

**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.

## **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

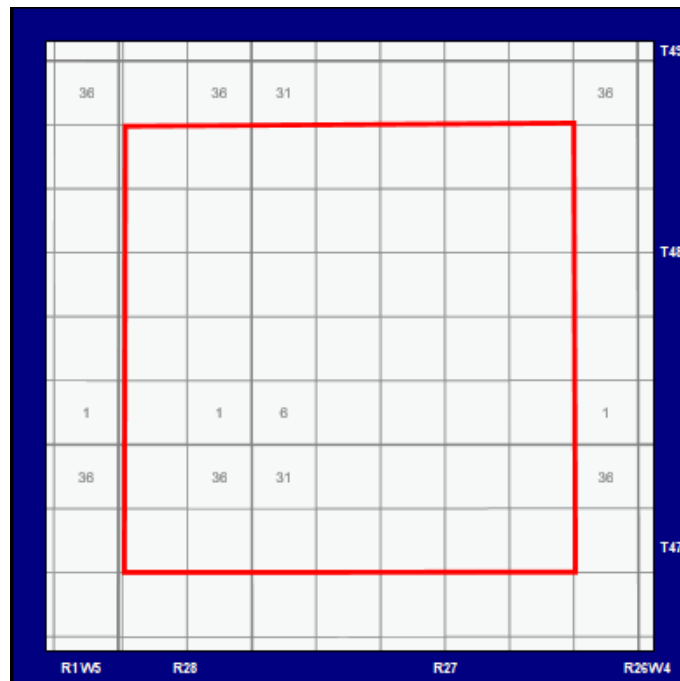
Part 1 – Lands

(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.**

# Mineral Lease Property Report

General		Dates		Rental Info		Acquisition		Summary Acreages (Gross/Net)	
<b>M01161</b>	<b>Status:</b> ACTIVE	<b>Lease:</b> JUL-18-2019	<b>Gross \$:</b> \$44,800.00	<b>Bonus:</b> \$448.00	<b>Total:</b> H 256.00000000 / 256.00000000	<b>Expose:</b> H 0.00000000 / 0.00000000			
	<b>Lse:</b> PNG LSE	<b>Effective:</b> JUL-18-2019	<b>Net \$:</b> \$448.00	<b>Rent &amp; Fee:</b> \$1,073.00	A 640.00000000 / 640.00000000	A 0.00000000 / 0.00000000			
	<b>Area:</b> AB WIZARD LAKE	<b>Expiry:</b> JUL-17-2020	<b>Date:</b> JUL-17-2020	<b>Total:</b> \$45,873.00	Dev: H 0.00000000 / 0.00000000	Prod: H 0.00000000 / 0.00000000			
	<b>Fh/Cr:</b> CR 0419070069	<b>Termin</b>	<b>Freq:</b> Annual	<b>Our %:</b> 50.00000000	A 0.00000000 / 0.00000000	A 0.00000000 / 0.00000000			
	<b>Min.Int:</b> 0.00000000		<b>Paid By:</b> SALT BUSH	<b>Our Share:</b> \$22,936.50	UnDev: H 256.00000000 / 256.00000000	NonProd: H 256.00000000 / 256.00000000			
<b>Zone:</b>			<b>Method:</b> CRSALE		A 640.00000000 / 640.00000000	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		100.000000C	WI		N	N

**Interests**

( Active WI & Rental ) WI  
 100.00000000 SALT BUSH ENERGY LTD. [SALT BUSH]  
 100.00000000 Total

**Acreage (Gross/Net)**

<b>Total:</b> H 128.00000000 / 128.00000000	<b>Expose:</b> H 0.00000000 / 0.00000000
A 320.00000000 / 320.00000000	A 0.00000000 / 0.00000000
<b>Dev:</b> H 0.00000000 / 0.00000000	<b>Prod:</b> H 0.00000000 / 0.00000000
A 0.00000000 / 0.00000000	A 0.00000000 / 0.00000000
<b>UnDev:</b> H 128.00000000 / 128.00000000	<b>NonProd:</b> H 128.00000000 / 128.00000000
A 320.00000000 / 320.00000000	A 320.00000000 / 320.00000000

