



COURT FILE NUMBER 1401-02489  
COURT COURT OF QUEEN'S BENCH OF ALBERTA  
JUDICIAL CENTRE CALGARY  
APPLICANT NATIONAL BANK OF CANADA  
RESPONDENTS COAST RESOURCES LTD., 101033165  
SASKATCHEWAN LTD., VIEWFIELD OIL &  
GAS LTD. and COAST SERVICES INC.  
DOCUMENT FIRST REPORT OF FTI CONSULTING  
CANADA INC., IN ITS CAPACITY AS  
COURT APPOINTED RECEIVER AND  
MANAGER OF COAST RESOURCES LTD.,  
101033165 SASKATCHEWAN LTD.,  
VIEWFIELD OIL & GAS LTD. and COAST  
SERVICES INC.

December 18, 2014

ADDRESS FOR SERVICE AND  
CONTACT INFORMATION OF  
PARTY FILING THIS  
DOCUMENT

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## INTRODUCTION

1. On March 6, 2014 (the “**Date of Appointment**”), FTI Consulting Canada Inc. was appointed as receiver and manager (the “**Receiver**”) of all the assets, undertakings and properties (the “**Property**”) of Coast Resources Ltd. (“**Coast Resources**”), 101033165 Saskatchewan Ltd. (“**1010**”), Viewfield Oil & Gas Ltd. (“**Viewfield**”) and Coast Services Inc. (“**Coast Services**”, and collectively with Coast Resources, 1010 and Viewfield, the “**Companies**”) pursuant to an Order of this Honourable Court (the “**Receivership Order**”).
2. The Receivership Order authorized the Receiver, among other things, to carry on the business of the Companies, to market and solicit offers to purchase the Assets (as defined below) of the Companies, and to make such arrangements or agreements as deemed necessary by the Receiver.
3. The Receiver’s reports and other information in respect of these proceedings (the “**Receivership Proceedings**”) are posted on the Receiver’s website at <http://cfcanada.fticonsulting.com/coastresources/>.
4. The purpose of this report (this “**First Report**”) is to inform the Court as to the following:
  - (a) The status of various aspects of the Receivership Proceedings;
  - (b) The Receiver’s receipts and disbursements from the Date of Appointment to December 17, 2014;
  - (c) The Receiver’s summary and comments on the marketing efforts to solicit offers for the purchase of the Assets (as defined below);
  - (d) The details of the offers that have been received as result of these efforts, and the sale agreements that have been negotiated;

- (e) The details of the charges, security interests, encumbrances and liens registered against the Property; and
  - (f) The Receiver's proposed interim distribution of funds arising from the sales of the Assets.
5. The Receiver is requesting the following relief from this Honourable Court:
- (a) Approval of the activities of the Receiver since the Date of Appointment including its receipts and disbursements;
  - (b) Approval of the NBRI APS and the Crescent Point APS (each as defined below); and
  - (c) Approval to make the interim distributions (the “**Interim Distributions**”) as recommended herein.

## **TERMS OF REFERENCE**

6. In preparing this First Report, the Receiver has relied upon unaudited financial information, other information available to the Receiver and, where appropriate, the Companies' books and records and discussions with various parties (collectively, the “**Information**”).
7. Except as described in this First Report:
- (a) The Receiver has not audited, reviewed or otherwise attempted to verify the accuracy or completeness of the Information in a manner that would comply with Generally Accepted Assurance Standards pursuant to the Canadian Institute of Chartered Accountants Handbook; and

- (b) The Receiver has not examined or reviewed financial forecasts and projections referred to in this First Report in a manner that would comply with the procedures described in the Canadian Institute of Chartered Accountants Handbook.
8. Future oriented financial information reported or relied on in preparing this First Report is based on assumptions regarding future events; actual results may vary from forecasts and such variations may be material.
9. The Receiver has prepared this First Report in connection with the Receiver's Notice of Application dated December 18, 2014. This First Report should not be relied on for other purposes.
10. Information and advice described in this First Report that has been provided to the Receiver by its counsel, McDougall Gauley LLP (the "**Receiver's Counsel**"), and that has been provided to the Receiver to assist it in considering its course of action, is not intended as legal or other advice to, and may not be relied upon by, any other person.
11. Unless otherwise stated, all monetary amounts contained herein are expressed in Canadian Dollars.

## **BACKGROUND**

12. Each of the Companies is a private entity incorporated under the laws of the Province of Saskatchewan and was established to invest in and operate oil and gas properties in Saskatchewan. The operations of the Companies include the following three core oil and gas exploration and production areas (collectively, the "**Assets**"):

- (a) Coast Resources, Viewfield, and Coast Services hold various working interests in petroleum and natural gas leases on an operated and non-operated heavy oil property located near Luseland, Saskatchewan (the “**Luseland Property**”);
  - (b) 1010 holds various working interests in petroleum and natural gas leases on an operated heavy oil property in southeastern Saskatchewan (the “**Glen Ewen Property**”); and
  - (c) Coast Resources, Viewfield, and Coast Services hold various working interests in petroleum and natural gas leases in an undeveloped property located in eastern Saskatchewan (the “**Hoosier Property**”).
13. Prior to the Receivership Proceedings the Companies experienced various financial challenges due to a decline in production, a substantial increase in the operating expenses associated with the Assets, and losses on hedging contracts entered into by the Companies’ management.
14. The Companies’ unaudited consolidated financial statements as at September 30, 2013 indicated the following:
- (a) book value of property and equipment of approximately \$9.6 million;
  - (b) indebtedness of approximately \$5.1 million owed to National Bank of Canada (“**National Bank**”). The Companies have a demand loan and revolving facility with National Bank. National Bank is the largest creditor of the Companies; and
  - (c) \$2.4 million of accounts payable and accrued liabilities.

15. Various directors of the Companies resigned immediately prior to the Date of Appointment as described in the Affidavit of Karen Koury sworn March 6, 2014 (the “**Koury Affidavit**”).
16. At the Date of Appointment the Luseland Property was producing approximately 73 barrels of oil equivalent per day and the Glen Ewen Property was producing approximately 12 barrels of oil equivalent per day.

## **RECEIVER’S ACTIVITIES SINCE THE DATE OF APPOINTMENT**

### **CUSTODY AND CONTROL**

17. On March 7, 2014, the Receiver met with all of the remaining employees of the Companies at their head office in Regina, Saskatchewan to present a copy of the Receivership Order and explain the current situation. The Receiver indicated its intent to continue the operations of the Companies in order to facilitate a sale of the Assets to maximize the return for all stakeholders.
18. On March 7, 2014, in accordance with the Receivership Order, the Receiver froze the Companies’ bank accounts and transferred the remaining funds to the Receiver’s account at National Bank.

### **INSURANCE**

19. The Receiver contacted the Companies’ insurance provider, Gallagher Energy Risk Services, to amend the Companies’ existing insurance policies to reflect the Receiver’s interest in the Assets, to review the adequacy of the insurance and to discuss the current status of the insurance coverage.
20. The Companies’ insurance policy was set to expire on July 15, 2014. The Receiver subsequently extended the policy by three month terms on two separate occasions. The current policy will expire on January 15, 2015 and the Receiver will extend the policy for an additional three month term in the ordinary course.

## **EMPLOYEES**

21. At the Date of Appointment the Companies employed three employees (the “**Employees**”). The services of the Employees were deemed necessary to assist the Receiver through the Receivership Proceedings, and each agreed to continue his or her employment under the existing terms.
22. The Employees agreed to assist the Receiver with the operations of the Companies, to maintain the books and records, and to assist with the marketing process. The Employees retained by the Receiver were the Companies’ controller, the vice-president of operations, and the office assistant / accountant. Additionally, the president of the Companies agreed to assist the Receiver on an as-needed basis.
23. As at the date of this First Report, two of the Employees have resigned from their positions with the Companies. Only the office assistant / accountant remains.

## **OFFICE LEASE AGREEMENT**

24. At the Date of Appointment the Companies were leasing their head office space located in Regina, Saskatchewan. The Receiver made arrangements with the landlord to continue leasing the space on a month to month basis.

## **STATUTORY COMPLIANCE**

25. On March 10, 2014, the Receiver mailed its notice and statement of affairs in accordance with subsection 245(1) and 246(1) of the *Bankruptcy and Insolvency Act* to the Superintendent of Bankruptcy and to all known creditors of the Companies.

26. The Receiver established a website at the following URL coordinates, <http://cfcanada.fticonsulting.com/coastresources/> (the “**Receiver’s Website**”), where it has posted periodic updates on the progress of the Receivership Proceedings, material filed in connection with the Receivership Proceedings and other relevant information.
27. The Receiver notified Canada Revenue Agency (“**CRA**”) of the Receiver’s appointment and established new remittance accounts for the goods and sales tax (“**GST**”) and employee source deduction obligations arising subsequent to the Date of Appointment.

### **OPERATIONAL REVIEW**

28. On March 6, 2014, the Receiver met with the Companies’ vice-president of operations to discuss the current status of the Companies’ operations, urgent operational issues that required immediate attention and discretionary work-overs that may potentially increase production prior to commencing a sales process.
29. The Receiver, with the assistance of the Employees, assembled a list of critical suppliers to contact to ensure the continuation of services throughout the Receivership Proceedings. The Receiver successfully made arrangements with these critical suppliers and consequently the Companies’ operations have proceeded with minimal disruption.
30. The Receiver contacted the Companies’ field operators to discuss their continued involvement in operating the Assets. All required field operators agreed to work for the Companies under the terms that existed prior to the Date of Appointment.



31. The Receiver has continued to operate the Assets since the Date of Appointment without any material changes. During this time the Receiver worked with the Employees and instituted minor work-overs and maintenance programs which had been neglected prior to the Date of Appointment due to limited cash flow, in order to increase production and maximize the potential recoveries for stakeholders.
32. In order to complete the foregoing, the Receiver has drawn \$250,000 on the Receiver Certificate in accordance with the terms of the Receivership Order. None of that amount has been repaid to date.

### **SUMMARY OF RECEIPTS AND DISBURSEMENT**

33. Receipts and Disbursements from the Date of Appointment to December 17, 2014 are summarized as follows:

Schedule of Receipts and Disbursements		Notes
Receipts		
Oil and Gas Revenue	2,288,558	a
Receiver Certificate	250,000	b
GST Collected	110,484	
Bank Account Transfer	20,000	c
Other Receipts	20,262	d
<b>Total - Receipts</b>	<b>2,689,304</b>	
Disbursements		
Operating Expenses	1,621,887	e
Royalty and Lease Payments	504,037	f
Employee Costs	203,115	g
Bank Charges	127,875	h
GST/PST Paid	92,345	
Legal Fees	30,299	i
Other Professional Fees	26,464	j
Rent and Utilities	22,733	
GST Remitted	21,943	
Insurance	8,829	
Other Disbursements	7,342	k
<b>Total - Disbursements</b>	<b>2,666,869</b>	
<b>Net Cash on Hand</b>	<b>22,435</b>	

- (a) Oil and Gas Revenue – revenue collected by the Receiver in respect of the sale of oil and gas from the Assets;
- (b) Receiver Certificate – amounts borrowed from National Bank under terms of the Receivership Order;
- (c) Bank Account Transfer – funds transferred from Coast Resources’ and 1010’s bank accounts to the Receiver’s bank account in accordance with the Receivership Order;
- (d) Other Receipts – receipts from joint venture partners, GST refunds and other miscellaneous collections;

- (e) Operating expenses – operating expenses relating to the Assets;
  - (f) Royalty and Lease Payments – amounts disbursed in respect of the Companies’ petroleum and natural gas leases;
  - (g) Employee Costs – amounts disbursed by the Receiver relating to payroll and employee deductions and consultants;
  - (h) Bank Charges – amounts disbursed in respect of interest on amounts borrowed under the Receiver Certificate, wire payment fees, overdraft and interest in respect of the Companies’ pre-receivership accounts and other miscellaneous charges;
  - (i) Legal Fees – Legal fees and disbursements in respect of the Receivership Proceedings;
  - (j) Other Professional Fees – pre-receivership fees and disbursements relating to advisory services pursuant to National Bank’s credit agreement; and
  - (k) Other Miscellaneous Expenses – amounts disbursed including filing fees paid to the Official Receiver, off-site storage and employee benefits.
34. As at December 17, 2014, the Receiver holds \$22,435 in cash on hand.

## **MARKETING PROCESS AND OFFERS TO PURCHASE**

### **LUSELAND MARKETING PROCESS**

35. The Receiver, in consultation with National Bank, determined that a selling agent should be retained to assist with the marketing of the Assets to maximize the return for the stakeholders.

36. Prior to the Date of Appointment the Companies had engaged Sayer Energy Advisors (“**Sayer**”) to market the Luseland Property (the “**Luseland Marketing Process**”). The Luseland Marketing Process commenced on February 14, 2014 and contemplated a bid deadline of March 20, 2014.
37. Given that Sayer had previously been engaged by the Companies and had knowledge of certain of the Assets, the Receiver, in consultation with National Bank, determined that Sayer would be the most effective agent to continue marketing the Luseland Property as Sayer had:
- (a) familiarity with certain of the Assets, as a result of having gathered data and drafted marketing materials;
  - (b) general experience and industry knowledge; and
  - (c) the ability to continue the marketing process that had already commenced.
38. After discussions with Sayer, the Receiver was confident that the Luseland Marketing Process had openly and effectively marketed the Luseland Property prior to the Date of Appointment. A summary of the Luseland Marketing Process is as follows:
- (a) Public marketing commenced on February 14, 2014. An information brochure was mailed to approximately 1,500 industry contacts and a copy of the information brochure along with corresponding summary information was placed on the Sayer website;
  - (b) On February 20, 2014 an advertisement was placed in the Daily Oil Bulletin and a data room containing well files and a seismic workstation was set up at Sayer’s office;
  - (c) There was a March 20, 2014 bid deadline for offers to be submitted in the form of non-binding letters of intent; and

- (d) Fourteen confidentiality agreements (“**CAs**”) were signed prior to the bid deadline on March 20, 2014. Three additional CAs were signed subsequent to March 20, 2014.
39. Sayer notified various interested parties of the Receivership Proceedings via email and instructed them to submit their offers in accordance with the Luseland Marketing Process by March 20, 2014.
40. On March 20, 2014, Sayer advised the Receiver that three offers had been received by the bid deadline.
41. After contemplating the offers received, having discussions with the Companies and National Bank, and receiving feedback from the interested parties, the Receiver determined that given the production declines (that had occurred in advance of the Luseland Marketing Process bid deadline) improved offers may be received by (i) implementing operational improvements, (ii) refreshing the Luseland Marketing Process, and (iii) initiating a full marketing process for the Hoosier Property and the Glen Ewen Property to maximize the return for all stakeholders.
42. The Receiver instituted a work-over plan at the Luseland Property in order to stabilize and return production that had declined prior to the Date of Appointment. That decline was due to operational issues and neglected routine maintenance as a result of working capital issues. The work-overs were completed in the first and second weeks of April, 2014 and a new bid deadline was set for June 19, 2014 (the “**Refreshed Marketing Process**”).
43. For the period of April to September 2014, oil and gas production from the Luseland Property averaged approximately 140 barrels of oil equivalent per day.
44. With respect to the Refreshed Marketing Process:

- (a) On June 5, 2014, Sayer provided the 17 entities which had signed CAs as part of the Luseland Marketing Process with a summary of the maintenance operations and work-overs and updated production information, and informed them of the revised bid deadline.
  - (b) Three entities submitted non-binding letters of intent, all of which were subject to standard due diligence.
45. After the due diligence period the Receiver selected Northern Blizzard Resources Inc. (“**NBRI**”) to move forward with an offer to purchase the Luseland Property.

#### **NORTHERN BLIZZARD OFFER TO PURCHASE**

46. On September 9, 2014, NBRI submitted a non-binding offer to purchase the Luseland Property. The Receiver, in conjunction with the Receiver’s Counsel, has negotiated an agreement of purchase and sale with NBRI (the “**NBRI APS**”). A signed copy of the NBRI APS is attached hereto as Appendix A. A summary of the key terms of the NBRI APS is as follows:
- (a) Purchase Price – \$1,960,000 excluding GST;
  - (b) Effective date – July 1, 2014;
  - (c) Subject to approval of, and the granting of a vesting Order by, this Honourable Court, and, if required, a vesting Order by the Court of Queen’s Bench for Saskatchewan. The NBRI APS has no other closing conditions that have not been satisfied or that will not be satisfied at closing;
  - (d) Closing date – 1 business day following the granting of the vesting Order or Orders;

- (e) Purchase Price payable in full at closing; and
- (f) The NBRI APS can be terminated by either party if closing does not occur prior to January 31, 2015.

### **REMAINING ASSET MARKETING PROCESS**

47. The Hoosier Property and the Glen Ewen Property were marketed concurrently with the Refreshed Marketing Process (the “**Remaining Assets Marketing Process**”). A summary of the Remaining Assets Marketing Process is as follows:

- (a) Public marketing commenced on May 27, 2014. An information brochure was mailed to approximately 1,500 contacts and a copy of the information brochure along with other summary information respecting each of the Hoosier Property and the Glen Ewen Property was placed on the Sayer website and the Receiver’s Website;
- (b) On June 4, 2014, an advertisement was placed in the Daily Oil Bulletin and a data room was opened;
- (c) Throughout the marketing period, Sayer had discussions with a number of entities who appeared to be interested in the Hoosier Property or the Glen Ewen Property;
- (d) A total of 27 CAs were signed during the Remaining Assets Marketing Process and 9 entities submitted a total of 11 offers;
- (e) After the due diligence period the Receiver negotiated an offer to purchase with Crescent Point Resources Partnership (“**Crescent Point**”) in respect of the Glen Ewen Property; and

- (f) At the date of this First Report the Receiver has not negotiated an agreement of purchase and sale for the Hoosier Property (as described below).

### **CRESCENT POINT OFFER TO PURCHASE**

48. On June 26, 2014, Crescent Point submitted a non-binding offer to purchase the Glen Ewen Property. The Receiver, in conjunction with the Receiver's Counsel, has negotiated an agreement of purchase and sale with Crescent Point (the "**Crescent Point APS**"). A signed copy of the Crescent Point APS is attached hereto as Appendix B. A summary of the key terms of the Crescent Point APS is as follows:

- (a) Purchase Price – \$3,200,000 excluding GST;
- (b) Effective date – July 1, 2014;
- (c) Subject to approval of, and the granting of a vesting Order by, this Honourable Court and, if required, a vesting Order by the Court of Queen's Bench for Saskatchewan. The Crescent Point APS has no other closing conditions that have not been satisfied or that will not be satisfied at closing.
- (d) Closing date – 3 business days following the granting of the vesting Order or Orders;
- (e) Purchase price due in full at closing; and
- (f) Subject to a reduction to the Purchase Price if the transaction does not close by January 31, 2015.



