*.

"**East River Approval and Vesting Order**" means an order of the Court in substantially the form attached to the East River Purchase Agreement.

"**East River Outside Date**" means the final date under the East River Plan Sponsorship Agreement and East River Purchase Agreement to complete the East River Plan Transaction or East River Purchase Transaction, as applicable.

"**East River Plan Sponsorship Agreement**" means the CCAA Acquisition and Plan Sponsorship Agreement between East River and the Company dated August 2, 2018.

"**East River Plan Transaction**" means a restructuring of the Company by way of the 2018 CCAA Plan prior to the East River Outside Date, on the terms set out in and consistent in all material respects with the East River Plan Sponsorship Agreement and the 2018 CCAA Plan.

"**East River PRC Approvals**" means collectively: (i) the MOFCOM Approval; (ii) the NDRC Approval; and (iii) the SAFE Registration.

"**East River Purchase Agreement**" means the Purchase and Sale Agreement between East River and the Company dated August 2, 2018, as amended.

"**East River Purchase Transaction**" means the asset purchase transaction contemplated by the East River Purchase Agreement.

"**Effective Date**" means the day on which the Monitor delivers the Monitor's Certificate to the Company, and counsel to the Consenting First Lien Lenders pursuant to Section 8.3 of the 2019 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 Consenting First Lien Lenders.

"**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 set forth in Section 2(1) of the CCAA.

"**Equityholder Information**" means such information and documentation as the Company may require from recipients of the New Shares in order to comply with any anti-money laundering, "know your client", proceeds of crime and other Applicable Laws applicable to the Company which shall be communicated to the proposed recipient of New Shares by the First Lien Agent;

"**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 2019 CCAA Plan*.

"**Executive Employment Agreements**" means the key management employment agreements to be in place on the Effective Date in accordance with the Plan Term Sheet or the Credit Bid Term Sheet, as applicable.

"**Existing Shares**" means the common shares, preferred shares, warrants and stock options in the capital of the Company.

"**Filing Date**" means May 17, 2016.

"**Financial Advisor**" means Houlihan Lokey Capital, Inc., financial advisor to the Company.

"**Financial Advisor Approval Orde**r" 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 $117,000,000 which shall be deemed to be an unsecured deficiency Claim and constitute a General Creditor Claim for purposes of the 2019 CCAA 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 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.

"**First Lien Record Date**" means May 16, 2019.

"**First Preferred Shares**" has the meaning set forth in *Restructuring Transactions*.

"**Forbearance Agreement**" has the meaning set forth in *Circumstances Prior to Filing Under CCAA*.

“**GAAP**” means International Financial Reporting Standards, as adopted by the Canadian Accounting Standards Board, being Canadian generally accepted accounting principles for publicly accountable enterprises, as in effect from time to time.

“**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*.

“**IFRS**” mean the International Financial Reporting Standards.

“**Initial Commitments**” has the meaning set forth in *Background to the 2019* CCAA Plan.

“**Initial Consenting First Lien Lenders**” means the Consenting First Lien Lenders who initially signed the Amended and Restated Support Agreement.

“**Initial Distribution Date**” means a date not more than two (2) Business Days after the Effective Date or such other date specified in the 2019 Plan Sanction Order.

“**Initial Distribution Record Date**” means the date that is five (5) Business Days prior to the Initial Distribution Date.

“**Initial Order**” has the meaning set forth in *Initial Order*.

“**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 2019* CCAA Plan.

“**Insurance Policies**” has the meaning set forth in *Description of the 2019 CCAA Plan*.

“**Insured Claim Option Notice**” means a notice substantially in the form attached to the 2019 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 2019 CCAA Plan*.

"**Joinder Agreement**" means the joinder agreement attached to the Amended and Restated Support Agreement.

"**Jones Day**" means Jones Day LLP, United States counsel to the First Lien Agent.

"**KEIP**" means the key employee incentive plan approved pursuant to the Support Agreement & SISP Approval Order.

"**KEIP Charge**" means the charge granted under the Support Agreement & SISP Approval Order in favour of the beneficiaries of the KEIP and the Credit Bid KERP Beneficiaries.

"**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 set forth 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 set forth in the Amended and Restated Support Agreement.

"**Master Proxy**" means the proxy submitted on behalf of Second Lien Noteholders that is submitted by DTC Participant Holders.

"**MI 61-101**" means Multilateral Instrument 61-101 "Protection of Minority Security Holders in Special Transactions" and related Companion Policy 61-101CP.

"**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.

"**MIP**" means the management incentive plan to be in place on the Effective Date in accordance with the Plan Term Sheet or the Credit Bid Term Sheet, as applicable.