**Related Documents**

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

**Interests**

( Active WI & Rental ) WI  
 100.00000000 SALT BUSH ENERGY LTD. [SALT BUSH]  
 100.00000000 Total

**Acreage (Gross/Net)**

<b>Total:</b> H 128.00000000 / 128.00000000	<b>Expose:</b> H 0.00000000 / 0.00000000
A 320.00000000 / 320.00000000	A 0.00000000 / 0.00000000
<b>Dev:</b> H 0.00000000 / 0.00000000	<b>Prod:</b> H 0.00000000 / 0.00000000
A 0.00000000 / 0.00000000	A 0.00000000 / 0.00000000
<b>UnDev:</b> H 128.00000000 / 128.00000000	<b>NonProd:</b> H 128.00000000 / 128.00000000
A 320.00000000 / 320.00000000	A 320.00000000 / 320.00000000

**Related Documents**

File # / Name Details / Comments

**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**      **Dates**      **Rental Info**      **Acquisition**      **Summary Acreages (Gross/Net)**

**Status:** ACTIVE      **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

**Lse:** PNG LSE      **Effective:** MAY-20-2020      **Net \$:** \$23,488.56      **Rent & Fee:** \$0.00      **A9,395.4250000 / 9,395.4250000**      **A2,590.0000000 / 2,590.0000000**

**Area:** AB WIZARD LAKE Acq'd:      **Expiry:** MAY-19-2021      **Date:** MAY-19-2021      **Total:** \$0.00      **Dev:** H1,036.0000000 / 1,036.0000000      **Prod:** H 0.0000000 / 0.0000000

**Fh/Cr:** FH PRAIRIESKY Termin      **Freq:** Annual      **Our %:** 0.0000000      **A2,590.0000000 / 2,590.0000000**      **A 0.0000000 / 0.0000000**

**Min.Int:** 0.0000000      **Paid By:** SALT BUSH      **Our Share:** SALT BUSH      **UnDev:** H2,722.1700000 / 2,722.1700000      **NonProd:** H3,758.1700000 / 3,758.1700000

**Zone:**      **Method:**      **A6,805.4250000 / 6,805.4250000**      **A9,395.4250000 / 9,395.4250000**

Split	Status	Acquired	Extension	Expired	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	Expose:
LOR	100.0000000	Non-Convertible, Not TIK	A 0.0000000 / 0.0000000
17.5% of all products,			Prod: H 0.0000000 / 0.0000000
<b>Receivers</b>			A 0.0000000 / 0.0000000
100.0000000 PRAIRIESKYROY		SALT BUSH	UnDev: H 907.3900000 / 907.3900000      NonProd: H 907.3900000 / 907.3900000
ORR	50.0000000	Non-Convertible, Not TIK	A2,268.4750000 / 2,268.4750000
2.0% of all products,			Prod: H 0.0000000 / 0.0000000
<b>Receivers</b>			A 0.0000000 / 0.0000000
100.0000000 SOURCEROCKROY		SALT BUSH	UnDev: H 907.3900000 / 907.3900000      NonProd: H 907.3900000 / 907.3900000

**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		0.000000	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:
ORR	50.0000000	Non-Convertible, Not TIK	A1,295.0000000 / 1,295.0000000
2.0% of all products,			Prod: H 0.0000000 / 0.0000000
<b>Receivers</b>			A1,295.0000000 / 1,295.0000000
100.0000000 SOURCEROCKROY		SALT BUSH	UnDev: H 0.0000000 / 0.0000000      NonProd: H 518.0000000 / 518.0000000
GOR	100.0000000	Non-Convertible, Not TIK	A1,295.0000000 / 1,295.0000000
15.0% of all products,			Prod: H 0.0000000 / 0.0000000
LEASED SUBSTANCES PRODUCED FROM			NonProd: H 518.0000000 / 518.0000000
100/16-17-048-27W4/00			A1,295.0000000 / 1,295.0000000

