



COURT FILE NUMBER	1501-09213
COURT	COURT OF QUEEN'S BENCH OF ALBERTA
JUDICIAL CENTRE	CALGARY
PLAINTIFF	COMPUTERSHARE TRUST COMPANY OF CANADA IN ITS CAPACITY AS COLLATERAL AGENT FOR GUGGENHEIM CORPORATE FUNDING, LLC
DEFENDENT	SEKUR ENERGY MANAGEMENT CORP.
DOCUMENT	CONFIDENTIAL SUPPLEMENT TO THE SECOND REPORT OF THE COURT APPOINTED RECEIVER AND MANAGER OF SEKUR ENERGY MANAGEMENT CORP.

DATED NOVEMBER 23, 2015

**ADDRESS FOR SERVICE AND
CONTACT INFORMATION OF
PARTY FILING THIS DOCUMENT**

Counsel

**Gowling Lafleur Henderson LLP
1600, 421 7th Avenue SW
Calgary, Alberta T2P 4K9
Attention: Tom Cumming**

**Telephone/ Facsimile: 403-298-1000/ 403-695-3538
Email: Tom.Cumming@gowlings.com**

Receiver

**Deloitte Restructuring Inc.
700 Bankers Court, 850 – 2nd Street SW
Calgary, AB T2P 0R8
Attention: Jeff Keeble**

**Telephone/Facsimile: 403-503-1458/ 403-718-3681
Email: jkeeble@deloitte.ca**

Table of Contents

Introduction and Background	1
Introduction	1
Notice to Reader	1
Background.....	1
Sale of Assets	3
Toro Transaction.....	3
The Bearspaw Transaction.....	5
The TKL Transaction	6
Recommendation and Conclusion	7

APPENDICES

Appendix 1	Final Sales Process Document
Appendix 2	Purchase and sale agreement dated November 13, 2015 between Toro Oil & Gas Ltd. and the Receiver
Appendix 3	Purchase and sale agreement dated November 10, 2015 between Bearspaw Petroleum Ltd. and the Receiver
Appendix 4	Purchase and sale agreement dated October 30, 2015 between TKL Consultants Ltd. and the Receiver

Introduction and Background

Introduction

1. Pursuant to the Order (the "**Receivership Order**") of the Court of Queen's Bench of Alberta (the "**Court**") granted on August 12, 2015, Deloitte Restructuring Inc. ("**Deloitte**") was appointed as receiver and manager (the "**Receiver**") of Sekur Energy Management Corp. ("**Sekur**" or the "**Company**"). A copy of the Receivership Order and further filed pleadings and proceedings can be accessed via Deloitte's website at <http://www.insolvencies.deloitte.ca>.

Notice to Reader

2. In preparing this report, the Receiver has relied on unaudited financial information, the books and records of Sekur and discussions with the Company's former contractors, interested parties and stakeholders. The Receiver has not performed an independent review or audit of the information provided.
3. The Receiver assumes no responsibility or liability of any loss of damage occasioned by any party as a result of the circulation, publication, reproduction, or use of this report.
4. All amounts in this report are in Canadian dollars unless otherwise indicated.
5. Capitalized terms not otherwise defined in this confidential supplement to the second report of the Receiver dated November 23, 2015 (the "**Second Confidential Supplement**") are as defined in the pre-filing report of the Receiver dated August 7, 2015, the first report of the Receiver dated September 17, 2015 and the second Report of the Receiver dated November 23, 2015 (the "**Second Report**").

Background

6. The Second Report was filed in support of the November 27 Hearing seeking, among other things, the following:
 - 6.1. Approval of the Toro Transaction, and vesting the assets that are the subject of the Toro Transaction in Toro free and clear of all claims, liens and encumbrances;
 - 6.2. Approval of the Bearspaw Transaction and vesting the assets that are the subject of the Bearspaw Transaction in Bearspaw free and clear of all claims, liens and encumbrances; and
 - 6.3. Approval of the TKL Transaction and vesting the assets that are the subject of the TKL Transaction in TKL free and clear of all claims, liens and encumbrances.

7. The purpose of this Second Confidential Supplement is to provide additional information related to the Toro Transaction, the Bearspaw Transaction and the TKL Transaction, the disclosure of which could negatively impact any future sale process that may be required should any of these transactions fail to close.

Sale of Assets

8. As outlined in the Second Report, the Receiver ran the Final Sales Process after reaching an arrangement with the AER to permit the sale of Licensed Assets notwithstanding that such sales would reduce Sekur's overall licensee liability rating ratio ("**LLR**") to less than 1:1. When analyzing the offers, the Receiver and the Contractors paid specific attention to the transactional LLR (the "**Transactional LLR**"). A higher Transactional LLR indicates the offeror is seeking to assume more assets and assume less liabilities. For example, a Transactional LLR of 2:1 would indicate that for every two dollars of assets purchased, the purchaser will assume one dollar in well related liabilities. As the AER is a stakeholder in these transactions pursuant to the arrangement, the Receiver was cognizant of the Transactional LLR when analyzing the offers. Specifically, the Receiver is favourable to transactions with a lower Transactional LLR as it would leave less liabilities in the estate. This preference was clearly communicated to parties involved in the Final Sales Process.
9. This arrangement was necessary and in the best interests of the creditors of Sekur because it was the only practical way of selling the Licensed Assets with the required AER consent.
10. The Final Sales Process generated several offers, the details of which are outlined below.

Toro Transaction

11. The Toro Transaction pertains to Licensed Assets in the Hamilton Lake area of Alberta. Pursuant to the Final Sales Process, three offers were received on November 10, 2015 (the "**Offer Deadline**") that included Licensed Assets in the Hamilton Lake area, as outlined below:

Hamilton Lake Area Offers					
Offeror	Purchase Price	Deposit	Transaction LLR	Liabilities assumed	Number of Licensed Assets
Outpost Energy Inc.	\$ 40,000	\$ 4,000	8.98	\$ 62,493	1
TykeWest Limited	\$ 686,000	\$ 68,600	4.63	\$ 290,885	4
Toro Oil & Gas Ltd.*	\$ 1,000,000	\$ 100,000	2.07	\$ 1,143,383	18

**Note: The Toro Transaction also include two Non-Licensed Assets.*

12. The offer from Outpost Energy Inc. ("**Outpost**") was immediately rejected due to it being a low offer. Outpost's offer was for one Licensed Asset which was also in the TykeWest Limited ("**Tykewest**") and

Toro Oil & Gas Ltd. ("**Toro**") offers which are materially better from both a price and Transactional LLR perspective.

13. The offer from TykeWest included four Licensed Assets with a higher Transactional LLR leaving the estate with greater liabilities. Additionally, the TykeWest offer included terms and conditions in the signed PSA requesting the Receiver to verify that there were no outstanding liabilities related to a Net Profits Interest Agreement (the "**NPI Agreement**") associated with various Licensed Assets in Hamilton Lake. The TykeWest offer was conditional on the Receiver guaranteeing TykeWest's equitable portion of the payout account in the NPI Agreement going forward. The Receiver and its counsel reviewed the NPI Agreement and determined that the terms and conditions included in the TykeWest offer could not be fulfilled by the Receiver. Furthermore, the Receiver's Final Sales Process letter dated October 29, 2015, a copy of which is attached as "**Appendix 1**", states that all binding offers must be unconditional and must not be subject to any due diligence requirement.
14. The offer from Toro submitted on the Offer Deadline was for \$1 million with a deposit of \$100,000 and was for the purchase of 110 wells, made up of 84 Licensed Assets, two Non-Licensed Assets, and 24 abandoned wells not reclaimed in the Hamilton Lake area (the "**Toro White-Map Offer**"). The Toro White-Map Offer came in the form of an executed letter of intent ("**LOI**") with an accompanying PSA, however the PSA was not executed so it was non-binding. As a condition to the LOI, Toro requested additional time after the Offer Deadline to perform a site visit for environmental liabilities and a review of the environmental files for the wells. Although the Toro White-Map Offer was deemed non-compliant due to the offer being subject to due diligence requirements and the failure to provide an executed PSA, the Receiver entertained Toro's request for the following reasons:
 - 14.1. The Toro White-Map Offer would have provided the greatest proceeds to both the AER and Guggenheim as stipulated in the AER Agreement;
 - 14.2. The Toro White-Map Offer would have provided the AER with a buyer willing to assume in excess of \$3.6 million in liabilities associated with the Licensed Assets a Transactional LLR of 1.06; and
 - 14.3. The Toro White-Map Offer would have avoided the Receiver from having to abandon over 110 wells to the Orphan Well Fund.
15. On November 13, 2015, Toro submitted an executed PSA, defined in the Second Report as the Toro Transaction, for 18 Licensed Assets and two Non-Licensed Assets. The purchase price remained at \$1.0 million, however the liabilities to be assumed by Toro decreased to approximately \$1.1 million with the significant reduction in the number of Licensed Assets included in the offer. The Transactional LLR increased from 1.06 to 2.07.
16. The Receiver was disappointed with Toro's revised offer, however the Receiver is recommending proceeding with the Toro Transaction on the following basis:

- 16.1. Attempting to ask Toro and TykeWest to revise and re-submit their bids exposes all stakeholders to closing risks;
 - 16.2. Restarting the sales process is costly and it is unlikely any superior offers will be received given these assets have been openly marketed since May 2015;
 - 16.3. In the event the Receiver rejects both the Toro and TykeWest offers and asks for both parties to rebid, there is a risk that both parties decline to participate and/or reduce their offers; and
 - 16.4. The Toro Transaction generates the greatest overall value to the stakeholders by the way of profit, liabilities assumed and assets avoiding abandonment. Even after considering all permutations of possible outcomes, the Toro Transaction is still superior in its outcome to the stakeholders.
17. Guggenheim and the AER have consented to the Toro Transaction and a copy of the PSA between the Receiver and Toro is attached as “**Appendix 2**” hereto.

The Bearspaw Transaction

18. The Bearspaw Transaction pertains to Licensed Assets in the Stettler area of Alberta. Pursuant to the Final Sales Process, two offers were received that included PNG Properties in the Stettler area. The two offers were from Bearspaw Petroleum Ltd. (“**Bearspaw**”) and TykeWest and are summarized in the following table:

Stettler Area Offers					
Offeror	Purchase Price	Deposit	Transaction LLR	Liabilities assumed	Number of Licensed Assets
Bearspaw Petroleum Ltd.*	\$ 311,400	\$ 35,000	2.32	\$ 957,796	10
TykeWest Limited	\$ 57,000	\$ 5,700	6.04	\$ 68,611	1

**Note: The Bearspaw Transaction also include two Non-Licensed Assets and a facility. The ten Licensed Assets comprise of fourteen occurrences.*

19. The Bearspaw Transaction has a purchase price that is \$254,400 higher than the one submitted by TykeWest. Additionally, the Bearspaw Transaction provides for the assumption of an additional \$889,200 in liabilities compared to the offer submitted by TykeWest. As such, the Receiver is recommending proceeding with the Bearspaw Transaction, to which Guggenheim and the AER have consented. A copy of the PSA between the Receiver and Bearspaw is attached as “**Appendix 3**” hereto.

The TKL Transaction

20. The TKL Transaction pertains to PNG Properties classified as Non-Licensed Assets. Pursuant to the Final Sales Process, four offers were received that included PNG Properties classified as Non-Licensed Assets. The offers were from TKL Consultants Ltd. (“**TKL**”), Outpost, Cardinal Energy Ltd. and Newcrest Resources Ltd. and are summarized in the following table:

Non-operated Assets Offers			
Offeror	Purchase Price	Deposit	Number of Non-Licensed Assets
TKL Consultants Ltd.	\$ 184,000	\$ 18,400	1 1
Outpost Energy Inc.	\$ 114,500	\$ 12,150	1 2
Cardinal Energy Ltd.	\$ 100,000	\$ 10,000	1
Newcrest Resources Ltd.	\$ 64,000	\$ 6,500	2

21. The TKL Transaction has a purchase price that is \$69,500 higher than the offer submitted by Outpost, the second highest bidder. As such, the Receiver is recommending proceeding with the TKL Transaction, to which Guggenheim has consented. A copy of the PSA between Sekur and TKL is attached as “**Appendix 4**” hereto.

Recommendation and Conclusion

22. As detailed in the Second Report, the Receiver is recommending approval of the Toro Transaction, the Bears paw Transaction and the TKL Transaction for the following reasons:

- 22.1. The Receiver believes that the PNG Properties have been sufficiently exposed to the market to ensure that interested parties were made aware of and had the opportunity to participate in the Sale Process, the Re-Bid Process and the Final Sales Process, where applicable;
- 22.2. The Receiver has discussed the details of the Toro Transaction and the Bears paw Transaction with Guggenheim and the AER, has complied with its arrangement with the AER, and both Guggenheim and the AER have consented to accept the transactions;
- 22.3. The Receiver has discussed the details of the TKL Transaction with Guggenheim and Guggenheim has consented to accept the transaction; and
- 22.4. The Receiver believes that the Toro Transaction, the Bears paw Transaction and TKL Transaction are reasonable given current market conditions when considering the Sale Process and Re-Bid Process that were undertaken prior to the Final Sales Process.

DELOITTE RESTRUCTURING INC.,
in its capacity as Receiver of Sekur Energy
Management Corp. and not in its personal or
corporate capacity



Jeff Keeble, CA • CIRP, CBV
Senior Vice President

Appendices

Appendix 1 – Final Sales Process Letter Dated October 29, 2015



Deloitte Restructuring Inc.
850 – 2nd Street SW
700 Bankers Court
Calgary, Alberta T2P 0R8
Canada

Tel: 403-503-1458
Fax : 403-718-3681
www.deloitte.ca

October 29, 2015

**To those parties interested in purchasing or otherwise acquiring the specified assets of
Sekur Energy Management Corp. (“Sekur”):**

RE: Opportunity to submit offers

Background

On August 12, 2015, Deloitte Restructuring Inc. (“**Deloitte**”) was appointed by the Court of Queen’s Bench of Alberta (the “**Court**”), as Receiver and Manager (the “**Receiver**”) of all of the current and future assets, undertakings and properties of Sekur Energy Management Corp. (“**Sekur**” or the “**Company**”). A copy of the Receivership Order can be found on Deloitte’s website at www.insolvencies.deloitte.ca under the link entitled “Sekur Energy Management Corp.”

Sekur is a private junior oil and gas company, which was incorporated pursuant to the laws of Canada and extra-provincially registered in Alberta in 2012. The Company holds petroleum and natural gas properties, wells located on such properties and associated facilities and pipelines (the “**PNG Properties**”) throughout Central Alberta, which includes 150,395 gross acres of land. Schedule “C” hereto is a map illustrating the areas in which the PNG Properties are located.

Sekur retained NRG in May 2015 to complete a sale process, which included the identification of potential alternatives for its PNG Properties including a corporate transaction, a group disposition or individual asset sales (the “**Sale Process**”). Pursuant to the Sale Process, the PNG Properties were offered for sale on an “as is where is” basis.

The Receiver entered into an agreement with the Alberta Energy Regulator (“**AER**”) dated as of October 8, 2015 to accommodate sales of PNG Properties in respect of which Sekur holds licenses from the AER (“**AER Licensed Assets**”). Please refer to the Operating Assets Considerations section of this letter to understand the process with respect to the AER’s involvement in respect of AER Licensed Assets.

Go-Forward Submission of Offers

The Receiver is inviting the offerors ("**Offerors**") to submit binding offers (the "**Binding Offers**") on the PNG Properties pursuant to the process outlined below:

- 1) Binding Offers must be unconditional and submitted in the form of Asset Purchase and Sale Agreement attached hereto as Schedule "D".
- 2) Binding Offers must be submitted to the Receiver by no later than **12:00 p.m. Mountain Time on Tuesday, November 10, 2015** (the "**Offer Deadline**"). Binding Offers received after the Offer Deadline will not be considered by the Receiver.
- 3) If the Offeror would like access to the online data room they are required to sign and deliver to the Receiver a non-disclosure agreement ("**NDA**") prior to obtaining access to the online data room. Due diligence must be conducted between October 30th, 2015 and November 10, 2015. A copy of the NDA is attached in Schedule "E". Arrangements to review physical files can be made with the Receiver by appointment only and are subject to the Receiver's availability.
- 4) All Binding Offers must be unconditional and must not be subject to any due diligence requirement.
- 5) Please refer to Article 4 of the Asset Purchase and Sale Agreement to understand the representations or warranties that the Receiver provides. Subject to limited warranties with respect to authority, the Receiver makes no representations and warranties of any kind whatsoever and the assets are purchased on a strictly "as is, where is" basis.
- 6) Binding Offers must be to purchase Offer PNG Properties described in Schedules "A" and "B" hereto.
- 7) Binding Offers should value PNG Properties on a well-by-well basis and as a package. Preference will be given by the Receiver to Binding Offers which permit acceptance with respect to all, or a portion of, the wells subject to the Binding Offer.
- 8) In assessing Binding Offers, the Receiver will not be obliged to accept the highest or any Binding Offer. The Receiver will determine which, if any, Binding Offers to accept in its absolute discretion and in accordance with its legal obligation to act in a commercially reasonable manner for the benefit of estate of Sekur, considering such factors as the amount of the purchase price, closing risk, whether the Binding Offer includes all PNG

Properties in areas described on Schedules "A" and/or "B" hereto, the PNG Properties subject to the Binding Offer compared with other Binding Offers and extent of overlap, if any.

- 9) A Binding Offer that has been accepted by the Receiver in respect of all PNG Properties in an area described on Schedules "A" and/or "B" hereto includes all PNG Property of Sekur located therein, including, any undeveloped/non-producing acreage in such areas, except to the extent that any PNG Property has been expressly excluded. If a Binding Offer relates to specific wells, the Binding Offer should include to any undeveloped land identified in the public record as being held by Sekur within a two (2) mile radius of such wells.
- 10) If an Offerer wishes to purchase only mineral leases forming part of the PNG Properties on which there is an abandoned, shut-in and/or suspended well (hereinafter called "**undeveloped lands**"), then the Offeror should identify such undeveloped land(s) in its Binding Offer and apportion a value to same.
- 11) The Receiver will be reviewing, assessing and reporting to the Court on the Binding Offers at an application to be held subsequent to the bid deadline (the "**Receiver's Application**"). It is the Receiver's intention at the Receiver's Application to seek approval of one or more of the Binding Offers. For greater clarity, at the Receiver's Application, the Receiver intends to provide to the Court a finalized version of a Purchase and Sale Agreement, which will be executed by the Receiver upon Court approval of same.
- 12) Any of the Offerors who wish to continue to participate in the offer solicitation process must submit a new Binding Offer on or before the Offer Deadline.
- 13) Interested parties should direct all inquiries to Mike McTaggart via telephone at 1-416-775-2326 or via email at mmctaggart@deloitte.ca.
- 14) All Binding Offers must be open for acceptance until at least November 30, 2015 (the "**Acceptance Period**") and must be submitted with a bank draft, a certified cheque or proof of funds paid into a solicitor's trust account acceptable to the Receiver in the amount of 10% of the offer price, which deposit will be subject to the following terms:
 - a. Once a Binding Offer is accepted by the Receiver, subject to Court approval (the "**Accepted Offer**"), the bank draft or certified cheque accompanying the

Accepted Offer shall be deemed to be a cash deposit, which will only be refunded only in the event that the Court does not approve the Accepted Offer; or

- b. If the transaction contemplated in the Accepted Offer (the “**Transaction**”) is completed, the deposit will be applied, without interest, against the purchase price. If the Transaction is not completed by reason of the Offeror’s default, the deposit shall be retained on account of liquidated damages by the Receiver for the benefit of Sekur’s creditors and the Receiver shall be entitled to pursue all of its rights and remedies against the Offeror.
- c. Bank drafts or certified cheques accompanying Binding Offers that are not accepted by the Receiver will be returned without interest thereon by prepaid registered mail or courier to the Offeror at the address set forth in the Binding Offer as soon as practicable after the expiry of the Acceptance Period.

15) During the Acceptance Period, none of the Offerors shall be entitled to retract, withdraw, vary or amend the Binding Offer prior to acceptance or rejection thereof, without the prior written consent of the Receiver.

16) Deloitte is acting strictly in its capacity as Receiver and not in its personal or corporate capacity.

17) All stipulations as to time are strictly of the essence, provided that the Receiver shall have the option to extend any deadline set out herein by written notice to the relevant party.

Operating Asset Considerations

18) Prior to seeking the approval of the Court for bid(s) in respect of the AER Licensed Assets, the Receiver shall seek confirmation from the AER that the potential purchaser(s) (the “**Potential Purchasers**”) are (a) either AER licensees in good standing or are eligible to hold AER licenses, (b) are entirely at arm’s length to Sekur, and (c) have or will have positive LLR on the transfer of applicable AER licenses. The Receiver shall provide to the AER the AER business associate (BA) code of the Potential Purchasers in order to allow the AER to issue that confirmation (the “**AER Confirmation**”). Please note that an Offeror which is not existing AER licensee at the time it submits a Binding Offer is responsible for satisfying the requirements for obtaining appropriate AER licenses or obtaining written confirmation from the AER pursuant to Directive 067 of the AER that it is eligible to obtain such licenses before the Binding Offer is approved by the Court, or to provide assurance to the Receiver that such licenses will be obtained within a time frame considered reasonable by the Receiver.

19) The AER has agreed to determine whether it will issue the AER Confirmation with respect to Potential Purchasers within 72 hours after receipt of the AER Business Numbers of Potential Purchasers, and shall advise the Receiver of its determination in writing.

20) The AER has also agreed that, subject to Court approval of a sale to a Potential Purchaser (upon such approval, such Potential Purchaser shall be a "**Purchaser**"), it would process the electronic request by Sekur and the Purchaser(s) for the transfers of the applicable AER licenses within ten (10) business days of submission on the AER's DDS system.

Should you have any questions, please contact the Mike McTaggart as set out herein.

Yours very truly,

DELOITTE RESTRUCTURING INC.,

In its capacity as Receiver and Manager of Sekur Energy
Management Corp. and not in its personal or corporate
capacity

A handwritten signature in black ink, appearing to read "Mike McTaggart", followed by a colon ":".

Michael McTaggart, CA, CIRP, CBV
Vice-President

Schedule A
(Non-Operating Assets)

Area	UWI	Map Sheet Location
PRINCESS	102/08-06-021-11W4/0	Princess Well
DRUMHELLER	13-14-030-19W4	Drumheller Box
DRUMHELLER	06-33-030-19W4	Drumheller Box
HUXLEY	07-20-033-23W4	Rich, Non-Op Box
HUXLEY	08-20-033-23 W4	Rich, Non-Op Box
HUXLEY	14-20-033-23 W4	Rich, Non-Op Box
HUXLEY	16-20-033-23 W4	Rich, Non-Op Box
HUXLEY	02/06-20-033-23 W4	Rich, Non-Op Box
HUXLEY	14-02-033-24 W4	Rich, Non-Op Box
HUXLEY	16-02-033-24 W4	Rich, Non-Op Box
HUXLEY	02/14-02-033-24 W4	Rich, Non-Op Box
HUXLEY	08-04-033-24 W4	Rich, Non-Op Box
HUXLEY	14-04-033-24 W4	Rich, Non-Op Box
HUXLEY	02/06-04-033-24 W4	Rich, Non-Op Box
HUXLEY	06-10-033-24 W4	Rich, Non-Op Box
HUXLEY	14-10-033-24 W4	Rich, Non-Op Box
HUXLEY	16-10-033-24 W4	Rich, Non-Op Box
HUXLEY	02/08-10-033-24 W4	Rich, Non-Op Box
HUXLEY	14-11-033-24 W4	Rich, Non-Op Box
HUXLEY	16-11-033-24 W4	Rich, Non-Op Box
HUXLEY	02/06-11-033-24 W4	Rich, Non-Op Box
HUXLEY	05-12-033-24 W4	Rich, Non-Op Box
HUXLEY	06-12-033-24 W4	Rich, Non-Op Box
HUXLEY	14-12-033-24 W4	Rich, Non-Op Box
HUXLEY	16-12-033-24 W4	Rich, Non-Op Box
HUXLEY	02/08-12-033-24 W4	Rich, Non-Op Box
HUXLEY	06-24-033-24 W4	Rich, Non-Op Box
HUXLEY	14-24-033-24 W4	Rich, Non-Op Box
HUXLEY	16-24-033-24 W4	Rich, Non-Op Box
HUXLEY	02/08-24-033-24 W4	Rich, Non-Op Box
RICH	06-28-033-27 W4	Rich, Non-Op Box
RICH	02/06-28-033-27 W4	Rich, Non-Op Box

Area	UWI	Map Sheet Location
HUXLEY	08-11-034-24 W4	Rich, Non-Op Box
HUXLEY	14-11-034-24 W4	Rich, Non-Op Box
HUXLEY	16-11-034-24 W4	Rich, Non-Op Box
HUXLEY	02/10-17-034-24 W4	Rich, Non-Op Box
HUXLEY	04-27-034-24 W4	Rich, Non-Op Box
HUXLEY	12-33-034-24 W4	Rich, Non-Op Box
HUXLEY	08-34-034-24 W4	Rich, Non-Op Box
HUXLEY	14-34-034-24 W4	Rich, Non-Op Box
HUXLEY	02/06-34-034-24 W4	Rich, Non-Op Box
HUXLEY	02/15-34-034-24 W4	Rich, Non-Op Box
RICH	02-29-035-21 W4	Rich, Non-Op Box
RICH	12-29-035-21 W4	Rich, Non-Op Box
RICH	04-29-035-21 W4	Rich, Non-Op Box
HUXLEY	08-06-035-24 W4	Rich, Non-Op Box
HUXLEY	11-06-035-24 W4	Rich, Non-Op Box
HUXLEY	02/06-06-035-24 W4	Rich, Non-Op Box
INNISFAIL	02/10-04-035-28 W4	Rich, Non-Op Box
INNISFAIL	14-10-035-28 W4	Rich, Non-Op Box
LEO	100/01-34-036-17W4/0	Hamilton Lake Other Box
LEO	100/06-34-036-17W4/0	Hamilton Lake Other Box
PROVOST	100/12-19-037-14W4/0	Hamilton Lake Other Box
PROVOST	100/04-33-037-15W4/0	Hamilton Lake Other Box
STETTLER	100/11-32-038-20W4/0	Stettler Box

**Schedule B
(AER Licensed Assets)**

Area	Sekur Well ID	UWI	Map Sheet
PROVOST	11547 -- PROVOST SC-2 100/03-25-034-06W4/2	2 100/03-25-034-06W4/2	Hamilton Lake Box
VETERAN	10538 -- VETERAN 09-35-034-08W4 BATT/DISP PLANT	09-35-034-08W4	Hamilton Lake Box
VETERAN	10496 -- VETERAN - 102/09-35-034-08W4/0 9A	102/09-35-034-08W4/0 9A	Hamilton Lake Box
VETERAN	10497 -- VETERAN - 103/09-35-034-08W4/0 9D	103/09-35-034-08W4/0 9D	Hamilton Lake Box
VETERAN	10503 -- VETERAN - 105/09-35-034-08W4/0	105/09-35-034-08W4/0	Hamilton Lake Box
VETERAN	10502 -- VETERAN - 102/16-35-034-08W4/0 16A	102/16-35-034-08W4/0 16A	Hamilton Lake Box
WATTS LAKE	12764 -- WATTS LAKE 02/12-29-034-09 W4/0	02/12-29-034-09 W4/0	Hamilton Lake Box
WATTS LAKE	12758 -- WATTS LAKE 02/02-30-034-09 W4/0	02/02-30-034-09 W4/0	Hamilton Lake Box
WATTS LAKE	12755 -- WATTS LAKE 00/06-30-034-09 W4/0	00/06-30-034-09 W4/0	Hamilton Lake Box
WATTS LAKE	13058 -- WATTS LAKE 100/16-13-034-10W4/0	100/16-13-034-10W4/0	Hamilton Lake Box
WATTS LAKE	12756 -- WATTS LAKE 00/09-24-034-10 W4/0	00/09-24-034-10 W4/0	Hamilton Lake Box
WATTS LAKE	12766 -- WATTS LAKE 15-24-034-10 W4 COMPRESSOR	15-24-034-10 W4	Hamilton Lake Box
WATTS LAKE	12762 -- WATTS LAKE 02/10-25-034-10 W4/2	02/10-25-034-10 W4/2	Hamilton Lake Box
PROVOST	11670 -- PROVOST 100/06-31-035-03W4/0	100/06-31-035-03W4/0	Hamilton Lake Box
PROVOST	11579 -- PROVOST 100/09-31-035-03W4/0	100/09-31-035-03W4/0	Hamilton Lake Box
PROVOST	11669 -- PROVOST 100/14-31-035-03W4/0	100/14-31-035-03W4/0	Hamilton Lake Box
PROVOST	12054 -- PROVOST 100/16-31-035-03W4/4	100/16-31-035-03W4/4	Hamilton Lake Box
HAMILTON LAKE	12608 -- HAMILTON LAKE 00/08-07-035-09 W4/0	00/08-07-035-09 W4/0	Hamilton Lake Box
HAMILTON LAKE	12613 -- HAMILTON LAKE 00/12-17-035-09 W4/0	00/12-17-035-09 W4/0	Hamilton Lake Box
PROVOST	13104 -- PROVOST 103/10-19-035-09W4HZ (SURFACE 12-20)	103/10-19-035-09W4HZ	Hamilton Lake Box
HAMILTON LAKE	12609 -- HAMILTON LAKE 00/09-27-035-09 W4/0	00/09-27-035-09 W4/0	Hamilton Lake Box
HAMILTON LAKE	12610 -- HAMILTON LAKE 00/10-27-035-09 W4/0	00/10-27-035-09 W4/0	Hamilton Lake Box
HAMILTON LAKE	12612 -- HAMILTON LAKE 00/11-27-035-09 W4/0	00/11-27-035-09 W4/0	Hamilton Lake Box
HAMILTON LAKE	12614 -- HAMILTON LAKE 00/15-27-035-09 W4/0	00/15-27-035-09 W4/0	Hamilton Lake Box
PROVOST	13106 -- PROVOST 02-30-035-09W4HZ (SURFACE 04-29)	02-30-035-09W4HZ	Hamilton Lake Box
HAMILTON	12611 -- HAMILTON LAKE 00/10-30-035-09 W4/0	00/10-30-035-09 W4/0	Hamilton Lake Box
PROVOST	12787 -- PROVOST HZ100/15-30-035-09W4 (SURFACE 09-30)	100/15-30-035-09W4	Hamilton Lake Box
PROVOST			Hamilton Lake Box
PROVOST			Hamilton Lake Box
PROVOST			Hamilton Lake Box
CORONATION	11582 -- VETERAN - 102/10-29-036-10W4/0	102/10-29-036-10W4/0	Hamilton Lake Box
CORONATION	11580 -- CORONATION 00/08-16-037-11W4/0	00/08-16-037-11W4/0	Hamilton Lake Box

Area	Sekur Well ID	UWI	Map Sheet
STETTLER	12248 -- STETTLER 100/01-32-038-20W4/0	100/01-32-038-20W4/0	Stettler Box
STETTLER	12249 -- STETTLER 100/04-32-038-20W4/0	100/04-32-038-20W4/0	Stettler Box
ERSKINE	12502 -- ERSKINE 100/04-32-038-20W4/2	100/04-32-038-20W4/2	Stettler Box
STETTLER	12362 -- STETTLER 100/11-32-038-20W4 COMPRESSOR	100/11-32-038-20W4	Stettler Box
STETTLER	12250 -- STETTLER 100/13-32-038-20W4/0	100/13-32-038-20W4/0	Stettler Box
STETTLER	12251 -- STETTLER 100/16-32-038-20W4/0	100/16-32-038-20W4/0	Stettler Box
STETTLER	12469 -- STETTLER 100/05-34-038-20W4/0	100/05-34-038-20W4/0	Stettler Box
STETTLER	12494 -- STETTLER 100/09-34-038-20W4/0	100/09-34-038-20W4/0	Stettler Box
STETTLER	12471 -- STETTLER 100/12-34-038-20W4/0	100/12-34-038-20W4/0	Stettler Box
STETTLER	12444 -- STETTLER 102/15-34-038-20W4/0	102/15-34-038-20W4/0	Stettler Box
STETTLER	12442 -- STETTLER 100/04-02-039-20-W4/0	100/04-02-039-20-W4/0	Stettler Box
STETTLER	12486 -- STETTLER 102/06-02-039-20W4/3	102/06-02-039-20W4/3	Stettler Box
VETERAN	102/07-35-034-08W4/0	102/07-35-034-08W4/0	Hamilton Lake Box
VETERAN	103/07-35-034-08W4/0	103/07-35-034-08W4/0	Hamilton Lake Box
VETERAN	104/07-35-034-08W4/0	104/07-35-034-08W4/0	Hamilton Lake Box
VETERAN	100/16-35-034-08W4/0	100/16-35-034-08W4/0	Hamilton Lake Box
VETERAN	106/09-35-034-08W4/0	106/09-35-034-08W4/0	Hamilton Lake Box
HAMILTON LK	102/05-18-034-09W4/0	102/05-18-034-09W4/0	Hamilton Lake Box
HAMILTON LK	103/12-18-034-09W4/0	103/12-18-034-09W4/0	Hamilton Lake Box
HAMILTON LK	102/04-19-034-09W4/0	102/04-19-034-09W4/0	Hamilton Lake Box
HAMILTON LK	102/04-19-034-09W4/2	102/04-19-034-09W4/2	Hamilton Lake Box
HAMILTON LK	102/04-19-034-09W4/3	102/04-19-034-09W4/3	Hamilton Lake Box
HAMILTON LK	102/12-19-034-09W4/0	102/12-19-034-09W4/0	Hamilton Lake Box
HAMILTON LK	100/13-20-034-09W4/0	100/13-20-034-09W4/0	Hamilton Lake Box
HAMILTON LK	102/01-29-034-09W4/0	102/01-29-034-09W4/0	Hamilton Lake Box
HAMILTON LK	102/04-32-034-09W4/0	102/04-32-034-09W4/0	Hamilton Lake Box
HAMILTON LK	102/04-32-034-09W4/2	102/04-32-034-09W4/2	Hamilton Lake Box
WATTS LK	100/01-12-034-10W4/0	100/01-12-034-10W4/0	Hamilton Lake Box
WATTS LK	102/10-24-034-10W4/0	102/10-24-034-10W4/0	Hamilton Lake Box
WATTS LK	102/10-24-034-10W4/2	102/10-24-034-10W4/2	Hamilton Lake Box
PROVOST	102/16-19-035-03W4/0	102/16-19-035-03W4/0	Hamilton Lake Box
PROVOST	100/07-31-035-03W4/0	100/07-31-035-03W4/0	Hamilton Lake Box
PROVOST	100/16-23-035-04W4/0	100/16-23-035-04W4/0	Hamilton Lake Box
HAMILTON LK	100/09-06-035-09W4/0	100/09-06-035-09W4/0	Hamilton Lake Box
HAMILTON LK	100/16-06-035-09W4/0	100/16-06-035-09W4/0	Hamilton Lake Box
HAMILTON LK	100/16-06-035-09W4/2	100/16-06-035-09W4/2	Hamilton Lake Box
HAMILTON LK	100/14-29-035-09W4/0	100/14-29-035-09W4/0	Hamilton Lake Box

Area	Sekur Well ID	UWI	Map Sheet
HAMILTON LK	102/04-06-035-10W4/0	102/04-06-035-10W4/0	Hamilton Lake Box
HAMILTON LK	1F1/06-18-035-09W4/0	1F1/06-18-035-09W4/0	Hamilton Lake Box
PROVOST	100/02-19-036-03W4/0	100/02-19-036-03W4/0	Hamilton Lake Box
PROVOST	100/02-19-036-03W4/2	100/02-19-036-03W4/2	Hamilton Lake Box
PROVOST	100/16-19-036-03W4/0	100/16-19-036-03W4/0	Hamilton Lake Box

**Schedule C
(Map Sheet)**



Schedule D
(Purchase and Sale Agreement)
See Attached

Schedule E
(Non-Disclosure Agreement)
See attached

Appendix 2 –
Purchase and sale agreement dated
November 13, 2015 between Toro Oil
& Gas Ltd. and the Receiver

ASSET PURCHASE AND SALE AGREEMENT

BETWEEN

**DELOITTE RESTRUCTURING INC., in its capacity as court appointed receiver of the
assets, undertakings and properties of Sekur Energy Management Corp.,
and not in its personal capacity**

(the “Vendor”)

AND

**TORO OIL & GAS LTD., a corporation incorporated pursuant to the laws of the Province
of Alberta**

(the “Purchaser”)

November 13, 2015

ASSET PURCHASE AND SALE AGREEMENT

THIS AGREEMENT made as of the 13th day of November, 2015

BETWEEN:

DELOITTE RESTRUCTURING INC., in its capacity as court appointed receiver of the assets, undertakings and properties of Sekur Energy Management Corp., and not in its personal capacity (“**Vendor**”)

- and -

TORO OIL & GAS LTD., a corporation incorporated pursuant to the laws of the Province of Alberta (the “**Purchaser**”)

CONTEXT

- A.** The Vendor was appointed as receiver of the Property pursuant to the Receivership Order.
- B.** The Vendor wishes to sell the Assets to the Purchaser and the Purchaser wishes to purchase the Assets from the Vendor, all upon and subject to the terms and conditions set forth in this Agreement.

