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MAR 28 2018  
JUDICIAL CENTRE  
OF CALGARY

COURT FILE NUMBER 1701-13518  
COURT COURT OF QUEEN'S BENCH OF ALBERTA  
JUDICIAL CENTRE CALGARY  
APPLICANT STREAM ASSET FINANCIAL SPARK LP  
RESPONDENTS BLAZE ENERGY LTD. and WILD ROSE ENERGY LTD.  
DOCUMENT **SUPPLEMENT TO THE SECOND REPORT OF FTI CONSULTING CANADA INC., IN ITS CAPACITY AS COURT APPOINTED RECEIVER AND MANAGER OF BLAZE ENERGY LTD. AND WILD ROSE ENERGY LTD.**

**March 28, 2018**

ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT

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## INTRODUCTION

1. On October 12, 2017 (the “**Date of Appointment**”), pursuant to an Order of the Honourable Justice Jones (the “**Receivership Order**”), FTI Consulting Canada Inc. was appointed as receiver and manager (the “**Receiver**”) of certain assets, undertakings and properties (the “**Property**” or “**Business**”) of Blaze Energy Ltd. (“**Blaze**”) and Wild Rose Energy Ltd. (“**Wild Rose**”). Blaze and Wild Rose are collectively referred to herein as the “**Debtors**” or the “**Company**”.
2. On March 22, 2017, the Receiver filed and served the Second Report of the Receiver (the “**Second Report**”). Capitalized terms used herein and not otherwise defined in this Supplement to the Second Report have the meanings given to them in the Second Report.
3. In the Second Report, the Receiver provided its summary and recommendations with respect to the Proposed Tidewater Transaction between the Receiver and Tidewater LP.
4. The purpose of this Supplement to the Second Report is to provide this Honourable Court with additional information in respect of the Proposed Tidewater Transaction.

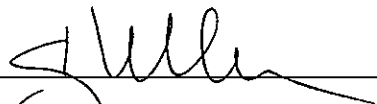
## THE PROPOSED TIDEWATER TRANSACTION

29. As outlined in paragraph 33(a)(iii) of the Second Report of the Receiver, the parties to the Tidewater PSA were still finalizing the conveyancing documentation related to the Blaze Property. The parties have now largely agreed on the form of such documentation and, prior to the closing of the Tidewater PSA transaction, the conveyancing documents attached here as **Schedule “A”** will be executed in relation to the Blaze Property, in substantially the form as attached.

The Receiver respectfully submits to the Court this, its Supplement to the Second Report.

Dated this 28<sup>th</sup> day of March, 2018.

FTI Consulting Canada Inc.,  
in its capacity as receiver and manager  
of certain assets, undertakings and properties  
of Blaze Energy Ltd. and Wild Rose Energy  
Ltd.



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Deryck Helkaa  
Senior Managing Director, CA, CPA, CIRP



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Dustin Olver  
Managing Director, CA, CPA

# **SCHEDULE “A”**

**PETROLEUM AND NATURAL GAS RIGHTS AND CARBON CREDITS  
CONVEYANCE AGREEMENT**

THIS AGREEMENT is made this 6<sup>th</sup> day of April, 2018.

**BETWEEN:**

**FTI CONSULTING CANADA INC.**, solely in its capacity as the receiver and manager of **BLAZE ENERGY LTD.**, and not in its personal or corporate capacity (hereinafter referred to as "**Vendor**")

- and -

**TIDEWATER MIDSTREAM AND INFRASTRUCTURE LTD.**, a corporation incorporated pursuant to the laws of Alberta (hereinafter referred to as "**Purchaser**")

**WHEREAS** FTI Consulting Canada Inc. (the "**Receiver**") was appointed as receiver and manager of the property of Blaze Energy Ltd. ("**Blaze**") pursuant to the terms of the Receivership Order (the "**Appointment Order**") granted by the Alberta Court of Queen's Bench (the "**Court**") on October 12, 2017 (the "**Date of Appointment**");

**AND WHEREAS** Receiver was granted an approval and vesting order by the Court on March 29, 2018 in respect of certain matters, including the transactions contemplated by this Agreement (the "**Approval Order**");

**AND WHEREAS** Vendor desires to sell and convey the Assets to Purchaser and Purchaser desires to receive and accept the Assets from Vendor on the terms and conditions set forth herein;

**NOW THEREFORE** in consideration of the premises hereto and of the covenants, warranties, representations and agreements herein set forth and provided for, the parties hereto covenant and agree as follows:

**ARTICLE 1  
INTERPRETATION**

1.1 In this Agreement (including the preamble hereto, this clause and each Schedule) the words and phrases set forth below shall have the meaning ascribed thereto below, namely:

- (a) "**Abandonment and Reclamation Obligations**" means all duties and obligations under Applicable Law relating to:
  - (i) the abandonment of the Wells and restoration and reclamation of the surface sites thereof and any other lands used to gain access thereto;
  - (ii) the closure, decommissioning, dismantling and removal of the Tangibles, together with the restoration and reclamation of the lands on or in which any of the Tangibles are or were located and any other lands used to gain access thereto; and
  - (iii) the restoration, remediation or reclamation of the surface or subsurface of any lands other than those lands described in paragraphs (i) and (ii) and specifically relating to, or used to gain access to, the Assets;

- (b) **"Affiliate"** means, in respect of a Person, a Person that controls such Person, is controlled by such Person or is controlled by the same Person that controls such Person, and for which purpose a corporation shall be deemed to be controlled by those Persons who own (directly or indirectly) or effectively control, other than by way of a security interest only, sufficient voting shares of the corporation (whether directly through the ownership of shares of the corporation or indirectly through the ownership of shares of another corporation which directly or indirectly owns shares of the corporation) to elect the majority of its board of directors and a partnership shall be deemed to be controlled by those Persons that are able to determine policies or material decisions of that partnership, provided that a partnership which is composed solely of corporations which are Affiliates, as described above, shall be deemed to be an Affiliate of each such corporation and its other Affiliates;
- (c) **"Agreement"** means this Petroleum and Natural Gas Rights and Carbon Credits Conveyance Agreement, including the schedules attached hereto;
- (d) **"Applicable Law"** means, in relation to any Person, property or circumstance, all laws and statutes, including regulations, rules, bylaws, ordinances and other statutory instruments enacted thereunder; all judgments, decrees, rulings and orders of courts, tribunals, commissions and other similar bodies of competent jurisdiction; all orders, rules, directives, policies and guidelines having force of law issued by any Governmental Authority; and all terms and conditions of any Permits; that are in effect as of the relevant time and are applicable to such Person, property or circumstance;
- (e) **"Assets"** means the Petroleum and Natural Gas Rights, the Tangibles, the Miscellaneous Interests and the Carbon Credits;
- (f) **"Blaze"** means Blaze Energy Ltd.
- (g) **"Carbon Credits"** means all of Vendor's right, title and interest in and to all carbon credits associated with the operation of the Brazeau River Complex in 2015;
- (h) **"Claim"** means any claim, demand, action, lawsuit, proceeding, arbitration or investigation, in each case, whether asserted, threatened, pending or existing;
- (i) **"Consideration"** has the meaning set forth in Section 2.2;
- (j) **"Dollar"** or **"\$"** means a dollar in the lawful money of Canada;
- (k) **"Environment"** means the components of the earth, alone or in combination, and includes ambient air, land, surface and sub-surface strata, groundwater, surface water, all layers of the atmosphere, all organic and inorganic matter and living organisms, including plants, animals and humans, and the interacting natural systems that include such components and **"Environmental"** means relating to or in respect of the Environment;
- (l) **"Environmental Liabilities"** means any and all Environmental damage, contamination or other Environmental problems pertaining to the Assets or operations conducted therein or thereon, however and by whomsoever caused, and whether caused by a breach of Applicable Law or otherwise, and whether or not relating to operations or activities conducted on or in connection with the Assets, which occur or arise in whole or in part prior to, at or subsequent to the date hereof, including those arising from or related to:
  - (i) surface, underground, air, ground water, surface water or marine Environment contamination;

- (ii) Abandonment and Reclamation Obligations;
  - (iii) the restoration, cleanup or reclamation of or failure to restore, cleanup or reclaim any part of the Assets;
  - (iv) the removal of or failure to remove foundations, structures or equipment;
  - (v) the release, spill, escape or emission of toxic, hazardous or oilfield waste substances; and
  - (vi) damages and losses suffered by Third Parties as a result of any of the occurrences in items (i) through (v) of this subsection;
- (m) "**Governmental Authority**" means any government, whether federal, provincial, state, territorial, local, regional, municipal or other political jurisdiction, and any agency, authority, instrumentality, court, tribunal, board, commission, bureau, arbitrator, arbitration tribunal or other tribunal, or any quasi-governmental or other entity, insofar as it exercises a legislative, judicial, regulatory, administrative, expropriation or taxing power or function of or pertaining to government having jurisdiction over the Assets, the Parties or the transaction contemplated herein;
- (n) "**GST**" means the goods and services tax imposed under Part IX of the *Excise Tax Act* (Canada);
- (o) "**Lands**" means the lands, formations and associated Petroleum Substances set out in Schedule "A" but only to the extent that rights relating thereto are granted under the Leases, and includes any lands pooled or unitized therewith;
- (p) "**Leases**" means all leases, licences, permits, trust agreements and similar documents of title set forth and described in Schedule "A", by virtue of which Vendor is entitled to drill for, win, take, own or remove the Petroleum Substances within, upon or under the Lands, or by virtue of which the holder thereof is deemed to be entitled to a share of Petroleum Substances removed from the Lands, and includes, if applicable, all renewals and extensions of such documents and all documents issued in substitution therefor but only insofar as the same relate to the Lands;
- (q) "**Liabilities**" means any and all liabilities and obligations, whether under common law, in equity, under Applicable Law or otherwise; whether tortious, contractual, vicarious, statutory or otherwise; whether absolute or contingent; and whether based on fault, strict liability or otherwise;
- (r) "**Losses**" means, in respect of a Person and in relation to a matter, any and all losses, damages, costs, expenses, charges (including all penalties, assessments and fines) which such Person suffers, sustains, pays or incurs in connection with such matter and includes reasonable costs of legal counsel (on a solicitor and client basis) and other professional advisors and consultants and reasonable costs of investigating and defending Claims arising from the matter, regardless of whether such Claims are sustained, but does not include consequential or indirect losses or loss of profits suffered by such Person;
- (s) "**Miscellaneous Interests**" means all property, assets, interests and rights pertaining to 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:

- (i) the Title and Operating Documents and all other contracts and agreements relating to the Petroleum and Natural Gas Rights, the Tangibles, the Wells and all rights in relation thereto;
  - (ii) all fee simple and leasehold rights to, and rights to enter upon, use or occupy, the surface of any lands which are or may be used to gain access to or use or operate the Petroleum and Natural Gas Rights, the Wells or the Tangibles;
  - (iii) all records, files, books, surveys, reports, studies, assessments, determinations, applications, correspondence, documents, drawings (whether in electronic format or otherwise, including all 'as-built' drawings), data, coreholes, core samples, Permits, which relate to the Petroleum and Natural Gas Rights, the Wells or the Tangibles; and
  - (iv) the interest of Vendor in and to the Wells, including the wellbores and any and all casing thereof;
- (t) **"Party"** means Vendor or Purchaser, and **"Parties"** means both of Vendor and Purchaser;
- (u) **"Permits"** means, all licences, permits, approvals and authorizations granted or issued by any Governmental Authorities that relate to the construction, ownership, use or operation of the Assets;
- (v) **"Permitted Encumbrances"** means:
- (i) all encumbrances, overriding royalties, net profits interests and other burdens identified in Schedule "A";
  - (ii) the terms and conditions of the Title and Operating Documents, provided that any encumbrances, overriding royalties, net profits interests, penalties and other burdens must be disclosed in Schedule "A" to qualify as a permitted encumbrance under this Section 1.1(v)(ii);
  - (iii) the right reserved to or vested in any grantor, Governmental Authority or other public authority by the terms of any Title and Operating Document or by Applicable Law to terminate any Title and Operating Document;
  - (iv) easements, right of way, servitudes or other similar rights in land, including, without in any way limiting the generality of the foregoing, 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) taxes on Petroleum Substances or the income or revenue therefrom, unless specifically excluded and governmental restrictions on production rates from the Wells or on operations being conducted on the Lands or otherwise affecting the value of any of the Assets;
  - (vi) agreements for the sale, processing, transmission or transportation of Petroleum Substances, which are terminable on not more than thirty-one (31) days' notice (without an early termination penalty or other cost);



- (vii) any obligation of Blaze or Vendor to hold any portion of its interest in and to any of the Assets in trust for Third Parties, provided that the interest held in trust is not all or any portion of the interest attributed to Vendor in Schedule "A";
  - (viii) the rights reserved to or vested in any Governmental Authority by the terms of any lease, license, franchise, grant, permit or authorization or by any Applicable Law, to terminate any such lease, license, franchise, grant, permit or authorization or to require annual or other periodic payments as a condition of the continuance thereof;
  - (ix) 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 Vendor's or Blaze's share of the costs and expenses thereof which are not due or delinquent as of the date hereof or, if then due or delinquent are being contested in good faith by Vendor;
  - (x) 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; and
  - (xi) 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;
- (w) **"Person"** means any individual or entity, including any partnership, body corporate, trust, unincorporated organization, union, government or Governmental Authority and any heir, executor, administrator or other legal representative of an individual;
- (x) **"Petroleum and Natural Gas Rights"** means in relation to the Lands, the entire right, title, estate and interest of Vendor in and to:
- (i) rights to explore for, drill for, extract, win, produce, take, save or market Petroleum Substances from the Lands;
  - (ii) rights to a share of the production of Petroleum Substances from the Lands;
  - (iii) rights to Petroleum Substances injected into but not produced from the Lands;
  - (iv) rights to a share of the proceeds of sale of, or rights to receive payment calculated by reference to, the quantity, value or proceeds of sale of the production of Petroleum Substances produced from the Lands; and
  - (v) rights to acquire any of the rights described in subparagraphs (i) to (iv) of this definition;

and includes interests and rights known as working interests, leasehold interests, royalty interests, overriding royalty interests, gross overriding royalty interests, production payments, profits interests, net profits interests, revenue interests, net revenue interests, economic interests and fee simple interests, including fractional or undivided interests in any of the foregoing;

- (y) **"Petroleum Substances"** means any of crude oil, oil sands, crude bitumen and products derived therefrom, synthetic crude oil, petroleum, natural gas, natural gas liquids, natural gas derived from or associated with coal deposits, sulphur, and any and all other

substances and minerals related to any of the foregoing, whether liquid, solid or gaseous and whether hydrocarbons or not;

- (z) **"Related Party"** means, in reference to a Party: (i) its Affiliates, successors and assigns; (ii) its directors, officers and employees; (iii) its Affiliates' directors, officers and employees; and (iv) its Representatives; provided that for purposes of this Agreement none of Purchaser, Purchaser's successors and assigns, Purchaser's directors, officers and employees, or Purchaser's Representatives shall be considered a Related Party of Vendor;
- (aa) **"Representatives"** means, in reference to a Party, its and its Affiliates' representatives, agents, legal counsel, consultants and advisors;
- (bb) **"Tangibles"** means all of Vendor's right, title and interest in and to any and all tangible depreciable property and assets located in, on or about the Lands or appurtenant thereto and which are used or were used or are capable of being used or are intended to be used in connection with production, gathering, processing, measuring, making marketable, injection, removal, transmission or treatment or storage of Petroleum Substances produced or producible from the Petroleum and Natural Gas Rights or operations thereon or relative thereto or appurtenant to or used in connection with the Wells or in connection with water or miscible fluids injection or removal operations that pertain to the Petroleum and Natural Gas Rights, including production equipment, fresh and produced water facilities, flowlines, pipeline connections, meters, dehydrators, motors, compressors, treaters, scrubbers, separators, pumps, tanks, boilers and communication equipment;
- (cc) **"Third Party"** means any Person other than Vendor, Purchaser and their Affiliates;
- (dd) **"Title and Operating Documents"** means, to the extent related to the Petroleum and Natural Gas Rights, the Wells or the Tangibles:
  - (i) the Leases;
  - (ii) agreements governing operations, or affecting Vendor's interests and obligations therein, including operating agreements, royalty agreements, farmout and farmin agreements, option agreements, participation agreements, pooling agreements and trust agreements;
  - (iii) agreements for the construction, ownership and operation of the Tangibles;
  - (iv) service agreements for the injection or subsurface disposal of substances, the use of well bores or the operation of any Wells or Tangibles by a Third Party;
  - (v) any approvals, authorizations or licences required under Applicable Law for the conduct of operations with respect to the Assets, including well, pipeline and facility licences; and
  - (vi) agreements respecting the unitization of any of the Petroleum and Natural Gas Rights; and
- (ee) **"Wells"** means the wells identified in Schedule "A" and all other wells which are or may be used in connection with the Petroleum and Natural Gas Rights, including producing, shut-in, suspended, abandoned, water source, injection or disposal wells.

1.2 Unless otherwise stated or the context otherwise necessarily requires, in this Agreement:

- (a) references herein to any agreement or instrument, including this Agreement, shall be a reference to the agreement or instrument as varied, amended, modified, supplemented or replaced from time to time;
- (b) references to a statute shall be a reference to (i) such enactment as amended or reenacted from time to time and every statute that may be substituted therefor; and (ii) the Applicable Laws, bylaws or other subsidiary legislation made pursuant to such statute;
- (c) words importing the singular number only shall include the plural and vice versa, and words importing the use of any gender shall include all genders;
- (d) a reference to time shall, unless otherwise specified, refer to Mountain Standard Time or Mountain Daylight Savings Time during the respective intervals in which each is in force in Calgary, Alberta;
- (e) "including", "includes" and like terms means "including without limitation" and "includes without limitation";
- (f) the headings of Articles and Sections in this Agreement are for convenience of reference only and shall not affect the construction or interpretation of this Agreement;
- (g) the terms "this Agreement", "hereof", "hereunder" and similar expressions refer to this Agreement in its entirety and include any agreement supplemental hereto;
- (h) unless something in the subject matter or context is inconsistent therewith, references herein to Articles and Sections are to Articles and Sections of this Agreement and references herein to Schedules are references to Schedules to this Agreement; and
- (i) if there is any conflict or inconsistency between a provision of the body of this Agreement and that of a Schedule or a conveyance document, the provision of the body of this Agreement shall prevail.

1.3 The following Schedule is incorporated herein by reference and made a part of this Agreement:

Schedule "A" – Petroleum and Natural Gas Rights and Wells.

## **ARTICLE 2 CONVEYANCE**

2.1 Vendor, exercising the powers of sale granted pursuant to the Appointment Order and in accordance with the Approval Order, does hereby sell, assign, transfer, convey and set over unto Purchaser its entire right, title, estate and interest in and to the Assets on the terms and conditions set forth in this Agreement effective as of the date hereof, and Purchaser hereby accepts directly from Vendor the Assets, to have and to hold the same together with all benefits and advantages to be derived therefrom, absolutely, subject only to the Permitted Encumbrances.

2.2 The aggregate consideration to be paid by Purchaser to Vendor for Vendor's interest in and to the Assets shall be **[\$♦]** (the "**Consideration**"), satisfied by Purchaser by way of set off against and reduction of debt owing by Blaze to Purchaser of an amount equal to the Consideration.

2.3 Purchaser acknowledges it shall be liable for and shall pay all transfer and sales taxes, duties, registration charges, or other like charges properly payable upon and in connection with the conveyance and transfer of the Assets by Vendor to Purchaser, including, without limitation, retail sales

taxes, land transfer taxes, GST, and provincial sales tax including, without limitation, any associated interest, charges, or penalties.

2.4 The Consideration for the Assets shall be allocated among the Assets in the following manner:

- (a) to the Petroleum and Natural Gas Rights, \$[◆];
- (b) to the Tangibles, \$[◆];
- (c) to the Miscellaneous Interests, \$1.00; and
- (d) to the Carbon Credits, \$[◆].

2.5 In the determination of the Consideration, the Parties are in agreement that the extent and value of the Environmental Liabilities is unknown and the Parties have not attributed a specific or agreed to value with regard to either (i) such liabilities, or (ii) the assumption of such liabilities by Purchaser as provided for in this Agreement, nor shall there be any adjustments made to the Consideration in respect of any such amounts.

2.6 The Parties shall cooperate in the preparation of any and all conveyances, assignments, transfers, novation and other documents reasonably required to give effect to the transactions contemplated by this Agreement and assign and transfer the interest of Vendor in and to the Assets to Purchaser (the "**Specific Conveyances**"). Purchaser shall use reasonable efforts to prepare and provide for Vendor's review all Specific Conveyances at Purchaser's own cost and expense. The Parties shall execute such Specific Conveyances as soon as reasonably practicable. None of the Specific Conveyances shall confer or impose upon either Party any greater right or obligation than as contemplated in this Agreement. Promptly after execution of such Specific Conveyances, 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 Purchaser.

2.7 As soon as practicable following the date hereof and in any event within five (5) business days of the date hereof, Vendor shall deliver to Purchaser such original copies of the Title and Operating 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 of Vendor.

2.8 Each of the Parties shall use all reasonable efforts to obtain any and all approvals required under Applicable Law and any and all material consents of Third Parties required to permit the consummation of the transactions contemplated by this Agreement.

### **ARTICLE 3 ADJUSTMENTS**

3.1 All costs, expenses and revenues relating to the Assets, if any, shall be apportioned and adjusted between Vendor and Purchaser as of the date hereof on an accrual basis in accordance with generally accepted accounting principles.

### **ARTICLE 4 REPRESENTATIONS**

4.1 Vendor and Receiver (as applicable) make only the following representations to Purchaser, no claim in respect of which shall be made or be enforceable by Purchaser unless written notice of such claim, with reasonable particulars, is given by Purchaser to Vendor within a period of six (6) months following the Closing Date:

- (a) Receiver has been appointed by the Court as receiver and manager of Blaze and such appointment is valid and subsisting;
- (b) Vendor has the right to enter into this Agreement and to complete the transactions contemplated in this Agreement; and
- (c) this Agreement and any other agreements delivered in connection herewith constitute valid and binding obligations of Vendor, enforceable against Vendor in accordance with their terms.

4.2 Other than as expressly set forth in Section 4.1 above, Vendor makes no representations or warranties of any kind or nature, express or implied, at law or in equity, to Purchaser in respect of the Assets, and in particular, and without limiting the generality of the foregoing, Vendor hereby expressly negates and disclaims, and shall not be liable for, any representations or warranties which may have been made or alleged to have been made in any other document or instrument or in any statement or information made or communicated by Vendor to Purchaser in any manner.

4.3 In acquiring the Assets, Purchaser acknowledges and confirms that except as expressly provided in this Agreement: (i) it will accept the Assets on an "as is-where is" basis without representation and warranty; and (ii) it has not relied on any data, information, statement or advice provided to Purchaser by Vendor or Blaze.

4.4 Purchaser makes only the following representations to Vendor, no claim in respect of which shall be made or be enforceable by Vendor unless written notice of such claim, with reasonable particulars, is given by Vendor to Purchaser within a period of six (6) months following the Closing Date:

- (a) Purchaser is a corporation, duly incorporated, validly existing and is authorized to carry on business in the province in which the Lands are located;
- (b) Purchaser has good right, full power and absolute authority to purchase and acquire the interest of Vendor in and to the Assets according to the true intent and meaning of this Agreement;
- (c) the execution, delivery and performance of this Agreement has been duly and validly authorized by any and all requisite partners' or equivalent actions and will not result in any violation of, be in conflict with, or constitute a default under, any governing document to which Purchaser is bound;
- (d) the execution, delivery and performance of this Agreement will not result in any violation of, be in conflict with, or constitute a default under, any term or provision of any agreement or document to which Purchaser is party or by which Purchaser is bound, nor under any judgement, decree, order, statute, regulation, rule or license applicable to Purchaser;
- (e) this Agreement and any other agreements delivered in connection herewith constitute valid and binding obligations of Purchaser enforceable against Purchaser in accordance with their terms;
- (f) except for any license transfer approvals with the Alberta Energy Regulator, no authorization or approval or other action by, and no notice to or filing with, any Governmental Authority or regulatory body exercising jurisdiction over the Assets is required for the due execution, delivery and performance by Purchaser of this Agreement, other than authorizations, approvals or exemptions from requirement therefor previously obtained and currently in force or to be obtained prior to or after Closing;

- (g) Purchaser is not a non-resident of Canada within the *Income Tax Act* (Canada); and
- (h) Purchaser is not a non-Canadian person for the purposes of the *Investment Canada Act* (Canada).

## **ARTICLE 5 INDEMNITIES**

5.1 Vendor shall be liable to Purchaser for and shall, in addition, indemnify Purchaser from and against, all Losses suffered, sustained, paid or incurred by Purchaser which would not have been suffered, sustained, paid or incurred had all of the representations and warranties contained in Section 4.1 been accurate and truthful; provided, that nothing in this Section 5.1 shall be construed so as to cause Vendor to be liable to or indemnify Purchaser in connection with any representation or warranty contained in Section 4.1 if and to the extent Purchaser did not rely upon such representation or warranty.

5.2 Purchaser shall be liable to Vendor for and shall, in addition, indemnify Vendor from and against, all Losses suffered, sustained, paid or incurred by Vendor which would not have been suffered, sustained, paid or incurred had all of the representations and warranties contained in Section 4.4 been accurate and truthful; provided, that nothing in this Section 5.2 shall be construed so as to cause Purchaser to be liable to or indemnify Vendor in connection with any representation or warranty contained in Section 4.4 if and to the extent that Vendor did not rely upon such representation or warranty.

5.3 Each Party acknowledges that the other may rely on the representations and warranties made by such party pursuant to Section 4.1 or 4.4, as the case may be. The representations and warranties in Sections 4.1 and 4.4 shall be true as of the date hereof, and such representations and warranties shall continue in full force and effect and shall survive for a period of six (6) months from the date hereof, for the benefit of the Party to which such representations and warranties were made. In the absence of fraud, however, no claim or action shall be commenced with respect to a breach of any such representation and warranty, unless, within such period, written notice specifying such breach in reasonable details has been provided to the Party which made such representation or warranty.

## **ARTICLE 6 ENVIRONMENTAL LIABILITIES**

6.1 Purchaser acknowledges and agrees that:

- (a) Purchaser acquired the Assets on an "as is" basis, that it is familiar with the condition of the Assets, including the past and present use of the Assets, and that Purchaser will not be entitled to rely upon any representation or warranty of Vendor as to the condition, environmental or otherwise, of the Assets;
- (b) Purchaser hereby:
  - (i) assumes; and
  - (ii) agrees to be liable for all Losses and Liabilities in respect of

any and all past, present and future Environmental Liabilities. This Section 6.1(b) shall apply indefinitely without limit and without regard to cause or causes, including the negligence, whether sole, concurrent, gross, passive, primary or secondary, or the wilful or wanton misconduct of Vendor or any Related Parties thereof. Purchaser hereby releases Vendor and its Related Parties from any Claims Purchaser may have against Vendor or its Related Parties in respect of any Environmental Liabilities, and Purchaser

acknowledges and agrees that it shall not be entitled to any rights or remedies under Applicable Law pertaining to such Environmental Liabilities relative to Vendor or its Related Parties including the right to name Vendor or its Related Parties as a third party to any action, including any action commenced by any Person against Purchaser. Nothing herein contained shall prejudice any Claims or remedies that Vendor may have against Purchaser in relation to such claim or remedy outside this Agreement including rights and remedies under Applicable Law.

## **ARTICLE 7 MISCELLANEOUS**

7.1 This Agreement shall, in all respects, be subject to and be interpreted, construed and enforced in accordance with the laws in effect in the Province of Alberta and the federal laws of Canada applicable therein. Each Party hereto accepts the exclusive jurisdiction of the courts of the Province of Alberta and all courts of appeal therefrom.

7.2 Time shall be of the essence of this Agreement.

7.3 At any time hereafter, and without further consideration, the Parties hereto shall execute, acknowledge and deliver such other instruments and shall take such other action as may be necessary to carry out their respective obligations under this Agreement and to give effect to the transfer of the Assets to Purchaser hereunder and the recognition by Third Parties of Purchaser as the owner of the Assets.

7.4 The address for notices of each of the Parties hereto shall be as follows:

Vendor - **FTI Consulting Canada Inc.**  
720, 440 – 2<sup>nd</sup> Avenue S.W.  
Calgary, AB T2P 5E9

Attention: Deryck Helkaa  
Fax: 403-232-6116  
Email: [deryck.helkaa@FTIConsulting.com](mailto:deryck.helkaa@FTIConsulting.com)

with a copy to: **Fasken Martineau LLP**  
350 – 7th Avenue SW, Suite 3400  
Calgary, AB T2P 3N9

Attention: Travis P. Lysak  
Fax: 403-261-5350  
Email: [tlysak@fasken.com](mailto:tlysak@fasken.com)

Purchaser - **Tidewater Midstream and Infrastructure Ltd.**  
1500, 250 – 2<sup>nd</sup> Street S.W.  
Calgary, AB T2P 0C1

Attention: Reed McDonnell, VP Acquisitions & JV  
Fax: 587-475-0211  
Email: [rmcdonnell@tidewatermidstream.com](mailto:rmcdonnell@tidewatermidstream.com)

Either of the Parties hereto may from time to time change its address for service herein by giving written notice to the other Party hereto. Any notice may be served by personal service upon an officer of a Party hereto or by mailing the same by prepaid post in a properly addressed envelope addressed to the Party hereto at its address for service hereunder. Any notice given by service upon an officer of a Party hereto shall be deemed to be given to and received by the addressee on the third day (except Saturdays,

Sundays, statutory holidays and days upon which postal service in Canada is interrupted) after the mailing thereof.

7.5 No supplement, modification, waiver or termination of this Agreement will be binding unless executed in writing by the Party to be bound thereby. No waiver of any provision of this Agreement will be deemed or will constitute a waiver of any other provision hereof (whether or not similar) nor will a waiver constitute a continuing waiver unless otherwise expressly provided.

7.6 This Agreement shall be binding upon and shall enure to the benefit of the Parties hereto and their respective successors, receivers, receiver-managers, trustees and permitted assigns.



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

**FTI CONSULTING CANADA INC.**, solely in its capacity as the receiver and manager of **BLAZE ENERGY LTD.**, and not in its personal or corporate capacity

**TIDEWATER MIDSTREAM AND INFRASTRUCTURE LTD.**

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

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

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

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

THE FOLLOWING COMPRISES SCHEDULE "A" ATTACHED TO AND FORMING PART OF A PETROLEUM AND NATURAL GAS RIGHT AND CARBON CREDITS CONVEYANCE AGREEMENT DATED APRIL 6, 2018 BETWEEN FTI CONSULTING CANADA INC., solely in its capacity as the receiver and manager of BLAZE ENERGY LTD., and not in its personal or corporate capacity, and TIDEWATER MIDSTREAM AND INFRASTRUCTURE LTD.

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**Petroleum and Natural Gas Rights and Wells**

*[Please see attached 15 pages.]*