**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

A1,295.0000000 / 1,295.0000000      A1,295.0000000 / 1,295.0000000

**Dev:** H 518.0000000 / 518.0000000      **Prod:** H 0.0000000 / 0.0000000

A1,295.0000000 / 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      A1,295.0000000 / 1,295.0000000

**Related Documents**

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**

Tract 1	Details / Comments	
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	100.000000	Non-Convertible, Not TIK
17.5% of all products,		

**Receivers**

100.000000	PRAIRIESKYROY	100.000000	SALTBUSH
ORR	50.000000	Non-Convertible, Not TIK	
2.0% of all products,			

**Receivers**

100.000000	SOURCEROCKROY	100.000000	SALTBUSH
100.000000			

**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		0.000000	WI		N	N

**Tracts / Lands / Rights / Wells**

Tract 1	Details / Comments	
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	25.000000	Non-Convertible, Not TIK
2.0% of all products,		

**Receivers**

100.000000	SOURCEROCKROY	100.000000	SALTBUSH
LOR	77.670900	Non-Convertible, Not TIK	
17.5% of all products,			

**Receivers**

100.000000	PRAIRIESKYROY	100.000000	SALTBUSH
100.000000			

**Related Documents**

File # / Name	Details / Comments	
C00809 - 1		
C00811 - 2		

Split	Status
2	Split



Split	Status	Acquired	Extension	Extended Expiry	Terminated	Operator	Accounting Code	Rental %	Interest Type	Prod	AMI	ROFR
5	ACTIVE					SALTBUSH		0.000000	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 100.0000000 SALTBUSH  
 ORR 50.0000000 Non-Convertible, Not TIK

**2.0% of all products,**

**Receivers**  
 100.0000000 SOURCEROCKROY 100.0000000 SALTBUSH

**Related Documents**

File # / Name Details / Comments  
 C00809 - 1

**Lessor**

File # / Name	Details / Comments	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

**Interests**

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

**Acreage (Gross/Net)**

Total: H	907.3900000 /	907.3900000	Expose: H	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
A2,268.4750000	/	2,268.4750000	A2,268.4750000	/	2,268.4750000

**M01164**

<b>General</b>	<b>Dates</b>	<b>Rental Info</b>	<b>Acquisition</b>	<b>Summary Acreages (Gross/Net)</b>
<b>Status:</b> ACTIVE	<b>Lease:</b> MAR-17-2020	<b>Gross \$:</b> \$50.00	<b>Bonus:</b> \$0.00	<b>Total:</b> H 5,000,000 / 5,000,000 <b>Expose:</b> H 0,000,000 / 0,000,000
<b>Lse:</b> PNG LSE	<b>Effective:</b> MAR-17-2020	<b>Net \$:</b> \$50.00	<b>Rent &amp; Fee:</b> \$0.00	<b>Dev:</b> H 5,000,000 / 12,500,000 <b>Prod:</b> A 0,000,000 / 0,000,000
<b>Area:</b> AB WIZARD LAKE Acq'd:	<b>Expiry:</b> MAR-16-2025	<b>Date:</b> MAR-16-2021	<b>Total:</b> \$0.00	<b>UnDev:</b> H 0,000,000 / 12,500,000 <b>NonProd:</b> H 5,000,000 / 5,000,000
<b>Fh/Cr:</b> CR 0420030088 Termin	<b>Freq:</b> Annual	<b>Paid By:</b> SALT BUSH	<b>Our %:</b> 0,000,000	<b>Method:</b> CRSALE
<b>Min.Int:</b> 100,000,000				
<b>Zone:</b>				

