

COURT FILE NUMBER 25-2703459

COURT COURT OF QUEEN'S BENCH OF ALBERTA  
IN BANKRUPTCY AND INSOLVENCY

JUDICIAL CENTRE CALGARY

IN THE MATTER OF THE *BANKRUPTCY  
AND INSOLVENCY ACT*, R.S.C. 1985, C. B-3,  
AS AMENDED

AND IN THE MATTER OF THE NOTICE OF  
INTENTION TO MAKE A PROPOSAL OF SALT  
BUSH ENERGY LTD.

DOCUMENT **SECOND AFFIDAVIT OF CHARLES MORGAN**

ADDRESS FOR SERVICE AND CONTACT  
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**AFFIDAVIT OF CHARLES MORGAN**

**Affirmed on May 10, 2021**

I, Charles Morgan, of the City of London, in the United Kingdom of Great Britain and Northern Ireland, AFFIRM AND SAY THAT:

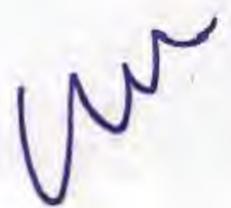
1. I am the President of Salt Bush Energy Ltd. (the "**Debtor**") and 2345141 Alberta Ltd. ("**ResidualCo**", the Debtor and ResidualCo are collectively referred to as, the "**Applicants**"), and a director of each of the Applicants. Additionally, I have reviewed the books and records maintained by and in the possession of the Applicants, in the ordinary course of business. In preparing to swear this Affidavit, I have also reviewed the Affidavit of David Messina, sworn on February 3, 2021 (the "**February 3 Affidavit**"), and the Affidavit that I swore on March 15, 2021 (the "**First Morgan Affidavit**"), in the within proceedings. Based on the aforementioned and upon such review, I have personal knowledge of the facts and matters hereinafter sworn to, except

where stated to be based on information and belief, in which case, I believe such information to be true.

2. I swear this affidavit in support of an application (the "**Application**") by the Applicants for two (2) Orders granting, among other things, the following relief:

- (a) an Order (the "**Initial Order**"):
  - (i) deeming service of the Application to be good and sufficient;
  - (ii) declaring that the Applicants are companies to which the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "**CCAA**") applies;
  - (iii) authorizing the continuation under the CCAA of the Debtor's proposal proceedings (the "**NOI Proceedings**") under the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the "**BIA**"), commenced on January 13, 2021 (the "**NOI Filing Date**") pursuant to the Notice of Intention to Make a Proposal filed by the Debtor (the "**NOI**"), and adding ResidualCo as an applicant within such CCAA proceedings (the "**CCAA Proceedings**");
  - (iv) appointing Deloitte Restructuring Inc., the Debtor's proposal trustee within the NOI Proceedings (the "**Proposal Trustee**", when referred to in such capacity), as Monitor (the "**Proposed Monitor**", when referred to in such capacity);
  - (v) staying all proceedings, rights, and remedies against or in respect of the Applicants, their business or property, the Proposed Monitor, or their respective employees and representatives, for a period of ten (10) days from the date of issuance of the Initial Order (the "**Stay Period**");
  - (vi) authorizing the Applicants to carry on business in a manner consistent with the preservation of their business and property;
  - (vii) authorizing the Applicants to pay the reasonable and documented fees and disbursements of their counsel, the Monitor, and its counsel; and,

- (viii) continuing the following charges over the Debtor's (but, with the exception of the Administration Charge, not ResidualCo's) current and future assets, undertakings and properties of every kind and nature whatsoever, and wherever situate including all proceeds thereof (collectively, the "**Property**"), as granted within the NOI Proceedings for the purpose of securing the payment and performance of:
- A. the Debtor's obligations outstanding from time to time in connection with the Interim Financing Facility (as defined hereinafter) (the "**Interim Financing Charge**");
  - B. the Debtor's obligations under the Stalking Horse APA (as defined hereinafter) (the "**Break Fee Charge**"); and,
  - C. the fees and expenses of the Debtor's counsel, the Proposed Monitor, and the Proposed Monitor's counsel, in connection with the NOI Proceedings and the CCAA Proceedings (the "**Administration Charge**", the Interim Financing Charge, the Break Fee Charge, and the Administration Charge are collectively referred to as, the "**Charges**"), which for greater certainty shall extend over the Property of ResidualCo;
- (b) an Order (the "**Reverse Vesting Order**");
- (i) approving the Asset Purchase Agreement, dated February 2, 2021 (as amended, the "**Stalking Horse APA**"), between the Debtor, as vendor, and Ironbark Energy Ltd. (the "**Stalking Horse Bidder**"), a corporation related to the Debtor, as purchaser, and authorizing and empowering the Applicants to take all necessary or desirable steps to give effect to the Stalking Horse APA by way of the revised transaction structure contemplated in the Reverse Vesting Order; and,
  - (ii) ordering and declaring that effective immediately upon the Proposed Monitor issuing a certificate (the "**Monitor's Certificate**") with this Honourable Court certifying that it has been advised in writing by the Applicants that the APA Proceeds (as defined in the proposed form of the



Reverse Vesting Order attached as Schedule "C" to the Application) have been released from escrow and the fees of the Proposed Monitor and its counsel in respect of these proceedings and the NOI Proceedings have been satisfied:

- A. the APA Proceeds (as defined in the proposed form of the Reverse Vesting Order attached as Schedule "C" to the Application) shall be transferred to and vest absolutely in the name of ResidualCo;
- B. all Debtor Liabilities (as defined in the proposed form of the Reverse Vesting Order attached as Schedule "C" to the Application) shall be transferred to, assumed by and vest absolutely in ResidualCo, and ResidualCo shall be deemed to have assumed and become liable for such Debtor Liabilities and, subject to the Initial Order, the Creditors (as defined in the proposed form of the Reverse Vesting Order attached as Schedule "C" to the Application) will have all of the rights, remedies, recourses, benefits and interests against ResidualCo which immediately prior to the Reverse Vesting Order becoming effective they had against the Debtor, and the nature of the Debtor Liabilities, including, without limitation, their amount and their secured or unsecured status, shall not be affected or altered as a result of their transfer to and vesting in ResidualCo;
- C. the Debtor and all of its Property shall be forever released and discharged from the Debtor Liabilities (as defined in the proposed form of the Reverse Vesting Order attached as Schedule "C" to the Application) and all related Claims (as defined in the proposed form of the Reverse Vesting Order attached as Schedule "C" to the Application) shall be expunged and discharged as against the Debtor and its Property;
- D. effective one (1) minute after the date and time (the "**CCAA Termination Time**") on which the Proposed Monitor issues the Monitor's Certificate, the CCAA Proceedings shall be automatically



terminated without any further act or formality and the Initial Order shall have no further force or effect;

- E. effective as at the CCAA Termination Time, subject only to the payment in full of all amounts owing to the beneficiaries thereunder (if any), the Charges shall be terminated, released and discharged;
  - F. the Proposed Monitor shall be discharged as Monitor of the Applicants; and,
  - G. ResidualCo shall be authorized and directed to make an assignment in bankruptcy (the "**ResidualCo Bankruptcy Proceedings**") and the Proposed Monitor shall be authorized to act as the trustee in bankruptcy of ResidualCo (when referred to in such capacity, the "**ResidualCo Trustee**");
- (c) approving the activities and reports of the Proposed Monitor (including in its capacity as Proposal Trustee), ratifying the fees and disbursements of the Monitor and its counsel in the CCAA Proceedings and the NOI Proceedings, declaring that a single levy shall be payable by the ResidualCo Trustee to the Office of the Superintendent of Bankruptcy, in respect of the ResidualCo Bankruptcy Proceedings, and dispensing with any requirement to pay a levy in respect of the CCAA Proceedings or the NOI Proceedings; and,
- (d) such further and additional relief as may be sought by the Debtor and approved by this Honourable Court,

(collectively, the "**Primary Relief**").

3. In the alternative, if the Court does not grant the Primary Relief, the Debtor seeks two (2) Orders granting, among other things, the following relief:

- (a) deeming service of the Application to be good and sufficient;
- (b) approving the Stalking Horse APA and the sale, transfer and assignment of the assets identified therein (collectively, the "**Assets**"), and the transfer and vesting of the Assets to the Stalking Horse Bidder, and authorizing the Debtor and the

Proposal Trustee to take any and all such steps as are necessary or advisable to close the transaction for the purchase and sale of the Assets;

- (c) upon the Proposal Trustee filing a certificate with this Honourable Court confirming that all terms and conditions under the Stalking Horse APA have either been satisfied or waived and that the transactions contemplated by the Stalking Horse APA have been completed, all legal and beneficial ownership of and title to the Assets shall vest in the Stalking Horse Bidder, and shall be free and clear of any and all security interests and claims (other than Permitted Encumbrances);
- (d) extending the period within which the Debtor may file a proposal (the "**Filing Period**") by 45 days, up to and including June 27, 2021, or such other date as this Honourable Court may order, to permit the Debtor to close the transactions contemplated by the Stalking Horse APA; and,
- (e) such further and additional relief as may be sought by the Debtor and approved by this Honourable Court,

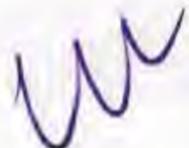
(collectively, the "**Alternative Relief**", the Primary Relief and the Alternative Relief are collectively referred to as, the "**Relief Sought**").

#### **Background and SISP Results**

4. As described more fully in the February 3 Affidavit, the Debtor is a wholly-owned subsidiary of Whitebark Energy Ltd. ("**Whitebark**"). Whitebark is a reporting issuer listed on the Australian Securities Exchange, and is engaged in the business of oil and gas exploration and production. Whitebark conducts operations in Canada and Western Australia through its subsidiaries, including the Debtor.

5. The Debtor is an oil and gas exploration and production company based in the City of Calgary, and conducts business within the Province of Alberta. Specifically, the Debtor is engaged in the business of operating working interests in the Wizard Lake Oil Field, located approximately fifty (50) kilometers southwest of the City of Edmonton.

6. On January 13, 2021 (the "**NOI Filing Date**"), the Debtor filed a Notice of Intention to Make a Proposal (the "**NOI**") under and pursuant to the *Bankruptcy and Insolvency Act* (Canada) (the



"**BIA**"). The Proposal Trustee consented to acting as proposal trustee in the Debtor's NOI proceedings (the "**NOI Proceedings**").

7. The NOI Proceedings were initiated by the Debtor in response to significant liquidity constraints as a result of various factors, including then recent declines in oil prices. The Debtor made substantial capital expenditures in connection with its Wizard Lake Oil Field assets in recent years, but production has not yet matched expenditures. In January 2021, Whitebark, an Australian publicly traded company which is the sole shareholder of the Debtor, informed the Debtor that it was no longer willing to fund the Debtor's ongoing operations in the ordinary course, absent a resolution of the aforementioned issues. Accordingly, the Debtor filed the NOI on the NOI Filing Date.

8. As at the NOI Filing Date, the Debtor's total indebtedness was approximately \$19.890 million, including approximately \$16.546 million owed to Whitebark, with the majority of the remaining indebtedness owing to unsecured trade creditors. Attached hereto and marked as Exhibit "**A**" to this, my Affidavit, is a true copy of the Notice to Creditors prepared in connection with the NOI Proceedings, setting out the Debtor's indebtedness as at the Filing Date as described in the books and records of the Debtor.

9. On February 12, 2021, the Honourable Justice D.B. Nixon granted an order (the "**February 12 Order**") that, among other things:

- (a) extended the time within which the Debtor may file a proposal, until and including March 29, 2021;
- (b) approved a sale and solicitation process (the "**SISP**") in respect of the Debtor;
- (c) approved the Stalking Horse APA;
- (d) approved an interim financing facility (the "**Interim Financing Facility**"), in the maximum principal amount of \$150,000, to allow the Debtor to satisfy its future expenses in connection with its ongoing operations during the within NOI Proceedings;
- (e) granted certain priority charges (collectively, the "**Charges**") over the property of the Debtor; and,

- (f) authorized the Debtor to pay the reasonable fees and disbursements of the Proposal Trustee, the Proposal Trustee's counsel, and the Debtor's counsel.

10. Attached hereto and marked as Exhibit "B" to this, my Affidavit, is a true copy of the February 12 Order.

11. On March 26, 2021, the Honourable Justice D.R. Mah granted an order (the "**March 26 Order**") further extending the time within which the Debtor may file a proposal to its creditors, until and including May 13, 2021. Attached hereto and marked as Exhibit "C" to this, my Affidavit, is a true copy of the March 26 Order.

12. The purpose of the SISP was to canvas the market and potentially source a Superior Offer (as defined in the SISP) and the SISP was designed to permit both sale offers and restructuring offers to be made by any person to the Debtor. This preserved the ability of an interested party to make a Superior Offer (as defined in the SISP) to the Debtor that would be implemented by way of a proposal under the BIA, as part of a restructuring transaction.

13. The Debtor and the Stalking Horse Bidder are both wholly-owned subsidiaries of Whitebark. Pursuant to the February 12 Order, because the Stalking Horse APA was entered into with a related party to the Debtor, the Proposal Trustee had the sole authority to administer the SISP (including the sole authority to receive communications from bidders in connection with the SISP, unless the Proposal Trustee expressly directed otherwise) and to determine: (i) at the completion of Phase 1, whether a Qualified Bid was made; and, if one or more Qualified Bids were made, (ii) at the completion of the Phase 2 Auction, whether a Superior Offer was made in accordance with the terms of the SISP. If, after the conclusion of the Phase 2 Auction, the Proposal Trustee determined that a Superior Offer had been made, the Debtor would be obligated to proceed with such Superior Offer in accordance with the terms of the SISP. If no Superior Offer was received, the Debtor would be obligated to proceed with the Stalking Horse APA in accordance with the terms of the SISP.

14. The Stalking Horse APA contemplates the following:

- (a) the Stalking Horse Bidder shall purchase, be assigned, and acquire from the Debtor the Assets;
- (b) as consideration for the Assets:



- (i) the Stalking Horse Bidder shall pay, in cash, the Cure Costs (as defined in the Stalking Horse APA);
- (ii) the Stalking Horse Bidder shall pay, in cash, an amount sufficient to satisfy any amounts owing under the Administration Charge at the time of closing;
- (iii) the Stalking Horse Bidder shall deliver an irrevocable direction from Whitebark to the Debtor and the Proposal Trustee providing that any dividends or similar distributions that Whitebark is entitled to receive in the NOI Proceedings be distributed for the benefit of all of the Debtor's unsecured creditors other than Whitebark (the "**Direction**"); and,
- (iv) the Stalking Horse Bidder shall pay, in cash, the amount of \$336,000, net of any amounts paid to satisfy the Cure Costs and Administration Charge, (collectively, the "**Purchase Price**").

15. As described in further detail in the February 3 Affidavit, the material dates in connection with the SISP were as follows:

- (a) the SISP was commenced on or about February 15, 2021 (the "**SISP Commencement Date**"), by the Proposal Trustee preparing, in consultation with the Debtor, a list of known potential strategic and financial bidders;
- (b) the Phase 1 bid deadline, for the delivery of offers, concluded at 5:00 p.m. (Calgary time) on April 16, 2021 (the "**Bid Deadline**"), being 60 days after the SISP Commencement Date;
- (c) the Proposal Trustee was to extend invitations to all Qualified Bidders (as defined in the SISP), if any, to attend the Phase 2 Auction (as defined in the SISP) on the third business day after the Bid Deadline;
- (d) the Phase 2 Auction was to be held no earlier than five (5) Business Days after the Phase 1 Bid Deadline, and no later than April 28, 2021; and,
- (e) the contemplated completion date, for the closing of any transaction arising out of the SISP, is May 17, 2021.

16. The SISP further provided that, in the event that no Qualified Bids were received on or before the Bid Deadline, the SISP would automatically terminate and the Debtor would file an application seeking the approval of the Stalking Horse APA.

17. Shortly after the Bid Deadline, the Proposal Trustee advised the Debtor that no Qualified Bids had been received and the within application was scheduled.

**Overview of Proposed Alternative Transaction Structure**

18. Subsequent to the termination of the SISP on the Bid Deadline, the Debtor and the Stalking Horse Bidder determined that the Stalking Horse APA is not the most efficient possible means of structuring the transaction contemplated under the Stalking Horse APA.

19. Specifically, with the assistance of the Debtor's counsel, the Debtor and the Stalking Horse Bidder have determined that the Stalking Horse APA could be completed more efficiently, but on the same economic terms, by way of a reverse vesting transaction which preserves the Debtor as a going concern without requiring the transfer of the Debtor's assets to the Stalking Horse Bidder. Moreover, the proposed Reverse Vesting Order will:

- (a) preserve certain beneficial tax attributes of the Debtor;
- (b) avoid the need to seek regulatory approval of the transfer of the Debtor's petroleum and natural gas licenses to the Stalking Horse Bidder; and,
- (c) minimize transactional costs associated with the closing of the Stalking Horse Bid and the transfer of assets to the Stalking Horse Bidder,

all on the same economic terms as previously approved by this Honourable Court with respect to the Stalking Horse Bid.

**Initial Order**

20. The Applicants seek the Initial Order, primarily for the purpose of permitting the Applicants to seek the Reverse Vesting Order as a means of restructuring their business and affairs.

21. I am advised by Nathan Stewart of McCarthy Tétrault LLP ("**McCarthy**"), counsel to the Applicants, that: (i) the Reverse Vesting Order cannot be sought within the NOI Proceedings as, among other reasons, the Debtor will automatically be deemed to have made an assignment in



bankruptcy if it fails to file a proposal to its creditors on or before May 21, 2021; (ii) there are certain requirements which must be met in order to make an application for relief under the CCAA, including that the applicants must be Canadian corporations with collective liabilities in the amount of at least \$5 million and that the Applicants must file cash flow forecasts with this Honourable Court; and, (iii) companies seeking relief under the CCAA must act in good faith and with due diligence.

22. I verily believe that the Applicants meet the statutory requirements to be eligible for relief under the CCAA, as:

- (a) the Applicants are related Canadian corporations, registered and carrying on business in Alberta. Attached hereto and collectively marked as Exhibit "D" to this, my Affidavit, are a true copy of the Alberta corporate registry search results with respect to the Debtor, as at April 29, 2021, and a true copy of the Alberta corporate registry search results with respect to ResidualCo, as at May 6, 2021;
- (b) the Applicants have collective liabilities in excess of \$5 million, as described above;
- (c) the Applicants have prepared a cash flow forecast (the "**Cash Flow Forecast**") demonstrating that the Applicants project that they will have sufficient liquidity to carry on their business in the ordinary course during the initial Stay Period sought under the Initial Order. Attached hereto and marked as Exhibit "E" to this, my Affidavit, is a true copy of the Cash Flow Forecast;
- (d) although ResidualCo does not individually have debts in excess of \$5 million, the Applicants form an interrelated business unit, with ResidualCo being a special purpose entity incorporated for the purpose of giving effect to the proposed reverse vesting transaction; and,
- (e) as described in further detail hereinafter, the Applicants have acted and are acting in good faith and with due diligence.

23. I verily believe that, since the NOI Filing Date, the Debtor has acted and continues to act in good faith and with due diligence to advance its proposed restructuring, to the benefit of all stakeholders. The Debtor's actions have included the following:

- (a) providing the Proposal Trustee with access to the Debtor's premises, property, and books and records;
- (b) working with the Proposal Trustee and McCarthy to facilitate the commencement of the SISP, including by attending to the virtual data room, providing input regarding potential purchasers and draft teaser materials, and answering the Proposal Trustee's queries with respect to the SISP and other matters;
- (c) assisting the Proposal Trustee in responding to due diligence requests, working with the Proposal Trustee and McCarthy to engage with creditors and answer creditor inquiries regarding the NOI Proceedings, and engaging with creditors and stakeholders generally, to address concerns that have been raised since the lodging of the Debtor's NOI;
- (d) engaging with a royalty holder, Source Rock Royalties Ltd. ("**Source Rock**"), and PrairieSky Royalty Ltd., the lessor of certain leased lands in which the Debtor has an interest, with respect to the status of the applicable royalties and leases;
- (e) carrying on business in the ordinary course and generally taking actions incidental to the operations of the Debtor, to preserve the going concern value of the Debtor;
- (f) engaging with certain creditors with respect to the discharge of liens relating to obligations which were satisfied prior to the NOI Filing Date;
- (g) engaging with BDO Canada Limited, in its capacity as the Court-appointed receiver of Point Loma Resources Ltd. ("**Point Loma**"), to acquire certain Point Loma assets in the Wizard Lake Oil Field, increasing the Debtor's ownership percentage in those assets by way of a quitclaim agreement (the "**Quitclaim Transaction**"), as previously described in the Second Report of the Proposal Trustee, dated March 16, 2021 (at paragraphs 14 - 18 thereof) and the First Report of the Proposal Trustee, dated February 4, 2021 (at paragraph 24 thereof). The Quitclaim Transaction has since closed. The Debtor believes that the Quitclaim Transaction increased the value of the Debtor as a going concern by allowing it to become the sole owner of certain interests in the Wizard Lake Oil Field;



- (h) working with the Proposal Trustee and McCarthy to prepare cash flow projections and to identify issues with respect to the financial condition of the Debtor and the status of its creditors; and,
- (i) engaging with the Alberta Energy Regulator ("**AER**") regarding certain questions and concerns with respect to the NOI Proceedings.

24. I am further advised by McCarthy that the Proposed Monitor supports the Application to continue the NOI Proceedings under the CCAA, and that documents evidencing the consent of the Proposed Monitor to act as such will be appended to a report of the Proposed Monitor or a supplemental affidavit to be filed in connection with the Application.

#### Charges

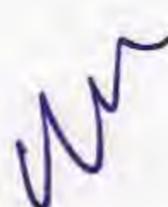
25. The Debtor also seeks the continuation of the Charges under the CCAA Proceedings, on the same terms and in the same amounts and priority as previously approved within the NOI Proceedings; with the exception that the Administration Charge (but not the Interim Lender's Charge or the Break Fee Charge) shall be extended to ResidualCo. The proposed priority of the Charges is as follows:

- (a) **First** - Administration Charge (to the maximum amount of \$150,000);
- (b) **Second** - Interim Lender's Charge (to the maximum amount of \$150,000);
- (c) **Third** - Break Fee Charge (to the maximum amount of \$75,000).

26. The Break Fee Charge related to certain expense reimbursement (to the maximum of \$25,000) and break fee (the "**Break Fee**". to the maximum of \$50,000) obligations of the Debtor in connection with the Stalking Horse APA. The Break Fee will not be payable under either the Sale Approval and Vesting Order or the Reverse Vesting Order and accordingly, while the maximum amount of the Break Fee Charge granted within the NOI Proceedings is \$75,000, the obligations thereunder can no longer exceed \$25,000.

#### Reverse Vesting Order

27. As described in paragraph 22(b) of this, my Affidavit, the Reverse Vesting Order sought by the Applicants would transfer to and vest in ResidualCo: (i) the proceeds of the Purchase Price



under the Stalking Horse APA (when referred to in this context, the "**APA Proceeds**"); and, (ii) all debts, liabilities, and claims against the Debtor, of whatsoever nature or kind (but excluding royalty arrears, if any, owing to Source Rock). For the purpose of determining the nature and priority of claims against the Debtor, the APA Proceeds will stand in the place and stead of the Assets and the Debtor.

28. The Purchase Price under the Stalking Horse APA is amended by the Reversed Vesting Order as it relates to the Direction, which will be substituted with a direction to the same effect applicable to both the Debtor and ResidualCo, whereas the Direction is applicable only to the Debtor. Accordingly, the reverse vesting transaction will be completed on the same economic terms as the Stalking Horse APA.

29. The Source Rock royalties have been carved out of the Reverse Vesting Order because the arrears (if any) under the Source Rock royalties were to be assumed by the Stalking Horse Bidder under the Stalking Horse APA; under the Reverse Vesting Order the obligation to pay such royalties will instead remain with the Debtor, as will the underlying interests in land.

30. The Reverse Vesting Order contemplates a "daylight transaction", with all steps contemplated to occur immediately following court approval (if granted). In particular, the Reverse Vesting Order sought by the Applicants contemplates that upon the filing of the Monitor's Certificate, the CCAA Proceedings will automatically terminate. The Applicants intend to close the revised transaction under the Reverse Vesting Order as soon as practicable upon the granting of the Reverse Vesting Order. Specifically, the following steps will occur if the Reverse Vesting Order is granted:

- (a) the Reverse Vesting Order will approve the Stalking Horse APA;
- (b) upon the release of the APA Proceeds from escrow, the Applicants will advise the Proposed Monitor; and,
- (c) upon the Proposed Monitor issuing the Monitor's Certificate, the vesting under the Reverse Vesting Order will become effective immediately and the CCAA Proceedings will terminate one (1) minute later.

31. The Reverse Vesting Order will also authorize and direct ResidualCo to make an assignment in bankruptcy, on the CCAA Termination Time, with the subsequent distribution of the APA Proceeds occurring within such ResidualCo Bankruptcy Proceedings. To minimize the



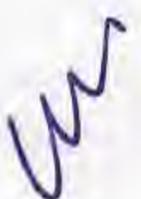
costs associated with the "daylight transaction" CCAA Proceedings, and in light of the limited nature of the CCAA Proceedings, the Reverse Vesting Order: (i) contains certain provisions modifying the notice requirements applicable to the Proposed Monitor, to permit the Proposed Monitor to serve the filings, notices and other materials in respect of the CCAA Proceedings at the same time as the filings, notices and other materials in respect of the ResidualCo Bankruptcy Proceedings, without duplication; and, (ii) provides for a declaration that the Proposed Monitor shall pay a single levy to the Office of the Superintendent of Bankruptcy, in respect of the ResidualCo Bankruptcy Proceedings; and that no levy shall be payable with respect to the NOI Proceedings or the CCAA Proceedings. Such proposed terms are intended both to ensure that the effect of the Reverse Vesting Order and status of the proceedings are clear to ResidualCo's creditors; and to minimize administrative costs, particularly as the distribution of the APA Proceeds shall occur within the ResidualCo Bankruptcy Proceedings, rather than within the "daylight" CCAA Proceedings.

#### Alternative Relief

32. As described in paragraph 3 of this my Affidavit, if this Honourable Court is not inclined to approve the Primary Relief, the Application seeks as Alternative Relief: (i) the approval of the Stalking Horse APA; (ii) a sale and vesting order in respect of the Stalking Horse APA; and, (iii) an extension of the period within which the Debtor may file a proposal (the "**Filing Period**"), by 45 days, until and including June 27, 2021.

33. The Debtor and the Stalking Horse Bidder have agreed, subject to the approval of this Honourable Court, to certain amendments to the schedules of the Stalking Horse APA since the date of the February 12 Order, to account for the Quitclaim Transaction and add a description of the petroleum and natural gas assets held by the Debtor (after the closing of the Quitclaim Transaction). Attached hereto and marked as Exhibit "F" to this, my Affidavit, is a true copy of the Stalking Horse APA, as most recently amended.

34. In connection with the SISP, I am advised that: (i) the Proposal Trustee advertised the SISP in the *Globe and Mail*, the *Daily Oil Bulletin*, and the *BOE Report*, and delivered a teaser document to thirty-six (36) potential bidders, and received various expressions of interest; (ii) the Proposal Trustee entered into confidentiality agreements with nine (9) potential bidders, as contemplated by the terms of the SISP; and, (iii) the Debtor worked with the Proposal Trustee to respond to certain information requests in connection with the SISP, on an ongoing basis, and to



set up the virtual data room contemplated by the SISP. As described above, the Court-approved SISP extended for a period of sixty (60) days prior to its termination on the Bid Deadline.

35. Accordingly, I believe that the Assets were exposed to the relevant market for an appropriate period of time. As no Superior Offer was received under the SISP, I believe that the Stalking Horse APA represents the highest and best offer for the Assets available in the circumstances.

36. The Debtor also seeks an extension of the Filing Period until June 27, 2021, to permit it to attend to the closing of the transactions contemplated under the Stalking Horse APA and the transfer of its petroleum and natural gas licenses to the Stalking Horse Bidder. For the reasons set out above in this, my Affidavit, I verily believe that the Debtor has acted and is acting in good faith and with due diligence and that if the Alternative Relief is granted, no creditor will be materially prejudiced.

#### **Conclusion**

37. I make this affidavit in support of the Application for the Relief Sought, and for no other or improper purpose.

#### **Process for Commissioning of this Affidavit**

38. I am not physically present before the Commissioner for Oaths (the "**Commissioner**") taking this Affidavit, but I am linked with the Commissioner by video technology. The following steps have been or will be taken by me and the Commissioner:

- (a) I have shown the Commissioner the front and back of my current government-issued photo identification ("ID") and the Commissioner has compared my video image to the information on my ID;
- (b) the Commissioner has taken a screenshot of the front and back of my ID to retain it;
- (c) the Commissioner and I have a paper copy of this Affidavit before us;
- (d) the Commissioner and I have reviewed each page of this Affidavit to verify that the pages are identical and have initialed each page in the lower right corner;



- (e) at the conclusion of our review of the Affidavit, the Commissioner administered the oath to me, and the Commissioner watched me sign my name to this Affidavit; and
- (f) I will send this signed Affidavit electronically to the Commissioner.

AFFIRMED BEFORE ME by two-way  
video conference, on this 10<sup>th</sup> day of May,  
2021.

\_\_\_\_\_  
Commissioner for Oaths in and for the  
Province of Alberta

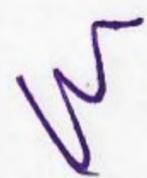


\_\_\_\_\_  
CHARLES MORGAN

This is Exhibit "A" referred to in the Affidavit of Charles  
sworn before me by two-way video conference this 10<sup>th</sup> day of May, 2021.

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A Commissioner for Oaths in and for the Province of Alberta



Deloitte Restructuring Inc.  
700, 850 – 2 Street S.W.  
Calgary AB T2P 0R8  
Canada

Tel: 403-298-5955  
Fax: 403-718-3681  
www.deloitte.ca

January 15, 2021

**Notice to the creditors of Salt Bush Energy Ltd. ("SBE" or the "Company")**

Please take notice that on January 13, 2021 (the "**Filing Date**"), SBE filed a Notice of Intention to Make a Proposal (the "**NOI**") pursuant to Section 50.4(1) of the *Bankruptcy and Insolvency Act* (the "**BIA**") and Deloitte Restructuring Inc. has been appointed as proposal Trustee ("**Deloitte**" or "**Trustee**") under the NOI.

Enclosed with this letter are the following documents for your records:

- A copy of the NOI;
- A list of known creditors with debts greater than \$250 as at the Filing Date;
- A certificate of filing of NOI issued by the Official Receiver; and
- The consent of the Trustee.

The Company is not bankrupt but has availed itself of a procedure whereby an insolvent person, with creditor and approval from the Court of Queen's Bench of Alberta (the "**Court**"), restructures its financial affairs. The Company continues to operate and maintain its business in the ordinary course during the NOI proceedings. The role of the Trustee is to monitor the Company's business and affairs during the proceeding and to report any material adverse changes to the Office of the Superintendent of Bankruptcy and the Court.

Pursuant to Section 69(1) of the BIA, the effect of filing an NOI is an automatic stay of proceedings (the "**Stay**") against all creditors from continuing or commencing any actions against the Company. No creditor shall have any remedy against the Company or its property or shall commence or continue any action, execution or other proceedings for the recovery of a claim provable in bankruptcy until the filing of a Proposal under section 62(17) or the bankruptcy of the Company. You are advised to seek legal advice if you require further explanation as to the provisions of section 69(1) of the BIA.

The Company is now required to perform the following:

- File statements of projected cash flow within 10 days; and
- File a proposal within 30 days of filing of the NOI or within any further extension of that period that may be granted by the Court. A meeting of creditors to consider the proposal (the "**Meeting**") will be held within 21 days after the Company files its proposal.

Once the proposal is filed, the Trustee will issue further correspondence, including a copy of the proposal, the Trustee's report on the proposal, a proof of claim form, a voting letter, a proxy and a notice to creditors regarding the Meeting.

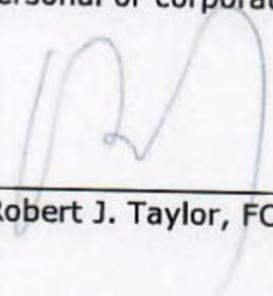
January 15, 2021  
Page 2

Information related to the NOI proceedings will be posted on Deloitte's website at [www.insolvencies.deloitte.ca](http://www.insolvencies.deloitte.ca) under the link entitled "Salt Bush Energy Ltd."

Should you have additional questions, please contact Naomi McGregor at +1-403-503-1423 or [naomcgregor@deloitte.ca](mailto:naomcgregor@deloitte.ca).

Yours truly,

**DELOITTE RESTRUCTURING INC.,**  
In its capacity as the Proposal Trustee for  
Salt Bush Energy Ltd. and not in its  
personal or corporate capacity.



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Robert J. Taylor, FCPA, FCA, CIRP, LIT, CFE

District of: Alberta  
Division No. 02 - Calgary  
Court No.  
Estate No.

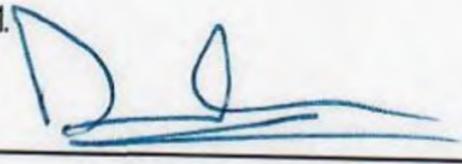
- FORM 33 -  
Notice of Intention To Make a Proposal  
(Subsection 50.4(1) of the Act)

In the matter of the proposal of  
Salt Bush Energy Ltd.  
of the City of Calgary, in the Province of Alberta

Take notice that:

1. I, Salt Bush Energy Ltd., an insolvent person, state, pursuant to subsection 50.4(1) of the Act, that I intend to make a proposal to my creditors.
2. Deloitte Restructuring Inc. of 700 Bankers Court, 850 - 2nd Street SW, Calgary, AB, T2P 0R8, a licensed trustee, has consented to act as trustee under the proposal. A copy of the consent is attached.
3. A list of the names of the known creditors with claims of \$250 or more and the amounts of their claims is also attached.
4. Pursuant to section 69 of the Act, all proceedings against me are stayed as of the date of filing of this notice with the official receiver in my locality.

Dated at the City of Calgary in the Province of Alberta, this 13th day of January 2021.

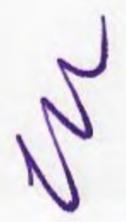


Salt Bush Energy Ltd.  
Insolvent Person

To be completed by Official Receiver:

\_\_\_\_\_  
Filing Date

\_\_\_\_\_  
Official Receiver



District of: Alberta  
 Division No. 02 - Calgary  
 Court No.  
 Estate No.

- FORM 33 -  
 Notice of Intention To Make a Proposal  
 (Subsection 50.4(1) of the Act)  
 In the matter of the proposal of  
 Salt Bush Energy Ltd.  
 of the City of Calgary, in the Province of Alberta

List of Creditors with claims of \$250 or more.			
Creditor	Address	Account#	Claim Amount
1450462 ALBERTA LTD	111, 240 - 92 AVENUE SE Calgary AB T2J 3A6		457.62
ACADEMY RENTALS	955 SUNCASTLE DR SE CALGARY AB T2X 2L7		50,257.40
AL PICKERING	434 11A STREET NW CALGARY AB T2N 1Y1		465.63
ALPHABOW ENERGY LTD.	1700, 222 - 3RD AVENUE SW CALGARY AB T2P 0B4		473.93
ALTURA ENERGY INC.	2500, 605 - 5 AVENUE SW CALGARY AB T2P3H5		2,472.75
AMPED ENERGY SERVICES LTD	P O BOX 747 Sedgewick AB T0B 4C0		15,301.51
And 2 Energy Inc	Aggie Leibel 103 Kirton Close Red Deer AB T4P4E9		202,840.13
APEX OILFIELD SERVICES	5402 BLINDMAN DRIVE Red Deer County AB T4S 2M4		29,585.91
Apex Tank Lines Inc	Paul Peterson Suite 510, 736 6th Ave SW Calgary AB T2P2T7		39,806.25
ARC RESOURCES LTD.	1200, 308 - 4TH AVENUE SW CALGARY AB T2P 0H7		1,296.74
ASI OILFIELD INC.	SITE 2, COMP 43, RR4 Calmar AB T0C 0V0		65,139.50
BENOIT OILFIELD CONSTRUCTION	Box 277 Chauvin AB T0B0V0		18,111.48
Bernie Lublinkhof Welding Ltd	Hans van der Vlis Box 55 Alhambra AB T0M0C0		5,715.00
BizSign.ca	14314-129 Ave NW E Edmonton AB T5L 4N9		1,135.05

District of: Alberta  
 Division No. 02 - Calgary  
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Creditor	Address	Account#	Claim Amount
BLACK GOLD HOT SHOT SERVICE INC	1653 - 91 Street SW E Edmonton AB T6X 0W8		391.73
Bluesteel Petroleum Services Ltd	Aggie Leibel Box 995 Red Deer AB T4N 5H3		6,646.50
BONAVISTA ENERGY CORPORATION	900, 207 - 9th Avenue SW CALGARY AB T2P 1K3		770.19
BRONCO SLICKLINE SERVICES	BOX 6937 5312 - 56TH AVE Drayton Valley AB T7A 1S3		3,621.20
BROZNY EXCAVATING LTD	BOX 85 Breton AB T0C0P0		1,524.07
Bulldog Protective Coatings	PO Box 857 Slave Lake AB T0G2A0		16,050.00
CAMPBELL OILFIELD RENTALS LTD.	9632 78 AVENUE Clairmont AB T8X 0M2		18,919.00
Canadian Energy Services	14th Floor Centrium Place 332 6th Avenue SW Calgary AB T2P 0B2		45,833.10
CAN-VAC OILFIELD SERVICE	BOX 6177 5209 - 62 STREET Drayton Valley AB T7A 1R7		36,075.42
CAS CORPORATE GOVERNANCE	600, 815-8th AVE SW Calgary AB T2P3P2		2,197.45
CENOVUS ENERGY INC.	PO BOX 766 225 6 AVE SW CALGARY AB T2P 0M5		3,819.33
CLEAR ENVIRONMENTAL SOLUTIONS DIVISION OF CES LP	720, 736 - 8TH AVE SW CALGARY AB T2P 1H4		19,269.59
Colter Energy LP	Alix Basso Box 868 Okotoks AB T1S1A9		126,560.01
CONA RESOURCES LTD	1900, 421 - 7 Avenue SW Calgary AB T2P 4K9		2,644.95

District of: Alberta  
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Creditor	Address	Account#	Claim Amount
CONOCOPHILLIPS CANADA ENERGY PARTNERSHIP	401 - 9TH AVENUE SW PO BOX STATION "M" CALGARY AB T2P 2H7		3,360.55
CORE LABORATORIES CANADA LTD. C/O CX2464	P.O. BOX 2464 STATION "M" CALGARY AB T2P 3C1		18,733.53
Crossroad Energy Solutions INC	Megan Sundquist Bay #1, 137 Columbia Drive Claresholm AB T0L 0T0		1,945.12
CROW ENTERPRISES LTD.	Nicole Law RR # 1 Thorsby AB T0C 2P0		6,419.72
CSI Services	Christina Brown 7915 Edgar Industrial Way Red Deer AB T4P3R2		7,531.13
Cypris Transport	Melissa MacDougall Box 1438 Blackfalds AB T0M0J0		9,624.30
DFI CORPORATION	Claudia Schwarzenberg 2404 - 51 Ave NW Edmonton AB T6P0E4		14,896.03
DNOW CANADA ULC	San San Luen 5304 50 Avenue Drayton Valley AB T7A 1R5		56,810.77
Ecoquip Rentals & Sales Ltd	Chris Grabill 6235A 86 Ave SE Calgary AB T2C2S4		21,661.50
Element Environmental	Jessica Becker c/- C25017, PO Box 2532 Station M Calgary AB T2P5P9		5,020.90
Emerson Electric Canada Ltd	Solomon Amente 200-110 Quarry Park Blvd SE Calgary AB T2C 3G3		3,481.42
Epic Wireline Inc	PO Box 12058 Sylvan Lake AB T4S 2K9		15,495.90

District of: Alberta  
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Creditor	Address	Account#	Claim Amount
Essential Energy Services	Rey Weale Suite 1110, 250 2nd Street SW Calgary AB T2P 0C1		4,000.00
Evergreen Energy Tank Rentals Ltd	Nancy Poole Box 580 Red Deer AB T4N 5G1		10,122.00
FIRST INSURANCE FUNDING OF CANADA	20 TORONTO ST SUITE 700 Toronto ON M5C2B8		23,507.12
G&R PICKER SERVICES LTD.	BOX 26, SITE 6, RR 1 Okotoks AB T1S 1A1		2,504.25
GEOLOGIC SYSTEMS	1500, 401 - 9TH AVENUE SW CALGARY AB T2P 3C5		13,972.87
GIBSON ENERGY PARTNERSHIP	1700, 440 2ND AVE SW CALGARY AB T2P 5E9		4,896.36
GREAT NORTH EQUIPMENT INC.	8743 - 50 AVE NW Edmonton AB T6E 5H4		5,295.03
GS EQUIPMENT LTD.	Robin Lagrange Box 25117 Deer Park PO Red Deer AB T4R 2M2		38,808.00
G-UNIT STEAM LTD	Greg Van Someren RR#5 Wetaskiwin AB T9A 1X2		1,029.00
HARVEST OPERATIONS CORP	1500, 700 - 2 ST SW CALGARY AB T2P 0C1		2,796.57
HAYDUK PICKER SERVICE LTD.	Debbie Linton BOX 7915 DRAYTON Drayton Valley AB T7A 1S9		5,250.27
Heating Solutions International Inc	3902 - 52 Street Close Lloydminster SK S9V 2G9		2,677.50
Heavy Crude Hauling	6601- 62 Street Lloydminster AB T9V 3T6		27,173.49

District of: Alberta  
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Creditor	Address	Account#	Claim Amount
HOPKINS HEAVY HAUL LTD.	4740 - 45 STREET Lacombe AB T4L 2C4		12,111.75
HUBS INC.	#139, 23020 TWP ROAD 522 Sherwood Park AB T8B 1H1		525.00
HUSKY ENERGY	707 8TH AVE S.W. Box 6525, Station D CALGARY AB T2P 3G7		8,342.98
Ideal Completion Services	Suite 2500, 333 - 7th Avenue Calgary AB T2P 2Z1		4,177.28
Integrity Audit & Accounting Ltd	519 Panora Way NW Calgary AB T3K 0S1		4,145.93
IRON HORSE ENERGY SERVICES	1901 DIRKSON DRIVE NE Redcliff AB T0J 2P0		330,057.73
ISH ENERGY	810, 640-5th AVE SW Calgary AB T2P3G4		1,014.93
JACC's Oilfield Services Ltd	PO Box 848 Breton AB T0C 0P0		7,394.68
KAITARA RESOURCES LTD.	2015 COMOX AVENUE Comox BC V9M 3M5		1,380.86
KONAN OILFIELD SERVICES LTD.	R. R. 2, SITE 3, BOX 25 Westerose AB T0C 2V0		3,843.00
LAMB'S TRUCKING LTD	PO BOX 6507 Drayton Valley AB T7A 1R9		2,844.45
LANDVAC SERVICES LTD.	4737 44 STREET Drayton Valley AB T7A 1H2		9,408.00
Latco Picker & Oilfield Services Ltd	PO Box 5307 Devon AB T9G 1Y1		1,341.38
Lawson Lundell LLP	Paul Negenman Suite 1100, 225 - 6th Ave SW Brookfield Place Calgary AB T2P1N2		2,133.08
LCC LEN-CAR CONTRACTING LTD.	BOX 7020 Drayton Valley AB T7A 1S3		12,227.25

District of: Alberta  
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List of Creditors with claims of \$250 or more.			
Creditor	Address	Account#	Claim Amount
Leduc Co-op Ltd	Annie 5403 50th Street Leduc AB T9E6Z7		22,382.59
LEDUC COUNTY	101, 1101 - 5TH STREET Nisku AB T9E 2X3		20,000.00
Legend Oilfield Services Ltd	Rosemarie Cardinal PO Box 5450 Devon AB T9G 1Y2		857.06
LIQUIDS TRANSLOADING LTD.	BOX 238 Calmar AB T0C 0V0		9,387.67
LV ENERGY SERVICES LTD.	Darla Smith BOX 1140 Rimbey AB T0C 2J0		6,134.63
MAGUS ENGINEERING LIMITED	Lisa McKennie 1200, 444 5TH AVENUE SW CALGARY AB T2P 2T8		80,594.51
Mantl Canada Inc	Denise Brewer 1600 - 144, 4th Ae SW Sun Life Plaza West Tower Calgary AB T2P 3N4		8,691.20
MAXIMUM CONTROLS INC.	Craig Knight BOX 103 Tees AB T0C 2N0		289,427.50
Millenium Heat Boiler Rentals	38326 Range Road 281 Red Deer AB T4E1X8		4,126.50
MILLENNIUM LAND (AB) LTD.	Suite 225, 5925 - 12 Street SE Calgary AB T2H 2M3		7,973.91
Mothers Energy Services Ltd	1-5635 Wolf Creek Drive Lacombe AB T2P 3N9		13,846.76
N. S. OILFIELD SERVICES INC	Clifton Benesocky 366 Norland Close Sherwood Park AB T8A5T9		24,072.30

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Creditor	Address	Account#	Claim Amount
National Energy Equipment Inc	Joanne Gabriele Hi Flo Oilfield Services Division Box 763 Eckville AB T0M0X0		808.50
NELSON BROS OILFIELD SERVICES (1997) LTD.	BOX 6487 Drayton Valley AB T7A 1R9		39,252.55
OPTIMUM TALENT	300 Leo-Pariseau, Bureau 2600 Montreal QC H2X 4B8		21,630.00
OUTLAW OILFIELD SERVICES LTD.	BOX 209 Rocky Rapids AB T0E 1Z0		2,548.88
PANDELL TECHNOLOGY CORP.	#400 - 4954 RICHARD ROAD SW CALGARY AB T3E 6L1		10,596.60
PARAMOUNT RESOURCES LTD.	2800, 421 - 7 AVE SW CALGARY AB T2P 4K9		12,416.22
PERFORMANCE HOT OIL SERVICES LTD.	#9 26503 TWP RD 511 Spruce Grove AB T7Y 1G4		1,045.00
Phoenix Technology Services LP	Tanja Prsic Suite 1400, 250 2nd Street SW Calgary AB T2P 0C1		27,354.84
POINT LOMA RESOURCES LTD.	Lorry Fritsche 110, 5800-2 Street SW Calgary AB T2H0H2		337,024.56
Precision Well Servicing	800, 525 - 8 Avenue SW Calgary AB T2P 1G1		111,492.46
PRESSURE SERVICES INC.	P.O. BOX 132 Alder Flats AB T0C 0A0		2,996.70
Providence Trucking Inc	Jennifer Thompson Box 25042 RPO Deer Park Red Deer AB T4R 2M2		2,623.75
Q2 ARTIFICIAL LIFT SERVICES	7883 EDGAR INDUSTRIAL WAY Red Deer AB T4P 3R2		47,786.79
REAL PRODUCTION MANAGEMENT INC.	BOX 6215, 5642 56 Street Drayton Valley AB T7A 1R7		2,357.78



District of: Alberta  
 Division No. 02 - Calgary  
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 Estate No.

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 Salt Bush Energy Ltd.  
 of the City of Calgary, in the Province of Alberta

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Creditor	Address	Account#	Claim Amount
Rebel Energy Services Ltd	Stan Rlenguette Box 996 Red Deer AB T4N5H3		2,142.50
RIVERA RESOURCES LTD	240 PARK VISTA CRESCENT SE CALGARY AB T2J 4W7		652.93
RUSH ENERGY SERVICES INC.	Debbie Hagen 2050, 801 - 6th Ave SW CALGARY AB T2P3W2		6,628.42
SCORE PROJECTS INC.	3814 - 47TH AVE, PO BOX 1889 Stettler AB T0C 2L0		2,657.52
SECURE ENERGY SERVICES INC.	Carole Long BOW VALLEY SQUARE II, 3600 - 205 5TH AVENUE SW CALGARY AB T2P 2V7		38,160.55
SEMCAMS MIDSTREAM ULC	SUITE 700, 520 - 3RD AVENUE SW, CENTENNIAL PLACE - EAST TOWER CALGARY AB T2P 0R3		289.62
SINOPEC DAYLIGHT ENERGY LTD	2700 112-4th Avenue SW CALGARY AB T2P 0H3		1,931.22
SOLUTIONCORP INC	Jerilyne Raab BOX 2307 Stettler AB T0C 2L0		2,450.00
SOURCE ROCK ROYALTIES LTD.	30TH FLOOR, 421 - 7TH AVENUE SW CALGARY AB T2P 4K9		18,336.74
STONE PETROLEUMS LTD	1050, 717 - 7 AVE SW CALGARY AB T2P 0Z3		442.30
STREAMLINE ENERGY GROUP	#900, 630 - 6TH AVENUE SW CALGARY AB T2P 0S8		2,100.00
Summit Tubulars Corporation	Michelle Jonstone 2300 First Canadian Centre 350 - 7th Ave SW CALGARY AB T2P3N9		26,137.26
Swat Consulting Inc	274 Maple Grove Crescent Stathmore AB T1P1G3		9,762.48

District of: Alberta  
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Creditor	Address	Account#	Claim Amount
SYNTERRA TECHNOLOGIES LTD.	304, 221 - 10 AVE S.E. CALGARY AB T2G 0V9		12,782.50
T. Paul Trucking Ltd	Shelley Paul RR4, Calmar AB T0C 0V0		4,111.71
TAQA NORTH LTD.	2100, 308 - 4TH AVENUE SW CALGARY AB T2P 0H7		26,908.29
TERVITA CORPORATION	1600, 140 - 10TH AVE SE CALGARY AB T2G 0R1		22,284.81
THOMAS RICKY DEBERNARDI	1046 SECOND AVENUE NAPA CA 94558 United States		639.71
TIER 1 ENERGY SOLUTIONS	Apryl Hatt 4253-97 Street NW EDMONTON AB T5E5Y7		21,672.10
Total Combustion Inc	57 Belich Crescent Red Deer County AB T4S2K5		15,953.20
Trimac Energy Services	3215 - 12 Street NE Calgary AB T2E 7S9		2,392.44
TRYSON ENERGY SERVICES INC.	BOX 1390, BLACKFALDS AB T0M 0J0		48,987.00
TRYTON TOOL SERVICES	6702 - 56 STREET, PO BOX 10667 LLOYDMINSTER AB T9V 3A7		1,774.44
VELVET ENERGY LTD.	1500, 308 - 4 AVE S.W. CALGARY AB T2P 0H7		2,296.33
VIKING WIRELINE SERVICES	Tammy England PO BOX 512 Eckville AB T0M 0X0		13,785.45
VZFOX CANADA ENGINEERING	320 EAU CLAIRE PLACE II, 521 - 3 AVE S.W. CALGARY AB T2P 3T3		1,749.50
Watchdog Advance Flow Technologies Inc	6023 5th Street SE Calgary AB T2P3N9		16,318.05

District of: Alberta  
 Division No. 02 - Calgary  
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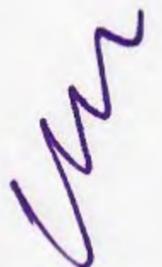
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WEATHERFORD	1200, 333 - 5TH AVENUE SW CALGARY AB T2P 3B6		10,416.80
WEST GEOMATICS	Shauna Engman 800, 340 12 Avenue SW Calgary AB T2R1L5		9,001.43
WEST LAKE ENERGY CORP.	SUITE 700, 600 - 3RD AVENUE SW. CALGARY AB T2P 0G5		336.88
WHITEBARK ENERGY LIMITED	PO Box 1195 West Perth WA Australia		16,546,868.75
WILF BRANDT TRUCKING LTD.	Cheryl Brandt PO BOX 135 Warburg AB T0C 2T0		36,769.06
WPW PIPELINE AND FACILITY CONSTRUCTION	Terrilyn Quantz PO BOX 61 Leslieville AB T0M1H0		450,635.02
<b>Total</b>			<b>19,890,147.34</b>



Salt Bush Energy Ltd.  
 Insolvent Person





Industry Canada

Office of the Superintendent  
of Bankruptcy Canada

Industrie Canada

Bureau du surintendant  
des faillites Canada

District of Alberta  
Division No. 02 - Calgary  
Court No. 25-2703459  
Estate No. 25-2703459

In the Matter of the Notice of Intention to make a  
proposal of:

**Salt Bush Energy Ltd.**  
Insolvent Person

**DELOITTE RESTRUCTURING INC/RESTRUCTURATION  
DELOITT**  
Licensed Insolvency Trustee

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Date of the Notice of Intention: January 13, 2021

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CERTIFICATE OF FILING OF A NOTICE OF INTENTION TO MAKE A PROPOSAL  
Subsection 50.4 (1)

I, the undersigned, Official Receiver in and for this bankruptcy district, do hereby certify that the aforementioned insolvent person filed a Notice of Intention to Make a Proposal under subsection 50.4 (1) of the *Bankruptcy and Insolvency Act*.

Pursuant to subsection 69(1) of the Act, all proceedings against the aforementioned insolvent person are stayed as of the date of filing of the Notice of Intention.

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E-File/Dépôt Electronique

Date: January 13, 2021, 19:52

Official Receiver

Harry Hays Building, 220 - 4th Ave SE, Suite 478, Calgary, Alberta, Canada, T2G4X3, (877)376-9902

**Canada**

Deloitte Restructuring Inc.  
700, 850 - 2 Street SW  
Calgary AB T2P 0R8  
Canada

Tel: 403-267-0660  
Fax: 403-718-3681  
www.deloitte.ca

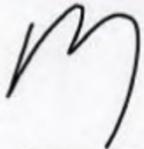
**NOTICE OF INTENTION TO MAKE A PROPOSAL  
(Section 50.4(1))  
SALT BUSH ENERGY LTD.**

**CONSENT OF TRUSTEE TO ACT UNDER PROPOSAL**

In accordance with Section 50.4(1) of the Bankruptcy and Insolvency Act, R.S.C. 1985, c. B-3 (the "BIA"), we advise that our firm, as a licensed Trustee, hereby consents to act as Trustee under the proposal of Salt Bush Energy Ltd. under Division I Part III of the BIA.

Dated at the City of Calgary in the Province of Alberta, this 13<sup>th</sup> day of January 2021.

**Deloitte Restructuring Inc.**



---

Per: Robert J. Taylor, FCPA, FCA, CIRP, LIT, CFE  
Senior Vice President

This is Exhibit "B" referred to in the Affidavit of Charles  
sworn before me by two-way video conference this 10<sup>th</sup> day of May, 2021.

---

A Commissioner for Oaths in and for the Province of Alberta

Clerk's Stamp

COURT FILE NUMBER 25-2703459

COURT COURT OF QUEEN'S BENCH OF ALBERTA  
IN BANKRUPTCY AND INSOLVENCY

JUDICIAL CENTRE CALGARY

IN THE MATTER OF THE *BANKRUPTCY  
AND INSOLVENCY ACT*, R.S.C. 1985, C. B-3, AS  
AMENDED

AND IN THE MATTER OF THE NOTICE OF INTENTION  
TO MAKE A PROPOSAL OF SALT BUSH ENERGY LTD.

DOCUMENT

ORDER

ADDRESS FOR SERVICE  
AND CONTACT  
INFORMATION OF PARTY  
FILING THIS DOCUMENT

McCARTHY TÉTRAULT LLP  
Barristers & Solicitors  
Sean Collins / Nathan Stewart  
Suite 4000, 421 - 7 Avenue S.W.  
Calgary, AB T2P 4K9  
Phone: 403-260-3531 / 3534  
Fax: 403-260-3501  
Email: scollins@mccarthy.ca / nstewart@mccarthy.ca

**DATE ON WHICH ORDER WAS PRONOUNCED:** February 12, 2021

**LOCATION OF HEARING OR TRIAL:** Calgary, Alberta

**NAME OF MASTER/JUDGE WHO MADE THIS ORDER:** Justice D.B. Nixon

**UPON THE APPLICATION** of Salt Bush Energy Ltd. (the "Debtor"), **AND UPON** having read the Affidavit of David Messina, sworn on February 3, 2021 (the "Messina Affidavit"), filed; **AND UPON** having read the First Report of the Proposal Trustee (the "First Report"), dated February 4, 2021, filed; **AND UPON** having read the Affidavit of Service of Katie Doran (the "Service Affidavit"), to be filed; **AND UPON** hearing counsel to the Debtor, and counsel present for other parties;

- 2 -

**IT IS HEREBY ORDERED AND DECLARED THAT:****SERVICE**

1. The time for service of the corresponding Application and the Messina Affidavit is abridged to the date parties were served, the Application is properly returnable today, service of the Application, the Messina Affidavit, and the First Report on the service list prepared by the Debtor and maintained in these proceedings (the "**Service List**"), in the manner described in the Affidavit of Service, is validated, good, and sufficient, and no other persons are entitled to service of the Messina Affidavit or the Application.

**DEFINED TERMS**

2. Any and all capitalized terms used herein and not otherwise defined shall have the meaning ascribed to such terms in the Sale and Investment Solicitation Procedures attached as Exhibit "C" to the Messina Affidavit (the "**SISP**").

**FILING EXTENSION**

3. The period of time within which the Debtor is required to file a proposal to its creditors, under section 50.4 of the *Bankruptcy and Insolvency Act*, RSC 1985, c B-3 (the "**BIA**"), shall be and is hereby extended up to and including March 29, 2021.

**SISP AND STALKING HORSE APA APPROVAL**

4. The Debtor and the Proposal Trustee are hereby authorized and empowered, *nunc pro tunc*, to implement the SISP and to proceed, carry out, and implement any corresponding sales, marketing, or tendering processes, including any and all actions related thereto, substantially in accordance with the proposed SISP, and, furthermore, the Debtor is hereby authorized to enter into any resulting agreement(s) or transaction(s) (collectively, the "**SISP Agreements**") which may arise in connection thereto, as the Debtor and the Proposal Trustee determine are necessary or advisable in connection with or in order to complete any or all of the various steps, as contemplated by the SISP.

5. The Debtor is hereby authorized and empowered to enter into, execute, and deliver the Asset Purchase Agreement, dated February 2, 2021 (the "**Stalking Horse APA**"), between the Debtor, as vendor, and Ironbark Energy Ltd. (the "**Stalking Horse Purchaser**"), as purchaser, as

- 3 -

attached as Exhibit "D" to the Messina Affidavit, *nunc pro tunc*, as part of and in the manner contemplated by the SISP.

6. Nothing herein shall act as authorization or approval of the transfer or vesting of any or all of the Debtor's property, assets, or undertakings under any SISP Agreements, the Stalking Horse APA, or otherwise. Such transfer and vesting shall be dealt with and subject to further Order of this Honourable Court.

#### **INTERIM FINANCING**

7. The Debtor is hereby authorized and empowered to obtain and borrow under a credit facility from Whitebark Energy Ltd. (in this capacity, the "Interim Lender") in order to finance the continuation of the Debtor's business and the preservation of the Debtor's property, provided that borrowings under such credit facility shall not exceed \$150,000 unless permitted by further Order of this Court.

8. Such credit facility shall be on the terms and subject to the conditions set forth in the draft term sheet between the Debtor and the Interim Lender (the "Term Sheet"), as attached as Exhibit "E" to the Messina Affidavit.

9. The Debtor is hereby authorized and empowered to execute and deliver such credit agreements, mortgages, charges, hypothecs and security documents, guarantees and other definitive documents (collectively, the "Definitive Documents"), as are contemplated by the Commitment Letter or as may be reasonably required by the Interim Lender pursuant to the terms thereof, and the Debtor is hereby authorized and directed to pay and perform all of its indebtedness, interest, fees, liabilities and obligations to the Interim Lender under and pursuant to the Term Sheet and the Definitive Documents as and when the same may become due and are to be performed, notwithstanding any other provision of this Order.

10. The Interim Lender shall be entitled to the benefit of and is hereby granted a charge (the "Interim Lender's Charge") on the Debtor's current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate including all proceeds thereof (the "Property"). The Interim Lender's Charge shall not secure an obligation that exists before this Order is made. The Interim Lender's Charge shall have the priority set out in paragraphs 17 and 19 hereof.

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11. Notwithstanding any other provision of this Order or the BIA:
- (a) the Interim Lender may take such steps from time to time as it may deem necessary or appropriate to file, register, record or perfect the Interim Lender's Charge or any Definitive Documents;
  - (b) upon the occurrence of an event of default under any of the Definitive Documents, the Interim Lender may: (i) immediately terminate the Term Sheet and cancel all commitments thereunder, and shall have no obligation to make any further Advances; (ii) declare that all or part of the advances under and pursuant to the Term Sheet, together with accrued interest, and any or all other amounts accrued or outstanding under the Term Sheet be immediately due and payable, whereupon they shall become immediately due and payable; and (iii) upon seeking an order of the Court on five (5) days prior notice, the Interim Lender may enforce, without further notice, demand or delay, all of its rights and remedies against the Debtor and its Property including, without limitation, by way of appointment of a receiver or receiver and manager; and,
  - (c) the foregoing rights and remedies of the Interim lender shall be enforceable against any trustee in bankruptcy, interim receiver, receiver or receiver and manager of the Debtor or the Property.
12. The Interim Lender, in such capacity, shall be treated as unaffected in any proposal filed by the Debtor under the BIA, with respect to any advances made under the Definitive Documents.

**ADMINISTRATION CHARGE**

13. The Proposal Trustee, counsel to the Proposal Trustee, if any, and counsel to the Debtor shall be paid their reasonable fees and disbursements (including any pre-filing fees and disbursements related to these proceedings), in each case at their standard rates and charges (or pursuant to any alternative or fixed fee agreement between the Debtor and such persons), by the Debtor as part of the cost of these proceedings. The Debtor is hereby authorized and directed to pay the accounts of the Proposal Trustee, counsel to the Proposal Trustee and counsel to the Debtor on a periodic basis and, in addition, the Debtor is hereby authorized *nunc pro tunc* to pay to the Proposal Trustee, counsel to the Proposal Trustee, and counsel to the Debtor retainers to

- 5 -

be held by them as security for payment of their respective fees and disbursements outstanding from time to time.

14. The Proposal Trustee and its legal counsel shall pass their accounts from time to time.

15. The Proposal Trustee, counsel to the Proposal Trustee, if any, and the Debtor's counsel, as security for the professional fees and disbursements incurred both before and after the granting of this Order, shall be entitled to the benefits of and are hereby granted a charge (the "**Administration Charge**") on the Property, which charge shall not exceed an aggregate amount of \$150,000, as security for their professional fees and disbursements incurred at the normal rates and charges of the Proposal Trustee and such counsel (or pursuant to any alternative or fixed fee agreement between the Debtor and such persons), both before and after the making of this Order in respect of these proceedings. The Administration Charge shall have the priority set out in paragraphs 17 and 19 hereof.

#### **BREAK FEE CHARGE**

16. The Stalking Horse Purchaser, as security for any and all amounts owing under the Break Fee and the Expense Reimbursement (each as defined in the Stalking Horse APA) incurred both before and after the granting of this Order, shall be entitled to the benefits of and is hereby granted a charge (the "**Break Fee Charge**") on the Property, which charge shall not exceed an aggregate amount of \$75,000 as security for the Break Fee and the Expense Reimbursement (each as defined in the Stalking Horse APA). The Break Fee Charge shall have the priority set out in paragraphs 17 and 19 hereof.

#### **VALIDITY AND PRIORITY OF CHARGES CREATED BY THIS ORDER**

17. The priorities of the Administration Charge and the Interim Lender's Charge, as among them, shall be as follows:

**First** – Administration Charge (to the maximum amount of \$150,000);

**Second** – Interim Lender's Charge (up to the maximum amount of \$150,000); and,

**Third** - Break Fee Charge (up to the maximum amount of \$75,000).

18. The filing, registration or perfection of the Administration Charge, the Interim Lender's Charge, or the Break Fee Charge (collectively, the "**Charges**") shall not be required, and the

- 6 -

Charges shall be valid and enforceable for all purposes, including as against any right, title or interest filed, registered, recorded or perfected subsequent to the Charges coming into existence, notwithstanding any such failure to file, register, record or perfect.

19. Each of the Administration Charge, the Interim Lender's Charge, and the Break Fee Charge (each as constituted and defined herein) shall constitute a charge on the Property and such Charges shall rank in priority to all other security interests, trusts, liens, charges and encumbrances, and claims of secured creditors, statutory or otherwise (collectively, "**Encumbrances**") in favour of any individual, firm, corporation, governmental body or agency, or any other entities (all of the foregoing, collectively being "**Persons**" and each being a "**Person**"), provided, however, and for further clarity, nothing in this Order shall cause the overriding royalty interest in the Property under the Royalty Agreement (Wizard Lake) made as of August 9, 2019, between Point Loma Resources Ltd. and Source Rock Royalties Ltd. (the "**Source Rock Royalty**"), or right to payment conferred by the Source Rock Royalty, to rank subordinate to the Administration Charge, Interim Lender's Charge, and the Break Fee Charge.

20. Except as otherwise expressly provided for herein, or as may be approved by this Court, the Debtor shall not grant any Encumbrances over any Property that rank in priority to, or *pari passu* with, the Administration Charge, the Interim Lender's Charge, or the Break Fee Charge unless the Debtor also obtains the prior written consent of the Proposal Trustee, the Interim Lender, and the beneficiaries of the Administration Charge and the Break Fee Charge, or further order of this Court.

21. The Administration Charge, the Term Sheet, the Definitive Documents, the Interim Lender's Charge, and the Break Fee Charge shall not be rendered invalid or unenforceable and the rights and remedies of the chargees entitled to the benefit of the Charges (collectively, the "**Chargees**") and/or the Interim Lender thereunder shall not otherwise be limited or impaired in any way by:

- (a) the pendency of these proceedings and the declarations of insolvency made in this Order;
- (b) any application(s) for bankruptcy order(s) issued pursuant to the BIA, or any bankruptcy order made pursuant to such applications;

- 7 -

- (c) the filing of any assignments for the general benefit of creditors made pursuant to the BIA;
- (d) the provisions of any federal or provincial statutes; or
- (e) any negative covenants, prohibitions or other similar provisions with respect to borrowings, incurring debt or the creation of Encumbrances, contained in any existing loan documents, lease, sublease, offer to lease or other agreement (collectively, an "Agreement") that binds the Debtor, and notwithstanding any provision to the contrary in any Agreement:
  - (i) neither the creation of the Charges nor the execution, delivery, perfection, registration or performance of any documents in respect thereof, including the Term Sheet or the Definitive Documents, shall create or be deemed to constitute a new breach by the Applicant of any Agreement to which it is a party;
  - (ii) none of the Chargees shall have any liability to any Person whatsoever as a result of any breach of any Agreement caused by or resulting from the creation of the Charges, the Debtor entering into the Term Sheet, or the execution, delivery or performance of the Definitive Documents; and
  - (iii) the payments made by the Applicant pursuant to this Order, including the Term sheet or the Definitive Documents, and the granting of the Charges, do not and will not constitute preferences, fraudulent conveyances, transfers at undervalue, oppressive conduct or other challengeable or voidable transactions under any applicable law.

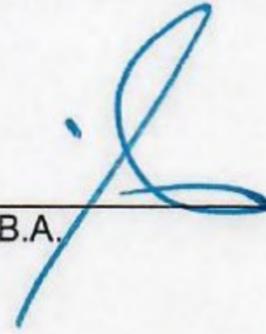
### **MISCELLANEOUS MATTERS**

22. The Debtor and the Proposal Trustee may from time to time apply to this Court to amend, vary, or seek advice, directions, or the approval of any transactions, in connection with the SISP or the discharge of their powers and duties thereunder.

23. Service of this Order by email, facsimile, registered mail, courier or personal delivery to the persons listed on the Service List shall constitute good and sufficient service of this Order,

- 8 -

and no persons other than those listed on the Service List are entitled to be served with a copy of this Order.

  
\_\_\_\_\_  
J.C.Q.B.A.



This is Exhibit "C" referred to in the Affidavit of Charles  
sworn before me by two-way video conference this 10<sup>th</sup> day of May, 2021.

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A Commissioner for Oaths in and for the Province of Alberta



COURT FILE NUMBER B201 703459  
 COURT 25-2703459  
 COURT OF QUEEN'S BENCH OF ALBERTA  
 IN BANKRUPTCY AND INSOLVENCY  
 JUDICIAL CENTRE CALGARY



40536

**ENTERED**

IN THE MATTER OF THE *BANKRUPTCY AND INSOLVENCY ACT*, R.S.C. 1985, C. B-3, AS AMENDED

AND IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF SALT BUSH ENERGY LTD.

**DOCUMENT**

**ORDER**

ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT

McCARTHY TÉTRAULT LLP  
 Barristers & Solicitors  
 Sean Collins / Nathan Stewart  
 Suite 4000, 421 - 7 Avenue S.W.  
 Calgary, AB T2P 4K9  
 Phone: 403-260-3531 / 3534  
 Fax: 403-260-3501  
 Email: scollins@mccarthy.ca / nstewart@mccarthy.ca

**DATE ON WHICH ORDER WAS PRONOUNCED:** March 26, 2021  
**LOCATION OF HEARING OR TRIAL:** Edmonton, Alberta  
**NAME OF MASTER/JUDGE WHO MADE THIS ORDER:** Justice D.R. Mah

**UPON THE APPLICATION** of Salt Bush Energy Ltd. (the "Debtor"), **AND UPON** having read the Affidavit of David Messina, sworn on February 3, 2021, and the Affidavit of Charles Morgan, sworn on March 15, 2021 (the "**Morgan Affidavit**"), filed; **AND UPON** having read the First Report of the Proposal Trustee, dated February 4, 2021, and the Second Report of the Proposal Trustee, dated March 16, 2021 (the "**Second Report**"), filed; **AND UPON** having read the Affidavit of Service of Katie Doran, sworn on March 22, 2021 (the "**Service Affidavit**"), filed; **AND UPON** hearing counsel to the Debtor, and counsel present for other parties;

**IT IS HEREBY ORDERED AND DECLARED THAT:**

**SERVICE**

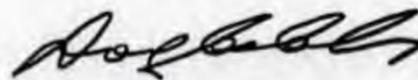
1. The time for service of the corresponding Application, the Second Report, and the Morgan Affidavit is abridged to the date parties were served, the Application is properly returnable today, service of the Application, the Second Report, and the Morgan Affidavit on the service list prepared by the Debtor and maintained in these proceedings (the "**Service List**"), in the manner described in the Affidavit of Service, is validated, good, and sufficient, and no other persons are entitled to service of the Morgan Affidavit, the Second Report, or the Application.

**FILING EXTENSION**

2. The period of time within which the Debtor is required to file a proposal to its creditors, under section 50.4 of the *Bankruptcy and Insolvency Act*, RSC 1985, c B-3, shall be and is hereby extended up to and including May 13, 2021.

**MISCELLANEOUS MATTERS**

3. Service of this Order by email, facsimile, registered mail, courier or personal delivery to the persons listed on the Service List shall constitute good and sufficient service of this Order, and no persons other than those listed on the Service List are entitled to be served with a copy of this Order.



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Justice of the Court of Queen's Bench of Alberta

This is Exhibit "D" referred to in the Affidavit of Charles  
sworn before me by two-way video conference this 10<sup>th</sup> day of May, 2021.

---

A Commissioner for Oaths in and for the Province of Alberta



# Government Corporation/Non-Profit Search of Alberta ■ Corporate Registration System

Date of Search: 2021/04/29  
Time of Search: 09:13 AM  
Search provided by: MCCARTHY TETRAULT LLP  
Service Request Number: 35359122  
Customer Reference Number: 225470-541794

**Corporate Access Number:** 2020351884  
**Business Number:** 712552520  
**Legal Entity Name:** SALT BUSH ENERGY LTD.

**Legal Entity Status:** Active  
**Alberta Corporation Type:** Named Alberta Corporation  
**Registration Date:** 2017/04/05 YYYY/MM/DD

**Registered Office:**

**Street:** 600, 815 - 8TH AVENUE SW  
**City:** CALGARY  
**Province:** ALBERTA  
**Postal Code:** T2P3P2

**Records Address:**

**Street:** 600, 815 - 8TH AVENUE SW  
**City:** CALGARY  
**Province:** ALBERTA  
**Postal Code:** T2P3P2

**Email Address:** CAROL@CASCORP.CA

**Directors:**

**Last Name:** MORGAN  
**First Name:** CHARLES  
**Street/Box Number:** 17-21 SLOANE COURT WEST, FLAT 3  
**City:** LONDON  
**Postal Code:** SW34TD  
**Country:** UNITED KINGDOM

**Last Name:** SMITH  
**First Name:** WILLIAM  
**Middle Name:** H.

**Street/Box Number:** 2220 NORTH TOWER, SUN LIFE PLAZA, 140 - 4 AVE S.W.  
**City:** CALGARY  
**Province:** ALBERTA  
**Postal Code:** T2P3N3

#### Voting Shareholders:

**Last Name:** WHITEBARK ENERGY LTD.  
**Street:** LEVEL 2, 6 THELMA STREET, P.O. BOX 1195  
**City:** WEST PERTH-WA  
**Postal Code:** 6005  
**Country:** AUSTRALIA  
**Percent Of Voting Shares:** 100

#### Details From Current Articles:

**The information in this legal entity table supersedes equivalent electronic attachments**

**Share Structure:** SEE SHARE STRUCTURE SCHEDULE ATTACHED HERETO  
**Share Transfers Restrictions:** SEE RESTRICTIONS ON SHARE TRANSFERS SCHEDULE ATTACHED HERETO  
**Min Number Of Directors:** 1  
**Max Number Of Directors:** 15  
**Business Restricted To:** NO RESTRICTIONS  
**Business Restricted From:** NO RESTRICTIONS  
**Other Provisions:** SEE OTHER RULES OR PROVISIONS SCHEDULE ATTACHED HERETO

#### Other Information:

##### Last Annual Return Filed:

File Year	Date Filed (YYYY/MM/DD)
2021	2021/03/19

##### Filing History:

List Date (YYYY/MM/DD)	Type of Filing
2017/04/05	Incorporate Alberta Corporation
2020/02/22	Update BN
2021/03/04	Change Director / Shareholder

2021/03/19 Enter Annual Returns for Alberta and Extra-Provincial Corp.

**Attachments:**

Attachment Type	Microfilm Bar Code	Date Recorded (YYYY/MM/DD)
<a href="#">Share Structure</a>	ELECTRONIC	2017/04/05
<a href="#">Restrictions on Share Transfers</a>	ELECTRONIC	2017/04/05
<a href="#">Other Rules or Provisions</a>	ELECTRONIC	2017/04/05

The Registrar of Corporations certifies that, as of the date of this search, the above information is an accurate reproduction of data contained in the official public records of Corporate Registry.



*Handwritten signature*

# Government Corporation/Non-Profit Search of Alberta ■ Corporate Registration System

Date of Search: 2021/05/06  
 Time of Search: 10:50 AM  
 Search provided by: MCCARTHY TETRAULT LLP  
 Service Request Number: 35401001  
 Customer Reference Number: 225470-541794

**Corporate Access Number:** 2023451418  
**Business Number:** 760981266  
**Legal Entity Name:** 2345141 ALBERTA LTD.

**Legal Entity Status:** Active  
**Alberta Corporation Type:** Numbered Alberta Corporation  
**Registration Date:** 2021/05/03 YYYY/MM/DD

#### Registered Office:

**Street:** 600-815 8 AVE SW  
**City:** CALGARY  
**Province:** ALBERTA  
**Postal Code:** T2P3P2

#### Records Address:

**Street:** 600-815 8 AVE SW  
**City:** CALGARY  
**Province:** ALBERTA  
**Postal Code:** T2P3P2

**Email Address:** CAROL@CASCORP.CA

#### Primary Agent for Service:

Last Name	First Name	Middle Name	Firm Name	Street	City	Province	Postal Code	Email
CLOUTIER	MICHELINE		C/O CAS CORPORATE GOVERNANCE SERVICES INC.	600-815 8 AVE SW	CALGARY	ALBERTA	T2P3P2	CAROL@CASCORP.CA

#### Directors:

**Last Name:** MORGAN  
**First Name:** CHARLES  
**Street/Box Number:** 17-21 SLOANE COURT WEST, FLAT 3  
**City:** LONDON  
**Postal Code:** SW34TD

**Country:** UNITED KINGDOM  
**Last Name:** SMITH  
**First Name:** WILLIAM  
**Middle Name:** H.  
**Street/Box Number:** 2200-140 4 AVE SW  
**City:** CALGARY  
**Province:** ALBERTA  
**Postal Code:** T2P3N3

### Details From Current Articles:

**The information in this legal entity table supersedes equivalent electronic attachments**

**Share Structure:** SEE SCHEDULE "A" ATTACHED  
**Share Transfers Restrictions:** SEE SCHEDULE "B" ATTACHED  
**Min Number Of Directors:** 1  
**Max Number Of Directors:** 15  
**Business Restricted To:** NONE  
**Business Restricted From:** NONE  
**Other Provisions:** SEE SCHEDULE "C" ATTACHED

### Other Information:

#### Filing History:

List Date (YYYY/MM/DD)	Type of Filing
2021/05/03	Incorporate Alberta Corporation
2021/05/03	Update Business Number Legal Entity

#### Attachments:

Attachment Type	Microfilm Bar Code	Date Recorded (YYYY/MM/DD)
<a href="#">Share Structure</a>	ELECTRONIC	2021/05/03
<a href="#">Restrictions on Share Transfers</a>	ELECTRONIC	2021/05/03
<a href="#">Other Rules or Provisions</a>	ELECTRONIC	2021/05/03

The Registrar of Corporations certifies that, as of the date of this search, the above information is an accurate reproduction of data contained in the official public records of Corporate Registry.

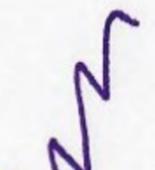


*Wm*

This is Exhibit "E" referred to in the Affidavit of Charles  
sworn before me by two-way video conference this 10<sup>th</sup> day of May, 2021.

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A Commissioner for Oaths in and for the Province of Alberta







## SBE Proforma Cash Flow (\$CAD)

		1	2	3	4	5	6	7	8	9	10	11	12	
		31	30	31	30	31	31	30	31	30	31	31	28	
		Mar-20	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	Jan-21	Feb-21	
	FX	0.716	0.707	0.715	0.725	0.741	0.756	0.755	0.751	0.764	0.775	0.770	0.770	
<b>Operating Margin</b>														
<b>Oil</b>	Volume	bbl/day	454	259	233	146	234	181	162	180	97	95	93	92
	Netback Index Price (WCS)	\$/bbl CAD	\$18.20	\$4.95	\$11.01	\$46.72	\$31.62	\$33.74	\$32.44	\$36.12	\$40.06	\$42.03	\$48.35	\$49.30
	Processing / Quality Adj \$	\$/bbl CAD	\$ 3.55	\$ 3.00	\$ -	\$ -	\$ -	\$ 3.00	\$ 3.00	\$ 3.00	\$ 3.00	\$ 3.00	\$ 3.00	\$ 3.00
	Net (as per statement)	\$/bbl CAD	\$14.65	\$1.95	\$11.01	\$46.72	\$31.62	\$33.74	\$29.44	\$33.12	\$37.06	\$39.03	\$45.35	\$46.30
	<b>REVENUE</b>	\$	<b>206,136</b>	<b>15,151</b>	<b>79,550</b>	<b>203,933</b>	<b>229,371</b>	<b>188,910</b>	<b>142,784</b>	<b>184,378</b>	<b>108,123</b>	<b>115,300</b>	<b>131,307</b>	<b>118,657</b>
	OP + Water + Truck	\$/bbl CAD	\$ 5.41	\$ 6.88	\$ 2.11	\$ 2.11	\$ 2.66	\$ 2.66	\$ 2.66	\$ 2.66	\$ 2.66	\$ 2.66	\$ 2.66	\$ 2.66
	Royalty	\$/bbl CAD	\$ 2.83	\$ 0.31	\$ 1.46	\$ 8.25	\$ 5.38	\$ 5.78	\$ 5.54	\$ 6.24	\$ 6.98	\$ 7.36	\$ 8.56	\$ 8.74
	Margin \$/bbl CAD	\$	\$6.41	-\$5.24	\$7.43	\$36.36	\$23.58	\$25.30	\$21.25	\$24.23	\$27.42	\$29.01	\$34.13	\$34.90
	<b>Netback \$ Total</b>	<b>\$CAD</b>	<b>\$90,198</b>	<b>-\$40,709</b>	<b>\$53,733</b>	<b>\$158,722</b>	<b>\$171,060</b>	<b>\$141,647</b>	<b>\$103,041</b>	<b>\$134,868</b>	<b>\$79,991</b>	<b>\$85,709</b>	<b>\$98,828</b>	<b>\$89,447</b>
<b>NG</b>	Volume	GJ/d	2994	1812	2956	1845	1024	1453	1137	1822	1198	930	911	1161
	Netback Price	\$/GJ	\$ 1.86	\$ 1.91	\$ 1.97	\$ 1.78	\$ 1.88	\$ 2.02	\$ 2.63	\$ 1.62	\$ 3.15	\$ 2.45	\$ 2.00	\$ 2.60
	AECC/BP Fees	\$/GJ	\$ 0.24	\$ 0.24	\$ 0.24	\$ 0.24	\$ 0.24	\$ 0.24	\$ 0.24	\$ 0.24	\$ 0.24	\$ 0.24	\$ 0.24	\$ 0.24
	Net (as per statement)	\$/GJ	\$ 1.62	\$ 1.67	\$ 1.73	\$ 1.54	\$ 1.64	\$ 1.78	\$ 2.39	\$ 1.38	\$ 2.91	\$ 2.21	\$ 1.76	\$ 2.36
	<b>REVENUE</b>	\$	<b>150,266</b>	<b>90,714</b>	<b>158,433</b>	<b>85,178</b>	<b>52,018</b>	<b>80,102</b>	<b>81,479</b>	<b>77,877</b>	<b>104,515</b>	<b>63,653</b>	<b>49,671</b>	<b>76,656</b>
	Processing Fees	\$/mcfCAD	\$ 0.92	\$ 0.77	\$ 0.77	\$ 0.77	\$ 0.77	\$ 0.77	\$ 0.77	\$ 0.77	\$ 0.74	\$ 0.74	\$ 0.84	\$ 0.84
	Royalty	\$/mcfCAD	\$ 0.30	\$ 0.29	\$ 0.30	\$ 0.27	\$ 0.29	\$ 0.31	\$ 0.42	\$ 0.24	\$ 0.52	\$ 0.39	\$ 0.31	\$ 0.42
	Margin \$/mcf CAD	\$	\$ 0.40	\$ 0.61	\$ 0.66	\$ 0.50	\$ 0.58	\$ 0.70	\$ 1.20	\$ 0.37	\$ 1.65	\$ 1.08	\$ 0.61	\$ 1.10
	<b>Netback \$ Total</b>	<b>\$CAD</b>	<b>\$37,071</b>	<b>\$32,960</b>	<b>\$60,076</b>	<b>\$27,662</b>	<b>\$18,465</b>	<b>\$31,366</b>	<b>\$40,819</b>	<b>\$20,816</b>	<b>\$59,398</b>	<b>\$31,098</b>	<b>\$17,203</b>	<b>\$35,784</b>
<b>NGL</b>	Volume	bbl/day	40.0	33.3	50.9	31.8	51.1	22.8	21.0	19.4	22.9	22.3	15.7	20.0
	Netback Price	\$/bbl CAD	\$ 9.07	\$ 6.02	\$ 9.53	\$ 29.42	\$ 29.40	\$ 24.73	\$ 22.60	\$ 24.66	\$ 26.45	\$ 26.30	\$ 28.22	\$ 28.52
	Processing/Handling	\$/bbl CAD	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	Net (as per statement)	\$/bbl CAD	\$ 9.07	\$ 6.02	\$ 9.53	\$ 29.42	\$ 29.40	\$ 24.73	\$ 22.60	\$ 24.66	\$ 26.45	\$ 26.30	\$ 28.22	\$ 28.52
	<b>REVENUE</b>	\$	<b>11,243</b>	<b>6,009</b>	<b>15,050</b>	<b>28,046</b>	<b>46,571</b>	<b>17,448</b>	<b>14,252</b>	<b>14,853</b>	<b>18,195</b>	<b>18,149</b>	<b>13,725</b>	<b>15,963</b>
	Royalty	\$/bbl CAD	\$ 0.23	\$ 0.39	\$ 0.32	\$ 4.38	\$ 4.37	\$ 3.42	\$ 2.99	\$ 3.41	\$ 3.77	\$ 3.74	\$ 4.13	\$ 4.19
	Margin \$/bbl CAD	\$	\$ 8.84	\$ 6.41	\$ 9.21	\$ 25.04	\$ 25.02	\$ 21.31	\$ 19.61	\$ 21.25	\$ 22.68	\$ 22.56	\$ 24.08	\$ 24.32
	<b>Netback \$ Total</b>	<b>\$CAD</b>	<b>\$10,957</b>	<b>\$6,401</b>	<b>\$14,537</b>	<b>\$23,873</b>	<b>\$39,643</b>	<b>\$15,034</b>	<b>\$12,368</b>	<b>\$12,801</b>	<b>\$15,600</b>	<b>\$15,566</b>	<b>\$11,715</b>	<b>\$13,615</b>
<b>Fixed Costs</b>		\$	62,555	40,190	40,190	40,190	60,395	60,395	60,395	85,395	60,395	60,395	60,395	60,395
	\$/bbl CAD	\$	4.45	5.17	5.56	9.21	8.33	10.79	12.45	15.34	20.70	20.44	20.86	23.57
<b>TOTAL REVENUE</b>		\$	<b>367,645</b>	<b>111,873</b>	<b>253,033</b>	<b>317,157</b>	<b>327,960</b>	<b>286,461</b>	<b>238,515</b>	<b>277,108</b>	<b>230,832</b>	<b>197,101</b>	<b>194,704</b>	<b>211,276</b>
<b>Total Operating Margin</b>		\$	<b>75,671</b>	<b>-\$41,538</b>	<b>\$88,156</b>	<b>\$170,067</b>	<b>\$168,773</b>	<b>\$127,652</b>	<b>\$95,833</b>	<b>\$83,090</b>	<b>\$94,594</b>	<b>\$71,979</b>	<b>\$67,352</b>	<b>\$78,452</b>
<b>Operating Expense</b>		%	21%	-37%	35%	54%	51%	45%	40%	30%	41%	37%	35%	37%
Corporate G&A		\$	75,000	65,000	50,000	45,000	45,000	40,000	40,000	40,000	40,000	40,000	40,000	25,000
<b>Operating Cash Flow</b>		\$	671	-\$106,538	\$38,156	\$125,067	\$123,773	\$87,652	\$55,833	\$43,090	\$54,594	\$31,979	\$27,352	\$53,452
GST		\$		35,000										
Cash Balance	opening												\$0	\$27,352
	closing												\$27,352	\$80,803
<b>Cash Balance</b>		\$	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$27,352</b>	<b>\$80,803</b>

13	14	15	16	17	18	19	20	21	22
31	30	31	30	31	31	30	31	31	31
Mar-21	Apr-21	May-21	Jun-21	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21
0.770	0.770	0.780	0.780	0.780	0.790	0.790	0.790	0.790	0.790
90	88	86	84	83	81	79	78	76	75
\$49.16	\$48.91	\$47.99	\$47.63	\$47.18	\$46.22	\$45.84	\$45.47	\$45.11	\$44.73
\$ 3.00	\$ 3.00	\$ 3.00	\$ 3.00	\$ 3.00	\$ 3.00	\$ 3.00	\$ 3.00	\$ 3.00	\$ 3.00
\$46.16	\$45.91	\$44.99	\$44.63	\$44.18	\$43.22	\$42.84	\$42.47	\$42.11	\$41.73
\$ 128,346	\$ 121,071	\$ 120,142	\$ 113,032	\$ 113,313	\$ 108,623	\$ 102,112	\$ 102,519	\$ 99,630	\$ 96,757
\$ 2.66	\$ 2.66	\$ 2.66	\$ 2.66	\$ 2.66	\$ 2.66	\$ 2.66	\$ 2.66	\$ 2.66	\$ 2.66
\$ 8.71	\$ 8.67	\$ 8.49	\$ 8.42	\$ 8.34	\$ 8.15	\$ 8.08	\$ 8.01	\$ 7.94	\$ 7.87
\$34.79	\$34.59	\$33.84	\$33.55	\$33.18	\$32.40	\$32.10	\$31.80	\$31.51	\$31.20
\$96,728	\$91,209	\$90,370	\$84,969	\$85,113	\$81,448	\$76,511	\$76,762	\$74,548	\$72,343
1137	1115	1092	1071	1049	1028	1008	987	968	948
\$ 2.60	\$ 2.60	\$ 2.50	\$ 2.50	\$ 2.50	\$ 2.50	\$ 2.50	\$ 2.50	\$ 2.80	\$ 2.80
\$ 0.24	\$ 0.24	\$ 0.24	\$ 0.24	\$ 0.24	\$ 0.24	\$ 0.24	\$ 0.24	\$ 0.24	\$ 0.24
\$ 2.36	\$ 2.36	\$ 2.26	\$ 2.26	\$ 2.26	\$ 2.26	\$ 2.26	\$ 2.26	\$ 2.56	\$ 2.56
\$ 83,171	\$ 78,879	\$ 76,491	\$ 72,543	\$ 73,462	\$ 71,993	\$ 68,277	\$ 69,142	\$ 76,758	\$ 75,223
\$ 0.84	\$ 0.84	\$ 0.84	\$ 0.84	\$ 0.84	\$ 0.84	\$ 0.84	\$ 0.84	\$ 0.84	\$ 0.84
\$ 0.42	\$ 0.42	\$ 0.40	\$ 0.40	\$ 0.40	\$ 0.40	\$ 0.40	\$ 0.40	\$ 0.45	\$ 0.45
\$ 1.10	\$ 1.10	\$ 1.02	\$ 1.02	\$ 1.02	\$ 1.02	\$ 1.02	\$ 1.02	\$ 1.27	\$ 1.27
\$38,826	\$36,822	\$34,512	\$32,731	\$33,145	\$32,482	\$30,806	\$31,196	\$37,951	\$37,192
19.6	19.2	18.8	18.4	18.1	17.7	17.4	17.0	16.7	16.3
\$ 28.47	\$ 28.39	\$ 28.05	\$ 27.99	\$ 27.01	\$ 26.72	\$ 26.73	\$ 26.76	\$ 26.78	\$ 26.79
\$ 28.47	\$ 28.39	\$ 28.05	\$ 27.99	\$ 27.01	\$ 26.72	\$ 26.73	\$ 26.76	\$ 26.78	\$ 26.79
\$ 17,292	\$ 16,354	\$ 16,359	\$ 15,482	\$ 15,130	\$ 14,667	\$ 13,916	\$ 14,107	\$ 13,834	\$ 13,563
\$ 4.18	\$ 4.17	\$ 4.10	\$ 4.09	\$ 3.89	\$ 3.83	\$ 3.83	\$ 3.84	\$ 3.84	\$ 3.84
\$ 24.29	\$ 24.23	\$ 23.95	\$ 23.90	\$ 23.12	\$ 22.89	\$ 22.90	\$ 22.92	\$ 22.94	\$ 22.95
\$14,751	\$13,953	\$13,969	\$13,222	\$12,953	\$12,567	\$11,922	\$12,085	\$11,851	\$11,618
\$ 60,395	\$ 60,395	\$ 60,395	\$ 60,395	\$ 60,395	\$ 60,395	\$ 60,395	\$ 60,395	\$ 60,395	\$ 60,395
\$ 21.72	\$ 22.90	\$ 22.61	\$ 23.85	\$ 23.55	\$ 24.03	\$ 25.34	\$ 25.02	\$ 25.53	\$ 26.05
\$ 228,809	\$ 216,304	\$ 212,993	\$ 201,058	\$ 201,905	\$ 195,284	\$ 184,305	\$ 185,768	\$ 190,223	\$ 185,543
\$89,910	\$81,589	\$78,456	\$70,527	\$70,816	\$66,101	\$58,844	\$59,648	\$63,955	\$60,759
39%	38%	37%	35%	35%	34%	32%	32%	34%	33%
\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
\$64,910	\$56,589	\$53,456	\$45,527	\$45,816	\$41,101	\$33,844	\$34,648	\$38,955	\$35,759
\$80,803	\$145,713	\$202,303	\$255,758	\$301,285	\$347,101	\$388,203	\$422,046	\$456,695	\$495,649
\$145,713	\$202,303	\$255,758	\$301,285	\$347,101	\$388,203	\$422,046	\$456,695	\$495,649	\$531,408
\$145,713	\$202,303	\$255,758	\$301,285	\$347,101	\$388,203	\$422,046	\$456,695	\$495,649	\$531,408

Model	Actual
31	31
Dec-19	Dec-19 <-- back test
0.750	0.759
100	98
\$50.00	\$56.11
\$ 7.42	
	20219
\$ 5.66	\$ -
\$ 3.65	\$ -
\$33.27	\$6.83
\$103,137	\$20,750
569	569
\$ 2.60	\$ 2.22
	\$ 45,896.00
	45896
\$ 1.37	\$ -
\$ 0.30	\$ -
\$ 0.93	\$ 0.69
\$16,439	\$12,171
-	6.8
\$ -	\$ -
\$ -	\$ -
\$ -	\$ -
\$ -	\$ 2.96
\$0	\$624
	5670
\$ 60,395	\$ 60,395
\$59,181	-\$26,851
\$ 25,000	\$ 25,000
\$34,181	-\$51,851
\$0	\$34,181
\$34,181	-\$17,670

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**Price Forecast**

		1.39603	1.40541	1.39736	1.35532	1.32211	1.32305	1.32372	1.32273	1.32				
		0.716317	0.711536	0.715635	0.737833	0.756367	0.755829	0.7554468	0.756012	0.757576				
		1	2	3	4	5	6	7	8	9	10	11	12	13
		31	30	31	30	31	31	30	31	30	31	31	28	31
		Mar-20	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	Jan-21	Feb-21	Mar-21
CME	FX	0.716	0.707	0.715	0.725	0.741	0.756	0.755	0.751	0.764	0.775	0.770	0.770	0.770

	<b>Oil</b>	<b>\$USD</b>		19.89											
CME	WTI - CMA	\$/bbl	\$30.45	\$16.70	\$28.53	\$38.22	\$40.77	\$42.39	\$39.63	\$40.22	\$40.83	\$47.07	\$52.23	\$52.96	\$52.85
CME / NE2	WCS diff ( net discout +)	\$/bbl	\$17.41	\$13.30	\$16.86	\$4.25	\$8.40	\$7.81	\$13.71	\$8.88	\$8.81	-\$14.50	-\$15.00	-\$15.00	-\$15.00
	WCS \$	\$/bbl	\$13.04	\$3.50	\$7.87	\$33.87	\$32.45	\$34.58	\$28.42	\$31.84	\$31.01	\$32.57	\$37.23	\$37.96	\$37.85
	<b>Actual net back</b>	<b>\$ CAD/bbl</b>	\$18.20	\$4.95	\$11.01	\$46.72	\$31.62	\$33.74	\$32.44	\$36.12	\$40.06	\$42.03	\$48.35	\$49.30	\$49.16

	<b>Nat Gas</b>	<b>CAD \$</b>													
streamline	Aeco 5A	\$/mcf	\$ 1.95	\$ 1.91	\$ 1.97	\$ 1.78	\$ 1.88	\$ 2.02	\$ 2.63	\$ 1.62	\$ 3.15	\$ 2.45	\$ 2.00	\$ 2.60	\$ 2.60

	<b>NGL</b>	<b>CAD \$/bbl</b>	\$ 9.07	\$ 6.02	\$ 9.53	\$ 29.42	\$ 29.40	\$ 24.73	\$ 22.60	\$ 24.66	\$ 26.45	\$ 26.30	\$ 28.22	\$ 28.52	\$ 28.47
streamline	Calculated														

	WTI - CMA	USD/bbl	\$30.45	\$16.70	\$28.53	\$38.22	\$40.77	\$42.39	\$39.63	\$40.22	\$40.83	\$47.07	\$52.23	\$52.96	\$52.85
	C3 @Edm	\$CAD /bbl	12.65	6.21	6.55	6.95	7.86	8.77	9.68	10.63	11.46	12.19	11.71	11.58	9.67
	C3 @ Conway	USD/gal											41.88	41.63	38.13
		CAD/bbl											22.84	22.71	20.80
	C5diff	USD/bbl	-\$3.30	-\$3.30	-\$3.30	-\$3.30	-\$4.00	-\$4.00	-\$4.00	-\$4.00	-\$4.00	-\$4.20	-\$5.00	-\$5.00	-\$5.00
		Cad/bbl'	-\$4.61	-\$4.67	-\$4.62	-\$4.55	-\$5.40	-\$5.29	-\$5.30	-\$5.33	-\$5.23	-\$5.42	-\$6.49	-\$6.49	-\$6.49

c2	1.0% CAD/bbl	-6.26	-6.56	-6.56	0	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
c3	21.9% CAD/bbl	-5.16	-4.92	5.97	16.69	16.69	9.50	9.50	9.50	10.00	10.00	10.00	10.00	10.00	10.00
c4	45.0% CAD/bbl	-1.16	2.51	9.31	24.01	24.00	14.50	14.50	14.50	14.50	14.50	14.50	14.50	14.50	14.50
c5+	31.8% CAD/bbl	33.91	18.95	12.90	47.06	47.00	41.90	42.00	42.00	42.00	42.00	55.32	61.34	62.29	62.14

	<b>Pricing</b>				
c2	0			0	0
c3	conway less	.265us/g	11.13 \$/bbl	105	16.69316
c4	15% WTI CMA			151	24.00636
c5+	WTI CMA LESS NE2 Condi Diff LESS \$0.50/bbl			296	47.05882
	NGX NE@ condi diff		-\$ 20.75 -\$ 3.30		
	Enb C5+ WADF		\$ 4.24 \$ 0.67		184.926
	Rimbey Gas plan c5+ WADF		-\$ 21.44 -\$ 3.41		

**Changes**  
Gas price increased to reflect strip (Feb Production Month)

14 30 Apr-21	15 31 May-21	16 30 Jun-21	17 31 Jul-21	18 31 Aug-21	19 30 Sep-21	20 31 Oct-21	21 31 Nov-21	21 31 Dec-21	21 31 Jan-22	21 31 Feb-22
0.770	0.780	0.780	0.780	0.790	0.790	0.790	0.790	0.790		

\$52.66	\$52.43	\$52.15	\$51.80	\$51.51	\$51.21	\$50.92	\$50.64	\$50.34		
-\$15.00	-\$15.00	-\$15.00	-\$15.00	-\$15.00	-\$15.00	-\$15.00	-\$15.00	-\$15.00		
\$37.66	\$37.43	\$37.15	\$36.80	\$36.51	\$36.21	\$35.92	\$35.64	\$35.34		
\$48.91	\$47.99	\$47.63	\$47.18	\$46.22	\$45.84	\$45.47	\$45.11	\$44.73		

\$ 2.60	\$ 2.50	\$ 2.50	\$ 2.50	\$ 2.50	\$ 2.50	\$ 2.50	\$ 2.80	\$ 2.80		
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\$ 28.39	\$ 28.05	\$ 27.99	\$ 27.01	\$ 26.72	\$ 26.73	\$ 26.76	\$ 26.78	\$ 26.79		
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\$52.66	\$52.43	\$52.15	\$51.80	\$51.51	\$51.21	\$50.92	\$50.64	\$50.34	\$0.00	\$0.00
7.93	7.48	7.75	8.29	8.57	9.17	9.84	10.43	11.03		
34.94	34.56	35.06	36.06	37.06	38.19	39.44	40.56	41.69		
19.06	18.61	18.88	19.42	19.70	20.30	20.97	21.56	22.16		
-\$5.00	-\$5.00	-\$5.00	-\$6.00	-\$6.00	-\$6.00	-\$6.00	-\$6.00	-\$6.00		
-\$6.49	-\$6.41	-\$6.41	-\$7.69	-\$7.59	-\$7.59	-\$7.59	-\$7.59	-\$7.59		
0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
10.00	10.00	10.25	8.29	8.57	9.17	9.84	10.43	11.03		
14.50	14.50	14.50	14.50	14.50	14.50	14.50	14.50	14.50		
61.90	60.81	60.45	58.72	57.61	57.23	56.86	56.51	56.13		

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Today 05/10/21

Volume Forecast

				1	2	3	4	5	6	7	8	9	10	11	12	13		
				31	30	31	30	31	31	30	31	30	31	31	28	31		
				Mar-20	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	Jan-21	Feb-21	Mar-21		
Oil *net)	/day	Rex1	decline	1.5%	5.0%	5.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%		
		Rex2	decline	1.5%	5.0%	5.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%		
		Rex3	decline	1.5%	5.0%	5.0%	4.0%	4.0%	4.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%		
Volume		month		1	2	3	4	5	6	7	8	9	10	11	12	13		
Oil *net)		/day		Rex1	100%				493	350	325	300						
				Rex2	100%				271	143	250	300						
				Rex3	100%				739	572	525	500						
		31.8		m3	2237	1235	1149	694	1153	890	771	885	464	500	460	407	442	
		200		bbl/mth	14070.73	7768	7227	4365	7254	5599	4850	5567	2917	2954	2895	2563	2781	
				bbl/d	453.9	258.9	233.1	145.5	234.0	180.6	161.7	179.6	97.3	95.3	93.4	91.5	89.7	
Water		BSW increase		1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%		
BSW		51%		m3	51.5%	52.0%	52.5%	53.1%	53.6%	54.1%	54.7%	55.2%	55.8%	56.3%	56.9%	57.5%	58.0%	
				bbl/mth	2376	1339	1272	785	1332	1051	930	1092	585	645	608	551	612	
				bbl/d	14947	8423	8003	4937	8380	6609	5851	6866	3679	4058	3822	3463	3847	
				bbl/d	482	281	258	165	270	213	195	221	123	131	123	124	124	
Nat Gas (net)		e3m3		2,252	1,609	2,223	1,343	2,231	893	827	1,370	872	699	685	788	855		
GOR		13.00		35.5	mcf	79,939	59,540	78,921	47,669	79,214	38,780	29,374	48,640	30,848	24,817	24,321	27,986	30,365
Shrink		16%		mcf/d		2,579	1,985	2,546	1,589	2,555	1,251	979	1,569	1,031	801	785	1,000	980
Heat		1.1		GJ		92,822	54,356	91,640	55,351	31,740	45,030	34,108	56,479	35,930	28,817	28,241	32,497	35,259
				GJ/d		2,994	1,812	2,956	1,845	1,024	1,453	1,137	1,822	1,198	930	911	1,161	1,137
NGL		1.06		bbl/mmcf		197.00	158.80	250.94	151.57	251.87	123.31	93.40	154.66	98.39	78.91	77.33	88.99	96.55
		20.0		bbl		1,239.1	998.85	1,578.42	953.37	1,584.27	775.60	587.48	972.80	618.86	496.35	486.42	559.7	607.3
				bbl/d		39.97	33.30	50.92	31.78	51.11	22.76	21.02	19.43	22.93	22.26	15.69	19.99	19.59
Actuals		Nat Gas (net)		e3m3									871.8	938.4				
GOR		10.00		35.5		mcf							30943	33307				
Shrink		16%		mcf/d									998	1074				
Heat		1.1		GJ									35345	37936				
				GJ/d									1140	1224				

Changes:

- Increased GOR to 13 (Feb prod)
- Increased NGL yield to 23 bbl/mmcf (Feb prod)

4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%
4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%
2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
14	15	16	17	18	19	20	21	21
30	31	30	31	31	30	31	31	31
<b>Apr-21</b>	<b>May-21</b>	<b>Jun-21</b>	<b>Jul-21</b>	<b>Aug-21</b>	<b>Sep-21</b>	<b>Oct-21</b>	<b>Nov-21</b>	<b>Dec-21</b>

419	425	403	408	400	379	384	376	369
2637	2671	2533	2565	2514	2384	2414	2366	2318
87.9	86.1	84.4	82.7	81.1	79.5	77.9	76.3	74.8
1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%
58.6%	59.2%	59.8%	60.4%	61.0%	61.6%	62.2%	62.9%	63.5%
594	616	599	622	625	608	632	636	641
3736	3876	3768	3912	3932	3826	3977	4003	4030
125	125	126	126	127	128	128	129	130
811	821	779	789	773	733	743	728	713
28,798	29,163	27,658	28,008	27,448	26,031	26,361	25,834	25,317
960	941	922	903	885	868	850	833	817
33,439	33,863	32,115	32,522	31,871	30,226	30,609	29,997	29,397
1,115	1,092	1,071	1,049	1,028	1,008	987	968	948
91.57	92.73	87.94	89.06	87.27	82.77	83.82	82.14	80.50
576.0	583.3	553.2	560.2	549.0	520.6	527.2	516.7	506.3
19.20	18.81	18.44	18.07	17.71	17.35	17.01	16.67	16.33

*Handwritten mark*

			1 31 Mar-20	2 30 Apr-20	3 31 May-20	4 30 Jun-20	5 31 Jul-20	6 31 Aug-20	7 30 Sep-20	8 31 Oct-20	9 30 Nov-20	10 31 Dec-20	11 31 Jan-21
<b>\$ CAD</b>													
		breakup factor 1.6											
<b>Oil</b>	<b>\$/m3</b>	<b>\$/bbl</b>	\$ 3.50	\$ 4.97	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Trucking	\$ 16.00	\$ 2.45											
Terminal - Treating	\$ 3.12	\$ 0.85											
Other Variable		\$ 0.20			0.2	0.2	0.75	0.75	0.75	0.75	0.75	0.75	0.75
			2.265501										
<b>Water</b>	<b>\$/m3</b>	<b>\$/bbl</b>	\$ 1.91	\$ 1.91	\$ 1.91	\$ 1.91	\$ 1.91	\$ 1.91	\$ 1.91	\$ 1.91	\$ 1.91	\$ 1.91	\$ 1.91
Trucking	\$ 8.00	\$ 1.27											
Disposal	\$ 4.00	\$ 0.64											
<b>Oil &amp; Water</b>		<b>\$/bbl</b>	\$ 5.41	\$ 6.88	\$ 2.11	\$ 2.11	\$ 2.66	\$ 2.66	\$ 2.66	\$ 2.66	\$ 2.66	\$ 2.66	\$ 2.66
<b>Nat Gas</b>													
			\$ 0.24	\$ 0.24	\$ 0.24	\$ 0.24	\$ 0.24	\$ 0.24	\$ 0.24	\$ 0.24	\$ 0.24	\$ 0.24	\$ 0.24
			\$ 0.92	\$ 0.77	\$ 0.77	\$ 0.77	\$ 0.77	\$ 0.77	\$ 0.77	\$ 0.77	\$ 0.74	\$ 0.74	\$ 0.84
		<b>\$/mcf</b>	\$ 1.161	\$ 1.011	\$ 1.011	\$ 1.011	\$ 1.011	\$ 1.011	\$ 1.011	\$ 1.011	\$ 0.981	\$ 0.981	\$ 1.082
<b>NGL</b>		<b>\$/bbl</b>	\$ 7.63	\$ 7.63	\$ 7.63	\$ 7.63	\$ 7.63	\$ 7.63	\$ 7.63	\$ 7.63	\$ 7.63	\$ 7.63	\$ 7.63

Fees (Nov Prod, Petrus JIB)		
	Amount (\$	Volume (E:
Proc	21597	907
Gath & Tra	2369	
	<u>23966</u>	

Changes:

Increased gas processing (Petrus) effective Jan Production.

12	13	14	15	16	17	18	19	20	21	21
28	31	30	31	30	31	31	30	31	31	31
Feb-21	Mar-21	Apr-21	May-21	Jun-21	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21

\$ - \$ - \$ - \$ - \$ - \$ - \$ - \$ - \$ - \$ - \$ -

0.75 0.75 0.75 0.75 0.75 0.75 0.75 0.75 0.75 0.75 0.75

\$ 1.91 \$ 1.91 \$ 1.91 \$ 1.91 \$ 1.91 \$ 1.91 \$ 1.91 \$ 1.91 \$ 1.91 \$ 1.91 \$ 1.91

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\$ 2.66 \$ 2.66 \$ 2.66 \$ 2.66 \$ 2.66 \$ 2.66 \$ 2.66 \$ 2.66 \$ 2.66 \$ 2.66 \$ 2.66

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\$ 0.24 \$ 0.24 \$ 0.24 \$ 0.24 \$ 0.24 \$ 0.24 \$ 0.24 \$ 0.24 \$ 0.24 \$ 0.24 \$ 0.24

\$ 0.84 \$ 0.84 \$ 0.84 \$ 0.84 \$ 0.84 \$ 0.84 \$ 0.84 \$ 0.84 \$ 0.84 \$ 0.84 \$ 0.84

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\$ 1.082 \$ 1.082 \$ 1.082 \$ 1.082 \$ 1.082 \$ 1.082 \$ 1.082 \$ 1.082 \$ 1.082 \$ 1.082 \$ 1.082

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\$ 7.63 \$ 7.63 \$ 7.63 \$ 7.63 \$ 7.63 \$ 7.63 \$ 7.63 \$ 7.63 \$ 7.63 \$ 7.63 \$ 7.63

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3/m3)	\$/mcf
23.81147	0.670864
2.611907	0.073588
26.42337	0.744452

**Royalty**

			1	2	3	4	5	6	7
			31	30	31	30	31	31	30
			Mar-20	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20
			\$18.20	\$4.95	\$11.01	\$46.72	\$31.62	\$33.74	\$32.44
<b>OIL</b>	<b>19.0%</b>	<i>effective rate</i>	19.0%	19.0%	19.0%	19.0%	19.0%	19.0%	19.0%
Freehold	18%	75%							
Crown	22%	25%							
			\$/bbl						
			Deduction	\$ 3.30	\$ 3.30	\$ 3.30	\$ 3.30	\$ 3.30	\$ 3.30
<b>Proforma Royalty</b>			\$ 2.83	\$ 0.31	\$ 1.46	\$ 8.25	\$ 5.38	\$ 5.78	\$ 5.54
			\$ 9.07	\$ 6.02	\$ 9.53	\$ 29.42	\$ 29.40	\$ 24.73	\$ 22.60
<b>NGL</b>	<b>20.4%</b>	<i>effective rate</i>	20.4%	20.4%	20.4%	20.4%	20.4%	20.4%	20.4%
Freehold	19%	77%							
Crown	25%	23%							
			\$/bbl						
			Deduction	\$ 7.94	\$ 7.94	\$ 7.94	\$ 7.94	\$ 7.94	\$ 7.94
<b>Proforma Royalty</b>			\$ 0.23	-\$ 0.39	\$ 0.32	\$ 4.38	\$ 4.37	\$ 3.42	\$ 2.99
			\$ 1.95	\$ 1.91	\$ 1.97	\$ 1.78	\$ 1.88	\$ 2.02	\$ 2.63
<b>Nat Gas</b>	<b>18.0%</b>	<i>effective rate</i>	18.0%	18.0%	18.0%	18.0%	18.0%	18.0%	18.0%
Freehold	18%	77%							
Crown	18%	23%							
			\$/mcf						
			Deduction	0.285	0.285	0.285	0.285	0.285	0.285
<b>Proforma Royalty</b>			\$ 0.30	\$ 0.29	\$ 0.30	\$ 0.27	\$ 0.29	\$ 0.31	\$ 0.42

Oil Gas Oil Gas Volume  
 REX 1  
 Rex 2  
 Rex 3

8 31 Oct-20	9 30 Nov-20	10 31 Dec-20	11 31 Jan-21	12 28 Feb-21	13 31 Mar-21	14 30 Apr-21	15 31 May-21	16 30 Jun-21	17 31 Jul-21	18 31 Aug-21	19 30 Sep-21	20 31 Oct-21	21 31 Nov-21
\$36.12	\$40.06	\$42.03	\$48.35	\$49.30	\$49.16	\$48.91	\$47.99	\$47.63	\$47.18	\$46.22	\$45.84	\$45.47	\$45.11
19.0%	19.0%	19.0%	19.0%	19.0%	19.0%	19.0%	19.0%	19.0%	19.0%	19.0%	19.0%	19.0%	19.0%
\$ 3.30	\$ 3.30	\$ 3.30	\$ 3.30	\$ 3.30	\$ 3.30	\$ 3.30	\$ 3.30	\$ 3.30	\$ 3.30	\$ 3.30	\$ 3.30	\$ 3.30	\$ 3.30
\$ 6.24	\$ 6.98	\$ 7.36	\$ 8.56	\$ 8.74	\$ 8.71	\$ 8.67	\$ 8.49	\$ 8.42	\$ 8.34	\$ 8.15	\$ 8.08	\$ 8.01	\$ 7.94
\$ 24.66	\$ 26.45	\$ 26.30	\$ 28.22	\$ 28.52	\$ 28.47	\$ 28.39	\$ 28.05	\$ 27.99	\$ 27.01	\$ 26.72	\$ 26.73	\$ 26.76	\$ 26.78
20.4%	20.4%	20.4%	20.4%	20.4%	20.4%	20.4%	20.4%	20.4%	20.4%	20.4%	20.4%	20.4%	20.4%
\$ 7.94	\$ 7.94	\$ 7.94	\$ 7.94	\$ 7.94	\$ 7.94	\$ 7.94	\$ 7.94	\$ 7.94	\$ 7.94	\$ 7.94	\$ 7.94	\$ 7.94	\$ 7.94
\$ 3.41	\$ 3.77	\$ 3.74	\$ 4.13	\$ 4.19	\$ 4.18	\$ 4.17	\$ 4.10	\$ 4.09	\$ 3.89	\$ 3.83	\$ 3.83	\$ 3.84	\$ 3.84
\$ 1.62	\$ 3.15	\$ 2.45	\$ 2.00	\$ 2.60	\$ 2.60	\$ 2.60	\$ 2.50	\$ 2.50	\$ 2.50	\$ 2.50	\$ 2.50	\$ 2.50	\$ 2.80
18.0%	18.0%	18.0%	18.0%	18.0%	18.0%	18.0%	18.0%	18.0%	18.0%	18.0%	18.0%	18.0%	18.0%
0.285	0.285	0.285	0.285	0.285	0.285	0.285	0.285	0.285	0.285	0.285	0.285	0.285	0.285
\$ 0.24	\$ 0.52	\$ 0.39	\$ 0.31	\$ 0.42	\$ 0.42	\$ 0.42	\$ 0.40	\$ 0.40	\$ 0.40	\$ 0.40	\$ 0.40	\$ 0.40	\$ 0.45

*Wm*

21  
31  
**Dec-21**

\$44.73  
19.0%

\$ 3.30

\$ 7.87

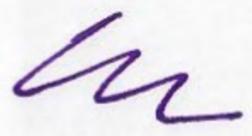
\$ 26.79  
20.4%

\$ 7.94

\$ 3.84

\$ 2.80  
18.0%

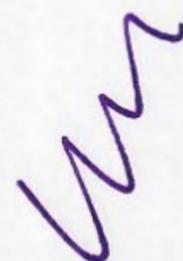
0.285  
\$ 0.45



This is Exhibit "F" referred to in the Affidavit of Charles  
sworn before me by two-way video conference this 10<sup>th</sup> day of May, 2021.

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A Commissioner for Oaths in and for the Province of Alberta



**SALT BUSH ENERGY LTD.**

**- and -**

**IRONBARK ENERGY LTD.**

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**ASSET PURCHASE AND SALE AGREEMENT**

**FEBRUARY 2, 2021**

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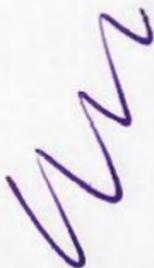


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**SCHEDULES**

Schedule A	Assets Listing
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Schedule C	Form of General Conveyance
Schedule D	Form of Bring-Down Certificate
Schedule E	Excluded Assets

**AGREEMENT OF PURCHASE AND SALE**

**THIS AGREEMENT OF PURCHASE AND SALE** dated as of February 2, 2021,

**BETWEEN:**

**SALT BUSH ENERGY LTD.**, a corporation existing under the laws of Alberta (herein referred to as the "**Vendor**")

- and -

**IRONBARK ENERGY LTD.**, a corporation existing under the laws of Alberta (herein referred to as the "**Purchaser**")

**WHEREAS:**

- A. The Vendor beneficially owns the Assets;
- B. The Vendor has commenced proceedings under Division I of Part III of the *Bankruptcy and Insolvency Act* (the "**BIA**") on January 13, 2021 by lodging a Notice of Intention to Make a Proposal under Section 50.4 of the BIA, and Deloitte Restructuring Inc. has been appointed proposal trustee (the "**Proposal Trustee**") under those proceedings.
- C. The Purchaser, subject to the Court Approval and the SISP Approval, has agreed to purchase and acquire and the Vendor has agreed to sell, transfer and assign to the Purchaser, all of the Vendor's Interest in and to the Assets, on the terms and conditions set forth herein.

**NOW THEREFORE**, this Agreement witnesses that in consideration of the mutual covenants and agreements contained herein, and for other good and valuable consideration, the receipt and adequacy of which are acknowledged by each Party to the other, the Parties covenant and agree as follows:

**ARTICLE 1  
INTERPRETATION**

**1.1 Definitions**

In this Agreement:

- (a) "**Abandonment and Reclamation Obligations**" means all past, present and future obligations to:
  - (i) abandon, shut-down, close, decommission, dismantle or remove any and all Wells and Tangibles, including all structures, foundations, buildings, pipelines, equipment and other facilities located on the Lands or used or previously used in respect of Petroleum Substances produced or previously produced from the Lands; and
  - (ii) restore, remediate and reclaim the surface and subsurface locations of the Wells and the Tangibles and any lands used to gain access thereto, including such obligations relating to wells, pipelines and facilities which were abandoned or decommissioned prior to the Closing Date that were located on the Lands or that were located on other lands and used in respect of Petroleum Substances produced

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or previously produced from the Lands, and including the remediation, restoration and reclamation of any other surface and sub-surface lands affected by any environmental damage, contamination or other environmental issues emanating from or relating to the sites for the Wells or the Tangibles;

all in accordance with generally accepted oil and gas industry practices and in compliance with all Applicable Laws;

- (b) "**Accounts Receivable**" means all trade and other accounts receivable, notes receivable, unbilled accounts and other debts due or accruing due to the Vendor in relation to the Assets in respect of the period prior to the Closing Date but excluding, for greater certainty, all other trade and other accounts receivable, notes receivable, unbilled accounts and other debts due or accruing due to the Vendor not in relation to the Assets;
- (c) "**Administrative Charge**" means a charge granted in the NOI Proceedings to secure fees and disbursements of certain professional advisors in the maximum amount of \$150,000;
- (d) "**AER**" means the Alberta Energy Regulator;
- (e) "**Affiliate**" means, with respect to any specified Person, any other Person directly or indirectly controlling or controlled by or under direct or indirect common control with that specified Person. For the purposes of this definition, "control" (including with correlative meanings, controlling, controlled by and under common control with) means the power to direct or cause the direction of the management and policies of that Person, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise and, it being understood and agreed that with respect to a corporation or partnership, control shall mean direct or indirect ownership of more than 50% of the voting shares in any such corporation or of the general partnership interest or voting interest in any such partnership;
- (f) "**Agreement**" means this agreement of purchase and sale and any schedules attached hereto which are referred to in this agreement, together with any amendment or supplement thereto;
- (g) "**Applicable Law**" means, in respect of any Person, asset, transaction, event or circumstance: (i) statutes (including regulations enacted thereunder); (ii) judgments, decrees and orders of courts of competent jurisdiction (including the common law); (iii) regulations, orders, ordinances and directives issued by Governmental Authorities; and (iv) the terms and conditions of all permits, licenses, approvals and authorizations, in each case which are applicable to such Person, asset, transaction, event or circumstance;
- (h) "**Assets**" means the Petroleum and Natural Gas Rights, the Tangibles and the Miscellaneous Interests, but specifically excluding the Excluded Assets;
- (i) "**Assumed Contracts**" means, other than contracts which are Excluded Assets, the contracts referenced in subsection (i) of the definition of Miscellaneous Interests, which contracts shall be assigned by the Vendor and assumed by the Purchaser in accordance with the terms of this Agreement, the relevant contracts and/or the Sale Order, and/or other order of the Court in form and substance satisfactory to the Parties;

- (j) "**Assumed Liabilities**" means, collectively, all liabilities and obligations arising from the possession, ownership and/or use of the Assets following Closing, along with Environmental Liabilities, Abandonment and Reclamation Obligations and Cure Costs;
- (k) "**BIA**" means the *Bankruptcy and Insolvency Act*, RSC 1985, c B-3, as may be subsequently amended, supplemented or restated from time to time;
- (l) "**Break Fee**" means the amount of \$50,000 (FIFTY THOUSAND DOLLARS) which shall be payable to the Purchaser, by the Vendor, pursuant to Section 13.3 of this Agreement. For greater certainty, without limiting the generality of the foregoing, the Break Fee shall be payable in the event that a Superior Offer is accepted by the Vendor pursuant to the SISP;
- (m) "**Business Day**" means any day other than a Saturday, Sunday or a statutory holiday in the City of Calgary in the Province of Alberta;
- (n) "**Cash and Cash Equivalents**" means cash, cash equivalents, money on deposit with banks, certificates of deposit and similar instruments and short-term investments held by the Vendor for and on behalf of the Vendor;
- (o) "**Claim**" means any right, claim, cause of action or complaint of any Person that may be asserted or made in whole or in part against any Vendor, any of their respective Affiliates and their respective Representatives, whether or not asserted or made, in connection with any indebtedness, liability or obligation of any kind whatsoever, and any interest accrued thereon or costs payable in respect thereof, including by reason of the commission of a tort (intentional or unintentional), by reason of any breach of contract or other agreement (oral or written), by reason of any breach of duty (including, without limitation, any legal, statutory, equitable or fiduciary duty) or by reason of any right of ownership of or title to property or assets or right to a trust or deemed trust (statutory, express, implied, resulting, constructive or otherwise), and whether or not any indebtedness, liability or obligation is reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured, unsecured, present or future, known or unknown, by guarantee, surety or otherwise, and whether or not any right, claim, cause of action or complaint is executory or anticipatory in nature;
- (p) "**Closing**" means the completion of the purchase by the Purchaser, and sale by the Vendor, of the Vendor's Interest in and to the Assets and the completion of all other transactions contemplated by this Agreement that are to occur contemporaneously with such purchase and sale, all subject to and in accordance with the terms and conditions of this Agreement;
- (q) "**Closing Date**" means the date on which Closing occurs, being the later of May 17, 2021 or the date which is two Business Days following the date upon which all conditions in Sections 11.1, 11.2 and 11.3 have been satisfied or waived (other than such conditions which are to be satisfied on the Closing Date), or such other date as the Parties may agree in writing; provided, however, that the Closing Date shall not be later than the Outside Date;
- (r) "**Consequential Damages**" has the meaning ascribed to that term in Section 14.5;
- (s) "**Court**" means the Court of Queen's Bench of Alberta, Judicial Centre of Calgary;

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- (t) **"Court Approval"** means both the issuance of the Sale Order by the Court approving the sale of the Assets, and such Sale Order having become a Final Order;
- (u) **"Cure Costs"** means, in respect of any Assumed Contract, all amounts, required to be paid to remedy all of the Vendor's monetary defaults under such Assumed Contract or required to secure a counterparty's or any other necessary Person's consent to the assignment of such Assumed Contract pursuant to its terms or as may be required pursuant to the Sale Order, and includes any other fees and expenses required to be paid to a counterparty or any other Person in connection with the assignment of an Assumed Contract pursuant to its terms or Applicable Laws, but excludes (i) any secured or unsecured creditor Claim against the Vendor other than payments to counterparties under Assumed Contracts as described above; and (ii) any municipal taxes and other tax Claims;
- (v) **"Data Room Information"** means all information made available (by the Vendor or otherwise) for the Purchaser's review in electronic form in relation to the Vendor, its Affiliates and/or the Assets;
- (w) **"Deposit"** has the meaning ascribed to that term in Section 3.3(a)(i);
- (x) **"Encumbrances"** means all mortgages, pledges, charges, liens, debentures, trust deeds, Claims, assignments by way of security or otherwise, security interests, conditional sales contracts or other title retention agreements, security created under the *Bank Act (Canada)*, rights of first refusal, or similar interests or instruments charging or creating a security interest in the Assets or any part thereof or interest therein, and any agreements, leases, licenses, occupancy agreements, options, easements, rights of way, restrictions, executions, or other encumbrances (including notices or other registrations in respect of any of the foregoing) affecting title to the Assets or any part thereof or interest therein;
- (y) **"Environment"** means the components of the earth and includes the air, the surface and subsurface of the earth, bodies of water (including rivers, streams, lakes and aquifers) and plant and animal life (including humans);
- (z) **"Environmental Laws"** means all Applicable Laws relating to pollution or protection of human health or the Environment (including ambient air, water, surface water, groundwater, land surface, soil, or subsurface) or natural resources, including Applicable Laws relating to the storage, transfer, transportation, investigation, cleanup, treatment, or use of, or release or threatened release into the Environment of, any Hazardous Substances;
- (aa) **"Environmental Liabilities"** means all past, present and future Losses and Liabilities, Claims and other duties and obligations, whether arising under contract, Applicable Laws or otherwise, arising from, relating to or associated with:
- (i) any damage, pollution, contamination or other adverse situations pertaining to the Environment howsoever and by whomsoever caused and regardless of whether such damage, pollution, contamination or other adverse situations occur or arise in whole or in part prior to, at or subsequent to the date of this Agreement;
  - (ii) the presence, storage, use, holding, collection, accumulation, assessment, generation, manufacture, processing, treatment, stabilization, disposition, handling, transportation, release, emission or discharge of Petroleum Substances, oilfield wastes, water, Hazardous Substances, environmental contaminants and all

other substances and materials regulated under any Applicable Law, including any forms of energy, or any corrosion to or deterioration of any structures or other property;

- (iii) compliance with or the consequences of any non-compliance with, or violation or breach of, any Environmental Law;
- (iv) sampling, monitoring or assessing the Environment or any potential impacts thereon from any past, present or future activities or operations; or
- (v) the protection, reclamation, remediation or restoration of the Environment;

that relate to or arise by virtue of the Assets or the ownership thereof or any past, present or future operations and activities conducted in connection with the Assets;

- (bb) "**Excluded Assets**" has the meaning set forth in Section 2.7;
- (cc) "**Expense Reimbursement Amount**" means the aggregate amount of all reasonable and documents out of pocket costs, expenses and fees incurred by the Purchaser or any Affiliate of the Purchaser (including, for the avoidance of doubt, such costs, expenses and fees incurred by Whitebark Energy Ltd. and its Affiliates) in connection with evaluating, negotiating, documents and performing the transactions contemplated by this Agreement, including fees, costs and expenses of any professionals (including financial advisors, outside legal counsel, accounts, experts and consultants) retained by or on behalf of the Purchasers or any Affiliate of the Purchaser (including, for the avoidance of doubt, Whitebark Energy Ltd. and its Affiliates) in connection with or related to the authorization, preparation, investigation, negotiation, execution and performance of this Agreement, the transactions contemplated hereby, including the NOI Proceedings and other judicial and regulatory proceedings related to such transactions, which shall be payable as set forth in Section 13.3 of this Agreement;
- (dd) "**Facilities**" means the Vendor's Interest in and to those facilities and pipelines identified in Part 2 of Schedule A;
- (ee) "**Final Order**" means an order of the Court that has not been vacated, stayed, set aside, amended, reversed, annulled or modified, as to which no appeal or application for leave to appeal therefrom has been filed and the applicable appeal period with respect thereto shall have expired without the filing of any appeal or application for leave to appeal, or if any appeal(s) or application(s) for leave to appeal therefrom have been filed, any (and all) such appeal(s) or application(s) have been dismissed, quashed, determined, withdrawn or disposed of with no further right of appeal and all opportunities for rehearing, reargument, petition for certiorari and appeal being exhausted or having expired without any appeal, motion or petition having been filed and remaining pending, any requests for rehearing have been denied, and no order having been entered and remaining pending staying, enjoining, setting aside, annulling, reversing, remanding, or superseding the same, and all conditions to effectiveness prescribed therein or otherwise by Applicable Law or order having been satisfied;
- (ff) "**General Conveyance, Assignment and Assumption Agreement**" means an agreement providing for the assignment by the Vendor of the Vendor's Interest in and to the Assets, free and clear of all Encumbrances (other than Permitted Encumbrances), substantially in

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the form attached hereto as Schedule C, and the assumption by the Purchaser of the Assumed Liabilities, substantially in the form attached hereto as Schedule C;

- (gg) "**Governmental Authority**" means any domestic or foreign government, whether federal, provincial, state, territorial or municipal; and any governmental agency, ministry, department, tribunal, commission, bureau, board, court (including the Court) or other instrumentality exercising or purporting to exercise legislative, judicial, regulatory or administrative functions of, or pertaining to, government, having jurisdiction over a Party, the Assets or this Transaction, including for greater certainty the AER;
- (hh) "**GST**" means taxes, interest, penalties and other additions thereto imposed under Part IX of the *Excise Tax Act* (Canada) and the regulations made thereunder; and "**GST Legislation**" means such act and regulations collectively;
- (ii) "**Hazardous Substances**" means any substance, material or waste defined, regulated, listed or prohibited by Environmental Laws, including pollutants, contaminants, chemicals, deleterious substances, dangerous goods, hazardous or industrial toxic wastes or substances, radioactive materials, flammable substances, explosives, polychlorinated biphenyls, chlorinated solvents and asbestos;
- (jj) "**Interim Financing Term Sheet**" means the term sheet to be entered into between the Vendor and Whitebark Energy Ltd., or such other lender as may be agreed to by the Vendor and Whitebark Energy Ltd., which the Vendor will seek to have approved by order of the Court;
- (kk) "**Lands**" means the lands set out and described in Part 1 of Schedule A, and the Petroleum Substances within, upon or under such lands (subject to the restrictions and exclusions identified in the Title Documents as to Petroleum Substances and geological formations), but excluding the Excluded Assets;
- (ll) "**Leased Substances**" means all Petroleum Substances, rights to or in respect of which are granted, reserved or otherwise conferred by or under the Title Documents (but only to the extent that the Title Documents pertain to the Lands);
- (mm) "**Legal Proceeding**" means any litigation, action, suit, investigation, hearing, claim, complaint, grievance, arbitration proceeding or other proceeding and includes any appeal or review or retrial of any of the foregoing and any application for same;
- (nn) "**Licence Transfers**" means the transfer from the Vendor to the Purchaser of any permits, approvals, licences and authorizations granted by the AER or any other Governmental Authority in relation to the construction, installation, ownership, use or operation of the Wells or the Facilities, as applicable;
- (oo) "**LTAs**" has the meaning set forth in Section 2.3(a);
- (pp) "**Losses and Liabilities**" means any and all assessments, charges, costs, damages, debts, expenses, fines, liabilities, losses, obligations and penalties, whether accrued or fixed, absolute or contingent, matured or unmatured or determined or determinable, including those arising under any Applicable Law, Claim by any Governmental Authority or any order, writ, judgment, injunction, decree, stipulation, determination or award entered by or with any Governmental Authority, and those arising under any contract, agreement,

arrangement, commitment or undertaking and costs and expenses of any Legal Proceeding, assessment, judgment, settlement or compromise relating thereto, and all interest, fines and penalties and reasonable legal fees and expenses incurred in connection therewith (on a full indemnity basis);

- (qq) "**Miscellaneous Interests**" means, subject to any and all limitations and exclusions provided for in this definition, the Vendor's Interest in and to all property, assets, interests and rights pertaining to the Petroleum and Natural Gas Rights and the Tangibles (other than the Petroleum and Natural Gas Rights and the Tangibles), or either of them, but only to the extent that such property, assets, interests and rights pertain to the Petroleum and Natural Gas Rights and the Tangibles, or either of them, including any and all of the following:
- (i) all contracts relating to the Petroleum and Natural Gas Rights and the Tangibles, or either of them (including the Title Documents);
  - (ii) all warranties, guarantees and similar rights relating to the Petroleum and Natural Gas Rights and the Tangibles, or either of them, including warranties and guarantees made by suppliers, manufacturers and contractors under the Assets, and claims against other Third Parties in connection with the contracts relating to the Petroleum and Natural Gas Rights and the Tangibles;
  - (iii) all subsisting rights to carry out operations relating to the Lands, the Tangibles or the Wells, and without limitation, all easements and other permits, licenses and authorizations pertaining to the Tangibles or the Wells;
  - (iv) rights to enter upon, use, occupy and enjoy the surface of any lands which are used or may be used to gain access to or otherwise use the Petroleum and Natural Gas Rights and the Tangibles, or either of them;
  - (v) all records, books, documents, licences, reports and data which relate to the Petroleum and Natural Gas Rights and the Tangibles, or either of them including any of the foregoing that pertain to geological or geophysical matters and, including plats, surveys, maps, cross-sections, production records, electric logs, cuttings, cores, core data, pressure data, decline and production curves, well files, and related matters, division of interest records, lease files, title opinions, abstracts of title, title curative documents, lease operating statements and all other accounting information, marketing reports, statements, gas balancing information, and all other documents relating to customers, sales information, supplier lists, records, literature and correspondence, physical maps, geologic or geophysical interpretation, electronic and physical project files; and
  - (vi) the Wells, including the wellbores and any and all casing and down-hole monitoring and pumping equipment;

but excluding the Excluded Assets and provided that unless otherwise agreed in writing by the Parties, the Miscellaneous Interests shall not include any documents or data to the extent that they are owned or licensed by Third Parties with restrictions on their deliverability or disclosure by the Vendor to an assignee;

- (rr) **"NOI Proceedings"** means the proceedings commenced by the Vendor under Division I of Part III of the BIA on January 13, 2021, by lodging a Notice of Intention to Make a Proposal under Section 50.4 of the BIA;
- (ss) **"Notice Period"** has the meaning ascribed to that term in Section 8.2(b);
- (tt) **"Order"** means any order, writ, judgment, injunction, decree, stipulation, determination, decision, verdict, ruling, subpoena, or award entered by or with any Governmental Authority (whether temporary, preliminary, or permanent);
- (uu) **"Outside Date"** means June 11, 2021 or such other date as the Parties may agree;
- (vv) **"Outstanding ROFR Assets"** has the meaning set forth in Section 10.3(e)(ii);
- (ww) **"Outstanding ROFRs"** has the meaning set forth in Section 10.3(e);
- (xx) **"Parties"** means, collectively, the Purchaser and the Vendor, and **"Party"** means any one of them;
- (yy) **"Permitted Encumbrances"** means:
  - (i) all encumbrances, overriding and any other royalties, net profits interests and other burdens identified in the Title Documents or in Schedule A;
  - (ii) the terms and conditions of the Assumed Contracts and the Title Documents, including ROFRs, the requirement to pay any rentals or royalties to the grantor thereof to maintain the Title Documents in good standing and any royalty or other burden reserved to the grantor thereof or any gross royalty trusts applicable to the grantor's interest in any of the Title Documents;
  - (iii) the right reserved to or vested in any grantor, Governmental Authority or other public authority by the terms of any Title Document or by Applicable Laws to terminate any Title Document;
  - (iv) easements, rights of way, servitudes or other similar rights in land, including rights of way and servitudes for highways, railways, sewers, drains, gas and oil pipelines, gas and water mains, electric light, power, telephone or cable television conduits, poles, wires or cables;
  - (v) all Applicable Laws, and all rights of general application reserved to or vested in any Governmental Authority to regulate or control the ownership, use or operation of the Assets in any manner, including (A) requirements and limitations as to production rates or operations or otherwise affecting recoverability of Petroleum Substances, or (B) to levy taxes on Petroleum Substances or any of them or the income therefrom;
  - (vi) any obligations to Third Parties for any thirteenth month adjustments or for payments due as a result of any audits conducted by operators or Third Parties;
  - (vii) Taxes on Petroleum Substances or the income or revenue from the Petroleum Substances and requirements imposed by Applicable Law or Governmental

- Authorities concerning rates of production from the Wells or from operations on any of the Lands, or otherwise affecting recoverability of Petroleum Substances from the Lands, which Taxes or requirements are generally applicable to the oil and gas industry in the jurisdiction in which the Assets are located;
- (viii) agreements for the sale, processing, transmission or transportation of Petroleum Substances, which are terminable on not more than thirty (30) days' notice (without an early termination penalty or other like cost);
  - (ix) any obligation of the Vendor to hold any portion of their interest in and to any of the Assets in trust for Third Parties;
  - (x) the right reserved to or vested in any Governmental Authority to control or regulate any of the Assets in any manner, including any directives or notices received from any Governmental Authority pertaining to the Assets;
  - (xi) undetermined or inchoate liens incurred or created as security in favour of any Person with respect to the development or operation of any of the Assets, as regards the Vendor's share of the costs and expenses thereof which are not due or delinquent as of the date hereof;
  - (xii) the reservations, limitations, provisos and conditions in any grants or transfers from the Crown of any of the Lands or interests therein, and statutory exceptions to title;
  - (xiii) agreements and plans relating to pooling or unitization of any of the Petroleum and Natural Gas Rights;
  - (xiv) agreements respecting the operation of Wells or Facilities by contract field operators;
  - (xv) provisions for penalties and forfeitures under Title Documents as a consequence of non-participation in operations; and
  - (xvi) liens granted in the ordinary course of business to a public utility, municipality or Governmental Authority with respect to operations pertaining to any of the Assets as regards the Vendor's share of amounts owing to such public utility, municipality or Governmental Authority which are not due or delinquent as of the date hereof;
- (zz) **"Person"** means any individual, corporation, limited or unlimited liability company, joint venture, partnership (limited or general), trust, trustee, executory, Governmental Authority, or other entity however designated or instituted;
- (aaa) **"Petroleum and Natural Gas Rights"** means the Vendor's Interest in and to all rights to and in respect of the Leased Substances and the Title Documents (but only to the extent that the Title Documents pertain to the Lands), but excluding the Excluded Assets;
- (bbb) **"Petroleum Substances"** means any of crude oil, petroleum, natural gas, natural gas liquids, coal bed methane and any and all other substances related to any of the foregoing, whether liquid, solid or gaseous, and whether hydrocarbons or not, including sulphur;

- (ccc) "**Prime Rate**" means an annual rate of interest equal to the annual rate of interest announced from time to time by the main branch of the Royal Bank of Canada in Calgary, Alberta, as a reference rate then in effect for determining interest rates on Canadian dollar commercial loans provided that such rate shall be determined on the last day of each month and applied to the next succeeding month;
- (ddd) "**Proposal Trustee**" means Deloitte Restructuring Inc. in its capacity as the proposal trustee in the NOI Proceedings;
- (eee) "**Purchase Price**" has the meaning ascribed to that term in Section 3.1;
- (fff) "**Purchaser**" has the meaning ascribed to that term in the preamble hereto;
- (ggg) "**Representative**" means, in respect of a Person, each director, officer, employee, agent, legal counsel, accountant, consultant, contractor, professional advisor and other representative of such Person and its Affiliates;
- (hhh) "**Restructuring Proceedings**" means the NOI Proceedings or any successor proceedings thereto;
- (iii) "**ROFR**" means a right of first refusal, right of first offer or other pre-emptive or preferential right of purchase or similar right to acquire the Assets or certain of them that may become operative by virtue of this Agreement or the completion of the Transaction;
- (jjj) "**Sale Order**" means an order of the Court in the Restructuring Proceedings upon the conclusion of the SISP approving the Transaction in accordance with the provisions of this Agreement, and vesting all of the Vendor's Interest in and to the Assets in the Purchaser free and clear of all Claims, Encumbrances (other than Permitted Encumbrances) and interests, such order to be substantially in the form attached hereto as Schedule B together with such modifications and amendments to such form as may be approved by both the Vendor and the Purchaser, acting reasonably;
- (kkk) "**SISP**" means the Vendor's sale and investment solicitation process, which the Vendor will seek to have approved by the Court by way of an application returnable February 12, 2021 (as may be adjourned, rescheduled, or continued by order of the Court);
- (lll) "**SISP Approval**" means an order of the Court in the Restructuring Proceedings approving the SISP and the execution and delivery of this Agreement;
- (mmm) "**Specific Conveyances**" means all conveyances, assignments, transfers, novations and other documents or instruments that are reasonably required or desirable to convey, assign and transfer the Vendor's Interest in and to the Assets to the Purchaser and to novate the Purchaser in the place and stead of the Vendor, with respect to the Assets (excluding the Licence Transfers);
- (nnn) "**Superior Offer**" has the meaning given to it in the SISP;
- (ooo) "**Tangibles**" means the Vendor's Interest in and to the Facilities and any and all other tangible depreciable property and assets, if any, which are located within, upon or in the vicinity of the Lands and which are used or are intended to be used to produce, process,

gather, treat, measure, store, transport, make marketable or inject the Leased Substances or any of them, but excluding the Excluded Assets;

- (ppp) **"Tax"** means all taxes, assessments, charges, dues, duties, rates, fees, imposts, levies and similar charges of any kind lawfully levied, assessed or imposed by any Governmental Authority under any applicable federal, provincial, territorial, municipal and local, foreign, or other statutes, ordinances or regulations imposing a tax, including income, capital, capital gains, goods and services, sales, use, consumption, excise, value added (including GST and any Harmonized Sales Tax), business, real property, personal property, transfer, franchise, withholding, payroll, or employer health taxes, Canada Pension Plan contributions, employment insurance premiums, and provincial workers' compensation payments, levy, assessment, whether computed on a separate, combined, unitary, or consolidated basis or any other manner, including any interest, penalties and fines associated therewith;
- (qqq) **"Third Party"** means any Person who is not a Party or an Affiliate of a Party;
- (rrr) **"Third Party Claim"** means any Claim by a Third Party asserted against the Vendor for which the Purchaser has indemnified the Vendor or is otherwise responsible pursuant to this Agreement;
- (sss) **"Title Documents"** means, collectively, any and all certificates of title, leases, reservations, permits, licences, assignments, trust declarations, operating agreements, royalty agreements, gross overriding royalty agreements, participation agreements, farm-in agreements, sale and purchase agreements, pooling agreements, acreage contribution agreements, joint venture agreements and any other documents and agreements granting, reserving or otherwise conferring rights to (i) explore for, drill for, produce, take, use or market Petroleum Substances, (ii) share in the production of Petroleum Substances, (iii) share in the proceeds from, or measured or calculated by reference to the value or quantity of, Petroleum Substances which are produced, and (iv) rights to acquire any of the rights described in items (i) to (iii) of this definition; but only if the foregoing pertain in whole or in part to Petroleum Substances within, upon or under the Lands;
- (ttt) **"Transaction"** means the transaction for the purchase and sale of the Vendor's Interest in and to the Assets, together with all other transactions contemplated in this Agreement, all as contemplated in this Agreement;
- (uuu) **"Transfer Taxes"** means all transfer taxes, sales taxes, use taxes, production taxes, value-added taxes, goods and services taxes, land transfer taxes, registration and recording fees, and any other similar or like taxes and charges imposed by a Governmental Authority in connection with the sale, transfer or registration of the transfer of the Assets, including GST; and which, for certainty, shall not include freehold mineral taxes;
- (vvv) **"Vendor"** has the meaning ascribed to that term in the preamble hereto;
- (www) **"Vendor's Interest"** means, when used in relation to any asset, undertaking or property, the entire right, title and interest, if any, of the Vendor in, to and/or under such asset, undertaking or property;

- (xxx) **"Vendor's Solicitors"** means George Lepine Professional Corporation, or such other firm or firms of solicitors as are retained or engaged by the Vendor from time to time and notice of which is provided to the Purchaser; and
- (yyy) **"Wells"** means all wells located on the Lands, including all producing, shut in, abandoned, suspended, capped, water source, service, observation, delineation; injection and disposal wells, and Includes, but is not limited to, the Vendor's Interest in and to the wells listed 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) All references to monetary amounts are to the lawful currency of Canada.
- (b) Words importing the singular include the plural and vice versa, and words importing gender include the masculine, feminine and neuter genders.
- (c) The word "include" and "including" and derivatives thereof shall be read as if followed by the phrase "without limitation".
- (d) The words "hereto", "herein", "hereof", "hereby", "hereunder" and similar expressions refer to this Agreement and not to any particular provision of this Agreement.
- (e) The headings contained in this Agreement are for convenience of reference only, and shall not affect the meaning or interpretation hereof.
- (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) 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.
- (i) This Agreement has been negotiated by each Party with the benefit of legal representation, and any rule of construction to the effect that any ambiguities are to be resolved against the drafting Party does not apply to the construction or interpretation of this Agreement.
- (j) Reference to an agreement, instrument or other document means such agreement, instrument or other document as amended, supplemented and modified from time to time to the extent permitted by the provisions thereof.
- (k) References to an Applicable Law means such Applicable Law as amended from time to time and includes any successor Applicable Law thereto any regulations promulgated thereunder.

### 1.3 Schedules

The following are the Schedules attached to and incorporated in this Agreement by reference and deemed to be a part hereof:

Schedule A	Assets Listing Part 1 – Lands Part 2 – Wells, Facilities and Pipelines
Schedule B	Form of Sale Order
Schedule C	Form of General Conveyance
Schedule D	Form of Bring-Down Certificate
Schedule E	Excluded Assets

### 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.

## ARTICLE 2 PURCHASE AND SALE

### 2.1 Agreement of Purchase and Sale

Subject to the terms and conditions of this Agreement, and in consideration of the Purchase Price, the Vendor hereby agrees to sell, assign and transfer to the Purchaser, and the Purchaser agrees to purchase, accept and receive from the Vendor, the Vendor's Interest in and to the Assets.

### 2.2 Transfer of Property and Assumption of Liabilities

Provided that Closing occurs and subject to the terms and conditions of this Agreement, possession, risk, and legal and beneficial ownership of the Assets shall transfer from the Vendor to the Purchaser on the Closing Date, and the Purchaser agrees to assume, discharge, perform and fulfil all Assumed Liabilities. Without limiting the provisions of this Agreement relating to the General Conveyance, Assignment and Assumption Agreement (and such agreement itself), or any other provisions of this Agreement relating to sale, transfer, assignment, conveyance or delivery, the Assets shall be sold, assigned, transferred, conveyed, and delivered by the Vendor to the Purchaser by way of the Licence Transfers, the Specific Conveyances and other appropriate instruments of transfer, bills of sale, endorsements, assignments, and deeds, in recordable form, or by way of an Order of the Court, as appropriate, and free and clear of any and all Encumbrances of any and every kind, nature, and description, other than Permitted Encumbrances, as applicable.

### 2.3 AER License Transfers

- (a) Promptly following the Closing Date, the Vendor shall electronically submit applications to the AER for the Licence Transfers ("LTAs"), and, in each case, will provide a screen shot or other evidence indicating such submission to the Purchaser, and in addition the Vendor shall provide any information and documentation along with such LTAs to the AER which are required to be provided by the transferor in connection with the foregoing. The Purchaser shall accept or ratify such LTAs without delay, provided that, if the Purchaser in good faith determines or believes that any of the LTAs are not complete and

accurate, or the AER refuses to process any such LTAs because of some defect therein, the Parties shall cooperate to duly complete or to correct such incomplete or inaccurate LTAs as soon as practicable and, thereafter, the Vendor shall promptly re-submit such LTAs and the Purchaser shall accept or ratify such re-submitted LTAs without delay. All costs relating to LTAs hereunder, including any corrections and re-submissions thereof, shall be paid by the Vendor. The Purchaser shall provide any information and documentation in respect of such LTAs to the AER which are required to be provided by the transferee in connection with the foregoing.

- (b) If the AER denies any of the LTAs because of misdescription or other minor deficiencies contained therein, the Vendor shall, within two Business Days of such denial, correct the LTA(s) and amend and re-submit the LTA(s), and the Purchaser shall accept or ratify such re-submitted LTAs without delay.
- (c) If, for any reason, a Governmental Authority requires the Purchaser or its Affiliate or nominee to make a deposit or furnish any other form of security in order to approve any Licence Transfers, the Purchaser shall promptly make such deposit or furnish such other form of security as required.
- (d) If the Purchaser fails to make a deposit or furnish security it is required to make or furnish under Section 2.3(c) within 10 days of the Purchaser's receipt of notification from the applicable Governmental Authority, or any Vendor, that such deposit or security is required, the Vendors shall have the right to make such deposit or furnish such security. In such event, the Purchaser shall (as applicable) reimburse the amount of such deposit or the costs of such security to the Vendors plus interest thereon at the Prime Rate plus three percent (3%) from the date such deposit or security is made or furnished by the Vendors until such reimbursement is made and, in the case of security, cause the security to be returned to the Vendors as soon as possible and indemnify the Vendors for the amount and costs of any draws on the security plus interest thereon at the Prime Rate from the date such draw is made until such indemnification is made. In addition to all other rights to enforce such reimbursement otherwise available to the Vendors, it shall have the right to set-off the amount of such reimbursement or indemnification (including interest) against other monies due to the Purchaser pursuant to this Agreement.
- (e) The Purchaser shall on a timely and continuing basis keep the Vendor fully apprised and informed regarding all communications the Purchaser may have with the AER in connection with the Transaction, including all communications respecting LTAs, and without limiting the generality of the foregoing the Purchaser shall provide copies to the Vendor of all related correspondence from the Purchaser to the AER, and the Purchaser shall request that the AER provide copies to the Vendor of all related correspondence from the AER to the Purchaser.

#### 2.4 Specific Conveyances

- (a) The Parties shall cooperate in the preparation of the Specific Conveyances. A reasonable time following its receipt of the Title Documents from Vendor, Purchaser shall prepare and provide for the Vendor's review all Specific Conveyances. None of the Specific Conveyances shall confer or impose upon either Party any greater right or obligation than as contemplated in this Agreement. Vendor shall execute the Specific Conveyances and deliver them to Purchaser no later than 5 days following their delivery to Vendor. The Purchaser shall register and/or distribute (as applicable), all such Specific Conveyances

and shall bear all costs incurred therewith and in preparing and registering any further assurances required to convey the Assets to the Purchaser.

- (b) As soon as practicable following Closing, the Vendor shall deliver or cause to be delivered to the Purchaser such original copies of the Title Documents and any other agreements and documents to which the Assets are subject and such original copies of contracts, agreements, records, books, documents, licenses, reports and data comprising Miscellaneous Interests which are now in the possession or control of the Vendor or of which the Vendor gains possession or control prior to Closing.
- (c) Notwithstanding Sections 2.4(a) and 2.4(b), requests for the transfers from the Vendor to the Purchaser of registered Crown leases or licences, related surface rights and any other Title Documents which are administered by the Alberta Government, shall be submitted by the Vendor and accepted by the Purchaser as soon as is practicable after Closing.

## 2.5 Post-Closing Maintenance of Assets

- (a) Following Closing, if and to the extent that Purchaser must be novated into, recognized as a party to, or otherwise accepted as assignee or transferee of Vendor's interest in the Assets or certain of them, including any Title Documents and Assumed Contracts, the following provisions shall apply with respect to the applicable Assets until such novation, recognition or acceptance has occurred:
  - (i) each of the Parties shall use reasonable commercial efforts to obtain, as may be required by the terms of any Assumed Contracts, consents or approvals to the assignment of such Assumed Contracts; provided that to the extent that any Cure Costs are payable with respect to any Assumed Contract, the Purchaser shall be responsible for and shall pay all such Cure Costs, which shall be paid directly to the counterparty as and when required in conjunction with the assignment of the Assumed Contracts, and which Cure Costs shall form part of the Purchase Price for the Assets;
  - (ii) each of the Parties shall use reasonable commercial efforts to obtain the AER's approval of the LTAs and registration of the License Transfers;
  - (iii) the Vendor shall hold the rights, entitlements, benefits, remedies, duties and obligations in respect of the applicable Assets in trust for the exclusive benefit of the Purchaser as bare trustee and agent;
  - (iv) the Vendor will, at the request and expense and under the direction of the Purchaser, in the name of the Vendor or otherwise as the Purchaser shall reasonably specify, take all such reasonable actions and do all such reasonable things as shall, in the reasonable opinion of the Purchaser, be necessary or desirable in order that the rights, entitlements, benefits, remedies, duties and obligations of the Vendor in respect of any applicable Assets may be enjoyed, received or performed, as the case may be, in accordance with the terms of the Title Documents and Assumed Contracts, including that all monies receivable under any Title Documents and Assumed Contracts may be received by the Purchaser and that all rights and licenses under any Title Documents and Assumed Contracts may be exercised by the Purchaser;

- (v) the Vendor shall, no later than 30 days after receipt of funds, pay over to the Purchaser all such monies collected by the Vendor in respect of the Assets following the Closing Date, net of any unpaid related costs or expenses (including any taxes that are payable in respect of the receipt of such amounts);
  - (vi) to the extent permitted by any applicable Assumed Contract:
    - (A) the Purchaser will pay, perform and discharge the duties and obligations accruing after Closing under such Assumed Contract, on behalf of the Vendor, until such time as the effective transfer or assignment of the relevant Assumed Contract to the Purchaser; and
    - (B) the Vendor shall use reasonable commercial efforts to exercise the rights, entitlements, benefits and remedies under such Assumed Contract, on behalf of the Purchaser until such time as the effective transfer or assignment of the relevant Assumed Contract to the Purchaser, or such Assumed Contract expires or otherwise terminates;
  - (vii) the Vendor shall not have any liability as a consequence of the Vendor taking any action or causing anything to be done under this Section 2.5(a), and the Purchaser shall be responsible and liable for, and, as a separate covenant, shall hereby indemnify and save harmless the Vendor, its Affiliates and their respective Representatives against, all costs and expenses reasonably incurred by the Vendor, its Affiliates or their respective Representatives as a consequence of or in connection with this Section 2.5(a); and
  - (viii) the Vendor shall maintain its existence, and continue to be licensed, registered or otherwise qualified and authorized to conduct its affairs and carry on business as is necessary to fulfill its obligations as set out in this Section 2.5(a) until the later of: (i) the earlier of the expiry or assignment to the Purchaser of the last applicable Assumed Contract, and (ii) the AER having approved the LTAs and registered the License Transfers; *provided, however*, that the obligations of the Vendor under this Section 2.5(a) shall expire and terminate and cease to be in effect on the date that is 90 days following Closing, which time period shall be automatically extended for so long as is required until the AER confirms in writing its decision to approve or reject the last of the LTAs.
- (b) Both before and after Closing, each of the Parties shall use all commercially reasonable efforts to obtain any and all approvals required under Applicable Law and any and all material consents of Third Parties required to permit this Transaction to be completed. The Parties acknowledge that the acquisition of such consents shall not be a condition precedent to Closing. It shall be the sole obligation of the Purchaser, at the Purchaser's sole cost and expense, to provide any and all Cure Costs, financial assurances, deposits or security that may be required by Governmental Authorities or any Third Parties under the Assumed Contracts or Applicable Laws to permit the transfer of the Assets, including the Assumed Contracts, to the Purchaser.

## 2.6 Assumed Liabilities

Following Closing, the Purchaser shall assume, perform, discharge and pay when due all of the Assumed Liabilities. For greater certainty, the Purchaser acknowledges and agrees that the Environmental

Liabilities and Abandonment and Reclamation Obligations in respect of the Assets are future costs and obligations associated with the ownership of the Assets that are tied and connected to the ownership of the Assets such that they are inextricably linked and embedded with the Assets.

## 2.7 Excluded Assets

Nothing contained herein or in any agreements, instruments, or other documents to be delivered at the Closing shall be deemed to sell, transfer, assign, convey or deliver the Excluded Assets to the Purchaser or any Affiliate of the Purchaser, and the Vendor shall retain all right, title, and interest to, in, and under the Excluded Assets, and neither the Purchaser nor any Affiliate of the Purchaser shall have any liability therefor. "**Excluded Assets**" shall mean the Vendor's Interest in any and all assets (whether tangible or intangible), properties, contracts or rights of the Vendor which are not specifically included in the Assets including, for greater certainty, the following assets (whether tangible or intangible), properties and rights of the Vendor, as applicable:

- (a) any Accounts Receivable and any Cash and Cash Equivalents; and
- (b) any assets listed in Schedule E.

To the extent any Title Documents or Assumed Contracts apply to both Assets and Excluded Assets, such Title Document or Assumed Contract, as applicable, shall be assigned and transferred to Purchaser and Purchaser shall, following such assignment and transfer, hold the Title Document or Assumed Contract, as applicable, as bare trustee of Vendor (or its assignee) to the extent applicable to any Excluded Assets.

## ARTICLE 3 PURCHASE PRICE

### 3.1 Purchase Price

The consideration payable by the Purchaser for the Assets shall be the sum of:

- (i) cash in the amount of the Cure Costs; plus,
- (ii) cash in the amount of any amounts owing on the Administrative Charge at the time of closing; plus,
- (iii) the delivery by the Purchaser of an irrevocable direction from Whitebark Energy Ltd. to the Vendor and the Proposal Trustee providing that any dividends or similar distributions that Whitebark Energy Ltd. is entitled to receive in any Restructuring Proceedings involving the Vendor be distributed for the benefit of all of the Vendor's unsecured creditors other than Whitebark Energy Ltd.; plus,
- (iv) the amount of \$336,000 (THREE HUNDRED AND THIRTY SIX THOUSAND DOLLARS), net of any cash amounts paid to satisfy the Cure Costs and Administrative Charge,

(collectively, the "**Purchase Price**").

The Purchase Price is exclusive of all applicable Transfer Taxes, which shall be the responsibility of the Purchaser in accordance with Section 4.1. The Purchase Price shall be satisfied in accordance with Sections 2.5(a)(i) and 3.3(b), and shall not be subject to any adjustment. The Purchaser and

the Vendor acknowledge and agree that the Purchase Price reflects the fair market value of the Assets as of the Closing Date, having due regard to the Environmental Liabilities connected to and embedded in the Assets that depress the value of the Assets.

### 3.2 Allocation of Purchase Price

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

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

### 3.3 Deposit and Satisfaction of Purchase Price

- (a) The Parties acknowledge that:
  - (i) within seven (7) days of the date hereof, or such later date as the Proposal Trustee, the Vendor, and the Purchaser may agree in writing, the Purchaser will pay \$33,600 (the "**Deposit**") to the Proposal Trustee;
  - (ii) the Deposit shall be held in trust by the Vendor; and
  - (iii) the Deposit shall be held and administered by the Vendor in accordance with the terms and conditions of this Agreement (including this Section 3.3).
- (b) At Closing, the Purchase Price (other than Cure Costs, which are payable in accordance with Section 2.5(a)(i)) shall be paid and satisfied as follows:
  - (i) as to the amount of the Deposit, the Vendor shall retain the amount of the Deposit and apply such amount against the amount of the Purchase Price;
  - (ii) the delivery by the Purchaser of an irrevocable direction from Whitebark Energy Ltd. to the Vendor and the Proposal Trustee providing that any dividends or similar distributions that Whitebark Energy Ltd. is entitled to receive in any Restructuring Proceedings involving the Vendor be distributed for the benefit of all of the Vendor's unsecured creditors other than Whitebark Energy Ltd.; and
  - (iii) as to the balance of the cash portion of the Purchase Price (other than Cure Costs, which are payable in accordance with Section 2.5(a)(i)), along with any additional amounts owing in respect of applicable GST, the Purchaser shall pay to the Vendor such amount by electronic wire transfer.
- (c) If this Agreement is terminated:
  - (i) (A) pursuant to Section 13.1(a) by mutual agreement of the Parties; or (B) pursuant to Sections 13.1(b) or 13.1(c) by the Purchaser; then the Deposit shall be returned to the Purchaser; or
  - (ii) for any reason other than as contemplated in Section 3.3(c)(i), the full amount of the Deposit shall be forfeited to the Vendor;

and, subject to Section 13.4, each Party shall be released from all obligations and liabilities under or in connection with this Agreement. In the event of termination of this Agreement under Section 3.3(c)(ii) pursuant to which the Vendor shall be entitled to retain the Deposit, the Parties agree that the amount of the Deposit, constitutes a genuine pre-estimate of liquidated damages representing the Vendor's Losses and Liabilities as a result of Closing not occurring and agree that the Vendor shall not be entitled to recover from the Purchaser any amounts that are in excess of the Deposit as a result of Closing not occurring. The Purchaser hereby waives any claim or defence that the amount of the Deposit is a penalty or is otherwise not a genuine pre-estimate of the Vendor's damages.

#### **ARTICLE 4 TRANSFER TAXES**

##### **4.1 Transfer Taxes**

The Parties agree that:

- (a) the Purchase Price does not include Transfer Taxes and the Purchaser shall be liable for and shall pay, and be solely responsible for, any and all Transfer Taxes pertaining to the Purchaser's acquisition of the Assets, which amounts shall either be paid to the Vendor on Closing or the Purchaser shall otherwise provide the Vendor with evidence of self-assessment and payment of such amounts to the relevant Governmental Authorities on or prior to Closing; and
- (b) the Purchaser shall indemnify the Vendor and its Affiliates for, from and against any Transfer Taxes (including any interest or penalties imposed by a Governmental Authority) that any of them are required to pay or for which any of them may become liable as a result of any failure by the Purchaser to self-assess, pay or remit such Transfer Taxes, other than as a result of a failure by the Vendor or its Affiliates to timely remit any amounts on account of Transfer Taxes paid by the Purchaser hereunder.

#### **ARTICLE 5 REPRESENTATIONS AND WARRANTIES**

##### **5.1 Vendor's Representations**

The Vendor hereby represents and warrants to the Purchaser that:

- (a) it is a corporation duly incorporated and validly subsisting under the laws of the jurisdiction of its incorporation or formation and has the requisite power and authority to enter into this Agreement and to complete the Transaction;
- (b) except for: (i) the Court Approval and the SISP Approval; and (ii) the Licence Transfers; and (iii) any consents, approvals or waivers that are required in connection with the assignment of an Assumed Contract; the execution, delivery and performance of this Agreement by it does not and will not require any consent, approval, authorization or other order of, action by, filing with or notification to, any Governmental Authority, except where failure to obtain such consent, approval, authorization or action, or to make such filing or notification, would not prevent or materially delay the consummation by the Vendor of the Transaction;



- (c) it is not a non-resident of Canada within the meaning of such term under the *Income Tax Act* (Canada) and is not an agent or trustee for anyone with an interest in the Assets who is a non-resident of Canada within the meaning of such term under the *Income Tax Act* (Canada) (or a partnership that is not a "Canadian partnership" within the meaning of such term under the *Income Tax Act* (Canada));
- (d) subject to the Court Approval and the SISP Approval being obtained, this Agreement has been duly executed and delivered and constitutes a legal, valid and binding obligation of it and is enforceable against it in accordance with its terms, except as enforceability may be limited by applicable bankruptcy, insolvency, reorganization or similar Applicable Laws relating to creditors' rights generally and subject to general principles of equity; and
- (e) with respect to the GST imposed under the GST Legislation, the Vendor is registered under the GST Legislation and will continue to be registered at the Closing Date in accordance with the provisions of the GST Legislation and its GST registration number is 71255 2520 RT0001.

## 5.2 Purchaser's Representations

The Purchaser hereby represents and warrants to the Vendor that:

- (a) it is a corporation duly incorporated and validly subsisting under the laws of the jurisdiction of its incorporation or formation and has the requisite power and authority to enter into this Agreement and to complete the Transaction;
- (b) it has taken all necessary corporate or other acts to authorize the execution, delivery and performance by it of this Agreement;
- (c) neither the execution of this Agreement nor its performance by the Purchaser will result in a breach of any term or provision or constitute a default under any indenture, mortgage, deed of trust or any other agreement to which the Purchaser is a party or by which it is bound which breach could materially affect the ability of the Purchaser to perform its obligations hereunder;
- (d) except for: (i) the Court Approval and the SISP Approval; and (ii) the Licence Transfers; and (iii) any consents, approvals or waivers that are required in connection with the assignment of an Assumed Contract; the execution, delivery and performance of this Agreement by it does not and will not require any consent, approval, authorization or other order of, action by, filing with or notification to, any Governmental Authority, except where failure to obtain such consent, approval, authorization or action, or to make such filing or notification, would not prevent or materially delay the consummation by the Purchaser of this Transaction;
- (e) subject to the Court Approval and the SISP Approval being obtained, this Agreement has been duly executed and delivered by it and constitutes a legal, valid and binding obligation of the Purchaser and is enforceable against the Purchaser in accordance with its terms, except as enforceability may be limited by applicable bankruptcy, insolvency, reorganization or similar Applicable Laws relating to creditors' rights generally and subject to general principles of equity;

- (f) the Purchaser is not a non-Canadian Person within the meaning of the *Investment Canada Act* (Canada) nor a non-resident of Canada for the purposes of the *Income Tax Act* (Canada);
- (g) the Vendor will not be liable for any brokerage commission, finder's fee or other similar payment in connection with the Transaction because of any action taken by, or agreement or understanding reached by, the Purchaser;
- (h) on the Closing Date, the Purchaser will meet all eligibility criteria and any other requirements of Governmental Authorities to purchase and accept a transfer of the Assets, including without limiting the generality of the foregoing, the eligibility criteria and requirements of the AER under its "Licensee Liability Rating" program (or any successor program) to the Purchaser as a transferee of the Assets as contemplated hereunder, and the Purchaser is not aware of any fact or circumstance that would prevent or delay the Licence Transfers from being completed as contemplated hereunder;
- (i) with respect to the GST imposed under the GST Legislation, the Purchaser is registered under the GST Legislation and will continue to be registered at the Closing Date in accordance with the provisions of the GST Legislation and that its GST registration number is 77966 8878 RT0001;
- (j) the Purchaser is a "Canadian" within the meaning of the *Investment Canada Act* (Canada);
- (k) the Purchaser will have the financial resources necessary to pay, as and when due from the Purchaser, the Purchase Price (including the Deposit and the Cure Costs), the Transfer Taxes, its legal fees and expenses, registration costs and any other amounts payable by the Purchaser pursuant hereto; and
- (l) the Purchaser has the financial resources necessary to post or satisfy all necessary security, deposits, letters of credit, guarantees or other financial assurances necessary to take possession of the Assets and to satisfy the security required by the Assumed Contracts.

### **5.3 Enforcement of Representations and Warranties**

- (a) The representations and warranties of each Party contained in this Agreement shall survive until Closing and shall thereafter be of no further force and effect. Effective upon the occurrence of Closing, each Party hereby releases and forever discharges each other Party from any breach of any representations and warranties set forth in this Agreement. For greater certainty, none of the representations and warranties contained in this Article 5 shall survive Closing and each Party's sole recourse for any material breach of representation or warranty by the other Party shall be for the non-breaching Party to not complete the Transaction in accordance with this Agreement.
- (b) The representations and warranties of the Vendor made herein or pursuant hereto are made for the exclusive benefit of the Purchaser, and the representations and warranties of the Purchaser made herein or pursuant hereto are made for the exclusive benefit of 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.
- (c) The Parties expressly acknowledge and agree that the provisions of this Section 5.3 and the limit on each Party's liability set out in this Section 5.3 are intended by the Parties as a

limitation of liability that represents a fair and equitable allocation of the risks and liabilities that each Party has agreed to assume in connection with the subject matter hereof and is not an agreement within the provision of subsection 7(2) of the *Limitations Act* (Alberta).

**ARTICLE 6**  
**"AS IS, WHERE IS" AND NO ADDITIONAL**  
**REPRESENTATIONS AND WARRANTIES**

**6.1 Due Diligence Acknowledgement**

The Purchaser acknowledges and agrees that:

- (a) it was solely responsible to perform any inspections it deemed pertinent to the purchase of the Assets and to be satisfied as to the condition of the Assets prior to entering into this Agreement with the Vendor;
- (b) notwithstanding the fact that it was permitted to review any diligence materials and disclosures provided by the Vendor, including the Data Room Information, the Vendor assumes no liability for errors or omissions in such diligence materials and disclosure or any other property listings or advertising, promotional or publicity statements and materials, and makes no representations or warranties in respect thereof;
- (c) by entering into this Agreement with the Vendor, the Purchaser shall be deemed to represent, warrant and agree with respect to the Assets that:
  - (i) the Purchaser has inspected the Assets and is familiar and satisfied with the physical condition thereof and has conducted such investigation of the Assets as the Purchaser has determined appropriate;
  - (ii) none of the Vendor, its Affiliates or its respective Representatives have made any oral or written representation, warranty, promise or guarantee whatsoever to the Purchaser, expressed or implied, and in particular, that no such representations, warranties, guarantees, or promises have been made with respect to the physical condition, operation, or any other matter or thing affecting or related to the Assets and/or the offering or sale of the Assets;
  - (iii) the Purchaser has not relied upon any representation, warranty, guarantee or promise or upon any statement made or any information provided concerning the Assets, including the Data Room Information made available to the Purchaser by the Vendor, its Affiliates or their respective Representatives;
  - (iv) the Purchaser has entered into this Agreement after having relied solely on its own independent investigation, inspection, analysis, appraisal and evaluation of the Assets and the facts and circumstances related thereto;
  - (v) any information provided or to be provided by or on behalf of the Vendor with respect to the Assets, including all Data Room Information, was obtained from information provided to the Vendor and the Vendor has not made any independent investigation or verification of such information, and makes no representations as to the accuracy or completeness of such information; and

- (vi) none of the Vendor, its Affiliates or their respective Representatives are liable or bound in any manner by any oral or written statements, representations or information pertaining to the Assets, or the operation thereof, made or furnished by any real estate broker, agent, employee, or other Person.

**6.2 "As Is, Where Is", No Additional Representations**

- (a) Without limiting any other provision of this Agreement, the Purchaser acknowledges and agrees that it is acquiring the Assets on an "as is, where is" and "without recourse" basis with all defects, both patent and latent, and with all faults, whether known or unknown, presently existing or that may hereafter arise. The Purchaser acknowledges and agrees that, except as expressly set forth in this Agreement, the Vendor, its Affiliates and their respective Representatives have not made, do not make and specifically negate and disclaim any representation, warranty, promise, covenant, agreement or guaranty of any kind or character whatsoever, whether express or implied, oral or written, past, present or future, of, as to, concerning or with respect to the Assets. For greater certainty, but without limitation, except as expressly set forth in this Agreement, none of the Vendor, its Affiliates or their respective Representatives make any condition, representation or warranty whatsoever, express or implied, with respect to:
  - (i) the title and interest of the Vendor in and to the Assets;
  - (ii) the quality, quantity or recoverability of Petroleum Substances within or under the Lands or any lands pooled or unitized therewith;
  - (iii) the income to be derived from the Assets, if any;
  - (iv) any estimates of the value of the Assets or the revenues or cash flows from future production from the Lands;
  - (v) the rates of production of Petroleum Substances from the Lands;
  - (vi) the quality, condition, marketability, profitability, fitness for a particular purpose or merchantability of any tangible depreciable equipment or property interests which comprise the Assets (including the Tangibles);
  - (vii) the suitability of the Assets for any and all purposes, activities and uses which the Purchaser may desire to conduct thereon;
  - (viii) the compliance of or by the Assets or its operation with any Applicable Law (including Environmental Laws);
  - (ix) the validity or enforceability of the Assumed Contracts or the ability to assign any of the Assumed Contracts;
  - (x) any regulatory approvals, permits and licenses, consents or authorizations that may be needed to complete the purchase of the Assets contemplated by this Agreement;
  - (xi) the manner or quality of the construction or materials, if any, incorporated into the Assets;



- (xii) the manner, quality, state of repair or lack of repair of the Assets;
  - (xiii) the existence of soil instability, past soil repairs, susceptibility to landslides, sufficiency of under-shoring, sufficiency of drainage, or any other matter affecting the stability or integrity of the Assets or any structures or improvements situated thereon;
  - (xiv) whether the Assets are located in a seismic hazards zone or a flood hazard zone;
  - (xv) the presence of pests and any damage to the Assets and/or its improvements that may have occurred as a result;
  - (xvi) the nature and quantum of the Assumed Liabilities; or
  - (xvii) any other matter with respect to the Assets.
- (b) The Purchaser acknowledges that the release and disclaimer described in this Article 6 is intended to be very broad and, except for its express rights under this Agreement, the Purchaser expressly waives and relinquishes any rights or benefits it may have under any Applicable Law designed to invalidate releases of unknown or unsuspected claims.
- (c) 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 common law, tort, contractual and statutory rights and remedies) against the Vendor, its Affiliates and their respective Representatives in respect of the Assets and any representations or statements made 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). Such waiver is absolute, unlimited, and includes, but is not limited to, waiver of express warranties, implied warranties, any warranties contained in the *Sale of Goods Act* (Alberta) (or similar applicable statutes, all as may be amended, repealed or replaced), warranties of fitness for a particular use, warranties of merchantability, warranties of occupancy, strict liability and claims of every kind and type, including claims regarding defects, whether or not discoverable or latent, product liability claims, or similar claims, and all other claims that may be later created or conceived in strict liability or as strict liability type claims and rights.

**ARTICLE 7  
RISK AND COSTS AND INSURANCE**

**7.1 Risk and Costs**

The Assets will be at the sole risk and responsibility of the Vendor until the Closing Date, and thereafter at the sole risk and responsibility of the Purchaser.

**7.2 Insurance**

Any property, liability and other insurance maintained by the Vendor in relation to the Assets shall not be transferred at Closing, but shall remain the responsibility of the Vendor until the Closing Date. The Purchaser shall be responsible for placing its own property, liability and other insurance coverage with respect to the Assets in respect of the period from and after 12:01 a.m. on the Closing Date.

**ARTICLE 8  
INDEMNIFICATION**

**8.1 Indemnification Given by Purchaser**

If Closing occurs, the Purchaser shall:

- (a) be liable to the Vendor, its Affiliates and their respective Representatives for; and
- (b) as a separate covenant, indemnify and save harmless the Vendor, its Affiliates and their respective Representatives from and against;

all Losses and Liabilities suffered, sustained, paid or incurred by the Vendor, its Affiliates and/or their respective Representatives related to or in connection with the Assumed Liabilities, including: (i) all Losses and Liabilities attributable to the ownership, operation, use, construction or maintenance of the Assets during the period following the Closing Date; (ii) all Losses and Liabilities arising or accruing on or after the Closing Date under any Assumed Contract as contemplated in Section 2.5(a)(vii), including any and all Cure Costs; and (iii) any other Losses and Liabilities for which the Purchaser has otherwise agreed to indemnify the Vendor pursuant to this Agreement, including pursuant to Section 9.2. The Purchaser's indemnity obligations set forth in this Section 8.1 shall survive the Closing Date indefinitely pursuant to Section 14.3.

**8.2 Third Party Claims**

- (a) If any of the Vendor, its Affiliates or their respective Representatives receives written notice of the commencement or assertion of any Third Party Claim for which the Purchaser is liable pursuant to this Agreement (or has otherwise agreed to indemnify the Vendor, its Affiliates or their respective Representatives against), the Vendor shall give the Purchaser reasonably prompt notice thereof, but in any event no later than ten (10) days after receipt of such notice of such Third Party Claim. Such notice to the Purchaser shall describe the Third Party Claim in reasonable detail and shall indicate, if reasonably practicable, the estimated amount (or the method of computation of the amount) of the Losses and Liabilities that has been or may be sustained by the Vendor, its Affiliates or their Representatives, respectively, and a reference to the provisions of this Agreement, or other applicable document, upon which such claim is based.
- (b) The Purchaser may assume the carriage and control of the defence of any Third Party Claim by giving notice to that effect to the Vendor, not later than ten (10) days after receiving notice of that Third Party Claim (the "**Notice Period**") so long as: (i) the Purchaser first acknowledges to the Vendor, in writing, liability to the Vendor, its Affiliates and/or their respective Representatives, under this Agreement with respect to such Third Party Claim and that the outcome of such Third Party Claim does not alter or diminish the Purchaser's obligation to indemnify the Vendor, its Affiliates and/or their respective Representatives, pursuant to this Agreement, subject to the Purchaser's right to contest in good faith the Third Party Claim; (ii) the Purchaser has the financial resources to defend against the Third Party Claim and fulfill any indemnification obligations and has provided the Vendor, its Affiliates and/or their respective Representatives, with evidence thereof; (iii) the Third Party Claim involves monetary damages; and (iv) the Purchaser thereafter pursues the defence or settlement of the Third Party Claim actively and diligently. The Purchaser's right to do so shall be subject to the rights of any insurer or other third party who has potential liability in respect of that Third Party Claim. The Purchaser shall pay all of its

own expenses of participating in or assuming such defence. In the event that the Purchaser elects to assume the carriage and control of the defence of a Third Party Claim pursuant to this Section 8.2(b), then the Vendor shall, or shall cause its Affiliates and/or their respective Representatives to, cooperate in good faith in the defence of each Third Party Claim and may participate in such defence assisted by counsel of its own choice at its own expense.

- (c) If the Vendor has not received notice within the Notice Period that the Purchaser has elected to assume the carriage and control of the defence of such Third Party Claim in accordance with Section 8.2(b), or if the Purchaser has given such notice but thereafter fails or is unable to pursue the defence or settlement of such Third Party Claim actively and diligently, the Vendor, its Affiliates and/or their respective Representatives, may, at their option, elect to settle or compromise the Third Party Claim on terms of its choosing, or assume such defence assisted by counsel of its own choosing, and the Purchaser shall be liable for all reasonable costs and expenses paid or incurred in connection therewith and any Losses and Liabilities suffered or incurred by the Vendor, its Affiliates and/or their respective Representatives with respect to such Third Party Claim.

### **8.3 Failure to Give Timely Notice**

Notwithstanding that time is of the essence, a failure to give timely notice as provided in this Article 8 shall not affect the rights or obligations of any Party except and only to the extent that, as a result of such failure, any Party which was entitled to receive such notice was deprived of its right to recover any payment under any applicable insurance coverage or was otherwise prejudiced as a result of such failure.

### **8.4 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.

### **8.5 Third Party Beneficiary**

The Vendor's Representatives and the Vendor's Affiliates, and all of their respective Representatives are intended third party beneficiaries of this Article 8 and shall have the right, power and authority to enforce the provisions hereof as though they were each a party hereto. The Purchaser further agrees to execute such agreements as may be reasonably requested by such Persons in connection with these provisions that are consistent with this Article 8 or that are reasonably necessary to give further effect thereto.

## **ARTICLE 9 ENVIRONMENTAL MATTERS**

### **9.1 Acknowledgements Regarding Environmental Condition**

The Purchaser acknowledges that, insofar as the environmental condition of the Assets is concerned, it will acquire the Assets pursuant hereto on an "as is, where is" basis. The Purchaser acknowledges that it is familiar with the condition of the Assets, including the past and present use of the Lands and the Tangibles, that the Vendor has provided the Purchaser with a reasonable opportunity to inspect the Assets at the sole cost, risk and expense of the Purchaser (insofar as the Vendor could reasonably provide such access) and that the Purchaser is not relying upon any representation or warranty of the Vendor, any of the Vendor's Affiliates, or any of their respective Representatives as to the environmental

condition of the Assets, or any Environmental Liabilities or Abandonment and Reclamation Obligations in respect thereof.

## 9.2 Assumption of Environmental Liabilities

If Closing occurs, the Purchaser shall:

- (a) be liable to the Vendor, its Affiliates and their respective Representatives for; and
- (b) as a separate covenant, indemnify and save harmless the Vendor, its Affiliates and their respective Representatives from and against;

all Losses and Liabilities suffered, sustained, paid or incurred by the Vendor, its Affiliates or their respective Representatives as a result of any matter or thing arising out of, attributable to or connected with any Environmental Liabilities or any Abandonment and Reclamation Obligations. Once Closing has occurred, the Purchaser shall be solely responsible for all Environmental Liabilities and all Abandonment and Reclamation Obligations as between the Vendor (on one hand) and the Purchaser (on the other hand) including whether occurring or accruing prior to, on or after the Closing Date, and hereby releases the Vendor, its Affiliates and their respective Representatives from any claims the Purchaser may have against the Vendor with respect to all such Environmental Liabilities and Abandonment and Reclamation Obligations. Without restricting the generality of the foregoing, the Purchaser shall be responsible for all Environmental Liabilities and Abandonment and Reclamation Obligations (including whether occurring or accruing prior to, on or after the Closing Date) in respect of all Wells and Tangibles.

## ARTICLE 10 COVENANTS

### 10.1 Court Filings

- (a) From and after the date of execution of this Agreement and until the Closing Date, the Vendor shall use commercially reasonable efforts to deliver to the Purchaser copies of all pleadings, motions, notices, statements, schedules, applications, reports and other papers that relate, in whole or in part, to this Agreement, or to the Purchaser or its Representatives, that are to be filed by the Vendor in connection with the Court Approval in advance of their filing, before the filing of such papers, and shall provide the Purchaser with a reasonable opportunity to review and comment thereon.
- (b) The Vendor shall act reasonably and in good faith in considering any comments provided by the Purchaser to such papers; *provided, however* that, subject in each case to the foregoing good faith obligations of the Vendor, the Vendor shall have no obligation to accept and incorporate the Purchaser's comments to such papers and neither the Vendor's inadvertent failure to comply with this Section 10.1, nor the Vendor's failure to comply with this Section 10.1 due to emergency circumstances, shall constitute a breach under this Agreement.

### 10.2 Conduct of Business Until Closing

- (a) Except: (A) as expressly provided in this Agreement; (B) with the prior written consent of the Purchaser (not to be unreasonably withheld, conditioned or delayed); (C) as necessary or advisable in connection with the Bankruptcy Proceedings; or (D) as otherwise provided in the Sale Order or any other order of the Court in connection with the Bankruptcy

1/11/11

Proceedings; following the date hereof and prior to Closing, to the extent reasonably practicable having regard to the Bankruptcy Proceedings, the Vendor shall use commercially reasonable efforts to:

- (i) maintain the Assets, or cause the Assets to be maintained, in accordance with good industry practice, and in material compliance with all Applicable Laws, the directions of Governmental Authorities and the terms and conditions of the Assumed Contracts;
  - (ii) pay or cause to be paid all costs and expenses relating to the Assets which become due from the date hereof to the Closing Date;
  - (iii) not sell, pledge, assign, lease, license, or cause, permit, or suffer the imposition of any Encumbrance (other than Permitted Encumbrances) on, or otherwise dispose of, any of the Assets, except in the ordinary course of normal day-to-day operations of the Assets, consistent with past practices;
  - (iv) not make any commitment or propose, initiate or authorize any capital expenditure with respect to the Assets in excess of Twenty-Five Thousand Dollars (\$25,000), except in case of an emergency; or
  - (v) not authorize or agree, in writing or otherwise, to take any of the actions in respect of the foregoing.
- (b) Until the Closing Date, the Vendor shall provide the Purchaser and its Representatives with all access to the Assets as reasonably required by the Purchaser in order to allow for and assist the Purchaser with its due diligence and an orderly passing of the Assets to the Purchaser following Closing in accordance herewith, such access including:
- (i) physical field inspection;
  - (ii) environmental review; and
  - (iii) title review and review of the terms and conditions of the Title Documents and operating documents pursuant to which the Vendor owns its interest in the Assets, and any associated material contracts.
- (c) The access to the Assets to be afforded to the Purchaser and its Representatives pursuant to this Section 10.2 will be subject to the Assumed Contracts and all of the Vendor's site entry protocols, health, safety and environmental rules, policies and procedures. Further, the Purchaser acknowledges and agrees that it shall:
- (i) be solely liable and responsible for any and all Losses and Liabilities which the Vendor, its Affiliates or their respective Representatives may suffer, sustain, pay or incur; and
  - (ii) as a separate covenant, indemnify and save harmless the Vendor, its Affiliates and their respective Representatives harmless from any and all Claims or Losses and Liabilities whatsoever which may be brought against, suffered by or incurred by the Vendor, its Affiliates or their respective Representatives;

arising out of, resulting from, attributable to or in any way connected with any access provided to the Purchaser or its Representatives pursuant to this Section 10.2.

### 10.3 ROFRs

- (a) The Vendor and Purchaser shall use commercially reasonable efforts to identify the Assets which are the subject of ROFRs as soon as reasonably practicable following the date hereof, and in any event prior to Closing. Promptly following the identification of Assets which are the subject of ROFRs, if any, the Purchaser shall provide the Vendor with its bona fide allocation of the amount of the Purchase Price attributable to each of such Assets which are subject to a ROFR.
- (b) The Vendor shall courier ROFR notices to the Third Parties holding such ROFRs promptly following the receipt of Purchaser's allocation of the Purchase Price attributable thereto pursuant to Section 10.3(a). The Vendor shall utilize the Purchaser's allocation of the Purchase Price attributable to the Assets subject to ROFRs for purposes of preparing and issuing the ROFR notices. The Vendor shall notify the Purchaser in writing forthwith upon each Third Party exercising or waiving such a ROFR.
- (c) If any such Third Party elects to exercise such a ROFR, then:
  - (i) the definition of Assets shall be deemed to be amended to exclude those Assets in respect of which the ROFR has been exercised;
  - (ii) such Assets shall not be conveyed to the Purchaser; and
  - (iii) any proceeds received by the Vendor from a Third Party in respect of the sale and conveyance of any Assets which are subject to a ROFR shall be deemed to form part of the Excluded Assets, and the Purchase Price shall not be subject to any reduction in the event of the exercise of any such ROFR by a Third Party.
- (d) In the event that a Third Party exercises a ROFR and is then unable or unwilling to enter into a conveyance agreement with the Vendor for the relevant Assets, the Purchaser agrees to accept a conveyance of such Assets under the same terms and conditions as this Agreement to whatever extent possible.
- (e) Closing shall not be delayed even though certain of the ROFRs are outstanding and capable of exercise by the holders thereof as of the Closing Date (such ROFRs being referred to as "**Outstanding ROFRs**"). In such case, the following procedures shall apply:
  - (i) the Parties shall proceed with Closing (for greater certainty without any reduction in the Purchase Price for the Outstanding ROFRs, and without variation of any other terms or conditions of this Agreement);
  - (ii) the Purchaser shall prepare all Specific Conveyances and other closing documentation required for the sale of the Assets subject to the Outstanding ROFRs (the "**Outstanding ROFR Assets**");
  - (iii) if an Outstanding ROFR is exercised by a Third Party, the Vendor will promptly notify the Purchaser thereof in writing, the Specific Conveyances and other closing documentation related to such Outstanding ROFR Assets will be of no force or

effect and shall be destroyed by the Purchaser, and the provisions of Section 10.3(c) shall apply to the Assets which are the subject of the Outstanding ROFR being exercised by the Third Party, *mutatis mutandis*;

- (iv) if after Closing an Outstanding ROFR is extinguished by lapse of time, waiver or otherwise (other than as a result of being exercised), the Vendor will promptly notify the Purchaser thereof in writing and promptly deliver executed copies of the Specific Conveyances and closing documentation previously prepared to the Purchaser, and such documentation shall be effective and the sale of such Outstanding ROFR Assets to Purchaser pursuant hereto shall be deemed to have closed on the Closing Date.

#### 10.4 Document Review

Prior to Closing, Vendor shall provide Purchaser with reasonable access to the Title Documents and other Miscellaneous Interests in the possession or under the control of Vendor for the purpose of verifying the continued validity and effect of the Title Documents, the identification of Assets the subject of ROFRs, the preparation of Specific Conveyances and other matters related to this Agreement and the Transaction.

### ARTICLE 11 CONDITIONS

#### 11.1 Mutual Conditions

The respective obligations of the Parties to complete the purchase and sale of the Assets are subject to the following conditions being fulfilled or performed as at or prior to the Closing Date:

- (a) the Court shall have granted the Sale Order and the Sale Order shall be a Final Order;
- (b) no Governmental Authority shall have enacted, issued or promulgated any final or non-appealable order or Applicable Law subsequent to the date hereof which has the effect of: (i) making any of the transactions contemplated by this Agreement illegal; or (ii) otherwise prohibiting, preventing or restraining the Vendor from the sale of the Assets; and
- (c) the Closing is not otherwise prohibited by Applicable Law;

The foregoing conditions are for the mutual benefit of the Vendor and the Purchaser and may be asserted by the Vendor or the Purchaser regardless of the circumstances and may be waived only with the agreement of the Vendor and the Purchaser, provided, however, that the Sale Order condition set out in Section 11.1(a) may not be waived by the Parties.

#### 11.2 Conditions for the Benefit of the Purchaser

The obligation of the Purchaser to complete the purchase of the Assets is subject to the following conditions being fulfilled or performed as at or prior to the Closing Date:

- (a) all representations and warranties of the Vendor contained in Section 5.1 of this Agreement shall be true and correct in all material respects as at the Closing Date with the same force and effect as if made at and as of such time, and the Vendor shall have delivered to the

Purchaser a certificate to that effect substantially similar in form to that attached hereto as Schedule D;

- (b) the Vendor shall have complied with and performed, in all material respects, all of its covenants and obligations contained in this Agreement;
- (c) upon Closing, the Assets shall not be subject to any Encumbrances for, or in respect of, municipal taxes or other tax Claims; and
- (d) the Vendor shall have executed and delivered or caused to have been executed and delivered to the Purchaser at or before the Closing all the documents contemplated in Section 12.2.

The foregoing conditions are for the exclusive benefit of the Purchaser and may be waived by it in its sole discretion, in whole or in part, at any time and from time to time without prejudice to any other rights which the Purchaser may have.

### **11.3 Conditions for the Benefit of the Vendor**

The obligation of the Vendor to complete the sale of the Assets is subject to the following conditions being fulfilled or performed as at or prior to the Closing Date:

- (a) all representations and warranties of the Purchaser contained in Section 5.2 of this Agreement shall be true and correct in all material respects as at the Closing Date with the same force and effect as if made at and as of such time, and the Purchaser shall have delivered to the Vendor a certificate to that effect substantially similar in form to that attached hereto as Schedule D;
- (b) the Purchaser shall have complied with and performed in all material respects all of its covenants and obligations contained in this Agreement;
- (c) the Purchaser shall have executed and delivered or caused to have been executed and delivered to the Vendor at or before the Closing all the documents contemplated in Section 12.3; and
- (d) the Vendor has not lost its ability to convey the Assets due to an order of the Court.

The foregoing conditions are for the exclusive benefit of the Vendor and may be waived by it in its sole discretion, in whole or in part, at any time and from time to time without prejudice to any other rights which the Vendor may have.

### **11.4 Satisfaction of Conditions**

Each of the Parties shall proceed diligently and in good faith and use all commercially reasonable efforts to fulfill and assist in the fulfillment of the conditions set forth in Sections 11.1, 11.2 and 11.3. In addition, each of the Parties agrees not to take any action that could reasonably be expected to preclude, delay or have an adverse effect on the Transaction or would render, or may reasonably be expected to render, any representation or warranty made by it in this Agreement untrue in any material respect.

**ARTICLE 12  
CLOSING**

**12.1 Closing Date**

Subject to the conditions set out in this Agreement, the Transaction shall close and be completed on the Closing Date, or at such other time as the Parties may agree in writing.

**12.2 Deliveries on Closing by the Vendor**

The Vendor shall deliver (or cause to be delivered) to the Purchaser's Solicitor on or before the Closing Date:

- (a) a Court certified copy of the Sale Order;
- (b) the General Conveyance, Assignment and Assumption Agreement duly executed by the Vendor;
- (c) all documents listed in Section 12.3 which contemplate execution by the Vendor;
- (d) the certificate of the Vendor referred to in Section 11.2(a); and
- (e) any other deeds, conveyances, assurances, transfers, assignments, instruments, documents, resolutions and certificates as are referred to in this Agreement or as the Purchaser may reasonably require to give effect to this Agreement.

**12.3 Deliveries on Closing by the Purchaser**

The Purchaser shall deliver (or cause to be delivered) to the Vendor's Solicitor on or before the Closing Date:

- (a) payment of the Purchase Price in trust to the Proposal Trustee (other than Cure Costs, which are payable in accordance with Section 2.5(a)(i)) in accordance with Section 3.3(b) hereof;
- (b) payment of all Transfer Taxes payable on Closing to the Vendor or the Vendor's Solicitors (or evidence of self-assessment and payment by the Purchaser thereof to the relevant Governmental Authorities);
- (c) the General Conveyance, Assignment and Assumption Agreement duly executed by the Purchaser;
- (d) all documents listed in Section 12.2 which contemplate execution by the Purchaser;
- (e) the certificate of the Purchaser referred to in Section 11.3(a);
- (f) any other deeds, conveyances, assurances, transfers, assignments, instruments, documents, resolutions and certificates as are referred to in this Agreement or as the Vendor may reasonably require to give effect to this Agreement.



**ARTICLE 13  
TERMINATION**

**13.1 Grounds for Termination**

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

- (a) by the written agreement of the Vendor and the Purchaser, provided however that if this Agreement has been approved by the Court, any such termination shall require the approval of the Court;
- (b) by the Purchaser, upon written notice to the Vendor, if there has been a material breach by the Vendor of any material representation, warranty or covenant contained in this Agreement, which breach has not been waived by the Purchaser, and: (i) such breach is not curable and has rendered the satisfaction of any condition in Section 11.2 impossible by the Outside Date; or (ii) if such breach is curable, the Purchaser has provided prior written notice of such breach to the Vendor, and such breach has not been cured within ten (10) days (or, if not curable within ten (10) days, such longer period as is reasonable under the circumstances, not to exceed thirty (30) days) following the date upon which the Vendor received such notice;
- (c) by the Purchaser, upon written notice to the Vendor, any time after the Outside Date, if the Closing has not occurred by the Outside Date and such failure to close was not caused by or as a result of the Purchaser's breach of this Agreement;
- (d) by the Vendor, upon written notice to the Purchaser, if there has been a material breach by the Purchaser of any material representation, warranty or covenant contained in this Agreement, which breach has not been waived by the Vendor, and: (i) such breach is not curable and has rendered the satisfaction of any condition in Section 11.3 impossible by the Outside Date; or (ii) if such breach is curable, the Vendor has provided prior written notice of such breach to the Purchaser, and such breach has not been cured within ten (10) days (or, if not curable within ten (10) days, such longer period as is reasonable under the circumstances, not to exceed thirty (30) days) following the date upon which the Purchaser received such notice; or
- (e) by the Vendor, upon written notice to the Purchaser, any time after the Outside Date, if the Closing has not occurred by the Outside Date and such failure to close was not caused by or as a result of the breach of this Agreement by the Vendor.

**13.2 Automatic Termination**

This Agreement shall terminate automatically, without any further action by either the Vendor or the Purchaser, if the Vendor accepts a Superior Offer pursuant to the SISP. For greater certainty, without limiting the generality of the foregoing, the Purchaser shall be entitled to the Break Fee if this Agreement terminates pursuant to this Section 13.2.

**13.3 Break Fee and Expense Reimbursement Amount**

Inconsideration of the Purchaser and its affiliates having expended time and expense in connection with this Agreement, and the identification and quantification of assets to be included in the Assets, and to compensate the Purchaser as a stalking-horse bidder under the SISP, if this Agreement is terminated, other

than due to a material breach of this Agreement by the Purchaser pursuant to Section 13.1(d), and (A) a Superior Offer is accepted or (B) any other sale of assets or proposal occurs within the NOI Proceedings that (I) results in a change of control of the Vendor, or (II) provides cash on closing to the Vendor greater than the cash component of the Purchase Price hereunder, then the Vendor shall pay to the Purchaser in cash immediately following the closing of such transaction:

- (i) the Break Fee; and,
- (ii) the Expense Reimbursement Amount, not to exceed \$25,000,

as consideration for the disposition of the Purchaser's rights under this Agreement. For greater certainty, the Vendor's obligation to pay the Break Fee and the Expense Reimbursement Amount to the Purchaser shall survive the termination of this Agreement.

#### **13.4 Effect of Termination**

Notwithstanding any termination of this Agreement as permitted under Section 13.1, Section 13.2, or as otherwise provided for in this Agreement, the provisions of Sections 3.3 (Deposit), 10.2(c)(ii) (Indemnification), 13.3 (Break Fee and Expense Reimbursement Amount), 14.1 (Public Announcements), 14.4 (Governing Law), 14.5 (Consequential Damages), 14.11 (Costs and Expenses) and 14.15 (Third Party Beneficiaries) shall remain in full force and effect following any such permitted termination, and the Deposit shall be governed by Section 3.3.

### **ARTICLE 14 GENERAL**

#### **14.1 Public Announcements**

- (a) Subject to Section 14.1(b), if a Party intends to issue a press release or other public disclosure of this Agreement, the terms hereof or the Transaction, the disclosing Party shall provide the other Parties with an advance copy of any such press release or public disclosure with sufficient time to enable the other Parties to review such press release or other public disclosure and provide any comments. The disclosing Party shall not issue such press release or other public disclosure without the prior written consent of the other Parties, such consent not to be unreasonably withheld.
- (b) Notwithstanding Section 14.1(a): (i) this Agreement may be filed by the Vendor with the Court; and (ii) the Transaction may be disclosed by the Vendor to the Court, subject to redacting confidential or sensitive information as permitted by Applicable Law. The Parties further agree that:
  - (i) the Vendor may prepare and file reports and other documents with the Court containing references to the Transaction and the terms of the Transaction; and
  - (ii) the Vendor and its professional advisors may prepare and file such reports and other documents with the Court containing references to the Transaction contemplated by this Agreement and the terms of such Transaction as may reasonably be necessary to obtain the Court Approval and the SISP Approval and to complete the Transaction contemplated by this Agreement or to comply with their obligations to the Court.

#### 14.2 Dissolution of Vendor

Subject to the Vendor's obligations in Section 2.5, the Purchaser acknowledges and agrees that nothing in this Agreement shall operate to prohibit or diminish in any way the right of the Vendor or any of its Affiliates to cause the dissolution or wind-up of the Vendor subsequent to the Closing Date, or otherwise cause or allow the Vendor to cease operations in any manner or at any time subsequent to the Closing Date as the Vendor may determine in its sole discretion, which may be exercised without regard to the impact any such action may have on the Vendor's ability to fulfil its obligations under this Agreement that survive Closing.

#### 14.3 Survival

Upon Closing, the obligations, covenants, representations and warranties of the Parties set out in this Agreement shall expire, be terminated and extinguished and of no further force or effect, provided that notwithstanding the Closing contemplated hereunder or the delivery of documents pursuant to this Agreement, the obligations and covenants of the Parties set out in Section 2.3 (AER Licence Transfers), Section 2.3 (Assignment of Assumed Contracts and Third Party Consents), Section 2.4 (Specific Conveyances), Section 5.3 (Enforcement of Representations and Warranties), Section 10.2(c)(ii) (Indemnification), Section 10.3 (ROFRs) and 3.3(c)(i) (Transfer Taxes), Article 6 ("As Is, Where Is" and No Additional Representations and Warranties), Article 8 (Indemnification), Article 9 (Environmental Matters) and Article 14 (General), shall survive Closing, shall remain in full force and effect, shall not merge as a result of Closing and shall be binding on the Parties indefinitely thereafter except as expressly stated to the contrary therein or otherwise in accordance with Applicable Laws.

#### 14.4 Governing Law

- (a) This Agreement shall be governed by and construed in accordance with the laws of the Province of Alberta, and the federal laws of Canada applicable therein (excluding any conflict of law rule or principle of such laws that might refer such interpretation or enforcement to the laws of another jurisdiction). The Parties consent to the jurisdiction and venue of the courts of Alberta for the resolution of any such dispute arising under this Agreement.
- (b) Notwithstanding Section 14.4(a), any and all documents or orders that may be filed, made or entered in the NOI Proceedings, and the rights and obligations of the Parties thereunder, including all matters of construction, validity and performance thereunder, shall in all respects be governed by, and interpreted, construed and determined in accordance with the laws of the Province of Alberta. The Parties consent to the jurisdiction and venue of the Court, as applicable, for the resolution of any such disputes, regardless of whether such disputes arose under this Agreement. Each Party agrees that service of process on such Party as provided in Section 14.13 shall be deemed effective service of process on such Party.

#### 14.5 Consequential Damages

Under no circumstance shall any of the Parties, their Representatives or their respective directors, officers, employees or agents be liable for any punitive, exemplary, consequential or indirect damages (including for greater certainty, any loss of profits) (collectively, "**Consequential Damages**") that may be alleged to result in connection with, arise out of, or relate to this Agreement or the Transaction, other than Consequential Damages for which the Purchaser is liable as a result of a Third Party Claim (which liability shall be subject to and recoverable under Article 8 (Indemnification)). For greater certainty, the Parties

agree that none of the Parties, their respective Affiliates or their respective Representatives shall be liable for any lost profits whatsoever, whether such lost profits are considered to be direct, consequential or indirect losses, and regardless of whether such lost profits were foreseeable by the Parties at any time or whether such lost profits were the direct and natural result of a Party's breach of its obligations under this Agreement.

#### **14.6 Further Assurances**

Each of the Parties from and after the date hereof shall, from time to time, and at the request and expense of the Party requesting the same, do all such further acts and things and execute and deliver such further instruments, documents, matters, papers and assurances as may be reasonably requested to complete the Transaction and for more effectually carrying out the true intent and meaning of this Agreement.

#### **14.7 Assignment**

The Purchaser shall not, without the Vendor's prior written consent, assign any right or interest in this Agreement, which consent may be withheld in the Vendor's sole and absolute discretion, except that the Purchaser shall have the right to assign any or all of its rights, interests or obligations hereunder to one or more Affiliates of the Purchaser, provided that: (a) such Affiliate agrees to be bound by the terms of this Agreement; (b) the Purchaser shall remain liable hereunder for any breach of the terms of this Agreement by such Affiliate; (c) such assignment shall not release the Purchaser from any obligation or liability hereunder in favour of the Vendor; and (d) the Purchaser shall acknowledge and confirm its continuing obligations in favour of the Vendor in an assignment and assumption agreement in form and substance satisfactory to the Vendor.

#### **14.8 Waiver**

No failure on the part of any Party in exercising any right or remedy hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any such right or remedy preclude any other or further exercise thereof or the exercise of any right or remedy in law or in equity or by statute or otherwise conferred. No waiver by any Party of any breach (whether actual or anticipated) of any of the terms, conditions, representations or warranties contained herein shall take effect or be binding upon that Party unless the waiver is expressed in writing under the authority of that Party. Any waiver so given shall extend only to the particular breach so waived and shall not limit or affect any rights with respect to any other or future breach.

#### **14.9 Amendment**

This Agreement shall not be varied in its terms or amended by oral agreement or by representations or otherwise other than by an instrument in writing dated subsequent to the date hereof, executed by a duly authorized representative of each Party.

#### **14.10 Time of the Essence**

Time is of the essence in this Agreement.

#### **14.11 Costs and Expenses**

Unless otherwise provided for in this Agreement, each Party shall be responsible for all costs and expenses (including the fees and disbursements of legal counsel, bankers, investment bankers, accountants, brokers and other advisors) incurred by it in connection with this Agreement and the Transaction.

Notwithstanding any other provision of this Agreement, the Purchaser shall pay the cost of all surveys, title insurance policies and title reports ordered by the Purchaser.

#### 14.12 Entire Agreement

This Agreement constitutes the entire agreement between the Parties with respect to the subject matter hereof and cancel and supersede all prior agreements, understandings, negotiations and discussions, whether oral or written, between the Parties with respect to the subject matter hereof. There are no conditions, covenants, agreements, representations, warranties or other provisions, whether oral or written, express or implied, collateral, statutory or otherwise, relating to the subject matter hereof other than those contained in this Agreement.

#### 14.13 Notices

Any notice, direction or other communication given regarding the matters contemplated by this Agreement must be in writing, sent by personal delivery, courier or electronic mail and addressed:

- (a) in the case of the Vendor:

Salt Bush Energy Ltd.  
600, 815 - 8<sup>th</sup> Avenue SW  
Calgary, Alberta T2P 3P2

Attention: Bill Smith, Q.C.  
Email: bill@smithlawcorp.ca

With a copy to the Vendor's Solicitors:

George Lepine Professional Corporation  
438 Edgebrook Grove NW  
Calgary, AB T3A 5T4

Attention: George Lepine  
Email: george@gvllaw.ca

- (b) In the case of the Purchaser:

Ironbark Energy Ltd.  
600, 815 - 8<sup>th</sup> Avenue SW  
Calgary, Alberta T2P 3P2

Attention: David Messina  
Email: David.Messina@whitebarkenergy.com

A notice is deemed to be given and received if: (i) sent by personal delivery or courier, on the date of delivery if it is a Business Day and the delivery was made prior to 4:00 p.m. (local time in place of receipt) and otherwise on the next Business Day; or (ii) email, on the date of transmission if it is a Business Day and the transmission was made prior to 4:00 p.m. (local time in place of receipt), and otherwise on the next Business Day. A Party may change its address for service from time to time by providing a notice in accordance with the foregoing. Any subsequent notice must be sent to the Party at its changed address.

Any element of a Party's address that is not specifically changed in a notice will be assumed not to be changed. **Sending a copy of a notice to a Party's legal counsel as contemplated above is for information purposes only and does not constitute delivery of the notice to that Party. The failure to send a copy of a notice to legal counsel does not invalidate delivery of that notice to a Party.**

#### **14.14 Enurement**

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

#### **14.15 Third Party Beneficiaries**

Except as otherwise provided for in this Agreement, each Party intends that this Agreement shall not benefit or create any right or cause of action in or on behalf of any Person other than the Parties and their successors and permitted assigns and, except as otherwise provided for in this Agreement, no Person, other than the Parties and their successors and permitted assigns shall be entitled to rely on the provisions hereof in any action, suit, proceeding, hearing or other forum. The Purchaser acknowledges to the Vendor, its Affiliates and their respective Representatives their direct rights against the Purchaser under this Agreement. To the extent required by Applicable Law to give full effect to these direct rights, the Purchaser agrees and acknowledges that the Vendor is acting as agent and/or as trustee of its Representatives, its Affiliates and their respective Representatives.

#### **14.16 Severability**

If any provision of this Agreement or any document delivered in connection with this Agreement is partially or completely invalid or unenforceable, the invalidity or unenforceability of that provision shall not affect the validity or enforceability of any other provision of this Agreement, all of which shall be construed and enforced as if that invalid or unenforceable provision were omitted. The invalidity or unenforceability of any provision in one jurisdiction shall not affect such provision validity or enforceability in any other jurisdiction.

#### **14.17 Counterparts**

This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original and all of which shall constitute one and the same agreement. Transmission by facsimile or other electronic means of an executed counterpart of this Agreement shall be deemed to constitute due and sufficient delivery of such counterpart.

**[THE BALANCE OF THIS PAGE INTENTIONALLY BLANK]**

**IN WITNESS WHEREOF** this Agreement has been properly executed by the Parties as of the date first above written.

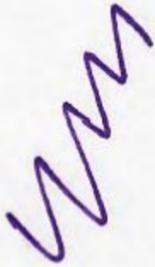
**SALT BUSH ENERGY LTD**

Per: \_\_\_\_\_  
Name:  
Title:

**IRONBARK ENERGY LTD.**

Per: \_\_\_\_\_  
Name:  
Title:

Per: \_\_\_\_\_  
Name:  
Title:



**SCHEDULE A**

**Assets Listing**

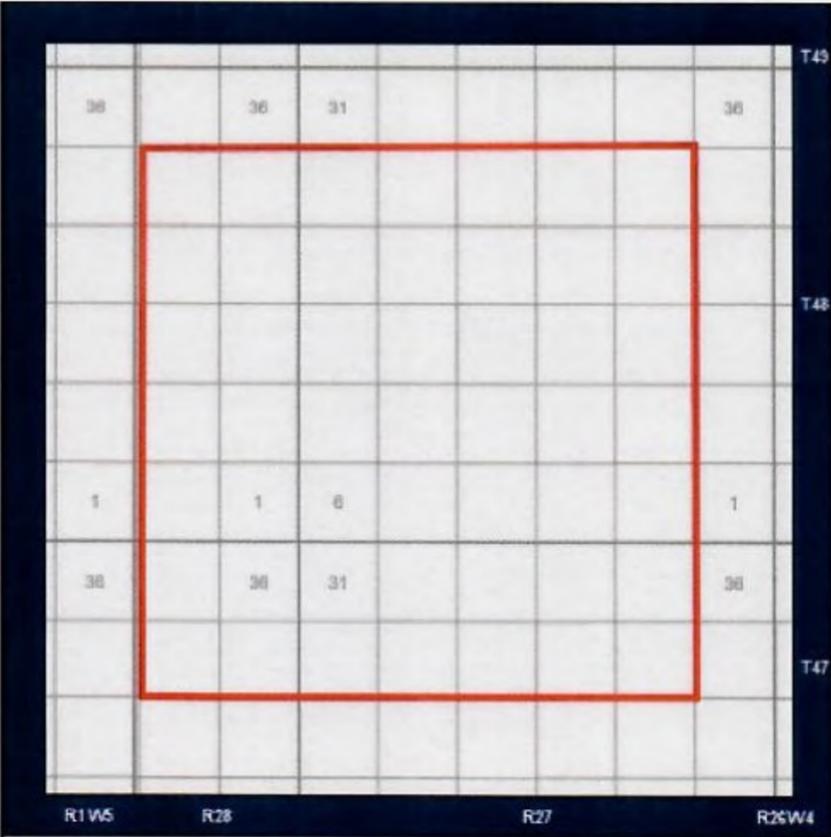
Part 1 – Lands

(attached)

Part 2 – Wells, Facilities, Pipelines and Tangibles

(attached)

**WHITEMAP AREA**



**Schedule A - Part 1**

**"Lands" include all of Vendor's interest in all lands located within the Whitemap Area shown on the first page of Schedule A including, without limitation, the interests shown on the following 15 pages.**

*mm*

Mineral Lease Property Report

General	Dates	Rental Info	Acquisition	Summary Acreages (Gross/Net)
<b>M01161</b>	Lease: JUL-18-2019	Gross \$: \$448.00	Bonus: \$44,800.00	Total: H 256.0000000 / 256.0000000 Expose: H 0.0000000 / 0.0000000
Status: ACTIVE	Effective: JUL-18-2019	Net \$: \$448.00	Rent & Fee: \$1,073.00	A 640.0000000 / 640.0000000 A 0.0000000 / 0.0000000
Lse: PNG LSE	Expiry:	Date: JUL-17-2020	Total: \$45,873.00	Dev: H 0.0000000 / 0.0000000 Prod: H 0.0000000 / 0.0000000
Area: AB WIZARD LAKE	Acq'd:	Freq: Annual	Our %: 50.0000000	A 0.0000000 / 0.0000000 A 0.0000000 / 0.0000000
Fh/Cr: CR 0419070069	Termin	Paid By: SALT BUSH	Our Share: \$22,936.50	UnDev: H 256.0000000 / 256.0000000 NonProd: H 256.0000000 / 256.0000000
Min.Int: 0.0000000			Method: CRSALE	A 640.0000000 / 640.0000000 A 640.0000000 / 640.0000000
Zone:				

Split	Status	Acquired	Extension	Extended Expiry	Terminated	Operator	Accounting Code	Rental %	Interest Type	Prod	AMI	ROFR
1	ACTIVE	2019-07-17				SALT BUSH		100.000000	WI		N	N

Tracts / Lands / Rights / Wells

Tract 1  
 TWP 48-RGE 27-W4M N 4  
 PNG from SURFACE to BASE NISKU  
 103/12-04-048-27W4/00 PROD

Royalties

Type	% of Prod	Convertibility / Take-in-Kind
CSS	22.3291000	Non-Convertible, Not TIK
Crown Sliding-Scale,		

Receivers

100.0000000 ALBERTA ENERGY

Payors

100.0000000 SALT BUSH

Related Documents

File # / Name	Details / Comments
S00003 - 1	
C00811 - 4	
PNG LEASE DATED	
ELECTION LETTER	

Split	Status	Acquired	Extension	Extended Expiry	Terminated	Operator	Accounting Code	Rental %	Interest Type	Prod	AMI	ROFR
2	ACTIVE	2019-07-17				SALT BUSH		0.0000000	WI		N	N

Tracts / Lands / Rights / Wells

Tract 1  
 TWP 48-RGE 27-W4M N 4  
 PNG from SURFACE to BASE NISKU  
 EXCL. WELLBORE  
 103/12-04-048-27W4/00

Royalties

Type	% of Prod	Convertibility / Take-in-Kind
CSS	22.3291000	Non-Convertible, Not TIK
Crown Sliding-Scale,		

Receivers

100.0000000 ALBERTA ENERGY

Payors

100.0000000 SALT BUSH

Related Documents

File # / Name	Details / Comments
M01161 Split 1	

Interests

( Active WI & Rental ) WI  
 100.0000000 SALT BUSH ENERGY LTD. [SALT BUSH]  
 100.0000000 Total

Acreage (Gross/Net)

Total: H	128.0000000 / 128.0000000	Expose: H	0.0000000 / 0.0000000
A	320.0000000 / 320.0000000	A	0.0000000 / 0.0000000
Dev: H	0.0000000 / 0.0000000	Prod: H	0.0000000 / 0.0000000
A	0.0000000 / 0.0000000	A	0.0000000 / 0.0000000
UnDev: H	128.0000000 / 128.0000000	NonProd: H	128.0000000 / 128.0000000
A	320.0000000 / 320.0000000	A	320.0000000 / 320.0000000

Interests

( Active WI & Rental ) WI  
 100.0000000 SALT BUSH ENERGY LTD. [SALT BUSH]  
 100.0000000 Total

Acreage (Gross/Net)

Total: H	128.0000000 / 128.0000000	Expose: H	0.0000000 / 0.0000000
A	320.0000000 / 320.0000000	A	0.0000000 / 0.0000000
Dev: H	0.0000000 / 0.0000000	Prod: H	0.0000000 / 0.0000000
A	0.0000000 / 0.0000000	A	0.0000000 / 0.0000000
UnDev: H	128.0000000 / 128.0000000	NonProd: H	128.0000000 / 128.0000000
A	320.0000000 / 320.0000000	A	320.0000000 / 320.0000000

**Related Documents**

File # / Name      Details / Comments

S00003 - 1

C00811 - 4

PNG LEASE DATED

ELECTION LETTER .

<b>Lessor</b>	<b>Rental %</b>	<b>Rental \$</b>	<b>Address</b>	<b>Depository Address</b>
<b>ALBERTA ENERGY ALBERTA ENERGY</b>	<b>100.0000000</b>	<b>448.00</b>	<b>9TH FLOOR, 9945 - 108 STREET EDMONTON, ALBERTA T5K 2G6</b>	

General	Dates	Rental Info	Acquisition	Summary Acreages (Gross/Net)
<b>M01167</b>	Lease: MAY-20-2020	Gross \$: \$23,488.56	Bonus: \$0.00	Total: H3,758.1700000 / 3,758.1700000 Expose: H1,036.0000000 / 1,036.0000000
Status: ACTIVE	Effective: MAY-29-2020	Net \$: \$23,488.56	Rent & Fee: \$0.00	A9,395.4250000 / 9,395.4250000 A2,590.0000000 / 2,590.0000000
Lse: PNG LSE	Expiry: NOV-28-2021	Date: MAY-28-2021	Total: \$0.00	Dev: H1,036.0000000 / 1,036.0000000 Prod: H 0.0000000 / 0.0000000
Area: AB WIZARD LAKE	Acq'd: Termin	Freq: Annual	Our %: 0.0000000	A2,590.0000000 / 2,590.0000000 A 0.0000000 / 0.0000000
Fh/Cr: FH PRAIRIESKY		Paid By: SALT BUSH	Our Share: \$0.00	UnDev: H2,722.1700000 / 2,722.1700000 NonProd: H3,758.1700000 / 3,758.1700000
Min.Int: 0.0000000		Method:		A6,805.4250000 / 6,805.4250000 A9,395.4250000 / 9,395.4250000

Zone:

Split	Status	Acquired	Extension	Extended Expiry	Terminated	Operator	Accounting Code	Rental %	Interest Type	Prod	AMI	ROFR
1	ACTIVE					SALT BUSH		100.000000	WI		N	N

**Tracts / Lands / Rights / Wells**

Tract 1  
 TWP 48-RGE 27-W4M 5  
 (PTN)  
 PNG from TOP MANNVILLE to BASE MANNVILLE

**Royalties**

Type	% of Prod	Convertibility / Take-in-Kind
LOR	100.0000000	Non-Convertible, Not TIK
17.5% of all products,		
<b>Receivers</b>		
100.0000000	PRAIRIESKYROY	
ORR	50.0000000	Non-Convertible, Not TIK
2.0% of all products,		
<b>Receivers</b>		
100.0000000	SOURCEROCKROY	

**Interests**

( Active WI & Rental ) WI  
 100.0000000 SALT BUSH ENERGY LTD. [SALT BUSH]  
 100.0000000 Total

**Acreage (Gross/Net)**

Total: H	907.3900000 / 907.3900000	Expose: H	0.0000000 / 0.0000000
A	2,268.4750000 / 2,268.4750000	A	0.0000000 / 0.0000000
Dev: H	0.0000000 / 0.0000000	Prod: H	0.0000000 / 0.0000000
A	0.0000000 / 0.0000000	A	0.0000000 / 0.0000000
UnDev: H	907.3900000 / 907.3900000	NonProd: H	907.3900000 / 907.3900000
A	2,268.4750000 / 2,268.4750000	A	2,268.4750000 / 2,268.4750000

**Related Documents**

File # / Name Details / Comments  
 C00809 - 1

Split	Status	Acquired	Extension	Extended Expiry	Terminated	Operator	Accounting Code	Rental %	Interest Type	Prod	AMI	ROFR
2	ACTIVE					SALT BUSH		0.0000000	WI		N	N

**Tracts / Lands / Rights / Wells**

Tract 1  
 TWP 48-RGE 27-W5M 17  
 PNG from TOP MANNVILLE to BASE MANNVILLE  
 100/16-17-048-27W4/00 PROD

**Royalties**

Type	% of Prod	Convertibility / Take-in-Kind
ORR	50.0000000	Non-Convertible, Not TIK
2.0% of all products,		
<b>Receivers</b>		
100.0000000	SOURCEROCKROY	
GOR	100.0000000	Non-Convertible, Not TIK
15.0% of all products,		
LEASED SUBSTANCES PRODUCED FROM		
100/16-17-048-27W4/00		

**Interests**

( Active WI & Rental ) WI  
 100.0000000 SALT BUSH ENERGY LTD. [SALT BUSH]  
 100.0000000 Total

**Acreage (Gross/Net)**

Total: H	518.0000000 / 518.0000000	Expose: H	518.0000000 / 518.0000000
A	1,295.0000000 / 1,295.0000000	A	1,295.0000000 / 1,295.0000000
Dev: H	518.0000000 / 518.0000000	Prod: H	0.0000000 / 0.0000000
A	1,295.0000000 / 1,295.0000000	A	0.0000000 / 0.0000000
UnDev: H	0.0000000 / 0.0000000	NonProd: H	518.0000000 / 518.0000000
A	0.0000000 / 0.0000000	A	1,295.0000000 / 1,295.0000000

**Related Documents**

File # / Name      Details / Comments

C00809 - 1

Split	Status	Acquired	Extension	Extended Expiry	Terminated	Operator	Accounting Code	Rental %	Interest Type	Prod	AMI	ROFR
3	ACTIVE					SALTBUSH		0.0000000	WI		N	N

**Tracts / Lands / Rights / Wells**

Tract 1  
 TWP 48-RGE 27-W5M      17  
 PNG from TOP MANNVILLE to BASE MANNVILLE  
 EXCL. WELLBORE  
 100/16-17-048-27W4/00

**Royalties**

Type	% of Prod	Convertibility / Take-in-Kind
GOR	100.0000000	Non-Convertible, Not TIK
17.5% of all products,		

**Receivers**

100.0000000    PRAIRIESKYROY  
 ORR                      50.0000000

2.0% of all products,

**Receivers**

100.0000000    SOURCEROCKROY

**Payors**

100.0000000    SALTBUSH  
 Non-Convertible, Not TIK

**Payors**

100.0000000    SALTBUSH

**Related Documents**

File # / Name      Details / Comments

C00811 - 2

C00809 - 1

Split	Status	Acquired	Extension	Extended Expiry	Terminated	Operator	Accounting Code	Rental %	Interest Type	Prod	AMI	ROFR
4	ACTIVE					SALTBUSH		0.0000000	WI		N	N

**Tracts / Lands / Rights / Wells**

Tract 1  
 TWP 48-RGE 27-W5M      9  
 PNG from TOP MANNVILLE to BASE MANNVILLE  
 103/12-04-048-27W4/00      PROD

**Royalties**

Type	% of Prod	Convertibility / Take-in-Kind
ORR	25.0000000	Non-Convertible, Not TIK
2.0% of all products,		

**Receivers**

100.0000000    SOURCEROCKROY  
 LOR                      77.6709000

17.5% of all products,

**Receivers**

100.0000000    PRAIRIESKYROY

**Payors**

100.0000000    SALTBUSH  
 Non-Convertible, Not TIK

**Payors**

100.0000000    SALTBUSH

**Related Documents**

File # / Name      Details / Comments

C00809 - 1

C00811 - 2

**Interests**

( Active WI & Rental ) WI  
 100.0000000 SALT BUSH ENERGY LTD. [SALTBUSH]  
 100.0000000 Total

**Acreage (Gross/Net)**

<b>Total:</b>	H 518.0000000 / 518.0000000	<b>Expose:</b>	H 518.0000000 / 518.0000000
	A1,295.0000000 / 1,295.0000000		A1,295.0000000 / 1,295.0000000
<b>Dev:</b>	H 518.0000000 / 518.0000000	<b>Prod:</b>	H 0.0000000 / 0.0000000
	A1,295.0000000 / 1,295.0000000		A 0.0000000 / 0.0000000
<b>UnDev:</b>	H 0.0000000 / 0.0000000	<b>NonProd:</b>	H 518.0000000 / 518.0000000
	A 0.0000000 / 0.0000000		A1,295.0000000 / 1,295.0000000

**Interests**

( Active WI & Rental ) WI  
 100.0000000 SALT BUSH ENERGY LTD. [SALTBUSH]  
 100.0000000 Total

**Acreage (Gross/Net)**

<b>Total:</b>	H 907.3900000 / 907.3900000	<b>Expose:</b>	H 0.0000000 / 0.0000000
	A2,268.4750000 / 2,268.4750000		A 0.0000000 / 0.0000000
<b>Dev:</b>	H 0.0000000 / 0.0000000	<b>Prod:</b>	H 0.0000000 / 0.0000000
	A 0.0000000 / 0.0000000		A 0.0000000 / 0.0000000
<b>UnDev:</b>	H 907.3900000 / 907.3900000	<b>NonProd:</b>	H 907.3900000 / 907.3900000
	A2,268.4750000 / 2,268.4750000		A2,268.4750000 / 2,268.4750000

Split	Status	Acquired	Extension	Extended Expiry	Terminated	Operator	Accounting Code	Rental %	Interest Type	Prod	AMI	ROFR
5	ACTIVE					SALTBUSH		0.0000000	WI		N	N

**Tracts / Lands / Rights / Wells**

Tract 1  
 TWP 48-RGE 27-W5M 9  
 PNG from TOP MANNVILLE to BASE MANNVILLE  
 EXCL. WELLBORE  
 103/12-04-048-27W4/00

**Royalties**

Type	% of Prod	Convertibility / Take-in-Kind
LOR	100.0000000	Non-Convertible, Not TIK

17.5% of all products,

**Receivers**

100.0000000	PRAIRIESKYROY
ORR	50.0000000

2.0% of all products,

**Receivers**

100.0000000	SOURCEROCKROY
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**Related Documents**

File # / Name	Details / Comments
C00809 - 1	

**Interests**

( Active WI & Rental ) WI  
 100.0000000 SALT BUSH ENERGY LTD. [SALTBUSH]  
 100.0000000 Total

**Acreage (Gross/Net)**

<b>Total:</b> H	907.3900000 /	907.3900000	<b>Expose:</b> H	0.0000000 /	0.0000000
	A2,268.4750000 /	2,268.4750000	A	0.0000000 /	0.0000000
<b>Dev:</b> H	0.0000000 /	0.0000000	<b>Prod:</b> H	0.0000000 /	0.0000000
A	0.0000000 /	0.0000000	A	0.0000000 /	0.0000000
<b>UnDev:</b> H	907.3900000 /	907.3900000	<b>NonProd:</b> H	907.3900000 /	907.3900000
	A2,268.4750000 /	2,268.4750000		A2,268.4750000 /	2,268.4750000

Lessor		Rental %	Rental \$	Address	Depository Address
PRAIRIESKYROY	PRAIRIESKY ROYALTY LTD.	100.0000000	23,488.56	P.O. BOX 780, STATION M CALGARY, AB T2P 2J6	1700, 350 - 7TH AVENUE SW CALGARY, ALBERTA T2P 3N9

General	Dates	Rental Info	Acquisition	Summary Acreages (Gross/Net)					
<b>M01164</b>	Lease: MAR-17-2020	Gross \$: \$50.00	Bonus: \$0.00	Total: H	5.0000000 /	5.0000000	Expose: H	0.0000000 /	0.0000000
Status: ACTIVE	Effective: MAR-17-2020	Net \$: \$50.00	Rent & Fee: \$0.00	A	12.5000000 /	12.5000000	A	0.0000000 /	0.0000000
Lse: PNG LSE	Expiry: MAR-16-2025	Date: MAR-16-2021	Total: \$0.00	Dev: H	5.0000000 /	5.0000000	Prod: H	0.0000000 /	0.0000000
Area: AB WIZARD LAKE	Acq'd:	Freq: Annual	Our %: 0.0000000	A	12.5000000 /	12.5000000	A	0.0000000 /	0.0000000
Fh/Cr: CR 0420030088	Termin	Paid By: SALTBUSH	Our Share: \$0.00	UnDev: H	0.0000000 /	0.0000000	NonProd: H	5.0000000 /	5.0000000
Min.Int: 100.0000000			Method: CRSALE	A	0.0000000 /	0.0000000	A	12.5000000 /	12.5000000

Zone:

Split	Status	Acquired	Extension	Extended Expiry	Terminated	Operator	Accounting Code	Rental %	Interest Type	Prod	AMI	ROFR
1	ACTIVE					SALTBUSH		100.000000	WI	NP	N	N

Tracts / Lands / Rights / Wells

Tract 1  
 TWP 48-RGE 27-W4M NE 5  
 PNG from TOP MANNVILLE to BASE MANNVILLE

Royalties

Type	% of Prod	Convertibility / Take-in-Kind
CSS	100.0000000	Non-Convertible, Not TIK
Crown Sliding-Scale,		

Interests

( Active WI & Rental ) WI  
 100.0000000 SALT BUSH ENERGY LTD. [SALTBUSH]  
 100.0000000 Total

Acreage (Gross/Net)

	Total: H	5.0000000 /	5.0000000	Expose: H	0.0000000 /	0.0000000
A	12.5000000 /	12.5000000	A	0.0000000 /	0.0000000	
Dev: H	5.0000000 /	5.0000000	Prod: H	0.0000000 /	0.0000000	
A	12.5000000 /	12.5000000	A	0.0000000 /	0.0000000	
UnDev: H	0.0000000 /	0.0000000	NonProd: H	5.0000000 /	5.0000000	
A	0.0000000 /	0.0000000	A	12.5000000 /	12.5000000	

Lessor	Rental %	Rental \$	Address	Depository Address
ALBERTA ENERGY ALBERTA ENERGY	100.0000000	50.00	9TH FLOOR, 9945 - 108 STREET EDMONTON, ALBERTA T5K 2G6	

General	Dates	Rental Info	Acquisition	Summary Acreages (Gross/Net)
<b>M00618</b>	Lease: FEB-12-2019	Gross \$: \$2,560.00	Bonus: \$32,175.00	Total: H 514.8000000 / 514.8000000 Expose: H 514.8000000 / 514.8000000
Status: ACTIVE	Effective: FEB-12-2019	Net \$: \$2,560.00	Rent & Fee: \$2,560.00	A1,287.0000000 / 1,287.0000000 A1,287.0000000 / 1,287.0000000
Lse: PNG LSE	Expiry: FEB-11-2021	Date: FEB-11-2020	Total: \$34,735.00	Dev: H 0.0000000 / 0.0000000 Prod: H 0.0000000 / 0.0000000
Area: AB WIZARD LAKE	Acq'd: FEB-12-2019	Freq: Paid-Up	Our %: 70.0000000	A 0.0000000 / 0.0000000 A 0.0000000 / 0.0000000
Fh/Cr: FH PRAIRIESKY	Termin	Paid By: SALT BUSH	Our Share: \$24,314.50	UnDev: H 514.8000000 / 514.8000000 NonProd: H 514.8000000 / 514.8000000
Min.Int: 100.0000000			Method: FHPURCHASE	A1,287.0000000 / 1,287.0000000 A1,287.0000000 / 1,287.0000000
Zone:				

Split	Status	Acquired	Extension	Extended Expiry	Terminated	Operator	Accounting Code	Rental %	Interest Type	Prod	AMI	ROFR
1	ACTIVE	2019-02-12				SALT BUSH		100.000000	WI	NP	N	N

**Tracts / Lands / Rights / Wells**

Tract 1  
 TWP 48-RGE 27-W4M 8  
 PNG from TOP MANNVILLE to BASE MANNVILLE  
 100/01-08-048-27W4/00 PROD

**Royalties**

Type	% of Prod	Convertibility / Take-in-Kind
ORR	25.0000000	Non-Convertible, Not TIK
2.0% of all products,		

**Receivers**

100.0000000	SOURCEROCKROY
LOR	100.0000000
16.0% of all products,	

**Receivers**

100.0000000	PRAIRIESKYROY
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**Related Documents**

File # / Name	Details / Comments
S00002 - 1	
C00813 - 1	
C00810 - 5	
C00125 - 1	
C00123 - 184	
C00809 - 1	
Assignment of M0061	
M00618.pdf	
M00618 IA Dated Ma	

Split	Status	Acquired	Extension	Extended Expiry	Terminated	Operator	Accounting Code	Rental %	Interest Type	Prod	AMI	ROFR
2	ACTIVE	2019-02-12				SALT BUSH		0.0000000	WI	NP	N	N

**Tracts / Lands / Rights / Wells**

Tract 1  
 TWP 48-RGE 27-W4M 8  
 PNG from TOP MANNVILLE to BASE MANNVILLE  
 Tract 2  
 EXCL. WELLBORE  
 100/01-08-048-27W4/00  
 100/01-08-048-27W4/00 PROD

**Interests**

( Active WI & Rental ) WI [C00123 : 1000]  
 100.0000000 SALT BUSH ENERGY LTD. [SALT BUSH]  
 100.0000000 Total

**Acreage (Gross/Net)**

Total: H	257.4000000 / 257.4000000	Expose: H	257.4000000 / 257.4000000
A	643.5000000 / 643.5000000	A	643.5000000 / 643.5000000
Dev: H	0.0000000 / 0.0000000	Prod: H	0.0000000 / 0.0000000
A	0.0000000 / 0.0000000	A	0.0000000 / 0.0000000
UnDev: H	257.4000000 / 257.4000000	NonProd: H	257.4000000 / 257.4000000
A	643.5000000 / 643.5000000	A	643.5000000 / 643.5000000

**Interests**

( Active WI & Rental ) WI [C00123 : 1000]  
 100.0000000 SALT BUSH ENERGY LTD. [SALT BUSH]  
 100.0000000 Total

**Royalties**

Type	% of Prod	Convertibility / Take-in-Kind
ORR	50.0000000	Non-Convertible, Not TIK
2.0% of all products,		

**Receivers**

100.0000000	SOURCEROCKROY
LOR	100.0000000
16.0% of all products,	

**Receivers**

100.0000000	PRAIRIESKYROY
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**Payors**

100.0000000	SALTBUSH
Non-Convertible, Not TIK	

**Payors**

100.0000000	SALTBUSH
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**Acreage (Gross/Net)**

<b>Total:</b>	H 257.4000000 / 257.4000000	<b>Expose:</b>	H 257.4000000 / 257.4000000
	A 643.5000000 / 643.5000000		A 643.5000000 / 643.5000000
<b>Dev:</b>	H 0.0000000 / 0.0000000	<b>Prod:</b>	H 0.0000000 / 0.0000000
	A 0.0000000 / 0.0000000		A 0.0000000 / 0.0000000
<b>UnDev:</b>	H 257.4000000 / 257.4000000	<b>NonProd:</b>	H 257.4000000 / 257.4000000
	A 643.5000000 / 643.5000000		A 643.5000000 / 643.5000000

**Related Documents**

File # / Name	Details / Comments
S00002 - 1	
C00123 - 184	
C00810 - 5	
C00813 - 1	
C00809 - 1	
C00125 - 1	
M00618.pdf	
M00618 IA Dated Ma	

Lessor	Rental %	Rental \$	Address	Depository Address
PRAIRIESKYROY PRAIRIESKY ROYALTY LTD.	100.0000000	2,560.00	P.O. BOX 780, STATION M CALGARY, AB T2P 2J6	1700, 350 - 7TH AVENUE SW CALGARY, ALBERTA T2P 3N9

General	Dates	Rental Info	Acquisition	Summary Acreages (Gross/Net)					
<b>M00375</b>	Lease: FEB-08-2018	Gross \$: \$448.00	Bonus: \$24,085.76	Total: H	128.0000000 /	128.0000000	Expose: H	128.0000000 /	128.0000000
Status: ACTIVE	Effective: FEB-08-2018	Net \$: \$448.00	Rent & Fee: \$1,073.00	A	320.0000000 /	320.0000000	A	320.0000000 /	320.0000000
Lse: PNG LSE	Expiry: FEB-07-2023	Date: FEB-07-2019	Total: \$25,158.76	Dev: H	0.0000000 /	0.0000000	Prod: H	0.0000000 /	0.0000000
Area: AB WIZARD LAKE	Acq'd: FEB-07-2018	Freq: Annual	Our %: 80.0000000	A	0.0000000 /	0.0000000	A	0.0000000 /	0.0000000
Fh/Cr: CR 0418020147	Termin	Paid By: SALTBUSH	Our Share: \$20,127.01	UnDev: H	128.0000000 /	128.0000000	NonProd: H	128.0000000 /	128.0000000
Min.Int: 100.0000000		Method: CRSALE		A	320.0000000 /	320.0000000	A	320.0000000 /	320.0000000

Zone:

Split	Status	Acquired	Extension	Extended Expiry	Terminated	Operator	Accounting Code	Rental %	Interest Type	Prod	AMI	ROFR
1	ACTIVE	2018-02-07				SALTBUSH		100.000000	WI	NP	N	N

Tracts / Lands / Rights / Wells

Tract 1  
 TWP 48-RGE 27-W4M W16  
 PNG from SURFACE to BASE NISKU

Royalties

Type	% of Prod	Convertibility / Take-in-Kind
CSS	100.0000000	Non-Convertible, Not TIK
Crown Sliding-Scale,		
<b>Receivers</b>		
100.0000000	ALBERTA ENERGY	
ORR	50.0000000	Non-Convertible, Not TIK
2.0% of all products,		
<b>Receivers</b>		
100.0000000	SOURCEROCKROY	

Payors

100.0000000	ALL WI
Non-Convertible, Not TIK	
<b>Payors</b>	
100.0000000	SALTBUSH

Related Documents

File # / Name	Details / Comments
C00809 - 1	
C00125 - 1	
C00123 - 176	
C00813 - 1	
C00810 - 1	
C00123 - 999	
M00375.pdf	

Interests

( Active WI & Rental ) WI [C00123 : 999]  
 100.0000000 SALT BUSH ENERGY LTD. [SALTBUSH]  
 100.0000000 Total

Acreage (Gross/Net)

Total: H	128.0000000 /	128.0000000	Expose: H	128.0000000 /	128.0000000
A	320.0000000 /	320.0000000	A	320.0000000 /	320.0000000
Dev: H	0.0000000 /	0.0000000	Prod: H	0.0000000 /	0.0000000
A	0.0000000 /	0.0000000	A	0.0000000 /	0.0000000
UnDev: H	128.0000000 /	128.0000000	NonProd: H	128.0000000 /	128.0000000
A	320.0000000 /	320.0000000	A	320.0000000 /	320.0000000

Lessor	Rental %	Rental \$	Address	Depository Address
ALBERTA ENERGY ALBERTA ENERGY	100.0000000	448.00	9TH FLOOR, 9945 - 108 STREET EDMONTON, ALBERTA T5K 2G6	

General	Dates	Rental Info	Acquisition	Summary Acreages (Gross/Net)					
<b>M01165</b>	Lease: JUL-06-2017	Gross \$: \$3,136.00	Bonus: \$111,150.77	Total: H	256.0000000 /	0.0000000	Expose: H	0.0000000 /	0.0000000
Status: ACTIVE	Effective: JUL-06-2017	Net \$: \$0.00	Rent & Fee: \$0.00	A	640.0000000 /	0.0000000	A	0.0000000 /	0.0000000
Lse: PNG LSE	Expiry: JUL-05-2022	Date: JUL-05-2018	Total: \$111,150.77	Dev: H	0.0000000 /	0.0000000	Prod: H	0.0000000 /	0.0000000
Area: AB WIZARD LAKE	Acq'd:	Freq: Annual	Our %: 0.0000000	A	0.0000000 /	0.0000000	A	0.0000000 /	0.0000000
Fh/Cr: CR 040417070033	Termin	Paid By: TWP 50 RESOUR	Our Share: \$0.00	UnDev: H	256.0000000 /	0.0000000	NonProd: H	256.0000000 /	0.0000000
Min.Int: 0.0000000			Method: CRSALE	A	640.0000000 /	0.0000000	A	640.0000000 /	0.0000000

Zone:

Split	Status	Acquired	Extension	Extended Expiry	Terminated	Operator	Accounting Code	Rental %	Interest Type	Prod	AMI	ROFR
1	ACTIVE					TWP 50 RESOURCE		100.000000	WI	NP	N	N

**Tracts / Lands / Rights / Wells**

Tract 1  
 TWP 48-RGE 27-W4M 20  
 PNG from BASE EDMONTON to BASE MANNVILLE

**Royalties**

Type	% of Prod	Convertibility / Take-in-Kind
ORR	100.0000000	Non-Convertible, Not TIK
8.0% of all products,		

**Receivers**

100.0000000 TWP 50 RESOURCES  
 ORR 0.0000000

**Payors**

100.0000000 SALT BUSH  
 Non-Convertible, Not TIK

2.0% of all products,

PURSUANT TO THE SRR "ORR" AGMT, THE ORR TO SRR WILL BE PENDING BASED UPON NOTICE GIVEN TO SSR UNDER THE TERMS OF THE SRR "ORR" AGMT TO EITHER ELECT TO PURCHASE A RIGHT OR INTEREST IN THE TWP 50 FARMIN AGMT THEREAFTER SRR'S ORR OF 2% WILL BE PAID ON SBE INTEREST EARNED AND ON THOSE LANDS THAT EARNING HAS OCCURRED.

**Receivers**

100.0000000 SOURCEROCKROY  
 CSS 100.0000000

**Payors**

100.0000000 SALT BUSH  
 Non-Convertible, Not TIK

Crown Sliding-Scale,

**Receivers**

100.0000000 ALBERTA ENERGY

**Payors**

100.0000000 TWP 50 RESOURCES

**Related Documents**

File # / Name	Details / Comments
C00809 - 1	
C00810 - 8	ROYALTY AGREEMENT

Lessor	Rental %	Rental \$	Address	Depository Address
ALBERTA ENERGY ALBERTA ENERGY	100.0000000	3,136.00	9TH FLOOR, 9945 - 108 STREET EDMONTON, ALBERTA T5K 2G6	

General	Dates	Rental Info	Acquisition	Summary Acreages (Gross/Net)
<b>M00668</b>	Lease: JAN-10-2019	Gross \$: \$896.00	Bonus: \$30,320.64	Total: H 256.0000000 / 256.0000000 Expose: H 256.0000000 / 256.0000000
Status: ACTIVE	Effective: JAN-10-2019	Net \$: \$896.00	Rent & Fee: \$1,521.00	A 640.0000000 / 640.0000000 A 640.0000000 / 640.0000000
Lse: PNG LSE	Expiry: JAN-09-2024	Date: JAN-09-2020	Total: \$31,841.64	Dev: H 0.0000000 / 0.0000000 Prod: H 0.0000000 / 0.0000000
Area: AB WIZARD LAKE	Acq'd: JAN-10-2019	Freq: Annual	Our %: 70.0000000	A 0.0000000 / 0.0000000 A 0.0000000 / 0.0000000
Fh/Cr: CR 0419010049	Termin	Paid By: SALT BUSH	Our Share: \$22,289.15	UnDev: H 256.0000000 / 256.0000000 NonProd: H 256.0000000 / 256.0000000
Min.Int: 100.0000000			Method: CRSALE	A 640.0000000 / 640.0000000 A 640.0000000 / 640.0000000

Zone:

Split	Status	Acquired	Extension	Extended Expiry	Terminated	Operator	Accounting Code	Rental %	Interest Type	Prod	AMI	ROFR
1	ACTIVE	2019-01-10				SALT BUSH		100.000000	WI	NP	N	N

**Tracts / Lands / Rights / Wells**

Tract 1  
 TWP 48-RGE 27-W4M 22  
 PNG from SURFACE to BASE MANNVILLE  
**Royalties**

Type	% of Prod	Convertibility / Take-in-Kind
CSS	100.0000000	Non-Convertible, Not TIK
Crown Sliding-Scale,		

Receivers	Payors
100.0000000 ALBERTA ENERGY	100.0000000 SALT BUSH
ORR 50.0000000	Non-Convertible, Not TIK

2.0% of all products,

Receivers	Payors
100.0000000 SOURCEROCKROY	100.0000000 SALT BUSH

**Related Documents**

File # / Name	Details / Comments
C00810 - 6	
C00125 - 1	
C00809 - 1	
C00813 - 1	
M00668.pdf	

**Interests**

( Active WI & Rental ) WI [C00123 : 1001]  
 100.0000000 SALT BUSH ENERGY LTD. [SALT BUSH]  
 100.0000000 Total

**Acreage (Gross/Net)**

Total: H	256.0000000 /	256.0000000	Expose: H	256.0000000 /	256.0000000
A	640.0000000 /	640.0000000	A	640.0000000 /	640.0000000
Dev: H	0.0000000 /	0.0000000	Prod: H	0.0000000 /	0.0000000
A	0.0000000 /	0.0000000	A	0.0000000 /	0.0000000
UnDev: H	256.0000000 /	256.0000000	NonProd: H	256.0000000 /	256.0000000
A	640.0000000 /	640.0000000	A	640.0000000 /	640.0000000

Lessor	Rental %	Rental \$	Address	Depository Address
ALBERTA ENERGY ALBERTA ENERGY	100.0000000	896.00	9TH FLOOR, 9945 - 108 STREET EDMONTON, ALBERTA T5K 2G6	

General	Dates	Rental Info	Acquisition	Summary Acreages (Gross/Net)					
<b>M01163</b>	Lease: OCT-24-2019	Gross \$: \$896.00	Bonus: \$7,124.48	Total: H	256.0000000 /	256.0000000	Expose: H	0.0000000 /	0.0000000
Status: ACTIVE	Effective: OCT-24-2019	Net \$: \$896.00	Rent & Fee: \$1,521.00	A	640.0000000 /	640.0000000	A	0.0000000 /	0.0000000
Lse: PNG LSE	Expiry: OCT-23-2024	Date: OCT-23-2020	Total: \$8,645.48	Dev: H	0.0000000 /	0.0000000	Prod: H	0.0000000 /	0.0000000
Area: AB WIZARD LAKE	Acq'd:	Freq: Annual	Our %: 100.0000000	A	0.0000000 /	0.0000000	A	0.0000000 /	0.0000000
Fh/Cr: CR 0419100084	Termin	Paid By: SALT BUSH	Our Share: \$8,645.48	UnDev: H	256.0000000 /	256.0000000	NonProd: H	256.0000000 /	256.0000000
Min.Int: 0.0000000			Method: CRSALE	A	640.0000000 /	640.0000000	A	640.0000000 /	640.0000000
Zone:									

Split	Status	Acquired	Extension	Extended Expiry	Terminated	Operator	Accounting Code	Rental %	Interest Type	Prod	AMI	ROFR
1	ACTIVE					SALT BUSH		100.000000	WI	NP	N	N

**Tracts / Lands / Rights / Wells**

Tract 1  
 TWP 48-RGE 28-W4M 24  
 PNG from SURFACE to BASEMENT

**Royalties**

Type	% of Prod	Convertibility / Take-in-Kind
CSS	100.0000000	Non-Convertible, Not TIK
Crown Sliding-Scale,		

**Related Documents**

File # / Name	Details / Comments
C00813 - 1	
C00810 - 11	

**Interests**

( Active WI & Rental ) WI  
 WORKING INTEREST  
 100.0000000 SALT BUSH ENERGY LTD. [SALT BUSH]  
 100.0000000 Total

**Acreage (Gross/Net)**

Total: H	256.0000000 /	256.0000000	Expose: H	0.0000000 /	0.0000000
A	640.0000000 /	640.0000000	A	0.0000000 /	0.0000000
Dev: H	0.0000000 /	0.0000000	Prod: H	0.0000000 /	0.0000000
A	0.0000000 /	0.0000000	A	0.0000000 /	0.0000000
UnDev: H	256.0000000 /	256.0000000	NonProd: H	256.0000000 /	256.0000000
A	640.0000000 /	640.0000000	A	640.0000000 /	640.0000000

Lessor	Rental %	Rental \$	Address	Depository Address
ALBERTA ENERGY ALBERTA ENERGY	100.0000000	896.00	9TH FLOOR, 9945 - 108 STREET EDMONTON, ALBERTA T5K 2G6	

General	Dates	Rental Info	Acquisition	Summary Acreages (Gross/Net)
<b>M01162</b>	Lease: DEC-21-2017	Gross \$: \$896.00	Bonus: \$25,000.00	Total: H 102.4000000 / 102.4000000
Status: ACTIVE	Effective: DEC-21-2017	Net \$: \$896.00	Rent & Fee: \$230.12	A 256.0000000 / 256.0000000
Lse: PNG LSE	Expiry: DEC-20-2022	Date: DEC-20-2018	Total: \$25,230.12	Dev: H 0.0000000 / 0.0000000
Area: AB WIZARD LAKE	Acq'd: Termin	Freq: Annual	Our %: 100.0000000	A 0.0000000 / 0.0000000
Fh/Cr: CR 0417120142		Paid By: SALTBUSH	Our Share: \$25,230.12	UnDev: H 102.4000000 / 102.4000000
Min.Int: 0.0000000			Method: PURCHASE	A 256.0000000 / 256.0000000
Zone:				A 256.0000000 / 256.0000000

Split	Status	Acquired	Extension	Extended Expiry	Terminated	Operator	Accounting Code	Rental %	Interest Type	Prod	AMI	ROFR
1	ACTIVE					SALTBUSH		100.000000	WI	NP	N	N

**Tracts / Lands / Rights / Wells**

Tract 1  
 TWP 47-RGE 27-W5M 32  
 PNG from BASE EDMONTON to BASEMENT

**Royalties**

Type	% of Prod	Convertibility / Take-in-Kind
CSS	100.0000000	Non-Convertible, Not TIK

Crown Sliding-Scale,

**Receivers**

100.0000000 ALBERTA ENERGY

**Payors**

100.0000000 SALTBUSH

**Related Documents**

File # / Name	Details / Comments
C00807 - 1	
PNG Lease 0417120	
M01162 Election Lett	

**Interests**

( Active WI & Rental ) WI [C00807 : 1]  
 INTEREST PURCHASED BY SALT BUSH  
 100.0000000 SALT BUSH ENERGY LTD. [SALTBUSH]  
 100.0000000 Total

**Acreage (Gross/Net)**

Total: H	102.4000000 /	102.4000000	Expose: H	0.0000000 /	0.0000000
A	256.0000000 /	256.0000000	A	0.0000000 /	0.0000000
Dev: H	0.0000000 /	0.0000000	Prod: H	0.0000000 /	0.0000000
A	0.0000000 /	0.0000000	A	0.0000000 /	0.0000000
UnDev: H	102.4000000 /	102.4000000	NonProd: H	102.4000000 /	102.4000000
A	256.0000000 /	256.0000000	A	256.0000000 /	256.0000000

Lessor	Rental %	Rental \$	Address	Depository Address
ALBERTA ENERGY ALBERTA ENERGY	100.0000000	896.00	9TH FLOOR, 9945 - 108 STREET EDMONTON, ALBERTA T5K 2G6	

General	Dates	Rental Info	Acquisition	Summary Acreages (Gross/Net)					
<b>M01166</b>	Lease: SEP-20-2018	Gross \$: \$70.00	Bonus: \$151.40	Total: H	20.0000000 /	0.0000000	Expose: H	0.0000000 /	0.0000000
Status: ACTIVE	Effective: SEP-20-2018	Net \$: \$0.00	Rent & Fee: \$0.00	A	50.0000000 /	0.0000000	A	0.0000000 /	0.0000000
Lse: PNG LSE	Expiry: SEP-19-2023	Date: SEP-19-2019	Total: \$151.40	Dev: H	0.0000000 /	0.0000000	Prod: H	0.0000000 /	0.0000000
Area: AB WIZARD LAKE	Acq'd:	Freq: Annual	Our %: 0.0000000	A	0.0000000 /	0.0000000	A	0.0000000 /	0.0000000
Fh/Cr: CR 040418090143	Termin	Paid By: TWP 50	Our Share: \$0.00	UnDev: H	20.0000000 /	0.0000000	NonProd: H	20.0000000 /	0.0000000
Min.Int: 0.0000000			Method: CRSALE	A	50.0000000 /	0.0000000	A	50.0000000 /	0.0000000
Zone:									

Split	Status	Acquired	Extension	Extended Expiry	Terminated	Operator	Accounting Code	Rental %	Interest Type	Prod	AMI	ROFR
1	ACTIVE					TWP 50 RESOURCE		100.000000	WI		N	N

**Tracts / Lands / Rights / Wells**

Tract 1  
 TWP 48-RGE 27-W5M 21 (LSD 3,4)  
 PNG from TOP MANNVILLE to BASE MANNVILLE

**Royalties**

Type	% of Prod	Convertibility / Take-in-Kind
CSS	100.0000000	Non-Convertible, Not TIK

Crown Sliding-Scale,

**Receivers**

100.0000000 ALBERTA ENERGY  
 ORR 100.0000000  
 8.0% of all products,

**Payors**

100.0000000 SALT BUSH  
 Non-Convertible, Not TIK

**Receivers**

100.0000000 TWP 50 RESOURCES  
 ORR 0.0000000  
 2.0% of all products,

**Payors**

100.0000000 SALT BUSH  
 Non-Convertible, Not TIK

PURSUANT TO THE SRR "ORR" AGMT, THE ORR TO SRR WILL BE PENDING BASED UPON NOTICE GIVEN TO SSR UNDER THE TERMS OF THE SRR "ORR" AGMT TO EITHER ELECT TO PURCHASE A RIGHT OR INTEREST IN THE TWP 50 FARMIN AGMT THEREAFTER SRR'S ORR OF 2% WILL BE PAID ON SBE INTEREST EARNED AND ON THOSE LANDS THAT EARNING HAS OCCURRED.

**Receivers**

100.0000000 SOURCEROCKROY

**Payors**

100.0000000 SALT BUSH

**Related Documents**

File # / Name	Details / Comments
C00809 - 1	
C00810 - 9	ROYALTY AGREEMENT

Lessor	Rental %	Rental \$	Address	Depository Address
ALBERTA ENERGY ALBERTA ENERGY	100.0000000	70.00	9TH FLOOR, 9945 - 108 STREET EDMONTON, ALBERTA T5K 2G6	

General	Dates	Rental Info	Acquisition	Summary Acreages (Gross/Net)					
<b>M01168</b>	Lease: NOV-27-2019	Gross \$: \$1,400.00	Bonus: \$0.00	Total: H	224.0000000 /	224.0000000	Expose: H	0.0000000 /	0.0000000
Status: ACTIVE	Effective: NOV-27-2019	Net \$: \$1,400.00	Rent & Fee: \$0.00	A	560.0000000 /	560.0000000	A	0.0000000 /	0.0000000
Lse: PNG LSE	Expiry: NOV-26-2022	Date: NOV-26-2020	Total: \$0.00	Dev: H	0.0000000 /	0.0000000	Prod: H	0.0000000 /	0.0000000
Area: AB WIZARD LAKEAcq'd:		Freq: Annual	Our %: 0.0000000	A	0.0000000 /	0.0000000	A	0.0000000 /	0.0000000
Fh/Cr: FH PRAIRIESKY Termin		Paid By: SALT BUSH	Our Share: \$0.00	UnDev: H	224.0000000 /	224.0000000	NonProd: H	224.0000000 /	224.0000000
Min.Int: 0.0000000			Method:	A	560.0000000 /	560.0000000	A	560.0000000 /	560.0000000
Zone:									

Split	Status	Acquired	Extension	Extended Expiry	Terminated	Operator	Accounting Code	Rental %	Interest Type	Prod	AMI	ROFR
1	ACTIVE					SALT BUSH		100.0000000			N	N

**Tracts / Lands / Rights / Wells**

Tract 1  
 TWP 48-RGE 27-W5M 21  
 EXCL LSD 3 & 4  
 PNG from TOP MANNVILLE to BASE MANNVILLE

**Royalties**

Type	% of Prod	Convertibility / Take-in-Kind
ORR	50.0000000	Non-Convertible, Not TIK
2.0% of all products,		
<b>Receivers</b>		
100.0000000	SOURCEROCKROY	
LOR	100.0000000	Non-Convertible, Not TIK
17.5% of all products,		
<b>Receivers</b>		
100.0000000	PRAIRIESKYROY	

**Related Documents**

File # / Name	Details / Comments
C00810 - 9	
C00809 - 1	

**Interests**

( Active WI & Rental ) WI  
 100.0000000 SALT BUSH ENERGY LTD. [SALT BUSH]  
 100.0000000 Total

**Acreage (Gross/Net)**

Total: H	224.0000000 /	224.0000000	Expose: H	0.0000000 /	0.0000000
A	560.0000000 /	560.0000000	A	0.0000000 /	0.0000000
Dev: H	0.0000000 /	0.0000000	Prod: H	0.0000000 /	0.0000000
A	0.0000000 /	0.0000000	A	0.0000000 /	0.0000000
UnDev: H	224.0000000 /	224.0000000	NonProd: H	224.0000000 /	224.0000000
A	560.0000000 /	560.0000000	A	560.0000000 /	560.0000000

Lessor	Rental %	Rental \$	Address	Depository Address
PRAIRIESKYROY PRAIRIESKY ROYALTY LTD.	100.0000000	1,400.00	P.O. BOX 780, STATION M CALGARY, AB T2P 2J6	1700, 350 - 7TH AVENUE SW CALGARY, ALBERTA T2P 3N9

**Acreage Grand Totals**

	Gross	Net	Expose: H	Gross	Net
Total: H	5,776.3700000 /	5,500.3700000	Expose: H	1,934.8000000 /	1,934.8000000
A	14,440.9250000 /	13,750.9250000	A	4,837.0000000 /	4,837.0000000
Dev: H	1,041.0000000 /	1,041.0000000	Prod: H	0.0000000 /	0.0000000
A	2,602.5000000 /	2,602.5000000	A	0.0000000 /	0.0000000
UnDev: H	4,735.3700000 /	4,459.3700000	NonProd: H	5,776.3700000 /	5,500.3700000
A	11,838.4250000 /	11,148.4250000	A	14,440.9250000 /	13,750.9250000

SCHEDULE A - Part 2

“Wells” include all of Vendor’s interest in all wells located within the Whitemap Area shown on the first page of Schedule A including, without limitation, the wells listed below.

