

FORM 49  
[RULE 13.19]

CLERK'S STAMP

COURT FILE NUMBER 1601 - 03113  
COURT COURT OF QUEEN'S BENCH OF ALBERTA  
JUDICIAL CENTRE CALGARY

**IN THE MATTER OF THE COMPANIES'  
CREDITORS ARRANGEMENT ACT, R.S.C. 1985,  
c. C-36, as amended**

**AND IN THE MATTER OF THE COMPROMISE  
OR ARRANGEMENT OF QUICKSILVER  
RESOURCES CANADA INC., 0942065 B.C. LTD.  
and 0942069 B.C. LTD.**

DOCUMENT **AFFIDAVIT**

ADDRESS FOR SERVICE AND  
CONTACT INFORMATION OF  
PARTY FILING THIS  
DOCUMENT **BENNETT JONES LLP**  
Barristers and Solicitors  
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**AFFIDAVIT OF ADAM DUNAYER**

**Sworn on March 14, 2016**

I, ADAM DUNAYER, of the City of Dallas, in the State of Texas, U.S.A., **SWEAR  
AND SAY THAT:**

1. I am a Managing Director at Houlihan Lokey Capital, Inc. ("**Houlihan**"). Since February, 2014, Houlihan has been engaged in the process of reviewing the strategic and transaction alternatives available to Quicksilver Resources Canada Inc. ("**Quicksilver Canada**" or "**QRCI**"), 0942065 B.C. Ltd. ("**LNG Co**") and 0942069 B.C. Ltd. ("**LNG**

**SubCo**", and together with Quicksilver Canada and LNG Co, the "**Applicants**"), the other Canadian affiliates of the Applicants (collectively with the Applicants, the "**Quicksilver Canada Group**"), and to Quicksilver Resources Inc. (the parent of Quicksilver Canada, hereinafter ("**QRI**"), and QRI's various U.S. affiliates. As such, I have personal knowledge of the matters hereinafter deposed to, save where stated to be based on information and belief, in which case I verily believe the same to be true.

2. All references to dollar amounts contained herein are to Canadian Dollars unless otherwise stated.
3. This Affidavit is made in support of an application by the Applicants for an Order, among other things:
  - (a) approving the transaction (the "**Transaction**") contemplated by the March 1, 2016 Asset Purchase Agreement entered into between CPC Resources ULC (the "**Purchaser**") and Quicksilver Canada (the "**Horseshoe Canyon APA**", a copy of which is now shown to me and marked as **Exhibit "1"** to this Affidavit) (capitalized terms used but not defined in this Affidavit are intended to bear their meanings as defined in the Horseshoe Canyon APA);
  - (b) authorizing Quicksilver Canada to complete the Transaction;
  - (c) directing that upon the closing of the Transaction no Purchased Contract Counterparty may accelerate, terminate, rescind, refuse to perform or otherwise repudiate its obligations thereunder, or enforce or exercise any right (including any right to terminate, change or otherwise replace the operator of any Purchased Assets, or otherwise prevent the assignment of such operatorship from the operator to its designated assignee) or make any demand under or in respect of any such Purchased Contract, and no automatic termination or exercise of rights or remedies will have any validity or effect, by reason of: (i) any event that occurred on or prior to closing of the Transaction and is not continuing or has not been waived that would entitle such Purchased Contract Counterparty to enforce those rights and remedies (including, without limitation, the Debtor's being or

having admitted it is insolvent or its having commenced the within insolvency proceedings or having obtained any statutory or judicial relief in the within proceedings); or (ii) the Debtor's entering into and performing its obligations under the Sale Agreement and the closing of the Transaction, including the sale and assignment of the Purchased Contracts by the Debtor to the Purchaser and the change in ownership and control of the Purchased Assets (collectively, the "**Debtor's Insolvency Defaults**");

- (d) directing that each Purchased Contract Counterparty shall be deemed to have waived the Debtor's Insolvency Defaults and any defaults or breaches of covenants, representations, warranties, undertakings, obligations or other agreements arising directly or indirectly therefrom under the applicable Assigned Contracts;
- (e) ordering that upon delivery of the closing certificate by FTI Consulting Canada Inc. the Court-appointed Monitor of the Applicants (the "**Monitor**" and the "**Monitor's Certificate**") to the Purchaser, all of Quicksilver Canada's right, title and interest in and to the Oil and Gas Assets shall vest absolutely in the Purchaser, free and clear of all interests, liens, charges and encumbrances, other than permitted encumbrances, as set out in the Approval and Vesting Order.

(the "**Approval and Vesting Order**").

## **I. PROCEDURAL BACKGROUND**

- 4. As more fully described in the affidavit of J. David Rushford sworn on March 8, 2016 in support of the Applicants' application for their Initial Order under the CCAA (the "**Rushford Affidavit No. 1**"), QRCI is an independent oil and natural gas company engaged in the acquisition, exploration, development and production of onshore oil and natural gas in Alberta and British Columbia. LNG Co is a wholly-owned subsidiary of Quicksilver Canada, and LNG SubCo is a wholly-owned subsidiary of LNG Co. Quicksilver Canada, LNG Co and LNG SubCo are the only Applicants in these proceedings.

5. QRI, the U.S. parent of QRCI, is an independent oil and natural gas company engaged in the acquisition, exploration, development and production of onshore oil and natural gas in North America. QRI's producing oil and natural gas properties in the United States are principally located in Texas.
6. On March 17, 2015, QRI and all of its U.S. affiliates (collectively, the "**Chapter 11 Debtors**"<sup>1</sup>) filed voluntary reorganization cases under chapter 11 of title 11 of the *United States Code*, 11 U.S.C. §§ 101-1532 in the United States Bankruptcy Court for the District of Delaware (the "**U.S. Court**"). The Quicksilver Canada Group, including the Applicants, were not included in the Chapter 11 filing.
7. On March 8, 2016, the Applicants commenced an application under the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "**CCAA**"), and were granted an Initial Order (the "**Initial Order**") which provided for, *inter alia*, a stay of proceedings in favour of the Applicants (the "**CCAA Proceedings**").

## II. HOULIHAN'S EXPERIENCE

8. Houlihan is a leading global investment bank which advises large public and closely held companies, as well as institutions and governments. Founded in 1972, Houlihan is headquartered in Los Angeles, California, and has offices across North America, Europe and Asia-Pacific.
9. Houlihan has extensive knowledge of the financial marketplace, significant experience in mergers, acquisitions and other corporate finance transactions, and a lengthy record of successful transactions. Specifically, Houlihan's Oil & Gas Exploration & Production Group (the "**E&P Group**") is a recognized leader in providing financial restructuring and corporate finance services to oil and gas companies. The E&P Group has global reach, with teams in New York, London, and Dallas, and regularly works on cross-border deals. The E&P Group has advised on numerous engagements, including ATP Oil & Gas Corporation, BPZ Resources, Inc., Endeavour International Corporation, PA Resources

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<sup>1</sup> The Chapter 11 Debtors are: Quicksilver Resources Inc. (QRI), Barnett Shale Operating LLC, Cowtown Drilling, Inc., Cowtown Gas Processing L.P., Cowtown Pipeline Funding, Inc., Cowtown Pipeline L.P., Cowtown Pipeline Management, Inc., Makarios Resources International Holdings LLC, Makarios Resources International Inc., QPP Holdings LLC, QPP Parent LLC, Quicksilver Production Partners GP LLC, Quicksilver Production Partners LP, and Silver Stream Pipeline Company LLC.

AB, Sabine Oil & Gas Corporation, and SandRidge Energy, Inc., as well as Canadian engagements Southern Pacific Resource Corp. and Trident Resources Corp.

10. I have more than 20 years of experience in connection with in- and out-of-court financial restructurings, mergers, acquisitions, and dispositions, and specialize in advising public and private companies and creditor groups in complex financial restructurings. I also have extensive experience raising debt and equity capital in public and private markets. My oil and gas restructuring experience includes Varel International (creditors); an undisclosed, confidential engagement for a leading onshore fluid management and rig services business (company); an undisclosed, confidential engagement for a leading oil tools business (company); an undisclosed, confidential engagement for a drilling fluids company (company); Platinum Energy Services (company); and Signal International (secured creditors). I speak frequently on trends and issues in restructuring, distressed M&A and other topics, and have testified as an expert witness on a variety of bankruptcy and restructuring issues.

### **III. THE QRCI SALE PROCESS**

11. On or around September 17, 2015 QRI and Quicksilver Canada, with the assistance of Houlihan, commenced two formal sale processes to sell their respective shares or assets. The U.S. sale process was run as part of the Chapter 11 Debtors' bankruptcy proceedings. The Canadian sale process (the "**QRCI Sale Process**") ran parallel to, but separate from, the U.S. sale process and solicited bids exclusively for any or all of the Quicksilver Canada Group's assets.
12. The marketing efforts during the QRCI Sale Process progressed through the following stages:
  - (a) Pre-Market Preparation;
  - (b) Marketing Round 1;
  - (c) Marketing Round 2; and
  - (d) Final Negotiation, Documentation and Closing.

13. The original deadlines for the QRCI Sale Process were as follows:
  - (a) November 4, 2015 – Indications of Interest Due;
  - (b) December 2, 2015 – Final Bids Due; AND
  - (c) January 21, 2016 – Completion of Documentation / Closing.
  
14. The deadlines for the QRCI Sale Process were subsequently amended, and all interested parties were given notice of the amendments. The reason for the amendments was that bidders in the U.S. sale process required more time and so QRCI agreed to extend the deadlines in the QRCI Sale Process so the deadlines in both processes were concurrent. The amended deadlines were:
  - (a) December 8, 2015 – Indications of Interest Due;
  - (b) January 11, 2016 – Final Bids Due; and
  - (c) As soon as possible after receipt of Final Bids – Completion of Documentation / Closing.
  
- A. Pre-Market Preparation**
  
15. Beginning in August, 2015 Houlihan prepared marketing materials, including a Confidential Information Memorandum specifically relating to a potential transaction involving the assets of the Quicksilver Canada Group, which was provided to interested parties that executed non-disclosure agreements with Quicksilver Canada. Quicksilver Canada, with the assistance of Houlihan, also prepared a teaser to provide prospective strategic and financial purchasers with an overview of the assets, and to assist them in determining whether to execute a non-disclosure agreement and receive the confidential information memorandum. A virtual data room was populated with information that would be pertinent to a potential purchaser including: financial, operational, legal and other relevant information (the "**Virtual Data Room**").

**B. Marketing Round 1**

16. Once marketing materials were distributed to potential strategic and financial purchasers, Houlihan and Quicksilver Canada facilitated initial investor due diligence. Potential purchasers were granted access to the Virtual Data Room which contained, among other things, detailed information regarding the Quicksilver Canada Group. Houlihan, in consultation with and on behalf of Quicksilver Canada, conducted numerous formal and *ad hoc* investor calls during the QRCI Sale Process in order to assist potential strategic and financial parties with preliminary due diligence and to submit an indication of interest. Interested parties were requested to submit a non-binding indication of interest (“IOI”) for any or all of the Quicksilver Canada Group’s assets.
17. During the QRCI Sale Process, a total of 354 parties were contacted, of which 244 were potential strategic purchasers and 110 were potential financial purchasers. Of those 354 parties contacted, 43 (25 strategic and 18 financial purchasers) executed a non-disclosure agreement, and 11 (6 strategic and 5 financial purchasers) submitted an IOI.
18. Among the IOIs submitted, six (6) were in respect of Quicksilver Canada's Alberta assets (comprised of the oil and gas assets in the Horseshoe Canyon area and the undeveloped shale gas assets in Northwestern Alberta, hereinafter collectively the "**Oil and Gas Assets**", which is the defined term used to describe those assets in the Horseshoe Canyon APA) and one (1) for all of the assets of the Quicksilver Canada Group. The IOIs were reviewed by Quicksilver Canada and, in consultation with Houlihan, Quicksilver Canada selected bidders to participate in the second round of due diligence.

**C. Marketing Round 2**

19. During the second round of due diligence, selected bidders were granted access to the further detailed information in the Virtual Data Room and allowed to participate in meetings with the management of Quicksilver Canada. Houlihan, the management of Quicksilver Canada, and its legal counsel, engaged in conversations and meetings with interested bidders and/or interested bidder's counsel to facilitate additional diligence and to solicit final, binding bids. Houlihan also provided regular updates on the activities

being undertaken pursuant to the QRCI Sale Process to Quicksilver Canada's board of directors and to the management team. All of the potential purchasers were provided with a copy of the proposed version of an Asset Purchase Agreement, developed by the Applicants, in consultation with Houlihan and the Applicants' legal counsel.

**D. Final Negotiation, Documentation and Closing**

20. Final bids were received in mid-January, 2016. In total, 4 parties (the "**Potential Purchasers**") submitted final bids (the "**Formal Bids**") for the Oil and Gas Assets. Each of the Formal Bids included mark-ups to the proposed Asset Purchase Agreement and were reviewed and evaluated by Quicksilver Canada in consultation with Houlihan and their legal counsel.
21. Houlihan, in consultation with and on behalf of Quicksilver Canada, along with Quicksilver Canada's legal counsel, proceeded to negotiate each Formal Bid with each of the potential purchasers, in an attempt to reach an agreement to sell the Oil and Gas Assets.
22. Given the anticipation of the Applicants that certain bidders may require the commencement of CCAA Proceedings to consummate any transaction (as was the case with the Purchaser), FTI Consulting Canada Inc. was on standby to play the role of Monitor. FTI was kept apprised of all developments in the QRCI Sale Process, on a real-time basis, and was specifically asked to comment and provide its advice on the conduct of the QRCI Sale Process.

**IV. THE CPC RESOURCES ULC BID**

23. The Purchaser made a Formal Bid for the Oil and Gas Assets in the QRCI Sale Process (the "**CPC Resources Bid**"). The CPC Resources Bid was the highest and best overall bid received, both in terms of purchase price and with respect to certainty of the purchaser's ability to close the transaction, and other material terms of the transaction.
24. Following extensive negotiations, the Horseshoe Canyon APA between Quicksilver Resources Canada Inc. and CPC Resources ULC was finalized and executed on March 1,



2016. The Horseshoe Canyon APA is subject to the approval of this Honourable Court. Under the Horseshoe Canyon APA, the parties agreed that within two (2) business days after the Purchaser paid the required deposit under the Horseshoe Canyon APA, Quicksilver Canada would file an application to commence proceedings under the CCAA to allow Quicksilver Canada to operate under CCAA protection by no later than March 10, 2016. The Purchaser paid the deposit on March 7, 2016 and the Initial Order under the CCAA was granted on March 8, 2016. The parties further agreed that, as soon as practicable, and in any event within five (5) business days of obtaining the Initial Order, Quicksilver Canada would file an application seeking approval of the Transaction.

## V. THE HORSESHOE CANYON APA

25. The Horseshoe Canyon APA provides that Quicksilver shall sell all of the Oil and Gas Assets to the Purchaser. The following are certain of the key terms of the Horseshoe Canyon APA:

- (a) *Purchase Price & Deposit* – The purchase price has been redacted from Exhibit "1" hereto and the Purchase Price is set out in the Confidential Supplement to the First Report of the Monitor;
- (b) *Closing* – the date of closing ("Closing") for the sale of the assets is to take place, on the latest of: (a) April 29, 2016; (b) the fifth business day following the date on which the Approval and Vesting Order is granted; or (c) the fifth business day following the date on which all preferential purchase rights have been exercised or waived by the holders of such rights, or the periods to exercise such rights have expired;
- (c) *Assumed Liabilities* – on Closing, the Purchaser and Quicksilver Canada will enter into an Assumption Agreement pursuant to which the Purchaser shall assume and agree to discharge certain liabilities of Quicksilver Canada when due. Such liabilities include all liabilities for debts or other liquidated amounts under assigned contracts, all other liabilities (excluding environmental liabilities) in respect of the Oil and Gas Assets (including surface rights) or the operation, use

or ownership thereto, all environmental liabilities, all asset taxes that are the responsibility of the Purchaser (as set out in the Horseshoe Canyon APA), all transfer taxes and all liabilities relating to transferring employees who commence employment with Purchaser after Closing;

- (d) *Excluded Liabilities* – certain liabilities will not be assumed by the Purchaser, such as all indebtedness for borrowed money of Quicksilver Canada, all guarantees of third party obligations by Quicksilver Canada and reimbursement obligations to guarantors of Quicksilver Canada's obligations or under letters of credit, all accrued expenses and accounts payable, asset taxes that are the responsibility of Quicksilver Canada, all liabilities of Quicksilver Canada to any owner or former owner of capital stock or warrants, or holder of indebtedness for borrowed money, drafts or checks outstanding at Closing, and any and all claims to the extent related to the Excluded Assets (as defined in the Horseshoe Canyon APA);
- (e) *Employees* – prior to Closing, the Purchaser will review its employee requirements and conduct interviews of Quicksilver Canada employees with a view to offer employment to a significant number of employees. Prior to April 29, 2016, the Purchaser will make offers of employment to Quicksilver Canada employees and will provide Quicksilver Canada with a complete list of employees who accepted and rejected offers of employment. Quicksilver Canada will terminate the employment of each employee accepting an offer of employment from the Purchaser, and if within a six month period following Closing, an employee who did not accept an offer of employment from the Purchaser is subsequently hired by the Purchaser, the Purchaser will reimburse Quicksilver Canada for all severance, if any, paid to that employee. I am advised by the Purchaser and QRCI and believe that the number of QRCI employees to whom the Purchaser will offer employment will be directly related to whether the Purchaser is authorized to maintain operatorship of the Oil and Gas Assets currently operated by Quicksilver Canada. If operatorship is maintained, more QRCI employees will be offered employment with the Purchaser;

- (f) *Conditions to Closing* – material conditions to Closing include, among other things, that the Approval and Vesting Order:
- (i) must be granted no later than twenty-one (21) calendar days after the date of the Initial Order; or
  - (ii) (if Quicksilver Canada is taking all reasonable steps to satisfy that condition but is unable to do so) twenty (20) business days after the date of the Initial Order;

and shall be in full force and effect and shall not have been stayed or overturned;

- (g) *Preferential Purchase Rights* -- Quicksilver Canada will deliver notices to holders of preferential purchase rights to which no exemptions apply, and if such rights are exercised, the assets being conveyed and the purchase price will be adjusted; and

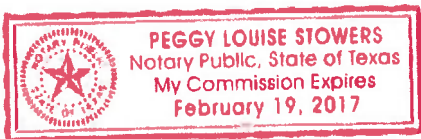
- (h) *Other Material Conditions* – both Quicksilver Canada and the Purchaser provide a number of representations and warranties that are typically found in an asset purchase agreement in similar circumstances, including an acknowledgement by the Purchaser that it is acquiring the Oil and Gas Assets on an "as is where is " basis. Quicksilver Canada has also agreed to a number of conditions relating to the operation of the Oil and Gas Assets prior to Closing, including using commercially reasonable efforts to maintain and operate the Oil and Gas Assets, paying all costs and expenses relating to the Oil and Gas Assets when they become due, using commercially reasonable efforts to retain employees who are necessary to conduct business, and promptly providing the Purchaser with notice of any authorization for expenditure approved by Quicksilver Canada in respect of any operations with respect to the Oil and Gas Assets having an anticipated cost to Quicksilver Canada in excess of \$25,000, among others. The Effective Date of the transfer under the Horseshoe Canyon APA is October 1, 2015 and the parties will adjust for all revenues and expenditures as at that date.

**VI. APPLICATION FOR APPROVAL OF THE SALE TRANSACTION**

- 26. I believe that Quicksilver Canada, with the assistance of Houlihan, has conducted a thorough and comprehensive canvassing of the market, and I am satisfied that all alternatives and expressions of interest were properly and thoroughly pursued.
- 27. After completion of the comprehensive marketing efforts during the QRCI Sale Process, Quicksilver Canada has reached a definitive transaction with the Purchaser and has entered into the Horseshoe Canyon APA which is subject to Court approval. I believe that the Transaction contemplated by the Horseshoe Canyon APA represents the best and highest overall offer that could be obtained for the Oil and Gas Assets and is substantially higher than any viable final offer for those assets made during the course of the QRCI Sale Process.
- 28. The Transaction has the added advantage of making available employment offers by the Purchaser for a potentially large percentage of the Quicksilver Canada Group's employees.
- 29. I am informed by Quicksilver Canada that its Board of Directors has authorized the corporation's entry into the Horseshoe Canyon APA.
- 30. I swear this my Affidavit in support of the Applicants' application to approve the Transaction and for no other or improper purpose.

SWORN BEFORE ME )  
 at Dallas, Texas U.S.A., this 14th )  
 day of March, 2016. )  
 \_\_\_\_\_ )  
*Peggy Stowers* )  
 A NOTARY PUBLIC IN AND FOR )  
 THE STATE OF TEXAS )  
 )

\_\_\_\_\_ )  
*Adam Dunayer* )  
 ADAM DUNAYER )



THIS IS EXHIBIT " 1 "  
referred to in the Affidavit of

Adam Dunayer

Sworn before me this 14th

day of March 2016

Peggy Stowers



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**ASSET PURCHASE AGREEMENT**  
**DATED AS OF MARCH 1, 2016**  
**BETWEEN**  
**QUICKSILVER RESOURCES CANADA INC.,**  
**AS SELLER,**  
**AND**  
**CPC RESOURCES ULC,**  
**AS BUYER**

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## ASSET PURCHASE AGREEMENT

**THIS ASSET PURCHASE AGREEMENT** (this "**Agreement**") is made as of March 1, 2016 between Quicksilver Resources Canada Inc. ("**QRCI**"), an Alberta corporation, for itself and any of its Affiliates who have an interest in the Oil and Gas Assets ("**Seller**"), and CPC Resources ULC, an Alberta unlimited liability corporation ("**Buyer**"). Capitalized terms used but not otherwise defined herein have the meanings set forth in Article I. Seller and Buyer are sometimes referred to collectively herein as the "**Parties**" and individually as a "**Party**".

### RECITALS

**WHEREAS**, Seller is engaged in the business of onshore oil and natural gas exploration, development and production in the provinces of Alberta and British Columbia, and owns certain oil and gas leases and associated assets related thereto;

**WHEREAS**, Seller has, with the assistance of its Third Party advisors, run a comprehensive sale process over the past five (5) months in both Canada and the United States of America, and wishes to proceed with the Transaction;

**WHEREAS**, promptly after the date of execution hereof, Seller will file an application with the Court to commence proceedings under the CCAA, subject to and in accordance with the terms and conditions of this Agreement;

**WHEREAS**, Seller desires to sell to Buyer the Oil and Gas Assets, and Buyer desires to purchase from Seller the Oil and Gas Assets and assume the Assumed Liabilities, upon the terms and conditions hereinafter set forth; and

**WHEREAS**, Seller's ability to consummate the Transaction is subject to, among other things, the entry of the Approval and Vesting Order by the Court.

**NOW, THEREFORE**, in consideration of the premises, the mutual promises herein made, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

### **ARTICLE I** **DEFINITIONS**

#### **1.1 Definitions**

For purposes of this Agreement, the following terms have the meanings specified or referenced below.

- (a) "Abandonment and Reclamation Liabilities" means all past, present and future obligations to:
  - (i) abandon wells and close, decommission, dismantle and remove structures, foundations, buildings, pipelines, equipment and other facilities located on the Lands or lands pooled or unitized therewith

or used or previously used in respect of Petroleum Substances that are or were: (A) produced from the Lands or lands pooled or unitized therewith; or (B) stored within, upon or under the Lands or lands pooled or unitized therewith; but excluding in each case previously reclamation certified wellbores; and

- (ii) restore, remediate and reclaim the surface locations of the said wells and facilities and lands used to gain access thereto, including all such obligations relating to flare pits, wells, pipelines and facilities that were abandoned or decommissioned prior to the Closing Date that were located on the Lands, lands pooled or unitized therewith and used in respect of Petroleum Substances that are or were: (A) produced from the Lands or lands pooled or unitized therewith; or (B) stored within, upon or under the Lands or lands pooled or unitized therewith;
- (b) "Accounting Referee" has the meaning set forth in Section 8.11(e).
- (c) "Action" means any legal action, suit or arbitration, or any inquiry, proceeding or investigation, by or before any Governmental Authority.
- (d) "Affected Asset" has the meaning set forth in Section 13.2.
- (e) "Affiliate" means with respect to a Person, any other Person directly or indirectly controlling, controlled by or under direct or indirect common control of such Person where, for the purposes of this definition only, "control", "controlling" or "controlled" means the possession, direct or indirect, of the power to direct the management and policies of such other Person, whether through the ownership of voting securities or by contract, partnership agreement, trust arrangement or other means.
- (f) "Affected Employee" means the Seller Employees named in the Employee List.
- (g) "Agreement" has the meaning set forth in the introductory paragraph.
- (h) "Aggregate Environmental Defect Deductible" means five percent (5%) of the cash portion of the Base Purchase Price.
- (i) "Aggregate Title Defect Deductible" means five percent (5%) of the cash portion of the Base Purchase Price.
- (j) "Approval and Vesting Order" means an order of the Court approving the sale by Seller to Buyer of the Oil and Gas Assets in accordance with the provisions of this Agreement, and vesting all of Seller's right, title and interest in and to the Oil and Gas Assets in Buyer, substantially in the form attached hereto as Schedule H, together with such modifications and amendments to such form as the Court deems necessary or appropriate.

- (k) "Asset Taxes" has the meaning set forth in Section 8.1(b).
- (l) "Assigned Contracts" means all Contracts including sales and purchase contracts, operating agreements, exploration agreements, development agreements, seismic licenses, balancing agreements, farmout agreements, service agreements, transportation, surface use agreements and other surface or subsurface rights agreements, processing, treatment and gathering agreements, equipment leases and other contracts, agreements and instruments, insofar as they relate to the Oil and Gas Assets (other than any of the foregoing to the extent are exclusively related to the Excluded Assets), including the Marketing and Midstream Agreements and the Title Documents other than the Leases.
- (m) "Assumed Liabilities" has the meaning set forth in Section 2.2.
- (n) "Assumption Agreement" has the meaning set forth in Section 2.2.
- (o) "Base Purchase Price" has the meaning set forth in Section 3.1.
- (p) "Business Day" means a day, other than a Saturday or Sunday, on which Canadian chartered banks are open for the transaction of domestic business in Calgary, Alberta.
- (q) "Buyer" has the meaning set forth in the introductory paragraph.
- (r) "Buyer Parties" means Buyer, its respective Affiliates and the former, current or future equity holders and Representatives of each of the foregoing.
- (s) "Buyer Termination Notice" has the meaning set forth in Section 12.1(b)(ii).
- (t) "Casualty Loss" means any loss, damage, or destruction of the Oil and Gas Assets that occurs during the period between the date of execution of this Agreement and the Closing for any reason, including any act of God, fire, explosion, collision, earthquake, windstorm, flood, terrorism, or other casualty or condemnation taking under the right of eminent domain, but excluding any loss, damage, or destruction as a result of depreciation, ordinary wear and tear, and any change in condition of the Oil and Gas Assets for production of Petroleum Substances through normal depletion (which exclusion shall include the watering-out of any Well, collapsed casing, sand infiltration of any Well, or other reservoir changes relating to production issues).
- (u) "Casualty Loss Amount" has the meaning set forth in Section 8.7(b).
- (v) "CCAA" means the Companies' Creditors Arrangement Act R.S.C. 1985, c. C-36, as amended.

- (w) "CCAA Proceedings" means the proceedings to be commenced by Seller under the CCAA in the Court in accordance with Section 7.4(a).
- (x) "Closing" has the meaning set forth in Section 4.1.
- (y) "Closing Date" means the date and time as of which the Closing occurs as set forth in Section 4.1.
- (z) "Competition Act" means the Competition Act R.S.C. 1985, c. C-34.
- (aa) "Confidentiality Agreement" has the meaning set forth in Section 14.2.
- (bb) "Contract" means any agreement, contract, obligation, promise or undertaking, other than a Lease, that is in writing and legally binding.
- (cc) "Court" means the Court of Queen's Bench of Alberta.
- (dd) "Cure" means correction of a condition constituting a Title Defect or Environmental Defect, as applicable, in a manner such that a reasonable and prudent operator in the oil and gas industry would no longer consider the condition, as corrected, to be a Title Defect or Environmental Defect, as applicable.
- (ee) "Defect Deadline" has the meaning set forth in Section 13.1.
- (ff) "Deposit" has the meaning set forth in Section 3.2.
- (gg) "Disclosure Schedule" means Schedule B.
- (hh) "Disputed Value" has the meaning set forth in Section 9.2.
- (ii) "Disputed Value Assets" has the meaning set forth in Section 9.2.
- (jj) "Disputed Value Assets Conveyance Documentation" has the meaning set forth in Section 9.2.
- (kk) "Disputed Value Assets Escrow Agreement" means, if required pursuant to and in accordance with Section 9.2, an escrow agreement between Buyer, Seller and the Escrow Agent to be prepared, executed and delivered by each of such parties acting reasonably and in good faith, to provide for the holding in trust and releasing of Disputed Value amounts and Disputed Value Assets Conveyance Documentation in accordance with Section 9.2 and 9.4.
- (ll) "Disputed Value Notice" has the meaning set forth in Section 9.2.
- (mm) "Disputing Party" has the meaning set forth in Section 9.2.
- (nn) "Effective Date" means October 1, 2015.

- (oo) "Effective Time" means 12:00 a.m., Mountain Standard Time, on the Effective Date.
- (pp) "Employee List" means the list of Seller Employees to be provided by Seller to Buyer within five (5) Business Days after the execution and delivery of this Agreement.
- (qq) "Encumbrance" means any charge, lien, claim, mortgage, lease, sublease, hypothecation, deed of trust, pledge, security interest, option, right of use or possession, right of first offer or first refusal, easement, servitude, restrictive covenant, encroachment, encumbrance, Third Party interest or other restriction or limitation of any kind.
- (rr) "Enjoined Disputed Value Assets" has the meaning set forth in Section 9.2.
- (ss) "Environmental Defect" means any environmental Liability, condition or obligation relating to the Oil and Gas Assets (other than with respect to NORM, and excluding any matter set forth in the Disclosure Schedule) that either:
  - (i) requires immediate restoration, remediation, reclamation or resolution under applicable Environmental Laws; or
  - (ii) if known by a Governmental Authority, would reasonably be expected to cause the Governmental Authority to assert that the Lease or Lands related thereto requires immediate restoration, remediation, reclamation or resolution under applicable Environmental Laws.
- (tt) "Environmental Defect Amount" means with respect to an Environmental Defect, Seller's Working Interest, or (in the case of a Tangible or Well) ownership interest, share of the Lowest Cost Response.
- (uu) "Environmental Defect Notice" has the meaning set forth in Section 13.5.
- (vv) "Environmental Laws" means all common law and Legal Requirements relating to the protection of the environment and related employee and public health and safety, and without restricting the generality of the foregoing, includes those Legal Requirements relating to the discovery, development, production, gathering, use, storage, transmission, transportation, treatment and disposal of Petroleum Substances, the emission, discharge, Release or threatened release of substances into or onto the air, water or land and the clean-up and remediation of contaminated sites, in each case insofar as the protection of the environment and related employee and public health and safety is concerned.

- (ww) "Environmental Liabilities" means the following liabilities and obligations of Seller, if and to the extent they relate to the Lands or lands pooled or unitized therewith or have arisen or hereafter arise from or are in respect of past, present or future operations of the Oil and Gas Assets:
- (i) Liabilities resulting from the past, present or future use, storage, holding, handling, transportation, Release, spill, emission, leaching, off-site disposal, escape or migration of any substance or waste including any substance or waste regulated under Environmental Law;
  - (ii) Liabilities resulting in respect of past, present or future pollution or contamination of, or damage or injury to, the environment;
  - (iii) obligations to test, monitor, remediate, protect or clean-up the Environment;
  - (iv) Liabilities under Environmental Laws; and
  - (v) Abandonment and Reclamation Liabilities;
  - (vi) including obligations to compensate Third Parties for losses, damage and injury in respect of any of the items set forth in (i) through (v);
- (xx) "Escrow Agent" means Bennett Jones LLP.
- (yy) "Escrow Agreement" means the escrow agreement among Seller, Buyer and the Escrow Agent relating to the Deposit referenced in Section 3.2.
- (zz) "ETA" means Part IX of the Excise Tax Act (Canada).
- (aaa) "Excluded Assets" means those assets set forth in Schedule C.
- (bbb) "Excluded Contracts" means those Contracts, if any, described as such in Schedule C.
- (ccc) "Excluded Liabilities" has the meaning set forth in Section 2.3.
- (ddd) "Expert Determination" means the expert determination process set forth in Schedule E.
- (eee) "Facilities" means the facilities identified in Schedule A.
- (fff) "Final Statement of Adjustments" has the meaning set forth in Section 8.11(a).
- (ggg) "General Conveyance" means the general conveyance agreement in the form attached hereto as Schedule F.



- (hhh) "Governmental Authority" means any federal, provincial, municipal, county or regional government or government authority or other law, regulation or rule making entity, including any court, department, commission, bureau, board, tribunal, administrative agency or regulatory body of any of the foregoing, that exercises jurisdiction over the Oil and Gas Assets or the Parties.
- (iii) "GST" means the goods and services tax imposed under the ETA.
- (jjj) "Governmental Authorization" means any approval, consent, license, permit, waiver or other authorization issued, granted or otherwise made available by or under the authority of any Governmental Authority.
- (kkk) "Hazardous Substance" means any "pollutant," "contaminant," "hazardous waste," "hazardous material," or "hazardous substance" that is or becomes identified, listed, published, or defined under any of the Environmental Laws.
- (lll) "Individual Environmental Defect Threshold" means fifty thousand Canadian dollars (CAD\$50,000) per occurrence.
- (mmm) "Individual Title Defect Threshold" means fifty thousand Canadian dollars (CAD\$50,000) per occurrence.
- (nnn) "Initial CCAA Order" has the meaning set forth in Section 7.4(a).
- (ooo) "Interim Period" means the period commencing at the Effective Time and ending on and including the Closing Date.
- (ppp) "Interim Statement of Adjustments" has the meaning set forth in Section 8.10.
- (qqq) "Knowledge" means (i) with respect to Seller, the actual knowledge (without any duty of inquiry) of any of the following individuals: David Rushford; David Haugen; Bob McGregor; Tony Kuehne; and LeVonne Louie; and (ii) with respect to Buyer, the actual knowledge (without any duty of inquiry) of any of the following individuals: Josh Wilson; Kevin Watson; Paul Gagnon; and Shila Stromsmoe.
- (rrr) "Lands" means the lands described in Schedule A (subject to the restrictions and exceptions as to geological formations and Petroleum Substances as set forth in Schedule A) and any lands pooled or unitized therewith.
- (sss) "Leased Substances" means Seller's Interest in all Petroleum Substances or rights to Petroleum Substances that are granted, reserved or otherwise conferred by or under the Title Documents.

- (ttt) "Leases" means the leases and licences of Petroleum Substances (or any of them) that are described in Schedule A, insofar as they relate to the Lands.
- (uuu) "Legal Requirement" means all laws, orders, statutes, rules, by-laws, decrees, regulations, directives, judgments, declarations and similar pronouncements made by the Crown or other Governmental Authority.
- (vvv) "Liability" mean any debt, loss, claim, damage, demand, fine, judgment, penalty, liability or obligation (whether known or unknown, asserted or unasserted, absolute or contingent, accrued or unaccrued, liquidated or unliquidated, or due or to become due), and "Liabilities" shall be construed accordingly.
- (www) "Licences" means all governmental (whether federal, provincial or local) permits, licences, authorizations, franchises, grants, easements, variances, exceptions, consents, certificates, approvals and related instruments or rights of any Governmental Authority or other Third Party, and any writ, judgment, decree, award, order, injunction or similar order, writ, ruling, directive or other requirement of any Governmental Authority (in each such case whether preliminary or final) required of Seller pertaining to or used in connection with, the Petroleum and Natural Gas Rights or the Tangibles, excluding the Excluded Assets.
- (xxx) "Licence Transfers" means, other than the Specific Conveyances, any transfers or assignments of Licences (including any and all well, pipeline, and facility licences).
- (yyy) "Lowest Cost Response" means the response required or allowed under Environmental Laws or that a reasonable and prudent operator would undertake that addresses the Environmental Defect at the lowest cost (considered as a whole, taking into consideration any material negative impact such response may have on the operations of the relevant Lease, Tangible or Well and any potential material additional costs or liabilities that would likely arise as a result of the response) as compared to any other response that is required or allowed under any Environmental Laws in effect on the date hereof or that a reasonable and prudent operator might undertake, as applicable, which:
- (i) shall include taking no action, leaving the condition unaddressed, periodic monitoring or the recording of notices in lieu of remediation, if such responses are allowed under Environmental Laws; and
  - (ii) shall not include:
    - (A) expenses for matters that are costs of doing business, e.g., those costs that would ordinarily be incurred in the day-to-

day operations of the Oil and Gas Assets, or in connection with permit renewal/amendment activities;

- (B) overhead costs and employee salaries and similar costs of Buyer and its Affiliates;
- (C) costs and expenses that would not have been required under Environmental Laws as they exist at the date hereof;
- (D) costs or expenses incurred in connection with remedial or corrective action that is designed to achieve standards that are more stringent than those required for similar properties or that fails to reasonably take advantage of applicable risk reduction or risk assessment principles allowed under applicable Environmental Laws; or
- (E) any costs or expenses relating to the assessment, remediation, removal, abatement, transportation and disposal of any NORM.

(zzz) "Marketing and Midstream Agreements" means agreements described in Schedule A in respect of:

- (i) the purchase or sale of gas, oil or other Petroleum Substances;
- (ii) gas balancing, hedging or other derivatives;
- (iii) the dedication, transportation, processing, compression, treatment, gathering, disposal or storage of Petroleum Substances; and
- (iv) other like agreements.

(aaaa) "Material Adverse Effect" means any change, event or occurrence that individually or in the aggregate (taking into account all other such changes, events or occurrences) has had, or would be reasonably likely to have, a material adverse change in or material adverse effect on the value of the Oil and Gas Assets or Seller's business, in each case taken as a whole, but excluding:

- (i) any change or effect to the extent that it results from or arises out of the CCAA Proceedings, unless resulting from a failure by Seller to comply with any of its obligations under this Agreement;
- (ii) the execution and delivery of this Agreement or the announcement thereof or consummation of the Transaction;

- (iii) changes in (or proposals to change) Legal Requirements, generally accepted accounting principles or other accounting regulations or principles;
  - (iv) acts of God, including hurricanes, storms and other natural disasters; or
  - (v) any action contemplated by this Agreement or taken at the request of Buyer;
  - (vi) any change or effect generally applicable to (A) the industries and markets in which Seller operates or (B) economic or political conditions or the securities or financial markets in any country or region; and
  - (vii) any outbreak or escalation of hostilities or war or any act of terrorism.
- (bbbb) "Material Assigned Contracts" means, to the extent that they relate to the Oil and Gas Assets, the following:
- (i) any Assigned Contract or other Title Document that can reasonably be expected to result in aggregate payments by or revenues to Seller or Buyer with respect to the Oil and Gas Assets of more than two hundred thousand Canadian dollars (CAD\$200,000) during the current or any subsequent fiscal year (based solely on the terms thereof and without regard to any expected increase in volumes or revenues);
  - (ii) any Marketing and Midstream Agreement that is not terminable without penalty on ninety days or less notice;
  - (iii) any Assigned Contract or other Title Document binding upon Seller to sell, lease, farmout, or otherwise dispose of or encumber any interest in any of the Oil and Gas Assets after the date hereof, other than conventional rights of reassignment arising in connection with Seller's surrender or release of any of the Oil and Gas Assets (except where any such right of reassignment has been triggered prior to the Effective Time);
  - (iv) any Assigned Contracts or other Title Document that would obligate Buyer to drill additional wells or conduct other material development operations after the Closing;
  - (v) any Assigned Contracts or other Title Document that constitute a non-competition agreement or any agreement that purports to restrict, limit, or prohibit the manner in which, or the locations in which, Seller conducts business, including areas of mutual interest;

- (vi) any Assigned Contracts providing for any call upon, option to purchase, or similar rights with respect to the Oil and Gas Assets or to the production therefrom or the processing thereof, or is a dedication of production or otherwise requires production to be transported, processed, or sold in a particular fashion;
  - (vii) any Assigned Contract that constitutes a joint or unit operating agreement;
  - (viii) any Assigned Contract that constitutes a farmout agreement, partnership agreement, participation agreement, joint venture agreement, or similar Contract; and
  - (ix) any Assigned Contract or other Title Document between Seller and any of its Affiliates.
- (cccc) "Miscellaneous Interests" means Seller's Interest in and to all property, assets and rights (other than the Petroleum and Natural Gas Rights, the Tangibles, and the Excluded Assets) pertaining to or used in connection with, the Petroleum and Natural Gas Rights or the Tangibles to which Seller is entitled on the Closing Date including the following property, assets and rights:
- (i) the Assigned Contracts and the Leases;
  - (ii) to the extent transferable pursuant to applicable Legal Requirements, all Licences;
  - (iii) the field office leases and other leases as set forth on Schedule A;
  - (iv) the Surface Rights;
  - (v) the Wells, including the related wellbores and casing; and
  - (vi) all records, books, files, reports, data, documents and information, including seismic data, well files, lease files, agreement files, production records and export of the CS Explorer databases for the assets (in each case whether in electronic or physical form);
- but only to the extent that the above pertain to or are used in connection with the Petroleum and Natural Gas Rights or the Tangibles.
- (dddd) "NORM" means naturally occurring radioactive materials.
- (eeee) "Oil and Gas Assets" means the Petroleum and Natural Gas Rights, the Tangible Property and the Miscellaneous Interests.

- (ffff) "Order" means any award, writ, injunction, judgment, order or decree entered, issued, made, or rendered by any Governmental Authority.
- (gggg) "Party" or "Parties" have the respective meanings set forth in the introductory paragraph.
- (hhhh) "Paying Party" has the meaning set forth in Section 8.1(c).
- (iiii) "Permitted Encumbrances" means any of the following to the extent related to the Oil and Gas Assets:
- (i) any rights, obligations, or duties reserved to or vested in any municipality or other Governmental Authority to control or regulate any Oil and Gas Asset in any manner including all applicable Legal Requirements;
  - (ii) the terms and conditions of all of the Assigned Contracts, provided that any such term or condition that is an Encumbrance must be identified as such in Schedule A to qualify as a "Permitted Encumbrance";
  - (iii) easements, rights-of-way, servitudes, permits, surface leases, and other similar rights on, over, or in respect of any of the Oil and Gas Assets, as long as any such encumbrances, individually or in the aggregate, do not interfere in any material respect with Seller's use or operation of the Oil and Gas Assets (as currently used or operated) burdened thereby;
  - (iv) all royalties, overriding royalties, production payments, net profits interests, reversionary interests, carried interests, and other burdens shown in Schedule A;
  - (v) liens or other Encumbrances for Taxes not yet due and payable or that are being contested in good faith;
  - (vi) materialman's, mechanic's, repairman's, employee's, contractor's, operator's, and other similar liens or Encumbrances arising in the ordinary course of business for payments not yet delinquent that are inchoate and have not been perfected pursuant to law or that are contained in joint operating agreements or similar agreements covering the Oil and Gas Assets or if delinquent, that are being contested in good faith; and
  - (vii) the terms and conditions of the Leases, including any depth limitations or similar limitations that may be set forth therein and any liens or security interests reserved in the Leases for royalty, bonus, or rental, or for compliance with the terms of the Leases.

- (jjj) "Person" means any individual, corporation (including any non-profit corporation), partnership, limited liability company, joint venture, estate, trust, association, organization or other entity or Governmental Authority.
- (kkkk) "Petroleum and Natural Gas Rights" means, other than the Excluded Assets, all of Seller's Interest in and to the Lands and the Leased Substances.
- (lll) "Petroleum Substances" means any and all of crude oil, crude bitumen and products derived therefrom, synthetic crude oil, petroleum, natural gas (including coalbed methane) and all related hydrocarbons (including liquid hydrocarbons) and all other substances relating to any of the foregoing, whether liquid, gaseous or solid, and whether hydrocarbons or not, and all products derived from any of the foregoing (for greater certainty, excluding coal but including sulphur).
- (mmmm) "Phase I Environmental Site Assessment" means a Phase I environmental site assessment of the Oil and Gas Assets that satisfies the basic assessment requirements set forth under CSA Standard Z768-01 – Phase I Environmental Site Assessment, as amended.
- (nnnn) "Post-Closing Consent Contract" has the meaning set forth in Section 2.5(e).
- (oooo) "Preferential Purchase Right" means any right or agreement that enables any Person to purchase or acquire any Oil and Gas Asset or any interest therein or portion thereof as a result of or in connection with the execution or delivery of this Agreement or the consummation of the Transaction, as are set out in Schedule D.
- (pppp) "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 ATB Financial 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.
- (qqqq) "Proceeding" means any Action, arbitration, audit, hearing, investigation, litigation, or suit (whether civil, criminal, administrative or investigative) commenced, brought, conducted, or heard by or before, or otherwise involving, any Governmental Authority.
- (rrrr) "Purchase Price" has the meaning set forth in Section 3.1.
- (ssss) "Reimbursing Party" has the meaning set forth in Section 8.1(c).
- (tttt) "Release" means any past or present spilling, leaking, pumping, pouring, emitting, emptying, discharging, injecting, escaping, leaching, dumping or

disposing of a Hazardous Substance into the environment (including the abandonment or discharging of barrels, containers and other closed receptacles containing any Hazardous Substance).

- (uuuu) "Representative" means, with respect to a particular Person, any director, officer, employee, agent, consultant, advisor or other representative of such Person, including legal counsel, accountants and financial advisors.
- (vvvv) "ROFR Action" has the meaning set forth in Section 9.2.
- (wwww) "Sale Approval Application" means the application to be filed by Seller under the CCAA seeking entry of the Approval and Vesting Order by the Court.
- (xxxx) "Scheduled Closing Date" means April 29, 2016.
- (yyyy) "Security Arrangements" has the meaning set forth in Section 8.4(c).
- (zzzz) "Seller Employees" means the employees of Seller employed exclusively or primarily in the operation of the Oil and Gas Assets.
- (aaaa) "Seller Parties" means Seller, its Affiliates and the former, current or future equity holders and Representatives of each of the foregoing.
- (bbbb) "Seller Termination Notice" has the meaning set forth in Section 12.1(c)(i)(B).
- (cccc) "Seller" has the meaning set forth in the introductory paragraph.
- (dddd) "Seller's Interest" means all of Seller's right, interest, title and estate, whether absolute or contingent, legal or beneficial.
- (eeee) "Seller's Obligations" has the meaning set forth in Section 8.4(c).
- (ffff) "Straddle Period" has the meaning set forth in Section 8.1(b).
- (ggggg) "Specific Conveyances" means all conveyances, assignments, transfers, novations and other documents or instruments (other than the General Conveyance) that are reasonably required or desirable, in accordance with normal oil and gas industry practices, to convey, assign and transfer the Oil and Gas Assets to Buyer and to novate Buyer in the place and stead of Seller and/or its Affiliates with respect to the Oil and Gas Assets, provided however, that no Specific Conveyance shall confer or impose upon a Party any greater right or obligation than contemplated in this Agreement.
- (hhhhh) "Subsidiary" means any entity with respect to which a specified Person directly or indirectly (through one or more intermediaries) has the power,



through the direct or indirect ownership of securities or otherwise, to elect a majority of the directors or similar managing body.

(iiii) "Surface Rights" means all rights of Seller or its Affiliates to use the surface of land in connection with the Oil and Gas Assets and the operations thereon, including rights to enter upon, use, occupy and enjoy the surface of lands upon which the Tangibles and the Wells are located or any lands which are or may be used to gain access to or otherwise use the Petroleum and Natural Gas Rights and the Tangibles, or either of them, including such rights Seller reasonably requires for its other operations on the Lands, provided that in all such instances, Buyer shall, insofar as it has the right to do so and on such terms that are reasonable, provide Seller with such rights of use as Seller may reasonably require for such operations.

(jjjj) "Tangible Property" means Seller's Interest in the Tangibles.

(kkkkk) "Tangibles" means:

- (i) the Facilities;
- (ii) the tangibles listed in Schedule A; and
- (iii) any and all tangible depreciable equipment and facilities other than the Facilities, that are located within, upon, or in the immediate vicinity of the Lands, or that are used or intended to be used in producing, gathering, processing, treating, dehydrating, measuring, transporting, making marketable or storing Petroleum Substances, excluding the Excluded Assets but including:
  - (A) facilities for water injection or removal operations in respect of such Petroleum Substances;
  - (B) all equipment, machinery, fixtures and other tangible personal property and improvements located on, used or held for use or obtained in connection with the ownership or operation of the Lands, including tanks, boilers, plants, buildings, field offices and other structures, fixtures, injection facilities, saltwater disposal facilities, compressors and other compression facilities (whether installed or not), pumping units, flow lines, pipelines, gathering systems, treating or processing systems or facilities, meters, machinery, power and other utility lines, roads, computer and automation equipment, telecommunications equipment, field radio telemetry and associated frequencies and licences, pressure transmitters, central processing equipment, tools, spare parts, warehouse stock, and the vehicles identified in Schedule A (and all

equipment used in connection with such rolling stock, including safety equipment, special tools, dynamometers, hand tools and fluid level equipment), and other appurtenances, improvements and facilities; and

- (C) all pipes, casing, tubulars, fittings, and other spare parts, supplies, tools, and materials located on, used or held for use on or held as inventory in connection with the ownership or operation of the Lands and other Tangibles.
  
- (lllll) "Tax" or "Taxes" (and with correlative meaning, "Taxable" and "Taxing") means any federal, state, provincial, local, foreign or other income, alternative, minimum, add-on minimum, accumulated earnings, personal holding company, franchise, capital stock, net worth, capital, profits, intangibles, windfall profits, gross receipts, value added, sales, use, goods and services, excise, customs duties, transfer, conveyance, mortgage, registration, stamp, documentary, recording, premium, severance, environmental, natural resources, real property, personal property, ad valorem, intangibles, rent, occupancy, licence, occupational, employment, unemployment insurance, social security, disability, workers' compensation, payroll, health care, withholding, estimated or other tax of any kind whatsoever, whether computed on a separate or consolidated, unitary or combined basis, or in any other manner, including any interest, penalty or addition thereto, whether disputed or not.
  
- (mmmmn) "Tax Act" means the Income Tax Act (Canada).
  
- (nnnnn) "Tax Return" means any return, declaration, report, claim for refund, information return or other document (including any related or supporting estimates, elections, schedules, statements, or information) filed or required to be filed in connection with the determination, assessment or collection of any Tax or the administration of any laws, regulations or administrative requirements relating to any Tax.
  
- (ooooo) "Third Parties" means any Person other than Seller, Buyer and their Affiliates.
  
- (ppppp) "Thirteenth Month Adjustment" means a reconciliation pursuant to an agreement that provides that during a period (usually a calendar year) revenues and expenses (or either of them) will be distributed to or paid by one or more parties to the agreement on the basis of estimates thereof and that following the end of the period (usually the first calendar month after the end of the period), the actual amount of the revenues or costs will be determined and a reconciliation between the estimated amounts and the actual amounts will be made.

- (qqqqq) "Title Defect" means any single Encumbrance on, or any single defect, irregularity or deficiency in the title of Seller to, any of the Oil and Gas Assets that either:
- (i) has the effect of reducing the Seller's Working Interest in a particular Lease, Title Document or its ownership interest in a Tangible, below that stated in Schedule A;
  - (ii) constitutes a royalty, overriding royalty, production payment, net profits interest, reversionary interest, carried interest, or other burden not stated in, or that is of a greater magnitude than is stated in, Schedule A; or
  - (iii) constitutes a charge, lien, claim, mortgage, lease, sublease, hypothecation, deed of trust, pledge or security interest in respect of indebtedness owing by Seller;
  - (iv) or any other similar condition that a reasonable and prudent operator in the oil and gas industry would consider to be a direct adverse defect, irregularity or deficiency in the title of Seller to any such Oil and Gas Asset; but excluding all Permitted Encumbrances, and for greater certainty, excluding:
  - (v) any failure to confirm delay rental and similar payments, where such failure to make such payments will not result in a termination of the associated Petroleum and Natural Gas Rights;
  - (vi) any defects or deficiencies disclosed to Buyer in Schedule A or the Disclosure Schedule;
  - (vii) Seller's Interest being a beneficial interest rather than a legal interest;
  - (viii) missing Crown Lease transfer documentation where the recorded interest in respect of the Lease is the interest claimed by Seller in Schedule A;
  - (ix) the temporary reduction of Seller's Interest in a particular parcel due to non-participation under an operations notice; and
  - (x) missing or unsigned documents, where any such document is not reasonably required to confirm the creation, establishment or maintenance of Seller's title to the relevant Oil and Gas Asset.
- (rrrrr) "Title Defect Amount" has the meaning set forth in Section 13.2.
- (sssss) "Title Defect Notice" has the meaning set forth in Section 13.1.

- (ttttt) "Title Documents" means any and all Leases, unit agreements, assignments, trust declarations, operating agreements, royalty agreements, gross overriding royalty agreements, agreements for the construction, ownership and operation of facilities, contract operating agreements, participation agreements, farm-in agreements, sale and purchase agreements, pooling agreements and any other documents and agreements granting, reserving or otherwise conferring Working Interests and other 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 that are produced; and
  - (iv) acquire any of the rights described in subparagraphs (i) to (iii) above;
  - (v) including those, if any, set out in Schedule A, but only to the extent that the foregoing subparagraphs (i) through (iv) pertain to Petroleum Substances within, upon or under the Lands, or the ownership or operation of the Tangible Property or Wells.
- (uuuuu) "Transaction" means the sale and purchase of the Oil and Gas Assets by Seller to Buyer as contemplated by this Agreement.
- (vvvvv) "Transaction Documents" means this Agreement, the General Conveyance, the Specific Conveyances and any other agreements, instruments or documents entered into pursuant to this Agreement.
- (wwwww) "Transfer Taxes" has the meaning set forth in Section 8.1(a).
- (xxxxx) "Transferring Employee" has the meaning set forth in Section 8.5(c).
- (yyyyy) "TSA" means a Transition Services Agreement between Seller and Buyer in the form of Schedule K.
- (zzzzz) "Wells" means those wells set forth in Schedule A, and all other wells located on the Lands and applicable to the Petroleum and Natural Gas Rights, regardless of status, including oil, gas, water, disposal, observation and injection wells, whether producing, non-producing, shut-in, suspended or abandoned.
- (aaaaa) "Working Interest" means an undivided percentage ownership interest, under a Lease, in the rights to explore and drill for, produce, take, win and

remove the Petroleum Substances that are subject to the Lease, together with the associated liability for the said percentage of the costs and expenses of the said activities.

## 1.2 Other Definitions and Interpretive Matters

- (a) Unless otherwise expressly provided, for purposes of this Agreement, the following rules of interpretation shall apply:
- (i) Calculation of Time Period. When calculating the period of time before which, within which or following which any act is to be done or step taken pursuant to this Agreement, the date that is the reference date in calculating such period shall be excluded. If the last day of such period is a day other than a Business Day, the period in question shall end on the next succeeding Business Day.
  - (ii) Dollars. Any reference in this Agreement to CAD\$ means Canadian dollars. Any reference in this Agreement to USD\$ means United States dollars. Any and all currency amounts specified herein requiring conversion into Canadian dollars or United States dollars, as applicable, in accordance with the terms hereof, including as part of the calculations required pursuant to and in accordance with the Interim Statement of Adjustments and the Final Statement of Adjustments, shall be converted into Canadian dollars or United States dollars, as applicable, using the applicable conversion rate quoted for noon by the Bank of Canada on the particular                      day,                      published                      at <http://www.bankofcanada.ca/rates/exchange/noon-rates-5-day/>.
  - (iii) Schedules. All Schedules attached or annexed hereto or referred to herein are hereby incorporated in and made a part of this Agreement as if set forth in full herein. Any capitalized terms used in any Schedule but not otherwise defined therein shall be defined as set forth in this Agreement. If there is any conflict or inconsistency between a provision in the body of this Agreement and that contained in a Schedule, the provision in the body of this Agreement shall prevail to the extent of such conflict.
  - (iv) Gender and Number. Any reference in this Agreement to gender includes all genders, and words imparting only the singular number include the plural and vice versa.
  - (v) Headings. The provision of a table of contents, the division of this Agreement into Articles, Sections and other subdivisions and the insertion of headings are for convenience of reference only and shall not affect or be utilized in the construction or interpretation of this Agreement. All references in this Agreement to any "Section" or "Article" are to the corresponding Section or Article of this Agreement unless otherwise specified.

- (vi) Herein. Words such as "herein," "hereof" and "hereunder" refer to this Agreement as a whole and not merely to a subdivision in which such words appear, unless the context otherwise requires.
- (vii) Including. The word "including" or any variation thereof means "including, without limitation," and shall not be construed to limit any general statement that it follows to the specific or similar items or matters immediately following it.
- (viii) No Strict Construction. Buyer, on the one hand, and Seller, on the other hand, participated jointly in the negotiation and drafting of this Agreement. In the event that an ambiguity or question of intent or interpretation arises, this Agreement shall be construed as jointly drafted by Buyer, on the one hand, and Seller, on the other hand, and no presumption or burden of proof shall arise favoring or disfavoring any Party by virtue of the authorship of any provision of this Agreement. Without limitation as to the foregoing, no rule of strict construction construing ambiguities against the draftsman shall be applied against any Person with respect to this Agreement.

## **ARTICLE II**

### **PURCHASE AND SALE**

#### **2.1 Purchase and Sale**

Upon the terms and subject to the conditions of this Agreement, on the Closing Date, Seller shall sell, transfer, assign, convey and deliver, or cause to be sold, transferred, assigned, conveyed and delivered, the Oil and Gas Assets to Buyer, and Buyer shall purchase the Oil and Gas Assets from Seller.

#### **2.2 Assumed Liabilities**

Upon the terms and subject to the conditions of this Agreement, on the Closing Date, Buyer shall execute and deliver to Seller the Assumption Agreement in the form attached hereto as Schedule I (the "**Assumption Agreement**") pursuant to which Buyer shall assume and agree to discharge, when due (in accordance with their respective terms and subject to the respective conditions thereof), only the following Liabilities (collectively, the "**Assumed Liabilities**") and no others:

- (a) subject to Section 2.2(b):
  - (i) all Liabilities for debts and other liquidated amounts under the Assigned Contracts; and
  - (ii) all other Liabilities (excluding Environmental Liabilities) in respect of the Oil and Gas Assets (including the Surface Rights) or the operation, use or ownership thereto;

in each case to the extent that such Liabilities arise or accrue on or after the Closing Date; provided that, for greater certainty, nothing in this Section 2.2(a) shall affect the adjustments provided for under Sections 8.9 to 8.11 inclusive;

- (b) all Environmental Liabilities regardless when they arise or accrue;
- (c) Asset Taxes that are the responsibility of Buyer pursuant to Section 8.1(b);
- (d) all Transfer Taxes; and
- (e) all Liabilities relating to those Transferring Employees who commence employment with Buyer on or after the Closing Date, to the extent that such Liabilities arise on the basis of facts or circumstances that occur on or after the day following the Closing Date, including such Liabilities suffered, sustained, paid or incurred by Seller and its Representatives (including wrongful dismissal and constructive dismissal claims) with respect to obligations (including obligations to reimburse costs and expenses or obligations in respect of notice of termination, termination pay, severance pay or similar payments) in respect of a Transferring Employee who commence employment with Buyer on or after the Closing Date, and that arise on the basis of facts or circumstances that occur on or after the day following the Closing Date.

### 2.3 Excluded Liabilities

Notwithstanding any provision in this Agreement to the contrary, Buyer shall not assume and shall not be obligated to assume or be obliged to pay, perform or otherwise discharge any Liability of Seller, and Seller shall be solely and exclusively liable with respect to all Liabilities of Seller, other than the Assumed Liabilities (such Liabilities other than Assumed Liabilities, collectively, the "**Excluded Liabilities**"). For purposes of clarity, and without limitation of the generality of the foregoing, the Excluded Liabilities shall include, without limitation, each of the following Liabilities of Seller, other than the Assumed Liabilities:

- (a) all indebtedness for borrowed money of Seller;
- (b) all guarantees of Third Party obligations by Seller and reimbursement obligations to guarantors of Seller's obligations or under letters of credit;
- (c) all accrued expenses and accounts payables;
- (d) Asset Taxes that are the responsibility of Seller pursuant to Section 8.1(b);
- (e) those Actions and Proceedings set forth in the Disclosure Schedule;
- (f) all Liabilities of Seller to any owner or former owner of capital stock or warrants, or holder of indebtedness for borrowed money;
- (g) drafts or checks outstanding at the Closing; and

- (h) any and all claims and Liabilities to the extent related to the Excluded Assets.

#### **2.4 Licence Transfers**

- (a) Within five (5) Business Days following Closing, Seller shall prepare and where applicable, electronically submit an application to the applicable Governmental Authority for the Licence Transfers and Buyer or its nominee shall, where applicable, at the same time electronically ratify and sign such application.
- (b) If a Governmental Authority denies any Licence Transfers because of misdescription or other minor deficiencies in the application, Seller shall within five (5) Business Days of such denial correct the application and amend and re-submit the application for the Licence Transfers and Buyer or its nominee shall, where applicable, electronically ratify and sign such application.
- (c) If, for any reason, a Governmental Authority requires a Party or its Affiliate or nominee to make a deposit or furnish any other form of security in order to approve any Licence Transfers, such Party shall promptly make such deposit or furnish such other form of security as required.
- (d) If Buyer fails to make a deposit or furnish security it is required to make or furnish under Section 2.4(c) within ten (10) days of Buyer's receipt of notification from Seller or the applicable Governmental Authority that such deposit or security is required, then Seller shall have the right to make such deposit or furnish such security on behalf of Buyer. In such event, Buyer shall (as applicable) reimburse the amount of such deposit or the costs of such security to Seller plus interest thereon at the Prime Rate plus four percent (4%) from the date such deposit or security is made or furnished by Seller until such reimbursement is made and, in the case of security, cause the security to be returned to Seller as soon as possible and indemnify Seller 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 Seller, Seller shall have the right to set-off the amount of such reimbursement or indemnification (including interest) against other monies due to Buyer pursuant to this Agreement.

#### **2.5 Specific Conveyances**

- (a) Seller shall prepare the Specific Conveyances at its cost. Seller shall use commercially reasonable efforts to prepare all required Specific Conveyances prior to the Closing Date, and Seller shall provide Buyer with an opportunity to review same. All Specific Conveyances prepared by Seller shall be in form and substance satisfactory to Buyer, acting reasonably. If all Specific Conveyances are not prepared prior to the Closing Date, Seller shall prepare them as soon as practicable after Closing, and in any event no later than five (5) Business Days after Closing. It shall not be necessary for Specific Conveyances to have been executed prior to or at Closing by Third Parties. Promptly after Closing, Seller



shall deliver all Specific Conveyances to Third Parties and each applicable Governmental Authority in accordance with normal industry practices and the Approval and Vesting Order, and shall attend to the registration of Specific Conveyances with each applicable Governmental Authority in accordance with normal industry practices. Buyer shall be liable and responsible for the out-of-pocket costs incurred by Seller in connection with the deliveries and registrations referred to in the preceding sentence.

- (b) Buyer shall use all commercially reasonable efforts to become, as soon as reasonably practicable following Closing, the recognized holder of the Oil and Gas Assets in the place and stead of Seller, and shall where Seller is the registering party, promptly take all commercially reasonable steps that are necessary to verify such registrations.
- (c) Buyer shall bear all out of pocket costs, fees and deposits of every nature and kind incurred (whether by Seller or Buyer) in registering any Specific Conveyances and registering any further assurances required to convey the Oil and Gas Assets to Buyer.
- (d) Any transfer or assignment of the legal interest of Seller or any Affiliate thereof in the Title Documents requiring consent from a Third Party that may be unreasonably and arbitrarily withheld by such Third Party shall not be assigned or transferred to Buyer until and unless the notice or consent requirements have been satisfied. Each Party shall use commercially reasonable efforts, as to matters within its control, to satisfy such requirements as of the Closing Date, and Buyer shall furnish any deposits or security reasonably required to complete such transfers and assignments in accordance with normal industry practices, the Approval and Vesting Order, the provisions of the Leases and the Contracts, and applicable Legal Requirements.
- (e) If any of the Leases or Assigned Contracts or any of Seller's rights, entitlements, benefits, remedies, duties or obligations thereunder, which, as a matter of law, or by their terms are not assignable by Seller to Buyer without the consent of a Third Party, and such consent is not obtained by the Closing Date notwithstanding the performance by the Parties of their respective obligations under this Section 2.5 (any such Lease or Assigned Contract, a "**Post-Closing Consent Contract**") then for a period of ninety (90) days following Closing, until the effective transfer of each such Post-Closing Consent Contract in respect thereof:
  - (i) Seller, as bare trustee and agent of Buyer, shall hold the particular Post-Closing Consent Contracts in trust for the exclusive benefit of Buyer, and, subject to Sections 2.5(e)(ii), 2.5(e)(iii) and 2.5(e)(iv) shall perform and discharge all duties and obligations required thereunder, and Buyer shall have all rights, entitlements, benefits and remedies, arising or accruing with respect to such Post-Closing Consent Contracts during that period;

- (ii) Seller shall, at the request and expense and under the direction of Buyer, in the name of Seller or otherwise as Buyer shall reasonably specify, take all such reasonable actions and do all reasonable things as shall, in the reasonable opinion of Buyer, be necessary or desirable in order that the rights, entitlements, benefits, remedies, duties and obligations of Seller under any such Post-Closing Consent Contract may be enjoyed, received or performed, as the case may be, in accordance with the terms of such Post-Closing Consent Contract, and provided further that all monies receivable under Post-Closing Consent Contracts may be received by Buyer and all rights, entitlements, benefits and remedies under such Post-Closing Consent Contracts may be exercised by Buyer in respect thereof;
- (iii) where applicable, Seller shall collect all monies (to be held in trust and in segregated accounts and not commingled with Seller's own funds) in respect of the Post-Closing Consent Contracts for and on behalf of Buyer, and shall promptly pay over such monies to Buyer net of any unpaid related costs or expenses (including any GST or other taxes that are payable in respect of the receipt of such amounts) until such time as the Post-Closing Consent Contracts are fully vested with Buyer; and
- (iv) Seller will promptly provide to Buyer all Third Party authorities for expenditures, notices, mail ballots, specific information, communications, invoices, cash calls, billings, and other documents Seller receives respecting the Oil and Gas Assets, and will respond to such authorities for expenditures, notices, mail ballots, information and other documents pursuant to the written instruction of Buyer.

Notwithstanding the foregoing, if the Parties have not received all required consents under the Post-Closing Consent Contracts, such that Buyer has not been novated into all of the Assigned Contracts and Leases, on or prior to the date that is ninety (90) days after the Closing Date, then, within ten (10) Business Days thereafter, at Buyer's sole discretion, and upon notice of same being provided by Buyer to Seller within such ten (10) Business Day period, Seller shall make an application to the Court to seek the forced assignment (pursuant to section 11.3 of the CCAA) of any and all outstanding Post-Closing Consent Contracts (as directed by Buyer), and in such case, Buyer shall pay all reasonable out of pocket Third Party costs of Seller incurred in connection therewith.

## **2.6 Further Assurances**

- (a) Seller agrees that after the Closing Date it will promptly upon Buyer's request execute such additional assignments or Specific Conveyances with respect of any Oil and Gas Assets that are intended to be conveyed to Buyer pursuant to this Agreement but which for any reason have not been so conveyed.
- (b) The Parties agree to (i) furnish upon request to each other such further information, (ii) execute, acknowledge and deliver to each other such other

documents, and (iii) do such other acts and things, all as the other Party may reasonably request for the purpose of carrying out the intent of this Agreement and the Transaction Documents; provided that nothing in this Section 2.6 shall prohibit Seller from ceasing operations or winding up its affairs (including, without limitation, through a bankruptcy) following the Closing.

**ARTICLE III**  
**PURCHASE PRICE**

**3.1 Purchase Price**

The purchase price for the purchase, sale, assignment and conveyance of Seller's right, title and interest in, to and under the Oil and Gas Assets shall consist of the following (collectively, the "**Base Purchase Price**"):

- (a) cash in the amount of [REDACTED] United States dollars  
[REDACTED] and
- (b) the assumption of the Assumed Liabilities.

Notwithstanding the foregoing, the Base Purchase Price shall be adjusted as provided in Sections 8.7(b), 8.9, 8.10, 8.11 and Article IX hereof (as adjusted, the "**Purchase Price**"). The cash components of the Purchase Price payable at Closing shall be delivered by Buyer as set forth in Section 4.2.

In the determination of the Base Purchase Price payable for the Oil and Gas Assets, the Parties agree that the extent and value of past, present and future environmental, abandonment or reclamation liabilities related to the Oil and Gas Assets is unknown as of the Closing Date, and the Parties have not attributed a specific or agreed to value with regard to either (i) such liabilities, or (ii) the indemnities provided for in this Agreement, nor shall there be any adjustments made to the Base Purchase Price in relation thereto

**3.2 Deposit**

On or prior to the date that is four (4) Business Days after the execution and delivery of this Agreement, Buyer will cause to be delivered to the Escrow Agent a deposit of [REDACTED] [REDACTED] (USD\$ [REDACTED] (the "**Deposit**"). The Deposit will be held by the Escrow Agent and disbursed strictly in accordance with the Escrow Agreement attached hereto as Schedule J. Upon Closing, the Deposit (plus any interest that has actually accrued thereon) shall be released by the Escrow Agent to Seller and applied to the Purchase Price in accordance with Section 4.2. If Closing does not occur, the Deposit (plus any interest that has actually accrued thereon) shall be subject to the terms of Section 12.3.

## **ARTICLE IV** **CLOSING**

### **4.1 Closing Date**

Upon the terms and subject to the conditions hereof, the closing of the sale of the Oil and Gas Assets and the assumption of the Assumed Liabilities contemplated hereby (the "**Closing**") shall take place at 9:00 a.m., Mountain Standard Time, at the offices of Seller in Calgary, Alberta or such other place as may be agreed upon in writing by the Parties, on the latest of:

- (a) the Scheduled Closing Date,
- (b) the fifth (5th) Business Day following the date on which the Approval and Vesting Order is granted, or
- (c) subject to Section 9.2, the fifth (5th) Business Day following the date on which all Preferential Purchase Rights have been exercised or waived by the holders thereof or all time periods within which such rights may be exercised have expired.

The date and time at which the Closing actually occurs is hereinafter referred to as the "**Closing Date**".

### **4.2 Payment on the Closing Date**

Subject to satisfaction or, if permissible, waiver of the conditions set forth in Article X and Article XI, at the Closing, Buyer shall pay, or cause to be paid, the cash components of the Purchase Price (as estimated on the Closing Date in accordance with the Interim Statement of Adjustments, taking into account any required reductions pursuant to and in accordance with Section 8.7(b), Section 13.4, Section 13.6 and Article IX) less the Deposit (plus any interest that has actually accrued thereon) by wire transfer of immediately available funds to an account specified in writing by Seller a reasonable amount of time prior to the Scheduled Closing Date. Contemporaneously with such payment from Buyer to Seller at the Closing, the Parties shall instruct the Escrow Agent to release the Deposit (plus any interest that has actually accrued thereon) to Seller.

### **4.3 Buyer's Deliveries**

At the Closing, Buyer shall deliver or cause to be delivered to Seller (or such other Persons where so designated):

- (a) the cash consideration referenced in Section 3.1(a) to Seller in accordance with Section 4.2;
- (b) the Assumption Agreement, duly executed by Buyer or an Affiliate of Buyer;
- (c) a certificate of status of Buyer;

- (d) a certificate of the corporate secretary of Buyer, dated the Closing Date, in form and substance reasonably satisfactory to Seller, as to (i) Buyer's authorization to execute and perform its obligations under the Transaction Documents to which Buyer is a party; and (ii) incumbency and signatures of the directors or officers of Buyer executing the Transaction Documents;
- (e) each other Transaction Document (made available by Seller at Closing) to which Buyer is a party, duly executed (and acknowledged, where applicable) by Buyer, including the General Conveyance, change of operator forms to be prepared by Seller, change of operator notices required under applicable operating agreements, and any other applicable forms and declarations required by federal and provincial agencies relative to Buyer's assumption of operations and plugging and abandonment Liabilities with respect to all of the Oil and Gas Assets;
- (f) the certificates of Buyer to be received by Seller pursuant to Sections 11.1 and 11.3;
- (g) a counterpart of the Interim Statement of Adjustments executed by Buyer;
- (h) such other assignments and other good and sufficient instruments of assumption and transfer, in form reasonably satisfactory to Seller, as Seller may reasonably request to transfer and assign the Assumed Liabilities to Buyer;
- (i) the election under subsection 167(1) of the ETA pursuant to and in accordance with Section 8.1(a);
- (j) the TSA, duly executed by Buyer or an Affiliate of Buyer; and
- (k) any other documents required to be delivered by Buyer to Seller at Closing pursuant to this Agreement.

#### **4.4 Seller's Deliveries**

At the Closing, Seller shall deliver to Buyer:

- (a) the General Conveyance and each other Transaction Document to which Seller is party (including letters-in-lieu of transfer orders and change of operator forms), duly executed by Seller;
- (b) the Assumption Agreement, duly executed by Seller;
- (c) a certified copy of the Approval and Vesting Order;
- (d) the certificates of Seller to be received by Buyer pursuant to Sections 10.1 and 10.2;
- (e) a counterpart of the Interim Statement of Adjustments executed by Seller;

- (f) to the extent practicable, the Specific Conveyances;
- (g) the election under subsection 167(1) of the ETA pursuant to and in accordance with Section 8.1(a);
- (h) the TSA, duly executed by Seller; and
- (i) any other documents required to be delivered by Seller to Buyer at Closing pursuant to this Agreement.

**ARTICLE V**  
**REPRESENTATIONS AND WARRANTIES OF SELLER**

Except as disclosed in the Disclosure Schedule attached hereto, Seller represents and warrants the following to Buyer:

**5.1 Organization and Good Standing**

Seller is an entity duly organized, validly existing and in good standing under the laws of the jurisdiction of its organization. Seller has the requisite corporate power and authority to own or lease and to operate and use its properties and to carry on its business as now conducted. Seller is duly qualified or licensed to do business and is in good standing in each jurisdiction where the character of its business or the nature of its properties makes such qualification or licensing necessary, except for such failures to be so qualified or licensed or in good standing as would not, individually or in the aggregate, have a Material Adverse Effect.

**5.2 Authority; Validity; Consents**

Seller has, subject to obtaining the Approval and Vesting Order, the requisite corporate power and authority necessary to enter into and perform its obligations under this Agreement and the other Transaction Documents to which Seller is a party and to consummate the Transaction contemplated hereby and thereby, and, subject to obtaining the Approval and Vesting Order, the execution, delivery and performance of this Agreement and such other Transaction Documents by Seller and the consummation by Seller of the Transaction contemplated herein and therein has been duly and validly authorized by all requisite corporate action. This Agreement has been duly and validly executed and delivered by Seller and each other Transaction Document required to be executed and delivered by Seller at the Closing will be duly and validly executed and delivered by Seller at the Closing. Subject to obtaining the Approval and Vesting Order, this Agreement and the other Transaction Documents constitute, with respect to Seller, the legal, valid and binding obligations of Seller, enforceable against Seller in accordance with their respective terms, except as such enforceability is limited by general principles of equity. Subject to obtaining the Approval and Vesting Order, to Seller's Knowledge, except:

- (a) for entry of the Approval and Vesting Order;
- (b) for notices, filings and consents required in connection with the CCAA Proceedings; and

- (c) for the notices, filings and consents set forth in the Disclosure Schedule;

Seller is not required to give any notice to, make any filing with or obtain any consent from any Person (including any Governmental Authority) in connection with the execution and delivery of this Agreement and the other Transaction Documents or the consummation or performance of the Transaction, except as would not, individually or in the aggregate, have a Material Adverse Effect.

### **5.3 No Conflict**

When the consents and other actions described in Section 5.2, including the Approval and Vesting Order, have been obtained and taken, to Seller's Knowledge, the execution and delivery of this Agreement and the other Transaction Documents and the consummation of the Transaction provided for herein and therein will not result in the breach of any of the terms and provisions of, or constitute a default under, or conflict with, or cause any acceleration of any obligation of Seller under (a) any agreement, indenture, or other instrument to which Seller is bound, (b) the certificate of incorporation, bylaws or other governing documents of Seller, (c) any Order or (d) any Legal Requirement, except as would not, individually or in the aggregate, have a Material Adverse Effect.

### **5.4 Legal Proceedings**

Except for the CCAA Proceedings (for greater certainty, once commenced) and as set forth in the Disclosure Schedule, there is no Proceeding or Order pending, outstanding or, to Seller's Knowledge, threatened against Seller or the Oil and Gas Assets that seeks to restrain or prohibit or otherwise challenge the consummation, legality or validity of the Transaction or that would have, individually or in the aggregate, a Material Adverse Effect.

### **5.5 Residency**

Seller is not a non-resident of Canada for the purposes of the Tax Act.

### **5.6 GST**

Seller is a registrant for purposes of the ETA, and its registration number is as follows:

- (a) QRCI – 892976523 RT00001.

### **5.7 Material Assigned Contracts**

To Seller's Knowledge:

- (a) the Disclosure Schedule lists all Material Assigned Contracts in effect as of the Effective Time, to which Seller is a party or by which its interests in the Oil and Gas Assets are bound;

- (b) all Material Assigned Contracts are in full force and effect, except:
  - (i) as such enforceability may be limited by bankruptcy, insolvency, reorganization, moratorium or similar laws now or hereafter in effect relating to creditors' rights generally or general principles of equity; or
  - (ii) as would not, individually or in the aggregate, have a Material Adverse Effect; and
- (c) no default or breach (or event that, with notice or lapse of time, or both, would become a default or breach) of any Material Assigned Contracts has occurred or is continuing on the part of Seller, that would, individually or in the aggregate, have a Material Adverse Effect.

## **5.8 Permits**

All necessary Licences with regard to the ownership or operation Oil and Gas Assets have been obtained and maintained in effect and no violations exist in respect of such Licences, except for such non-compliance, failure to obtain or maintain, and such facts, conditions or circumstances, the existence of which would not constitute a Material Adverse Effect.

## **5.9 Wells; Plug and Abandon Notice**

Except as set forth in the Disclosure Schedule, there are no Wells in respect of which Seller has received an order from any Governmental Authority requiring that such Wells be plugged and abandoned.

## **5.10 AFEs**

The Disclosure Schedule contains a list, true and correct as of the date set forth therein, of all material authorities for expenditures (collectively, "AFE") for capital expenditures with respect to the Oil and Gas Assets that have been proposed by any Person having authority to do so (including internal AFEs of Seller not delivered to third parties) or other commitment to make expenditures in respect of the ownership or operation of the Oil and Gas Assets in an amount (in respect of Seller's share) in excess of fifty thousand Canadian dollars (CAD\$50,000).

## **5.11 Non-Consent Operations**

Except as set forth in the Disclosure Schedule, no operations are being conducted or have been conducted on the Oil and Gas Assets with respect to which Seller has elected to be a non-consenting party under the applicable operating agreement and with respect to which Seller's right to its share of production revenue has not yet reverted to it, except for instances where such reversionary effects, would not, individually or in the aggregate, constitute a Material Adverse Effect



### 5.12 Hedging

There are no futures, options, swaps or other derivatives with respect to the sale of Petroleum Substances from the Oil and Gas Assets that are or will be binding on Buyer in respect of the Oil and Gas Assets at any time after the Closing Date.

### 5.13 Preferential Purchase Rights

To Seller's Knowledge, Schedule D:

- (a) lists all Title Documents that contain Preferential Purchase Rights; and
- (b) accurately identifies all such Title Documents containing Preferential Purchase Rights for which a contractual exemption does not apply, such that the relevant Third Parties are entitled to receive notice of, and exercise, such Preferential Purchase Rights.

### 5.14 Labor Matters

There are no collective bargaining agreements to which Seller or its Affiliates are a party relating to any Affected Employee. There is no pending or, to Seller's Knowledge, threatened, strike, slowdown, picketing, work stoppage, and there is no pending application for certification of a collective bargaining agent involving Seller and any Affected Employee.

### 5.15 Employee Benefits

To Seller's Knowledge, the Disclosure Schedule sets forth a true and complete list of each:

- (a) deferred compensation plan;
- (b) incentive compensation plan;
- (c) equity compensation plan;
- (d) employee benefit and pension plan, fund or program; and
- (e) employment (other than offer letters entered into in the ordinary course of business), termination, severance or "change in control" agreement;

that is sponsored, maintained or contributed to or required to be contributed to by Seller or by any Affiliate of Seller or to which Seller or any Affiliate of Seller is party, for the benefit of any Affected Employee (each such plan, whether or not material, is referred to herein as a "**Benefit Plan**"). To Seller's Knowledge, all Assumed Benefit Plans are in material compliance with all applicable Legal Requirements.

## **5.16 Compliance with Laws**

Except as set forth in the Disclosure Schedule:

- (a) Seller has not received written notice, demand, order or directive from any Governmental Authorities or Third Parties relating to any Environmental Liabilities or otherwise requiring any work, repairs, construction or capital expenditures relating to the Oil and Gas Assets, or otherwise alleging a violation of Environmental Laws relating to the Oil and Gas Assets and to Seller's Knowledge, no such notice, order demand, or directive is pending;
- (b) to Seller's Knowledge, except where lack of compliance would not have a Material Adverse Effect, the Wells and the Leases are in compliance with all Legal Requirements other than Environmental Laws.

## **5.17 Equipment**

To Seller's Knowledge, the Tangibles: (i) have been constructed and operated in accordance with generally accepted oil and gas field practices in Alberta; and (ii) are in good and operable condition, reasonable wear and tear excepted, and except as would not have a Material Adverse Effect.

## **5.18 Licensee Liability Rating**

Seller's liability management rating as assessed by the AER under *Directive 006 – Licensee Liability Rating (LLR) Program and Licence Transfer Process* and related regulations is, as of the date hereof, equal to or greater than 1.5.

## **5.19 Competition Act**

Seller and its Affiliates do not have assets in Canada that exceed two hundred twenty-five million Canadian dollars (CAD\$225,000,000) in aggregate value, or gross revenues from sales in, from or into Canada, that exceed seventy million Canadian dollars (CAD\$70,000,000) in aggregate value, all as determined in accordance with Part IX of the Competition Act and the *Notifiable Transactions Regulations* thereunder.

## **5.20 No Additional Representations and Warranties by Seller**

- (a) Notwithstanding anything to the contrary in this Agreement, Seller makes no representations or warranties except as expressly set forth in Sections 5.1 to 5.19 and in particular, and without limiting the generality of the foregoing, Seller disclaims and shall not be liable for any representation or warranty express or implied, of any kind, at law or in equity, that may have been made or alleged to be made in any instrument or document relative hereto, or in any statement or information made or communicated to Buyer in any manner including any opinion, information, or advice that may have been provided to Buyer by Seller or its Representatives in connection with the Oil and Gas Assets or in relation to the Transaction. For greater certainty, except as otherwise expressly set forth in

Sections 5.1 to 5.19, Seller does not make any representation or warranty, express or implied, of any kind, at law or in equity, with respect to:

- (i) the accuracy or completeness of any information supplied by Seller or its Representatives in connection with the Oil and Gas Assets;
- (ii) the quality, quantity or recoverability of any Petroleum Substances from the Lands;
- (iii) the value of the Oil and Gas Assets or any estimates of prices or future cash flows arising from the sale of any Petroleum Substances produced from or allocated to the Oil and Gas Assets or the Petroleum and Natural Gas Rights or any estimates of other revenues or expenses attributable to the Oil and Gas Assets;
- (iv) the availability or continued availability of facilities, services or markets for the processing, transportation or sale of any Petroleum Substances;
- (v) the quality, condition, fitness, suitability, serviceability or merchantability of any of the Tangibles; or
- (vi) the title of Seller to the Oil and Gas Assets.

Buyer acknowledges and confirms that it is relying on its own investigations concerning the Oil and Gas Assets and it has not relied on advice from Seller or its Representatives with respect to the matters specifically enumerated in the immediately preceding paragraphs in connection with the purchase of the Oil and Gas Assets pursuant hereto. Buyer further acknowledges and agrees that it is acquiring the Oil and Gas Assets on an "as is, where is" basis. Buyer acknowledges and agrees that it is familiar with the condition of the Oil and Gas Assets, including the past and present use of the Lands and the Tangibles, that Seller has provided Buyer with a reasonable opportunity to inspect the Oil and Gas Assets at the sole cost, risk and expense of Buyer (insofar as Seller could reasonably provide such access) and that Buyer is not relying upon any representation or warranty of Seller as to the condition, environmental or otherwise, of the Oil and Gas Assets, except as expressly contained in Sections 5.1 to 5.19 above.

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

**ARTICLE VI**  
**REPRESENTATIONS AND WARRANTIES OF BUYER**

Buyer represents and warrants to Seller as follows:

**6.1 Organization and Good Standing**

Buyer is an unlimited liability corporation, duly organized, validly existing and in good standing under the laws of the Province of Alberta. Buyer has the requisite power and authority to own or lease and to operate and use its properties and to carry on its business as now conducted.

**6.2 Authority; Validity; Consents**

Buyer has the requisite power and authority necessary to enter into and perform its obligations under this Agreement and the other Transaction Documents to which it is a party and to consummate the Transaction. The execution, delivery and performance of this Agreement by Buyer and the consummation by Buyer of the Transaction have been duly and validly authorized by all requisite corporate actions in respect thereof. This Agreement has been duly and validly executed and delivered by Buyer and each other Transaction Document to which Buyer is a Party will be duly and validly executed and delivered by Buyer, as applicable, at the Closing. This Agreement and the other Transaction Documents to which Buyer is a party constitute the legal, valid and binding obligation of Buyer, enforceable against Buyer in accordance with their respective terms, except in each case as such enforceability is limited by bankruptcy, insolvency, reorganization, moratorium or similar laws now or hereafter in effect relating to creditors' rights generally or general principles of equity. Buyer is not or will not be required to give any notice to or obtain any consent from any Person in connection with the execution and delivery of this Agreement and the other Transaction Documents to which it is a party or the consummation or performance of any of the Transaction, except for such notices, filings and consents, the failure of which to provide, make or obtain, would not, individually or in the aggregate, affect Buyer's ability to perform its obligations under this Agreement or any other Transaction Documents or to consummate the Transaction.

**6.3 No Conflict**

When the consents and other actions described in Section 6.2 have been obtained and taken, the execution and delivery of this Agreement and the other Transaction Documents and the consummation of the Transactions will not result in the breach of any of the terms and provisions of, or constitute a default under, or conflict with, or cause any acceleration of any obligation of Buyer under (a) any agreement, indenture, or other instrument to which it is bound, (b) the certificate of incorporation, bylaws or other governing documents of Buyer, as applicable, (c) any Order or (d) any Legal Requirement.

**6.4 Availability of Funds**

As of the Closing, Buyer will have sufficient cash in immediately available funds (without giving effect to any unfunded financing, regardless of whether any such financing is committed) to pay the Purchase Price, all costs, fees and expenses to be paid by Buyer that are

necessary to consummate the Transaction and the other Transaction Documents, and assume the Assumed Liabilities.

## **6.5 Litigation**

There are no Proceedings pending or, to the Knowledge of Buyer, threatened, that would materially and adversely affect Buyer's ability to perform its obligations under this Agreement or any other Transaction Documents or to consummate the Transaction.

## **6.6 Brokers or Finders**

Neither Buyer nor any Person acting on behalf of Buyer has paid or become obligated to pay any fee or commission to any broker, finder, investment banker, agent or intermediary for or on account of the Transaction for which Seller is or will become liable, and Buyer shall hold harmless and indemnify Seller from any claims with respect to any such fees or commissions.

## **6.7 Business Use, Bargaining Position, Representation**

Buyer is purchasing the Oil and Gas Assets for commercial or business use and has knowledge and experience in financial and business matters that enables it to evaluate the merits and the risks of a transaction such as the Transaction. Buyer is not in a significantly disparate bargaining position with Seller and is represented by legal counsel.

## **6.8 Qualification**

To the Knowledge of Buyer, on or prior to the Closing Date, Buyer will meet all qualification requirements of Governmental Authorities necessary to complete the Licence Transfers and to consummate the Transaction, and there are no regulatory approvals or rulings required to be obtained by Buyer to complete the Transaction and the Licence Transfers and, if Seller's liability management rating as assessed by the AER under *Directive 006 - Licensee Liability Rating (LLR) Program and Licence Transfer Process* and related regulations is, as of the Closing Date, equal to or greater than 1.5, Buyer's liability management rating will be equal to or greater than 1.0.

## **6.9 Competition Act**

Buyer and its Affiliates do not have any assets in Canada, nor any gross revenues from sales in, from or into Canada, all as determined in accordance with Part IX of the Competition Act and the *Notifiable Transactions Regulations* thereunder.

## **ARTICLE VII** **ACTIONS PRIOR TO THE CLOSING DATE**

### **7.1 Access and Reports**

- (a) Subject to applicable Legal Requirements, upon receipt of written notice from Buyer of any such activities no less than two (2) Business Days in advance, Seller shall (and shall cause its Subsidiaries to) afford Buyer's authorized

Representatives reasonable access, during normal business hours until the date that is five (5) Business Days prior to the Scheduled Closing Date, to the Affected Employees, properties, books and records, Contracts, and, during such period, Seller shall furnish promptly to Buyer all information concerning the Oil and Gas Assets as may reasonably be requested; *provided however*, such access shall not interfere with the ordinary conduct of business or the operation of the Oil and Gas Assets and at all times during such access, Buyer's authorized Representatives shall be accompanied by at least one Representative of Seller. All requests for information made pursuant to this Section 7.1 shall be submitted in accordance with Section 14.4. All such information shall be governed by the terms of the Confidentiality Agreement. No investigation pursuant to this Section 7.1 or by Buyer or its Representatives at any time prior to or following the date hereof shall affect or be deemed to modify any representation or warranty made by Seller herein.

- (b) From and after the execution of this Agreement until the date that is five (5) Business Days prior to the Scheduled Closing Date, Buyer shall have the right, at its sole cost, risk, liability, and expense, to conduct a Phase I Environmental Site Assessment of the Oil and Gas Assets. During Seller's regular hours of business and after providing Seller with written notice of any such activities no less than two (2) Business Days in advance (which written notice shall include the written permission of the operator (if other than Seller) and any other Third Party whose permission is legally required, which Seller shall reasonably cooperate with Buyer in securing), Buyer and its authorized Representatives shall be permitted to enter upon the Oil and Gas Assets, inspect the same, review all of Seller's files and records (other than those for which Seller has an attorney-client privilege) relating to the Oil and Gas Assets, and generally conduct visual, non-invasive tests, examinations, and investigations; *provided however*, that such entry shall not interfere with the ordinary conduct of business or operation of the Oil and Gas Assets and at all times during such entry, Buyer's authorized Representatives shall be accompanied by at least one Representative of Seller. No sampling or other invasive inspections of the Oil and Gas Assets may be conducted without Seller's prior written consent, which shall not be unreasonably withheld. All information obtained or reviewed by Buyer shall be maintained confidential by Buyer and shall be governed by the terms of the Confidentiality Agreement.
- (c) This Section 7.1 shall not require Seller to permit any access to, or to disclose (i) any information that, in the reasonable, good faith judgment (after consultation with counsel, which may be in-house counsel) of Seller, is reasonably likely to result in any violation of any Legal Requirement or any Contract to which Seller is party or cause any privilege (including solicitor-client privilege) that Seller would be entitled to assert to be undermined with respect to such information and such undermining of such privilege could in Seller's good faith judgment (after consultation with counsel, which may be in-house counsel) adversely affect in any material respect Seller's position in any pending or, what Seller believes in good faith (after consultation with counsel, which may be in-house counsel) could be, future litigation or (ii) if Seller, on the one hand, and Buyer or any of its

Affiliates, on the other hand, are adverse parties in a litigation, any information that is reasonably pertinent thereto; provided, that, in the case of clause (i), the Parties shall cooperate in seeking to find a way to allow disclosure of such information to the extent doing so (A) would not (in the good faith belief of Seller (after consultation with counsel, which may be in-house counsel)) be reasonably likely to result in the violation of any such Legal Requirement or Contract or be reasonably likely to cause such privilege to be undermined with respect to such information or (B) could reasonably (in the good faith belief of Seller (after consultation with counsel, which may be in-house counsel)) be managed through the use of customary "clean-room" arrangements pursuant to which non-employee Representatives of Buyer could be provided access to such information.

- (d) The information provided pursuant to this Section 7.1 shall be used solely for the purpose of the Transaction, and such information shall be kept confidential by Buyer and Seller in accordance with, and Buyer and Seller shall otherwise abide by and be subject to the terms and conditions of, the Confidentiality Agreement.
- (e) Buyer shall defend, release, indemnify and hold harmless each Seller Party from and against any and all liabilities that Buyer may assert against Seller, based upon injury to person, including death, or to property, arising in any manner whatsoever from any inspection by Buyer of the Oil and Gas Assets and access by Buyer to the Oil and Gas Assets prior to the Closing Date, whether or not based upon strict liability or caused by the sole or concurrent negligence (whether active or passive) of Seller, unless such injury was occasioned solely by the gross negligence or intentional tort of Seller.

## **7.2 Operations Prior to the Closing Date**

Seller covenants and agrees that, except (v) as expressly contemplated by this Agreement, (w) as disclosed in the Disclosure Schedule, (x) with the prior written consent of Buyer (which consent shall not be unreasonably withheld, conditioned or delayed) or (y) as otherwise required by Legal Requirements, from the date of execution hereof and prior to the Closing Date:

- (a) Seller shall:
  - (i) use commercially reasonable efforts, taking into account Seller's status as debtor in possession, to maintain and operate the Oil and Gas Assets that are operated by Seller as a reasonably prudent operator or cause such Oil and Gas Assets to be operated as a reasonably prudent operator in the ordinary course of business;
  - (ii) pay or cause to be paid all costs and expenses relating to the Oil and Gas Assets which become due, including all bonuses and rentals, royalties, overriding royalties, shut-in royalties, and minimum royalties and development and operating expenses, and other payments incurred with respect to the Oil and Gas Assets operated by Seller except (A) royalties held in suspense as a result of title issues and that do not give any Third

- Party a right to cancel an interest in any Oil and Gas Assets operated by Seller, and (B) expenses or royalties being contested in good faith, unless the nonpayment of such contested expenses or royalties could result in the termination of a Lease, in which case Seller will notify Buyer and obtain Buyer's approval prior to withholding such payment;
- (iii) maintain its books, accounts and records in accordance with past custom and practice;
  - (iv) maintain the personal property comprising part of the Oil and Gas Assets operated by Seller in at least as good a condition as it is on the date hereof, subject to ordinary wear and tear;
  - (v) perform and comply in all material respects with all of its obligations under the Title Documents;
  - (vi) use commercially reasonable efforts, taking into account Seller's status under the CCAA, to (A) retain Affected Employees who are necessary to conduct the business as it is currently being conducted and (B) maintain its relationships with and preserve the goodwill of its key service providers;
  - (vii) maintain adequate levels of insurance with respect to the Oil and Gas Assets and the Seller's operation thereof; and
  - (viii) promptly provide Buyer with notice of any authorization for expenditure approved by Seller in respect of any operations with respect to the Oil and Gas Assets having an anticipated cost to Seller in excess of twenty-five thousand Canadian dollars (CAD\$25,000).
- (b) Seller shall not:
- (i) surrender or abandon any Oil and Gas Asset (except any abandonment of Leases to the extent any such Leases terminate pursuant to their terms);
  - (ii) commence, propose, or agree to participate in any single operation with respect to the Wells or Leases with an anticipated cost in excess of fifty thousand Canadian dollars (CAD\$50,000), except for emergency operations, operations scheduled under the AFEs, or operations required by any Governmental Authority;
  - (iii) terminate, cancel, or materially amend or modify any material Contract or other material document to which the Oil and Gas Assets are subject (including any of the Assigned Contracts or Leases), or enter into any new material agreement or material commitment relating to the Oil and Gas Assets, except in the ordinary course of business;



- (iv) sell, lease, encumber, or otherwise dispose of all or any portion of any Oil and Gas Assets, except sales of Petroleum Substances in the ordinary course of business;
- (v) grant to any Affected Employee any increase in compensation except in the ordinary course of Seller's business and consistent with past practice; or
- (vi) enter into any agreement or commitment to take any action prohibited by this Section 7.2(b).

### **7.3 Commercially Reasonable Efforts**

- (a) Seller and Buyer shall use commercially reasonable efforts to take, or cause to be taken, all actions, and to do, or cause to be done, and to assist and cooperate with the other in doing, all things necessary, proper or advisable to consummate and make effective, in the most expeditious manner practicable, the Transaction, including using commercially reasonable efforts to accomplish the following:
  - (i) the taking of all reasonable acts necessary to cause the conditions precedent set forth in Article X and Article XI to be satisfied;
  - (ii) the obtaining, at the earliest practicable date, of all necessary Governmental Authorizations and the making of all necessary registrations, declarations and filings (including registrations, declarations and filings with Governmental Authorities, if any) and the taking of all reasonable steps as may be necessary to avoid any Proceeding by any Governmental Authority; and
  - (iii) the execution or delivery of any additional instruments necessary to consummate the Transaction and to fully carry out the purposes of this Agreement.
- (b) Seller, on the one hand, and Buyer, on the other hand:
  - (i) shall promptly inform each other of any communication from any Governmental Authority concerning this Agreement, the Transaction, and any filing, notification or request for approval; and
  - (ii) shall permit the other to review in advance any proposed written or material oral communication or information submitted to any such Governmental Authority in response thereto. In addition, no Party shall agree to participate in any meeting with any Governmental Authority in respect of any filings, investigation or other inquiry with respect to this Agreement or the Transaction, unless such Party consults with the other Parties in advance and, to the extent permitted by any such Governmental Authority, gives the other Parties the opportunity to attend and participate thereat, in each case to the maximum extent practicable. Subject to any

restrictions under applicable laws, rules or regulations, each of Buyer, on the one hand, and Seller, on the other hand, shall furnish the other with copies of all correspondence, filings and communications (and memoranda setting forth the substance thereof) between it and its Affiliates and their respective Representatives on the one hand, and the Governmental Authority or members of its staff on the other hand, with respect to this Agreement, the Transaction (excluding documents and communications that are subject to preexisting confidentiality agreements or to the attorney-client privilege or work product doctrine) or any such filing, notification or request for approval. Each Party shall also furnish the other Party with such necessary information and assistance as such other Party and its Affiliates may reasonably request in connection with their preparation of necessary filings, registration or submissions of information to the Governmental Authority in connection with this Agreement, the Transaction and any such filing, notification or request for approval.

- (c) Subject to the terms and conditions of this Agreement, Buyer shall take any and all steps necessary to avoid or eliminate any impediments under any applicable antitrust, competition or trade regulation laws that may be asserted by any Governmental Authority with respect to the Transaction so as to enable the Closing to occur as soon as reasonably possible, including, without limitation, proposing, negotiating, committing to and effecting, by consent decree or otherwise, the sale, divestiture or disposition of such assets or businesses of Buyer or any of its Subsidiaries as may be required in order to avoid the entry, or to effect the dissolution, of any injunction, temporary restraining order or other order in any suit or proceeding, that would otherwise have the effect of preventing, delaying or restricting the consummation of the transactions contemplated in this Agreement.

#### **7.4 Commencement of CCAA Proceedings and Court Approval**

- (a) Subject to Section 12.4(a), forthwith (but in any event within two (2) Business Days) after Buyer has delivered or caused to be delivered to the Escrow Agent the Deposit, in accordance with Section 3.2, Seller shall file an application to commence proceedings under the CCAA and obtain an order, that is substantially in the form attached hereto as Schedule G (the “**Initial CCAA Order**”), from the Court to allow Seller to operate under CCAA protection by no later than March 10, 2016.
- (b) As soon as practicable (and in any event within five (5) Business Days) of the granting of the Initial CCAA Order, Seller shall serve the Sale Approval Application, on such notice, and to such service list, as is acceptable to Buyer, acting reasonably.
- (c) In the event an appeal is taken, or a stay pending appeal is requested, from the Approval and Vesting Order, Seller shall promptly notify Buyer of such appeal or

stay request and shall provide to Buyer promptly a copy of the related notice of appeal or order of stay. Seller shall also provide Buyer with written notice of any motion or application filed in connection with any appeal from either of such orders.

- (d) From and after the date of execution of this Agreement and prior to the Closing or the termination of this Agreement in accordance with Section 12.1, Seller shall not take any action that is intended to (or is reasonably likely to), or fail to take any action the intent (or the reasonably likely result) of which failure to act is to, result in the reversal, voiding, modification or staying of the Approval and Vesting Order or this Agreement.

## **7.5 CCAA Filings**

From and after the date of execution of this Agreement and until the Closing Date, Seller shall use commercially reasonable efforts to deliver to Buyer copies of all pleadings, motions, notices, statements, schedules, applications, reports and other papers that relate, in whole or in part, to this Agreement and the Transaction, or to Buyer or their respective agents or representatives, that are to be filed by Seller in connection with the CCAA Proceedings in advance of their filing, before the filing of such papers, and shall provide Buyer with a reasonable opportunity to review and comment thereon. Seller shall act reasonably and in good faith in considering any comments provided by Buyer to such papers; provided however that, subject in each case to the foregoing good faith obligations of Seller: (i) Seller shall have no obligation to accept and incorporate Buyer's comments to such papers; and (ii) in the event that Buyer has not provided comments to such papers within three (3) Business Days of receiving drafts of such Papers from Seller, then Seller is not obligated to wait to receive Buyer's comments and it may proceed to filing such Papers without having received any such comments from Buyer. Notwithstanding the foregoing, neither Seller's inadvertent failure to comply with this Section 7.5, nor Seller's failure to comply with this Section 7.5 due to emergency circumstances, shall constitute a breach under this Agreement.

## **7.6 Updates and Amendments of Schedules**

Until the fourth (4th) Business Day before the Scheduled Closing Date, with the prior consent of Buyer, Seller shall have the right to amend, modify and/or supplement the Disclosure Schedule, Schedule A and Schedule C, in each case, as applicable, in order to reflect (i) any additional Contracts or Leases taken by Seller or (ii) the deletion of any Contracts or Leases from any such Schedule.

# **ARTICLE VIII**

## **ADDITIONAL AGREEMENTS**

### **8.1 Taxes**

- (a) Any transfer, documentary, sales (including goods and services tax), use, stamp, registration and other similar Taxes, and all conveyance fees, recording charges and other similar fees and charges (including any penalties and interest) incurred in connection with the consummation of the transactions contemplated by this

Agreement (collectively, the "**Transfer Taxes**") shall be borne by Buyer. Seller and Buyer shall use commercially reasonable efforts and cooperate in good faith to reduce or eliminate any Transfer Taxes applicable to the sale and transfer of the Oil and Gas Assets, including by filing an election under subsection 167(1) of the ETA; provided that, the filing of such election shall not affect Buyer's liability for all or any amounts payable on account of GST in respect of the Transaction, and notwithstanding the filing of such election, Buyer shall be responsible for, and shall indemnify and save Seller harmless in respect of:

- (i) any and all Transfer Taxes (including GST) in respect of the Transaction in excess of the amounts collected by Seller from Buyer at Closing; and
- (ii) any and all penalty, interest and other amounts that may be payable by or assessed under the ETA as a result of or in connection with the failure by Buyer to pay any GST at Closing.

Buyer will, at its own expense, file all necessary Tax Returns and other documentation with respect to all Transfer Taxes, and, if required by applicable law, the Parties will, and will cause their Affiliates to, join in the execution of any such Tax Returns and other documentation.

- (b) Seller shall retain responsibility for, and shall bear and pay, all ad valorem, property, excise, severance, production or similar Taxes, and all other Taxes, based upon operation or ownership of the Oil and Gas Assets or the production of Petroleum Substances or the receipt of proceeds therefrom assessed with respect to the Oil and Gas Assets (but excluding, for the avoidance of doubt, Transfer Taxes) (collectively, the "**Asset Taxes**") for (i) any period ending on or prior to the Closing Date and (ii) the portion of any Straddle Period ending on or prior to the Closing Date. Buyer shall assume responsibility for, and shall bear and pay all Asset Taxes for: (i) any period commencing after the Closing Date; and (ii) the portion of any Straddle Period commencing after the Closing Date. For purposes of allocation between the Parties of Asset Taxes that are payable with respect to any periods beginning before and ending after the Closing Date ("**Straddle Periods**"), the portion of any such taxes that are attributable to the portion of the Straddle Period that ends on or prior to the Closing Date shall (A) in the case of such Asset Taxes that are based upon or related to income or receipts or imposed on a transactional basis such as severance or production taxes, be allocated based on revenues from sales occurring on or before the Closing Date (which shall be Seller's responsibility) and after the Closing Date (which shall be Buyer's responsibility); and (B) in the case of other Asset Taxes, be allocated pro rata per day between the period on or prior to the Closing Date (which shall be Seller's responsibility) and the period after the Closing Date (which shall be Buyer's responsibility). For purposes of the preceding sentence, any exemption, deduction, credit or other item that is calculated on an annual basis shall be allocated pro rata per day between the period ending on or prior to the Closing Date and the period beginning at the Closing Date. At the Closing, Asset Taxes with respect to each Oil and Gas Asset for the applicable Straddle Period shall be

prorated in accordance with the foregoing provisions based on the Asset Tax assessment for such Oil and Gas Asset for such Straddle Period, if available, or if otherwise, based on the Asset Taxes paid with respect to such Oil and Gas Asset during the preceding Tax period.

- (c) Seller, on the one hand, or Buyer, on the other hand, as the case may be (the "**Reimbursing Party**"), shall provide reimbursement for any Tax paid by the other (the "**Paying Party**") all or a portion of which is the responsibility of the Reimbursing Party in accordance with the terms of this Section 8.1 or that represents an overpayment for Taxes by the Paying Party. Within a reasonable time prior to the payment of any such Tax, the Paying Party shall give notice to the Reimbursing Party of the Tax payable and the Paying Party's and Reimbursing Party's respective Liability therefor, although failure to do so will not relieve the Reimbursing Party from its Liability hereunder except to the extent the Reimbursing Party is prejudiced thereby.
- (d) Buyer and Seller agree to furnish or cause to be furnished to each other, upon request, as promptly as practicable, such information and assistance relating to the Oil and Gas Assets (including access to books and records and Tax Returns and related working papers dated before Closing) as is reasonably necessary for the filing of all Tax Returns, the making of any election relating to Taxes, the preparation for any audit by any taxing authority, the prosecution or defense of any claims, suit or proceeding relating to any Tax, and the claiming by Buyer of any federal, provincial or local business tax credits or incentives that Buyer may qualify for in any of the jurisdictions in which any of the Oil and Gas Assets are located; *provided however*, that neither Buyer nor Seller shall be required to disclose the contents of its income Tax Returns to any Person. Any expenses incurred in furnishing such information or assistance pursuant to this Section 8.1(d) shall be borne by the Party requesting it.
- (e) The Parties shall jointly execute and file the election contemplated by subsection 66.7(7) of the Tax Act, within the time and in the manner prescribed therefor by the Tax Act, in respect of the acquisition of the Oil and Gas Assets by Buyer. In addition, Seller shall execute and file the designation contemplated by subsection 66.7(12.1) of the Tax Act, within the time and in the manner prescribed therefor by the Tax Act so as to designate in favour of Buyer an amount of not less than [REDACTED] Canadian dollars (CAD\$ [REDACTED]).

## 8.2 Allocation of Purchase Price

The Parties shall allocate the cash portion of the Base Purchase Price, for all purposes (including for purposes of the GST and the Tax Act), as follows:

- (a) Miscellaneous Interests    CAD\$10
- (b) Tangibles    [REDACTED] % less CAD\$10

- (c) Petroleum and Natural Gas Rights ■%

The Parties shall file their respective Tax Returns based upon and in accordance with such allocation and will not make any inconsistent statements or take any inconsistent positions on any Tax Returns, in any refund claims or during the course of any audits by any taxing authorities.

### 8.3 Payments Received

Seller, on the one hand, and Buyer, on the other hand, each agree that, after the Closing, each will hold and will promptly transfer and deliver to the other, from time to time as and when received by them, any cash, checks with appropriate endorsements (using their best efforts not to convert such checks into cash) or other property that they may receive on or after the Closing and that properly belongs to the other and will account to the other for all such receipts.

### 8.4 Assigned Contracts and Leases

- (a) If Buyer requires that Seller seek to obtain an order of the Court compelling the assignment of any Post-Closing Consent Contract pursuant to and in accordance with Section 2.5(e), then Buyer shall use commercially reasonable efforts to satisfy the requirements of section 11.3(3)(b) of the CCAA.
- (b) From and after the Closing Date, Buyer shall pay, perform or satisfy the Assumed Liabilities from time to time and as such Assumed Liabilities become due and payable or are required to be performed or satisfied in accordance with their respective terms.
- (c) Buyer acknowledges that various bonds, surety bonds, letters of credit, guarantees, and/or cash deposits, including those set forth in Schedule A (collectively the "**Security Arrangements**") have been provided by Seller and/or its Affiliates to secure the payment and/or performance of certain of Seller's obligations under the Title Documents or Licences. Buyer acknowledges that Seller has no duty to maintain any Security Arrangements after the Closing. To the extent Seller and/or any of its Affiliates have any obligations pursuant to any Security Arrangement or have pledged or otherwise provided any property that secures any such Security Arrangement (collectively, "**Seller's Obligations**"), Buyer shall take such commercially reasonable actions, at or prior to Closing, as are necessary to cause Seller's Obligations arising under the Security Arrangements set forth in Schedule A (and such Security Arrangements) to be released and terminated, and any of Seller's property pledged or otherwise provided to secure such Security Arrangements returned to Seller, in each case concurrent with the Closing. As to those Security Arrangements not listed in Schedule A, Buyer shall take such commercially reasonable actions as are necessary to cause Seller's Obligations arising under such Security Arrangements (and such Security Arrangements) to be released and terminated, and any of Seller's property pledged or otherwise provided to secure such Security Arrangements returned to Seller, within thirty (30) days following Seller's

notifying Buyer (or if earlier, Buyer's otherwise becoming aware) of such Security Arrangement.

## 8.5 Employee Matters

- (a) It is the intent of the Parties that, prior to the Scheduled Closing Date, Buyer shall review its employee requirements and conduct interviews (to the extent, in its sole discretion, it so desires) of the Affected Employees with a view to offering employment to a significant number of the Affected Employees. Without limiting the generality of the foregoing, the Parties acknowledge that if the Approval and Vesting Order of the Court does not provide for a stay of proceedings that stays the rights of Third Parties to terminate, change, or otherwise replace the operator, or otherwise prevent the assignment of such operatorship from the operator to its designated assignee, such that Buyer is not guaranteed to be appointed or to have its designee appointed as the successor operator of those Oil and Gas Assets that Seller currently operates, then Buyer's employee requirements (together with its offers of employment to Affected Employees) will be materially reduced. Seller shall provide Buyer with reasonable access to meet the Affected Employees. Such access shall be provided at the offices of Seller, or such other reasonable location as may be specified by Seller and agreed by Buyer, during normal business hours.
- (b) No later than twelve (12) days prior to the Scheduled Closing Date, Buyer shall make the offers of employment contemplated in Section 8.5(a). Buyer shall provide Seller with a form of offer it will use at least two (2) Business Days prior to the offers being delivered to any Affected Employees. All offers of employment shall be made in accordance with the following:
  - (i) each offer of employment shall be conditional on Closing occurring and shall be effective at 12:01 a.m. on the day following the Closing Date;
  - (ii) each offer of employment shall be open for acceptance for at least seven (7) days, and shall expire not later than four (4) Business Days prior to the Scheduled Closing Date;
  - (iii) Buyer's offer of employment shall include provision for compensation, and benefits, including responsibilities, hours of work, location and shift scheduling, that, with respect to each such employee, are in the aggregate substantially similar to the compensation, benefits and other work terms in effect for such employee immediately prior to the Closing Date; and
  - (iv) Buyer's offer of employment shall also indicate that, for the purposes of common law pay in lieu of notice on termination of employment with Buyer and for purposes of eligibility for participation in Buyer's employee group insured benefits arrangements, as applicable, the period of employment of an Employee who accepts an offer from Buyer shall be

deemed to include the period of employment with Seller as set out in the Employee List;

provided, in each case that, certain of the offers of employment may (at the sole discretion of Buyer) be conditional on the Approval and Vesting Order of the Court providing for a stay of proceedings that stays the rights of Third Parties to terminate, change, or otherwise replace the operator, or otherwise prevent the assignment of such operatorship from the operator to its designated assignee, such that Buyer is guaranteed to be appointed or to have its designee appointed as the successor operator of those Oil and Gas Assets that Seller currently operates.

- (c) Not later than three (3) Business Days prior to the Scheduled Closing Date Buyer shall provide Seller with a complete list of Affected Employees who accepted offers of employment from Buyer (each a "**Transferring Employee**") and a complete list of Affected Employees who rejected Buyer's offer of employment. Notwithstanding the foregoing, in respect of any Transferring Employee on short term disability, long term disability or any other approved leave of absence, at the Closing Date, the effective date of such employment shall not be the Closing Date, but, rather, the terms of Buyer's offer of employment to any such individuals shall specify that the offer is conditional upon the Transferring Employee being capable of returning to work with proper accommodation and the date on which such Transferring Employee returns to work shall be the effective date of employment.
- (d) Seller shall terminate the employment of each Transferring Employee effective the end of the day on which Closing occurs, except those Transferring Employees who, prior to the Closing Date, are terminated for cause, retire, voluntarily resign or, with Buyer's consent, are terminated without cause. If, within the six (6) month period commencing at the Closing Date, Buyer employs, or hires as a contractor, any of the Affected Employees who, at the Closing Date (i) had not accepted an offer from Buyer, and (ii) was terminated by Seller as a result thereof, then Buyer shall promptly so notify Seller, and shall reimburse Seller for all severance, termination or similar amounts, if any, paid to such Affected Employee by Seller.
- (e) Seller and Buyer shall at Closing enter into the TSA.

## **8.6 Post-Closing Deliveries, Books and Records and Personnel**

- (a) Except as otherwise provided in this Agreement, at Closing or within a reasonable period of time following Closing, Seller shall deliver to Buyer the original copies of the Title Documents and any other agreements and documents in its possession to which the Oil and Gas Assets are subject along with the original copies of contracts, agreements, records, documents, licences, reports and data comprising Miscellaneous Interests, which are now in the possession of Seller or of which it gains possession prior to Closing. Notwithstanding the foregoing, if and to the extent such contracts, agreements, records, documents, licences, reports and data



also pertain to interests other than the Oil and Gas Assets, photocopies or other copies may be provided to Buyer in lieu of the original copies.

- (b) All of the information, materials and other records delivered to Buyer pursuant to the terms hereof shall be maintained in good order and good condition and kept in a reasonably accessible location by Buyer and its Affiliates for a period of five (5) years from the Closing Date or for any longer period as may be required under applicable Legal Requirements (the "**Retention Period**"). At any time prior to the expiration of the Retention Period, Buyer may destroy or give up possession of any such information or materials if it first delivers at least 60 days' prior notice to Seller containing a detailed listing of the information and materials proposed to be destroyed and offering Seller the opportunity, at the expense of Seller, to obtain delivery of or a copy of so much of such information or materials as Seller, as applicable, in its sole discretion, desires. Until the closing of the CCAA Proceedings or the liquidation and winding up of Seller's estates, Seller shall preserve and keep the information, materials and other records to be delivered to Buyer pursuant to the terms hereof and, at Buyer's sole expense, shall make such information, materials and other records, and Seller's personnel available to Buyer as may be reasonably required by Buyer in connection with, among other things, any insurance claims by, Proceedings, Actions or Tax audits against, or governmental investigations of, Buyer or any of its Affiliates or in order to enable Buyer to comply with its obligations under this Agreement and each other Transaction Document.

## 8.7 Casualty

- (a) If, after the date of execution of this Agreement and prior to the Closing, a material part of the Oil and Gas Assets suffers a Casualty Loss or if a material part of the Oil and Gas Assets is taken in condemnation or under the right of eminent domain or if proceedings for such purposes are pending or threatened, Seller shall promptly give Buyer written notice of such occurrence, including reasonable particulars with respect thereto, and this Agreement shall remain in full force and effect notwithstanding any such destruction, taking, proceeding, or threat.
- (b) With regard to a Casualty Loss or condemnation occurring after the date of execution of this Agreement and prior to the Closing, Buyer may elect to exclude the affected Oil and Gas Assets from this Agreement, whereupon the Purchase Price shall be adjusted downward by the portion of the Base Purchase Price allocated to the affected Oil and Gas Assets (the "**Casualty Loss Amount**") determined by the Parties, acting reasonably and in good faith; provided however that if the Parties are unable to agree on such allocation of value, then the determination of such allocation of value shall be referred to Expert Determination. The affected Oil and Gas Assets shall be treated as Excluded Assets for all purposes under this Agreement.

- (c) Unless the Oil and Gas Assets affected by a Casualty Loss are excluded pursuant to Section 8.7(b), (i) at the Closing, the Oil and Gas Assets affected by a Casualty Loss or condemnation shall be included in the Closing and Buyer shall pay the full Casualty Loss Amount therefor, subject to any applicable adjustments under this Agreement, and (ii) Buyer's recourse with respect to a condemnation or Casualty Loss shall be limited to the proceeds of Seller's applicable insurance coverage recoverable by Seller in respect thereof or other sums paid or payable to Seller by Third Parties (or an assignment of claims related thereto), which proceeds or other sums shall be payable to Buyer only upon or after the Closing of the Transaction. Seller shall have no other liability or responsibility to Buyer with respect to a condemnation or Casualty Loss, even if such Casualty Loss shall have resulted from or shall have arisen out of the sole or concurrent negligence, fault, or violation of a Legal Requirement.
- (d) Unless the affected Oil and Gas Assets are excluded pursuant to Section 8.7(b):
- (i) no insurance or condemnation proceeds shall be committed or applied by Seller to repair, restore or replace a lost, damaged, destroyed or taken portion of the Oil and Gas Assets if the cost to repair, restore or replace a lost, damaged, destroyed or taken portion of the Oil and Gas Assets is projected to exceed two hundred thousand Canadian dollars (CAD\$200,000);
  - (ii) to the extent such proceeds are not committed or applied by Seller prior to the Closing Date in accordance with this Section 8.7(d), Seller shall at the Closing pay to Buyer all sums paid to Seller by reason of such loss, damage, destruction or taking, less any reasonable costs and expenses incurred by Seller in collecting such proceeds;
  - (iii) in addition and to the extent such proceeds have not been committed or applied by Seller in accordance with this Section 8.7(d), in such repair, restoration, or replacement, Seller shall transfer to Buyer, at the Closing, without recourse against Seller, all of the right, title, and interest of Seller in and to any unpaid insurance or condemnation proceeds or claims arising out of such loss, damage, destruction or taking, less any reasonable costs and expenses incurred by Seller in collecting such proceeds; and
  - (iv) any such funds that have been committed by Seller for repair, restoration or replacement as aforesaid shall be paid by Seller for such purposes or, at Seller's option, delivered to Buyer upon Seller's receipt from Buyer of adequate assurance and indemnity that Seller shall incur no liability or expense as a result of such commitment.

## **8.8 Successor Operator**

Without limiting Seller's obligations herein to seek stays (under the CCAA Proceedings) of certain Third Party rights to replace the operator or otherwise enforce change of operatorship

under the Assigned Contracts, Seller shall use its commercially reasonable efforts to support Buyer's efforts to be appointed or to have a designee appointed as the successor operator of those Oil and Gas Assets that Seller currently operates. Notwithstanding the foregoing, Seller makes no representations or warranties to Buyer as to the transferability of operatorship of any Oil and Gas Assets that Seller currently operates. Rights and obligations associated with operatorship of the Oil and Gas Assets are governed by operating agreements or similar agreements and will be determined in accordance with the terms of such agreements.

## **8.9 Adjustments**

- (a) Except as otherwise provided in this Section 8.9, Section 8.10 or Section 8.11, or as provided for in the case of Taxes and specifically Asset Taxes in Section 8.1(b):
  - (i) the Parties shall adjust and apportion all costs, obligations, benefits and revenues of every kind and nature incurred, payable or paid in respect of the Oil and Gas Assets as at the Effective Time, including capital costs, operating costs, lease rentals and royalty obligations; and
  - (ii) all such accounting adjustments and apportionments made hereunder shall be made on the accrual basis, as described in Section 8.9(b), and in accordance with generally accepted Canadian accounting principles and generally accepted Canadian oil and gas industry practices.
- (b) All costs incurred in connection with work performed or goods or services provided in respect of the Oil and Gas Assets shall be deemed to have accrued in accordance with generally accepted accounting principles and generally accepted Canadian oil and gas industry practices as of the date the work was performed or the goods or services were delivered, regardless of the times such costs become payable.
- (c) Seller shall be entitled to a credit to the extent that it has paid any operating cost advances, capital cost advances, authorities for expenditure and similar prepayments in respect of the Oil and Gas Assets that are applied to pay for work performed after the Effective Time.
- (d) All Leased Substances in inventory that have been produced from the Lands prior to the Effective Time do not comprise part of the Oil and Gas Assets and remain the property of Seller and the proceeds from the sale thereof shall accrue and belong to Seller. All other Leased Substances shall comprise part of the Oil and Gas Assets, and the proceeds from the sale thereof shall accrue and belong to Buyer, provided that Closing occurs.
- (e) Seller shall be entitled to all overhead recoveries forming part of operator's fees associated with the Oil and Gas Assets and charged to Third Parties for all periods up to the Closing Date.

- (f) All rentals and similar payments and other periodic costs that relate to the Oil and Gas Assets and are payable in respect of a period of time that straddles the Effective Time shall be apportioned between Seller and Buyer on a per diem basis as of the Effective Time.
- (g) Any payment or liability resulting from a Thirteenth Month Adjustment shall be apportioned between Seller and Buyer as at the Effective Time on the same basis (whether on a throughput, per diem or other basis) as the Thirteenth Month Adjustment is allocated to the parties to the agreement under which it is made. Buyer and Seller shall cooperate to ensure that all Thirteenth Month Adjustments are up-to-date through the Effective Time by no later than 90 days following the Closing Date.
- (h) The net production income (gross revenues less operating costs, lessor royalties and other direct costs) that accrues in respect of the Oil and Gas Assets during the Interim Period will be reported as income for income Tax purposes by Seller. The Base Purchase Price will be adjusted upward by the Canadian dollar amount of income Taxes paid or payable by Seller in respect of the net production income (gross revenues less operating costs, lessor royalties and other direct costs) that accrues in respect of the Oil and Gas Assets during the Interim Period; provided that, Seller shall have maximized all discretionary deductions available to it. The said adjustment will be allocated to the Petroleum and Natural Gas Rights in Section 8.2.

#### **8.10 Interim Statement of Adjustments**

On or before the fourth (4th) Business Day prior to the Scheduled Closing Date, Seller shall deliver to Buyer an interim statement of all adjustments (the "**Interim Statement of Adjustments**") to be made pursuant to Section 8.9 in respect of the costs paid or payable and revenues received or receivable by Seller prior to Closing. The Interim Statement of Adjustments shall be prepared on the basis of Seller's good faith estimate of the costs and revenues attributable to the Oil and Gas Assets prior to the Closing Date. At the time it delivers the Interim Statement of Adjustments, Seller shall make available to Buyer all information reasonably necessary for Buyer to understand and confirm the calculations in such statement. Any amount deemed owing by one Party to another pursuant to the Interim Statement of Adjustments shall be used to calculate the payment made by Buyer at Closing pursuant to Section 4.2. For greater certainty, to determine the United States dollar converted equivalent of the Canadian dollar apportionments required pursuant to and in accordance with Section 8.9, together with the cash component of the Purchase Price (as estimated at Closing) payable at Closing by Buyer, the Interim Statement of Adjustments shall provide for and use the applicable conversion rate quoted for noon by the Bank of Canada on the fourth (4th) Business Day prior to the Scheduled Closing Date in accordance with Section 1.2(a)(ii).

#### **8.11 Adjustment Post Closing**

- (a) As soon after the Closing Date as reasonably practicable, and in any event within 90 days following the Closing Date, the Parties shall cooperate in preparing, on

the basis of information available within such period, a final statement of all adjustments and payments to be made pursuant to Section 8.9 (the "**Final Statement of Adjustments**"); provided that, to determine the United States dollar converted equivalent of the Canadian dollar apportionments required pursuant to and in accordance with Section 8.9, together with the final amount of the cash component of the Purchase Price, the Final Statement of Adjustments shall provide for and use the applicable conversion rate quoted for noon by the Bank of Canada on the Closing Date in accordance with Section 1.2(a)(ii). If the Parties are unable to agree upon the Final Statement of Adjustments, the determination of the Final Statement of Adjustments shall be submitted to arbitration, in accordance with Section 8.11(e). The net amount owing under the Final Statement of Adjustments shall be remitted by the Party who is obliged to make payment within 30 days of determination of such net amount.

- (b) For a period of 210 days following the Closing Date, either Party may have access to the records of the other Party in relation to the Oil and Gas Assets for the limited purpose of calculating or verifying adjustments pursuant to this Section 8.11. Any such access shall be provided upon reasonable notice to the Party whose records are being examined, at such Party's offices during its normal business hours and shall be conducted at the sole expense of the examining Party.
- (c) After the Final Statement of Adjustments has been determined, and subject to Section 8.11(d), no further adjustments to the Purchase Price will be made between the Parties pursuant to this Section 8.11.
- (d) Notwithstanding Section 8.11(c), a Party will be required to make an adjustment pursuant to this Section 8.11 if:
  - (i) the adjustment arises from a Crown royalty audit commenced not later than 48 months after the end of the calendar year in which Closing occurs and a written request for the adjustment is given by one Party to the other Party within 180 days of the requesting Party's receipt of the results of the audit;
  - (ii) the adjustment arises from a joint venture audit under a Title Document commenced not later than 26 months after the end of the calendar year in which Closing occurs and a written request for the adjustment is given by one Party to the other Party within 180 days of the requesting Party's receipt of the results of the audit; or
  - (iii) the adjustment arises from a Thirteenth Month Adjustment within three months after the Closing Date and a written request for the adjustment is given by one Party to the other Party within 180 days of the requesting Party's receipt of the results of the Thirteenth Month Adjustment.
- (e) Either Party may, at any time, refer a dispute relating to the requirement for or the amount of any adjustment made or requested pursuant to this Article VIII to an

independent Third Party international firm of chartered accountants that is agreed to by both Parties, acting reasonably, for resolution (the "**Accounting Referee**"). Each Party shall timely provide to the Accounting Referee all documents in its possession or control that are reasonably necessary for the Accounting Referee to resolve the dispute. The decision of the Accounting Referee shall be final and binding on the Parties and shall not be subject to review or appeal. All costs of the Accounting Referee shall be borne by the Parties equally.

- (f) There will be an adjustment to the Purchase Price equal to the net amount of the adjustments (without duplication and including as contemplated in Section 8.9(h)) made pursuant to Sections 8.9 and 8.10 and this Section 8.11. All adjustments under this Section 8.11 shall be allocated to the Petroleum and Natural Gas Rights.

## **ARTICLE IX**

### **PREFERENTIAL PURCHASE RIGHTS**

#### **9.1 Preferential Purchase Rights**

On or prior to the date hereof, Buyer has notified Seller of its *bona fide* allocations of value for Seller's interest in the Oil and Gas Assets that are identified in Schedule D as being subject to Preferential Purchase Rights for which a contractual exemption does not apply, such that the relevant Third Parties are entitled to receive notice of, and exercise, such Preferential Purchase Rights. Seller shall courier Preferential Purchase Rights notices to the Third Parties holding such Preferential Purchase Rights promptly following execution and delivery of this Agreement. Seller shall notify Buyer in writing forthwith upon each Third Party exercising or waiving such a Preferential Purchase Right. If any such Third Party elects to exercise such Preferential Purchase Right, the definition of Oil and Gas Assets shall be deemed to be amended to exclude those Oil and Gas Assets in respect of which the Preferential Purchase Right has been exercised, such Oil and Gas Assets shall not be conveyed to Buyer and the Purchase Price shall be reduced accordingly.

#### **9.2 Disputed Preferential Purchase Rights**

- (a) Subject to Section 9.2(b), should a Third Party receiving a Preferential Purchase Right notice pursuant to Section 9.1 (the "**Disputing Party**") dispute the value allocation (the "**Disputed Value**") in such notice (the "**Disputed Value Notice**"), the Parties shall proceed to Closing in respect of all of the Oil and Gas Assets (including the Oil and Gas Assets that were the subject of the Disputed Value Notice (the "**Disputed Valued Assets**")).
- (b) Notwithstanding Section 9.2(a), if a Disputing Party commences an action with respect to the Disputed Value (the "**ROFR Action**") and obtains an injunction preventing the sale of any Disputed Value Assets to Buyer prior to the Closing Date (which assets shall be referred to as "**Enjoined Disputed Value Assets**"), then:

- (i) the definition of Oil and Gas Assets shall be deemed to be amended to exclude the Enjoined Disputed Value Assets that are the subject of the injunction, and Closing shall occur on the Closing Date with respect to all Oil and Gas Assets other than the Enjoined Disputed Value Assets, if any, and Buyer shall pay to Seller the adjusted Purchase Price reduced accordingly; and
- (ii) on the Closing Date, pursuant to and in accordance with this Agreement and the Disputed Value Assets Escrow Agreement:
  - (A) Buyer shall pay to the Escrow Agent, in trust, the Disputed Value amount; and
  - (B) the Parties shall, acting reasonably and in good faith, prepare, execute and deliver to the Escrow Agent, in trust, all closing documentation required for the sale of the Disputed Value Assets by Seller to Buyer (the “**Disputed Value Assets Conveyance Documentation**”),

pending resolution of the ROFR Action relating to the Enjoined Disputed Value Assets.

### 9.3 Carriage of ROFR Actions

- (a) If a Disputing Party commences a ROFR Action with respect to the Disputed Value relating to Enjoined Disputed Value Assets, Seller shall at its sole cost and risk diligently proceed with the defence, compromise or settlement of the ROFR Action and shall consult with Buyer with respect to the ROFR Action and shall not settle same without the prior written consent of Buyer, which consent shall not be unreasonably withheld. Buyer shall make available to Seller all pertinent information under Buyer's control notwithstanding Seller's defence of the ROFR Action. Buyer shall also have the right to participate in the negotiation, settlement or defence of the ROFR Action at its own expense. Buyer shall be responsible for and shall pay all Seller's reasonable legal fees and expenses relating to the ROFR Action, including any expert or other professional services required to justify the Disputed Value.
- (b) If a Disputing Party commences a ROFR Action with respect to the Disputed Value but relating to Disputed Value Assets other than Enjoined Disputed Value Assets, such that Buyer acquires the Disputed Value Assets in question, Buyer shall at its sole cost and risk diligently proceed with the defence, compromise or settlement of the ROFR Action and shall consult with Seller with respect to the ROFR Action and shall not settle same without the prior written consent of Seller, which consent shall not be unreasonably withheld. Seller shall make available to Buyer all pertinent information under Seller's control notwithstanding Buyer's defence of the ROFR Action. Seller shall also have the right to participate in the negotiation, settlement or defence of the ROFR Action at its own expense.

#### **9.4 Resolution of ROFR Action**

Upon final judicial resolution (including the expiry of all appeal periods) or settlement of each ROFR Action in respect of Enjoined Disputed Value Assets, as applicable, the Disputed Value funds and the Disputed Value Closing Documentation shall be releasable by the Escrow Agent as follows:

- (i) if the Disputing Party elects to exercise its Preferential Purchase Right, then the Parties shall instruct the Escrow Agent to: (A) return the Disputed Value amount (plus any interest earned thereon) to Buyer; and (B) destroy the Disputed Value Assets Conveyance Documentation; and
- (ii) if the Disputing Party elects not to exercise its Preferential Purchase Right, then the Parties shall instruct the Escrow Agent to: (A) release the Disputed Value amount (plus any interest earned thereon) to Buyer; and (B) release the Disputed Value Assets Conveyance Documentation to the Parties, as applicable, and the Parties shall promptly comply with all relevant post-Closing obligations hereunder (including related to the delivery and registration of such Disputed Value Assets Conveyance Documentation, as applicable).

#### **9.5 Buyer Indemnity**

Buyer shall indemnify and save Seller harmless from and against any and all losses of Seller arising out of the value allocations provided by Buyer in respect of the Preferential Purchase Right notices to be provided pursuant to Section 9.1 (including in respect of a ROFR Action).

### **ARTICLE X**

#### **CONDITIONS PRECEDENT TO OBLIGATIONS OF BUYER TO CLOSE**

The obligations of Buyer to consummate the transactions contemplated by this Agreement are subject to the satisfaction or waiver, at or prior to the Closing, of each of the following conditions:

#### **10.1 Accuracy of Representations**

The representations and warranties of Seller set forth in this Agreement shall be true and correct in all material respects on and as of the Closing Date with the same effect as though such representations and warranties had been made on and as of the Closing (provided that representations and warranties that are confined to a specified date shall speak only as of such date); *provided however*, that in the event of a breach of or inaccuracy in the representations and warranties of Seller set forth in this Agreement, the condition set forth in this Section 10.1 shall be deemed satisfied unless the effect of all such breaches of or inaccuracy in such representations and warranties taken together results in a Material Adverse Effect. Buyer shall have received a certificate of Seller to such effect signed by a duly authorized officer thereof. If Buyer determines that there has been a breach or inaccuracy of any of Seller's representations and warranties, it shall provide Seller with notice of such breach or inaccuracy as promptly as



reasonably practicable so that Seller may attempt to cure such breach or inaccuracy to Buyer's reasonable satisfaction on or before the Closing Date.

## **10.2 Seller's Performance**

The covenants and agreements that Seller is required to perform or to comply with pursuant to this Agreement at or prior to the Closing shall have been duly performed and complied with in all material respects (except that those covenants and agreements that are qualified as to materiality or Material Adverse Effect or similar expressions shall have been duly performed and complied with in all respects), and Buyer shall have received a certificate of Seller to such effect signed by a duly authorized officer thereof.

## **10.3 No Order**

No Governmental Authority shall have enacted, issued, promulgated or entered any Order that is in effect and has the effect of making illegal or otherwise prohibiting the consummation of the transactions contemplated by this Agreement or could cause any of such transactions to be rescinded following the Closing.

## **10.4 Seller's Deliveries**

Each of the deliveries required to be made to Buyer pursuant to Section 4.4 shall have been so delivered.

## **10.5 Licensee Liability Rating**

Seller's liability management rating as assessed by the AER under *Directive 006 – Licensee Liability Rating (LLR) Program and Licence Transfer Process* and related regulations shall, at Closing, be greater than or equal to 1.5.

## **10.6 Approval and Vesting Order**

No later than the later of:

- (a) the date that is twenty-one (21) calendar days after the date of the Initial CCAA Order, or
- (b) the date that is twenty (20) Business Days after the date of the Initial CCAA Order if, and only if, Seller has complied with its obligations in Section 7.3(a), and, for reasons that are outside of Seller's reasonable control, Seller is unable to achieve the date specified in Section 10.6(a),

the Court shall have entered the Approval and Vesting Order and the Approval and Vesting Order shall be in full force and effect and shall not have been stayed or overturned.

**ARTICLE XI**  
**CONDITIONS PRECEDENT TO THE OBLIGATION OF SELLER TO CLOSE**

Seller's obligation to consummate the transactions contemplated by this Agreement is subject to the satisfaction or waiver, at or prior to the Closing, of each of the following conditions:

**11.1 Accuracy of Representations**

The representations and warranties of Buyer set forth in this Agreement shall be true and correct in all material respects (except that those representations and warranties that are qualified as to materiality or similar expressions shall be true and correct in all respects) as of the Closing Date with the same effect as though such representations and warranties had been made on and as of the Closing Date (provided that representations and warranties that are confined to a specified date shall speak only as of such date), and Seller shall have received a certificate of Buyer to such effect signed by a duly authorized officer thereof.

**11.2 Approval and Vesting Order in Effect**

The Court shall have entered the Approval and Vesting Order and the Approval and Vesting Order shall be in full force and effect and shall not have been stayed or overturned.

**11.3 Buyer's Performance**

The covenants and agreements that Buyer is required to perform or to comply with pursuant to this Agreement at or prior to the Closing shall have been performed and complied with in all material respects (except that those covenants and agreements that are qualified as to materiality or similar expressions shall have been duly performed and complied with in all respects), and Seller shall have received a certificate of Buyer to such effect signed by a duly authorized officer thereof.

**11.4 No Order**

No Governmental Authority shall have enacted, issued, promulgated or entered any Order that is in effect and that has the effect of making illegal or otherwise prohibiting the consummation of the transactions contemplated by this Agreement or could cause any of such transactions to be rescinded following the Closing.

**11.5 Buyer's Deliveries**

Each of the deliveries required to be made to Seller pursuant to Section 4.3 shall have been so delivered.

**ARTICLE XII**  
**TERMINATION**

**12.1 Termination Events**

Anything contained in this Agreement to the contrary notwithstanding, this Agreement may be terminated at any time prior to the Closing:

- (a) by either Seller or Buyer:
  - (i) if a Governmental Authority issues a final, non-appealable ruling or Order prohibiting the Transaction where such ruling or Order was not requested, encouraged or supported by any of Seller or Buyer;
  - (ii) by mutual written consent of Seller and Buyer;
  - (iii) if the Closing shall not have occurred by the close of business on May 27, 2016, provided that:
    - (A) Buyer shall be permitted to terminate this Agreement pursuant to this Section 12.1(a)(iii) only if:
      - (1) Buyer is not itself in material breach of any of its agreements, covenants, representations, warranties or obligations contained herein; and
      - (2) Buyer has provided written notice to Seller of its intention to exercise its rights under this Section 12.1(a)(iii) and Seller has not provided written notice to Buyer that it is ready, willing and able to close the transactions contemplated by this Agreement (provided that Seller shall only be permitted to deliver such written notice in the event that the condition precedent set forth in Section 10.6 has been fulfilled) on or before the date that is five (5) Business Days after the date of such notice from Buyer, and
    - (B) Seller shall be permitted to terminate this Agreement pursuant to this Section 12.1(a)(iii) only if:
      - (1) Seller is not itself in material breach of any of its agreements, covenants, representations, warranties or obligations contained herein; and
      - (2) Seller has provided written notice to Buyer of its intention to exercise its rights under this Section 12.1(a)(iii) and Buyer has not provided written notice to Seller that it is ready, willing and able to close the transactions contemplated by this Agreement on or before the date that

is five (5) Business Days after the date of such notice from Seller;

- (iv) if the Court enters an Order dismissing the Sale Approval Application; or
- (v) if the aggregate sum of:
  - (A) the Title Defect Amounts for all Title Defects asserted by Buyer pursuant to Section 13.1;
  - (B) the Environmental Defect Amounts for all Environmental Defects asserted by Buyer pursuant to Section 13.5; and
  - (C) the aggregate downward adjustments to the Purchase Price asserted by Buyer pursuant to Section 8.7(b);exceeds thirty percent (30%) of the cash portion of the Base Purchase Price;
- (b) by Buyer in the event of any breach by Seller of any of Seller's agreements, covenants, representations, warranties or obligations contained herein (provided such breach would result in the failure of a condition set forth in Section 10.1 or Section 10.2 to be satisfied) or (if such breach is material) in the Approval and Vesting Order, and the failure of Seller to cure such breach within ten (10) days after receipt of the Buyer Termination Notice; *provided however*, that:
  - (i) Buyer is not itself in material breach of any of its agreements, covenants, representations, warranties or obligations contained herein or in the Approval and Vesting Order;
  - (ii) Buyer notifies Seller in writing (the "**Buyer Termination Notice**") of its intention to exercise its rights under this Section 12.1(b) as a result of the breach, and
  - (iii) Buyer specifies in the Buyer Termination Notice the agreement, covenant, representation, warranty or obligation contained herein or in the Approval and Vesting Order of which Seller is allegedly in breach; or
- (c) by Seller:
  - (i) in the event of any breach by Buyer of any of Buyer's agreements, covenants, representations, warranties or obligations contained herein (provided such breach would result in the failure of a condition set forth in Section 11.1 or Section 11.3 to be satisfied) or (if such breach is material) in the Approval and Vesting Order, and the failure of Buyer to cure such breach within ten (10) days after receipt of the Seller Termination Notice; *provided however*, that:

- (A) Seller is not itself in material breach of any of its agreements, covenants, representations, warranties or obligations contained herein or in the Approval and Vesting Order;
- (B) Seller notifies Buyer in writing (the "**Seller Termination Notice**") of its intention to exercise its rights under this Section 12.1(c) as a result of the breach; and
- (C) Seller specifies in the Seller Termination Notice the agreement, covenant, representation, warranty or obligation contained herein or in the Approval and Vesting Order of which Buyer is allegedly in breach.

## **12.2 Effect of Termination**

- (a) Subject to Section 12.3 and 12.4, in the event of termination of this Agreement by Buyer or Seller pursuant to this Article XII, all rights and obligations of the Parties under this Agreement shall terminate without any Liability of any Party to any other Party; provided however, that nothing herein shall relieve any Party from liability for breach of this Agreement prior to such termination; provided further, however, that Buyer's liability for breach of this Agreement shall be limited to forfeiture of the Deposit (plus any interest that has actually accrued thereon) pursuant to and in accordance with Section 12.3(b)); which forfeiture amount represents the Parties' genuine pre-estimate of the aggregate quantum of damages that will have been sustained by Seller as a result of the failure to complete the Transaction. The provisions of this Section 12.2 and Section 12.3 (and, to the extent applicable to the interpretation or enforcement of such provisions, including Article I), shall expressly survive the termination of this Agreement.
- (b) Each Party acknowledges that the agreements contained in this Section 12.2, Section 12.3 and 12.4 are an integral part of the transactions contemplated by this Agreement, that without these agreements such Party would not have entered into this Agreement.

## **12.3 Disposition of Deposit and the Escrow Agreement**

If this Agreement is terminated prior to Closing:

- (a) pursuant to Section 12.1(a) or 12.1(b), or if Closing does not occur for any reason otherwise than because this Agreement is terminated pursuant to Section 12.1(c) or 12.4(a), then, pursuant to and in accordance with the Escrow Agreement and this Agreement, in all such cases, the Deposit (plus any interest that has actually accrued thereon) shall be returned to Buyer; or
- (b) pursuant to Section 12.1(c), Seller shall, pursuant to and in accordance with the Escrow Agreement and this Agreement, be entitled to forfeiture of the Deposit (plus any interest that has actually accrued thereon) to Seller, as liquidated

damages, representing the Parties' genuine pre-estimate of the aggregate quantum of damages that will have been sustained by Seller as a result of the failure to complete the Transaction; and in consideration for the forfeiture of the Deposit (plus any interest that has actually accrued thereon), Seller waives, and releases Buyer from, any and all rights and remedies that may be available to Seller, at law or in equity, as a result of Closing not occurring in such circumstances.

#### **12.4 Termination for Default of Deposit**

- (a) Notwithstanding anything contained in this Agreement, this Agreement may be terminated by Seller in its sole and absolute discretion if Buyer has not delivered the Deposit to the Escrow Agent, in accordance with Section 3.2, within four (4) Business Days after the date hereof.
- (b) In the event of termination of this Agreement by Seller pursuant to Section 12.4(a), Seller shall have no further Liability or obligation to Buyer under this Agreement, provided however that Seller shall, notwithstanding such termination, be entitled to any and all rights and remedies that may be available to Seller, at law or in equity, as a result of Buyer's breach of Section 3.2.
- (c) The provisions of this Section 12.4 (and any other provisions of this Agreement that are necessary or expedient to the interpretation or enforcement of this Section 12.4, including Article I) shall survive the termination of this Agreement.

### **ARTICLE XIII TITLE AND ENVIRONMENTAL MATTERS**

#### **13.1 Title Defects**

Buyer may deliver to Seller prior to March 22, 2016 (the "**Defect Deadline**") a written notice of all Title Defects asserted by Buyer (the "**Title Defect Notice**"). To be effective, the Title Defect Notice shall include:

- (a) a description of the alleged Title Defect identifying the Oil and Gas Asset affected thereby;
- (b) Buyer's good faith reasonable estimation of the Title Defect Amount with respect to each Title Defect, and the computations for such Title Defect Amount; and
- (c) all internal or external engineering or other reports (and work papers related thereto reflecting information with respect to the Working Interests or other ownership interests to which each asserted Title Defect relates) prepared by or for Buyer with respect to the Working Interests or other ownership interests reasonably supporting Buyer's assertion of each Title Defect and the Title Defect Amount.

Upon receipt of a Title Defect Notice, Seller shall have the right and opportunity, but not the obligation, to Cure any Title Defect.

### 13.2 Title Defect Amount

The term "**Title Defect Amount**" shall mean, with respect to any Title Defect, the amount by which the portion of the Base Purchase Price allocated to an Oil and Gas Asset affected by such Title Defect is reduced as a result of the existence of such Title Defect and shall be determined in accordance with the following methodology, terms and conditions:

- (a) if the Title Defect is an Encumbrance that is undisputed and liquidated in amount, then the Title Defect Amount shall be the amount necessary to be paid to remove the Title Defect from the affected Oil and Gas Asset;
- (b) if the Title Defect represents a discrepancy between the actual Working Interest in a Lease or ownership interest in a Tangible (an "**Affected Asset**") and the Working Interest or ownership interest in respect of that Affected Asset set forth in Schedule A, then the Title Defect Amount shall be the product of (x) the portion of the Base Purchase Price allocated to the Affected Asset multiplied by (y) a fraction, (1) the numerator of which is the decrease in such Working Interest or ownership interest and (2) the denominator of which is the Working Interest or ownership interest set forth in Schedule A;
- (c) if the Title Defect represents an Encumbrance on or other defect in title to any Affected Asset of a type not described in subsection (a) or (b) above, then the Title Defect Amount shall be determined by taking into account the portion of the Base Purchase Price allocated to the Affected Asset, the portion of the Affected Asset affected by the Title Defect, the legal effect of the Title Defect, the potential economic effect of the Title Defect over the economic life of the Affected Asset, and such other factors as are necessary to make a proper evaluation; and
- (d) notwithstanding anything to the contrary in this Section 13.2, the aggregate value of all Title Defect Amounts attributable to the effects of all Title Defects upon any specific Affected Asset shall not exceed the portion of the Base Purchase Price allocated to such Affected Asset.

For the purposes of this Section 13.2, the applicable portion of the Base Purchase Price to be allocated to an Oil and Gas Asset, shall in each case be determined by the Parties, acting reasonably and in good faith; provided however that if the Parties are unable to agree on such allocation of value, then the determination of such allocation of value shall be referred to Expert Determination.

### 13.3 Limitations on Adjustments for Title Defects

Notwithstanding anything herein to the contrary, no single Title Defect shall be taken into account unless the applicable Title Defect Amount is determined to be more than the Individual Title Defect Threshold. No adjustment will be made to the Purchase Price for Title Defects that have not been Cured unless (x) the total of all Title Defect Amounts that exceed the Individual Title Defect Threshold exceeds (y) the Aggregate Title Defect Deductible. In the event that the aggregate of all such Title Defect Amounts in excess of the Individual Title Defect Threshold exceeds the Aggregate Title Defect Deductible, the adjustment to the Purchase Price shall only

be for the amount by which the total of all such Title Defect Amounts exceeds the Aggregate Title Defect Deductible. Buyer shall be deemed to have waived all Title Defects of which Seller has not been given notice on or before the Defect Deadline in accordance with Section 13.1, and such Title Defects shall be deemed to have become a Permitted Encumbrance.

#### 13.4 Resolution of Title Defects

- (a) If Buyer delivers a Title Defect Notice as provided in Section 13.1, then Seller may, but shall not be obligated to, object to any Title Defect and/or any Title Defect Amount as set forth in the Title Defect Notice by submitting a written notice to Buyer within ten (10) Business Days after Seller's receipt of a Title Defect. Within twelve (12) Business Days after Seller's receipt of a Title Defect Notice, representatives of the Parties, knowledgeable in title matters, shall meet and, within two Business Days after their first meeting use their good faith efforts to:
    - (i) mutually agree to reject or accept the particular Title Defect;
    - (ii) in the case of a Title Defect, agree on the validity of such Title Defect and the respective Title Defect Amount, and at the option of Seller, either:
      - (A) attempt to Cure the Title Defect, in which case Seller shall have up to the date that is five (5) Business Days prior to the Scheduled Closing Date within which to Cure such Title Defect and failing such Cure, to adjust the Purchase Price downward by the amount of the agreed Title Defect Amount; or
      - (B) adjust the Purchase Price downward by the amount of the agreed Title Defect Amount.
- If the Parties cannot agree in respect of a particular Title Defect on the validity of the Title Defect and the applicable Title Defect Amount, the Parties shall proceed as more particularly set forth in Sections 13.4(b) and (c).
- (b) If a contested Title Defect or Title Defect Amount cannot be resolved prior to Closing, then, the affected Working Interests and ownership interests shall nevertheless be included with the Oil and Gas Assets conveyed to Buyer at Closing, and Buyer shall pay for the Working Interest and ownership interests at Closing in accordance with this Agreement as though there were no Title Defect and the final determination of the Title Defect and/or Title Defect Amount shall be resolved pursuant to Section 13.4(c).
  - (c) If the Parties fail to agree on the existence of a Title Defect or a Title Defect Amount prior to the Closing, after written notice to the other Party, either Party may submit any such Title Defect or Title Defect Amount for final determination by a single arbitrator pursuant to the *Arbitration Act* (Alberta), as selected by mutual agreement of the Parties, or absent such agreement, by a justice of the



Court pursuant to the *Arbitration Act* (Alberta) (the "**Title Referee**"). The Parties shall direct the Title Referee to resolve any such dispute within thirty (30) days after receipt of all relevant materials pertaining thereto, being in no event greater than forty-five (45) days after referral of the matter to the Title Referee. The Title Referee shall act as an expert for the limited purpose of determining the specific disputed matters submitted by either Party and may not award damages or penalties to either Party with respect to any matter. Seller, on the one hand, and Buyer, on the other hand, shall share equally the Title Referee's costs, fees and expenses (including attorneys' fees). The determination of the Title Referee shall be made in writing, shall be binding upon and non-appealable by the Parties and shall not be subject to further review, audit or arbitration. Upon final determination of any outstanding Title Defect Amount (whether by mutual agreement of the Parties or pursuant to the Title Referee's determination), Seller or Buyer, as applicable, shall pay to the other the final Title Defect Amount. If neither Party submits a Title Defect or Title Defect Amount to the Title Referee within thirty (30) days from the Closing Date, then the Parties shall be deemed to have waived their rights with respect to such Title Defect or Title Defect Amount, as applicable.

### **13.5 Environmental Defects**

Buyer may give Seller written notice of any Environmental Defects alleged by Buyer in good faith no later than the Defect Deadline (such notice, the "**Environmental Defect Notice**"). The Environmental Defect Notice shall be in writing and shall include:

- (a) a description of each Environmental Defect (identifying the Oil and Gas Asset affected thereby);
- (b) Buyer's reasonable estimation of the Environmental Defect Amount with respect to each Environmental Defect, and
- (c) documentation or other evidence reasonably supporting Buyer's assertion of each Environmental Defect and Environmental Defect Amount.

Upon receipt of such notice, Seller shall have the right and the opportunity, but not the obligation, to Cure any Environmental Defects prior to Closing. Any Environmental Defect that is not included in the Environmental Defect Notice shall thereafter be forever waived.

### **13.6 Resolution of Environmental Defects**

- (a) Seller and Buyer shall attempt to agree on the existence of any Environmental Defect and the associated Environmental Defect Amount prior to Closing and if the Parties agree on the existence of an Environmental Defect, then the Purchase Price shall be reduced at Closing by the amount agreed by the Parties as such Environmental Defect Amount. If Seller and Buyer are unable to agree on the existence of an Environmental Defect or the associated Environmental Defect Amount prior to Closing, then:

- (i) the affected Oil and Gas Asset shall nevertheless be included in the Oil and Gas Assets purchased by, and conveyed to Buyer at Closing;
  - (ii) the Purchase Price shall be reduced by the amount that Buyer has proposed as the Environmental Defect Amount with respect to such Environmental Defect, if any; and
  - (iii) the final determination of the Environmental Defect and the Environmental Defect Amount shall be resolved pursuant to Section 13.6(b).
- (b) After written notice to the other Party prior to the Closing, but within thirty days after the Closing Date, either Party may submit any such Environmental Defect or Environmental Defect Amount for final determination by a single arbitrator pursuant to the *Arbitration Act* (Alberta), as selected by mutual agreement of the Parties, or absent such agreement, by a justice of the Court pursuant to the *Arbitration Act* (Alberta) (the "**Environmental Referee**"). The Parties shall direct the Environmental Referee to resolve any such dispute within thirty (30) days after its receipt of all relevant materials pertaining thereto, being in no event greater than forty-five (45) days after referral of the matter to the Environmental Referee. The Environmental Referee shall act as an expert for the limited purpose of determining the specific disputed matters submitted by either Party and may not award damages or penalties to either Party with respect to any matter. Buyer, on the one hand, and Seller, on the other hand, shall share equally the Environmental Referee's costs, fees and expenses (including attorneys' fees). The determination of the Environmental Referee shall be made in writing, shall be binding upon and non-appealable by the Parties and shall not be subject to further review, audit or arbitration. Upon final determination of any outstanding Environmental Defect Amount (whether by mutual agreement of the Parties or pursuant to the Environmental Referee's determination), Buyer or Seller, as applicable, shall pay to the other the difference, if any, between the final Environmental Defect Amount and the amount by which the Purchase Price was reduced, if any, in respect of the applicable Environmental Defect at Closing. If neither Party submits an Environmental Defect or Environmental Defect Amount to the Environmental Referee within thirty (30) days from the Closing Date, then Buyer and Seller shall be deemed to have agreed that such Environmental Defect Amount with respect to which Buyer elected to reduce the Purchase Price pursuant to Section 13.6(a), if any, is acceptable and shall be deemed to have waived their rights with respect to such Environmental Defect and Environmental Defect Amount.

### **13.7 Limitations on Adjustments for Environmental Defects**

Notwithstanding anything herein to the contrary, no single Environmental Defect shall be taken into account unless the applicable Environmental Defect Amount is determined to be more than the Individual Environmental Defect Threshold. No adjustment will be made to the Purchase Price for Environmental Defects that have not been Cured prior to Closing unless the

total of (x) all such uncured Environmental Defect Amounts that exceed the Individual Environmental Defect Threshold exceeds (y) the Aggregate Environmental Defect Deductible. In the event that the aggregate of all such Environmental Defect Amounts in excess of the Individual Environmental Defect Threshold exceeds the Aggregate Environmental Defect Deductible, the adjustment to the Purchase Price shall only be for the amount by which the total of all such Environmental Defect Amounts exceeds the Aggregate Environmental Defect Deductible.

### **13.8 NORM**

Buyer acknowledges that the Oil and Gas Assets have been used for exploration, development and production of Petroleum Substances and water and that there may be petroleum, produced water, wastes or other materials located on, under or associated with the Oil and Gas Assets. The Tangibles may contain NORM. NORM may affix or attach itself to the inside of wells, materials and equipment as scale, or in other forms; the wells, materials and equipment located on or included in the Oil and Gas Assets may contain NORM and other wastes or hazardous substances/materials; and NORM containing material and other wastes or hazardous substances/materials may have been buried, come in contact with the soil or otherwise been disposed of on or around the Oil and Gas Assets. Special procedures may be required for the remediation, removal, transportation or disposal of wastes, asbestos, hazardous substances/materials, including hydrogen sulfide gas and NORM from the Oil and Gas Assets. From and after the Closing, Buyer shall assume responsibility for the control, storage, handling, transporting and disposing of or discharge of all materials, substances and wastes from the Oil and Gas Assets (including produced water, hydrogen sulfide gas, drilling fluids, NORM and other wastes), present after the Closing Date, in a safe and prudent manner and in accordance with all applicable Environmental Laws.

### **13.9 Sole Remedy**

Subject in each case to Seller's representations and warranties set out in Article V and to Buyer's related condition precedent rights set out in Section 10.1:

- (a) Buyer hereby acknowledges and agrees that Buyer's sole and exclusive remedy for any Title Defect or any other defect in title or any other title matter with respect to any Oil and Gas Assets, or otherwise shall be as set forth in this Article XIII, and Buyer hereby expressly waives any and all other rights or remedies with respect thereto; and
- (b) this Article XIII. constitutes the sole and exclusive remedy and right of recovery that Buyer shall have against Seller with respect to any circumstance with respect to the Oil and Gas Assets relating to Environmental Laws, the release of materials into the Environment or protection of the Environment or public health and Buyer may not claim any fact, circumstance or matter that would constitute an Environmental Defect under this Article XIII as the basis for any other redress under this Agreement or otherwise.

**ARTICLE XIV**  
**GENERAL PROVISIONS**

**14.1 Survival**

All covenants and agreements contained herein that by their terms are to be performed in whole or in part, or that prohibit actions, subsequent to the Closing shall, solely to the extent such covenants and agreements are to be performed, or prohibit actions, subsequent to the Closing, survive the Closing in accordance with their terms. Subject to the following sentence, all other covenants and agreements contained herein, and all representations and warranties contained herein or in any certificated deliveries hereunder, shall not survive the Closing and shall thereupon terminate, including any Actions for damages in respect of any breach thereof. Notwithstanding anything to the contrary, the indemnity obligations set forth in Sections 6.6 and 7.1(e), and the representations and warranties set forth in Section 6.6 shall survive indefinitely.

**14.2 Confidentiality**

The Parties agree that the confidentiality agreement entered into by them and/or their Affiliates, dated October 30, 2015 (the "**Confidentiality Agreement**"), shall continue in full force and effect notwithstanding the execution and delivery by the Parties of this Agreement; *provided however*, that (a) disclosure of matters that become a matter of public record as a result of the CCAA Proceedings and the filings related thereto (including without limitation any information disclosed in order to obtain the Approval and Vesting Order) shall not constitute a breach of such Confidentiality Agreement, (b) disclosures permitted under this Agreement shall not constitute a breach of such Confidentiality Agreement, and (c) disclosures made in connection with obtaining consents or complying with Preferential Purchase Rights contained in the Title Documents and any other agreements and documents to which the Oil and Gas Assets are subject shall not constitute a breach of such Confidentiality Agreement.

**14.3 Public Announcements**

Unless otherwise required by applicable Legal Requirement or by obligations of Buyer or Seller or their respective Affiliates pursuant to any listing agreement with or rules of any securities exchange, Buyer, on the one hand, and Seller, on the other hand, shall consult with each other before issuing any press release or otherwise making any public statement with respect to this Agreement, the Transaction or the activities and operations of the other and shall not issue any such release or make any such statement without the prior written consent of the other (such consent not to be unreasonably withheld or delayed).

**14.4 Notices**

All notices, consents, waivers and other communications under this Agreement must be in writing and shall be deemed to have been duly given when (a) delivered by hand (with written confirmation of receipt), (b) sent by email (with read receipt requested, with the receiving Party being obligated to respond affirmatively to any read receipt requests delivered by the other Party), (c) received by the addressee, if sent by a delivery service (prepaid, receipt requested) or (d) received by the addressee, if sent by registered or certified mail (postage prepaid, return receipt requested), in each case to the appropriate addresses and representatives (if applicable)

set forth below (or to such other addresses and representatives as a Party may designate by notice to the other Parties):

(a) If to Seller, then to:

Quicksilver Resources Canada Inc.  
125 9 Ave SE  
Calgary, Alberta T2G 0P6  
Attn: J. David Rushford  
E-mail: [drushford@qrinc.ca](mailto:drushford@qrinc.ca)

with a copy (which shall not constitute notice) to:

Bennett Jones LLP  
4500 Bankers Hall East  
Calgary, Alberta T2P 4K7  
Attn: Donald E. Greenfield, Q.C.  
E-mail: [greenfieldd@bennettjones.com](mailto:greenfieldd@bennettjones.com)

and

Quicksilver Resources Inc.  
801 Cherry Street, Suite 3700, Unit 19  
Fort Worth, Texas 76102  
Attn: Law Department  
E-mail: [ahouse@qrinc.com](mailto:ahouse@qrinc.com)

(b) If to Buyer, then to:

CPC Resources ULC  
Sun Life Plaza West Tower  
Suite 1600, 144 – 4th Ave SW  
Calgary, AB T2P 3N4  
Attn: Kevin Watson  
E-mail: [kevinw@centralresources.com](mailto:kevinw@centralresources.com)

with a copy (which shall not constitute notice) to:

Torys LLP  
525 - 8th Avenue S.W.  
46th Floor, Eighth Avenue Place East  
Calgary, Alberta T2P 1G1  
Attn: David V. Cuschieri  
E-mail: [dcuschieri@torys.com](mailto:dcuschieri@torys.com)

#### **14.5 Waiver, Waiver of Damages**

Neither the failure nor any delay by any Party in exercising any right, power or privilege under this Agreement or the documents referred to in this Agreement shall operate as a waiver of such right, power or privilege, and no single or partial exercise of any such right, power or privilege shall preclude any other or further exercise of such right, power or privilege or the exercise of any other right, power or privilege. To the maximum extent permitted by applicable law, (a) no waiver that may be given by a Party shall be applicable except in the specific instance for which it is given, and (b) no notice to or demand on one Party shall be deemed to be a waiver of any right of the Party giving such notice or demand to take further action without notice or demand. Notwithstanding anything to the contrary contained herein, no Party shall be liable to the other for special, indirect, exemplary or punitive damages arising out of, associated with, or relating to this Agreement (including loss of profit or business interruptions, however same may be caused) and the Parties hereby waive all claims for any such damages.

#### **14.6 Entire Agreement; Amendment**

This Agreement (including the Schedules), the Confidentiality Agreement, and the other Transaction Documents supersede all prior agreements between Buyer, on the one hand, and Seller, on the other hand, with respect to its subject matter and constitute a complete and exclusive statement of the terms of the agreements between Buyer, on the one hand, and Seller, on the other hand, with respect to their subject matter. This Agreement may not be amended except by a written agreement executed by all of the Parties.

#### **14.7 Assignment**

This Agreement, and the rights, interests and obligations hereunder, shall not be assigned by any Party by operation of law or otherwise without the express written consent of the other Parties (which consent may be granted or withheld in the sole discretion of such other Party); *provided however*, that Buyer shall be permitted, upon prior notice to Seller, to assign all or part of its rights or obligations hereunder to one or more of its Affiliates, but no such assignment shall relieve Buyer of its obligations under this Agreement.

#### **14.8 Severability**

The provisions of this Agreement shall be deemed severable, and the invalidity or unenforceability of any provision shall not affect the validity or enforceability of the other provisions hereof. If any provision of this Agreement, or the application thereof to any Person or any circumstance, is invalid or unenforceable, (a) a suitable and equitable provision shall be substituted therefor in order to carry out, so far as may be valid and enforceable, the intent and purpose of such invalid or unenforceable provision and (b) the remainder of this Agreement and the application of such provision to other Persons or circumstances shall not be affected by such invalidity or unenforceability.

#### **14.9 Expenses**

Whether or not the transactions contemplated by this Agreement are consummated, unless otherwise provided for herein, the Parties shall bear their own respective expenses

(including all compensation and expenses of counsel, financial advisors, consultants, actuaries and independent accountants) incurred in connection with this Agreement and the Transaction.

#### **14.10 Interest Accrues on Amounts Owing**

Unless otherwise provided for in this Agreement, any amount owing to a Party by the other Party hereunder after Closing and remaining unpaid will bear interest, compounded and computed monthly at the Prime Rate plus four percent (4%), from the day that the amount was due to be paid until the day it is paid, regardless of whether the Party has given the other Party prior notice of the accrual of interest hereunder.

#### **14.11 Time of Essence**

Time shall be of the essence with respect to all time periods and notice periods set forth in this Agreement.

#### **14.12 Governing Law; Consent to Jurisdiction and Venue; Jury Trial Waiver**

- (a) Except to the extent the mandatory provisions of the CCAA apply, 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, without regard to principles of conflicts or choice of laws or any other law that would make the laws of any other jurisdiction other than the Province of Alberta applicable hereto.
- (b) Subject to Section 8.11(e), and any other matter that is specified herein to be referred to Expert Determination, the Court shall retain exclusive jurisdiction to enforce the terms of this Agreement and to decide any claims or disputes that may arise or result from, or be connected with, this Agreement, any breach or default hereunder, or the Transaction and any and all claims relating to the foregoing shall be filed and maintained only in the Court, and the Parties hereby consent and submit to the exclusive jurisdiction and venue of the Court and irrevocably waive the defense of an inconvenient forum to the maintenance of any such Action or Proceeding. The Parties consent to service of process by mail (in accordance with Section 14.4) or any other manner permitted by law.
- (c) The Parties hereby irrevocably waive all right to trial by jury in any action, proceeding or counterclaim (whether based in contract, tort or otherwise) arising out of or relating to this Agreement or the actions of Seller, Buyer or their respective Representatives in the negotiation or performance hereof.

#### **14.13 Counterparts**

This Agreement and any amendment hereto may be executed in two or more counterparts, each of which shall be deemed to be an original of this Agreement or such amendment and all of which, when taken together, shall constitute one and the same instrument. Notwithstanding anything to the contrary in Section 14.4, delivery of an executed counterpart of a signature page to this Agreement or any amendment hereto by telecopier or email attachment

shall be effective as delivery of a manually executed counterpart of this Agreement or such amendment, as applicable.

#### **14.14 Parties in Interest; No Third Party Beneficiaries**

This Agreement shall enure to the benefit of and be binding upon the Parties and their respective successors and permitted assigns. This Agreement is for the sole benefit of the Parties and their permitted assigns, and nothing herein, express or implied, is intended to or shall confer upon any other Person any legal or equitable benefit, claim, cause of action, remedy or right of any kind.

#### **14.15 Non-Recourse**

No past, present or future director, officer, employee, incorporator, member, partner or equity holder of Buyer or Seller shall have any Liability for any obligations or liabilities of such Party under this Agreement or any other Transaction Document, for any claim based on, in respect of, or by reason of the Transaction and thereby.

#### **14.16 Disclosure Schedules; Materiality**

The inclusion of any matter in the Disclosure Schedule shall be deemed to be an inclusion for all purposes of this Agreement, to the extent that such disclosure is sufficient to identify the matter to which such disclosure is responsive and reasonably apparent on its face, but inclusion therein shall not be deemed to constitute an admission, or otherwise imply, that any such matter is material or creates a measure for materiality for purposes of this Agreement. The disclosure of any particular fact or item in the Disclosure Schedule shall not be deemed an admission as to whether the fact or item is "material" or would constitute a "**Material Adverse Effect**".

*[Signature page follows.]*



**IN WITNESS WHEREOF**, the Parties have caused this Agreement to be executed and delivered by their duly authorized representatives, all as of the day and year first above written.

**QUICKSILVER RESOURCES CANADA  
INC.**

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

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

**CPC RESOURCES ULC**

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

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

**SCHEDULE A**  
**PROPERTY REPORT AND ASSETS LISTING**

See below and attached CDs.

**SCHEDULE A**  
**PROPERTY REPORT AND ASSETS LISTING**

**Part 1 – Asset Listing –Property Report**

*(under separate cover – CD)*

**SCHEDULE A**  
**PROPERTY REPORT AND ASSETS LISTING**

**Part 2 – Asset Listing – Facilities**

**HORSESHOE CANYON FACILITIES**

Central processing Facility	Location	Operated / Non-operated	Comp. Stn. WI %	GGs WI%	Facility WI%
Beiseker	04-15-028-26 W4M	Operated	100.00%	100.00%	100.00%
Chigwell	02-03-042-25 W4M	Operated	83.79%	64.82%	74.53%
Fenn Big Valley	02-14-036-20 W4M	Operated	48.49%	48.79%	48.71%
Ferrybank	05-29-045-26 W4M	Operated	31.69%	31.30%	31.50%
Gayford	14-10-026-23 W4M	Operated	100.00%	100.00%	100.00%
GhostPine West	01-14-031-22 W4M	Operated	50.00%	50.00%	50.00%
Huxley North	04-12-035-24 W4M	Operated	50.00%	50.00%	50.00%
Huxley South	12-22-034-24 W4M	Operated	50.00%	50.00%	50.00%
Joffre	04-22-039-25 W4M	Operated	100.00%	100.00%	100.00%
New Norway	13-09-045-22 W4M	Operated	100.00%	100.00%	100.00%
Penhold Central	15-29-036-26 W4M	Operated	65.00%	65.00%	65.00%
Penhold North	11-33-037-26 W4M	Operated	65.00%	65.00%	65.00%
Penhold South	09-14-035-27 W4M	Operated	52.00%	52.11%	52.10%
Three Hills North	01-36-035-26 W4M	Operated	50.00%	50.00%	50.00%
Three Hills South	05-36-034-26 W4M	Operated	50.00%	50.00%	50.00%
Trochu	16-32-033-24 W4M	Operated	39.13%	52.40%	47.57%
Twining	09-33-032-24 W4M	Operated	35.54%	39.81%	38.04%
Monogram	13-14-017-10W4M	Non-operated	9.60%	9.60%	9.60%
Nevis	06-30-039-21W4M	Operated	50.00%	50.00%	50.00%

**THIRD PARTY YARD QRCI INVENTORY**

INVENTORY DESCRIPTION	LOCATION	Unit of Measure	Quantity	current valuation
Pipe: 508.00mmx 12.70 II SS BARE MI	Bayou (AB)	meter	5.50	\$1,157.20
Pipe: 508.00mmx 11.50 II SS BARE HIC TM (Salzgitter)	Bayou (AB)	meter	108.00	\$35,999.64
Pipe: 508.00mm x 14.27 III SS BARE MI	Bayou (AB)	meter	117.00	\$34,667.10
Pipe: 609.60mmx 13.70 II SS BARE (Salzgitter)	Bayou (AB)	meter	292.56	\$87,768.00
Pipe: 609.60mmx 13.70 II SS BARE	Bayou (AB)	meter	1,000.72	\$300,216.00

**SCHEDULE A**  
**PROPERTY REPORT AND ASSETS LISTING**

**Part 3 – Asset Listing – Rolling Stock**

**QRCI ATV/ TRAILERS / SNOWMOBILES**

Ins. Designation	Location	Year	Make / Model	VIN	Plate
Snowmobile	New Norway	2012	BOMBARDIER / 000FWCB00 / WT550	YH2LFWCB2CR000317	DXB92
Snowmobile	Penhold South	2012	BOMBARDIER / 000FWCB00 / WT550	YH2LFWCB4CR000318	DXB93
Snowmobile	Joffre	2012	BOMBARDIER / 000FWCB00 / WT550	YH2LFWCB8CR000368	DXB94
Trailer	Twining	2010	Quad Trailer - Express TRA/REM 212A13E	2RGBA1013A1001075	4AT3-97
Trailer	Gayford	2010	Quad Trailer - Express TRA/REM 212A13E	2RGBA1014B1000616	4VV016
Trailer	Beiseker	2010	Quad Trailer - Express TRA/REM 212A13E	2RGBA1216B1000629	4AT3-98
Trailer	Joffre	2014	Quad Trailer - Rainbow TRA/REM 212A13E 10'	2RGBA1218E1000233	4YG022
Trailer	Penhold South	2014	Quad Trailer - Express TRA/REM 212A13E	2RGBA121XE1000234	4RT0-29
Trailer	FBV	2007	Quad Trailer - Snowbear 9000	2SWUW11A77G355177	W979-39
Trailer	Beiseker	1996	16' Flat Deck Trailer - Goertzen Car Trailer	2WZTR162XT0006424	R066-27
Snowmobile	Twining	2011	Ski-Doo SM Tundra 550F	2BPSGKBA5BV000601	AUB07
Snowmobile	Gayford	2011	Polaris 550 IQ LXT	SN1PT5BE5BC133380	DQ998
Snowmobile	Beiseker	2011	Polaris 550 IQ LXT	SN1PT5BE8BC133373	BAU00
Field Quad	New Norway	2007	Honda TRX 420FM7	1HFTE352274001038	ZT 358
Field Quad	FBV	2007	Honda TRX 420TE	1HFTE356274001883	ZT 359
Field Quad	Beiseker	2007	Honda Fourtrax ES 4x4	1HFTE358474000140	ZT 360
Field Quad	Joffre	2011	Honda Fourtrax TE 377B	1HFTE3772B4201466	BLW39
Field Quad	Penhold South	2002	Polaris A02CH68AB	4XACH68A72A706828	SZ 531
Field Quad	Twining	2008	Suzuki LT-A4	5SAAL42A287109753	EB715
Trailer	Penhold	2007	Quad Trailer - Snowbear 9000	2SWUW11A07G355179	W979-40
Trailer	Joffre	2007	Quad Trailer - Snowbear 9000	2SWUW11A97G355178	W979-42
Field Quad	Gayford	2014	Polaris Sportsman 570 EFI	4XAMH57A0EA590201	EHB02
Trailer	New Norway	2013	quad trailer - Rainbow Express TRA/REM 212A	2RGBA1217E1001311	W979-43
Quad	(old Conoco)	2013	John Deere ATV	1M0825GELDM65708	EAB59
Trailer	(old Conoco)	2014	Carry On Trailer	4YMUL121XEM013355	4TU477

**QRCI VEHICLES**

Unit #	Year	Make	Model	VIN #	License #
120	2011	DODGE	RAM 1500 CREW	1D7RV1CT7BS661283	BDG6807

**SCHEDULE A**  
**PROPERTY REPORT AND ASSETS LISTING**

**Part 4 – Asset Listing – Marketing and Midstream Agreements**

**ALBERTA MARKETING / TRANSMISSION AGREEMENTS**

QRCI File No.	Contract Type	Counterparty	Date
MKT-001	Gas EDI Purchase/Sale Agmt	BP Canada Energy Group ULC	December 1, 2004
MKT-002	Sales Agmt	BP Canada Energy Group ULC	November 1, 2015
MKT-003	Gas EDI Purchase/Sale Agmt	Cargill Limited	October 26, 2004
MKT-004	Gas Purchase/Sale Agmt	Cenovus Energy Inc.	August 1, 1999
MKT-005	Gas Purchase/Sale Agmt	Cenovus Energy Inc.	December 16, 2015
MKT-006	Gas EDI Purchase/Sale Agmt	ConocoPhillips Canada	October 1, 2004
MKT-007	Gas EDI Purchase/Sale Agmt	Gas Alberta Inc.	March 16, 2005
MKT-008	Gas EDI Purchase/Sale Agmt	Iberdrola Canada Energy Services Ltd.	February 1, 2006
MKT-009	Gas EDI Purchase/Sale Agmt	Macquarie Energy Canada Ltd.	May 3, 2010
MKT-010	Gas EDI Purchase/Sale Agmt	Nexen Marketing	January 1, 2005
MKT-011	Gas EDI Purchase/Sale Agmt	Shell Energy North America	September 1, 2009
MKT-012	Gas EDI Purchase/Sale Agmt	Suncor Energy Marketing Inc.	March 1, 2010
MKT-013	Sales Agmt	Suncor Energy Marketing Inc.	November 1, 2015
MKT-014	Gas EDI Purchase/Sale Agmt	TD Commodity & Energy Trading Inc.	April 17, 2007
MKT-015	Gas EDI Purchase/Sale Agmt	Tenaska Marketing Canada	March 1, 2011
MKT-016	Gas EDI Purchase/Sale Agmt	Tidal Energy Marketing Inc.	February 3, 2010
MKT-017	CSO	Canadian Natural Resources	October 1, 2005
MKT-018	CSO	EnCana Oil and Gas Partnership	October 1, 2005
MKT-019	CSO	Glencoe Resources Ltd.	December 1, 2006
MKT-020	CSO	Shaman Energy Corporation	November 1, 2006
MKT-021	Firm Receipt Service (FT-R)	NOVA Gas Transmission Ltd.	April 29, 2002
MKT-022	Interruptible Receipt Service (IT-R)	NOVA Gas Transmission Ltd.	August 1, 2004

## ALBERTA CONSTRUCTION, OWNERSHIP AND OPERATION AGREEMENTS

QRCI File No.	Contract Type	Counterparty	Date
CHI-AGR	CO&O Agreement	Questfire Energy Corp.	December 1, 2006
FEN-AGR	CO&O Agreement	Pengrowth Energy Corporation	August 1, 2004
FEN-AGR	CO&O Agreement	Adeco Exploration Company Ltd.	August 1, 2004
FER_AGR	CO&O Agreement	Petrus Resources Ltd.	June 1, 2006
FER_AGR	CO&O Agreement	Bonavista Energy Corporation	June 1, 2016
GHOW-AGR	CO&O Agreement	Pine Cliff Energy Ltd.	December 15, 2010
HUXN-AGR	CO&O Agreement	Pine Cliff Energy Ltd.	December 15, 2010
HUXS-AGR	CO&O Agreement	Pine Cliff Energy Ltd.	December 15, 2010
MON-AGR	CO&O Agreement	Pine Cliff Energy Ltd.	January 1, 2011
NEV-AGR	CO&O Agreement	Questfire Energy Corp.	January 9, 2009
NEV-AGR	CO&O Agreement	Enermark Inc.	January 9, 2009
NEV-AGR	CO&O Agreement	Ember Resources	January 9, 2009
PENC-AGR	CO&O Agreement	Penn West Petroleum	August 1, 2011
PENN-AGR	CO&O Agreement	Penn West Petroleum	August 1, 2011
PENS-AGR	CO&O Agreement	Penn West Petroleum	November 1, 2008
THRN-AGR	CO&O Agreement	Pine Cliff Energy Ltd.	December 15, 2010
THRS-AGR	CO&O Agreement	Pine Cliff Energy Ltd.	December 15, 2010
TRO-AGR	CO&O Agreement	Pine Cliff Energy Ltd.	January 1, 2006
TWI-AGR	CO&O Agreement	Ember Resources Inc.	January 1, 2006
TWI-AGR	CO&O Agreement	Pine Cliff Energy Ltd.	January 1, 2006
TWIW-AGR	CO&O Agreement	Canstone Energy Ltd.	December 1, 2006
TWIW-AGR	CO&O Agreement	Ember Resources Inc.	December 1, 2006
TWIW-AGR	CO&O Agreement	Pengrowth Energy Corporation	December 1, 2006

## ALBERTA GAS HANDLING AGREEMENTS

QRCI File No.	Contract Type	Counterparty	Date
J100078	Gas Handling Agreement	Rally Canada Resources Ltd.	December 1, 2006
J100125	Gas Handling Agreement	Daylight Energy Inc.	December 1, 2006
J100126	Gas Handling Agreement	Winslow Resources Inc.	March 1, 2007
J100156	Gas Handling Agreement	CNRL	October 1, 2009
J100157	Gas Handling Agreement	Canpar Holdings Ltd.	October 1, 2009
J100197	Gas Handling Agreement	Ember Resources Inc.	March 1, 2009
J100198	Gas Handling Agreement	Ember Resources Inc.	July 1, 2011
J100216	Gas Handling Agreement	Glencoe Resources Ltd.	November 1, 2013
J100223	Gas Handling Agreement	Public Trustee - E Farnum	December 1, 2014
J100224	Gas Handling Agreement	Public Trustee - N Nelson	December 1, 2014
J100005	Gas Handling Agreement	Bounty Developments Ltd.	January 1, 2004
J100006	Gas Handling Agreement	COGI Limited Partnership	January 1, 2004
J100007	Gas Handling Agreement	Pengrowth Corporation	May 1, 2006
J100008	Gas Handling Agreement	Signalta Resources Limited	January 1, 2004
J100010	Gas Handling Agreement	Enermark Inc.	January 1, 2004
J100011	Gas Handling Agreement	Shaman Energy Corporation	June 6, 2006
J100069	Gas Handling Agreement	Quattro Exploration & Production Ltd.	March 1, 2007
J100070	Gas Handling Agreement	Bearspaw Petroleum Ltd.	October 1, 2006
J100071	Gas Handling Agreement	CQ Energy Canada Resources Partnership	March 1, 2007
J100072	Gas Handling Agreement	Husky Oil Operations Limited	October 1, 2006
J100073	Gas Handling Agreement	Laramide Oil & Gas Ltd.	October 1, 2006
J100074	Gas Handling Agreement	Caledonian Royalty Corporation	October 1, 2006
J100075	Gas Handling Agreement	Owlco Resources Limited	October 1, 2006
J100076	Gas Handling Agreement	Trident Limited Partnership	October 1, 2006
J100077	Gas Handling Agreement	Arnez Energy & Investments Ltd.	January 1, 2004
J100079	Gas Handling Agreement	Challenger Development Corp.	October 1, 2007
J100101	Gas Handling Agreement	Trident Limited Partnership	October 1, 2007
J100132	Gas Handling Agreement	Just Freehold Energy Corp.	October 1, 2006
J100139	Gas Handling Agreement	Esprit Exploration Ltd.	March 1, 2008
J100140	Gas Handling Agreement	COGI Limited Partnership	March 1, 2008
J100141	Gas Handling Agreement	Three Hills Energy Inc.	March 1, 2008
J100144	Gas Handling Agreement	Ember Resources Inc.	February 1, 2009
J100193	Gas Handling Agreement	Ember Resources Inc.	November 1, 2010
J100232	Gas Handling Agreement	Tourigny Management Ltd.	April 1, 2015
J100094	Gas Handling Agreement	Graybeard Energy Ltd.	December 1, 2007
J100200	Gas Handling Agreement	Nordcon Canada Inc.	September 1, 2013
J100080	Gas Handling Agreement	Trident Limited Partnership	October 1, 2007
J100083	Gas Handling Agreement	Ember Resources Inc.	August 1, 2007
J100146	Gas Handling Agreement	Husky Oil Operations Limited	January 1, 2009
J100003	Gas Handling Agreement	Trident Limited Partnership	April 1, 2006
J100044	Gas Handling Agreement	Arc Resources Ltd.	November 1, 2004
J100045	Gas Handling Agreement	Pengrowth Corporation	November 1, 2005
J100046	Gas Handling Agreement	Sabre Energy Partnership	November 1, 2004
J100052	Gas Handling Agreement	Ember Resources Inc.	April 1, 2007
J100053	Gas Handling Agreement	Enerplus Corporation	November 1, 2004
J100014	Gas Handling Agreement	CQ Energy Canada Resources Partnership	July 1, 2006
J100032	Gas Handling Agreement	Pengrowth Corporation	February 1, 2007
J100033	Gas Handling Agreement	Questfire Energy Corp.	August 1, 2005
J100034	Gas Handling Agreement	Global Energy Limited	August 1, 2005
J100036	Gas Handling Agreement	Pacific Surveys Ltd.	August 1, 2005



QRCI File No.	Contract Type	Counterparty	Date
J100038	Gas Handling Agreement	TAQA North	August 1, 2004
J100039	Gas Handling Agreement	Riverboat Resources Ltd.	August 1, 2005
J100042	Gas Handling Agreement	LTS Resources	December 1, 2005
J100043	Gas Handling Agreement	Bellatrix Exploration Ltd.	September 1, 2005
J100047	Gas Handling Agreement	778125 Alberta Limited	December 1, 2005
J100048	Gas Handling Agreement	COGI Limited Partnership	December 1, 2005
J100098	Gas Handling Agreement	Sekur Energy Management Corp.	September 1, 2005
J100191	Gas Handling Agreement	Ember Resources Inc.	October 1, 2007
J100234	Gas Handling Agreement	Vermilion Energy Inc.	March 1, 2011
J100015	Gas Handling Agreement	Husky Oil Operations Limited	May 1, 2006
J100022	Gas Handling Agreement	CQ Energy Canada Resources Partnership	November 1, 2006
J100023	Gas Handling Agreement	Corse Energy Corp.	November 1, 2006
J100024	Gas Handling Agreement	Sekur Energy Management Corp.	October 1, 2005
J100025	Gas Handling Agreement	LTS Resources	September 1, 2005
J100026	Gas Handling Agreement	CNRL	July 1, 2004
J100027	Gas Handling Agreement	Bellatrix Exploration Ltd.	October 1, 2005
J100028	Gas Handling Agreement	Canstone Energy Ltd.	May 1, 2006
J100029	Gas Handling Agreement	TAQA North	December 1, 2005
J100137	Gas Handling Agreement	Trident Limited Partnership	May 1, 2006
J100168	Gas Handling Agreement	Ember Resources Inc.	December 1, 2009
J100192	Gas Handling Agreement	Pengrowth Corporation	August 1, 2010
J100095	Gas Handling Agreement	Trident Limited Partnership	November 1, 2007
J100103	Gas Handling Agreement	Alexander Oilfield Services Ltd.	November 1, 2006
J100104	Gas Handling Agreement	Cansearch Resources Ltd.	January 1, 2007
J100105	Gas Handling Agreement	Ember Resources Inc.	January 1, 2006
J100106	Gas Handling Agreement	Rally Canada Resources Ltd.	July 1, 2006
J100107	Gas Handling Agreement	Dark Warrior Resources Ltd.	October 1, 2008
J100108	Gas Handling Agreement	NAL Petroleum Ltd.	October 1, 2008
J100109	Gas Handling Agreement	Zargon Oil & Gas Ltd.	November 1, 2006
J100110	Gas Handling Agreement	Regent Resources Ltd.	September 1, 2007
J100111	Gas Handling Agreement	Travers Energy Inc.	March 1, 2013
J100115	Gas Handling Agreement	Elkwater Resources Ltd.	February 1, 2008
J100118	Gas Handling Agreement	Ember Resources Inc.	February 1, 2008
J100119	Gas Handling Agreement	Bradarrin Resources Ltd.	February 1, 2008
J100120	Gas Handling Agreement	Emerald Bay Energy Inc.	April 1, 2011
J100121	Gas Handling Agreement	Just Freehold Energy Corp.	February 1, 2008
J100122	Gas Handling Agreement	Penn West Petroleum Ltd.	February 1, 2008
J100123	Gas Handling Agreement	CNRL	May 1, 2008
J100152	Gas Handling Agreement	1361796 Alberta Ltd.	November 1, 2008
J100207	Gas Handling Agreement	Signalta Resources Ltd.	March 1, 2013
J100208	Gas Handling Agreement	Tullyniskey Holdings Ltd.	March 1, 2013
J100209	Gas Handling Agreement	Conserve Oil POC II Limited Partnership	March 1, 2013
J100214	Gas Handling Agreement	Questfire Energy Corp.	May 1, 2013
J100225	Gas Handling Agreement	Public Trustee - HF Whiteman	January 1, 2015
J100226	Gas Handling Agreement	Public Trustee - A Giddings	January 1, 2015
J100227	Gas Handling Agreement	Public Trustee - I McNair	January 1, 2015
J100228	Gas Handling Agreement	Public Trustee - RE Moorcraft	January 1, 2015
J100229	Gas Handling Agreement	Public Trustee - A Wasson	January 1, 2015
J100230	Gas Handling Agreement	Public Trustee - J Finkas	January 1, 2015
J100001	Gas Handling Agreement	Signalta Resources Limited	March 1, 2006
J100051	Gas Handling Agreement	Successor Resources Ltd.	June 1, 2007
J100054	Gas Handling Agreement	B&G Energy Ltd.	June 1, 2007
J100099	Gas Handling Agreement	Ember Resources Inc.	October 1, 2007
J100130	Gas Handling Agreement	CNRL	October 1, 2007
J100136	Gas Handling Agreement	Trident Limited Partnership	September 1, 2008

QRCI File No.	Contract Type	Counterparty	Date
J100138	Gas Handling Agreement	Pine Cliff Energy Ltd.	August 1, 2008
J100147	Gas Handling Agreement	Quattro Exploration and Production Ltd.	September 1, 2008
J100154	Gas Handling Agreement	Ember Resources Inc.	October 1, 2009
J100187	Gas Handling Agreement	Sino-Western Petroleum Inc.	April 1, 2010
J100194	Gas Handling Agreement	Spur Energy Corp.	March 1, 2011
J100195	Gas Handling Agreement	Public Trustee - L. Sillman	December 1, 2010
J100205	Gas Handling Agreement	CNRL	October 1, 2012
J100212	Gas Handling Agreement	CQ Energy Canada Resources Partnership	April 1, 2013
J100231	Gas Handling Agreement	Questfire Energy Corp.	May 1, 2013
J100041	Gas Handling Agreement	Penhold Biogas	March 1, 2007
J100112	Gas Handling Agreement	Coast Pacific TRE-97 Exploration Ltd.	August 1, 2005
J100113	Gas Handling Agreement	Coast Pacific TRN-97 Exploration Ltd.	August 1, 2005
J100114	Gas Handling Agreement	Long Run Exploration Ltd.	January 1, 2006
J100133	Gas Handling Agreement	Scollard Energy Inc.	August 1, 2008
J100211	Gas Handling Agreement	Ember Resources Inc.	February 1, 2009
J100220	Gas Handling Agreement	CNRL	January 1, 2014
J100018	Gas Handling Agreement	Spry2 Energy Inc.	September 1, 2006
J100049	Gas Handling Agreement	Canetic Resources Inc.	February 1, 2007
J100164	Gas Handling Agreement	Sekur Energy Management Corp.	December 1, 2009
J100165	Gas Handling Agreement	CQ Energy Canada Resources Partnership	December 1, 2009
J100166	Gas Handling Agreement	Cansearch	December 1, 2009
J100202	Gas Handling Agreement	CNRL	January 1, 2012
J100213	Gas Handling Agreement	Lexus Resources Ltd.	March 1, 2012
J100219	Gas Handling Agreement	Signalta Resources Ltd.	February 1, 2014
J100150	Gas Handling Agreement	Ember Resources Inc.	November 1, 2008
J100217	Gas Handling Agreement	Coast Pacific TRE-97 Exploration Ltd.	November 1, 2013
J100218	Gas Handling Agreement	Coast Pacific TRN-97 exploration Ltd.	November 1, 2013
J100057	Gas Handling Agreement	439 Royalty Corp.	November 1, 2005
J100058	Gas Handling Agreement	699541 Alberta	November 1, 2005
J100059	Gas Handling Agreement	New North Resources Ltd.	November 1, 2006
J100060	Gas Handling Agreement	Valley View Energy	December 1, 2005
J100062	Gas Handling Agreement	Canetic Resources Inc.	June 1, 2005
J100063	Gas Handling Agreement	Courage Energy Inc.	November 1, 2006
J100064	Gas Handling Agreement	Dark Warrior Resources Ltd.	November 1, 2006
J100066	Gas Handling Agreement	Tori Resources Inc.	November 1, 2006
J100067	Gas Handling Agreement	Pengrowth Energy Corporation	July 1, 2007
J100068	Gas Handling Agreement	Penn West Petroleum Ltd.	November 1, 2006
J100160	Gas Handling Agreement	Scollard Energy Inc.	January 1, 2010
J100161	Gas Handling Agreement	CNRL	January 1, 2010
J100169	Gas Handling Agreement	Just Freehold Energy Inc.	December 1, 2009
J100184	Gas Handling Agreement	NAL Resources Ltd.	March 1, 2010
J100020	Gas Handling Agreement	Trident Limited Partnership	September 1, 2006
J100056	Gas Handling Agreement	Canstone Energy Ltd.	December 1, 2005
J100189	Gas Handling Agreement	CNRL	March 1, 2007
J100190	Gas Handling Agreement	Penn West Petroleum	March 1, 2007
J100004	Gas Handling Agreement	Bellatrix Exploration Ltd.	January 1, 2004
J100012	Gas Handling Agreement	Daylight Energy Ltd.	November 1, 2004
J100013	Gas Handling Agreement	TAQA North	January 1, 2004
J100016	Gas Handling Agreement	Canstone Energy Ltd	April 1, 2006
J100021	Gas Handling Agreement	Husky Oil Operations Limited	April 1, 2006
J100031	Gas Handling Agreement	Sekur Energy Management Corp.	August 1, 2008
J100167	Gas Handling Agreement	Pengrowth Energy Corporation	November 1, 2006
J100171	Gas Handling Agreement	CNRL	December 1, 2006
J100172	Gas Handling Agreement	Daroil Energy Limited	November 1, 2006
J100173	Gas Handling Agreement	Glenmore Petroleum Limited	December 1, 2007

QRCI File No.	Contract Type	Counterparty	Date
J100174	Gas Handling Agreement	Harvest Operations Corp.	December 1, 2007
J100186	Gas Handling Agreement	Chinook Energy Partnership	March 1, 2010
J100085	Gas Handling Agreement	Sekur Energy Management Corp.	December 1, 2005
J100086	Gas Handling Agreement	Canstone Energy Ltd.	July 1, 2005
J100087	Gas Handling Agreement	Penn West Petroleum	December 1, 2005
J100088	Gas Handling Agreement	Daroil Energy Limited	December 1, 2005
J100089	Gas Handling Agreement	Sekur Energy Management Corp.	December 1, 2005
J100090	Gas Handling Agreement	Pengrowth Energy Corporation	June 1, 2007
J100092	Gas Handling Agreement	Bellatrix Exploration Ltd.	December 1, 2005
J100135	Gas Handling Agreement	Redbury Resources Ltd.	December 1, 2005
J100185	Gas Handling Agreement	Chinook Energy Partnership	March 1, 2010
J100158	Gas Handling Agreement	The Paddon Hughes Development	May 1, 2009
J100131	Gas Handling Agreement	Head First Energy Inc.	October 1, 2006

## ALBERTA THIRD PARTY GAS HANDLING AGREEMENTS

QRCI File No.	Contract Type	Counterparty	Date
BAS-GAS	Gas Handling Agreement Third party	Ember Resources Inc.	September 1, 2007
BRA-GAS	Gas Handling Agreement Third party	Keyera	February 1, 2009
CHI-GAS	Gas Handling Agreement Third party	Ember Resources Inc.	July 1, 2006
CHI-GAS	Gas Handling Agreement Third party	Questfire Energy Corp.	November 1, 2002
CLI-GAS	Gas Handling Agreement Third party	Ember Resources Inc.	August 1, 2007
CRY-GAS	Gas Handling Agreement Third party	Bonavista Energy	May 1, 2006
ELM-GAS	Gas Handling Agreement Third party	EOG Canada Oil & Gas	July 18, 2005
EQU-GAS	Gas Handling Agreement Third party	Trident Limited Partnership	September 1, 2006
FEN-Gas	Gas Handling Agreement Third party	Ember Resources Inc.	November 1, 2007
FEN-Gas	Gas Handling Agreement Third party	Pengrowth Corporation	January 1, 2009
FEN-Gas	Gas Handling Agreement Third party	Shaman Energy	January 1, 2009
GHO-GAS	Gas Handling Agreement Third party	Pine Cliff Energy Ltd.	December 1, 2003
HUX-GAS	Gas Handling Agreement Third party	Forent Energy	January 1, 2006
JOF-GAS	Gas Handling Agreement Third party	Cansearch	August 1, 2007
MAL-GAS	Gas Handling Agreement Third party	CNRL	June 1, 2009
MUN-GAS	Gas Handling Agreement Third party	Pine Cliff Energy Ltd.	December 1, 2003
Nev-GAS	Gas Handling Agreement Third party	CNRL	July 1, 2006
Nev-GAS	Gas Handling Agreement Third party	Keyera	June 1, 2011
Nev-GAS	Gas Handling Agreement Third party	Questfire	December 1, 2006
Nev-GAS	Gas Handling Agreement Third party	Keyera	June 30, 2006
NOR-GAS	Gas Handling Agreement Third party	Pengrowth Corporation	February 1, 2012
ROW-GAS	Gas Handling Agreement Third party	CQ Energy Canada Resources Limited	November 1, 2007
RUM-GAS	Gas Handling Agreement Third party	Husky Oil Operations Limited	December 1, 2006
SOU-GAS	Gas Handling Agreement Third party	Ember Resources Inc.	March 1, 2010
THR-GAS	Gas Handling Agreement Third party	Pine Cliff Energy Ltd.	October 1, 2010
THR-GAS	Gas Handling Agreement Third party	Ember Resources Inc.	March 1, 2007
THR-GAS	Gas Handling Agreement Third party	Penn West Petroleum	May 1, 2005
THRS-GAS	Gas Handling Agreement Third party	Pine Cliff Energy Ltd.	October 1, 2010
TWI-GAS	Gas Handling Agreement Third party	Ember Resources Inc.	April 1, 2007
WET-GAS	Gas Handling Agreement Third party	Pine Cliff Energy Ltd.	January 1, 2009
WIM-GAS	Gas Handling Agreement Third party	CNRL	June 1, 2007
WOL-GAS	Gas Handling Agreement Third party	Pine Cliff Energy Ltd.	January 1, 2014

## ALBERTA CONTRACT OPERATING AGREEMENTS

ORCI File No.	Contract Type	Counterparty	Date
J100055	Contract Operating	Pengrowth Energy Corporation	June 1, 2007
J100081	Contract Operating	Challenger Development Corp.	October 1, 2007
J100162	Contract Operating	Bearspaw Petroleum Ltd.	October 1, 2009
J100082	Contract Operating	Trident Limited Partnership	October 1, 2007
J100096	Contract Operating	Graybeard Energy Ltd.	December 1, 2007
J100084	Contract Operating	Ember Resources Inc.	August 1, 2007
J100241	Contract Operating	Trident Limited Partnership	February 1, 2016
J100236	Contract Operating	Vermillion Energy Inc.	February 1, 2016
J100239	Contract Operating	CQ Energy Canada Resources Limited	February 1, 2016
J100097	Contract Operating	Trident Exploration Corp.	November 1, 2007
J100124	Contract Operating	Canadian Natural Resources Ltd.	May 1, 2008
J100128	Contract Operating	Ember Resources Inc.	June 1, 2008
J100145	Contract Operating	Just Freehold Energy Corp. (JFEC)	February 1, 2009
J100210	Contract Operating	Signalta Resources Ltd.	March 1, 2013
J100215	Contract Operating	Emerald Bay Energy Inc.	April 1, 2011
J100002	Contract Operating	Signalta Resources Ltd.	March 1, 2006
J100051	Contract Operating	Successor Resources Ltd.	June 1, 2007
J100153	Contract Operating	Ember Resources Inc.	October 1, 2009
J100099	Contract Operating	Ember Resources Inc.	October 1, 2007
J100134	Contract Operating	Scollard Energy Inc.	August 1, 2008
J100180	Contract Operating	Penn West Petroleum Ltd.	June 1, 2004
J100017	Contract Operating	Scollard Energy Inc.	September 1, 2006
J100050	Contract Operating	Canetic Resources Inc.	February 1, 2007
J100178	Contract Operating	Daylight Energy Ltd.	September 1, 2006
J100181	Contract Operating	Penn West Petroleum Ltd.	July 1, 2005
J100235	Contract Operating	Scollard Energy Inc.	February 1, 2016
J100240	Contract Operating	CNRL	February 1, 2016
J100238	Contract Operating	Trident Limited Partnership	February 1, 2016
J100237	Contract Operating	Ember Resources Inc.	February 1, 2016
J100093	Contract Operating	Scollard Energy Inc.	March 1, 2007
J100170	Contract Operating	Pengrowth Corporation	November 1, 2006

## ALBERTA THIRD PARTY CONTRACT OPERATING AGREEMENTS

QRCI File No.	Contract Type	Counterparty	Date
CLI-CON	Contract Operating Third Party	Ember Resources Inc.	August 1, 2007
FEN-CON	Contract Operating Third Party	Ember Resources Inc.	November 1, 2008
FEN-CON	Contract Operating Third Party	Pengrowth Corporation	January 1, 2009
RUM-CON	Contract Operating Third Party	Husky Oil Operations Limited	December 1, 2006
THR-CON	Contract Operating Third Party	Ember Resources Inc.	March 1, 2007
TWI-CON	Contract Operating Third Party	Ember Resources Inc.	September 1, 2012

## ALBERTA THIRD PARTY COMMON STREAM OPERATING AGREEMENTS

QRCI File No.	Contract Type	Counterparty	Date
BON-CSO	Common Stream Operator Third Party	AltaGas	October 1, 2006
WIL-CSO	Common Stream Operator Third Party	CNRL	August 1, 2007

**SCHEDULE A**  
**PROPERTY REPORT AND ASSETS LISTING**

**Part 5 – Asset Listing – Security Arrangements**

**NONE**

**SCHEDULE A**  
**PROPERTY REPORT AND ASSETS LISTING**

**Part 6 – Asset Listing – Surface Easements and Leases**

*(under separate cover – CD)*



**SCHEDULE B**  
**DISCLOSURE SCHEDULE**

**Section 5.2 – Disclosure Schedule – Consents**

**ALBERTA CORPORATE CONTRACTS**

None

**ALBERTA PRODUCTION CONTRACTS**

QRCI File No.	Contract Type	Counterparty	Date
101589	Service Agreement	Northern Materials Engineering Ltd.	March 6, 2009
108188	Service Agreement	Elspect Electrical (2007) Ltd.	October 21, 2009
109093	Service Agreement	Skystone Engineering Ltd.	July 8, 2011
111394	Power Purchase Agreement	Direct Energy Business	January 5, 2014

**ALBERTA IT CONTRACTS SUMMARY**

QRCI File No.	Contract Type	Counterparty	Date
IT00006	MSA - Wireless	Bell	17-Apr-12
IT00008	IT Services Agreement - Mobility	Bell	5-Mar-14
IT00009	IT Services Agreement - Wireless Concierge	Bell	5-Mar-14
IT00016	MSA	CGI	24-Mar-06
IT00044	MSA	Peloton	1-May-07
IT00047	MSA	SafetySync	11-Aug-14
IT00052	MSA	Zedi	31-Dec-06
IT00053	Electronic Trading/ Market Information	TSX Inc.	1-Mar-13
IT00054	Gas Price Report Subscription	Canadian Enerdata Ltd.	1-Nov-15

## **ALBERTA CONSTRUCTION, OWNERSHIP & OPERATION AGREEMENTS**

*Note: All Alberta Construction, Ownership and Operation Agreements as set forth in Schedule A - Part 4.*

## **ALBERTA GAS HANDLING AGREEMENTS**

*Note: All Alberta Gas Handling Agreements as set forth in Schedule A - Part 4.*

## **ALBERTA THIRD PARTY GAS HANDLING AGREEMENTS**

*Note: All Alberta Third Party Gas Handling Agreements as set forth in Schedule A - Part 4.*

## **ALBERTA CONTRACT OPERATING AGREEMENTS**

*Note: All Alberta Contract Operating Agreements as set forth in Schedule A - Part 4.*

## **ALBERTA THIRD PARTY CONTRACT OPERATING AGREEMENTS**

*Note: All Alberta Third Party Contract Operating Agreements as set forth in Schedule A - Part 4.*

## ALBERTA THIRD PARTY COMMON STREAM OPERATING AGREEMENTS

*Note: All Alberta Third Party Common Stream Operating Agreements as set forth in Schedule A - Part 4.*

## ALBERTA MARKETING / TRANSMISSION AGREEMENTS

QRCI File No.	Contract Type	Counterparty	Date
MKT-017	CSO	Canadian Natural Resources	October 1, 2005
MKT-018	CSO	EnCana Oil and Gas Partnership	October 1, 2005
MKT-019	CSO	Glencoe Resources Ltd.	December 1, 2006
MKT-020	CSO	Shaman Energy Corporation	November 1, 2006

Note: Consent disclosure required for all Alberta Marketing/Transmission Agreements except for the Common Stream Operator Agreements noted above.

## ALBERTA CONTRACT SERVICE AGREEMENT

QRCI File No.	Contract Type	Counterparty	Date
110890	CSA	1081300 Alberta Ltd o/a Lindave Completions	October 30, 2012
111145	CSA	Jade Cleaning Services	October 11, 2013
110353	CSA	Eclipse Regulatory Compliance Specialists Ltd.	January 7, 2011

## ALBERTA MASTER SERVICE AGREEMENTS

QRCI File No.	Contract Type	Counterparty	Date
111352	MSA	1067055 Alberta Ltd.	May 2, 2014
111076	MSA	1096966 Alberta	May 27, 2013
111368	MSA	1142730 Alberta Ltd.	May 29, 2014
110073	MSA	1235014 Alberta Ltd	September 21, 2012
103561	MSA	1639347 Alberta Ltd.	December 24, 2012
110857	MSA	24/7 Compression Ltd	February 6, 2013
111573	MSA	3D Patch Work Ltd	April 23, 2015
100818	MSA	A&R Reclamation Ltd.	November 20, 2009
111135	MSA	A.O.K. Medical Services	September 17, 2003
103120	MSA	Ace Vegetation Control Services Ltd.	June 26, 2007
110035	MSA	Achieve Energy Services L.P.	September 8, 2010
106582	MSA	Advanced Coil Tubing Inc.	November 1, 2009
110110	MSA	AFD Petroleum Ltd.	July 4, 2012
100752	MSA	AGAT Laboratories Ltd.	November 5, 2009
109594	MSA	Alliance Daylighters 2003 Ltd	November 10, 2006
110705	MSA	Allnorth Consultants Limited	May 10, 2012
103746	MSA	Apex Distribution Inc.	October 10, 2013
103868	MSA	Applied Aquatic Research Ltd.	November 9, 2009
111376	MSA	Aqua North Water Systems Ltd.	June 2, 2014
111476	MSA	Aqua Terra Water Management Inc.	November 4, 2014
111331	MSA	Autopro Automation Consultants Ltd.	May 15, 2014
101796	MSA	Badger Daylighting L.P.	November 22, 2011
107779	MSA	Baintree Oilfield Services Ltd.	November 4, 2009
101641	MSA	Baker Hughes Oilfield	April 1, 2014
111108	MSA	Bandit Pipeline	August 21, 2013
109558	MSA	Baron Oilfield Supply	August 13, 2012
105966	MSA	Baseline Water Resource Inc.	February 26, 2007
102311	MSA	Bauer Bros. Trucking and Contracting Ltd.	January 23, 2012
109030	MSA	Bert Baxter Transport Ltd	July 20, 2011
110352	MSA	Big Guns Energy Services Ltd.	March 20, 2012
110474	MSA	Big Springs Plumbing & Heating	July 4, 2012
111558	MSA	B.J.L Contracting Ltd.	March 2, 2015
101599	MSA	Blackjack Oilfield Contracting LTD	April 25, 2013
111491	MSA	BOE Oil Tools Inc.	November 4, 2014
107557	MSA	Bonnett's Energy Services Partnership	November 7, 2013
105223	MSA	Boss Wireline Service Ltd	April 13, 2007
110846	MSA	Boyd Exploration Consultants Ltd., a wholly owned subsidiary of RPS Energy Canada Ltd. (RPS)	July 25, 2012
109025	MSA	BP Pump Ltd.	February 23, 2010
110357	MSA	Brekkaas Vacuum & Tank Ltd	April 26, 2013
102590	MSA	BriCar Contracting Ltd.	November 23, 2009
110362	MSA	Brogan Safety Supply Ltd	August 13, 2012
100820	MSA	C&J Energy Services	July 20, 2007
109428	MSA	Cactus Trenching & Energy Services Inc.	September 14, 2010
100068	MSA	Calfrac Well Services Ltd	January 17, 2012
111191	MSA	Caliber Oilfield Services	November 28, 2013
101150	MSA	Calnash Trucking Ltd.	July 24, 2007
101328	MSA	Caltech Surveys Ltd.	May 28, 2007
109617	MSA	Canadian Dewatering LP	January 9, 2012
102006	MSA	Can-Am Geomatics	September 30, 2007
110951	MSA	Can-Am West Inc.	April 25, 2012
109058	MSA	Cancor Rathole Inc.	October 27, 2009
110365	MSA	Can-West Medical Services	May 31, 2011
110019	MSA	Carbon Mountain Drilling & Water Services Ltd.	November 22, 2011
104485	MSA	Carnwood Wireline Services Ltd.	January 27, 2014

QRCI File No.	Contract Type	Counterparty	Date
104072	MSA	Central Line Locating Inc.	January 16, 2012
103649	MSA	Chamco Commercial	November 6, 2012
106565	MSA	Chinook Industrial Ltd.	May 1, 2012
101779	MSA	Chris Page & Associates Ltd.	June 12, 2012
109185	MSA	Clean Harbors Canada Inc.	December 2, 2011
103099	MSA	Clear Environmental Solutions div CES LP.	April 26, 2011
111591	MSA	Clearview Grinding Ltd.	July 15, 2015
110528	MSA	Collicutt Compression Solutions	March 9, 2011
111107	MSA	Compressor Products International Canada Inc	August 13, 2013
107692	MSA	Concept Controls Inc.	August 13, 2012
101540	MSA	Contact Safety Service Ltd.	November 4, 2009
111579	MSA	Cook Compression	April 17, 2015
109768	MSA	Crossfire Compression Ltd.	January 4, 2010
111490	MSA	Curve Industries Inc.	April 30, 2015
111295	MSA	D.R. Hydrovac	March 26, 2014
109539	MSA	Decca Consulting Ltd.	July 20, 2012
108524	MSA	Detection Technologies	February 23, 2010
106219	MSA	DFI Corporation	July 18, 2007
106959	MSA	Dunc's Septic Tank Service	January 16, 2012
109649	MSA	Dunn Hiebert & Associates Ltd.	November 22, 2011
111596	MSA	Dynaflex Pipe Technologies Ltd.	July 16, 2015
103015	MSA	E & E Oilfield Services Ltd.	October 4, 2007
101590	MSA	Eagle Pump & Compressor Ltd.	October 24, 2014
108901	MSA	Earth Communications	December 9, 2008
102651	MSA	East Point Developments Ltd.	May 1, 2012
108753	MSA	Ecofor Consulting BC Ltd.	November 16, 2009
111581	MSA	Electric Motor Service Limited	June 2, 2015
110490	MSA	Elines Enterprises Ltd	October 17, 2013
108188	MSA	Elspect Electrical 2007 Ltd	April 4, 2013
108051	MSA	E-Mac Corrosion Inc	February 23, 2010
109141	MSA	Enerflex Ltd.	October 24, 2014
109183	MSA	Energetic Services Inc.	August 13, 2012
108553	MSA	Enreach Hot Tap Services	May 26, 2008
110672	MSA	Entrec Corporation	December 24, 2012
111289	MSA	Envirochem Services Inc	February 4, 2014
111289	MSA	Envirowest Drilling Ltd.	October 29, 2009
110419	MSA	Equilibrium Environment Inc.	November 22, 2010
110638	MSA	Ernco Environmental Drilling & Coring Inc	November 30, 2012
110345	MSA	Eveready Energy Services Corp (A Clean Harbors Company)	October 15, 2009
111353	MSA	Falcon Oilfield Services Ltd.	May 15, 2014
111405	MSA	Farm Boys Oilfield Services	July 16, 2014
111609	MSA	FGG Inspections	August 10, 2015
108775	MSA	Finning (Canada) A division of Finning International Inc.	July 15, 2013
102926	MSA	Flomax Compression Ltd	May 1, 2012
103433	MSA	Fluid Experts Ltd.	December 11, 2009
103478	MSA	Focus Corporation	January 23, 2007
101548	MSA	Formula Powell L.P.	October 15, 2009
109877	MSA	Freelance Foams Inc.	June 30, 2010
111593	MSA	Gangster Enterprises Ltd.	July 16, 2015
111464	MSA	Garnet's Oilfield Trucking Inc.	December 16, 2014
105290	MSA	Gascom Mechanical Ltd.	April 16, 2007
110402	MSA	Gasfield Energy Services	May 1, 2012
110421	MSA	Gateway Tubulars Ltd.	June 11, 2012

QRCI File No.	Contract Type	Counterparty	Date
101145	MSA	George Adams Trucking Inc.	February 16, 2012
110976	MSA	Geotech Drilling Services	February 19, 2013
110572	MSA	GFL Environmental Inc.	December 6, 2011
108827	MSA	Ghost Pine Grader Service Ltd	May 10, 2012
101303	MSA	Ghostpine Environmental Services Ltd.	June 21, 2011
103098	MSA	Gladiator Transport Inc.	September 25, 2014
106212	MSA	Global Oilfield Surveys Inc	November 24, 2006
111578	MSA	GlobalFlow Inc.	June 1, 2015
101333	MSA	Goldstrom Farms Ltd.	July 4, 2012
110420	MSA	Goliath Snubbing Ltd.	July 1, 2011
111351	MSA	Grassland Environmental Inc.	May 15, 2014
103588	MSA	Grove Contract Operating Ltd.	May 1, 2012
107912	MSA	Halliburton Energy Services Inc	May 4, 2006
109849	MSA	Haltech Testing Inc.	November 2, 2009
111051	MSA	Haulin Acid Inc	July 2, 2013
105417	MSA	Highview Contracting Ltd.	May 6, 2014
110723	MSA	Horizon North Camps & Catering	January 30, 2013
108762	MSA	Horn River Engineering Ltd.	October 15, 2009
104793	MSA	HSE Integrated Ltd.	February 3, 2010
101543	MSA	Hunt Inspection Ltd	February 15, 2011
102461	MSA	Hydrodig-Olds 938257 AB Ltd.	February 25, 2007
101287	MSA	I-Dent Oilfield Sign Solutions	August 13, 2012
109442	MSA	Independent Electric & Controls Ltd.	July 29, 2009
110864	MSA	Integrated Sustainability Consultants Ltd.	September 27, 2012
109587	MSA	IPAC Services Corporation	July 30, 2010
111072	MSA	Ironline Compression Limited Partnership	May 23, 2013
100608	MSA	J & L Supply Co Ltd.	February 4, 2014
103874	MSA	J & V Trucking Services	February 9, 2012
101765	MSA	Jasman Power Tongs Ltd	May 26, 2014
107593	MSA	Jazco Contracting Ltd.	July 19, 2010
109384	MSA	JEN-TY Contracting Ltd.	August 30, 2012
111606	MSA	Jesse James Coating Ltd.	July 30, 2015
104673	MSA	K & C Oilfield Hauling Ltd.	February 1, 2014
111088	MSA	K.A.M Ventures Ltd.	August 16, 2012
110627	MSA	Kaizen Environmental Services Inc.	July 20, 2007
111577	MSA	KDK Enterprises 2015 Ltd.	July 20, 2007
100290	MSA	Ken Adams Petroleum Services Ltd.	May 1, 2012
109053	MSA	Ketek Group Inc.	July 17, 2012
111423	MSA	Klassen Blade Contracting Ltd.	September 9, 2014
105026	MSA	Konan Oilfield Services Ltd	September 18, 2012
111284	MSA	KoneCranes Canada Inc.	December 16, 2014
101373	MSA	Land Solutions LP	November 22, 2006
101093	MSA	Landwest Resource Services Ltd	October 15, 2013
110617	MSA	LaPrairie Works Oilfields Services Inc	January 27, 2012
111105	MSA	Layfield Canada Ltd.	February 13, 2014
111301	MSA	League Pipeline Services Ltd.	March 12, 2014
111604	MSA	Leischner Trucking Ltd	July 22, 2015
110963	MSA	Levelton Consultants Ltd	January 28, 2013
103269	MSA	Lifting Equipment Ltd.	May 12, 2015
111173	MSA	Live Wire Automation Inc	October 4, 2013
108967	MSA	Locust Mowing	November 3, 2009
111283	MSA	Lonestar Sylvan Inc.	February 27, 2014
109472	MSA	Longhorn Geomatics Limited	November 9, 2009
111611	MSA	Lost Creek Custom Welding & Fabrication	August 11, 2015
108172	MSA	Lufkin Pentagon Optimization	February 9, 2012

QRCI File No.	Contract Type	Counterparty	Date
109041	MSA	Magnum Cementing Services Ltd	February 9, 2012
106946	MSA	Matrix Solutions Inc.	June 28, 2011
100474	MSA	Maverick Oilfield Services	December 20, 2012
101686	MSA	Maximum Controls Inc.	November 5, 2009
111356	MSA	McElhanney Consulting Services Ltd.	May 26, 2014
111598	MSA	McMullen's Refrigeration & Heating	July 22, 2015
101308	MSA	McNair Sand & Gravel Ltd.	December 11, 2009
100325	MSA	Merv's Welding	May 16, 2012
110980	MSA	Metalex Metal Buildings Inc.	October 2, 2014
104556	MSA	MicroWatt LifeSafety Solutions	November 5, 2014
104056	MSA	Midwest Energy Services	August 8, 2012
111367	MSA	Mountain Coil Tubing	May 15, 2014
109658	MSA	Mountainview Safety Services Ltd.	August 1, 2012
100300	MSA	MRC Canada ULC	February 15, 2011
104608	MSA	Muhlbach Electric Ltd	February 19, 2013
110382	MSA	Mullen Oilfield Services LP	June 11, 2012
110065	MSA	MVH Canada Inc.	November 22, 2010
100419	MSA	Newalta Corporation	January 8, 2007
101701	MSA	Newpark Drilling Fluids	June 4, 2014
106668	MSA	NGC Compression Solutions	March 1, 2011
110844	MSA	Nine Energy Canada Inc. / Nine Energy Service	July 22, 2014
101545	MSA	Nitschke Vacuum Truck Service (2013) Ltd.	October 1, 2014
106972	MSA	NorAlta Technologies Inc	February 23, 2010
111410	MSA	Nor-Chief Consulting Services Ltd.	March 10, 2014
110730	MSA	Norglenco Industries Ltd.	November 24, 2010
110981	MSA	Nortech Advanced NDT Ltd	February 7, 2013
111151	MSA	North Shore Environmental Consultants	June 10, 2013
101589	MSA	Northern Materials Engineering Ltd.	July 23, 2007
111474	MSA	NuWave Industries Inc.	November 4, 2014
104703	MSA	NV Oilfield Services Inc.	November 5, 2009
111597	MSA	Ocean Controls Ltd	July 16, 2015
110823	MSA	Oculus Transport Ltd	October 11, 2012
111408	MSA	Omega Transport Services	February 18, 2014
107924	MSA	OpsMobil Inc.	October 24, 2014
102741	MSA	Orkin / PCO	November 9, 2009
111285	MSA	Pacesetter Directional Drilling Ltd.	February 14, 2014
111557	MSA	Palliser Well Service Ltd.	April 28, 2015
110327	MSA	Parkland Industries Ltd	October 27, 2009
100289	MSA	Pason Systems Corp	June 10, 2009
103199	MSA	PE Ben Oilfield Services 2006 ( L.P.)	July 5, 2012
102608	MSA	Pentair Valves & Control Canada Inc	May 1, 2013
110124	MSA	Ponto's Patch Service	January 18, 2011
108275	MSA	Powerhouse Compression Services	January 18, 2012
110489	MSA	Priority Chain Link Ltd.	May 26, 2014
111326	MSA	Prochem ULC	March 10, 2014
111582	MSA	Progressive Completions Ltd.	June 10, 2015
108180	MSA	Prospect Land Services (Alta) Ltd.	December 5, 2008
106387	MSA	Quattro Energy Services Inc.	September 13, 2007
103890	MSA	Quick Silver Wireline	October 17, 2012
109001	MSA	Quigley Contracting	February 15, 2010
102148	MSA	R. Pollitt Oilfield Construction Ltd.	December 5, 2006
107660	MSA	R.D. Direct Limited	November 5, 2009
111412	MSA	Railynn Transport	February 10, 2014
111320	MSA	Rangeland Conservation Service Ltd.	April 21, 2014
109236	MSA	Raven Center Holdings Ltd.	January 5, 2012

QRCI File No.	Contract Type	Counterparty	Date
100711	MSA	Rayco Reclamation Inc	May 6, 2014
101793	MSA	RBW Waste Management Ltd	July 23, 2007
111216	MSA	Recon Petrotechnologies Ltd	January 6, 2014
109930	MSA	Revolution Electric Ltd	October 25, 2012
106098	MSA	Richardson's Bulk Sales Ltd.	April 17, 2015
102610	MSA	RM Oilfield Construction	September 28, 2007
102933	MSA	Robertson's Trucking Ltd	September 18, 2012
109979	MSA	Sabre Well Servicing	January 18, 2012
110521	MSA	Safety Boss Inc.	February 23, 2010
108373	MSA	Samuel Plumbing and Heating Ltd.	October 19, 2010
100756	MSA	Scott Land & Lease Ltd	January 28, 2008
109250	MSA	Secure Energy Services Inc.	November 4, 2010
106199	MSA	Silversmith Canada ULC	January 18, 2012
109093	MSA	Skystone International LP	August 15, 2012
101682	MSA	Spartan Controls Ltd.	February 12, 2015
111190	MSA	SPR Construction	December 9, 2013
110947	MSA	SteepleJack Services Ltd.	February 27, 2013
111397	MSA	STEP Energy Services Ltd.	June 17, 2014
111413	MSA	Stray Cat Industrial Services Ltd.	April 4, 2014
109654	MSA	Summit Liability Solutions Inc.	February 5, 2010
110435	MSA	Surepoint Technologies Group Inc	August 1, 2012
105356	MSA	Switzer Building Systems and Construction Limited	November 5, 2009
111659	MSA	Synergy Aviation Ltd.	November 4, 2015
111556	MSA	Tandem Electric & Controls	March 2, 2015
101958	MSA	Tarpon Energy Services Ltd.	May 1, 2012
101908	MSA	Techmation Electric & Controls Ltd	July 26, 2010
111594	MSA	Terrapure Environmental	June 26, 2015
100418	MSA	Terroco Industries Ltd	August 8, 2007
108076	MSA	Tip Top Maintenance Ltd	February 27, 2008
109874	MSA	TMS Trucking Ltd	February 19, 2014
109585	MSA	Torque Industrial Ltd.	August 15, 2012
109510	MSA	Total Oilfield Rentals LP	July 21, 2014
109502	MSA	Trans Peace Construction Ltd.	March 27, 2012
102113	MSA	Traverse Landgroup Ltd	January 5, 2007
111354	MSA	Trendon Bit Service Ltd.	May 28, 2014
109095	MSA	Troyer Ventures Ltd	October 27, 2009
100700	MSA	Tryson Energy Service Inc	September 20, 2007
108046	MSA	Tundra Petroleum Services	November 6, 2009
110142	MSA	Ulterra, LP	February 4, 2014
105295	MSA	Unified Valve Ltd.	May 1, 2012
105234	MSA	United Safety Ltd.	February 23, 2010
109513	MSA	Valence Controls Ltd.	May 10, 2012
111181	MSA	Waste Co. Disposal Systems Inc.	May 26, 2014
104164	MSA	Waste Management of Canada Corporation	June 24, 2013
100691	MSA	Water Bus Corp, The	May 20, 2015
105377	MSA	Waterline Resources Inc	June 15, 2007
110888	MSA	Waybest Tower Inc	November 7, 2012
110286	MSA	Westcor Services Ltd.	January 12, 2011
111483	MSA	WesternOne	November 13, 2014
100746	MSA	Zach's Oilfield Services	November 4, 2009



## ALBERTA LEASE ARRANGEMENTS

*Note: All Alberta Lease Agreements as set forth in **Alberta Corporate Contracts** in  
Schedule B - Section 5.2.*

## ALBERTA AGREEMENTS REQUIRING CONSENT

QRCI File No.	Contract Type	Counterparty	Date
C0002	FO&OPT	Spyglass Resources Corp., Canyon Oil & Gas Corporation, Prairiesky Royalty Ltd., Pine Cliff Energy Ltd.	5/19/1992 0:00
C0005	JOA	Pine Cliff Resources Ltd., Canadian Natural Resources Limited	10/21/1982 0:00
C0008	JOA	Pine Cliff Energy Ltd., Canadian Natural Resources Limited	5/7/1985 0:00
C0010	JOA	Pine Cliff Energy Ltd.,	4/18/2000 0:00
C0026	JOA	Shasta, Inc., Cenovus Energy Inc.	11/16/2000 0:00
C0036	FARMOUT	Penn West Petroleum, General Partnership	2/5/2002 0:00
C0038	COAL BED	Ember Resources Inc., Prairiesky Royalty Ltd.	6/17/2003 0:00
C0052	JOA	Enerplus Corporation	2/28/2003 0:00
C0064	JOA	Enerplus Corporation	5/1/2000 0:00
C0068	P&PAR	Penn West Petroleum, General Partnership	5/5/2004 0:00
C0069	FO&OPT	Penn West Petroleum, General Partnership, NAL Resources Limited	8/29/2003 0:00
C0075	FARMOUT	Ember Resources Inc.	10/3/2003 0:00
C0080	POOL	Alexander Oilfield Services Ltd., Zargon Oil & Gas Partnership	3/17/2003 0:00
C0081	FARMIN	Penn West Petroleum, General Partnership	4/8/2003 0:00
C0082	FARMIN	Questfire Energy Corp.	5/22/2003 0:00
C0086	FARMIN	Ember Resources Inc., EMI Resources Ltd.Quick	5/25/2004 0:00
C0087	POOLFO	Freehold Royalties Partnership	1/13/2004 0:00
C0089	P&PAR	Canstone Energy Ltd., Ember Resources Inc.	8/25/2005 0:00
C0098	FARMOUT	Ember Resources Inc., Prairiesky Royalty Ltd.	2/5/2004 0:00
C0103	JOA	Questfire Energy Corp.	5/1/2003 0:00
C0104	FARMOUT	Prairiesky Royalty Ltd.	7/15/2004 0:00
C0105	POOLFO	Pengrowth Energy Corporation, Shaman Energy Corporation, Adeco Exploration Company Ltd.	9/1/1997 0:00
C0106	POOLFO	Pengrowth Energy Corporation	9/1/1997 0:00
C0107	POOL	Pine Cliff Energy Ltd., Bellatrix Exploration Ltd., Deloitte Restructuring Inc., ITF Sekur Energy Management Corp.	2/26/2004 0:00
C0108	POOL	Pine Cliff Energy Ltd.	3/1/2004 0:00
C0110	SEISREVOPT	BMW Energy Inc.	7/14/2004 0:00
C0111	POOL	Pine Cliff Energy Ltd., Pengrowth Energy Corporation	8/25/2004 0:00
C0112	FO & ROY	Endurance Energy Ltd.	9/29/2004 0:00
C0115	FARMOUT	Prairiesky Royalty Ltd.	10/8/2004 0:00
C0118	FARMOUT	Pine Cliff Energy Ltd.	9/28/1993 0:00
C0123	POOL	Bonavista Energy Corporation	11/30/2004 0:00
C0124	POOL	Pine Cliff Energy Ltd., Taqa North	11/10/2004 0:00
C0125	PART	Ember Resources Inc.	11/30/2004 0:00
C0127	POOLFO	Pine Cliff Energy Ltd., 439 Royalty Corp., 699541 Alberta Ltd.	5/18/2000 0:00
C0129	FARMOUT	Penn West Petroleum, General Partnership, Coast Pacific TRE-97 Exploration Ltd., Coast Pacific TRN-97 Exploration Ltd.,	11/25/2005 0:00
C0130	JOA	Ember Resources Inc., Canadian Natural Resources	1/21/1980 0:00
C0131	FO&OPT	Ember Resources Inc., Pine Cliff Energy Ltd.	3/31/1997 0:00

QRCI File No.	Contract Type	Counterparty	Date
C0133	POOLFO	Pengrowth Energy Corporation, Shaman Energy Corporation, Adeco Exploration Company Ltd.	9/1/1997 0:00
C0134	FARMOUT	Pengrowth Energy Corporation, Shaman Energy Corporation, Adeco Exploration Company Ltd., Petrovera Resources	6/1/1989 0:00
C0135	JEA	Pengrowth Energy Corporation, Shaman Energy Corporation, Adeco Exploration Company Ltd.	2/12/1988 0:00
C0139	POOLEQUAL	Pengrowth Energy Corporation, Shaman Energy Corporation, Adeco Exploration Company Ltd.	8/23/1990 0:00
C0140	RETROJOA	Pengrowth Energy Corporation, Shaman Energy Corporation, Adeco Exploration Company Ltd.	2/23/2004 0:00
C0143	POOLFO	Pengrowth Energy Corporation, Penn West Petroleum General Partnership, Encana Corporation	11/1/1994 0:00
C0145	FARMOUT	Penn West Petroleum, General Partnership	6/5/1995 0:00
C0148	POOL	Pine Cliff Energy Ltd., Ember Resources Inc.	11/1/2004 0:00
C0149	JOA	Pine Cliff Energy Ltd., Pacific Surveys Ltd., LTS Resources Partnerhsip, Global Energy Limited, Riverboat Resources Ltd., 778125 Alberta Limited	12/14/1989 0:00
C0151	JOA	Penn West Petroleum, General Partnership, Shapco Resources Ltd., Tori Resources Inc., 844652 Alberta Ltd.	5/19/1983 0:00
C0158	FARMOUT	Pine Cliff Energy Ltd., Husky Oil Operations Limited,	8/17/1994 0:00
C0161	POOL	Canstone Energy Ltd., Ember Resources Inc.	5/18/2006 0:00
C0163	F/O&PART	Pine Cliff Energy Ltd., Penn West Petroleum General Partnership, NAL Resources Limited, Canadian Natural Resources Limited, Freehold Royalties Partnership	1/14/1993 0:00
C0164	WICLAR	Pine Cliff Energy Ltd.	6/1/1998 0:00
C0168	POOL	Pine Cliff Energy Ltd., Chinook Energy Inc., Harvest Operations Corp., Glenmore Petroleums Limited, Pengrowth Energy Corporation	10/1/2006 0:00
C0169	POOL	Pine Cliff Energy Ltd., ARC Resources General Partnership, Sabre Energy Partnership	10/1/2005 0:00
C0182	JOA	Pine Cliff Energy Ltd., Husky Oil Operations Limited, Canstone Energy Ltd., Trident Limited Partnership	6/17/1988 0:00
C0183	JOA	Pine Cliff Energy Ltd., Ember Resources Inc.	2/1/1998 0:00
C0184	P&PAR	Enerplus Corporation, Ember Resources Inc., CQ Energy Resources Partnership	1/24/2005 0:00
C0185	OPERATING	Penn West Petroleum, General Partnership	6/5/2006 0:00
C0189	FARMIN	Penn West Petroleum, General Partnership, Prairiesky Royalty Ltd.	5/9/2005 0:00
C0191	FARMIN	Questfire Energy Corp.	5/16/2005 0:00
C0194	FARMIN	Pine Cliff Energy Ltd., Canstone Energy Ltd.	5/30/2005 0:00
C0197	POOL	Pine Cliff Energy Ltd., Ember Resources Inc., Sabre Energy Partnership, ARC Resources General Partnership	10/21/1996 0:00

QRCI File No.	Contract Type	Counterparty	Date
C0200	POOLEQUAL	Pengrowth Energy Corporation, Shaman Energy Corporation, Adeco Exploration Company Ltd., Arnez Energy & Investments Ltd.	9/14/1990 0:00
C0201	FARMOUT	Pengrowth Energy Corporation, Shaman Energy Corporation, Adeco Exploration Company Ltd., Bears paw Petroleum Ltd.	6/28/1989 0:00
C0202	FO & ROY	778128 Alberta Limited & Pine Cliff Energy Ltd.	6/22/2005 0:00
C0203	POOL	Pine Cliff Energy Ltd, Bellatrix Exploration Ltd & Deloitte Restructuring Inc. ITF Sekur Energy Management Corp.	6/3/2005 0:00
C0204	POOL	Pine Cliff Energy Ltd & Taqa North	6/20/2005 0:00
C0205	WICLAR	Pine Cliff Energy Ltd.	6/12/1990 0:00
C0209	POOL	Pine Cliff Energy Ltd., Sabre Energy Partnership & Arc Resources General Partnership	10/1/2005 0:00
C0215	FO&OPT	Pine Cliff Energy Ltd., Questfire Energy Corp., LTS Resources Partnership, Global Energy Limited, Riverboat Resources Ltd., Pacific Surveys Ltd.	9/20/1988 0:00
C0217	WICLAR	Pine Cliff Energy Ltd., Pengrowth Energy Corporation, Bellatrix Exploration Ltd, Deloitte Restructuring Inc. ITF Sekur Energy Management Corp., Taqa North	2/1/1999 0:00
C0219	POOL	Penn West Petroleum General Partnership & Ember Resources Inc.	10/13/2005 0:00
C0220	FARMIN	Ember Resources Inc	9/15/2005 0:00
C0221	FARMOUT	Apache Canada Ltd	1/11/2006 0:00
C0222	POOL	CQ Energy Canada Resources Partnership	9/6/2005 0:00
C0223	POOL	Pine Cliff Energy Ltd & Valley View Energy Ltd.	7/1/2005 0:00
C0224	JVAGMT	Questfire Energy Corp. & Sinopec Daylight Energy Ltd.	10/1/2005 0:00
C0225	FO & JOA	Penn West Petroleum General Partnership, Long Run Exploration Ltd. & Zargon Oil & Gas Partnership	1/10/2006 0:00
C0226	FO & JOA	Barlow Bros. Ltd, Enerplus Corporation, Ember Resources Inc & CQ Energy Canada Resources Partnership	9/29/2005 0:00
C0228	WICLAR	Pine Cliff Energy Ltd, Bellatrix Exploration Ltd & Newcrest Resources Ltd. & Deloitte Restructuring Inc. ITF Sekur Energy Management Corp	5/1/1999 0:00
C0229	JOA	Pine Cliff Energy Ltd.	2/27/2004 0:00
C0230	POOL	Pine Cliff Energy Ltd, Bellatrix Exploration Ltd, Newcrest Resources Ltd & Deloitte Restructuring Inc. ITF Sekur Energy Management Corp	6/3/2005 0:00
C0231	POOL	Pine Cliff Energy Ltd., Enerplus Corporation & ARC Resources Ltd	9/21/2005 0:00
C0233	POOL	Pine Cliff Energy Ltd, Bellatrix Exploration Ltd & Deloitte Restructuring Inc. ITF Sekur Energy Management Corp	6/3/2005 0:00
C0235	POOL	Pine Cliff Energy Ltd, XTO Energy Canada, Enerplus Corporation & Trident Limited Partnership	9/1/2005 0:00
C0236	POOLEQUAL	Questfire Energy Corp. & Enerplus Corporation	5/5/2006 0:00
C0238	FARMOUT	Mosaic Energy Ltd.	11/10/2005 0:00

<b>QRCI File No.</b>	<b>Contract Type</b>	<b>Counterparty</b>	<b>Date</b>
C0240	POOL	NAL Resources Limited	1/3/2006 0:00
C0241	FO&OPT	Pine Cliff Energy Ltd, Bellatrix Exploration Ltd, Deloitte Restructuring Inc. ITF Sekur Energy Management Corp & LTS Resources Partnership	6/4/1981 0:00
C0242	POOL	Questfire Energy Corp., Glencoe Resources Ltd,	2/15/2006 0:00
C0243	POOL	Dark Warrior Resources Ltd., Travers Energy Ltd & Penn West Petroleum General Partnership	3/3/2006 0:00
C0244	POOL	Bonavista Energy Corporation	8/29/2006 0:00
C0245	POOL	Ember Resources Inc	2/10/2006 0:00
C0246	POOL	Ember Resources Inc	2/1/2006 0:00
C0248	FO&OPT	Quattro Exploration and Production Ltd. & Crescent Point Resources Partnership	2/14/2006 0:00
C0249	POOL	Canadian Natural Resources Northern Alberta Partnership	4/10/2006 0:00
C0252	POOLFO	Signalta Resources Limited & Penn West Petroleum General Partnership	9/18/1987 0:00
C0253	F/O&PART	Pine Cliff Energy Ltd, Ember Resources Inc, Bellatrix Exploration Ltd, Deloitte Restructuring Inc. ITF Sekur Energy Management Corp, Chinook Energy Inc & Daroil Energy Limited	2/10/1982 0:00
C0256	RETROJOA	Penn West Petroleum General Partnership & Anderson Energy Ltd.	4/19/2004 0:00
C0259	SEISREVOPT	Executive Adventures 2008 Inc & Novus Energy Inc	3/9/2006 0:00
C0262	POOL	Rally Canada Resouces Ltd.	3/15/2006 0:00
C0263	FO&OPT	Long Run Exploration Ltd. & Pine Cliff Energy Ltd.	4/3/2006 0:00
C0265	WICLAR	Pine Cliff Energy Ltd & Forent Energy Ltd.	11/13/2000 0:00
C0267	JOA	Penn West Petroleum General Partnership, Shapco Resouces Ltd., Tori Resources Inc & 844652 Alberta Ltd.	6/30/1984 0:00
C0268	SEISOPT	Bonavista Energy Corporation, Petrus Resources Ltd., Penn West Petroleum General Partnership & 1248109 Alberta Inc.	8/14/1995 0:00
C0270	POOLFO	Penn West Petroleum General Partnership & Prairesky Royalty Ltd.	11/22/1990 0:00
C0271	WICLAR	Pine Cliff Energy Ltd, Long Run Exploration Ltd & Forent Energy Ltd	11/14/2000 0:00
C0272	WICLAR	Pine Cliff Energy Ltd. & Forent Energy Ltd.	11/8/2000 0:00
C0273	WICLAR	Pine Cliff Energy Ltd. & Forent Energy Ltd.	11/13/2000 0:00
C0275	MEMORANDUM	Pine Cliff Energy Ltd & Canadian Natural Resources	1/5/1988 0:00
C0276	FO&OPT	Canadian Natural Resources, Pine Cliff Energy Ltd, Corse Energy Corp., Husky Oil Operations Limited & Trident Limited Partnership	12/12/1978 0:00
C0278	POOL	Pengrowth Energy Corporation, Shaman Energy	2/1/2008 0:00
C0279	POOL	Canadian Natural Resources	5/9/2006 0:00
C0280	POOL	Pengrowth Energy Corporation, Shaman Energy Corporation & Adeco Exploration Company Ltd.	2/15/1989 0:00
C0281	POOL	MFC Resource Partnership	4/26/2006 0:00

QRCI File No.	Contract Type	Counterparty	Date
C0282	FARMOUT	Husky Oil Operations Limited, Canstone Energy Ltd., Pengrowth Energy Corporation & Pine Cliff Energy Ltd.	7/19/1988 0:00
C0283	WICLAR	Pine Cliff Energy Ltd, Bellatrix Exploration Ltd & Deloitte Restructuring Inc. ITF Sekur Energy Management Corp	5/1/1990 0:00
C0284	JOA	Penn West Petroleum General Partnership, Dark Warrior Resources Ltd, Anderson Energy Ltd.& Shapco Resources Ltd.	11/10/2006 0:00
C0287	POOL	Canadian Natural Resources Northern Alberta Partnership & Ember Resources Inc.	4/11/2006 0:00
C0288	POOL	Pine Cliff Energy Ltd & Pengrowth Energy Corporation	12/15/2005 0:00
C0289	POOL	Pine Cliff Energy Ltd & Pengrowth Energy Corporation	1/1/2006 0:00
C0290	JOA	Pine Cliff Energy Ltd, Penn West Petroleum General Partnership, Deloitte Restructuring Inc. ITF Sekur Energy Management Corp & Potts Petroleum Inc.	5/28/1992 0:00
C0293	FO & ROY	Bearspaw Petroleum Ltd. & Pengrowth Energy Corporation	9/24/2003 0:00
C0294	FO & ROY	Long Run Exploration Ltd.	6/19/2006 0:00
C0295	POOL	Pine Cliff Energy Ltd & Enerplus Corporation	10/1/2005 0:00
C0296	POOLFO	Bearspaw Petroleum Ltd. & Pengrowth Energy Corporation	5/1/1998 0:00
C0298	FARMOUT	Bearspaw Petroleum Ltd., Pengrowth Energy Corporation, Shaman Energy Corporation & Adeco Exploration Company Ltd.	8/24/1988 0:00
C0300	POOL	Canadian Natural Resources, Penn West Petroleum General Partnership	6/2/2006 0:00
C0301	FARMIN	Penn West Petroleum, EnCana Corporation, Canol Resources Ltd. Onyx Oil & Gas Ltd., Avenex Energy Corp., Signalta Resources Limited	3/24/1997 0:00
C0304	RETROJOA	Ember Resources Inc., Pine Cliff Energy Ltd., Hilloil (1993) Limited	4/21/2009 0:00
C0309	POOL	Canadian Natural Resources, Nal Resources Limited	1/15/2007 0:00
C0310	FARMOUT	Pine Cliff Energy Ltd., Canstone Energy Ltd., Husky Oil Operations Limited., Trident Limited Partnership, Prairiesky Royalty Ltd.	10/7/1988 0:00
C0327	POOLFO	Penn West Petroleum, Prairiesky Royalty Ltd.	9/24/1996 0:00
C0328	POOLPARJOA	Trident Limited Partnership, Doag Energy Ltd., Head First Energy Inc. Freehold Royalties Partnership	4/1/2005 0:00
C0330	POOL	Taq North, Arrow Point Oil & Gas Ltd., Challenger Development Corp. (QRCI has no interest in the Agreement but link to wells and C0331 whereby QRCI has a Royalty interest)	8/11/2006 0:00
C0331	FO & ROY	Cogi Limited Partnership	5/14/2007 0:00

QRCI File No.	Contract Type	Counterparty	Date
C0333	JOA	Trident Limited Partnership	8/15/2006 0:00
C0334	SEISOPT	Graybeard Energy Ltd., Sundance Energy Corporation, Forent Energy Ltd.	7/27/2006 0:00
C0335	FARMIN	Pine Cliff Energy Ltd., Deloitte Restructuring Inc. ITF Sekur Energy Management Corp.	2/1/1971 0:00
C0337	POOL	Pine Cliff Energy Ltd.,	2/15/1994 0:00
C0339	FARMOUT	Pine Cliff Energy Ltd., Ember Resources Inc.	1/2/1968 0:00
C0340	FO&OPT	Successor Resources Ltd.	8/17/2006 0:00
C0342	POOL	Penn West Petroleum., Bradarrin Resources Ltd., Just Freehold Energy Corp.,	10/2/2006 0:00
C0345	JOA	Trident Limited Partnership	9/7/2006 0:00
C0347	POOL	Pengrowth Energy Corporation, Ember Resources Inc., Canstone Energy Ltd.	1/28/2005 0:00
C0348	POOL	Pine Cliff Energy Ltd., Pengrowth Energy Corporation	11/22/2006 0:00
C0350	JOA	Pine Cliff Energy Ltd., Taqa North	4/1/1990 0:00
C0354	POOL	Cansearch Resources Ltd., Nal Resources Limited, Regent Resources Ltd.	2/1/2007 0:00
C0356	POOLPARJOA	Cansearch Resources Ltd., Prairiesky Royalty Ltd.	9/28/2006 0:00
C0358	RETROJOA	Bonavista Energy Corporation, Petrus Resources Ltd., Canadian Natural Resources Limited.	5/12/1997 0:00
C0359	POOL	Pine Cliff Energy Ltd., Pengrowth Energy Corporation	4/21/2006 0:00
C0361	POOL	Pine Cliff Energy Ltd., Pengrowth Energy Corporation	10/1/2006 0:00
C0362	FO&OPT	Cogi Limited Partnership	12/21/2006 0:00
C0363	COMPOOL	Shackleton Exploration Ltd.	6/5/2007 0:00
C0364	POOL	Rally Canada Resources Ltd.,	1/19/2007 0:00
C0366	F/O&PART	Bonavista Energy Corporation, Petrus Resources Ltd., Prairiesky Royalty Ltd.	5/1/2007 0:00
C0368	JOA	Nal Resources Limited	1/1/2007 0:00
C0371	JOA	Questfire Energy Corp.	11/1/2006 0:00
C0372	FARMOUT	Ember Resources Inc., Prairiesky Royalty Ltd.	10/25/2000 0:00
C0376	FARMOUT	Pine Cliff Energy Ltd., Ember Resources Inc., Bellatrix Exploration Ltd., Chinook Energy Inc. Deloitte Restructuring Inc. ITF Sekur Energy Management Corp., Daroil Energy Limited	2/10/1982 0:00
C0377	POOL	Pengrowth Energy Corporation, Ember Resources Inc., Canstone Energy Ltd.	7/1/2006 0:00
C0379	POOL	Pengrowth Energy Corporation, Ember Resources Inc., Canstone Energy Ltd.	7/1/2006 0:00
C0380	POOL	Pengrowth Energy Corporation, Ember Resources Inc., Canstone Energy Ltd.	7/1/2006 0:00
C0381	POOL	Cansearch Resources Ltd.	4/1/2007 0:00
C0383	POOLFO	Pine Cliff Energy Ltd., Canadian Natural Resources, Bellatrix Exploration Ltd., Deloitte Restructuring Inc. ITF Sekur Energy Management Corp., Ember Resources Inc.	6/27/1980 0:00
C0385	POOL	Ember Resources Inc., Bumper Development Corporation Ltd.	7/19/2006 0:00

QRCI File No.	Contract Type	Counterparty	Date
C0387	POOL	Pine Cliff Energy Ltd., Canadian Natural Resources, Penn West Petroleum	7/1/2006 0:00
C0388	POOL	Pine Cliff Energy Ltd., Midland Resources Inc.	1/29/2007 0:00
C0389	POOL	Direct Energy Marketing Limited	2/1/2007 0:00
C0390	POOL	Pengrowth Energy Corporation, Cogi Limited Partnership, Signalta Resources Limited	12/8/1983 0:00
C0392	POOLFI	Pengrowth Energy Corporation, Eclipse Energy Inc.	4/14/1989 0:00
C0393	POOLEQPT	Pengrowth Energy Corporation, Signalta Resources Limited, Tourigny Management Ltd. Bounty Developments Ltd., Enerplus Corporation, Nal Resources Limited	6/6/1989 0:00
C0396	P&PAR	Pine Cliff Energy Ltd., Bellatrix Exploration Ltd. Deloitte Restructuring Inc. ITF Sekur Energy Management Corp	5/22/2007 0:00
C0397	FARMOUT	Pine Cliff Energy Ltd., Signalta Resources Limited	10/31/2006 0:00
C0398	POOLFOPAR	Pine Cliff Energy Ltd., Trident Limited Partnership	6/1/2007 0:00
C0399	JOA	Pengrowth Energy Corporation	5/1/2007 0:00
C0400	FARMOUT	Pine Cliff Energy Ltd., Pengrowth Energy Corporation, Bumper Development Corporation Ltd., EnCana Corporation	12/22/2008 0:00
C0401	FARMOUT	Deloitte Restructuring Inc. ITF Sekur Energy Management ,Cansearch Resources Ltd., Direct Energy Resources Partnership. Chatan Resources Management Ltd.,	9/29/2009 0:00
C0402	COMPOOL	Lightstream Resources Ltd.,	6/10/2010 0:00
C0403	FARMOUT	Deloitte Restructuring Inc. ITF Sekur Energy Management, Mathieson Development Ltd., Cansearch Resources Ltd.	9/29/2009 0:00
C0404	FARMOUT	Questfire Energy Corp., Wislow Resources Inc.	12/4/2000 0:00
C0405	JOA	Questfire Energy Corp., Sinopec Daylight Energy Ltd., Rally Canada Resources Ltd.	9/1/1985 0:00
C0407	POOL	Pine Cliff Energy Ltd., Husky Oil Operations Limited	2/6/2007 0:00
C0408	POOL	Pine Cliff Energy Ltd., Husky Oil Operations Limited	2/6/2007 0:00
C0409	POOL	Pine Cliff Energy Ltd., Husky Oil Operations Limited	2/6/2007 0:00
C0410	FARMOUT	Pengrowth Energy Corporation, Trident Limited Partnership	2/1/2008 0:00
C0411	POOL	Ember Resources Inc.	5/16/2007 0:00
C0412	POOL	Penn West Petroleum General Partnership	5/16/2007 0:00
C0414	POOL	Ember Resources Inc.	7/16/2007 0:00
C0415	POOL	The Paddon Hughes Development Co. Ltd., Ember Resources Inc., Canstone Energy Ltd., Pengrowth Energy Corporation,	9/1/2007 0:00
C0416	FARMOUT	Pine Cliff Energy Ltd., ARC Resources General Partnership	5/12/1964 0:00
C0417	POOL	Pine Cliff Energy Ltd., Pengrowth Energy Corporation, ARC Resources General Partnership	6/1/2004 0:00
C0418	POOL	Pine Cliff Energy Ltd., ARC Resources General Partnership	5/18/2006 0:00



QRCI File No.	Contract Type	Counterparty	Date
C0420	POOL	Pengrowth Energy Corporation	10/1/2007 0:00
C0421	POOL	Pengrowth Energy Corporation	10/2/2007 0:00
C0422	POOL	Pengrowth Energy Corporation	10/3/2007 0:00
C0423	POOL	Pengrowth Energy Corporation	10/4/2007 0:00
C0424	POOL	Pengrowth Energy Corporation	10/5/2007 0:00
C0425	POOL	Pengrowth Energy Corporation	10/6/2007 0:00
C0427	POOL	Ember Resources Inc.	11/1/2007 0:00
C0428	POOLFO	ConocoPhillips Canada Energy Partnership; 439 Royalty Corp c/o Tom Associates Inc; 699541 Alberta Ltd. c/o Tom Associates Inc.	10/5/1990 0:00
C0429	FO&OPT	Pine Cliff Energy Ltd.	10/4/1990 0:00
C0430	POOLFOOPT	Pine Cliff Energy Ltd.; ARC Resources General Partnership;	5/15/1997 0:00
C0431	FARMOUT	Pine Cliff Energy Ltd.; ARC Resources General Partnership	7/1/1994 0:00
C0432	POOL	Pine Cliff Energy Ltd.; Enerplus Corporation	8/1/2007 0:00
C0433	POOLFO	Just Freehold Energy Corp.; Pengrowth Energy Corp.;	3/5/2008 0:00
C0435	FARMOUT	ConocoPhillips Canada Energy Partnership; Canadian Natural Resources; Penn West Petroleum General Partnership	5/6/1994 0:00
C0436	COMPOOL	N/A	10/18/2007 0:00
C0437	POOL	Pine Cliff Energy Ltd.; 439 Royalty Corp c/o Tom Associates Inc; 699541 Alberta Ltd. c/o Tom Associates Inc.	11/7/2007 0:00
C0438	JOA	Penn West Petroleum General Partnership	11/1/2007 0:00
C0439	POOL	Ember Resources Inc.	12/6/2007 0:00
C0440	POOLOP	Penn West Petroleum General Partnership	12/1/2007 0:00
C0441	POOL	Ember Resources Inc.	12/12/2007 0:00
C0442	POOL	Pengrowth Energy Corporation	12/17/2007 0:00
C0445	POOL	Pengrowth Energy Corporation; Canstone Energy Ltd.; Ember Resources Inc.	2/25/2008 0:00
C0446	JOA	Coast Pacific TRE-97 Exploration Ltd.; Coast Pacific TRN-97 Exploration Ltd.; Penn West Petroleum General Partnership	1/2/2008 0:00
C0447	POOLFO	Pengrowth Energy Corporation; Bearspaw Petroleum Ltd.; Shaman Energy Corporation; Adeco Exploration Company Ltd.	6/13/1988 0:00
C0449	POOL	Pine Cliff Energy Ltd.; ARC Resources General Partnership; Sabre Energy Partnership	10/30/2007 0:00
C0450	POOL	Pine Cliff Energy Ltd.; ARC Resources General Partnership	9/10/2007 0:00
C0451	FO&OPT	PrairieSky Royalty Ltd.	6/27/2005 0:00
C0452	JOA	Pengrowth Energy Corporation; Laramide Oil & Gas Ltd.; Owlco Resources Ltd.; Trident Limited Partnership; Caledonian Royalty Corporation	9/25/1982 0:00
C0453	POOLFOPAR	Pengrowth Energy Corporation; CQ Energy Canada Resources Partnership; Quattro Exploration and Production Ltd.	9/1/1997 0:00
C0454	JOA	Penn West Petroleum General Partnership	2/12/2008 0:00
C0455	FARMOUT	Pengrowth Energy Corporation	2/28/2008 0:00

QRCI File No.	Contract Type	Counterparty	Date
C0457	JOA	Penn West Petroleum General Partnership	4/1/2008 0:00
C0458	JOA	Penn West Petroleum General Partnership	3/25/2008 0:00
C0461	FARMIN	ConocoPhillips Western Canada Partnership	7/7/2008 0:00
C0462	JOA	Penn West Petroleum General Partnership	6/1/2008 0:00
C0463	COMPOOL	N/A	8/6/2008 0:00
C0464	COMPOOL	N/A	6/4/2008 0:00
C0465	POOL	Ember Resources Inc.	2/6/2008 0:00
C0466	POOL	Penn West Petroleum General Partnership	6/15/2008 0:00
C0468	POOL	Sino-Western Petroleum Inc.	6/1/2008 0:00
C0469	POOL	Sino-Western Petroleum Inc.	7/1/2008 0:00
C0470	COMPOOL	N/A	6/5/2007 0:00
C0471	POOL	Questfire Energy Corp.; Canadian Natural Resources; Canpar Holdings Ltd.	7/1/2008 0:00
C0473	POOL	ConocoPhillips Canada Energy Partnership; Pengrowth Energy Corporation;	7/23/2008 0:00
C0476	COMPOOL	N/A	7/2/2008 0:00
C0477	COMPOOL	N/A	5/23/2008 0:00
C0479	COMPOOL	N/A	9/5/2007 0:00
C0480	COMPOOL	N/A	1/26/2005 0:00
C0483	FARMOUT	Ember Resources Inc.	3/22/1989 0:00
C0484	FARMOUT	Central Global Resources ULC; Rustum Petroleums Ltd.	2/1/1988 0:00
C0486	POOL	Sabre Energy Partnership; ARC Resources General Partnership; ConocoPhillips Western Canada Partnership	3/1/2008 0:00
C0487	POOL	Sabre Energy Partnership; ARC Resources General Partnership; Pine Cliff Energy Ltd.	1/4/2008 0:00
C0488	POOL	Sabre Energy Partnership; ARC Resources General Partnership; Pine Cliff Energy Ltd.	1/4/2008 0:00
C0489	POOL	Ember Resources Inc.; Questfire Energy Corp.; Just Freehold Energy Corp.; Emerald Bay Energy Inc.	9/1/2008 0:00
C0490	POOL	Ember Resources Inc.	9/1/2008 0:00
C0491	POOL	ConocoPhillips Canada Energy Partnership	1/21/2009 0:00
C0492	JOA	Penn West Petroleum General Partnership; Coast Pacific TRE-97 Exploration Ltd.; Coast Pacific TRN-97 Exploration Ltd.	11/13/2008 0:00
C0493	JOA	Penn West Petroleum General Partnership; Coast Pacific TRE-97 Exploration Ltd.; Coast Pacific TRN-97 Exploration Ltd.	11/13/2008 0:00
C0495	POOL	NAL Resources Limited; Lexus Resources Ltd.	10/1/2008 0:00
C0498	COMPOOL	N/A	5/15/2009 0:00
C0500	COMPOOL	N/A	11/26/2008 0:00
C0501	JOA	ConocoPhillips Canada (BRC) Partnership; Vermillion Resources	2/16/1993 0:00
C0503	JOA	TAQA North; Apache Canada Ltd.; Signalta Resources Limited; Richdale Resources Ltd.; Enerplus Corporation; Nuvista Energy Ltd.	3/1/1997 0:00
C0504	JOA	Canadian Natural Resources; Canmax Energy Ltd.	6/1/1976 0:00
C0512	FARMOUT	Sino-Western Petroleum Inc.	11/18/2008 0:00
C0514	POOL	Just Freehold Energy Corp., Emerald Bay Energy Inc.	12/5/2008 0:00

QRCI File No.	Contract Type	Counterparty	Date
C0515	POOL	Penn West Petroleum General Partnership	12/1/2008 0:00
C0516	POOL	Penn West Petroleum General Partnership	12/15/2008 0:00
C0517	COMPOOL	Canadian Natural Resources,	2/13/2009 0:00
C0518	POOL	Pine Cliff Energy Ltd.	7/28/2008 0:00
C0519	POOL	MFC Resource Partnership, Pine Cliff Energy Ltd.	6/16/2008 0:00
C0520	JOA	Pine Cliff Energy Ltd., Canstone Energy Ltd., Ember Resources Inc.	2/28/2008 0:00
C0524	POOLFO	Pengrowth Energy Corp, Adeco Exploration Company Ltd., Shaman Energy Corporation	10/1/1998 0:00
C0525	POOL	CQ Energy Canada Resources Partnership	3/22/2010 0:00
C0526	F/O&PART	Pine Cliff Energy Ltd., LTS Resources Partnership, Husky Oil Operations Limited, Prairiesky Royalty Ltd.	5/11/1988 0:00
C0527	FO&OPT	Pine Cliff Energy Ltd., LTS Resources Partnership	4/12/1988 0:00
C0534	RETROJOA	Pine Cliff Energy Ltd., Prairiesky Royalty Ltd.	10/11/2005 0:00
C0535	POOL	Pine Cliff Energy Ltd.	7/10/2009 0:00
C0537	JOA	Pine Cliff Energy Ltd., ARC Resources General Partnership	7/31/1953 0:00
C0539	COMPOOL	N/A	6/11/2009 0:00
C0543	COMPOOL	N/A	2/19/2010 0:00
C0544	COMPOOL	N/A	2/19/2010 0:00
C0547	FARMOUT	Bearspaw Petroleum Ltd., Pengrowth Energy Corporation, Shaman Energy Corporation, Adeco Exploration Company Ltd.	4/13/1989 0:00
C0548	FARMOUT	Pengrowth Energy Corporation, Shaman Energy Corporation, Adeco Exploration Company Ltd., Trident Limited Partnership	4/13/1989 0:00
C0550	POOL	Deloitte Restructuring Inc. ITF Sekür, Cansearch Resources Ltd., CQ Energy Canada Resources Partnership, Chantan Resource Management Ltd.,	9/1/2007 0:00
C0551	POOL	Deloitte Restructuring Inc. ITF Sekur, Cansearch Resources Ltd., Mathieson Development Ltd.	3/14/2007 0:00
C0552	JOA	Deloitte Restructuring Inc. ITF Sekur, Mathieson Development Ltd.	11/12/1986 0:00
C0553	JOA	Mathieson Development Ltd., Canol Resources Ltd., CQ Energy Canada Resources Partnership, Chantan Resource Management Ltd.	3/1/1984 0:00
C0556	JOA	Pengrowth Energy Corporation, Shaman Energy Corporation, Adeco Exploration Company Ltd.	6/1/1989 0:00
C0557	FARMOUT	Pengrowth Energy Corporation	5/28/1971 0:00
C0563	POOL	Ember Resources Inc.	9/8/2010 0:00
C0565	JOA	Pengrowth Energy Corporation, Pine Cliff Energy Ltd.	12/9/2009 0:00
C0567	POOL	CQ Energy Canada Resources Partnership	6/15/2010 0:00
C0569	POOL	Canadian Natural Resources	5/12/2010 0:00
C0570	RETROJOA	Pengrowth Energy Corporation, Shaman Energy Corporation, Adeco Exploration Company Ltd.	2/23/2004 0:00
C0572	POOL	Pine Cliff Energy Ltd., Canstone Energy Ltd., Ember Resources Inc., Pengrowth Energy Corporation	2/8/2012 0:00

QRCI File No.	Contract Type	Counterparty	Date
C0573	JOA	N/A	10/31/2002 0:00
C0574	FARMIN	Pine Cliff Energy Ltd.	7/29/2010 0:00
C0575	FARMIN	Pine Cliff Energy Ltd.	10/7/2010 0:00
C0576	FARMOUT	Pine Cliff Energy Ltd.	8/15/2010 0:00
C0579	FARMOUT	Prairiesky Royalty Ltd.	3/12/2003 0:00
C0580	JOA	Pine Cliff Energy Ltd., Pengrowth Energy Corporation	9/15/2010 0:00
C0581	JOA	Twin Butte Energy Ltd.	10/4/2000 0:00
C0583	POOL	Canadian Natural Resources, NAL Resources Limited	11/15/1989 0:00
C0584	POOL	Glencoe Resources Ltd., Ernest P Koop, Pengrowth Energy Corporation, COGI Limited Partnership, Taqa North	9/19/1985 0:00
C0588	FO&OPT	Just Freehold Energy Corp., NAL Resources Limited, Ember Resources Inc.	8/6/1996 0:00
C0590	FARMOUT	Ember Resources Inc.,	11/23/2004 0:00
C0591	POOLFO	Penn West Petroleum General Partnership, NAL Resources Limited, Addison Energy Limited Partnership, Signalta Resources Limited, Magnus One Energy Corp.	9/11/2001 0:00
C0592	FO&OPT	Addison Energy Limited Partnership, NAL Resources Limited, Penn West Petroleum General Partnership, Andrichuck, Signalta Resources Limited, Taqa North	3/8/1982 0:00
C0594	FO&OPT	Questfire Energy Corp., Ember Resources Inc., Rally Canada Resources Ltd., White Minerals Ltd., Hayden Resources Ltd	12/15/1984 0:00
C0595	POOL	Pine Cliff Energy Ltd., 699541 Alberta Ltd., 439 Royalty Corp.,	9/1/2008 0:00
C0596	WELL EQ/SH	Ember Resources Inc., Enerplus Corporation, CQ Energy Canada Resources Partnership	11/8/2010 0:00
C0597	FARMOUT	Ember Resources Inc.	10/29/2004 0:00
C0598	POOL	Canstone Energy Ltd., Ember Resources Inc., Lotus Resources Ltd., Terra Energy Corp., Northwest Zenith Resources Ltd.	1/15/2010 0:00
C0602	POOL	Pine Cliff Energy Ltd., Pengrowth Energy Corporation, Canstone Energy Ltd., Ember Resources Inc.	10/22/2008 0:00
C0603	PART	Pengrowth Energy Corporation, Caledonian Royalty Corporation, Owlco Resources Ltd., Laramide Oil & Gas Ltd., Trident Limited Partnership	7/24/1975 0:00
C0604	FARMOUT	Canadian Cardium Oils Limited	2/3/2006 0:00
C0613	COMPOOL	N/A	1/14/2013 0:00
C0619	FARMOUT	Penn West Petroleum General Partnership, Zargon Oil & Gas Ltd., Long Run Exploration Ltd., Callera Energy Ltd.,	7/25/1996 0:00
C0620	FO&OPT	Penn West Petroleum General Partnership, Long Run Exploration Ltd., Zargon Oil & Gas Partnership	6/14/1994 0:00
C0639	COMPOOL	N/A	1/21/2014 0:00
C0641	POOL	Ember Resources Inc.	7/11/2014 0:00

QRCI File No.	Contract Type	Counterparty	Date
C0642	COMPOOL	Ember Resources Inc.	6/20/2014 0:00
C0661	JOA	Penn West Petroleum General Partnership, Coast Pacific TRE-97 Exploration Ltd., Coast Pacific TRN-97 Exploration Ltd	4/21/2015 0:00
C0664	JOA	Pine Cliff Energy Ltd., 439 Royalty Corp., 699541 Alberta Ltd.	8/20/2012 0:00
C0666	PART	Newcrest Resources Ltd., Cansearch Resources Ltd.	12/30/1980 0:00
M0148	Mineral Lease	Homestead Resources Ltd.	4/25/2002
M0647	Mineral Lease	Corvallis Holding Company Ltd.	2/28/2003
M3405	Mineral Lease	Canadian Natural Resources Limited	1/20/2006
M4541	Mineral Lease	Prairiesky Royalty Ltd.	9/20/2007
M4585	Mineral Lease	Ember Resources Inc.	9/1/2007
M4597	Mineral Lease	Talisman Energy Inc.	10/31/2007
M4598	Mineral Lease	Talisman Energy Inc.	10/31/2007
M4599	Mineral Lease	Talisman Energy Inc.	10/31/2007
M4727	Mineral Lease	Exxonmobil Canada Resources Company	1/25/2008
M4923	Mineral Lease	The Governing Council of the Salvation Army in Canada	6/16/2008
M5226	Mineral Lease	Prairiesky Royalty Ltd.	4/9/2009
M5331	Mineral Lease	Rife Resources Ltd.	4/15/2010
M5404	Mineral Lease	STANNARD, LYLE	11/19/2010
M5417	Mineral Lease	STANNARD, DALE	11/19/2010

**SCHEDULE B**  
**DISCLOSURE SCHEDULE**

**Section 5.4 – Disclosure Schedule – Legal Proceedings**

**Litigation**

As to Quicksilver Resources Canada Inc.:

Quicksilver Resources Canada Inc. (Defendant by Counterclaim) v. Lynn Amelia Kadar, et al.  
No. 1101-17577 (Court of Queen’s Bench of Alberta – Judicial Centre of Calgary Feb. 9, 2015)

Her Majesty the Queen in Right of Alberta, As Represented by Minister of Energy v. Quicksilver Resources Canada Inc. No. 1503-07813 (Court of Queen’s Bench of Alberta – Judicial Centre of Edmonton May 26, 2015)

QRCI v. Margaret Jane Harris, No. 0801-16048 (Court of Queen’s Bench of Alberta--Judicial Centre of Calgary)

**SCHEDULE B**  
**DISCLOSURE SCHEDULE**

**Section 5.7 – Disclosure Schedule – Material Assigned Contracts**

**CORPORATE ASSIGNED CONTRACTS**

*Note: All Corporate Assigned Contracts as set forth in Alberta Corporate Contracts in Schedule B - Section 5.2.*

**ALBERTA HUMAN RESOURCES EMPLOYEE BENEFITS**

QRCI File No.	Contract Type	Counterparty	Date
HR-1	Human Resources	Alberta Blue Cross	June 1, 2007
HR-2	Human Resources	RBC Group Financial Services	July 2, 2009
HR-3	Human Resources	Ceridian	April 3, 2006

**ALBERTA HUMAN RESOURCES CONTRACTORS**

QRCI File No.	Contract type	Counterparty	Execution Date
HR-5	Human Resources	Blomidon Energy Inc	December 15, 2014
HR-6	Human Resources	Goretti Consulting Inc.	May 17, 2007
HR-7	Human Resources	GMT Production Accounting Ltd.	October 24, 2007
HR-8	Human Resources	Liberty Business Services	July 18, 2013
HR-9	Human Resources	Universal Energy Inc.	October 10, 2007
HR-10	Human Resources	Woolmer Land Services	January 1, 2015
HR-11	Human Resources	Gabriel Mesquita	January 12, 2016
HR-12	Human Resources	Pat Osachuk	January 4, 2016
HR-13	Human Resources	Tammy Poirier	January 22, 2015
HR-14	Human Resources	Crystal Upstone	June 10, 2015
HR-15	Human Resources	Liz Grainger	January 11, 2016
HR-16	Human Resources	Brian Prigotzke	September 9, 2015

## ALBERTA LEASE ARRANGEMENTS

*Note: All Lease Arrangements as set forth in Corporate Contracts in Schedule B - Section 5.2.*

## ALBERTA CONSTRUCTION, OWNERSHIP & OPERATION AGREEMENTS

*Note: All Construction, Ownership and Operation Agreements as set forth in Schedule A - Part 4.*

## ALBERTA GAS HANDLING AGREEMENTS

QRCI File No.	Contract Type	Counterparty	Date
J100138	Gas Handling Agreement	Pine Cliff Energy Ltd.	August 1, 2008

## ALBERTA CONTRACT OPERATING AGREEMENTS

*Note: All Contract Operating Agreements as set forth in Schedule A - Part 4.*

## ALBERTA MARKETING / TRANSMISSION AGREEMENTS

QRCI File No.	Contract Type	Counterparty	Date
MKT-021	Firm Receipt Service (FT-R)	NOVA Gas Transmission Ltd.	April 29, 2002
MKT-002	Sales Agmt	BP Canada Energy Group ULC	November 1, 2015
MKT-005	Gas Purchase/Sale Agmt	Cenovus Energy Inc.	December 16, 2015
MKT-007	Gas EDI Purchase/Sale Agmt	Gas Alberta Inc.	March 16, 2005
MKT-011	Gas EDI Purchase/Sale Agmt	Shell Energy North America	September 1, 2009
MKT-012	Gas EDI Purchase/Sale Agmt	Suncor Energy Marketing Inc.	March 1, 2010
MKT-013	Sales Agmt	Suncor Energy Marketing Inc.	November 1, 2015
MKT-015	Gas EDI Purchase/Sale Agmt	Tenaska Marketing Canada	March 1, 2011



## FIELD LEASE VEHICLES

Unit #	Year	Make	Model	VIN #	License #
50937	2015	FORD	F150 SUPERCREW 4X4 XLT	1FTEW1EG8FKE32171	BSP7965
50531	2014	CHEVROLET	1500 4WD CREW CAB LTZ	3GCUKSECXEG506996	BNL8609
50936	2015	DODGE	RAM 1500 CREW	1C6RR7NT8FS556893	BSM6946
50059	2013	DODGE	1500 4x4 Crew SLT	1C6RR7LTXDS551503	BJC0240
50060	2013	DODGE	1500 4x4 Crew SLT	1C6RR7LT8DS551502	BJC0239
50372	2014	FORD	CNG F-150 Supercrew 4x4 XLT	1FTFW1EF7EFA21363	BLL0132
50373	2014	FORD	CNG F-150 Supercrew 4x4 XLT	1FTFW1EF9EFA21364	BLL0129
50374	2014	FORD	F-150 Supercrew 4x4 XLT	1FTFW1EFOEFA21365	BLL0137
50375	2014	FORD	CNG F-150 Supercrew 4x4 XLT	1FTFW1EF2EFA21366	BLL0134
50376	2014	FORD	CNG F-150 Supercrew 4x4 XLT	1FTFW1EF4EFA21367	BLL0135
50377	2014	FORD	F-150 Supercrew 4x4 XLT	1FTFW1EF6EFA21368	BLL0127
50378	2014	FORD	F-150 Supercrew 4x4 XLT	1FTFW1EF8EFA21369	BLL0136
50379	2014	FORD	CNG F-150 Supercrew 4x4 XLT	1FTFW1EF4EFA21370	BLL0133
50380	2014	FORD	CNG F-150 Supercrew 4x4 XLT	1FTFW1EF6EFA21371	BLL 0126
50382	2014	FORD	F-150 Supercrew 4x4 XLT	1FTFW1EF8EFA21372	BLL0128

## VENDORS PAID OVER \$200,000 IN 2015

Vendor	Contract Type	Date
BANDIT PIPELINES	MSA	August 21, 2013
BLACKJACK OILFIELD CONTRACTING LTD.	MSA	April 25, 2013
BONNETT'S ENERGY SERVICES PARTNERSHIP	MSA	November 7, 2013
C&J ENERGY PRODUCTION SERVICES	MSA	July 20, 2007
CHRIS PAGE & ASSOCIATES LTD	MSA	June 12, 2012
CROSSFIRE COMPRESSION	MSA	January 4, 2010
EQUILIBRIUM ENVIRONMENT INC	MSA	November 22, 2010
FLOMAX COMPRESSION LTD.	MSA	May 1, 2012
GASFIELD ENERGY SERVICES	MSA	May 1, 2012
DIRECT ENERGY BUSINESS C/O C15873C	Utility	June 1, 2014
SABRE WELL SERVICING INC.	MSA	January 18, 2012
SILVERSMITH	MSA	January 18, 2012
SUMMIT ACCEPTANCE CORP.	Fleet	April 16, 2012

**SCHEDULE B**  
**DISCLOSURE SCHEDULE**

**Section 5.9 – Disclosure Schedule – Wells; Plug and Abandon Notices**

**NONE**

**SCHEDULE B  
DISCLOSURE SCHEDULE**

**Section 5.10 – Disclosure Schedule – AFEs**

AFE	AFE Description	Type	Estimate	2015 Spending	2016 Spending	Status	Last Month of Spending	MTD Spending
61000812	TFOO-LI09-03-039-24WIMFENDIESLUMPFEA	AEDN	103,075	393		Active	January 2015	75,139
14AB0001	CRYSTAL 10004-29-045-03W/00 ABANDON	AEDN	23,300	-15,300		Active	February 2015	25,143
60001413	JOFFE 1007-03-05-039-25W/03 RECOMPLETE	WFOVR	108,500	3,297		Active	February 2015	92,985
60000713	JOFFE 1007-03-05-039-25W/03 RECOMPLETE	WFOVR	142,500	-3,253		Active	February 2015	124,102
61000910	BITTERNLAKE03-18-047-23WIMFECLAMATION	AEDN	23,600	1,406		Active	March 2015	21,380
61000510	BESSEKER 14-19-028-26WIMFECLAMATION	AEDN	121,330	1,783		Active	March 2015	148,432
61000610	GAYFORD 10004-19-025-23WIMFECLAMATION	AEDN	150,000	-996		Active	March 2015	133,189
61002110	GRW 13-01-031-22W SLUMPFECLAMATION	AEDN	219,338	201		Active	March 2015	124,699
61002210	FEN-CLD 03-03-035-27WIMFENDIESLUMPFECL	AEDN	333,221	-3,032		Active	March 2015	233,442
61002610	CHIGWELL 02-16-042-23W/4 FS FECLAMATION	AEDN	353,436	-1,028		Active	March 2015	355,012
15LA0004	TFOO-LI 03-03-01-033-23W/00 FNGACQ	LAND	30,000	29,063		Active	August 2015	29,063
14T0074	TFOO-LI 10003-07-033-24W/00	TIEN	38,486	845		Active	August 2015	29,055
14T0070	TFOO-LI 10001-13-033-24W/00	TIEN	41,959	-4,026		Active	August 2015	40,532
14T0073	TFOO-LI 1027-11-07-033-24W/00	TIEN	42,239	856		Active	August 2015	31,480
15LA0003	TWINNSEC04-032-24W/4 FNG ACQUISITION	LAND	50,000	48,438		Active	August 2015	48,438
14T0069	TFOO-LI 1027-03-13-033-23W/00	TIEN	55,201	596		Active	August 2015	50,518
14T0076	TFOO-LI 1007-07-033-24W/00	TIEN	58,163	1,239		Active	August 2015	45,538
14T0072	TFOO-LI 0916-13-033-23W/00	TIEN	63,234	-3,746		Active	August 2015	48,805
14FED002	FERRYBANK 05-23-045-23W/00 C-CKECLIP	RLECP	70,000	-21,359		Active	August 2015	541
14T0075	TFOO-LI 1007-07-033-24W/00	TIEN	70,176	529		Active	August 2015	54,195
14T0078	TFOO-LI 10003-03-034-24W/00	TIEN	74,906	-7,050		Active	August 2015	59,876
40001013	FEN-CLD SCUIH 1007-15-29-035-27W/00	COMP	83,600	-1,853		Active	August 2015	35,018
61000411	FEDD 1007-02-049-16WIMFECLAMATION	AEDN	49,600	2,401		Active	September 2015	3,012
14T0071	TFOO-LI 1007-13-033-23W/00	TIEN	63,918	-375		Active	September 2015	47,337
61000311	FEDD 10207-33-048-16WIMFECLAMATION	AEDN	102,000	3,063		Active	September 2015	3,916
61002310	TH 09-15-035-23W/4 FS FECLAMATION	AEDN	205,707	1,480		Active	September 2015	216,764
14FED001	FERRYBANK 05-23-045-23W/00 C-CKECLIP	RLECP	29,932	-33,743		Active	December 2015	108,023
61002410	FEBV 10003-14-033-23W/00 FS FECLAMATION	AEDN	145,532	3,366		Active	October 2015	118,558
61001910	BESSEKER 1007-15-19-028-23W/00 FS FECLAM	AEDN	640,200	4,589		Active	October 2015	639,213
14T0060	THCS 1007-19-034-23W/00	TIEN	27,106	1,470		Active	November 2015	27,106
61000111	NEWNCRWAY 1007-03-045-21W/00	AEDN	23,493	6,830		Active	November 2015	42,402
56003013	FEN-CLDS 1007-14-34-035-27WIM00 TIEN	TIEN	35,427	2,234		Active	November 2015	3,585
56002113	FEN-CLDS 1007-16-34-035-27WIM00 TIEN	TIEN	35,427	2,234		Active	November 2015	3,178
61001410	WEASMAN 1007-14-20-046-23W/4 WELL ABAND	AEDN	50,486	5,766		Active	November 2015	65,439
56000613	FEN-CLDS 10005-20-035-27W/00 TIEN	TIEN	173,504	2,936		Active	November 2015	133,990
61001510	JOFFE 1007-05-05-040-23W/4 ABANDONMENT	AEDN	230,159	-4,656		Active	November 2015	224,015
61001710	JOFFE 16-20-039-23WIMFECLAMATION	AEDN	422,638	6,297		Active	November 2015	365,781
14T0077	TFOO-LI 10003-03-034-24W/00	TIEN	101,516	-4,815		Active	December 2015	81,307
61002010	TWINN 14-21-032-24WIMFENDIESLUMPFECL	AEDN	151,724	3,425		Active	December 2015	144,078
61001810	FEN-CLD 01-14-036-23WIMFECLAMATION	AEDN	226,401	130,612		Active	December 2015	239,704
61002710	NEWNCRWAY 03-16-045-23W/4 FS FECLAMATION	AEDN	230,034	3,391		Active	December 2015	212,415
61000312	THREHILLS 05-16-035-23WIMFECLAMATION	AEDN	256,750	3,344		Active	December 2015	142,332
15AB0010	GAYFORD 1007-12-036-24W/00 ABAND	AEDN	25,330	20,233	784	Active	January 2016	20,996
15T0002	TFOO-LI 03-03-03-033-23W/00 TIEN	TIEN	33,036	38,000	-18,100	Active	January 2016	19,900
15AB0009	GAYFORD 1007-24-036-24W/00 ABAND	AEDN	33,330	17,027	784	Active	January 2016	17,791
15AB0001	BITTERNLAKE 12-03-03-048-21W/00 AED	AEDN	37,770	22,831	-1,200	Active	January 2016	21,631
15AB0003	BITTERNLAKE 1007-04-048-21W/00 AED	AEDN	39,535	23,021	1,022	Active	January 2016	24,043
15AB0002	BITTERNLAKE 1007-03-048-21W/02 AED	AEDN	41,770	280,978	5,398	Active	January 2016	236,374
56000713	FEN-CLDS 10003-20-035-27W/00 TIEN	TIEN	63,582	0	48	Active	January 2016	71,007
5004004	FEBV 6 HIGH DENSITY WELL TIEN	RLECP	95,557	3,025	-810	Active	January 2016	82,377
14CD0025	JOFFE 1027-03-25-039-23W/00 COMP	COMP	96,152	3,203	134,269	Active	January 2016	177,736
15T0005	NEWNCRWAY 1007-31-045-23W/00 TIEN	TIEN	103,414	80,192	-470	Active	January 2016	79,722
56000913	FEN-CLDS 1007-14-34-035-27W/00 TIEN	TIEN	118,270	0	21	Active	January 2016	119,185
56004013	FEBV 1007-18-33-035-23W/00 TIEN	TIEN	135,755	85,736	-154	Active	January 2016	92,713
56001213	FEN-CLDS 1007-30-035-27W/00 TIEN	TIEN	145,771	0	39	Active	January 2016	149,913
56000913	FEBV 1007-33-035-23W/00 TIEN	TIEN	219,600	152,305	-478	Active	January 2016	164,554
16LA0002	2016 LAND ACQUISITION DISPOSITIONS	LAND	50,000	0	0	Active		0
16AB0005	FERRYBANK 1007-16-20-046-24W/02 SLUFEND	AEDN	53,015	0	0	Active		0
16AB0002	FERRYBANK 1007-03-047-24W/00 SLUFEND	AEDN	53,530	0	0	Active		0
16AB0003	FERRYBANK 1007-03-16-047-24W/04 SLUFEND	AEDN	53,530	0	0	Active		0
16AB0006	NEWNCRWAY 1007-35-044-23W/00 SLUFEND	AEDN	53,530	0	0	Active		0
16LA0003	2016 NON FFCD LONG LEASE FERTILIS	LAND	1,000,000	0	0	Active		0
16AB0008	Crystal 10004-29-045-23W/00 non op rec	COMP	62,000	0	0	Awaiting Approval		0

**SCHEDULE B**  
**DISCLOSURE SCHEDULE**

**Section 5.15 – Disclosure Schedule – Employee Benefits**

**ALBERTA EMPLOYEE BENEFITS**

QRCI File No.	Contract Type	Counterparty	Date
HR 1	Extended Health Care	Alberta Blue Cross	June 1, 2007
HR 1	Dental	Alberta Blue Cross	June 1, 2007
HR 1	Vision	Alberta Blue Cross	June 1, 2007
HR 1	Health Care Spending Account	Alberta Blue Cross	June 1, 2007
HR 1	Life Insurance	Alberta Blue Cross	June 1, 2007
HR 1	Dependent Life	Alberta Blue Cross	June 1, 2007
HR 1	Accidental Death & Dismemberment	Alberta Blue Cross	June 1, 2007
	Short Term Disability	QRCI Self Funded	
HR 4	Long Term Disability	RBC Insurance	November 1, 2011
HR 3	Employee Family Assistance Program	Ceridian	April 3, 2006
	Company provided parking space	Impark	
	Company provided automobile	Kaizen Automotive Group	
	Fitness Subsidy	QRCI Self Funded	
HR 2	RRSP Savings Plan	RBC Group Financial Services	July 2, 2009
	Re-Energize Program	QRCI Self Funded	
	Costco Membership	Costco	
	Short term Incentive (Bonus)	QRCI Self Funded	
	Long term Incentive Plan - Restricted Share Units (RSU's)	QRI through Merrill Lynch	

**SCHEDULE B**  
**DISCLOSURE SCHEDULE**

**Section 5.16 – Compliance with Laws**

**NONE**

**SCHEDULE C**  
**EXCLUDED ASSETS**

The Oil and Gas Assets shall not include, and there is excepted, reserved and excluded from the transaction contemplated hereby, the following (collectively, the "**Excluded Assets**"):

- (a) the Purchase Price delivered to Seller pursuant to this Agreement;
- (b) all cash and cash equivalents, including checks, commercial paper, treasury bills, certificates of deposit, bank accounts and other bank deposits as of the Closing Date, in each case, excluding the Suspense Funds;
- (c) all trade credits, accounts receivable, note receivables, take or pay amounts receivable, and other receivables attributable to the Oil and Gas Assets with respect to any period of time prior to the Effective Time;
- (d) all Petroleum Substances produced from or attributable to the Working Interests prior to the Effective Time, including marketable Petroleum Substances produced from or attributable to the Working Interests in storage tanks as of the Effective Time, and Petroleum Substances past a custody transfer point at the Effective Time, and all proceeds attributable thereto;
- (e) any shares of capital stock or other equity interest of Seller or any of Seller's Subsidiaries or any securities convertible into, exchangeable or exercisable for shares of capital stock or other equity interest of Seller or any of Seller's Subsidiaries;
- (f) all minute books, stock ledgers, corporate seals and stock certificates of Seller;
- (g) all (i) corporate, financial, Tax and legal records of Seller that relate to Seller's business generally (excepting the same to the extent relating to the Assumed Liabilities and the Oil and Gas Assets) and (ii) books, records and files that relate to any Excluded Assets;
- (h) all rights to any refunds of Taxes (or other related costs or expenses) that are borne by or the responsibility of Seller or attributable to any Tax asset of Seller;
- (i) any refunds due to Seller by a third party for any overpayment of rentals, royalties, excess royalty interests or production payments attributable to the Oil and Gas Assets with respect to any period of time prior to the Effective Time;
- (j) subject to Section 8.7(b), all insurance policies and rights to proceeds thereof;
- (k) all Licences and pending applications therefor to the extent related to any other Excluded Asset or the Excluded Liabilities;
- (l) all claims, refunds, abatements, variances, allocations, causes of action, claims for relief, choses in action, rights of recovery, rights of set-off, rights of indemnity,

contribution or recoupment, counter-claims, cross-claims and defenses of any Seller other than those constituting Oil and Gas Assets;

- (m) all rights, claims or causes of action by or in the right of Seller against any current or former director or officer of Seller;
- (n) all claims and causes of action of any Seller (i) arising from acts, omissions, or events, or damage to or destruction of property occurring prior to the Effective Time, or (ii) affecting any of the other Excluded Assets;
- (o) any rights, claims or causes of action of Seller under this Agreement or any other Transaction Document; and
- (p) the following assets, which are Excluded Assets:

Quantity	Description	Location	Owner
1	Bilton 400 bbl double walled tank w/o insulation	Biesecker Yard	Rare Oilfield Services
1	Flare Knock Out Drum s/n FKOD-LA-T75-14031	Biesecker Yard	Rare Oilfield Services
+10,275m	12" & 10" SDR 17 HDPE pipe	Penhold North	Dynamic Steel/Dynaflex Pipe

**SCHEDULE D**  
**PREFERENTIAL PURCHASE RIGHTS**

**ALBERTA CONSTRUCTION, OWNERSHIP & OPERATION AGREEMENTS**

QRCI File No.	Contract Type	Counterparty	Date
CHI-AGR	CO&O Agreement	Questfire Energy Corp.	December 1, 2006
FEN-AGR	CO&O Agreement	Pengrowth Energy Corporation	August 1, 2004
FEN-AGR	CO&O Agreement	Adeco Exploration Company Ltd.	August 1, 2004
FER_AGR	CO&O Agreement	Petrus Resources Ltd.	June 1, 2006
FER_AGR	CO&O Agreement	Bonavista Energy Corporation	June 1, 2016
GHOW-AGR	CO&O Agreement	Pine Cliff Energy Ltd.	December 15, 2010
HUXN-AGR	CO&O Agreement	Pine Cliff Energy Ltd.	December 15, 2010
HUXS-AGR	CO&O Agreement	Pine Cliff Energy Ltd.	December 15, 2010
MON-AGR	CO&O Agreement	Pine Cliff Energy Ltd.	January 1, 2011
NEV-AGR	CO&O Agreement	Questfire Energy Corp.	January 9, 2009
NEV-AGR	CO&O Agreement	Enermark Inc.	January 9, 2009
NEV-AGR	CO&O Agreement	Ember Resources	January 9, 2009
PENC-AGR	CO&O Agreement	Penn West Petroleum	August 1, 2011
PENN-AGR	CO&O Agreement	Penn West Petroleum	August 1, 2011
PENS-AGR	CO&O Agreement	Penn West Petroleum	November 1, 2008
THRN-AGR	CO&O Agreement	Pine Cliff Energy Ltd.	December 15, 2010
THRS-AGR	CO&O Agreement	Pine Cliff Energy Ltd.	December 15, 2010
TRO-AGR	CO&O Agreement	Pine Cliff Energy Ltd.	January 1, 2006
TWI-AGR	CO&O Agreement	Ember Resources Inc.	January 1, 2006
TWI-AGR	CO&O Agreement	Pine Cliff Energy Ltd.	January 1, 2006
TWIW-AGR	CO&O Agreement	Canstone Energy Ltd.	December 1, 2006
TWIW-AGR	CO&O Agreement	Ember Resources Inc.	December 1, 2006
TWIW-AGR	CO&O Agreement	Pengrowth Energy Corporation	December 1, 2006



## ALBERTA RIGHT OF FIRST REFUSAL

QRCI File No.	Contract Type	Counterparty	Date
C0001	FO & OPER	Pine Cliff Energy Ltd. - no contractual exemption	7/15/1966 0:00
C0003	FARMOUT	Pine Cliff Energy Ltd.	5/21/1971 0:00
C0006	POOLOP	Pine Cliff Energy Ltd., Canadian Natural Resources Limited - no contractual exemption	10/25/1991 0:00
C0007	JOA	Pine Cliff energy Ltd.	12/18/1979 0:00
C0009	JOA	Pine Cliff Energy Ltd., Canadian Natural Resources Limited - no contractual exemption	10/26/1983 0:00
C0025	JOA	Cenovus Energy Inc.	11/16/2000 0:00
C0041	CBM FI	Petrus Resources Ltd., Bonavista Energy Corporation	11/15/2002 0:00
C0056	JOA	Bonavista Energy Corporation, Forent Energy Ltd.	12/1/2002 0:00
C0065	FARMOUT	Ember Resources Inc.	6/17/2003 0:00
C0083	JOA	Zargon Oil & Gas Ltd, Alexander Oilfield Services Ltd.	10/6/1983 0:00
C0101	JOA	Ember Resources Inc. - no contractual exemption	1/4/1965 0:00
C0102	POOL	Pine Cliff Energy Ltd, Ember Resources Inc.	12/2/1976 0:00
C0117	FARMOUT	Ember Resources Inc.	12/3/1976 0:00
C0119	POOL & FI	Pengrowth Corporation - no contractual exemption	1/18/1984 0:00
C0120	F/O & PART	Pine Cliff Energy Inc.	7/13/1992 0:00
C0132	JOA	Pine Cliff Energy Inc., Apache Canada Ltd.	11/22/1972 0:00
C0138	FO & ROY	Pengrowth Energy Corporation, Shaman Energy Corporation, Adeco Exploration Company Ltd.	6/1/1997 0:00
C0160	FARMOUT	Cardinal Energy Ltd., Clearview Resources Ltd., Husky Oil Operations Limited, Blackspur Oil Corp.	10/27/1976 0:00
C0167	JOA	Pine Cliff Energy Inc.	6/12/2006 0:00
C0187	POOL	Pine Cliff Energy Inc.	2/21/2005 0:00
C0196	P & PAR	Barnwell of Canada Limited	3/1/2004 0:00
C0198	FO & JOA	Pine Cliff Energy Ltd., Enerplus Corporation - no contractual exemption	6/6/1960 0:00
C0237	JOA	Pine Cliff Energy Ltd., Enerplus Corporation - no contractual exemption	8/1/1961 0:00
C0274	JOA	Pengrowth Corporation	4/25/2006 0:00
C0291	FARMOUT	Pine Cliff Energy Ltd., Bellatrix Exploration Ltd.	1/28/1981 0:00
C0292	JOA	Encana Corporation, Canstone Energy Ltd., Pengrowth Corporation, Pine Cliff Energy Ltd., EOG Canada Oil & Gas Inc. - no contractual exemption	4/3/1962 0:00
C0302	JOA	Pine Cliff Energy Inc.	6/12/2006 0:00
C0317	JOA	Pengrowth Corporation	7/10/2006 0:00
C0326	JOA	Pengrowth Corporation	7/18/2006 0:00
C0341	FARMOUT	Pine Cliff Energy Inc.	12/31/1970 0:00
C0352	JOA	Pengrowth Corporation	10/18/2006 0:00
C0369	POOL	Pine Cliff Energy Ltd., Bellatrix Exploration Ltd.	1/24/1977 0:00
C0382	FO & JOA	Pine Cliff Energy Ltd., Taqa North	6/27/1963 0:00
C0460	FO & OPT	Petrus Resources Ltd., Bonavista Energy Corporation	7/7/1999 0:00
C0472	JOA	Pine Cliff Energy Inc.	4/10/1972 0:00
C0496	FO & OPT	Petrus Resources Ltd., Bonavista Energy Corporation	9/30/1999 0:00
C0502	FARMOUT	NAL Resources Limited, Husky Oil Operations Limited, Anderson Energy Inc., Omers Energy Inc., Superman Resources Inc., Pengrowth Energy Corporation	10/16/1985 0:00

QRCI File No.	Contract Type	Counterparty	Date
C0505	JOA	Canadian Natural Resources Limited, Canadian Natural Resources Alberta Partnership, Tourmaline Oil Corp., Kelt Exploration Ltd., Chinook Energy Inc., Reserve Royalty (Manitoba) Limited Partnership,	3/29/1979 0:00
C0506	FO & ROY	ConocoPhillips Canada (BRC) Partnership, Enerplus Corporation	12/1/1987 0:00
C0508	FARMOUT	Omers Energy Inc., Triple C Energy Ltd., Superman Resources Inc.	8/30/1989 0:00
C0529	FO & OPT	Pine Cliff Energy Ltd., Ember Resources Inc., Canstone Energy Ltd. - no contractual exemption	12/22/1961 0:00
C0530	FARMOUT	Pine Cliff Energy Ltd., Pengrowth Energy Corporation, Canstone Energy Ltd., Ember Resources Inc. - no contractual exemption	9/15/1961 0:00
C0532	FARMOUT	Pengrowth Energy Corporation, Caledonian Royalty Corporation, Owlco Resources Ltd., Lario Oil & Gas Ltd., Trident Limited Partnership	7/18/1975 0:00
C0533	FARMOUT	Canstone Energy Ltd., Pengrowth Energy Corporation	9/29/1951 0:00
C0542	FARMOUT	Pine Cliff Energy Ltd., Pengrowth Energy Corporation	10/1/1985 0:00
C0558	JOA	Canstone Energy Ltd.	2/16/2010 0:00
C0559	JOA	Pine Cliff Energy Ltd.	3/11/2010 0:00
C0560	JOA	Pine Cliff Energy Ltd.	3/11/2010 0:00
C0561	JOA	Pine Cliff Energy Ltd.	5/10/2010 0:00
C0562	JOA	Pine Cliff Energy Ltd.	6/10/2010 0:00
C0577	JOA	Pine Cliff Energy Ltd., Pengrowth Energy Corporation	12/28/1990 0:00
C0578	ROYALTY	Pine Cliff Energy Ltd., Harvest Operations Corp., Chinook Energy Inc., Glenmore Petroleums Limited	11/12/1984 0:00
C0607	PART	Pine Cliff Energy Ltd., Caledonian Royalty Corporation, Midale Petroleums Ltd.	6/1/1991 0:00
C0609	CROSSCONV	Pine Cliff Energy Ltd., Lightstream Resources Partnership, Signalta Resources Limited	1/15/1974 0:00
C0632	JOA	Pine Cliff Energy Ltd.	2/21/2012 0:00
C0636	JOA	Petrus Resources Ltd., Bonavista Energy Corporation	3/19/1999 0:00
C0643	JOA	Pine Cliff Energy Ltd.	7/3/2014 0:00
C0644	JOA	Pine Cliff Energy Ltd.	7/3/2014 0:00
M0057	NG LEASE	Pine Cliff Energy Ltd. - no contractual exemption	11/25/1974
M0058	NG LEASE	Pine Cliff Energy Ltd. - no contractual exemption	10/29/1974
M0059	NG LEASE	Pine Cliff Energy Ltd. - no contractual exemption	11/1/1974
M0853	NG LEASE	Prairiesky Royalty Ltd.	12/1/2002
M0854	NG LEASE	Prairiesky Royalty Ltd.	12/1/2002
M0855	NG LEASE	Prairiesky Royalty Ltd.	12/1/2002
M0856	NG LEASE	Prairiesky Royalty Ltd.	12/1/2002
M0857	NG LEASE	Prairiesky Royalty Ltd.	12/1/2002
M0858	NG LEASE	Prairiesky Royalty Ltd.	12/1/2002
M0859	NG LEASE	Prairiesky Royalty Ltd.	12/1/2002
M0860	NG LEASE	Prairiesky Royalty Ltd.	12/1/2002
M0861	NG LEASE	Prairiesky Royalty Ltd.	12/1/2002
M0862	NG LEASE	Prairiesky Royalty Ltd.	12/1/2002
M0863	NG LEASE	Prairiesky Royalty Ltd.	12/1/2002
M0864	NG LEASE	Prairiesky Royalty Ltd.	12/1/2002
M0865	NG LEASE	Prairiesky Royalty Ltd.	12/1/2002
M0866	NG LEASE	Prairiesky Royalty Ltd.	12/1/2002
M0867	NG LEASE	Prairiesky Royalty Ltd.	12/1/2002
M0868	NG LEASE	Prairiesky Royalty Ltd.	12/1/2002

QRCI File No.	Contract Type	Counterparty	Date
M0869	NG LEASE	Prairiesky Royalty Ltd.	12/1/2002
M0870	NG LEASE	Prairiesky Royalty Ltd.	12/1/2002
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M0872	NG LEASE	Prairiesky Royalty Ltd.	12/1/2002
M0873	NG LEASE	Prairiesky Royalty Ltd.	12/1/2002
M0874	NG LEASE	Prairiesky Royalty Ltd.	12/1/2002
M0875	NG LEASE	Prairiesky Royalty Ltd.	12/1/2002
M0876	NG LEASE	Prairiesky Royalty Ltd.	12/1/2002
M0877	NG LEASE	Prairiesky Royalty Ltd.	12/1/2002
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M0879	NG LEASE	Prairiesky Royalty Ltd.	12/1/2002
M0880	NG LEASE	Prairiesky Royalty Ltd.	12/1/2002
M0881	NG LEASE	Prairiesky Royalty Ltd.	12/1/2002
M0882	NG LEASE	Prairiesky Royalty Ltd.	12/1/2002
M0883	NG LEASE	Prairiesky Royalty Ltd.	12/1/2002
M0884	NG LEASE	Prairiesky Royalty Ltd.	12/1/2002
M0885	NG LEASE	Prairiesky Royalty Ltd.	12/1/2002
M0886	NG LEASE	Prairiesky Royalty Ltd.	12/1/2002
M0887	NG LEASE	Prairiesky Royalty Ltd.	12/1/2002
M0888	NG LEASE	Prairiesky Royalty Ltd.	12/1/2002
M0889	NG LEASE	Prairiesky Royalty Ltd.	12/1/2002
M0890	NG LEASE	Prairiesky Royalty Ltd.	12/1/2002
M0891	NG LEASE	Prairiesky Royalty Ltd.	12/1/2002
M0892	NG LEASE	Prairiesky Royalty Ltd.	12/1/2002
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M0894	NG LEASE	Prairiesky Royalty Ltd.	12/1/2002
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M0917	NG LEASE	Prairiesky Royalty Ltd.	12/1/2002

QRCI File No.	Contract Type	Counterparty	Date
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QRCI File No.	Contract Type	Counterparty	Date
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QRCI File No.	Contract Type	Counterparty	Date
M0755	NG LEASE	Prairiesky Royalty Ltd.	12/1/2002
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M0802	NG LEASE	Prairiesky Royalty Ltd.	12/1/2002
M0803	NG LEASE	Prairiesky Royalty Ltd.	12/1/2002

QRCI File No.	Contract Type	Counterparty	Date
M0804	NG LEASE	Prairiesky Royalty Ltd.	12/1/2002
M0805	NG LEASE	Prairiesky Royalty Ltd.	12/1/2002
M0806	NG LEASE	Prairiesky Royalty Ltd.	12/1/2002
M0807	NG LEASE	Prairiesky Royalty Ltd.	12/1/2002
M0808	NG LEASE	Prairiesky Royalty Ltd.	12/1/2002
M0809	NG LEASE	Prairiesky Royalty Ltd.	12/1/2002
M0810	NG LEASE	Prairiesky Royalty Ltd.	12/1/2002
M0811	NG LEASE	Prairiesky Royalty Ltd.	12/1/2002
M0812	NG LEASE	Prairiesky Royalty Ltd.	12/1/2002
M0813	NG LEASE	Prairiesky Royalty Ltd.	12/1/2002
M0814	NG LEASE	Prairiesky Royalty Ltd.	12/1/2002
M0815	NG LEASE	Prairiesky Royalty Ltd.	12/1/2002
M0816	NG LEASE	Prairiesky Royalty Ltd.	12/1/2002
M0817	NG LEASE	Prairiesky Royalty Ltd.	12/1/2002
M0818	NG LEASE	Prairiesky Royalty Ltd.	12/1/2002
M0819	NG LEASE	Prairiesky Royalty Ltd.	12/1/2002
M0820	NG LEASE	Prairiesky Royalty Ltd.	12/1/2002
M0821	NG LEASE	Prairiesky Royalty Ltd.	12/1/2002
M0822	NG LEASE	Prairiesky Royalty Ltd.	12/1/2002
M0823	NG LEASE	Prairiesky Royalty Ltd.	12/1/2002
M0824	NG LEASE	Prairiesky Royalty Ltd.	12/1/2002
M0825	NG LEASE	Prairiesky Royalty Ltd.	12/1/2002
M0826	NG LEASE	Prairiesky Royalty Ltd.	12/1/2002
M0827	NG LEASE	Prairiesky Royalty Ltd.	12/1/2002
M0828	NG LEASE	Prairiesky Royalty Ltd.	12/1/2002
M0829	NG LEASE	Prairiesky Royalty Ltd.	12/1/2002
M0830	NG LEASE	Prairiesky Royalty Ltd.	12/1/2002
M0831	NG LEASE	Prairiesky Royalty Ltd.	12/1/2002
M0832	NG LEASE	Prairiesky Royalty Ltd.	12/1/2002
M0833	NG LEASE	Prairiesky Royalty Ltd.	12/1/2002
M0834	NG LEASE	Prairiesky Royalty Ltd.	12/1/2002
M0835	NG LEASE	Prairiesky Royalty Ltd.	12/1/2002
M0836	NG LEASE	Prairiesky Royalty Ltd.	12/1/2002
M0837	NG LEASE	Prairiesky Royalty Ltd.	12/1/2002
M0838	NG LEASE	Prairiesky Royalty Ltd.	12/1/2002
M0839	NG LEASE	Prairiesky Royalty Ltd.	12/1/2002
M0840	NG LEASE	Prairiesky Royalty Ltd.	12/1/2002
M0841	NG LEASE	Prairiesky Royalty Ltd.	12/1/2002
M0842	NG LEASE	Prairiesky Royalty Ltd.	12/1/2002
M0843	NG LEASE	Prairiesky Royalty Ltd.	12/1/2002
M0844	NG LEASE	Prairiesky Royalty Ltd.	12/1/2002
M0845	NG LEASE	Prairiesky Royalty Ltd.	12/1/2002
M0846	NG LEASE	Prairiesky Royalty Ltd.	12/1/2002
M0847	NG LEASE	Prairiesky Royalty Ltd.	12/1/2002
M0848	NG LEASE	Prairiesky Royalty Ltd.	12/1/2002
M0849	NG LEASE	Prairiesky Royalty Ltd.	12/1/2002
M0850	NG LEASE	Prairiesky Royalty Ltd.	12/1/2002
M0851	NG LEASE	Prairiesky Royalty Ltd.	12/1/2002
M0852	NG LEASE	Prairiesky Royalty Ltd.	12/1/2002



<b>QRCI File No.</b>	<b>Contract Type</b>	<b>Counterparty</b>	<b>Date</b>
M2990	Mineral Lease	Prairiesky Royalty Ltd.	12/1/2004
M2994	Mineral Lease	Prairiesky Royalty Ltd.	12/1/2004
M2995	Mineral Lease	Prairiesky Royalty Ltd.	12/1/2004
M3006	Mineral Lease	Prairiesky Royalty Ltd.	12/1/2004
M3007	Mineral Lease	Prairiesky Royalty Ltd.	12/1/2004
M3008	Mineral Lease	Prairiesky Royalty Ltd.	12/1/2004
M3030	Mineral Lease	Prairiesky Royalty Ltd.	12/1/2004
M3031	Mineral Lease	Prairiesky Royalty Ltd.	12/1/2004
M3032	Mineral Lease	Prairiesky Royalty Ltd.	12/1/2004
M3033	Mineral Lease	Prairiesky Royalty Ltd.	12/1/2004
M3034	Mineral Lease	Prairiesky Royalty Ltd.	12/1/2004
M3035	Mineral Lease	Prairiesky Royalty Ltd.	12/1/2004
M3036	Mineral Lease	Prairiesky Royalty Ltd.	12/1/2004
M3037	Mineral Lease	Prairiesky Royalty Ltd.	12/1/2004
M3039	Mineral Lease	Prairiesky Royalty Ltd.	12/1/2004
M3040	Mineral Lease	Prairiesky Royalty Ltd.	12/1/2004
M3041	Mineral Lease	Prairiesky Royalty Ltd.	12/1/2004
M3042	Mineral Lease	Prairiesky Royalty Ltd.	12/1/2004
M3043	Mineral Lease	Prairiesky Royalty Ltd.	12/1/2004
M3044	Mineral Lease	Prairiesky Royalty Ltd.	12/1/2004
M3045	Mineral Lease	Prairiesky Royalty Ltd.	12/1/2004
M3046	Mineral Lease	Prairiesky Royalty Ltd.	12/1/2004
M3047	Mineral Lease	Prairiesky Royalty Ltd.	12/1/2004
M3048	Mineral Lease	Prairiesky Royalty Ltd.	12/1/2004
M3049	Mineral Lease	Prairiesky Royalty Ltd.	12/1/2004
M3050	Mineral Lease	Prairiesky Royalty Ltd.	12/1/2004
M3051	Mineral Lease	Prairiesky Royalty Ltd.	12/1/2004
M3052	Mineral Lease	Prairiesky Royalty Ltd.	12/1/2004
M3053	Mineral Lease	Prairiesky Royalty Ltd.	12/1/2004
M3054	Mineral Lease	Prairiesky Royalty Ltd.	12/1/2004
M3055	Mineral Lease	Prairiesky Royalty Ltd.	12/1/2004
M3060	Mineral Lease	Prairiesky Royalty Ltd.	12/1/2004
M3061	Mineral Lease	Prairiesky Royalty Ltd.	12/1/2004
M3062	Mineral Lease	Prairiesky Royalty Ltd.	12/1/2004
M3063	Mineral Lease	Prairiesky Royalty Ltd.	12/1/2004
M3083	Mineral Lease	Prairiesky Royalty Ltd.	12/1/2004
M3087	Mineral Lease	Prairiesky Royalty Ltd.	12/1/2004
M3092	Mineral Lease	Prairiesky Royalty Ltd.	12/1/2004
M3093	Mineral Lease	Prairiesky Royalty Ltd.	12/1/2004
M3094	Mineral Lease	Prairiesky Royalty Ltd.	12/1/2004
M3095	Mineral Lease	Prairiesky Royalty Ltd.	12/1/2004

**SCHEDULE E**  
**EXPERT DETERMINATION**

- (a) If there is a disagreement between the Parties with respect to any matter that is expressly identified in this Agreement as being subject to resolution under this Schedule E (collectively, "**Disagreements**"), such Disagreements shall be resolved in accordance with this Schedule E ("**Expert Determination**").
- (b) If a Disagreement arises, either Party may initiate the Expert Determination process set forth in this Schedule E by giving a notice in writing to the other Party (a "**Disagreement Notice**"). The Disagreement Notice shall identify:
  - (i) the provisions of this Agreement to which the Disagreement applies;
  - (ii) the details of the Disagreement to be determined by an expert ("**Expert**"); and
  - (iii) the remedy requested.
- (c) Upon the submission of a Disagreement Notice by either of the Parties, each Party shall refer the Disagreement to a designated senior management representative who has the authority to negotiate a resolution of a Disagreement for that Party. The senior management representative of each Party shall discuss and attempt to resolve the Disagreement within five (5) days after the date on which the Disagreement Notice was provided by a Party to the other Party (or such longer period as the senior management representatives may otherwise agree). If the senior management representatives agree upon a resolution of the Disagreement, such resolution shall be binding upon the Parties and will be memorialized in a written settlement agreement mutually acceptable to the Parties. For the avoidance of doubt, any verbal agreements among the senior management representatives shall not constitute a binding settlement of a Disagreement, and any discussions among senior management representatives pursuant to this paragraph (c) of Schedule E shall be on a without prejudice basis and cannot be used as evidence by either Party in connection with the prosecution of a claim against the other Party.
- (d) If a Disagreement is not resolved by the Parties' senior management representatives within five (5) days of the Disagreement Notice (or such longer period as the senior management representatives may otherwise agree in writing), then either Party may, by notice in writing to the other Party, elect to have the Disagreement resolved by Expert Determination (the "**Expert Determination Election**").
- (e) The Expert Determination Election shall identify the name and credentials of the Expert proposed by the Party delivering the Expert Determination Election,

together with a disclosure by the proposed Expert of any prior instances in which the Expert was retained by either of the Parties or their respective Affiliates, or any circumstances of which the Expert is aware that may give rise to a reasonable apprehension that the Expert is not independent of, or impartial as between, the Parties (the "**Expert Disclosure**").

- (f) Within five (5) days of receiving the Expert Determination Election, the Party receiving it shall, by notice in writing to the other Party, either consent to the Expert identified in the Expert Determination Election, or nominate an alternative expert ("**Alternative Expert**") and provide an Expert Disclosure for that Alternative Expert.
- (g) An Expert must be:
  - (i) widely recognized as having expertise in engineering and operations in the upstream and midstream oil and gas industry in the Province of Alberta,
  - (ii) not an Affiliate of either Party, and
  - (iii) not currently employed by either Party.
- (h) If the Parties are unable to agree upon a mutually acceptable Expert within five (5) days of the date of the Expert Determination Election, the Parties shall jointly request that the ADR Institute of Canada Inc. appoint an Expert.
- (i) Within five (5) days of the selection or appointment of an Expert, each Party shall make written submissions to the Expert (without release to the other Party) setting forth in detail such Party's position with respect to the Disagreement, together with such information and data as such Party believes is necessary to support its position ("**Position Notice**"). The Expert shall, upon receipt of the Position Notices of both Parties, deliver a copy of the Position Notices it has received from each Party to the other.
- (j) Immediately upon its receipt of the Parties' Position Notices, the Expert shall evaluate and analyze the Disagreement, taking into account the information and positions set forth in the Parties' Position Notices. The Expert shall only have the authority to select the position of either Seller or Buyer as set forth in their respective Position Notices and may not select or reach any other position or result.
- (k) The Parties shall request that the Expert complete its evaluation and analysis of the Disagreement and issue a written decision as promptly as reasonably possible but, in any event, within five (5) Business Days of the date on which the last Position Notice is submitted, unless the Expert reasonably determines that additional time is required in order to give adequate consideration to the issues raised.
- (l) The determination made by the Expert on a Disagreement in accordance with this

Schedule E shall be final and binding on the Parties and shall not be subject to appeal.

- (m) The costs of the Expert shall be shared equally by the Parties except that each Party shall bear its own legal, expert and other costs incurred for the resolution of a Disagreement.
- (n) The Expert is not an arbitrator and shall not be deemed to be acting in an arbitral capacity.

**SCHEDULE F**  
**FORM OF GENERAL CONVEYANCE**

**THIS AGREEMENT** made as of [●], 2016,

**BETWEEN:**

**QUICKSILVER RESOURCES CANADA INC.**, a body corporate with its head office in Calgary, Alberta (hereinafter referred to as "**Seller**")

- and -

**CPC RESOURCES ULC**, an unlimited liability corporation with its head office located in Calgary, Alberta (hereinafter referred to as "**Buyer**")

**WHEREAS:**

- (A) Seller and Buyer entered into an agreement of purchase and sale dated as of February 29, 2016 (the "**Sale Agreement**") with respect to the Oil and Gas Assets (as such term is defined in the Sale Agreement); and
- (B) All of the conditions precedent to the obligations of the parties hereto to close the transactions contemplated by the Sale Agreement have either been fulfilled or waived in the manner provided for waiver in the Sale Agreement.

**NOW THEREFORE** in consideration of the premises hereto and the covenants and agreements in the Sale Agreement and hereinafter set forth and contained, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto covenant and agree as follows:

1. Seller hereby sells, assigns, transfers, conveys and sets over to Buyer, and Buyer hereby purchases from Seller, all of the right, title, estate and interest of Seller (whether absolute or contingent, legal or beneficial) in and to the Oil and Gas Assets, to have and to hold the same, together with all benefit and advantage to be derived therefrom, absolutely, subject to the terms of the Sale Agreement.
2. The covenants, representations, warranties and indemnities contained in the Sale Agreement are incorporated herein as fully and effectively as if they were set out herein and there shall not be any merger of any covenant, representation, warranty or indemnity contained in the Sale Agreement by virtue of the execution and delivery hereof, any rule of law, equity or statute to the contrary notwithstanding.

3. If any term or provision hereof should conflict with any term or provision of the Sale Agreement, the term and provision of the latter shall prevail and this Agreement shall at all times be read subject to all terms and conditions of the Sale Agreement.
4. This Agreement shall, in all respects, be subject to, interpreted, construed and enforced in accordance with and under the laws of the Province of Alberta and applicable laws of Canada and shall, in all respects, be treated as a contract made in the Province of Alberta. The parties hereto irrevocably attorn and submit to the exclusive jurisdiction of the courts of the Province of Alberta and courts of appeal therefrom in respect of all matters arising out of or in connection with this Agreement.
5. This Agreement shall be binding upon and shall enure to the benefit of each of the parties hereto and their respective administrators, trustees, receivers, successors and assigns.
6. This Agreement may be executed in counterpart, no one copy of which need be executed by Seller and Buyer. A valid and binding contract shall arise if and when counterpart execution pages are executed and delivered by Seller and Buyer.

*The remainder of this page is intentionally left blank.*

IN WITNESS WHEREOF the Parties have executed this Agreement as of the day and year first above written.

**QUICKSILVER RESOURCES CANADA  
INC.**

**CPC RESOURCES ULC**

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

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

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

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

**SCHEDULE G**  
**FORM OF INITIAL CCAA ORDER**

FORM 49  
[RULE 13.19]

CLERK'S STAMP

COURT FILE NUMBER

1601 –

COURT

COURT OF QUEEN'S BENCH OF ALBERTA

JUDICIAL CENTRE

CALGARY

**IN THE MATTER OF THE COMPANIES'  
CREDITORS ARRANGEMENT ACT, R.S.C. 1985,  
c. C-36, as amended**

**AND IN THE MATTER OF THE COMPROMISE  
OR ARRANGEMENT OF QUICKSILVER  
RESOURCES CANADA INC., 0942065 B.C. LTD.  
and 0942069 B.C. LTD.**

DOCUMENT

**CCAA INITIAL ORDER**

ADDRESS FOR SERVICE AND  
CONTACT INFORMATION OF  
PARTY FILING THIS  
DOCUMENT

**BENNETT JONES LLP**  
Barristers and Solicitors  
4500, 855 – 2nd Street S.W.  
Calgary, Alberta T2P 4K7

Attention: Chris Simard / Kevin Zych  
Tel No.: 403-298-4485 / 416-777-5738  
Fax No.: 403-265-7219 / 416-863-1716  
Client File No. 39944-88

**DATE ON WHICH ORDER WAS  
PRONOUNCED:** ●, 2016

**LOCATION WHERE ORDER  
WAS PRONOUNCED:** Calgary

**NAME OF JUDGE  
WHO MADE THIS ORDER:** The Honourable Mr./Madam Justice ●



UPON the application of Quicksilver Resources Canada Inc. ("**Quicksilver Canada**"), 0942065 B.C. Ltd. ("**LNG Co**") and 0942069 B.C. Ltd. ("**LNG SubCo**") (collectively, the "**Applicants**"), AND UPON having read the Originating Notice, the Affidavit of J. David Rushford, sworn on ●, 2016 (the "**Rushford No. 1 Affidavit**"), the consent of FTI Consulting Canada Inc. to act as Monitor, the pre-filing report of FTI Consulting Canada Inc., all filed; AND UPON hearing counsel for the Applicants and counsel for other interested parties; IT IS HEREBY ORDERED AND DECLARED THAT:

#### **SERVICE**

1. The need for service of the notice of application for this order is hereby dispensed with and this application is properly returnable today.

#### **APPLICATION**

2. The Applicants are companies to which the CCAA applies.

#### **PLAN OF ARRANGEMENT**

3. The Applicants shall have the authority to file and may, subject to further order of this Court, file with this Court a plan of compromise or arrangement (hereinafter referred to as the "**Plan**").

#### **POSSESSION OF PROPERTY AND OPERATIONS**

4. The Applicants shall:
  - (a) remain in possession and control of their current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate including all proceeds thereof (the "**Property**");

- (b) subject to further order of this Court, continue to carry on business in a manner consistent with the preservation of their business (the "**Business**") and Property; and
  - (c) be authorized and empowered to continue to retain and employ the employees, consultants, agents, experts, accountants, counsel and such other persons (collectively "**Assistants**") currently retained or employed by them, with liberty to retain such further Assistants as they deem reasonably necessary or desirable in the ordinary course of business or for the carrying out of the terms of this Order.
5. To the extent permitted by law, the Applicants shall be entitled but not required to pay the following expenses or make the following advances, incurred prior to or after this Order:
- (a) all outstanding and future wages, salaries, employee and pension benefits, vacation pay, bonuses and expenses payable on or after the date of this Order, in each case incurred in the ordinary course of business and consistent with existing compensation policies and arrangements;
  - (b) the fees and disbursements of any Assistants retained or employed by the Applicants in respect of these proceedings, at their standard rates and charges, including for periods prior to the date of this Order; and
  - (c) ongoing interest payments (but not principal repayments) under the Credit Facility, as defined in paragraph [●] of the Rushford Affidavit No. 1.
6. The engagement letter entered into between Houlihan Lokey Capital, Inc. (the "**Financial Advisor**") and Quicksilver Canada effective as of September 14, 2015 (the "**Financial Advisor Engagement Letter**") attached as Exhibit "●" to the Confidential Affidavit, is hereby approved and Quicksilver Canada is authorized and directed to continue the engagement of the Financial Advisor as an Assistant thereunder and to comply with all of its obligations thereunder.

7. The Services Agreement entered into between Quicksilver Resources Inc. ("QRI") and Quicksilver Canada (the "Services Agreement") attached as Exhibit "●" to the Rushford Affidavit No. 1, is hereby approved and Quicksilver Canada is authorized and directed to continue to comply with all of its obligations thereunder. [NTD: may not be required]
  
8. Except as otherwise provided to the contrary herein, the Applicants shall be entitled but not required to pay all reasonable expenses incurred by the Applicants in carrying on the Business in the ordinary course after this Order, and in carrying out the provisions of this Order, which expenses shall include, without limitation:
  - (a) all expenses and capital expenditures reasonably necessary for the preservation of the Property or the Business including, without limitation, payments on account of insurance (including directors and officers insurance), maintenance and security services;
  - (b) payment for goods or services actually supplied to the Applicants following the date of this Order;
  - (c) the suspension, repair and maintenance expenses required to maintain regulatory compliance with respect to the Horn River Asset (as defined and described in paragraphs ●-● of the Rushford Affidavit No. 1); and
  - (d) payment for goods or services actually supplied to the Applicants by those parties deemed by the Applicants (in consultation with the Monitor) to be Critical Suppliers (as defined in paragraphs ●-● of the Rushford Affidavit No. 1), whether supplied prior to or following the date of this Order. Each Critical Supplier shall continue to supply the Applicants or any of them with goods and/or services on terms and conditions that are consistent with existing arrangements and past practices. No Critical Supplier may require the payment of the deposit or the posting of any security in connection with the supply of goods and/or services to the Applicants after the date of this Order.

9. The Applicants shall remit, in accordance with legal requirements, or pay:
- (a) any statutory deemed trust amounts in favour of the Crown in Right of Canada or of any Province thereof or any other taxation authority which are required to be deducted from employees' wages, including, without limitation, amounts in respect of:
    - (i) employment insurance,
    - (ii) Canada Pension Plan, and
    - (iii) income taxes.but only where such statutory deemed trust amounts arise after the date of this Order, or are not required to be remitted until after the date of this Order, unless otherwise ordered by the Court;
  - (b) all goods and services or other applicable sales taxes (collectively, "**Sales Taxes**") required to be remitted by the Applicants in connection with the sale of goods and services by the Applicants, but only where such Sales Taxes are accrued or collected after the date of this Order, or where such Sales Taxes were accrued or collected prior to the date of this Order but not required to be remitted until on or after the date of this Order; and
  - (c) any amount payable to the Crown in Right of Canada or of any Province thereof or any political subdivision thereof or any other taxation authority in respect of municipal realty, municipal business or other taxes, assessments or levies of any nature or kind which are entitled at law to be paid in priority to claims of secured creditors and which are attributable to or in respect of the carrying on of the Business by the Applicants.
10. Until such time as a real property lease is disclaimed or resiliated in accordance with the CCAA, the Applicants may pay all amounts constituting rent or payable as rent under

real property leases (including, for greater certainty, common area maintenance charges, utilities and realty taxes and any other amounts payable as rent to the landlord under the lease) based on the terms of existing lease arrangements or as otherwise may be negotiated by the Applicants from time to time for the period commencing from and including the date of this Order ("**Rent**"), but shall not pay any rent in arrears.

11. Except as specifically permitted in this Order, the Applicants are hereby directed, until further order of this Court:
  - (a) to make no payments of principal, interest thereon or otherwise on account of amounts owing by the Applicants to any of their creditors as of the date of this Order;
  - (b) to grant no security interests, trust, liens, charges or encumbrances upon or in respect of any of their Property; and
  - (c) not to grant credit or incur liabilities except in the ordinary course of the Business, other than as expressly permitted herein.

## **RESTRUCTURING**

12. The Applicants shall, subject to such requirements as are imposed by the CCAA, have the right to:
  - (a) permanently or temporarily cease, downsize or shut down any of their business or operations and to dispose of redundant or non-material assets not exceeding \$500,000.00 [NTD – confirm number] in any one transaction or \$2,000,000.00 [NTD – confirm number] in the aggregate (or in excess of these amounts, by order of this Court);
  - (b) terminate the employment of such of their employees or temporarily lay off such of their employees as it deems appropriate on such terms as may be agreed upon

between the Applicants and such employee, or failing such agreement, to deal with the consequences thereof in the Plan;

- (c) pursue all avenues of refinancing and offers for material parts of their Business or Property, in whole or part, subject to prior approval of this Court being obtained before any material refinancing or any sale (except as permitted by subparagraph (a), above); and
- (d) Quicksilver Canada may lend cash on an inter-company basis to LNG Co (as defined in the Rushford Affidavit No. 1) as needed from time to time, and subject to paragraphs • to • hereof;

all of the foregoing to permit the Applicants to preserve asset value and/or proceed with an orderly restructuring of the Business.

13. The Applicants shall provide each of the relevant landlords with notice of the Applicants' intention to remove any fixtures from any leased premises at least seven (7) days prior to the date of the intended removal. The relevant landlord shall be entitled to have a representative present in the leased premises to observe such removal. If the landlord disputes the Applicant's entitlement to remove any such fixture under the provisions of the lease, such fixture shall remain on the premises and shall be dealt with as agreed between any applicable secured creditors, such landlord and the Applicant, or by further order of this Court upon application by the Applicant on at least two (2) days' notice to such landlord and any such secured creditors. If the Applicant disclaims or resiliates the lease governing such leased premises in accordance with Section 32 of the CCAA, it shall not be required to pay Rent under such lease pending resolution of any such dispute (other than Rent payable for the notice period provided for in Section 32(5) of the CCAA), and the disclaimer or resiliation of the lease shall be without prejudice to the Applicant's claim to the fixtures in dispute.
14. If a notice of disclaimer or resiliation is delivered pursuant to Section 32 of the CCAA, then:

- (a) during the notice period prior to the effective time of the disclaimer or resiliation, the landlord may show the affected leased premises to prospective tenants during normal business hours, on giving the Applicant and the Monitor 24 hours' prior written notice; and
- (b) at the effective time of the disclaimer or resiliation, the relevant landlord shall be entitled to take possession of any such leased premises without waiver of or prejudice to any claims or rights such landlord may have against an Applicant in respect of such lease or leased premises and such landlord shall be entitled to notify the Applicant of the basis on which it is taking possession and to gain possession of and re-lease such leased premises to any third party or parties on such terms as such landlord considers advisable, provided that nothing herein shall relieve such landlord of their obligation to mitigate any damages claimed in connection therewith.

#### **NO PROCEEDINGS AGAINST THE APPLICANTS OR THE PROPERTY**

- 15. Until and including ●, 2016, or such later date as this Court may order (the "**Stay Period**"), no proceeding or enforcement process in any court (each, a "**Proceeding**") shall be commenced or continued against or in respect of the Applicants or the Monitor, or affecting the Business or the Property, except with leave of this Court, and any and all Proceedings currently under way against or in respect of the Applicants or affecting the Business or the Property are hereby stayed and suspended pending further order of this Court.

#### **NO EXERCISE OF RIGHTS OR REMEDIES**

- 16. During the Stay Period, all rights and remedies of any individual, firm, corporation, governmental body or agency, or any other entities (all of the foregoing, collectively being "**Persons**" and each being a "**Person**"), whether judicial or extra-judicial, statutory or non-statutory against or in respect of the Applicants or the Monitor, or affecting the Business or the Property, are hereby stayed and suspended and shall not be commenced,

proceeded with or continued except with leave of this Court, provided that nothing in this Order shall:

- (a) empower the Applicants to carry on any business which the Applicants are not lawfully entitled to carry on;
  - (b) exempt the Applicants from compliance with statutory or regulatory provisions relating to health, safety or the environment;
  - (c) affect such investigations, actions, suits or proceedings by a regulatory body as are permitted by Section 11.1 of the CCAA;
  - (d) prevent the filing of any registration to preserve or perfect a security interest; or
  - (e) prevent the registration of a claim for lien.
17. Nothing in this Order shall prevent any party from taking an action against the Applicants where such an action must be taken in order to comply with statutory time limitations in order to preserve their rights at law, provided that no further steps shall be taken by such party except in accordance with the other provisions of this Order, and notice in writing of such action be given to the Monitor at the first available opportunity.

#### **NO INTERFERENCE WITH RIGHTS**

18. During the Stay Period, no person shall accelerate, suspend, discontinue, fail to honour, alter, interfere with, repudiate, terminate or cease to perform any right, renewal right, contract, agreement, licence or permit in favour of or held by the Applicants, except with the written consent of the Applicants and the Monitor, or leave of this Court.

#### **CONTINUATION OF SERVICES**

19. During the Stay Period, all persons having:



- (a) statutory or regulatory mandates for the supply of goods and/or services; or
- (b) oral or written agreements or arrangements with the Applicants, including without limitation all computer software, communication and other data services, centralized banking services, payroll services, insurance, transportation, services, utility or other services to the Business or the Applicants

are hereby restrained until further Order of this Court from discontinuing, altering, interfering with, suspending or terminating the supply of such goods or services as may be required by the Applicants or exercising any other remedy provided under such agreements or arrangements. The Applicants shall be entitled to the continued use of their current premises, telephone numbers, facsimile numbers, internet addresses and domain names, provided in each case that the usual prices or charges for all such goods or services received after the date of this Order are paid by the Applicants in accordance with the payment practices of the Applicants, or such other practices as may be agreed upon by the supplier or service provider and each of the Applicants and the Monitor, or as may be ordered by this Court. Nothing in this Order has the effect of prohibiting a person from requiring immediate payment for goods, services, use of leased or licensed property or other valuable consideration provided after the making of this Order.

20. No person that is a party to any contract or agreement with any or all of the Applicants may accelerate, terminate, rescind, refuse to perform or otherwise repudiate its obligations thereunder, or enforce or exercise any right, including any right to terminate or change operatorships of any joint ventures between such persons and one or more of the Applicants, or make any demand under or in respect of any such contract or agreement, and no automatic termination or exercise of rights or remedies provided for therein will have any validity or effect, including by reason of any event that occurred on or prior to the date hereof that would entitle such person to enforce those rights and remedies (including, without limitation, the Applicants' being or having admitted to being insolvent, or their having commenced the within insolvency proceedings, or their having obtained any statutory or judicial relief in the within proceedings).

### **NO OBLIGATION TO ADVANCE MONEY OR EXTEND CREDIT**

21. Notwithstanding anything else contained in this Order, no creditor of the Applicants shall be under any obligation after the making of this Order to advance or re-advance any monies or otherwise extend any credit to the Applicants.

### **PROCEEDINGS AGAINST DIRECTORS AND OFFICERS**

22. During the Stay Period, and except as permitted by subsection 11.03(2) of the CCAA and paragraph 16 of this Order, no Proceeding may be commenced or continued against any of the former, current or future directors or officers of the Applicants with respect to any claim against the directors or officers that arose before the date hereof and that relates to any obligations of the Applicants whereby the directors or officers are alleged under any law to be liable in their capacity as directors or officers for the payment or performance of such obligations, until a compromise or arrangement in respect of the Applicants, if one is filed, is sanctioned by this Court or is refused by the creditors of the Applicants or this Court.

### **DIRECTORS' AND OFFICERS' INDEMNIFICATION AND CHARGE**

23. The Applicants shall indemnify their directors and officers against obligations and liabilities that they may incur as directors and/or officers of the Applicants after the commencement of the within proceedings except to the extent that, with respect to any officer or director, the obligation was incurred as a result of the director's or officer's gross negligence or willful misconduct. For clarity, nothing in this paragraph shall derogate from any previous or existing indemnity obligations of the Applicants to their present or former directors or officers.
24. The directors and officers of the Applicants shall be entitled to the benefit of and are hereby granted a charge (the "**Directors' Charge**") on the Property, which charge shall not exceed an aggregate amount of \$[•] [**NTD: confirm number**], as security for the

indemnity provided in paragraph 23 of this Order. The Directors' Charge shall have the priority set out in paragraphs • and 44 herein.

25. Notwithstanding any language in any applicable insurance policy to the contrary:
- (a) no insurer shall be entitled to be subrogated to or claim the benefit of the Directors' Charge; and
  - (b) the Applicants' directors and officers shall only be entitled to the benefit of the Directors' Charge to the extent that they do not have coverage under any directors' and officers' insurance policy, or to the extent that such coverage is insufficient to pay amounts indemnified in accordance with paragraph 23 of this Order.

#### **APPOINTMENT OF MONITOR**

26. FTI Consulting Canada Inc. is hereby appointed pursuant to the CCAA as the Monitor, an officer of this Court, to monitor the Property, Business and financial affairs with the powers and obligations set out in the CCAA or set forth herein and that the Applicants and their shareholders, officers, directors, and Assistants shall advise the Monitor of all material steps taken by the Applicants pursuant to this Order, and shall co-operate fully with the Monitor in the exercise of their powers and discharge of their obligations and provide the Monitor with the assistance that is necessary to enable the Monitor to adequately carry out the Monitor's functions.
27. The Monitor, in addition to its prescribed rights and obligations under the CCAA, is hereby directed and empowered to:
- (a) monitor the Applicants' receipts and disbursements, Business and dealings with the Property;
  - (b) report to this Court at such times and intervals as the Monitor may deem appropriate with respect to matters relating to the Property, the Business, and such

other matters as may be relevant to the proceedings herein and immediately report to the Court if in the opinion of the Monitor there is a material adverse change in the financial circumstances of the Applicants;

- (c) advise the Applicants in their preparation of the Applicants' cash flow statements, which information shall be reviewed with the Monitor as required from time to time, and which may be used in these proceedings;
- (d) advise the Applicants in their development of the Plan and any amendments to the Plan;
- (e) advise the Applicants, to the extent required by the Applicants, with the holding and administering of meetings for voting on the Plan;
- (f) have full and complete access to the Property, including the premises, books, records, data, including data in electronic form and other financial documents of the Applicants to the extent that is necessary to adequately assess the Applicants' Property, Business and financial affairs or to perform their duties arising under this Order;
- (g) be at liberty to engage independent legal counsel or such other persons as the Monitor deems necessary or advisable respecting the exercise of their powers and performance of their obligations under this Order;
- (h) hold funds in trust or in escrow, to the extent required, to facilitate settlements between the Applicants and any other Person; and
- (i) perform such other duties as are required by this Order or by this Court from time to time.

28. The Monitor shall not take possession of the Property and shall take no part whatsoever in the management or supervision of the management of the Business and shall not, by

fulfilling their obligations hereunder, or by inadvertence in relation to the due exercise of powers or performance of duties under this Order, be deemed to have taken or maintain possession or control of the Business or Property, or any part thereof. Nothing in this Order shall require the Monitor to occupy or to take control, care, charge, possession or management of any of the Property that might be environmentally contaminated, or might cause or contribute to a spill, discharge, release or deposit of a substance contrary to any federal, provincial or other law respecting the protection, conservation, enhancement, remediation or rehabilitation of the environment or relating to the disposal or waste or other contamination, provided however that this Order does not exempt the Monitor from any duty to report or make disclosure imposed by applicable environmental legislation.

29. The Monitor shall provide any creditor of the Applicants with information provided by the Applicants in response to reasonable requests for information made in writing by such creditor addressed to the Monitor. The Monitor shall not have any responsibility or liability with respect to the information disseminated by it pursuant to this paragraph. In the case of information that the Monitor has been advised by the Applicants is confidential, the Monitor shall not provide such information to creditors unless otherwise directed by this Court or on such terms as the Monitor and the Applicants may agree.
30. In addition to the rights and protections afforded the Monitor under the CCAA or as an officer of this Court, the Monitor shall incur no liability or obligation as a result of their appointment or the carrying out of the provisions of this Order, save and except for any gross negligence or wilful misconduct on their part. Nothing in this Order shall derogate from the protections afforded the Monitor by the CCAA or any applicable legislation.
31. The Monitor, counsel to the Monitor and counsel to the Applicants shall be paid their reasonable fees and disbursements (including any pre-filing fees and disbursements), in each case at their standard rates and charges, by the Applicants as part of the costs of these proceedings. The Applicants are hereby authorized and directed to pay the accounts of the Monitor, counsel for the Monitor and counsel for the Applicants on a bi-weekly basis and, in addition, the Applicants are hereby authorized to pay the Monitor

and counsel to the Applicants, retainers to be held by them as security for payment of their respective fees and disbursements outstanding from time to time.

32. The Monitor and their legal counsel shall pass their accounts from time to time.
33. The Monitor, counsel to the Monitor and the Applicants' counsel, as security for the professional fees and disbursements incurred both before and after the granting of this Order, shall be entitled to the benefits of and are hereby granted a charge (the "**Administration Charge**") on the Property, which charge shall not exceed an aggregate amount of \$1,000,000 as security for their professional fees and disbursements incurred at the normal rates and charges of the Monitor and such counsel, both before and after the making of this Order. The Administration Charge shall have the priority set out in paragraphs 42 and 44 hereof.

#### **LNG CO INTERIM FINANCING**

34. After the date of this Order, the Applicant LNG Co is hereby authorized and empowered to obtain and borrow from Quicksilver Canada (in this context, Quicksilver Canada is referred to as the "**LNG Co Interim Lender**"), in order to finance LNG Co's working capital requirements and other general corporate purposes and capital expenditures, provided that borrowings under such credit facility shall not exceed \$1,500,000 unless permitted by further order of this Court.
35. Such credit facility shall be on such terms and subject to such conditions as shall be agreed between LNG Co and the LNG Co Interim Lender, which must be approved by the Monitor.
36. LNG Co is hereby authorized and empowered to execute and deliver such credit agreements, mortgages, charges, hypothecs and security documents, guarantees and other definitive documents (collectively, the "**Definitive Documents**"), as may be reasonably required by the LNG Co Interim Lender pursuant to the terms thereof, and LNG Co is hereby authorized and directed to pay and perform all of its indebtedness, interest, fees, liabilities and obligations to the LNG Co Interim Lender under and pursuant to the

Definitive Documents as and when the same become due and are to be performed, notwithstanding any other provision of this Order.

37. The LNG Co Interim Lender shall be entitled to the benefits of and is hereby granted a charge (the "**LNG Co Interim Lender's Charge**") on the Property of LNG Co to secure all post-filing interim financing obligations to the LNG Co Interim Lender, including under the Definitive Documents incurred on or after the date of this Order which charge shall not exceed the aggregate amount advanced on or after the date of this Order under the Definitive Documents. The LNG Co Interim Lender's Charge shall have the priority set out in paragraphs • and • hereof.
38. Notwithstanding any other provision of this Order:
  - (a) the LNG Co Interim Lender may take such steps from time to time as it may deem necessary or appropriate to file, register, record or perfect the LNG Co Interim Lender's Charge or any of the Definitive Documents;
  - (b) upon the occurrence of an event of default under the Definitive Documents or the LNG Co Interim Lender's Charge, the LNG Co Interim Lender, upon five days' notice to LNG Co and the Monitor, may exercise any and all of its rights and remedies against LNG Co or LNG Co's Property under or pursuant to the Definitive Documents and the LNG Co Interim Lender's Charge, including without limitation, to cease making advances to LNG Co and set off and/or consolidate any amounts owing by the LNG Co Interim Lender to LNG Co against the obligations of LNG Co. to the LNG Co Interim Lender under the Definitive Documents or the LNG Co Interim Lender's Charge, to make demand, accelerate payment and give other notices, or to apply to this Court for the appointment of a receiver, receiver and manager or interim receiver, or for a bankruptcy order against LNG Co and for the appointment of a trustee in bankruptcy of LNG Co; and
  - (c) the foregoing rights and remedies of the LNG Co Interim Lender shall be enforceable against any trustee in bankruptcy, interim receiver, receiver or receiver and manager of LNG Co or the Property of LNG Co.

39. The LNG Co Interim Lender shall be treated as unaffected in any plan of arrangement or compromise filed by LNG Co under the CCAA, or any proposal filed by LNG Co under the *Bankruptcy and Insolvency Act* of Canada (the "**BIA**"), with respect to any advances made under the Definitive Documents.

#### **KERP AND THE KERP CHARGE**

40. The Key Employee Retention Plan described at paras. ● - ● of the Rushford Affidavit No. 1 and Exhibit "●" to the Confidential Affidavit (the "**KERP**") is hereby authorized and approved and the Applicants are authorized and directed to make the payments contemplated in the KERP.
41. The beneficiaries of the KERP are hereby granted a charge (the "**KERP Charge**") on the Property to secure all obligations under the KERP. The KERP Charge shall have the priority set out in paragraphs ● and ● hereof.

#### **VALIDITY AND PRIORITY OF CHARGES**

42. The priorities of the Directors' Charge and the Administration Charge, as between them, shall be as follows:

First – Administration Charge (to the maximum amount of \$1,000,000; and

Second – Directors' Charge (to the maximum amount of \$[● - **NTD: insert amount**]);

Third – KERP Charge (to the maximum amount of \$[**NTD: insert amount**]); and

Fourth -- LNG Co Interim Lenders' Charge (with respect only to the Property of LNG Co) ((to the maximum amount of \$1,500,000),

(collectively, the "Charges").

43. The filing, registration or perfection of the Charges shall not be required, and the Charges shall be valid and enforceable for all purposes, including as against any right, title or



interest filed, registered, recorded or perfected subsequent to the Charges coming into existence, notwithstanding any such failure to file, register, record or perfect.

44. The Charges shall constitute a charge on the Property (except that the LNG Co Interim Lenders' Charge shall constitute a charge only on the Property of LNG Co) and such Charges shall rank in priority to all other security interests, trusts, liens, charges and encumbrances, statutory or otherwise (collectively, "**Encumbrances**") in favour of any Person.
45. Except as otherwise expressly provided for herein, or as may be approved by this Court, the Applicants shall not grant any Encumbrances over any Property that rank in priority to, or *pari passu* with the Charges, unless the Applicants also obtains the prior written consent of the Monitor and the other beneficiaries of the Charges affected thereby, or further order of this Court.
46. The Charges shall not be rendered invalid or unenforceable and the rights and remedies of the chargees entitled to the benefit of the Charges (collectively, the "**Chargees**") thereunder shall not otherwise be limited or impaired in any way by:
  - (a) the pendency of these proceedings and the declarations of insolvency made in this Order;
  - (b) any application(s) for bankruptcy order(s) issued pursuant to BIA, or any bankruptcy order made pursuant to such applications;
  - (c) the filing of any assignments for the general benefit of creditors made pursuant to the BIA;
  - (d) the provisions of any federal or provincial statutes; or
  - (e) any negative covenants, prohibitions or other similar provisions with respect to borrowings, incurring debt or the creation of Encumbrances, contained in any

existing loan documents, lease, sublease, offer to lease or other agreement (collectively, an "**Agreement**") which binds the Applicants, and notwithstanding any provision to the contrary in any Agreement:

- (i) neither the creation of the Charges nor the execution, delivery, perfection, registration or performance of any documents in respect thereof, including the LNG Co Commitment Letter or the Definitive Documents, shall create or be deemed to constitute a new breach by the Applicants of any Agreement to which it is a party;
- (ii) none of the Chargees shall have any liability to any Person whatsoever as a result of any breach of any Agreement caused by or resulting from the creation of the Charges, or LNG Co entering into the LNG Co Commitment Letter, or the execution, delivery and performance of the Definitive Documents; and
- (iii) the payments made by the Applicants pursuant to this order, including the LNG Co Commitment Letter or the Definitive Documents, and the granting of the Charges, do not and will not constitute fraudulent preferences, fraudulent conveyances, oppressive conduct, transfers at undervalue, settlements or other challengeable, voidable or reviewable transactions under any applicable law.

#### **ALLOCATION**

47. Any interested Person may apply to this Court on notice to any other party likely to be affected, for an order to allocate the Charges amongst the various assets comprising the Property.

#### **SEALING**

48. The Confidential KERP Summary that is Exhibit "●" to the Rushford Affidavit No. 1 and the Financial Advisor Engagement Letter that is Exhibit "●" to the Rushford Affidavit

No. 1 shall be sealed on the Court file, notwithstanding Division 4 of Part 6 of the *Alberta Rules of Court*.

### **SERVICE AND NOTICE**

49. The Monitor shall, (i) without delay, publish in the Calgary Herald and [**DAILY OIL BULLETIN AND OTHERS?**] a notice containing the information prescribed under the CCAA; (ii) within five (5) days after the date of this Order (A) make this Order publicly available in the manner prescribed under the CCAA, (B) send, in the prescribed manner, a notice to every known creditor who has a claim against the Applicants of more than \$1,000.00 and (C) prepare a list showing the names and addresses of those creditors and the estimated amounts of those claims, save and except creditors who are individuals, and make it publicly available in the prescribed manner, all in accordance with Section 23(1)(a) of the CCAA and the regulations made thereunder.
50. The Applicants and the Monitor shall be at liberty to serve this Order, any other materials and orders in these proceedings, any notices or other correspondence, by forwarding true copies thereof by prepaid ordinary mail, courier, personal delivery, facsimile transmission or e-mail to the Applicants' creditors or other interested Persons at their respective addresses as last shown on the records of the Applicants and that any such service or notice by courier, personal delivery, facsimile transmission or e-mail shall be deemed to be received on the next business day following the date of forwarding thereof, or if sent by ordinary mail, on the third business day after mailing. The Monitor may post a copy of any or all such materials on their website at [**INSERT WEBSITE ADDRESS**], which shall be established for informational purposes.

### **GENERAL**

51. The Applicants or the Monitor may from time to time apply to this Court for advice and directions in the discharge of their powers and duties hereunder.
52. Notwithstanding Rule 6.11 of the *Alberta Rules of Court*, unless otherwise ordered by this Court, this Monitor will report to the Court from time-to-time, which reporting is not

required to be in Affidavit form and which reporting shall be considered by this Court as evidence.

53. Nothing in this Order shall prevent the Monitor from acting as an interim receiver, a receiver, a receiver and manager, or a trustee in bankruptcy of the Applicants, the Business or the Property.
54. This Court hereby requests the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States, to give effect to this Order and to assist the Applicants, the Monitor and their respective agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Applicants and to the Monitor, as an officer of this Court, as may be necessary or desirable to give effect to this Order, to grant representative status to the Monitor in any foreign proceeding, or to assist the Applicants and the Monitor and their respective agents in carrying out the terms of this Order.
55. Each of the Applicants and the Monitor be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order.
56. Any interested party (including the Applicants and the Monitor) may apply to this Court to vary or amend this Order on not less than seven (7) days' notice to any other party or parties likely to be affected by the order sought or upon such other notice, if any, as this Court may order.
57. This Order and all of their provisions are effective as of 12:01 a.m. Mountain Time on the date of this Order.

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J.C.Q.B.A.

**SCHEDULE H**  
**FORM OF APPROVAL AND VESTING ORDER**

CLERK'S STAMP

COURT FILE NUMBER                    1601-[●]

COURT                                    COURT OF QUEEN'S BENCH OF ALBERTA

JUDICIAL CENTRE                    CALGARY

APPLICANT                            **IN THE MATTER OF THE COMPANIES'  
CREDITORS ARRANGEMENT ACT, R.S.C. 1985, c.  
C-36, as amended**

**AND IN THE MATTER OF THE COMPROMISE  
OR ARRANGEMENT OF QUICKSILVER  
RESOURCES CANADA INC., 0942065 B.C. LTD.  
and 0942069 B.C. LTD.**

DOCUMENT                            **ORDER (Approval and Vesting)**

ADDRESS FOR SERVICE AND  
CONTACT INFORMATION OF  
PARTY FILING THIS  
DOCUMENT                            **BENNETT JONES LLP**  
Barristers and Solicitors  
4500 Bankers Hall East  
855 – 2<sup>nd</sup> Street S.W.  
Calgary, Alberta T2P 4K7

Attention: Chris Simard / Kevin Zych  
Tel No.: 403-298-4485 / 416-777-5738  
Fax No.: 403-265-7219 / 416-863-1716  
Client File No.: 39944.88

**DATE ON WHICH ORDER WAS PRONOUNCED:**    [●]

**LOCATION WHERE ORDER WAS PRONOUNCED:** Calgary

**NAME OF JUSTICE WHO MADE THIS ORDER:**    [●]

UPON the application of Quicksilver Resources Canada Inc. (the "Applicant", "QRCI" or the "Debtor") for an Order approving the sale transaction (the "Transaction") contemplated by an Asset Purchase Agreement between the Applicant and CPC Resources ULC (the "Purchaser") made as of February ●, 2016 (the "Sale Agreement") and attached as Exhibit "1" to the Affidavit No. [●] of J. David Rushford dated ●, 2016 (the "Rushford Affidavit No. [●]"), filed, and vesting

in the Purchaser the Applicant's right, title and interest in and to the Oil and Gas Assets (as defined in the Sale Agreement and hereinafter the "Purchased Assets"); AND UPON having read the Rushford Affidavit No. [●] and the ● Report of FTI Consulting Canada Inc., the Court-appointed Monitor of the Applicant (the "Monitor"), filed; AND UPON hearing the submissions of counsel for the Applicant, the Monitor, the Purchaser and other interested parties;

IT IS HEREBY ORDERED AND DECLARED THAT:

1. Service of notice of this application and supporting materials is hereby declared to be good and sufficient, and no other person is required to have been served with notice of this application, and time for service of this application is abridged to that actually given.
2. The Transaction is hereby approved, and the Sale Agreement is declared to be commercially reasonable and in the best interests of QRCI and its stakeholders. The execution of the Sale Agreement by QRCI is hereby authorized, ratified, confirmed and approved, with such minor amendments as QRCI may deem necessary. QRCI is hereby authorized and directed to take such additional steps and execute such additional documents as may be necessary or desirable for the completion of the Transaction and for the conveyance of the Purchased Assets to the Purchaser.
3. Upon the delivery of a Monitor's Certificate to the Purchaser substantially in the form attached as Schedule "A" hereto (the "Monitor's Certificate"), all of QRCI's right, title and interest in and to the Purchased Assets shall vest absolutely in the Purchaser, free and clear of and from any and all security interests (whether contractual, statutory, or otherwise), hypothecs, mortgages, trusts or deemed trusts (whether contractual, statutory, or otherwise), liens, executions, levies, charges, or other financial or monetary claims, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise (collectively, the "Claims") including, without limiting the generality of the foregoing:
  - (a) any Encumbrances or Charges (as created by and defined in the Initial Order of the Honourable Justice [●] dated [●] and any other Orders granted in this Action);

(b) all charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act*, the *Mines and Minerals Act*, the *Land Titles Act* or any other personal, mineral or real property registry system; and

(c) those Claims listed in Schedule "B" hereto;

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

4. Upon the delivery of the Monitor's Certificate, and upon the filing of a certified copy of this Order, together with any applicable registration fees, and upon registration in the Department of Energy, the Registrar of Land Titles of Alberta (the "Registrar") is hereby authorized, requested, and directed to cancel the existing Certificates of Title for the Lands (as defined and set out in Schedule "B" hereto) and the Minister of Energy is hereby directed to enter the Purchaser as the owner and/or lessee of the mines and minerals comprising the Purchased Assets (as defined in the Sale Agreement) (the "Real or Mineral Property"), and is hereby directed to delete and expunge from title to the Real or Mineral Property all of the real property Claims listed in Schedule "C" hereto. The Registrar of Land Titles of Alberta is directed to issue new Certificates of Title for the Lands in the name of the Purchaser (or its nominee) and to register such transfers, discharges, discharge statements of conveyances, as may be required to convey clear title to the Lands to the Purchaser (or its nominee), which Certificates of Title shall be subject only to those encumbrances (the "Permitted Encumbrances") listed on Schedule "D" hereto
5. This Order shall be registered by the Registrar notwithstanding the requirements of section 191(1) of the Land Titles Act, RSA 2000, c.L-7 and notwithstanding that the appeal period in respect of this Order has not elapsed, which appeal period is expressly waived.
6. For the purposes of determining the nature and priority of Claims, the net proceeds from the sale of the Purchased Assets shall stand in the place and stead of the Purchased Assets, and from and after the delivery of the Monitor's Certificate all Claims and

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

7. The Purchaser (and its nominee, if any) shall, by virtue of the completion of the Transaction, have no liability of any kind whatsoever in respect of any Claims against QRCL.
8. The Debtor and all persons who claim by, through or under the Debtor in respect of the Purchased Assets, save and except for the persons entitled to the benefit of the Permitted Encumbrances, shall stand absolutely barred and foreclosed from all estate, right, title, interest, royalty, rental and equity of redemption of the Purchased Assets and, to the extent that any such persons remains in possession or control of any of the Purchased Assets, they shall forthwith deliver possession thereof to the Purchaser (or its nominee).
9. The Purchaser (or its nominee) shall be entitled to enter into and upon, hold and enjoy the Purchased Assets for its own use and benefit without any interference of or by the Debtor, or any person claiming by or through or against the Debtor. All Assigned Contracts, including any Post-Closing Consent Contracts (each as defined in the Sale Agreement) for which a consent is obtained in accordance with the Sale Agreement or in respect of which a further Order of this Court is made pursuant to Section 11.3 of the CCAA (collectively, "Purchased Contracts") are and shall remain in full force and effect, unamended, upon the closing of the Transaction, and no person that is a party to any such Purchased Contracts (a "Purchased Contract Counterparty") may accelerate, terminate, rescind, refuse to perform or otherwise repudiate its obligations thereunder, or enforce or exercise any right (including any right to terminate, change or otherwise replace the operator of any Purchased Assets, or otherwise prevent the assignment of such operatorship from the operator to its designated assignee) or make any demand under or in respect of any such Purchased Contract, and no automatic termination or exercise of rights or remedies will have any validity or effect, by reason of: (i) any event that occurred on or prior to closing of the Transaction and is not continuing or has not been waived that would entitle such Purchased Contract Counterparty to enforce those rights



and remedies (including, without limitation, the Debtor's being or having admitted it is insolvent or its having commenced the within insolvency proceedings or having obtained any statutory or judicial relief in the within proceedings); or (ii) the Debtor's entering into and performing its obligations under the Sale Agreement and the closing of the Transaction, including the sale and assignment of the Purchased Contracts by the Debtor to the Purchaser and the change in ownership and control of the Purchased Assets (collectively, an "Debtor's Insolvency Defaults"). Each Purchased Contract Counterparty shall be deemed to have waived the Debtor's Insolvency Defaults and any defaults or breaches of covenants, representations, warranties, undertakings, obligations or other agreements arising directly or indirectly therefrom under the applicable Assigned Contracts.

10. Immediately after the closing of the Transaction, the holders of the Permitted Encumbrances shall have no claim whatsoever against the Debtor.
11. The Monitor shall file with the Court a copy of the Monitor's Certificate, concurrent with the delivery thereof to the Purchaser.
12. Pursuant to clause 7(3)(c) of the *Canada Personal Information Protection and Electronic Documents Act* and section 20(e) of the *Alberta Personal Information Protection Act*, QRCI is authorized and permitted to disclose and transfer to the Purchaser all human resources and payroll information in the Debtor's records pertaining to the Debtor's past and current employees, including personal information of those employees listed in the Sale Agreement. The Purchaser (or its nominee) shall maintain and protect the privacy of such information and shall be entitled to use the personal information provided to it in a manner which is in all material respects identical to the prior use of such information by the Debtor.
13. Notwithstanding:
  - (a) the pendency of these proceedings;

- (b) any applications for a bankruptcy order now or hereafter issued pursuant to the *Bankruptcy and Insolvency Act* (Canada) in respect of QRCI and any bankruptcy order issued pursuant to any such applications; and
- (c) any assignment in bankruptcy made in respect of the QRCI;

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

- 14. The Debtor, the Purchaser (or its nominee), the Monitor and any other interested party, shall be at liberty to apply for further advice, assistance and directions as may be necessary in order to give full force and effect to the terms of this Order and to assist and aid the parties in closing the Transaction.
- 15. This Court hereby requests the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States to give effect to this Order and to assist QRCI, the Monitor and their agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to QRCI and to the Monitor, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist QRCI and the Monitor and their agents in carrying out the terms of this Order.

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J.C.Q.B.A

**SCHEDULE "A"**  
**FORM OF MONITOR'S CERTIFICATE**

COURT FILE NUMBER

Clerk's Stamp

COURT

COURT OF QUEEN'S BENCH OF  
ALBERTA

JUDICIAL CENTRE

CALGARY

APPLICANT

**IN THE MATTER OF THE COMPANIES'  
CREDITORS ARRANGEMENT ACT,  
R.S.C. 1985, c. C-36, as amended**  
**AND IN THE MATTER OF THE  
COMPROMISE OR ARRANGEMENT OF  
QUICKSILVER RESOURCES CANADA  
INC., 0942065 B.C. LTD. and 0942069 B.C.  
LTD.**

DOCUMENT

**MONITOR'S CERTIFICATE**

ADDRESS FOR SERVICE  
AND CONTACT  
INFORMATION OF  
PARTY FILING THIS  
DOCUMENT

**BENNETT JONES LLP**  
Barristers and Solicitors  
4500 Bankers Hall East  
855 – 2<sup>nd</sup> Street S.W.  
Calgary, Alberta T2P 4K7

Attention: Chris Simard / Kevin Zych  
Tel No.: 403-298-4485 / 416-777-5738  
Fax No.: 403-265-7219 / 416-863-1716  
Client File No.: 39944.88

**RECITALS**

- A. Pursuant to an Order of the Honourable [Mr./Madam] Justice [Name] of the Court of Queen's Bench of Alberta, Judicial District of Calgary (the "Court") dated [Date of Order], FTI Consulting Canada Inc. was appointed as the monitor (the "Monitor") of the undertaking, property and assets of the applicants in this Action, including Quicksilver Resources Canada Inc. (the latter of which is hereinafter referred to as the "Debtor").

- B. Pursuant to an Order of the Court dated [Date], the Court approved the Asset Purchase and Agreement made as of February 1, 2016 (the "Sale Agreement") between the Debtor and CPC Resources ULC (the "Purchaser") and provided for the vesting in the Purchaser of the Debtor's right, title and interest in and to the Purchased Assets, which vesting is to be effective with respect to the Purchased Assets upon the delivery by the Monitor to the Purchaser of a certificate confirming (i) the payment by the Purchaser of the Purchase Price for the Purchased Assets; (ii) that the conditions to Closing as set out in Article X of the Sale Agreement have been satisfied or waived by QRCI and the Purchaser; and (iii) the Transaction has been completed to the satisfaction of the Monitor.
- C. Unless otherwise indicated herein, terms with initial capitals have the meanings set out in the Sale Agreement.

**THE MONITOR CERTIFIES** the following:

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

**FTI Consulting Inc., in its capacity  
as Monitor of Quicksilver  
Resources Canada Inc., 0942065  
B.C. Ltd. and 0942069 B.C. Ltd.  
and not in its personal capacity.**

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

**Name:**

**Title:**



**SCHEDULE "B"**

**"Claims"**

**1. *Personal Property Security Act (Alberta)***

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Registration Number:	11083138783
Registration Type:	Security Agreement
Registration Date:	2011-Aug-31
Expiry Date:	2021-Aug-31
Debtor(s):	Quicksilver Resources Canada Inc.
Secured Party / Parties:	JPMorgan Chase Bank, N.A.
Collateral: General:	All of the debtor's present and after-acquired personal property, tangible and intangible, in each case, of every nature and kind and wherever situate.

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Registration Number:	11083138902
Registration Type:	Land Charge
Registration Date:	2011-Aug-31
Expiry Date:	Current
Debtor(s):	Quicksilver Resources Canada Inc.
Secured Party / Parties:	JPMorgan Chase Bank, N.A.

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Registration Number:	12030811764
Registration Type:	Security Agreement
Registration Date:	2012-Mar-08
Expiry Date:	2016-Mar-08
Debtor(s):	McGregor, Robert, William Quicksilver Resources Canada
Secured Party / Parties:	Honda Canada Finance Inc.
Collateral: Serial Number Goods:	2HNYD2H83CH001778 2012 Acura MDX

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Registration Number:	12042011184
Registration Type:	Security Agreement
Registration Date:	2012-Apr-20
Expiry Date:	2017-Apr-20
Debtor(s):	Quicksilver Resources Canada Inc.
Secured Party / Parties:	Summit Acceptance Corp.
Collateral: Serial Number Goods:	WAUWFBFR1CA026001 2012 Audi A5

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Registration Number:	12071308342
Registration Type:	Security Agreement
Registration Date:	2012-Jul-13
Expiry Date:	2017-Jul-13
Debtor(s):	Quicksilver Resources Canada Inc.
Secured Party / Parties:	Summit Acceptance Corp.
Collateral: Serial Number Goods:	3GTP2WE9CG299302 2012 GMC 1500

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Registration Number:	12092718410
Registration Type:	Security Agreement
Registration Date:	2012-Sep-27
Expiry Date:	2012-Sep-27
Debtor(s):	Quicksilver Resources Inc. ( <i>Inexact Match</i> )
Secured Party / Parties:	JPMorgan Chase Bank, N.A., Toronto Branch
Collateral: General:	1,025,841 Common Shares in the capital of Quicksilver Resources Canada Inc. including (a) all rights, title, powers, privileges, remedies and interests of the debtor as the holder of such shares and under the organizational documents of Quicksilver Resources Canada Inc., (b) all dividends, cash, instruments, rights to subscribe, purchase or sell and all other rights and property from time to time received, receivable or otherwise distributed in respect of or in exchange for such shares, (c) all replacements, additions to and substitutions for any of the property referred to herein, including, without limitation, claims against third parties, (d) the proceeds, interest, profits and other income of or on any of the property referred to herein, (e) all security entitlements in respect of any of the foregoing and (f) all books and records relating to the collateral and any of the property referred to herein.
Proceeds:	goods, inventory, chattel paper, documents of title, instruments, money, intangibles, accounts and investment property (all as defined in the Personal Property Security Act) and insurance proceeds.

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Registration Number:	12111614636
Registration Type:	Security Agreement
Registration Date:	2012-Nov-16
Expiry Date:	2018-Nov-16
Debtor(s):	Quicksilver Resources Canada Inc.
Secured Party / Parties:	Summit Acceptance Corp.
Collateral: Serial Number Goods:	1C6RR7NT0DS548784 2013 Dodge 1500
Additional Information:	Lessee Unit #50048

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Registration Number:	13040318479
Registration Type:	Security Agreement
Registration Date:	2013-Apr-03
Expiry Date:	2018-Apr-03
Debtor(s):	Quicksilver Resources Canada Inc.
Secured Party / Parties:	Summit Acceptance Corp.
Collateral: Serial Number Goods:	1FTFW1EV0AFC31336 2010 Dodge 1500
Additional Information:	Unit 50207

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Registration Number:	13050638169
Registration Type:	Security Agreement
Registration Date:	2013-May-06
Expiry Date:	2018-May-06
Debtor(s):	Quicksilver Resources Canada Inc.
Secured Party / Parties:	Summit Acceptance Corp.
Collateral: Serial Number Goods:	3C6UR5NL8DG555200 2013 Dodge Ram 2500
Additional Information:	Unit 50176

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Registration Number:	13102505698
Registration Type:	Security Agreement
Registration Date:	2013-Oct-25
Expiry Date:	2017-Oct-25
Debtor(s):	Quicksilver Resources Canada Inc.
Secured Party / Parties:	Honda Canada Finance Inc.
Collateral: Serial Number Goods:	5FRYD4H86EB503189 2014 Acura

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Registration Number:	14010621414
Registration Type:	Security Agreement
Registration Date:	2014-Jan-06
Expiry Date:	2019-Jan-06
Debtor(s):	Quicksilver Resources Canada Inc.
Secured Party / Parties:	Summit Acceptance Corp
Collateral: Serial Number Goods:	3C6TR5DT9EG198754 2014 Dodge Ram 2500

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Registration Number:	14010621481
Registration Type:	Security Agreement
Registration Date:	2014-Jan-06
Expiry Date:	2019-Jan-06
Debtor(s):	Quicksilver Resources Canada Inc.
Secured Party / Parties:	Summit Acceptance Corp
Collateral: Serial Number Goods:	3C6TR5DT0EG198755 2014 Dodge Ram 2500

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Registration Number:	14010621541
Registration Type:	Security Agreement
Registration Date:	2014-Jan-06
Expiry Date:	2019-Jan-06
Debtor(s):	Quicksilver Resources Canada Inc.
Secured Party / Parties:	Summit Acceptance Corp
Collateral: Serial Number Goods:	3C6TR5DT2EG198756

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Registration Number:	14010621838
Registration Type:	Security Agreement
Registration Date:	2014-Jan-06
Expiry Date:	2019-Jan-06
Debtor(s):	Quicksilver Resources Canada Inc.
Secured Party / Parties:	Summit Acceptance Corp
Collateral: Serial Number Goods:	3C7WRNFL1EG135007 2014 Dodge Ram 2500

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Registration Number:	14022133632
Registration Type:	Security Agreement
Registration Date:	2014-Feb-21
Expiry Date:	2020-Feb-21
Debtor(s):	Quicksilver Resources Canada Inc.
Secured Party / Parties:	Summit Acceptance Corp
Collateral: Serial Number Goods:	5005EH0613076 2014 Auto Crane 500EH Crane

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Registration Number:	14022133792
Registration Type:	Security Agreement
Registration Date:	2014-Feb-21
Expiry Date:	2020-Feb-21
Debtor(s):	Quicksilver Resources Canada Inc.
Secured Party / Parties:	Summit Acceptance Corp
Collateral: Serial Number Goods:	V900126ABL026 2014 VMAC VR70 Underhood

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Registration Number: 14062536222  
Registration Type: Security Agreement  
Registration Date: 2014-Jun-25  
Expiry Date: 2018-Jun-25  
Debtor(s): Quicksilver Resources Canada Inc. (Inexact Match)  
Secured Party / Parties: Mercedes-Benz Financial Services Canada Corporation  
Mercedes-Benz Financial  
Collateral: Serial Number Goods: WDDGJ8JB3EG221421 2014 Mercedes-Benz C350C4M  
Collateral: General: All attachments, accessories, additions, alternations, replacements & repairs (whether present or future) to the vehicle collateral. Proceeds: all cash and non-cash proceeds of the vehicle collateral including without limitation proceeds derived directly or indirectly from any dealing with the vehicle collateral or that indemnifies or compensates the debtor (s) for the destruction or damage to or loss of the vehicle collateral. The proceeds may take the form of any or more of the following: goods, documents of title, chattel paper, instruments, money, securities or intangibles. Accordingly, any of the debtor (s) after-acquired personal property may be proceeds and therefore subject to the secured party's security interest.

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Registration Number: 14070441956  
Registration Type: Security Agreement  
Registration Date: 2014-Jul-04  
Expiry Date: 2020-Jul-04  
Debtor(s): Quicksilver Resources Canada Inc.  
Secured Party / Parties: Shaw GMC Chevrolet Buick Inc.  
Summit Acceptance Corp  
Collateral: Serial Number Goods: 3GCUKSECXEG506996 2014 Chev K2500

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Registration Number: 15032033857  
Registration Type: Security Agreement  
Registration Date: 2015-Mar-20  
Expiry Date: 2017-Mar-20  
Debtor(s): Quicksilver Resources Canada Inc.  
Secured Party / Parties: Formula Powell L.P.  
Collateral: General: 1 - 400 BBL Tank; s/n #10974  
2 - 400 BBL Tank; s/n #15252  
3 - 400 BBL Tank; s/n #6926  
4 - 400 BBL Tank; s/n #6923  
5 - 400 BBL Tank; s/n #6938  
6 - 400 BBL Tank; s/n #10914  
7 - 400 BBL Tank; s/n #10919  
8 - 400 BBL Tank; s/n #8024-8  
9 - 400 BBL Tank; s/n #10896  
10 - 400 BBL Tank; s/n #10900  
11 - 400 BBL Tank; s/n #10971  
12 - 400 BBL Tank; s/n #100298  
13 - 400 BBL Tank; s/n #6928  
14 - 400 BBL Tank; s/n #10972  
15 - 400 BBL Tank; s/n #15290  
And all attachments, accessories and parts thereof, accessions thereto, replacements, substitutions, additions and improvements and all proceeds in any forms derived directly or indirectly thereof including rights of insurance payments or any other payments as indemnity or compensation for loss or damage to the collateral or proceeds of collateral.

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Registration Number:	15101930884
Registration Type:	Security Agreement
Registration Date:	2015-Oct-19
Expiry Date:	2021-Oct-19
Debtor(s):	Quicksilver Resources Canada Inc.
Secured Party / Parties:	Formula Powell L.P.
Collateral: Serial Number Goods:	1FTEW1EG8FKe32171 2015 Ford F150

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## 2. **Litigation**

### *Judicial Actions (Alberta Province Wide)*

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Action Number:	Q0601 12671
Plaintiff:	Quicksilver Resources CA
Defendant:	Quicksilver Resources CA
Type of Action:	St. of Claim – Accounting
Last Action:	Satisfaction Piece (Oct 16, 2015)

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Action Number:	Q1503 07813
Plaintiff:	Quicksilver Resources CA
Defendant:	Quicksilver Resources CA
Type of Action:	Statement Claim Judgment
Last Action:	Statement of Defence (Jun 23, 2015)

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Action Number:	Q0601 12671
Plaintiff:	Encana Corp.
Defendant:	Quicksilver Resources CA
Type of Action:	St. of Claim – Accounting
Last Action:	Satisfaction Piece (Oct 16, 2015)

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Action Number:	Q0701 08933
Plaintiff:	Quicksilver Resources CA Barnwell of Canada Ltd.
Defendant:	Quicksilver Resources CA
Type of Action:	Statement of Claim Order
Last Action:	Discontinuance C/Claim (Feb 26, 2010)

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Action Number:	Q1101 17577
Plaintiff:	Quicksilver Resources CA
Defendant:	Quicksilver Resources CA
Type of Action:	State Claim – Declaration
Last Action:	Order Consolidate Files 01 (Feb 19, 2015)

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Action Number:	Q1301 08232
Plaintiff:	Edwards, Clifford Edwards-Sawatzky, Beverl*
Defendant:	Quicksilver Resources CA
Type of Action:	Statement Claim – Damages
Last Action:	File Closed (Feb 27, 2015)

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Action Number:	Q1412 00032
Plaintiff:	Craft, Ann
Defendant:	Quicksilver Resources CA
Type of Action:	Statement Claim – Damages
Last Action:	None listed

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Action Number:	Q1501 05036
Plaintiff:	Reiter, Zane Zelta Capital Partners L
Defendant:	Quicksilver Resources CA
Type of Action:	Statement Claim Judgment
Last Action:	Appl Appeal Master Decism (Dec 14, 2015)

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Action Number:	Q1503 07813
Plaintiff:	Her Majesty The Queen, A Minister of Energy
Defendant:	Quicksilver Resources CA
Type of Action:	Statement Claim Judgment
Last Action:	Statement of Defence (Jun 23, 2015)

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**SCHEDULE "C"**

**"Real Property Claims"**

**SCHEDULE "D"**

**"Permitted Encumbrances"**

**SCHEDULE I**  
**FORM OF ASSUMPTION AGREEMENT**

**THIS AGREEMENT** made as of [●], 2016,

**BETWEEN:**

**QUICKSILVER RESOURCES CANADA INC.**, a body corporate with its head office in Calgary, Alberta (hereinafter referred to as "**Seller**")

- and -

**CPC RESOURCES ULC**, an unlimited liability corporation with its head office located in Calgary, Alberta (hereinafter referred to as "**Buyer**")

**WHEREAS:**

- (A) Seller and Buyer entered into an Agreement of Purchase and Sale dated as of February 29, 2016 (the "**Sale Agreement**") with respect to the Oil and Gas Assets; and
- (B) All of the conditions precedent to the obligations of the parties hereto to close the transactions contemplated by the Sale Agreement have either been fulfilled or waived in the manner provided for waiver in the Sale Agreement.

**NOW THEREFORE** in consideration of the premises hereto and the covenants and agreements in the Sale Agreement and hereinafter set forth and contained, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto covenant and agree as follows:

- 7. All capitalized terms used in this Agreement and not otherwise defined herein have the meanings ascribed to such terms in the Sale Agreement.
- 8. The Buyer shall assume and fully perform and discharge each and every one of the Assumed Liabilities as they are or become due in accordance with their respective terms and subject to the respective conditions thereof.
- 9. The covenants, representations, warranties and indemnities contained in the Sale Agreement are incorporated herein as fully and effectively as if they were set out herein and there shall not be any merger of any covenant, representation, warranty or indemnity contained in the Sale Agreement by virtue of the execution and delivery hereof, any rule of law, equity or statute to the contrary notwithstanding.

10. If any term or provision hereof should conflict with any term or provision of the Sale Agreement, the term and provision of the latter shall prevail and this Agreement shall at all times be read subject to all terms and conditions of the Sale Agreement.
11. Each of the parties hereto shall promptly do, make, execute or deliver, or cause to be done, made, executed or delivered, all such further acts, documents and things as the other party hereto may reasonably require from time to time for the purpose of giving effect to this Agreement and shall use its best efforts and take all such steps as may be reasonably within its power to implement to their full extent the provisions of this Agreement.
12. Time shall be of the essence of this Agreement in all respects.
13. This Agreement shall, in all respects, be subject to, interpreted, construed and enforced in accordance with and under the laws of the Province of Alberta and applicable laws of Canada and shall, in all respects, be treated as a contract made in the Province of Alberta. The parties hereto irrevocably attorn and submit to the exclusive jurisdiction of the courts of the Province of Alberta and courts of appeal therefrom in respect of all matters arising out of or in connection with this Agreement.
14. This Agreement shall be binding upon and shall enure to the benefit of each of the parties hereto and their respective administrators, trustees, receivers, successors and assigns.
15. This Agreement may be executed in counterpart, no one copy of which need be executed by Seller and Buyer. A valid and binding contract shall arise if and when counterpart execution pages are executed and delivered by Seller and Buyer.

*The remainder of this page is intentionally left blank.*

IN WITNESS WHEREOF the Parties have executed this Agreement as of the day and year first above written.

**QUICKSILVER RESOURCES  
CANADA INC.**

**CPC RESOURCES ULC**

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

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

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

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



**SCHEDULE J**  
**FORM OF ESCROW AGREEMENT**

**THIS AGREEMENT** is dated the 29th day of February, 2016,

**BETWEEN:**

**QUICKSILVER RESOURCES CANADA INC. ("QRCI")**, a body corporate with its head office located in Calgary, Alberta (hereinafter referred to as the "**Seller**")

- and -

**CPC RESOURCES ULC**, an unlimited liability corporation with its head office located in Calgary, Alberta (hereinafter referred to as "**Buyer**")

- and -

**BENNETT JONES LLP**, Barristers and Solicitors, having offices in the City of Calgary, in the Province of Alberta (hereinafter referred to as "**Escrow Agent**")

**RECITALS:**

- A. Seller and Buyer have entered into an asset sale agreement dated the date hereof, (the "**Sale Agreement**") providing, *inter alia*, for the sale by Seller to Buyer of the Oil and Gas Assets.
- B. On or prior to the date that is four (4) Business Days after the date hereof, Buyer is obligated to place the amount of [REDACTED] United States dollars (USD [REDACTED]) (the "**Deposit**") in escrow with Escrow Agent pursuant to the Sale Agreement.
- C. Escrow Agent is willing to hold the Deposit in escrow on behalf of Buyer and Seller subject to the terms and conditions of this Agreement.

**NOW THEREFORE** in consideration of the mutual covenants and conditions herein contained and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto covenant and agree as follows:

- 1. **Definitions.** Capitalized terms used and not defined herein (including the recitals hereof) shall have the meanings attributed to them in the Sale Agreement.
- 2. **Appointment.** Seller and Buyer appoint the Escrow Agent to act as escrow agent to hold the Deposit upon and subject to the terms of this Agreement and the Escrow Agent

accepts such appointment. Upon receipt of the Deposit from Buyer, the Escrow Agent shall acknowledge, by giving prompt written notice to each of Seller and Buyer of receipt of the Deposit pursuant to the Sale Agreement, and the Escrow Agent shall hold the Deposit in trust for Seller and Buyer until authorized for release in accordance with the provisions of this Agreement.

3. **Interest.** The Deposit shall be held in escrow by Escrow Agent and invested and deposited in a United States dollar interest bearing trust account with The Royal Bank of Canada. If any interest is earned on the Deposit which is credited to such investment, the interest shall be dealt with in the same manner as the Deposit. Escrow Agent makes no representation as to the yield available upon the Deposit, shall bear no liability for any failure to achieve the maximum possible yield from the Deposit and shall not be responsible for any failure of The Royal Bank of Canada. The party receiving interest, if any, on the Deposit shall pay all income and other Taxes applicable thereto or exigible thereon.
4. **Disposition of Deposit.** Upon receipt by Escrow Agent of a written direction signed by Buyer and Seller, Escrow Agent is hereby irrevocably authorized and directed to, and shall forthwith, pay (in United States dollars) the Deposit (or an authorized portion thereof, as applicable) and interest accrued thereon, if any, in accordance with such written direction. Escrow Agent shall have no obligation to make any determination as to the validity of any such direction or any claim made by any party for entitlement to the Deposit and interest accrued thereon. Escrow Agent shall be entitled to continue to hold the Deposit and interest accrued thereon until the earlier of (i) such time as Escrow Agent receives a written direction signed by both Buyer and Seller as contemplated in this Section 4, (ii) Escrow Agent is directed by final judgement of a court of competent jurisdiction as to the disposition of the Deposit and interest accrued thereon, or (iii) Escrow Agent interpleads the Deposit and interest accrued thereon as contemplated in Section 5.
5. **Dispute.** Escrow Agent shall have the right at any time (including without limitation in the event of any dispute in respect of the entitlement of the Deposit) to deposit the Deposit and earned interest thereon, if any, with the Accountant section of the Alberta Court of Queen's Bench in accordance with the Rules of Civil Procedure respecting interpleader or in such other manner or on such other grounds as such Court may direct. Escrow Agent shall give written notice of any such deposit to Buyer and Seller immediately after such deposit is made.
6. **No Agency.** The parties hereto acknowledge that Escrow Agent is acting solely as escrow agent at their request and for their convenience and Escrow Agent shall not be deemed to be the agent of either Buyer or Seller in respect of the escrow herein referred to. Escrow Agent shall not be liable to either Buyer or Seller for any error in judgement or for any act or omission on its part in respect of the escrow herein referred to unless such error in judgement, act or omission is made, taken or suffered in bad faith or involves gross negligence.

7. **Indemnity.** Buyer and Seller hereby jointly and severally agree to indemnify and hold Escrow Agent harmless from and against all costs, claims (including those from third parties) and expenses, including solicitor's fees and disbursements incurred in connection with or arising from the performance of Escrow Agent's duties or rights hereunder; provided that this indemnity shall not extend to actions or omissions taken or suffered by Escrow Agent in bad faith or involving gross negligence on the part of Escrow Agent.
8. **Fees.** Buyer and Seller each agrees to pay to Escrow Agent forthwith upon receipt of an invoice therefor one half of Escrow Agent's accounts for time, disbursements and applicable goods and services taxes relating to the performance by Escrow Agent of its duties or rights hereunder or other work incidental to or contemplated pursuant to the terms of this Agreement.
9. **Limitation on Duties.** It is understood and agreed that Escrow Agent's only duties and obligations in respect of the Deposit are expressly set out in this Agreement. Escrow Agent shall have the right to consult with separate counsel of its own choosing (if it deems such consultation advisable) and shall not be liable for any action taken, suffered or omitted to be taken by it if Escrow Agent acts in accordance with the oral or written advice of such counsel. Escrow Agent shall be protected if it acts upon any written communication, notice, certificate or other instrument or document believed by Escrow Agent to be genuine and to be properly given or executed without the necessity of verifying the truth or accuracy of the same or the authority of the person giving or executing the same.
10. **Resignation of Escrow Agent.** Escrow Agent may, at any time, resign its obligations under this Agreement and be discharged from all further duties and liabilities hereunder by giving each of Buyer and Seller at least 10 days' notice in writing of its intention to resign or such shorter notice as Buyer and Seller may accept as sufficient. Buyer and Seller agree that they shall forthwith upon receipt of such notice appoint a new law firm to act in the place and stead of Escrow Agent and if they fail to agree on such appointment, any of Buyer or Seller or Escrow Agent may apply to a Justice of the Alberta Court of Queen's Bench on such notice as such Justice may direct for the appointment of a new escrow agent. Upon any new appointment, the new escrow agent will be vested with the same powers, rights, duties and obligations as if it had been originally named herein as escrow agent and such new escrow agent shall enter into an agreement with Buyer and Seller agreeing to be bound by all of the provisions of this Agreement.
11. **Discharge from Duties.** Upon disposing of the Deposit and interest thereon, if any, in accordance with the provisions of this Agreement, Escrow Agent shall be relieved and discharged from all claims and liabilities relating to the Deposit and interest thereon, if any, and Escrow Agent shall not be subject to any claims made by or on behalf of any party hereto.
12. **No Conflict.** The fact that Escrow Agent is acting as escrow agent under this Agreement shall not in any way prevent it from representing Seller, whether before or after Closing, in connection with the transactions contemplated by the Sale Agreement or in any

litigation arising from the Sale Agreement or this Agreement or from representing Seller or any other party in any other capacity or in any other transaction.

13. **Notice.** All notices or other communications given pursuant to this Agreement shall be in writing and shall be either delivered by hand or by electronic mail addressed as follows:

If to Seller, then to:

**Quicksilver Resources Canada Inc.**

125, 9<sup>th</sup> Avenue SE  
Calgary, Alberta T2G 0P6

Attention: J. David Rushford  
E-mail: [drushford@qrinc.ca](mailto:drushford@qrinc.ca)

If to Buyer, then to:

**CPC Resources ULC**

Sun Life Plaza West Tower  
Suite 1600, 144 – 4th Ave SW  
Calgary, AB T2P 3N4  
Fax: 403-716-3637

Attention: Kevin Watson  
Email: [kevinw@centralresources.com](mailto:kevinw@centralresources.com)

If to Escrow Agent, then to: **Bennett Jones LLP**

4500, 855 – 2<sup>nd</sup> Street SW  
Calgary, AB T2P 4K7

Attention: Donald E. Greenfield, Q.C.  
E-mail: [greenfieldd@bennettjones.com](mailto:greenfieldd@bennettjones.com)

Any notice or other communication shall conclusively be deemed to have been given and received on the date on which it was delivered or sent if delivered or sent during normal business hours on a Business Day, and if delivered after normal business hours or on other than a Business Day, shall be deemed to have been given or sent on the next following Business Day. Any party hereto may change its address for notices or other communications by giving notice thereof to the other parties to this Agreement in accordance with this Section.

14. **Governing Law.** This Agreement shall be construed and enforced in accordance with the laws of the Province of Alberta and the laws of Canada applicable therein.
15. **Modification.** This Agreement may only be modified or amended by an agreement in writing signed by all of the parties hereto.

16. **Counterpart.** This Agreement may be executed in one or more counterparts, which so executed will constitute an original and all of which together will constitute one and the same agreement. A signed counterpart provided by way of facsimile or electronic mail will be as binding upon the parties hereto as an originally signed counterpart.
17. **Time.** Time shall be of the essence of this Agreement.
18. **Successors and Assigns.** This Agreement shall enure to the benefit of and be binding upon the parties hereto and their respective successors and assigns.

*The remainder of this page is intentionally left blank.*

**IN WITNESS WHEREOF**, the Parties have caused this Agreement to be executed and delivered by their duly authorized representatives, all as of the day and year first above written.

**QUICKSILVER RESOURCES CANADA  
INC.**

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

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

**CPC RESOURCES ULC**

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

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

**BENNETT JONES LLP**

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

**SCHEDULE K**  
**FORM OF TRANSITION SERVICES AGREEMENT**

**THIS AGREEMENT** is dated the Closing Date,

**BETWEEN:**

**QUICKSILVER RESOURCES CANADA INC. ("QRCI")**, a body corporate with its head office located in Calgary, Alberta (hereinafter referred to as "**Seller**")

- and -

**CPC RESOURCES ULC**, an unlimited liability corporation with its head office located in Calgary, Alberta (hereinafter referred to as "**Buyer**")

**WHEREAS:**

- A. Buyer and Seller have entered into an asset sale agreement dated February 29, 2016 (the "**Sale Agreement**") providing, *inter alia*, for the sale by Seller to Buyer of the Oil and Gas Assets;
- B. As a consequence of the Transaction, Seller requests that Buyer provide certain accounting, financial and administrative services for a transition period following the Closing Date; and
- C. Buyer is willing to provide (or cause to be provided), such services to Seller during a transition period on the terms and conditions set forth herein.

NOW THEREFORE, in consideration of the respective covenants, agreements, representations, warranties and indemnities herein contained and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereby agree as follows:

**ARTICLE I**  
**INTERPRETATION**

**1.1 Definitions**

Capitalized terms used herein including in the recitals hereto, and which are defined in the Sale Agreement shall, unless otherwise defined herein, have the meanings set out in the Sale Agreement. In addition, the following terms shall have the meanings ascribed thereto below:

- (a) "**Adjustment**" has the meaning set forth in Section 3.1(c);
- (b) "**Breaching Party**" has the meaning set forth in Section 4.2;

- (c) "**Confidential Information**" has the meaning set forth in Section 6.1(a);
- (d) "**Disclosing Party**" has the meaning set forth in Section 6.1(a);
- (e) "**Force Majeure**" has the meaning set forth in Section 5.1;
- (f) "**Gross Negligence or Wilful Misconduct**" by a Party means:
  - (i) a marked and flagrant departure from the standard of conduct of a reasonable Person acting in the circumstances at the time of the alleged misconduct; or
  - (ii) such wanton and reckless conduct or omissions as constitutes in effect an utter disregard for harmful, foreseeable and avoidable consequences;of such Party, provided that a Party shall not be considered to have engaged in Gross Negligence or Wilful Misconduct if the actions or omissions of such Party (i) only constitute an act or omission of ordinary negligence, or (ii) were done or omitted to be done in accordance with the instructions, or concurrence, of the other Party or any of its Representatives;
- (g) "**Independent Accountant**" has the meaning set forth in Section 3.1(c);
- (h) "**Monthly Invoice**" has the meaning set forth in Section 3.1(b);
- (i) "**Receiving Party**" has the meaning set forth in Section 6.1(a);
- (j) "**Sale Agreement**" has the meaning set forth in the recitals hereto;
- (k) "**Term**" has the meaning set forth in Section 4.1;
- (l) "**Transition Services**" has the meaning set forth in Section 2.1(a);
- (m) "**Transition Services Costs**" has the meaning set forth in Section 3.1(a);
- (n) "**Transition Services Expenses**" has the meaning set forth in Section 3.1(a)(ii); and
- (o) "**Transition Services Fees**" has the meaning set forth in Section 3.1(a)(i).

## 1.2 Interpretation

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

- (a) the insertion of headings in this Agreement is for convenience of reference only and shall not affect the construction or the interpretation of this Agreement;



- (b) if there is any conflict or inconsistency between a provision in the body of this Agreement and that contained in a Schedule, the provision in the body of this Agreement shall prevail;
- (c) 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;
- (d) the terms "in writing" or "written" include printing, typewriting or facsimile transmission;
- (e) 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 regulations, bylaws or other subsidiary legislation made pursuant to such statute;
- (f) 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;
- (g) 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 Alberta;
- (h) "including", "includes" and like terms means "including without limitation" and "includes without limitation";
- (i) the terms "this Agreement", "hereof", "hereunder" and similar expressions refer to this Agreement in its entirety and include any agreement supplemental hereto; and
- (j) 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 the schedules to this Agreement.

**ARTICLE II**  
**PROVISION OF SERVICES TO SELLER**

**2.1 Transition Services**

Subject to the terms of this Agreement, Buyer shall provide (or cause to be provided) to Seller the services described in Schedule "A". Schedule "A" sets forth, among other things:

- (a) the services to be rendered (each, a "**Transition Service**" and collectively, the "**Transition Services**");
- (b) the length of the term for which each Transition Service shall be provided; and

- (c) the fees for the provision of each Transition Service.

## **2.2 Additions to Transition Services**

From time to time during the Term, Seller may reasonably request that services that are not currently included in the Transition Services be added to the Transition Services; provided, however, that Buyer shall not have an obligation to provide Seller with such additional services. If and to the extent that the Parties mutually agree as to the cost, scope and timing of such additional services, the Parties shall amend Schedule "A" in writing, as necessary, to include such additional services and fees.

## **2.3 Performance of Transition Services**

- (a) Buyer shall provide (or cause to be provided) the Transition Services: (i) in compliance with all Legal Requirements and the applicable Title Documents; (ii) in a reasonable and prudent manner, and, where applicable, in accordance with generally accepted Canadian oil and gas industry or accounting practices and principles; and (iii) in accordance with any reasonable directions and instructions that Seller may provide Buyer from time to time; provided, however, that Buyer shall be given a reasonable period of time to implement any such directions or instructions.
- (b) The Transition Services shall:
  - (i) be carried out by a sufficient number of personnel that are appropriately qualified and competent to perform the Transition Services, as determined by Buyer in its sole discretion, acting reasonably and with regard to the requirements set out in Section 2.3(a); and
  - (ii) be performed by Transferring Employees to the extent the Transition Services relate to or are within the scope of a service that was provided by Transferring Employees prior to Closing.
- (c) During the specific term of each Transition Service, each Party shall assist and cooperate with the other Party in the transfer of responsibility for such Transition Service to Seller. Seller shall use commercially reasonable efforts to terminate the use of the Transition Services as soon as reasonably practicable.
- (d) Seller shall provide relevant Persons, including the Transferring Employees, who are assisting with the provision of the Transition Services with access to such of its premises, equipment, information and personnel, and provide such further assistance, as is reasonably required to facilitate the provision of the Transition Services. Seller shall provide and maintain all necessary precautions and safeguards for the safety of all Persons performing the Transition Services and, at the location where those Persons providing the Transition Services are located, shall not cause or permit to exist an unlawful, hazardous, unsafe, unhealthy, or environmentally unsound condition over which Seller has control.

- (e) Except as expressly provided in this Agreement, Buyer does not provide any representations, warranties, guarantees or conditions of any kind to Seller with respect to the Transition Services to be provided hereunder, whether express or implied, arising from statute, course of dealing, or otherwise, including any representations, warranties, guarantees or conditions of non-infringement, merchantable quality and/or fitness for a particular purpose, all of which are expressly disclaimed.
- (f) The Transition Services are in addition to, and not in substitution for, the covenants and obligations of Buyer and Seller in the Sale Agreement.

## 2.4 Third Party Licenses

Notwithstanding anything in this Agreement to the contrary, Buyer shall not be required to provide any Transition Services in violation of any Legal Requirements, or where a Third Party license or consent would be required for Buyer to provide a particular Transition Service if Buyer is unable to obtain such Third Party license or consent on commercially reasonable terms. Subject to Section 2.2, Buyer shall not be obligated to perform any services which are not specified in Schedule "A".

## **ARTICLE III** **TERMS OF PAYMENT BY SELLER**

### 3.1 Transition Service Fee

- (a) In consideration for the Transition Services provided hereunder, Seller shall pay to Buyer:
  - (i) the fees specified in Schedule "A" hereto (the "**Transition Services Fees**"); and
  - (ii) all reasonable, proper and verifiable out-of-pocket expenses incurred by Buyer and paid to a Third Party in connection with providing the Transition Services, and in addition, any exceptional out-of-pocket expenses incurred by Buyer and paid to a Third Party in the performance of the Transition Services (the "**Transition Services Expenses**"), provided that Buyer has obtained any required consents of Seller for such exceptional out-of-pocket expenses in accordance with Schedule "A".

(Collectively, the Transition Services Fees and the Transition Services Expenses are referred to herein as the "**Transition Services Costs**").

- (b) During the Term, Buyer shall submit (or cause to be submitted) to Seller an invoice for the Transition Services Costs due pursuant to this Agreement, on a monthly basis, not later than the 15<sup>th</sup> day of the month following the month to which such Transition Services Costs relate (each a "**Monthly Invoice**"). Each such Monthly Invoice shall: (i) identify the applicable Transition Services to which the Monthly Invoice relates; (ii) provide summary details of the Transition

Services Costs payable for each such Transition Service; and (iii) specify the total amount payable, and certain taxes as specified in Section 3.1(d) of this Agreement. Each Monthly Invoice shall be due and payable within thirty (30) days from its date of issuance. Upon receiving a request from Seller for further details regarding a Monthly Invoice, Buyer shall promptly provide such information to the extent it is readily available through Buyer's billing system.

- (c) In the event that Seller disputes the amount of any Monthly Invoice or portion thereof, Seller shall: (x) pay the full amount of the disputed invoice in accordance with Section 3.1(b), and (y) send to Buyer a written notice of such dispute within thirty (30) days of the end of the Term. Within five (5) Business Days of Buyer's receipt of such notice, and for a period of ten (10) Business Days (or such longer period as shall be agreed to by Seller and Buyer) thereafter, Buyer shall make available to Seller or its designee, during normal business hours at a location designated by Buyer, and reasonably acceptable to Seller, all documentation in the possession of Buyer reasonably necessary to enable Seller to review the invoice, the data on which it was based and the methods by which amounts due were computed or determined. If, upon completion of Seller's review, Buyer and Seller do not reach an agreement as to the amount of the invoice, then upon written notice of either Party to the other Party, the dispute shall be referred to a nationally-recognized firm of chartered accountants mutually agreed to by the Parties (the "**Independent Accountant**") for a final binding decision as to the correct amount of the disputed invoice (the "**Adjustment**"). If Buyer and Seller are unable to agree upon an Independent Accountant within ten (10) Business Days of notice to refer the dispute as to the amount of the invoice to an Independent Accountant being delivered, Buyer or Seller may apply to a judge of the Court of Queen's Bench of Alberta to appoint an Independent Accountant. If the Independent Accountant determines that an Adjustment is required, then the Adjustment shall be made to the applicable Monthly Invoice. The costs of the Independent Accountant shall be paid in inverse proportion to the degree of success realized by each of Seller and Buyer as determined by the Independent Accountant.
- (d) The Transition Services Fees set forth in Schedule "A" hereof are exclusive of Taxes. Seller shall pay to Buyer the amount of any applicable sales, use or service Tax, value-added Taxes, goods and services Taxes or any other similar Taxes that Buyer may be required to collect because of its performance of the Transition Services under or in connection with this Agreement (except for any Tax imposed on Buyer's net income). Buyer shall identify any such Tax as a separate line item on each Monthly Invoice (unless taxes are required under the law of the relevant jurisdiction to be included in the price). Seller represents that it is registered for purposes of Part IX of the *Excise Tax Act* (Canada).
- (e) Any amount payable hereunder and which is not remitted when due shall remain due (whether on demand or otherwise) and interest will accrue on such overdue amounts at a rate equal to the Prime Rate plus four percent (4%) *per annum* from the date payment is due until the date payment is made.

- (f) Notwithstanding anything to the contrary contained in this Agreement, Buyer will not be obligated to perform the Transition Services or do anything under this Agreement unless Seller is able to demonstrate to the satisfaction of Buyer (acting reasonably and in good faith) that Seller has sufficient funds to pay the Transition Services Costs hereunder. For greater certainty, nothing in this Agreement shall obligate Buyer to make any payment from its own funds in respect of the remaining assets of Seller, or otherwise, for, or on the behalf of, Seller.

### **3.2 Books, Records and Audit**

For the duration of the Term plus any additional time required by the Parties to resolve any open disputes in accordance with Section 3.1(c):

- (a) Buyer will keep, within Alberta, true and correct books, accounts and records relating to the Transition Services, Transition Services Fees and out-of-pocket expenses incurred in connection with the provision of the Transition Services in commercially reasonable detail;
- (b) Buyer will, at all reasonable times, extend to Seller the right to examine and inspect the documentation identified in Section 3.2(a) and make extracts and copies thereof, at its sole cost, risk and expense;
- (c) Buyer will retain all material records held by Buyer pertaining to the Transition Services; and
- (d) Seller, upon reasonable notice in writing to Buyer, shall have the right, at Seller's sole expense, to audit the books, accounts and records of Buyer to the extent necessary to verify the accuracy of the invoice, or any statement, charge or computation or demand made thereunder.

## **ARTICLE IV TERM AND TERMINATION**

### **4.1 Term & Termination**

- (a) This Agreement shall commence on the Closing Date and will remain in full force and effect for a period of one hundred twenty (120) days (the "**Term**") unless otherwise earlier terminated in accordance with the terms hereof or extended by agreement of the Parties.
- (b) Subject to any outstanding or surviving obligations under Section 4.4, this Agreement and the obligations of Buyer under this Agreement to provide Transition Services, will automatically terminate at the end of the Term.

### **4.2 Termination for Material Breach**

- (a) Subject to Section 4.2(b) and 4.2(c), either Party may terminate this Agreement at any time upon prior written notice to the other Party (the "**Breaching Party**") if

the Breaching Party has failed, other than pursuant to Section 5.1, to perform any of its material obligations under this Agreement, and such failure shall have continued without cure for a period of seven (7) days after receipt by the Breaching Party of a written notice of such failure.

- (b) Buyer may terminate this Agreement immediately on written notice to Seller if Seller has failed to make any payment with respect to the Transition Services Costs as set out in Article III, provided that such failure to pay is not cured within seven (7) days after notice thereof to Seller.
- (c) For greater certainty, Buyer shall not be in breach of its obligations under this Agreement for failing to perform the Transition Services if Seller has not paid the Transition Services Costs, as further set out in Section 3.1(f).

#### **4.3 Termination for Convenience**

- (a) Seller shall have the right to terminate this Agreement or all or any of the Transition Services by providing ten (10) Business Days written notice to the other Party on which date, subject to Sections 4.3(b) and 4.4, the obligations contained in this Agreement, or the obligations pertaining to the terminated Transition Services, as the case may be, between the Parties shall cease.
- (b) If Seller terminates this Agreement or all or any of the Transition Services pursuant to Section 4.3(a), Seller shall remain liable for the applicable Transition Services Costs accrued up to and including the date of termination. Seller shall not be entitled to reimbursement from Buyer for any Transition Services Costs paid for Transition Services which have not yet been performed by Buyer as of the date of termination of this Agreement.

#### **4.4 Survival**

Notwithstanding anything to the contrary contained in this Agreement, the provisions of Article I, Article VI, Article VII and Article X shall survive expiration or termination of this Agreement for any reason.

### **ARTICLE V** **FORCE MAJEURE**

#### **5.1 Force Majeure**

- (a) If a Party is rendered unable, wholly or in part, by Force Majeure (as hereafter defined below) to timely carry out its obligations under this Agreement, other than obligations to make money payments when due hereunder, that Party shall give the other Party prompt written notice of the Force Majeure with reasonably full particulars, and the obligations of the Party giving notice, so far as they are affected by Force Majeure, shall be suspended during, but no longer than, the continuance of the Force Majeure. The affected Party shall use commercially reasonable efforts to remove the effects of the Force Majeure and shall resume

performance as promptly as practicable following resolution of the Force Majeure event. The requirement that any Force Majeure shall be remedied with commercially reasonable efforts shall not require the settlement of strikes, lockouts, or other labour difficulty by the Party involved, and the handling of such difficulties shall be entirely within the discretion of the Party concerned.

- (b) The term "**Force Majeure**" for purposes of this Agreement means an act of God, strike, lockout, or other industrial disturbance, act of the public enemy, war, blockade, public riot, lightning, fire, storm, flood, explosion, governmental action, governmental delay, restraint or inaction, unavailability of equipment, and any other cause, whether of the kind specifically enumerated above or otherwise, which is not reasonably within the control of the Party that is unable, wholly or in part, to timely carry out any obligations under this Agreement.

## **ARTICLE VI**

### **PERSONAL INFORMATION AND CONFIDENTIALITY**

#### **6.1 Confidential Information**

- (a) Each Party (the "**Receiving Party**") shall keep in the strictest confidence and shall not, directly or indirectly, disclose any plans, trade secrets, business arrangements, employee information and other information of the other Party or its Affiliates (the "**Disclosing Party**") which is disclosed to the Receiving Party, or which the Receiving Party has access to, pursuant to or resulting from this Agreement (the "**Confidential Information**") without the prior written consent of Disclosing Party other than disclosure of such Confidential Information during the Term to its Representatives who need to know such information for the purpose of the Receiving Party performing its obligations hereunder; provided, however, that the Receiving Party shall cause such employees, agents, representatives and advisors to comply with the terms of this Article VI and shall be responsible for any breach thereof.
- (b) The Receiving Party may use the Confidential Information solely for the purpose of performing its obligations hereunder. The Receiving Party shall not make any other use, in whole or in part, of the Confidential Information without the prior written consent of the Disclosing Party.
- (c) Notwithstanding the foregoing provisions of this Article VI, the obligation to keep in the strictest confidence and not, directly or indirectly, disclose any Confidential Information will not apply to the extent that such Confidential Information is:
  - (i) required to be disclosed pursuant to the Legal Requirements;
  - (ii) required to be disclosed in any valuation, arbitration or legal proceeding arising under or in connection with this Agreement; or
  - (iii) required in connection with governmental or other applicable filings relating to the transactions hereunder or order of a court or governmental

authority of competent jurisdiction requiring the disclosure of such information,

provided that, in such case, unless the Disclosing Party otherwise agrees, the Receiving Party:

- (iv) shall first provide the Disclosing Party with prompt notice of such request or requirement (unless such notice is prohibited by the Legal Requirements) in order to enable the Disclosing Party to seek an appropriate protective order or other remedy;
  - (v) shall assist the Disclosing Party as may reasonably be required in connection with any action by the Disclosing Party to seek such a protective order or other remedy;
  - (vi) shall, if the Disclosing Party is unable to obtain such protective order or other remedy, disclose only the portion of the Confidential Information that is legally required to be disclosed; and
  - (vii) shall at all times use reasonable commercial efforts to ensure that the disclosure will be afforded confidential treatment to the fullest extent possible.
- (d) The term "**Confidential Information**" does not include information that:
- (i) is or was independently developed or acquired by the Receiving Party or its employees, representatives and advisors without the benefit of Confidential Information;
  - (ii) is publicly available, other than as a result of a disclosure in contravention of this Agreement (except that where any part of such information is publicly available, but a compilation of information which includes such part is not publicly available, then such compilation will not be treated as being publicly available and will be treated as Confidential Information hereunder); or
  - (iii) is made available to the Receiving Party or its employees, representatives and advisors on a non-confidential basis from a Third Party who is not subject to confidentiality obligations with respect to, and expressly represents that it has the right to disseminate, such information.
- (e) Notwithstanding any disclosure of any Confidential Information as permitted by Article VI of this Agreement, the Confidential Information so disclosed will, for all other purposes, continue to be treated as Confidential Information under this Agreement.



- (f) Each Party acknowledges and agrees that a breach of this Article VI would cause irreparable damage and any such breach shall entitle the Disclosing Party to an injunction or restraining order.

**ARTICLE VII**  
**INDEMNITY**

**7.1 Buyer's Liability and Indemnities**

Notwithstanding and without limiting any of the indemnification provisions in the Sale Agreement, and subject to Sections 7.2 and 7.3, Buyer shall:

- (a) be liable to Seller for all Liabilities suffered, sustained, paid or incurred by Seller or Seller's Representatives; and
- (b) indemnify and save Seller and Seller's Representatives harmless from and against all Liabilities that may be brought against them or which they may otherwise suffer, sustain, pay or incur;

insofar as such Liabilities are a result of any act, omission, circumstance or other matter arising out of, resulting from, attributable to, or connected with the Gross Negligence or Wilful Misconduct of Buyer or any of Buyer's Representatives.

**7.2 Seller's Liability and Indemnities**

Notwithstanding and without limiting any of the indemnification provisions in the Sale Agreement, and subject to Section 7.1 and 7.3, Seller shall:

- (a) be liable to Buyer for all Liabilities suffered, sustained, paid or incurred by Buyer or Buyer's Representatives; and
- (b) indemnify and save Buyer and Buyer's Representatives harmless from and against all Liabilities that may be brought against them or which they may otherwise suffer, sustain, pay or incur;

insofar as such Liabilities are a result of any act, omission, circumstance or other matter arising out of, resulting from, attributable to, or connected with: (i) the breach of this Agreement by Seller; or (ii) the provision of the Transition Services by Buyer in accordance with the terms hereof; provided always that Seller shall not be liable to or be required to indemnify and save harmless Buyer nor Buyer's Representatives pursuant to this Section 7.2 in respect of any Liabilities to the extent that they are directly caused by or directly result from the Gross Negligence or Wilful Misconduct of Buyer or any of Buyer's Representatives.

**7.3 Limitation of Remedies**

Notwithstanding anything to the contrary herein neither Party shall bear any liability for any indirect or consequential loss or damage incurred by the other Party, including claims for loss of

use, loss of revenue, loss of products or loss of profits, except as are successfully claimed by a Third Party. The Parties acknowledge that the limitations contained in this Section 7.3 are reasonable in scope and that the terms and conditions of this Agreement have been negotiated taking into account such limitations.

**ARTICLE VIII**  
**INDEPENDENT CONTRACTOR**

**8.1 Independent Contractor**

In performing the Transition Services hereunder, Buyer shall operate as and have the status of independent contractor. No Party's employees shall be considered employees or agents of another Party, nor shall the employees of any Party be eligible or entitled to any benefits, perquisites or privileges given or extended to another Party's employees. Nothing contained in this Agreement shall be deemed or construed to create a joint venture or partnership between any of the Parties. No Party shall have any power to control the activities and/or operations of another Party. No Party shall have any power or authority to bind or commit any other Party.

**ARTICLE IX**  
**NOTICES**

**9.1 Notices**

All notices or other communications given pursuant to this Agreement shall be in writing and shall be either delivered by hand or by electronic mail addressed as follows:

If to Seller, then to:                   **Quicksilver Resources Canada Inc.**

125, 9<sup>th</sup> Avenue SE  
Calgary, Alberta T2G 0P6

Attention:     J. David Rushford  
E-mail:         [drushford@qrci.ca](mailto:drushford@qrci.ca)

If to Buyer, then to:                   **CPC Resources ULC**

Sun Life Plaza West Tower  
Suite 1600, 144 – 4th Ave SW  
Calgary, AB T2P 3N4

Attention:     Kevin Watson  
Email:         [kevinw@centralresources.com](mailto:kevinw@centralresources.com)

- (a) Any notice or other communication shall conclusively be deemed to have been given and received on the date on which it was delivered or sent if delivered or sent during normal business hours on a Business Day, and if delivered after normal business hours or on other than a Business Day, shall be deemed to have

been given or sent on the next following Business Day. Any party hereto may change its address for notices or other communications by giving notice thereof to the other parties to this Agreement in accordance with this Section.

- (b) A Party may change its address for service by notice to the other Party, and such changed address for service thereafter shall be effective for all purposes of this Agreement.

## **ARTICLE X**

### **MISCELLANEOUS PROVISIONS**

#### **10.1 Schedules**

This Agreement and the Schedule "A" hereto constitute the entire agreement between the Parties and supersede all prior agreements, representations, warranties, statements, promises, information, arrangements and understandings, whether oral or written, express or implied, with respect to the subject matter hereof.

#### **10.2 Waiver**

A waiver of any default, breach or non-compliance under this Agreement is not effective unless it is in writing and signed by the Party to be bound by the waiver. No waiver will be inferred from or implied by any failure to act or delay in acting by a Party in respect of any default, breach or non-compliance or by anything done or omitted to be done by that Party. The waiver by a Party of any default, breach or non-compliance under this Agreement will not operate as a waiver of that Party's rights under this Agreement in respect of any continuing or subsequent default, breach or non-compliance, whether of the same or any other nature.

#### **10.3 Governing Law**

This Agreement shall be construed and enforced in accordance with the laws of the Province of Alberta and the laws of Canada applicable therein.

#### **10.4 Severability**

Any provision of this Agreement that is prohibited or unenforceable in any jurisdiction will, as to that jurisdiction, be ineffective to the extent of such prohibition or unenforceability and will be severed from the balance of this Agreement, all without affecting the remaining provisions of this Agreement or affecting the validity or enforceability of such provision in any other jurisdiction.

#### **10.5 Time of Essence**

Time shall be of the essence of this Agreement.

#### **10.6 Further Assurances**

Each Party shall promptly do, execute and deliver or cause to be done, executed and delivered all further acts, documents and things in connection with this Agreement that any other Party may reasonably require for the purpose of giving effect to this Agreement.

#### **10.7 Benefit/Binding**

This Agreement will enure to the benefit of and be binding on the Parties and their respective successors and permitted assigns. Nothing herein, express or implied, is intended to confer upon any Person, other than the Parties and their respective successors and permitted assigns, any rights, remedies, obligations or liabilities under or by reason of this Agreement.

#### **10.8 Assignment**

The rights and obligations of a Party hereunder will not be assignable without the prior written consent of the other Party, such consent not to be unreasonably withheld.

#### **10.9 Remedies Cumulative**

The rights and remedies of the Parties under this Agreement are cumulative and in addition and without prejudice to and not in substitution for any rights or remedies provided by law. Any single or partial exercise by any Party of any right or remedy for default or breach of any term, covenant or condition of this Agreement does not waive, alter, affect or prejudice any other right or remedy to which such Party may be lawfully entitled for the same default or breach.

#### **10.10 Counterparts**

This Agreement may be executed by facsimile or PDF and in two or more counterparts, each of which will be deemed an original and all of which will constitute one and the same instrument.

#### **10.11 Expenses**

Except as otherwise expressly stated in this Agreement, each of the Parties will be responsible for their respective legal, accounting and other professional fees in connection with this Agreement and the transactions contemplated hereby, including fees and disbursements of their respective agents and advisors.

#### **10.12 Amendments**

No modification or amendment to this Agreement may be made unless agreed to by all the Parties in writing.

*The remainder of this page is intentionally left blank.*

**IN WITNESS WHEREOF**, the Parties have caused this Agreement to be executed and delivered by their duly authorized representatives, all as of the Closing Date.

**QUICKSILVER RESOURCES CANADA  
INC.**

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

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

**CPC RESOURCES ULC**

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

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

## **SCHEDULE "A"**

### **TRANSITION SERVICES AND TRANSITION SERVICES FEES**

#### **I. TRANSITION SERVICES**

At the direction and instruction of Seller, Buyer personnel will provide labour and labour-related services in connection with the following activities; provided in each case that nothing herein shall obligate any Buyer personnel to commit more than an aggregate of 15% (determined on a monthly basis) of such person's regular-time employment with Buyer to the performance of such services:

##### Accounting and Financial Services:

- Assistance with monthly, quarterly and annual financial accounting
- Assistance with closing out books of QRCI (and its Affiliates, if and where applicable)
- Provide support for ongoing audits related to closing out QRCI (and its Affiliates, if and where applicable)
- Assistance in general accounting services in areas such as revenue recording, accounts receivable, accounts payable, production accounting, journal entries and set-up, etc.
- Assistance in preparation of final tax submissions of QRCI (and its Affiliates, if and where applicable)
- Director and officer questionnaires
- General and specific Sarbanes-Oxley certifications
- Internal control testing information
- Financial reporting information

#### **II. TRANSITION SERVICES COSTS AND FEES**

##### **A. REIMBURSABLE COSTS**

As provided for in Article III of this Agreement, Seller shall pay Buyer for all actual documented, reasonable and properly incurred out-of-pocket costs and expenses paid to any Third Party in relation to the provision of Transition Services, provided that:

(i) in no event will Buyer be obligated to incur any out-of-pocket costs and expenses if Seller has not provided to Buyer evidence of sufficient funds to pay the costs thereof as further set out in Section 3.1(f); and

(ii) except in case of emergencies relating to health, safety or the environment, Buyer shall not incur or pay any such cost or expense in excess of one thousand Canadian dollars (CAD\$1,000) individually for which Seller would be responsible, without Seller's prior written consent.

**B. TRANSITION SERVICES FEES**

In accordance with Article III of this Agreement, Seller shall pay the following amounts to Buyer as consideration for the provision by Buyer of the Transition Services, in respect of each staff member who provided Transition Services in a month, the mathematical sum of:

(a) Hourly Rate: the particular staff member's monthly salary, divided by one hundred fifty (150), multiplied by the hours or fraction thereof worked by that staff member in the month in providing the particular Transition Service; plus

(b) Benefits and Overhead: fifty percent (50%) of the amount determined pursuant to subparagraph (a), to cover all of Buyer's indirect expenses including overhead and benefits.