<b>Split</b>	<b>Status</b>	<b>Acquired</b>	<b>Extension</b>	<b>Expired</b>	<b>Terminated</b>	<b>Operator</b>	<b>Accounting Code</b>	<b>Rental %</b>	<b>Interest Type</b>	<b>Prod</b>	<b>AMI</b>	<b>ROFR</b>
1	ACTIVE					SALT BUSH		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	Total: H	5,000,000 /	5,000,000	Expose: H	0,000,000 /	0,000,000
CSS	100.000000	Non-Convertible, Not TIK	A	12,500,000 /	12,500,000	A	0,000,000 /	0,000,000
Crown Sliding-Scale,			Dev: H	5,000,000 /	5,000,000	Prod: H	0,000,000 /	0,000,000
			A	12,500,000 /	12,500,000	A	0,000,000 /	0,000,000
			UnDev: H	0,000,000 /	0,000,000	NonProd: H	5,000,000 /	5,000,000
			A	0,000,000 /	0,000,000	A	12,500,000 /	12,500,000

**Lessor**

ALBERTA ENERGY ALBERTA ENERGY  
 9TH FLOOR, 9945 - 108 STREET  
 EDMONTON, ALBERTA  
 T5K 2G6

**General**  
**M00618**  
**Status:** ACTIVE    **Lease:** FEB-12-2019    **Gross \$:** \$32,175.00    **Bonus:** \$2,560.00    **Expose:** H 514.8000000 / 514.8000000 / 514.8000000  
**Lse:** PNG LSE    **Effective:** FEB-12-2019    **Net \$:** \$2,560.00    **Rent & Fee:** \$2,560.00    **Dev:** H 0.0000000 / 1,287.0000000 / 1,287.0000000  
**Area:** AB WIZARD LAKE Acq'd: FEB-11-2021    **Date:** FEB-11-2020    **Total:** \$34,735.00    **Our %:** 70.0000000 / 0.0000000 / 0.0000000  
**Fh/Cr:** FH PARAMOUNT Termin    **Freq:** Paid-Up    **Our Share:** \$24,314.50    **UnDev:** H 514.8000000 / 514.8000000    **NonProd:** H 514.8000000 / 514.8000000  
**Min.Int:** 100.0000000    **Method:** FHPURCHASE

Split	Status	Acquired	Extension	Expired	Terminated	Operator	Accounting Code	Rental %	Interest Type	Prod	AMI	ROFR
1	ACTIVE	2019-02-12				SALTBUSH		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, Deduct 100%  
**Receivers**  
 100.0000000 SOURCEROCKROY 100.0000000 SALTBUSH  
 LOR 100.0000000 Non-Convertible, Not TIK  
 16.0% of all products,  
**Receivers**  
 100.0000000 PARAMOUNTRES 100.0000000 SALTBUSH

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

Split	Status	Acquired	Extension	Expired	Terminated	Operator	Accounting Code	Rental %	Interest Type	Prod	AMI	ROFR
2	ACTIVE	2019-02-12				SALTBUSH		0.000000	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 PROD

**Summary Acreages (Gross/Net)**  
**Total:** H 514.8000000 / 514.8000000    **Expose:** H 514.8000000 / 514.8000000 / 514.8000000  
**Dev:** H 0.0000000 / 0.0000000    **Prod:** H 0.0000000 / 0.0000000 / 0.0000000  
**UnDev:** H 514.8000000 / 514.8000000    **NonProd:** H 514.8000000 / 514.8000000 / 514.8000000  
**Acreage (Gross/Net)**  
**Total:** H 257.4000000 / 257.4000000    **Expose:** H 257.4000000 / 257.4000000 / 257.4000000  
**Dev:** H 0.0000000 / 0.0000000    **Prod:** H 0.0000000 / 0.0000000 / 0.0000000  
**UnDev:** H 257.4000000 / 257.4000000    **NonProd:** H 257.4000000 / 257.4000000 / 257.4000000