**WELLS**

Licensee	Well UWI	Surface Location	License No	Status	WI
Salt Bush Energy Ltd. A7RJ	03/12-04-048-27W4/0	1-17-048-27W4	W0496227	Producing	100.0%
Point Loma Resources Ltd. A662	00/16-17-048-27W4/0	1-17-048-27W4	W0492108	Producing	100.0%
Point Loma Resources Ltd. A662	00/01-08-048-27W4/0	1-17-048-27W4	W0495139	Producing	100.0%

“Facilities” include all of Vendor’s interest in all facilities and pipelines located within the Whitemap Area shown on the first page of Schedule A including, without limitation, the facilities and pipelines listed below.

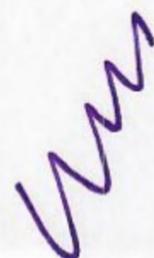
**FACILITIES**

Licensee	Location	License No	Status	Description	WI
Salt Bush Energy Ltd. A7RJ	11-17-048-27W4	F51646	Operating	Multi-Well Battery	100.0%
Salt Bush Energy Ltd. A7RJ	1-17-048-27W4	F51728	Operating	Satellite	100.0%

**PIPELINES**

Licensee	From Location	To Location	License No	Status	Description	WI
Salt Bush Energy Ltd. A7RJ	05-19-048-27W4	16-36-048-28W4	P61394 S-1	Operating	Gas Line	100.0%
Salt Bush Energy Ltd. A7RJ	03-30-048-27W4	05-19-048-27W4	P61394 S-2	Operating	Gas Line	100.0%
Salt Bush Energy Ltd. A7RJ	11-17-048-27W4	05-19-048-27W4	P61302	Operating	Gas Line	100.0%
Salt Bush Energy Ltd. A7RJ	01-17-048-27W4	11-17-048-27W4	P60897	Operating	Emulsion Line	100.0%
Salt Bush Energy Ltd. A7RJ	01-17-048-27W4	11-17-048-27W4	P60891	Operating	Emulsion Line	100.0%

**SCHEDULE B**  
**Form of Sale Order**  
(attached)

A handwritten signature in purple ink, consisting of several stylized, overlapping loops and curves, located in the bottom right corner of the page.

**SCHEDULE C**

**Form of General Conveyance, Assignment and Assumption Agreement**

**GENERAL CONVEYANCE, ASSIGNMENT, AND ASSUMPTION AGREEMENT**

**THIS** General Conveyance, Assignment, and Assumption Agreement (this "**Agreement**") is made as of the [●] day of [●], 2021.

**AMONG:**

**SALT BUSH ENERGY LTD.** (the "**Vendor**")

- and -

**IRONBARK ENERGY LTD.**, a corporation existing under the laws of Alberta (the "**Purchaser**")

**RECITALS:**

- A. In accordance with the terms of that certain Asset Purchase and Sale Agreement dated as of February 2, 2021, by and between the Vendor and the Purchaser (the "**Purchase Agreement**"), the Vendor has agreed to sell, assign, and transfer the Assets to the Purchaser and the Purchaser has agreed to purchase the Assets from the Vendor;
- B. the Purchaser has agreed to assume the Assumed Liabilities; and
- C. this Agreement is delivered pursuant to the Purchase Agreement.

**NOW THEREFORE**, for good and valuable consideration now paid by the Purchaser to the Vendor pursuant to the Purchase Agreement (the receipt and sufficiency of which is hereby acknowledged by the Vendor) the parties hereto agree as follows:

**1. Definitions**

All capitalized terms used but not otherwise defined in this Agreement shall have the meaning ascribed to such terms in the Purchase Agreement.

**2. Certain Rules of Interpretation**

- (i) In this Agreement, unless the context requires otherwise, words in one gender include all genders and words in the singular include the plural and vice versa.
- (ii) The division of this Agreement into Sections and the inclusion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Agreement.
- (iii) The terms "hereof," "hereunder," and similar expressions refer to this Agreement and not to any particular Section or other portion of this Agreement.
- (iv) Unless something in the subject matter or context is inconsistent therewith, references herein to "Sections" are to sections of this Agreement.

- (v) The language used in this Agreement is the language chosen by the parties to express their mutual intent, and no rule of strict construction shall be applied against any party.

**3. Conveyance**

The Vendor hereby sells, transfers, assigns, conveys and delivers to the Purchaser, and the Purchaser hereby purchases, accepts and receives from the Vendor, upon the terms and subject to the conditions of the Purchase Agreement, the Vendor's Interest in and to the Assets, free and clear of any and all Encumbrances of any and every kind, nature, and description, other than Permitted Encumbrances, as applicable, with effect as of the Closing on the date hereof, to have and to hold the Assets and all such right, title, interest, property, claim, and demand unto and to the use of the Purchaser.

**4. Assumption of Assumed Liabilities**

Effective as of the Closing on the date hereof, the Purchaser hereby assumes and agrees to pay, perform, and discharge, when due, the Assumed Liabilities.

**5. Further Assurances**

Each of the Parties hereto from and after the date hereof shall, from time to time, and at the request and expense of the Party requesting the same, do all such further acts and things and execute and deliver such further instruments, documents, matters, papers and assurances as may be reasonably requested to complete the Transaction and for more effectually carrying out the true intent and meaning of this Agreement.

**6. Governing Law**

This Agreement shall be governed by and construed in accordance with the laws of the Province of Alberta, and the federal laws of Canada applicable therein (excluding any conflict of law rule or principle of such laws that might refer such interpretation or enforcement to the laws of another jurisdiction). The Parties consent to the jurisdiction and venue of the courts of Alberta for the resolution of any such dispute arising under this Agreement.

**7. Entire Agreement**

This Agreement, the Purchase Agreement, and the documents referred to therein and contemplated thereby constitute the entire agreement between the Parties with respect to the subject matter hereof and cancel and supersede all prior agreements, understandings, negotiations and discussions, whether oral or written, between the Parties with respect to the subject matter hereof. There are no conditions, covenants, agreements, representations, warranties or other provisions, whether oral or written, express or implied, collateral, statutory or otherwise, relating to the subject matter hereof other than those contained in this Agreement, the Purchase Agreement, and the documents referred to therein and contemplated thereby.

**8. Successors and Assigns**

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

WM

**9. Counterparts**

This Agreement may be executed in two or more counterparts, each of which will be deemed an original and all of which together will constitute one instrument. Delivery by facsimile or by electronic transmission in portable document format (PDF) of an executed counterpart of this Agreement is as effective as delivery of an originally executed counterpart of this Agreement.

**10. Amendments**

This Agreement shall not be varied in its terms or amended by oral agreement or by representations or otherwise other than by an instrument in writing dated subsequent to the date hereof, executed by a duly authorized representative of each Party. Any amendment effected in accordance with this Section 10 will be binding upon the Parties and their respective successors and permitted assigns.

**11. Paramountcy**

This Agreement is delivered pursuant to, and is subject to, all of the terms and conditions contained in the Purchase Agreement. In the event of any inconsistency between the provisions of this Agreement and the provisions of the Purchase Agreement, the provisions of the Purchase Agreement shall prevail.

**12. Severability**

If any provision of this Agreement or any document delivered in connection with this Agreement is partially or completely invalid or unenforceable, the invalidity or unenforceability of that provision shall not affect the validity or enforceability of any other provision of this Agreement, all of which shall be construed and enforced as if that invalid or unenforceable provision were omitted. The invalidity or unenforceability of any provision in one jurisdiction shall not affect such provision validity or enforceability in any other jurisdiction.

**[Signature Page Follows.]**



**IN WITNESS WHEREOF** this Agreement has been properly executed by the Parties as of the date first above written.

**SALT BUSH ENERGY LTD.**

Per: \_\_\_\_\_  
Name:  
Title:

**IRONBARK ENERGY LTD.**

Per: \_\_\_\_\_  
Name:  
Title:

Per: \_\_\_\_\_  
Name:  
Title:



**SCHEDULE D**

**Form of Bring-Down Certificate**

**TO:** [Name of Vendor/Purchaser] [(the "Vendor")] [(the "Purchaser")]

**RE:** Agreement of Purchase and Sale dated February 2, 2021 between the Vendor and the Purchaser (the "Agreement")

Unless otherwise defined herein, the definitions provided for in the Agreement are adopted in this certificate (the "Certificate").

I, [Name], [Position] of [Name of Vendor/Purchaser] [(the "Vendor")] [(the "Purchaser")] hereby certify that as of the date of this Certificate:

1. The undersigned is personally familiar, in [his][her] capacity as an officer of [Vendor][Purchaser], with the matters hereinafter mentioned.
2. Each of the covenants, representations and warranties of the [Vendor][Purchaser] contained in Section [5.1 / 5.2] of the Agreement were true and correct in all material respects when made and are true and correct in all material respects as of the Closing Date.
3. All obligations of [Vendor][Purchaser] contained in the Agreement to be performed prior to or at Closing have been timely performed in all material respects.
4. This Certificate is made for and on behalf of the [Vendor][Purchaser] and is binding upon it, and I am not incurring, and will not incur, any personal liability whatsoever with respect to it.
5. This Certificate is made with full knowledge that the [Vendor][Purchaser] is relying on the same for the Closing of the Transaction.

IN WITNESS WHEREOF I have executed this Certificate this \_\_\_\_\_ day of \_\_\_\_\_, 2021.

**[Name of Vendor/Purchaser]**

Per: \_\_\_\_\_

Name:

Title:

*Wm*

**SCHEDULE E**

**Excluded Assets**



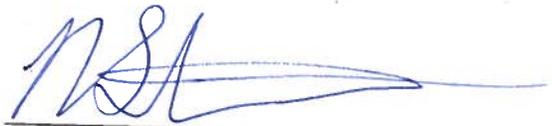
**CERTIFICATE**

CANADA )  
          ) *IN THE MATTER OF THE BANKRUPTCY AND INSOLVENCY ACT,*  
PROVINCE OF ) *R.S.C. 1985, c. B-3, AS AMENDED*  
          ) *AND IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE*  
ALBERTA ) *A PROPOSAL OF SALT BUSH ENERGY LTD.*  
          )

I, Nathan Stewart, of the City of Calgary, in the Province of Alberta, Barrister & Solicitor,  
**DO CERTIFY** that:

1. I remotely commissioned the Affidavit of Charles Morgan, dated May 10, 2021, attached hereto, using videoconferencing software in accordance with the procedure set out in the Court of Queen's Bench of Alberta Notice to the Profession and Public NPP#2020-02 regarding Remote Commissioning of Affidavits for Use in Civil and Family Proceedings During The COVID-19 Pandemic.
2. The remote commissioning process was necessary because it was impossible or unsafe, for medical reasons, for the deponent and I to be physically present together.

**IN TESTIMONY WHEREOF** I have hereunto subscribed my name and affixed my seal of office at the City of Calgary, in the Province of Alberta, this 10<sup>th</sup> day of May, 2021.



Nathan Stewart

A Commissioner for Oaths in  
and for the Province of Alberta

**Nathan A. Stewart**  
**Barrister & Solicitor**

Clerk's Stamp

COURT FILE NUMBER 25-2703459  
COURT COURT OF QUEEN'S BENCH OF ALBERTA  
IN BANKRUPTCY AND INSOLVENCY  
JUDICIAL CENTRE CALGARY

IN THE MATTER OF THE *BANKRUPTCY  
AND INSOLVENCY ACT*, R.S.C. 1985, C. B-3,  
AS AMENDED

AND IN THE MATTER OF THE NOTICE OF  
INTENTION TO MAKE A PROPOSAL OF SALT  
BUSH ENERGY LTD.

DOCUMENT **SECOND AFFIDAVIT OF CHARLES MORGAN**

ADDRESS FOR SERVICE  
AND CONTACT  
INFORMATION OF PARTY  
FILING THIS DOCUMENT  
McCARTHY TÉTRAULT LLP  
Barristers & Solicitors  
Sean Collins / Nathan Stewart  
Suite 4000, 421 - 7 Avenue S.W.  
Calgary, AB T2P 4K9  
Phone: 403-260-3531 / 3534  
Fax: 403-260-3501  
Email: scollins@mccarthy.ca /  
nstewart@mccarthy.ca

**AFFIDAVIT OF CHARLES MORGAN**

**Affirmed on May 10, 2021**

I, Charles Morgan, of the City of London, in the United Kingdom of Great Britain and Northern Ireland, AFFIRM AND SAY THAT:

1. I am the President of Salt Bush Energy Ltd. (the "**Debtor**") and 2345141 Alberta Ltd. ("**ResidualCo**"), the Debtor and ResidualCo are collectively referred to as, the "**Applicants**"), and a director of each of the Applicants. Additionally, I have reviewed the books and records maintained by and in the possession of the Applicants, in the ordinary course of business. In preparing to swear this Affidavit, I have also reviewed the Affidavit of David Messina, sworn on February 3, 2021 (the "**February 3 Affidavit**"), and the Affidavit that I swore on March 15, 2021 (the "**First Morgan Affidavit**"), in the within proceedings. Based on the aforementioned and upon such review, I have personal knowledge of the facts and matters hereinafter sworn to, except

where stated to be based on information and belief, in which case, I believe such information to be true.

2. I swear this affidavit in support of an application (the "**Application**") by the Applicants for two (2) Orders granting, among other things, the following relief:

- (a) an Order (the "**Initial Order**");
  - (i) deeming service of the Application to be good and sufficient;
  - (ii) declaring that the Applicants are companies to which the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "**CCAA**") applies;
  - (iii) authorizing the continuation under the CCAA of the Debtor's proposal proceedings (the "**NOI Proceedings**") under the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the "**BIA**"), commenced on January 13, 2021 (the "**NOI Filing Date**") pursuant to the Notice of Intention to Make a Proposal filed by the Debtor (the "**NOI**"), and adding ResidualCo as an applicant within such CCAA proceedings (the "**CCAA Proceedings**");
  - (iv) appointing Deloitte Restructuring Inc., the Debtor's proposal trustee within the NOI Proceedings (the "**Proposal Trustee**", when referred to in such capacity), as Monitor (the "**Proposed Monitor**", when referred to in such capacity);
  - (v) staying all proceedings, rights, and remedies against or in respect of the Applicants, their business or property, the Proposed Monitor, or their respective employees and representatives, for a period of ten (10) days from the date of issuance of the Initial Order (the "**Stay Period**");
  - (vi) authorizing the Applicants to carry on business in a manner consistent with the preservation of their business and property;
  - (vii) authorizing the Applicants to pay the reasonable and documented fees and disbursements of their counsel, the Monitor, and its counsel; and,



- (viii) continuing the following charges over the Debtor's (but, with the exception of the Administration Charge, not ResidualCo's) current and future assets, undertakings and properties of every kind and nature whatsoever, and wherever situate including all proceeds thereof (collectively, the "**Property**"), as granted within the NOI Proceedings for the purpose of securing the payment and performance of:
- A. the Debtor's obligations outstanding from time to time in connection with the Interim Financing Facility (as defined hereinafter) (the "**Interim Financing Charge**");
  - B. the Debtor's obligations under the Stalking Horse APA (as defined hereinafter) (the "**Break Fee Charge**"); and,
  - C. the fees and expenses of the Debtor's counsel, the Proposed Monitor, and the Proposed Monitor's counsel, in connection with the NOI Proceedings and the CCAA Proceedings (the "**Administration Charge**", the Interim Financing Charge, the Break Fee Charge, and the Administration Charge are collectively referred to as, the "**Charges**"), which for greater certainty shall extend over the Property of ResidualCo;
- (b) an Order (the "**Reverse Vesting Order**"):
- (i) approving the Asset Purchase Agreement, dated February 2, 2021 (as amended, the "**Stalking Horse APA**"), between the Debtor, as vendor, and Ironbark Energy Ltd. (the "**Stalking Horse Bidder**"), a corporation related to the Debtor, as purchaser, and authorizing and empowering the Applicants to take all necessary or desirable steps to give effect to the Stalking Horse APA by way of the revised transaction structure contemplated in the Reverse Vesting Order; and,
  - (ii) ordering and declaring that effective immediately upon the Proposed Monitor issuing a certificate (the "**Monitor's Certificate**") with this Honourable Court certifying that it has been advised in writing by the Applicants that the APA Proceeds (as defined in the proposed form of the



Reverse Vesting Order attached as Schedule "C" to the Application) have been released from escrow and the fees of the Proposed Monitor and its counsel in respect of these proceedings and the NOI Proceedings have been satisfied:

- A. the APA Proceeds (as defined in the proposed form of the Reverse Vesting Order attached as Schedule "C" to the Application) shall be transferred to and vest absolutely in the name of ResidualCo;
- B. all Debtor Liabilities (as defined in the proposed form of the Reverse Vesting Order attached as Schedule "C" to the Application) shall be transferred to, assumed by and vest absolutely in ResidualCo, and ResidualCo shall be deemed to have assumed and become liable for such Debtor Liabilities and, subject to the Initial Order, the Creditors (as defined in the proposed form of the Reverse Vesting Order attached as Schedule "C" to the Application) will have all of the rights, remedies, recourses, benefits and interests against ResidualCo which immediately prior to the Reverse Vesting Order becoming effective they had against the Debtor, and the nature of the Debtor Liabilities, including, without limitation, their amount and their secured or unsecured status, shall not be affected or altered as a result of their transfer to and vesting in ResidualCo;
- C. the Debtor and all of its Property shall be forever released and discharged from the Debtor Liabilities (as defined in the proposed form of the Reverse Vesting Order attached as Schedule "C" to the Application) and all related Claims (as defined in the proposed form of the Reverse Vesting Order attached as Schedule "C" to the Application) shall be expunged and discharged as against the Debtor and its Property;
- D. effective one (1) minute after the date and time (the "**CCAA Termination Time**") on which the Proposed Monitor issues the Monitor's Certificate, the CCAA Proceedings shall be automatically



terminated without any further act or formality and the Initial Order shall have no further force or effect;

- E. effective as at the CCAA Termination Time, subject only to the payment in full of all amounts owing to the beneficiaries thereunder (if any), the Charges shall be terminated, released and discharged;
  - F. the Proposed Monitor shall be discharged as Monitor of the Applicants; and,
  - G. ResidualCo shall be authorized and directed to make an assignment in bankruptcy (the "**ResidualCo Bankruptcy Proceedings**") and the Proposed Monitor shall be authorized to act as the trustee in bankruptcy of ResidualCo (when referred to in such capacity, the "**ResidualCo Trustee**");
- (c) approving the activities and reports of the Proposed Monitor (including in its capacity as Proposal Trustee), ratifying the fees and disbursements of the Monitor and its counsel in the CCAA Proceedings and the NOI Proceedings, declaring that a single levy shall be payable by the ResidualCo Trustee to the Office of the Superintendent of Bankruptcy, in respect of the ResidualCo Bankruptcy Proceedings, and dispensing with any requirement to pay a levy in respect of the CCAA Proceedings or the NOI Proceedings; and,
- (d) such further and additional relief as may be sought by the Debtor and approved by this Honourable Court,

(collectively, the "**Primary Relief**").

3. In the alternative, if the Court does not grant the Primary Relief, the Debtor seeks two (2) Orders granting, among other things, the following relief:

- (a) deeming service of the Application to be good and sufficient;
- (b) approving the Stalking Horse APA and the sale, transfer and assignment of the assets identified therein (collectively, the "**Assets**"), and the transfer and vesting of the Assets to the Stalking Horse Bidder, and authorizing the Debtor and the



Proposal Trustee to take any and all such steps as are necessary or advisable to close the transaction for the purchase and sale of the Assets;

- (c) upon the Proposal Trustee filing a certificate with this Honourable Court confirming that all terms and conditions under the Stalking Horse APA have either been satisfied or waived and that the transactions contemplated by the Stalking Horse APA have been completed, all legal and beneficial ownership of and title to the Assets shall vest in the Stalking Horse Bidder, and shall be free and clear of any and all security interests and claims (other than Permitted Encumbrances);
- (d) extending the period within which the Debtor may file a proposal (the "**Filing Period**") by 45 days, up to and including June 27, 2021, or such other date as this Honourable Court may order, to permit the Debtor to close the transactions contemplated by the Stalking Horse APA; and,
- (e) such further and additional relief as may be sought by the Debtor and approved by this Honourable Court,

(collectively, the "**Alternative Relief**", the Primary Relief and the Alternative Relief are collectively referred to as, the "**Relief Sought**").

#### **Background and SISP Results**

4. As described more fully in the February 3 Affidavit, the Debtor is a wholly-owned subsidiary of Whitebark Energy Ltd. ("**Whitebark**"). Whitebark is a reporting issuer listed on the Australian Securities Exchange, and is engaged in the business of oil and gas exploration and production. Whitebark conducts operations in Canada and Western Australia through its subsidiaries, including the Debtor.

5. The Debtor is an oil and gas exploration and production company based in the City of Calgary, and conducts business within the Province of Alberta. Specifically, the Debtor is engaged in the business of operating working interests in the Wizard Lake Oil Field, located approximately fifty (50) kilometers southwest of the City of Edmonton.

6. On January 13, 2021 (the "**NOI Filing Date**"), the Debtor filed a Notice of Intention to Make a Proposal (the "**NOI**") under and pursuant to the *Bankruptcy and Insolvency Act* (Canada) (the



**"BIA"**). The Proposal Trustee consented to acting as proposal trustee in the Debtor's NOI proceedings (the **"NOI Proceedings"**).

7. The NOI Proceedings were initiated by the Debtor in response to significant liquidity constraints as a result of various factors, including then recent declines in oil prices. The Debtor made substantial capital expenditures in connection with its Wizard Lake Oil Field assets in recent years, but production has not yet matched expenditures. In January 2021, Whitebark, an Australian publicly traded company which is the sole shareholder of the Debtor, informed the Debtor that it was no longer willing to fund the Debtor's ongoing operations in the ordinary course, absent a resolution of the aforementioned issues. Accordingly, the Debtor filed the NOI on the NOI Filing Date.

8. As at the NOI Filing Date, the Debtor's total indebtedness was approximately \$19.890 million, including approximately \$16.546 million owed to Whitebark, with the majority of the remaining indebtedness owing to unsecured trade creditors. Attached hereto and marked as Exhibit **"A"** to this, my Affidavit, is a true copy of the Notice to Creditors prepared in connection with the NOI Proceedings, setting out the Debtor's indebtedness as at the Filing Date as described in the books and records of the Debtor.

9. On February 12, 2021, the Honourable Justice D.B. Nixon granted an order (the **"February 12 Order"**) that, among other things:

- (a) extended the time within which the Debtor may file a proposal, until and including March 29, 2021;
- (b) approved a sale and solicitation process (the **"SISP"**) in respect of the Debtor;
- (c) approved the Stalking Horse APA;
- (d) approved an interim financing facility (the **"Interim Financing Facility"**), in the maximum principal amount of \$150,000, to allow the Debtor to satisfy its future expenses in connection with its ongoing operations during the within NOI Proceedings;
- (e) granted certain priority charges (collectively, the **"Charges"**) over the property of the Debtor; and,



- (f) authorized the Debtor to pay the reasonable fees and disbursements of the Proposal Trustee, the Proposal Trustee's counsel, and the Debtor's counsel.

10. Attached hereto and marked as Exhibit "B" to this, my Affidavit, is a true copy of the February 12 Order.

11. On March 26, 2021, the Honourable Justice D.R. Mah granted an order (the "**March 26 Order**") further extending the time within which the Debtor may file a proposal to its creditors, until and including May 13, 2021. Attached hereto and marked as Exhibit "C" to this, my Affidavit, is a true copy of the March 26 Order.

12. The purpose of the SISP was to canvas the market and potentially source a Superior Offer (as defined in the SISP) and the SISP was designed to permit both sale offers and restructuring offers to be made by any person to the Debtor. This preserved the ability of an interested party to make a Superior Offer (as defined in the SISP) to the Debtor that would be implemented by way of a proposal under the BIA, as part of a restructuring transaction.

13. The Debtor and the Stalking Horse Bidder are both wholly-owned subsidiaries of Whitebark. Pursuant to the February 12 Order, because the Stalking Horse APA was entered into with a related party to the Debtor, the Proposal Trustee had the sole authority to administer the SISP (including the sole authority to receive communications from bidders in connection with the SISP, unless the Proposal Trustee expressly directed otherwise) and to determine: (i) at the completion of Phase 1, whether a Qualified Bid was made; and, if one or more Qualified Bids were made, (ii) at the completion of the Phase 2 Auction, whether a Superior Offer was made in accordance with the terms of the SISP. If, after the conclusion of the Phase 2 Auction, the Proposal Trustee determined that a Superior Offer had been made, the Debtor would be obligated to proceed with such Superior Offer in accordance with the terms of the SISP. If no Superior Offer was received, the Debtor would be obligated to proceed with the Stalking Horse APA in accordance with the terms of the SISP.

14. The Stalking Horse APA contemplates the following:

- (a) the Stalking Horse Bidder shall purchase, be assigned, and acquire from the Debtor the Assets;
- (b) as consideration for the Assets:



- (i) the Stalking Horse Bidder shall pay, in cash, the Cure Costs (as defined in the Stalking Horse APA);
- (ii) the Stalking Horse Bidder shall pay, in cash, an amount sufficient to satisfy any amounts owing under the Administration Charge at the time of closing;
- (iii) the Stalking Horse Bidder shall deliver an irrevocable direction from Whitebark to the Debtor and the Proposal Trustee providing that any dividends or similar distributions that Whitebark is entitled to receive in the NOI Proceedings be distributed for the benefit of all of the Debtor's unsecured creditors other than Whitebark (the "**Direction**"); and,
- (iv) the Stalking Horse Bidder shall pay, in cash, the amount of \$336,000, net of any amounts paid to satisfy the Cure Costs and Administration Charge, (collectively, the "**Purchase Price**").

15. As described in further detail in the February 3 Affidavit, the material dates in connection with the SISP were as follows:

- (a) the SISP was commenced on or about February 15, 2021 (the "**SISP Commencement Date**"), by the Proposal Trustee preparing, in consultation with the Debtor, a list of known potential strategic and financial bidders;
- (b) the Phase 1 bid deadline, for the delivery of offers, concluded at 5:00 p.m. (Calgary time) on April 16, 2021 (the "**Bid Deadline**"), being 60 days after the SISP Commencement Date;
- (c) the Proposal Trustee was to extend invitations to all Qualified Bidders (as defined in the SISP), if any, to attend the Phase 2 Auction (as defined in the SISP) on the third business day after the Bid Deadline;
- (d) the Phase 2 Auction was to be held no earlier than five (5) Business Days after the Phase 1 Bid Deadline, and no later than April 28, 2021; and,
- (e) the contemplated completion date, for the closing of any transaction arising out of the SISP, is May 17, 2021.



16. The SISP further provided that, in the event that no Qualified Bids were received on or before the Bid Deadline, the SISP would automatically terminate and the Debtor would file an application seeking the approval of the Stalking Horse APA.

17. Shortly after the Bid Deadline, the Proposal Trustee advised the Debtor that no Qualified Bids had been received and the within application was scheduled.

**Overview of Proposed Alternative Transaction Structure**

18. Subsequent to the termination of the SISP on the Bid Deadline, the Debtor and the Stalking Horse Bidder determined that the Stalking Horse APA is not the most efficient possible means of structuring the transaction contemplated under the Stalking Horse APA.

19. Specifically, with the assistance of the Debtor's counsel, the Debtor and the Stalking Horse Bidder have determined that the Stalking Horse APA could be completed more efficiently, but on the same economic terms, by way of a reverse vesting transaction which preserves the Debtor as a going concern without requiring the transfer of the Debtor's assets to the Stalking Horse Bidder. Moreover, the proposed Reverse Vesting Order will:

- (a) preserve certain beneficial tax attributes of the Debtor;
- (b) avoid the need to seek regulatory approval of the transfer of the Debtor's petroleum and natural gas licenses to the Stalking Horse Bidder; and,
- (c) minimize transactional costs associated with the closing of the Stalking Horse Bid and the transfer of assets to the Stalking Horse Bidder,

all on the same economic terms as previously approved by this Honourable Court with respect to the Stalking Horse Bid.

**Initial Order**

20. The Applicants seek the Initial Order, primarily for the purpose of permitting the Applicants to seek the Reverse Vesting Order as a means of restructuring their business and affairs.

21. I am advised by Nathan Stewart of McCarthy Tétrault LLP ("**McCarthy**"), counsel to the Applicants, that: (i) the Reverse Vesting Order cannot be sought within the NOI Proceedings as, among other reasons, the Debtor will automatically be deemed to have made an assignment in

bankruptcy if it fails to file a proposal to its creditors on or before May 21, 2021; (ii) there are certain requirements which must be met in order to make an application for relief under the CCAA, including that the applicants must be Canadian corporations with collective liabilities in the amount of at least \$5 million and that the Applicants must file cash flow forecasts with this Honourable Court; and, (iii) companies seeking relief under the CCAA must act in good faith and with due diligence.

22. I verily believe that the Applicants meet the statutory requirements to be eligible for relief under the CCAA, as:

- (a) the Applicants are related Canadian corporations, registered and carrying on business in Alberta. Attached hereto and collectively marked as Exhibit "D" to this, my Affidavit, are a true copy of the Alberta corporate registry search results with respect to the Debtor, as at April 29, 2021, and a true copy of the Alberta corporate registry search results with respect to ResidualCo, as at May 6, 2021;
- (b) the Applicants have collective liabilities in excess of \$5 million, as described above;
- (c) the Applicants have prepared a cash flow forecast (the "**Cash Flow Forecast**") demonstrating that the Applicants project that they will have sufficient liquidity to carry on their business in the ordinary course during the initial Stay Period sought under the Initial Order. Attached hereto and marked as Exhibit "E" to this, my Affidavit, is a true copy of the Cash Flow Forecast;
- (d) although ResidualCo does not individually have debts in excess of \$5 million, the Applicants form an interrelated business unit, with ResidualCo being a special purpose entity incorporated for the purpose of giving effect to the proposed reverse vesting transaction; and,
- (e) as described in further detail hereinafter, the Applicants have acted and are acting in good faith and with due diligence.

23. I verily believe that, since the NOI Filing Date, the Debtor has acted and continues to act in good faith and with due diligence to advance its proposed restructuring, to the benefit of all stakeholders. The Debtor's actions have included the following:



- (a) providing the Proposal Trustee with access to the Debtor's premises, property, and books and records;
- (b) working with the Proposal Trustee and McCarthy to facilitate the commencement of the SISP, including by attending to the virtual data room, providing input regarding potential purchasers and draft teaser materials, and answering the Proposal Trustee's queries with respect to the SISP and other matters;
- (c) assisting the Proposal Trustee in responding to due diligence requests, working with the Proposal Trustee and McCarthy to engage with creditors and answer creditor inquiries regarding the NOI Proceedings, and engaging with creditors and stakeholders generally, to address concerns that have been raised since the lodging of the Debtor's NOI;
- (d) engaging with a royalty holder, Source Rock Royalties Ltd. ("**Source Rock**"), and PrairieSky Royalty Ltd., the lessor of certain leased lands in which the Debtor has an interest, with respect to the status of the applicable royalties and leases;
- (e) carrying on business in the ordinary course and generally taking actions incidental to the operations of the Debtor, to preserve the going concern value of the Debtor;
- (f) engaging with certain creditors with respect to the discharge of liens relating to obligations which were satisfied prior to the NOI Filing Date;
- (g) engaging with BDO Canada Limited, in its capacity as the Court-appointed receiver of Point Loma Resources Ltd. ("**Point Loma**"), to acquire certain Point Loma assets in the Wizard Lake Oil Field, increasing the Debtor's ownership percentage in those assets by way of a quitclaim agreement (the "**Quitclaim Transaction**"), as previously described in the Second Report of the Proposal Trustee, dated March 16, 2021 (at paragraphs 14 - 18 thereof) and the First Report of the Proposal Trustee, dated February 4, 2021 (at paragraph 24 thereof). The Quitclaim Transaction has since closed. The Debtor believes that the Quitclaim Transaction increased the value of the Debtor as a going concern by allowing it to become the sole owner of certain interests in the Wizard Lake Oil Field;

- (h) working with the Proposal Trustee and McCarthy to prepare cash flow projections and to identify issues with respect to the financial condition of the Debtor and the status of its creditors; and,
- (i) engaging with the Alberta Energy Regulator (“AER”) regarding certain questions and concerns with respect to the NOI Proceedings.

24. I am further advised by McCarthy that the Proposed Monitor supports the Application to continue the NOI Proceedings under the CCAA, and that documents evidencing the consent of the Proposed Monitor to act as such will be appended to a report of the Proposed Monitor or a supplemental affidavit to be filed in connection with the Application.

### Charges

25. The Debtor also seeks the continuation of the Charges under the CCAA Proceedings, on the same terms and in the same amounts and priority as previously approved within the NOI Proceedings; with the exception that the Administration Charge (but not the Interim Lender’s Charge or the Break Fee Charge) shall be extended to ResidualCo. The proposed priority of the Charges is as follows:

- (a) **First** - Administration Charge (to the maximum amount of \$150,000);
- (b) **Second** - Interim Lender’s Charge (to the maximum amount of \$150,000);
- (c) **Third** - Break Fee Charge (to the maximum amount of \$75,000).

26. The Break Fee Charge related to certain expense reimbursement (to the maximum of \$25,000) and break fee (the “**Break Fee**” to the maximum of \$50,000) obligations of the Debtor in connection with the Stalking Horse APA. The Break Fee will not be payable under either the Sale Approval and Vesting Order or the Reverse Vesting Order and accordingly, while the maximum amount of the Break Fee Charge granted within the NOI Proceedings is \$75,000, the obligations thereunder can no longer exceed \$25,000.

### Reverse Vesting Order

27. As described in paragraph 22(b) of this, my Affidavit, the Reverse Vesting Order sought by the Applicants would transfer to and vest in ResidualCo: (i) the proceeds of the Purchase Price



under the Stalking Horse APA (when referred to in this context, the “**APA Proceeds**”); and, (ii) all debts, liabilities, and claims against the Debtor, of whatsoever nature or kind (but excluding royalty arrears, if any, owing to Source Rock). For the purpose of determining the nature and priority of claims against the Debtor, the APA Proceeds will stand in the place and stead of the Assets and the Debtor.

28. The Purchase Price under the Stalking Horse APA is amended by the Reversed Vesting Order as it relates to the Direction, which will be substituted with a direction to the same effect applicable to both the Debtor and ResidualCo, whereas the Direction is applicable only to the Debtor. Accordingly, the reverse vesting transaction will be completed on the same economic terms as the Stalking Horse APA.

29. The Source Rock royalties have been carved out of the Reverse Vesting Order because the arrears (if any) under the Source Rock royalties were to be assumed by the Stalking Horse Bidder under the Stalking Horse APA; under the Reverse Vesting Order the obligation to pay such royalties will instead remain with the Debtor, as will the underlying interests in land.

30. The Reverse Vesting Order contemplates a “daylight transaction”, with all steps contemplated to occur immediately following court approval (if granted). In particular, the Reverse Vesting Order sought by the Applicants contemplates that upon the filing of the Monitor’s Certificate, the CCAA Proceedings will automatically terminate. The Applicants intend to close the revised transaction under the Reverse Vesting Order as soon as practicable upon the granting of the Reverse Vesting Order. Specifically, the following steps will occur if the Reverse Vesting Order is granted:

- (a) the Reverse Vesting Order will approve the Stalking Horse APA;
- (b) upon the release of the APA Proceeds from escrow, the Applicants will advise the Proposed Monitor; and,
- (c) upon the Proposed Monitor issuing the Monitor’s Certificate, the vesting under the Reverse Vesting Order will become effective immediately and the CCAA Proceedings will terminate one (1) minute later.

31. The Reverse Vesting Order will also authorize and direct ResidualCo to make an assignment in bankruptcy, on the CCAA Termination Time, with the subsequent distribution of the APA Proceeds occurring within such ResidualCo Bankruptcy Proceedings. To minimize the



costs associated with the “daylight transaction” CCAA Proceedings, and in light of the limited nature of the CCAA Proceedings, the Reverse Vesting Order: (i) contains certain provisions modifying the notice requirements applicable to the Proposed Monitor, to permit the Proposed Monitor to serve the filings, notices and other materials in respect of the CCAA Proceedings at the same time as the filings, notices and other materials in respect of the ResidualCo Bankruptcy Proceedings, without duplication; and, (ii) provides for a declaration that the Proposed Monitor shall pay a single levy to the Office of the Superintendent of Bankruptcy, in respect of the ResidualCo Bankruptcy Proceedings; and that no levy shall be payable with respect to the NOI Proceedings or the CCAA Proceedings. Such proposed terms are intended both to ensure that the effect of the Reverse Vesting Order and status of the proceedings are clear to ResidualCo’s creditors; and to minimize administrative costs, particularly as the distribution of the APA Proceeds shall occur within the ResidualCo Bankruptcy Proceedings, rather than within the “daylight” CCAA Proceedings.

**Alternative Relief**

32. As described in paragraph 3 of this my Affidavit, if this Honourable Court is not inclined to approve the Primary Relief, the Application seeks as Alternative Relief: (i) the approval of the Stalking Horse APA; (ii) a sale and vesting order in respect of the Stalking Horse APA; and, (iii) an extension of the period within which the Debtor may file a proposal (the “**Filing Period**”), by 45 days, until and including June 27, 2021.

33. The Debtor and the Stalking Horse Bidder have agreed, subject to the approval of this Honourable Court, to certain amendments to the schedules of the Stalking Horse APA since the date of the February 12 Order, to account for the Quitclaim Transaction and add a description of the petroleum and natural gas assets held by the Debtor (after the closing of the Quitclaim Transaction). Attached hereto and marked as Exhibit “F” to this, my Affidavit, is a true copy of the Stalking Horse APA, as most recently amended.

34. In connection with the SISP, I am advised that: (i) the Proposal Trustee advertised the SISP in the *Globe and Mail*, the *Daily Oil Bulletin*, and the *BOE Report*, and delivered a teaser document to thirty-six (36) potential bidders, and received various expressions of interest; (ii) the Proposal Trustee entered into confidentiality agreements with nine (9) potential bidders, as contemplated by the terms of the SISP; and, (iii) the Debtor worked with the Proposal Trustee to respond to certain information requests in connection with the SISP, on an ongoing basis, and to



set up the virtual data room contemplated by the SISP. As described above, the Court-approved SISP extended for a period of sixty (60) days prior to its termination on the Bid Deadline.

35. Accordingly, I believe that the Assets were exposed to the relevant market for an appropriate period of time. As no Superior Offer was received under the SISP, I believe that the Stalking Horse APA represents the highest and best offer for the Assets available in the circumstances.

36. The Debtor also seeks an extension of the Filing Period until June 27, 2021, to permit it to attend to the closing of the transactions contemplated under the Stalking Horse APA and the transfer of its petroleum and natural gas licenses to the Stalking Horse Bidder. For the reasons set out above in this, my Affidavit, I verily believe that the Debtor has acted and is acting in good faith and with due diligence and that if the Alternative Relief is granted, no creditor will be materially prejudiced.

### **Conclusion**

37. I make this affidavit in support of the Application for the Relief Sought, and for no other or improper purpose.

### **Process for Commissioning of this Affidavit**

38. I am not physically present before the Commissioner for Oaths (the "**Commissioner**") taking this Affidavit, but I am linked with the Commissioner by video technology. The following steps have been or will be taken by me and the Commissioner:

- (a) I have shown the Commissioner the front and back of my current government-issued photo identification ("**ID**") and the Commissioner has compared my video image to the information on my ID;
- (b) the Commissioner has taken a screenshot of the front and back of my ID to retain it;
- (c) the Commissioner and I have a paper copy of this Affidavit before us;
- (d) the Commissioner and I have reviewed each page of this Affidavit to verify that the pages are identical and have initialed each page in the lower right corner;



- (e) at the conclusion of our review of the Affidavit, the Commissioner administered the oath to me, and the Commissioner watched me sign my name to this Affidavit; and
- (f) I will send this signed Affidavit electronically to the Commissioner.

AFFIRMED BEFORE ME by two-way )  
video conference, on this 10<sup>th</sup> day of May, )  
2021. )



\_\_\_\_\_  
Commissioner for Oaths in and for the )  
Province of Alberta )

\_\_\_\_\_  
CHARLES MORGAN

**Nathan A. Stewart**  
Barrister & Solicitor



This is Exhibit "A" referred to in the Affidavit of Charles  
sworn before me by two-way video conference this 10<sup>th</sup> day of May, 2021.



---

A Commissioner for Oaths in and for the Province of Alberta

**Nathan A. Stewart**  
**Barrister & Solicitor**



Deloitte Restructuring Inc.  
700, 850 – 2 Street S.W.  
Calgary AB T2P 0R8  
Canada

Tel: 403-298-5955  
Fax: 403-718-3681  
www.deloitte.ca

January 15, 2021

## Notice to the creditors of Salt Bush Energy Ltd. ("SBE" or the "Company")

Please take notice that on January 13, 2021 (the "**Filing Date**"), SBE filed a Notice of Intention to Make a Proposal (the "**NOI**") pursuant to Section 50.4(1) of the *Bankruptcy and Insolvency Act* (the "**BIA**") and Deloitte Restructuring Inc. has been appointed as proposal Trustee ("**Deloitte**" or "**Trustee**") under the NOI.

Enclosed with this letter are the following documents for your records:

- A copy of the NOI;
- A list of known creditors with debts greater than \$250 as at the Filing Date;
- A certificate of filing of NOI issued by the Official Receiver; and
- The consent of the Trustee.

The Company is not bankrupt but has availed itself of a procedure whereby an insolvent person, with creditor and approval from the Court of Queen's Bench of Alberta (the "**Court**"), restructures its financial affairs. The Company continues to operate and maintain its business in the ordinary course during the NOI proceedings. The role of the Trustee is to monitor the Company's business and affairs during the proceeding and to report any material adverse changes to the Office of the Superintendent of Bankruptcy and the Court.

Pursuant to Section 69(1) of the BIA, the effect of filing an NOI is an automatic stay of proceedings (the "**Stay**") against all creditors from continuing or commencing any actions against the Company. No creditor shall have any remedy against the Company or its property or shall commence or continue any action, execution or other proceedings for the recovery of a claim provable in bankruptcy until the filing of a Proposal under section 62(17) or the bankruptcy of the Company. You are advised to seek legal advice if you require further explanation as to the provisions of section 69(1) of the BIA.

The Company is now required to perform the following:

- File statements of projected cash flow within 10 days; and
- File a proposal within 30 days of filing of the NOI or within any further extension of that period that may be granted by the Court. A meeting of creditors to consider the proposal (the "**Meeting**") will be held within 21 days after the Company files its proposal.

Once the proposal is filed, the Trustee will issue further correspondence, including a copy of the proposal, the Trustee's report on the proposal, a proof of claim form, a voting letter, a proxy and a notice to creditors regarding the Meeting.

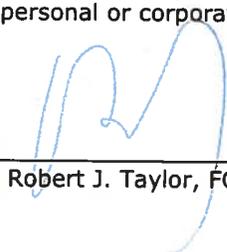
January 15, 2021  
Page 2

Information related to the NOI proceedings will be posted on Deloitte's website at [www.insolvencies.deloitte.ca](http://www.insolvencies.deloitte.ca) under the link entitled "Salt Bush Energy Ltd."

Should you have additional questions, please contact Naomi McGregor at +1-403-503-1423 or [naomcgregor@deloitte.ca](mailto:naomcgregor@deloitte.ca).

Yours truly,

**DELOITTE RESTRUCTURING INC.,**  
In its capacity as the Proposal Trustee for  
Salt Bush Energy Ltd. and not in its  
personal or corporate capacity.



---

Robert J. Taylor, FCPA, FCA, CIRP, LIT, CFE

District of: Alberta  
Division No. 02 - Calgary  
Court No.  
Estate No.

- FORM 33 -  
Notice of Intention To Make a Proposal  
(Subsection 50.4(1) of the Act)

In the matter of the proposal of  
Salt Bush Energy Ltd.  
of the City of Calgary, in the Province of Alberta

Take notice that:

1. I, Salt Bush Energy Ltd., an insolvent person, state, pursuant to subsection 50.4(1) of the Act, that I intend to make a proposal to my creditors.
2. Deloitte Restructuring Inc. of 700 Bankers Court, 850 - 2nd Street SW, Calgary, AB, T2P 0R8, a licensed trustee, has consented to act as trustee under the proposal. A copy of the consent is attached.
3. A list of the names of the known creditors with claims of \$250 or more and the amounts of their claims is also attached.
4. Pursuant to section 69 of the Act, all proceedings against me are stayed as of the date of filing of this notice with the official receiver in my locality.

Dated at the City of Calgary in the Province of Alberta, this 13th day of January 2021.



\_\_\_\_\_  
Salt Bush Energy Ltd.  
Insolvent Person

To be completed by Official Receiver:

\_\_\_\_\_  
Filing Date

\_\_\_\_\_  
Official Receiver



District of: Alberta  
 Division No. 02 - Calgary  
 Court No.  
 Estate No.

- FORM 33 -  
 Notice of Intention To Make a Proposal  
 (Subsection 50.4(1) of the Act)

In the matter of the proposal of  
 Salt Bush Energy Ltd.  
 of the City of Calgary, in the Province of Alberta

List of Creditors with claims of \$250 or more.			
Creditor	Address	Account#	Claim Amount
1450462 ALBERTA LTD	111, 240 - 92 AVENUE SE Calgary AB T2J 3A6		457.62
ACADEMY RENTALS	955 SUNCASTLE DR SE CALGARY AB T2X 2L7		50,257.40
AL PICKERING	434 11A STREET NW CALGARY AB T2N 1Y1		465.63
ALPHABOW ENERGY LTD.	1700, 222 - 3RD AVENUE SW CALGARY AB T2P 0B4		473.93
ALTURA ENERGY INC.	2500, 605 - 5 AVENUE SW CALGARY AB T2P3H5		2,472.75
AMPED ENERGY SERVICES LTD	P O BOX 747 Sedgewick AB T0B 4C0		15,301.51
And 2 Energy Inc	Aggie Leibel 103 Kirton Close Red Deer AB T4P4E9		202,840.13
APEX OILFIELD SERVICES	5402 BLINDMAN DRIVE Red Deer County AB T4S 2M4		29,585.91
Apex Tank Lines Inc	Paul Peterson Suite 510, 736 6th Ave SW Calgary AB T2P2T7		39,806.25
ARC RESOURCES LTD.	1200, 308 - 4TH AVENUE SW CALGARY AB T2P 0H7		1,296.74
ASI OILFIELD INC.	SITE 2, COMP 43, RR4 Calmar AB T0C 0V0		65,139.50
BENOIT OILFIELD CONSTRUCTION	Box 277 Chauvin AB T0B0V0		18,111.48
Bernie Lublinkhof Welding Ltd	Hans van der Vlis Box 55 Alhambra AB T0M0C0		5,715.00
BizSign.ca	14314-129 Ave NW E Edmonton AB T5L 4N9		1,135.05

District of: Alberta  
 Division No. 02 - Calgary  
 Court No.  
 Estate No.

- FORM 33 -

Notice of Intention To Make a Proposal  
 (Subsection 50.4(1) of the Act)

In the matter of the proposal of  
 Salt Bush Energy Ltd.  
 of the City of Calgary, in the Province of Alberta

List of Creditors with claims of \$250 or more.			
Creditor	Address	Account#	Claim Amount
BLACK GOLD HOT SHOT SERVICE INC	1653 - 91 Street SW E Edmonton AB T6X 0W8		391.73
Bluesteel Petroleum Services Ltd	Aggie Leibel Box 995 Red Deer AB T4N 5H3		6,646.50
BONAVISTA ENERGY CORPORATION	900, 207 - 9th Avenue SW CALGARY AB T2P 1K3		770.19
BRONCO SLICKLINE SERVICES	BOX 6937 5312 - 56TH AVE Drayton Valley AB T7A 1S3		3,621.20
BROZNY EXCAVATING LTD	BOX 85 Breton AB T0C0P0		1,524.07
Bulldog Protective Coatings	PO Box 857 Slave Lake AB T0G2A0		16,050.00
CAMPBELL OILFIELD RENTALS LTD.	9632 78 AVENUE Clairmont AB T8X 0M2		18,919.00
Canadian Energy Services	14th Floor Centrium Place 332 6th Avenue SW Calgary AB T2P 0B2		45,833.10
CAN-VAC OILFIELD SERVICE	BOX 6177 5209 - 62 STREET Drayton Valley AB T7A 1R7		36,075.42
CAS CORPORATE GOVERNANCE	600, 815-8th AVE SW Calgary AB T2P3P2		2,197.45
CENOVUS ENERGY INC.	PO BOX 766 225 6 AVE SW CALGARY AB T2P 0M5		3,819.33
CLEAR ENVIRONMENTAL SOLUTIONS DIVISION OF CES LP	720, 736 - 8TH AVE SW CALGARY AB T2P 1H4		19,269.59
Colter Energy LP	Alix Basso Box 868 Okotoks AB T1S1A9		126,560.01
CONA RESOURCES LTD	1900, 421 - 7 Avenue SW Calgary AB T2P 4K9		2,644.95

District of: Alberta  
 Division No. 02 - Calgary  
 Court No.  
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- FORM 33 -  
 Notice of Intention To Make a Proposal  
 (Subsection 50.4(1) of the Act)

In the matter of the proposal of  
 Salt Bush Energy Ltd.  
 of the City of Calgary, in the Province of Alberta

List of Creditors with claims of \$250 or more.			
Creditor	Address	Account#	Claim Amount
CONOCOPHILLIPS CANADA ENERGY PARTNERSHIP	401 - 9TH AVENUE SW PO BOX STATION "M" CALGARY AB T2P 2H7		3,360.55
CORE LABORATORIES CANADA LTD. C/O CX2464	P.O. BOX 2464 STATION "M" CALGARY AB T2P 3C1		18,733.53
Crossroad Energy Solutions INC	Megan Sundquist Bay #1, 137 Columbia Drive Claresholm AB T0L 0T0		1,945.12
CROW ENTERPRISES LTD.	Nicole Law RR # 1 Thorsby AB T0C 2P0		6,419.72
CSI Services	Christina Brown 7915 Edgar Industrial Way Red Deer AB T4P3R2		7,531.13
Cypris Transport	Melissa MacDougall Box 1438 Blackfalds AB T0M0J0		9,624.30
DFI CORPORATION	Claudia Schwarzenberg 2404 - 51 Ave NW Edmonton AB T6P0E4		14,896.03
DNOW CANADA ULC	San San Luen 5304 50 Avenue Drayton Valley AB T7A 1R5		56,810.77
Ecoquip Rentals & Sales Ltd	Chris Grabill 6235A 86 Ave SE Calgary AB T2C2S4		21,661.50
Element Environmental	Jessica Becker c/- C25017, PO Box 2532 Station M Calgary AB T2P5P9		5,020.90
Emerson Electric Canada Ltd	Solomon Amente 200-110 Quarry Park Blvd SE Calgary AB T2C 3G3		3,481.42
Epic Wireline Inc	PO Box 12058 Sylvan Lake AB T4S 2K9		15,495.90

District of: Alberta  
 Division No. 02 - Calgary  
 Court No.  
 Estate No.

- FORM 33 -  
 Notice of Intention To Make a Proposal  
 (Subsection 50.4(1) of the Act)

In the matter of the proposal of  
 Salt Bush Energy Ltd.  
 of the City of Calgary, in the Province of Alberta

List of Creditors with claims of \$250 or more.			
Creditor	Address	Account#	Claim Amount
Essential Energy Services	Rey Weale Suite 1110, 250 2nd Street SW Calgary AB T2P 0C1		4,000.00
Evergreen Energy Tank Rentals Ltd	Nancy Poole Box 580 Red Deer AB T4N 5G1		10,122.00
FIRST INSURANCE FUNDING OF CANADA	20 TORONTO ST SUITE 700 Toronto ON M5C2B8		23,507.12
G&R PICKER SERVICES LTD.	BOX 26, SITE 6, RR 1 Okotoks AB T1S 1A1		2,504.25
GEOLOGIC SYSTEMS	1500, 401 - 9TH AVENUE SW CALGARY AB T2P 3C5		13,972.87
GIBSON ENERGY PARTNERSHIP	1700, 440 2ND AVE SW CALGARY AB T2P 5E9		4,896.36
GREAT NORTH EQUIPMENT INC.	8743 - 50 AVE NW Edmonton AB T6E 5H4		5,295.03
GS EQUIPMENT LTD.	Robin Lagrange Box 25117 Deer Park PO Red Deer AB T4R 2M2		38,808.00
G-UNIT STEAM LTD	Greg Van Someren RR#5 Wetaskiwin AB T9A 1X2		1,029.00
HARVEST OPERATIONS CORP	1500, 700 - 2 ST SW CALGARY AB T2P 0C1		2,796.57
HAYDUK PICKER SERVICE LTD.	Debbie Linton BOX 7915 DRAYTON Drayton Valley AB T7A 1S9		5,250.27
Heating Solutions International Inc	3902 - 52 Street Close Lloydminster SK S9V 2G9		2,677.50
Heavy Crude Hauling	6601- 62 Street Lloydminster AB T9V 3T6		27,173.49

District of: Alberta  
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 Notice of Intention To Make a Proposal  
 (Subsection 50.4(1) of the Act)

In the matter of the proposal of  
 Salt Bush Energy Ltd.  
 of the City of Calgary, in the Province of Alberta

List of Creditors with claims of \$250 or more.			
Creditor	Address	Account#	Claim Amount
HOPKINS HEAVY HAUL LTD.	4740 - 45 STREET Lacombe AB T4L 2C4		12,111.75
HUBS INC.	#139, 23020 TWP ROAD 522 Sherwood Park AB T8B 1H1		525.00
HUSKY ENERGY	707 8TH AVE S.W. Box 6525, Station D CALGARY AB T2P 3G7		8,342.98
Ideal Completion Services	Suite 2500, 333 - 7th Avenue Calgary AB T2P 2Z1		4,177.28
Integrity Audit & Accounting Ltd	519 Panora Way NW Calgary AB T3K 0S1		4,145.93
IRON HORSE ENERGY SERVICES	1901 DIRKSON DRIVE NE Redcliff AB T0J 2P0		330,057.73
ISH ENERGY	810, 640-5th AVE SW Calgary AB T2P3G4		1,014.93
JACC's Oilfield Services Ltd	PO Box 848 Breton AB T0C 0P0		7,394.68
KAITARA RESOURCES LTD.	2015 COMOX AVENUE Comox BC V9M 3M5		1,380.86
KONAN OILFIELD SERVICES LTD.	R. R. 2, SITE 3, BOX 25 Westerose AB T0C 2V0		3,843.00
LAMB'S TRUCKING LTD	PO BOX 6507 Drayton Valley AB T7A 1R9		2,844.45
LANDVAC SERVICES LTD.	4737 44 STREET Drayton Valley AB T7A 1H2		9,408.00
Latco Picker & Oilfield Services Ltd	PO Box 5307 Devon AB T9G 1Y1		1,341.38
Lawson Lundell LLP	Paul Negenman Suite 1100, 225 - 6th Ave SW Brookfield Place Calgary AB T2P1N2		2,133.08
LCC LEN-CAR CONTRACTING LTD.	BOX 7020 Drayton Valley AB T7A 1S3		12,227.25

District of: Alberta  
 Division No. 02 - Calgary  
 Court No.  
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 Notice of Intention To Make a Proposal  
 (Subsection 50.4(1) of the Act)

In the matter of the proposal of  
 Salt Bush Energy Ltd.  
 of the City of Calgary, in the Province of Alberta

List of Creditors with claims of \$250 or more.			
Creditor	Address	Account#	Claim Amount
Leduc Co-op Ltd	Annie 5403 50th Street Leduc AB T9E6Z7		22,382.59
LEDUC COUNTY	101, 1101 - 5TH STREET Nisku AB T9E 2X3		20,000.00
Legend Oilfield Services Ltd	Rosemarie Cardinal PO Box 5450 Devon AB T9G 1Y2		857.06
LIQUIDS TRANSLOADING LTD.	BOX 238 Calmar AB T0C 0V0		9,387.67
LV ENERGY SERVICES LTD.	Darla Smith BOX 1140 Rimbey AB T0C 2J0		6,134.63
MAGUS ENGINEERING LIMITED	Lisa McKennie 1200, 444 5TH AVENUE SW CALGARY AB T2P 2T8		80,594.51
Mantl Canada Inc	Denise Brewer 1600 - 144, 4th Ae SW Sun Life Plaza West Tower Calgary AB T2P 3N4		8,691.20
MAXIMUM CONTROLS INC.	Craig Knight BOX 103 Tees AB T0C 2N0		289,427.50
Millenium Heat Boiler Rentals	38326 Range Road 281 Red Deer AB T4E1X8		4,126.50
MILLENNIUM LAND (AB) LTD.	Suite 225, 5925 - 12 Street SE Calgary AB T2H 2M3		7,973.91
Mothers Energy Services Ltd	1-5635 Wolf Creek Drive Lacombe AB T2P 3N9		13,846.76
N. S. OILFIELD SERVICES INC	Clifton Benesocky 366 Norland Close Sherwood Park AB T8A5T9		24,072.30

District of: Alberta  
 Division No. 02 - Calgary  
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 Notice of Intention To Make a Proposal  
 (Subsection 50.4(1) of the Act)

In the matter of the proposal of  
 Salt Bush Energy Ltd.  
 of the City of Calgary, in the Province of Alberta

List of Creditors with claims of \$250 or more.			
Creditor	Address	Account#	Claim Amount
National Energy Equipment Inc	Joanne Gabriele Hi Flo Oilfield Services Division Box 763 Eckville AB T0M0X0		808.50
NELSON BROS OILFIELD SERVICES (1997) LTD.	BOX 6487 Drayton Valley AB T7A 1R9		39,252.55
OPTIMUM TALENT	300 Leo-Pariseau, Bureau 2600 Montreal QC H2X 4B8		21,630.00
OUTLAW OILFIELD SERVICES LTD.	BOX 209 Rocky Rapids AB T0E 1Z0		2,548.88
PANDELL TECHNOLOGY CORP.	#400 - 4954 RICHARD ROAD SW CALGARY AB T3E 6L1		10,596.60
PARAMOUNT RESOURCES LTD.	2800, 421 - 7 AVE SW CALGARY AB T2P 4K9		12,416.22
PERFORMANCE HOT OIL SERVICES LTD.	#9 26503 TWP RD 511 Spruce Grove AB T7Y 1G4		1,045.00
Phoenix Technology Services LP	Tanja Prcic Suite 1400, 250 2nd Street SW Calgary AB T2P 0C1		27,354.84
POINT LOMA RESOURCES LTD.	Lorry Fritsche 110, 5800-2 Street SW Calgary AB T2H0H2		337,024.56
Precision Well Servicing	800, 525 - 8 Avenue SW Calgary AB T2P 1G1		111,492.46
PRESSURE SERVICES INC.	P.O. BOX 132 Alder Flats AB T0C 0A0		2,996.70
Providence Trucking Inc	Jennifer Thompson Box 25042 RPO Deer Park Red Deer AB T4R 2M2		2,623.75
Q2 ARTIFICIAL LIFT SERVICES	7883 EDGAR INDUSTRIAL WAY Red Deer AB T4P 3R2		47,786.79
REAL PRODUCTION MANAGEMENT INC.	BOX 6215, 5642 56 Street Drayton Valley AB T7A 1R7		2,357.78

District of: Alberta  
 Division No. 02 - Calgary  
 Court No.  
 Estate No.

- FORM 33 -

Notice of Intention To Make a Proposal  
 (Subsection 50.4(1) of the Act)

In the matter of the proposal of  
 Salt Bush Energy Ltd.  
 of the City of Calgary, in the Province of Alberta

List of Creditors with claims of \$250 or more.			
Creditor	Address	Account#	Claim Amount
Rebel Energy Services Ltd	Stan Riengnette Box 996 Red Deer AB T4N5H3		2,142.50
RIVERA RESOURCES LTD	240 PARK VISTA CRESCENT SE CALGARY AB T2J 4W7		652.93
RUSH ENERGY SERVICES INC.	Debbie Hagen 2050, 801 - 6th Ave SW CALGARY AB T2P3W2		6,628.42
SCORE PROJECTS INC.	3814 - 47TH AVE, PO BOX 1889 Stettler AB T0C 2L0		2,657.52
SECURE ENERGY SERVICES INC.	Carole Long BOW VALLEY SQUARE II, 3600 - 205 5TH AVENUE SW CALGARY AB T2P 2V7		38,160.55
SEMCAMS MIDSTREAM ULC	SUITE 700, 520 - 3RD AVENUE SW, CENTENNIAL PLACE - EAST TOWER CALGARY AB T2P 0R3		289.62
SINOPEC DAYLIGHT ENERGY LTD	2700 112-4th Avenue SW CALGARY AB T2P 0H3		1,931.22
SOLUTIONCORP INC	Jerlyne Raab BOX 2307 Stettler AB T0C 2L0		2,450.00
SOURCE ROCK ROYALTIES LTD.	30TH FLOOR, 421 - 7TH AVENUE SW CALGARY AB T2P 4K9		18,336.74
STONE PETROLEUMS LTD	1050, 717 - 7 AVE SW CALGARY AB T2P 0Z3		442.30
STREAMLINE ENERGY GROUP	#900, 630 - 6TH AVENUE SW CALGARY AB T2P 0S8		2,100.00
Summit Tubulars Corporation	Michelle Jonstone 2300 First Canadian Centre 350 - 7th Ave SW CALGARY AB T2P3N9		26,137.26
Swat Consulting Inc	274 Maple Grove Crescent Stathmore AB T1P1G3		9,762.48

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District of: Alberta  
 Division No. 02 - Calgary  
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- FORM 33 -  
 Notice of Intention To Make a Proposal  
 (Subsection 50.4(1) of the Act)

In the matter of the proposal of  
 Salt Bush Energy Ltd.  
 of the City of Calgary, in the Province of Alberta

List of Creditors with claims of \$250 or more.			
Creditor	Address	Account#	Claim Amount
SYNTERRA TECHNOLOGIES LTD.	304, 221 - 10 AVE S.E. CALGARY AB T2G 0V9		12,782.50
T. Paul Trucking Ltd	Shelley Paul RR4, Calmar AB T0C 0V0		4,111.71
TAQA NORTH LTD.	2100, 308 - 4TH AVENUE SW CALGARY AB T2P 0H7		26,908.29
TERVITA CORPORATION	1600, 140 - 10TH AVE SE CALGARY AB T2G 0R1		22,284.81
THOMAS RICKY DEBERNARDI	1046 SECOND AVENUE NAPA CA 94558 United States		639.71
TIER 1 ENERGY SOLUTIONS	Apryl Hatt 4253-97 Street NW EDMONTON AB T5E5Y7		21,672.10
Total Combustion Inc	57 Belich Crescent Red Deer County AB T4S2K5		15,953.20
Trimac Energy Services	3215 - 12 Street NE Calgary AB T2E 7S9		2,392.44
TRYSON ENERGY SERVICES INC.	BOX 1390, BLACKFALDS AB T0M 0J0		48,987.00
TRYTON TOOL SERVICES	6702 - 56 STREET, PO BOX 10667 LLOYDMINSTER AB T9V 3A7		1,774.44
VELVET ENERGY LTD.	1500, 308 - 4 AVE S.W. CALGARY AB T2P 0H7		2,296.33
VIKING WIRELINE SERVICES	Tammy England PO BOX 512 Eckville AB T0M 0X0		13,785.45
VZFOX CANADA ENGINEERING	320 EAU CLAIRE PLACE II, 521 - 3 AVE S.W. CALGARY AB T2P 3T3		1,749.50
Watchdog Advance Flow Technologies Inc	6023 5th Street SE Calgary AB T2P3N9		16,318.05

District of: Alberta  
 Division No. 02 - Calgary  
 Court No.  
 Estate No.

- FORM 33 -  
 Notice of Intention To Make a Proposal  
 (Subsection 50.4(1) of the Act)

In the matter of the proposal of  
 Salt Bush Energy Ltd.  
 of the City of Calgary, in the Province of Alberta

List of Creditors with claims of \$250 or more.			
Creditor	Address	Account#	Claim Amount
WEATHERFORD	1200, 333 - 5TH AVENUE SW CALGARY AB T2P 3B6		10,416.80
WEST GEOMATICS	Shauna Engman 800, 340 12 Avenue SW Calgary AB T2R1L5		9,001.43
WEST LAKE ENERGY CORP.	SUITE 700, 600 - 3RD AVENUE SW. CALGARY AB T2P 0G5		336.88
WHITEBARK ENERGY LIMITED	PO Box 1195 West Perth WA Australia		16,546,868.75
WILF BRANDT TRUCKING LTD.	Cheryl Brandt PO BOX 135 Warburg AB T0C 2T0		36,769.06
WPW PIPELINE AND FACILITY CONSTRUCTION	Terrilyn Quantz PO BOX 61 Leslieville AB T0M1H0		450,635.02
<b>Total</b>			<b>19,890,147.34</b>



Salt Bush Energy Ltd.  
 Insolvent Person

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Industry Canada

Industrie Canada

Office of the Superintendent  
of Bankruptcy CanadaBureau du surintendant  
des faillites Canada

District of Alberta  
 Division No. 02 - Calgary  
 Court No. 25-2703459  
 Estate No. 25-2703459

In the Matter of the Notice of Intention to make a  
 proposal of:

**Salt Bush Energy Ltd.**  
 Insolvent Person

**DELOITTE RESTRUCTURING INC/RESTRUCTURATION**  
**DELOITT**  
 Licensed Insolvency Trustee

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Date of the Notice of Intention: January 13, 2021

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CERTIFICATE OF FILING OF A NOTICE OF INTENTION TO MAKE A PROPOSAL  
Subsection 50.4 (1)

I, the undersigned, Official Receiver in and for this bankruptcy district, do hereby certify that the aforementioned insolvent person filed a Notice of Intention to Make a Proposal under subsection 50.4 (1) of the *Bankruptcy and Insolvency Act*.

Pursuant to subsection 69(1) of the Act, all proceedings against the aforementioned insolvent person are stayed as of the date of filing of the Notice of Intention.

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Date: January 13, 2021, 19:52

E-File/Dépôt Electronique

Official Receiver

Harry Hays Building, 220 - 4th Ave SE, Suite 478, Calgary, Alberta, Canada, T2G4X3, (877)376-9902

**Canada**

Deloitte Restructuring Inc.  
700, 850 - 2 Street SW  
Calgary AB T2P 0R8  
Canada

Tel: 403-267-0660  
Fax: 403-718-3681  
www.deloitte.ca

**NOTICE OF INTENTION TO MAKE A PROPOSAL  
(Section 50.4(1))  
SALT BUSH ENERGY LTD.**

**CONSENT OF TRUSTEE TO ACT UNDER PROPOSAL**

In accordance with Section 50.4(1) of the Bankruptcy and Insolvency Act, R.S.C. 1985, c. B-3 (the "BIA"), we advise that our firm, as a licensed Trustee, hereby consents to act as Trustee under the proposal of Salt Bush Energy Ltd. under Division I Part III of the BIA.

Dated at the City of Calgary in the Province of Alberta, this 13<sup>th</sup> day of January 2021.

**Deloitte Restructuring Inc.**



Per: Robert J. Taylor, FCPA, FCA, CIRP, LIT, CFE  
Senior Vice President



This is Exhibit "B" referred to in the Affidavit of Charles  
sworn before me by two-way video conference this 10<sup>th</sup> day of May, 2021.



---

A Commissioner for Oaths in and for the Province of Alberta

**Nathan A. Stewart**  
**Barrister & Solicitor**



Clerk's Stamp

COURT FILE NUMBER 25-2703459

COURT COURT OF QUEEN'S BENCH OF ALBERTA  
IN BANKRUPTCY AND INSOLVENCY

JUDICIAL CENTRE CALGARY

IN THE MATTER OF THE *BANKRUPTCY  
AND INSOLVENCY ACT*, R.S.C. 1985, C. B-3, AS  
AMENDED

AND IN THE MATTER OF THE NOTICE OF INTENTION  
TO MAKE A PROPOSAL OF SALT BUSH ENERGY LTD.

## DOCUMENT

## ORDER

ADDRESS FOR SERVICE  
AND CONTACT  
INFORMATION OF PARTY  
FILING THIS DOCUMENT

McCARTHY TÉTRAULT LLP  
Barristers & Solicitors  
Sean Collins / Nathan Stewart  
Suite 4000, 421 - 7 Avenue S.W.  
Calgary, AB T2P 4K9  
Phone: 403-260-3531 / 3534  
Fax: 403-260-3501  
Email: scollins@mccarthy.ca / nstewart@mccarthy.ca

DATE ON WHICH ORDER WAS PRONOUNCED: February 12, 2021

LOCATION OF HEARING OR TRIAL: Calgary, Alberta

NAME OF MASTER/JUDGE WHO MADE THIS ORDER: Justice D.B. Nixon

UPON THE APPLICATION of Salt Bush Energy Ltd. (the "Debtor"), AND UPON having read the Affidavit of David Messina, sworn on February 3, 2021 (the "Messina Affidavit"), filed; AND UPON having read the First Report of the Proposal Trustee (the "First Report"), dated February 4, 2021, filed; AND UPON having read the Affidavit of Service of Katie Doran (the "Service Affidavit"), to be filed; AND UPON hearing counsel to the Debtor, and counsel present for other parties;

- 2 -

**IT IS HEREBY ORDERED AND DECLARED THAT:****SERVICE**

1. The time for service of the corresponding Application and the Messina Affidavit is abridged to the date parties were served, the Application is properly returnable today, service of the Application, the Messina Affidavit, and the First Report on the service list prepared by the Debtor and maintained in these proceedings (the "Service List"), in the manner described in the Affidavit of Service, is validated, good, and sufficient, and no other persons are entitled to service of the Messina Affidavit or the Application.

**DEFINED TERMS**

2. Any and all capitalized terms used herein and not otherwise defined shall have the meaning ascribed to such terms in the Sale and Investment Solicitation Procedures attached as Exhibit "C" to the Messina Affidavit (the "SISP").

**FILING EXTENSION**

3. The period of time within which the Debtor is required to file a proposal to its creditors, under section 50.4 of the *Bankruptcy and Insolvency Act*, RSC 1985, c B-3 (the "BIA"), shall be and is hereby extended up to and including March 29, 2021.

**SISP AND STALKING HORSE APA APPROVAL**

4. The Debtor and the Proposal Trustee are hereby authorized and empowered, *nunc pro tunc*, to implement the SISP and to proceed, carry out, and implement any corresponding sales, marketing, or tendering processes, including any and all actions related thereto, substantially in accordance with the proposed SISP, and, furthermore, the Debtor is hereby authorized to enter into any resulting agreement(s) or transaction(s) (collectively, the "SISP Agreements") which may arise in connection thereto, as the Debtor and the Proposal Trustee determine are necessary or advisable in connection with or in order to complete any or all of the various steps, as contemplated by the SISP.

5. The Debtor is hereby authorized and empowered to enter into, execute, and deliver the Asset Purchase Agreement, dated February 2, 2021 (the "Stalking Horse APA"), between the Debtor, as vendor, and Ironbark Energy Ltd. (the "Stalking Horse Purchaser"), as purchaser, as

- 3 -

attached as Exhibit "D" to the Messina Affidavit, *nunc pro tunc*, as part of and in the manner contemplated by the SISP.

6. Nothing herein shall act as authorization or approval of the transfer or vesting of any or all of the Debtor's property, assets, or undertakings under any SISP Agreements, the Stalking Horse APA, or otherwise. Such transfer and vesting shall be dealt with and subject to further Order of this Honourable Court.

#### **INTERIM FINANCING**

7. The Debtor is hereby authorized and empowered to obtain and borrow under a credit facility from Whitebark Energy Ltd. (in this capacity, the "Interim Lender") in order to finance the continuation of the Debtor's business and the preservation of the Debtor's property, provided that borrowings under such credit facility shall not exceed \$150,000 unless permitted by further Order of this Court.

8. Such credit facility shall be on the terms and subject to the conditions set forth in the draft term sheet between the Debtor and the Interim Lender (the "Term Sheet"), as attached as Exhibit "E" to the Messina Affidavit.

9. The Debtor is hereby authorized and empowered to execute and deliver such credit agreements, mortgages, charges, hypothecs and security documents, guarantees and other definitive documents (collectively, the "Definitive Documents"), as are contemplated by the Commitment Letter or as may be reasonably required by the Interim Lender pursuant to the terms thereof, and the Debtor is hereby authorized and directed to pay and perform all of its indebtedness, interest, fees, liabilities and obligations to the Interim Lender under and pursuant to the Term Sheet and the Definitive Documents as and when the same may become due and are to be performed, notwithstanding any other provision of this Order.

10. The Interim Lender shall be entitled to the benefit of and is hereby granted a charge (the "Interim Lender's Charge") on the Debtor's current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate including all proceeds thereof (the "Property"). The Interim Lender's Charge shall not secure an obligation that exists before this Order is made. The Interim Lender's Charge shall have the priority set out in paragraphs 17 and 19 hereof.

- 4 -

11. Notwithstanding any other provision of this Order or the BIA:
- (a) the Interim Lender may take such steps from time to time as it may deem necessary or appropriate to file, register, record or perfect the Interim Lender's Charge or any Definitive Documents;
  - (b) upon the occurrence of an event of default under any of the Definitive Documents, the Interim Lender may: (i) immediately terminate the Term Sheet and cancel all commitments thereunder, and shall have no obligation to make any further Advances; (ii) declare that all or part of the advances under and pursuant to the Term Sheet, together with accrued interest, and any or all other amounts accrued or outstanding under the Term Sheet be immediately due and payable, whereupon they shall become immediately due and payable; and (iii) upon seeking an order of the Court on five (5) days prior notice, the Interim Lender may enforce, without further notice, demand or delay, all of its rights and remedies against the Debtor and its Property including, without limitation, by way of appointment of a receiver or receiver and manager; and,
  - (c) the foregoing rights and remedies of the Interim lender shall be enforceable against any trustee in bankruptcy, interim receiver, receiver or receiver and manager of the Debtor or the Property.
12. The Interim Lender, in such capacity, shall be treated as unaffected in any proposal filed by the Debtor under the BIA, with respect to any advances made under the Definitive Documents.

#### ADMINISTRATION CHARGE

13. The Proposal Trustee, counsel to the Proposal Trustee, if any, and counsel to the Debtor shall be paid their reasonable fees and disbursements (including any pre-filing fees and disbursements related to these proceedings), in each case at their standard rates and charges (or pursuant to any alternative or fixed fee agreement between the Debtor and such persons), by the Debtor as part of the cost of these proceedings. The Debtor is hereby authorized and directed to pay the accounts of the Proposal Trustee, counsel to the Proposal Trustee and counsel to the Debtor on a periodic basis and, in addition, the Debtor is hereby authorized *nunc pro tunc* to pay to the Proposal Trustee, counsel to the Proposal Trustee, and counsel to the Debtor retainers to



- 5 -

be held by them as security for payment of their respective fees and disbursements outstanding from time to time.

14. The Proposal Trustee and its legal counsel shall pass their accounts from time to time.
15. The Proposal Trustee, counsel to the Proposal Trustee, if any, and the Debtor's counsel, as security for the professional fees and disbursements incurred both before and after the granting of this Order, shall be entitled to the benefits of and are hereby granted a charge (the "**Administration Charge**") on the Property, which charge shall not exceed an aggregate amount of \$150,000, as security for their professional fees and disbursements incurred at the normal rates and charges of the Proposal Trustee and such counsel (or pursuant to any alternative or fixed fee agreement between the Debtor and such persons), both before and after the making of this Order in respect of these proceedings. The Administration Charge shall have the priority set out in paragraphs 17 and 19 hereof.

#### **BREAK FEE CHARGE**

16. The Stalking Horse Purchaser, as security for any and all amounts owing under the Break Fee and the Expense Reimbursement (each as defined in the Stalking Horse APA) incurred both before and after the granting of this Order, shall be entitled to the benefits of and is hereby granted a charge (the "**Break Fee Charge**") on the Property, which charge shall not exceed an aggregate amount of \$75,000 as security for the Break Fee and the Expense Reimbursement (each as defined in the Stalking Horse APA). The Break Fee Charge shall have the priority set out in paragraphs 17 and 19 hereof.

#### **VALIDITY AND PRIORITY OF CHARGES CREATED BY THIS ORDER**

17. The priorities of the Administration Charge and the Interim Lender's Charge, as among them, shall be as follows:

**First** – Administration Charge (to the maximum amount of \$150,000);

**Second** – Interim Lender's Charge (up to the maximum amount of \$150,000); and,

**Third** - Break Fee Charge (up to the maximum amount of \$75,000).

18. The filing, registration or perfection of the Administration Charge, the Interim Lender's Charge, or the Break Fee Charge (collectively, the "**Charges**") shall not be required, and the

- 6 -

Charges shall be valid and enforceable for all purposes, including as against any right, title or interest filed, registered, recorded or perfected subsequent to the Charges coming into existence, notwithstanding any such failure to file, register, record or perfect.

19. Each of the Administration Charge, the Interim Lender's Charge, and the Break Fee Charge (each as constituted and defined herein) shall constitute a charge on the Property and such Charges shall rank in priority to all other security interests, trusts, liens, charges and encumbrances, and claims of secured creditors, statutory or otherwise (collectively, "Encumbrances") in favour of any individual, firm, corporation, governmental body or agency, or any other entities (all of the foregoing, collectively being "Persons" and each being a "Person"), provided, however, and for further clarity, nothing in this Order shall cause the overriding royalty interest in the Property under the Royalty Agreement (Wizard Lake) made as of August 9, 2019, between Point Loma Resources Ltd. and Source Rock Royalties Ltd. (the "Source Rock Royalty"), or right to payment conferred by the Source Rock Royalty, to rank subordinate to the Administration Charge, Interim Lender's Charge, and the Break Fee Charge.

20. Except as otherwise expressly provided for herein, or as may be approved by this Court, the Debtor shall not grant any Encumbrances over any Property that rank in priority to, or *pari passu* with, the Administration Charge, the Interim Lender's Charge, or the Break Fee Charge unless the Debtor also obtains the prior written consent of the Proposal Trustee, the Interim Lender, and the beneficiaries of the Administration Charge and the Break Fee Charge, or further order of this Court.

21. The Administration Charge, the Term Sheet, the Definitive Documents, the Interim Lender's Charge, and the Break Fee Charge shall not be rendered invalid or unenforceable and the rights and remedies of the chargees entitled to the benefit of the Charges (collectively, the "Chargees") and/or the Interim Lender thereunder shall not otherwise be limited or impaired in any way by:

- (a) the pendency of these proceedings and the declarations of insolvency made in this Order;
- (b) any application(s) for bankruptcy order(s) issued pursuant to the BIA, or any bankruptcy order made pursuant to such applications;



- 7 -

- (c) the filing of any assignments for the general benefit of creditors made pursuant to the BIA;
- (d) the provisions of any federal or provincial statutes; or
- (e) any negative covenants, prohibitions or other similar provisions with respect to borrowings, incurring debt or the creation of Encumbrances, contained in any existing loan documents, lease, sublease, offer to lease or other agreement (collectively, an "Agreement") that binds the Debtor, and notwithstanding any provision to the contrary in any Agreement:
  - (i) neither the creation of the Charges nor the execution, delivery, perfection, registration or performance of any documents in respect thereof, including the Term Sheet or the Definitive Documents, shall create or be deemed to constitute a new breach by the Applicant of any Agreement to which it is a party;
  - (ii) none of the Chargees shall have any liability to any Person whatsoever as a result of any breach of any Agreement caused by or resulting from the creation of the Charges, the Debtor entering into the Term Sheet, or the execution, delivery or performance of the Definitive Documents; and
  - (iii) the payments made by the Applicant pursuant to this Order, including the Term sheet or the Definitive Documents, and the granting of the Charges, do not and will not constitute preferences, fraudulent conveyances, transfers at undervalue, oppressive conduct or other challengeable or voidable transactions under any applicable law.

### **MISCELLANEOUS MATTERS**

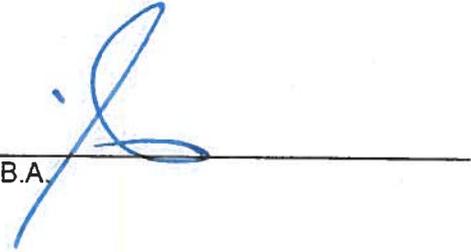
22. The Debtor and the Proposal Trustee may from time to time apply to this Court to amend, vary, or seek advice, directions, or the approval of any transactions, in connection with the SISP or the discharge of their powers and duties thereunder.

23. Service of this Order by email, facsimile, registered mail, courier or personal delivery to the persons listed on the Service List shall constitute good and sufficient service of this Order,



and no persons other than those listed on the Service List are entitled to be served with a copy of this Order.

J.C.Q.B.A.



This is Exhibit "C" referred to in the Affidavit of Charles  
sworn before me by two-way video conference this 10<sup>th</sup> day of May, 2021.



---

A Commissioner for Oaths in and for the Province of Alberta

**Nathan A. Stewart**  
**Barrister & Solicitor**



B201 703459  
 COURT FILE NUMBER 25-2703459  
 COURT COURT OF QUEEN'S BENCH OF ALBERTA  
 IN BANKRUPTCY AND INSOLVENCY  
 JUDICIAL CENTRE CALGARY



40536

IN THE MATTER OF THE *BANKRUPTCY AND INSOLVENCY ACT*, R.S.C. 1985, C. B-3, AS AMENDED

AND IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF SALT BUSH ENERGY LTD.

**ENTERED**

## DOCUMENT

**ORDER**

ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT

McCARTHY TÉTRAULT LLP  
 Barristers & Solicitors  
 Sean Collins / Nathan Stewart  
 Suite 4000, 421 - 7 Avenue S.W.  
 Calgary, AB T2P 4K9  
 Phone: 403-260-3531 / 3534  
 Fax: 403-260-3501  
 Email: scollins@mccarthy.ca / nstewart@mccarthy.ca

**DATE ON WHICH ORDER WAS PRONOUNCED:** March 26, 2021  
**LOCATION OF HEARING OR TRIAL:** Edmonton, Alberta  
**NAME OF MASTER/JUDGE WHO MADE THIS ORDER:** Justice D.R. Mah

**UPON THE APPLICATION** of Salt Bush Energy Ltd. (the "Debtor"), **AND UPON** having read the Affidavit of David Messina, sworn on February 3, 2021, and the Affidavit of Charles Morgan, sworn on March 15, 2021 (the "**Morgan Affidavit**"), filed; **AND UPON** having read the First Report of the Proposal Trustee, dated February 4, 2021, and the Second Report of the Proposal Trustee, dated March 16, 2021 (the "**Second Report**"), filed; **AND UPON** having read the Affidavit of Service of Katie Doran, sworn on March 22, 2021 (the "**Service Affidavit**"), filed; **AND UPON** hearing counsel to the Debtor, and counsel present for other parties;

**IT IS HEREBY ORDERED AND DECLARED THAT:****SERVICE**

1. The time for service of the corresponding Application, the Second Report, and the Morgan Affidavit is abridged to the date parties were served, the Application is properly returnable today, service of the Application, the Second Report, and the Morgan Affidavit on the service list prepared by the Debtor and maintained in these proceedings (the "**Service List**"), in the manner described in the Affidavit of Service, is validated, good, and sufficient, and no other persons are entitled to service of the Morgan Affidavit, the Second Report, or the Application.

**FILING EXTENSION**

2. The period of time within which the Debtor is required to file a proposal to its creditors, under section 50.4 of the *Bankruptcy and Insolvency Act*, RSC 1985, c B-3, shall be and is hereby extended up to and including May 13, 2021.

**MISCELLANEOUS MATTERS**

3. Service of this Order by email, facsimile, registered mail, courier or personal delivery to the persons listed on the Service List shall constitute good and sufficient service of this Order, and no persons other than those listed on the Service List are entitled to be served with a copy of this Order.



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Justice of the Court of Queen's Bench of Alberta



This is Exhibit "D" referred to in the Affidavit of Charles  
sworn before me by two-way video conference this 10<sup>th</sup> day of May, 2021.



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A Commissioner for Oaths in and for the Province of Alberta

Nathan A. Stewart  
Barrister & Solicitor



# Government Corporation/Non-Profit Search of Alberta ■ Corporate Registration System

Date of Search: 2021/04/29  
Time of Search: 09:13 AM  
Search provided by: MCCARTHY TETRAULT LLP  
Service Request Number: 35359122  
Customer Reference Number: 225470-541794

**Corporate Access Number:** 2020351884  
**Business Number:** 712552520  
**Legal Entity Name:** SALT BUSH ENERGY LTD.  
**Legal Entity Status:** Active  
**Alberta Corporation Type:** Named Alberta Corporation  
**Registration Date:** 2017/04/05 YYYY/MM/DD

**Registered Office:**

**Street:** 600, 815 - 8TH AVENUE SW  
**City:** CALGARY  
**Province:** ALBERTA  
**Postal Code:** T2P3P2

**Records Address:**

**Street:** 600, 815 - 8TH AVENUE SW  
**City:** CALGARY  
**Province:** ALBERTA  
**Postal Code:** T2P3P2

**Email Address:** CAROL@CASCORP.CA

**Directors:**

**Last Name:** MORGAN  
**First Name:** CHARLES  
**Street/Box Number:** 17-21 SLOANE COURT WEST, FLAT 3  
**City:** LONDON  
**Postal Code:** SW34TD  
**Country:** UNITED KINGDOM

**Last Name:** SMITH  
**First Name:** WILLIAM  
**Middle Name:** H.

**Street/Box Number:** 2220 NORTH TOWER, SUN LIFE PLAZA, 140 - 4 AVE S.W.  
**City:** CALGARY  
**Province:** ALBERTA  
**Postal Code:** T2P3N3

**Voting Shareholders:**

**Last Name:** WHITEBARK ENERGY LTD.  
**Street:** LEVEL 2, 6 THELMA STREET, P.O. BOX 1195  
**City:** WEST PERTH-WA  
**Postal Code:** 6005  
**Country:** AUSTRALIA  
**Percent Of Voting Shares:** 100

**Details From Current Articles:****The information in this legal entity table supersedes equivalent electronic attachments**

**Share Structure:** SEE SHARE STRUCTURE SCHEDULE ATTACHED HERETO  
**Share Transfers Restrictions:** SEE RESTRICTIONS ON SHARE TRANSFERS SCHEDULE ATTACHED HERETO  
**Min Number Of Directors:** 1  
**Max Number Of Directors:** 15  
**Business Restricted To:** NO RESTRICTIONS  
**Business Restricted From:** NO RESTRICTIONS  
**Other Provisions:** SEE OTHER RULES OR PROVISIONS SCHEDULE ATTACHED HERETO

**Other Information:****Last Annual Return Filed:**

File Year	Date Filed (YYYY/MM/DD)
2021	2021/03/19

**Filing History:**

List Date (YYYY/MM/DD)	Type of Filing
2017/04/05	Incorporate Alberta Corporation
2020/02/22	Update BN
2021/03/04	Change Director / Shareholder

2021/03/19

Enter Annual Returns for Alberta and Extra-Provincial Corp.

**Attachments:**

Attachment Type	Microfilm Bar Code	Date Recorded (YYYY/MM/DD)
<a href="#">Share Structure</a>	ELECTRONIC	2017/04/05
<a href="#">Restrictions on Share Transfers</a>	ELECTRONIC	2017/04/05
<a href="#">Other Rules or Provisions</a>	ELECTRONIC	2017/04/05

The Registrar of Corporations certifies that, as of the date of this search, the above information is an accurate reproduction of data contained in the official public records of Corporate Registry.



# Government Corporation/Non-Profit Search of Alberta ■ Corporate Registration System

Date of Search: 2021/05/06  
 Time of Search: 10:50 AM  
 Search provided by: MCCARTHY TETRAULT LLP  
 Service Request Number: 35401001  
 Customer Reference Number: 225470-541794

**Corporate Access Number:** 2023451418  
**Business Number:** 760981266  
**Legal Entity Name:** 2345141 ALBERTA LTD.  
**Legal Entity Status:** Active  
**Alberta Corporation Type:** Numbered Alberta Corporation  
**Registration Date:** 2021/05/03 YYYY/MM/DD

### Registered Office:

**Street:** 600-815 8 AVE SW  
**City:** CALGARY  
**Province:** ALBERTA  
**Postal Code:** T2P3P2

### Records Address:

**Street:** 600-815 8 AVE SW  
**City:** CALGARY  
**Province:** ALBERTA  
**Postal Code:** T2P3P2

**Email Address:** CAROL@CASCORP.CA

### Primary Agent for Service:

Last Name	First Name	Middle Name	Firm Name	Street	City	Province	Postal Code	Email
CLOUTIER	MICHELINE		C/O CAS CORPORATE GOVERNANCE SERVICES INC.	600-815 8 AVE SW	CALGARY	ALBERTA	T2P3P2	CAROL@CASCORP.CA

### Directors:

**Last Name:** MORGAN  
**First Name:** CHARLES  
**Street/Box Number:** 17-21 SLOANE COURT WEST, FLAT 3  
**City:** LONDON  
**Postal Code:** SW34TD

**Country:** UNITED KINGDOM  
**Last Name:** SMITH  
**First Name:** WILLIAM  
**Middle Name:** H.  
**Street/Box Number:** 2200-140 4 AVE SW  
**City:** CALGARY  
**Province:** ALBERTA  
**Postal Code:** T2P3N3

### Details From Current Articles:

**The information in this legal entity table supersedes equivalent electronic attachments**

**Share Structure:** SEE SCHEDULE "A" ATTACHED  
**Share Transfers Restrictions:** SEE SCHEDULE "B" ATTACHED  
**Min Number Of Directors:** 1  
**Max Number Of Directors:** 15  
**Business Restricted To:** NONE  
**Business Restricted From:** NONE  
**Other Provisions:** SEE SCHEDULE "C" ATTACHED

### Other Information:

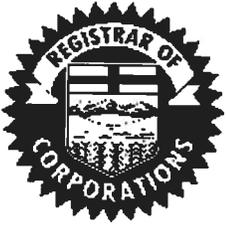
#### Filing History:

List Date (YYYY/MM/DD)	Type of Filing
2021/05/03	Incorporate Alberta Corporation
2021/05/03	Update Business Number Legal Entity

#### Attachments:

Attachment Type	Microfilm Bar Code	Date Recorded (YYYY/MM/DD)
<a href="#">Share Structure</a>	ELECTRONIC	2021/05/03
<a href="#">Restrictions on Share Transfers</a>	ELECTRONIC	2021/05/03
<a href="#">Other Rules or Provisions</a>	ELECTRONIC	2021/05/03

The Registrar of Corporations certifies that, as of the date of this search, the above information is an accurate reproduction of data contained in the official public records of Corporate Registry.



*MS*

This is Exhibit "E" referred to in the Affidavit of Charles  
sworn before me by two-way video conference this 10<sup>th</sup> day of May, 2021.



---

A Commissioner for Oaths in and for the Province of Alberta

Nathan A. Stewart  
Barrister & Solicitor





Item #	Question	Answer
1	Is the... (text partially obscured)	Yes, the... (text partially obscured)
2	Is the... (text partially obscured)	Yes, the... (text partially obscured)
3	Is the... (text partially obscured)	Yes, the... (text partially obscured)
4	Is the... (text partially obscured)	Yes, the... (text partially obscured)
5	Is the... (text partially obscured)	Yes, the... (text partially obscured)
6	Is the... (text partially obscured)	Yes, the... (text partially obscured)
7	Is the... (text partially obscured)	Yes, the... (text partially obscured)
8	Is the... (text partially obscured)	Yes, the... (text partially obscured)
9	Is the... (text partially obscured)	Yes, the... (text partially obscured)
10	Is the... (text partially obscured)	Yes, the... (text partially obscured)
11	Is the... (text partially obscured)	Yes, the... (text partially obscured)
12	Is the... (text partially obscured)	Yes, the... (text partially obscured)
13	Is the... (text partially obscured)	Yes, the... (text partially obscured)
14	Is the... (text partially obscured)	Yes, the... (text partially obscured)

Handwritten signature or initials.

**SBE Proforma Cash Flow (\$CAD)**

	1	2	3	4	5	6	7	8	9	10	11	12
	31	30	31	30	31	31	30	31	30	31	31	28
	Mar-20	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	Jan-21	Feb-21
FX	0.716	0.707	0.715	0.725	0.741	0.756	0.755	0.751	0.764	0.775	0.770	0.770
<b>Operating Margin</b>												
Oil												
Volume	454	259	233	146	234	181	162	180	97	95	93	92
Netback Index Price (WCS)	\$18.20	\$4.95	\$11.01	\$46.72	\$31.62	\$33.74	\$32.44	\$36.12	\$40.06	\$42.03	\$48.35	\$48.30
Processing / Quality Adj \$	3.55	3.00					3.00	3.00	3.00	3.00	3.00	3.00
Net (as per statement)	\$14.65	\$1.95	\$11.01	\$46.72	\$31.62	\$33.74	\$29.44	\$33.12	\$37.06	\$39.03	\$45.35	\$46.30
REVENUE	\$ 206,136	\$ 15,151	\$ 79,550	\$ 203,993	\$ 229,371	\$ 188,910	\$ 142,784	\$ 184,378	\$ 108,123	\$ 115,300	\$ 131,307	\$ 118,657
OP + Water + Truck	\$ 5.41	\$ 6.88	\$ 2.11	\$ 2.11	\$ 2.66	\$ 2.66	\$ 2.66	\$ 2.66	\$ 2.66	\$ 2.66	\$ 2.66	\$ 2.66
Royalty	\$ 2.83	\$ 0.31	\$ 1.46	\$ 8.25	\$ 5.38	\$ 5.78	\$ 5.54	\$ 6.24	\$ 6.98	\$ 7.36	\$ 8.56	\$ 8.74
Margin \$/bbl CAD	\$6.41	\$5.24	\$7.43	\$36.36	\$23.58	\$25.30	\$21.25	\$24.23	\$27.42	\$29.01	\$34.13	\$34.90
Netback \$ Total	\$90,198	-\$40,709	\$53,733	\$158,722	\$171,060	\$141,647	\$103,041	\$134,868	\$79,991	\$85,709	\$98,828	\$89,447
NG												
Volume	2994	1812	2956	1845	1024	1453	1137	1822	1198	930	911	1161
Netback Price	\$ 1.86	\$ 1.91	\$ 1.97	\$ 1.78	\$ 1.88	\$ 2.02	\$ 2.63	\$ 1.62	\$ 3.15	\$ 2.45	\$ 2.00	\$ 2.60
AECO/BP Fees	\$ 0.24	\$ 0.24	\$ 0.24	\$ 0.24	\$ 0.24	\$ 0.24	\$ 0.24	\$ 0.24	\$ 0.24	\$ 0.24	\$ 0.24	\$ 0.24
Net (as per statement)	\$ 1.62	\$ 1.67	\$ 1.73	\$ 1.54	\$ 1.64	\$ 1.78	\$ 2.39	\$ 1.38	\$ 2.91	\$ 2.21	\$ 1.76	\$ 2.36
REVENUE	\$ 150,266	\$ 90,714	\$ 158,433	\$ 85,178	\$ 52,018	\$ 80,102	\$ 81,479	\$ 77,877	\$ 104,515	\$ 63,653	\$ 49,671	\$ 76,656
Processing Fees	\$ 0.92	\$ 0.77	\$ 0.77	\$ 0.77	\$ 0.77	\$ 0.77	\$ 0.77	\$ 0.77	\$ 0.77	\$ 0.74	\$ 0.74	\$ 0.84
Royalty	\$ 0.30	\$ 0.29	\$ 0.30	\$ 0.27	\$ 0.29	\$ 0.31	\$ 0.42	\$ 0.24	\$ 0.52	\$ 0.39	\$ 0.31	\$ 0.42
Margin \$/mcf CAD	\$ 0.40	\$ 0.61	\$ 0.66	\$ 0.50	\$ 0.58	\$ 0.70	\$ 1.20	\$ 0.37	\$ 1.65	\$ 1.08	\$ 0.61	\$ 1.10
Netback \$ Total	\$37,071	\$32,960	\$60,076	\$27,662	\$18,465	\$31,366	\$40,819	\$20,816	\$59,398	\$31,098	\$17,203	\$35,784
NGL												
Volume	40.0	33.3	50.9	31.8	51.1	22.8	21.0	19.4	22.9	22.3	15.7	20.0
Netback Price	\$ 9.07	\$ 6.02	\$ 9.53	\$ 29.42	\$ 29.40	\$ 24.73	\$ 22.60	\$ 24.66	\$ 26.45	\$ 26.30	\$ 28.22	\$ 28.52
Processing/Handling	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net (as per statement)	\$ 9.07	\$ 6.02	\$ 9.53	\$ 29.42	\$ 29.40	\$ 24.73	\$ 22.60	\$ 24.66	\$ 26.45	\$ 26.30	\$ 28.22	\$ 28.52
REVENUE	\$ 11,243	\$ 6,009	\$ 15,050	\$ 28,046	\$ 46,571	\$ 17,448	\$ 14,252	\$ 14,853	\$ 18,195	\$ 18,149	\$ 13,725	\$ 15,963
Royalty	\$ 0.23	\$ 0.39	\$ 0.32	\$ 4.38	\$ 4.37	\$ 3.42	\$ 2.99	\$ 3.41	\$ 3.77	\$ 3.74	\$ 4.13	\$ 4.19
Margin \$/bbl CAD	\$ 8.84	\$ 6.41	\$ 9.21	\$ 25.04	\$ 25.02	\$ 21.31	\$ 19.61	\$ 21.25	\$ 22.68	\$ 22.56	\$ 24.08	\$ 24.32
Netback \$ Total	\$10,957	\$6,401	\$14,537	\$23,873	\$39,643	\$15,034	\$12,368	\$12,801	\$15,600	\$15,566	\$11,715	\$13,615
Fixed Costs	\$ 62,555	\$ 40,190	\$ 40,190	\$ 40,190	\$ 60,395	\$ 60,395	\$ 60,395	\$ 85,395	\$ 60,395	\$ 60,395	\$ 60,395	\$ 60,395
Corporate G&A	\$ 4.45	\$ 5.17	\$ 5.56	\$ 9.21	\$ 8.33	\$ 10.79	\$ 12.45	\$ 15.34	\$ 20.70	\$ 20.44	\$ 20.86	\$ 23.57
<b>TOTAL REVENUE</b>	\$ 367,645	\$ 111,873	\$ 253,033	\$ 317,157	\$ 327,960	\$ 286,461	\$ 238,515	\$ 277,108	\$ 230,832	\$ 197,101	\$ 194,704	\$ 211,276
<b>Total Operating Margin</b>	\$75,671	-\$41,538	\$88,156	\$170,067	\$168,773	\$127,652	\$95,833	\$83,090	\$94,594	\$71,979	\$67,352	\$78,452
Operating Expense												
%	21%	-37%	35%	54%	51%	45%	40%	30%	41%	37%	35%	37%
Corporate G&A	\$ 75,000	\$ 65,000	\$ 50,000	\$ 45,000	\$ 45,000	\$ 40,000	\$ 40,000	\$ 40,000	\$ 40,000	\$ 40,000	\$ 40,000	\$ 25,000
Operating Cash Flow	\$671	\$106,538	\$38,156	\$125,067	\$123,773	\$87,652	\$55,833	\$43,090	\$54,594	\$31,979	\$27,352	\$53,452
GST												
Cash Balance											\$0	\$27,352
opening												\$80,803
closing											\$27,352	\$80,803

MS

	13	14	15	16	17	18	19	20	21	22
	Mar-21	Apr-21	May-21	Jun-21	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21
	0.770	0.770	0.780	0.780	0.780	0.790	0.790	0.790	0.790	0.790
90										
\$	\$49.16	\$48.91	\$47.99	\$47.63	\$47.18	\$46.22	\$45.84	\$45.47	\$45.11	\$44.73
\$	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
\$	\$46.16	\$45.91	\$44.99	\$44.63	\$44.18	\$43.22	\$42.84	\$42.47	\$42.11	\$41.73
\$	\$128,346	\$121,071	\$120,142	\$113,032	\$113,313	\$108,623	\$102,112	\$102,519	\$99,630	\$96,757
\$	2.66	2.66	2.66	2.66	2.66	2.66	2.66	2.66	2.66	2.66
\$	\$8.71	\$8.67	\$8.49	\$8.42	\$8.34	\$8.15	\$8.08	\$8.01	\$7.94	\$7.87
\$	\$34.79	\$34.59	\$33.84	\$33.55	\$33.18	\$32.40	\$32.10	\$31.80	\$31.51	\$31.20
\$	\$96,728	\$91,209	\$90,370	\$84,969	\$85,113	\$81,448	\$76,511	\$76,762	\$74,548	\$72,343
1137										
\$	2.60	2.60	2.50	2.50	2.50	2.50	2.50	2.50	2.80	2.80
\$	0.24	0.24	0.24	0.24	0.24	0.24	0.24	0.24	0.24	0.24
\$	2.36	2.36	2.26	2.26	2.26	2.26	2.26	2.26	2.56	2.56
\$	\$83,171	\$78,879	\$76,491	\$72,543	\$73,462	\$71,993	\$68,277	\$69,142	\$76,758	\$75,223
\$	0.84	0.84	0.84	0.84	0.84	0.84	0.84	0.84	0.84	0.84
\$	0.42	0.42	0.40	0.40	0.40	0.40	0.40	0.40	0.45	0.45
\$	1.10	1.10	1.02	1.02	1.02	1.02	1.02	1.02	1.27	1.27
\$	\$38,826	\$36,822	\$34,512	\$32,731	\$33,145	\$32,482	\$30,806	\$31,196	\$37,951	\$37,192
\$	19.6	19.2	18.8	18.4	18.1	17.7	17.4	17.0	16.7	16.3
\$	28.47	28.39	28.05	27.99	27.01	26.72	26.73	26.76	26.78	26.79
\$	28.47	28.39	28.05	27.99	27.01	26.72	26.73	26.76	26.78	26.79
\$	\$17,292	\$16,354	\$16,359	\$15,482	\$15,130	\$14,667	\$13,916	\$14,107	\$13,834	\$13,563
\$	4.18	4.17	4.10	4.09	3.89	3.83	3.83	3.84	3.84	3.84
\$	24.29	24.23	23.95	23.90	23.12	22.89	22.90	22.92	22.94	22.95
\$	\$14,751	\$13,953	\$13,969	\$13,222	\$12,953	\$12,567	\$11,922	\$12,085	\$11,851	\$11,618
\$	60,395	60,395	60,395	60,395	60,395	60,395	60,395	60,395	60,395	60,395
\$	21.72	22.90	22.61	23.85	23.55	24.03	25.34	25.02	25.53	26.05
\$	\$228,809	\$216,304	\$212,993	\$201,058	\$201,905	\$195,284	\$184,305	\$185,768	\$190,223	\$185,543
\$	\$89,910	\$81,589	\$78,456	\$70,527	\$70,816	\$66,101	\$58,844	\$59,648	\$63,955	\$60,759
\$	39%	38%	37%	35%	35%	34%	32%	32%	34%	33%
\$	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000
\$	\$64,910	\$56,589	\$53,456	\$45,527	\$45,816	\$41,101	\$33,844	\$34,648	\$38,955	\$35,759
\$	\$80,803	\$145,713	\$202,303	\$255,758	\$301,285	\$347,101	\$388,203	\$422,046	\$456,695	\$495,649
\$	\$145,713	\$202,303	\$255,758	\$301,285	\$347,101	\$388,203	\$422,046	\$456,695	\$495,649	\$531,408
\$	\$145,713	\$202,303	\$255,758	\$301,285	\$347,101	\$388,203	\$422,046	\$456,695	\$495,649	\$531,408

Model Actual

31 Dec-19 31 Dec-19  
0.750 0.759

98 98  
\$50.00 \$56.11  
\$ 7.42

20219  
\$ 5.66 \$ -  
\$ 3.65 \$ -  
\$33.27 \$6.83

102793  
\$103,137 \$20,750

45896  
\$ 569 \$45,896.00  
\$ 2.60 \$ 2.22

39733  
\$ 1.37 \$ -  
\$ 0.30 \$ -  
\$ 0.93 \$ 0.69  
\$16,439 \$12,171

5670  
\$ - \$ 6.8  
\$ - \$ -  
\$ - \$ -  
\$ - \$ -  
\$ - \$ 2.96  
\$0 \$624

\$60,395 \$ 60,395

\$59,181 -\$26,851

\$25,000 \$ 25,000

\$34,181 -\$51,851

\$0 \$34,181  
\$34,181 -\$17,670

319 50.71542



*MS*

	14	15	16	17	18	19	20	21	21	21	21	21
	30	31	30	31	31	30	31	31	31	31	31	31
	Apr-21	May-21	Jun-21	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21	Jan-22	Feb-22	
	0.770	0.780	0.780	0.780	0.790	0.790	0.790	0.790	0.790	0.790	0.790	

\$52.66	\$52.43	\$52.15	\$51.80	\$51.51	\$51.21	\$50.92	\$50.64	\$50.34				
-\$15.00	-\$15.00	-\$15.00	-\$15.00	-\$15.00	-\$15.00	-\$15.00	-\$15.00	-\$15.00	-\$15.00	-\$15.00	-\$15.00	
\$37.66	\$37.43	\$37.15	\$36.80	\$36.51	\$36.21	\$35.92	\$35.64	\$35.34				
\$48.91	\$47.99	\$47.63	\$47.18	\$46.22	\$45.84	\$45.47	\$45.11	\$44.73				

\$ 2.60	\$ 2.50	\$ 2.50	\$ 2.50	\$ 2.50	\$ 2.50	\$ 2.50	\$ 2.50	\$ 2.80	\$ 2.80			
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\$ 28.39	\$ 28.05	\$ 27.99	\$ 27.01	\$ 26.72	\$ 26.73	\$ 26.76	\$ 26.78	\$ 26.79				
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\$52.66	\$52.43	\$52.15	\$51.80	\$51.51	\$51.21	\$50.92	\$50.64	\$50.34	\$0.00	\$0.00	\$0.00	
7.93	7.48	7.75	8.29	8.57	9.17	9.84	10.43	11.03				
34.94	34.56	35.06	36.06	37.06	38.19	39.44	40.56	41.69				
19.06	18.61	18.88	19.42	19.70	20.30	20.97	21.56	22.16				
-\$5.00	-\$5.00	-\$5.00	-\$6.00	-\$6.00	-\$6.00	-\$6.00	-\$6.00	-\$6.00	-\$6.00	-\$6.00	-\$6.00	
-\$6.49	-\$6.41	-\$6.41	-\$7.69	-\$7.59	-\$7.59	-\$7.59	-\$7.59	-\$7.59	-\$7.59	-\$7.59	-\$7.59	

0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
10.00	10.00	10.25	8.29	8.57	9.17	9.84	10.43	11.03				
14.50	14.50	14.50	14.50	14.50	14.50	14.50	14.50	14.50	14.50	14.50	14.50	
61.90	60.81	60.45	58.72	57.61	57.23	56.86	56.51	56.13				

Today 05/10/21

Volume Forecast

Rex1	decline	1.5%
Rex2	decline	1.5%
Rex3	decline	1.5%

Volume	month	1	2	3	4	5	6	7	8	9	10	11	12	13
	31													
Oil *net	/day	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Rex1	100%													
Rex2	100%													
Rex3	100%													

	Mar-20	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	Jan-21	Feb-21	Mar-21
31.8	2237	1235	1149	694	1153	890	771	885	464	500	460	407	442
200	14070.73	7768	7227	4365	7254	5599	4850	5567	2917	2954	2895	2563	2781
	453.9	258.9	233.1	145.5	234.0	180.6	161.7	179.6	97.3	95.3	93.4	91.5	89.7
BSW increase	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%
Water													
BSW	51%	51.5%	52.0%	53.1%	53.6%	54.1%	54.7%	55.2%	55.8%	56.3%	56.9%	57.5%	58.0%
	2376	1339	1272	785	1332	1051	930	1092	585	645	608	551	612
	14947	8423	8003	4937	8380	6609	5851	6866	3679	4058	3822	3463	3847
	482	281	258	165	270	213	195	221	123	131	123	124	124

	Mar-20	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	Jan-21	Feb-21	Mar-21
13.00	2,252	1,609	2,223	1,343	2,231	893	827	1,370	872	699	685	788	855
35.5	79,939	59,540	78,921	47,669	79,214	38,780	29,374	48,640	30,943	24,817	24,321	27,986	30,365
16%	2,579	1,985	2,546	1,589	2,555	1,251	979	1,569	1,031	801	785	1,000	980
1.1	92,822	54,356	91,640	55,351	31,740	45,030	34,108	56,479	35,930	28,817	28,241	32,497	35,259
	2,994	1,812	2,956	1,845	1,024	1,453	1,137	1,822	1,198	930	911	1,161	1,137
1.06													

	Mar-20	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	Jan-21	Feb-21	Mar-21
197.00	158.80	250.94	151.57	251.87	123.31	93.40	154.66	98.39	78.91	77.33	88.99	96.55	607.3
20.0	998.85	1,578.42	953.37	1,584.27	775.60	587.48	972.80	618.86	496.35	486.42	559.7	19.99	19.59
	39.97	33.30	50.92	31.78	51.11	22.76	21.02	19.43	22.93	22.26	15.69	19.99	19.59

	Mar-20	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	Jan-21	Feb-21	Mar-21
10.00	871.8	938.4	30943	33307	998	1074	35345	37936	1140	1224			
16%													
1.1													

Changes:

- Increased GOR to 13 (Feb prod)
- Increased NGL yield to 23 bbl/mmcf (Feb prod)

*NA*

	Apr-21	May-21	Jun-21	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21
	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%
	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%
	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
	14	15	16	17	18	19	20	21	21
	30	31	30	31	31	30	31	31	31
	419	425	403	408	400	379	384	376	369
	2637	2671	2533	2565	2514	2384	2414	2366	2318
	87.9	86.1	84.4	82.7	81.1	79.5	77.9	76.3	74.8
	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%
	58.6%	59.2%	59.8%	60.4%	61.0%	61.6%	62.2%	62.9%	63.5%
	594	616	599	622	625	608	632	636	641
	3736	3876	3768	3912	3932	3826	3977	4003	4030
	125	125	126	126	127	128	128	129	130
	811	821	779	789	773	733	743	728	713
	28,798	29,163	27,658	28,008	27,448	26,031	26,361	25,834	25,317
	960	941	922	903	885	868	850	833	817
	33,439	33,863	32,115	32,522	31,871	30,226	30,609	29,997	29,397
	1,115	1,092	1,071	1,049	1,028	1,008	987	968	948
	91.57	92.73	87.94	89.06	87.27	82.77	83.82	82.14	80.50
	576.0	583.3	553.2	560.2	549.0	520.6	527.2	516.7	506.3
	19.20	18.81	18.44	18.07	17.71	17.35	17.01	16.67	16.33

	1	2	3	4	5	6	7	8	9	10	11
	31	30	31	30	31	31	30	31	30	31	31
	Mar-20	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	Jan-21

**\$ CAD**

	\$/m3	\$/bbl		\$/m3	\$/bbl		\$/m3	\$/bbl		\$/m3	\$/bbl
Oil			breakup factor 1.6								
Trucking	\$ 16.00	\$ 2.45		\$ 1.91	\$ 1.91	\$ 1.91	\$ 1.91	\$ 1.91	\$ 1.91	\$ 1.91	\$ 1.91
Terminal - Treating	\$ 3.12	\$ 0.85		\$ 0.2	\$ 0.2	\$ 0.2	\$ 0.2	\$ 0.2	\$ 0.2	\$ 0.2	\$ 0.2
Other Variable	\$ 0.20			\$ 0.2	\$ 0.2	\$ 0.2	\$ 0.2	\$ 0.2	\$ 0.2	\$ 0.2	\$ 0.2
			2.265501								
Water				\$ 1.91	\$ 1.91	\$ 1.91	\$ 1.91	\$ 1.91	\$ 1.91	\$ 1.91	\$ 1.91
Trucking	\$ 8.00	\$ 1.27									
Disposal	\$ 4.00	\$ 0.64									

Oil & Water	\$/bbl										
	\$ 5.41	\$ 6.88	\$ 2.11	\$ 2.11	\$ 2.66	\$ 2.66	\$ 2.66	\$ 2.66	\$ 2.66	\$ 2.66	\$ 2.66

Nat Gas	\$/mcf										
BP/AECO Line fees	\$ 0.24	\$ 0.24	\$ 0.24	\$ 0.24	\$ 0.24	\$ 0.24	\$ 0.24	\$ 0.24	\$ 0.24	\$ 0.24	\$ 0.24
Petrus Processing fees	\$ 0.92	\$ 0.77	\$ 0.77	\$ 0.77	\$ 0.77	\$ 0.77	\$ 0.77	\$ 0.77	\$ 0.77	\$ 0.74	\$ 0.84
	\$ 1.161	\$ 1.011	\$ 1.011	\$ 1.011	\$ 1.011	\$ 1.011	\$ 1.011	\$ 1.011	\$ 0.981	\$ 0.981	\$ 1.082

NGL	\$/bbl										
	\$ 7.63	\$ 7.63	\$ 7.63	\$ 7.63	\$ 7.63	\$ 7.63	\$ 7.63	\$ 7.63	\$ 7.63	\$ 7.63	\$ 7.63

Fees (Nov Prod, Petrus JIB)  
 Amount (\$ Volume (E:  
 Proc 21597 907  
 Gath & Tra 2369  
 23966

Changes: Increased gas processing (Petrus) effective Jan Production.

AS

	12	13	14	15	16	17	18	19	20	21	21
	28	31	30	31	30	31	31	30	31	31	31
	Feb-21	Mar-21	Apr-21	May-21	Jun-21	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21

\$ - \$ - \$ - \$ - \$ - \$ - \$ - \$ - \$ - \$ - \$ - \$ -

0.75 0.75 0.75 0.75 0.75 0.75 0.75 0.75 0.75 0.75 0.75 0.75

\$ 1.91 \$ 1.91 \$ 1.91 \$ 1.91 \$ 1.91 \$ 1.91 \$ 1.91 \$ 1.91 \$ 1.91 \$ 1.91 \$ 1.91 \$ 1.91

\$ 2.66 \$ 2.66 \$ 2.66 \$ 2.66 \$ 2.66 \$ 2.66 \$ 2.66 \$ 2.66 \$ 2.66 \$ 2.66 \$ 2.66 \$ 2.66

\$ 0.24 \$ 0.24 \$ 0.24 \$ 0.24 \$ 0.24 \$ 0.24 \$ 0.24 \$ 0.24 \$ 0.24 \$ 0.24 \$ 0.24 \$ 0.24

~~\$ 0.84 \$ 0.84 \$ 0.84 \$ 0.84 \$ 0.84 \$ 0.84 \$ 0.84 \$ 0.84 \$ 0.84 \$ 0.84 \$ 0.84 \$ 0.84~~

\$ 1.082 \$ 1.082 \$ 1.082 \$ 1.082 \$ 1.082 \$ 1.082 \$ 1.082 \$ 1.082 \$ 1.082 \$ 1.082 \$ 1.082 \$ 1.082

\$ 7.63 \$ 7.63 \$ 7.63 \$ 7.63 \$ 7.63 \$ 7.63 \$ 7.63 \$ 7.63 \$ 7.63 \$ 7.63 \$ 7.63 \$ 7.63

3/(m3) \$/mcf  
 23.81147 0.670864  
 2.611907 0.073588  
26.42337 0.744452

MS



8 9 10 11 12 13 14 15 16 17 18 19 20 21  
 31 30 31 31 28 31 30 31 30 31 31 30 31 31  
**Oct-20 Nov-20 Dec-20 Jan-21 Feb-21 Mar-21 Apr-21 May-21 Jun-21 Jul-21 Aug-21 Sep-21 Oct-21 Nov-21**

\$36.12 \$40.06 \$42.03 \$48.35 \$49.30 \$49.16 \$48.91 \$47.99 \$47.63 \$47.18 \$46.22 \$45.84 \$45.47 \$45.11  
 19.0% 19.0% 19.0% 19.0% 19.0% 19.0% 19.0% 19.0% 19.0% 19.0% 19.0% 19.0% 19.0% 19.0%

\$ 3.30 \$ 3.30 \$ 3.30 \$ 3.30 \$ 3.30 \$ 3.30 \$ 3.30 \$ 3.30 \$ 3.30 \$ 3.30 \$ 3.30 \$ 3.30 \$ 3.30 \$ 3.30

\$ 6.24 \$ 6.98 \$ 7.36 \$ 8.56 \$ 8.74 \$ 8.71 \$ 8.67 \$ 8.49 \$ 8.42 \$ 8.34 \$ 8.15 \$ 8.08 \$ 8.01 \$ 7.94

\$ 24.66 \$ 26.45 \$ 26.30 \$ 28.22 \$ 28.52 \$ 28.47 \$ 28.39 \$ 28.05 \$ 27.99 \$ 27.01 \$ 26.72 \$ 26.73 \$ 26.76 \$ 26.78  
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21  
31  
**Dec-21**

\$44.73  
19.0%

\$ 3.30

\$ 7.87

\$ 26.79  
20.4%

\$ 7.94

\$ 3.84

\$ 2.80  
18.0%

0.285

\$ 0.45

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This is Exhibit "F" referred to in the Affidavit of Charles  
sworn before me by two-way video conference this 10<sup>th</sup> day of May, 2021.



---

A Commissioner for Oaths in and for the Province of Alberta

**Nathan A. Stewart**  
**Barrister & Solicitor**



**SALT BUSH ENERGY LTD.**

**- and -**

**IRONBARK ENERGY LTD.**

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**ASSET PURCHASE AND SALE AGREEMENT**

**FEBRUARY 2, 2021**

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## AGREEMENT OF PURCHASE AND SALE

**THIS AGREEMENT OF PURCHASE AND SALE** dated as of February 2, 2021,

**BETWEEN:**

**SALT BUSH ENERGY LTD.**, a corporation existing under the laws of Alberta (herein referred to as the "**Vendor**")

- and -

**IRONBARK ENERGY LTD.**, a corporation existing under the laws of Alberta (herein referred to as the "**Purchaser**")

**WHEREAS:**

- A. The Vendor beneficially owns the Assets;
- B. The Vendor has commenced proceedings under Division I of Part III of the *Bankruptcy and Insolvency Act* (the "**BIA**") on January 13, 2021 by lodging a Notice of Intention to Make a Proposal under Section 50.4 of the BIA, and Deloitte Restructuring Inc. has been appointed proposal trustee (the "**Proposal Trustee**") under those proceedings.
- C. The Purchaser, subject to the Court Approval and the SISP Approval, has agreed to purchase and acquire and the Vendor has agreed to sell, transfer and assign to the Purchaser, all of the Vendor's Interest in and to the Assets, on the terms and conditions set forth herein.

**NOW THEREFORE**, this Agreement witnesses that in consideration of the mutual covenants and agreements contained herein, and for other good and valuable consideration, the receipt and adequacy of which are acknowledged by each Party to the other, the Parties covenant and agree as follows:

### ARTICLE 1 INTERPRETATION

#### 1.1 Definitions

In this Agreement:

- (a) "**Abandonment and Reclamation Obligations**" means all past, present and future obligations to:
  - (i) abandon, shut-down, close, decommission, dismantle or remove any and all Wells and Tangibles, including all structures, foundations, buildings, pipelines, equipment and other facilities located on the Lands or used or previously used in respect of Petroleum Substances produced or previously produced from the Lands; and
  - (ii) restore, remediate and reclaim the surface and subsurface locations of the Wells and the Tangibles and any lands used to gain access thereto, including such obligations relating to wells, pipelines and facilities which were abandoned or decommissioned prior to the Closing Date that were located on the Lands or that were located on other lands and used in respect of Petroleum Substances produced

or previously produced from the Lands, and including the remediation, restoration and reclamation of any other surface and sub-surface lands affected by any environmental damage, contamination or other environmental issues emanating from or relating to the sites for the Wells or the Tangibles;

all in accordance with generally accepted oil and gas industry practices and in compliance with all Applicable Laws;

- (b) "**Accounts Receivable**" means all trade and other accounts receivable, notes receivable, unbilled accounts and other debts due or accruing due to the Vendor in relation to the Assets in respect of the period prior to the Closing Date but excluding, for greater certainty, all other trade and other accounts receivable, notes receivable, unbilled accounts and other debts due or accruing due to the Vendor not in relation to the Assets;
- (c) "**Administrative Charge**" means a charge granted in the NOI Proceedings to secure fees and disbursements of certain professional advisors in the maximum amount of \$150,000;
- (d) "**AER**" means the Alberta Energy Regulator;
- (e) "**Affiliate**" means, with respect to any specified Person, any other Person directly or indirectly controlling or controlled by or under direct or indirect common control with that specified Person. For the purposes of this definition, "control" (including with correlative meanings, controlling, controlled by and under common control with) means the power to direct or cause the direction of the management and policies of that Person, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise and, it being understood and agreed that with respect to a corporation or partnership, control shall mean direct or indirect ownership of more than 50% of the voting shares in any such corporation or of the general partnership interest or voting interest in any such partnership;
- (f) "**Agreement**" means this agreement of purchase and sale and any schedules attached hereto which are referred to in this agreement, together with any amendment or supplement thereto;
- (g) "**Applicable Law**" means, in respect of any Person, asset, transaction, event or circumstance: (i) statutes (including regulations enacted thereunder); (ii) judgments, decrees and orders of courts of competent jurisdiction (including the common law); (iii) regulations, orders, ordinances and directives issued by Governmental Authorities; and (iv) the terms and conditions of all permits, licenses, approvals and authorizations, in each case which are applicable to such Person, asset, transaction, event or circumstance;
- (h) "**Assets**" means the Petroleum and Natural Gas Rights, the Tangibles and the Miscellaneous Interests, but specifically excluding the Excluded Assets;
- (i) "**Assumed Contracts**" means, other than contracts which are Excluded Assets, the contracts referenced in subsection (i) of the definition of Miscellaneous Interests, which contracts shall be assigned by the Vendor and assumed by the Purchaser in accordance with the terms of this Agreement, the relevant contracts and/or the Sale Order, and/or other order of the Court in form and substance satisfactory to the Parties;

- (j) "**Assumed Liabilities**" means, collectively, all liabilities and obligations arising from the possession, ownership and/or use of the Assets following Closing, along with Environmental Liabilities, Abandonment and Reclamation Obligations and Cure Costs;
- (k) "**BIA**" means the *Bankruptcy and Insolvency Act*, RSC 1985, c B-3, as may be subsequently amended, supplemented or restated from time to time;
- (l) "**Break Fee**" means the amount of \$50,000 (FIFTY THOUSAND DOLLARS) which shall be payable to the Purchaser, by the Vendor, pursuant to Section 13.3 of this Agreement. For greater certainty, without limiting the generality of the foregoing, the Break Fee shall be payable in the event that a Superior Offer is accepted by the Vendor pursuant to the SISP;
- (m) "**Business Day**" means any day other than a Saturday, Sunday or a statutory holiday in the City of Calgary in the Province of Alberta;
- (n) "**Cash and Cash Equivalents**" means cash, cash equivalents, money on deposit with banks, certificates of deposit and similar instruments and short-term investments held by the Vendor for and on behalf of the Vendor;
- (o) "**Claim**" means any right, claim, cause of action or complaint of any Person that may be asserted or made in whole or in part against any Vendor, any of their respective Affiliates and their respective Representatives, whether or not asserted or made, in connection with any indebtedness, liability or obligation of any kind whatsoever, and any interest accrued thereon or costs payable in respect thereof, including by reason of the commission of a tort (intentional or unintentional), by reason of any breach of contract or other agreement (oral or written), by reason of any breach of duty (including, without limitation, any legal, statutory, equitable or fiduciary duty) or by reason of any right of ownership of or title to property or assets or right to a trust or deemed trust (statutory, express, implied, resulting, constructive or otherwise), and whether or not any indebtedness, liability or obligation is reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured, unsecured, present or future, known or unknown, by guarantee, surety or otherwise, and whether or not any right, claim, cause of action or complaint is executory or anticipatory in nature;
- (p) "**Closing**" means the completion of the purchase by the Purchaser, and sale by the Vendor, of the Vendor's Interest in and to the Assets and the completion of all other transactions contemplated by this Agreement that are to occur contemporaneously with such purchase and sale, all subject to and in accordance with the terms and conditions of this Agreement;
- (q) "**Closing Date**" means the date on which Closing occurs, being the later of May 17, 2021 or the date which is two Business Days following the date upon which all conditions in Sections 11.1, 11.2 and 11.3 have been satisfied or waived (other than such conditions which are to be satisfied on the Closing Date), or such other date as the Parties may agree in writing; provided, however, that the Closing Date shall not be later than the Outside Date;
- (r) "**Consequential Damages**" has the meaning ascribed to that term in Section 14.5;
- (s) "**Court**" means the Court of Queen's Bench of Alberta, Judicial Centre of Calgary;



- (t) **"Court Approval"** means both the issuance of the Sale Order by the Court approving the sale of the Assets, and such Sale Order having become a Final Order;
- (u) **"Cure Costs"** means, in respect of any Assumed Contract, all amounts, required to be paid to remedy all of the Vendor's monetary defaults under such Assumed Contract or required to secure a counterparty's or any other necessary Person's consent to the assignment of such Assumed Contract pursuant to its terms or as may be required pursuant to the Sale Order, and includes any other fees and expenses required to be paid to a counterparty or any other Person in connection with the assignment of an Assumed Contract pursuant to its terms or Applicable Laws, but excludes (i) any secured or unsecured creditor Claim against the Vendor other than payments to counterparties under Assumed Contracts as described above; and (ii) any municipal taxes and other tax Claims;
- (v) **"Data Room Information"** means all information made available (by the Vendor or otherwise) for the Purchaser's review in electronic form in relation to the Vendor, its Affiliates and/or the Assets;
- (w) **"Deposit"** has the meaning ascribed to that term in Section 3.3(a)(i);
- (x) **"Encumbrances"** means all mortgages, pledges, charges, liens, debentures, trust deeds, Claims, assignments by way of security or otherwise, security interests, conditional sales contracts or other title retention agreements, security created under the *Bank Act* (Canada), rights of first refusal, or similar interests or instruments charging or creating a security interest in the Assets or any part thereof or interest therein, and any agreements, leases, licenses, occupancy agreements, options, easements, rights of way, restrictions, executions, or other encumbrances (including notices or other registrations in respect of any of the foregoing) affecting title to the Assets or any part thereof or interest therein;
- (y) **"Environment"** means the components of the earth and includes the air, the surface and subsurface of the earth, bodies of water (including rivers, streams, lakes and aquifers) and plant and animal life (including humans);
- (z) **"Environmental Laws"** means all Applicable Laws relating to pollution or protection of human health or the Environment (including ambient air, water, surface water, groundwater, land surface, soil, or subsurface) or natural resources, including Applicable Laws relating to the storage, transfer, transportation, investigation, cleanup, treatment, or use of, or release or threatened release into the Environment of, any Hazardous Substances;
- (aa) **"Environmental Liabilities"** means all past, present and future Losses and Liabilities, Claims and other duties and obligations, whether arising under contract, Applicable Laws or otherwise, arising from, relating to or associated with:
- (i) any damage, pollution, contamination or other adverse situations pertaining to the Environment howsoever and by whomsoever caused and regardless of whether such damage, pollution, contamination or other adverse situations occur or arise in whole or in part prior to, at or subsequent to the date of this Agreement;
  - (ii) the presence, storage, use, holding, collection, accumulation, assessment, generation, manufacture, processing, treatment, stabilization, disposition, handling, transportation, release, emission or discharge of Petroleum Substances, oilfield wastes, water, Hazardous Substances, environmental contaminants and all



other substances and materials regulated under any Applicable Law, including any forms of energy, or any corrosion to or deterioration of any structures or other property;

- (iii) compliance with or the consequences of any non-compliance with, or violation or breach of, any Environmental Law;
- (iv) sampling, monitoring or assessing the Environment or any potential impacts thereon from any past, present or future activities or operations; or
- (v) the protection, reclamation, remediation or restoration of the Environment;

that relate to or arise by virtue of the Assets or the ownership thereof or any past, present or future operations and activities conducted in connection with the Assets;

- (bb) "**Excluded Assets**" has the meaning set forth in Section 2.7;
- (cc) "**Expense Reimbursement Amount**" means the aggregate amount of all reasonable and documents out of pocket costs, expenses and fees incurred by the Purchaser or any Affiliate of the Purchaser (including, for the avoidance of doubt, such costs, expenses and fees incurred by Whitebark Energy Ltd. and its Affiliates) in connection with evaluating, negotiating, documents and performing the transactions contemplated by this Agreement, including fees, costs and expenses of any professionals (including financial advisors, outside legal counsel, accounts, experts and consultants) retained by or on behalf of the Purchasers or any Affiliate of the Purchaser (including, for the avoidance of doubt, Whitebark Energy Ltd. and its Affiliates) in connection with or related to the authorization, preparation, investigation, negotiation, execution and performance of this Agreement, the transactions contemplated hereby, including the NOI Proceedings and other judicial and regulatory proceedings related to such transactions, which shall be payable as set forth in Section 13.3 of this Agreement;
- (dd) "**Facilities**" means the Vendor's Interest in and to those facilities and pipelines identified in Part 2 of Schedule A;
- (ee) "**Final Order**" means an order of the Court that has not been vacated, stayed, set aside, amended, reversed, annulled or modified, as to which no appeal or application for leave to appeal therefrom has been filed and the applicable appeal period with respect thereto shall have expired without the filing of any appeal or application for leave to appeal, or if any appeal(s) or application(s) for leave to appeal therefrom have been filed, any (and all) such appeal(s) or application(s) have been dismissed, quashed, determined, withdrawn or disposed of with no further right of appeal and all opportunities for rehearing, reargument, petition for certiorari and appeal being exhausted or having expired without any appeal, motion or petition having been filed and remaining pending, any requests for rehearing have been denied, and no order having been entered and remaining pending staying, enjoining, setting aside, annulling, reversing, remanding, or superseding the same, and all conditions to effectiveness prescribed therein or otherwise by Applicable Law or order having been satisfied;
- (ff) "**General Conveyance, Assignment and Assumption Agreement**" means an agreement providing for the assignment by the Vendor of the Vendor's Interest in and to the Assets, free and clear of all Encumbrances (other than Permitted Encumbrances), substantially in

the form attached hereto as Schedule C, and the assumption by the Purchaser of the Assumed Liabilities, substantially in the form attached hereto as Schedule C;

- (gg) "**Governmental Authority**" means any domestic or foreign government, whether federal, provincial, state, territorial or municipal; and any governmental agency, ministry, department, tribunal, commission, bureau, board, court (including the Court) or other instrumentality exercising or purporting to exercise legislative, judicial, regulatory or administrative functions of, or pertaining to, government, having jurisdiction over a Party, the Assets or this Transaction, including for greater certainty the AER;
- (hh) "**GST**" means taxes, interest, penalties and other additions thereto imposed under Part IX of the *Excise Tax Act* (Canada) and the regulations made thereunder; and "**GST Legislation**" means such act and regulations collectively;
- (ii) "**Hazardous Substances**" means any substance, material or waste defined, regulated, listed or prohibited by Environmental Laws, including pollutants, contaminants, chemicals, deleterious substances, dangerous goods, hazardous or industrial toxic wastes or substances, radioactive materials, flammable substances, explosives, polychlorinated biphenyls, chlorinated solvents and asbestos;
- (jj) "**Interim Financing Term Sheet**" means the term sheet to be entered into between the Vendor and Whitebark Energy Ltd., or such other lender as may be agreed to by the Vendor and Whitebark Energy Ltd., which the Vendor will seek to have approved by order of the Court;
- (kk) "**Lands**" means the lands set out and described in Part 1 of Schedule A, and the Petroleum Substances within, upon or under such lands (subject to the restrictions and exclusions identified in the Title Documents as to Petroleum Substances and geological formations), but excluding the Excluded Assets;
- (ll) "**Leased Substances**" means all Petroleum Substances, rights to or in respect of which are granted, reserved or otherwise conferred by or under the Title Documents (but only to the extent that the Title Documents pertain to the Lands);
- (mm) "**Legal Proceeding**" means any litigation, action, suit, investigation, hearing, claim, complaint, grievance, arbitration proceeding or other proceeding and includes any appeal or review or retrial of any of the foregoing and any application for same;
- (nn) "**Licence Transfers**" means the transfer from the Vendor to the Purchaser of any permits, approvals, licences and authorizations granted by the AER or any other Governmental Authority in relation to the construction, installation, ownership, use or operation of the Wells or the Facilities, as applicable;
- (oo) "**LTAs**" has the meaning set forth in Section 2.3(a);
- (pp) "**Losses and Liabilities**" means any and all assessments, charges, costs, damages, debts, expenses, fines, liabilities, losses, obligations and penalties, whether accrued or fixed, absolute or contingent, matured or unmatured or determined or determinable, including those arising under any Applicable Law, Claim by any Governmental Authority or any order, writ, judgment, injunction, decree, stipulation, determination or award entered by or with any Governmental Authority, and those arising under any contract, agreement,

arrangement, commitment or undertaking and costs and expenses of any Legal Proceeding, assessment, judgment, settlement or compromise relating thereto, and all interest, fines and penalties and reasonable legal fees and expenses incurred in connection therewith (on a full indemnity basis);

- (qq) "**Miscellaneous Interests**" means, subject to any and all limitations and exclusions provided for in this definition, the Vendor's Interest in and to all property, assets, interests and rights pertaining to the Petroleum and Natural Gas Rights and the Tangibles (other than the Petroleum and Natural Gas Rights and the Tangibles), or either of them, but only to the extent that such property, assets, interests and rights pertain to the Petroleum and Natural Gas Rights and the Tangibles, or either of them, including any and all of the following:
- (i) all contracts relating to the Petroleum and Natural Gas Rights and the Tangibles, or either of them (including the Title Documents);
  - (ii) all warranties, guarantees and similar rights relating to the Petroleum and Natural Gas Rights and the Tangibles, or either of them, including warranties and guarantees made by suppliers, manufacturers and contractors under the Assets, and claims against other Third Parties in connection with the contracts relating to the Petroleum and Natural Gas Rights and the Tangibles;
  - (iii) all subsisting rights to carry out operations relating to the Lands, the Tangibles or the Wells, and without limitation, all easements and other permits, licenses and authorizations pertaining to the Tangibles or the Wells;
  - (iv) rights to enter upon, use, occupy and enjoy the surface of any lands which are used or may be used to gain access to or otherwise use the Petroleum and Natural Gas Rights and the Tangibles, or either of them;
  - (v) all records, books, documents, licences, reports and data which relate to the Petroleum and Natural Gas Rights and the Tangibles, or either of them including any of the foregoing that pertain to geological or geophysical matters and, including plats, surveys, maps, cross-sections, production records, electric logs, cuttings, cores, core data, pressure data, decline and production curves, well files, and related matters, division of interest records, lease files, title opinions, abstracts of title, title curative documents, lease operating statements and all other accounting information, marketing reports, statements, gas balancing information, and all other documents relating to customers, sales information, supplier lists, records, literature and correspondence, physical maps, geologic or geophysical interpretation, electronic and physical project files; and
  - (vi) the Wells, including the wellbores and any and all casing and down-hole monitoring and pumping equipment;

but excluding the Excluded Assets and provided that unless otherwise agreed in writing by the Parties, the Miscellaneous Interests shall not include any documents or data to the extent that they are owned or licensed by Third Parties with restrictions on their deliverability or disclosure by the Vendor to an assignee;

- (rr) **"NOI Proceedings"** means the proceedings commenced by the Vendor under Division I of Part III of the BIA on January 13, 2021, by lodging a Notice of Intention to Make a Proposal under Section 50.4 of the BIA;
- (ss) **"Notice Period"** has the meaning ascribed to that term in Section 8.2(b);
- (tt) **"Order"** means any order, writ, judgment, injunction, decree, stipulation, determination, decision, verdict, ruling, subpoena, or award entered by or with any Governmental Authority (whether temporary, preliminary, or permanent);
- (uu) **"Outside Date"** means June 11, 2021 or such other date as the Parties may agree;
- (vv) **"Outstanding ROFR Assets"** has the meaning set forth in Section 10.3(e)(ii);
- (ww) **"Outstanding ROFRs"** has the meaning set forth in Section 10.3(e);
- (xx) **"Parties"** means, collectively, the Purchaser and the Vendor, and **"Party"** means any one of them;
- (yy) **"Permitted Encumbrances"** means:
  - (i) all encumbrances, overriding and any other royalties, net profits interests and other burdens identified in the Title Documents or in Schedule A;
  - (ii) the terms and conditions of the Assumed Contracts and the Title Documents, including ROFRs, the requirement to pay any rentals or royalties to the grantor thereof to maintain the Title Documents in good standing and any royalty or other burden reserved to the grantor thereof or any gross royalty trusts applicable to the grantor's interest in any of the Title Documents;
  - (iii) the right reserved to or vested in any grantor, Governmental Authority or other public authority by the terms of any Title Document or by Applicable Laws to terminate any Title Document;
  - (iv) easements, rights of way, servitudes or other similar rights in land, including rights of way and servitudes for highways, railways, sewers, drains, gas and oil pipelines, gas and water mains, electric light, power, telephone or cable television conduits, poles, wires or cables;
  - (v) all Applicable Laws, and all rights of general application reserved to or vested in any Governmental Authority to regulate or control the ownership, use or operation of the Assets in any manner, including (A) requirements and limitations as to production rates or operations or otherwise affecting recoverability of Petroleum Substances, or (B) to levy taxes on Petroleum Substances or any of them or the income therefrom;
  - (vi) any obligations to Third Parties for any thirteenth month adjustments or for payments due as a result of any audits conducted by operators or Third Parties;
  - (vii) Taxes on Petroleum Substances or the income or revenue from the Petroleum Substances and requirements imposed by Applicable Law or Governmental

- Authorities concerning rates of production from the Wells or from operations on any of the Lands, or otherwise affecting recoverability of Petroleum Substances from the Lands, which Taxes or requirements are generally applicable to the oil and gas industry in the jurisdiction in which the Assets are located;
- (viii) agreements for the sale, processing, transmission or transportation of Petroleum Substances, which are terminable on not more than thirty (30) days' notice (without an early termination penalty or other like cost);
  - (ix) any obligation of the Vendor to hold any portion of their interest in and to any of the Assets in trust for Third Parties;
  - (x) the right reserved to or vested in any Governmental Authority to control or regulate any of the Assets in any manner, including any directives or notices received from any Governmental Authority pertaining to the Assets;
  - (xi) undetermined or inchoate liens incurred or created as security in favour of any Person with respect to the development or operation of any of the Assets, as regards the Vendor's share of the costs and expenses thereof which are not due or delinquent as of the date hereof;
  - (xii) the reservations, limitations, provisos and conditions in any grants or transfers from the Crown of any of the Lands or interests therein, and statutory exceptions to title;
  - (xiii) agreements and plans relating to pooling or unitization of any of the Petroleum and Natural Gas Rights;
  - (xiv) agreements respecting the operation of Wells or Facilities by contract field operators;
  - (xv) provisions for penalties and forfeitures under Title Documents as a consequence of non-participation in operations; and
  - (xvi) liens granted in the ordinary course of business to a public utility, municipality or Governmental Authority with respect to operations pertaining to any of the Assets as regards the Vendor's share of amounts owing to such public utility, municipality or Governmental Authority which are not due or delinquent as of the date hereof;
  - (zz) "**Person**" means any individual, corporation, limited or unlimited liability company, joint venture, partnership (limited or general), trust, trustee, executory, Governmental Authority, or other entity however designated or instituted;
  - (aaa) "**Petroleum and Natural Gas Rights**" means the Vendor's Interest in and to all rights to and in respect of the Leased Substances and the Title Documents (but only to the extent that the Title Documents pertain to the Lands), but excluding the Excluded Assets;
  - (bbb) "**Petroleum Substances**" means any of crude oil, petroleum, natural gas, natural gas liquids, coal bed methane and any and all other substances related to any of the foregoing, whether liquid, solid or gaseous, and whether hydrocarbons or not, including sulphur;

- (ccc) "**Prime Rate**" means an annual rate of interest equal to the annual rate of interest announced from time to time by the main branch of the Royal Bank of Canada in Calgary, Alberta, as a reference rate then in effect for determining interest rates on Canadian dollar commercial loans provided that such rate shall be determined on the last day of each month and applied to the next succeeding month;
- (ddd) "**Proposal Trustee**" means Deloitte Restructuring Inc. in its capacity as the proposal trustee in the NOI Proceedings;
- (eee) "**Purchase Price**" has the meaning ascribed to that term in Section 3.1;
- (fff) "**Purchaser**" has the meaning ascribed to that term in the preamble hereto;
- (ggg) "**Representative**" means, in respect of a Person, each director, officer, employee, agent, legal counsel, accountant, consultant, contractor, professional advisor and other representative of such Person and its Affiliates;
- (hhh) "**Restructuring Proceedings**" means the NOI Proceedings or any successor proceedings thereto;
- (iii) "**ROFR**" means a right of first refusal, right of first offer or other pre-emptive or preferential right of purchase or similar right to acquire the Assets or certain of them that may become operative by virtue of this Agreement or the completion of the Transaction;
- (jjj) "**Sale Order**" means an order of the Court in the Restructuring Proceedings upon the conclusion of the SISP approving the Transaction in accordance with the provisions of this Agreement, and vesting all of the Vendor's Interest in and to the Assets in the Purchaser free and clear of all Claims, Encumbrances (other than Permitted Encumbrances) and interests, such order to be substantially in the form attached hereto as Schedule B together with such modifications and amendments to such form as may be approved by both the Vendor and the Purchaser, acting reasonably;
- (kkk) "**SISP**" means the Vendor's sale and investment solicitation process, which the Vendor will seek to have approved by the Court by way of an application returnable February 12, 2021 (as may be adjourned, rescheduled, or continued by order of the Court);
- (lll) "**SISP Approval**" means an order of the Court in the Restructuring Proceedings approving the SISP and the execution and delivery of this Agreement;
- (mmm) "**Specific Conveyances**" means all conveyances, assignments, transfers, novations and other documents or instruments that are reasonably required or desirable to convey, assign and transfer the Vendor's Interest in and to the Assets to the Purchaser and to novate the Purchaser in the place and stead of the Vendor, with respect to the Assets (excluding the Licence Transfers);
- (nnn) "**Superior Offer**" has the meaning given to it in the SISP;
- (ooo) "**Tangibles**" means the Vendor's Interest in and to the Facilities and any and all other tangible depreciable property and assets, if any, which are located within, upon or in the vicinity of the Lands and which are used or are intended to be used to produce, process,



gather, treat, measure, store, transport, make marketable or inject the Leased Substances or any of them, but excluding the Excluded Assets;

- (ppp) "**Tax**" means all taxes, assessments, charges, dues, duties, rates, fees, imposts, levies and similar charges of any kind lawfully levied, assessed or imposed by any Governmental Authority under any applicable federal, provincial, territorial, municipal and local, foreign, or other statutes, ordinances or regulations imposing a tax, including income, capital, capital gains, goods and services, sales, use, consumption, excise, value added (including GST and any Harmonized Sales Tax), business, real property, personal property, transfer, franchise, withholding, payroll, or employer health taxes, Canada Pension Plan contributions, employment insurance premiums, and provincial workers' compensation payments, levy, assessment, whether computed on a separate, combined, unitary, or consolidated basis or any other manner, including any interest, penalties and fines associated therewith;
- (qqq) "**Third Party**" means any Person who is not a Party or an Affiliate of a Party;
- (rrr) "**Third Party Claim**" means any Claim by a Third Party asserted against the Vendor for which the Purchaser has indemnified the Vendor or is otherwise responsible pursuant to this Agreement;
- (sss) "**Title Documents**" means, collectively, any and all certificates of title, leases, reservations, permits, licences, assignments, trust declarations, operating agreements, royalty agreements, gross overriding royalty agreements, participation agreements, farm-in agreements, sale and purchase agreements, pooling agreements, acreage contribution agreements, joint venture agreements and any other documents and agreements granting, reserving or otherwise conferring rights to (i) explore for, drill for, produce, take, use or market Petroleum Substances, (ii) share in the production of Petroleum Substances, (iii) share in the proceeds from, or measured or calculated by reference to the value or quantity of, Petroleum Substances which are produced, and (iv) rights to acquire any of the rights described in items (i) to (iii) of this definition; but only if the foregoing pertain in whole or in part to Petroleum Substances within, upon or under the Lands;
- (ttt) "**Transaction**" means the transaction for the purchase and sale of the Vendor's Interest in and to the Assets, together with all other transactions contemplated in this Agreement, all as contemplated in this Agreement;
- (uuu) "**Transfer Taxes**" means all transfer taxes, sales taxes, use taxes, production taxes, value-added taxes, goods and services taxes, land transfer taxes, registration and recording fees, and any other similar or like taxes and charges imposed by a Governmental Authority in connection with the sale, transfer or registration of the transfer of the Assets, including GST; and which, for certainty, shall not include freehold mineral taxes;
- (vvv) "**Vendor**" has the meaning ascribed to that term in the preamble hereto;
- (www) "**Vendor's Interest**" means, when used in relation to any asset, undertaking or property, the entire right, title and interest, if any, of the Vendor in, to and/or under such asset, undertaking or property;

- (xxx) **"Vendor's Solicitors"** means George Lepine Professional Corporation, or such other firm or firms of solicitors as are retained or engaged by the Vendor from time to time and notice of which is provided to the Purchaser; and
- (yyy) **"Wells"** means all wells located on the Lands, including all producing, shut in, abandoned, suspended, capped, water source, service, observation, delineation; injection and disposal wells, and Includes, but is not limited to, the Vendor's Interest in and to the wells listed 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) All references to monetary amounts are to the lawful currency of Canada.
- (b) Words importing the singular include the plural and vice versa, and words importing gender include the masculine, feminine and neuter genders.
- (c) The word "include" and "including" and derivatives thereof shall be read as if followed by the phrase "without limitation".
- (d) The words "hereto", "herein", "hereof", "hereby", "hereunder" and similar expressions refer to this Agreement and not to any particular provision of this Agreement.
- (e) The headings contained in this Agreement are for convenience of reference only, and shall not affect the meaning or interpretation hereof.
- (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) 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.
- (i) This Agreement has been negotiated by each Party with the benefit of legal representation, and any rule of construction to the effect that any ambiguities are to be resolved against the drafting Party does not apply to the construction or interpretation of this Agreement.
- (j) Reference to an agreement, instrument or other document means such agreement, instrument or other document as amended, supplemented and modified from time to time to the extent permitted by the provisions thereof.
- (k) References to an Applicable Law means such Applicable Law as amended from time to time and includes any successor Applicable Law thereto any regulations promulgated thereunder.



### 1.3 Schedules

The following are the Schedules attached to and incorporated in this Agreement by reference and deemed to be a part hereof:

Schedule A	Assets Listing Part 1 – Lands Part 2 – Wells, Facilities and Pipelines
Schedule B	Form of Sale Order
Schedule C	Form of General Conveyance
Schedule D	Form of Bring-Down Certificate
Schedule E	Excluded Assets

### 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.

## ARTICLE 2 PURCHASE AND SALE

### 2.1 Agreement of Purchase and Sale

Subject to the terms and conditions of this Agreement, and in consideration of the Purchase Price, the Vendor hereby agrees to sell, assign and transfer to the Purchaser, and the Purchaser agrees to purchase, accept and receive from the Vendor, the Vendor's Interest in and to the Assets.

### 2.2 Transfer of Property and Assumption of Liabilities

Provided that Closing occurs and subject to the terms and conditions of this Agreement, possession, risk, and legal and beneficial ownership of the Assets shall transfer from the Vendor to the Purchaser on the Closing Date, and the Purchaser agrees to assume, discharge, perform and fulfil all Assumed Liabilities. Without limiting the provisions of this Agreement relating to the General Conveyance, Assignment and Assumption Agreement (and such agreement itself), or any other provisions of this Agreement relating to sale, transfer, assignment, conveyance or delivery, the Assets shall be sold, assigned, transferred, conveyed, and delivered by the Vendor to the Purchaser by way of the Licence Transfers, the Specific Conveyances and other appropriate instruments of transfer, bills of sale, endorsements, assignments, and deeds, in recordable form, or by way of an Order of the Court, as appropriate, and free and clear of any and all Encumbrances of any and every kind, nature, and description, other than Permitted Encumbrances, as applicable.

### 2.3 AER License Transfers

- (a) Promptly following the Closing Date, the Vendor shall electronically submit applications to the AER for the Licence Transfers ("LTAs"), and, in each case, will provide a screen shot or other evidence indicating such submission to the Purchaser, and in addition the Vendor shall provide any information and documentation along with such LTAs to the AER which are required to be provided by the transferor in connection with the foregoing. The Purchaser shall accept or ratify such LTAs without delay, provided that, if the Purchaser in good faith determines or believes that any of the LTAs are not complete and

accurate, or the AER refuses to process any such LTAs because of some defect therein, the Parties shall cooperate to duly complete or to correct such incomplete or inaccurate LTAs as soon as practicable and, thereafter, the Vendor shall promptly re-submit such LTAs and the Purchaser shall accept or ratify such re-submitted LTAs without delay. All costs relating to LTAs hereunder, including any corrections and re-submissions thereof, shall be paid by the Vendor. The Purchaser shall provide any information and documentation in respect of such LTAs to the AER which are required to be provided by the transferee in connection with the foregoing.

- (b) If the AER denies any of the LTAs because of misdescription or other minor deficiencies contained therein, the Vendor shall, within two Business Days of such denial, correct the LTA(s) and amend and re-submit the LTA(s), and the Purchaser shall accept or ratify such re-submitted LTAs without delay.
- (c) If, for any reason, a Governmental Authority requires the Purchaser or its Affiliate or nominee to make a deposit or furnish any other form of security in order to approve any Licence Transfers, the Purchaser shall promptly make such deposit or furnish such other form of security as required.
- (d) If the Purchaser fails to make a deposit or furnish security it is required to make or furnish under Section 2.3(c) within 10 days of the Purchaser's receipt of notification from the applicable Governmental Authority, or any Vendor, that such deposit or security is required, the Vendors shall have the right to make such deposit or furnish such security. In such event, the Purchaser shall (as applicable) reimburse the amount of such deposit or the costs of such security to the Vendors plus interest thereon at the Prime Rate plus three percent (3%) from the date such deposit or security is made or furnished by the Vendors until such reimbursement is made and, in the case of security, cause the security to be returned to the Vendors as soon as possible and indemnify the Vendors for the amount and costs of any draws on the security plus interest thereon at the Prime Rate from the date such draw is made until such indemnification is made. In addition to all other rights to enforce such reimbursement otherwise available to the Vendors, it shall have the right to set-off the amount of such reimbursement or indemnification (including interest) against other monies due to the Purchaser pursuant to this Agreement.
- (e) The Purchaser shall on a timely and continuing basis keep the Vendor fully apprised and informed regarding all communications the Purchaser may have with the AER in connection with the Transaction, including all communications respecting LTAs, and without limiting the generality of the foregoing the Purchaser shall provide copies to the Vendor of all related correspondence from the Purchaser to the AER, and the Purchaser shall request that the AER provide copies to the Vendor of all related correspondence from the AER to the Purchaser.

#### 2.4 Specific Conveyances

- (a) The Parties shall cooperate in the preparation of the Specific Conveyances. A reasonable time following its receipt of the Title Documents from Vendor, Purchaser shall prepare and provide for the Vendor's review all Specific Conveyances. None of the Specific Conveyances shall confer or impose upon either Party any greater right or obligation than as contemplated in this Agreement. Vendor shall execute the Specific Conveyances and deliver them to Purchaser no later than 5 days following their delivery to Vendor. The Purchaser shall register and/or distribute (as applicable), all such Specific Conveyances

and shall bear all costs incurred therewith and in preparing and registering any further assurances required to convey the Assets to the Purchaser.

- (b) As soon as practicable following Closing, the Vendor shall deliver or cause to be delivered to the Purchaser such original copies of the Title Documents and any other agreements and documents to which the Assets are subject and such original copies of contracts, agreements, records, books, documents, licenses, reports and data comprising Miscellaneous Interests which are now in the possession or control of the Vendor or of which the Vendor gains possession or control prior to Closing.
- (c) Notwithstanding Sections 2.4(a) and 2.4(b), requests for the transfers from the Vendor to the Purchaser of registered Crown leases or licences, related surface rights and any other Title Documents which are administered by the Alberta Government, shall be submitted by the Vendor and accepted by the Purchaser as soon as is practicable after Closing.

## 2.5 Post-Closing Maintenance of Assets

- (a) Following Closing, if and to the extent that Purchaser must be novated into, recognized as a party to, or otherwise accepted as assignee or transferee of Vendor's interest in the Assets or certain of them, including any Title Documents and Assumed Contracts, the following provisions shall apply with respect to the applicable Assets until such novation, recognition or acceptance has occurred:
  - (i) each of the Parties shall use reasonable commercial efforts to obtain, as may be required by the terms of any Assumed Contracts, consents or approvals to the assignment of such Assumed Contracts; provided that to the extent that any Cure Costs are payable with respect to any Assumed Contract, the Purchaser shall be responsible for and shall pay all such Cure Costs, which shall be paid directly to the counterparty as and when required in conjunction with the assignment of the Assumed Contracts, and which Cure Costs shall form part of the Purchase Price for the Assets;
  - (ii) each of the Parties shall use reasonable commercial efforts to obtain the AER's approval of the LTAs and registration of the License Transfers;
  - (iii) the Vendor shall hold the rights, entitlements, benefits, remedies, duties and obligations in respect of the applicable Assets in trust for the exclusive benefit of the Purchaser as bare trustee and agent;
  - (iv) the Vendor will, at the request and expense and under the direction of the Purchaser, in the name of the Vendor or otherwise as the Purchaser shall reasonably specify, take all such reasonable actions and do all such reasonable things as shall, in the reasonable opinion of the Purchaser, be necessary or desirable in order that the rights, entitlements, benefits, remedies, duties and obligations of the Vendor in respect of any applicable Assets may be enjoyed, received or performed, as the case may be, in accordance with the terms of the Title Documents and Assumed Contracts, including that all monies receivable under any Title Documents and Assumed Contracts may be received by the Purchaser and that all rights and licenses under any Title Documents and Assumed Contracts may be exercised by the Purchaser;



- (v) the Vendor shall, no later than 30 days after receipt of funds, pay over to the Purchaser all such monies collected by the Vendor in respect of the Assets following the Closing Date, net of any unpaid related costs or expenses (including any taxes that are payable in respect of the receipt of such amounts);
  - (vi) to the extent permitted by any applicable Assumed Contract:
    - (A) the Purchaser will pay, perform and discharge the duties and obligations accruing after Closing under such Assumed Contract, on behalf of the Vendor, until such time as the effective transfer or assignment of the relevant Assumed Contract to the Purchaser; and
    - (B) the Vendor shall use reasonable commercial efforts to exercise the rights, entitlements, benefits and remedies under such Assumed Contract, on behalf of the Purchaser until such time as the effective transfer or assignment of the relevant Assumed Contract to the Purchaser, or such Assumed Contract expires or otherwise terminates;
  - (vii) the Vendor shall not have any liability as a consequence of the Vendor taking any action or causing anything to be done under this Section 2.5(a), and the Purchaser shall be responsible and liable for, and, as a separate covenant, shall hereby indemnify and save harmless the Vendor, its Affiliates and their respective Representatives against, all costs and expenses reasonably incurred by the Vendor, its Affiliates or their respective Representatives as a consequence of or in connection with this Section 2.5(a); and
  - (viii) the Vendor shall maintain its existence, and continue to be licensed, registered or otherwise qualified and authorized to conduct its affairs and carry on business as is necessary to fulfill its obligations as set out in this Section 2.5(a) until the later of: (i) the earlier of the expiry or assignment to the Purchaser of the last applicable Assumed Contract, and (ii) the AER having approved the LTAs and registered the License Transfers; *provided, however*, that the obligations of the Vendor under this Section 2.5(a) shall expire and terminate and cease to be in effect on the date that is 90 days following Closing, which time period shall be automatically extended for so long as is required until the AER confirms in writing its decision to approve or reject the last of the LTAs.
- (b) Both before and after Closing, each of the Parties shall use all commercially reasonable efforts to obtain any and all approvals required under Applicable Law and any and all material consents of Third Parties required to permit this Transaction to be completed. The Parties acknowledge that the acquisition of such consents shall not be a condition precedent to Closing. It shall be the sole obligation of the Purchaser, at the Purchaser's sole cost and expense, to provide any and all Cure Costs, financial assurances, deposits or security that may be required by Governmental Authorities or any Third Parties under the Assumed Contracts or Applicable Laws to permit the transfer of the Assets, including the Assumed Contracts, to the Purchaser.

## 2.6 Assumed Liabilities

Following Closing, the Purchaser shall assume, perform, discharge and pay when due all of the Assumed Liabilities. For greater certainty, the Purchaser acknowledges and agrees that the Environmental

Liabilities and Abandonment and Reclamation Obligations in respect of the Assets are future costs and obligations associated with the ownership of the Assets that are tied and connected to the ownership of the Assets such that they are inextricably linked and embedded with the Assets.

## 2.7 Excluded Assets

Nothing contained herein or in any agreements, instruments, or other documents to be delivered at the Closing shall be deemed to sell, transfer, assign, convey or deliver the Excluded Assets to the Purchaser or any Affiliate of the Purchaser, and the Vendor shall retain all right, title, and interest to, in, and under the Excluded Assets, and neither the Purchaser nor any Affiliate of the Purchaser shall have any liability therefor. "Excluded Assets" shall mean the Vendor's Interest in any and all assets (whether tangible or intangible), properties, contracts or rights of the Vendor which are not specifically included in the Assets including, for greater certainty, the following assets (whether tangible or intangible), properties and rights of the Vendor, as applicable:

- (a) any Accounts Receivable and any Cash and Cash Equivalents; and
- (b) any assets listed in Schedule E.

To the extent any Title Documents or Assumed Contracts apply to both Assets and Excluded Assets, such Title Document or Assumed Contract, as applicable, shall be assigned and transferred to Purchaser and Purchaser shall, following such assignment and transfer, hold the Title Document or Assumed Contract, as applicable, as bare trustee of Vendor (or its assignee) to the extent applicable to any Excluded Assets.

## ARTICLE 3 PURCHASE PRICE

### 3.1 Purchase Price

The consideration payable by the Purchaser for the Assets shall be the sum of:

- (i) cash in the amount of the Cure Costs; plus,
- (ii) cash in the amount of any amounts owing on the Administrative Charge at the time of closing; plus,
- (iii) the delivery by the Purchaser of an irrevocable direction from Whitebark Energy Ltd. to the Vendor and the Proposal Trustee providing that any dividends or similar distributions that Whitebark Energy Ltd. is entitled to receive in any Restructuring Proceedings involving the Vendor be distributed for the benefit of all of the Vendor's unsecured creditors other than Whitebark Energy Ltd.; plus,
- (iv) the amount of \$336,000 (THREE HUNDRED AND THIRTY SIX THOUSAND DOLLARS), net of any cash amounts paid to satisfy the Cure Costs and Administrative Charge,

(collectively, the "**Purchase Price**").

The Purchase Price is exclusive of all applicable Transfer Taxes, which shall be the responsibility of the Purchaser in accordance with Section 4.1. The Purchase Price shall be satisfied in accordance with Sections 2.5(a)(i) and 3.3(b), and shall not be subject to any adjustment. The Purchaser and

the Vendor acknowledge and agree that the Purchase Price reflects the fair market value of the Assets as of the Closing Date, having due regard to the Environmental Liabilities connected to and embedded in the Assets that depress the value of the Assets.

### 3.2 Allocation of Purchase Price

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

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

### 3.3 Deposit and Satisfaction of Purchase Price

- (a) The Parties acknowledge that:
  - (i) within seven (7) days of the date hereof, or such later date as the Proposal Trustee, the Vendor, and the Purchaser may agree in writing, the Purchaser will pay \$33,600 (the "**Deposit**") to the Proposal Trustee;
  - (ii) the Deposit shall be held in trust by the Vendor; and
  - (iii) the Deposit shall be held and administered by the Vendor in accordance with the terms and conditions of this Agreement (including this Section 3.3).
- (b) At Closing, the Purchase Price (other than Cure Costs, which are payable in accordance with Section 2.5(a)(i)) shall be paid and satisfied as follows:
  - (i) as to the amount of the Deposit, the Vendor shall retain the amount of the Deposit and apply such amount against the amount of the Purchase Price;
  - (ii) the delivery by the Purchaser of an irrevocable direction from Whitebark Energy Ltd. to the Vendor and the Proposal Trustee providing that any dividends or similar distributions that Whitebark Energy Ltd. is entitled to receive in any Restructuring Proceedings involving the Vendor be distributed for the benefit of all of the Vendor's unsecured creditors other than Whitebark Energy Ltd.; and
  - (iii) as to the balance of the cash portion of the Purchase Price (other than Cure Costs, which are payable in accordance with Section 2.5(a)(i)), along with any additional amounts owing in respect of applicable GST, the Purchaser shall pay to the Vendor such amount by electronic wire transfer.
- (c) If this Agreement is terminated:
  - (i) (A) pursuant to Section 13.1(a) by mutual agreement of the Parties; or (B) pursuant to Sections 13.1(b) or 13.1(c) by the Purchaser; then the Deposit shall be returned to the Purchaser; or
  - (ii) for any reason other than as contemplated in Section 3.3(c)(i), the full amount of the Deposit shall be forfeited to the Vendor;

and, subject to Section 13.4, each Party shall be released from all obligations and liabilities under or in connection with this Agreement. In the event of termination of this Agreement under Section 3.3(c)(ii) pursuant to which the Vendor shall be entitled to retain the Deposit, the Parties agree that the amount of the Deposit, constitutes a genuine pre-estimate of liquidated damages representing the Vendor's Losses and Liabilities as a result of Closing not occurring and agree that the Vendor shall not be entitled to recover from the Purchaser any amounts that are in excess of the Deposit as a result of Closing not occurring. The Purchaser hereby waives any claim or defence that the amount of the Deposit is a penalty or is otherwise not a genuine pre-estimate of the Vendor's damages.

#### ARTICLE 4 TRANSFER TAXES

##### 4.1 Transfer Taxes

The Parties agree that:

- (a) the Purchase Price does not include Transfer Taxes and the Purchaser shall be liable for and shall pay, and be solely responsible for, any and all Transfer Taxes pertaining to the Purchaser's acquisition of the Assets, which amounts shall either be paid to the Vendor on Closing or the Purchaser shall otherwise provide the Vendor with evidence of self-assessment and payment of such amounts to the relevant Governmental Authorities on or prior to Closing; and
- (b) the Purchaser shall indemnify the Vendor and its Affiliates for, from and against any Transfer Taxes (including any interest or penalties imposed by a Governmental Authority) that any of them are required to pay or for which any of them may become liable as a result of any failure by the Purchaser to self-assess, pay or remit such Transfer Taxes, other than as a result of a failure by the Vendor or its Affiliates to timely remit any amounts on account of Transfer Taxes paid by the Purchaser hereunder.

#### ARTICLE 5 REPRESENTATIONS AND WARRANTIES

##### 5.1 Vendor's Representations

The Vendor hereby represents and warrants to the Purchaser that:

- (a) it is a corporation duly incorporated and validly subsisting under the laws of the jurisdiction of its incorporation or formation and has the requisite power and authority to enter into this Agreement and to complete the Transaction;
- (b) except for: (i) the Court Approval and the SISP Approval; and (ii) the Licence Transfers; and (iii) any consents, approvals or waivers that are required in connection with the assignment of an Assumed Contract; the execution, delivery and performance of this Agreement by it does not and will not require any consent, approval, authorization or other order of, action by, filing with or notification to, any Governmental Authority, except where failure to obtain such consent, approval, authorization or action, or to make such filing or notification, would not prevent or materially delay the consummation by the Vendor of the Transaction;

- (c) it is not a non-resident of Canada within the meaning of such term under the *Income Tax Act* (Canada) and is not an agent or trustee for anyone with an interest in the Assets who is a non-resident of Canada within the meaning of such term under the *Income Tax Act* (Canada) (or a partnership that is not a "Canadian partnership" within the meaning of such term under the *Income Tax Act* (Canada));
- (d) subject to the Court Approval and the SISP Approval being obtained, this Agreement has been duly executed and delivered and constitutes a legal, valid and binding obligation of it and is enforceable against it in accordance with its terms, except as enforceability may be limited by applicable bankruptcy, insolvency, reorganization or similar Applicable Laws relating to creditors' rights generally and subject to general principles of equity; and
- (e) with respect to the GST imposed under the GST Legislation, the Vendor is registered under the GST Legislation and will continue to be registered at the Closing Date in accordance with the provisions of the GST Legislation and its GST registration number is 71255 2520 RT0001.

## 5.2 Purchaser's Representations

The Purchaser hereby represents and warrants to the Vendor that:

- (a) it is a corporation duly incorporated and validly subsisting under the laws of the jurisdiction of its incorporation or formation and has the requisite power and authority to enter into this Agreement and to complete the Transaction;
- (b) it has taken all necessary corporate or other acts to authorize the execution, delivery and performance by it of this Agreement;
- (c) neither the execution of this Agreement nor its performance by the Purchaser will result in a breach of any term or provision or constitute a default under any indenture, mortgage, deed of trust or any other agreement to which the Purchaser is a party or by which it is bound which breach could materially affect the ability of the Purchaser to perform its obligations hereunder;
- (d) except for: (i) the Court Approval and the SISP Approval; and (ii) the Licence Transfers; and (iii) any consents, approvals or waivers that are required in connection with the assignment of an Assumed Contract; the execution, delivery and performance of this Agreement by it does not and will not require any consent, approval, authorization or other order of, action by, filing with or notification to, any Governmental Authority, except where failure to obtain such consent, approval, authorization or action, or to make such filing or notification, would not prevent or materially delay the consummation by the Purchaser of this Transaction;
- (e) subject to the Court Approval and the SISP Approval being obtained, this Agreement has been duly executed and delivered by it and constitutes a legal, valid and binding obligation of the Purchaser and is enforceable against the Purchaser in accordance with its terms, except as enforceability may be limited by applicable bankruptcy, insolvency, reorganization or similar Applicable Laws relating to creditors' rights generally and subject to general principles of equity;



- (f) the Purchaser is not a non-Canadian Person within the meaning of the *Investment Canada Act* (Canada) nor a non-resident of Canada for the purposes of the *Income Tax Act* (Canada);
- (g) the Vendor will not be liable for any brokerage commission, finder's fee or other similar payment in connection with the Transaction because of any action taken by, or agreement or understanding reached by, the Purchaser;
- (h) on the Closing Date, the Purchaser will meet all eligibility criteria and any other requirements of Governmental Authorities to purchase and accept a transfer of the Assets, including without limiting the generality of the foregoing, the eligibility criteria and requirements of the AER under its "Licensee Liability Rating" program (or any successor program) to the Purchaser as a transferee of the Assets as contemplated hereunder, and the Purchaser is not aware of any fact or circumstance that would prevent or delay the Licence Transfers from being completed as contemplated hereunder;
- (i) with respect to the GST imposed under the GST Legislation, the Purchaser is registered under the GST Legislation and will continue to be registered at the Closing Date in accordance with the provisions of the GST Legislation and that its GST registration number is 77966 8878 RT0001;
- (j) the Purchaser is a "Canadian" within the meaning of the *Investment Canada Act* (Canada);
- (k) the Purchaser will have the financial resources necessary to pay, as and when due from the Purchaser, the Purchase Price (including the Deposit and the Cure Costs), the Transfer Taxes, its legal fees and expenses, registration costs and any other amounts payable by the Purchaser pursuant hereto; and
- (l) the Purchaser has the financial resources necessary to post or satisfy all necessary security, deposits, letters of credit, guarantees or other financial assurances necessary to take possession of the Assets and to satisfy the security required by the Assumed Contracts.

### 5.3 Enforcement of Representations and Warranties

- (a) The representations and warranties of each Party contained in this Agreement shall survive until Closing and shall thereafter be of no further force and effect. Effective upon the occurrence of Closing, each Party hereby releases and forever discharges each other Party from any breach of any representations and warranties set forth in this Agreement. For greater certainty, none of the representations and warranties contained in this Article 5 shall survive Closing and each Party's sole recourse for any material breach of representation or warranty by the other Party shall be for the non-breaching Party to not complete the Transaction in accordance with this Agreement.
- (b) The representations and warranties of the Vendor made herein or pursuant hereto are made for the exclusive benefit of the Purchaser, and the representations and warranties of the Purchaser made herein or pursuant hereto are made for the exclusive benefit of 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.
- (c) The Parties expressly acknowledge and agree that the provisions of this Section 5.3 and the limit on each Party's liability set out in this Section 5.3 are intended by the Parties as a

limitation of liability that represents a fair and equitable allocation of the risks and liabilities that each Party has agreed to assume in connection with the subject matter hereof and is not an agreement within the provision of subsection 7(2) of the *Limitations Act* (Alberta).

**ARTICLE 6**  
**"AS IS, WHERE IS" AND NO ADDITIONAL**  
**REPRESENTATIONS AND WARRANTIES**

**6.1 Due Diligence Acknowledgement**

The Purchaser acknowledges and agrees that:

- (a) it was solely responsible to perform any inspections it deemed pertinent to the purchase of the Assets and to be satisfied as to the condition of the Assets prior to entering into this Agreement with the Vendor;
- (b) notwithstanding the fact that it was permitted to review any diligence materials and disclosures provided by the Vendor, including the Data Room Information, the Vendor assumes no liability for errors or omissions in such diligence materials and disclosure or any other property listings or advertising, promotional or publicity statements and materials, and makes no representations or warranties in respect thereof;
- (c) by entering into this Agreement with the Vendor, the Purchaser shall be deemed to represent, warrant and agree with respect to the Assets that:
  - (i) the Purchaser has inspected the Assets and is familiar and satisfied with the physical condition thereof and has conducted such investigation of the Assets as the Purchaser has determined appropriate;
  - (ii) none of the Vendor, its Affiliates or its respective Representatives have made any oral or written representation, warranty, promise or guarantee whatsoever to the Purchaser, expressed or implied, and in particular, that no such representations, warranties, guarantees, or promises have been made with respect to the physical condition, operation, or any other matter or thing affecting or related to the Assets and/or the offering or sale of the Assets;
  - (iii) the Purchaser has not relied upon any representation, warranty, guarantee or promise or upon any statement made or any information provided concerning the Assets, including the Data Room Information made available to the Purchaser by the Vendor, its Affiliates or their respective Representatives;
  - (iv) the Purchaser has entered into this Agreement after having relied solely on its own independent investigation, inspection, analysis, appraisal and evaluation of the Assets and the facts and circumstances related thereto;
  - (v) any information provided or to be provided by or on behalf of the Vendor with respect to the Assets, including all Data Room Information, was obtained from information provided to the Vendor and the Vendor has not made any independent investigation or verification of such information, and makes no representations as to the accuracy or completeness of such information; and



- (vi) none of the Vendor, its Affiliates or their respective Representatives are liable or bound in any manner by any oral or written statements, representations or information pertaining to the Assets, or the operation thereof, made or furnished by any real estate broker, agent, employee, or other Person.

## 6.2 "As Is, Where Is", No Additional Representations

- (a) Without limiting any other provision of this Agreement, the Purchaser acknowledges and agrees that it is acquiring the Assets on an "as is, where is" and "without recourse" basis with all defects, both patent and latent, and with all faults, whether known or unknown, presently existing or that may hereafter arise. The Purchaser acknowledges and agrees that, except as expressly set forth in this Agreement, the Vendor, its Affiliates and their respective Representatives have not made, do not make and specifically negate and disclaim any representation, warranty, promise, covenant, agreement or guaranty of any kind or character whatsoever, whether express or implied, oral or written, past, present or future, of, as to, concerning or with respect to the Assets. For greater certainty, but without limitation, except as expressly set forth in this Agreement, none of the Vendor, its Affiliates or their respective Representatives make any condition, representation or warranty whatsoever, express or implied, with respect to:
  - (i) the title and interest of the Vendor in and to the Assets;
  - (ii) the quality, quantity or recoverability of Petroleum Substances within or under the Lands or any lands pooled or unitized therewith;
  - (iii) the income to be derived from the Assets, if any;
  - (iv) any estimates of the value of the Assets or the revenues or cash flows from future production from the Lands;
  - (v) the rates of production of Petroleum Substances from the Lands;
  - (vi) the quality, condition, marketability, profitability, fitness for a particular purpose or merchantability of any tangible depreciable equipment or property interests which comprise the Assets (including the Tangibles);
  - (vii) the suitability of the Assets for any and all purposes, activities and uses which the Purchaser may desire to conduct thereon;
  - (viii) the compliance of or by the Assets or its operation with any Applicable Law (including Environmental Laws);
  - (ix) the validity or enforceability of the Assumed Contracts or the ability to assign any of the Assumed Contracts;
  - (x) any regulatory approvals, permits and licenses, consents or authorizations that may be needed to complete the purchase of the Assets contemplated by this Agreement;
  - (xi) the manner or quality of the construction or materials, if any, incorporated into the Assets;

- (xii) the manner, quality, state of repair or lack of repair of the Assets;
  - (xiii) the existence of soil instability, past soil repairs, susceptibility to landslides, sufficiency of under-shoring, sufficiency of drainage, or any other matter affecting the stability or integrity of the Assets or any structures or improvements situated thereon;
  - (xiv) whether the Assets are located in a seismic hazards zone or a flood hazard zone;
  - (xv) the presence of pests and any damage to the Assets and/or its improvements that may have occurred as a result;
  - (xvi) the nature and quantum of the Assumed Liabilities; or
  - (xvii) any other matter with respect to the Assets.
- (b) The Purchaser acknowledges that the release and disclaimer described in this Article 6 is intended to be very broad and, except for its express rights under this Agreement, the Purchaser expressly waives and relinquishes any rights or benefits it may have under any Applicable Law designed to invalidate releases of unknown or unsuspected claims.
- (c) 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 common law, tort, contractual and statutory rights and remedies) against the Vendor, its Affiliates and their respective Representatives in respect of the Assets and any representations or statements made 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). Such waiver is absolute, unlimited, and includes, but is not limited to, waiver of express warranties, implied warranties, any warranties contained in the *Sale of Goods Act* (Alberta) (or similar applicable statutes, all as may be amended, repealed or replaced), warranties of fitness for a particular use, warranties of merchantability, warranties of occupancy, strict liability and claims of every kind and type, including claims regarding defects, whether or not discoverable or latent, product liability claims, or similar claims, and all other claims that may be later created or conceived in strict liability or as strict liability type claims and rights.

**ARTICLE 7  
RISK AND COSTS AND INSURANCE**

**7.1 Risk and Costs**

The Assets will be at the sole risk and responsibility of the Vendor until the Closing Date, and thereafter at the sole risk and responsibility of the Purchaser.

**7.2 Insurance**

Any property, liability and other insurance maintained by the Vendor in relation to the Assets shall not be transferred at Closing, but shall remain the responsibility of the Vendor until the Closing Date. The Purchaser shall be responsible for placing its own property, liability and other insurance coverage with respect to the Assets in respect of the period from and after 12:01 a.m. on the Closing Date.



**ARTICLE 8  
INDEMNIFICATION**

**8.1 Indemnification Given by Purchaser**

If Closing occurs, the Purchaser shall:

- (a) be liable to the Vendor, its Affiliates and their respective Representatives for; and
- (b) as a separate covenant, indemnify and save harmless the Vendor, its Affiliates and their respective Representatives from and against;

all Losses and Liabilities suffered, sustained, paid or incurred by the Vendor, its Affiliates and/or their respective Representatives related to or in connection with the Assumed Liabilities, including: (i) all Losses and Liabilities attributable to the ownership, operation, use, construction or maintenance of the Assets during the period following the Closing Date; (ii) all Losses and Liabilities arising or accruing on or after the Closing Date under any Assumed Contract as contemplated in Section 2.5(a)(vii), including any and all Cure Costs; and (iii) any other Losses and Liabilities for which the Purchaser has otherwise agreed to indemnify the Vendor pursuant to this Agreement, including pursuant to Section 9.2. The Purchaser's indemnity obligations set forth in this Section 8.1 shall survive the Closing Date indefinitely pursuant to Section 14.3.

**8.2 Third Party Claims**

- (a) If any of the Vendor, its Affiliates or their respective Representatives receives written notice of the commencement or assertion of any Third Party Claim for which the Purchaser is liable pursuant to this Agreement (or has otherwise agreed to indemnify the Vendor, its Affiliates or their respective Representatives against), the Vendor shall give the Purchaser reasonably prompt notice thereof, but in any event no later than ten (10) days after receipt of such notice of such Third Party Claim. Such notice to the Purchaser shall describe the Third Party Claim in reasonable detail and shall indicate, if reasonably practicable, the estimated amount (or the method of computation of the amount) of the Losses and Liabilities that has been or may be sustained by the Vendor, its Affiliates or their Representatives, respectively, and a reference to the provisions of this Agreement, or other applicable document, upon which such claim is based.
- (b) The Purchaser may assume the carriage and control of the defence of any Third Party Claim by giving notice to that effect to the Vendor, not later than ten (10) days after receiving notice of that Third Party Claim (the "Notice Period") so long as: (i) the Purchaser first acknowledges to the Vendor, in writing, liability to the Vendor, its Affiliates and/or their respective Representatives, under this Agreement with respect to such Third Party Claim and that the outcome of such Third Party Claim does not alter or diminish the Purchaser's obligation to indemnify the Vendor, its Affiliates and/or their respective Representatives, pursuant to this Agreement, subject to the Purchaser's right to contest in good faith the Third Party Claim; (ii) the Purchaser has the financial resources to defend against the Third Party Claim and fulfill any indemnification obligations and has provided the Vendor, its Affiliates and/or their respective Representatives, with evidence thereof; (iii) the Third Party Claim involves monetary damages; and (iv) the Purchaser thereafter pursues the defence or settlement of the Third Party Claim actively and diligently. The Purchaser's right to do so shall be subject to the rights of any insurer or other third party who has potential liability in respect of that Third Party Claim. The Purchaser shall pay all of its

own expenses of participating in or assuming such defence. In the event that the Purchaser elects to assume the carriage and control of the defence of a Third Party Claim pursuant to this Section 8.2(b), then the Vendor shall, or shall cause its Affiliates and/or their respective Representatives to, cooperate in good faith in the defence of each Third Party Claim and may participate in such defence assisted by counsel of its own choice at its own expense.

- (c) If the Vendor has not received notice within the Notice Period that the Purchaser has elected to assume the carriage and control of the defence of such Third Party Claim in accordance with Section 8.2(b), or if the Purchaser has given such notice but thereafter fails or is unable to pursue the defence or settlement of such Third Party Claim actively and diligently, the Vendor, its Affiliates and/or their respective Representatives, may, at their option, elect to settle or compromise the Third Party Claim on terms of its choosing, or assume such defence assisted by counsel of its own choosing, and the Purchaser shall be liable for all reasonable costs and expenses paid or incurred in connection therewith and any Losses and Liabilities suffered or incurred by the Vendor, its Affiliates and/or their respective Representatives with respect to such Third Party Claim.

### **8.3 Failure to Give Timely Notice**

Notwithstanding that time is of the essence, a failure to give timely notice as provided in this Article 8 shall not affect the rights or obligations of any Party except and only to the extent that, as a result of such failure, any Party which was entitled to receive such notice was deprived of its right to recover any payment under any applicable insurance coverage or was otherwise prejudiced as a result of such failure.

### **8.4 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.

### **8.5 Third Party Beneficiary**

The Vendor's Representatives and the Vendor's Affiliates, and all of their respective Representatives are intended third party beneficiaries of this Article 8 and shall have the right, power and authority to enforce the provisions hereof as though they were each a party hereto. The Purchaser further agrees to execute such agreements as may be reasonably requested by such Persons in connection with these provisions that are consistent with this Article 8 or that are reasonably necessary to give further effect thereto.

## **ARTICLE 9 ENVIRONMENTAL MATTERS**

### **9.1 Acknowledgements Regarding Environmental Condition**

The Purchaser acknowledges that, insofar as the environmental condition of the Assets is concerned, it will acquire the Assets pursuant hereto on an "as is, where is" basis. The Purchaser acknowledges that it is familiar with the condition of the Assets, including the past and present use of the Lands and the Tangibles, that the Vendor has provided the Purchaser with a reasonable opportunity to inspect the Assets at the sole cost, risk and expense of the Purchaser (insofar as the Vendor could reasonably provide such access) and that the Purchaser is not relying upon any representation or warranty of the Vendor, any of the Vendor's Affiliates, or any of their respective Representatives as to the environmental

condition of the Assets, or any Environmental Liabilities or Abandonment and Reclamation Obligations in respect thereof.

## 9.2 Assumption of Environmental Liabilities

If Closing occurs, the Purchaser shall:

- (a) be liable to the Vendor, its Affiliates and their respective Representatives for; and
- (b) as a separate covenant, indemnify and save harmless the Vendor, its Affiliates and their respective Representatives from and against;

all Losses and Liabilities suffered, sustained, paid or incurred by the Vendor, its Affiliates or their respective Representatives as a result of any matter or thing arising out of, attributable to or connected with any Environmental Liabilities or any Abandonment and Reclamation Obligations. Once Closing has occurred, the Purchaser shall be solely responsible for all Environmental Liabilities and all Abandonment and Reclamation Obligations as between the Vendor (on one hand) and the Purchaser (on the other hand) including whether occurring or accruing prior to, on or after the Closing Date, and hereby releases the Vendor, its Affiliates and their respective Representatives from any claims the Purchaser may have against the Vendor with respect to all such Environmental Liabilities and Abandonment and Reclamation Obligations. Without restricting the generality of the foregoing, the Purchaser shall be responsible for all Environmental Liabilities and Abandonment and Reclamation Obligations (including whether occurring or accruing prior to, on or after the Closing Date) in respect of all Wells and Tangibles.

## ARTICLE 10 COVENANTS

### 10.1 Court Filings

- (a) From and after the date of execution of this Agreement and until the Closing Date, the Vendor shall use commercially reasonable efforts to deliver to the Purchaser copies of all pleadings, motions, notices, statements, schedules, applications, reports and other papers that relate, in whole or in part, to this Agreement, or to the Purchaser or its Representatives, that are to be filed by the Vendor in connection with the Court Approval in advance of their filing, before the filing of such papers, and shall provide the Purchaser with a reasonable opportunity to review and comment thereon.
- (b) The Vendor shall act reasonably and in good faith in considering any comments provided by the Purchaser to such papers; *provided, however* that, subject in each case to the foregoing good faith obligations of the Vendor, the Vendor shall have no obligation to accept and incorporate the Purchaser's comments to such papers and neither the Vendor's inadvertent failure to comply with this Section 10.1, nor the Vendor's failure to comply with this Section 10.1 due to emergency circumstances, shall constitute a breach under this Agreement.

### 10.2 Conduct of Business Until Closing

- (a) Except: (A) as expressly provided in this Agreement; (B) with the prior written consent of the Purchaser (not to be unreasonably withheld, conditioned or delayed); (C) as necessary or advisable in connection with the Bankruptcy Proceedings; or (D) as otherwise provided in the Sale Order or any other order of the Court in connection with the Bankruptcy

Proceedings; following the date hereof and prior to Closing, to the extent reasonably practicable having regard to the Bankruptcy Proceedings, the Vendor shall use commercially reasonable efforts to:

- (i) maintain the Assets, or cause the Assets to be maintained, in accordance with good industry practice, and in material compliance with all Applicable Laws, the directions of Governmental Authorities and the terms and conditions of the Assumed Contracts;
  - (ii) pay or cause to be paid all costs and expenses relating to the Assets which become due from the date hereof to the Closing Date;
  - (iii) not sell, pledge, assign, lease, license, or cause, permit, or suffer the imposition of any Encumbrance (other than Permitted Encumbrances) on, or otherwise dispose of, any of the Assets, except in the ordinary course of normal day-to-day operations of the Assets, consistent with past practices;
  - (iv) not make any commitment or propose, initiate or authorize any capital expenditure with respect to the Assets in excess of Twenty-Five Thousand Dollars (\$25,000), except in case of an emergency; or
  - (v) not authorize or agree, in writing or otherwise, to take any of the actions in respect of the foregoing.
- (b) Until the Closing Date, the Vendor shall provide the Purchaser and its Representatives with all access to the Assets as reasonably required by the Purchaser in order to allow for and assist the Purchaser with its due diligence and an orderly passing of the Assets to the Purchaser following Closing in accordance herewith, such access including:
- (i) physical field inspection;
  - (ii) environmental review; and
  - (iii) title review and review of the terms and conditions of the Title Documents and operating documents pursuant to which the Vendor owns its interest in the Assets, and any associated material contracts.
- (c) The access to the Assets to be afforded to the Purchaser and its Representatives pursuant to this Section 10.2 will be subject to the Assumed Contracts and all of the Vendor's site entry protocols, health, safety and environmental rules, policies and procedures. Further, the Purchaser acknowledges and agrees that it shall:
- (i) be solely liable and responsible for any and all Losses and Liabilities which the Vendor, its Affiliates or their respective Representatives may suffer, sustain, pay or incur; and
  - (ii) as a separate covenant, indemnify and save harmless the Vendor, its Affiliates and their respective Representatives harmless from any and all Claims or Losses and Liabilities whatsoever which may be brought against, suffered by or incurred by the Vendor, its Affiliates or their respective Representatives;



arising out of, resulting from, attributable to or in any way connected with any access provided to the Purchaser or its Representatives pursuant to this Section 10.2.

### 10.3 ROFRs

- (a) The Vendor and Purchaser shall use commercially reasonable efforts to identify the Assets which are the subject of ROFRs as soon as reasonably practicable following the date hereof, and in any event prior to Closing. Promptly following the identification of Assets which are the subject of ROFRs, if any, the Purchaser shall provide the Vendor with its bona fide allocation of the amount of the Purchase Price attributable to each of such Assets which are subject to a ROFR.
- (b) The Vendor shall courier ROFR notices to the Third Parties holding such ROFRs promptly following the receipt of Purchaser's allocation of the Purchase Price attributable thereto pursuant to Section 10.3(a). The Vendor shall utilize the Purchaser's allocation of the Purchase Price attributable to the Assets subject to ROFRs for purposes of preparing and issuing the ROFR notices. The Vendor shall notify the Purchaser in writing forthwith upon each Third Party exercising or waiving such a ROFR.
- (c) If any such Third Party elects to exercise such a ROFR, then:
  - (i) the definition of Assets shall be deemed to be amended to exclude those Assets in respect of which the ROFR has been exercised;
  - (ii) such Assets shall not be conveyed to the Purchaser; and
  - (iii) any proceeds received by the Vendor from a Third Party in respect of the sale and conveyance of any Assets which are subject to a ROFR shall be deemed to form part of the Excluded Assets, and the Purchase Price shall not be subject to any reduction in the event of the exercise of any such ROFR by a Third Party.
- (d) In the event that a Third Party exercises a ROFR and is then unable or unwilling to enter into a conveyance agreement with the Vendor for the relevant Assets, the Purchaser agrees to accept a conveyance of such Assets under the same terms and conditions as this Agreement to whatever extent possible.
- (e) Closing shall not be delayed even though certain of the ROFRs are outstanding and capable of exercise by the holders thereof as of the Closing Date (such ROFRs being referred to as "**Outstanding ROFRs**"). In such case, the following procedures shall apply:
  - (i) the Parties shall proceed with Closing (for greater certainty without any reduction in the Purchase Price for the Outstanding ROFRs, and without variation of any other terms or conditions of this Agreement);
  - (ii) the Purchaser shall prepare all Specific Conveyances and other closing documentation required for the sale of the Assets subject to the Outstanding ROFRs (the "**Outstanding ROFR Assets**");
  - (iii) if an Outstanding ROFR is exercised by a Third Party, the Vendor will promptly notify the Purchaser thereof in writing, the Specific Conveyances and other closing documentation related to such Outstanding ROFR Assets will be of no force or



effect and shall be destroyed by the Purchaser, and the provisions of Section 10.3(c) shall apply to the Assets which are the subject of the Outstanding ROFR being exercised by the Third Party, *mutatis mutandis*;

- (iv) if after Closing an Outstanding ROFR is extinguished by lapse of time, waiver or otherwise (other than as a result of being exercised), the Vendor will promptly notify the Purchaser thereof in writing and promptly deliver executed copies of the Specific Conveyances and closing documentation previously prepared to the Purchaser, and such documentation shall be effective and the sale of such Outstanding ROFR Assets to Purchaser pursuant hereto shall be deemed to have closed on the Closing Date.

#### 10.4 Document Review

Prior to Closing, Vendor shall provide Purchaser with reasonable access to the Title Documents and other Miscellaneous Interests in the possession or under the control of Vendor for the purpose of verifying the continued validity and effect of the Title Documents, the identification of Assets the subject of ROFRs, the preparation of Specific Conveyances and other matters related to this Agreement and the Transaction.

### ARTICLE 11 CONDITIONS

#### 11.1 Mutual Conditions

The respective obligations of the Parties to complete the purchase and sale of the Assets are subject to the following conditions being fulfilled or performed as at or prior to the Closing Date:

- (a) the Court shall have granted the Sale Order and the Sale Order shall be a Final Order;
- (b) no Governmental Authority shall have enacted, issued or promulgated any final or non-appealable order or Applicable Law subsequent to the date hereof which has the effect of: (i) making any of the transactions contemplated by this Agreement illegal; or (ii) otherwise prohibiting, preventing or restraining the Vendor from the sale of the Assets; and
- (c) the Closing is not otherwise prohibited by Applicable Law;

The foregoing conditions are for the mutual benefit of the Vendor and the Purchaser and may be asserted by the Vendor or the Purchaser regardless of the circumstances and may be waived only with the agreement of the Vendor and the Purchaser, provided, however, that the Sale Order condition set out in Section 11.1(a) may not be waived by the Parties.

#### 11.2 Conditions for the Benefit of the Purchaser

The obligation of the Purchaser to complete the purchase of the Assets is subject to the following conditions being fulfilled or performed as at or prior to the Closing Date:

- (a) all representations and warranties of the Vendor contained in Section 5.1 of this Agreement shall be true and correct in all material respects as at the Closing Date with the same force and effect as if made at and as of such time, and the Vendor shall have delivered to the

Purchaser a certificate to that effect substantially similar in form to that attached hereto as Schedule D;

- (b) the Vendor shall have complied with and performed, in all material respects, all of its covenants and obligations contained in this Agreement;
- (c) upon Closing, the Assets shall not be subject to any Encumbrances for, or in respect of, municipal taxes or other tax Claims; and
- (d) the Vendor shall have executed and delivered or caused to have been executed and delivered to the Purchaser at or before the Closing all the documents contemplated in Section 12.2.

The foregoing conditions are for the exclusive benefit of the Purchaser and may be waived by it in its sole discretion, in whole or in part, at any time and from time to time without prejudice to any other rights which the Purchaser may have.

### **11.3 Conditions for the Benefit of the Vendor**

The obligation of the Vendor to complete the sale of the Assets is subject to the following conditions being fulfilled or performed as at or prior to the Closing Date:

- (a) all representations and warranties of the Purchaser contained in Section 5.2 of this Agreement shall be true and correct in all material respects as at the Closing Date with the same force and effect as if made at and as of such time, and the Purchaser shall have delivered to the Vendor a certificate to that effect substantially similar in form to that attached hereto as Schedule D;
- (b) the Purchaser shall have complied with and performed in all material respects all of its covenants and obligations contained in this Agreement;
- (c) the Purchaser shall have executed and delivered or caused to have been executed and delivered to the Vendor at or before the Closing all the documents contemplated in Section 12.3; and
- (d) the Vendor has not lost its ability to convey the Assets due to an order of the Court.

The foregoing conditions are for the exclusive benefit of the Vendor and may be waived by it in its sole discretion, in whole or in part, at any time and from time to time without prejudice to any other rights which the Vendor may have.

### **11.4 Satisfaction of Conditions**

Each of the Parties shall proceed diligently and in good faith and use all commercially reasonable efforts to fulfill and assist in the fulfillment of the conditions set forth in Sections 11.1, 11.2 and 11.3. In addition, each of the Parties agrees not to take any action that could reasonably be expected to preclude, delay or have an adverse effect on the Transaction or would render, or may reasonably be expected to render, any representation or warranty made by it in this Agreement untrue in any material respect.



## ARTICLE 12 CLOSING

### 12.1 Closing Date

Subject to the conditions set out in this Agreement, the Transaction shall close and be completed on the Closing Date, or at such other time as the Parties may agree in writing.

### 12.2 Deliveries on Closing by the Vendor

The Vendor shall deliver (or cause to be delivered) to the Purchaser's Solicitor on or before the Closing Date:

- (a) a Court certified copy of the Sale Order;
- (b) the General Conveyance, Assignment and Assumption Agreement duly executed by the Vendor;
- (c) all documents listed in Section 12.3 which contemplate execution by the Vendor;
- (d) the certificate of the Vendor referred to in Section 11.2(a); and
- (e) any other deeds, conveyances, assurances, transfers, assignments, instruments, documents, resolutions and certificates as are referred to in this Agreement or as the Purchaser may reasonably require to give effect to this Agreement.

### 12.3 Deliveries on Closing by the Purchaser

The Purchaser shall deliver (or cause to be delivered) to the Vendor's Solicitor on or before the Closing Date:

- (a) payment of the Purchase Price in trust to the Proposal Trustee (other than Cure Costs, which are payable in accordance with Section 2.5(a)(i)) in accordance with Section 3.3(b) hereof;
- (b) payment of all Transfer Taxes payable on Closing to the Vendor or the Vendor's Solicitors (or evidence of self-assessment and payment by the Purchaser thereof to the relevant Governmental Authorities);
- (c) the General Conveyance, Assignment and Assumption Agreement duly executed by the Purchaser;
- (d) all documents listed in Section 12.2 which contemplate execution by the Purchaser;
- (e) the certificate of the Purchaser referred to in Section 11.3(a);
- (f) any other deeds, conveyances, assurances, transfers, assignments, instruments, documents, resolutions and certificates as are referred to in this Agreement or as the Vendor may reasonably require to give effect to this Agreement.

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## ARTICLE 13 TERMINATION

### 13.1 Grounds for Termination

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

- (a) by the written agreement of the Vendor and the Purchaser, provided however that if this Agreement has been approved by the Court, any such termination shall require the approval of the Court;
- (b) by the Purchaser, upon written notice to the Vendor, if there has been a material breach by the Vendor of any material representation, warranty or covenant contained in this Agreement, which breach has not been waived by the Purchaser, and: (i) such breach is not curable and has rendered the satisfaction of any condition in Section 11.2 impossible by the Outside Date; or (ii) if such breach is curable, the Purchaser has provided prior written notice of such breach to the Vendor, and such breach has not been cured within ten (10) days (or, if not curable within ten (10) days, such longer period as is reasonable under the circumstances, not to exceed thirty (30) days) following the date upon which the Vendor received such notice;
- (c) by the Purchaser, upon written notice to the Vendor, any time after the Outside Date, if the Closing has not occurred by the Outside Date and such failure to close was not caused by or as a result of the Purchaser's breach of this Agreement;
- (d) by the Vendor, upon written notice to the Purchaser, if there has been a material breach by the Purchaser of any material representation, warranty or covenant contained in this Agreement, which breach has not been waived by the Vendor, and: (i) such breach is not curable and has rendered the satisfaction of any condition in Section 11.3 impossible by the Outside Date; or (ii) if such breach is curable, the Vendor has provided prior written notice of such breach to the Purchaser, and such breach has not been cured within ten (10) days (or, if not curable within ten (10) days, such longer period as is reasonable under the circumstances, not to exceed thirty (30) days) following the date upon which the Purchaser received such notice; or
- (e) by the Vendor, upon written notice to the Purchaser, any time after the Outside Date, if the Closing has not occurred by the Outside Date and such failure to close was not caused by or as a result of the breach of this Agreement by the Vendor.

### 13.2 Automatic Termination

This Agreement shall terminate automatically, without any further action by either the Vendor or the Purchaser, if the Vendor accepts a Superior Offer pursuant to the SISP. For greater certainty, without limiting the generality of the foregoing, the Purchaser shall be entitled to the Break Fee if this Agreement terminates pursuant to this Section 13.2.

### 13.3 Break Fee and Expense Reimbursement Amount

Inconsideration of the Purchaser and its affiliates having expended time and expense in connection with this Agreement, and the identification and quantification of assets to be included in the Assets, and to compensate the Purchaser as a stalking-horse bidder under the SISP, if this Agreement is terminated, other

than due to a material breach of this Agreement by the Purchaser pursuant to Section 13.1(d), and (A) a Superior Offer is accepted or (B) any other sale of assets or proposal occurs within the NOI Proceedings that (I) results in a change of control of the Vendor, or (II) provides cash on closing to the Vendor greater than the cash component of the Purchase Price hereunder, then the Vendor shall pay to the Purchaser in cash immediately following the closing of such transaction:

- (i) the Break Fee; and,
- (ii) the Expense Reimbursement Amount, not to exceed \$25,000,

as consideration for the disposition of the Purchaser's rights under this Agreement. For greater certainty, the Vendor's obligation to pay the Break Fee and the Expense Reimbursement Amount to the Purchaser shall survive the termination of this Agreement.

#### **13.4 Effect of Termination**

Notwithstanding any termination of this Agreement as permitted under Section 13.1, Section 13.2, or as otherwise provided for in this Agreement, the provisions of Sections 3.3 (Deposit), 10.2(c)(ii) (Indemnification), 13.3 (Break Fee and Expense Reimbursement Amount), 14.1 (Public Announcements), 14.4 (Governing Law), 14.5 (Consequential Damages), 14.11 (Costs and Expenses) and 14.15 (Third Party Beneficiaries) shall remain in full force and effect following any such permitted termination, and the Deposit shall be governed by Section 3.3.

### **ARTICLE 14 GENERAL**

#### **14.1 Public Announcements**

- (a) Subject to Section 14.1(b), if a Party intends to issue a press release or other public disclosure of this Agreement, the terms hereof or the Transaction, the disclosing Party shall provide the other Parties with an advance copy of any such press release or public disclosure with sufficient time to enable the other Parties to review such press release or other public disclosure and provide any comments. The disclosing Party shall not issue such press release or other public disclosure without the prior written consent of the other Parties, such consent not to be unreasonably withheld.
- (b) Notwithstanding Section 14.1(a): (i) this Agreement may be filed by the Vendor with the Court; and (ii) the Transaction may be disclosed by the Vendor to the Court, subject to redacting confidential or sensitive information as permitted by Applicable Law. The Parties further agree that:
  - (i) the Vendor may prepare and file reports and other documents with the Court containing references to the Transaction and the terms of the Transaction; and
  - (ii) the Vendor and its professional advisors may prepare and file such reports and other documents with the Court containing references to the Transaction contemplated by this Agreement and the terms of such Transaction as may reasonably be necessary to obtain the Court Approval and the SISP Approval and to complete the Transaction contemplated by this Agreement or to comply with their obligations to the Court.

## 14.2 Dissolution of Vendor

Subject to the Vendor's obligations in Section 2.5, the Purchaser acknowledges and agrees that nothing in this Agreement shall operate to prohibit or diminish in any way the right of the Vendor or any of its Affiliates to cause the dissolution or wind-up of the Vendor subsequent to the Closing Date, or otherwise cause or allow the Vendor to cease operations in any manner or at any time subsequent to the Closing Date as the Vendor may determine in its sole discretion, which may be exercised without regard to the impact any such action may have on the Vendor's ability to fulfil its obligations under this Agreement that survive Closing.

## 14.3 Survival

Upon Closing, the obligations, covenants, representations and warranties of the Parties set out in this Agreement shall expire, be terminated and extinguished and of no further force or effect, provided that notwithstanding the Closing contemplated hereunder or the delivery of documents pursuant to this Agreement, the obligations and covenants of the Parties set out in Section 2.3 (AER Licence Transfers), Section 2.3 (Assignment of Assumed Contracts and Third Party Consents), Section 2.4 (Specific Conveyances), Section 5.3 (Enforcement of Representations and Warranties), Section 10.2(c)(ii) (Indemnification), Section 10.3 (ROFRs) and 3.3(c)(i) (Transfer Taxes), Article 6 ("As Is, Where Is" and No Additional Representations and Warranties), Article 8 (Indemnification), Article 9 (Environmental Matters) and Article 14 (General), shall survive Closing, shall remain in full force and effect, shall not merge as a result of Closing and shall be binding on the Parties indefinitely thereafter except as expressly stated to the contrary therein or otherwise in accordance with Applicable Laws.

## 14.4 Governing Law

- (a) This Agreement shall be governed by and construed in accordance with the laws of the Province of Alberta, and the federal laws of Canada applicable therein (excluding any conflict of law rule or principle of such laws that might refer such interpretation or enforcement to the laws of another jurisdiction). The Parties consent to the jurisdiction and venue of the courts of Alberta for the resolution of any such dispute arising under this Agreement.
- (b) Notwithstanding Section 14.4(a), any and all documents or orders that may be filed, made or entered in the NOI Proceedings, and the rights and obligations of the Parties thereunder, including all matters of construction, validity and performance thereunder, shall in all respects be governed by, and interpreted, construed and determined in accordance with the laws of the Province of Alberta. The Parties consent to the jurisdiction and venue of the Court, as applicable, for the resolution of any such disputes, regardless of whether such disputes arose under this Agreement. Each Party agrees that service of process on such Party as provided in Section 14.13 shall be deemed effective service of process on such Party.

## 14.5 Consequential Damages

Under no circumstance shall any of the Parties, their Representatives or their respective directors, officers, employees or agents be liable for any punitive, exemplary, consequential or indirect damages (including for greater certainty, any loss of profits) (collectively, "**Consequential Damages**") that may be alleged to result in connection with, arise out of, or relate to this Agreement or the Transaction, other than Consequential Damages for which the Purchaser is liable as a result of a Third Party Claim (which liability shall be subject to and recoverable under Article 8 (Indemnification)). For greater certainty, the Parties

agree that none of the Parties, their respective Affiliates or their respective Representatives shall be liable for any lost profits whatsoever, whether such lost profits are considered to be direct, consequential or indirect losses, and regardless of whether such lost profits were foreseeable by the Parties at any time or whether such lost profits were the direct and natural result of a Party's breach of its obligations under this Agreement.

#### **14.6 Further Assurances**

Each of the Parties from and after the date hereof shall, from time to time, and at the request and expense of the Party requesting the same, do all such further acts and things and execute and deliver such further instruments, documents, matters, papers and assurances as may be reasonably requested to complete the Transaction and for more effectually carrying out the true intent and meaning of this Agreement.

#### **14.7 Assignment**

The Purchaser shall not, without the Vendor's prior written consent, assign any right or interest in this Agreement, which consent may be withheld in the Vendor's sole and absolute discretion, except that the Purchaser shall have the right to assign any or all of its rights, interests or obligations hereunder to one or more Affiliates of the Purchaser, provided that: (a) such Affiliate agrees to be bound by the terms of this Agreement; (b) the Purchaser shall remain liable hereunder for any breach of the terms of this Agreement by such Affiliate; (c) such assignment shall not release the Purchaser from any obligation or liability hereunder in favour of the Vendor; and (d) the Purchaser shall acknowledge and confirm its continuing obligations in favour of the Vendor in an assignment and assumption agreement in form and substance satisfactory to the Vendor.

#### **14.8 Waiver**

No failure on the part of any Party in exercising any right or remedy hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any such right or remedy preclude any other or further exercise thereof or the exercise of any right or remedy in law or in equity or by statute or otherwise conferred. No waiver by any Party of any breach (whether actual or anticipated) of any of the terms, conditions, representations or warranties contained herein shall take effect or be binding upon that Party unless the waiver is expressed in writing under the authority of that Party. Any waiver so given shall extend only to the particular breach so waived and shall not limit or affect any rights with respect to any other or future breach.

#### **14.9 Amendment**

This Agreement shall not be varied in its terms or amended by oral agreement or by representations or otherwise other than by an instrument in writing dated subsequent to the date hereof, executed by a duly authorized representative of each Party.

#### **14.10 Time of the Essence**

Time is of the essence in this Agreement.

#### **14.11 Costs and Expenses**

Unless otherwise provided for in this Agreement, each Party shall be responsible for all costs and expenses (including the fees and disbursements of legal counsel, bankers, investment bankers, accountants, brokers and other advisors) incurred by it in connection with this Agreement and the Transaction.

Notwithstanding any other provision of this Agreement, the Purchaser shall pay the cost of all surveys, title insurance policies and title reports ordered by the Purchaser.

#### 14.12 Entire Agreement

This Agreement constitutes the entire agreement between the Parties with respect to the subject matter hereof and cancel and supersede all prior agreements, understandings, negotiations and discussions, whether oral or written, between the Parties with respect to the subject matter hereof. There are no conditions, covenants, agreements, representations, warranties or other provisions, whether oral or written, express or implied, collateral, statutory or otherwise, relating to the subject matter hereof other than those contained in this Agreement.

#### 14.13 Notices

Any notice, direction or other communication given regarding the matters contemplated by this Agreement must be in writing, sent by personal delivery, courier or electronic mail and addressed:

- (a) in the case of the Vendor:

Salt Bush Energy Ltd.  
600, 815 - 8<sup>th</sup> Avenue SW  
Calgary, Alberta T2P 3P2

Attention: Bill Smith, Q.C.  
Email: bill@smithlawcorp.ca

With a copy to the Vendor's Solicitors:

George Lepine Professional Corporation  
438 Edgebrook Grove NW  
Calgary, AB T3A 5T4

Attention: George Lepine  
Email: george@gvllaw.ca

- (b) In the case of the Purchaser:

Ironbark Energy Ltd.  
600, 815 - 8<sup>th</sup> Avenue SW  
Calgary, Alberta T2P 3P2

Attention: David Messina  
Email: David.Messina@whitebarkenergy.com

A notice is deemed to be given and received if: (i) sent by personal delivery or courier, on the date of delivery if it is a Business Day and the delivery was made prior to 4:00 p.m. (local time in place of receipt) and otherwise on the next Business Day; or (ii) email, on the date of transmission if it is a Business Day and the transmission was made prior to 4:00 p.m. (local time in place of receipt), and otherwise on the next Business Day. A Party may change its address for service from time to time by providing a notice in accordance with the foregoing. Any subsequent notice must be sent to the Party at its changed address.

Any element of a Party's address that is not specifically changed in a notice will be assumed not to be changed. **Sending a copy of a notice to a Party's legal counsel as contemplated above is for information purposes only and does not constitute delivery of the notice to that Party. The failure to send a copy of a notice to legal counsel does not invalidate delivery of that notice to a Party.**

#### **14.14 Enurement**

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

#### **14.15 Third Party Beneficiaries**

Except as otherwise provided for in this Agreement, each Party intends that this Agreement shall not benefit or create any right or cause of action in or on behalf of any Person other than the Parties and their successors and permitted assigns and, except as otherwise provided for in this Agreement, no Person, other than the Parties and their successors and permitted assigns shall be entitled to rely on the provisions hereof in any action, suit, proceeding, hearing or other forum. The Purchaser acknowledges to the Vendor, its Affiliates and their respective Representatives their direct rights against the Purchaser under this Agreement. To the extent required by Applicable Law to give full effect to these direct rights, the Purchaser agrees and acknowledges that the Vendor is acting as agent and/or as trustee of its Representatives, its Affiliates and their respective Representatives.

#### **14.16 Severability**

If any provision of this Agreement or any document delivered in connection with this Agreement is partially or completely invalid or unenforceable, the invalidity or unenforceability of that provision shall not affect the validity or enforceability of any other provision of this Agreement, all of which shall be construed and enforced as if that invalid or unenforceable provision were omitted. The invalidity or unenforceability of any provision in one jurisdiction shall not affect such provision validity or enforceability in any other jurisdiction.

#### **14.17 Counterparts**

This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original and all of which shall constitute one and the same agreement. Transmission by facsimile or other electronic means of an executed counterpart of this Agreement shall be deemed to constitute due and sufficient delivery of such counterpart.

**[THE BALANCE OF THIS PAGE INTENTIONALLY BLANK]**



**IN WITNESS WHEREOF** this Agreement has been properly executed by the Parties as of the date first above written.

**SALT BUSH ENERGY LTD.**

Per: \_\_\_\_\_  
Name:  
Title:

**IRONBARK ENERGY LTD.**

Per: \_\_\_\_\_  
Name:  
Title:

Per: \_\_\_\_\_  
Name:  
Title:



**SCHEDULE A**

**Assets Listing**

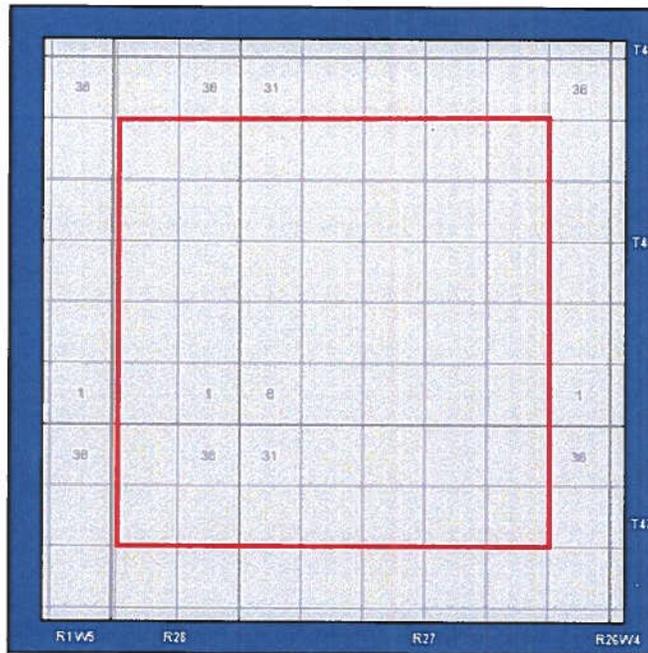
Part 1 – Lands

(attached)

Part 2 – Wells, Facilities, Pipelines and Tangibles

(attached)

**WHITEMAP AREA**



*NS*

**Schedule A - Part 1**

**"Lands" include all of Vendor's interest in all lands located within the Whitemap Area shown on the first page of Schedule A including, without limitation, the interests shown on the following 15 pages.**

NS

### Mineral Lease Property Report

**M01161**

<b>General</b>	<b>Dates</b>	<b>Rental Info</b>	<b>Acquisition</b>	<b>Summary Acreages (Gross/Net)</b>
Status: ACTIVE	Lease: JUL-18-2019	Gross \$: \$44,800.00	Bonus: \$448.00	Total: H 256.00000000 / 256.00000000
Lse: PNG LSE	Effective: JUL-18-2019	Net \$: \$448.00	Rent & Fee: \$448.00	A 640.00000000 / 640.00000000
Area: AB WIZARD LAKEAcq'd:	Expiry: JUL-17-2020	Date: JUL-17-2020	Total: \$45,873.00	Dev: H 0.00000000 / 0.00000000
Fh/Cr: CR 0419070069	Termin	Freq: Annual	Our %:	Prod: H 0.00000000 / 0.00000000
Min.Int: 0.00000000		Paid By: SALT BUSH	Method: CRSALE	A 0.00000000 / 0.00000000
Zone:				UnDev: H 256.00000000 / 256.00000000
				A 640.00000000 / 640.00000000
				NonProd: H 256.00000000 / 256.00000000
				A 640.00000000 / 640.00000000

Split	Status	Acquired	Extension	Expired	Terminated	Operator	Accounting Code	Rental %	Interest Type	Prod	AMI	ROFR
1	ACTIVE	2019-07-17				SALT BUSH		100.000000	WI		N	N

**Tracts / Lands / Rights / Wells**

Interests

( Active WI & Rental ) WI

100.00000000 SALT BUSH ENERGY LTD. [SALT BUSH]

100.00000000 Total

**Acreage (Gross/Net)**

Total: H 128.00000000 / 128.00000000

Expose: H 0.00000000 / 0.00000000

A 320.00000000 / 320.00000000

Dev: H 0.00000000 / 0.00000000

Prod: H 0.00000000 / 0.00000000

A 0.00000000 / 0.00000000

UnDev: H 128.00000000 / 128.00000000

NonProd: H 128.00000000 / 128.00000000

A 320.00000000 / 320.00000000

**Royalties**

Type	% of Prod	Convertibility / Take-in-Kind
CSS	22.3291000	Non-Convertible, Not TIK
Crown Sliding-Scale,		
Receivers		Payors
100.00000000	ALBERTA ENERGY	100.00000000
		SALT BUSH

**Related Documents**

File # / Name

S00003 - 1

C00811 - 4

PNG LEASE DATED

ELECTION LETTER.

Split	Status	Acquired	Extension	Expired	Terminated	Operator	Accounting Code	Rental %	Interest Type	Prod	AMI	ROFR
2	ACTIVE	2019-07-17				SALT BUSH		0.00000000	WI		N	N

**Tracts / Lands / Rights / Wells**

Interests

( Active WI & Rental ) WI

100.00000000 SALT BUSH ENERGY LTD. [SALT BUSH]

100.00000000 Total

**Acreage (Gross/Net)**

Total: H 128.00000000 / 128.00000000

Expose: H 0.00000000 / 0.00000000

A 320.00000000 / 320.00000000

Dev: H 0.00000000 / 0.00000000

Prod: H 0.00000000 / 0.00000000

A 0.00000000 / 0.00000000

UnDev: H 128.00000000 / 128.00000000

NonProd: H 128.00000000 / 128.00000000

A 320.00000000 / 320.00000000

**Royalties**

Type	% of Prod	Convertibility / Take-in-Kind
CSS	22.3291000	Non-Convertible, Not TIK
Crown Sliding-Scale,		
Receivers		Payors
100.00000000	ALBERTA ENERGY	100.00000000
		SALT BUSH

**Related Documents**

File # / Name

S00003 - 1

C00811 - 4

PNG LEASE DATED

ELECTION LETTER.

Related Documents

File # / Name Details / Comments

S00003 - 1

C00811 - 4

PNG LEASE DATED  
ELECTION LETTER

Lessor	Rental %	Rental \$	Address	Depository Address
ALBERTA ENERGY ALBERTA ENERGY	100.00000000	448.00	9TH FLOOR, 9945 - 108 STREET EDMONTON, ALBERTA T5K 2G6	

M01167

**General**  
**Status:** ACTIVE  
**Lse:** PNG LSE  
**Area:** AB WIZARD LAKEAcq'd:  
**Fh/Cr:** FH PRAIRIESKY Termin  
**Min.Int:** 0.0000000  
**Zone:**

**Dates**

**Lease:** MAY-20-2020  
**Effective:** MAY-29-2020  
**Expiry:** NOV-28-2021  
**Term:** Annual  
**Method:** SALT BUSH

**Rental Info**

**Gross \$:** \$23,488.56  
**Net \$:** \$23,488.56  
**Date:** MAY-28-2021  
**Our %:**  
**Paid By:** SALT BUSH

**Acquisition**

**Bonus:**  
**Rent & Fee:**  
**Total:**  
**Our %:**  
**Method:**

**Summary Accreages (Gross/Net)**

**Total:** H3,758.1700000 / 3,758.1700000 **Expose:** H1,036.0000000 / 1,036.0000000  
 A9,395.4250000 / 9,395.4250000 **Prod:** H 0.0000000 / 0.0000000  
**Dev:** H1,036.0000000 / 1,036.0000000 **Prod:** H 0.0000000 / 0.0000000  
 A2,590.0000000 / 2,590.0000000 **Prod:** A 0.0000000 / 0.0000000  
**UnDev:** H2,722.1700000 / 2,722.1700000 **NonProd:** H3,758.1700000 / 3,758.1700000  
 A6,805.4250000 / 6,805.4250000

Split	Status	Acquired	Extension	Expired	Terminated	Operator	Accounting Code	Rental %	Interest Type	Prod	AMI	ROFR
1	ACTIVE					SALT BUSH	100.000000C	WI			N	N

**Tracts / Lands / Rights / Wells**

Tract 1  
 TWP 48-RGE 27-W4M 5  
 (PTN)  
 PNG from TOP MANNVILLE to BASE MANNVILLE  
 Royalties  
 Type % of Prod Convertibility / Take-in-Kind Expose: H 0.0000000 / 0.0000000  
 LOR 100.0000000 Non-Convertible, Not TIK A 0.0000000 / 0.0000000  
 17.5% of all products, Payors: H 0.0000000 / 0.0000000  
 Receivers: 100.0000000 PRAIRIESKYROY 100.0000000 SALT BUSH Non-Convertible, Not TIK A 0.0000000 / 0.0000000  
 ORR 50.0000000 2.0% of all products, Payors: H 907.3900000 / 907.3900000 NonProd: H 907.3900000 / 907.3900000  
 Receivers: 100.0000000 SOURCEROCKROY 100.0000000 SALT BUSH Non-Convertible, Not TIK A2,268.4750000 / 2,268.4750000

**Interests**

( Active WI & Rental ) WI  
 100.0000000 SALT BUSH ENERGY LTD. [SALT BUSH]  
 100.0000000 Total  
**Acreege (Gross/Net)**  
 Total: H 907.3900000 / 907.3900000 **Expose:** H 0.0000000 / 0.0000000  
 A2,268.4750000 / 2,268.4750000 **Prod:** A 0.0000000 / 0.0000000  
**Dev:** H 0.0000000 / 0.0000000 **Prod:** H 0.0000000 / 0.0000000  
 A 0.0000000 / 0.0000000 **Prod:** A 0.0000000 / 0.0000000  
**UnDev:** H 907.3900000 / 907.3900000 **NonProd:** H 907.3900000 / 907.3900000  
 A2,268.4750000 / 2,268.4750000

**Related Documents**

File # / Name Details / Comments  
 C00809 - 1

Split	Status	Acquired	Extension	Expired	Terminated	Operator	Accounting Code	Rental %	Interest Type	Prod	AMI	ROFR
2	ACTIVE					SALT BUSH	0.0000000	WI			N	N

**Tracts / Lands / Rights / Wells**

Tract 1  
 TWP 48-RGE 27-W5M 17  
 PNG from TOP MANNVILLE to BASE MANNVILLE  
 100/16-17-048-27W4/00 PROD  
 Royalties  
 Type % of Prod Convertibility / Take-in-Kind Expose: H 518.0000000 / 518.0000000  
 ORR 50.0000000 Non-Convertible, Not TIK A1,295.0000000 / 1,295.0000000  
 2.0% of all products, Payors: H 518.0000000 / 518.0000000 **Prod:** H 0.0000000 / 0.0000000  
 Receivers: 100.0000000 SOURCEROCKROY 100.0000000 SALT BUSH Non-Convertible, Not TIK A1,295.0000000 / 1,295.0000000  
 GOR 100.0000000 15.0% of all products, Payors: H 518.0000000 / 518.0000000 NonProd: H 518.0000000 / 518.0000000  
 LEASED SUBSTANCES PRODUCED FROM  
 100/16-17-048-27W4/00 A 0.0000000 / 0.0000000 A1,295.0000000 / 1,295.0000000

**Interests**

( Active WI & Rental ) WI  
 100.0000000 SALT BUSH ENERGY LTD. [SALT BUSH]  
 100.0000000 Total  
**Acreege (Gross/Net)**  
 Total: H 518.0000000 / 518.0000000 **Expose:** H 518.0000000 / 518.0000000  
 A1,295.0000000 / 1,295.0000000 **Prod:** H 0.0000000 / 0.0000000  
**Dev:** H 518.0000000 / 518.0000000 **Prod:** H 0.0000000 / 0.0000000  
 A1,295.0000000 / 1,295.0000000 **Prod:** A 0.0000000 / 0.0000000  
**UnDev:** H 518.0000000 / 518.0000000 **NonProd:** H 518.0000000 / 518.0000000  
 A 0.0000000 / 0.0000000 A1,295.0000000 / 1,295.0000000

File # / Name	Details / Comments	Split	Status	Acquired	Extension	Extended Expiry	Terminated	Operator	Accounting Code	Rental %	Interest Type	Prod	AMI	ROFR
C00809 - 1		3	ACTIVE					SALTBUSH		0.000000	WI		N	N

**Tracts / Lands / Rights / Wells**  
 ( Active WI & Rental ) WI  
 100.0000000 SALT BUSH ENERGY LTD. [SALTBUSH]  
 100.0000000 Total  
**Acreage (Gross/Net)**

<b>Royalties</b>	Total: H 518.0000000 / 518.0000000	Expose: H 518.0000000 / 518.0000000	518.0000000 / 518.0000000	518.0000000 / 518.0000000
Type	% of Prod	Convertibility / Take-in-Kind		
GOR	100.0000000	Non-Convertible, Not TIK		
17.5% of all products,				
<b>Receivers</b>	PRAIRIESKYROY	100.0000000	SALTBUSH	
ORR	50.0000000	Non-Convertible, Not TIK		
2.0% of all products,				
<b>Receivers</b>	SOURCEROCKROY	100.0000000	SALTBUSH	

**Related Documents**  
 File # / Name  
 C00811 - 2  
 C00809 - 1  
**Split** 4  
**Status** ACTIVE  
**Accounting Code**  
**Rental %** 0.000000  
**Interest Type** WI  
**Prod**  
**AMI** N  
**ROFR** N

**Tracts / Lands / Rights / Wells**  
 ( Active WI & Rental ) WI  
 100.0000000 SALT BUSH ENERGY LTD. [SALTBUSH]  
 100.0000000 Total  
**Acreage (Gross/Net)**

<b>Royalties</b>	Total: H 907.3900000 / 907.3900000	Expose: H 907.3900000 / 907.3900000	907.3900000 / 907.3900000	907.3900000 / 907.3900000
Type	% of Prod	Convertibility / Take-in-Kind		
ORR	25.0000000	Non-Convertible, Not TIK		
2.0% of all products,				
<b>Receivers</b>	SOURCEROCKROY	100.0000000	SALTBUSH	
LOR	77.6709000	Non-Convertible, Not TIK		
17.5% of all products,				
<b>Receivers</b>	PRAIRIESKYROY	100.0000000	SALTBUSH	

**Related Documents**  
 File # / Name  
 C00809 - 1  
 C00811 - 2  
**Split** 2  
**Accounting Code**  
**Rental %** 0.000000  
**Interest Type** WI  
**Prod**  
**AMI** N  
**ROFR** N

Tracts / Lands / Rights / Wells		Interests	
( Active WI & Rental ) WI			
Tract 1			
TWP 48-RGE 27-W5M 9			
PNG from TOP MANNVILLE to BASE MANNVILLE			
EXCL. WELLBORE			
103/12-04-048-27W4/00			
<b>Royalties</b>			
Type	% of Prod	Convertibility / Take-in-Kind	
LOR	100.0000000	Non-Convertible, Not TIK	
17.5% of all products,			
<b>Receivers</b>		<b>Payors</b>	
100.0000000	PRAIRIESKYROY	100.0000000	SALT BUSH
ORR	50.0000000	Non-Convertible, Not TIK	
2.0% of all products,			
<b>Receivers</b>		<b>Payors</b>	
100.0000000	SOURCEROCKROY	100.0000000	SALT BUSH
<b>Related Documents</b>			
File # / Name	Details / Comments		
C00809 - 1			

**Lessor**

PRAIRIESKYROY PRAIRIESKY ROYALTY LTD. 100.0000000 23,488.56  
 P.O. BOX 780, STATION M  
 CALGARY, AB  
 T2P 2J6

**Depository Address**  
 1700, 350 - 7TH AVENUE SW  
 CALGARY, ALBERTA  
 T2P 3N9

*MS*

**General** M01164  
**Dates** Lease: MAR-17-2020 Gross \$: \$50.00 Bonus: \$0.00  
 Effective: MAR-17-2020 Net \$: \$0.00 Rent & Fee: \$0.00  
 Expiry: MAR-16-2025 Date: MAR-16-2021 Total: \$0.00  
 Freq: Annual Our %: 0.0000000  
 Paid By: SALTBUSH Our Share: \$0.00 UnDev: H 0.0000000 NonProd: H 5.0000000  
 Method: CRSALE A 0.0000000 / 0.0000000  
**Zone:** 100.0000000

**Summary Acreages (Gross/Net)**  
 Total: H 5.0000000 / 5.0000000 Expose: H 0.0000000 / 0.0000000  
 A 12.5000000 / 12.5000000 A 0.0000000 / 0.0000000  
 Dev: H 5.0000000 / 5.0000000 Prod: H 0.0000000 / 0.0000000  
 A 12.5000000 / 12.5000000 A 0.0000000 / 0.0000000  
 UnDev: H 0.0000000 / 0.0000000 NonProd: H 5.0000000 / 5.0000000  
 A 0.0000000 / 0.0000000 A 12.5000000 / 12.5000000

**Acquisition** Operator: SALTBUSH  
 Accounting Code: WI Interest Type: NP  
 Rental %: 100.000000

**Interests**  
 (Active WI & Rental) WI  
 100.0000000 SALT BUSH ENERGY LTD. [SALTBUSH]  
 100.0000000 Total

**Royalties**  
 Type: % of Prod Convertibility / Take-in-Kind  
 CSS 100.0000000 Non-Convertible, Not TIK  
 Crown Sliding-Scale,  
 Total: H 5.0000000 / 5.0000000 Expose: H 0.0000000 / 0.0000000  
 A 12.5000000 / 12.5000000 A 0.0000000 / 0.0000000  
 Dev: H 5.0000000 / 5.0000000 Prod: H 0.0000000 / 0.0000000  
 A 12.5000000 / 12.5000000 A 0.0000000 / 0.0000000  
 UnDev: H 0.0000000 / 0.0000000 NonProd: H 5.0000000 / 5.0000000  
 A 0.0000000 / 0.0000000 A 12.5000000 / 12.5000000

**Lessor** ALBERTA ENERGY ALBERTA ENERGY  
 Address: 9TH FLOOR, 9945 - 108 STREET  
 EDMONTON, ALBERTA  
 T5K 2G6  
 Rental \$: 50.00  
 Rental %: 100.0000000

General

Rental Info

Summary Acreages (Gross/Net)

101

**M00618**  
 Status: ACTIVE Lease: FEB-12-2019 Gross \$: \$2,560.00 Bonus: \$32,175.00 Total: H 514.8000000 / 514.8000000 Expose: H 514.8000000 / 514.8000000  
 Lse: PNG LSE Effective: FEB-12-2019 Net \$: \$2,560.00 Rent & Fee: \$2,560.00 A1,287.0000000 / 1,287.0000000  
 Area: AB WIZARD LAKE Acq'd: FEB-11-2021 Date: FEB-11-2020 Total: \$34,735.00 Dev: H 0.0000000 / 0.0000000 Prod: H 0.0000000 / 0.0000000  
 Fh/Cr: FH PRAIRIESKY Termin Min.Int: 100.0000000 Our %: 70.0000000 A 0.0000000 / 0.0000000  
 Zone: UnDev: H 514.8000000 / 514.8000000 NonProd: H 514.8000000 / 514.8000000  
 Method: FHPURCHASE Paid By: SALT BUSH Our Share: \$24,314.50 UnDev: H 514.8000000 / 514.8000000 NonProd: H 514.8000000 / 514.8000000  
 Accounting Code: A1,287.0000000 / 1,287.0000000

Split	Status	Acquired	Extension	Expired	Terminated	Operator	Accounting Code	Rental %	Interest Type	Prod	AMI	ROFR
1	ACTIVE	2019-02-12				SALT BUSH	100.000000	WI	NP	N	N	N

Tracts / Lands / Rights / Wells

Tract 1  
 TWP 48-RGE 27-W4M 8  
 PNG from TOP MANNVILLE to BASE MANNVILLE  
 100/01-08-048-27W4/00 PROD  
 ( Active WI & Rental ) WI [C00123 : 1000]  
 100.0000000 SALT BUSH ENERGY LTD. [SALT BUSH]  
 100.0000000 Total  
 Acreage (Gross/Net)  
 Total: H 257.4000000 / 257.4000000 Expose: H 257.4000000 / 257.4000000  
 A 643.5000000 / 643.5000000 A 643.5000000 / 643.5000000  
 Dev: H 0.0000000 / 0.0000000 Prod: H 0.0000000 / 0.0000000  
 A 0.0000000 / 0.0000000 A 0.0000000 / 0.0000000  
 UnDev: H 257.4000000 / 257.4000000 NonProd: H 257.4000000 / 257.4000000  
 A 643.5000000 / 643.5000000 A 643.5000000 / 643.5000000

Royalties

Type	% of Prod	Convertibility / Take-in-Kind
ORR	25.0000000	Non-Convertible, Not TIK
2.0% of all products,		
Receivers		
100.0000000	SOURCEROCKROY	100.0000000 SALT BUSH
LOR	100.0000000	Non-Convertible, Not TIK
16.0% of all products,		
Receivers		
100.0000000	PRAIRIESKYROY	100.0000000 SALT BUSH

Related Documents

File # / Name	Details / Comments
S00002 - 1	
C00813 - 1	
C00810 - 5	
C00125 - 1	
C00123 - 184	
C00809 - 1	
Assignment of M0061	
M00618.pdf	
M00618 IA Dated Ma	

Split	Status	Acquired	Extension	Expired	Terminated	Operator	Accounting Code	Rental %	Interest Type	Prod	AMI	ROFR
2	ACTIVE	2019-02-12				SALT BUSH	0.0000000	WI	NP	N	N	N

Tracts / Lands / Rights / Wells

Tract 1  
 TWP 48-RGE 27-W4M 8  
 PNG from TOP MANNVILLE to BASE MANNVILLE  
 Tract 2  
 EXCL. WELLBORE  
 100/01-08-048-27W4/00  
 100/01-08-048-27W4/00 PROD  
 ( Active WI & Rental ) WI [C00123 : 1000]  
 100.0000000 SALT BUSH ENERGY LTD. [SALT BUSH]  
 100.0000000 Total

Royalties		Acreage (Gross/Net)	
Type	% of Prod	Convertibility / Take-in-Kind	Total: H 257.4000000 / 257.4000000 Expose: H 257.4000000 / 257.4000000
ORR	50.0000000	Non-Convertible, Not TIK	A 643.5000000 / 643.5000000 A 643.5000000 / 643.5000000
2.0% of all products,			
<b>Receivers</b>		<b>Payors</b>	<b>Prod: H 0.0000000 / 0.0000000 A 0.0000000 / 0.0000000</b>
100.0000000 SOURCEROCKROY		100.0000000 SALTBUSSH	A 0.0000000 / 0.0000000 A 0.0000000 / 0.0000000
LOR	100.0000000	Non-Convertible, Not TIK	<b>UnDev: H 257.4000000 / 257.4000000 NonProd: H 257.4000000 / 257.4000000</b>
16.0% of all products,			
<b>Receivers</b>		<b>Payors</b>	A 643.5000000 / 643.5000000 A 643.5000000 / 643.5000000
100.0000000 PRAIRIESKYROY		100.0000000 SALTBUSSH	
<b>Related Documents</b>			
File # / Name	Details / Comments		
S00002 - 1			
C00123 - 184			
C00810 - 5			
C00813 - 1			
C00809 - 1			
C00125 - 1			
M00618.pdf			
M00618 IA Dated Ma			

Lessor	Address	Rental %	Rental \$	Address	Depository Address
PRAIRIESKYROY	P.O. BOX 780, STATION M CALGARY, AB T2P 2J6	100.0000000	2,560.00	1700, 350 - 7TH AVENUE SW CALGARY, ALBERTA T2P 3N9	

**M00375** **General** **Dates** **Rental Info** **Acquisition** **Summary Acreages (Gross/Net)**

**Status:** ACTIVE **Lease:** FEB-08-2018 **Gross \$:** \$448.00 **Bonus:** \$24,085.76 **Total:** H 128.00000000 / 128.00000000 **Expose:** H 128.00000000 / 128.00000000  
**Lse:** PNG LSE **Effective:** FEB-08-2018 **Net \$:** \$448.00 **Rent & Fee:** \$1,073.00 **A** 320.00000000 / 320.00000000 **Prod:** H 0.00000000 / 0.00000000  
**Area:** AB WIZARD LAKE **Expiry:** FEB-07-2023 **Date:** FEB-07-2019 **Total:** \$25,158.76 **Dev:** H 0.00000000 / 0.00000000 **Prod:** H 0.00000000 / 0.00000000  
**Fh/Cr:** CR 0418020147 **Acq'd:** FEB-07-2018 **Freq:** Annual **Our %:** 80.00000000 **A** 0.00000000 / 0.00000000 **NonProd:** H 128.00000000 / 128.00000000  
**Min.Int:** 100.00000000 **Termin** **Paid By:** SALT BUSH **Our Share:** \$20,127.01 **UnDev:** H 128.00000000 / 128.00000000 **NonProd:** H 128.00000000 / 128.00000000  
**Zone:** **Method:** CRSALE **A** 320.00000000 / 320.00000000

Split	Status	Acquired	Extension	Expired	Terminated	Operator	Accounting Code	Rental %	Interest Type	Prod	AMI	ROFR
1	ACTIVE	2018-02-07				SALTBUSH		100.000000	WI	NP	N	N

**Tracts / Lands / Rights / Wells**

**Tract 1**  
 TWP 48-RGE 27-W4M W16  
 PNG from SURFACE to BASE NISKU  
**Royalties**  
 ( Active WI & Rental ) WI [C00123 : 999]  
 100.00000000 SALT BUSH ENERGY LTD. [SALTBUSH]  
 100.00000000 Total

Type	% of Prod	Convertibility / Take-in-Kind	Expose:	H	128.00000000	Expose:	H	128.00000000	128.00000000
CSS	100.00000000	Non-Convertible, Not TIK	A	320.00000000	320.00000000	A	320.00000000	320.00000000	320.00000000
Crown Sliding-Scale,			Dev:	H	0.00000000	Prod:	H	0.00000000	0.00000000
Receivers			UnDev:	H	128.00000000	NonProd:	H	128.00000000	128.00000000
100.00000000 ALBERTA ENERGY		Payors	A	320.00000000	320.00000000	A	320.00000000	320.00000000	320.00000000
ORR	50.00000000	Non-Convertible, Not TIK							
2.0% of all products,									
Receivers									
100.00000000 SOURCEROCKROY		Payors							

**Related Documents**

File # / Name  
 C00809 - 1  
 C00125 - 1  
 C00123 - 176  
 C00813 - 1  
 C00810 - 1  
 C00123 - 999  
 M00375.pdf

**Details / Comments**

Lessor	ALBERTA ENERGY	ALBERTA ENERGY	Rental %	Rental \$	Address	Depository Address
			100.00000000	448.00	9TH FLOOR, 9945 - 108 STREET EDMONTON, ALBERTA T5K 2G6	



General		Dates		Rental Info		Acquisition		Summary Acreages (Gross/Net)	
Status:	ACTIVE	Lease:	JAN-10-2019	Gross \$:	\$896.00	Bonus:	\$896.00	Total:	H 256.00000000 / 256.00000000
Lse:	PNG LSE	Effective:	JAN-10-2019	Net \$:	\$896.00	Rent & Fee:	\$1,521.00		A 640.00000000 / 640.00000000
Area:	AB WIZARD LAKE	Expiry:	JAN-09-2024	Date:	JAN-09-2020	Total:	\$31,841.64	Dev:	H 0.00000000 / 0.00000000
Fh/Cr:	CR 0419010049	Termin	JAN-10-2019	Freq:	Annual	Our %:	70.00000000	Prod:	H 0.00000000 / 0.00000000
Min.Int:	100.00000000			Paid By:	SALTBUSH	Method:	CRSALE	NonProd:	H 256.00000000 / 256.00000000
Zone:									A 640.00000000 / 640.00000000

Split	Status	Acquired	Extension	Expired	Terminated	Operator	Accounting Code	Rental %	Interest Type	Prod	AMI	ROFR
1	ACTIVE	2019-01-10				SALTBUSH		100.000000	WI	NP	N	N

**Tracts / Lands / Rights / Wells**

Interests

( Active WI & Rental ) WI [C00123 : 1001]

100.00000000 SALT BUSH ENERGY LTD. [SALTBUSH]

100.00000000 Total

**Royalties**

Type	% of Prod	Convertible / Take-in-Kind	Exposure	Prod	AMI	ROFR
CSS	100.00000000	Non-Convertible, Not TIK	H 256.00000000	A 640.00000000	256.00000000	640.00000000
Crown Sliding-Scale,						
<b>Receivers</b>						
100.00000000	ALBERTA ENERGY	SALTBUSH	H 256.00000000	A 640.00000000	256.00000000	640.00000000
ORR	50.00000000	Non-Convertible, Not TIK	H 256.00000000	A 640.00000000	256.00000000	640.00000000
2.0% of all products,						
<b>Receivers</b>						
100.00000000	SOURCEROCKROY	SALTBUSH	H 256.00000000	A 640.00000000	256.00000000	640.00000000

**Related Documents**

File # / Name

C00810 - 6 Details / Comments

C00125 - 1

C00809 - 1

C00813 - 1

M00668.pdf

Lessor	Address	Rental %	Rental \$	Depository Address
ALBERTA ENERGY	ALBERTA ENERGY	100.00000000	896.00	9TH FLOOR, 9945 - 108 STREET EDMONTON, ALBERTA T5K 2G6





**Dates**  
 Lease: SEP-20-2018  
 Effective: SEP-20-2018  
 Expiry: SEP-19-2023  
**Rental Info**  
 Gross \$: \$70.00  
 Net \$: \$0.00  
 Date: SEP-19-2019  
 Freq: Annual  
 Paid By: TWP 50  
**Acquisition**  
 Bonus: \$151.40  
 Rent & Fee: \$0.00  
 Total: \$151.40  
 Our %: 0.00000000  
 Our Share: \$0.00  
 Method: CRSALE

**Summary Acreages (Gross/Net)**  
 Total: H 20.00000000 / 0.00000000  
 Dev: H 0.00000000 / 0.00000000  
 UnDev: H 20.00000000 / 0.00000000  
 A 50.00000000 / 0.00000000  
 A 50.00000000 / 0.00000000  
 A 50.00000000 / 0.00000000

**Split**  
 1 ACTIVE  
 Accounting Code: 100.000000C WI  
 Interest Type: WI  
 Prod: N N  
 AMI: N N  
 ROFR: N N

**Tracts / Lands / Rights / Wells**  
 Tract 1  
 TWP 48-RGE 27-W5M 21 (LSD 3.4)  
 PNG from TOP MANNVILLE to BASE MANNVILLE  
 Royalties

**Interests**  
 ( Active WI & Rental ) PRE-WI [C00808 : 1]  
 PRE-WORKING INTEREST  
 100.0000000 TWP 50 RESOURCES LTD. [TWP 50 RESOURCES]  
 100.0000000 Total  
**Acreage (Gross/Net)**  
 Total: H 20.00000000 / 0.00000000  
 Dev: H 0.00000000 / 0.00000000  
 UnDev: H 20.00000000 / 0.00000000  
 A 50.00000000 / 0.00000000  
 A 50.00000000 / 0.00000000

**Type**  
 CSS 100.00000000 Non-Convertible, Not TIK  
 Crown Sliding-Scale,  
**Receivers**  
 100.00000000 ALBERTA ENERGY 100.00000000 SALTBUSSH  
 8.0% of all products,  
**Receivers**  
 100.00000000 TWP 50 RESOURCES 100.00000000 SALTBUSSH  
 0.00000000 Non-Convertible, Not TIK  
 2.0% of all products,  
 PURSUANT TO THE SRR "ORR" AGMT, THE ORR TO SRR WILL BE PENDING BASED UPON NOTICE GIVEN TO SSR UNDER THE TERMS OF THE SRR "ORR" AGMT TO EITHER ELECT TO PURCHASE A RIGHT OR INTEREST IN THE TWP 50 FARMIN AGMT THEREAFTER SRR'S ORR OF 2% WILL BE PAID ON SBE INTEREST EARNED AND ON THOSE LANDS THAT EARNING HAS OCCURRED.

**Related Documents**  
 100.00000000 SOURCEROCKROY 100.00000000 SALTBUSSH  
 File # / Name Details / Comments  
 C00809 - 1  
 C00810 - 9 ROYALTY AGREEMENT

**Lessor**  
 ALBERTA ENERGY ALBERTA ENERGY  
 100.00000000 70.00  
**Address**  
 9TH FLOOR, 9945 - 108 STREET  
 EDMONTON, ALBERTA  
 T5K 2G6  
**Depository Address**

General		Dates		Rental Info		Acquisition		Summary Acreages (Gross/Net)	
Status:	ACTIVE	Lease:	NOV-27-2019	Gross \$:	\$1,400.00	Bonus:	\$0.00	Total:	H 224.0000000 / 224.0000000
Lse:	PNG LSE	Effective:	NOV-27-2019	Net \$:	\$1,400.00	Rent & Fee:	\$0.00		A 560.0000000 / 560.0000000
Area:	AB WIZARD LAKE Acq'd:	Expiry:	NOV-26-2022	Date:	NOV-26-2020	Total:	\$0.00	Dev:	H 0.0000000 / 0.0000000
Fh/Cr:	FH PRAIRIESKY Termin	Freq:	Annual	Paid By:	SALTBUSH	Our %:	0.0000000	Prod:	H 0.0000000 / 0.0000000
Min.Int:	0.0000000					Our Share:	\$0.00	NonProd:	H 224.0000000 / 224.0000000
Zone:						Method:	A 560.0000000 / 560.0000000		A 560.0000000 / 560.0000000

Split	Status	Acquired	Extension	Expired	Terminated	Operator	Accounting Code	Rental %	Interest Type	Prod	AMI	ROFR
1	ACTIVE					SALTBUSH		100.0000000			N	N

Tracts / Lands / Rights / Wells		Interests	
Tract 1		( Active WI & Rental ) WI	
TWP 48-RGE 27-W5M	21	100.0000000 SALT BUSH ENERGY LTD. [SALTBUSH]	
EXCL LSD 3 & 4		100.0000000 Total	
PNG from TOP MANNVILLE to BASE MANNVILLE		Acreage (Gross/Net)	
Royalties		Total:	H 224.0000000 / 224.0000000
Type	% of Prod	Expose:	H 0.0000000 / 0.0000000
ORR	50.0000000	A	0.0000000 / 0.0000000
2.0% of all products,		Dev:	H 0.0000000 / 0.0000000
Non-Convertible, Not TIK		Prod:	H 0.0000000 / 0.0000000
Receivers		UnDev:	H 224.0000000 / 224.0000000
100.0000000	SOURCEROCKROY	A	0.0000000 / 0.0000000
LOR	100.0000000	NonProd:	H 224.0000000 / 224.0000000
17.5% of all products,		A	560.0000000 / 560.0000000
Non-Convertible, Not TIK			
Payors			
100.0000000	PRAIRIESKYROY		
100.0000000			

File # / Name	Details / Comments
C00810 - 9	
C00809 - 1	

Lessor	Address	Rental \$	Rental %	Depository Address
PRAIRIESKYROY	P.O. BOX 780, STATION M CALGARY, AB T2P 2J6	1,400.00	100.0000000	1700, 350 - 7TH AVENUE SW CALGARY, ALBERTA T2P 3N9

Acreage Grand Totals		Gross		Net	
Total:	H 5,776.3700000 /	Expose:	H 1,934.8000000 /	1,934.8000000	Net
	A 14,440.9250000 /	A	4,837.0000000 /	4,837.0000000	
Dev:	H 1,041.0000000 /	Prod:	H 0.0000000 /	0.0000000	
	A 2,602.5000000 /	A	0.0000000 /	0.0000000	
UnDev:	H 4,735.3700000 /	NonProd:	H 5,776.3700000 /	5,500.3700000	
	A 11,838.4250000 /	A	14,440.9250000 /	13,750.9250000	

MS

SCHEDULE A - Part 2

“Wells” include all of Vendor’s interest in all wells located within the Whitemap Area shown on the first page of Schedule A including, without limitation, the wells listed below.

**WELLS**

Licensee	Well UWI	Surface Location	License No	Status	WI
Salt Bush Energy Ltd. A7RJ	03/12-04-048-27W4/0	1-17-048-27W4	W0496227	Producing	100.0%
Point Loma Resources Ltd. A662	00/16-17-048-27W4/0	1-17-048-27W4	W0492108	Producing	100.0%
Point Loma Resources Ltd. A662	00/01-08-048-27W4/0	1-17-048-27W4	W0495139	Producing	100.0%

“Facilities” include all of Vendor’s interest in all facilities and pipelines located within the Whitemap Area shown on the first page of Schedule A including, without limitation, the facilities and pipelines listed below.

**FACILITIES**

Licensee	Location	License No	Status	Description	WI
Salt Bush Energy Ltd. A7RJ	11-17-048-27W4	F51646	Operating	Multi-Well Battery	100.0%
Salt Bush Energy Ltd. A7RJ	1-17-048-27W4	F51728	Operating	Satellite	100.0%

**PIPELINES**

Licensee	From Location	To Location	License No	Status	Description	WI
Salt Bush Energy Ltd. A7RJ	05-19-048-27W4	16-36-048-28W4	P61394 S-1	Operating	Gas Line	100.0%
Salt Bush Energy Ltd. A7RJ	03-30-048-27W4	05-19-048-27W4	P61394 S-2	Operating	Gas Line	100.0%
Salt Bush Energy Ltd. A7RJ	11-17-048-27W4	05-19-048-27W4	P61302	Operating	Gas Line	100.0%
Salt Bush Energy Ltd. A7RJ	01-17-048-27W4	11-17-048-27W4	P60897	Operating	Emulsion Line	100.0%
Salt Bush Energy Ltd. A7RJ	01-17-048-27W4	11-17-048-27W4	P60891	Operating	Emulsion Line	100.0%

*MS*

**SCHEDULE B**  
**Form of Sale Order**  
(attached)

A handwritten signature in blue ink, appearing to be the initials 'MS', is located in the bottom right corner of the page.

**SCHEDULE C**

**Form of General Conveyance, Assignment and Assumption Agreement**

**GENERAL CONVEYANCE, ASSIGNMENT, AND ASSUMPTION AGREEMENT**

**THIS** General Conveyance, Assignment, and Assumption Agreement (this "**Agreement**") is made as of the [●] day of [●], 2021.

**AMONG:**

**SALT BUSH ENERGY LTD.** (the "**Vendor**")

- and -

**IRONBARK ENERGY LTD.**, a corporation existing under the laws of Alberta (the "**Purchaser**")

**RECITALS:**

- A. In accordance with the terms of that certain Asset Purchase and Sale Agreement dated as of February 2, 2021, by and between the Vendor and the Purchaser (the "**Purchase Agreement**"), the Vendor has agreed to sell, assign, and transfer the Assets to the Purchaser and the Purchaser has agreed to purchase the Assets from the Vendor;
- B. the Purchaser has agreed to assume the Assumed Liabilities; and
- C. this Agreement is delivered pursuant to the Purchase Agreement.

**NOW THEREFORE**, for good and valuable consideration now paid by the Purchaser to the Vendor pursuant to the Purchase Agreement (the receipt and sufficiency of which is hereby acknowledged by the Vendor) the parties hereto agree as follows:

**1. Definitions**

All capitalized terms used but not otherwise defined in this Agreement shall have the meaning ascribed to such terms in the Purchase Agreement.

**2. Certain Rules of Interpretation**

- (i) In this Agreement, unless the context requires otherwise, words in one gender include all genders and words in the singular include the plural and vice versa.
- (ii) The division of this Agreement into Sections and the inclusion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Agreement.
- (iii) The terms "hereof," "hereunder," and similar expressions refer to this Agreement and not to any particular Section or other portion of this Agreement.
- (iv) Unless something in the subject matter or context is inconsistent therewith, references herein to "Sections" are to sections of this Agreement.



- (v) The language used in this Agreement is the language chosen by the parties to express their mutual intent, and no rule of strict construction shall be applied against any party.

**3. Conveyance**

The Vendor hereby sells, transfers, assigns, conveys and delivers to the Purchaser, and the Purchaser hereby purchases, accepts and receives from the Vendor, upon the terms and subject to the conditions of the Purchase Agreement, the Vendor's Interest in and to the Assets, free and clear of any and all Encumbrances of any and every kind, nature, and description, other than Permitted Encumbrances, as applicable, with effect as of the Closing on the date hereof, to have and to hold the Assets and all such right, title, interest, property, claim, and demand unto and to the use of the Purchaser.

**4. Assumption of Assumed Liabilities**

Effective as of the Closing on the date hereof, the Purchaser hereby assumes and agrees to pay, perform, and discharge, when due, the Assumed Liabilities.

**5. Further Assurances**

Each of the Parties hereto from and after the date hereof shall, from time to time, and at the request and expense of the Party requesting the same, do all such further acts and things and execute and deliver such further instruments, documents, matters, papers and assurances as may be reasonably requested to complete the Transaction and for more effectually carrying out the true intent and meaning of this Agreement.

**6. Governing Law**

This Agreement shall be governed by and construed in accordance with the laws of the Province of Alberta, and the federal laws of Canada applicable therein (excluding any conflict of law rule or principle of such laws that might refer such interpretation or enforcement to the laws of another jurisdiction). The Parties consent to the jurisdiction and venue of the courts of Alberta for the resolution of any such dispute arising under this Agreement.

**7. Entire Agreement**

This Agreement, the Purchase Agreement, and the documents referred to therein and contemplated thereby constitute the entire agreement between the Parties with respect to the subject matter hereof and cancel and supersede all prior agreements, understandings, negotiations and discussions, whether oral or written, between the Parties with respect to the subject matter hereof. There are no conditions, covenants, agreements, representations, warranties or other provisions, whether oral or written, express or implied, collateral, statutory or otherwise, relating to the subject matter hereof other than those contained in this Agreement, the Purchase Agreement, and the documents referred to therein and contemplated thereby.

**8. Successors and Assigns**

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

**9. Counterparts**

This Agreement may be executed in two or more counterparts, each of which will be deemed an original and all of which together will constitute one instrument. Delivery by facsimile or by electronic transmission in portable document format (PDF) of an executed counterpart of this Agreement is as effective as delivery of an originally executed counterpart of this Agreement.

**10. Amendments**

This Agreement shall not be varied in its terms or amended by oral agreement or by representations or otherwise other than by an instrument in writing dated subsequent to the date hereof, executed by a duly authorized representative of each Party. Any amendment effected in accordance with this Section 10 will be binding upon the Parties and their respective successors and permitted assigns.

**11. Paramountcy**

This Agreement is delivered pursuant to, and is subject to, all of the terms and conditions contained in the Purchase Agreement. In the event of any inconsistency between the provisions of this Agreement and the provisions of the Purchase Agreement, the provisions of the Purchase Agreement shall prevail.

**12. Severability**

If any provision of this Agreement or any document delivered in connection with this Agreement is partially or completely invalid or unenforceable, the invalidity or unenforceability of that provision shall not affect the validity or enforceability of any other provision of this Agreement, all of which shall be construed and enforced as if that invalid or unenforceable provision were omitted. The invalidity or unenforceability of any provision in one jurisdiction shall not affect such provision validity or enforceability in any other jurisdiction.

**[Signature Page Follows.]**



**IN WITNESS WHEREOF** this Agreement has been properly executed by the Parties as of the date first above written.

**SALT BUSH ENERGY LTD.**

Per: \_\_\_\_\_  
Name:  
Title:

**IRONBARK ENERGY LTD.**

Per: \_\_\_\_\_  
Name:  
Title:

Per: \_\_\_\_\_  
Name:  
Title:



**SCHEDULE D**

**Form of Bring-Down Certificate**

**TO:** [Name of Vendor/Purchaser] [(the "Vendor")] [(the "Purchaser")]

**RE:** Agreement of Purchase and Sale dated February 2, 2021 between the Vendor and the Purchaser (the "Agreement")

Unless otherwise defined herein, the definitions provided for in the Agreement are adopted in this certificate (the "Certificate").

I, [Name], [Position] of [Name of Vendor/Purchaser] [(the "Vendor")] [(the "Purchaser")] hereby certify that as of the date of this Certificate:

1. The undersigned is personally familiar, in [his][her] capacity as an officer of [Vendor][Purchaser], with the matters hereinafter mentioned.
2. Each of the covenants, representations and warranties of the [Vendor][Purchaser] contained in Section [5.1 / 5.2] of the Agreement were true and correct in all material respects when made and are true and correct in all material respects as of the Closing Date.
3. All obligations of [Vendor][Purchaser] contained in the Agreement to be performed prior to or at Closing have been timely performed in all material respects.
4. This Certificate is made for and on behalf of the [Vendor][Purchaser] and is binding upon it, and I am not incurring, and will not incur, any personal liability whatsoever with respect to it.
5. This Certificate is made with full knowledge that the [Vendor][Purchaser] is relying on the same for the Closing of the Transaction.

IN WITNESS WHEREOF I have executed this Certificate this \_\_\_\_\_ day of \_\_\_\_\_, 2021.

[Name of Vendor/Purchaser]

Per: \_\_\_\_\_  
Name:  
Title:



**SCHEDULE E**

**Excluded Assets**