"**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 East River Plan Transaction and the East River Purchase 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 and the Consenting First Lien Lenders stating that all Conditions Precedent set out in Section 8.2 of the 2019 CCAA 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.

"**Municipal Tax Fund**" has the meaning set forth in Section 3.5(c) of the 2019 CCAA Plan.

"**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 overseas investment project record filing notice issued by the NDRC in respect of the East River Plan Transaction and the East River Purchase Transaction.

"**New Board**" means the board of directors of the Company to be appointed and constituted on the Effective Date in accordance with the 2019 CCAA Plan and the Restructuring Transactions, which shall be comprised of individuals selected in accordance with the Plan Term Sheet, or the board of directors of Newco to be appointed and constituted in accordance with the Credit Bid Term Sheet following the implementation of the Credit Bid Transaction, as applicable.

"**New First Lien Credit Agreement**" has the meaning set forth in *New Senior Secured Term Facility*.

"**New Senior Secured Term Facility**" means the new senior secured term facility on the terms set out in the Plan Term Sheet to be entered into by the Company on the Effective Date in accordance with the 2019 CCAA Plan and the Restructuring Transactions or in connection with the Credit Bid Transaction, as applicable.

"**New Senior Secured Term Facility Agent**" means Wilmington Trust, National Association, or such other agent acceptable to the Consenting First Lien Lenders, in its capacity as administrative agent for the lenders under the New Senior Secured Term Facility Agreement.

"**New Senior Secured Term Facility Agreement**" has the meaning set forth in Section 8.2(i) of the 2019 CCAA Plan or in the Credit Bid Term Sheet, as applicable.

"**New Shares**" means voting common shares of a newly created class of shares of the Company, to be designated as "Class A Common Shares", in such aggregate number as shall be determined by the Majority Consenting First Lien Lenders, which shall be issued by the Company to the First Lien Lenders, or their designates, in accordance with the 2019 CCAA Plan and, immediately following the issuance thereof, shall constitute all of the issued and outstanding common shares of the Company.

"**Newco**" means a newly formed entity on behalf of the First Lien Lenders.

"**Newco Shares**" means the common shares in the capital of the Credit Bid Purchaser to be issued by the Credit Bid Purchaser to the Company in accordance with the terms of the Credit Bid Term Sheet.

"**Non-Continuing Employee Claim**" has the meaning given to such term in the Supplemental Claims Procedure Order.

“**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.

“**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.

“**OID**” has the meaning set forth in *Interest on New Senior Secured Term Facility*.

“**Order**” means any final order of the Court in the CCAA Proceeding.

“**Original Credit Bid Transaction**” means the credit bid purchase and sale transaction contemplated by the Original Support Agreement and the Recapitalization Term Sheet attached as Schedule “B” thereto.

“**Original Support Agreement**” means the support agreement among the Company, the Consenting First Lien Lenders and the First Lien Agent dated March 19, 2018.

“**Outside Date Amending Agreement**” means the agreement among the Company and East River dated December 17, 2018, *inter alia*, extending the East River Outside Date to January 31, 2019.

“**Outside Date Amending Agreement No. 2**” means the agreement among the Company and East River dated December 17, 2018, *inter alia*, conditionally extending the East River Outside Date to March 29, 2019.

“**Outstanding Municipal Tax Claims**” means (i) one third (1/3) of the amount of the Municipal Tax Claims for the calendar year 2018, being the portion of the Municipal Tax Claims for the 2018 calendar year attributable to the period from and after 12:01 a.m. on September 1, 2018, and (ii) the Municipal Tax Claims owing or to be owing for the calendar year 2019.

“**Participant Holder**” means an institution that is a CDS or DTC participant with respect to the Second Lien Notes.

“**Payment and Settlement Agreement**” has the meaning set forth in *Credit Bid Transaction – Conversion of Existing First Lien Debt*.

“**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.

“**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 Implementation Fund**" means the amount equal to the sum the Company's Cash on Hand to be delivered to the Monitor pursuant to Section 4.1 of the 2019 CCAA Plan, to be held and distributed by the Monitor in accordance with the 2019 CCAA Plan.

"**Plan Outside Date**" means July 31, 2019, or such other date as the Majority Consenting First Lien Lenders and the Company may agree.

"**Plan Term Sheet**" means the Plan Term Sheet attached as Schedule "B" to the Amended and Restated Support Agreement, as it may be amended, restated, supplemented or replaced in accordance with the terms of the Amended and Restated Support Agreement.

"**Plan Transaction**" means a restructuring of the Company by way of the 2019 CCAA Plan prior to the Plan Outside Date, on the terms set out in and consistent in all material respects with the Amended and Restated Support Agreement and the 2019 CCAA 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, a Crown Priority Claim, a Municipal Tax Claim, an Outstanding Municipal Tax Claim, or an Employee Priority Claim.

"**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.

"**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 but, for greater certainty, shall exclude a Municipal Tax Claim or any Claims held by ATB or BEH against the Company.

"**Priority Secured Claims Reserve**" 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 Claim, means the proportional share of a Beneficial First Lien Lender's holdings of the First Lien Claim to the total First Lien Claim;

(ii) the First Lien Deficiency Claim, means the proportional share of the sum of (a) the amount of accrued interest (but not principal) under a Beneficial First Lien Lender's Tranche A Loans as of October 31, 2018 plus (b) the amount of principal and accrued interest under such Beneficial First Lien Lender's Tranche B Loans as of October 31, 2018 to the sum of (x) the aggregate amount of accrued interest (but not principal) under the Tranche A Loans owing to all Tranche A Lenders as of October 31, 2018 plus (y) the aggregate amount of principal and accrued interest under the Tranche B Loans owing to all Tranche B Lenders as of October 31, 2018; and

(iii) the Second Lien Deficiency Claim, means the proportional share of a Second Lien Noteholder's holdings of Second Lien Notes to the total Second Lien Claim.

"**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 2019* CCAA Plan.

"**Proxies**" has the meaning set forth in *Forms and Proxies for Affected Creditors*.

"**PSA**" means the Purchase and Sale Agreement between the Company and the Credit Bid Purchaser to be executed following the occurrence of a CCAA Plan Termination Event.

"**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**” means the transactions on the terms set out in the Plan Term Sheet.

“**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.

“**Registration Instructions**” means the instructions provided by a Tranche A Lender or Tranche B Lender, as the case may be, to the Solicitation and Information Agent for the registration and issuance of its New Shares and, in the case of a Tranche A Lender, for the registration of its interest in the New Senior Secured Term Facility, in each case submitted in accordance with the 2019 Creditors’ Meetings Order;

“**Released Claims**” has the meaning set forth in *Releases*.

“**Released Party**” has the meaning set forth in *Releases*.

“**Remaining Municipal Tax Claims**” has the meaning set forth in *Municipal Tax Fund*.

“**Required Majorities**” has the meaning set forth in *Voting and Classes*.

“**Resident Holder**” has the meaning set forth in *Certain Canadian Federal Income Tax Considerations*.

“**Resolutions**” means the resolutions to approve the 2019 CCAA Plan in the form set forth 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 Transactions*.

“**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 East River by the bank where East River’s funds will be wired from in accordance with the applicable SAFE regulations in order to permit East River to purchase Canadian dollars and wire funds to the Monitor’s or Company’s account in Canada, as applicable, to complete the East River Plan Transaction and the East River Purchase Transaction, as applicable.

“**SAGD**” means steam-assisted gravity drainage.

“**Scrutineers**” has the meaning set forth in *Procedures for 2019 Creditors’ Meetings*.

“**SEC**” means the U.S. Securities and Exchange Commission.

"**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 2019 CCAA 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 Notes Record Date**" means May 16, 2019.

"**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.

"**Second Preferred Shares**" has the meaning set forth in *Restructuring Transactions*.

"**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 Company in connection with the sale of goods and services by the Company, 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 of the Company accrued and unpaid by the Company 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 Company 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 of the Company 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.

"**Shareholders Agreement**" means the shareholders agreement to be made between and among the holders of the New Shares on the Effective Date, which shall be in form and substance acceptable to the Consenting First Lien Lenders and shall be a "Unanimous Shareholders Agreement" within the meaning of the CBCA.

"**Solicitation and Information Agent**" means Kingsdale Advisors.

"**Special Committee**" has the meaning set forth in *Circumstances Prior to Filing Under CCAA.*

"**Successful Bidder**" means the person(s) who has settled a definitive agreement with the Company in the Second SISP.

"**Superior Transaction**" has the meaning set forth in *Superior Transaction*.

"**Supplemental Claims Bar Date**" means 1:00 p.m. (Calgary time) on September 19, 2018.

"**Supplemental Claims Procedure Order**" means the Order granted by the Court in the CCAA Proceedings dated 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 & SISP Approval Order**" means the Order (Support Agreement, SISP & KEIP) granted by the Court in the CCAA Proceeding dated March 28, 2018.

"**Support Agreement Amending Agreement**" means the Support Agreement Amending Agreement dated March 4, 2019 among the Company, the First Lien Agent, and the Consenting First Lien Lenders.

"**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 forth in *Certain Canadian Federal Income Tax Considerations*.

"**Tax Code**" has the meaning set forth in *Certain U.S. Federal Income Tax Consequences of the 2019 CCAA Plan*.

"**Tax Proposals**" has the meaning set forth in *Certain Canadian Federal Income Tax Considerations*.

"**Taxable Capital Gain**" has the meaning set forth in *Taxation of Capital Gains and Capital Losses*.

"**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.

"**Term Note**" has the meaning set forth in *Description of the Credit Bid Term Sheet*.

"**TIN**" has the meaning set forth in *Information Reporting and Back-Up Withholding*.

"**Total Interim Financing Commitments**" has the meaning set forth in *Filing for CCAA Protection and Subsequent Events*.

"**Tranche A Lender**" means a First Lien Lender holding Tranche A Loans.

"**Tranche A Loans**" has the meaning set forth in the First Lien Credit Agreement.

"**Tranche B Lender**" means a First Lien Lender holding Tranche B Loans.

"**Tranche B Loans**" has the meaning set forth in the First Lien Credit Agreement.

"**TSX**" means the Toronto Stock Exchange.

"**TSX-V**" means the TSX Venture Exchange.

"**U.S. GAAP**" has the meaning set forth in *Notice to Holders of Affected Claims in the United States*.

"**U.S. Holder**" has the meaning set forth in *Certain U.S. Federal Income Tax Consequences of the 2019 CCAA Plan*.

"**U.S. Treaty**" means the Canada-United States Tax Convention (1980), as amended.

"**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 2019 CCAA Plan applies which shall be Affected Claims for the purposes of the 2019 CCAA Plan;

d) an Insured Claim provided that the Person holding the Insured Claim delivers to the Monitor by no later than 5:00 pm (Calgary time) on a date that is two (2) Business Days before the date of the 2019 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 2019 CCAA 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 2019 CCAA Plan, any indebtedness, liability or obligation of the Company of any kind to ATB under or pursuant to the ATB Credit Facilities; and

g) any obligation of the Company under the Credit Bid KERP which is not yet due and owing, or has not been satisfied in full, as of the Effective Date.

"**Unaffected Creditor**" means a holder of an Unaffected Claim.

"**Unissued New Shares**" has the meaning set forth in Section 7.1(c) of the 2019 CCAA Plan.

"**Voting Claim**" means the amount of an Affected Claim for which a Proof of Claim is filed, which, as at the 2019 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 2019 Creditors' Meetings Order or any other Order.

"**Voting Information and Election Form**" means the Voting Information and Election Form for Beneficial Noteholders attached as Schedule "H" to the 2019 Creditors' Meetings Order.

"**Voting Instructions**" means the voting instructions and Distribution Election Notices submitted by Beneficial Noteholders entitled to vote at the 2019 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.

"**Wood Buffalo Settlement Agreement**" means the Settlement Agreement dated September 24, 2018 between the Company and the Municipality, as approved by the Court pursuant to the Wood Buffalo Settlement Approval Order.

"**Wood Buffalo Settlement Approval Order**" means the Order granted in the CCAA Proceeding dated October 4, 2018 approving the Wood Buffalo Settlement Agreement.

The rules of interpretation set out in Sections 1.2 through 1.5 of the 2019 CCAA Plan apply to this Circular.

In this Circular, references to US$ are to United States dollars, and references to $ are to Canadian dollars

EXHIBIT "A"
2019 CCAA PLAN RESOLUTIONS

FIRST LIEN LENDERS' RESOLUTION

BE IT RESOLVED THAT:

1. The Plan of Compromise and Arrangement of Connacher Oil and Gas Limited (the "**Company**") pursuant to the *Companies' Creditors Arrangement Act* (Canada) dated May 6, 2019 (the "**2019 CCAA Plan**"), which 2019 CCAA Plan has been presented to this meeting (as such 2019 CCAA Plan may be amended, restated, supplemented and/or modified as provided for in the 2019 CCAA 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 2019 CCAA 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 Plan of Compromise and Arrangement of Connacher Oil and Gas Limited (the "**Company**") pursuant to the *Companies' Creditors Arrangement Act* (Canada) dated May 6, 2019 (the "**2019 CCAA Plan**"), which 2019 CCAA Plan has been presented to this meeting (as such 2019 CCAA Plan may be amended, restated, supplemented and/or modified as provided for in the 2019 CCAA 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 2019 CCAA 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.

EXHIBIT "B"
PLAN OF COMPRISE AND ARRANGEMENT

[intentionally omitted from this draft Information Circular – please refer to the version included in the Johnson Affidavit]

EXHIBIT “C”
ARTICLES OF REORGANIZATION

Innovation, Science and Economic Development Canada
Corporations Canada
Innovation, Sciences et Développement économique Canada
Corporations Canada

Canada Business Corporations Act (CBCA)
FORM 14
ARTICLES OF REORGANIZATION
(Section 191)

1 - Corporate name

CONNACHER OIL AND GAS LIMITED

2 - Corporation number

891410 - 9

3 - In accordance with the court order for reorganization, the articles of incorporation are amended as follows:

PLEASE SEE SCHEDULE "A"

4 - Declaration

I hereby certify that I am a director or an authorized officer of the corporation.

Signature: ____________________

Print name: ____________________ Telephone number: ____________________

Note: Misrepresentation constitutes an offence and, on summary conviction, a person is liable to a fine not exceeding $5000 or to imprisonment for a term not exceeding six months or to both (subsection 250(1) of the CBCA).

SCHEDULE "A"

3 – In accordance with the court order for reorganization, the articles of arrangement are amended as follows:

(i) to create a new class of shares that the Corporation is authorized to issue, which shares shall be unlimited in number, be designated as "Class A Common Shares" and have attached thereto the rights, privileges, restrictions and conditions set out below, by amending the Schedule setting out the classes and any maximum number of shares that the Corporation is authorized to issue, as incorporated into and forming part of the Articles, which Schedule is attached to Schedule A to the Articles of Arrangement of the Corporation filed May 8, 2015, as follows:

(A) by deleting the first paragraph thereof and substituting the following:

"The Corporation is authorized to issue an unlimited number of First Preferred Shares, an unlimited number of Second Preferred Shares, an unlimited number of Common Shares, and an unlimited number of Class A Common Shares, each having the rights, privileges, restrictions and conditions set out below."

(B) by adding the following as paragraph 4 thereof:

"4. The Class A Common Shares as a class shall have attached thereto the following rights, privileges, restrictions and conditions:

(a) Voting: The holders of the Class A Common Shares shall be entitled to receive notice of and to attend all meetings of the shareholders of the Corporation and to one vote in respect of each Class A Common Share at all such meetings.

(b) Dividends: Subject to the rights of the holders of the First Preferred Shares and Second Preferred Shares and any other class of shares ranking senior to the Class A Common Shares, the holders of the Class A Common Shares shall be entitled to receive and participate rateably in any dividends declared by the board of directors of the Corporation.

(c) Liquidation, Dissolution or Winding Up: Subject to the rights of the holders of the First Preferred Shares and Second Preferred Shares and any other class of shares ranking senior to the Class A Common Shares, in the event of the liquidation, dissolution or winding up of the Corporation or other distribution of the assets of the Corporation among the shareholders for the purposes of winding up its affairs, the holders of the Class A Common Shares shall participate rateably in the distribution of the assets of the Corporation."

so that, after giving effect to these amendments, the complete Schedule to the Articles of the Corporation setting out the classes and any maximum number of shares that the Corporation is authorized to issue, as incorporated into and forming part of the Articles, shall be as set forth in the attached Schedule of Share Capital.

(ii) to add a restriction on the transfer of shares of the Corporation, by deleting the indication in the Articles that there are no restrictions on share transfers and substituting the following:

> "Subject to the terms and conditions of any unanimous shareholder agreement of the Corporation as in effect from time to time, no shares of the Corporation may be transferred without the approval of the Board of Directors of the Corporation."

(iii) to add the following other provision to the Articles:

> "The Corporation has a lien on a share registered in the name of a shareholder or the shareholder's personal representative for a debt of that shareholder to the Corporation."

so that, after giving effect to this addition, the complete Schedule to the Articles of the Corporation setting out other provisions thereof, as incorporated into and forming part of the Articles, shall be as set forth in the attached Schedule of Other Provisions.

Schedule of Share Capital

This Schedule of Share Capital is attached to the Articles of Reorganization of Connacher Oil and Gas Limited (the "Corporation") filed [●], 2019, and is incorporated into and forms part of the Articles of the Corporation.

Schedule of Other Provisions

This Schedule of Other Provisions is attached to the Articles of Reorganization of Connacher Oil and Gas Limited (the "Corporation") filed [●], 2019, and is incorporated into and forms part of the Articles of the Corporation.

CONFIDENTIAL EXHIBIT "1"

confidential

This is Exhibit " 1 "
referred to in the affidavit of
Merle Johnson .
sworn before me this 6
day of May , 20 19 .

A Commissioner for Oaths in and for Alberta

Paola Viviana Berkman Rodriguez
Articling Student at Law
A Commissioner for Oaths
in and for Alberta