THIS CONFIDENTIALITY AGREEMENT made this ____ day of _____________, 2020 (the "**Confidentiality Agreement**")

BETWEEN:

●
(the "**Recipient**")

OF THE FIRST PART,

and

TRAVERSE ENERGY LTD. by and through ERNST & YOUNG INC., in its capacity as court-appointed receiver and manager of the assets, properties, and undertakings of Traverse Energy Ltd., and not in its personal or corporate capacity
(the "**Debtor**")

OF THE SECOND PART,

RECITALS:

A. Ernst & Young Inc. was appointed as the Receiver of the Debtor's Property pursuant to the Receivership Order;

B. The Recipient is desirous of evaluating a possible transaction(s) (the "**Transaction**") with or involving the Property or the Debtor and, as such, has requested access to and has and will from time to time hereafter obtain access to certain Confidential Information relating to the Property or the Debtor;

C. The Confidential Information will be received and used by the Recipient for the sole purpose of conducting due diligence in relation to the Transaction and for no other purpose;

NOW THEREFORE in consideration of the mutual covenants contained herein and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Recipient and the Debtor (each, a "**Party**" and collectively, the "**Parties**") hereby agree as follows:

1. Unless the context otherwise requires, terms used in this Confidentiality Agreement, including terms used in the Recitals to this Confidentiality Agreement, shall have the meanings defined below:

    (a) "**Affiliate**" means:

        (i) a Person that controls the Recipient;

        (ii) a Person that is controlled by the Recipient;

        (iii) a Person that is under the common control of the Recipient and another Person; or

        (iv) a Person that controls the Recipient with another Person;

(b) "**Confidential Information**" means all information that is provided by the Debtor, the Sales Agent, or the Receiver to the Recipient that relates to the Property or the Debtor and is stated to be confidential in nature or subject to the terms of this Confidentiality Agreement, whether provided before or after the date of this Confidentiality Agreement, whether oral or written, regardless of the manner in which such information is provided and, without limiting the generality of the foregoing, includes, but is not limited to:

(i) all analyses, compilations, evaluations, estimates, forecasts, studies, interpretations or other documents prepared by the Receiver, the Sales Agent, the Debtor, or any Persons acting on their behalf, including, but not limited to, any and all sales agents, in connection with the Property, the liquidation thereof, the distributions (both actual and estimated) to the various creditors and stakeholders of the Debtor; and,

(ii) any other information, whether written or oral, and whether or not noted thereon to be confidential, pertaining to the businesses, assets, liabilities, products, reserves, mineral interests, interests (beneficial or otherwise), royalties, claims, personal or real property, rights, customers, creditors, stakeholders, technology, subsidiaries, affiliates, activities or affairs of the Debtor or the Property, which have been or which may hereafter be disclosed or provided to the Recipient;

but shall not include:

(i) any information that is, as of the date of this Confidentiality Agreement, in the public domain;

(ii) any information that, after the date of this Confidentiality Agreement, becomes part of the public domain through no fault of the Recipient or any of its Representatives or Affiliates; and,

(iii) any information not acquired by the Recipient directly or indirectly from the Receiver, the Sales Agent, the Debtor, or any other Person under an obligation of confidentiality to the Receiver, the Sales Agent, or the Debtor;

(c) "**Control**" means the ability to directly or indirectly (including through one or more Affiliates) direct the management or policies of a Person and, without limiting the generality of the foregoing, includes the ability to control through:

(i) the legal or beneficial ownership of voting securities, units or other interests in such Person;

(ii) the right or ability to appoint or elect officers, managers, executives, or a majority of the directors of such Person; or

(iii) a contract, agreement, voting trust or otherwise;

and derivatives of control such as "controls" and "controlled" have meanings corresponding to the definition of control;

(d) “**Court**” means the Court of Queen’s Bench of Alberta;

(e) “**Personal Information**” means information about an identifiable individual;

(f) “**Person**” includes, without limitation, individuals, corporations, limited and unlimited liability companies, general and limited partnerships, associations, trusts, unincorporated organizations, joint ventures and governmental organizations;

(g) “**Property**” means any and all of the Debtor’s current and future assets, undertakings, and property of every nature and kind whatsoever, and wherever situate, including all proceeds thereof;

(h) “**Receiver**” means Ernst & Young Inc. acting solely in its capacity as the Court-appointed receiver and manager of the Property of the Debtor, pursuant to the Receivership Order, and not in its personal or corporate capacity;

(i) “**Receivership Order**” means the Order granted in the Receivership Proceedings by the Honourable Justice A.D. Macleod on December 6, 2019, as subsequently amended from time to time;

(j) “**Receivership Proceedings**” mean the proceedings commenced against the Debtor bearing Court File Number 1901-16844;

(k) “**Representatives**” has the meaning ascribed to it in paragraph 5 of this Confidentiality Agreement; and,

(l) “**Sales Agent**” means Sayer Energy Advisors.