NOW THEREFORE THIS AGREEMENT WITNESSES that in consideration of the premises, mutual covenants, agreements and warranties in this Agreement, the Parties covenant and agree as follows:

ARTICLE 1 DEFINITIONS AND INTERPRETATION

1.1 Definitions

In this Agreement, the following capitalized terms have the following meanings:

- (a) “**Abandonment and Reclamation Liabilities**” means all past, present and future obligations and liabilities to:
- (i) abandon the Wells and close, decommission, dismantle and remove all structures, foundations, buildings, pipelines, equipment, tanks and other facilities and Tangibles that are or were located in or on the Lands or lands pooled or unitized therewith or used or previously used in respect of Petroleum Substances produced or previously produced from the Lands or lands pooled or unitized therewith; and
 - (ii) restore, remediate and reclaim any surface and subsurface locations of the lands on which the Wells, structures, foundations, buildings, pipelines, equipment, tanks and other facilities described in Section 1.1(a)(i) are or were located and all lands used to gain access to any of them;

all in accordance with generally accepted industry practices in the province where the Assets are located and in compliance with all Applicable Laws and the Title and Operating Documents.

- (b) **“Acquired Pipelines”** means those pipeline segments listed in Schedule “A” – Part 4.
- (c) **“AER”** means the Alberta Energy Regulator.
- (d) **“AER Deposits”** means any deposits paid by or on behalf of the Debtor to the AER relating to the Assets.
- (e) **“AER Licenses”** means all licenses and authorizations issued by a Governmental Authority in respect of the Wells and any Tangibles licensed to the Vendor, but excludes, without limitation those portions of any licenses relating to pipelines or pipeline segments other than the Acquired Pipelines.
- (f) **“Affiliate”** means, with respect to any Person, any other Person or group of Persons acting in concert, directly or indirectly, that controls, is controlled by or is under common control with such Person. The term **“control”** as used in the preceding sentence means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of a Person whether through ownership of more than fifty percent (50%) of the voting securities of such Person, by contract or otherwise.
- (g) **“Agreement”** means this asset purchase and sale agreement including the Schedules attached hereto, as it may be amended, modified, supplemented or restated by written agreement between the Parties.
- (h) **“Applicable Laws”** means, in relation to any Person, asset, transaction, event or circumstance:
 - (i) statutes (including regulations enacted thereunder);
 - (ii) judgments, decrees and orders of courts of competent jurisdiction;
 - (iii) regulations, orders, ordinances and directives issued by Government Authorities; and
 - (iv) the terms and conditions of all permits, licenses, approvals and authorizations;which are applicable to such Person, asset, transaction, event or circumstance.
- (i) **“Assets”** means the Debtor’s right, title, estate and interest in the Petroleum and Natural Gas Rights, the Miscellaneous Interests and the Tangibles.
- (j) **“Business Day”** means any day other than a Saturday, Sunday or statutory holiday in the Province of Alberta, and also excluding any day on which the principal chartered banks or financial institutions located in the City of Calgary are not open for business during normal hours.
- (k) **“Claim”** means any claim, demand, lawsuit, proceeding, arbitration or governmental investigation, in each case, whether asserted, threatened, pending or existing.

- (l) **"Closing"** means the transfer of possession, beneficial ownership and risks of the Assets from the Vendor to the Purchaser, the exchange of Conveyance Documents and payment of the Purchase Price by the Purchaser to the Vendor, and all other items and consideration required to be delivered on the Closing Date pursuant hereto.
- (m) **"Closing Date"** has the meaning provided in Section 2.10.
- (n) **"Closing Deliveries"** means, collectively, those items or documents to be delivered by Vendor at Closing pursuant to Section 6.1 and those documents to be delivered by Purchaser at Closing pursuant to Section 6.2.
- (o) **"Closing Payment"** has the meaning provided in Section 2.5.
- (p) **"Communication"** means any notice, demand, request, consent, approval or other communication which is required or permitted by this Agreement to be given or made by a Party.
- (q) **"Conveyance Documents"** means all conveyances, assignments, transfers, novations, notices of assignment, trust agreements and declarations, subleases, directions to pay and other documents and instruments that are reasonably required desirable in accordance with generally accepted oil and gas industry practice in the province where the Assets are located, to convey, assign and transfer title to the Assets held in the name of the Debtor to the Purchaser and to novate the Purchaser into the contracts, licenses, permits, approvals and authorizations comprised in the Miscellaneous Interests in the place and stead of the Debtor, insofar as such contracts, licenses, permits, approvals and authorizations pertain to the Assets.
- (r) **"Court"** means the Court of Queen's Bench of Alberta.
- (s) **"Court Approval"** means the approval of the Transaction by the Court and the vesting of the Assets in the name of the Purchaser, substantially in the form of the Order attached hereto as Schedule "E".
- (t) **"Data Room Information"** means all information provided to the Purchaser in electronic form in relation to the Debtor and/or the Assets.
- (u) **"Debtor"** means Sekur Energy Management Corp.
- (v) **"Deposit"** is defined in Section 3.1(b).
- (w) **"Dollar"** and **"\$"** mean a dollar of the lawful money of Canada.
- (x) **"Effective Date"** means August 1, 2015 or such other date as the Parties agree to in writing.
- (y) **"Effective Time"** means 8:00 a.m. on the Closing Date.
- (z) **"Encumbrance"** means all liens, charges, security interests, royalties, pledges, options, net profit interests, rights of pre-emption, mortgages, adverse claims and

other encumbrances on ownership rights of any kind or character or agreements to create the same.

- (aa) **“Environment”** means the components of the earth and includes ambient air, land, surface and sub-surface strata, groundwater, surface water, all layers of the atmosphere, all organic and inorganic matter and living organisms, and the interacting natural systems that include such components, and any derivative thereof shall have a corresponding meaning.
- (bb) **“Environmental Law”** means all Applicable Laws respecting the protection of, or the control, remediation or reclamation of contamination or pollution of, the Environment or any part thereof.
- (cc) **“Environmental Liabilities”** means all past, present and future obligations and liabilities of whatsoever nature or kind arising from or relating to, directly or indirectly:
 - (i) Environmental Matters;
 - (ii) past, present and future non-compliance with, violation of or liability under Environmental Laws applicable to or otherwise involving the Assets; or
 - (iii) Abandonment and Reclamation Liabilities,whenever occurring or arising, but shall not include any such matters or similar matters relating to the Excluded Wells or the Excluded Tangibles.
- (dd) **“Environmental Matters”** means any activity, event or circumstance in respect of or relating to:
 - (i) the storage, use, holding, collection, accumulation, assessment, generation, manufacture, construction, processing, treatment, stabilization, disposition, handling, transportation or Release of Hazardous Substances;
 - (ii) the protection of the Environment; or
 - (iii) pollution, reclamation, remediation or restoration of the Environment,in each case relating to the Lands or the Assets or that has or have arisen or hereafter arise from or in respect of past, present or future Operations, activities or omissions in or on the Lands or in respect of or otherwise involving the Assets, including obligations to compensate Third Parties for Losses and Liabilities.
- (ee) **“Escrow Agent”** means the solicitors for the Vendor.
- (ff) **“Facilities”** means the facilities set out in Schedule “A” – Part 3.
- (gg) **“Final Statement of Adjustments”** has the meaning provided in Section 2.9(a).
- (hh) **“GAAP”** means generally accepted accounting principles and practices in Canada.

- (ii) **“General Conveyance”** means the general conveyance in the form attached as Schedule “C”.
- (jj) **“Government 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 Assets or the Transaction.
- (kk) **“GST”** the goods and services tax required to be paid pursuant to the *Excise Tax Act* (Canada) and in accordance with Section 2.6(a).
- (ll) **“Hazardous Substances”** means hazardous or toxic substances, hazardous wastes, radioactive substances, asbestos, dangerous goods and Petroleum Substances, including any and all substances and wastes regulated under Environmental Law.
- (mm) **“Insider”** has the meaning given to that term in the *Securities Act* (Alberta).
- (nn) **“Land Schedule”** means Schedule “A”.
- (oo) **“Lands”** means the entire interest of Debtor in and to the lands set forth and described in the Land Schedule, and includes (i) unless the context otherwise requires, the surface of such lands and (ii) the Petroleum Substances within, upon or under such lands, together with the rights to drill for, explore for, win, take, own or remove same, insofar as the same are granted by the Leases to such lands.
- (pp) **“Leases”** means the leases, reservations, permits, licenses or other documents of title set forth and described in the Land Schedule by virtue of which the holder thereof is entitled to drill for, explore for, mine, win, take, own or remove Petroleum Substances underlying the Lands, and include, if applicable, all renewals and extensions of such documents and all documents issued in substitution therefore.
- (qq) **“Losses and Liabilities”** means, in relation to a matter, any and all:
 - (i) losses, costs, damages, expenses and charges (including all penalties, assessments and fines) which the Vendor suffers, sustains, pays or incurs, directly or indirectly, in connection with such matter and includes costs of legal counsel (on a full indemnity basis) and other professional advisors and reasonable costs of investigating and defending Claims arising from the matter, regardless of whether such Claims are sustained and includes taxes payable on any settlement payment or damage award in respect of such matter; and
 - (ii) liabilities and obligations (whether under common law, in equity, under Applicable Law or otherwise; whether tortious, contractual, vicarious, statutory or otherwise; whether absolute or contingent; and whether based on fault, strict liability or otherwise) which the Vendor suffers, sustains, pays or incurs as a result of or in connection with such matter;

but excluding indirect, incidental, consequential, exemplary, special or punitive losses or damages or loss of profits suffered, sustained, paid or incurred by the Vendor, but including any such indirect, incidental, consequential, exemplary, special or punitive losses or damages or loss of profits suffered, sustained, paid or incurred by a Third Party entitled to recovery or indemnification from the Vendor.

- (rr) **“Miscellaneous Interests”** means all of the right, title, interest and estate of the Debtor in and to all property, assets and rights, whether contingent or absolute, legal or beneficial, present or future, vested or not (other than the Petroleum and Natural Gas Rights), to the extent relating to the Petroleum and Natural Gas Rights, the Lands or the Tangibles, including the following property, rights and assets:
- (i) all contracts, agreements, books, records, files, maps and documents to the extent that they relate to the Petroleum and Natural Gas Rights, the Lands or the Tangibles, including the Title and Operating Documents and any rights of the Debtor in relation thereto;
 - (ii) all other land records or similar data contained on hard drives or other computer devices or networks;
 - (iii) the Surface Interests;
 - (iv) geological, geochemical and mineralogical data, reports and findings and archive samples, and all core or liquid samples and cuttings;
 - (v) seismic data, to the extent relating solely and directly to the Lands, including, without limitation, the Proprietary Seismic;
 - (vi) all engineering information, to the extent relating solely and directly to the Petroleum and Natural Gas Rights, the Lands, and the Tangibles which the Debtor either has in its custody or to which the Debtor has access, excluding any such information which is subject to confidentiality restrictions;
 - (vii) all permits, licenses, approvals and other authorizations, crossing privileges and other subsisting rights to carry out operations on the Lands and any lands upon which the Tangibles are located, including well and pipeline licenses and other permits and authorizations relating to the Petroleum and Natural Gas Rights or the Tangibles; and
 - (viii) the Wells, including the entire wellbores and casings.
- (ss) **“Non-Disclosure Agreement”** means the non-disclosure agreement between the Vendor and the Purchaser.
- (tt) **“Operations”** means any and all work, activities and operations of any kind whatsoever conducted on or with respect to the Assets.
- (uu) **“Party”** means the Vendor or the Purchaser, and **“Parties”** means the Vendor and the Purchaser.
- (vv) **“Permitted Encumbrances”** means, as of a particular time, any of the following:

- (i) easements, rights of way, servitudes, permits, licenses and other similar rights in land, including rights of way and servitudes for highways and other roads, railways, sewers, drains, gas and oil pipelines, gas and water mains, electric light, power, telephone, telegraph and cable television conduits, poles, wires and cable;
- (ii) the right reserved to or vested in any Government Authority by the terms of any Title and Operating Document, lease, license, franchise, grant or permit or by any Applicable Law, to terminate any such Title and Operating Document, lease, license, franchise, grant or permit or to require annual or other periodic payments as a condition of the continuance thereof;
- (iii) the right reserved to or vested in any Government Authority to levy taxes on Petroleum Substances or the income or revenue attributable thereto and governmental requirements and limitations of general application;
- (iv) rights reserved to or vested in any Government Authority to control or regulate any of the Assets in any manner;
- (v) liens granted in the ordinary course of business to a public utility or Government Authority in connection with operations on or in respect of the Lands;
- (vi) liens granted, created or incurred in the ordinary course of the oil and gas business and in accordance with sound industry practice in respect of:
 - A. the joint operation of the Assets as security in favour of any other Person conducting the development or operation thereof for the Debtor's share of the costs and expenses of such development and operation; and
 - B. pursuant to a processing or transmission arrangement securing the payment of the fees, costs and expenses of the processing or transmission (as the case may be) of Petroleum Substances under such processing or transmission arrangement;
- (vii) a pooling or unitization of any Petroleum and Natural Gas Rights in the ordinary course of business to facilitate the orderly exploration, development or operation of such Petroleum and Natural Gas Rights;
- (viii) any farmouts or overriding royalty interests created in respect of the Petroleum and Natural Gas Rights [which are disclosed in any Schedule to this Agreement];
- (ix) any penalty arising under non-participation or independent operations provisions of an operating agreement in respect of any Petroleum and Natural Gas Rights as a result of an election made by the Debtor not to participate in a drilling or other operation;

- (x) the express or implied reservations, limitations, provisos and conditions in any original grants from the Crown of any of the Lands or interests therein and statutory exceptions to title;
- (xi) all royalty burdens, liens, adverse claims, penalties, conversions and other Encumbrances identified in the Land Schedule;
- (xii) the terms and condition of the Leases and the Title and Operating Documents; and
- (xiii) any other circumstance, matter or thing disclosed in any Schedule hereto;

provided that the following items must be identified in a Schedule to qualify as a Permitted Encumbrance: (A) any overriding royalty, net profits, ROFRs or other similar encumbrance applicable to the Petroleum and Natural Gas Rights for which Purchaser will assume the obligation for payment; (B) any existing potential alteration of the Debtor's interests in the Assets because of a payout conversion or farmin, farmout or other similar agreement; and (C) any Encumbrance which would not be a Permitted Encumbrance under the preceding paragraphs of this definition.

- (ww) **"Person"** means any individual, corporation, limited or unlimited liability company, joint venture, partnership (limited or general), trust, trustee, executor, Government Authority or other entity.
- (xx) **"Petroleum and Natural Gas Rights"** means all of the right, title, estate and interest, whether absolute or contingent, legal or beneficial, present or future, vested or not, and whether or not an "interest in land", of the Debtor in and to the Lands and the Leases, subject in all events to the Permitted Encumbrances.
- (yy) **"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 or produced in conjunction with any of the foregoing, whether liquid, solid or gaseous, and whether hydrocarbons or not, including sulphur and hydrogen sulphide.
- (zz) **"Place of Closing"** means the offices of Gowlings LLP at 1600, 421 – 7th Avenue SW in Calgary, Alberta, or as otherwise agreed to in writing by the Parties.
- (aaa) **"Prime Rate"** means the rate of interest (expressed as a rate per annum) used by the main branch Royal Bank of Canada in Calgary, Alberta from time to time as the reference rate used in determining the rates of interest payable on Canadian dollar commercial demand loans made by such bank in Canada and which is announced by such bank, from time to time, as its "prime rate".
- (bbb) **"Property"** has the meaning given to it in the Receivership Order.
- (ccc) **"Proprietary Seismic"** means all data and records pertaining to the 100% proprietary 3D seismic lines set out in Schedule "A" – Part 5. *[ntd: is there any?]*
- (ddd) **"Purchase Price"** has the meaning given in Section 3.1(a).

- (eee) **“Receivership Order”** means the order issued by the Court in the Receivership Proceedings on August 12, 2015 appointing Deloitte Restructuring Inc. as receiver and manager of the assets, undertakings and properties of the Debtor, as amended, modified or supplemented from time to time.
- (fff) **“Receivership Proceedings”** means the means the proceedings before the Court and identified as Court File No. 1501-09213.
- (ggg) **“Release”** means any release, spill, emission, leaking, pumping, injection, deposit, disposal, discharge, dispersal, leaching or migration of a Hazardous Substance into or through the Environment or into or out of any lands, including the movement of a Hazardous Substance through or in any part of the Environment.
- (hhh) **“Representatives”** means, with, respect to any Person, its Affiliates, and the respective directors, officers, servants, agents, advisors, employees, consultants and representatives of that Party and its Affiliates.
- (iii) **“Right of First Refusal”** or **“ROFR”** means a right of first refusal, pre-emptive right of purchase or similar right whereby any Third Party has the right to acquire or purchase any of the Assets as a consequence of the Parties entering into this Agreement or the Transaction.
- (jjj) **“ROFR Properties”** is defined in Section 2.7(a).
- (kkk) **“Surface Interests”** means all right, title, interest and estate of the Debtor to enter upon, use, occupy and enjoy the surface of the Lands and any lands upon which the Wells or the Tangibles are located and any lands used to gain access thereto, in each case, for purposes related to the use or ownership of the Petroleum and Natural Gas Rights, the Tangibles, the Wells or the Operations, whether the same are held by right of way, or otherwise.
- (III) **“Tangibles”** means all right, title, interest and estate of the Debtor, whether absolute or contingent, legal or beneficial, present or future, vested or not, in and to the Facilities, the Acquired Pipelines and the tangible depreciable property and assets located within or upon the Lands or lands pooled or unitized therewith, but only to the extent such tangible depreciable property and assets are used or are intended to be used to produce, process, gather, treat, measure, or make marketable Petroleum Substances from the Wells.
- (mmm) **“Third Party”** means any Person other than the Parties or their Representatives.
- (nnn) **“Title and Operating Documents”** means all agreements, contracts, instruments and other documents that govern the ownership, operation or use of the Assets or relate to Permitted Encumbrances, including (i) the Leases and other agreements and instruments pursuant to which the Petroleum and Natural Gas Rights were issued, granted or created, (ii) permits, licenses, approvals and authorizations, (iii) operating agreements, unit agreements, production allocation agreements, trust declarations, participation agreements, joint venture agreements, farmin agreements, farmout agreements and royalty agreements, (iv) agreements that create or relate to Surface Interests, (v) agreements for the construction, ownership and/or operation of the Tangibles, (vi) trust declarations and other documents and

instruments that evidence the Debtor's interests in the Assets; and (vii) trust declarations pursuant to which the Debtor holds interests in the Lands in trust for other Persons.

- (ooo) **"Transaction"** means the transaction for the purchase and sale of the Assets as contemplated by this Agreement.
- (ppp) **"Unexpired ROFRs"** is defined in Section 2.7(f).
- (qqq) **"Vendor Consents"** has the meaning provided in Section 8.1.
- (rrr) **"Vendor Entity"** means the Vendor and its Representatives, and each of their respective successors and assigns.
- (sss) **"Wells"** means only those wells set out in Part 2 of Schedule "A".

1.2 Interpretation

The following rules of construction shall apply to this Agreement unless the context otherwise requires:

- (a) the headings in this Agreement are inserted for convenience of reference only and shall not affect the meaning, interpretation or construction of this Agreement;
- (b) all documents executed and delivered pursuant to the provisions of this Agreement are subordinate to the provisions hereof and the provisions hereof shall govern and prevail in the event of a conflict;
- (c) any reference to a statute shall include and shall be deemed to be a reference to such statute and to the regulations made pursuant thereto, and all amendments made thereto and in force at the date hereof;
- (d) whenever the singular or masculine or neuter is used in this Agreement, the same shall be construed as meaning plural or feminine or referring to a body politic or corporate, and *vice versa*, as the context requires;
- (e) the words "hereto", "herein", "hereof", "hereby", "hereunder" and similar expressions refer to this Agreement and not to any particular provision of this Agreement;
- (f) reference to any Article, Section or Schedule means an Article, Section or Schedule of this Agreement unless otherwise specified;
- (g) if any provision of a Schedule hereto conflicts with or is at variance with any provision in the body of this Agreement, the provisions in the body of this Agreement shall prevail to the extent of the conflict;
- (h) "include" and derivatives thereof shall be read as if followed by the phrase "without limitation".

1.3 Schedules

The following schedules are attached to and form part of this Agreement:

Schedule "A"	Land Schedule
- Part 1	Lands, Leases and Petroleum and Natural Gas Rights
- Part 2	Wells
- Part 3	Facilities
- Part 4	Acquired Pipelines
- Part 5	Proprietary Seismic
Schedule "B"	Form of General Conveyance
Schedule "C"	Form of Vendor's Officer's Certificate
Schedule "D"	Form of Purchaser's Officer's Certificate
Schedule "E"	Form of Court Approval Order
Schedule "F"	ROFRs and Allocation

1.4 Interpretation If Closing Does Not Occur

If Closing does not occur, each provision of this Agreement which presumes that the Purchaser has acquired the Assets shall be construed as having been contingent upon Closing having occurred.

1.5 Knowledge or Awareness

References to a Party's knowledge or awareness and similar references contained in Sections 4.1 and 4.3 mean the actual knowledge or awareness, as the case may be, of the officers of such Party who are primarily responsible for the matters in question, and does not include knowledge and awareness of any other Person or any constructive or imputed knowledge. A Party shall not have any obligation to make inquiry of any Person or the files and records of any Person or of any Government Authority in connection with any representations and warranties contained herein that are made to its knowledge, information, belief or awareness.

ARTICLE 2 PURCHASE AND SALE

2.1 Purchase and Sale

Subject to the terms and conditions of this Agreement, the Vendor hereby agrees to sell, assign, transfer, convey and set over to the Purchaser, and the Purchaser agrees to purchase and accept the Assets from the Vendor at and for the Purchase Price.

2.2 Transfer of Assets

Provided that Closing occurs, and subject to the terms and conditions of this Agreement, possession, risk and beneficial ownership of the Assets shall transfer from the Vendor to the Purchaser on the Closing Date.

2.3 Purchase Price

- (a) The purchase price to be paid by the Purchaser to the Vendor for the Assets shall be One Million Dollars (\$1,000,000), subject to adjustment only as set forth in Section 2.8 (the "**Purchase Price**").

- (b) The Vendor acknowledges receipt of a deposit in the amount of One Hundred Thousand Dollars (\$100,000) (the “**Deposit**”), which shall be held in trust by the Vendor and shall be releasable in accordance with this Agreement.
- (c) If Closing occurs in accordance with the terms and conditions of this Agreement, the Deposit shall be retained by the Vendor and credited against the Purchase Price in partial satisfaction of the Purchaser’s obligation to pay the Purchase Price on or before Closing.
- (d) If Closing does not occur:
 - (i) due to the conditions precedent in favour of the Purchaser set forth in Section 5.2 of this Agreement not having been satisfied or waived in accordance with the terms of this Agreement, the Deposit received by the Vendor shall be returned by the Vendor to the Purchaser, this Agreement shall thereupon terminate, and each Party shall be released from all obligations and liabilities under or in connection with this Agreement; or
 - (ii) for any reason other than the conditions precedent in favour of the Purchaser set forth in Section 5.2 of this Agreement not having been satisfied or waived in accordance with the terms of this Agreement, the Vendor shall be entitled to the Deposit, the Deposit shall be forfeited to the Vendor, and the Vendor shall be entitled to terminate this.
- (e) The Purchaser and the Vendor hereby acknowledge and agree that, should Closing not occur for any reason provided in Section 2.3(d)(ii), the Vendor will suffer and incur damages that cannot be precisely calculated, and will therefore be entitled to retain the Deposit pursuant to Section 2.3(d)(ii) as liquidated damages, and not as a penalty, the Deposit being a genuine pre-estimate of the damages that will be suffered by the Vendor as contemplated by this Section 2.3(e). In addition, Purchaser shall remain liable and responsible for any damages suffered by the Vendor that exceed the amount of the Deposit.

2.4 Allocation of the Purchase Price

The Purchase Price shall be allocated among the Assets as follows:

- | | | |
|-----|----------------------------------|------------------|
| (a) | to the Miscellaneous Interests | \$10.00 |
| (b) | to the Tangibles | 20% less \$10.00 |
| (c) | Petroleum and Natural Gas Rights | 80% |

2.5 Closing Payment

The Purchaser shall pay to the Vendor at Closing, by certified cheque, bank draft or electronic wire transfer: (i) the Purchase Price (less the Deposit; (ii) plus or minus any adjustments pursuant to Section 2.8; (iii) plus any taxes and fees (including GST) payable under Section 2.6 (the “**Closing Payment**”).

2.6 Taxes and Fees

- (a) The Purchase Price does not include GST. At Closing, the Purchaser shall pay to the Vendor an amount equal to the statutory rate of GST on the portion of the Purchase Price allocated to Tangibles and Miscellaneous Interests pursuant to Section 2.4 and on the amount attributable to any other Assets or expenses to which GST may apply. The Purchaser shall be liable for the payment and remittance of any additional amount of GST payable in respect of the purchase of the Assets pursuant hereto, including any interest, penalties, or any other costs payable in respect of such additional GST, and shall indemnify and save harmless the Vendor in respect thereof. The GST Registration Number of the Vendor is 805424454. The GST Registration Number of the Purchaser is 8744144519RT0001.
- (b) The Purchaser shall also be liable for and shall pay any and all transfer taxes, federal or provincial sales taxes and all other taxes, duties or other similar charges properly payable upon and in connection with the conveyance and transfer of the Assets by the Vendor to the Purchaser and the Purchaser shall be responsible for all recording charges and registration fees payable in connection therewith.

2.7 ROFR's

- (a) The Vendor and the Purchaser acknowledge that certain of the Assets are subject to ROFRs disclosed in Schedule "F" (the "**ROFR Properties**"). Within three (3) Business Days after the execution of this Agreement, the Purchaser shall provide the Vendor with a written statement setting out the portion of the Purchase Price it has decided, acting in good faith and on a reasonable basis, to allocate to each of the ROFR Properties. Promptly after the allocations are provided by Purchaser, Vendor shall send notices to the Third Parties holding the ROFRs in accordance with the terms of the respective governing agreements. The notices shall use the allocations provided by the Purchaser.
- (b) The Purchaser shall be liable to the Vendor for and shall indemnify and save harmless the Vendor from and against all Losses and Liabilities suffered, sustained, paid or incurred by the Vendor as a result of the use of the allocations provided by Purchaser. The Vendor shall notify the Purchaser upon any Third Party exercising or waiving a ROFR.
- (c) If a Third Party exercises a ROFR:
 - (i) all terms defined in this Agreement and all Schedules shall be deemed to have been amended to reflect the exclusion of the ROFR Assets in respect of which the ROFR is exercised;
 - (ii) the ROFR Properties in respect of which the ROFR is exercised shall not be conveyed to the Purchaser; and
 - (iii) the Purchase Price shall be reduced by the amount allocated by the Purchaser to the ROFR Properties in respect of which the ROFR is exercised.

- (d) Despite the provisions of sections Article 9, Vendor may disclose information relating to this Agreement and its subject matter and the identity of Purchaser in connection with its compliance with this Section 2.7.
- (e) If for any reason the Closing does not occur, then, at the Vendor's option, all ROFR transactions shall terminate and the Vendor and each Third Party that exercised a ROFR shall take all actions and execute all documents required to return each of them to the position it would have been in with respect to the ownership of the ROFR Assets if the ROFR notice had not been issued.
- (f) If at Closing any ROFR has not been waived and the time to elect has not elapsed (the "**Unexpired ROFRs**"), the Closing shall proceed in respect of the remaining Assets, and conveyance of the Assets subject to the Unexpired ROFRs and payment therefor shall be governed by an escrow agreement entered into between the Parties prior to Closing.

2.8 Adjustments

- (a) All costs and revenues accruing, payable, paid, received or receivable in respect of the Assets, including rentals, maintenance, development, capital and operating costs, advances, and payments with respect to Permitted Encumbrances shall, subject to the provisions of this Agreement, be apportioned on an accrual basis between the Vendor and the Purchaser as of the Effective Time on the Effective Date, on and subject to the following:
 - (i) except as otherwise provided in this Section 2.8, costs and revenues shall accrue in accordance with GAAP;
 - (ii) all such costs and revenues accruing up to the Effective Time on the Effective Date shall be for the Vendor's account and all costs and revenues accruing after the Effective Time on the Effective Date shall be for the Purchaser's account;
 - (iii) all costs of whatever nature pertaining to work performed or goods or services provided with respect to the Assets prior to the Effective Time on the Effective Date shall be borne by the Vendor, notwithstanding that such costs may be payable in whole or in part after the Effective Time on the Effective Date and all costs of whatever nature pertaining to work performed or goods or services provided with respect to the Assets after the Effective Time on the Effective Date shall be borne by the Purchaser; and
 - (iv) all rentals, property taxes and other periodic payments (other than income taxes) shall be apportioned between the Vendor and the Purchaser on a *per diem* basis as of the Effective Time on the Effective Date.
- (b) The effective time and date for income tax purposes shall be the Effective Time on the Effective Date.
- (c) Notwithstanding the foregoing, the Vendor shall not be required to provide a credit at Closing for any benefits accruing to the Purchaser after the Effective Time on the Effective Date but not actually received by the Vendor at least three (3) Business

Days prior to the Closing, but shall include all such amounts in the Final Statement of Adjustments.

- (d) All adjustments to be made pursuant to this Section 2.8 shall be allocated to the Petroleum and Natural Gas Rights.

2.9 Statement of Adjustments

- (a) The Vendor shall carry out a final accounting and adjustment and prepare and deliver to the Purchaser at least three (3) Business Days prior to the Closing Date a statement setting forth the Vendor's good faith estimate of all adjustments to be made for the Transaction (the "**Final Statement of Adjustments**"). The Final Statement of Adjustments shall be binding and conclusive on the Parties.
- (b) Nothing in this Agreement shall restrict or otherwise interfere with the audit rights which the Vendor may have under any of the agreements pertaining to the Assets for the period prior to the Effective Time on the Effective Date, it being the intention of the Parties that any adjustments occurring as a result of the exercise of such audit rights by the Vendor shall be for the account of the Vendor. For the purposes hereof, the expression "audit rights" shall include the right to include an audit or to participate in or receive the benefits from such an audit.

2.10 Closing

The Closing of the Transaction shall take place at the Place of Closing or such other place as the Parties may agree on the later of:

- (a) a Business Day designed in writing by the Vendor pursuant to a notice to the Purchaser, which Business Day shall be up to ten (10) Business Days following the day Court Approval is obtained;
 - (b) the third Business Day following the day on which any and all ROFRs shall have been exercised or waived by the holders thereof or all time periods within which such rights may be exercised shall have expired; or
 - (c) on such other Business Day as the Parties may agree in writing
- (the "**Closing Date**").

2.11 Escrow

- (a) The Closing Deliveries will be delivered and held in escrow until all of the AER Licenses have been transferred to and registered in the name of Purchaser.
- (b) The Escrow Agent shall maintain possession of the Closing Deliveries and shall not release any of the Closing Deliveries to either Party until all AER Licenses have been transferred to and registered in the name of Purchaser.
- (c) If the escrow conditions set forth in Section 2.11(a) are not satisfied by January 30th, 2016 then, unless the Purchaser agrees in writing to waive the foregoing requirements, the Closing will be deemed to have not occurred, the Escrow Agent

will return all Closing Deliveries to the Party who made such Closing Deliveries and this Agreement will be deemed to have terminated and the Parties will be released from liability or obligation hereunder except as provided in Section 8.2.

ARTICLE 3 INTERIM PROVISIONS

3.1 Restrictions on Conduct of Business

The Vendor shall not, between the date of this Agreement and the Closing Date, without the written consent of the Purchaser, which consent will not be unreasonably withheld, conditioned or delayed:

- (a) make any commitment or propose, initiate or authorize any capital expenditure out of the ordinary course of business with respect to the Assets, of which the Debtor's share is in excess of Twenty Five Thousand Dollars (\$25,000.00), except in the case of an emergency or as may be reasonably necessary to protect or ensure life and safety or to preserve the Assets or title to the Assets (including Lease rental payments) or in respect of amounts which the Vendor may be committed to expend or be deemed to authorize for expenditure without its consent;
- (b) other than in the ordinary course of business, materially amend or terminate any agreement or instrument relating to the Assets or enter into any new agreement or commitment relating to the Assets, except as may be reasonably necessary to protect or ensure life and safety or to preserve the Assets or title to the Assets;
- (c) surrender or abandon any of the Assets, unless an expenditure of money is required to avoid the surrender or abandonment and the Purchaser does not provide same in a timely fashion, in which event the Assets in question shall be surrendered or abandoned without abatement or reduction in the Purchase Price; or
- (d) sell, grant any Encumbrance or otherwise dispose of any of the Assets or any interest therein except the sale of materials and supplies no longer required in connection with the Assets, and excepting sales of Petroleum Substances in the ordinary course of business.

3.2 Following Closing

- (a) Following Closing, Vendor shall hold title to the Assets (other than the Discharged Interests) in trust for Purchaser, as bare legal trustee, until all necessary notifications, registrations and other steps required to transfer such title to Purchaser have been completed and, in furtherance thereof:
 - (i) the Vendor shall forward all statements, notices and other information received by it pursuant to Title and Operating Document to Purchaser promptly following its receipt thereof; and
 - (ii) the Vendor shall forward to other parties to the Title and Operating Documents such notices and elections pursuant to such Title and Operating Documents as Purchaser may reasonably request;

provided that the Vendor shall not be required to initiate or conduct Operations in relation to the Assets.

- (b) Purchaser shall indemnify and save and hold harmless the Vendor Entity from and against all Losses and Liabilities arising as a consequence of the provisions of this Section 3.2, except to the extent caused by the gross negligence or wilful misconduct of the Vendor Entity. Acts or omissions taken by the Vendor Entity on the instructions of, or with the approval or concurrence of Purchaser shall not constitute gross negligence or wilful misconduct.

3.3 Technical and Operating Information

The Vendor shall, upon request and subject to contractual restrictions relating to disclosure, make available all technical data relating to the Assets (including drilling reports, well files and production records, but excluding data and information which are subject to confidentiality restrictions prohibiting their disclosure) as are in the possession of the Vendor or the Debtor for such inspection as the Purchaser reasonably requires in connection herewith.

3.4 No Right to Reduction in Purchase Price

Notwithstanding anything to the contrary in this Agreement, the Purchaser acknowledges and agrees that it shall have no right or other entitlement to any abatement or reduction in the Purchase Price as a result of, arising from or in connection with any deficiency or allegation of deficiency in respect of the Assets, including, without limitation, any environmental liability or deficiency or title deficiency, whether identified in connection with the Purchaser's right to information as provided by Section 3.3 or otherwise.

3.5 Access to Records

The Vendor may, at its sole expense, for a period of two (2) years after Closing, obtain from the Purchaser copies or photocopies of any Title and Operating Documents, correspondence, documents or reports which were delivered to the Purchaser at Closing and which the Vendor requires to the extent the Purchaser is in possession or control thereof.

ARTICLE 4 REPRESENTATIONS AND WARRANTIES

4.1 Vendor's Representations and Warranties

Except to the extent otherwise disclosed in the Data Room Information to the Purchaser in writing prior to the date of this Agreement, or in any Schedule to this Agreement, the Vendor hereby represents and warrants to the Purchaser that:

- (a) the Vendor has been appointed by the Court as receiver and manager of the Assets pursuant to the Receivership Order and such appointment is valid and subsisting;
- (b) except for obtaining the Court Approval, under the Receivership Order the Vendor has good right, full power and absolute authority to sell, assign, transfer, convey and set over the interest of the Debtor in and to the Assets, subject to the terms and conditions of the Receivership Order and the Court Approval;
- (c) the Vendor has not previously sold, assigned transferred, conveyed set over or granted an Encumbrance in the Assets (other than pursuant to any receiver certificates issued from time to time by Vendor, each of which shall be released and discharged at Closing); and

- (d) the Vendor is not a non-resident of Canada for the purposes of the *Income Tax Act* (Canada).

4.2 **No Additional Representations and Warranties by the Vendor**

- (a) Notwithstanding anything to the contrary in this Agreement, the Vendor makes no representations or warranties except as expressly set forth in Section 4.1 and in particular, and without limiting the generality of the foregoing, the Vendor disclaims and shall not be liable for any representation or warranty express or implied, of any kind, at law or in equity, which may have been made or alleged to be made in any instrument or document relative hereto, or in any statement or information made or communicated to the Purchaser in any manner including any opinion, information, or advice which may have been provided to the Purchaser by the Vendor, any Vendor Entity, the Debtor or any of their Representatives, in connection with the Assets or in relation to the Transaction. For greater certainty, the Vendor does not make any representation or warranty, express or implied, of any kind, at law or in equity, with respect to:
 - (i) the accuracy or completeness of the Data Room Information or any other data or information supplied by the Vendor, any Vendor Entity, the Debtor or any of their Representatives in connection with the Assets;
 - (ii) the quality, quantity or recoverability of any Petroleum Substances with or under the Lands;
 - (iii) the value of the Assets or any estimates of prices or future cash flows arising from the sale of any Petroleum Substances produced from or allocated to the Assets or the Lands or any estimates of other revenues or expenses attributable to the Assets;
 - (iv) the availability or continued availability of facilities, services or markets for the processing, transportation or sale of any Petroleum Substances;
 - (v) the quality, condition, fitness, suitability, serviceability or merchantability of any of the Tangibles; or
 - (vi) the title of the Debtor to the Assets.