## **HOOSIER PROPERTY**

49. A number of offers were received for the Hoosier Property through the Remaining Asset Marketing Process. The Receiver was in the process of finalizing a purchase and sale agreement with one entity, however the prospective purchaser recently advised the Receiver that it was not willing to proceed with the transaction at this time.
50. Accordingly, on December 16, 2014, the Receiver instructed Sayer to contact parties that expressed interest in the Hoosier Property during the Remaining Asset Marketing Process to determine if any of the parties would be willing to move forward with an agreement of purchase and sale.
51. As previously indicated in this First Report, the Hoosier Property is a non-producing property with no significant liabilities associated with it. However, there is a reclamation liability associated with an abandoned well on the Hoosier Property. In order for the Receiver to be able to transfer the applicable well licenses required to close the Transactions under the NBRI APS and the Crescent Point APS the Receiver will be required to pay a deposit of \$22,200 to the Saskatchewan Ministry of the Economy (“SME”) in respect of this reclamation liability.

## **RECEIVER’S ANALYSIS OF THE OFFERS TO PURCHASE**

52. The Receiver has concluded that the NBRI APS and the Crescent Point APS (collectively, the “**Transactions**”) represent the greatest recovery available in the present circumstances for all stakeholders based on the following:
  - (a) The Assets have been adequately exposed to the market through the Luseland Marketing Process, the Refreshed Marketing Process and the Remaining Assets Marketing Process;

- (b) The Transactions represent the best realizable value that could reasonably be obtained for the Assets (excluding the Hoosier Property); and
- (c) National Bank, the Companies' largest secured creditor, supports the Receiver completing the Transactions.

### **ASSIGNMENT OF FEDIRKO HOLDINGS INC. INTERESTS**

- 53. Fedirko Holdings Inc. ("**FHI**") is a body corporate having its registered office in Regina, Saskatchewan. FHI holds various working interests (the "**FHI Working Interests**") in the Companies' petroleum and natural gas leases in the Luseland Property and the Hoosier Property. The principal of FHI is the Companies' former vice-president of operations.
- 54. At the Date of Appointment FHI was indebted to one or more of the Companies in the amount of approximately \$1.2 million as a result of joint venture billings from the Companies related to drilling and operating expenses (the "**FHI Indebtedness**").
- 55. The FHI Working Interests were included (by the proposed purchasers) in various offers to purchase the Luseland Property and the Hoosier Property. Therefore, the Receiver required the FHI Working Interests in order to accept the offers and complete these Transactions. FHI agreed to sell and assign the FHI Working Interests to the Receiver for the amount of the FHI Indebtedness (and in satisfaction of the FHI Indebtedness). The Receiver and FHI entered into an assignment agreement effective October 21, 2014 (the "**Assignment Agreement**").
- 56. In conjunction with the Assignment Agreement, FHI provided a statutory declaration confirming that the only assets owned by FHI were the FHI Working Interests.

57. The Receiver viewed the FHI Indebtedness as being uncollectible as FHI has no assets other than the FHI Working Interests. The Receiver concluded that the satisfaction of the FHI Indebtedness in return for the assignment of the FHI Working Interests was and is a reasonable compromise (and one that was required to facilitate the Transactions).

### **LANE LAND INTERESTS**

58. Lane Land Services Ltd. ("**Lane Land**") holds a number of Crown Leases as agent for Coast Resources and 1010 (the "**Lane Land Interests**") as follows:

- (a) Luseland Property: PN64590, PN64589, PN65090 and PN66247; and
- (b) Glen Ewen Property: PN63315, PN66528, PN64252 and PN64253.

59. Lane Land has executed transfers of the Lane Land Interests in favour of the purchasers, which transfers are being held by the Receiver's Counsel until closing of the respective Transactions.

### **RIGHT OF FIRST REFUSAL**

60. Crown Lease PN39696 (which is part of the Glen Ewen Property) is subject to a right of first refusal ("**ROFR**") clause under the CAPL 1990 Operating Procedure.

61. The Receiver advised Crescent Point of the ROFR and requested an allocation of the purchase price to the NW¼ of section 29, township 02, range 01 W2M (the "**NW29 Lands**"), which are the lands covered by Crown Lease PN39696.

62. 1010's working interest partners in the NW29 Lands are Red River Resources Ltd. ("**Red River**") and Boulder Oil Inc. ("**Boulder**"). Red River and Boulder were served with ROFR notices (the "**ROFR Notice**") via courier and email on November 21, 2014.
63. Pursuant to clause 2401(B) of the CAPL 1990 Operating Procedure a party receiving a ROFR Notice may elect to exercise its preferential right of first refusal within a period of thirty (30) days after the receipt of the ROFR Notice.
64. As at the date of this First Report:
- (a) Red River has waived its preferential right of first refusal under the ROFR; and
  - (b) the Receiver has not received a response from Boulder indicating its intentions in respect of the ROFR. The 30 day period for Boulder to exercise its ROFR rights will expire on December 22, 2014.

## **DETAILS OF SECURED AND POTENTIAL PRIORITY CLAIMS**

65. The Receiver is aware of the following secured claims, charges and liens that are owed by the Companies either pursuant to statute or which have been registered against the Property.

### **NATIONAL BANK SECURED CLAIM**

66. As described in the Koury Affidavit, as at February 26, 2014 the indebtedness of the Companies to National Bank was approximately \$5,462,702.75 in principal, plus interest, associated costs, fees and disbursements, with additional interest and other charges accrued and accruing thereon, including certain overdrafts to pay critical suppliers authorized by National Bank.

## **CRA DEEMED TRUST CLAIMS**

67. CRA has filed a claim with the Receiver relating to unremitted employee payroll deductions at source. According to the claim, CRA is owed \$13,637.42. CRA is asserting a deemed trust claim in the amount of \$12,542.45 pursuant to the provisions of subsection 227(4) of the *Income Tax Act*, subsection 23(3) of the *Canada Pension Plan Act*, and subsection 86(2) of the *Employment Insurance Act*.
68. CRA has also filed a claim with the Receiver relating to unremitted GST/HST in the amount of \$4,938.39. CRA is asserting a deemed trust claim in the amount of \$4,902.67 under subsection 222(3) of the *Excise Tax Act*.

## **PROPERTY TAX CLAIMS**

69. As at December 17, 2014 the Rural Municipality of Progress No. 351 (the “**Municipality of Progress**”) was owed approximately \$106,019.73 for outstanding property taxes.
70. As at December 17, 2014 the Rural Municipality of Enniskillen No. 3 (the “**Municipality of Enniskillen**”) was owed approximately \$13,739.44 for outstanding property taxes.

## **ROYALTY CLAIMS**

71. The SME is owed amounts for unpaid royalties and lease payments in respect of the Companies’ petroleum and natural gas leases for the period of September 2013 to February 2014. The amounts total approximately \$170,338.86 including financing charges.

72. Devon Canada Corporation (“**Devon**”) and subsequently Canadian Natural Resources Limited (“**CNRL**”) (pursuant to a lease assignment from Devon to CNRL effective January 1, 2014) are owed amounts due to unpaid freehold royalties in respect of the Companies’ petroleum and natural gas leases for the period of October 2013 to February 2014. The amounts owing to Devon and CNRL respectively are \$51,653.48 and \$142,355.13.

### LIEN CLAIMS

73. There are a number of liens registered against the Property. A summary of liens by area and date of registration is set out below:

Legal Description	Title # / PN #	Lien Registrations	Amount	Date Registered
SE Sec 21 TWP 35 Rge 25 W3	145290809	Trican Partnership	\$ 94,548	February 14, 2014
	145290809 / 113673887	Cru Well Servicing Ltd.	\$ 171,725	March 18, 2014
	113673887 / 145290809	Rounded Energy Services Ltd.	\$ 13,847	March 17 / 18, 2014
	145290809	Cal-Gas Inc.	\$ 14,160	April 1, 2014
	145290809	Cal-Gas Inc.	\$ 1,253	April 1, 2014
	145290809 / 113673887	Baker Hughes Canada Company	\$ 33,694	April 24, 2014
	145290809	KNC Holdings Ltd.	\$ 161,074	May 8, 2014
NE Sec 21 Twp 35 Rge 25 W3	145290764	Trican Partnership	\$ 31,581	February 14, 2014
	145290764 / 113673944	Cru Well Servicing Ltd.	\$ 20,866	March 18, 2014
	145290764	Cal-Gas Inc.	\$ 6,407	April 1, 2014
	145290764	KNC Holdings Ltd.	\$ 161,074	May 8, 2014
Sec 22 Twp 35 Rge 25 W3	PN53920	Trican Partnership	\$ 8,613	February 14, 2014
	113673821	Cru Well Servicing Ltd.	\$ 10,761	March 18, 2014
	PN53920	Cru Well Servicing Ltd.	\$ 10,761	April 17, 2014
	PN53920	Rounded Energy Services Ltd.	\$ 1,890	March 20, 2014
	PN53920	Cal-Gas Inc.	\$ 3,055	April 2, 2014
	PN53920	KNC Holdings Ltd.	\$ 161,074	May 9, 2014
SW Sec 03 Twp 36 Rge 25 W3	145355205	Trican Partnership	\$ 16,173	February 14, 2014
	114394349	Cru Well Servicing Ltd.	\$ 21,866	March 18, 2014
	145355205	Cal-Gas Inc.	\$ 21,177	April 1, 2014
	145355205	KNC Holdings Ltd.	\$ 161,074	May 8, 2014

74. In addition to the liens described above, the Receiver has been advised by CNRL that the following liens have been registered against CNRL's property: (i) registered February 14, 2014 by Trican Partnership in the amount of \$957.00 against the minerals in respect of SW Sec 03 Twp 35 Rge 26 W3M and (ii) registered February 14, 2014 by Trican Partnership in the amount of \$957.00 against the minerals in respect of SE Sec 25 Twp 35 Rge 25 W3M. In each case Trican claims to have provided services and materials to the Coast Entities in respect of wells located on these properties. However, the Coast Entities do not have an interest in these mineral properties, and are not selling them under the Transactions.
75. The liens filed against the Property total \$632,691 excluding the liens which have been registered against multiple titles. A summary of the amounts owing to each lienholder is as follows:

Company	Amount
Cru Well Servicing Ltd.	\$ 225,219
KNC Holdings Ltd.	\$ 161,074
Trican Partnership	\$ 150,916
Cal-Gas Inc.	\$ 46,052
Baker Hughes Canada Company	\$ 33,694
Rounded Energy Services Ltd.	\$ 15,737
	<u>\$ 632,691</u>

76. The liens summarized above all relate to the Luseland Property. None of the Companies have an interest in the minerals in respect of SW Sec 03 Twp 36 Rge 25 W3. The Companies had a mineral lease, which has now expired. However, the Companies hold surface leases related to such property that are being transferred to NBRI. The Receiver is not aware of any liens filed against the Glen Ewen Property or the Hoosier Property, which would form a charge on the proceeds to be realized from the Crescent Point APS.

## ANALYSIS OF SECURED AND PRIORITY CLAIMS

77. A preliminary review of the validity and priority of the secured and priority claims described above has been conducted by the Receiver and the Receiver's Counsel, and the Receiver advises as follows:
- (a) National Bank's security has been independently reviewed by Miller Thomson LLP who has opined that the security creates a valid security interest in favour of National Bank in all of the right, title and interest of each of the Companies in its real property and personal property;
  - (b) Payment of the amounts owed to CRA in respect of the deemed trust claims should be made to the Receiver General out of the realization of the Property that is subject to these statutory trusts;
  - (c) Payment of the amounts owed to the Municipality of Progress and the Municipality of Enniskillen for outstanding property taxes should be paid in order to complete the Transactions;
  - (d) Payment of the amounts owed to SME, Devon, and CNRL are contemplated to be paid in order to complete the Transactions to obtain the necessary license transfers from SME. National Bank is in agreement with the Receiver paying these outstanding amounts in order to complete the Transactions;
  - (e) After review by the Receiver and the Receiver's Counsel it has been determined that Trican Partnership ("**Trican**") has liens totaling \$142,302.60 which have priority over the National Bank (the "**Trican Liens**") as follows:
    - (i) Title #145290809 (builders' lien amount of \$94,548.30 registered on February 14, 2014);



(ii) Title #145290764 (builders' lien amount of \$31,581.00 registered on February 14, 2014); and

(iii) Title #145355205 (builders' lien amount of \$16,173.30).

(f) Trican also registered a lien against PN #53920 in the amount of \$8,613.00, however the Receiver's Counsel has determined that the lien was registered after the National Bank registrations at SME; and

(g) The Trican Liens relate to the Luseland Property and the proceeds from the sale of those parcels of the Luseland Property are sufficient to pay the Trican Liens.

#### **REMAINING BUILDERS' LIENS**

78. The remaining builders' liens (as described below) are filed against the Luseland Property (and would form a charge against the applicable proceeds from the sale of the Luseland Property under the NBRI APS (the "**Remaining Liens**") on a property by property basis):

Legal Description	Lien Registrations	Amount
SE Sec 21 TWP 35 Rge25 W3	Cru Well Servicing Ltd.	\$ 171,725
	Rounded Energy Services Ltd.	\$ 13,847
	Cal-Gas Inc.	\$ 14,160
	Cal-Gas Inc.	\$ 1,253
	Baker Hughes Canada Company	\$ 33,694
		<u>\$ 234,679</u>
NE Sec 21 Twp 35 Rge 25 W3	Cru Well Servicing Ltd.	\$ 20,866
	Cal-Gas Inc.	\$ 6,407
		<u>\$ 27,274</u>
Sec 22 Twp 35 Rge 25 W3	Trican Partnership	\$ 8,613
	Cru Well Servicing Ltd.	\$ 10,761
	Rounded Energy Services Ltd.	\$ 1,890
	Cal-Gas Inc.	\$ 3,055
		<u>\$ 24,319</u>
SW Sec 03 Twp 36 Rge 25 W3	Cru Well Servicing Ltd.	\$ 21,866
	Cal-Gas Inc.	\$ 21,177
		<u>\$ 43,043</u>
All Sections	KNC Holdings Ltd.	\$ 161,074
		<u>\$ 490,388</u>

79. The Receiver and the Receiver's Counsel are continuing to review the Remaining Liens in order to confirm the amount of such claims and the priority of such claims (vis-à-vis the security of National Bank). Accordingly, the Receiver is proposing that the full amount of the Remaining Liens (totaling \$490,388) be held back from the proceeds of the NBRI APS (the "**Lien Fund**") until the Receiver completes its analysis of the Remaining Liens. At such time (anticipated to be by January 31, 2015), the Receiver will issue a further report to this Honourable Court with the Receiver's recommendations as to the distribution of the Lien Fund.

## **BMO SECURITY NOTICE**

80. Registered against Crown Lease #19724 is a 1985 security notice by Bank of Montreal (“**BMO**”). The Receiver is not aware of any amounts owing to BMO and the Vesting Order being sought by the Receiver contemplates a discharge of this registration. BMO is on the service list.

## **PROPOSED INTERIM DISTRIBUTIONS**

81. The Receiver proposes to make the following Interim Distributions from the proceeds to be derived from the Transactions:

<b>Proposed Interim Distribution</b>	
<b>Funds Available for Distribution</b>	
Proceeds from Crescent Point APS	3,200,000
Proceeds from NBRI APS	1,960,000
Net Cash on Hand	22,435
<b>Total - Funds Available for Distribution</b>	<b>5,182,435</b>
<b>Proposed Holdbacks</b>	
Lien Fund	490,388
Professional Fees	450,000
Final Statement of Adjustments and Operating Expenses	250,000
Sayer Commission	108,360
Contingency	67,632
SME Deposit	22,200
<b>Total - Holdbacks</b>	<b>1,388,580</b>
<b>Proposed Distributions</b>	
National Bank	2,900,000
Repayment of Receiver Certificate	250,000
SME	170,339
CNRL	142,355
Trican	142,303
Rural Municipality of Progress No. 351	106,020
Devon	51,653
Rural Municipality of Enniskillen	13,739
CRA Deemed Trust Claim - Source Deductions	12,542
CRA Deemed Trust Claim - GST/HST	4,903
<b>Total - Proposed Distributions</b>	<b>3,793,855</b>
<b>Projected Ending Cash</b>	<b>-</b>

82. All known creditors of the Companies (including those who have not asked to be included in the formal service list) will have been notified of this application and have been advised that all materials with respect of the Receivership Proceedings will be posted to the Receiver's Website.

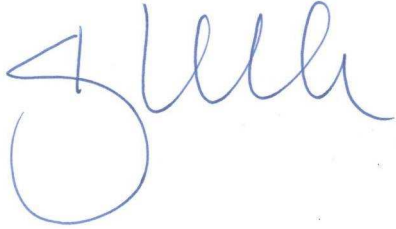
## RECEIVER'S RECOMMENDATIONS

83. The Receiver respectfully requests that this Honourable Court grant the following Orders:

- (a) approving the activities of the Receiver since the Date of Appointment including its receipts and disbursements;
- (b) approving the NBRI APS dated December 1, 2014 in the form attached hereto as Appendix A;
- (c) approving the Crescent Point APS dated December 12, 2014 in the form attached hereto as Appendix B;
- (d) approving the Interim Distributions;
- (e) vesting title to the Assets (including the FHI Working Interests acquired by the Receiver and the Lane Land Interests) in and to the respective purchasers free and clear of all encumbrances;
- (f) providing for the registration of the Orders in the Saskatchewan Land Titles Registry, SME, the Saskatchewan Personal Property Registry and the Alberta Personal Property Registry; and
- (g) granting related relief.

All of which is respectfully submitted this 18<sup>th</sup> day of December, 2014.

FTI Consulting Canada Inc. in its capacity as receiver  
and manager of the assets undertakings and  
properties of Coast Resources Ltd., 101033165  
Saskatchewan Ltd., Viewfield Oil & Gas Ltd. and  
Coast Services Inc.



Deryck Helkaa  
Senior Managing Director

# APPENDIX “A”

NBRI APS

## AGREEMENT OF PURCHASE AND SALE

THIS AGREEMENT made as of the \_\_\_\_\_ day of December, 2014.