2. Subject to paragraph 10 of this Confidentiality Agreement, the Debtor or the Receiver may provide the Recipient with Confidential Information, or access thereto, pursuant to and in accordance with the terms of this Confidentiality Agreement.

3. The Recipient will keep the Confidential Information strictly confidential. Except as otherwise specified herein, the Recipient will not directly or indirectly disclose, publish, allow access to, transmit, or transfer the Confidential Information or any portion thereof to any Person without the Receiver’s prior written consent. The Recipient shall establish and maintain reasonable security measures to safeguard the Confidential Information from unauthorized access, use, copying, disclosure, damage, or destruction, and shall take reasonable steps to enforce the confidentiality obligations under this Confidentiality Agreement.

4. In the event that the Recipient obtains or is provided with access to any Personal Information as part of the Confidential Information, the Recipient shall comply with all applicable laws in respect of such Personal Information including, without limitation, the *Personal Information Protection and Electronic Documents Act* (Canada) and the *Personal Information Protection Act* (Alberta). The obligations imposed on the Recipient pursuant to this paragraph 4 are in addition to, and not in modification of, any additional obligations the Recipient has or may have with respect to such Personal Information pursuant to this Confidentiality Agreement.

5. The Recipient may disclose the Confidential Information to the Recipient's officers, directors, employees, legal and other professional advisors, (collectively referred to as "**Representatives**") who the Recipient determines require the Confidential Information for the purposes of evaluating the Recipient's position in connection with the Transaction. Prior to disclosing the Confidential Information to any Representatives, the Recipient shall issue appropriate instructions to such Representative to satisfy the Recipient's obligations herein and obtain such Representative's agreement to receive and use the Confidential Information, on a confidential basis, on the same terms and conditions as contained in this Confidentiality Agreement and to otherwise comply with the terms hereof. The Recipient shall be liable and responsible for any breach of any term or condition of this Confidentiality Agreement by any of its Representatives or Affiliates.

6. If the Recipient or any of its Representatives are requested, pursuant to, or required by, applicable law or legal process to disclose the Confidential Information or any portion thereof, the Recipient shall, to the extent permitted under applicable law forthwith provide the Receiver with prompt notice of such request or requirement, in order to enable the Receiver to seek an appropriate protective order or other remedy or to waive compliance with the terms of this Confidentiality Agreement or both. The Recipient will not oppose any action by the Receiver to seek such a protective order or other remedy. If, failing to obtain a protective order or other remedy, such disclosure is required, the Recipient, its Affiliates or its Representatives, as the case may be, will use reasonable efforts to ensure that the disclosure will be afforded confidential treatment.

7. The Confidential Information will not be copied, reproduced, in any form, or stored in a retrieval system or data base by the Recipient without the prior written consent of the Receiver. The Recipient may maintain the Confidential Information on an email account, provided always that the Recipient is in compliance with the terms, caveats and conditions set forth herein.

8. The Confidential Information is, and at all times shall remain, the property of the Debtor.

9. This Confidentiality Agreement does not constitute any representation, warranty, or guarantee with respect to the accuracy or completeness of the Confidential Information or any portion thereof and the Recipient will not be entitled to rely on the accuracy or completeness of the Confidential Information or any portion thereof. None of the Debtor, the Receiver, the Sales Agent, any of their directors, officers, employees, professional advisors (including, without limitation, financial advisors, lawyers, and accountants) or agents will be held liable for any errors or omissions in the Confidential Information or the use or the results of the use of the Confidential Information.

10. The Receiver may refuse to make the Confidential Information available to the Recipient or otherwise terminate the Recipient's access to the Confidential Information at any time, as determined by the Receiver, in the Receiver's sole and unfettered discretion. The Recipient will promptly destroy, return, or cause the return to the Debtor of all of the Confidential Information, and all copies thereof, upon the Receiver requesting the Recipient destroy, return, or cause the return of the Confidential Information. Upon request, the Recipient shall provide the Receiver with a certificate from an officer of the Recipient certifying that such destruction or return has occurred in accordance with the terms of this Confidentiality Agreement.