**Royalties**

Type	% of Prod	Convertibility / Take-in-Kind	<b>Acreage (Gross/Net)</b>	
ORR	50.0000000	Non-Convertible, Not TIK	Total: H 257.4000000 / 257.4000000	Expose: H 257.4000000 / 257.4000000
2.0% of all products, Deduct 100%			A 643.5000000 / 643.5000000	A 643.5000000 / 643.5000000
<b>Receivers</b>		<b>Payors</b>	Dev: H 0.0000000 / 0.0000000	Prod: H 0.0000000 / 0.0000000
100.0000000 SOURCEROCKROY	100.0000000	100.0000000 SALTBUSSH	A 0.0000000 / 0.0000000	A 0.0000000 / 0.0000000
LOR	100.0000000	Non-Convertible, Not TIK	UnDev: H 257.4000000 / 257.4000000	NonProd: H 257.4000000 / 257.4000000
16.0% of all products,			A 643.5000000 / 643.5000000	A 643.5000000 / 643.5000000

**Receivers**

100.0000000	PARAMOUNTRES	100.0000000	SALTBUSH
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**Payors**

100.0000000	PARAMOUNTRES	100.0000000	SALTBUSH
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**Related Documents**

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

**Lessor**

PARAMOUNTRES	PARAMOUNT RESOURCES LTD.	100.00000000	Rental %	2,560.00	Rental \$	Address	Depository Address
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2800, 421 - 7TH AVENUE SW  
 CALGARY, ALBERTA  
 T2P 4K9

**General**      **Dates**      **Rental Info**      **Acquisition**      **Summary Acreages (Gross/Net)**  
**M00375**      Lease: FEB-08-2018      Gross \$: \$448.00      Bonus: \$24,085.76      Total: H 128.0000000 / 128.0000000      Expose: H 128.0000000 / 128.0000000  
                  Effective: FEB-08-2018      Net \$: \$448.00      Rent & Fee: \$1,073.00      A 320.0000000 / 320.0000000      A 320.0000000 / 320.0000000  
                  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 LAKEAcq'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: SALT BUSH      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	Expired	Terminated	Operator	Accounting Code	Rental %	Interest Type	Prod	AMI	ROFR
1	ACTIVE	2018-02-07				SALT BUSH		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  
 Total: H 128.0000000 / 128.0000000      Expose: H 128.0000000 / 128.0000000  
                  A 320.0000000 / 320.0000000      Dev: H 0.0000000 / 0.0000000      Prod: H 0.0000000 / 0.0000000  
                  UnDev: H 128.0000000 / 128.0000000      NonProd: H 128.0000000 / 128.0000000  
                  A 320.0000000 / 320.0000000

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      ALL WI  
 ORR      50.0000000      Non-Convertible, Not TIK  
 2.0% of all products, Deduct 100%

**Receivers**      100.0000000      SOURCEROCKROY      SALT BUSH  
**Related Documents**

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

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

**General**  
**M01165**  
**Status:** ACTIVE  
**Lse:** PNG LSE  
**Area:** AB WIZARD LAKE Acq'd  
**Fh/Cr:** CR 0404170700333 Termin  
**Min.Int:** 0.0000000  
**Zone:**

**Dates**  
**Lease:** JUL-06-2017  
**Effective:** JUL-06-2017  
**Expiry:** JUL-05-2022

**Rental Info**  
**Gross \$:** \$3,136.00  
**Net \$:** \$0.00  
**Date:** JUL-05-2018  
**Freq:** Annual  
**Paid By:** TWP 50 RESOUR

**Acquisition**  
**Bonus:** \$111,150.77  
**Rent & Fee:** \$0.00  
**Total:** \$111,150.77  
**Our %:** 0.0000000  
**Our Share:** TWP 50 RESOUR  
**Method:** CRSALE

**Summary Acreages (Gross/Net)**  
**Total:** H 256.0000000 / 0.0000000  
**Expose:** H 0.0000000 / 0.0000000  
**Dev:** H 0.0000000 / 0.0000000  
**Prod:** H 0.0000000 / 0.0000000  
**UnDev:** H 256.0000000 / 0.0000000  
**NonProd:** H 256.0000000 / 0.0000000

Split	Status	Acquired	Extension	Expired	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 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.

**Payors**  
 100.0000000 SOURCEROCKROY 100.0000000 SALTBUSSH  
 CSS 100.0000000 Non-Convertible, Not TIK  
 Crown Sliding-Scale,  
**Receivers**  
 100.0000000 ALBERTA ENERGY 100.0000000 TWP 50 RESOURCES

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

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

**M00668**  
**General**  
**Status:** ACTIVE    **Lease:** JAN-10-2019    **Gross \$:** \$896.00    **Bonus:** \$30,320.64    **Total:** H 256.00000000 / 256.00000000    **Expose:** H 256.00000000 / 256.00000000  
**Lse:** PNG LSE    **Effective:** JAN-10-2019    **Net \$:** \$896.00    **Rent & Fee:** \$1,521.00    **Total:** A 640.00000000 / 640.00000000    **Prod:** H 0.00000000 / 640.00000000  
**Area:** AB WIZARD LAKE Acq'd: JAN-09-2024    **Date:** JAN-09-2020    **Total:** \$31,841.64    **Dev:** H 0.00000000 / 0.00000000    **Prod:** H 0.00000000 / 0.00000000  
**Fh/Cr:** CR 0419010049    **Termin**    **Freq:** Annual    **Our %:** 70.00000000    **UnDev:** H 256.00000000 / 256.00000000    **NonProd:** H 256.00000000 / 256.00000000  
**Min.Int:** 100.00000000    **Paid By:** SALT BUSH    **Method:** CRSALE    **CRSALE**    **UnDev:** H 256.00000000 / 256.00000000    **NonProd:** H 256.00000000 / 256.00000000  
**Zone:**

Split	Status	Acquired	Extension	Terminated	Operator	Accounting Code	Rental %	Interest Type	Prod	AMI	ROFR
1	ACTIVE	2019-01-10			SALT BUSH		100.000000C	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 100.00000000 Non-Convertible, Not TIK  
 Crown Sliding-Scale,  
**Receivers**  
 100.00000000 ALBERTA ENERGY    **Payors**  
 100.00000000 SALT BUSH  
 ORR 50.00000000 Non-Convertible, Not TIK  
 2.0% of all products, Deduct 100%  
**Receivers**  
 100.00000000 SOURCEROCKROY    **Payors**  
 100.00000000 SALT BUSH

Acreage (Gross/Net)		Total: H 256.00000000 / 256.00000000		Expose: H 256.00000000 / 256.00000000	
		A 640.00000000	640.00000000	A 640.00000000	640.00000000
		Dev: H 0.00000000	0.00000000	Prod: H 0.00000000	0.00000000
		A 0.00000000	0.00000000	A 0.00000000	0.00000000
		UnDev: H 256.00000000	256.00000000	NonProd: H 256.00000000	256.00000000
		A 640.00000000	640.00000000	A 640.00000000	640.00000000

File # / Name	Details / Comments	Rental %	Rental \$	Address	Depository Address
C00810 - 6		100.00000000	896.00	9TH FLOOR, 9945 - 108 STREET	
C00125 - 1				EDMONTON, ALBERTA	
C00809 - 1				T5K 2G6	
C00813 - 1					
M00668.pdf					

**Lessor**  
 ALBERTA ENERGY    ALBERTA ENERGY  
 9TH FLOOR, 9945 - 108 STREET  
 EDMONTON, ALBERTA  
 T5K 2G6

**General**      **Dates**      **Rental Info**      **Acquisition**      **Summary Acreages (Gross/Net)**

**M01163**      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      CRSALE      A 640.0000000 / 640.0000000      A 640.0000000 / 640.0000000

**Zone:**

Split	Status	Acquired	Extension	Expired	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

**Related Documents**

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

**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**

ALBERTA ENERGY      ALBERTA ENERGY      Address      Depository Address  
 9TH FLOOR, 9945 - 108 STREET  
 EDMONTON, ALBERTA  
 T5K 2G6

Rental \$      896.00  
 Rental %      100.00000000



**M01162**

**General**      **Dates**      **Rental Info**      **Acquisition**      **Summary Acreages (Gross/Net)**

**Status:** ACTIVE      **Lease:** DEC-21-2017      **Gross \$:** \$896.00      **Bonus:** \$25,000.00      **Total:** H 102.4000000 / 102.4000000      **Expose:** H 0.0000000 / 0.0000000

**Lse:** PNG LSE      **Effective:** DEC-21-2017      **Net \$:** \$896.00      **Rent & Fee:** \$230.12      **A** 256.0000000 / 256.0000000      **A** 0.0000000 / 0.0000000

**Area:** AB WIZARD LAKE Acq'd:      **Expiry:** DEC-20-2022      **Date:** DEC-20-2018      **Total:** \$25,230.12      **Dev:** H 0.0000000 / 0.0000000      **Prod:** H 0.0000000 / 0.0000000

**Fh/Cr:** CR 0417120142 Termin      **Freq:** Annual      **Our %:** 100.0000000      **Our Share:** H 102.4000000 / 102.4000000      **NonProd:** H 102.4000000 / 102.4000000

**Min.Int:** 0.0000000      **Paid By:** SALT BUSH      **Method:** PURCHASE      **A** 256.0000000 / 256.0000000      **A** 256.0000000 / 256.0000000

**Zone:**

Split	Status	Acquired	Extension	Expired	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 47-RGE 27-W5M 32  
 PNG from BASE EDMONTON to BASEMENT

**Royalties**

Type	% of Prod	Convertibility / Take-in-Kind	Acreage (Gross/Net)	Expose:	Prod:	AMI	ROFR
CSS	100.0000000	Non-Convertible, Not TIK	Total: H 102.4000000 / 102.4000000	H	H	0.0000000 /	0.0000000 /
Crown Sliding-Scale,			A 256.0000000 / 256.0000000	A	A	0.0000000 /	0.0000000 /
<b>Receivers</b>			Dev: H 0.0000000 / 0.0000000	H	H	0.0000000 /	0.0000000 /
100.0000000 ALBERTA ENERGY			A 0.0000000 / 0.0000000	A	A	0.0000000 /	0.0000000 /
<b>Related Documents</b>			UnDev: H 102.4000000 / 102.4000000	H	H	102.4000000 /	102.4000000 /
File # / Name		Details / Comments	A 256.0000000 / 256.0000000	A	A	256.0000000 /	256.0000000 /
C00807 - 1							
PNG Lease 0417120							
M01162 Election Lett							

Lessor	Address	Rental \$	Rental %	Depository Address
ALBERTA ENERGY ALBERTA ENERGY	9TH FLOOR, 9945 - 108 STREET EDMONTON, ALBERTA T5K 2G6	896.00	100.00000000	

**General**  
**M01166**  
**Status:** ACTIVE  
**Lse:** PNG LSE  
**Area:** AB WIZARD LAKE Acq'd  
**Fh/Cr:** CR 040418090143Termin  
**Min.Int:** 0.0000000  
**Zone:**

**Dates**  
**Lease:** SEP-20-2018  
**Effective:** SEP-20-2018  
**Expiry:** SEP-19-2023  
**Termin**

**Rental Info**  
**Gross \$:** \$70.00  
**Net \$:** \$0.00  
**Date:** SEP-19-2019  
**Freq:** Annual  
**Paid By:** TWP 50  
**Method:** CRSALE

**Acquisition**  
**Bonus:** \$151.40  
**Rent & Fee:** \$0.00  
**Total:** \$151.40  
**Our %:** 0.0000000  
**Our Share:** \$0.00  
**Method:** CRSALE

**Summary Acreages (Gross/Net)**  
**Total:** H 20.00000000 / 0.0000000  
**Expose:** H 0.0000000 / 0.0000000  
**Dev:** H 0.00000000 / 0.0000000  
**Prod:** H 0.00000000 / 0.0000000  
**UnDev:** H 20.00000000 / 0.0000000  
**NonProd:** H 20.00000000 / 0.0000000  
**A:** 50.00000000 / 0.0000000  
**Prod:** A 50.00000000 / 0.0000000

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

**Tracts / Lands / Rights / Wells**  
**Interests**  
 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 100.00000000 Non-Convertible, Not TIK  
 Crown Sliding-Scale,  
**Receivers**  
 100.0000000 ALBERTA ENERGY **Payors**  
 100.0000000 ALBERTA ENERGY 100.0000000 SALTBUUSH  
 8.0% of all products, Non-Convertible, Not TIK  
**Receivers**  
 100.0000000 TWP 50 RESOURCES **Payors**  
 100.0000000 TWP 50 RESOURCES 100.0000000 SALTBUUSH  
 2.0% of all products, 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 SALTBUUSH

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

Lessor	Address	Rental %	Rental \$	Depository Address
ALBERTA ENERGY ALBERTA ENERGY	9TH FLOOR, 9945 - 108 STREET EDMONTON, ALBERTA T5K 2G6	100.00000000	70.00	

**M01168**

<b>General</b>	<b>Dates</b>	<b>Rental Info</b>	<b>Acquisition</b>	<b>Summary Acreages (Gross/Net)</b>
<b>Status:</b> ACTIVE	<b>Lease:</b> NOV-27-2019	<b>Gross \$:</b> \$1,400.00	<b>Bonus:</b> \$0.00	<b>Total:</b> H 224.0000000 / 224.0000000 <b>Expose:</b> H 0.0000000 / 0.0000000
<b>Lse:</b> PNG LSE	<b>Effective:</b> NOV-27-2019	<b>Net \$:</b> \$1,400.00	<b>Rent &amp; Fee:</b> \$0.00	<b>Dev:</b> H 0.0000000 / 0.0000000 <b>Prod:</b> H 0.0000000 / 0.0000000
<b>Area:</b> AB WIZARD LAKE Acq'd:	<b>Expiry:</b> NOV-26-2022	<b>Date:</b> NOV-26-2020	<b>Total:</b> \$0.00	<b>UnDev:</b> H 224.0000000 / 224.0000000 <b>NonProd:</b> H 224.0000000 / 224.0000000
<b>Fh/Cr:</b> FH PRAIRIESKY Termin	<b>Freq:</b> Annual	<b>Our %:</b> 0.0000000	<b>Our Share:</b> \$0.00	<b>Method:</b> A 560.0000000 / 560.0000000
<b>Min.Int:</b> 0.0000000	<b>Paid By:</b> SALT BUSH	<b>Operator:</b> SALT BUSH	<b>Accounting Code:</b> 100.0000000	<b>AMI ROFR:</b> N N
<b>Zone:</b>	<b>Terminated:</b>	<b>Interest Type:</b>	<b>Rental %:</b>	

**Split** 1 ACTIVE

**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	Convertible / Take-in-Kind	Expose:	H 0.0000000 / 0.0000000
ORR	50.0000000	Non-Convertible, Not TIK	Dev:	H 0.0000000 / 0.0000000
2.0% of all products,			UnDev:	H 224.0000000 / 224.0000000
<b>Receivers</b>		<b>Payors</b>		
100.0000000	SOURCEROCKROY	100.0000000	SALT BUSH	
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	

**Related Documents**

File # / Name Details / Comments

C00810 - 9

C00809 - 1

<b>Lessor</b>	<b>Rental %</b>	<b>Rental \$</b>	<b>Address</b>	<b>Depository Address</b>
PRAIRIESKYROY	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**

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

## 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**