AMONG:

**FTI CONSULTING CANADA INC. ("FTI"), in its capacity as receiver and manager of the assets, undertaking and property of Coast Resources Ltd. ("CRL"), Viewfield Oil & Gas Ltd. ("VOGL"), Coast Services Inc. ("CSI") (CRL, VOGL and CSI are hereinafter collectively referred to as "Debtor"), and not in its personal capacity (FTI, in such capacity, hereinafter referred to as "Vendor")**

- and -

**NORTHERN BLIZZARD RESOURCES INC.**, a body corporate having an office in the City of Calgary, in the Province of Alberta (hereinafter referred to as "**Purchaser**")

WHEREAS Vendor was appointed as receiver and manager of the Assets pursuant to the Receivership Order;

WHEREAS Vendor wishes to sell and Purchaser wishes to purchase the interest of Debtor, through Vendor, in and to the Assets, subject to and in accordance with the terms and conditions hereof;

NOW THEREFORE THIS AGREEMENT WITNESSES that in consideration of the premises and the mutual covenants and agreements hereinafter set forth, the Parties have agreed as follows:

### **ARTICLE 1** **INTERPRETATION**

#### 1.1 Definitions

In this Agreement, unless the context otherwise requires:

- (a) "Abandonment and Reclamation Obligations" means all obligations under or with respect to the Title Documents and Environmental Law to:
- (i) abandon the Wells;
  - (ii) decommission and remove the Tangibles, including associated foundations and structures; and
  - (iii) restore, remediate and reclaim the lands to which the Surface Rights relate;



- (b) "Adjustment Date" means the hour of 8:00 a.m., Calgary time, on the 1<sup>st</sup> day of July, 2014;
- (c) "AFEs" means the authorities for expenditure, operations notices, amounts budgeted pursuant to the Unit Agreements and mail ballots, if any, set out in Schedule "B" under the heading "AFEs";
- (d) "Affiliate" means any Person which controls or is controlled by a Party, or which controls or is controlled by a Person which controls such Party and "control" means the power to direct or cause the direction of the management and policies of the other Person, whether directly or indirectly, through one or more intermediaries or otherwise, and whether by virtue of the ownership of shares or other equity interests, the holding of voting rights or contractual rights, or partnership interests or otherwise. For certainty, a partnership which is comprised of corporations which are Affiliates, as described above, shall be deemed to be an Affiliate of each such corporation and its other Affiliates;
- (e) "Applicable Law" means any law, statute, regulation, rule, ordinance, order or directive enacted or issued by any Governmental Authority having jurisdiction over Vendor, Purchaser or the Assets, and includes, without limitation, the provisions and conditions of any permit, license or other governmental or regulatory authorization in respect of the Assets or any of them;
- (f) "Approval and Vesting Order" has the meaning ascribed to that term in Section 3.1(a).
- (g) "Assets" means the Petroleum and Natural Gas Rights, the Tangibles and the Miscellaneous Interests;
- (h) "Business Day" means a day other than a Saturday, a Sunday or a statutory holiday in Calgary, Alberta;
- (i) "Closing" means the closing of the purchase and sale herein provided for;
- (j) "Closing Date" has the meaning ascribed to that term in Section 4.1;
- (k) "Closing Place" means the offices of Vendor, or such other place as may be agreed upon in writing by Vendor and Purchaser;
- (l) "Closing Time" means the hour of 10:00 a.m. on the Closing Date or such other time and date as may be agreed upon in writing by Vendor and Purchaser;
- (m) "Court" means the Court of Queen's Bench of Alberta in the Receivership Proceedings;
- (n) "Encumbrances" means all liens, charges, security interests, royalties, pledges, options, net profit interests, rights of pre-emption, mortgages, adverse claims and other encumbrances on ownership rights of any kind or character or agreements to create the same;

- (o) "Environmental Law" means Applicable Law relating to the protection of the environment or natural resources, or to human health and safety as it relates to environmental protection;
- (p) "Environmental Liabilities" means all liabilities pertaining to the Assets in respect of the environment, whether or not caused by a breach of Applicable Law and whether or not resulting from operations conducted with respect to the Assets, including, without limitation, liabilities related to:
  - (i) the transportation, storage, use or disposal of toxic or hazardous substances or hazardous, dangerous or non-dangerous oilfield substances or waste;
  - (ii) the release, spill, escape or emission of toxic or hazardous substances;
  - (iii) any other pollution or contamination of the surface, substrata, soil, air, ground water, surface water or marine environments;
  - (iv) damages and losses suffered by Third Parties as a result of the occurrences in Subsections (i) to (iii) of this Subsection; and
  - (v) any obligations imposed by Environmental Law to protect the environment or to rectify environmental problems;
- (q) "Facilities" means the facility or facilities, if any, set out in Schedule "B" under the heading "Facilities";
- (r) "Final Statement of Adjustments" has the meaning ascribed to that term in Subsection 7.1(k);
- (s) "GAAP" means generally accepted accounting principles as set forth by the Canadian Institute of Chartered Accountants at the relevant time;
- (t) "General Conveyance" means the form of general conveyance attached hereto as Schedule "D";
- (u) "Governmental Authority" means any domestic government, whether federal, provincial, state, territorial, local, regional, municipal, or other political jurisdiction, and any agency, authority, instrumentality, court, tribunal, board, commission, bureau, arbitrator, arbitration tribunal or other tribunal, or any quasi-governmental or other entity, insofar as it exercises a legislative, judicial, regulatory, administrative, expropriation or taxing power or function of or pertaining to government having jurisdiction over the Assets, the Parties or the Transaction;
- (v) "GST" means the goods and services tax administered pursuant to the *Excise Tax Act* (Canada) or under any successor or parallel federal or provincial legislation that imposes a tax on the recipient of goods and services;
- (w) "Interim Statement of Adjustments" has the meaning ascribed to that term in Subsection 7.1(i);

- (x) "Lands" means the lands set out in Schedule "A";
- (y) "Leased Substances" means all Petroleum Substances, rights to or in respect of which are granted, reserved or otherwise conferred by or under the Title Documents (but only to the extent that the Title Documents pertain to the Lands);
- (z) "Losses and Liabilities" means all claims, liabilities, actions, proceedings, demands, losses, costs, penalties, fines, damages and expenses which may be sustained or incurred by any of a Party or its Representatives, including, without limitation, reasonable legal fees and disbursements on a solicitor and client basis;
- (aa) "Miscellaneous Interests" means, subject to any and all limitations and exclusions provided for in this definition, all Debtor's rights, titles, estates and interests in all property, assets, interests and rights pertaining to the Petroleum and Natural Gas Rights and the Tangibles, or either of them, but only to the extent that such property, assets, interests and rights pertain to the Petroleum and Natural Gas Rights and the Tangibles, or either of them, including without limitation any and all of the following:
  - (i) contracts and agreements (including lease abstracts and contract abstracts) relating to the Petroleum and Natural Gas Rights and the Tangibles, or either of them, including without limitation gas purchase contracts, processing agreements, transportation agreements and agreements for the construction, ownership and operation of facilities; but unless included as Production Contracts, excluding (A) production sales contracts pertaining to the Leased Substances or any of them that cannot be terminated on notice of 31 days or less (without an early termination penalty or other cost), (B) gas balancing or similar agreements pertaining to the Leased Substances or any of them, (C) agreements for the transportation, processing or disposal of the Leased Substances or any of them or substances produced in connection with the Leased Substances or any of them, (D) agreements for the contract operation by a Third Party of the Assets or any of them and (E) agreements to provide transportation, processing or disposal capacity or service to any Third Party;
  - (ii) the Surface Rights;
  - (iii) the Seismic;
  - (iv) all records, books, documents, licences, reports and data which relate to the Petroleum and Natural Gas Rights and the Tangibles, or either of them, including any of the foregoing that pertain to seismic, geological or geophysical matters; and
  - (v) the Wells, including the wellbores thereof and any and all casing, tubing and packers therein.

Unless otherwise agreed in writing by the Parties, the Miscellaneous Interests exclude (A) Debtor's tax and financial records, and (B) files, documents, reports,

data, intellectual property and computer hardware or software insofar as they (i) pertain to interpretations of the Seismic and; (ii) pertain to Debtor's proprietary technology, evaluations or interpretations (whether geological, engineering, economic or otherwise); (iii) are legal opinions, (iv) are documents prepared on behalf of Debtor or Vendor in contemplation of litigation; (v) are owned or licenced by Third Parties with restrictions (other than the requirement to obtain the consent or consents of the Third Parties that cannot be unreasonably withheld) that prohibit their deliverability or disclosure to Purchaser; (vi) are referred to specifically as exclusions in a Schedule; or (vii) pertain to records required to be maintained under Applicable Law if the retention period for those records thereunder has expired;

(bb) "Objection Date" has the meaning ascribed to that term in Subsection 7.1(l);

(cc) "Party" means a party to this Agreement;

(dd) "Permitted Encumbrances" means:

- (i) liens for taxes, assessments and governmental charges which are not due;
- (ii) liens incurred or created in the ordinary course of business as security in favour of the person who is conducting the development or operation of the property to which such liens relate for Vendor's proportionate share of the costs and expenses of such development or operation;
- (iii) mechanics', builders' and materialmen's liens in respect of services rendered or goods supplied for which payment is not due;
- (iv) easements, rights of way, servitudes and other similar rights in land (including without limitation rights of way and servitudes for highways and other roads, railways, sewers, drains, gas and oil pipelines, gas and water mains, electric light, power, telephone, telegraph and cable television conduits, poles, wires and cables) which do not materially impair the use of the Assets affected thereby;
- (v) the right reserved to or vested in any Governmental Authority by the terms of any lease, licence, franchise, grant or permit or by any statutory provision, to terminate any such lease, licence, franchise, grant or permit or to require annual or other periodic payments as a condition of the continuance thereof;
- (vi) rights of general application reserved to or vested in any Governmental Authority to levy taxes on the Leased Substances or any of them or the income therefrom, and governmental requirements and limitations of general application as to production rates on the operations of any property;
- (vii) statutory exceptions to title, and the reservations, limitations, provisos and conditions in any original grants from the Crown of any of the mines and minerals within, upon or under the Lands;

- (viii) any security held by any Third Party encumbering Vendor's interest (or the interest of any predecessor in title to Vendor) in and to the Assets or any part or portion thereof, in respect of which Vendor delivers a discharge of, or no interest letters in respect of, to Purchaser at or prior to Closing;
  - (ix) the Production Contracts and agreement or agreements (if any) for the sale of Leased Substances that are terminable on not greater than 31 days' notice (without an early termination penalty or other cost); and
  - (x) all royalty burdens, liens, adverse claims, penalties, reductions in interests, conversion rights and other claims and encumbrances set out in Schedule "A";
- (ee) "Person" means any individual (or group of individuals), corporation, limited or unlimited liability company, joint venture, partnership (limited or general), trust, trustee, executor or similar official, Governmental Authority or other legal entity;
- (ff) "Petroleum and Natural Gas Rights" means all Debtor's rights, titles, estates and interests to and in respect of the Leased Substances and the Title Documents (but only to the extent that the Title Documents pertain to the Lands), including without limitation the interests set out in Schedule "A" under the heading "Interests" and beside "Coast Resources Ltd.", "Viewfield Oil & Gas Ltd." and/or "Coast Services Inc.;
- (gg) "Petroleum Substances" means any of crude oil, crude bitumen and products derived therefrom, synthetic crude oil, petroleum, natural gas, natural gas liquids, and any and all other substances related to any of the foregoing, whether liquid, solid or gaseous, and whether hydrocarbons or not, including without limitation sulphur;
- (hh) "Pipelines" means the pipelines set out in Schedule "B" under the heading "Pipelines";
- (ii) "Prime Rate" means an annual rate of interest equal to the annual rate of interest announced from time to time by the main Calgary branch of Royal Bank of Canada as the reference rate then in effect for determining interest rates on Canadian dollar commercial loans in Canada;
- (jj) "Production Contracts" means the agreement or agreements, if any, set out in Schedule "B" under the heading "Production Contracts";
- (kk) "Purchase Price" means the sum of money first set out in Section 2.6;
- (ll) "Receivership Order" means the Consent Receivership Order in the Receivership Proceedings dated March 6, 2014 of Mr. Justice A.D. Macleod of the Court of Queen's Bench of Alberta in Court File Number 1401-02489 confirming, *inter alia*, the appointment of FTI as the receiver and manager of the assets, undertakings and properties of 101033165 Saskatchewan Ltd., CRL, VOGL and CSI;

- (mm) "Receivership Proceedings" means the application to appoint FTI as the receiver and manager of the assets, undertakings and properties of 101033165 Saskatchewan Ltd., CRL, VOGL and CSI;
- (nn) "Representatives" means, with respect to any Party, its Affiliates, and the respective directors, officers, servants, agents, advisors, employees and consultants of that Party and its Affiliates;
- (oo) "Right of First Refusal" or "ROFR" means a right of first refusal, pre-emptive right of purchase or similar right whereby any Third Party has the right to acquire or purchase any of the Assets as a consequence of the Parties entering into this Agreement or the Transaction;
- (pp) "Seismic" means the entire proprietary interest of Debtor in and to seismic lines, including all surveyors' ground elevation records, shot point maps, drillers' logs, shooters' records, seismographic records, seismographic magnetic tapes, stack files, monitor records, field records, and record sections and maps and interpretations made therefrom pertaining to the Petroleum and Natural Gas Rights and Tangibles or any of them:
  - (i) that are wholly-owned by Debtor; and
  - (ii) that are not wholly-owned by Debtor to the extent Debtor is permitted to sell or assign such jointly owned data;
- (qq) "SME" means Saskatchewan Ministry of the Economy, division of Energy and Resources and any predecessor thereof;
- (rr) "Specific Conveyances" means all conveyances, assignments, transfers, novations and other documents or instruments that are reasonably required or desirable to convey, assign and transfer the interest of Debtor in and to the Assets to Purchaser and to novate Purchaser in the place and stead of Debtor with respect to the Assets;
- (ss) "Surface Rights" means all rights to use the surface of land in connection with the Assets including, without limitation, rights to enter upon and occupy the surface of land on which the Tangibles and the Wells are located and rights to cross or otherwise use the surface of land for access to the Assets, excluding any such rights that pertain only to a well or wells other than the Wells;
- (tt) "Take or Pay Obligations" means obligations to sell or deliver Petroleum Substances or any of them, rights to which are granted, reserved or otherwise conferred pursuant to the Title Documents, without being entitled in due course to receive and retain full payment for such Petroleum Substances;
- (uu) "Tangibles" means, subject to any and all limitations and exclusions provided for in this definition, all Debtor's rights, titles, estates and interests in the Facilities, the Pipelines and any and all tangible depreciable property and assets other than the Facilities and the Pipelines which are located within, upon or in the vicinity of the Lands and which are used or are intended to be used to produce, process, gather, treat, measure, make marketable or inject the Leased Substances or any

of them or in connection with water injection or removal operations that pertain to the Petroleum and Natural Gas Rights, including without limitation any and all gas plants, oil batteries, buildings, production equipment, pipelines, pipeline connections, meters, generators, motors, compressors, treaters, dehydrators, scrubbers, separators, pumps, tanks, boilers and communication equipment but excluding all motorized vehicles;

- (vv) "Third Party" means any individual or entity other than Vendor and Purchaser, including without limitation any partnership, corporation, trust, unincorporated organization, union, government and any department and agency thereof and any heir, executor, administrator or other legal representative of an individual;
- (ww) "this Agreement", "herein", "hereto", "hereof" and similar expressions mean and refer to this Agreement of Purchase and Sale;
- (xx) "Title Documents" means, collectively, any and all certificates of title, leases, reservations, permits, licences, assignments, trust declarations, operating agreements, royalty agreements, gross overriding royalty agreements, participation agreements, farm-in agreements, sale and purchase agreements, pooling agreements and any other documents and agreements granting, reserving or otherwise conferring rights to (i) explore for, drill for, produce, take, use or market Petroleum Substances, (ii) share in the production of Petroleum Substances, (iii) share in the proceeds from, or measured or calculated by reference to the value or quantity of, Petroleum Substances which are produced, and (iv) rights to acquire any of the rights described in items (i) to (iii) of this definition; but only if the foregoing pertain in whole or in part to Petroleum Substances in connection with the Petroleum and Natural Gas Rights within, upon or under the Lands; including without limitation those, if any, set out in Schedule "A" beside the heading "Fh/Cr";
- (yy) "Transaction" means the entering into of this Agreement and the sale of the Assets by Vendor to Purchaser pursuant to this Agreement;
- (zz) "Wells" means the well or wells, if any, set out in Schedule "B" under the heading "Wells"; and
- (aaa) "Wire Transfer Instructions" means the wire transfer instructions in respect of Vendor and Purchaser as set out on Schedule "E" attached hereto.

## 1.2 Headings

The expression "Article", "Section", "Subsection" or "Schedule" followed by a number or letter or combination thereof means and refers to the specified Article, Section, Subsection, or Schedule of or to this Agreement.

## 1.3 Interpretation Not Affected by Headings

The division of this Agreement into Articles, Sections and Subsections and the provision of headings for all or any thereof are for convenience and reference only and shall not affect the construction or interpretation of this Agreement.

#### 1.4 Included Words

When the context reasonably permits, words suggesting the singular shall be construed as suggesting the plural and vice versa, and words suggesting gender or gender neutrality shall be construed as suggesting the masculine, feminine and neutral genders.

#### 1.5 Schedules

There are appended to this Agreement the following Schedules pertaining to the following matters:

- Schedule "A" - Lands  
- Petroleum and Natural Gas Rights
- Schedule "B" - AFEs  
- Facilities  
- Pipelines  
- Production Contracts  
- Wells
- Schedule "C" - Rights of First Refusal
- Schedule "D" - General Conveyance
- Schedule "E" - Wire Transfer Instructions

Such Schedules are incorporated herein by reference as though contained in the body hereof. Wherever any term or condition of such Schedules conflicts or is at variance with any term or condition in the body of this Agreement, such term or condition in the body of this Agreement shall prevail.

#### 1.6 Damages

All losses, costs, claims, damages, expenses and liabilities in respect of which a Party has a claim pursuant to this Agreement include without limitation reasonable legal fees and disbursements on a solicitor and client basis.

#### 1.7 Knowledge or Awareness

In this Agreement, the stated knowledge, information, belief or awareness of a Party consists only of the actual knowledge or awareness, as the case may be, of the current officers and senior managers of such Party. Purchaser acknowledges that Vendor is a Court-appointed officer with limited knowledge of the corporate history of Debtor and limited knowledge and understanding of the Assets. Subject to the preceding sentence, the current officers and senior managers of a Party are those individuals whose normal responsibilities relate to the matter in question in the course of their normal duties, and does not include knowledge, information or belief and awareness of any other Person or any constructive or imputed knowledge. Vendor does not have any obligation to make inquiry of Third Parties or the files and records of any Third Party or Governmental Authority in connection with representations and warranties that are made to its knowledge, information, belief or awareness.



**ARTICLE 2**  
**PURCHASE AND SALE AND CLOSING**

2.1 Purchase and Sale

Vendor hereby agrees to sell, assign, transfer, convey and set over to Purchaser, and Purchaser hereby agrees to purchase from Vendor, all of the right, title, estate and interest of Debtor (whether absolute or contingent, legal or beneficial) in and to the Assets in accordance with the terms of and subject to the conditions in this Agreement.

2.2 Closing

Closing shall take place at the Closing Place at the Closing Time if there has been satisfaction or waiver of the conditions of Closing herein contained. Subject to all other provisions of this Agreement, possession, risk and beneficial ownership of Vendor's interest in and to the Assets shall pass from Vendor to Purchaser at the Closing Time.

2.3 Specific Conveyances

Purchaser shall prepare the Specific Conveyances at its cost and as required, none of which shall confer or impose upon a Party any greater right or obligation than contemplated in this Agreement. All Specific Conveyances that are prepared and circulated to Vendor a reasonable time prior to the Closing Time shall be executed and delivered by the Parties at Closing. Forthwith after Closing, Purchaser shall, at its cost, promptly circulate and register, as the case may be, all Specific Conveyances in accordance with normal oil and gas industry practices.

2.4 Title Documents and Miscellaneous Interests

Vendor shall deliver to Purchaser at Closing the original copies of the Title Documents and any other agreements and documents to which the Assets are subject and the original copies of contracts, agreements, records, books, documents, licences, reports and data comprising Miscellaneous Interests which are now in the possession of or control of Vendor or of which it gains possession prior to Closing. Notwithstanding the foregoing, if and to the extent such Title Documents, contracts, agreements, records, books, documents, licences, reports and data also pertain to interests other than the Assets, photocopies or other copies may be provided to Purchaser in lieu of original copies. For a period of two (2) years after the Closing Date, Purchaser shall, upon request and after reasonable notice, provide reasonable access, at the offices of Purchaser and during its normal business hours, to such of the Title Documents and other contracts, agreements, records, books, documents, licenses, reports and data comprising Miscellaneous Interests delivered by Vendor pursuant hereto, as Vendor may require for purposes concerning the interests which Debtor held in the Assets prior to the Closing Time and the calculation of adjustments prior to the finalization of same, subject always to the requirement that all such information shall remain confidential.

2.5 Form of Payment

All payments to be made pursuant to this Agreement shall be in Canadian funds. All payments to be made at Closing shall be made by wire transfer in accordance with the Wire Transfer Instructions.

## 2.6 Purchase Price

The aggregate consideration to be paid by Purchaser to Vendor for the Assets shall be \$1,960,000.00 (the "**Purchase Price**"). At Closing, Purchaser shall pay to Vendor (i) the Purchase Price, (ii) the GST and provincial sales tax payable in respect of the Transaction, which Vendor shall remit according to law, and (iii) operating adjustments contemplated in Section 7.1, which shall be allocated to the Petroleum and Natural Gas Rights. The Parties agree that the value of the Tangibles and the Miscellaneous Interests is \$392,000.00. Under current legislation, Vendor and Purchaser calculate such GST to be \$19,600.00. The GST registration number of CRL is 13238 1047 RT0002, the GST registration number of CSI is 87652 8209 RT0002 and the GST registration number of VOGL is 82999 2494 RT0002. The GST registration number of Purchaser is 83699 5456 RT0001. Purchaser shall be liable for the payment and remittance of any additional amount of GST payable in respect of the purchase of the Assets pursuant to this Agreement, including any interest, penalties or other costs payable in respect of such additional GST and shall indemnify and save harmless Vendor in respect thereof. The indemnity in this Section 2.6 shall survive Closing.

## 2.7 Allocation of Purchase Price

The Parties shall allocate the Purchase Price as follows:

Petroleum and Natural Gas Rights	\$ 1,568,000.00
Tangibles	391,990.00
Miscellaneous Interests	<u>10.00</u>
Total	<u>\$ 1,960,000.00</u>

## 2.8 Purchase Price Certainty

For the avoidance of doubt, the Parties acknowledge that

- (a) the amount and the scope of the Abandonment and Reclamation Obligations and the Environmental Liabilities associated with the Assets are not capable of being quantified at the time of Closing and depend upon numerous unknowable factors that are not within the control of the Parties;
- (b) under Applicable Law, the Abandonment and Reclamation Obligations and the Environmental Liabilities associated with the Assets are inextricably linked with such Assets so that Purchaser will be liable for Abandonment and Reclamation Obligations and the Environmental Liabilities associated with the Assets even in the absence of the specific assumption of such obligations by Purchaser in this Agreement or otherwise;
- (c) the Parties have taken the fact that the Assets and any associated Abandonment and Reclamation Obligations and Environmental Liabilities are inextricably linked into account in reaching this Agreement and in establishing the Purchase Price for the Assets;
- (d) neither the existence nor the amount of any accounting reserves for site reclamation costs or similar matters associated with the Assets in the financial statements or accounting records of either Party has been of any relevance to

either Party in determining any matter under this Agreement, including the Purchase Price for the Assets;

- (e) as a result of the foregoing, the Parties agree to attribute no value to the assumption of the Abandonment and Reclamation Obligations and the Environmental Liabilities, nor the indemnities provided for in Article 6, associated with the Assets; and
- (f) the Parties agree that the Purchase Price shall not be adjusted hereunder for any reason in relation to the Abandonment and Reclamation Obligations and the Environmental Liabilities.

### **ARTICLE 3** **CONDITIONS OF CLOSING**

#### **3.1 Purchaser's Conditions**

The obligation of Purchaser to purchase the Assets is subject to the following conditions precedent, which are inserted herein and made part hereof for the exclusive benefit of Purchaser and may be waived by Purchaser:

- (a) the Court shall have made an order, in form and substance satisfactory to Purchaser, approving the Transaction and this Agreement and the vesting of the Assets in the name of Purchaser, free and clear of any Encumbrances other than the Permitted Encumbrances (the "**Approval and Vesting Order**"), pursuant to an application served upon any Person having an Encumbrance affecting the Assets;
- (b) a parallel or recognition Order from the Court of Queen's Bench for Saskatchewan shall have been made confirming the Approval and Vesting Order;
- (c) there will not be any judicial restraining order or injunction, preliminary or otherwise, in effect prohibiting the Closing of the Transaction;
- (d) the representations and warranties of Vendor herein contained shall be true in all material respects when made and as of the Closing Time;
- (e) all obligations of Vendor contained in this Agreement to be performed prior to or at Closing shall have been timely performed in all material respects, including without limitation the following:
  - (i) Vendor shall have maintained the Assets in a proper and prudent manner in accordance with generally accepted industry practices;
  - (ii) subject to the terms of the Receivership Order, Vendor shall have paid or caused to be paid all costs and expenses relating to the Assets which became due prior to the Closing Date, other than claims constituting Encumbrances which are discharged as against the Assets by the Approval and Vesting Order; and

- (iii) Vendor shall have performed and complied, in all material respects with the covenants and conditions contained in the Title Documents.
- (f) from the date of execution of this Agreement to the Closing Time, the Assets shall have suffered no material, adverse damage or change;
- (g) prior to the Closing Time, any and all ROFRs shall have been exercised or waived by the holders thereof or all time periods within which such rights may be exercised shall have expired;
- (h) prior to the Closing Time, all necessary governmental and other regulatory approvals to the sale of the Assets that are required prior to Closing shall have been obtained without conditions;
- (i) at the Closing Time:
  - (i) other than the Permitted Encumbrances, there shall exist no Encumbrances attaching to the Assets that are not discharged, released or vacated as against the Assets by the Approval and Vesting Order;
  - (ii) Purchaser will be satisfied, in its sole discretion, with the results of its due diligence in respect of the Assets and the business and operations of Debtor in respect thereof;
  - (iii) the licensee liability rating (as set forth by SME under Part IV.1 Oil and Gas Orphan Fund in the *Oil and Gas Conservation Regulations*, 1985) of Debtor (or its parent corporation, CRL) equals or exceeds 1.0 and will not fall below 1.0 as a result of any licence transfer application(s) submitted or to be submitted in respect of the Assets and the Transaction effected hereby;
  - (iv) there shall be no orders or directives which relate to Abandonment and Reclamation Obligations, Environmental Liabilities or environmental compliance matters under Applicable Law shall have been made which require any work, repairs, construction or capital expenditures with respect to the Assets, where such orders or directives have not been complied with in all material respects;
  - (v) there shall be no demand or notice issued with respect to the breach of any Applicable Law relating to environmental, health or safety in respect of the Assets, including without limitation, respecting the use, storage, treatment, transportation or disposition of environmental contaminants, which demand or notice remains outstanding; and
- (j) prior to the Closing Time, there shall have been no material and reportable events under Environmental Law relating to the Assets.

If any one or more of the foregoing conditions precedent has or have not been satisfied, complied with, or waived by Purchaser, at or before the Closing Time, Purchaser may rescind this Agreement by written notice to Vendor. If Purchaser rescinds this Agreement, Purchaser

and Vendor shall be released and discharged from all obligations hereunder except as provided in Sections 3.3 and 11.14.

### 3.2 Vendor's Conditions

The obligation of Vendor to sell Debtor's interest in and to the Assets is subject to the following conditions precedent, which are inserted herein and made part hereof for the exclusive benefit of Vendor and may be waived by Vendor:

- (a) there will not be any judicial restraining order or injunction, preliminary or otherwise, in effect prohibiting the Closing or the Transaction;
- (b) the Approval and Vesting Order shall have been obtained;
- (c) a parallel or recognition Order from the Court of Queen's Bench for Saskatchewan shall have been made confirming the Approval and Vesting Order;
- (d) the representations and warranties of Purchaser herein contained shall be true in all material respects when made and as of the Closing Time;
- (e) all obligations of Purchaser contained in this Agreement to be performed prior to or at Closing shall have been timely performed in all material respects;
- (f) all amounts to be paid by Purchaser to Vendor at Closing shall have been paid to Vendor in the form stipulated in this Agreement;
- (g) prior to the Closing Time, any and all ROFRs shall have been exercised or waived by the holders thereof or all time periods within which such rights may be exercised shall have expired; and
- (h) the approval of the National Bank of Canada's credit committee to the execution of this Agreement by Vendor and to the Transaction shall have been received by Vendor.

If any one or more of the foregoing conditions precedent has or have not been satisfied, complied with, or waived by Vendor, at or before the Closing Time, Vendor may rescind this Agreement by written notice to Purchaser. If Vendor rescinds this Agreement, Purchaser and Vendor shall be released and discharged from all obligations hereunder except as provided in Sections 3.3 and 11.14.

### 3.3 Efforts to Fulfil Conditions Precedent

Purchaser and Vendor shall proceed diligently and in good faith and use best efforts to satisfy and comply with and assist in the satisfaction and compliance with the conditions precedent. If there is a condition precedent that is to be satisfied or complied with prior to the Closing Time, and if, by the time the condition precedent is to be satisfied or complied with, the Party for whose benefit the condition precedent exists fails to notify the other Party whether or not the condition precedent has been satisfied or complied with, the condition precedent shall be conclusively deemed to have been satisfied or complied with.

## **ARTICLE 4** **CLOSING**

### 4.1 The Closing

The Closing will take place at the Closing Place at the Closing Time on the latest of:

- (a) the 17<sup>th</sup> day of December, 2014; and
- (b) the third Business Day following the day on which any and all ROFRs shall have been exercised or waived by the holders thereof or all time periods within which such rights may be exercised shall have expired; and
- (c) the Business Day following the day on which the Approval and Vesting Order is obtained; and
- (d) such other Business Day as the Parties may agree in writing,

(the "**Closing Date**").

Notwithstanding Subsection 4.1(b) and Subsection 4.1(c) the parties agree that if Closing has not occurred before January 31, 2015 either Party can terminate this Agreement by providing written notice, in accordance with Section 11.7 below, of such termination. A Party may not terminate this Agreement if such Party is in breach of this Agreement. If this Agreement is terminated due to Closing not occurring prior to January 31, 2015, Purchaser and Vendor shall be released and discharged from all obligations hereunder except as provided for in Section 11.14.

### 4.2 Transfer of Possession

The transfer of the Assets from Vendor to Purchaser and the assumptions of the benefits and obligations associated with the Assets by Purchaser will be effective as of the Adjustment Date, provided however, that all risk, possession and ownership of the Assets will not pass to Purchaser until the Closing Time.

### 4.3 Deliveries at Closing

- (a) At the Closing Time, Vendor shall table the following:
  - (i) a certified copy of the Approval and Vesting Order;
  - (ii) the General Conveyance duly executed by Vendor;
  - (iii) the Specific Conveyances duly executed by Vendor;
  - (iv) copies of all consents to disposition and waivers of ROFRs obtained by Vendor prior to Closing with respect to the sale of the Assets to Purchaser;
  - (v) the Title Documents;

- (vi) copies of those approvals it is responsible for obtaining in respect of the Transaction; and
  - (vii) such other items as may be specifically required hereunder.
- (b) At the Closing Time, Purchaser shall table the following:
- (i) the amounts payable at Closing on account of the Purchase Price pursuant to Section 2.6, as adjusted, and GST in accordance with Section 2.6;
  - (ii) copies of those approvals it is responsible for obtaining in respect of the Transaction; and
  - (iii) such other items as may be specifically required hereunder.

Each Party will duly execute all documents requiring execution by it and to be tabled at Closing.

#### 4.4 Seismic

As soon as reasonably possible following Closing, Vendor shall deliver the Seismic to Purchaser. Notwithstanding anything to the contrary herein, it is the sole obligation of Purchaser to obtain any Third Party consents, permissions or approvals that are required in connection with the assignment (from Vendor to Purchaser) of Debtor's proprietary interest in any Seismic that is not wholly owned by Debtor. All costs, fees, expenses, penalties or levies that are incurred by Vendor in order to effect the assignment (from Vendor to Purchaser) of Debtor's proprietary interest in any Seismic that is not wholly-owned by Debtor shall be the sole responsibility of Purchaser, and Purchaser agrees to pay on behalf of Vendor any such costs, fees, expenses, penalties or levies in a timely manner.

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

#### 5.1 Representations and Warranties of Vendor

Vendor makes the following representations and warranties to Purchaser:

- (a) Valid Appointment: it has been appointed by the Court as receiver and manager of the assets, properties and undertakings of Debtor and such appointment is valid and subsists;
- (b) Authority: it has good right, full power and absolute authority to sell, assign, transfer, convey and set over the interest of Debtor in and to the Assets, subject to the terms and conditions of the Receivership Order and the Approval and Vesting Order;
- (c) No Encumbrances Created: other than selling Leased Substances in the ordinary course of Debtor's business, Vendor has not previously sold, assigned transferred, conveyed set over or granted an Encumbrance in the Assets (other than pursuant to the receiver certificates issued from time to time by Vendor,

each of which shall be released and discharged as against the Assets at Closing);

- (d) Canadian Resident: it is not a non-resident of Canada for the purposes of the *Income Tax Act* (Canada);
- (e) Finders' Fees: Vendor has not incurred any obligation or liability, contingent or otherwise, for brokers' or finders' fees in respect of this Agreement or the Transaction for which Purchaser shall have any obligation or liability.

## 5.2 No Additional Representations and Warranties by Vendor

- (a) Notwithstanding anything to the contrary in this Agreement, Vendor makes no representations or warranties except as expressly set forth in Section 5.1 and in particular, and without limiting the generality of the foregoing, Vendor disclaims and shall not be liable for any representation or warranty express or implied, of any kind, at law or in equity, which 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 Purchaser in any manner including any opinion, information, or advice which may have been provided to Purchaser by Vendor or its Representatives in connection with the Assets or in relation to the Transaction. For greater certainty, Vendor 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 other data or information supplied by Vendor or any of its Representatives in connection with the Assets;
  - (ii) the quality, quantity or recoverability of any Leased Substances within or under the Lands;
  - (iii) the value of the Assets or any estimates of prices or future cash flows arising from the sale of any Petroleum Substances produced from or allocated to the Assets or the Lands or any estimates of other revenues or expenses attributable to the Assets;
  - (iv) the availability or continued availability of facilities, services or markets for the processing, transportation or sale of any Leased Substances;
  - (v) the quality, condition, fitness, suitability, serviceability or merchantability of any of the Tangibles and Wells, including the wellbores thereof and any and all casing therein; or
  - (vi) except as set forth in Subsection 5.1(a), the title of Debtor to the Assets.

Purchaser acknowledges and confirms that it is relying on its own investigations concerning the Assets and it has not relied on advice from Vendor, Debtor or any of the Representatives of either the Vendor or Debtor with respect to the matters specifically enumerated in the immediately preceding paragraphs in connection with the purchase of the Assets pursuant hereto. Purchaser further acknowledges and agrees that, except as set forth in Subsection 5.1(a), it is acquiring the Assets on an "as is, where is" basis. Purchaser acknowledges and



agrees that it is familiar with the condition of the Assets, including the past and present use of the Lands and the Tangibles, that Vendor has provided Purchaser with a reasonable opportunity to inspect the Assets at the sole cost, risk and expense of Purchaser (insofar as Vendor could reasonably provide such access) and that Purchaser is not relying upon any representation or warranty of Vendor as to the condition, environmental or otherwise, of the Assets, except as expressly contained in Section 5.1 of this Agreement.

- (b) Except for its express rights under this Agreement, Purchaser 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 Vendor and Debtor in respect of the Assets or the Transaction or any representations or statements made, direct or indirect, express or implied, or information or data furnished to Purchaser or its Representatives, in connection herewith (whether made or furnished orally or by electronic, faxed, written or other means).

### 5.3 Representations and Warranties of Purchaser

Purchaser makes the following representations and warranties to Vendor:

- (a) Standing: Purchaser is a body corporate duly incorporated and validly registered under the laws of the jurisdiction of organization of Purchaser, is authorized to carry on business in the Province in which the Lands are located, and now has good right, full power and absolute authority to purchase the Assets according to the true intent and meaning of this Agreement;
- (b) Requisite Authority: the execution, delivery and performance of this Agreement has been duly and validly authorized by any and all requisite partners' actions and will not result in any violation of, be in conflict with or constitute a default under any articles, charter, bylaw or other governing document to which Purchaser is bound;
- (c) No Conflicts: the execution, delivery and performance of this Agreement will not result in any violation of, be in conflict with or constitute a default under any term or provision of any agreement or document to which Purchaser is party or by which Purchaser is bound, nor under any judgment, decree, order, statute, regulation, rule or license applicable to Purchaser;
- (d) Enforceability: this Agreement and any other agreements delivered in connection herewith constitute valid and binding obligations of Purchaser enforceable against Purchaser in accordance with their terms;
- (e) No Approvals or Authorizations Required: no authorization or approval or other action by, and no notice to or filing with, any governmental authority or regulatory body exercising jurisdiction over the Assets is required for the due execution, delivery and performance by Purchaser of this Agreement, other than authorizations, approvals or exemptions from requirement therefor, previously obtained and currently in force;
- (f) Finders' Fees: Purchaser has not incurred any obligation or liability,

contingent or otherwise, for brokers' or finders' fees in respect of this Agreement or the Transaction for which Vendor shall have any obligation or liability;

- (g) Investment Canada: Purchaser is not a non-Canadian person for the purposes of the *Investment Canada Act*; and
- (h) Licensee Liability Rating: the licensee liability rating (as set forth by SME under section 117 of Part XVI of *The Oil and Gas Conservation Regulations, 2012, c. O-2, Reg. 6*) of Purchaser equals or exceeds 1.0 and will not fall below 1.0 as a result of any licence transfer application(s) submitted or to be submitted in respect of the Assets and the Transaction.

#### 5.4 Enforcement of Representations and Warranties

Notwithstanding anything to the contrary herein expressed or implied and notwithstanding the Closing or deliveries of covenants and/or representations and warranties in any other agreements at Closing or prior or subsequent thereto, the representations and warranties set for in Section 5.1 and 5.3 shall survive the Closing for the benefit of Purchaser and Vendor respectively, provided that no claim in respect of such representations and warranties shall be made or enforceable unless written notice of such claim, with reasonable particulars, is given by the Party making the claim to the other Party within a period of twelve (12) months from the Closing Time.

### **ARTICLE 6** **PURCHASER'S INDEMNITIES**

#### 6.1 General Indemnity

If Closing occurs, Purchaser shall, without any further necessary action on the part of Vendor or Purchaser:

- (a) assume, perform, pay, discharge and be liable to Vendor and Debtor for; and
- (b) as a separate covenant, save and hold harmless and indemnify Vendor and Debtor from and against,

all Losses and Liabilities suffered, sustained, paid or incurred by it to the extent arising or accruing on or after the Closing Time and which relate to the Assets or the terms and conditions of the Title Documents, including but not limited to all Losses and Liabilities attributable to the operation, ownership, use, construction or maintenance of the Assets arising or accruing on or after the Closing Time. Purchaser's indemnity obligation set forth in this Section 6.1 shall survive the Closing indefinitely.

#### 6.2 Abandonment and Reclamation

Purchaser shall see to the timely performance of all Abandonment and Reclamation Obligations pertaining to the Assets which in the absence of this Agreement would be the responsibility of Vendor. Purchaser shall be liable to Vendor for and shall, in addition, indemnify Vendor and Debtor from and against, all Losses and Liabilities suffered, sustained, paid or incurred by Vendor should Purchaser fail to timely perform such obligations. The indemnity in this Section 6.2 shall survive Closing.

### 6.3 Environmental Matters

- (a) Purchaser acknowledges that it:
  - (i) is familiar with the condition of the Assets, including the past and present use of the Assets, and it has been provided with the right and the opportunity to conduct due diligence investigations with respect to existing or potential Environmental Liabilities pertaining to the Assets; and
  - (ii) is not relying upon any representation or warranty of Vendor as to the condition, environmental or otherwise, of the Assets.
- (b) Purchaser agrees that once Closing has occurred Vendor shall have no liability whatsoever for any Environmental Liabilities. In this regard, once Closing has occurred, Purchaser shall, without any further necessary action on the part of Vendor or Purchaser:
  - (i) be solely liable and responsible for all of Vendor's and Debtor's Losses and Liabilities; and
  - (ii) as a separate covenant, indemnify, save and hold Vendor and Debtor harmless from and against all Losses and Liabilities that may be brought against or which it may suffer, sustain, pay or incur;

as a result of any act, omission, matter or thing related to any Environmental Liabilities and Abandonment and Reclamation Obligations pertaining to the acquired Assets, however and whenever arising or occurring, and Purchaser shall assume, perform, pay and discharge all Environmental Liabilities and Abandonment and Reclamation Obligations pertaining to the acquired Assets. Purchaser acknowledges and agrees that it shall not be entitled to any rights or remedies as against Vendor or Debtor under the common law or statute pertaining to any Environmental Liabilities, including the right to name Vendor or Debtor as a 'third party' to any action commenced by any Person against Purchaser. Purchaser's indemnity obligation set forth in this Section 6.3 shall survive the Closing indefinitely.

## **ARTICLE 7** **OPERATING ADJUSTMENTS**

### 7.1 Operating Adjustments

- (a) Except as otherwise provided in this Section 7.1 and subject to all other provisions of this Agreement and without duplication, the Parties will adjust and apportion all benefits, obligations, expenditures and revenues of every kind and nature accruing, payable or paid, receivable or received, in respect of the operation of the Assets including operating, maintenance, development and capital costs, proceeds from the sale of Petroleum Substances (with respect to the sale of natural gas, based on the weighted average price received by Vendor for its natural gas produced after the Adjustment Date and from the province in which the Lands are situated) net of applicable transportation costs, equipment, vehicle and field office rental and lease costs, royalties, including lessor royalties,

property taxes, gas cost allowance (or similar allowances), prepayments and deposits, duties, taxes and assessments (excluding income taxes), as at the Adjustment Date.

- (b) Vendor is entitled to the revenues and benefits from Debtor's ownership and operation of the Assets incurred and / or accrued prior to the Adjustment Date including, without limitation, the benefit of audit queries for such time when resolved, and is responsible for and will pay for the expenditures pertaining to the ownership, operation and development of the Assets incurred and or accrued prior to the Adjustment Date.
- (c) Purchaser is entitled to the revenues and benefits from the ownership and operation of the Assets incurred and / or accrued from and after the Adjustment Date and is responsible for and will pay for the expenditures pertaining to the ownership, operation and development of the Assets incurred and or accrued from and after the Adjustment Date.
- (d) Vendor's share of all Petroleum Substances beyond the wellhead at the Adjustment Date do not comprise part of the Assets. Petroleum Substances attributable to the Assets which were beyond the wellhead, but not sold, as of the Adjustment Date shall be retained by Vendor and Vendor shall be responsible for all royalties or other encumbrances thereon and all costs related thereto. Petroleum Substances will be deemed to be sold on a first in, first out basis.
- (e) There will be no adjustments for royalty tax credits or similar incentives that accrue to a Party because of financial or organizational attributes specific to it.
- (f) Costs and expenses of work done, services provided and goods supplied shall be deemed to accrue for the purposes of this Section when the work is done or the goods (other than inventory) or services are provided, regardless of when such costs and expenses become payable.
- (g) All freehold mineral taxes, surface and mineral lease rentals and any similar payments made by Vendor or Debtor to preserve any of the Leases or any Surface Rights shall be apportioned between Vendor and Purchaser on a per diem basis as at the Adjustment Date.
- (h) All statements prepared under this Section 7.1 will be prepared as contemplated herein and in accordance with generally accepted accounting principles applying the accrual method, according to GAAP.
- (i) Vendor shall prepare and deliver to Purchaser for approval a statement no later than three (3) Business Days prior to the Closing Time that shall set forth a written statement of adjustments to be made in accordance with this Agreement (the "**Interim Statement of Adjustments**") and Vendor will make available to representatives of Purchaser all information necessary for Purchaser to confirm the calculations in the statement. The Interim Statement of Adjustments shall be based on Vendor's good faith estimate of the costs and expenses accrued prior to Closing and the revenues received and accrued by Vendor prior to Closing.

- (j) If Vendor receives any revenues pertaining to the Assets after the Closing Time, Vendor shall be entitled to deduct any costs, expenses and other payments made by Vendor in respect of the Assets that accrued after the Adjustment Date and that were not accounted for in the Interim Statement of Adjustments and shall pay the net amount of such revenues to Purchaser within ten (10) Business Days following receipt of such revenues;
- (k) Within ninety (90) days following the Closing Date, Vendor shall prepare and deliver to Purchaser a final statement of all adjustments and payments to be made pursuant to this Agreement (the "**Final Statement of Adjustments**"). Purchaser shall provide, or cause to be provided, to Vendor full (but non-exclusive) access to, and Vendor at its own expense shall be entitled to audit, the relevant records to aid in the preparation of such statement. Vendor shall provide to Purchaser at its own expense the right to review the Final Statement of Adjustments and full access to the working papers of Vendor to aid in such review. The net amount will be remitted by the Party who in the net result is obliged to make payment within fifteen (15) Business Days of receipt by Purchaser of the Final Statement of Adjustments.
- (l) If Purchaser is of the opinion that any change is required to be made to the Final Statement of Adjustments as prepared by Vendor, it shall, on or before that date which is ten (10) Business Days after the delivery of the Final Statement of Adjustments by Vendor to Purchaser (the "**Objection Date**") pursuant to Section 7.1(k), give written notice to Vendor of any such proposed change, including the reason for such change. If Purchaser does not notify Vendor of any proposed change on or before the Objection Date, then Purchaser shall be deemed to have accepted the Final Statement of Adjustments.
- (m) If Purchaser gives written notice to Vendor of any proposed change to the Final Statement of Adjustments on or before the Objection Date, and if the proposed change is disputed by Vendor and the Parties fail to resolve the dispute within ten (10) Business Days after the Objection Date, then either party may apply to the Court for determination of such dispute.
- (n) Upon agreement with respect to all matters in dispute, or upon a decision of the Court with respect thereto, such amendments shall be made to the Final Statement of Adjustments as may be necessary to reflect such agreement or such decision, as the case may be. The net amount will then be remitted promptly by the Party who in the net result is obliged to make payment. In such event, references in this Agreement to the Final Statement of Adjustments shall refer to the Final Statement of Adjustments, as so amended.
- (o) Each Party will have the right, within the later of two (2) months following the distribution of the Final Statement of Adjustments by Vendor under Section 7.1(k) or six (6) months following the Closing Time, to examine, copy and audit the records of the other relative to the Assets for the purpose of effecting or verifying adjustments required under this Article. The auditing Party will, upon reasonable notice, conduct that audit at its sole expense during normal business hours at the offices of the audited Party or at such other premises where those records are maintained. Any Claims of discrepancies disclosed by that audit will be made in writing to the audited Party within one (1) month following the completion of that

audit. That Party will respond in writing to any such Claims within one (1) month of the receipt of notice of those Claims. To the extent that the Parties are unable to resolve such Claims, the matter will be referred to the Court. An audit may not be conducted pursuant to this Section 7.1(o) after the Final Statement of Adjustments has been finalized;

- (p) Notwithstanding Section 7.1(k), further adjustments on the basis indicated in this Article will be made as and when those items arise if notice requesting that adjustment, including reasonable particulars thereof, has been given by a Party to the other Party within thirty (30) days following receipt of a Thirteenth Month Adjustment or a completed and agreed to audit or other report and the need for that adjustment arises from:
  - (i) a Thirteenth Month Adjustment, operator error adjustments or errors established by joint venture audits within twelve (12) months after the Closing Date; or
  - (ii) errors established by an audit or other review of lessor royalty payments that is conducted under the regulations or Leases within twelve (12) months after the Closing Date or such later time as may be prescribed by Applicable Law.
- (q) Subject to Section 7.1(k) above, all payments made after the Closing Date are to be paid within thirty (30) days after the amount is determined. Any amounts not paid within the stipulated time period will thereafter bear interest until paid at a rate of interest equal to the Prime Rate plus one (1%) percent compounded annually.

## **ARTICLE 8**

### **MAINTENANCE OF ASSETS AND POST-CLOSING TRANSITION**

#### **8.1 Maintenance of Assets**

Until the Closing Time, Vendor shall, to the extent that the nature of its interest permits, and subject to the Title Documents and any other agreements and documents to which the Assets are subject:

- (a) maintain the Assets in a proper and prudent manner in accordance with good oil and gas industry practices and in material compliance with all Applicable Laws and Environmental Law;
- (b) pay or cause to be paid all costs and expenses relating to the Assets which arose after the date Vendor was appointed as receiver and manager and which become due from the date hereof to the Closing Time; and
- (c) perform and comply with all covenants and conditions contained in the Title Documents and any other agreements and documents to which the Assets are subject.

## 8.2 Consent of Purchaser

Notwithstanding Section 8.1, Vendor shall not, without the written consent of Purchaser, which consent shall not be unreasonably withheld by Purchaser and which, if provided, shall be provided in a timely manner:

- (a) make any commitment or propose, initiate or authorize any capital expenditure with respect to the Assets of which Vendor's share is in excess of \$25,000.00, except in case of an emergency or in respect of amounts which Vendor may be committed to expend or be deemed to authorize for expenditure without its consent;
- (b) surrender or abandon any of the Assets, or allow any of the Leases to expire or be terminated;
- (c) amend or terminate any Title Document or any other agreement or document to which the Assets are subject, or enter into any new agreement or commitment relating to the Assets; or
- (d) sell, encumber or otherwise dispose of any of the Assets or any part or portion thereof excepting sales of the Leased Substances or any of them in the normal course of business.

## 8.3 Post Closing Administration

Following Closing:

- (a) Vendor shall hold Debtor's title to the Assets on behalf of Purchaser until all necessary notifications, registrations and other steps have been completed;
- (b) Vendor shall represent Purchaser in all matters arising under the Title Documents:
  - (i) all payments relating to the Assets after Closing received by Vendor pursuant to the Title Documents shall be received and held by Vendor for Purchaser and Vendor shall remit such amounts to Purchaser within 30 days of receipt thereof, provided however Vendor, acting reasonably, shall be entitled to retain any portion of such payments to satisfy any amounts owing or payable hereunder or to satisfy any amounts owing to Third Parties by Purchaser under the Title Documents;
  - (ii) Vendor shall forward all statements, notices and other information received by it pursuant to the Title Documents that pertain to the Assets to Purchaser following their receipt by Vendor; and
  - (iii) Vendor shall forward to Third Parties to the Title Documents such notices and elections pursuant to the Title Documents pertaining to the Assets as Purchaser may reasonably request.
- (c) Purchaser ratifies and confirms all actions taken, or refrained from being taken, by Vendor under this Section 8.3, and Purchaser shall indemnify and save

harmless Vendor from and against all Losses and Liabilities arising as a consequence of the provisions of Subsections 8.3(a) and (b) hereof, except to the extent caused by the gross negligence or wilful misconduct of Vendor or its servants, agents or employees. Acts or omissions taken by Vendor or its servants or agents with the approval of Purchaser shall not constitute gross negligence or wilful misconduct for purposes of this Subsection. The indemnity in this Section 8.3 shall survive Closing.

#### 8.4 Lease Rental and Related Payments and Production Accounting

- (a) Unless otherwise directed by Purchaser, Vendor shall pay on behalf of Purchaser all rentals and shut-in royalty payments for Crown and freehold mineral and surface leases that are or are in respect of the Assets which are due and payable on or before December 31, 2014.
- (b) Vendor will be responsible for production accounting for the production month in which Closing occurs and payment of costs related directly to this period. Purchaser shall be responsible for production accounting and payment of costs after such date.
- (c) Purchaser will be responsible for all Saskatchewan freehold mineral taxes (if any) effective the 1st day of the month following the Closing Time.
- (d) Purchaser shall indemnify and save harmless Vendor from and against all Losses and Liabilities arising as a consequence of the provisions of this Section 8.4, except to the extent caused by the gross negligence or wilful misconduct of Vendor or its servants, agents or employees and except Vendor's administrative and overhead expenses. Acts or omissions taken by Vendor or its servants or agents with the approval of Purchaser shall not constitute gross negligence or wilful misconduct for purposes of this Subsection. The indemnity in this Section 8.4 shall survive Closing.

### **ARTICLE 9** **RIGHTS OF FIRST REFUSAL**

#### 9.1 Rights of First Refusal

Within 2 Business Days of the execution and delivery of this Agreement, Vendor shall advise Purchaser which of the Assets are subject to ROFRs. Within 2 Business Days of receiving such advice, Purchaser shall advise Vendor in writing of its bona fide allocations of value for Vendor's interest in and to such Assets. Vendor shall comply with the applicable ROFR provisions and shall courier notices to the Third Parties (and Purchaser, if applicable) holding such rights no later than 2 Business Days after it receives the bona fide allocations of Purchaser, in a form that is acceptable to Purchaser acting reasonably, using the bona fide allocations of Purchaser. Vendor shall notify Purchaser in writing forthwith upon each Third Party exercising or waiving such a right. If any such Third Party elects to exercise such a right, the definition of Assets shall be deemed to be amended to exclude those Assets in respect of which the right has been exercised, such Assets shall not be conveyed to Purchaser and the Purchase Price, the tax allocations and the GST shall be reduced accordingly.



**ARTICLE 10**  
**PRE-CLOSING INFORMATION**

10.1 Production of Documents

At all reasonable times from the date hereof until the Closing Time, Vendor shall make available to Purchaser and Purchaser's Representatives in Vendor's offices in Calgary the following information pertaining to the Assets to which Vendor has possession or to which it has access:

- (a) all title opinions and reports;
- (b) all of the Title Documents and any other agreements and documents to which the Assets are subject including without limitation (i) production sales contracts pertaining to the Leased Substances or any of them, (ii) gas balancing or similar agreements pertaining to the Leased Substances or any of them, (iii) agreements for the transportation, processing or disposal of the Leased Substances or any of them or substances produced in connection with the Leased Substances or any of them, (iv) agreements for the contract operation by a Third Party of the Assets or any of them, and (v) agreements to provide transportation, processing or disposal capacity or service to any Third Party;
- (c) mortgages, deeds of trust, security agreements, chattel mortgages and other encumbrances affecting the Assets;
- (d) evidence with respect to the payment of all bonuses, rentals, royalties and other payments due under the Title Documents and any other agreements and documents to which the Assets are subject;
- (e) evidence with respect to the payment of all taxes, charges and assessments pertaining to the Assets;
- (f) lease records, data sheets, production records, ownership maps and surveys;
- (g) permits, easements, licenses and orders;
- (h) all documents and information relevant to environmental damage or contamination or other environmental problems pertaining to the Assets; and
- (i) accounting records, policies of insurance, consulting agreements, field contracts and other agreements relating to the operation of the Assets.

**ARTICLE 11**  
**GENERAL**

11.1 Further Assurances

Each Party will, from time to time and at all times after Closing, without further consideration, do such further acts and deliver all such further assurances, deeds and documents as shall be reasonably required in order to fully perform and carry out the terms of

this Agreement. Until Purchaser is novated, with respect to the interest of Vendor in and to the Assets, into the Title Documents and any other agreements and documents to which the Assets are subject, Vendor shall act as Purchaser's agent (including without limitation to serve operation notices and authorizations for expenditure) as Purchaser reasonably and lawfully directs. Purchaser shall be liable to Vendor and shall, in addition, indemnify Vendor from and against, all losses, costs, claims, damages, expenses and liabilities suffered, sustained, paid or incurred by Vendor arising in connection with all acts or omissions of Vendor in its capacity as agent of Purchaser to the extent such acts and omissions were expressly or impliedly authorized by Purchaser except to the extent caused by Vendor's gross negligence or wilful misconduct. The indemnity in this Section 11.1 shall survive Closing.

#### 11.2 No Merger

The covenants, representations, warranties and indemnities contained in this Agreement shall be deemed to be restated in any and all assignments, conveyances, transfers and other documents conveying the interests of Vendor in and to the Assets to Purchaser, subject to any and all time and other limitations contained in this Agreement. There shall not be any merger of any covenant, representation, warranty or indemnity in such assignments, conveyances, transfers and other documents notwithstanding any rule of law, equity or statute to the contrary and such rules are hereby waived.

#### 11.3 Entire Agreement

The provisions contained in any and all documents and agreements collateral hereto shall at all times be read subject to the provisions of this Agreement and, in the event of conflict, the provisions of this Agreement shall prevail. No amendments shall be made to this Agreement unless in writing, executed by the Parties. This Agreement supersedes all other agreements, documents, writings and verbal understandings among the Parties relating to the subject matter hereof and expresses the entire agreement of the Parties with respect to the subject matter hereof.

#### 11.4 Governing Law

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 the laws of Canada applicable therein and shall, in all respects, be treated as a contract made in the Province of Alberta. The Parties irrevocably attorn and submit to the non-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.

#### 11.5 Enurement

This Agreement may not be assigned by a Party without the prior written consent of the other Party, which consent may be unreasonably and arbitrarily withheld. This Agreement shall be binding upon and shall enure to the benefit of the Parties and their respective administrators, trustees, receivers, successors and permitted assigns.

#### 11.6 Time of Essence

Time shall be of the essence in this Agreement.

## 11.7 Notices

The addresses for service and the fax numbers of the Parties shall be as follows:

Vendor - FTI Consulting Canada Inc., as receiver and manager of the assets, undertaking and property of Coast Resources Ltd., Viewfield Oil & Gas Ltd., and Coast Services Inc.  
1000, 888-3rd Street SW  
Bankers Hall, West Tower  
Calgary, AB T2P 5C5

Attention: Deryck Helkaa, Senior Managing Director  
Fax no.: (403) 444-6699

With a copy to Sayer Energy Advisors  
1620, 540 – 5<sup>th</sup> Avenue S. W.  
Calgary, AB T2P 0M2  
Attention: Ryan Ferguson Young  
Fax no.: (403) 266-4467

Purchaser - Northern Blizzard Resources Inc.  
2100, 440 – 2<sup>nd</sup> Avenue SW  
Calgary, AB T2P 5E9  
Attention: Vice-President, Land Contracts  
Purchaser fax no.: (403) 930-3001

All notices, communications and statements required, permitted or contemplated hereunder shall be in writing, and shall be delivered as follows:

- (a) by personal service on a Party at the address of such Party set out above, in which case the item so served shall be deemed to have been received by that Party when personally served;
- (b) by facsimile transmission to a Party to the fax number of such Party set out above, in which case the item so transmitted shall be deemed to have been received by that Party when transmitted; or
- (c) except in the event of an actual or threatened postal strike or other labour disruption that may affect mail service, by mailing first class registered post, postage prepaid, to a Party at the address of such Party set out above, in which case the item so mailed shall be deemed to have been received by that Party on the third Business Day following the date of mailing (the date of mailing being the Business Day immediately prior to the postmarked date of the envelope containing the notice, communication or statement or if the subject envelope has been lost or destroyed, the date of such notice, communication or statement or if undated the date of the transmittal letter accompanying the same).

A Party may from time to time change its address for service or its fax number or both by giving written notice of such change to the other Party.

#### 11.8 Operatorship

Purchaser acknowledges that Vendor is unable to assign to Purchaser operatorship of the Assets, if any, operated by Vendor and in respect of which Vendor does not have a 100% interest. Vendor shall, however, use reasonable best efforts to assist Purchaser in its attempts to obtain operatorship provided that in exercising such efforts it is not obligated to incur monetary obligations. Nothing in this Agreement shall be interpreted as an assignment of Vendor's rights as operator of any of the Assets under the Title Documents or as any assurance by Vendor that Purchaser will be able to serve as operator for any of the Assets thereunder at or after Closing.

#### 11.9 Limit of Liability

In no event shall the liability of Vendor to Purchaser in respect of claims of Purchaser arising out of or in connection with this Agreement exceed, in the aggregate, the Purchase Price, taking into account any and all increases or decreases to the Purchase Price that occur by virtue of the terms of this Agreement.

#### 11.10 Invalidity of Provisions

In case any of the provisions of this Agreement should be invalid, illegal or unenforceable in any respect, the validity, legality or enforceability of the remaining provisions contained herein shall not in any way be affected or impaired thereby.

#### 11.11 Waiver

No failure on the part of any Party in exercising any right or remedy hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any such right or remedy preclude any other or further exercise thereof or the exercise of any right or remedy in law or in equity or by statute or otherwise conferred. No waiver of any provision of this Agreement, including without limitation, this Section, shall be effective otherwise than by an instrument in writing dated subsequent to the date hereof, executed by a duly authorized representative of the Party making such waiver.

#### 11.12 Amendment

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

#### 11.13 Agreement not Severable

This Agreement extends to the whole of the Assets and is not severable without Purchaser's express written consent or as otherwise herein provided.

#### 11.14 Confidentiality and Public Announcements

Until Closing has occurred, each Party shall keep confidential all information obtained from the other Party in connection with the Assets and shall not release any information concerning this Agreement and the Transaction, without the prior written consent of the other Party, which consent shall not be unreasonably withheld. Nothing contained herein shall prevent a Party at any time from furnishing information (i) to any governmental agency or regulatory authority or to the public if required by Applicable Law, provided that the Parties shall advise each other in advance of any public statement which they propose to make, (ii) in connection with obtaining consents or complying with preferential, pre-emptive or first purchase rights contained in Title Documents and any other agreements and documents to which the Assets are subject, or (iii) to procure the consent of Vendor's lenders.

#### 11.15 Securities Act Disclosure

At any time prior to Closing or in the two (2) year period following Closing, should Purchaser require an audited operating statement with respect to the Assets pursuant to Applicable Law, including any disclosure requirements under securities' legislation, for a period during which the Assets were owned by Debtor, then:

- (a) Vendor shall provide access during normal business hours to the records of Debtor relevant to preparation of such an operating statement during such period;
- (b) the audit shall be performed by a firm of independent auditors selected by Vendor, and Purchaser shall be responsible for all costs incurred in connection with the audit and the preparation of any statements or reports in connection therewith and Vendor shall not be required to provide direct access to Debtor's records to Purchaser or its other Representatives; and
- (c) if the auditor requires the assistance of Vendor's personnel to find, collect or interpret the necessary information from Vendor's or Debtor's records, Vendor shall cause such assistance to be provided and Purchaser shall pay reasonable hourly costs to Vendor as compensation for the time devoted by such personnel.

Notwithstanding the generality of the foregoing, Purchaser hereby acknowledges that:

- (d) all information provided by Vendor to Purchaser pursuant to this Section 11.15 is provided on the express condition that Vendor and its Representatives assume no liability, whatsoever, to Purchaser or any other Person in respect of such information, or the accuracy or sufficiency thereof or in connection with any claim in respect of such information; and
- (e) Vendor and its Representatives make no representation or warranty regarding such information and expressly disclaim any implied or constructive representation or warranty.

11.16 Counterparts and Electronic Transmission

This Agreement may be executed in several counterparts, each of which when so executed shall be deemed to be an original, and such counterparts shall constitute one and the same instrument, and notwithstanding the date of execution, shall be deemed to bear date as of the date of this Agreement. This Agreement shall be considered properly executed by any Party if executed and transmitted by facsimile or other electronic means to the other Parties.

11.17 Waiver of Legislation

*The Land Contracts (Actions) Act* (Saskatchewan) shall have no application to any action, as defined in that Act, with respect to this Agreement; and *The Limitation of Civil Rights Act* (Saskatchewan) shall have no application to this Agreement or any agreement renewing, extending or collateral to this Agreement.

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

**FTI CONSULTING CANADA INC.**, as  
Receiver and Manager of the assets,  
undertaking and property of **COAST  
RESOURCES LTD., VIEWFIELD OIL &  
GAS LTD.** and **COAST SERVICES INC.**,  
and not in its personal capacity

**NORTHERN BLIZZARD RESOURCES  
INC.**

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

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

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

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

Notwithstanding the generality of the foregoing, Purchaser hereby acknowledges that:

- (d) all information provided by Vendor to Purchaser pursuant to this section 11.15 is provided on the express condition that Vendor and its Representatives assume no liability, whatsoever, to Purchaser or any other Person in respect of such information, or the accuracy or sufficiency thereof or in connection with any claim in respect of such information; and
- (e) Vendor and its Representatives make no representation or warranty regarding such information and expressly disclaim any implied or constructive representation or warranty.

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

**FTI CONSULTING CANADA INC.**, as  
Receiver and Manager of the assets,  
undertaking and property of **101033165**  
**SASKATCHEWAN LTD.**, and not in its  
personal capacity

**CRESCENT POINT RESOURCES**  
**PARTNERSHIP**, by its Managing Partner,  
**CRESCENT POINT ENERGY CORP.**

Per:   
Deryck Helkaa, Senior Managing Director

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

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

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

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RESOURCES LTD., VIEWFIELD OIL &  
GAS LTD.** and **COAST SERVICES INC.**,  
and not in its personal capacity

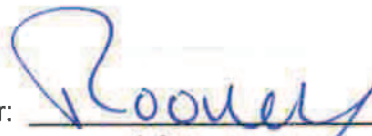
**NORTHERN BLIZZARD RESOURCES  
INC.**


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

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

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

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

  
John R. Rooney  
Chairman

  
Jim ARTINDALE, PRESIDENT & CEO



THE FOLLOWING 6 PAGES COMPRISE SCHEDULE "A" ATTACHED TO AND FORMING PART OF AN AGREEMENT OF PURCHASE AND SALE MADE AS OF THE \_\_\_ DAY OF DECEMBER, 2014 BETWEEN FTI CONSULTING CANADA INC., AS RECEIVER AND MANAGER OF THE ASSETS, UNDERTAKING AND PROPERTY OF COAST RESOURCES LTD., VIEWFIELD OIL & GAS LTD., and COAST SERVICES INC., AS VENDOR, AND NORTHERN BLIZZARD RESOURCES INC., AS PURCHASER

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**Lands and Petroleum and Natural Gas Rights**

SCHEDULE "A"											
Number (Split)	Area	Lessor/Crown #	Lease	Effective	Legal Description	Rights	UWI/Well Status/Type/File Status	Debtor's Interest	Gross Rental	Royalties	Related Contracts
M00011 (1)	LUSELAND (SK)	DEVON M30208	May-01-2013	May-01-2013	Lsds 11, 12, 13 and SW/4 all in SEC 21-TWP 35-RGE 25-W3M	PNG from base MCLAREN SS to basement	111/04-21-035-25-W3/00 - LOC	Undivided 98% working interest	398.37	GOR: 78% of production; Non-Convertible; Not TIK; 2% of all products; SIMILAR TO CROWN LSR: 100% of production; Non-Convertible; Not TIK; 17.5% of all products; NO DEDUCTIONS	C00086 - 10 JOA C00086 - 4 JOA C00086 - 6 JOA C00086 - 9 JOA C00086 - 11 JOA C00086 - 13 JOA C00086 - 2 JOA C00086 - 3 JOA C00086 - 1 JOA C00086 - 7 JOA C00086 - 5 JOA C00086 - 12 JOA C00086 - 8 JOA
M00019 (1)	LUSELAND (SK)	PN54446	Aug-10-2004	Apr-01-2005	Lsd 11, 12, 14, NE/4 and S/2 all in SEC 16-TWP 35-RGE 25-W3M	PNG from top MANNVILLE to base MANNVILLE	101/13-16-035-25-W3/00 - GAS	Undivided 37.5% working interest (POOLED)	849.84	LSR: 100% of production; Non-Convertible; Not TIK; 100% of all products; CROWN DEDUCTIONS	C00037 - 1 EQUALIZATION & POOLING AGREEMENT C00020 - 1 JOA C00004 - 11 ROYALTY ROFR Yes
Split (3)						PNG from surface to top MANNVILLE		Undivided 37.5% working interest (POOLED)	0	GOR: 37.5% of production; Non-Convertible; Not TIK; 2% of all products; SIMILAR TO CROWN LSR: 100% of production; Non-Convertible; Not TIK; 100% of all products; CROWN DEDUCTIONS	C00037 - 1 EQUALIZATION & POOLING AGREEMENT C00020 - 1 JOA C00004 - 11 ROYALTY ROFR Yes
M00020 (1)	LUSELAND (SK)	PN53920	Apr-13-2004	Apr-01-2005	SEC 22-TWP 35-RGE 25-W3M	PNG from surface to top BAKKEN		Undivided 80% working interest (APEN)	0	GOR: 34% of production; Non-Convertible; Not TIK; 2% of all products; SIMILAR TO CROWN LSR: 100% of production; Non-Convertible; Not TIK; 100% of all products; CROWN DEDUCTIONS	C00004 - 13 ROYALTY ROFR Yes C00020 - 1 JOA C00020 - 2 JOA
Split (2)						PNG from top BAKKEN to base BAKKEN	141/12-22-035-25-W3/00 - OIL	Undivided 80% working interest (APEN)	912.17	LSR: 100% of production; Non-Convertible; Not TIK; 100% of all products; CROWN DEDUCTIONS	C00020 - 2 JOA C00004 - 13 ROYALTY ROFR Yes
M00058 (1)	LUSELAND (SK)	PN19211	Aug-10-2004	Apr-01-2005	Lsd 13 in SEC 16-TWP 35-RGE 25-W3M	PNG from top MANNVILLE to base MANNVILLE	101/13-16-035-25-W3/00 - GAS	Undivided 37.5% working interest (POOLED)	56.65	LSR: 100% of production; Non-Convertible; Not TIK; 100% of all products; CROWN DEDUCTIONS	C00037 - 1 EQUALIZATION & POOLING AGREEMENT C00020 - 1 JOA C00004 - 9 ROYALTY ROFR Yes
Split (2)						PNG from surface to top MANNVILLE		Undivided 37.5% working interest (POOLED)	0	GOR: 37.5% of production; Non-Convertible; Not TIK; 2% of all products; SIMILAR TO CROWN LSR: 100% of production; Non-Convertible; Not TIK; 100% of all products; CROWN DEDUCTIONS	C00037 - 1 EQUALIZATION & POOLING AGREEMENT C00020 - 1 JOA C00004 - 9 ROYALTY ROFR Yes
M00087 (1)	LUSELAND (SK)	PN64589	Aug-09-2010	Apr-01-2011	Lsds 2, 7 and 8, NE/4 and W/2 all in SEC 18-TWP 35-RGE 25-W3M	PNG from base MANNVILLE to top PRECAMBRIAN		Undivided 88% working interest	906.5	GOR: 68% of production; Non-Convertible; Not TIK; 2% of all products; SIMILAR TO CROWN LSR: 100% of production; Non-Convertible; Not TIK; 100% of all products; CROWN DEDUCTIONS	C00004 - 8 ROYALTY ROFR Yes C00004 - 7 ROYALTY ROFR Yes











**THIS PAGE COMPRISES SCHEDULE "B" ATTACHED TO AND FORMING PART OF AN AGREEMENT OF PURCHASE AND SALE MADE AS OF THE \_\_\_\_ DAY OF DECEMBER, 2014 BETWEEN FTI CONSULTING CANADA INC., AS RECEIVER AND MANAGER OF THE ASSETS, UNDERTAKING AND PROPERTY OF COAST RESOURCES LTD., VIEWFIELD OIL & GAS LTD., and COAST SERVICES INC., AS VENDOR, AND NORTHERN BLIZZARD RESOURCES INC., AS PURCHASER**

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AFEs

None

Facilities

None

Pipelines

- a) Flowline from 02-21-035-25W3 Well to 02-21-035-25W3 Well – License #141047;
- b) Flowline from 02-21-035-25W3 Well to 09-21-035-25W3 Well – Licence #140609;
- c) Flowline from 09-21-035-25W3 Well to 10-21-035-25W3 Well – Licence #137307; and
- d) Flowline from 12-22-035-25W3 Well to 08-21-035-25W3 Well – Licence #137306.

Production Contracts

- 1) Contract CRL-2013-3279-P-1 between Shell Trading Canada, as buyer and Coast Resources Ltd., as seller dated November 27, 2012 commencing January 1, 2013; and
- 2) Contract CRL-2013-3279-P-2 between Shell Trading Canada, as buyer and Coast Resources Ltd., as seller dated November 27, 2012 commencing January 1, 2013.

Wells - UWI

<b>Unique Well Identifier</b>	<b>Licence #</b>	<b>Status Description</b>
111/12-16-35-25-W3/00	06I228	Abandoned Dry
101/13-16-35-25-W3/00		
141/16-16-35-25-W3/00	10C008	Abandoned Dry
111/05-19-35-25-W3/00	10L139	Suspended
CC/09-20-35-25-W3/00	11A361	Cancelled
CC/11-20-35-25-W3/00	10L142	Cancelled
CC/14-20-35-25-W3/00	10L143	Cancelled



101/01-21-35-25-W3/01	11L086	Active (Producing/Injecting/ETC)
101/01-21-35-25-W3/00	82F029	Abandoned Re-Entered
101/02-21-35-25-W3/01	82F035	Abandoned Re-Entered
101/02-21-35-25-W3/01	12J254	Active (Producing/Injecting/ETC)
111/02-21-35-25-W3/00	97L329	Abandoned Former Producer
CC/04-21-35-25-W3/00	11A157	Cancelled
111/07-21-35-25-W3/00	12G090	Active (Producing/Injecting/ETC)
CC/07-21-35-25 W3/00	11A097	Cancelled
141/08-21-35-25-W3/00	10B242	Active (Producing/Injecting/ETC)
121/09-21-35-25-W3/00	10B254	Active (Producing/Injecting/ETC)
112/10-21-35-25-W3/00	11A164	Active (Producing/Injecting/ETC)
101/15-21-35-25-W3/00	12I272	Abandoned Non-Producer
141/12-22-35-25-W3/00	09E034	Active (Producing/Injecting/ETC)
141/02-03-36-25-W3/00	12I279	Abandoned Non-Producer
131/04-03-36-25-W3/00	11G267	Active (Producing/Injecting/ETC)
141-13-03-36-25-W3/00	11F404	Abandoned Non-Producer

**THIS PAGE COMPRISES SCHEDULE "C" ATTACHED TO AND FORMING PART OF AN AGREEMENT OF PURCHASE AND SALE MADE AS OF THE \_\_\_\_ DAY OF DECEMBER, 2014 BETWEEN FTI CONSULTING CANADA INC., AS RECEIVER AND MANAGER OF THE ASSETS, UNDERTAKING AND PROPERTY OF COAST RESOURCES LTD., VIEWFIELD OIL & GAS LTD. and COAST SERVICES INC., AS VENDOR, AND NORTHERN BLIZZARD RESOURCES INC., AS PURCHASER**

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**Rights of First Refusal**

None

**THIS AND THE FOLLOWING PAGE COMPRISE SCHEDULE "D" ATTACHED TO AND FORMING PART OF AN AGREEMENT OF PURCHASE AND SALE MADE AS OF THE \_\_\_\_ DAY OF DECEMBER, 2014 BETWEEN FTI CONSULTING CANADA INC., AS RECEIVER AND MANAGER OF THE ASSETS, UNDERTAKING AND PROPERTY OF COAST RESOURCES LTD., VIEWFIELD OIL & GAS LTD., and COAST SERVICES INC., AS VENDOR, AND NORTHERN BLIZZARD RESOURCES INC., AS PURCHASER**

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**PETROLEUM, NATURAL GAS AND GENERAL RIGHTS CONVEYANCE**

THIS AGREEMENT made as of the \_\_\_\_ day of December, 2014.

AMONG:

**FTI CONSULTING CANADA INC.**, in its capacity as Receiver and Manager of the assets, undertaking and property of **COAST RESOURCES LTD., VIEWFIELD OIL & GAS LTD. and COAST SERVICES INC.**, and not in its personal capacity (in such capacity hereinafter referred to as "**Vendor** ")

- and -

**NORTHERN BLIZZARD RESOURCES INC.**, a body corporate, having an office in the City of Calgary, in the Province of Alberta (hereinafter referred to as "**Purchaser**")

WHEREAS:

- (A) Vendor and Purchaser entered into that Agreement of Purchase and Sale made as of the \_\_\_\_ day of December, 2014 (the "Sale Agreement") with respect to the "Assets" (which term, when used in this Agreement, has the same meaning as in the Sale Agreement);
- (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; and
- (C) Any definitions used in this agreement shall have the same meaning as in the Sale Agreement.

NOW THEREFORE in consideration of the premises hereto and the covenants and agreements hereinafter set forth and contained, the parties hereto covenant and agree as follows:

1. Vendor hereby sells, assigns, transfers, conveys and sets over to Purchaser, and Purchaser hereby purchases from Vendor, all of the right, title, estate and interest of Vendor (whether absolute or contingent, legal or beneficial) in and to the 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. The assignment and conveyance effected by this agreement is made with full right of substitution of Purchaser in and to all covenants, representations, warranties and indemnities by others heretofore given or made in respect of the Assets or any part thereof.
5. 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 non-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.
6. 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.
7. This Agreement may be executed in several counterparts, each of which when so executed shall be deemed to be an original, and such counterparts shall constitute one and the same instrument, and notwithstanding the date of execution, shall be deemed to bear date as of the date of this Agreement. This Agreement shall be considered properly executed by any Party if executed and transmitted by facsimile or other electronic means to the other Parties.

IN WITNESS WHEREOF the parties hereto have executed this agreement as of the day and year first above written.

**FTI CONSULTING CANADA INC.**, as  
Receiver and Manager of the assets,  
undertaking and property of **COAST  
RESOURCES LTD., VIEWFIELD OIL &  
GAS LTD., and COAST SERVICES INC.**,  
and not in its personal capacity

**NORTHERN BLIZZARD RESOURCES  
INC.**

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

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

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

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

**THIS AND THE FOLLOWING PAGE COMPRISE SCHEDULE "E" ATTACHED TO AND FORMING PART OF AN AGREEMENT OF PURCHASE AND SALE MADE AS OF THE \_\_\_\_ DAY OF DECEMBER, 2014 BETWEEN FTI CONSULTING CANADA INC., AS RECEIVER AND MANAGER OF THE ASSETS, UNDERTAKING AND PROPERTY OF COAST RESOURCES LTD., VIEWFIELD OIL & GAS LTD., and COAST SERVICES INC., AS VENDOR, AND NORTHERN BLIZZARD RESOURCES INC., AS PURCHASER**

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**WIRE TRANSFER INSTRUCTIONS**

**FTI CONSULTING CANADA INC., as receiver of Coast Resources Ltd.**

Bankers Hall, West Tower  
1000, 888 – 3<sup>rd</sup> Street SW  
Calgary, Alberta  
T2P 5C5

Bank Name: National Bank of Canada  
Bank Address: 301 – 6<sup>th</sup> Avenue SW  
Calgary, Alberta  
T2P 4M9

Transit #: [REDACTED]  
Account #: [REDACTED]  
Bank #: [REDACTED]  
SWIFT Code: [REDACTED]

**NORTHERN BLIZZARD RESOURCES INC.**

2100, 440 – 2<sup>nd</sup> Avenue SW  
Calgary, Alberta  
T2P 5E9

Contact: Ron Purvis  
403-930-3097

Bank Name: TD Canada Trust  
Bank Address: 340 – 5<sup>th</sup> Avenue SW  
Calgary, Alberta  
T2P 2P6

Transit #: [REDACTED]  
Account #: [REDACTED]  
Bank ID: [REDACTED]  
SWIFT Code: [REDACTED]

# APPENDIX “B”

## CRESCENT POINT APS

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## AGREEMENT OF PURCHASE AND SALE

THIS AGREEMENT made as of the 12<sup>th</sup> day of December, 2014.

AMONG:

**FTI CONSULTING CANADA INC. ("FTI"), in its capacity as receiver and manager of the assets, undertaking and property of 101033165 SASKATCHEWAN LTD. ("Debtor"), and not in its personal capacity (FTI, in such capacity, hereinafter referred to as "Vendor")**

- and -

**CRESCENT POINT RESOURCES PARTNERSHIP, a general partnership, having an office in the City of Calgary, in the Province of Alberta (hereinafter referred to as "Purchaser")**

WHEREAS Vendor was appointed as receiver and manager of the Assets pursuant to the Receivership Order;

WHEREAS Vendor wishes to sell and Purchaser wishes to purchase the interest of Debtor, through Vendor, in and to the Assets, subject to and in accordance with the terms and conditions hereof;

NOW THEREFORE THIS AGREEMENT WITNESSES that in consideration of the premises and the mutual covenants and agreements hereinafter set forth, the Parties have agreed as follows:

### ARTICLE 1 INTERPRETATION

#### 1.1 Definitions

In this Agreement, unless the context otherwise requires:

- (a) "Abandonment and Reclamation Obligations" means all obligations under or with respect to the Title Documents and Environmental Law to:
- (i) abandon the Wells;
  - (ii) decommission and remove the Tangibles, including associated foundations and structures; and

- (iii) restore, remediate and reclaim the lands to which the Surface Rights relate;
- (b) "Adjustment Date" means the hour of 8:00 a.m., Calgary time, on the 1<sup>st</sup> day of July, 2014;
- (c) "AFEs" means the authorities for expenditure, operations notices, amounts budgeted pursuant to the Unit Agreements and mail ballots, if any, set out in Schedule "B" under the heading "AFEs";
- (d) "Affiliate" means any Person which controls or is controlled by a Party, or which controls or is controlled by a Person which controls such Party and "control" means the power to direct or cause the direction of the management and policies of the other Person, whether directly or indirectly, through one or more intermediaries or otherwise, and whether by virtue of the ownership of shares or other equity interests, the holding of voting rights or contractual rights, or partnership interests or otherwise. For certainty, a partnership which is comprised of corporations which are Affiliates, as described above, shall be deemed to be an Affiliate of each such corporation and its other Affiliates;
- (e) "Applicable Law" means any law, statute, regulation, rule, ordinance, order or directive enacted or issued by any Governmental Authority having jurisdiction over Vendor, Purchaser or the Assets, and includes, without limitation, the provisions and conditions of any permit, license or other governmental or regulatory authorization in respect of the Assets or any of them;
- (f) "Approval and Vesting Order" has the meaning ascribed to that term in section 3.1(a).
- (g) "Assets" means the Petroleum and Natural Gas Rights, the Tangibles and the Miscellaneous Interests;
- (h) "Business Day" means a day other than a Saturday, a Sunday or a statutory holiday in Calgary, Alberta;
- (i) "Certificate" means a written certification of a matter or matters of fact which, if required from a corporation, shall be made by an officer of the corporation, on behalf of the corporation and not in any personal capacity;
- (j) "Closing" means the closing of the purchase and sale herein provided for;
- (k) "Closing Date" has the meaning ascribed to that term in section 4.1;
- (l) "Closing Place" means the offices of Vendor, or such other place as may be agreed upon in writing by Vendor and Purchaser;
- (m) "Closing Time" means the hour of 10:00 a.m. on the Closing Date or such other time and date as may be agreed upon in writing by Vendor and Purchaser;
- (n) "Court" means the Court of Queen's Bench of Alberta in the Receivership Proceedings;

- (o) "Encumbrance" means all liens, charges, security interests, royalties, pledges, options, net profit interests, rights of pre-emption, mortgages, adverse claims and other encumbrances on ownership rights of any kind or character or agreements to create the same;
- (p) "Environmental Law" means Applicable Law relating to the protection of the environment or natural resources, or to human health and safety as it relates to environmental protection;
- (q) "Environmental Liabilities" means all liabilities pertaining to the Assets in respect of the environment, whether or not caused by a breach of the applicable Regulations and whether or not resulting from operations conducted with respect to the Assets, including, without limitation, liabilities related to:
- (i) the transportation, storage, use or disposal of toxic or hazardous substances or hazardous, dangerous or non-dangerous oilfield substances or waste;
  - (ii) the release, spill, escape or emission of toxic or hazardous substances;
  - (iii) any other pollution or contamination of the surface, substrata, soil, air, ground water, surface water or marine environments;
  - (iv) damages and losses suffered by Third Parties as a result of the occurrences in subsections (i) to (iii) of this subsection; and
  - (v) any obligations imposed by Environmental Law to protect the environment or to rectify environmental problems;
- (r) "Facilities" means the facility or facilities, if any, set out in Schedule "B" under the heading "Facilities";
- (s) "Final Statement of Adjustments" has the meaning ascribed to that term in subsection 7.1(k);
- (t) "General Conveyance" means the form of general conveyance attached hereto as Schedule "D";
- (u) "Governmental Authority" means any domestic government, whether federal, provincial, state, territorial, local, regional, municipal, or other political jurisdiction, and any agency, authority, instrumentality, court, tribunal, board, commission, bureau, arbitrator, arbitration tribunal or other tribunal, or any quasi-governmental or other entity, insofar as it exercises a legislative, judicial, regulatory, administrative, expropriation or taxing power or function of or pertaining to government having jurisdiction over the Assets, the Parties or the Transaction;
- (v) "GST" means the goods and services tax administered pursuant to the *Excise Tax Act* (Canada) or under any successor or parallel federal or provincial legislation that imposes a tax on the recipient of goods and services;

- (w) "IFRS Rules" means the international financial reporting standard rules adopted and applied by the Canadian Institute of Chartered Accountants at the relevant time;
- (x) "Interim Statement of Adjustments" has the meaning ascribed to that term in subsection 7.1(i);
- (y) "Lands" means the lands set out in Schedule "A" under the heading "Lands/Rights/Wells";
- (z) "Leased Substances" means all Petroleum Substances, rights to or in respect of which are granted, reserved or otherwise conferred by or under the Title Documents (but only to the extent that the Title Documents pertain to the Lands);
- (aa) "Losses and Liabilities" means all claims, liabilities, actions, proceedings, demands, losses, costs, penalties, fines, damages and expenses which may be sustained or incurred by any of a Party or its Representatives, including, without limitation, reasonable legal fees and disbursements on a solicitor and client basis;
- (bb) "Miscellaneous Interests" means, subject to any and all limitations and exclusions provided for in this definition, all property, assets, interests and rights pertaining to the Petroleum and Natural Gas Rights and the Tangibles, or either of them, but only to the extent that such property, assets, interests and rights pertain to the Petroleum and Natural Gas Rights and the Tangibles, or either of them, including without limitation any and all of the following:
  - (i) contracts and agreements (including lease abstracts and contract abstracts) relating to the Petroleum and Natural Gas Rights and the Tangibles, or either of them, including without limitation gas purchase contracts, processing agreements, transportation agreements and agreements for the construction, ownership and operation of facilities; but unless included as Production Contracts, excluding production sales contracts pertaining to the Leased Substances or any of them that cannot be terminated on notice of 31 days or less (without an early termination penalty or other cost), gas balancing or similar agreements pertaining to the Leased Substances or any of them, agreements for the transportation, processing or disposal of the Leased Substances or any of them or substances produced in connection with the Leased Substances or any of them, agreements for the contract operation by a Third Party of the Assets or any of them and agreements to provide transportation, processing or disposal capacity or service to any Third Party;
  - (ii) the Surface Rights;
  - (iii) the Seismic and all records, books, documents, licences, reports and data other than the Seismic which relate to the Petroleum and Natural Gas Rights and the Tangibles, or either of them; and
  - (iv) the Wells (and no other wells), including the wellbores and any and all casing;

Unless otherwise agreed in writing by the Parties, the Miscellaneous Interests exclude (A) Debtor's tax and financial records, and (B) files, documents, reports, data, intellectual property and computer hardware or software insofar as they (i) pertain to Debtor's geophysical data and interpretations thereof; (ii) pertain to Debtor's proprietary technology, evaluations or interpretations (whether geological, engineering, economic or otherwise); (iii) are legal opinions, (iv) are documents prepared on behalf of Debtor or Vendor in contemplation of litigation; (v) are owned or licenced by Third Parties with restrictions that prohibit their deliverability or disclosure to Purchaser; (vi) are referred to specifically as exclusions in a Schedule; or (vii) pertain to records required to be maintained under Applicable Law if the retention period for those records thereunder has expired;

- (cc) "Objection Date" has the meaning ascribed to that term in subsection 7.1(l);
- (dd) "Officer's Certificates" means the form of Vendor's Officer's Certificate and Purchaser's Officer's Certificate attached hereto as Schedule "D";
- (ee) "Outside Date" means January 31, 2015;
- (ff) "Party" means a party to this Agreement;
- (gg) "Permitted Encumbrances" means:
  - (i) liens for taxes, assessments and governmental charges which are not due or the validity of which is being diligently contested in good faith by or on behalf of Vendor;
  - (ii) liens incurred or created in the ordinary course of business as security in favour of the person who is conducting the development or operation of the property to which such liens relate for Vendor's proportionate share of the costs and expenses of such development or operation;
  - (iii) mechanics', builders' and materialmen's liens in respect of services rendered or goods supplied for which payment is not due;
  - (iv) easements, rights of way, servitudes and other similar rights in land (including without limitation rights of way and servitudes for highways and other roads, railways, sewers, drains, gas and oil pipelines, gas and water mains, electric light, power, telephone, telegraph and cable television conduits, poles, wires and cables) which do not materially impair the use of the Assets affected thereby;
  - (v) the right reserved to or vested in any Governmental Authority by the terms of any lease, licence, franchise, grant or permit or by any statutory provision, to terminate any such lease, licence, franchise, grant or permit or to require annual or other periodic payments as a condition of the continuance thereof;
  - (vi) rights of general application reserved to or vested in any Governmental Authority to levy taxes on the Leased Substances or any of them or the

income therefrom, and governmental requirements and limitations of general application as to production rates on the operations of any property;

- (vii) statutory exceptions to title, and the reservations, limitations, provisos and conditions in any original grants from the Crown of any of the mines and minerals within, upon or under the Lands;
  - (viii) any security held by any Third Party encumbering Vendor's interest (or the interest of any predecessor in title to Vendor) in and to the Assets or any part or portion thereof, in respect of which Vendor delivers a discharge of, or no interest letters in respect of, to Purchaser at or prior to Closing;
  - (ix) the Production Contracts and agreement or agreements (if any) for the sale of Leased Substances that are terminable on not greater than 31 days' notice (without an early termination penalty or other cost); and
  - (x) all royalty burdens, liens, adverse claims, penalties, reductions in interests and other encumbrances set out in Schedule "A";
- (hh) "Person" means any individual (or group of individuals), corporation, limited or unlimited liability company, joint venture, partnership (limited or general), trust, trustee, executor or similar official, Governmental Authority or other legal entity;
- (ii) "Petroleum and Natural Gas Rights" means all rights to and in respect of the Leased Substances and the Title Documents (but only to the extent that the Title Documents pertain to the Lands), including without limitation the interests set out in Schedule "A" under the heading "Interests" and beside "101033165 Saskatchewan Ltd.";
- (jj) "Petroleum Substances" means any of crude oil, crude bitumen and products derived therefrom, synthetic crude oil, petroleum, natural gas, natural gas liquids, and any and all other substances related to any of the foregoing, whether liquid, solid or gaseous, and whether hydrocarbons or not, including without limitation sulphur;
- (kk) "Pipelines" means the pipelines set out in Schedule "B" under the heading "Pipelines";
- (ll) "Prime Rate" means an annual rate of interest equal to the annual rate of interest announced from time to time by the main Calgary branch of Royal Bank of Canada as the reference rate then in effect for determining interest rates on Canadian dollar commercial loans in Canada;
- (mm) "Production Contracts" means the agreement or agreements, if any, set out in Schedule "B" under the heading "Production Contracts";
- (nn) "Purchase Price" means the sum of money first set out in section 2.6;
- (oo) "Purchase Price Reduction Amount" means the amount of \$475,450.00;