The Purchaser acknowledges and confirms that it is relying on its own investigations concerning the Assets and it has not relied on advice from the Vendor, any Vendor Entity, the Debtor or any of their Representatives with respect to the matters specifically enumerated in the immediately preceding paragraphs in connection with the purchase of the Assets pursuant hereto. The Purchaser further acknowledges and agrees that it is acquiring the Assets on an "as is, where is" basis. The Purchaser acknowledges and agrees that it is familiar with the condition of the Assets, including the past and present use of the Lands and the Tangibles, that the Purchaser has had a reasonable opportunity to inspect the Assets at the sole cost, risk and expense of the Purchaser (insofar as such access could reasonably be provided) and that the Purchaser is not relying upon any representation or warranty of the Vendor, any Vendor Entity, the Debtor or any of their Representatives as to the

condition, environmental or otherwise, of the Assets, except as expressly contained in Section 4.1 of this Agreement.

- (b) Except for its express rights under this Agreement, the Purchaser hereby waives all rights and remedies (whether now existing or hereinafter arising and including all equitable, common law, tort, contractual and statutory rights and remedies) against the Vendor, any Vendor Entity, the Debtor or any of their Representatives in respect of the Assets or the Transaction or any representations or statements made, direct or indirect, express or implied, or information or data furnished to the Purchaser or its Representatives, in connection herewith (whether made or furnished orally or by electronic, faxed, written or other means).

4.3 Purchaser's Representations and Warranties

The Purchaser hereby represents and warrants to the Vendor that:

- (a) it is and at the Closing Date shall continue to be a valid and subsisting corporation under the laws of its jurisdiction of registration and is authorized to carry on business in the jurisdiction where the Assets are located;
- (b) except for the Court Approval, it has taken all action and has full power and authority to enter into this Agreement and the other documents and agreements executed and delivered hereunder and it has taken all necessary action to consummate the Transaction and to perform its obligations hereunder and the other documents and agreements executed and delivered hereunder;
- (c) provided the Court Approval is obtained, this Agreement has been, and all documents and agreements to be executed and delivered by it at Closing pursuant to this Agreement shall be, duly executed and delivered by it, and upon execution by the Vendor and it, this Agreement constitutes, and all documents and agreements required to be executed and delivered by it at Closing will constitute, legal, valid and binding obligations of it enforceable against it in accordance with their respective terms, subject to bankruptcy, insolvency, preference, reorganization, moratorium and other similar laws affecting creditor's rights generally and the discretionary nature of equitable remedies and defences;
- (d) to its knowledge after due inquiry, and provided that Court Approval is obtained, no authorization or approval or other action by, and no notice to or filing with, any Government Authority exercising jurisdiction over the Assets is required by it or on its behalf for the due execution and delivery of this Agreement;
- (e) provided the Court Approval is obtained, the consummation of the Transaction will not constitute or result in a material violation, breach or default by it under any provision of any agreement or instrument to which it is a party or by which is it bound or any judgment, law, decree, order or ruling applicable to it;
- (f) it has not incurred any obligation or liability, contingent or otherwise, for broker's or finder's fees in respect of the Transaction for which the Vendor or the Debtor shall have any obligations or liability;

- (g) it has not received notice of any Claims in existence, contemplated, pending or threatened against it seeking to prevent the consummation of the Transaction;
- (h) it is acquiring the Assets in its capacity as a principal and is not purchasing the Assets for the purpose of resale or distribution to a Third Party;
- (i) it has sufficient funds available to it to enable it to pay in full the Purchase Price to the Vendor as herein provided and otherwise to fully perform its obligations under this Agreement; and
- (j) to the Purchaser's knowledge, having made due enquiry, no Insider of the Purchaser is also an Insider of the Vendor or the Debtor.

4.4 **Enforcement of Representations and Warranties**

- (a) Notwithstanding anything to the contrary herein expressed or implied and notwithstanding the Closing or deliveries of covenants and/or representations and warranties in any other agreements at Closing or prior or subsequent thereto, the representations and warranties set forth in Sections 4.1 and 4.3 hereof shall survive Closing for the benefit of the Purchaser and the Vendor respectively, provided that no Claim in respect of such representations and warranties shall be made or be enforceable unless written notice of such Claim is given by the claimant to the other Parties within twelve (12) months of the Closing Date. Effective on the expiry of such twelve (12) month period, each Party hereby releases and forever discharges the other Parties from any breach of any representations and warranties set forth in Sections 4.1 and 4.3 hereof except in respect of those Claims in which notice has been given in accordance with this Section 4.4. No Claim shall be made a Party in respect of the representations and warranties in this Agreement made by the other Parties except pursuant to and in accordance with this Section 4.4.
- (b) There shall not be any merger of any covenant, representation or warranty in any assignment, conveyance, transfer or document delivered pursuant hereto notwithstanding any rule of law, equity or statute to the contrary and all such rules are hereby waived.
- (c) The representations and warranties of the Vendor and the Purchaser made herein or pursuant hereto are made for the exclusive benefit of the Purchaser or the Vendor, as the case may be, and are not transferable and may not be made the subject of any right of subrogation in favour of any other Person.

ARTICLE 5 CONDITIONS PRECEDENT TO CLOSING

5.1 **Vendor's Closing Conditions**

The obligation of the Vendor to complete the sale of the Assets pursuant to this Agreement is subject to the satisfaction at or prior to the Closing Date of the following conditions precedent:

- (a) **Representations and Warranties True:** all representations and warranties of the Purchaser contained in this Agreement shall be true in all material respects on the Closing Date, and the Vendor shall have received a certificate from an officer of the

Purchaser substantially in the form attached hereto as Schedule “D” dated as of the Closing Date;

- (b) **Purchaser’s Obligations:** the Purchaser shall have, in all material respects, timely performed and satisfied all obligations required by this Agreement to be performed and satisfied by the Purchaser on or prior to the Closing Date;
- (c) **Payment:** the Purchaser shall have tendered the Closing Payment to the Vendor in the manner provided in this Agreement;
- (d) **Conveyance Documents:** the Purchaser shall have executed and delivered to the Vendor all Conveyance Documents required under Section 6.4(a) and the General Conveyance;
- (e) **No Injunction:** there will not be any judicial restraining order or injunction, preliminary or otherwise, in effect prohibiting the Closing or the Transaction;
- (f) **Restrictions:** all necessary governmental and other regulatory approvals to the sale of the Assets that are required prior to Closing shall have been obtained without conditions;
- (g) **ROFRs:** prior to the Closing Date, any and all ROFRs shall have been exercised or waived by the holders thereof or all time periods within such rights may be exercised shall have expired;
- (h) **Court Approval:** the Court Approval shall have been obtained; and
- (i) **AER Approval:** the AER will have confirmed that it will accept and process the transfer to Purchaser of all AER Licenses subject only to the payment by Purchaser to the AER of any security deposits required by the AER relating to Purchaser’s licensee liability rating in respect of the AER Licenses and not that of the Debtor.

The foregoing conditions shall be for the benefit of the Vendor and may, without prejudice to any of the rights of the Vendor hereunder excluding reliance on or enforcement of any representations, warranties or covenants dealing with the subject of or similar to the condition waived, be waived by it in writing, in whole or in part, at any time, provided that the Vendor is not entitled to waive the Court Approval condition contained in Section 5.1(h). The Vendor shall proceed diligently and in good faith and use all reasonable efforts to fulfill and assist in the fulfillment of the foregoing conditions in case any of the said conditions shall not be complied with, or waived by the Vendor, at or before the Closing Date, the Vendor may terminate this Agreement by written notice to the Purchaser.

5.2 Purchaser’s Closing Conditions

The obligation of the Purchaser to complete the purchase of the Assets pursuant to this Agreement is subject to the satisfaction, at or prior to the Closing Date, of the following conditions precedent:

- (a) **Representations and Warranties True:** all representations and warranties of the Vendor contained in this Agreement shall be true in all material respects on the Closing Date, and the Purchaser shall have received a certificate from an officer of

the Vendor substantially in the form attached hereto as Schedule "C" dated as of the Closing Date;

- (b) **Vendor's Obligations:** the Vendor shall have, in all material respects, timely performed and satisfied all obligations required by this Agreement to be performed and satisfied by the Vendor on or prior to the Closing Date;
- (c) **Conveyance Documents:** the Vendor shall have executed and delivered to the Purchaser all Conveyance Documents required under Section 6.4(a) and the General Conveyance;
- (d) **Restrictions:** all necessary governmental and other regulatory approvals to the sale of the Assets that are required prior to Closing shall have been obtained without conditions;
- (e) **No Injunction:** there will not be any judicial restraining order or injunction, preliminary or otherwise, in effect prohibiting the Closing or the Transaction;
- (f) **ROFRs:** prior to the Closing Date, any and all ROFRs shall have been exercised or waived by the holders thereof or all time periods within such rights may be exercised shall have expired;
- (g) **AER Approval:** Purchaser shall have received confirmation from the AER, in a form satisfactory to Purchaser acting reasonably, that the AER will accept and process the transfer to Purchaser of all AER Licenses subject only to the payment by Purchaser to the AER of any security deposits required by the AER relating to Purchaser's licensee liability rating in respect of the AER Licenses and not that of the Debtor; and
- (h) **Court Approval:** the Court Approval shall have been obtained.

The foregoing conditions shall be for the benefit of the Purchaser and may, without prejudice to any of the rights of the Purchaser hereunder (excluding reliance on or enforcement of any representations, warranties or covenants dealing with the subject of or similar to the condition waived), be waived by it by notice to the Vendor in writing, in whole or in part, at any time, provided that the Purchaser is not entitled to waive the Court Approval condition contained in Section 5.2(h). The Purchaser shall proceed diligently and in good faith and use all reasonable efforts to fulfill and assist in the fulfillment of the foregoing conditions. In case any of the said conditions shall not be complied with, or waived by the Purchaser at or before the Closing Date, the Purchaser may terminate this Agreement by written notice to the Vendor.

ARTICLE 6 CLOSING DELIVERIES

6.1 Vendor Closing Deliveries

At Closing, the Vendor shall table the following:

- (a) a certified copy of the Court Approval;
- (b) a copy of the Final Statement of Adjustments;

- (c) a certificate of the Vendor substantially in the form attached hereto as Schedule "C" dated as of the Closing Date;
- (d) a receipt for the Closing Payment;
- (e) the certificate of the Vendor substantially in the form attached as a schedule to the Court Approval;
- (f) the General Conveyance, fully executed by the Vendor; and
- (g) the Conveyance Documents, to the extent prepared on or by the Closing Date in accordance with Section 6.4(a).

6.2 Purchaser's Closing Deliveries

At Closing, Purchaser shall table the following:

- (a) the Closing Payment;
- (b) a certificate of a senior officer of Purchaser substantially in the form attached hereto as Schedule "D" dated as of the Closing Date; and
- (c) the General Conveyance, fully executed by Purchaser.

6.3 Deliveries

Vendor shall deliver or cause to be delivered to Purchaser within five (5) Business Days following Closing, the original copies of the Title and Operating Documents and any other agreements and documents in its possession related to the Assets and the original copies of contracts, agreements, records, books, documents, licenses, reports and data included in the Miscellaneous Interests which are now in the possession of Vendor. Notwithstanding the foregoing, if and to the extent such contracts, agreements, records, books, documents, licenses, reports and data also pertain to interests other than the Assets, at Vendor's expense, photocopies or other copies may be provided to Purchaser in lieu of original copies.

6.4 Conveyances

- (a) The Vendor shall provide at the Closing Date the Conveyance Documents, but no such documents shall require the Vendor to assume or incur any obligation, or to provide any representation or warranty, beyond that contained in this Agreement. The Purchaser shall execute and promptly return to the Vendor at least one copy of each such document and shall use all reasonable efforts to obtain timely execution and return of such documents by Third Parties wherever required. Notwithstanding the foregoing, the Parties agree that any assignments in the form of electronic transfers, including the AER License transfers, shall be completed and submitted at Closing.
- (b) The Vendor shall promptly register in the applicable registry all registrable transfers and conveyances of its interests in the Assets and the Vendor shall make application to all applicable Government Authorities to change the recorded name of the licensee of the Wells and Tangibles. All costs incurred in registering any

transfers and conveyances inclusive of well license transfers, and all costs of registering any further assurances required to convey the Assets, shall be borne by the Purchaser.

6.5 License and Authorization Transfers

- (a) At least five (5) Business Days prior to the Closing Date, the Purchaser shall communicate with the AER to determine all conditions and deposits which the AER will require in order for the AER to approve the transfer by the Vendor to the Purchaser of any and all AER Licenses, and shall advise the Vendor in writing of such conditions and required deposits. In such case, forthwith after Closing, the Purchaser shall satisfy the deposit requirements of the AER in order to approve any of those license and authorization transfers to the Purchaser. The Purchaser further covenants to comply with all conditions imposed by the AER in respect of such transfers.
- (b) Prior to Closing, the Vendor shall have prepared and, at Closing, will electronically submit an application to the AER for the transfer of any Wells and any Tangibles held in the name of the Debtor and the Purchaser shall promptly accept and concur to such electronic transfer.
- (c) Should the AER deny any license transfer because of mis-description or other minor deficiencies in the application, the Vendor shall, within two (2) Business Days, correct the application and amend and re-submit an application for the license transfers and the Purchaser shall electronically ratify and sign such application.
- (d) If the Purchaser fails to satisfy the conditions or deposit obligations referred to in Section 6.5(a) with respect to one or more AER Licenses within 10 days of the AER or the Vendor requiring it, the Vendor may elect to have no further obligations hereunder in respect of such AER Licenses and any assets to which such AER Licenses relate and shall be entitled to surrender and abandon such AER Licenses and Assets without any abatement of or adjustment to the Purchase Price.

ARTICLE 7 LIABILITIES AND INDEMNITIES

7.1 General Indemnity

If Closing occurs, the Purchaser shall, without any further necessary action on the part of the Vendor or the Purchaser:

- (a) assume, perform, pay, discharge and be liable to the Vendor for; and
- (b) as a separate covenant, save and hold harmless and indemnify the Vendor and each other Vendor Entity from and against,

all Losses and Liabilities suffered, sustained, paid or incurred by any of them to the extent arising or accruing on or after the Effective Time on the Effective Date and which relate to the Assets or the terms and conditions of the Title and Operating Documents, including but not limited to all Losses and Liabilities attributable to the operation, ownership, use, construction or maintenance of the Assets arising or accruing on or after the Effective Time on the Effective Date. The Purchaser's indemnity obligation set forth in this Section 7.1 shall survive the Closing Date indefinitely.

7.2 Environmental Indemnity

- (a) The Purchaser acknowledges that it:
 - (i) is familiar with the condition of the Assets, including the past and present use of the Assets, and it has been provided with the right and the opportunity to conduct due diligence investigations with respect to existing or potential Environmental Liabilities pertaining to the Assets; and
 - (ii) is not relying upon any representation or warranty of the Vendor as to the condition, environmental or otherwise, of the Assets.
- (b) The Purchaser agrees that once Closing has occurred the Vendor shall have no liability whatsoever for any Environmental Liabilities. In this regard, once Closing has occurred, the Purchaser shall, without any further necessary action on the part of the Vendor or the Purchaser:
 - (i) be solely liable and responsible for all of the Vendor's Losses and Liabilities; and
 - (ii) as a separate covenant, indemnify, save and hold the Vendor and each other Vendor Entity harmless from and against all Losses and Liabilities that may be brought against or which they or any one of them may suffer, sustain, pay or incur;

as a result of any act, omission, matter or thing related to any Environmental Liabilities arising, however and whenever arising or occurring, and the Purchaser shall assume, perform, pay and discharge all Environmental Liabilities. This liability and indemnity shall apply without limit and without regard to cause or causes, including the negligence, whether sole, concurrent, gross, active, passive, primary or secondary, or the wilful or wanton misconduct of the Vendor or the Purchaser or any other person or otherwise. The Purchaser acknowledges and agrees that it shall not be entitled to any rights or remedies as against the Vendor or any Vendor Entity under the common law or statute pertaining to any Environmental Liabilities, including the right to name the Vendor or any Vendor Entity as a 'third party' to any action commenced by any Person against the Purchaser. The Purchaser's indemnity obligation set forth in this Section 7.2(b) shall survive the Closing Date indefinitely.

7.3 No Merger

There shall not be any merger of any liability or indemnity hereunder in any assignment, conveyance, transfer or document delivered pursuant hereto notwithstanding any rule of law, equity or statute to the contrary and all such rules are hereby waived.

7.4 Holding of Indemnities

The Vendor will hold the indemnities contained in Sections 7.1 and 7.2 in trust on behalf of all of the other Vendor Entities and may enforce the same on their behalf.

ARTICLE 8 TERMINATION

8.1 Grounds for Termination

This Agreement may be terminated at any time prior to Closing;

- (a) by mutual written agreement of the Vendor and the Purchaser;
- (b) by either the Vendor or the Purchaser pursuant to the provisions of Articles 5.1 or 5.2, as applicable; or
- (c) by either the Vendor or the Purchaser if Closing has not occurred on or before January 30th, 2016.

8.2 Effect of Termination

If this Agreement is terminated by the Vendor or the Purchaser as permitted under Section 8.1, then Sections 2.2(d) and (e), this Section 8.2, Article 9 and Section 10.7 shall remain in full force and effect following any such permitted termination.

ARTICLE 9 CONFIDENTIALITY, PUBLIC ANNOUNCEMENTS AND SIGNS

9.1 Confidentiality

Each Party agrees to keep in strict confidence:

- (a) subject to Section 9.2, all information regarding the terms of this Agreement; and
- (b) any information exchanged or received in connection with:
 - (i) the performance of due diligence by the Purchaser prior to or after the date hereof (including due diligence conducted under or in connection with this Agreement); or
 - (ii) negotiation or drafting of this Agreement,

provided that a Party shall be entitled to disclose all information as may be required or desirable in connection with obtaining the Court Approval. If this Agreement is terminated, each Party upon request will promptly return to the other Party all documents, contracts, records or other information received by it that disclose or embody confidential information of the other Party.

9.2 Public Announcements

- (a) If a Party intends to issue a press release or other public disclosure of this Agreement, the terms hereof or the transactions contemplated herein, the disclosing Party shall provide the other Parties with an advance copy of any such press release or other public disclosure with sufficient time to enable the other Parties to review such press release or other public disclosure and advise of any comments they may have with respect thereto.
- (b) Notwithstanding Section 9.1 or 9.2(a), a Party may release or provide information about the Transaction insofar as is required by Applicable Laws (including as may

be required to obtain Court Approval) or stock exchange requirements applicable to the disclosing Party or its Affiliates; provided that such disclosing Party shall make reasonable commercial efforts to provide the other Parties with the details of the nature and substance of such required disclosure as soon as practicable end in any event prior to such disclosure. A Party may provide information about the Transaction to a bank or other financial institution to obtain financing or any required consent of the bank or other financial lender of such Party or any of its Affiliates. A Party may also disclose such information pertaining to this Agreement, including the identity of the Parties, insofar as is required to enable such Party to fulfil its obligations under this Agreement, including obtaining any approvals or consents to the Transaction required from Governmental Authorities (including Court Approval) or Third Parties.

9.3 Signs

Within sixty (60) days following the Closing Date, the Purchaser shall remove the names of the Vendor, the Debtor and their Affiliates and predecessors from all signs located at or near the Wells or any Tangibles. If the Purchaser fails to comply with the foregoing, the Vendor shall have the right, at its discretion, to remove its name as aforesaid and the Purchaser shall be responsible for and shall reimburse such Vendor for all reasonable costs incurred by such Vendor in so doing.

ARTICLE 10 MISCELLANEOUS

10.1 Service of Notices

Any Communication must be in writing and either delivered personally or by courier, sent by prepaid registered mail or transmitted by facsimile, e-mail or functionally equivalent electronic means of transmission, charges (if any) prepaid.

Any Communication must be sent to the intended recipient at its address as follows:

the Purchaser:
Toro Oil & Gas Ltd.
2200, 250 5th
Street SW
Calgary, AB
T2P 0R4

Attention: Kellie D'Hondt, Vice President, Land & Business Development
Email: Kellie.dhondt@torooil.com

the Vendor:

Deloitte Restructuring Inc., in its capacity as court appointed
receiver of certain property and assets of Sekur Energy
Management Corp., and not in its personal capacity
700, 850 – 2nd Street SW
Calgary, Alberta T2P 0R8

Attention: Jeff Keeble, Senior Vice President
Email: jkeeble@deloitte.ca

With a copy to:

Gowlings Lafleur Henderson LLP
1600, 421 7th Avenue SW
Calgary, Alberta T2P 4K9

Attention: Tom Cumming
Email: Tom.Cumming@gowlings.com

or at any other address as any Party may at any time advise the other by Communication given or made in accordance with this Section 10.1. Any Communication delivered to the Party to whom it is addressed will be deemed to have been given or made and received on the day it is delivered at that Party's address, provided that if that day is not a Business Day then the Communication will be deemed to have been given or made and received on the next Business Day. Any Communication sent by prepaid registered mail will be deemed to have been given or made and received on the fifth Business Day after which it is mailed. If a strike or lockout of postal employees is then in effect, or generally known to be impending, every Communication must be delivered personally or by courier or transmitted by facsimile, e-mail or functionally equivalent electronic means of transmission. Any Communication transmitted by facsimile, e-mail or other functionally equivalent electronic means of transmission will be deemed to have been given or made and received on the day on which it is transmitted; but if the Communication is transmitted on a day which is not a Business Day or after 5:00 pm (local time of the recipient), the Communication will be deemed to have been given or made and received on the next Business Day.

10.2 Governing Law

This Agreement shall, in all respects, be subject to and be interpreted, construed and enforced in accordance with the laws in effect in the Province of Alberta and to the laws of Canada applicable therein.

10.3 Resolution of Disputes

- (a) Each Party hereby irrevocably and unconditionally submits, for itself and its property, to the exclusive jurisdiction of the Court, and waives any defences it might have regarding jurisdiction in any action or proceeding arising out of or relating to this Agreement or any ancillary agreement to which it is a Party, or for recognition or enforcement of any judgment in respect thereof, and each Party hereto hereby irrevocably and unconditionally agrees that all Claims in respect of any such action or proceeding may be heard and determined by the Court.
- (b) Each Party hereby irrevocably and unconditionally waives, to the fullest extent it may legally and effectively do so, any objection that it may now or hereafter have to the laying of venue of any action or proceeding arising out of or relating to this Agreement or any ancillary agreement to which it is a Party in any court of competent jurisdiction in the Province of Alberta. Each of the Parties hereto hereby irrevocably waives, to the fullest extent permitted by Applicable Law, the defence of an inconvenient forum to the maintenance of such action or proceeding in any such court.

10.4 Personal Information

The Purchaser covenants and agrees to use and disclose any personal information contained in any of the books, records or files transferred to the Purchaser or otherwise obtained by the Purchaser in connection with the Transaction only for those purposes for which it was initially collected from or in respect of the individual to which such information relates or as otherwise permitted or authorized by Applicable Law. The Purchaser's obligations set forth in this Section 10.4 shall survive the Closing Date indefinitely.

10.5 Assignment

- (a) Neither Party may assign their interest in or under this Agreement or to the Assets without the prior written consent of the other Party, which consent may be withheld in such other Party's sole and unfettered discretion. provided that, subject to Section 10.5(b), following Closing, Purchaser may assign its interest in or under this Agreement or to the Assets (or any of them) in its sole and absolute discretion.
- (b) No assignment, transfer, or other disposition of this Agreement or the Assets or any portion of the Assets shall relieve the Purchaser from its obligations to the Vendor herein. The Vendor shall have the option to claim performance or payment of the obligations from the Purchaser or the assignee or transferee, and to bring proceedings in the event of default against either or all of them, provided that nothing herein shall entitle the Vendor to receive duplicate performance or payment of the same obligation.

10.6 Remedies Cumulative

No failure on the part of any Party to exercise any right or remedy will operate as a waiver thereof. A Party will not be precluded from exercising any right available to it at law, equity or by statute because of its exercise of any single or partial right, and a Party may exercise any such remedies independently or in combination.

10.7 Costs

Except as otherwise specified in this Agreement, each Party shall pay its respective costs incurred in connection with the preparation, negotiation and execution of this Agreement and the consummation of the Transaction.

10.8 No Waiver

No waiver by any Party of any breach of any of the terms, conditions, representations or warranties in this Agreement shall take effect or be binding upon that Party unless the waiver is expressed in writing under the authority of that Party and any waiver so given shall extend only to the particular breach so waived and shall not limit or affect any rights with respect to any other or future breach.

10.9 Entire Agreement

This Agreement constitutes the entire agreement between the Parties with respect to the subject matter hereof, and the Parties agree and confirm that this Agreement cancels and supersedes any prior understandings and agreements between the Parties hereto with respect to the subject matter hereof, but expressly excluding the Non-Disclosure Agreement which shall continue to apply in

accordance with its terms. No modification of or amendment to this Agreement shall be valid or binding unless set forth in writing and duly executed by the Parties.

10.10 Paramountcy

In the event of a conflict in or between the provisions of this Agreement and the provisions of the General Conveyance or any Conveyance Documents then, despite anything contained in such General Conveyance or any Conveyance Documents, the provisions of this Agreement will prevail and the provisions of such General Conveyance or any Conveyance Documents will be deemed to be amended to the extent necessary to eliminate such conflict.

10.11 Further Assurances

From time to time, as and when reasonably requested by the other Party, a Party shall execute and deliver or cause to be executed and delivered all such documents and instruments and shall take or cause to be taken all such further or other actions to implement or give effect to the Transaction, provided such documents, instruments or actions are consistent with the provisions of this Agreement. All such further documents, instruments or actions shall be delivered or taken at no additional consideration other than reimbursement of any expenses reasonably incurred by the Party providing such further documents or instruments or performing such further acts, by the Party at whose request such documents or instruments were delivered or acts performed.

10.12 Time of the Essence

Time shall be of the essence in this Agreement.

10.13 Enurement

This Agreement shall be binding upon and shall enure to the benefit of the Parties and their respective heirs, executors, successors and permitted assigns.

10.14 Severability

In the case any of the provisions of this Agreement should be invalid, illegal or unenforceable in any respect, the validity, legality or enforceability of the remaining provisions contained herein shall not in any way be affected or impaired thereby.

10.15 No Third Party Beneficiaries

Except as expressly provided in Sections 3.2(b), 4.2, 4.4, 7.1, 7.2, 7.3 and 7.4, the Parties do not intend, nor will any Section of this Agreement be interpreted to create, any obligation to, or benefit from, any Person other than a Party.

[the remainder of this page intentionally left blank]

10.16 Counterpart Execution

This Agreement may be executed in counterpart and all executed counterparts together shall constitute one agreement. This Agreement shall not be binding upon any Party unless and until executed by all Parties. Delivery of an executed signature page to this Agreement by any party by electronic transmission will be as effective as delivery of a manually executed copy of the Agreement by such party.

IN WITNESS WHEREOF the Parties have executed this Agreement as of the date first above written


DELOITTE RESTRUCTURING INC., in its capacity as court appointed receiver of the assets, undertakings and properties of **Sekur Energy Management Corp.**, and not in its personal capacity

TORO OIL & GAS LTD.

Per: _____
Name: _____
Title: _____

Per: 
Name: _____
Title: **Kellie D'Hondt**
VP Land & Business Development

Per: _____
Name: _____
Title: _____

Per: 
Name: _____
Title: **Neil Wilson, P.Eng.**
Vice President, Engineering
Toro Oil & Gas Ltd.

[This is the execution page to the Asset Purchase and Sale Agreement dated November 13, 2015 between Deloitte Restructuring Inc., in its capacity as court appointed receiver of certain property and assets of Sekur Energy Management Corp., and not in its personal capacity, and Toro Oil & Gas Ltd., a corporation incorporated pursuant to the laws of Alberta.]

SCHEDULE "A"

Attached to and made a part of that Asset Purchase and Sale Agreement dated November 13th, 2015.

All land, equipment, facilities, pipelines required to produce the well(s) listed in Part 2. The list was derived using the information provided in the disposition and public data but may not reflect the actual interests of the Debtor and in such case can be amended to add or subtract the actual disposition interests in the land, equipment, facilities, pipelines and land to produce the well(s) listed in Part 2.

Part 1 - Lands, Leases and Petroleum and Natural Gas Rights

Legal Description	Lease Number	Rights	Crown / Freehold	Working Interest	Gross Hectares	Net Hectares	Expiry / Ext.	NPI Payable to
035-10W4: 6	498100029	All PNG TB Basal Colorado	C	60%	256	153.6	15	
035-09W4: S & NE 6	25044-A	PNG TB Viking	C	100%	192	192	15	Taqa
035-09W4: NW 6	25044	NG in BR; NG in Lea Park	C	100%	64	64	15	Taqa
035-09W4: SW 7	11862-A	All PNG TB Viking	C	100%	64	64	15	Taqa
035-09W4: NW 7	118624A	All PNG TB Viking	C	100%	64	64	15	Taqa
035-09W4: E7; E18; E19	32511	All PNG TB Viking	C	100%	384	384	15	Taqa
035-09W4: SW 18	43051	All PNG TB Viking	C	100%	64	64	15	Taqa
035-09W4: NW 29	25072A	All PNG To TOP Viking	C	100%	64	64	15	Taqa
035-09W4: NW 29	25072A	All PNG in the Viking	C	100%			15	Apache
035-09W4: NW27	PCP PL 15628	All PNG (excluding PNG in Vik)	FH	100%	64	64	HBP	Taqa
035-09W4: NW27	PCP PL 15628	PNG in Viking	FH	100%	0	0	HBP	Apache
035-09W4: NE27	PCP PL 16492	All PNG (excluding PNG in Vik)	FH	100%	64	64	HBP	Taqa
035-09W4: NE27	PCP PL 16492	PNG in Viking	FH	100%	0	0	HBP	Apache
035-09W4: E30	25072B	All PNG to base Viking	C	91%	128	116.48	15	Taqa
035-09W4: N & SE 32	499100282	All PNG TB Viking	C	25%	192	48	15	
035-09W4: LSD 12 Sec 5	25041	All PNG TB Viking	C	35%	16	5.6	15	
035-09W4: LSD 5, 11, 13, 14 Sec 5	25041	All PNG TB Viking	C	50%	64	32	15	
036-10W4: 29	499010047	PNG BB Viking TB Colorado	C	100%	256	256	15	
034-09W4: NW 31	485110194	All PNG TB Viking	C	100%	64	64	15	Taqa
034-09W4: NW 32	401080381	All PNG TB Viking	C	100%	64	64	15	
037-11W4: 16	497090085	All PNG TB Mannville	C	100%	256	256	15	
034-06W4: 25	401060381	PNG FB Viking	C	100%	256	256	15	
037-07W4:N & SW 22	519-B	PNG in Viking	C	0%	192	0.51629	15	

Part 2 - Wells

102/04-06-035-10W4/0
 102/10-29-036-10W4/0
 100/08-16-037-11W4/0
 100/09-06-035-09W4/0
 100/16-06-035-09W4/0

100/08-07-035-09W4/0
 100/12-17-035-09W4/0
 1F1/06-18-035-09W4/0
 103/10-19-035-09W4/0
 100/09-27-035-09W4/0
 100/10-27-035-09W4/0
 100/11-27-035-09W4/0
 100/15-27-035-09W4/0
 100/14-29-035-09W4/0
 100/02-30-035-09W4/0
 100/10-30-035-09W4/0
 100/15-30-035-09W4/0
 100/16-32-035-09W4/0
 100/03-25-034-06W4/0
 100/03-25-034-06W4/2
 100/11-22-037-07W4/0

Part 3 – Facilities

Facilities	Type	ERCB Facility #
N/A		

Part 4 – Acquired Pipelines

Pipelines	ERCB Approval #	Line #	Status
N/A			

Part 5 – Proprietary Seismic

N/A

SCHEDULE "B"

Attached to and made part of that Asset Purchase and Sale Agreement dated November 13th, 2015.

GENERAL CONVEYANCE

This General Conveyance made this • day of •, 2015.

BETWEEN:

DELOITTE RESTRUCTURING INC., in its capacity as court appointed receiver of the assets, undertakings and properties of Sekur Energy Management Corp., and not in its personal capacity ("**Vendor**")

- and -

TORO OIL & GAS LTD., a corporation incorporated pursuant to the laws of the Province of Alberta (the "**Purchaser**")

WHEREAS the Vendor has agreed to sell and convey the Debtor's entire right, title, estate and interest in the Assets to the Purchaser and the Purchaser has agreed to purchase and accept all of the Debtor's rights, title, estate and interest in and to the Assets.

THE PARTIES AGREE AS FOLLOWS:

1. Definitions

In this General Conveyance, including the recitals, "Agreement" means the Asset Purchase and Sale Agreement dated November 13th, 2015, between the Vendor and the Purchaser and, in addition, the definitions provided for in the Agreement are adopted in this General Conveyance.

2. Conveyance

The Vendor, for the consideration provided for in the Agreement, the receipt and sufficiency of which is acknowledged by the Vendor, hereby sells, assigns, transfers and conveys the entire right, title, benefit and interest of the Debtor in and to the Assets to the Purchaser, its successors and assigns, and the Purchaser purchases and accepts such interests from the Vendor, TO HAVE AND TO HOLD the same absolutely, subject to the terms of the Agreement, the Permitted Encumbrances and compliance with the terms of the Leases and all other Title and Operating Documents.

3. Effective Time

This General Conveyance and the transfer of title to and possession of the Debtor's interest in and to the Assets will, subject to the terms of the Agreement, be effective as of the Closing Date.

4. Subordinate Document

This General Conveyance is executed and delivered by the Parties pursuant to the Agreement for

the purposes of the provisions of the Agreement, and the terms hereof shall be read on conjunction with the terms of the Agreement. If there is a conflict between the provisions of the Agreement and this General Conveyance, the provisions of the Agreement shall prevail to the extent of the conflict.

5. **Enurement**

This General Conveyance enures to the benefit of and is binding; upon the Parties and their respective successors and permitted assigns.

6. **Further Assurances**

Each Party shall, after the date of this General Conveyance, at the request of the other Party and without further consideration, do all further acts and execute and deliver all further documents which are reasonably required to perform and carry out the terms of this General Conveyance.

7. **Governing Law**

This General Conveyance will be governed by and construed in accordance with the laws of the Province of Alberta.

IN WITNESS WHEREOF the Parties have duly executed this General Conveyance.

DELOITTE RESTRUCTURING INC., in its capacity as court appointed receiver of the assets, undertakings and properties of **Sekur Energy Management Corp.**, and not in its personal capacity

TORO OIL & GAS LTD.

Per: _____
Name: _____
Title: _____

Per: _____
Name: _____
Title: _____

Per: _____
Name: _____
Title: _____

Per: _____
Name: _____
Title: _____

SCHEDULE "C" - VENDOR'S OFFICER'S CERTIFICATE

Attached to and made part of that Asset Purchase and Sale Agreement dated November 13th, 2015.

VENDOR'S OFFICER'S CERTIFICATE

Re: Section 5.2(a) of the Asset Purchase and Sale Agreement ("**Agreement**") dated November 13th, 2015, between Deloitte Restructuring Inc., in its capacity as court appointed receiver of the assets, undertakings and properties of Sekur Energy Management Corp., and not in its personal capacity, as the Vendor and [INSERT PURCHASER NAME] as the Purchaser.

Unless otherwise stated, the definitions provided for in the Agreement are adopted in this Certificate.

I, **Jeff Keeble, Senior Vice-President**, hereby certify that:

1. Each of the representations and warranties of the Vendor contained in Section 4.1 of the Agreement is true and correct in all material respects as of the Closing Date.
2. All Closing conditions for the benefit of the Vendor, pursuant to Section 5.1 of the Agreement, have been satisfied or waived.
3. This Certificate is made for and on behalf of the Vendor and is binding upon it, and I am not incurring and will not incur any personal liability whatsoever with respect to it.
4. This Certificate is made with full knowledge that the Purchaser is relying on the same for the Closing of the Transaction.

IN WITNESS WHEREOF I have executed this Certificate the ● day of ●, 2015.

Name: Kellie D'Hondt
 Title: Vice President, Land &
 Business Development

SCHEDULE "D" - PURCHASER'S OFFICER'S CERTIFICATE

Attached to and made part of that Asset Purchase and Sale Agreement dated November 13th, 2015.

Re: Section 5.1(a) of the Asset Purchase and Sale Agreement ("**Agreement**") dated November 13th, 2015, between Deloitte Restructuring Inc., in its capacity as court appointed receiver of the assets, undertakings and properties of Sekur Energy Management Corp., and not in its personal capacity, as the Vendor and [INSERT PURCHASER NAME] as the Purchaser.

Unless otherwise stated, the definitions provided for in the Agreement are adopted in this Certificate.

I, **[Name]**, **[Title]**, hereby certify that:

1. Each of the representations and warranties of the Purchaser contained in Section 4.3 of the Agreement is true and correct in all material respects as of the Closing Date.
2. All Closing conditions for the benefit of the Purchaser, pursuant to Section 5.2 of the Agreement, have been satisfied or waived.
3. This Certificate is made for and on behalf of the Purchaser and is binding upon it, and I am not incurring and will not incur any personal liability whatsoever with respect to it.
4. This Certificate is made with full knowledge that the Vendor is relying on the same for the Closing of the Transaction.

IN WITNESS WHEREOF I have executed this Certificate the ● day of ●, 2015.

Name: Kellie D'Hondt
 Title: Vice President, Land &
 Business Development

SCHEDULE "E" - FORM OF COURT ORDER

Attached to and made part of that Asset Purchase and Sale Agreement dated November 13th, 2015.

SCHEDULE "A"

COURT FILE NUMBER	1501-09213	Clerk's Stamp
COURT	COURT OF QUEEN'S BENCH OF ALBERTA	
JUDICIAL CENTRE	CALGARY	
PLAINTIFF	COMPUTERSHARE TRUST COMPANY OF CANADA, IN ITS CAPACITY AS COLLATERAL AGENT FOR GUGGENHEIM CORPORATE FUNDING, LLC	
DEFENDANT	SEKUR ENERGY MANAGEMENT CORP.	
MATTER	IN THE MATTER OF THE RECEIVERSHIP OF SEKUR ENERGY MANAGEMENT CORP.	
DOCUMENT	APPROVAL AND VESTING ORDER (Sale by Receiver)	
ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT	Gowling Lafleur Henderson LLP 1600, 421 – 7 Avenue SW Calgary, Alberta T2P 4K9 Telephone (403) 298-1000 Facsimile (403) 695-3558 File No. A128622 Attention: Tom Cumming / Jeff Oliver	

DATE ON WHICH ORDER WAS PRONOUNCED: ●, 2015

LOCATION WHERE ORDER WAS PRONOUNCED: Calgary Courts Centre

NAME OF JUSTICE WHO MADE THIS ORDER: The Honourable M● Justice ●

UPON THE APPLICATION by Deloitte Restructuring Inc., in its capacity as the Court-appointed receiver and manager (the "**Receiver**") of the assets, undertakings and properties of Sekur Energy Management Corp. (the "**Debtor**") for an order approving the sale transaction (the "**Transaction**")

contemplated by an asset purchase and sale agreement dated as of November 10th, 2015 (the “**Sale Agreement**”) between the Receiver and ● (the “**Purchaser**”), which Sale Agreement is appended in redacted form as Exhibit “●” to the Report of the Receiver dated ●, 2015 (the “**Report**”), and in unredacted form as Exhibit “●” to the Confidential Addendum to the Report dated the same date and filed in the within proceedings (the “**Confidential Addendum**”), and vesting in the Purchaser the Debtor’s right, title and interest in and to the Purchased Assets (as defined below);

AND UPON HAVING READ the Receivership Order dated August 12, 2015 (the “**Receivership Order**”), the Report of the Receiver, the Confidential Addendum and the Affidavit of Service of Richard Comstock; **AND UPON HEARING** the submissions of counsel for the Receiver, the Purchaser, [Names of other parties appearing], no one appearing for any other person on the service list, although properly served as appears from the Affidavit of Service, 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.

APPROVAL OF TRANSACTIONS

2. The Transaction is hereby approved, and the execution of the Sale Agreement by the Receiver is hereby authorized and approved, with such minor amendments as the Receiver may deem necessary. The Receiver is hereby authorized and directed to take such additional steps and 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

3. Upon the delivery of a Receiver’s certificate to the Purchaser substantially in the form set out in **Schedule “A”** hereto (the “**Receiver’s Certificate**”), subject to the permitted encumbrances, caveats, easements and restrictive covenants listed on **Schedule “B”** hereto (the “**Permitted Encumbrances**”) [*and subject to approval by the Alberta Energy Regulator of the transfer of applicable licenses, permits and approvals pursuant to section 24 of the Oil and Gas Conservation Act and section 18 of the Pipeline Act,*] [ntd: **applicable if Sekur holds the AER licenses**] all of the

Debtor's right, title and interest in and to the property and assets of the Debtor described as the "Assets" in the Sale Agreement and listed on **Schedule "C"** hereto (collectively, the "**Purchased Assets**") shall vest absolutely in the name of the Purchaser, free and clear of and from any and all security interests (whether contractual, statutory, or otherwise), hypothecs, caveats, mortgages, trusts or deemed trusts (whether contractual, statutory, or otherwise), liens, executions, levies, charges, or other financial or monetary claims, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise (collectively, the "**Claims**") including, without limiting the generality of the foregoing:

- (a) any encumbrances or charges created by the Receivership Order;
- (b) all charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* (Alberta) or any other personal property registry system; and
- (c) all other claims other than the Permitted Encumbrances

(all of which are collectively referred to as the "**Encumbrances**"); and, for greater certainty, this Court orders that all of the Encumbrances affecting or relating to the Purchased Assets are hereby expunged and discharged as against the Purchased Assets.

4. The Minister of Energy for Alberta, acting pursuant to the *Mines and Minerals Act* (Alberta), shall cancel and discharge all Claims registered against the interests of the Debtor in respect of the Purchased Assets, including without limitation:
 - (a) all security notices and assignments under section 426 (formerly section 177) of the *Bank Act* (Canada); and
 - (b) all Claims in the nature of builders' liens.
5. The Receiver is hereby authorized to execute for and on behalf of the Debtor all conveyances, assignments, transfers, novations, notices of assignment and other documents necessary or desirable in order to convey, assign and transfer title to the Purchased Assets to the Purchaser and to novate the Purchaser into any contracts, licenses, permits, approvals or authorizations included in the Purchased Assets.
6. For the purposes of determining the nature and priority of Claims, the net proceeds from the sale of the Purchased Assets (to be held in an interest bearing trust account by the Receiver) shall stand in the place and stead of the Purchased Assets, and from and after the delivery of the Receiver's Certificate all Claims and Encumbrances shall attach to the net proceeds from the sale of the

Purchased Assets with the same priority as they had with respect to the Purchased Assets immediately prior to the sale, as if the Purchased Assets had not been sold and remained in the possession or control of the person having that possession or control immediately prior to the sale.

7. The Purchaser shall, by virtue of the completion of the Transaction, have no liability of any kind whatsoever in respect of any Claims against the Debtor.
8. The Debtor and all persons who claim by, through or under the Debtor in respect of the Purchased Assets, save and except for the persons entitled to the benefit of the Permitted Encumbrances, shall stand absolutely barred and foreclosed from all estate, right, title, interest, royalty, rental and equity of redemption of the Purchased Assets and, to the extent that any such persons remains in possession or control of any of the Purchased Assets, they shall forthwith deliver possession thereof to the Purchaser.
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 the Debtor, or any person claiming by or through or against the Debtor.
10. Immediately after the closing of the Transaction, the holders of the Permitted Encumbrances shall have no claim whatsoever against the Receiver or the Debtor.
11. The Receiver is to file with the Court a copy of the Receiver's Certificate, forthwith after delivery thereof to the Purchaser.
12. 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 Receiver is authorized and permitted to disclose and transfer to the Purchaser all human resources and payroll information in the Debtor's records pertaining to the Debtor's past and current employees, including personal information of those employees listed in the Sale 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 Debtor.
13. 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) in respect of the Debtor and any bankruptcy order issued pursuant to any such applications; and
- (c) any assignment in bankruptcy made in respect of the Debtor,

the vesting of the Purchased Assets in the Purchaser pursuant to this Order shall be binding on any trustee in bankruptcy that may be appointed in respect of the Debtor and shall not be void or voidable by creditors of the Debtor, nor shall it constitute nor be deemed to be a settlement, fraudulent preference, assignment, fraudulent conveyance, transfer at undervalue, or other reviewable transaction under the *Bankruptcy and Insolvency Act* (Canada) or any other applicable federal or provincial legislation, nor shall it constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

- 14. The Receiver, the Purchaser and any other interested party, shall be at liberty to apply for further advice, assistance and directions as may be necessary in order to give full force and effect to the terms of this Order and to assist and aid the parties in closing the Transaction.

MISCELLANEOUS MATTERS

- 15. 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 Receiver and its agents in carrying out the terms of this Order. All courts, tribunals regulatory and administrative bodies are hereby respectfully requested to make such orders as to provide such assistance to the Receiver, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the Receiver and its agents in carrying out the terms of this Order.
- 16. 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.
- 17. 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 Receiver's Certificate

COURT FILE NUMBER	1501-09213	<div>Clerk's Stamp</div>
COURT	COURT OF QUEEN'S BENCH OF ALBERTA	
JUDICIAL CENTRE	CALGARY	
PLAINTIFF	COMPUTERSHARE TRUST COMPANY OF CANADA, IN ITS CAPACITY AS COLLATERAL AGENT FOR GUGGENHEIM CORPORATE FUNDING, LLC	
DEFENDANT	SEKUR ENERGY MANAGEMENT CORP.	
MATTER	IN THE MATTER OF THE RECEIVERSHIP OF SEKUR ENERGY MANAGEMENT CORP.	
DOCUMENT	RECEIVER'S CERTIFICATE	
ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT	Gowling Lafleur Henderson LLP 1600, 421 – 7 Avenue SW Calgary, Alberta T2P 4K9 Telephone (403) 298-1000 Facsimile (403) 695-3558 File No. A128622	

Attention: Tom Cumming / Jeffrey Oliver

RECITALS

- A. Pursuant to an Order of the Honourable Madam Justice Horner of the Court of Queen's Bench of Alberta, Judicial District of Calgary (the "**Court**") dated August 12, 2015, Deloitte Restructuring Inc. was appointed as the receiver and manager (the "**Receiver**") of the assets, undertakings and properties of Sekur Energy Management Corp. (the "**Debtor**").
- B. Pursuant to an Order of the Honourable M● Justice ● of the Court dated ●, 2015, the Court approved the asset purchase and sale agreement made as of ●, 2015 (the "**Sale Agreement**") between the Receiver and ● (the "**Purchaser**") and provided for the vesting in the Purchaser of the Debtor'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 Receiver to the Purchaser of a certificate confirming (i) the payment by the Purchaser of the Purchase Price for the Purchased Assets; (ii) that the conditions to Closing as set out in Article 9 of the Sale Agreement have been satisfied or waived by the Receiver and the Purchaser; and (iii) the Transaction has been completed to the satisfaction of the Receiver.

- C. Unless otherwise indicated herein, terms with initial capitals have the meanings set out in the Sale Agreement.

THE RECEIVER CERTIFIES the following:

1. The Purchaser has paid and the Receiver has received the Purchase Price for the Purchased Assets payable on the Closing Date pursuant to the Sale Agreement;
2. The conditions to Closing as set out in Article 5 of the Sale Agreement have been satisfied or waived by the Receiver and the Purchaser; and
3. The Transaction has been completed to the satisfaction of the Receiver.
4. This Certificate was delivered by the Receiver at **[Time]** on **[Date]**.

Deloitte Restructuring Inc., in its capacity as Receiver and Manager of the assets, undertakings, properties of **Sekur Energy Management Corp.**, and not in its personal capacity
Per:

Name:
Title:

Schedule “B”

Permitted Encumbrances

Unless otherwise indicated, capitalized terms have the meanings set out in the Sale Agreement.

Permitted Encumbrances mean:

- (a) •

Schedule “C”

Description of Purchased Assets

The Purchased Assets consist of the Petroleum and Natural Gas Rights, the Tangibles and the Miscellaneous Interests, as such terms are defined in the Sale Agreement, including the following:

Lands

Legal Description	Lease Number	Rights	Crown / Freehold	Working Interest	Gross Hectares	Net Hectares	Expiry / Ext.	NPI Payable to
035-10W4: 6	498100029	All PNG TB Basal Colorado	C	60%	256	153.6	15	
035-09W4: S & NE 6	25044-A	PNG TB Viking	C	100%	192	192	15	Taqa
035-09W4: NW 6	25044	NG in BR; NG in Lea Park	C	100%	64	64	15	Taqa
035-09W4: SW 7	11862-A	All PNG TB Viking	C	100%	64	64	15	Taqa
035-09W4: NW 7	118624A	All PNG TB Viking	C	100%	64	64	15	Taqa
035-09W4: E7; E18; E19	32511	All PNG TB Viking	C	100%	384	384	15	Taqa
035-09W4: SW 18	43051	All PNG TB Viking	C	100%	64	64	15	Taqa
035-09W4: NW 29	25072A	All PNG To TOP Viking	C	100%	64	64	15	Taqa
035-09W4: NW 29	25072A	All PNG in the Viking	C	100%			15	Apache
035-09W4: NW27	PCP PL 15628	All PNG (excluding PNG in Vik)	FH	100%	64	64	HBP	Taqa
035-09W4: NW27	PCP PL 15628	PNG in Viking	FH	100%	0	0	HBP	Apache
035-09W4: NE27	PCP PL 16492	All PNG (excluding PNG in Vik)	FH	100%	64	64	HBP	Taqa
035-09W4: NE27	PCP PL 16492	PNG in Viking	FH	100%	0	0	HBP	Apache
035-09W4: E30	25072B	All PNG to base Viking	C	91%	128	116.48	15	Taqa
035-09W4: N & SE 32	499100282	All PNG TB Viking	C	25%	192	48	15	
035-09W4: LSD 12 Sec 5	25041	All PNG TB Viking	C	35%	16	5.6	15	
035-09W4: LSD 5, 11, 13, 14 Sec 5	25041	All PNG TB Viking	C	50%	64	32	15	
036-10W4: 29	499010047	PNG BB Viking TB Colorado	C	100%	256	256	15	
034-09W4: NW 31	485110194	All PNG TB Viking	C	100%	64	64	15	Taqa
034-09W4: NW 32	401080381	All PNG TB Viking	C	100%	64	64	15	
037-11W4: 16	497090085	All PNG TB Mannville	C	100%	256	256	15	
034-06W4: 25	401060381	PNG FB Viking	C	100%	256	256	15	
037-07W4:N & SW 22	519-B	PNG in Viking	C	0%	192	0.51629	15	

Wells

Well Location	Status	Working Int.	ERCB License #
102/04-06-035-10W4/0			
102/10-29-036-10W4/0			
100/08-16-037-11W4/0			
100/09-06-035-09W4/0			
100/16-06-035-09W4/0			
100/08-07-035-09W4/0			
100/12-17-035-09W4/0			
1F1/06-18-035-09W4/0			
103/10-19-035-09W4/0			
100/09-27-035-09W4/0			
100/10-27-035-09W4/0			
100/11-27-035-09W4/0			

100/15-27-035-09W4/0
100/14-29-035-09W4/0
100/02-30-035-09W4/0
100/10-30-035-09W4/0
100/15-30-035-09W4/0
100/16-32-035-09W4/0
100/03-25-034-06W4/0
100/03-25-034-06W4/2
100/11-22-037-07W4/0

SCHEDULE "F" - ROFRs and Allocations

Attached to and made a part of that Asset Purchase and Sale Agreement dated November 13th, 2015.

ROFR Holder:

Affected Assets:

Purchase Price Allocation: \$

Appendix 3 –
Purchase and sale agreement dated
November 10, 2015 between
Bears paw Petroleum Ltd. and the
Receiver

ASSET PURCHASE AND SALE AGREEMENT

BETWEEN

**DELOITTE RESTRUCTURING INC., in its capacity as court appointed receiver of the
assets, undertakings and properties of Sekur Energy Management Corp.,
and not in its personal capacity**

(the “Vendor”)

AND

**BEARSPAW PETROLEUM LTD., a corporation incorporated pursuant to the laws of the
Province of Alberta**

(the “Purchaser”)

November 10, 2015

ASSET PURCHASE AND SALE AGREEMENT

THIS AGREEMENT made as of the 10th day of November, 2015

BETWEEN:

DELOITTE RESTRUCTURING INC., in its capacity as court appointed receiver of the assets, undertakings and properties of Sekur Energy Management Corp., and not in its personal capacity ("**Vendor**")

- and -

BEARSPAW PETROLEUM LTD., a corporation incorporated pursuant to the laws of the Province of Alberta (the "**Purchaser**")

CONTEXT

- A.** The Vendor was appointed as receiver of the Property pursuant to the Receivership Order.
- B.** The Vendor wishes to sell the Assets to the Purchaser and the Purchaser wishes to purchase the Assets from the Vendor, all upon and subject to the terms and conditions set forth in this Agreement.

ACCEPTANCE PERIOD

Should the Vendor not have executed this offer to purchase the Assets on or before November 30, 2015, this Agreement shall thereupon terminate, the Purchaser's Deposit shall be returned and each Party shall be released from all obligations and liabilities under or in connection with this Agreement.

NOW THEREFORE THIS AGREEMENT WITNESSES that in consideration of the premises, mutual covenants, agreements and warranties in this Agreement, the Parties covenant and agree as follows:

ARTICLE 1 DEFINITIONS AND INTERPRETATION

1.1 Definitions

In this Agreement, the following capitalized terms have the following meanings:

- (a) "**Abandonment and Reclamation Liabilities**" means all past, present and future obligations and liabilities to:
- (i) abandon the Wells and close, decommission, dismantle and remove all structures, foundations, buildings, pipelines, equipment, tanks and other facilities and Tangibles that are or were located in or on the Lands or lands pooled or unitized therewith or used or previously used in respect of Petroleum Substances produced or previously produced from the Lands or lands pooled or unitized therewith; and

- (ii) restore, remediate and reclaim any surface and subsurface locations of the lands on which the Wells, structures, foundations, buildings, pipelines, equipment, tanks and other facilities described in Section 1.1(a)(i) are or were located and all lands used to gain access to any of them;

all in accordance with generally accepted industry practices in the province where the Assets are located and in compliance with all Applicable Laws and the Title and Operating Documents.

- (b) “**Acquired Pipelines**” means those pipeline segments listed in Schedule “A” – Part 4.
- (c) “**AER**” means the Alberta Energy Regulator.
- (d) “**AER Deposits**” means any deposits paid by or on behalf of the Debtor to the AER relating to the Assets.
- (e) “**AER Licenses**” means all licenses and authorizations issued by a Governmental Authority in respect of the Wells and any Tangibles licensed to the Vendor, but excludes, without limitation those portions of any licenses relating to pipelines or pipeline segments other than the Acquired Pipelines.
- (f) “**Affiliate**” means, with respect to any Person, any other Person or group of Persons acting in concert, directly or indirectly, that controls, is controlled by or is under common control with such Person. The term “**control**” as used in the preceding sentence means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of a Person whether through ownership of more than fifty percent (50%) of the voting securities of such Person, by contract or otherwise.
- (g) “**Agreement**” means this asset purchase and sale agreement including the Schedules attached hereto, as it may be amended, modified, supplemented or restated by written agreement between the Parties.
- (h) “**Applicable Laws**” means, in relation to any Person, asset, transaction, event or circumstance:
 - (i) statutes (including regulations enacted thereunder);
 - (ii) judgments, decrees and orders of courts of competent jurisdiction;
 - (iii) regulations, orders, ordinances and directives issued by Government Authorities; and
 - (iv) the terms and conditions of all permits, licenses, approvals and authorizations;

which are applicable to such Person, asset, transaction, event or circumstance.

- (i) “**Assets**” means the Debtor’s right, title, estate and interest in the Petroleum and Natural Gas Rights, the Miscellaneous Interests and the Tangibles.

- (j) “**Business Day**” means any day other than a Saturday, Sunday or statutory holiday in the Province of Alberta, and also excluding any day on which the principal chartered banks or financial institutions located in the City of Calgary are not open for business during normal hours.
- (k) “**Claim**” means any claim, demand, lawsuit, proceeding, arbitration or governmental investigation, in each case, whether asserted, threatened, pending or existing.
- (l) “**Closing**” means the transfer of possession, beneficial ownership and risks of the Assets from the Vendor to the Purchaser, the exchange of Conveyance Documents and payment of the Purchase Price by the Purchaser to the Vendor, and all other items and consideration required to be delivered on the Closing Date pursuant hereto.
- (m) “**Closing Date**” has the meaning provided in Section 2.10.
- (n) “**Closing Deliveries**” means, collectively, those items or documents to be delivered by Vendor at Closing pursuant to Section 6.1 and those documents to be delivered by Purchaser at Closing pursuant to Section 6.2.
- (o) “**Closing Payment**” has the meaning provided in Section 2.5.
- (p) “**Communication**” means any notice, demand, request, consent, approval or other communication which is required or permitted by this Agreement to be given or made by a Party.
- (q) “**Conveyance Documents**” means all conveyances, assignments, transfers, novations, notices of assignment, trust agreements and declarations, subleases, directions to pay and other documents and instruments that are reasonably required desirable in accordance with generally accepted oil and gas industry practice in the province where the Assets are located, to convey, assign and transfer title to the Assets held in the name of the Debtor to the Purchaser and to novate the Purchaser into the contracts, licenses, permits, approvals and authorizations comprised in the Miscellaneous Interests in the place and stead of the Debtor, insofar as such contracts, licenses, permits, approvals and authorizations pertain to the Assets.
- (r) “**Court**” means the Court of Queen’s Bench of Alberta.
- (s) “**Court Approval**” means the approval of the Transaction by the Court and the vesting of the Assets in the name of the Purchaser, substantially in the form of the Order attached hereto as Schedule “E”.
- (t) “**Data Room Information**” means all information provided to the Purchaser in electronic form in relation to the Debtor and/or the Assets.
- (u) “**Debtor**” means Sekur Energy Management Corp.
- (v) “**Deposit**” is defined in Section 3.1(b).

- (w) **"Dollar"** and **"\$"** mean a dollar of the lawful money of Canada.
- (x) **"Effective Date"** means Closing Date or such other date as the Parties agree to in writing.
- (y) **"Effective Time"** means 8:00 a.m. on the Closing Date.
- (z) **"Encumbrance"** means all liens, charges, security interests, royalties, pledges, options, net profit interests, rights of pre-emption, mortgages, adverse claims and other encumbrances on ownership rights of any kind or character or agreements to create the same.
- (aa) **"Environment"** means the components of the earth and includes ambient air, land, surface and sub-surface strata, groundwater, surface water, all layers of the atmosphere, all organic and inorganic matter and living organisms, and the interacting natural systems that include such components, and any derivative thereof shall have a corresponding meaning.
- (bb) **"Environmental Law"** means all Applicable Laws respecting the protection of, or the control, remediation or reclamation of contamination or pollution of, the Environment or any part thereof.
- (cc) **"Environmental Liabilities"** means all past, present and future obligations and liabilities of whatsoever nature or kind arising from or relating to, directly or indirectly:
 - (i) Environmental Matters;
 - (ii) past, present and future non-compliance with, violation of or liability under Environmental Laws applicable to or otherwise involving the Assets; or
 - (iii) Abandonment and Reclamation Liabilities,whenever occurring or arising, but shall not include any such matters or similar matters relating to the Excluded Wells or the Excluded Tangibles.
- (dd) **"Environmental Matters"** means any activity, event or circumstance in respect of or relating to:
 - (i) the storage, use, holding, collection, accumulation, assessment, generation, manufacture, construction, processing, treatment, stabilization, disposition, handling, transportation or Release of Hazardous Substances;
 - (ii) the protection of the Environment; or
 - (iii) pollution, reclamation, remediation or restoration of the Environment,in each case relating to the Lands or the Assets or that has or have arisen or hereafter arise from or in respect of past, present or future Operations, activities or omissions in or on the Lands or in respect of or otherwise involving the Assets, including obligations to compensate Third Parties for Losses and Liabilities.

- (ee) **"Escrow Agent"** means the solicitors for the Vendor.
- (ff) **"Facilities"** means the facilities set out in Schedule "A" – Part 3.
- (gg) **"Final Statement of Adjustments"** has the meaning provided in Section 2.9(a).
- (hh) **"GAAP"** means generally accepted accounting principles and practices in Canada.
- (ii) **"General Conveyance"** means the general conveyance in the form attached as Schedule "C".
- (jj) **"Government 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 Assets or the Transaction.
- (kk) **"GST"** the goods and services tax required to be paid pursuant to the *Excise Tax Act* (Canada) and in accordance with Section 2.6(a).
- (ll) **"Hazardous Substances"** means hazardous or toxic substances, hazardous wastes, radioactive substances, asbestos, dangerous goods and Petroleum Substances, including any and all substances and wastes regulated under Environmental Law.
- (mm) **"Insider"** has the meaning given to that term in the *Securities Act* (Alberta).
- (nn) **"Land Schedule"** means Schedule "A".
- (oo) **"Lands"** means the entire interest of Debtor in and to the lands set forth and described in the Land Schedule, and includes (i) unless the context otherwise requires, the surface of such lands and (ii) the Petroleum Substances within, upon or under such lands, together with the rights to drill for, explore for, win, take, own or remove same, insofar as the same are granted by the Leases to such lands.
- (pp) **"Leases"** means the leases, reservations, permits, licenses or other documents of title set forth and described in the Land Schedule by virtue of which the holder thereof is entitled to drill for, explore for, mine, win, take, own or remove Petroleum Substances underlying the Lands, and include, if applicable, all renewals and extensions of such documents and all documents issued in substitution therefore.
- (qq) **"Licensed Assets"** means those Wells and Tangibles in respect of which the Debtor holds licenses from the AER.
- (rr) **"Losses and Liabilities"** means, in relation to a matter, any and all:
 - (i) losses, costs, damages, expenses and charges (including all penalties, assessments and fines) which the Vendor suffers, sustains, pays or incurs, directly or indirectly, in connection with such matter and includes costs of legal counsel (on a full indemnity basis) and other professional advisors and reasonable costs of investigating and defending Claims arising from the

matter, regardless of whether such Claims are sustained and includes taxes payable on any settlement payment or damage award in respect of such matter; and

- (ii) liabilities and obligations (whether under common law, in equity, under Applicable Law or otherwise; whether tortious, contractual, vicarious, statutory or otherwise; whether absolute or contingent; and whether based on fault, strict liability or otherwise) which the Vendor suffers, sustains, pays or incurs as a result of or in connection with such matter;

but excluding indirect, incidental, consequential, exemplary, special or punitive losses or damages or loss of profits suffered, sustained, paid or incurred by the Vendor, but including any such indirect, incidental, consequential, exemplary, special or punitive losses or damages or loss of profits suffered, sustained, paid or incurred by a Third Party entitled to recovery or indemnification from the Vendor.

- (ss) **“Miscellaneous Interests”** means all of the right, title, interest and estate of the Debtor in and to all property, assets and rights, whether contingent or absolute, legal or beneficial, present or future, vested or not (other than the Petroleum and Natural Gas Rights), to the extent relating to the Petroleum and Natural Gas Rights, the Lands or the Tangibles, including the following property, rights and assets:
 - (i) all contracts, agreements, books, records, files, maps and documents to the extent that they relate to the Petroleum and Natural Gas Rights, the Lands or the Tangibles, including the Title and Operating Documents and any rights of the Debtor in relation thereto;
 - (ii) all other land records or similar data contained on hard drives or other computer devices or networks;
 - (iii) the Surface Interests;
 - (iv) geological, geochemical and mineralogical data, reports and findings and archive samples, and all core or liquid samples and cuttings;
 - (v) seismic data, to the extent relating solely and directly to the Lands, including, without limitation, the Proprietary Seismic;
 - (vi) all engineering information, to the extent relating solely and directly to the Petroleum and Natural Gas Rights, the Lands, and the Tangibles which the Debtor either has in its custody or to which the Debtor has access, excluding any such information which is subject to confidentiality restrictions;
 - (vii) all permits, licenses, approvals and other authorizations, crossing privileges and other subsisting rights to carry out operations on the Lands and any lands upon which the Tangibles are located, including well and pipeline licenses and other permits and authorizations relating to the Petroleum and Natural Gas Rights or the Tangibles; and
 - (viii) the Wells, including the entire wellbores and casings.

- (tt) **“Non-Disclosure Agreement”** means the non-disclosure agreement between the Vendor and the Purchaser.
- (uu) **“Operations”** means any and all work, activities and operations of any kind whatsoever conducted on or with respect to the Assets.
- (vv) **“Party”** means the Vendor or the Purchaser, and **“Parties”** means the Vendor and the Purchaser.
- (ww) **“Permitted Encumbrances”** means, as of a particular time, any of the following:
 - (i) easements, rights of way, servitudes, permits, licenses and other similar rights in land, including rights of way and servitudes for highways and other roads, railways, sewers, drains, gas and oil pipelines, gas and water mains, electric light, power, telephone, telegraph and cable television conduits, poles, wires and cable;
 - (ii) the right reserved to or vested in any Government Authority by the terms of any Title and Operating Document, lease, license, franchise, grant or permit or by any Applicable Law, to terminate any such Title and Operating Document, lease, license, franchise, grant or permit or to require annual or other periodic payments as a condition of the continuance thereof;
 - (iii) the right reserved to or vested in any Government Authority to levy taxes on Petroleum Substances or the income or revenue attributable thereto and governmental requirements and limitations of general application;
 - (iv) rights reserved to or vested in any Government Authority to control or regulate any of the Assets in any manner;
 - (v) liens granted in the ordinary course of business to a public utility or Government Authority in connection with operations on or in respect of the Lands;
 - (vi) liens granted, created or incurred in the ordinary course of the oil and gas business and in accordance with sound industry practice in respect of:
 - A. the joint operation of the Assets as security in favour of any other Person conducting the development or operation thereof for the Debtor’s share of the costs and expenses of such development and operation; and
 - B. pursuant to a processing or transmission arrangement securing the payment of the fees, costs and expenses of the processing or transmission (as the case may be) of Petroleum Substances under such processing or transmission arrangement;
 - (vii) a pooling or unitization of any Petroleum and Natural Gas Rights in the ordinary course of business to facilitate the orderly exploration, development or operation of such Petroleum and Natural Gas Rights;

- (viii) any farmouts or overriding royalty interests created in respect of the Petroleum and Natural Gas Rights [which are disclosed in any Schedule to this Agreement];
- (ix) any penalty arising under non-participation or independent operations provisions of an operating agreement in respect of any Petroleum and Natural Gas Rights as a result of an election made by the Debtor not to participate in a drilling or other operation;
- (x) the express or implied reservations, limitations, provisos and conditions in any original grants from the Crown of any of the Lands or interests therein and statutory exceptions to title;
- (xi) all royalty burdens, liens, adverse claims, penalties, conversions and other Encumbrances identified in the Land Schedule;
- (xii) the terms and condition of the Leases and the Title and Operating Documents; and
- (xiii) any other circumstance, matter or thing disclosed in any Schedule hereto;

provided that the following items must be identified in a Schedule to qualify as a Permitted Encumbrance: (A) any overriding royalty, net profits, ROFRs or other similar encumbrance applicable to the Petroleum and Natural Gas Rights for which Purchaser will assume the obligation for payment; (B) any existing potential alteration of the Debtor's interests in the Assets because of a payout conversion or farmin, farmout or other similar agreement; and (C) any Encumbrance which would not be a Permitted Encumbrance under the preceding paragraphs of this definition.

- (xx) "**Person**" means any individual, corporation, limited or unlimited liability company, joint venture, partnership (limited or general), trust, trustee, executor, Government Authority or other entity.
- (yy) "**Petroleum and Natural Gas Rights**" means all of the right, title, estate and interest, whether absolute or contingent, legal or beneficial, present or future, vested or not, and whether or not an "interest in land", of the Debtor in and to the Lands and the Leases, subject in all events to the Permitted Encumbrances.
- (zz) "**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 or produced in conjunction with any of the foregoing, whether liquid, solid or gaseous, and whether hydrocarbons or not, including sulphur and hydrogen sulphide.
- (aaa) "**Place of Closing**" means the offices of Gowlings LLP at 1600, 421 – 7th Avenue SW in Calgary, Alberta, or as otherwise agreed to in writing by the Parties.
- (bbb) "**Prime Rate**" means the rate of interest (expressed as a rate per annum) used by the main branch Royal Bank of Canada in Calgary, Alberta from time to time as the reference rate used in determining the rates of interest payable on Canadian dollar

commercial demand loans made by such bank in Canada and which is announced by such bank, from time to time, as its “prime rate”.

- (ccc) “**Property**” has the meaning given to it in the Receivership Order.
- (ddd) “**Proprietary Seismic**” means all data and records pertaining to the 100% proprietary 3D seismic lines set out in Schedule “A” – Part 5.
- (eee) “**Purchase Price**” has the meaning given in Section 3.1(a).
- (fff) “**Receivership Order**” means the order issued by the Court in the Receivership Proceedings on August 12, 2015 appointing Deloitte Restructuring Inc. as receiver and manager of the assets, undertakings and properties of the Debtor, as amended, modified or supplemented from time to time.
- (ggg) “**Receivership Proceedings**” means the means the proceedings before the Court and identified as Court File No. 1501-09213.
- (hhh) “**Release**” means any release, spill, emission, leaking, pumping, injection, deposit, disposal, discharge, dispersal, leaching or migration of a Hazardous Substance into or through the Environment or into or out of any lands, including the movement of a Hazardous Substance through or in any part of the Environment.
- (iii) “**Representatives**” means, with, respect to any Person, its Affiliates, and the respective directors, officers, servants, agents, advisors, employees, consultants and representatives of that Party and its Affiliates.
- (jjj) “**Right of First Refusal**” or “**ROFR**” means a right of first refusal, pre-emptive right of purchase or similar right whereby any Third Party has the right to acquire or purchase any of the Assets as a consequence of the Parties entering into this Agreement or the Transaction.
- (kkk) “**ROFR Properties**” is defined in Section 2.7(a).
- (III) “**Surface Interests**” means all right, title, interest and estate of the Debtor to enter upon, use, occupy and enjoy the surface of the Lands and any lands upon which the Wells or the Tangibles are located and any lands used to gain access thereto, in each case, for purposes related to the use or ownership of the Petroleum and Natural Gas Rights, the Tangibles, the Wells or the Operations, whether the same are held by right of way, or otherwise.
- (mmm) “**Tangibles**” means all right, title, interest and estate of the Debtor, whether absolute or contingent, legal or beneficial, present or future, vested or not, in and to the Facilities, the Acquired Pipelines and the tangible depreciable property and assets located within or upon the Lands or lands pooled or unitized therewith, but only to the extent such tangible depreciable property and assets are used or are intended to be used to produce, process, gather, treat, measure, or make marketable Petroleum Substances from the Wells.
- (nnn) “**Third Party**” means any Person other than the Parties or their Representatives.

- (ooo) **"Title and Operating Documents"** means all agreements, contracts, instruments and other documents that govern the ownership, operation or use of the Assets or relate to Permitted Encumbrances, including (i) the Leases and other agreements and instruments pursuant to which the Petroleum and Natural Gas Rights were issued, granted or created, (ii) permits, licenses, approvals and authorizations, (iii) operating agreements, unit agreements, production allocation agreements, trust declarations, participation agreements, joint venture agreements, farmin agreements, farmout agreements and royalty agreements, (iv) agreements that create or relate to Surface Interests, (v) agreements for the construction, ownership and/or operation of the Tangibles, (vi) trust declarations and other documents and instruments that evidence the Debtor's interests in the Assets; and (vii) trust declarations pursuant to which the Debtor holds interests in the Lands in trust for other Persons.
- (ppp) **"Transaction"** means the transaction for the purchase and sale of the Assets as contemplated by this Agreement.
- (qqq) **"Unexpired ROFRs"** is defined in Section 2.7(f).
- (rrr) **"Vendor Consents"** has the meaning provided in Section 8.1.
- (sss) **"Vendor Entity"** means the Vendor and its Representatives, and each of their respective successors and assigns.
- (ttt) **"Wells"** means only those wells set out in Part 2 of Schedule "A".

1.2 Interpretation

The following rules of construction shall apply to this Agreement unless the context otherwise requires:

- (a) the headings in this Agreement are inserted for convenience of reference only and shall not affect the meaning, interpretation or construction of this Agreement;
- (b) all documents executed and delivered pursuant to the provisions of this Agreement are subordinate to the provisions hereof and the provisions hereof shall govern and prevail in the event of a conflict;
- (c) any reference to a statute shall include and shall be deemed to be a reference to such statute and to the regulations made pursuant thereto, and all amendments made thereto and in force at the date hereof;
- (d) whenever the singular or masculine or neuter is used in this Agreement, the same shall be construed as meaning plural or feminine or referring to a body politic or corporate, and *vice versa*, as the context requires;
- (e) the words "hereto", "herein", "hereof", "hereby", "hereunder" and similar expressions refer to this Agreement and not to any particular provision of this Agreement;
- (f) reference to any Article, Section or Schedule means an Article, Section or Schedule of this Agreement unless otherwise specified;

- (g) if any provision of a Schedule hereto conflicts with or is at variance with any provision in the body of this Agreement, the provisions in the body of this Agreement shall prevail to the extent of the conflict;
- (h) "include" and derivatives thereof shall be read as if followed by the phrase "without limitation".

1.3 Schedules

The following schedules are attached to and form part of this Agreement:

Schedule "A"	Land Schedule
- Part 1	Lands, Leases and Petroleum and Natural Gas Rights
- Part 2	Wells
- Part 3	Facilities
- Part 4	Acquired Pipelines
- Part 5	Proprietary Seismic
Schedule "B"	Form of General Conveyance
Schedule "C"	Form of Vendor's Officer's Certificate
Schedule "D"	Form of Purchaser's Officer's Certificate
Schedule "E"	Form of Court Approval Order
Schedule "F"	ROFRs and Allocation

1.4 Interpretation If Closing Does Not Occur

If Closing does not occur, each provision of this Agreement which presumes that the Purchaser has acquired the Assets shall be construed as having been contingent upon Closing having occurred.

1.5 Knowledge or Awareness

References to a Party's knowledge or awareness and similar references contained in Sections 4.1 and 4.3 mean the actual knowledge or awareness, as the case may be, of the officers of such Party who are primarily responsible for the matters in question, and does not include knowledge and awareness of any other Person or any constructive or imputed knowledge. A Party shall not have any obligation to make inquiry of any Person or the files and records of any Person or of any Government Authority in connection with any representations and warranties contained herein that are made to its knowledge, information, belief or awareness.

ARTICLE 2 PURCHASE AND SALE

2.1 Purchase and Sale

Subject to the terms and conditions of this Agreement, the Vendor hereby agrees to sell, assign, transfer, convey and set over to the Purchaser, and the Purchaser agrees to purchase and accept the Assets from the Vendor at and for the Purchase Price.

2.2 Transfer of Assets

Provided that Closing occurs, and subject to the terms and conditions of this Agreement, possession, risk and beneficial ownership of the Assets shall transfer from the Vendor to the Purchaser on the Closing Date.

2.3 Purchase Price

- (a) The purchase price to be paid by the Purchaser to the Vendor for the Assets shall be \$311,400.00 (Three Hundred Eleven Thousand Four Hundred Dollars) (the "**Purchase Price**").
- (b) The Vendor acknowledges receipt of a deposit in the amount of \$35,000.00 (Thirty Five Thousand Dollars) (the "**Deposit**"), which shall be held in trust by the Vendor and shall be releasable in accordance with this Agreement.
- (c) If Closing occurs in accordance with the terms and conditions of this Agreement, the Deposit shall be retained by the Vendor and credited against the Purchase Price in partial satisfaction of the Purchaser's obligation to pay the Purchase Price on or before Closing.
- (d) If Closing does not occur:
 - (i) due to the conditions precedent in favour of the Purchaser set forth in Section 5.2 of this Agreement not having been satisfied or waived in accordance with the terms of this Agreement, the Deposit received by the Vendor shall be returned by the Vendor to the Purchaser, this Agreement shall thereupon terminate, and each Party shall be released from all obligations and liabilities under or in connection with this Agreement; or
 - (ii) If Closing does not occur due to the termination of this Agreement by the Purchaser pursuant to Section 6.5(a), the Deposit received by the Vendor shall be returned by the Vendor to the Purchaser and each Party shall be released from all obligations and liabilities under or in connection with this Agreement; or
 - (iii) for any reason other than the conditions precedent in favour of the Purchaser set forth in Section 5.2 of this Agreement not having been satisfied or waived in accordance with the terms of this Agreement, the Vendor shall be entitled to the Deposit, the Deposit shall be forfeited to the Vendor, and the Vendor shall be entitled to terminate this.
- (e) The Purchaser and the Vendor hereby acknowledge and agree that, should Closing not occur for any reason provided in Section 2.3(d)(iii), the Vendor will suffer and incur damages that cannot be precisely calculated, and will therefore be entitled to retain the Deposit pursuant to Section 2.3(d)(iii) as liquidated damages, and not as a penalty, the Deposit being a genuine pre-estimate of the damages that will be suffered by the Vendor as contemplated by this Section 2.3(e). In addition, Purchaser shall remain liable and responsible for any damages suffered by the Vendor that exceed the amount of the Deposit.

2.4 Allocation of the Purchase Price

The Purchase Price shall be allocated among the Assets as follows:

- | | | |
|-----|----------------------------------|--------------|
| (a) | to the Miscellaneous Interests | \$ 1.00 |
| (b) | to the Tangibles | \$249,120.00 |
| (c) | Petroleum and Natural Gas Rights | \$ 62,279.00 |

2.5 Closing Payment

The Purchaser shall pay to the Vendor at Closing, by certified cheque, bank draft or electronic wire transfer: (i) the Purchase Price (less the Deposit; (ii) plus or minus any adjustments pursuant to Section 2.8; (iii) plus any taxes and fees (including GST) payable under Section 2.6 (the “**Closing Payment**”).

2.6 Taxes and Fees

- (a) The Purchase Price does not include GST. At Closing, the Purchaser shall pay to the Vendor an amount equal to the statutory rate of GST on the portion of the Purchase Price allocated to Tangibles and Miscellaneous Interests pursuant to Section 2.4 and on the amount attributable to any other Assets or expenses to which GST may apply. The Purchaser shall be liable for the payment and remittance of any additional amount of GST payable in respect of the purchase of the Assets pursuant hereto, including any interest, penalties, or any other costs payable in respect of such additional GST, and shall indemnify and save harmless the Vendor in respect thereof. The GST Registration Number of the Vendor is 805424454. The GST Registration Number of the Purchaser is 130439961RT0001.
- (b) The Purchaser shall also be liable for and shall pay any and all transfer taxes, federal or provincial sales taxes and all other taxes, duties or other similar charges properly payable upon and in connection with the conveyance and transfer of the Assets by the Vendor to the Purchaser and the Purchaser shall be responsible for all recording charges and registration fees payable in connection therewith.

2.7 ROFR's

- (a) The Vendor and the Purchaser acknowledge that certain of the Assets are subject to ROFRs disclosed in Schedule “F” (the “**ROFR Properties**”). Within three (3) Business Days after the execution of this Agreement, the Purchaser shall provide the Vendor with a written statement setting out the portion of the Purchase Price it has decided, acting in good faith and on a reasonable basis, to allocate to each of the ROFR Properties. Promptly after the allocations are provided by Purchaser, Vendor shall send notices to the Third Parties holding the ROFRs in accordance with the terms of the respective governing agreements. The notices shall use the allocations provided by the Purchaser.
- (b) The Purchaser shall be liable to the Vendor for and shall indemnify and save harmless the Vendor from and against all Losses and Liabilities suffered,

sustained, paid or incurred by the Vendor as a result of the use of the allocations provided by Purchaser. The Vendor shall notify the Purchaser upon any Third Party exercising or waiving a ROFR.

- (c) If a Third Party exercises a ROFR:
 - (i) all terms defined in this Agreement and all Schedules shall be deemed to have been amended to reflect the exclusion of the ROFR Assets in respect of which the ROFR is exercised;
 - (ii) the ROFR Properties in respect of which the ROFR is exercised shall not be conveyed to the Purchaser; and
 - (iii) the Purchase Price shall be reduced by the amount allocated by the Purchaser to the ROFR Properties in respect of which the ROFR is exercised.
- (d) Despite the provisions of sections Article 9, Vendor may disclose information relating to this Agreement and its subject matter and the identity of Purchaser in connection with its compliance with this Section 2.7.
- (e) If for any reason the Closing does not occur, then, at the Vendor's option, all ROFR transactions shall terminate and the Vendor and each Third Party that exercised a ROFR shall take all actions and execute all documents required to return each of them to the position it would have been in with respect to the ownership of the ROFR Assets if the ROFR notice had not been issued.
- (f) If at Closing any ROFR has not been waived and the time to elect has not elapsed (the "**Unexpired ROFRs**"), the Closing shall proceed in respect of the remaining Assets, and conveyance of the Assets subject to the Unexpired ROFRs and payment therefor shall be governed by an escrow agreement entered into between the Parties prior to Closing.

2.8 Adjustments

- (a) All costs and revenues accruing, payable, paid, received or receivable in respect of the Assets, including rentals, maintenance, development, capital and operating costs, advances, and payments with respect to Permitted Encumbrances shall, subject to the provisions of this Agreement, be apportioned on an accrual basis between the Vendor and the Purchaser as of the Effective Time on the Effective Date, and subject to the following:
 - (i) except as otherwise provided in this Section 2.8, costs and revenues shall accrue in accordance with GAAP;
 - (ii) all such costs and revenues accruing up to the Effective Time on the Effective Date shall be for the Vendor's account and all costs and revenues accruing after the Effective Time on the Effective Date shall be for the Purchaser's account;

- (iii) all costs of whatever nature pertaining to work performed or goods or services provided with respect to the Assets prior to the Effective Time on the Effective Date shall be borne by the Vendor, notwithstanding that such costs may be payable in whole or in part after the Effective Time on the Effective Date and all costs of whatever nature pertaining to work performed or goods or services provided with respect to the Assets after the Effective Time on the Effective Date shall be borne by the Purchaser; and
 - (iv) all rentals, property taxes and other periodic payments (other than income taxes) shall be apportioned between the Vendor and the Purchaser on a *per diem* basis as of the Effective Time on the Effective Date.
- (b) The effective time and date for income tax purposes shall be the Effective Time on the Effective Date.
- (c) Notwithstanding the foregoing, the Vendor shall not be required to provide a credit at Closing for any benefits accruing to the Purchaser after the Effective Time on the Effective Date but not actually received by the Vendor at least three (3) Business Days prior to the Closing, but shall include all such amounts in the Final Statement of Adjustments.
- (d) All adjustments to be made pursuant to this Section 2.8 shall be allocated to the Petroleum and Natural Gas Rights.
- (e) Notwithstanding the foregoing, the Purchaser shall in no circumstance be required to remit or refund any monies which the Purchaser has withheld from the Debtor as a result of the Debtor's default under a Gas Processing, Compression and Transportation Agreement dated January 1, 2012.

2.9 Statement of Adjustments

- (a) The Vendor shall carry out a final accounting and adjustment and prepare and deliver to the Purchaser at least three (3) Business Days prior to the Closing Date a statement setting forth the Vendor's good faith estimate of all adjustments to be made for the Transaction (the "**Final Statement of Adjustments**"). The Final Statement of Adjustments shall be binding and conclusive on the Parties.
- (b) Nothing in this Agreement shall restrict or otherwise interfere with the audit rights which the Vendor may have under any of the agreements pertaining to the Assets for the period prior to the Effective Time on the Effective Date, it being the intention of the Parties that any adjustments occurring as a result of the exercise of such audit rights by the Vendor shall be for the account of the Vendor. For the purposes hereof, the expression "audit rights" shall include the right to include an audit or to participate in or receive the benefits from such an audit.

2.10 Closing

The Closing of the Transaction shall take place at the Place of Closing or such other place as the Parties may agree on the later of:

- (a) a Business Day designed in writing by the Vendor pursuant to a notice to the Purchaser, which Business Day shall be up to ten (10) Business Days following the day Court Approval is obtained;
 - (b) the third Business Day following the day on which any and all ROFRs shall have been exercised or waived by the holders thereof or all time periods within which such rights may be exercised shall have expired; or
 - (c) on such other Business Day as the Parties may agree in writing
- (the "**Closing Date**").

2.11 **Escrow**

- (a) The Closing Deliveries will be delivered and held in escrow until all of the AER Licenses have been transferred to and registered in the name of Purchaser.
- (b) The Escrow Agent shall maintain possession of the Closing Deliveries and shall not release any of the Closing Deliveries to either Party until all AER Licenses have been transferred to and registered in the name of Purchaser.
- (c) If the escrow conditions set forth in Section 2.11(a) are not satisfied by January 30th, 2016 then, unless the Purchaser agrees in writing to waive the foregoing requirements, the Closing will be deemed to have not occurred, the Escrow Agent will return all Closing Deliveries to the Party who made such Closing Deliveries and this Agreement will be deemed to have terminated and the Parties will be released from liability or obligation hereunder except as provided in Section 8.2.

ARTICLE 3 INTERIM PROVISIONS

3.1 **Restrictions on Conduct of Business**

The Vendor shall not, between the date of this Agreement and the Closing Date, without the written consent of the Purchaser, which consent will not be unreasonably withheld, conditioned or delayed:

- (a) make any commitment or propose, initiate or authorize any capital expenditure out of the ordinary course of business with respect to the Assets, of which the Debtor's share is in excess of Twenty Five Thousand Dollars (\$25,000.00), except in the case of an emergency or as may be reasonably necessary to protect or ensure life and safety or to preserve the Assets or title to the Assets (including Lease rental payments) or in respect of amounts which the Vendor may be committed to expend or be deemed to authorize for expenditure without its consent;
- (b) other than in the ordinary course of business, materially amend or terminate any agreement or instrument relating to the Assets or enter into any new agreement or commitment relating to the Assets, except as may be reasonably necessary to protect or ensure life and safety or to preserve the Assets or title to the Assets;
- (c) surrender or abandon any of the Assets, unless an expenditure of money is required to avoid the surrender or abandonment and the Purchaser does not provide same in a timely fashion, in which event the Assets in question shall be

surrendered or abandoned without abatement or reduction in the Purchase Price;
or

- (d) sell, grant any Encumbrance or otherwise dispose of any of the Assets or any interest therein except the sale of materials and supplies no longer required in connection with the Assets, and excepting sales of Petroleum Substances in the ordinary course of business.

3.2 Following Closing

- (a) Following Closing, Vendor shall hold title to the Assets (other than the Discharged Interests) in trust for Purchaser, as bare legal trustee, until all necessary notifications, registrations and other steps required to transfer such title to Purchaser have been completed and, in furtherance thereof:
 - (i) the Vendor shall forward all statements, notices and other information received by it pursuant to Title and Operating Document to Purchaser promptly following its receipt thereof; and
 - (ii) the Vendor shall forward to other parties to the Title and Operating Documents such notices and elections pursuant to such Title and Operating Documents as Purchaser may reasonably request;

provided that the Vendor shall not be required to initiate or conduct Operations in relation to the Assets.

- (b) Purchaser shall indemnify and save and hold harmless the Vendor Entity from and against all Losses and Liabilities arising as a consequence of the provisions of this Section 3.2, except to the extent caused by the gross negligence or wilful misconduct of the Vendor Entity. Acts or omissions taken by the Vendor Entity on the instructions of, or with the approval or concurrence of Purchaser shall not constitute gross negligence or wilful misconduct.

3.3 Technical and Operating Information

The Vendor shall, upon request and subject to contractual restrictions relating to disclosure, make available all technical data relating to the Assets (including drilling reports, well files and production records, but excluding data and information which are subject to confidentiality restrictions prohibiting their disclosure) as are in the possession of the Vendor or the Debtor for such inspection as the Purchaser reasonably requires in connection herewith.

3.4 No Right to Reduction in Purchase Price

Notwithstanding anything to the contrary in this Agreement, the Purchaser acknowledges and agrees that it shall have no right or other entitlement to any abatement or reduction in the Purchase Price, as a result of, arising from or in connection with any deficiency or allegation of deficiency in respect of the Assets, including, without limitation, any environmental liability or deficiency or title deficiency, whether identified in connection with the Purchaser's right to information as provided by Section 3.3 or otherwise.

3.5 Access to Records

The Vendor may, at its sole expense, for a period of two (2) years after Closing, obtain from the Purchaser copies or photocopies of any Title and Operating Documents, correspondence, documents or reports which were delivered to the Purchaser at Closing and which the Vendor requires to the extent the Purchaser is in possession or control thereof.

ARTICLE 4 REPRESENTATIONS AND WARRANTIES

4.1 Vendor's Representations and Warranties

Except to the extent otherwise disclosed in the Data Room Information to the Purchaser in writing prior to the date of this Agreement, or in any Schedule to this Agreement, the Vendor hereby represents and warrants to the Purchaser that:

- (a) the Vendor has been appointed by the Court as receiver and manager of the Assets pursuant to the Receivership Order and such appointment is valid and subsisting;
- (b) except for obtaining the Court Approval, under the Receivership Order the Vendor has good right, full power and absolute authority to sell, assign, transfer, convey and set over the interest of the Debtor in and to the Assets, subject to the terms and conditions of the Receivership Order and the Court Approval;
- (c) the Vendor has not previously sold, assigned transferred, conveyed set over or granted an Encumbrance in the Assets (other than pursuant to any receiver certificates issued from time to time by Vendor, each of which shall be released and discharged at Closing); and
- (d) the Vendor is not a non-resident of Canada for the purposes of the *Income Tax Act* (Canada).

4.2 No Additional Representations and Warranties by the Vendor

- (a) Notwithstanding anything to the contrary in this Agreement, the Vendor makes no representations or warranties except as expressly set forth in Section 4.1 and in particular, and without limiting the generality of the foregoing, the Vendor disclaims and shall not be liable for any representation or warranty express or implied, of any kind, at law or in equity, which may have been made or alleged to be made in any instrument or document relative hereto, or in any statement or information made or communicated to the Purchaser in any manner including any opinion, information, or advice which may have been provided to the Purchaser by the Vendor, any Vendor Entity, the Debtor or any of their Representatives, in connection with the Assets or in relation to the Transaction. For greater certainty, the Vendor does not make any representation or warranty, express or implied, of any kind, at law or in equity, with respect to:
 - (i) the accuracy or completeness of the Data Room Information or any other data or information supplied by the Vendor, any Vendor Entity, the Debtor or any of their Representatives in connection with the Assets;

- (ii) the quality, quantity or recoverability of any Petroleum Substances with or under the Lands;
- (iii) the value of the Assets or any estimates of prices or future cash flows arising from the sale of any Petroleum Substances produced from or allocated to the Assets or the Lands or any estimates of other revenues or expenses attributable to the Assets;
- (iv) the availability or continued availability of facilities, services or markets for the processing, transportation or sale of any Petroleum Substances;
- (v) the quality, condition, fitness, suitability, serviceability or merchantability of any of the Tangibles; or
- (vi) the title of the Debtor to the Assets.

The Purchaser acknowledges and confirms that it is relying on its own investigations concerning the Assets and it has not relied on advice from the Vendor, any Vendor Entity, the Debtor or any of their Representatives with respect to the matters specifically enumerated in the immediately preceding paragraphs in connection with the purchase of the Assets pursuant hereto. The Purchaser further acknowledges and agrees that it is acquiring the Assets on an "as is, where is" basis. The Purchaser acknowledges and agrees that it is familiar with the condition of the Assets, including the past and present use of the Lands and the Tangibles, that the Purchaser has had a reasonable opportunity to inspect the Assets at the sole cost, risk and expense of the Purchaser (insofar as such access could reasonably be provided) and that the Purchaser is not relying upon any representation or warranty of the Vendor, any Vendor Entity, the Debtor or any of their Representatives as to the condition, environmental or otherwise, of the Assets, except as expressly contained in Section 4.1 of this Agreement.

- (b) Except for its express rights under this Agreement, the Purchaser hereby waives all rights and remedies (whether now existing or hereinafter arising and including all equitable, common law, tort, contractual and statutory rights and remedies) against the Vendor, any Vendor Entity, the Debtor or any of their Representatives in respect of the Assets or the Transaction or any representations or statements made, direct or indirect, express or implied, or information or data furnished to the Purchaser or its Representatives, in connection herewith (whether made or furnished orally or by electronic, faxed, written or other means).

4.3 Purchaser's Representations and Warranties

The Purchaser hereby represents and warrants to the Vendor that:

- (a) it is and at the Closing Date shall continue to be a valid and subsisting corporation under the laws of its jurisdiction of registration and is authorized to carry on business in the jurisdiction where the Assets are located;
- (b) except for the Court Approval, it has taken all action and has full power and authority to enter into this Agreement and the other documents and agreements executed and delivered hereunder and it has taken all necessary action to

consummate the Transaction and to perform its obligations hereunder and the other documents and agreements executed and delivered hereunder;

- (c) provided the Court Approval is obtained, this Agreement has been, and all documents and agreements to be executed and delivered by it at Closing pursuant to this Agreement shall be, duly executed and delivered by it, and upon execution by the Vendor and it, this Agreement constitutes, and all documents and agreements required to be executed and delivered by it at Closing will constitute, legal, valid and binding obligations of it enforceable against it in accordance with their respective terms, subject to bankruptcy, insolvency, preference, reorganization, moratorium and other similar laws affecting creditor's rights generally and the discretionary nature of equitable remedies and defences;
- (d) to its knowledge after due inquiry, and provided that Court Approval is obtained, no authorization or approval or other action by, and no notice to or filing with, any Government Authority exercising jurisdiction over the Assets is required by it or on its behalf for the due execution and delivery of this Agreement;
- (e) provided the Court Approval is obtained, the consummation of the Transaction will not constitute or result in a material violation, breach or default by it under any provision of any agreement or instrument to which it is a party or by which is it bound or any judgment, law, decree, order or ruling applicable to it;
- (f) it has not incurred any obligation or liability, contingent or otherwise, for broker's or finder's fees in respect of the Transaction for which the Vendor or the Debtor shall have any obligations or liability;
- (g) it has not received notice of any Claims in existence, contemplated, pending or threatened against it seeking to prevent the consummation of the Transaction;
- (h) it is acquiring the Assets in its capacity as a principal and is not purchasing the Assets for the purpose of resale or distribution to a Third Party;
- (i) it has sufficient funds available to it to enable it to pay in full the Purchase Price to the Vendor as herein provided and otherwise to fully perform its obligations under this Agreement; and
- (j) to the Purchaser's knowledge, having made due enquiry, no Insider of the Purchaser is also an Insider of the Vendor or the Debtor.

4.4 Enforcement of Representations and Warranties

- (a) Notwithstanding anything to the contrary herein expressed or implied and notwithstanding the Closing or deliveries of covenants and/or representations and warranties in any other agreements at Closing or prior or subsequent thereto, the representations and warranties set forth in Sections 4.1 and 4.3 hereof shall survive Closing for the benefit of the Purchaser and the Vendor respectively, provided that no Claim in respect of such representations and warranties shall be made or be enforceable unless written notice of such Claim is given by the claimant to the other Parties within twelve (12) months of the Closing Date. Effective on the expiry of such twelve (12) month period, each Party hereby releases and forever discharges

the other Parties from any breach of any representations and warranties set forth in Sections 4.1 and 4.3 hereof except in respect of those Claims in which notice has been given in accordance with this Section 4.4. No Claim shall be made a Party in respect of the representations and warranties in this Agreement made by the other Parties except pursuant to and in accordance with this Section 4.4.

- (b) There shall not be any merger of any covenant, representation or warranty in any assignment, conveyance, transfer or document delivered pursuant hereto notwithstanding any rule of law, equity or statute to the contrary and all such rules are hereby waived.
- (c) The representations and warranties of the Vendor and the Purchaser made herein or pursuant hereto are made for the exclusive benefit of the Purchaser or the Vendor, as the case may be, and are not transferable and may not be made the subject of any right of subrogation in favour of any other Person.

ARTICLE 5 CONDITIONS PRECEDENT TO CLOSING

5.1 Vendor's Closing Conditions

The obligation of the Vendor to complete the sale of the Assets pursuant to this Agreement is subject to the satisfaction at or prior to the Closing Date of the following conditions precedent:

- (a) **Representations and Warranties True:** all representations and warranties of the Purchaser contained in this Agreement shall be true in all material respects on the Closing Date, and the Vendor shall have received a certificate from an officer of the Purchaser substantially in the form attached hereto as Schedule "D" dated as of the Closing Date;
- (b) **Purchaser's Obligations:** the Purchaser shall have, in all material respects, timely performed and satisfied all obligations required by this Agreement to be performed and satisfied by the Purchaser on or prior to the Closing Date;
- (c) **Payment:** the Purchaser shall have tendered the Closing Payment to the Vendor in the manner provided in this Agreement;
- (d) **Conveyance Documents:** the Purchaser shall have executed and delivered to the Vendor all Conveyance Documents required under Section 6.4(a) and the General Conveyance;
- (e) **No Injunction:** there will not be any judicial restraining order or injunction, preliminary or otherwise, in effect prohibiting the Closing or the Transaction;
- (f) **Restrictions:** all necessary governmental and other regulatory approvals to the sale of the Assets that are required prior to Closing shall have been obtained without conditions;
- (g) **ROFRs:** prior to the Closing Date, any and all ROFRs shall have been exercised or waived by the holders thereof or all time periods within such rights may be exercised shall have expired;

- (h) **Court Approval:** the Court Approval shall have been obtained; and
- (i) **AER Approval:** the AER will have confirmed that it will accept and process the transfer to Purchaser of all AER Licenses, subject only to the payment of any security deposit which may be required only in the event that the Purchaser's Liability Management Rating ("LMR") (as that term is defined in the AER's Directive 006) falls below 1.0 as a result of the transfer of any of the Licensed Assets to the Purchaser.

The foregoing conditions shall be for the benefit of the Vendor and may, without prejudice to any of the rights of the Vendor hereunder excluding reliance on or enforcement of any representations, warranties or covenants dealing with the subject of or similar to the condition waived, be waived by it in writing, in whole or in part, at any time, provided that the Vendor is not entitled to waive the Court Approval condition contained in Section 5.1(h). The Vendor shall proceed diligently and in good faith and use all reasonable efforts to fulfill and assist in the fulfillment of the foregoing conditions in case any of the said conditions shall not be complied with, or waived by the Vendor, at or before the Closing Date, the Vendor may terminate this Agreement by written notice to the Purchaser.

5.2 Purchaser's Closing Conditions

The obligation of the Purchaser to complete the purchase of the Assets pursuant to this Agreement is subject to the satisfaction, at or prior to the Closing Date, of the following conditions precedent:

- (a) **Representations and Warranties True:** all representations and warranties of the Vendor contained in this Agreement shall be true in all material respects on the Closing Date, and the Purchaser shall have received a certificate from an officer of the Vendor substantially in the form attached hereto as Schedule "C" dated as of the Closing Date;
- (b) **Vendor's Obligations:** the Vendor shall have, in all material respects, timely performed and satisfied all obligations required by this Agreement to be performed and satisfied by the Vendor on or prior to the Closing Date;
- (c) **Conveyance Documents:** the Vendor shall have executed and delivered to the Purchaser all Conveyance Documents required under Section 6.4(a) and the General Conveyance;
- (d) **Restrictions:** all necessary governmental and other regulatory approvals to the sale of the Assets that are required prior to Closing shall have been obtained without conditions;
- (e) **No Injunction:** there will not be any judicial restraining order or injunction, preliminary or otherwise, in effect prohibiting the Closing or the Transaction;
- (f) **ROFRs:** prior to the Closing Date, any and all ROFRs shall have been exercised or waived by the holders thereof or all time periods within such rights may be exercised shall have expired;
- (g) **AER Approval:** Purchaser shall have received confirmation from the AER, in a form satisfactory to Purchaser acting reasonably, that the AER will accept and

process the transfer to Purchaser of all AER Licenses subject only to the payment of any security deposit, calculated in accordance with the AER's Directive 006, Appendix 2, Section 8, which may be required only in the event that the Purchaser's (and only the Purchaser's) Liability Management Rating (LMR) (as that term is defined in the AER's Directive 006) goes below 1.0 as a result of the transfer of any Licensed Assets to the Purchaser; and

(h) Court Approval: the Court Approval shall have been obtained.

The foregoing conditions shall be for the benefit of the Purchaser and may, without prejudice to any of the rights of the Purchaser hereunder (excluding reliance on or enforcement of any representations, warranties or covenants dealing with the subject of or similar to the condition waived), be waived by it by notice to the Vendor in writing, in whole or in part, at any time, provided that the Purchaser is not entitled to waive the Court Approval condition **contained in** Section 5.2(h). The Purchaser shall proceed diligently and in good faith and use all reasonable efforts to fulfill and assist in the fulfillment of the foregoing conditions. In case any of the said conditions shall not be complied with, or waived by the Purchaser at or before the Closing Date, the Purchaser may terminate this Agreement by written notice to the Vendor.

ARTICLE 6 CLOSING DELIVERIES

6.1 Vendor Closing Deliveries

At Closing, the Vendor shall table the following:

- (a) a certified copy of the Court Approval;
- (b) a copy of the Final Statement of Adjustments;
- (c) a certificate of the Vendor substantially in the form attached hereto as Schedule "C" dated as of the Closing Date;
- (d) a receipt for the Closing Payment;
- (e) the certificate of the Vendor substantially in the form attached as a schedule to the Court Approval;
- (f) the General Conveyance, fully executed by the Vendor; and
- (g) the Conveyance Documents, to the extent prepared on or by the Closing Date in accordance with Section 6.4(a).

6.2 Purchaser's Closing Deliveries

At Closing, Purchaser shall table the following:

- (a) the Closing Payment;
- (b) a certificate of a senior officer of Purchaser substantially in the form attached hereto as Schedule "D" dated as of the Closing Date; and
- (c) the General Conveyance, fully executed by Purchaser.

- (d) a discharge, in registerable form, of Personal Property Security Agreement registration nos. 13120435085 and 13121008891.

6.3 Deliveries

Vendor shall deliver or cause to be delivered to Purchaser within five (5) Business Days following Closing, the original copies of the Title and Operating Documents and any other agreements and documents in its possession related to the Assets and the original copies of contracts, agreements, records, books, documents, licenses, reports and data included in the Miscellaneous Interests which are now in the possession of Vendor. Notwithstanding the foregoing, if and to the extent such contracts, agreements, records, books, documents, licenses, reports and data also pertain to interests other than the Assets, at Vendor's expense, photocopies or other copies may be provided to Purchaser in lieu of original copies.

6.4 Conveyances

- (a) The Vendor shall provide at the Closing Date the Conveyance Documents, but no such documents shall require the Vendor to assume or incur any obligation, or to provide any representation or warranty, beyond that contained in this Agreement. The Purchaser shall execute and promptly return to the Vendor at least one copy of each such document and shall use all reasonable efforts to obtain timely execution and return of such documents by Third Parties wherever required. Notwithstanding the foregoing, the Parties agree that any assignments in the form of electronic transfers, including the AER License transfers, shall be completed and submitted at Closing.
- (b) The Vendor shall promptly register in the applicable registry all registrable transfers and conveyances of its interests in the Assets and the Vendor shall make application to all applicable Government Authorities to change the recorded name of the licensee of the Wells and Tangibles. All costs incurred in registering any transfers and conveyances inclusive of well license transfers, and all costs of registering any further assurances required to convey the Assets, shall be borne by the Purchaser.

6.5 License and Authorization Transfers

- (a) At least seven (7) Business Days prior to the Closing Date, the Purchaser shall communicate with the AER's requirements in order for the AER to approve the transfer by the Vendor to the Purchaser of any and all AER Licenses, and shall advise the Vendor in writing of such requirements. In the event that the AER imposes any requirements that exceed or deviate from the security deposit that would result if the Purchaser's (and only the Purchaser's) Liability Management Rating (LMR) (as that term is defined in the AER's Directive 006) goes below 1.0 as a result of the transfer of any Licensed Assets to the Purchaser, the Purchaser shall be entitled to terminate this Agreement and the Vendor shall refund the entire Deposit paid by the Purchaser within three (3) Business Days of receiving notice from the Purchaser of such termination. For greater certainty, it is agreed and understood that if a security deposit or payment of any type or kind is required by the AER for any reason other than the Purchaser's LMR going below 1.0 as a result of the transfer of any Licensed Assets to the Purchaser, the Purchaser shall be

entitled to terminate this Agreement as provided for herein and receive the refund of the entire Deposit.

- (b) In the event that the Agreement has not been terminated by the Purchaser pursuant to Section 6.5(a) above, forthwith after Closing, the Purchaser shall satisfy only the security deposit requirement that would exist if Purchaser's (and only Purchaser's) Liability Management Rating ("LMR") (as that term is defined in the AER's Directive 006) falls below 1.0 as a result of the transfer of any Licensed Assets to the Purchaser.
- (c) In the event that the Agreement has not been terminated by the Purchaser pursuant to Section 6.5(a) above, prior to Closing, the Vendor shall have prepared and, at Closing, will electronically submit an application to the AER for the transfer of any Licensed Assets held in the name of the Debtor and the Purchaser shall promptly accept and concur to such electronic transfer.
- (d) In the event that the Agreement has not been terminated by the Purchaser pursuant to Section 6.5(a) above, should the AER deny any license transfer because of mis-description or other minor deficiencies in the application, the Vendor shall, within two (2) Business Days, correct the application and amend and re-submit an application for the license transfers and the Purchaser shall electronically ratify and sign such application.

ARTICLE 7 LIABILITIES AND INDEMNITIES

7.1 General Indemnity

If Closing occurs, the Purchaser shall, without any further necessary action on the part of the Vendor or the Purchaser:

- (a) assume, perform, pay, discharge and be liable to the Vendor for; and
- (b) as a separate covenant, save and hold harmless and indemnify the Vendor and each other Vendor Entity from and against,

all Losses and Liabilities suffered, sustained, paid or incurred by any of them to the extent arising or accruing on or after the Effective Time on the Effective Date and which relate to the Assets or the terms and conditions of the Title and Operating Documents, including but not limited to all Losses and Liabilities attributable to the operation, ownership, use, construction or maintenance of the Assets arising or accruing on or after the Effective Time on the Effective Date. The Purchaser's indemnity obligation set forth in this Section 7.1 shall survive the Closing Date indefinitely.

7.2 Environmental Indemnity

- (a) The Purchaser acknowledges that it:
 - (i) is familiar with the condition of the Assets, including the past and present use of the Assets, and it has been provided with the right and the opportunity

to conduct due diligence investigations with respect to existing or potential Environmental Liabilities pertaining to the Assets; and

- (ii) is not relying upon any representation or warranty of the Vendor as to the condition, environmental or otherwise, of the Assets.
- (b) The Purchaser agrees that once Closing has occurred the Vendor shall have no liability whatsoever for any Environmental Liabilities. In this regard, once Closing has occurred, the Purchaser shall, without any further necessary action on the part of the Vendor or the Purchaser:
 - (i) be solely liable and responsible for all of the Vendor's Losses and Liabilities; and
 - (ii) as a separate covenant, indemnify, save and hold the Vendor and each other Vendor Entity harmless from and against all Losses and Liabilities that may be brought against or which they or any one of them may suffer, sustain, pay or incur;

as a result of any act, omission, matter or thing related to any Environmental Liabilities arising, however and whenever arising or occurring, and the Purchaser shall assume, perform, pay and discharge all Environmental Liabilities. This liability and indemnity shall apply without limit and without regard to cause or causes, including the negligence, whether sole, concurrent, gross, active, passive, primary or secondary, or the wilful or wanton misconduct of the Vendor or the Purchaser or any other person or otherwise. The Purchaser acknowledges and agrees that it shall not be entitled to any rights or remedies as against the Vendor or any Vendor Entity under the common law or statute pertaining to any Environmental Liabilities, including the right to name the Vendor or any Vendor Entity as a 'third party' to any action commenced by any Person against the Purchaser. The Purchaser's indemnity obligation set forth in this Section 7.2(b) shall survive the Closing Date indefinitely.

7.3 No Merger

There shall not be any merger of any liability or indemnity hereunder in any assignment, conveyance, transfer or document delivered pursuant hereto notwithstanding any rule of law, equity or statute to the contrary and all such rules are hereby waived.

7.4 Holding of Indemnities

The Vendor will hold the indemnities contained in Sections 7.1 and 7.2 in trust on behalf of all of the other Vendor Entities and may enforce the same on their behalf.

ARTICLE 8 TERMINATION

8.1 Grounds for Termination

This Agreement may be terminated at any time prior to Closing;

- (a) by mutual written agreement of the Vendor and the Purchaser;

- (b) by either the Vendor or the Purchaser pursuant to the provisions of Articles 5.1 or 5.2, as applicable; or
- (c) by either the Vendor or the Purchaser if Closing has not occurred on or before January 30th, 2016; or
- (d) by the Purchaser, pursuant to the provisions of Section 6.5(a).

8.2 Effect of Termination

If this Agreement is terminated by the Vendor or the Purchaser as permitted under Section 8.1, then Sections 9 and 10.7 shall remain in full force and effect following any such permitted termination. Nothing in this Section 8.2 relieves the Vendor of the obligation to refund the Deposit to the Purchaser.

ARTICLE 9 CONFIDENTIALITY, PUBLIC ANNOUNCEMENTS AND SIGNS

9.1 Confidentiality

Each Party agrees to keep in strict confidence:

- (a) subject to Section 9.2, all information regarding the terms of this Agreement; and
- (b) any information exchanged or received in connection with:
 - (i) the performance of due diligence by the Purchaser prior to or after the date hereof (including due diligence conducted under or in connection with the Offer to Purchase); or
 - (ii) negotiation or drafting of this Agreement,

provided that a Party shall be entitled to disclose all information as may be required or desirable in connection with obtaining the Court Approval. If this Agreement is terminated, each Party upon request will promptly return to the other Party all documents, contracts, records or other information received by it that disclose or embody confidential information of the other Party.

9.2 Public Announcements

- (a) If a Party intends to issue a press release or other public disclosure of this Agreement, the terms hereof or the transactions contemplated herein, the disclosing Party shall provide the other Parties with an advance copy of any such press release or other public disclosure with sufficient time to enable the other Parties to review such press release or other public disclosure and advise of any comments they may have with respect thereto.
- (b) Notwithstanding Section 9.1 or 9.2(a), a Party may release or provide information about the Transaction insofar as is required by Applicable Laws (including as may be required to obtain Court Approval) or stock exchange requirements applicable to the disclosing Party or its Affiliates; provided that such disclosing Party shall make reasonable commercial efforts to provide the other Parties with the details of the nature and substance of such required disclosure as soon as practicable end in any event prior to such disclosure. A Party may provide information about the

Transaction to a bank or other financial institution to obtain financing or any required consent of the bank or other financial lender of such Party or any of its Affiliates. A Party may also disclose such information pertaining to this Agreement, including the identity of the Parties, insofar as is required to enable such Party to fulfil its obligations under this Agreement, including obtaining any approvals or consents to the Transaction required from Governmental Authorities (including Court Approval) or Third Parties.

9.3 Signs

Within sixty (60) days following the Closing Date, the Purchaser shall remove the names of the Vendor, the Debtor and their Affiliates and predecessors from all signs located at or near the Wells or any Tangibles. If the Purchaser fails to comply with the foregoing, the Vendor shall have the right, at its discretion, to remove its name as aforesaid and the Purchaser shall be responsible for and shall reimburse such Vendor for all reasonable costs incurred by such Vendor in so doing.

ARTICLE 10 MISCELLANEOUS

10.1 Service of Notices

Any Communication must be in writing and either delivered personally or by courier, sent by prepaid registered mail or transmitted by facsimile, e-mail or functionally equivalent electronic means of transmission, charges (if any) prepaid.

Any Communication must be sent to the intended recipient at its address as follows:

the Purchaser:
Bears paw Petroleum Ltd.
5309, 333 – 96th Avenue N.E.
Calgary, Alberta
T3K 0S3

Attention: Paul Wright, Director
Email: pwright@bears pawpet.com

the Vendor:

Deloitte Restructuring Inc., in its capacity as court appointed receiver of certain property and assets of Sekur Energy Management Corp., and not in its personal capacity
700, 850 – 2nd Street SW
Calgary, Alberta T2P 0R8

Attention: Jeff Keeble, Senior Vice President
Email: jkeeble@deloitte.ca

With a copy to:

Gowlings Lafleur Henderson LLP
1600, 421 7th Avenue SW
Calgary, Alberta T2P 4K9

Attention: Tom Cumming
Email: Tom.Cumming@gowlings.com

or at any other address as any Party may at any time advise the other by Communication given or made in accordance with this Section 10.1. Any Communication delivered to the Party to whom it is addressed will be deemed to have been given or made and received on the day it is delivered at that Party's address, provided that if that day is not a Business Day then the Communication will be deemed to have been given or made and received on the next Business Day. Any Communication sent by prepaid registered mail will be deemed to have been given or made and received on the fifth Business Day after which it is mailed. If a strike or lockout of postal employees is then in effect, or generally known to be impending, every Communication must be delivered personally or by courier or transmitted by facsimile, e-mail or functionally equivalent electronic means of transmission. Any Communication transmitted by facsimile, e-mail or other functionally equivalent electronic means of transmission will be deemed to have been given or made and received on the day on which it is transmitted; but if the Communication is transmitted on a day which is not a Business Day or after 5:00 pm (local time of the recipient), the Communication will be deemed to have been given or made and received on the next Business Day.

10.2 Governing Law

This Agreement shall, in all respects, be subject to and be interpreted, construed and enforced in accordance with the laws in effect in the Province of Alberta and to the laws of Canada applicable therein.

10.3 Resolution of Disputes

- (a) Each Party hereby irrevocably and unconditionally submits, for itself and its property, to the exclusive jurisdiction of the Court, and waives any defences it might have regarding jurisdiction in any action or proceeding arising out of or relating to this Agreement or any ancillary agreement to which it is a Party, or for recognition or enforcement of any judgment in respect thereof, and each Party hereto hereby irrevocably and unconditionally agrees that all Claims in respect of any such action or proceeding may be heard and determined by the Court.
- (b) Each Party hereby irrevocably and unconditionally waives, to the fullest extent it may legally and effectively do so, any objection that it may now or hereafter have to the laying of venue of any action or proceeding arising out of or relating to this Agreement or any ancillary agreement to which it is a Party in any court of competent jurisdiction in the Province of Alberta. Each of the Parties hereto hereby irrevocably waives, to the fullest extent permitted by Applicable Law, the defence of an inconvenient forum to the maintenance of such action or proceeding in any such court.

10.4 Personal Information

The Purchaser covenants and agrees to use and disclose any personal information contained in any of the books, records or files transferred to the Purchaser or otherwise obtained by the

Purchaser in connection with the Transaction only for those purposes for which it was initially collected from or in respect of the individual to which such information relates or as otherwise permitted or authorized by Applicable Law. The Purchaser's obligations set forth in this Section 10.4 shall survive the Closing Date indefinitely.

10.5 Assignment

- (a) Neither Party may assign their interest in or under this Agreement or to the Assets without the prior written consent of the other Party, which consent may be withheld in such other Party's sole and unfettered discretion.
- (b) No assignment, transfer, or other disposition of this Agreement or the Assets or any portion of the Assets shall relieve the Purchaser from its obligations to the Vendor herein. The Vendor shall have the option to claim performance or payment of the obligations from the Purchaser or the assignee or transferee, and to bring proceedings in the event of default against either or all of them, provided that nothing herein shall entitle the Vendor to receive duplicate performance or payment of the same obligation.

10.6 Remedies Cumulative

No failure on the part of any Party to exercise any right or remedy will operate as a waiver thereof. A Party will not be precluded from exercising any right available to it at law, equity or by statute because of its exercise of any single or partial right, and a Party may exercise any such remedies independently or in combination.

10.7 Costs

Except as otherwise specified in this Agreement, each Party shall pay its respective costs incurred in connection with the preparation, negotiation and execution of this Agreement and the consummation of the Transaction.

10.8 No Waiver

No waiver by any Party of any breach of any of the terms, conditions, representations or warranties in this Agreement shall take effect or be binding upon that Party unless the waiver is expressed in writing under the authority of that Party and any waiver so given shall extend only to the particular breach so waived and shall not limit or affect any rights with respect to any other or future breach.

10.9 Entire Agreement

This Agreement constitutes the entire agreement between the Parties with respect to the subject matter hereof, and the Parties agree and confirm that this Agreement cancels and supersedes any prior understandings and agreements between the Parties hereto with respect to the subject matter hereof, but expressly excluding the Non-Disclosure Agreement which shall continue to apply in accordance with its terms. No modification of or amendment to this Agreement shall be valid or binding unless set forth in writing and duly executed by the Parties.

10.10 Paramountcy

In the event of a conflict in or between the provisions of this Agreement and the provisions of the

General Conveyance or any Conveyance Documents then, despite anything contained in such General Conveyance or any Conveyance Documents, the provisions of this Agreement will prevail and the provisions of such General Conveyance or any Conveyance Documents will be deemed to be amended to the extent necessary to eliminate such conflict.

10.11 Further Assurances

From time to time, as and when reasonably requested by the other Party, a Party shall execute and deliver or cause to be executed and delivered all such documents and instruments and shall take or cause to be taken all such further or other actions to implement or give effect to the Transaction, provided such documents, instruments or actions are consistent with the provisions of this Agreement. All such further documents, instruments or actions shall be delivered or taken at no additional consideration other than reimbursement of any expenses reasonably incurred by the Party providing such further documents or instruments or performing such further acts, by the Party at whose request such documents or instruments were delivered or acts performed.

10.12 Time of the Essence

Time shall be of the essence in this Agreement.

10.13 Enurement

This Agreement shall be binding upon and shall enure to the benefit of the Parties and their respective heirs, executors, successors and permitted assigns.

10.14 Severability

In the case any of the provisions of this Agreement should be invalid, illegal or unenforceable in any respect, the validity, legality or enforceability of the remaining provisions contained herein shall not in any way be affected or impaired thereby.

10.15 No Third Party Beneficiaries

Except as expressly provided in Sections 3.2(b), 4.2, 4.4, 7.1, 7.2, 7.3 and 7.4, the Parties do not intend, nor will any Section of this Agreement be interpreted to create, any obligation to, or benefit from, any Person other than a Party.

[the remainder of this page intentionally left blank]

10.16 Counterpart Execution

This Agreement may be executed in counterpart and all executed counterparts together shall constitute one agreement. This Agreement shall not be binding upon any Party unless and until executed by all Parties. Delivery of an executed signature page to this Agreement by any party by electronic transmission will be as effective as delivery of a manually executed copy of the Agreement by such party.

IN WITNESS WHEREOF the Parties have executed this Agreement as of the date first above written

DELOITTE RESTRUCTURING INC., in its capacity as court appointed receiver of the assets, undertakings and properties of **Sekur Energy Management Corp.**, and not in its personal capacity

BEARSPAW PETROLEUM LTD.

Per: _____
Name: _____
Title: _____

Per: _____
Name: Paul Wright
Title: Director

Per: _____
Name: _____
Title: _____

Per: _____
Name: Jirka Kaplan
Title: Director

[This is the execution page to the Asset Purchase and Sale Agreement dated November 10, 2015 between Deloitte Restructuring Inc., in its capacity as court appointed receiver of certain property and assets of Sekur Energy Management Corp., and not in its personal capacity, and BEARSPAW PETROLEUM LTD.], a corporation incorporated pursuant to the laws of Alberta.

SCHEDULE "A"

Attached to and made a part of that Asset Purchase and Sale Agreement dated November 10th, 2015.

All land, equipment, facilities, pipelines required to produce the well(s) listed in Part 2. The list was derived using the information provided in the disposition and public data but may not reflect the actual interests of the Debtor and in such case can be amended to add or subtract the actual disposition interests in the land, equipment, facilities, pipelines and land to produce the well(s) listed in Part 2.

Part 1 - Lands, Leases and Petroleum and Natural Gas Rights

Crown P&NG

Land Description	Lease Number	Working Interest	Rights	Encumbrances
		See Mineral Property Report – 14 pages (attached)		

Part 2 – Wells

100/01-32-038-20W4/00 – 37.5% (Lic # 397749)
 100/04-32-038-20W4/00 – 37.5% (Lic # 397745)
 100/04-32-038-20W4/02 – 37.5% (Lic # 397745)
 100/11-32-038-20W4/00 – 37.5% (Lic # 91186)
 100/13-32-038-20W4/00 – 37.5% (Lic # 397800)
 100/13-32-038-20W4/02 – 37.5% (Lic # 397800)
 100/16-32-038-20W4/00 – 37.5% (Lic # 397801)

100/05-34-038-20W4/00 – 100% (Lic # 418737)
 100/09-34-038-20W4/00 – 100% (Lic # 420442)
 100/12-34-038-20W4/00 – 100% (Lic # 418751)
 102/15-34-038-20W4/00 – 100% (Lic # 413238)

100/13-18-039-19W4/00 – 10% (Lic # 111440)
 100/13-18-039-19W4/00 – 10% (Lic # 111440)

100/04-02-039-20W4/00 – 100% (Lic 413245)
 102/06-02-039-20W4/00 – 100% (Lic 335895)
 102/06-02-039-20W4/02 – 100% (Lic 335895)
 102/06-02-039-20W4/03 – 100% (Lic 335895)

Part 3 – Facilities

Facilities	Type	AER Facility #	Interest
11-32-38-20W4	Booster Compressor	40032	37.5%

Part 4 – Acquired Pipelines

Pipelines	AER		Status	Interest
	Approval #	Line #		
06-02-39-20W4 to 03-10-39-20W4	46807	1	Operating	100%
04-02-39-20W4 to 06-02-39-20W4	46807	2	Operating	100%
05-34-38-20W4 to 04-02-39-20W4	46807	3	Operating	100%
04-32-38-20W4 to 11-32-38-20W4	50773	1	Operating	37.5%
01-32-38-20W4 to 11-32-38-20W4	50773	2	Operating	37.5%
13-32-38-20W4 to 11-32-38-20W4	50773	3	Operating	37.5%
16-32-38-20W4 to 11-32-38-20W4	50773	4	Operating	37.5%
15-34-38-20W4 to 09-34-38-20W4	51882	1	Operating	100%
09-34-38-20W4 to 09-34-38-20W4	51882	2	Operating	100%
13-18-39-19W4 to 06-19-39-19W4	19767	2	Operating	10%

Part 5 – Proprietary Seismic

N/A

SCHEDULE "B"

Attached to and made part of that Asset Purchase and Sale Agreement dated November 10th, 2015.

GENERAL CONVEYANCE

This General Conveyance made this • day of •, 2015.

BETWEEN:

DELOITTE RESTRUCTURING INC., in its capacity as court appointed receiver of the assets, undertakings and properties of Sekur Energy Management Corp., and not in its personal capacity ("**Vendor**")

- and -

[INSERT PURCHASER NAME], a corporation incorporated pursuant to the laws of the Province of Alberta (the "**Purchaser**")

WHEREAS the Vendor has agreed to sell and convey the Debtor's entire right, title, estate and interest in the Assets to the Purchaser and the Purchaser has agreed to purchase and accept all of the Debtor's rights, title, estate and interest in and to the Assets.

THE PARTIES AGREE AS FOLLOWS:

1. Definitions

In this General Conveyance, including the recitals, "Agreement" means the Asset Purchase and Sale Agreement dated November 10th, 2015, between the Vendor and the Purchaser and, in addition, the definitions provided for in the Agreement are adopted in this General Conveyance.

2. Conveyance

The Vendor, for the consideration provided for in the Agreement, the receipt and sufficiency of which is acknowledged by the Vendor, hereby sells, assigns, transfers and conveys the entire right, title, benefit and interest of the Debtor in and to the Assets to the Purchaser, its successors and assigns, and the Purchaser purchases and accepts such interests from the Vendor, TO HAVE AND TO HOLD the same absolutely, subject to the terms of the Agreement, the Permitted Encumbrances and compliance with the terms of the Leases and all other Title and Operating Documents.

3. Effective Time

This General Conveyance and the transfer of title to and possession of the Debtor's interest in and to the Assets will, subject to the terms of the Agreement, be effective as of the Closing Date.

4. Subordinate Document

This General Conveyance is executed and delivered by the Parties pursuant to the Agreement for

the purposes of the provisions of the Agreement, and the terms hereof shall be read on conjunction with the terms of the Agreement. If there is a conflict between the provisions of the Agreement and this General Conveyance, the provisions of the Agreement shall prevail to the extent of the conflict.

5. **Enurement**

This General Conveyance enures to the benefit of and is binding; upon the Parties and their respective successors and permitted assigns.

6. **Further Assurances**

Each Party shall, after the date of this General Conveyance, at the request of the other Party and without further consideration, do all further acts and execute and deliver all further documents which are reasonably required to perform and carry out the terms of this General Conveyance.

7. **Governing Law**

This General Conveyance will be governed by and construed in accordance with the laws of the Province of Alberta.

IN WITNESS WHEREOF the Parties have duly executed this General Conveyance.

DELOITTE RESTRUCTURING INC., in its capacity as court appointed receiver of the assets, undertakings and properties of **Sekur Energy Management Corp.**, and not in its personal capacity

[INSERT PURCHASER NAME]

Per: _____
Name: _____
Title: _____

Per: _____
Name: _____
Title: _____

Per: _____
Name: _____
Title: _____

Per: _____
Name: _____
Title: _____

SCHEDULE "C" - VENDOR'S OFFICER'S CERTIFICATE

Attached to and made part of that Asset Purchase and Sale Agreement dated November 10th, 2015.

VENDOR'S OFFICER'S CERTIFICATE

Re: Section 5.2(a) of the Asset Purchase and Sale Agreement ("**Agreement**") dated November 10th, 2015, between Deloitte Restructuring Inc., in its capacity as court appointed receiver of the assets, undertakings and properties of Sekur Energy Management Corp., and not in its personal capacity, as the Vendor and [INSERT PURCHASER NAME] as the Purchaser.

Unless otherwise stated, the definitions provided for in the Agreement are adopted in this Certificate.

I, **Jeff Keeble, Senior Vice-President**, hereby certify that:

1. Each of the representations and warranties of the Vendor contained in Section 4.1 of the Agreement is true and correct in all material respects as of the Closing Date.
2. All Closing conditions for the benefit of the Vendor, pursuant to Section 5.1 of the Agreement, have been satisfied or waived.
3. This Certificate is made for and on behalf of the Vendor and is binding upon it, and I am not incurring and will not incur any personal liability whatsoever with respect to it.
4. This Certificate is made with full knowledge that the Purchaser is relying on the same for the Closing of the Transaction.

IN WITNESS WHEREOF I have executed this Certificate the ● day of ●, 2015.

Name:

Title:

SCHEDULE "D" - PURCHASER'S OFFICER'S CERTIFICATE

Attached to and made part of that Asset Purchase and Sale Agreement dated November 10th, 2015.

Re: Section 5.1(a) of the Asset Purchase and Sale Agreement ("**Agreement**") dated November 10th, 2015, between Deloitte Restructuring Inc., in its capacity as court appointed receiver of the assets, undertakings and properties of Sekur Energy Management Corp., and not in its personal capacity, as the Vendor and [INSERT PURCHASER NAME] as the Purchaser.

Unless otherwise stated, the definitions provided for in the Agreement are adopted in this Certificate.

I, **[Name]**, **[Title]**, hereby certify that:

1. Each of the representations and warranties of the Purchaser contained in Section 4.3 of the Agreement is true and correct in all material respects as of the Closing Date.
2. All Closing conditions for the benefit of the Purchaser, pursuant to Section 5.2 of the Agreement, have been satisfied or waived.
3. This Certificate is made for and on behalf of the Purchaser and is binding upon it, and I am not incurring and will not incur any personal liability whatsoever with respect to it.
4. This Certificate is made with full knowledge that the Vendor is relying on the same for the Closing of the Transaction.

IN WITNESS WHEREOF I have executed this Certificate the ● day of ●, 2015.

Name:

Title:

SCHEDULE "E" - FORM OF COURT ORDER

Attached to and made part of that Asset Purchase and Sale Agreement dated November 10th, 2015.

SCHEDULE "A"

COURT FILE NUMBER	1501-09213	Clerk's Stamp
COURT	COURT OF QUEEN'S BENCH OF ALBERTA	
JUDICIAL CENTRE	CALGARY	
PLAINTIFF	COMPUTERSHARE TRUST COMPANY OF CANADA, IN ITS CAPACITY AS COLLATERAL AGENT FOR GUGGENHEIM CORPORATE FUNDING, LLC	
DEFENDANT	SEKUR ENERGY MANAGEMENT CORP.	
MATTER	IN THE MATTER OF THE RECEIVERSHIP OF SEKUR ENERGY MANAGEMENT CORP.	
DOCUMENT	APPROVAL AND VESTING ORDER (Sale by Receiver)	
ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT	Gowling Lafleur Henderson LLP 1600, 421 – 7 Avenue SW Calgary, Alberta T2P 4K9 Telephone (403) 298-1000 Facsimile (403) 695-3558 File No. A128622 Attention: Tom Cumming / Jeff Oliver	

DATE ON WHICH ORDER WAS PRONOUNCED: ●, 2015

LOCATION WHERE ORDER WAS PRONOUNCED: Calgary Courts Centre

NAME OF JUSTICE WHO MADE THIS ORDER: The Honourable M● Justice ●

UPON THE APPLICATION by Deloitte Restructuring Inc., in its capacity as the Court-appointed receiver and manager (the **"Receiver"**) of the assets, undertakings and properties of Sekur Energy Management Corp. (the **"Debtor"**) for an order approving the sale transaction (the **"Transaction"**)

contemplated by an asset purchase and sale agreement dated as of November 10th, 2015 (the “**Sale Agreement**”) between the Receiver and ● (the “**Purchaser**”), which Sale Agreement is appended in redacted form as Exhibit “●” to the Report of the Receiver dated ●, 2015 (the “**Report**”), and in unredacted form as Exhibit “●” to the Confidential Addendum to the Report dated the same date and filed in the within proceedings (the “**Confidential Addendum**”), and vesting in the Purchaser the Debtor’s right, title and interest in and to the Purchased Assets (as defined below);

AND UPON HAVING READ the Receivership Order dated August 12, 2015 (the “**Receivership Order**”), the Report of the Receiver, the Confidential Addendum and the Affidavit of Service of Richard Comstock; **AND UPON HEARING** the submissions of counsel for the Receiver, the Purchaser, [Names of other parties appearing], no one appearing for any other person on the service list, although properly served as appears from the Affidavit of Service, 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.

APPROVAL OF TRANSACTIONS

2. The Transaction is hereby approved, and the execution of the Sale Agreement by the Receiver is hereby authorized and approved, with such minor amendments as the Receiver may deem necessary. The Receiver is hereby authorized and directed to take such additional steps and 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

3. Upon the delivery of a Receiver’s certificate to the Purchaser substantially in the form set out in **Schedule “A”** hereto (the “**Receiver’s Certificate**”), subject to the permitted encumbrances, caveats, easements and restrictive covenants listed on **Schedule “B”** hereto (the “**Permitted Encumbrances**”) [*and subject to approval by the Alberta Energy Regulator of the transfer of applicable licenses, permits and approvals pursuant to section 24 of the Oil and Gas Conservation Act and section 18 of the Pipeline Act,*] [ntd: *applicable if Sekur holds the AER licenses*] all of the

Debtor's right, title and interest in and to the property and assets of the Debtor described as the "Assets" in the Sale Agreement and listed on **Schedule "C"** hereto (collectively, the "**Purchased Assets**") shall vest absolutely in the name of the Purchaser, free and clear of and from any and all security interests (whether contractual, statutory, or otherwise), hypothecs, caveats, mortgages, trusts or deemed trusts (whether contractual, statutory, or otherwise), liens, executions, levies, charges, or other financial or monetary claims, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise (collectively, the "**Claims**") including, without limiting the generality of the foregoing:

- (a) any encumbrances or charges created by the Receivership Order;
- (b) all charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* (Alberta) or any other personal property registry system; and
- (c) all other claims other than the Permitted Encumbrances

(all of which are collectively referred to as the "**Encumbrances**"); and, for greater certainty, this Court orders that all of the Encumbrances affecting or relating to the Purchased Assets are hereby expunged and discharged as against the Purchased Assets.

4. The Minister of Energy for Alberta, acting pursuant to the *Mines and Minerals Act* (Alberta), shall cancel and discharge all Claims registered against the interests of the Debtor in respect of the Purchased Assets, including without limitation:
 - (a) all security notices and assignments under section 426 (formerly section 177) of the *Bank Act* (Canada); and
 - (b) all Claims in the nature of builders' liens.
5. The Receiver is hereby authorized to execute for and on behalf of the Debtor all conveyances, assignments, transfers, novations, notices of assignment and other documents necessary or desirable in order to convey, assign and transfer title to the Purchased Assets to the Purchaser and to novate the Purchaser into any contracts, licenses, permits, approvals or authorizations included in the Purchased Assets.
6. For the purposes of determining the nature and priority of Claims, the net proceeds from the sale of the Purchased Assets (to be held in an interest bearing trust account by the Receiver) shall stand in the place and stead of the Purchased Assets, and from and after the delivery of the Receiver's Certificate all Claims and Encumbrances shall attach to the net proceeds from the sale of the

Purchased Assets with the same priority as they had with respect to the Purchased Assets immediately prior to the sale, as if the Purchased Assets had not been sold and remained in the possession or control of the person having that possession or control immediately prior to the sale.

7. The Purchaser shall, by virtue of the completion of the Transaction, have no liability of any kind whatsoever in respect of any Claims against the Debtor.
8. The Debtor and all persons who claim by, through or under the Debtor in respect of the Purchased Assets, save and except for the persons entitled to the benefit of the Permitted Encumbrances, shall stand absolutely barred and foreclosed from all estate, right, title, interest, royalty, rental and equity of redemption of the Purchased Assets and, to the extent that any such persons remains in possession or control of any of the Purchased Assets, they shall forthwith deliver possession thereof to the Purchaser.
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 the Debtor, or any person claiming by or through or against the Debtor.
10. Immediately after the closing of the Transaction, the holders of the Permitted Encumbrances shall have no claim whatsoever against the Receiver or the Debtor.
11. The Receiver is to file with the Court a copy of the Receiver's Certificate, forthwith after delivery thereof to the Purchaser.
12. 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 Receiver is authorized and permitted to disclose and transfer to the Purchaser all human resources and payroll information in the Debtor's records pertaining to the Debtor's past and current employees, including personal information of those employees listed in the Sale 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 Debtor.
13. 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) in respect of the Debtor and any bankruptcy order issued pursuant to any such applications; and
- (c) any assignment in bankruptcy made in respect of the Debtor,

the vesting of the Purchased Assets in the Purchaser pursuant to this Order shall be binding on any trustee in bankruptcy that may be appointed in respect of the Debtor and shall not be void or voidable by creditors of the Debtor, nor shall it constitute nor be deemed to be a settlement, fraudulent preference, assignment, fraudulent conveyance, transfer at undervalue, or other reviewable transaction under the *Bankruptcy and Insolvency Act* (Canada) or any other applicable federal or provincial legislation, nor shall it constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

- 14. The Receiver, the Purchaser and any other interested party, shall be at liberty to apply for further advice, assistance and directions as may be necessary in order to give full force and effect to the terms of this Order and to assist and aid the parties in closing the Transaction.

MISCELLANEOUS MATTERS

- 15. 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 Receiver and its agents in carrying out the terms of this Order. All courts, tribunals regulatory and administrative bodies are hereby respectfully requested to make such orders as to provide such assistance to the Receiver, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the Receiver and its agents in carrying out the terms of this Order.
- 16. 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.
- 17. 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 Receiver's Certificate

COURT FILE NUMBER	1501-09213	<div>Clerk's Stamp</div>
COURT	COURT OF QUEEN'S BENCH OF ALBERTA	
JUDICIAL CENTRE	CALGARY	
PLAINTIFF	COMPUTERSHARE TRUST COMPANY OF CANADA, IN ITS CAPACITY AS COLLATERAL AGENT FOR GUGGENHEIM CORPORATE FUNDING, LLC	
DEFENDANT	SEKUR ENERGY MANAGEMENT CORP.	
MATTER	IN THE MATTER OF THE RECEIVERSHIP OF SEKUR ENERGY MANAGEMENT CORP.	
DOCUMENT	RECEIVER'S CERTIFICATE	
ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT	Gowling Lafleur Henderson LLP 1600, 421 – 7 Avenue SW Calgary, Alberta T2P 4K9 Telephone (403) 298-1000 Facsimile (403) 695-3558 File No. A128622	

Attention: Tom Cumming / Jeffrey Oliver

RECITALS

- A. Pursuant to an Order of the Honourable Madam Justice Horner of the Court of Queen's Bench of Alberta, Judicial District of Calgary (the "**Court**") dated August 12, 2015, Deloitte Restructuring Inc. was appointed as the receiver and manager (the "**Receiver**") of the assets, undertakings and properties of Sekur Energy Management Corp. (the "**Debtor**").
- B. Pursuant to an Order of the Honourable M● Justice ● of the Court dated ●, 2015, the Court approved the asset purchase and sale agreement made as of ●, 2015 (the "**Sale Agreement**") between the Receiver and ● (the "**Purchaser**") and provided for the vesting in the Purchaser of the Debtor'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 Receiver to the Purchaser of a certificate confirming (i) the payment by the Purchaser of the Purchase Price for the Purchased Assets; (ii) that the conditions to Closing as set out in Article 9 of the Sale Agreement have been satisfied or waived by the Receiver and the Purchaser; and (iii) the Transaction has been completed to the satisfaction of the Receiver.

- C. Unless otherwise indicated herein, terms with initial capitals have the meanings set out in the Sale Agreement.

THE RECEIVER CERTIFIES the following:

1. The Purchaser has paid and the Receiver has received the Purchase Price for the Purchased Assets payable on the Closing Date pursuant to the Sale Agreement;
2. The conditions to Closing as set out in Article 5 of the Sale Agreement have been satisfied or waived by the Receiver and the Purchaser; and
3. The Transaction has been completed to the satisfaction of the Receiver.
4. This Certificate was delivered by the Receiver at **[Time]** on **[Date]**.

Deloitte Restructuring Inc., in its capacity as Receiver and Manager of the assets, undertakings, properties of **Sekur Energy Management Corp.**, and not in its personal capacity
Per:

Name:
Title:

Schedule “B”

Permitted Encumbrances

Unless otherwise indicated, capitalized terms have the meanings set out in the Sale Agreement.

Permitted Encumbrances mean:

- (a) •

Schedule "C"

Description of Purchased Assets

The Purchased Assets consist of the Petroleum and Natural Gas Rights, the Tangibles and the Miscellaneous Interests, as such terms are defined in the Sale Agreement, including the following:

Lands

Lease Type	Crown Lease No.	Land Description	Mineral Rights	Sekur Working Interest

Wells

Well Location	Status	Working Int.	AER License #
---------------	--------	--------------	---------------

SCHEDULE "F" - ROFRs and Allocations

Attached to and made a part of that Asset Purchase and Sale Agreement dated November 10th, 2015.

ROFR Holder:

Affected Assets:

Purchase Price Allocation: \$

Appendix 4 –
Purchase and sale agreement dated
October 30, 2015 between TKL
Consultants Ltd. and the Receiver

ASSET PURCHASE AND SALE AGREEMENT

BETWEEN

**DELOITTE RESTRUCTURING INC., in its capacity as court appointed receiver of the
assets, undertakings and properties of Sekur Energy Management Corp.,
and not in its personal capacity**

(the “Vendor”)

AND

**TKL Consultants Ltd., a corporation incorporated pursuant to the laws of the Province of
Alberta**

(the “Purchaser”)

October 30, 2015

ASSET PURCHASE AND SALE AGREEMENT

THIS AGREEMENT made as of the 30th day of October, 2015

BETWEEN:

DELOITTE RESTRUCTURING INC., in its capacity as court appointed receiver of the assets, undertakings and properties of Sekur Energy Management Corp., and not in its personal capacity (“**Vendor**”)

- and -

TKL CONSULTANTS LTD., a corporation incorporated pursuant to the laws of the Province of Alberta (the “**Purchaser**”)

CONTEXT

- A.** The Vendor was appointed as receiver of the Property pursuant to the Receivership Order.
- B.** The Vendor wishes to sell the Assets to the Purchaser and the Purchaser wishes to purchase the Assets from the Vendor, all upon and subject to the terms and conditions set forth in this Agreement.

NOW THEREFORE THIS AGREEMENT WITNESSES that in consideration of the premises, mutual covenants, agreements and warranties in this Agreement, the Parties covenant and agree as follows:

ARTICLE 1 DEFINITIONS AND INTERPRETATION

1.1 Definitions

In this Agreement, the following capitalized terms have the following meanings:

- (a) “**Abandonment and Reclamation Liabilities**” means all past, present and future obligations and liabilities to:
- (i) abandon the Wells and close, decommission, dismantle and remove all structures, foundations, buildings, pipelines, equipment, tanks and other facilities and Tangibles that are or were located in or on the Lands or lands pooled or unitized therewith or used or previously used in respect of Petroleum Substances produced or previously produced from the Lands or lands pooled or unitized therewith; and
 - (ii) restore, remediate and reclaim any surface and subsurface locations of the lands on which the Wells, structures, foundations, buildings, pipelines, equipment, tanks and other facilities described in Section 1.1(a)(i) are or were located and all lands used to gain access to any of them;

all in accordance with generally accepted industry practices in the province where the Assets are located and in compliance with all Applicable Laws and the Title and Operating Documents.

- (b) **“Acquired Pipelines”** means those pipeline segments listed in Schedule “A” – Part 4.
- (c) **“AER”** means the Alberta Energy Regulator.
- (d) **“AER Deposits”** means any deposits paid by or on behalf of the Debtor to the AER relating to the Assets.
- (e) **“AER Licenses”** means all licenses and authorizations issued by a Governmental Authority in respect of the Wells and any Tangibles licensed to the Vendor, but excludes, without limitation those portions of any licenses relating to pipelines or pipeline segments other than the Acquired Pipelines.
- (f) **“Affiliate”** means, with respect to any Person, any other Person or group of Persons acting in concert, directly or indirectly, that controls, is controlled by or is under common control with such Person. The term **“control”** as used in the preceding sentence means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of a Person whether through ownership of more than fifty percent (50%) of the voting securities of such Person, by contract or otherwise.
- (g) **“Agreement”** means this asset purchase and sale agreement including the Schedules attached hereto, as it may be amended, modified, supplemented or restated by written agreement between the Parties.
- (h) **“Applicable Laws”** means, in relation to any Person, asset, transaction, event or circumstance:
 - (i) statutes (including regulations enacted thereunder);
 - (ii) judgments, decrees and orders of courts of competent jurisdiction;
 - (iii) regulations, orders, ordinances and directives issued by Government Authorities; and
 - (iv) the terms and conditions of all permits, licenses, approvals and authorizations;which are applicable to such Person, asset, transaction, event or circumstance.
- (i) **“Assets”** means the Debtor’s right, title, estate and interest in the Petroleum and Natural Gas Rights, the Miscellaneous Interests and the Tangibles.
- (j) **“Business Day”** means any day other than a Saturday, Sunday or statutory holiday in the Province of Alberta, and also excluding any day on which the principal chartered banks or financial institutions located in the City of Calgary are not open for business during normal hours.
- (k) **“Claim”** means any claim, demand, lawsuit, proceeding, arbitration or governmental investigation, in each case, whether asserted, threatened, pending or existing.

- (l) **"Closing"** means the transfer of possession, beneficial ownership and risks of the Assets from the Vendor to the Purchaser, the exchange of Conveyance Documents and payment of the Purchase Price by the Purchaser to the Vendor, and all other items and consideration required to be delivered on the Closing Date pursuant hereto.
- (m) **"Closing Date"** has the meaning provided in Section 2.10.
- (n) **"Closing Deliveries"** means, collectively, those items or documents to be delivered by Vendor at Closing pursuant to Section 6.1 and those documents to be delivered by Purchaser at Closing pursuant to Section 6.2.
- (o) **"Closing Payment"** has the meaning provided in Section 2.5.
- (p) **"Communication"** means any notice, demand, request, consent, approval or other communication which is required or permitted by this Agreement to be given or made by a Party.
- (q) **"Conveyance Documents"** means all conveyances, assignments, transfers, novations, notices of assignment, trust agreements and declarations, subleases, directions to pay and other documents and instruments that are reasonably required desirable in accordance with generally accepted oil and gas industry practice in the province where the Assets are located, to convey, assign and transfer title to the Assets held in the name of the Debtor to the Purchaser and to novate the Purchaser into the contracts, licenses, permits, approvals and authorizations comprised in the Miscellaneous Interests in the place and stead of the Debtor, insofar as such contracts, licenses, permits, approvals and authorizations pertain to the Assets.
- (r) **"Court"** means the Court of Queen's Bench of Alberta.
- (s) **"Court Approval"** means the approval of the Transaction by the Court and the vesting of the Assets in the name of the Purchaser, substantially in the form of the Order attached hereto as Schedule "E".
- (t) **"Data Room Information"** means all information provided to the Purchaser in electronic form in relation to the Debtor and/or the Assets.
- (u) **"Debtor"** means Sekur Energy Management Corp.
- (v) **"Deposit"** is defined in Section 3.1(b).
- (w) **"Dollar"** and **"\$"** mean a dollar of the lawful money of Canada.
- (x) **"Effective Date"** means August 1, 2015 or such other date as the Parties agree to in writing.
- (y) **"Effective Time"** means 8:00 a.m. on the Closing Date.
- (z) **"Encumbrance"** means all liens, charges, security interests, royalties, pledges, options, net profit interests, rights of pre-emption, mortgages, adverse claims and

other encumbrances on ownership rights of any kind or character or agreements to create the same.

- (aa) **“Environment”** means the components of the earth and includes ambient air, land, surface and sub-surface strata, groundwater, surface water, all layers of the atmosphere, all organic and inorganic matter and living organisms, and the interacting natural systems that include such components, and any derivative thereof shall have a corresponding meaning.
- (bb) **“Environmental Law”** means all Applicable Laws respecting the protection of, or the control, remediation or reclamation of contamination or pollution of, the Environment or any part thereof.
- (cc) **“Environmental Liabilities”** means all past, present and future obligations and liabilities of whatsoever nature or kind arising from or relating to, directly or indirectly:
 - (i) Environmental Matters;
 - (ii) past, present and future non-compliance with, violation of or liability under Environmental Laws applicable to or otherwise involving the Assets; or
 - (iii) Abandonment and Reclamation Liabilities,whenever occurring or arising, but shall not include any such matters or similar matters relating to the Excluded Wells or the Excluded Tangibles.
- (dd) **“Environmental Matters”** means any activity, event or circumstance in respect of or relating to:
 - (i) the storage, use, holding, collection, accumulation, assessment, generation, manufacture, construction, processing, treatment, stabilization, disposition, handling, transportation or Release of Hazardous Substances;
 - (ii) the protection of the Environment; or
 - (iii) pollution, reclamation, remediation or restoration of the Environment,in each case relating to the Lands or the Assets or that has or have arisen or hereafter arise from or in respect of past, present or future Operations, activities or omissions in or on the Lands or in respect of or otherwise involving the Assets, including obligations to compensate Third Parties for Losses and Liabilities.
- (ee) **“Escrow Agent”** means the solicitors for the Vendor.
- (ff) **“Facilities”** means the facilities set out in Schedule “A” – Part 3.
- (gg) **“Final Statement of Adjustments”** has the meaning provided in Section 2.9(a).
- (hh) **“GAAP”** means generally accepted accounting principles and practices in Canada.

- (ii) **"General Conveyance"** means the general conveyance in the form attached as Schedule "C".
- (jj) **"Government 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 Assets or the Transaction.
- (kk) **"GST"** the goods and services tax required to be paid pursuant to the *Excise Tax Act* (Canada) and in accordance with Section 2.6(a).
- (ll) **"Hazardous Substances"** means hazardous or toxic substances, hazardous wastes, radioactive substances, asbestos, dangerous goods and Petroleum Substances, including any and all substances and wastes regulated under Environmental Law.
- (mm) **"Insider"** has the meaning given to that term in the *Securities Act* (Alberta).
- (nn) **"Land Schedule"** means Schedule "A".
- (oo) **"Lands"** means the entire interest of Debtor in and to the lands set forth and described in the Land Schedule, and includes (i) unless the context otherwise requires, the surface of such lands and (ii) the Petroleum Substances within, upon or under such lands, together with the rights to drill for, explore for, win, take, own or remove same, insofar as the same are granted by the Leases to such lands.
- (pp) **"Leases"** means the leases, reservations, permits, licenses or other documents of title set forth and described in the Land Schedule by virtue of which the holder thereof is entitled to drill for, explore for, mine, win, take, own or remove Petroleum Substances underlying the Lands, and include, if applicable, all renewals and extensions of such documents and all documents issued in substitution therefore.
- (qq) **"Losses and Liabilities"** means, in relation to a matter, any and all:
 - (i) losses, costs, damages, expenses and charges (including all penalties, assessments and fines) which the Vendor suffers, sustains, pays or incurs, directly or indirectly, in connection with such matter and includes costs of legal counsel (on a full indemnity basis) and other professional advisors and reasonable costs of investigating and defending Claims arising from the matter, regardless of whether such Claims are sustained and includes taxes payable on any settlement payment or damage award in respect of such matter; and
 - (ii) liabilities and obligations (whether under common law, in equity, under Applicable Law or otherwise; whether tortious, contractual, vicarious, statutory or otherwise; whether absolute or contingent; and whether based on fault, strict liability or otherwise) which the Vendor suffers, sustains, pays or incurs as a result of or in connection with such matter;

but excluding indirect, incidental, consequential, exemplary, special or punitive losses or damages or loss of profits suffered, sustained, paid or incurred by the Vendor, but including any such indirect, incidental, consequential, exemplary, special or punitive losses or damages or loss of profits suffered, sustained, paid or incurred by a Third Party entitled to recovery or indemnification from the Vendor.

- (rr) **“Miscellaneous Interests”** means all of the right, title, interest and estate of the Debtor in and to all property, assets and rights, whether contingent or absolute, legal or beneficial, present or future, vested or not (other than the Petroleum and Natural Gas Rights), to the extent relating to the Petroleum and Natural Gas Rights, the Lands or the Tangibles, including the following property, rights and assets:
- (i) all contracts, agreements, books, records, files, maps and documents to the extent that they relate to the Petroleum and Natural Gas Rights, the Lands or the Tangibles, including the Title and Operating Documents and any rights of the Debtor in relation thereto;
 - (ii) all other land records or similar data contained on hard drives or other computer devices or networks;
 - (iii) the Surface Interests;
 - (iv) geological, geochemical and mineralogical data, reports and findings and archive samples, and all core or liquid samples and cuttings;
 - (v) seismic data, to the extent relating solely and directly to the Lands, including, without limitation, the Proprietary Seismic;
 - (vi) all engineering information, to the extent relating solely and directly to the Petroleum and Natural Gas Rights, the Lands, and the Tangibles which the Debtor either has in its custody or to which the Debtor has access, excluding any such information which is subject to confidentiality restrictions;
 - (vii) all permits, licenses, approvals and other authorizations, crossing privileges and other subsisting rights to carry out operations on the Lands and any lands upon which the Tangibles are located, including well and pipeline licenses and other permits and authorizations relating to the Petroleum and Natural Gas Rights or the Tangibles; and
 - (viii) the Wells, including the entire wellbores and casings.
- (ss) **“Non-Disclosure Agreement”** means the non-disclosure agreement between the Vendor and the Purchaser.
- (tt) **“Operations”** means any and all work, activities and operations of any kind whatsoever conducted on or with respect to the Assets.
- (uu) **“Party”** means the Vendor or the Purchaser, and **“Parties”** means the Vendor and the Purchaser.

- (vv) **“Permitted Encumbrances”** means, as of a particular time, any of the following:
- (i) easements, rights of way, servitudes, permits, licenses and other similar rights in land, including rights of way and servitudes for highways and other roads, railways, sewers, drains, gas and oil pipelines, gas and water mains, electric light, power, telephone, telegraph and cable television conduits, poles, wires and cable;
 - (ii) the right reserved to or vested in any Government Authority by the terms of any Title and Operating Document, lease, license, franchise, grant or permit or by any Applicable Law, to terminate any such Title and Operating Document, lease, license, franchise, grant or permit or to require annual or other periodic payments as a condition of the continuance thereof;
 - (iii) the right reserved to or vested in any Government Authority to levy taxes on Petroleum Substances or the income or revenue attributable thereto and governmental requirements and limitations of general application;
 - (iv) rights reserved to or vested in any Government Authority to control or regulate any of the Assets in any manner;
 - (v) liens granted in the ordinary course of business to a public utility or Government Authority in connection with operations on or in respect of the Lands;
 - (vi) liens granted, created or incurred in the ordinary course of the oil and gas business and in accordance with sound industry practice in respect of:
 - A. the joint operation of the Assets as security in favour of any other Person conducting the development or operation thereof for the Debtor's share of the costs and expenses of such development and operation; and
 - B. pursuant to a processing or transmission arrangement securing the payment of the fees, costs and expenses of the processing or transmission (as the case may be) of Petroleum Substances under such processing or transmission arrangement;
 - (vii) a pooling or unitization of any Petroleum and Natural Gas Rights in the ordinary course of business to facilitate the orderly exploration, development or operation of such Petroleum and Natural Gas Rights;
 - (viii) any farmouts or overriding royalty interests created in respect of the Petroleum and Natural Gas Rights [which are disclosed in any Schedule to this Agreement];
 - (ix) any penalty arising under non-participation or independent operations provisions of an operating agreement in respect of any Petroleum and Natural Gas Rights as a result of an election made by the Debtor not to participate in a drilling or other operation;

- (x) the express or implied reservations, limitations, provisos and conditions in any original grants from the Crown of any of the Lands or interests therein and statutory exceptions to title;
- (xi) all royalty burdens, liens, adverse claims, penalties, conversions and other Encumbrances identified in the Land Schedule;
- (xii) the terms and condition of the Leases and the Title and Operating Documents; and
- (xiii) any other circumstance, matter or thing disclosed in any Schedule hereto;

provided that the following items must be identified in a Schedule to qualify as a Permitted Encumbrance: (A) any overriding royalty, net profits, ROFRs or other similar encumbrance applicable to the Petroleum and Natural Gas Rights for which Purchaser will assume the obligation for payment; (B) any existing potential alteration of the Debtor's interests in the Assets because of a payout conversion or farmin, farmout or other similar agreement; and (C) any Encumbrance which would not be a Permitted Encumbrance under the preceding paragraphs of this definition.

- (ww) **"Person"** means any individual, corporation, limited or unlimited liability company, joint venture, partnership (limited or general), trust, trustee, executor, Government Authority or other entity.
- (xx) **"Petroleum and Natural Gas Rights"** means all of the right, title, estate and interest, whether absolute or contingent, legal or beneficial, present or future, vested or not, and whether or not an "interest in land", of the Debtor in and to the Lands and the Leases, subject in all events to the Permitted Encumbrances.
- (yy) **"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 or produced in conjunction with any of the foregoing, whether liquid, solid or gaseous, and whether hydrocarbons or not, including sulphur and hydrogen sulphide.
- (zz) **"Place of Closing"** means the offices of Gowlings LLP at 1600, 421 – 7th Avenue SW in Calgary, Alberta, or as otherwise agreed to in writing by the Parties.
- (aaa) **"Prime Rate"** means the rate of interest (expressed as a rate per annum) used by the main branch Royal Bank of Canada in Calgary, Alberta from time to time as the reference rate used in determining the rates of interest payable on Canadian dollar commercial demand loans made by such bank in Canada and which is announced by such bank, from time to time, as its "prime rate".
- (bbb) **"Property"** has the meaning given to it in the Receivership Order.
- (ccc) **"Proprietary Seismic"** means all data and records pertaining to the 100% proprietary 3D seismic lines set out in Schedule "A" – Part 5.
- (ddd) **"Purchase Price"** has the meaning given in Section 3.1(a).

- (eee) **"Receivership Order"** means the order issued by the Court in the Receivership Proceedings on August 12, 2015 appointing Deloitte Restructuring Inc. as receiver and manager of the assets, undertakings and properties of the Debtor, as amended, modified or supplemented from time to time.
- (fff) **"Receivership Proceedings"** means the means the proceedings before the Court and identified as Court File No. 1501-09213.
- (ggg) **"Release"** means any release, spill, emission, leaking, pumping, injection, deposit, disposal, discharge, dispersal, leaching or migration of a Hazardous Substance into or through the Environment or into or out of any lands, including the movement of a Hazardous Substance through or in any part of the Environment.
- (hhh) **"Representatives"** means, with, respect to any Person, its Affiliates, and the respective directors, officers, servants, agents, advisors, employees, consultants and representatives of that Party and its Affiliates.
- (iii) **"Right of First Refusal" or "ROFR"** means a right of first refusal, pre-emptive right of purchase or similar right whereby any Third Party has the right to acquire or purchase any of the Assets as a consequence of the Parties entering into this Agreement or the Transaction.
- (jjj) **"ROFR Properties"** is defined in Section 2.7(a).
- (kkk) **"Surface Interests"** means all right, title, interest and estate of the Debtor to enter upon, use, occupy and enjoy the surface of the Lands and any lands upon which the Wells or the Tangibles are located and any lands used to gain access thereto, in each case, for purposes related to the use or ownership of the Petroleum and Natural Gas Rights, the Tangibles, the Wells or the Operations, whether the same are held by right of way, or otherwise.
- (III) **"Tangibles"** means all right, title, interest and estate of the Debtor, whether absolute or contingent, legal or beneficial, present or future, vested or not, in and to the Facilities, the Acquired Pipelines and the tangible depreciable property and assets located within or upon the Lands or lands pooled or unitized therewith, but only to the extent such tangible depreciable property and assets are used or are intended to be used to produce, process, gather, treat, measure, or make marketable Petroleum Substances from the Wells.
- (mmm) **"Third Party"** means any Person other than the Parties or their Representatives.
- (nnn) **"Title and Operating Documents"** means all agreements, contracts, instruments and other documents that govern the ownership, operation or use of the Assets or relate to Permitted Encumbrances, including (i) the Leases and other agreements and instruments pursuant to which the Petroleum and Natural Gas Rights were issued, granted or created, (ii) permits, licenses, approvals and authorizations, (iii) operating agreements, unit agreements, production allocation agreements, trust declarations, participation agreements, joint venture agreements, farmin agreements, farmout agreements and royalty agreements, (iv) agreements that create or relate to Surface Interests, (v) agreements for the construction, ownership and/or operation of the Tangibles, (vi) trust declarations and other

documents and instruments that evidence the Debtor's interests in the Assets; and (vii) trust declarations pursuant to which the Debtor holds interests in the Lands in trust for other Persons.

- (ooo) **"Transaction"** means the transaction for the purchase and sale of the Assets as contemplated by this Agreement.
- (ppp) **"Unexpired ROFRs"** is defined in Section 2.7(f).
- (qqq) **"Vendor Consents"** has the meaning provided in Section 8.1.
- (rrr) **"Vendor Entity"** means the Vendor and its Representatives, and each of their respective successors and assigns.
- (sss) **"Wells"** means only those wells set out in Part 2 of Schedule "A".

1.2 Interpretation

The following rules of construction shall apply to this Agreement unless the context otherwise requires:

- (a) the headings in this Agreement are inserted for convenience of reference only and shall not affect the meaning, interpretation or construction of this Agreement;
- (b) all documents executed and delivered pursuant to the provisions of this Agreement are subordinate to the provisions hereof and the provisions hereof shall govern and prevail in the event of a conflict;
- (c) any reference to a statute shall include and shall be deemed to be a reference to such statute and to the regulations made pursuant thereto, and all amendments made thereto and in force at the date hereof;
- (d) whenever the singular or masculine or neuter is used in this Agreement, the same shall be construed as meaning plural or feminine or referring to a body politic or corporate, and *vice versa*, as the context requires;
- (e) the words "hereto", "herein", "hereof", "hereby", "hereunder" and similar expressions refer to this Agreement and not to any particular provision of this Agreement;
- (f) reference to any Article, Section or Schedule means an Article, Section or Schedule of this Agreement unless otherwise specified;
- (g) if any provision of a Schedule hereto conflicts with or is at variance with any provision in the body of this Agreement, the provisions in the body of this Agreement shall prevail to the extent of the conflict;
- (h) "include" and derivatives thereof shall be read as if followed by the phrase "without limitation".

1.3 Schedules

The following schedules are attached to and form part of this Agreement:

Schedule "A"	Land Schedule
- Part 1	Lands, Leases and Petroleum and Natural Gas Rights
- Part 2	Wells
- Part 3	Facilities
- Part 4	Acquired Pipelines
- Part 5	Proprietary Seismic
Schedule "B"	Form of General Conveyance
Schedule "C"	Form of Vendor's Officer's Certificate
Schedule "D"	Form of Purchaser's Officer's Certificate
Schedule "E"	Form of Court Approval Order
Schedule "F"	ROFRs and Allocation

1.4 Interpretation If Closing Does Not Occur

If Closing does not occur, each provision of this Agreement which presumes that the Purchaser has acquired the Assets shall be construed as having been contingent upon Closing having occurred.

1.5 Knowledge or Awareness

References to a Party's knowledge or awareness and similar references contained in Sections 4.1 and 4.3 mean the actual knowledge or awareness, as the case may be, of the officers of such Party who are primarily responsible for the matters in question, and does not include knowledge and awareness of any other Person or any constructive or imputed knowledge. A Party shall not have any obligation to make inquiry of any Person or the files and records of any Person or of any Government Authority in connection with any representations and warranties contained herein that are made to its knowledge, information, belief or awareness.

ARTICLE 2 PURCHASE AND SALE

2.1 Purchase and Sale

Subject to the terms and conditions of this Agreement, the Vendor hereby agrees to sell, assign, transfer, convey and set over to the Purchaser, and the Purchaser agrees to purchase and accept the Assets from the Vendor at and for the Purchase Price.

2.2 Transfer of Assets

Provided that Closing occurs, and subject to the terms and conditions of this Agreement, possession, risk and beneficial ownership of the Assets shall transfer from the Vendor to the Purchaser on the Closing Date.

2.3 Purchase Price

- (a) The purchase price to be paid by the Purchaser to the Vendor for the Assets shall be One Hundred and Eighty-four Thousand Canadian Dollars (\$184,000.00), subject to adjustment only as set forth in Section 2.8 (the “**Purchase Price**”).
- (b) The Vendor acknowledges receipt of a deposit in the amount of Eighteen Thousand Four Hundred Canadian Dollars (\$18,400.00) (the “**Deposit**”), which shall be held in trust by the Vendor and shall be releasable in accordance with this Agreement.
- (c) If Closing occurs in accordance with the terms and conditions of this Agreement, the Deposit shall be retained by the Vendor and credited against the Purchase Price in partial satisfaction of the Purchaser’s obligation to pay the Purchase Price on or before Closing.
- (d) If Closing does not occur:
 - (i) due to the conditions precedent in favour of the Purchaser set forth in Section 5.2 of this Agreement not having been satisfied or waived in accordance with the terms of this Agreement, the Deposit received by the Vendor shall be returned by the Vendor to the Purchaser, this Agreement shall thereupon terminate, and each Party shall be released from all obligations and liabilities under or in connection with this Agreement; or
 - (ii) for any reason other than the conditions precedent in favour of the Purchaser set forth in Section 5.2 of this Agreement not having been satisfied or waived in accordance with the terms of this Agreement, the Vendor shall be entitled to the Deposit, the Deposit shall be forfeited to the Vendor, and the Vendor shall be entitled to terminate this.
- (e) The Purchaser and the Vendor hereby acknowledge and agree that, should Closing not occur for any reason provided in Section 2.3(d)(ii), the Vendor will suffer and incur damages that cannot be precisely calculated, and will therefore be entitled to retain the Deposit pursuant to Section 2.3(d)(ii) as liquidated damages, and not as a penalty, the Deposit being a genuine pre-estimate of the damages that will be suffered by the Vendor as contemplated by this Section 2.3(e). In addition, Purchaser shall remain liable and responsible for any damages suffered by the Vendor that exceed the amount of the Deposit.

2.4 Allocation of the Purchase Price

The Purchase Price shall be allocated among the Assets as follows:

- | | | |
|-----|----------------------------------|-------------------------------|
| (a) | to the Miscellaneous Interests | \$1.00 |
| (b) | to the Tangibles | \$36,799.00 |
| (c) | Petroleum and Natural Gas Rights | Balance of the Purchase Price |

2.5 Closing Payment

The Purchaser shall pay to the Vendor at Closing, by certified cheque, bank draft or electronic wire transfer: (i) the Purchase Price (less the Deposit; (ii) plus or minus any adjustments pursuant to Section 2.8; (iii) plus any taxes and fees (including GST) payable under Section 2.6 (the “**Closing Payment**”).

2.6 Taxes and Fees

- (a) The Purchase Price does not include GST. At Closing, the Purchaser shall pay to the Vendor an amount equal to the statutory rate of GST on the portion of the Purchase Price allocated to Tangibles and Miscellaneous Interests pursuant to Section 2.4 and on the amount attributable to any other Assets or expenses to which GST may apply. The Purchaser shall be liable for the payment and remittance of any additional amount of GST payable in respect of the purchase of the Assets pursuant hereto, including any interest, penalties, or any other costs payable in respect of such additional GST, and shall indemnify and save harmless the Vendor in respect thereof. The GST Registration Number of the Vendor is 805424454. The GST Registration Number of the Purchaser is 105297238.
- (b) The Purchaser shall also be liable for and shall pay any and all transfer taxes, federal or provincial sales taxes and all other taxes, duties or other similar charges properly payable upon and in connection with the conveyance and transfer of the Assets by the Vendor to the Purchaser and the Purchaser shall be responsible for all recording charges and registration fees payable in connection therewith.

2.7 ROFR's

- (a) The Vendor and the Purchaser acknowledge that certain of the Assets are subject to ROFRs disclosed in Schedule “F” (the “**ROFR Properties**”). Within three (3) Business Days after the execution of this Agreement, the Purchaser shall provide the Vendor with a written statement setting out the portion of the Purchase Price it has decided, acting in good faith and on a reasonable basis, to allocate to each of the ROFR Properties. Promptly after the allocations are provided by Purchaser, Vendor shall send notices to the Third Parties holding the ROFRs in accordance with the terms of the respective governing agreements. The notices shall use the allocations provided by the Purchaser.
- (b) The Purchaser shall be liable to the Vendor for and shall indemnify and save harmless the Vendor from and against all Losses and Liabilities suffered, sustained, paid or incurred by the Vendor as a result of the use of the allocations provided by Purchaser. The Vendor shall notify the Purchaser upon any Third Party exercising or waiving a ROFR.
- (c) If a Third Party exercises a ROFR:
 - (i) all terms defined in this Agreement and all Schedules shall be deemed to have been amended to reflect the exclusion of the ROFR Assets in respect of which the ROFR is exercised;

- (ii) the ROFR Properties in respect of which the ROFR is exercised shall not be conveyed to the Purchaser; and
 - (iii) the Purchase Price shall be reduced by the amount allocated by the Purchaser to the ROFR Properties in respect of which the ROFR is exercised.
- (d) Despite the provisions of sections Article 9, Vendor may disclose information relating to this Agreement and its subject matter and the identity of Purchaser in connection with its compliance with this Section 2.7.
- (e) If for any reason the Closing does not occur, then, at the Vendor's option, all ROFR transactions shall terminate and the Vendor and each Third Party that exercised a ROFR shall take all actions and execute all documents required to return each of them to the position it would have been in with respect to the ownership of the ROFR Assets if the ROFR notice had not been issued.
- (f) If at Closing any ROFR has not been waived and the time to elect has not elapsed (the "**Unexpired ROFRs**"), the Closing shall proceed in respect of the remaining Assets, and conveyance of the Assets subject to the Unexpired ROFRs and payment therefor shall be governed by an escrow agreement entered into between the Parties prior to Closing.

2.8 **Adjustments**

- (a) All costs and revenues accruing, payable, paid, received or receivable in respect of the Assets, including rentals, maintenance, development, capital and operating costs, advances, and payments with respect to Permitted Encumbrances shall, subject to the provisions of this Agreement, be apportioned on an accrual basis between the Vendor and the Purchaser as of the Effective Time on the Effective Date, on and subject to the following:
 - (i) except as otherwise provided in this Section 2.8, costs and revenues shall accrue in accordance with GAAP;
 - (ii) all such costs and revenues accruing up to the Effective Time on the Effective Date shall be for the Vendor's account and all costs and revenues accruing after the Effective Time on the Effective Date shall be for the Purchaser's account;
 - (iii) all costs of whatever nature pertaining to work performed or goods or services provided with respect to the Assets prior to the Effective Time on the Effective Date shall be borne by the Vendor, notwithstanding that such costs may be payable in whole or in part after the Effective Time on the Effective Date and all costs of whatever nature pertaining to work performed or goods or services provided with respect to the Assets after the Effective Time on the Effective Date shall be borne by the Purchaser; and

- (iv) all rentals, property taxes and other periodic payments (other than income taxes) shall be apportioned between the Vendor and the Purchaser on a *per diem* basis as of the Effective Time on the Effective Date.
- (b) The effective time and date for income tax purposes shall be the Effective Time on the Effective Date.
- (c) Notwithstanding the foregoing, the Vendor shall not be required to provide a credit at Closing for any benefits accruing to the Purchaser after the Effective Time on the Effective Date but not actually received by the Vendor at least three (3) Business Days prior to the Closing, but shall include all such amounts in the Final Statement of Adjustments.
- (d) All adjustments to be made pursuant to this Section 2.8 shall be allocated to the Petroleum and Natural Gas Rights.

2.9 Statement of Adjustments

- (a) The Vendor shall carry out a final accounting and adjustment and prepare and deliver to the Purchaser at least three (3) Business Days prior to the Closing Date a statement setting forth the Vendor's good faith estimate of all adjustments to be made for the Transaction (the "**Final Statement of Adjustments**"). The Final Statement of Adjustments shall be binding and conclusive on the Parties.
- (b) Nothing in this Agreement shall restrict or otherwise interfere with the audit rights which the Vendor may have under any of the agreements pertaining to the Assets for the period prior to the Effective Time on the Effective Date, it being the intention of the Parties that any adjustments occurring as a result of the exercise of such audit rights by the Vendor shall be for the account of the Vendor. For the purposes hereof, the expression "audit rights" shall include the right to include an audit or to participate in or receive the benefits from such an audit.

2.10 Closing

The Closing of the Transaction shall take place at the Place of Closing or such other place as the Parties may agree on the later of:

- (a) a Business Day designed in writing by the Vendor pursuant to a notice to the Purchaser, which Business Day shall be up to ten (10) Business Days following the day Court Approval is obtained;
 - (b) the third Business Day following the day on which any and all ROFRs shall have been exercised or waived by the holders thereof or all time periods within which such rights may be exercised shall have expired; or
 - (c) on such other Business Day as the Parties may agree in writing
- (the "**Closing Date**").

2.11 Escrow

- (a) The Closing Deliveries will be delivered and held in escrow until all of the AER Licenses have been transferred to and registered in the name of Purchaser.
- (b) The Escrow Agent shall maintain possession of the Closing Deliveries and shall not release any of the Closing Deliveries to either Party until all AER Licenses have been transferred to and registered in the name of Purchaser.
- (c) If the escrow conditions set forth in Section 2.11(a) are not satisfied by January 30th, 2016 then, unless the Purchaser agrees in writing to waive the foregoing requirements, the Closing will be deemed to have not occurred, the Escrow Agent will return all Closing Deliveries to the Party who made such Closing Deliveries and this Agreement will be deemed to have terminated and the Parties will be released from liability or obligation hereunder except as provided in Section 8.2.

ARTICLE 3 INTERIM PROVISIONS

3.1 Restrictions on Conduct of Business

The Vendor shall not, between the date of this Agreement and the Closing Date, without the written consent of the Purchaser, which consent will not be unreasonably withheld, conditioned or delayed:

- (a) make any commitment or propose, initiate or authorize any capital expenditure out of the ordinary course of business with respect to the Assets, of which the Debtor's share is in excess of Twenty Five Thousand Dollars (\$25,000.00), except in the case of an emergency or as may be reasonably necessary to protect or ensure life and safety or to preserve the Assets or title to the Assets (including Lease rental payments) or in respect of amounts which the Vendor may be committed to expend or be deemed to authorize for expenditure without its consent;
- (b) other than in the ordinary course of business, materially amend or terminate any agreement or instrument relating to the Assets or enter into any new agreement or commitment relating to the Assets, except as may be reasonably necessary to protect or ensure life and safety or to preserve the Assets or title to the Assets;
- (c) surrender or abandon any of the Assets, unless an expenditure of money is required to avoid the surrender or abandonment and the Purchaser does not provide same in a timely fashion, in which event the Assets in question shall be surrendered or abandoned without abatement or reduction in the Purchase Price; or
- (d) sell, grant any Encumbrance or otherwise dispose of any of the Assets or any interest therein except the sale of materials and supplies no longer required in connection with the Assets, and excepting sales of Petroleum Substances in the ordinary course of business.

3.2 Following Closing

- (a) Following Closing, Vendor shall hold title to the Assets (other than the Discharged Interests) in trust for Purchaser, as bare legal trustee, until all necessary notifications, registrations and other steps required to transfer such title to Purchaser have been completed and, in furtherance thereof:
 - (i) the Vendor shall forward all statements, notices and other information received by it pursuant to Title and Operating Document to Purchaser promptly following its receipt thereof; and
 - (ii) the Vendor shall forward to other parties to the Title and Operating Documents such notices and elections pursuant to such Title and Operating Documents as Purchaser may reasonably request;

provided that the Vendor shall not be required to initiate or conduct Operations in relation to the Assets.

- (b) Purchaser shall indemnify and save and hold harmless the Vendor Entity from and against all Losses and Liabilities arising as a consequence of the provisions of this Section 3.2, except to the extent caused by the gross negligence or wilful misconduct of the Vendor Entity. Acts or omissions taken by the Vendor Entity on the instructions of, or with the approval or concurrence of Purchaser shall not constitute gross negligence or wilful misconduct.

3.3 Technical and Operating Information

The Vendor shall, upon request and subject to contractual restrictions relating to disclosure, make available all technical data relating to the Assets (including drilling reports, well files and production records, but excluding data and information which are subject to confidentiality restrictions prohibiting their disclosure) as are in the possession of the Vendor or the Debtor for such inspection as the Purchaser reasonably requires in connection herewith.

3.4 No Right to Reduction in Purchase Price

Notwithstanding anything to the contrary in this Agreement, the Purchaser acknowledges and agrees that it shall have no right or other entitlement to any abatement or reduction in the Purchase Price as a result of, arising from or in connection with any deficiency or allegation of deficiency in respect of the Assets, including, without limitation, any environmental liability or deficiency or title deficiency, whether identified in connection with the Purchaser's right to information as provided by Section 3.3 or otherwise.

3.5 Access to Records

The Vendor may, at its sole expense, for a period of two (2) years after Closing, obtain from the Purchaser copies or photocopies of any Title and Operating Documents, correspondence, documents or reports which were delivered to the Purchaser at Closing and which the Vendor requires to the extent the Purchaser is in possession or control thereof.

ARTICLE 4 REPRESENTATIONS AND WARRANTIES

4.1 Vendor's Representations and Warranties

Except to the extent otherwise disclosed in the Data Room Information to the Purchaser in writing prior to the date of this Agreement, or in any Schedule to this Agreement, the Vendor hereby represents and warrants to the Purchaser that:

- (a) the Vendor has been appointed by the Court as receiver and manager of the Assets pursuant to the Receivership Order and such appointment is valid and subsisting;
- (b) except for obtaining the Court Approval, under the Receivership Order the Vendor has good right, full power and absolute authority to sell, assign, transfer, convey and set over the interest of the Debtor in and to the Assets, subject to the terms and conditions of the Receivership Order and the Court Approval;
- (c) the Vendor has not previously sold, assigned transferred, conveyed set over or granted an Encumbrance in the Assets (other than pursuant to any receiver certificates issued from time to time by Vendor, each of which shall be released and discharged at Closing); and
- (d) the Vendor is not a non-resident of Canada for the purposes of the *Income Tax Act* (Canada).

4.2 No Additional Representations and Warranties by the Vendor

- (a) Notwithstanding anything to the contrary in this Agreement, the Vendor makes no representations or warranties except as expressly set forth in Section 4.1 and in particular, and without limiting the generality of the foregoing, the Vendor disclaims and shall not be liable for any representation or warranty express or implied, of any kind, at law or in equity, which may have been made or alleged to be made in any instrument or document relative hereto, or in any statement or information made or communicated to the Purchaser in any manner including any opinion, information, or advice which may have been provided to the Purchaser by the Vendor, any Vendor Entity, the Debtor or any of their Representatives, in connection with the Assets or in relation to the Transaction. For greater certainty, the Vendor does not make any representation or warranty, express or implied, of any kind, at law or in equity, with respect to:
 - (i) the accuracy or completeness of the Data Room Information or any other data or information supplied by the Vendor, any Vendor Entity, the Debtor or any of their Representatives in connection with the Assets;
 - (ii) the quality, quantity or recoverability of any Petroleum Substances with or under the Lands;
 - (iii) the value of the Assets or any estimates of prices or future cash flows arising from the sale of any Petroleum Substances produced from or allocated to the Assets or the Lands or any estimates of other revenues or expenses attributable to the Assets;

- (iv) the availability or continued availability of facilities, services or markets for the processing, transportation or sale of any Petroleum Substances;
- (v) the quality, condition, fitness, suitability, serviceability or merchantability of any of the Tangibles; or
- (vi) the title of the Debtor to the Assets.

The Purchaser acknowledges and confirms that it is relying on its own investigations concerning the Assets and it has not relied on advice from the Vendor, any Vendor Entity, the Debtor or any of their Representatives with respect to the matters specifically enumerated in the immediately preceding paragraphs in connection with the purchase of the Assets pursuant hereto. The Purchaser further acknowledges and agrees that it is acquiring the Assets on an "as is, where is" basis. The Purchaser acknowledges and agrees that it is familiar with the condition of the Assets, including the past and present use of the Lands and the Tangibles, that the Purchaser has had a reasonable opportunity to inspect the Assets at the sole cost, risk and expense of the Purchaser (insofar as such access could reasonably be provided) and that the Purchaser is not relying upon any representation or warranty of the Vendor, any Vendor Entity, the Debtor or any of their Representatives as to the condition, environmental or otherwise, of the Assets, except as expressly contained in Section 4.1 of this Agreement.

- (b) Except for its express rights under this Agreement, the Purchaser hereby waives all rights and remedies (whether now existing or hereinafter arising and including all equitable, common law, tort, contractual and statutory rights and remedies) against the Vendor, any Vendor Entity, the Debtor or any of their Representatives in respect of the Assets or the Transaction or any representations or statements made, direct or indirect, express or implied, or information or data furnished to the Purchaser or its Representatives, in connection herewith (whether made or furnished orally or by electronic, faxed, written or other means).

4.3 Purchaser's Representations and Warranties

The Purchaser hereby represents and warrants to the Vendor that:

- (a) it is and at the Closing Date shall continue to be a valid and subsisting corporation under the laws of its jurisdiction of registration and is authorized to carry on business in the jurisdiction where the Assets are located;
- (b) except for the Court Approval, it has taken all action and has full power and authority to enter into this Agreement and the other documents and agreements executed and delivered hereunder and it has taken all necessary action to consummate the Transaction and to perform its obligations hereunder and the other documents and agreements executed and delivered hereunder;
- (c) provided the Court Approval is obtained, this Agreement has been, and all documents and agreements to be executed and delivered by it at Closing pursuant to this Agreement shall be, duly executed and delivered by it, and upon execution by the Vendor and it, this Agreement constitutes, and all documents and agreements required to be executed and delivered by it at Closing will constitute,

legal, valid and binding obligations of it enforceable against it in accordance with their respective terms, subject to bankruptcy, insolvency, preference, reorganization, moratorium and other similar laws affecting creditor's rights generally and the discretionary nature of equitable remedies and defences;

- (d) to its knowledge after due inquiry, and provided that Court Approval is obtained, no authorization or approval or other action by, and no notice to or filing with, any Government Authority exercising jurisdiction over the Assets is required by it or on its behalf for the due execution and delivery of this Agreement;
- (e) provided the Court Approval is obtained, the consummation of the Transaction will not constitute or result in a material violation, breach or default by it under any provision of any agreement or instrument to which it is a party or by which it is bound or any judgment, law, decree, order or ruling applicable to it;
- (f) it has not incurred any obligation or liability, contingent or otherwise, for broker's or finder's fees in respect of the Transaction for which the Vendor or the Debtor shall have any obligations or liability;
- (g) it has not received notice of any Claims in existence, contemplated, pending or threatened against it seeking to prevent the consummation of the Transaction;
- (h) it is acquiring the Assets in its capacity as a principal and is not purchasing the Assets for the purpose of resale or distribution to a Third Party;
- (i) it has sufficient funds available to it to enable it to pay in full the Purchase Price to the Vendor as herein provided and otherwise to fully perform its obligations under this Agreement; and
- (j) to the Purchaser's knowledge, having made due enquiry, no Insider of the Purchaser is also an Insider of the Vendor or the Debtor.

4.4 Enforcement of Representations and Warranties

- (a) Notwithstanding anything to the contrary herein expressed or implied and notwithstanding the Closing or deliveries of covenants and/or representations and warranties in any other agreements at Closing or prior or subsequent thereto, the representations and warranties set forth in Sections 4.1 and 4.3 hereof shall survive Closing for the benefit of the Purchaser and the Vendor respectively, provided that no Claim in respect of such representations and warranties shall be made or be enforceable unless written notice of such Claim is given by the claimant to the other Parties within twelve (12) months of the Closing Date. Effective on the expiry of such twelve (12) month period, each Party hereby releases and forever discharges the other Parties from any breach of any representations and warranties set forth in Sections 4.1 and 4.3 hereof except in respect of those Claims in which notice has been given in accordance with this Section 4.4. No Claim shall be made a Party in respect of the representations and warranties in this Agreement made by the other Parties except pursuant to and in accordance with this Section 4.4.

- (b) There shall not be any merger of any covenant, representation or warranty in any assignment, conveyance, transfer or document delivered pursuant hereto notwithstanding any rule of law, equity or statute to the contrary and all such rules are hereby waived.
- (c) The representations and warranties of the Vendor and the Purchaser made herein or pursuant hereto are made for the exclusive benefit of the Purchaser or the Vendor, as the case may be, and are not transferable and may not be made the subject of any right of subrogation in favour of any other Person.

ARTICLE 5 CONDITIONS PRECEDENT TO CLOSING

5.1 Vendor's Closing Conditions

The obligation of the Vendor to complete the sale of the Assets pursuant to this Agreement is subject to the satisfaction at or prior to the Closing Date of the following conditions precedent:

- (a) **Representations and Warranties True:** all representations and warranties of the Purchaser contained in this Agreement shall be true in all material respects on the Closing Date, and the Vendor shall have received a certificate from an officer of the Purchaser substantially in the form attached hereto as Schedule "D" dated as of the Closing Date;
- (b) **Purchaser's Obligations:** the Purchaser shall have, in all material respects, timely performed and satisfied all obligations required by this Agreement to be performed and satisfied by the Purchaser on or prior to the Closing Date;
- (c) **Payment:** the Purchaser shall have tendered the Closing Payment to the Vendor in the manner provided in this Agreement;
- (d) **Conveyance Documents:** the Purchaser shall have executed and delivered to the Vendor all Conveyance Documents required under Section 6.4(a) and the General Conveyance;
- (e) **No Injunction:** there will not be any judicial restraining order or injunction, preliminary or otherwise, in effect prohibiting the Closing or the Transaction;
- (f) **Restrictions:** all necessary governmental and other regulatory approvals to the sale of the Assets that are required prior to Closing shall have been obtained without conditions;
- (g) **ROFRs:** prior to the Closing Date, any and all ROFRs shall have been exercised or waived by the holders thereof or all time periods within such rights may be exercised shall have expired;
- (h) **Court Approval:** the Court Approval shall have been obtained; and
- (i) **AER Approval:** the AER will have confirmed that it will accept and process the transfer to Purchaser of all AER Licenses subject only to the payment by Purchaser to the AER of any security deposits required by the AER relating to

Purchaser's licensee liability rating in respect of the AER Licenses and not that of the Debtor.

The foregoing conditions shall be for the benefit of the Vendor and may, without prejudice to any of the rights of the Vendor hereunder excluding reliance on or enforcement of any representations, warranties or covenants dealing with the subject of or similar to the condition waived, be waived by it in writing, in whole or in part, at any time, provided that the Vendor is not entitled to waive the Court Approval condition contained in Section 5.1(h). The Vendor shall proceed diligently and in good faith and use all reasonable efforts to fulfill and assist in the fulfillment of the foregoing conditions in case any of the said conditions shall not be complied with, or waived by the Vendor, at or before the Closing Date, the Vendor may terminate this Agreement by written notice to the Purchaser.

5.2 Purchaser's Closing Conditions

The obligation of the Purchaser to complete the purchase of the Assets pursuant to this Agreement is subject to the satisfaction, at or prior to the Closing Date, of the following conditions precedent:

- (a) **Representations and Warranties True:** all representations and warranties of the Vendor contained in this Agreement shall be true in all material respects on the Closing Date, and the Purchaser shall have received a certificate from an officer of the Vendor substantially in the form attached hereto as Schedule "C" dated as of the Closing Date;
- (b) **Vendor's Obligations:** the Vendor shall have, in all material respects, timely performed and satisfied all obligations required by this Agreement to be performed and satisfied by the Vendor on or prior to the Closing Date;
- (c) **Conveyance Documents:** the Vendor shall have executed and delivered to the Purchaser all Conveyance Documents required under Section 6.4(a) and the General Conveyance;
- (d) **Restrictions:** all necessary governmental and other regulatory approvals to the sale of the Assets that are required prior to Closing shall have been obtained without conditions;
- (e) **No Injunction:** there will not be any judicial restraining order or injunction, preliminary or otherwise, in effect prohibiting the Closing or the Transaction;
- (f) **ROFRs:** prior to the Closing Date, any and all ROFRs shall have been exercised or waived by the holders thereof or all time periods within such rights may be exercised shall have expired;
- (g) **AER Approval:** Purchaser shall have received confirmation from the AER, in a form satisfactory to Purchaser acting reasonably, that the AER will accept and process the transfer to Purchaser of all AER Licenses subject only to the payment by Purchaser to the AER of any security deposits required by the AER relating to Purchaser's licensee liability rating in respect of the AER Licenses and not that of the Debtor; and

- (h) **Court Approval:** the Court Approval shall have been obtained.

The foregoing conditions shall be for the benefit of the Purchaser and may, without prejudice to any of the rights of the Purchaser hereunder (excluding reliance on or enforcement of any representations, warranties or covenants dealing with the subject of or similar to the condition waived), be waived by it by notice to the Vendor in writing, in whole or in part, at any time, provided that the Purchaser is not entitled to waive the Court Approval condition contained in Section 5.2(h). The Purchaser shall proceed diligently and in good faith and use all reasonable efforts to fulfill and assist in the fulfillment of the foregoing conditions. In case any of the said conditions shall not be complied with, or waived by the Purchaser at or before the Closing Date, the Purchaser may terminate this Agreement by written notice to the Vendor.

ARTICLE 6 CLOSING DELIVERIES

6.1 Vendor Closing Deliveries

At Closing, the Vendor shall table the following:

- (a) a certified copy of the Court Approval;
- (b) a copy of the Final Statement of Adjustments;
- (c) a certificate of the Vendor substantially in the form attached hereto as Schedule "C" dated as of the Closing Date;
- (d) a receipt for the Closing Payment;
- (e) the certificate of the Vendor substantially in the form attached as a schedule to the Court Approval;
- (f) the General Conveyance, fully executed by the Vendor; and
- (g) the Conveyance Documents, to the extent prepared on or by the Closing Date in accordance with Section 6.4(a).

6.2 Purchaser's Closing Deliveries

At Closing, Purchaser shall table the following:

- (a) the Closing Payment;
- (b) a certificate of a senior officer of Purchaser substantially in the form attached hereto as Schedule "D" dated as of the Closing Date; and
- (c) the General Conveyance, fully executed by Purchaser.

6.3 Deliveries

Vendor shall deliver or cause to be delivered to Purchaser within five (5) Business Days following Closing, the original copies of the Title and Operating Documents and any other agreements and documents in its possession related to the Assets and the original copies of contracts, agreements, records, books, documents, licenses, reports and data included in the Miscellaneous

Interests which are now in the possession of Vendor. Notwithstanding the foregoing, if and to the extent such contracts, agreements, records, books, documents, licenses, reports and data also pertain to interests other than the Assets, at Vendor's expense, photocopies or other copies may be provided to Purchaser in lieu of original copies.

6.4 Conveyances

- (a) The Vendor shall provide at the Closing Date the Conveyance Documents, but no such documents shall require the Vendor to assume or incur any obligation, or to provide any representation or warranty, beyond that contained in this Agreement. The Purchaser shall execute and promptly return to the Vendor at least one copy of each such document and shall use all reasonable efforts to obtain timely execution and return of such documents by Third Parties wherever required. Notwithstanding the foregoing, the Parties agree that any assignments in the form of electronic transfers, including the AER License transfers, shall be completed and submitted at Closing.
- (b) The Vendor shall promptly register in the applicable registry all registrable transfers and conveyances of its interests in the Assets and the Vendor shall make application to all applicable Government Authorities to change the recorded name of the licensee of the Wells and Tangibles. All costs incurred in registering any transfers and conveyances inclusive of well license transfers, and all costs of registering any further assurances required to convey the Assets, shall be borne by the Purchaser.

6.5 License and Authorization Transfers

- (a) At least five (5) Business Days prior to the Closing Date, the Purchaser shall communicate with the AER to determine all conditions and deposits which the AER will require in order for the AER to approve the transfer by the Vendor to the Purchaser of any and all AER Licenses, and shall advise the Vendor in writing of such conditions and required deposits. In such case, forthwith after Closing, the Purchaser shall satisfy the deposit requirements of the AER in order to approve any of those license and authorization transfers to the Purchaser. The Purchaser further covenants to comply with all conditions imposed by the AER in respect of such transfers.
- (b) Prior to Closing, the Vendor shall have prepared and, at Closing, will electronically submit an application to the AER for the transfer of any Wells and any Tangibles held in the name of the Debtor and the Purchaser shall promptly accept and concur to such electronic transfer.
- (c) Should the AER deny any license transfer because of mis-description or other minor deficiencies in the application, the Vendor shall, within two (2) Business Days, correct the application and amend and re-submit an application for the license transfers and the Purchaser shall electronically ratify and sign such application.
- (d) If the Purchaser fails to satisfy the conditions or deposit obligations referred to in Section 6.5(a) with respect to one or more AER Licenses within 10 days of the AER or the Vendor requiring it, the Vendor may elect to have no further obligations

hereunder in respect of such AER Licenses and any assets to which such AER Licenses relate and shall be entitled to surrender and abandon such AER Licenses and Assets without any abatement of or adjustment to the Purchase Price.

ARTICLE 7 LIABILITIES AND INDEMNITIES

7.1 General Indemnity

If Closing occurs, the Purchaser shall, without any further necessary action on the part of the Vendor or the Purchaser:

- (a) assume, perform, pay, discharge and be liable to the Vendor for; and
- (b) as a separate covenant, save and hold harmless and indemnify the Vendor and each other Vendor Entity from and against,

all Losses and Liabilities suffered, sustained, paid or incurred by any of them to the extent arising or accruing on or after the Effective Time on the Effective Date and which relate to the Assets or the terms and conditions of the Title and Operating Documents, including but not limited to all Losses and Liabilities attributable to the operation, ownership, use, construction or maintenance of the Assets arising or accruing on or after the Effective Time on the Effective Date. The Purchaser's indemnity obligation set forth in this Section 7.1 shall survive the Closing Date indefinitely.

7.2 Environmental Indemnity

- (a) The Purchaser acknowledges that it:
 - (i) is familiar with the condition of the Assets, including the past and present use of the Assets, and it has been provided with the right and the opportunity to conduct due diligence investigations with respect to existing or potential Environmental Liabilities pertaining to the Assets; and
 - (ii) is not relying upon any representation or warranty of the Vendor as to the condition, environmental or otherwise, of the Assets.
- (b) The Purchaser agrees that once Closing has occurred the Vendor shall have no liability whatsoever for any Environmental Liabilities. In this regard, once Closing has occurred, the Purchaser shall, without any further necessary action on the part of the Vendor or the Purchaser:
 - (i) be solely liable and responsible for all of the Vendor's Losses and Liabilities; and
 - (ii) as a separate covenant, indemnify, save and hold the Vendor and each other Vendor Entity harmless from and against all Losses and Liabilities that may be brought against or which they or any one of them may suffer, sustain, pay or incur;

as a result of any act, omission, matter or thing related to any Environmental Liabilities arising, however and whenever arising or occurring, and the Purchaser

shall assume, perform, pay and discharge all Environmental Liabilities. This liability and indemnity shall apply without limit and without regard to cause or causes, including the negligence, whether sole, concurrent, gross, active, passive, primary or secondary, or the wilful or wanton misconduct of the Vendor or the Purchaser or any other person or otherwise. The Purchaser acknowledges and agrees that it shall not be entitled to any rights or remedies as against the Vendor or any Vendor Entity under the common law or statute pertaining to any Environmental Liabilities, including the right to name the Vendor or any Vendor Entity as a 'third party' to any action commenced by any Person against the Purchaser. The Purchaser's indemnity obligation set forth in this Section 7.2(b) shall survive the Closing Date indefinitely.

7.3 No Merger

There shall not be any merger of any liability or indemnity hereunder in any assignment, conveyance, transfer or document delivered pursuant hereto notwithstanding any rule of law, equity or statute to the contrary and all such rules are hereby waived.

7.4 Holding of Indemnities

The Vendor will hold the indemnities contained in Sections 7.1 and 7.2 in trust on behalf of all of the other Vendor Entities and may enforce the same on their behalf.

ARTICLE 8 TERMINATION

8.1 Grounds for Termination

This Agreement may be terminated at any time prior to Closing;

- (a) by mutual written agreement of the Vendor and the Purchaser;
- (b) by either the Vendor or the Purchaser pursuant to the provisions of Articles 5.1 or 5.2, as applicable; or
- (c) by either the Vendor or the Purchaser if Closing has not occurred on or before January 30th, 2016.

8.2 Effect of Termination

If this Agreement is terminated by the Vendor or the Purchaser as permitted under Section 8.1, then Articles 7 and 9 and Section 10.7 shall remain in full force and effect following any such permitted termination.

ARTICLE 9 CONFIDENTIALITY, PUBLIC ANNOUNCEMENTS AND SIGNS

9.1 Confidentiality

Each Party agrees to keep in strict confidence:

- (a) subject to Section 9.2, all information regarding the terms of this Agreement; and
- (b) any information exchanged or received in connection with:

- (i) the performance of due diligence by the Purchaser prior to or after the date hereof (including due diligence conducted under or in connection with the Offer to Purchase); or
- (ii) negotiation or drafting of this Agreement,

provided that a Party shall be entitled to disclose all information as may be required or desirable in connection with obtaining the Court Approval. If this Agreement is terminated, each Party upon request will promptly return to the other Party all documents, contracts, records or other information received by it that disclose or embody confidential information of the other Party.

9.2 Public Announcements

- (a) If a Party intends to issue a press release or other public disclosure of this Agreement, the terms hereof or the transactions contemplated herein, the disclosing Party shall provide the other Parties with an advance copy of any such press release or other public disclosure with sufficient time to enable the other Parties to review such press release or other public disclosure and advise of any comments they may have with respect thereto.
- (b) Notwithstanding Section 9.1 or 9.2(a), a Party may release or provide information about the Transaction insofar as is required by Applicable Laws (including as may be required to obtain Court Approval) or stock exchange requirements applicable to the disclosing Party or its Affiliates; provided that such disclosing Party shall make reasonable commercial efforts to provide the other Parties with the details of the nature and substance of such required disclosure as soon as practicable end in any event prior to such disclosure. A Party may provide information about the Transaction to a bank or other financial institution to obtain financing or any required consent of the bank or other financial lender of such Party or any of its Affiliates. A Party may also disclose such information pertaining to this Agreement, including the identity of the Parties, insofar as is required to enable such Party to fulfil its obligations under this Agreement, including obtaining any approvals or consents to the Transaction required from Governmental Authorities (including Court Approval) or Third Parties.

9.3 Signs

Within sixty (60) days following the Closing Date, the Purchaser shall remove the names of the Vendor, the Debtor and their Affiliates and predecessors from all signs located at or near the Wells or any Tangibles. If the Purchaser fails to comply with the foregoing, the Vendor shall have the right, at its discretion, to remove its name as aforesaid and the Purchaser shall be responsible for and shall reimburse such Vendor for all reasonable costs incurred by such Vendor in so doing.

ARTICLE 10 MISCELLANEOUS

10.1 Service of Notices

Any Communication must be in writing and either delivered personally or by courier, sent by prepaid registered mail or transmitted by facsimile, e-mail or functionally equivalent electronic means of transmission, charges (if any) prepaid.

Any Communication must be sent to the intended recipient at its address as follows:

the Purchaser:
TKL Consultants Ltd.
1549–20th Avenue S
Lethbridge, AB
T1K 1G2

Attention: T. Gerhardi
Email: tklconsultants@gmail.com

the Vendor:

Deloitte Restructuring Inc., in its capacity as court appointed
receiver of certain property and assets of Sekur Energy
Management Corp., and not in its personal capacity
700, 850 – 2nd Street SW
Calgary, Alberta T2P 0R8

Attention: Jeff Keeble, Senior Vice President
Email: jkeeble@deloitte.ca

With a copy to:

Gowlings Lafleur Henderson LLP
1600, 421 7th Avenue SW
Calgary, Alberta T2P 4K9

Attention: Tom Cumming
Email: Tom.Cumming@gowlings.com

or at any other address as any Party may at any time advise the other by Communication given or made in accordance with this Section 10.1. Any Communication delivered to the Party to whom it is addressed will be deemed to have been given or made and received on the day it is delivered at that Party's address, provided that if that day is not a Business Day then the Communication will be deemed to have been given or made and received on the next Business Day. Any Communication sent by prepaid registered mail will be deemed to have been given or made and received on the fifth Business Day after which it is mailed. If a strike or lockout of postal employees is then in effect, or generally known to be impending, every Communication must be delivered personally or by courier or transmitted by facsimile, e-mail or functionally equivalent electronic means of transmission. Any Communication transmitted by facsimile, e-mail or other functionally equivalent electronic means of transmission will be deemed to have been given or made and received on the day on which it is transmitted; but if the Communication is transmitted on a day which is not a Business Day or after 5:00 pm (local time of the recipient), the Communication will be deemed to have been given or made and received on the next Business Day.

10.2 Governing Law

This Agreement shall, in all respects, be subject to and be interpreted, construed and enforced in accordance with the laws in effect in the Province of Alberta and to the laws of Canada applicable therein.

10.3 Resolution of Disputes

- (a) Each Party hereby irrevocably and unconditionally submits, for itself and its property, to the exclusive jurisdiction of the Court, and waives any defences it might have regarding jurisdiction in any action or proceeding arising out of or relating to this Agreement or any ancillary agreement to which it is a Party, or for recognition or enforcement of any judgment in respect thereof, and each Party hereto hereby irrevocably and unconditionally agrees that all Claims in respect of any such action or proceeding may be heard and determined by the Court.
- (b) Each Party hereby irrevocably and unconditionally waives, to the fullest extent it may legally and effectively do so, any objection that it may now or hereafter have to the laying of venue of any action or proceeding arising out of or relating to this Agreement or any ancillary agreement to which it is a Party in any court of competent jurisdiction in the Province of Alberta. Each of the Parties hereto hereby irrevocably waives, to the fullest extent permitted by Applicable Law, the defence of an inconvenient forum to the maintenance of such action or proceeding in any such court.

10.4 Personal Information

The Purchaser covenants and agrees to use and disclose any personal information contained in any of the books, records or files transferred to the Purchaser or otherwise obtained by the Purchaser in connection with the Transaction only for those purposes for which it was initially collected from or in respect of the individual to which such information relates or as otherwise permitted or authorized by Applicable Law. The Purchaser's obligations set forth in this Section 10.4 shall survive the Closing Date indefinitely.

10.5 Assignment

- (a) Neither Party may assign their interest in or under this Agreement or to the Assets without the prior written consent of the other Party, which consent may be withheld in such other Party's sole and unfettered discretion.
- (b) No assignment, transfer, or other disposition of this Agreement or the Assets or any portion of the Assets shall relieve the Purchaser from its obligations to the Vendor herein. The Vendor shall have the option to claim performance or payment of the obligations from the Purchaser or the assignee or transferee, and to bring proceedings in the event of default against either or all of them, provided that nothing herein shall entitle the Vendor to receive duplicate performance or payment of the same obligation.

10.6 Remedies Cumulative

No failure on the part of any Party to exercise any right or remedy will operate as a waiver thereof. A Party will not be precluded from exercising any right available to it at law, equity or by statute because of its exercise of any single or partial right, and a Party may exercise any such remedies independently or in combination.

10.7 Costs

Except as otherwise specified in this Agreement, each Party shall pay its respective costs incurred in connection with the preparation, negotiation and execution of this Agreement and the consummation of the Transaction.

10.8 No Waiver

No waiver by any Party of any breach of any of the terms, conditions, representations or warranties in this Agreement shall take effect or be binding upon that Party unless the waiver is expressed in writing under the authority of that Party and any waiver so given shall extend only to the particular breach so waived and shall not limit or affect any rights with respect to any other or future breach.

10.9 Entire Agreement

This Agreement constitutes the entire agreement between the Parties with respect to the subject matter hereof, and the Parties agree and confirm that this Agreement cancels and supersedes any prior understandings and agreements between the Parties hereto with respect to the subject matter hereof, but expressly excluding the Non-Disclosure Agreement which shall continue to apply in accordance with its terms. No modification of or amendment to this Agreement shall be valid or binding unless set forth in writing and duly executed by the Parties.

10.10 Paramountcy

In the event of a conflict in or between the provisions of this Agreement and the provisions of the General Conveyance or any Conveyance Documents then, despite anything contained in such General Conveyance or any Conveyance Documents, the provisions of this Agreement will prevail and the provisions of such General Conveyance or any Conveyance Documents will be deemed to be amended to the extent necessary to eliminate such conflict.

10.11 Further Assurances

From time to time, as and when reasonably requested by the other Party, a Party shall execute and deliver or cause to be executed and delivered all such documents and instruments and shall take or cause to be taken all such further or other actions to implement or give effect to the Transaction, provided such documents, instruments or actions are consistent with the provisions of this Agreement. All such further documents, instruments or actions shall be delivered or taken at no additional consideration other than reimbursement of any expenses reasonably incurred by the Party providing such further documents or instruments or performing such further acts, by the Party at whose request such documents or instruments were delivered or acts performed.

10.12 Time of the Essence

Time shall be of the essence in this Agreement.

10.13 Enurement

This Agreement shall be binding upon and shall enure to the benefit of the Parties and their respective heirs, executors, successors and permitted assigns.

10.14 Severability

In the case any of the provisions of this Agreement should be invalid, illegal or unenforceable in any respect, the validity, legality or enforceability of the remaining provisions contained herein shall not in any way be affected or impaired thereby.

10.15 No Third Party Beneficiaries

Except as expressly provided in Sections 3.2(b), 4.2, 4.4, 7.1, 7.2, 7.3 and 7.4, the Parties do not intend, nor will any Section of this Agreement be interpreted to create, any obligation to, or benefit from, any Person other than a Party.

[the remainder of this page intentionally left blank]

10.16 Counterpart Execution

This Agreement may be executed in counterpart and all executed counterparts together shall constitute one agreement. This Agreement shall not be binding upon any Party unless and until executed by all Parties. Delivery of an executed signature page to this Agreement by any party by electronic transmission will be as effective as delivery of a manually executed copy of the Agreement by such party.

IN WITNESS WHEREOF the Parties have executed this Agreement as of the date first above written

DELOITTE RESTRUCTURING INC., in its capacity as court appointed receiver of the assets, undertakings and properties of **Sekur Energy Management Corp.**, and not in its personal capacity

TKL CONSULTANTS LTD.

Per: _____
Name:
Title:

Per: 
Name: TOM GERHARDT
Title: DIRECTOR

Per: _____
Name:
Title:

Per: _____
Name:
Title:

[This is the execution page to the Asset Purchase and Sale Agreement dated October 30, 2015 between Deloitte Restructuring Inc., in its capacity as court appointed receiver of certain property and assets of Sekur Energy Management Corp., and not in its personal capacity, and TKL Consultants Ltd., a corporation incorporated pursuant to the laws of Alberta.]

SCHEDULE "A"

Attached to and made a part of that Asset Purchase and Sale Agreement dated November 10th, 2015.

All land, equipment, facilities, pipelines required to produce the well(s) listed in Part 2. The list was derived using the information provided in the disposition and public data but may not reflect the actual interests of the Debtor and in such case can be amended to add or subtract the actual disposition interests in the land, equipment, facilities, pipelines and land to produce the well(s) listed in Part 2.

Part 1 - Lands, Leases and Petroleum and Natural Gas Rights

Crown P&NG				
Land Description	Lease Number	Working Interest	Rights	Encumbrances
See Mineral Property Report – 23 pages				

Part 2 – Wells

UWI	Well Licence #	Working Interest	Status	Bid Price
02/08-06-021-11W4/00	178922	36%	Prod MN gas	\$146,500.00
02/11-10-031-20W4/00	191605	8.3333%	Prod BR gas	\$ 3,700.00
00/16-10-031-20W4/00	109505	8.3333%	Prod MN gas	\$ 12,500.00
02/06-04-033-24W4/00	360699	23.3333%	Prod CBM	\$ 500.00
00/08-04-033-24W4/00	360703	23.3333%	Prod CBM	\$ 5,500.00
00/14-04-033-24W4/00	360332	23.3333%	Prod CBM	\$ 2,500.00
02/10-17-034-24W4/02	166086	14.2212%	Prod CBM	\$ 5,100.00
00/12-33-034-24W4/00	397955	33.11719%	Prod CBM	\$ 1,800.00
00/02-29-035-21W4/00	420700	4.16665%	Prod BR/CBM	\$ 500.00
00/04-29-035-21W4/02	420428	4.16665%	Prod BR/CBM	\$ 1,800.00
00/12-29-035-21W4/00	420430	4.16665%	Prod BR/CBM	\$ 3,600.00
TOTAL				\$184,000.00

Part 3 – Facilities

Facilities	Type	ERCB Facility #
N/A		

Part 4 – Acquired Pipelines

Pipelines	ERCB Approval #	Line #	Status
N/A			

Part 5 – Proprietary Seismic

N/A

SCHEDULE "B"

Attached to and made part of that Asset Purchase and Sale Agreement dated November 10th, 2015.

GENERAL CONVEYANCE

This General Conveyance made this • day of •, 2015.

BETWEEN:

DELOITTE RESTRUCTURING INC., in its capacity as court appointed receiver of the assets, undertakings and properties of Sekur Energy Management Corp., and not in its personal capacity ("**Vendor**")

- and -

[INSERT PURCHASER NAME], a corporation incorporated pursuant to the laws of the Province of Alberta (the "**Purchaser**")

WHEREAS the Vendor has agreed to sell and convey the Debtor's entire right, title, estate and interest in the Assets to the Purchaser and the Purchaser has agreed to purchase and accept all of the Debtor's rights, title, estate and interest in and to the Assets.

THE PARTIES AGREE AS FOLLOWS:

1. Definitions

In this General Conveyance, including the recitals, "Agreement" means the Asset Purchase and Sale Agreement dated November 10th, 2015, between the Vendor and the Purchaser and, in addition, the definitions provided for in the Agreement are adopted in this General Conveyance.

2. Conveyance

The Vendor, for the consideration provided for in the Agreement, the receipt and sufficiency of which is acknowledged by the Vendor, hereby sells, assigns, transfers and conveys the entire right, title, benefit and interest of the Debtor in and to the Assets to the Purchaser, its successors and assigns, and the Purchaser purchases and accepts such interests from the Vendor, TO HAVE AND TO HOLD the same absolutely, subject to the terms of the Agreement, the Permitted Encumbrances and compliance with the terms of the Leases and all other Title and Operating Documents.

3. Effective Time

This General Conveyance and the transfer of title to and possession of the Debtor's interest in and to the Assets will, subject to the terms of the Agreement, be effective as of the Closing Date.

4. Subordinate Document

This General Conveyance is executed and delivered by the Parties pursuant to the Agreement for the purposes of the provisions of the Agreement, and the terms hereof shall be read on

conjunction with the terms of the Agreement. If there is a conflict between the provisions of the Agreement and this General Conveyance, the provisions of the Agreement shall prevail to the extent of the conflict.

5. **Enurement**

This General Conveyance enures to the benefit of and is binding; upon the Parties and their respective successors and permitted assigns.

6. **Further Assurances**

Each Party shall, after the date of this General Conveyance, at the request of the other Party and without further consideration, do all further acts and execute and deliver all further documents which are reasonably required to perform and carry out the terms of this General Conveyance.

7. **Governing Law**

This General Conveyance will be governed by and construed in accordance with the laws of the Province of Alberta.

IN WITNESS WHEREOF the Parties have duly executed this General Conveyance.

DELOITTE RESTRUCTURING INC., in its capacity as court appointed receiver of the assets, undertakings and properties of **Sekur Energy Management Corp.**, and not in its personal capacity

[INSERT PURCHASER NAME]

Per: _____
Name:
Title:

Per: _____
Name:
Title:

Per: _____
Name:
Title:

Per: _____
Name:
Title:

SCHEDULE "C" - VENDOR'S OFFICER'S CERTIFICATE

Attached to and made part of that Asset Purchase and Sale Agreement dated November 10th, 2015.

VENDOR'S OFFICER'S CERTIFICATE

Re: Section 5.2(a) of the Asset Purchase and Sale Agreement ("**Agreement**") dated November 10th, 2015, between Deloitte Restructuring Inc., in its capacity as court appointed receiver of the assets, undertakings and properties of Sekur Energy Management Corp., and not in its personal capacity, as the Vendor and [INSERT PURCHASER NAME] as the Purchaser.

Unless otherwise stated, the definitions provided for in the Agreement are adopted in this Certificate.

I, **Jeff Keeble, Senior Vice-President**, hereby certify that:

1. Each of the representations and warranties of the Vendor contained in Section 4.1 of the Agreement is true and correct in all material respects as of the Closing Date.
2. All Closing conditions for the benefit of the Vendor, pursuant to Section 5.1 of the Agreement, have been satisfied or waived.
3. This Certificate is made for and on behalf of the Vendor and is binding upon it, and I am not incurring and will not incur any personal liability whatsoever with respect to it.
4. This Certificate is made with full knowledge that the Purchaser is relying on the same for the Closing of the Transaction.

IN WITNESS WHEREOF I have executed this Certificate the • day of •, 2015.

Name:

Title:

SCHEDULE "D" - PURCHASER'S OFFICER'S CERTIFICATE

Attached to and made part of that Asset Purchase and Sale Agreement dated November 10th, 2015.

Re: Section 5.1(a) of the Asset Purchase and Sale Agreement ("**Agreement**") dated November 10th, 2015, between Deloitte Restructuring Inc., in its capacity as court appointed receiver of the assets, undertakings and properties of Sekur Energy Management Corp., and not in its personal capacity, as the Vendor and [INSERT PURCHASER NAME] as the Purchaser.

Unless otherwise stated, the definitions provided for in the Agreement are adopted in this Certificate.

I, [Name], [Title], hereby certify that:

1. Each of the representations and warranties of the Purchaser contained in Section 4.3 of the Agreement is true and correct in all material respects as of the Closing Date.
2. All Closing conditions for the benefit of the Purchaser, pursuant to Section 5.2 of the Agreement, have been satisfied or waived.
3. This Certificate is made for and on behalf of the Purchaser and is binding upon it, and I am not incurring and will not incur any personal liability whatsoever with respect to it.
4. This Certificate is made with full knowledge that the Vendor is relying on the same for the Closing of the Transaction.

IN WITNESS WHEREOF I have executed this Certificate the • day of •, 2015.

Name:

Title:

SCHEDULE "E" - FORM OF COURT ORDER

Attached to and made part of that Asset Purchase and Sale Agreement dated November 10th, 2015.

SCHEDULE "A"

COURT FILE NUMBER	1501-09213	Clerk's Stamp
COURT	COURT OF QUEEN'S BENCH OF ALBERTA	
JUDICIAL CENTRE	CALGARY	
PLAINTIFF	COMPUTERSHARE TRUST COMPANY OF CANADA, IN ITS CAPACITY AS COLLATERAL AGENT FOR GUGGENHEIM CORPORATE FUNDING, LLC	
DEFENDANT	SEKUR ENERGY MANAGEMENT CORP.	
MATTER	IN THE MATTER OF THE RECEIVERSHIP OF SEKUR ENERGY MANAGEMENT CORP.	
DOCUMENT	APPROVAL AND VESTING ORDER (Sale by Receiver)	
ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT	Gowling Lafleur Henderson LLP 1600, 421 – 7 Avenue SW Calgary, Alberta T2P 4K9 Telephone (403) 298-1000 Facsimile (403) 695-3558 File No. A128622 Attention: Tom Cumming / Jeff Oliver	

DATE ON WHICH ORDER WAS PRONOUNCED: ●, 2015

LOCATION WHERE ORDER WAS PRONOUNCED: Calgary Courts Centre

NAME OF JUSTICE WHO MADE THIS ORDER: The Honourable M● Justice ●

UPON THE APPLICATION by Deloitte Restructuring Inc., in its capacity as the Court-appointed receiver and manager (the "**Receiver**") of the assets, undertakings and properties of Sekur Energy

Management Corp. (the “**Debtor**”) for an order approving the sale transaction (the “**Transaction**”) contemplated by an asset purchase and sale agreement dated as of November 10th, 2015 (the “**Sale Agreement**”) between the Receiver and ● (the “**Purchaser**”), which Sale Agreement is appended in redacted form as Exhibit “●” to the Report of the Receiver dated ●, 2015 (the “**Report**”), and in unredacted form as Exhibit “●” to the Confidential Addendum to the Report dated the same date and filed in the within proceedings (the “**Confidential Addendum**”), and vesting in the Purchaser the Debtor’s right, title and interest in and to the Purchased Assets (as defined below);

AND UPON HAVING READ the Receivership Order dated August 12, 2015 (the “**Receivership Order**”), the Report of the Receiver, the Confidential Addendum and the Affidavit of Service of Richard Comstock; **AND UPON HEARING** the submissions of counsel for the Receiver, the Purchaser, [Names of other parties appearing], no one appearing for any other person on the service list, although properly served as appears from the Affidavit of Service, 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.

APPROVAL OF TRANSACTIONS

2. The Transaction is hereby approved, and the execution of the Sale Agreement by the Receiver is hereby authorized and approved, with such minor amendments as the Receiver may deem necessary. The Receiver is hereby authorized and directed to take such additional steps and 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

3. Upon the delivery of a Receiver’s certificate to the Purchaser substantially in the form set out in **Schedule “A”** hereto (the “**Receiver’s Certificate**”), subject to the permitted encumbrances, caveats, easements and restrictive covenants listed on **Schedule “B”** hereto (the “**Permitted Encumbrances**”) [and subject to approval by the Alberta Energy Regulator of the transfer of applicable licenses, permits and approvals pursuant to section 24 of the Oil and Gas Conservation

Act and section 18 of the Pipeline Act,] [ntd: applicable if Sekur holds the AER licenses] all of the Debtor's right, title and interest in and to the property and assets of the Debtor described as the "Assets" in the Sale Agreement and listed on **Schedule "C"** hereto (collectively, the "**Purchased Assets**") shall vest absolutely in the name of the Purchaser, free and clear of and from any and all security interests (whether contractual, statutory, or otherwise), hypothecs, caveats, mortgages, trusts or deemed trusts (whether contractual, statutory, or otherwise), liens, executions, levies, charges, or other financial or monetary claims, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise (collectively, the "**Claims**") including, without limiting the generality of the foregoing:

- (a) any encumbrances or charges created by the Receivership Order;
- (b) all charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* (Alberta) or any other personal property registry system; and
- (c) all other claims other than the Permitted Encumbrances

(all of which are collectively referred to as the "**Encumbrances**"); and, for greater certainty, this Court orders that all of the Encumbrances affecting or relating to the Purchased Assets are hereby expunged and discharged as against the Purchased Assets.

- 4. The Minister of Energy for Alberta, acting pursuant to the *Mines and Minerals Act* (Alberta), shall cancel and discharge all Claims registered against the interests of the Debtor in respect of the Purchased Assets, including without limitation:
 - (a) all security notices and assignments under section 426 (formerly section 177) of the *Bank Act* (Canada); and
 - (b) all Claims in the nature of builders' liens.
- 5. The Receiver is hereby authorized to execute for and on behalf of the Debtor all conveyances, assignments, transfers, novations, notices of assignment and other documents necessary or desirable in order to convey, assign and transfer title to the Purchased Assets to the Purchaser and to novate the Purchaser into any contracts, licenses, permits, approvals or authorizations included in the Purchased Assets.
- 6. For the purposes of determining the nature and priority of Claims, the net proceeds from the sale of the Purchased Assets (to be held in an interest bearing trust account by the Receiver) shall stand in the place and stead of the Purchased Assets, and from and after the delivery of the Receiver's

Certificate all Claims and Encumbrances shall attach to the net proceeds from the sale of the Purchased Assets with the same priority as they had with respect to the Purchased Assets immediately prior to the sale, as if the Purchased Assets had not been sold and remained in the possession or control of the person having that possession or control immediately prior to the sale.

7. The Purchaser shall, by virtue of the completion of the Transaction, have no liability of any kind whatsoever in respect of any Claims against the Debtor.
8. The Debtor and all persons who claim by, through or under the Debtor in respect of the Purchased Assets, save and except for the persons entitled to the benefit of the Permitted Encumbrances, shall stand absolutely barred and foreclosed from all estate, right, title, interest, royalty, rental and equity of redemption of the Purchased Assets and, to the extent that any such persons remains in possession or control of any of the Purchased Assets, they shall forthwith deliver possession thereof to the Purchaser.
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 the Debtor, or any person claiming by or through or against the Debtor.
10. Immediately after the closing of the Transaction, the holders of the Permitted Encumbrances shall have no claim whatsoever against the Receiver or the Debtor.
11. The Receiver is to file with the Court a copy of the Receiver's Certificate, forthwith after delivery thereof to the Purchaser.
12. 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 Receiver is authorized and permitted to disclose and transfer to the Purchaser all human resources and payroll information in the Debtor's records pertaining to the Debtor's past and current employees, including personal information of those employees listed in the Sale 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 Debtor.
13. 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) in respect of the Debtor and any bankruptcy order issued pursuant to any such applications; and
- (c) any assignment in bankruptcy made in respect of the Debtor,

the vesting of the Purchased Assets in the Purchaser pursuant to this Order shall be binding on any trustee in bankruptcy that may be appointed in respect of the Debtor and shall not be void or voidable by creditors of the Debtor, nor shall it constitute nor be deemed to be a settlement, fraudulent preference, assignment, fraudulent conveyance, transfer at undervalue, or other reviewable transaction under the *Bankruptcy and Insolvency Act* (Canada) or any other applicable federal or provincial legislation, nor shall it constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

- 14. The Receiver, the Purchaser and any other interested party, shall be at liberty to apply for further advice, assistance and directions as may be necessary in order to give full force and effect to the terms of this Order and to assist and aid the parties in closing the Transaction.

MISCELLANEOUS MATTERS

- 15. 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 Receiver and its agents in carrying out the terms of this Order. All courts, tribunals regulatory and administrative bodies are hereby respectfully requested to make such orders as to provide such assistance to the Receiver, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the Receiver and its agents in carrying out the terms of this Order.
- 16. 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.
- 17. 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 Receiver's Certificate

COURT FILE NUMBER	1501-09213	<div>Clerk's Stamp</div>
COURT	COURT OF QUEEN'S BENCH OF ALBERTA	
JUDICIAL CENTRE	CALGARY	
PLAINTIFF	COMPUTERSHARE TRUST COMPANY OF CANADA, IN ITS CAPACITY AS COLLATERAL AGENT FOR GUGGENHEIM CORPORATE FUNDING, LLC	
DEFENDANT	SEKUR ENERGY MANAGEMENT CORP.	
MATTER	IN THE MATTER OF THE RECEIVERSHIP OF SEKUR ENERGY MANAGEMENT CORP.	
DOCUMENT	RECEIVER'S CERTIFICATE	

ADDRESS FOR SERVICE AND
CONTACT INFORMATION OF
PARTY FILING THIS
DOCUMENT

Gowling Lafleur Henderson LLP
1600, 421 – 7 Avenue SW
Calgary, Alberta T2P 4K9
Telephone (403) 298-1000
Facsimile (403) 695-3558
File No. A128622

Attention: Tom Cumming / Jeffrey Oliver

RECITALS

- A. Pursuant to an Order of the Honourable Madam Justice Horner of the Court of Queen's Bench of Alberta, Judicial District of Calgary (the "**Court**") dated August 12, 2015, Deloitte Restructuring Inc. was appointed as the receiver and manager (the "**Receiver**") of the assets, undertakings and properties of Sekur Energy Management Corp. (the "**Debtor**").
- B. Pursuant to an Order of the Honourable M● Justice ● of the Court dated ●, 2015, the Court approved the asset purchase and sale agreement made as of ●, 2015 (the "**Sale Agreement**") between the Receiver and ● (the "**Purchaser**") and provided for the vesting in the Purchaser of the Debtor'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 Receiver to the Purchaser of a certificate confirming (i) the payment by the Purchaser of the Purchase Price for the Purchased Assets; (ii) that the conditions to Closing as set out in Article 9 of the Sale Agreement have been satisfied or waived by the Receiver and the Purchaser; and (iii) the Transaction has been completed to the satisfaction of the Receiver.

- C. Unless otherwise indicated herein, terms with initial capitals have the meanings set out in the Sale Agreement.

THE RECEIVER CERTIFIES the following:

1. The Purchaser has paid and the Receiver has received the Purchase Price for the Purchased Assets payable on the Closing Date pursuant to the Sale Agreement;
2. The conditions to Closing as set out in Article 5 of the Sale Agreement have been satisfied or waived by the Receiver and the Purchaser; and
3. The Transaction has been completed to the satisfaction of the Receiver.
4. This Certificate was delivered by the Receiver at **[Time]** on **[Date]**.

Deloitte Restructuring Inc., in its capacity as Receiver and Manager of the assets, undertakings, properties of **Sekur Energy Management Corp.**, and not in its personal capacity
Per:

Name:
Title:

Schedule “B”

Permitted Encumbrances

Unless otherwise indicated, capitalized terms have the meanings set out in the Sale Agreement.

Permitted Encumbrances mean:

- (a) •

Schedule "C"

Description of Purchased Assets

The Purchased Assets consist of the Petroleum and Natural Gas Rights, the Tangibles and the Miscellaneous Interests, as such terms are defined in the Sale Agreement, including the following:

Lands

Lease Type	Crown Lease No.	Land Description	Mineral Rights	Sekur Working Interest

Wells

Well Location

Status

Working Int.

ERCB License #

SCHEDULE “F” - ROFRs and Allocations

Attached to and made a part of that Asset Purchase and Sale Agreement dated November 10th, 2015.

Affected Assets	ROFR Holder	Purchase Price Allocation
02/06-04-033-24W4/00	ConocoPhillips Canada Partnership – 25%; ConocoPhillips Western – 5.0%; Bellatrix Exploration - 16.6667%; Quicksilver Resources Canada – 30%	\$ 500.00
00/08-04-033-24W4/00		\$5,500.00
00/14-04-033-24W4/00		\$2,500.00
Total:		\$8,500.00