11. Except with the written consent of the Receiver or as contemplated under any written agreement entered into with the Debtor, by and through the Receiver, neither the Recipient, the Recipient's Affiliates, nor any the Representatives shall, during the term of this Confidentiality Agreement, directly or indirectly, alone, jointly, or in concert with any other Person:

    (a) propose, offer, negotiate or agree to:

        (i) purchase, sell, transfer or otherwise acquire or dispose of any securities of the Debtor;

        (ii) acquire a material portion of the assets or property of the Debtor; or,

        (iii) enter into any merger, arrangement, amalgamation, or other business combination involving the Debtor;

    (b) solicit, or participate with any person in the solicitation of any proxies in order to vote, advise or influence any person with respect to the voting of any securities of the Debtor;

    (c) make any public or private disclosure of any consideration, intention, plan or arrangement inconsistent with any of the foregoing, except as required by law; and,

    (d) advise, assist or encourage any other person in connection with any of the foregoing.

12. If any provision of this Confidentiality Agreement is held to be invalid or unenforceable in whole in part, such invalidity or unenforceability will attach only to such provision or part thereof and the remaining part of such provision and all other provisions hereof will continue in full force and effect.

13. This Confidentiality Agreement constitutes the entire agreement between the Parties with respect to the subject matter and cancels and supersedes any prior understandings and agreements between the Parties with respect thereto. There are no representations, warranties, terms, conditions, undertakings, or collateral agreements, express, implied or statutory, between the Parties other than as expressly set forth in this Confidentiality Agreement. This Confidentiality Agreement may only be amended in writing by the mutual agreement of the Debtor, by and though the Receiver, and the Recipient.

14. This Confidentiality Agreement will enure to the benefit of and be binding upon the respective successors and assigns of the Parties, provided that this Confidentiality Agreement may not be assigned by a Party without the prior written consent of the other Parties.

15. This Confidentiality Agreement will expire on the earlier of (i) the termination and conclusion of the Receivership Proceedings; or, (ii) the date that the Confidential Information becomes publicly accessible pursuant to any order of the Court.

16. The Recipient agrees that monetary damages would not alone be sufficient to remedy any breach by the Recipient, its Affiliates, or its Representatives, of any term or provision of this Confidentiality Agreement and that the Debtor will also be entitled to equitable relief,

including injunction and specific performance, in the event of any breach hereof and in addition to any other remedy available pursuant to this Confidentiality Agreement or at law or in equity.

17. In the event that any notice is to be given pursuant to this Confidentiality Agreement, it shall be given by email, facsimile, courier, registered mail, regular mail or personal delivery:

(a) If being given to the Recipient, to:

____
____
____

Attention: ________________________________
Email: ___________________________________

(b) If being given to the Debtor, to:

Ernst & Young Inc., in its capacity as court-appointed receiver and manager of the assets, properties, and undertakings of Traverse Energy Ltd.
Calgary City Centre
2200, 215 – 2nd Street SW
Calgary, AB T2P 1M4

Attention: Peter Chisholm / Dylan Holwell
Email: peter.chisholm@ca.ey.com / dylan.holwell@ca.ey.com

With a copy to:

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

Attention: Sean Collins / Pantelis Kyriakakis
Email: scollins@mccarthy.ca / pkyriakakis@mccarthy.ca

Notices given pursuant to this Confidentiality Agreement by email or by facsimile shall be deemed to be received when sent. In all other instances, notices given pursuant to this Confidentiality Agreement shall be deemed to be received when delivered to the relevant address, as identified above. The Parties may change the individual, email address, or postal address designated to receive notices by giving written notice of the new person, email address, or postal address, as the case may be, to the other Party.

18. This Confidentiality Agreement is governed by and will be construed in accordance with the laws of the Province of Alberta and the laws of Canada applicable therein.

19. For the purpose of all legal proceedings this Confidentiality Agreement will be deemed to have been performed in the Province of Alberta and the Court will have the exclusive jurisdiction to entertain any action arising under this Confidentiality Agreement. The Recipient hereby irrevocably attorns to the jurisdiction of the Court.

20. This Confidentiality Agreement may be executed in any number of counterparts, each of which when executed shall be deemed to be an original and all of the counterparts together shall constitute one and the same instrument.

IN WITNESS WHEREOF the Parties have entered into this Confidentiality Agreement effective as of the date written above.

●

Per: ______________________________
Name:
Title:

Per: ______________________________
Name:
Title:

TRAVERSE ENERGY LTD. by and through ERNST & YOUNG INC., in its capacity as court appointed receiver and manager of the assets, properties, and undertaking of Traverse Energy Ltd., and not in its personal or corporate capacity

Per: ______________________________
Name:
Title: