

Summary

- An opportunity exists to acquire the assets (the "Assets") of Salt Bush Energy Ltd. ("Salt Bush")
- On January 13, 2021, Salt Bush 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"). Deloitte Restructuring Inc. ("Deloitte") consented to act as proposal trustee under the NOI (the "Proposal Trustee").
- Pursuant to a Court order issued on February 12, 2021, the Proposal Trustee has been authorized to carry out a "stalking horse" marketing and sales process (the "Sales Process") for Salt Bush's Assets or a restructuring or recapitalization transaction involving Salt Bush.
- This document (the "Teaser") has been distributed to parties identified as having a potential interest in acquiring the Assets. Any parties interested in obtaining further information on this opportunity are invited to execute and return the accompanying Confidentiality Agreement to the Proposal Trustee at the contact information listed below.

Business Overview

- Salt Bush is a small Canadian resource Company engaged in the production and development of oil and natural gas assets located in the Wizard Lake Oilfield in the province of Alberta, approximately 50 kilometers southwest of Edmonton, Alberta.

Asset Details

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	100.00%
Point Loma Resources Ltd. A662	00/16-17-048-27W4/0	1-17-048-27W4	W0492108	Producing	100.00%
Point Loma Resources Ltd. A662	00/01-08-048-27W4/0	1-17-048-27W4	W0495139	Producing	100.00%

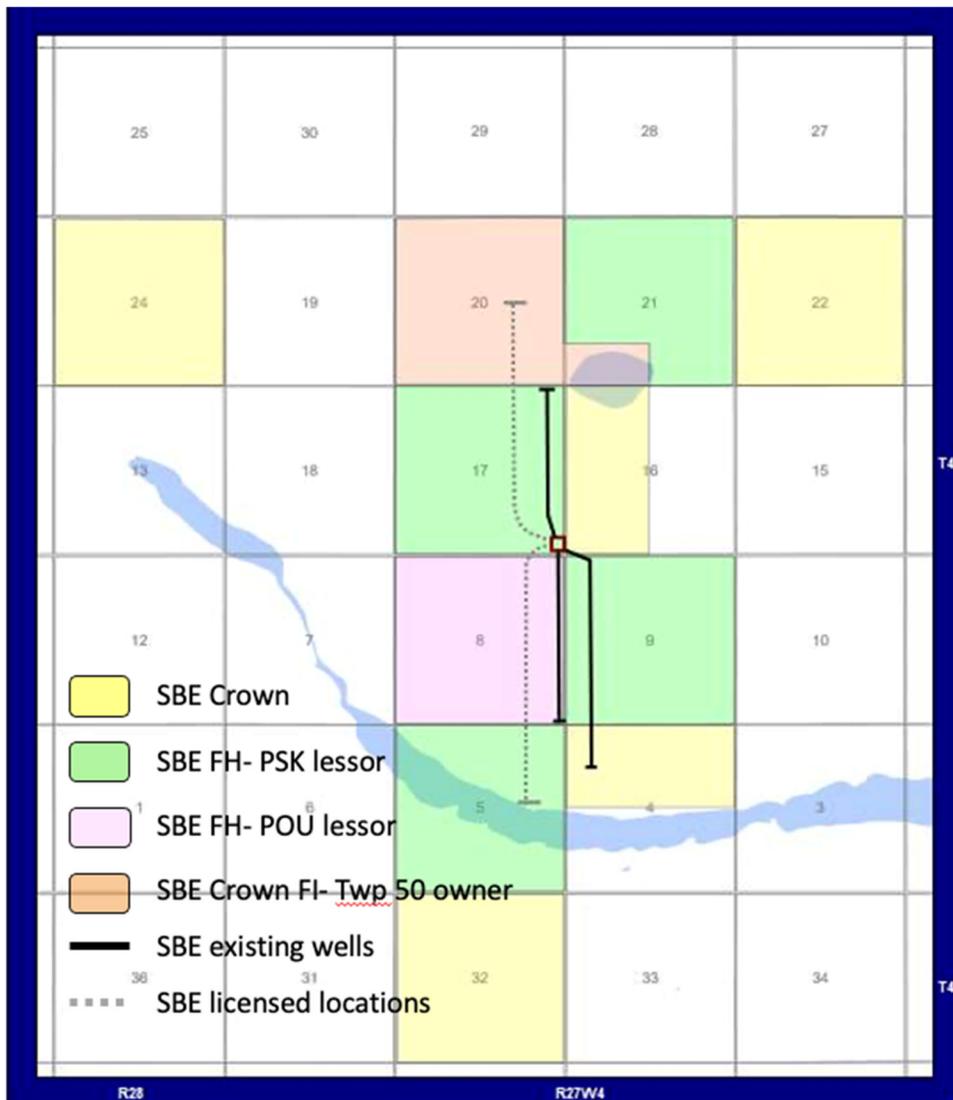
FACILITIES

Licensee	Location	License No	Status	Description	WI
Salt Bush Energy Ltd. A7RJ	11-17-048-27W4	F51646	Operating	Multi-Well Battery	100.00%
Salt Bush Energy Ltd. A7RJ	1-17-048-27W4	F51728	Operating	Satellite	100.00%

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	100.00%
Salt Bush Energy Ltd. A7RJ	03-30-048-27W4	05-19-048-27W4	P61394 S-2	Operating	Gas Line	100.00%
Salt Bush Energy Ltd. A7RJ	11-17-048-27W4	05-19-048-27W4	P61302	Operating	Gas Line	100.00%
Salt Bush Energy Ltd. A7RJ	01-17-048-27W4	11-17-048-27W4	P60897	Operating	Emulsion Line	100.00%
Salt Bush Energy Ltd. A7RJ	01-17-048-27W4	11-17-048-27W4	P60891	Operating	Emulsion Line	100.00%

Selected Acquisition Highlights



- Last three months of production averaged ~134 bbl/d of oil and ~1.25 MMcf/d of gas with a cumulative production volume of ~83,000 bbl of oil and 429 MMcf of gas.

Bid Process

Salt Bush and the Proposal Trustee have received an offer (the "Offer") for all the Assets from Ironbark Energy Ltd. (the "Stalking Horse"). The purchase price is approximately \$2 million comprising cash, outstanding cure costs, administrative charges (as defined in the Offer) and Salt Bush's parent company foregoing any distributions it is entitled to receive in any Salt Bush restructuring. Additionally, the terms of the Stalking Horse agreement require that superior offers must include a deposit of not less than \$33,600 and must exceed the purchase price by \$50,000 (comprising a break fee). Prospective purchasers should review the terms of the Offer and the sale and investment solicitation procedures ("SISP") to determine whether they are prepared to submit an offer superior to that of the Stalking Horse in accordance with the Court approved SISP.

If you are interested in pursuing this opportunity, please execute the attached confidentiality agreement ("CA") and return it to Deloitte, attention Naomi McGregor.



The bid deadline, for the delivery of offers shall close at 5:00 p.m. MST on April 16, 2021.

Bidders are encouraged to submit their offers in accordance with the terms of the SISP.

The Proposal Trustee reserves the right to cease or amend this offering at any time, reserve the right to reject any offer, and is not required to accept any offer even if it is a superior offer, and reserves the right to deal with individual prospective purchasers as they may see fit in their discretion.

All communications relating to this opportunity should be directed to:

Naomi McGregor

Deloitte Restructuring Inc.

Direct: +1 403 503 1423

Email: naomcgregor@deloitte.ca

Bob Taylor

Deloitte Restructuring Inc.

Direct: +1 403 267 0501

Email: bobtaylor@deloitte.ca

DISCLAIMER

The preparation of this Teaser is based on information provided by the management of Salt Bush and is furnished to potential acquirers on the basis that none of Deloitte Restructuring Inc. (the "Proposal Trustee"), Salt Bush or their respective officers, partners, employees, agents, representatives or advisers, make any representation or warranty as to the accuracy or completeness of the material contained herein.

By receiving this Teaser, the recipient (the "Recipient") acknowledges and agrees that no representation or warranty is made (or will necessarily be made in any sale agreement) as to the accuracy, reliability or completeness of any information contained or referred to in this Teaser or provided either orally or in writing to the Recipient in the course of its evaluation, by the Proposal Trustee or any person who may be involved in the preparation of this Teaser or the Sales and Investment Solicitation Process generally.

To the extent permitted by law, no responsibility for any statement, opinion, information or matter (whether express or implied) arising out of or contained in, or derived from, or for errors in, or omissions from (arising out of negligence or otherwise) this Teaser or any written or oral communications transmitted to the Recipient in the course of its evaluation of the Assets, is accepted by the Proposal Trustee.

The Recipient acknowledges that nothing in this Teaser (or elsewhere) creates any personal liability on the part of the Proposal Trustee or its employees or agents.

While all reasonable efforts have been made to ensure the information contained in this Teaser is accurate and correct at the effective date, no responsibility for any errors in, or omissions from, this Teaser, whether arising out of negligence or otherwise, is accepted by the Proposal Trustee.

Any person contemplating a purchase of the Assets should make their own decision as to the sufficiency and relevance for their purposes of the information contained in this Teaser and their own independent investigation of the Assets, after taking all appropriate advice from qualified professional persons. By receiving this Teaser, the Recipient acknowledges and agrees that it will rely entirely upon its own due diligence and professional advice in considering a purchase of the Assets.

THIS CONFIDENTIALITY AGREEMENT made this ____ day of _____, 2021

BETWEEN:

(the "**Recipient**")

OF THE FIRST PART,

and

DELOITTE RESTRUCTURING INC.

in its capacity as proposal trustee of the Company (as hereinafter defined)

(the "**Proposal Trustee**")

OF THE SECOND PART,

RECITALS:

A. On January 13, 2021, Salt Bush Energy Ltd. (the "Company") 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"). Deloitte Restructuring Inc. ("Deloitte") consented to act as Proposal Trustee under the NOI;

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

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

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

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

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

(i) a Person that controls the Recipient;

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

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

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

(b) "**Company**" means Salt Bush Energy Inc.;

(c) "**Confidential Information**" means all information that was made available by the Company to the Proposal Trustee that is provided by the Proposal Trustee to the Recipient that relates to the Company, whether provided before or after the date of

this Confidentiality Agreement, whether oral or written, regardless of the manner in which such information is provided and, without limiting the generality of the foregoing, includes but is not limited to:

- (i) all data, records, reports, studies, projections, patents, theories, information (financial, corporate, business or otherwise), intellectual property, designs, drawings, plans, opportunities, prototypes, specifications, manuals, photographs, software, hardware, equipment, printouts, reports, market research, business plans, customer lists, supply sources, and trade secrets;
- (ii) all analyses, compilations, forecasts, studies, interpretations or other documents prepared by the Recipient or any of the Representatives in connection with the evaluation of the Transaction;
- (iii) all information relating to existing or potential financiers or investors of or in the Company; and
- (iv) any other information, whether written or oral, and whether or not noted thereon to be confidential, pertaining to the businesses, assets, liabilities, products, customers, technology, subsidiaries, affiliates, activities or affairs of the Company, which have been or which may hereafter be disclosed or provided to the Recipient;

but shall not include:

- (v) any information that is, as of the date of this Confidentiality Agreement, in the public domain, other than as a result of its disclosure by the Recipient, any of the Representatives or any other Person under an obligation of confidentiality to the Proposal Trustee or the Company;
 - (vi) any information that, after the date of this Confidentiality Agreement, becomes part of the public domain through no fault of the Recipient or any of its Representatives;
 - (vii) any information that the Recipient can prove was in its possession prior to the date of this Agreement and was not acquired by the Recipient directly or indirectly from the Proposal Trustee or any other Person known by the Recipient to be under an obligation of confidentiality to the Proposal Trustee or the Company; and
 - (viii) any information that the Recipient can prove was developed independently and without the use of any of the Confidential Information provided by the Proposal Trustee or any other Person known by the Recipient to be under an obligation of confidentiality to the Proposal Trustee or the Company;
- (d) **“control”** means the ability to directly or indirectly (including through one or more Affiliates) direct the management or policies of a Person and, without limiting the generality of the foregoing, includes the ability to control through:
- (i) the legal or beneficial ownership of voting securities, units or other interests in such Person;
 - (ii) the right or ability to appoint or elect officers, managers, executives, or a majority of the directors of such Person; or

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

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

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

(f) “**Party**” and “**Parties**” has the meaning ascribed to it in the Recitals to this Confidentiality Agreement;

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

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

(i) “**Property**” means the undertakings, property and assets of the Company;

(j) “**Proposal Trustee**” means Deloitte Restructuring Inc., in its capacity as Proposal Trustee of the Company;

(k) “**Recipient**” means _____;

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

(m) “**Transaction**” has the meaning ascribed to it in the Recitals to this Confidentiality Agreement.

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

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

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

5. The Recipient may disclose the Confidential Information to the Recipient’s directors, employees, accountants, auditors, legal, commercial, and financial advisors, appointed representatives and any Person who is considering providing financing for a Transaction

(collectively referred to as “**Representatives**”) who the Recipient determines requires the Confidential Information for the purposes of evaluating a Transaction and on a strictly need-to-know basis. Prior to disclosing the Confidential Information to any Representatives, the Recipient shall issue appropriate instructions to such Representative to satisfy the Recipient’s obligations herein and obtain such Representative’s agreement to receive and use the Confidential Information on a confidential basis on the same conditions as contained in this Confidentiality Agreement and to otherwise comply with the terms hereof. The Recipient shall be liable and responsible for any breach of any term of this Confidentiality Agreement by any of the Representatives in addition to the Representatives themselves.

6. If the Recipient or any of the Representatives is requested pursuant to, or required by, applicable law or legal process to disclose the Confidential Information or any portion thereof, the Recipient shall to the extent permitted under applicable law forthwith provide the Proposal Trustee with prompt notice of such request or requirement, in order to enable the Proposal Trustee to seek an appropriate protective order or other remedy or to waive compliance with the terms of this Confidentiality Agreement or both. The Recipient will not oppose any action by the Proposal Trustee to seek such a protective order or other remedy. If, failing the obtaining of a protective order or other remedy by the Proposal Trustee, such disclosure is required, the Recipient or the Representatives, as the case may be, will use reasonable efforts to ensure that the disclosure will be afforded confidential treatment.
7. The Confidential Information will not be copied, reproduced in any form or stored in a retrieval system or data base by the Recipient without the prior written consent of the Proposal Trustee.
8. The Confidential Information is and at all time shall remain the property of the Company.
9. This Confidentiality Agreement does not constitute any representation, warranty or guarantee with respect to the accuracy or completeness of the Confidential Information or any portion thereof and the Recipient will not be entitled to rely on the accuracy or completeness of the Confidential Information or any portion thereof. Neither the Proposal Trustee nor any of its directors, officers, employees, professional advisors (including, without limitation, financial advisors, lawyers and accountants) or agents will be held liable for any errors or omissions in the Confidential Information or the use or the results of the use of the Confidential Information.
10. The Proposal Trustee may refuse to make the Confidential Information available to the Recipient or otherwise terminate the Recipient’s access to the Confidential Information at any time as determined by the Proposal Trustee at its sole and unfettered discretion. The Recipient will promptly destroy, return or cause the return to the Proposal Trustee all of the Confidential Information, and all copies thereof, upon the Proposal Trustee requesting the Recipient destroy, return or cause the return of the Confidential Information. Upon request, the Recipient shall provide the Proposal Trustee with a certificate from an officer of the Recipient certifying that such destruction or return has occurred in accordance with the terms of this Confidentiality Agreement.
11. Except as expressly agreed herein, unless and until a binding agreement is entered into between the Recipient and the Proposal Trustee with respect to the Property, neither the Recipient nor the Proposal Trustee will be under any legal or equitable obligation of any kind whatsoever with respect to or involving the Property.
12. If any provision of this Confidentiality Agreement is held to be invalid or unenforceable in whole in part, such invalidity or unenforceability will attach only to such provision or part

thereof and the remaining part of such provision and all other provisions hereof will continue in full force and effect.

13. This Confidentiality Agreement constitutes the entire agreement between the Parties with respect to the subject matter and cancels and supersedes any prior understandings and agreements between the Parties with respect thereto. There are no representations, warranties, terms, conditions, undertakings or collateral agreements, express, implied or statutory, between the Parties other than as expressly set forth in this Confidentiality Agreement. This Confidentiality Agreement may only be amended in writing by the mutual agreement of the Proposal Trustee and the Recipient.
14. This Confidentiality Agreement will inure to the benefit of and be binding upon the respective successors and assigns of the Parties. This Confidentiality Agreement may not be assigned by a Party without the prior written consent of the other Party.
15. This Confidentiality Agreement will expire on the earlier of (i) the date of completion of a Transaction involving the Proposal Trustee and the Recipient or any of their Affiliates; and (ii) two (2) years after the date hereof.
16. The Recipient agrees that monetary damages would not alone be sufficient to remedy any breach by the Recipient or the Representatives of any term or provision of this Confidentiality Agreement and that the Proposal Trustee will also be entitled to equitable relief, including injunction and specific performance, in the event of any breach hereof and in addition to any other remedy available pursuant to this Confidentiality Agreement or at law or in equity. The Recipient further waives any requirement for the deposit of security or posting of any bond in connection with any equitable remedy.
17. In the event that any notice is to be given pursuant to this Confidentiality Agreement, it shall be given by email, facsimile, courier, registered mail, regular mail or personal delivery:

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

Attention:

Email:

(b) If being given to the Proposal Trustee, to:

Deloitte Restructuring Inc.
700, 850 – 2nd Street SW
Calgary, AB T2P 0R8

Attention: Robert J. Taylor
Email: bobtaylor@deloitte.ca
Facsimile: +1 403-267-0501

- (c) Notices given pursuant to this Confidentiality Agreement by email or by facsimile shall be deemed to be received when sent. In all other instances, notices given pursuant to this Confidentiality Agreement shall be deemed to be received when delivered to the relevant address, as identified above; and
 - (d) The Parties may change the individual, email address, facsimile number or postal address designated to receive notices by giving written notice of the new person, email address, facsimile number or postal address, as the case may be, to the other Party.
18. This Confidentiality Agreement is governed by and will be construed in accordance with the laws of the Province of Alberta and the laws of Canada applicable therein.
19. For the purpose of all legal proceedings this Confidentiality Agreement will be deemed to have been performed in the Province of Alberta and the Court will have jurisdiction to entertain any action arising under this Confidentiality Agreement. The Recipient hereby attorns to the jurisdiction of the Court.
20. This Confidentiality Agreement may be executed in any number of counterparts, each of which when executed shall be deemed to be an original and all of the counterparts together shall constitute one and the same instrument.

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

Recipient:

DELOITTE RESTRUCTURING INC.

in its capacity as Proposal Trustee of Salt Bush Energy Inc. and not in its personal or corporate capacity

Per: _____

Per: _____