- (pp) "Purchase Price Reduction Event" means in the event that the Closing of the Transaction does not occur prior to the Outside Date;
- (qq) "Receivership Order" means the Consent Receivership Order in the Receivership Proceedings dated March 6, 2014 of Mr. Justice A.D. Macleod of the Court of Queen's Bench of Alberta in Court File Number 1401-02489 confirming, *inter alia*, the appointment of FTI as the receiver and manager of the assets, undertakings and properties of the Debtor, Coast Resources Ltd., Viewfield Oil & Gas Ltd. and Coast Services Inc.;
- (rr) "Receivership Proceedings" means the application to appoint FTI as the receiver and manager of the assets, undertakings and properties of the Debtor, Coast Resources Ltd., Viewfield Oil & Gas Ltd. and Coast Services Inc.;
- (ss) "Representatives" means, with respect to any Party, its Affiliates, and the respective directors, officers, servants, agents, advisors, employees and consultants of that Party and its Affiliates;
- (tt) "Right of First Refusal" or "ROFR" means a right of first refusal, pre-emptive right of purchase or similar right whereby any Third Party has the right to acquire or purchase any of the Assets as a consequence of the Parties entering into this Agreement or the Transaction;
- (uu) "Seismic" means the entire proprietary interest of Debtor in and to seismic lines, including all surveyors' ground elevation records, shot point maps, drillers' logs, shooters' records, seismographic records, seismographic magnetic tapes, stack files, monitor records, field records and record sections and maps and interpretations made therefrom pertaining to the Petroleum and Natural Gas Rights and the Tangibles or any of them:
- (i) that are wholly-owned by Debtor; and
  - (ii) that are not wholly-owned by Debtor to the extent Debtor is permitted to sell or assign such jointly owned data;
- (vv) "SME" means Saskatchewan Ministry of the Economy, division of Energy and Resources and any predecessor thereof;
- (ww) "Specific Conveyances" means all conveyances, assignments, transfers, novations and other documents or instruments that are reasonably required or desirable to convey, assign and transfer the interest of Vendor in and to the Assets to Purchaser and to novate Purchaser in the place and stead of Vendor with respect to the Assets;
- (xx) "Surface Rights" means all rights to use the surface of land in connection with the Assets including, without limitation, rights to enter upon and occupy the surface of land on which the Tangibles and the Wells are located and rights to cross or otherwise use the surface of land for access to the Assets, excluding any such rights that pertain only to a well or wells other than the Wells;



- (yy) "Take or Pay Obligations" means obligations to sell or deliver Petroleum Substances or any of them, rights to which are granted, reserved or otherwise conferred pursuant to the Title Documents, without being entitled in due course to receive and retain full payment for such Petroleum Substances;
- (zz) "Tangibles" means, subject to any and all limitations and exclusions provided for in this definition, the Facilities, the Pipelines and any and all tangible depreciable property and assets other than the Facilities and the Pipelines which are located within, upon or in the vicinity of the Lands and which are used or are intended to be used to produce, process, gather, treat, measure, make marketable or inject the Leased Substances or any of them or in connection with water injection or removal operations that pertain to the Petroleum and Natural Gas Rights, including without limitation any and all gas plants, oil batteries, buildings, production equipment, pipelines, pipeline connections, meters, generators, motors, compressors, treaters, dehydrators, scrubbers, separators, pumps, tanks, boilers and communication equipment but excluding all motorized vehicles;
- (aaa) "Third Party" means any individual or entity other than Vendor and Purchaser, including without limitation any partnership, corporation, trust, unincorporated organization, union, government and any department and agency thereof and any heir, executor, administrator or other legal representative of an individual;
- (bbb) "this Agreement", "herein", "hereto", "hereof" and similar expressions mean and refer to this Agreement of Purchase and Sale;
- (ccc) "Title Documents" means, collectively, any and all certificates of title, leases, reservations, permits, licences, assignments, trust declarations, operating agreements, royalty agreements, gross overriding royalty agreements, participation agreements, farm-in agreements, sale and purchase agreements, pooling agreements and any other documents and agreements granting, reserving or otherwise conferring rights to (i) explore for, drill for, produce, take, use or market Petroleum Substances, (ii) share in the production of Petroleum Substances, (iii) share in the proceeds from, or measured or calculated by reference to the value or quantity of, Petroleum Substances which are produced, and (iv) rights to acquire any of the rights described in items (i) to (iii) of this definition; but only if the foregoing pertain in whole or in part to Petroleum Substances in connection with the Petroleum and Natural Gas Rights within, upon or under the Lands; including without limitation those, if any, set out in Schedule "A" beside the heading "Fh/Cr";
- (ddd) "Transaction" means the entering into of this Agreement and the sale of the Assets by Vendor to Purchaser pursuant to this Agreement;
- (eee) "Wells" means the well or wells, if any, set out in Schedule "B" under the heading "Wells"; and
- (fff) "Wire Transfer Instructions" means the wire transfer instructions in respect of Vendor and Purchaser as set out on Schedule "F" attached hereto.

## 1.2 Headings

The expressions "Article", "section", "subsection", "clause", "subclause", "paragraph" and "Schedule" followed by a number or letter or combination thereof mean and refer to the specified article, section, subsection, clause, subclause, paragraph and schedule of or to this Agreement.

## 1.3 Interpretation Not Affected by Headings

The division of this Agreement into Articles, sections, subsections, clauses, subclauses and paragraphs and the provision of headings for all or any thereof are for convenience and reference only and shall not affect the construction or interpretation of this Agreement.

## 1.4 Included Words

When the context reasonably permits, words suggesting the singular shall be construed as suggesting the plural and vice versa, and words suggesting gender or gender neutrality shall be construed as suggesting the masculine, feminine and neutral genders.

## 1.5 Schedules

There are appended to this Agreement the following schedules pertaining to the following matters:

- Schedule "A" -       Lands
  - Petroleum and Natural Gas Rights
  
- Schedule "B" -       AFEs
  - Facilities
  - Pipelines
  - Production Contracts
  - Wells
  
- Schedule "C" -       Rights of First Refusal
  
- Schedule "D" -       General Conveyance
  
- Schedule "E" -       Officer's Certificates
  
- Schedule "F" -       Wire Transfer Instructions

Such schedules are incorporated herein by reference as though contained in the body hereof. Wherever any term or condition of such schedules conflicts or is at variance with any term or condition in the body of this Agreement, such term or condition in the body of this Agreement shall prevail.

## 1.6 Damages

All losses, costs, claims, damages, expenses and liabilities in respect of which a Party has a claim pursuant to this Agreement include without limitation reasonable legal fees and disbursements on a solicitor and client basis.

## 1.7 Knowledge or Awareness

In this Agreement, the stated knowledge, information, belief or awareness of a Party consists only of the actual knowledge or awareness, as the case may be, of the current officers and senior managers of such Party. Purchaser acknowledges that Vendor is a Court-appointed officer with limited knowledge of the corporate history of Debtor and limited knowledge and understanding of the Assets. Subject to the preceding sentence, the current officers and senior managers of a Party are those individuals whose normal responsibilities relate to the matter in question in the course of their normal duties, and does not include knowledge, information or belief and awareness of any other Person or any constructive or imputed knowledge. Vendor does not have any obligation to make inquiry of Third Parties or the files and records of any Third Party or Governmental Authority in connection with representations and warranties that are made to its knowledge, information, belief or awareness.

## **ARTICLE 2** **PURCHASE AND SALE AND CLOSING**

### 2.1 Purchase and Sale

Vendor hereby agrees to sell, assign, transfer, convey and set over to Purchaser, and Purchaser hereby agrees to purchase from Vendor, all of the right, title, estate and interest of Debtor (whether absolute or contingent, legal or beneficial) in and to the Assets subject to and in accordance with the terms of and subject to the conditions in this Agreement.

### 2.2 Closing

Closing shall take place at the Closing Place at the Closing Time if there has been satisfaction or waiver of the conditions of Closing herein contained. Subject to all other provisions of this Agreement, possession, risk and beneficial ownership of Vendor's interest in and to the Assets shall pass from Vendor to Purchaser at the Closing Time.

### 2.3 Specific Conveyances

Purchaser shall prepare the Specific Conveyances at its cost and as required, none of which shall confer or impose upon a Party any greater right or obligation than contemplated in this Agreement. All Specific Conveyances that are prepared and circulated to Vendor a reasonable time prior to the Closing Time shall be executed and delivered by the Parties at Closing. Forthwith after Closing, Purchaser shall at its cost circulate and register, as the case may be, all Specific Conveyances that by their nature may be circulated or registered. All Specific Conveyances which are to be registered at SME shall be prepared showing Crescent Point Energy Corp. [managing partner of Purchaser] as transferee.

### 2.4 Title Documents and Miscellaneous Interests

Vendor shall deliver to Purchaser at Closing the original copies of the Title Documents and any other agreements and documents to which the Assets are subject and the original copies of contracts, agreements, records, books, documents, licences, reports and data comprising Miscellaneous Interests which are now in the possession of or control of Vendor or of which it gains possession prior to Closing. Notwithstanding the foregoing, if and to the extent such Title Documents, contracts, agreements, records, books, documents, licences, reports and data also pertain to interests other than the Assets, photocopies or other copies may be

provided to Purchaser in lieu of original copies. Purchaser shall, upon request and after reasonable notice, provide reasonable access, at the offices of Purchaser and during its normal business hours, to such of the Title Documents and other contracts, agreements, records, books, documents, licenses, reports and data comprising Miscellaneous Interests delivered by Vendor pursuant hereto, as Vendor may require for purposes concerning the interests which Debtor held in the Assets prior to the Closing Time and the calculation of adjustments prior to the finalization of same, subject always to the requirement that all such information shall remain confidential.

## 2.5 Form of Payment

All payments to be made pursuant to this Agreement shall be in Canadian funds. All payments to be made at Closing shall be made by wire transfer in accordance with the Wire Transfer Instructions.

## 2.6 Purchase Price

The aggregate consideration to be paid by Purchaser to Vendor for Debtor's interest in and to the Assets shall be \$3,200,000.00 (the "**Purchase Price**"). At Closing, Purchaser shall pay to Vendor (i) the Purchase Price, (ii) the GST (and any applicable provincial sales tax) payable in respect of the Assets, which Vendor shall remit according to law, and (iii) operating adjustments contemplated in section 7.1 as a change in the value of the Petroleum and Natural Gas Rights. The Parties agree that the value of the interest of Vendor in and to the Tangibles and in and to the Miscellaneous Interests is \$640,000.00. Under current legislation, Vendor and Purchaser calculate such GST to be \$32,000.00. The GST registration number of Debtor is 861563260 RT0002. The GST registration number of Purchaser is 858957467 RT0001. Purchaser shall be liable for the payment and remittance of any additional amount of GST payable in respect of the purchase of the Assets pursuant to this Agreement, including any interest, penalties or other costs payable in respect of such additional GST and shall indemnify and save harmless Vendor in respect thereof. The indemnity in this section 2.6 shall survive Closing.

## 2.7 Allocation of Purchase Price

The Parties shall allocate the Purchase Price as follows:

Petroleum and Natural Gas Rights	\$ 2,560,000.00
Tangibles	639,990.00
Miscellaneous Interests	<u>10.00</u>
Total	<u>\$ 3,200,000.00</u>

## 2.8 Reduction of Purchase Price

In the event that the Purchase Price Reduction Event occurs and Purchaser is not in breach of this Agreement at such time, the Purchase Price to be paid at Closing shall be reduced by the Purchase Price Reduction Amount. In such event, the allocation of the Purchase Price as set out in section 2.7 shall be adjusted by reducing the amount allocated to Petroleum and Natural Gas Rights by the Purchase Price Reduction Amount.

## 2.9 Purchase Price Certainty

For the avoidance of doubt, the Parties acknowledge that

- (a) the amount and the scope of the Abandonment and Reclamation Obligations and the Environmental Liabilities associated with the Assets are not capable of being quantified at the time of Closing and depend upon numerous unknowable factors that are not within the control of the Parties;
- (b) under Applicable Law, the Abandonment and Reclamation Obligations and the Environmental Liabilities associated with the Assets are inextricably linked with such Assets so that Purchaser will be liable for Abandonment and Reclamation Obligations and Environmental Liabilities associated with the Assets in the absence of the specific assumption of such obligations by Purchaser in this Agreement or otherwise;
- (c) the Parties have taken the fact that the Assets and any associated Abandonment and Reclamation Obligations and Environmental Liabilities are inextricably linked into account in reaching this Agreement and in establishing the Purchase Price for the Assets;
- (d) neither the existence nor the amount of any accounting reserves for site reclamation costs or similar matters associated with the Assets in the financial statements or accounting records of either Party has been of any relevance to either Party in determining any matter under this Agreement, including the Purchase Price for the Assets;
- (e) as a result of the foregoing, the Parties agree to attribute no value to the assumption of the Abandonment and Reclamation Obligations and the Environmental Liabilities, nor the indemnities provided for in Article 6, associated with the Assets; and
- (f) the Parties agree that the Purchase Price shall not be adjusted hereunder for any reason in relation to the Abandonment and Reclamation Obligations and the Environmental Liabilities.

**ARTICLE 3**  
**CONDITIONS OF CLOSING**

3.1 Purchaser's Conditions

The obligation of Purchaser to purchase Debtor's interest in and to the Assets is subject to the following conditions precedent, which are inserted herein and made part hereof for the exclusive benefit of Purchaser and may be waived by Purchaser:

- (a) the Court shall have made an order, in form and substance satisfactory to Purchaser, approving the Transaction and this Agreement and the vesting of the Assets in the name of Purchaser, free and clear of any Encumbrances other than the Permitted Encumbrances (the "**Approval and Vesting Order**"), pursuant to an application served upon any Person having an Encumbrance affecting the Assets;
- (b) in the event it is necessary, a parallel or recognition Order from the Court of Queen's Bench for Saskatchewan confirming the Approval and Vesting Order shall have been made;
- (c) there will not be any judicial restraining order or injunction, preliminary or otherwise, in effect prohibiting the Closing or the Transaction;
- (d) the representations and warranties of Vendor herein contained shall be true in all material respects when made and as of the Closing Time, and a Certificate to that effect shall have been delivered by Vendor to Purchaser at Closing;
- (e) Vendor shall have obtained a registrable transfer in favour of Crescent Point Energy Corp., as managing partner of Purchaser, with respect to the petroleum and natural gas leases granted by the Saskatchewan Crown to Lane Land Services Ltd., as agent for Debtor, that are registered in the name of Land Land Services Ltd. at SME;
- (f) all obligations of Vendor contained in this Agreement to be performed prior to or at Closing shall have been timely performed in all material respects, including without limitation the following:
  - (i) Vendor shall have maintained the Assets in a proper and prudent manner in accordance with generally accepted industry practices;
  - (ii) subject to the terms of the Receivership Order, Vendor shall have paid or caused to be paid all costs and expenses relating to the Assets which became due prior to the Closing Date, other than claims constituting Encumbrances which are discharged as against the Assets by the Approval and Vesting Order; and
  - (iii) Vendor shall have performed and complied, in all material respects with the covenants and conditions contained in the Title Documents,

and a Certificate to that effect shall have been delivered by Vendor to Purchaser at Closing;

- (g) from the date of execution of this Agreement to the Closing Time, the Assets shall have suffered no material, adverse damage or change, and a Certificate to that effect shall have been delivered by Vendor to Purchaser at Closing;
- (h) prior to the Closing Time, any and all ROFR rights of Third Parties that become operative by virtue of this Agreement or the Transaction shall have been exercised or waived by the holders thereof or all time periods within which such rights may be exercised shall have expired;
- (i) all necessary governmental and other regulatory approvals to the sale of the Assets that are required prior to Closing shall have been obtained without conditions;
- (j) other than the Permitted Encumbrances, there shall exist no Encumbrances attaching to the Assets that are not discharged, released or vacated as against the Assets by the Approval and Vesting Order;
- (k) Purchaser will be satisfied, in its sole discretion, with the results of its due diligence in respect of the Assets and the business and operations of Debtor in respect thereof;
- (l) the licensee liability rating (as set forth by SME under Part IV.1 Oil and Gas Orphan Fund in the *Oil and Gas Conservation Regulations*, 1985) of Debtor (or its parent corporation, Coast Resources Ltd.) equals or exceeds 1.0 and will not fall below 1.0 as a result of any licence transfer application(s) submitted or to be submitted in respect of the Assets and the Transaction effected hereby;
- (m) no orders or directives which relate to Abandonment and Reclamation Obligations, Environmental Liabilities or environmental compliance matters under Applicable Law shall have been made which require any work, repairs, construction or capital expenditures with respect to the Assets, where such orders or directives have not been complied with in all material respects;
- (n) no demand or notice issued with respect to the breach of any Applicable Law relating to environmental, health or safety shall have been issued in respect of the Assets, including without limitation, respecting the use, storage, treatment, transportation or disposition of environmental contaminants, which demand or notice remains outstanding on the date hereof; and
- (o) there shall have been no material and reportable events under Environmental Law relating to the Assets.

If any one or more of the foregoing conditions precedent has or have not been satisfied, complied with, or waived by Purchaser, at or before the Closing Time, Purchaser may rescind this Agreement by written notice to Vendor. If Purchaser rescinds this Agreement, Purchaser and Vendor shall be released and discharged from all obligations hereunder except as provided in sections 3.3 and 11.14.

### 3.2 Vendor's Conditions

The obligation of Vendor to sell Debtor's interest in and to the Assets is subject to the following conditions precedent, which are inserted herein and made part hereof for the exclusive benefit of Vendor and may be waived by Vendor:

- (a) there will not be any judicial restraining order or injunction, preliminary or otherwise, in effect prohibiting the Closing or the Transaction;
- (b) the Approval and Vesting Order shall have been obtained;
- (c) in the event it is necessary, a parallel or recognition Order from the Court of Queen's Bench for Saskatchewan confirming the Approval and Vesting Order shall have been made;
- (d) the representations and warranties of Purchaser herein contained shall be true in all material respects when made and as of the Closing Time, and a Certificate to that effect shall have been delivered by Purchaser to Vendor at Closing;
- (e) all obligations of Purchaser contained in this Agreement to be performed prior to or at Closing shall have been timely performed in all material respects, and a Certificate to that effect shall have been delivered by Purchaser to Vendor at Closing;
- (f) all amounts to be paid by Purchaser to Vendor at Closing shall have been paid to Vendor in the form stipulated in this Agreement;
- (g) prior to the Closing Time, any and all ROFR rights of Third Parties that become operative by virtue of this Agreement or the Transaction to be effected by it shall have been exercised or waived by the holders thereof or all time periods within which such rights may be exercised shall have expired; and
- (h) the approval of the National Bank of Canada's credit committee to the execution of this Agreement by Vendor and to the Transaction shall have been received by Vendor.

If any one or more of the foregoing conditions precedent has or have not been satisfied, complied with, or waived by Vendor, at or before the Closing Time, Vendor may rescind this Agreement by written notice to Purchaser. If Vendor rescinds this Agreement, Purchaser and Vendor shall be released and discharged from all obligations hereunder except as provided in sections 3.3 and 11.14.

### 3.3 Efforts to Fulfil Conditions Precedent

Purchaser and Vendor shall proceed diligently and in good faith and use best efforts to satisfy and comply with and assist in the satisfaction and compliance with the conditions precedent. If there is a condition precedent that is to be satisfied or complied with prior to the Closing Time, and if, by the time the condition precedent is to be satisfied or complied with, the Party for whose benefit the condition precedent exists fails to notify the other Party whether or not the condition precedent has been satisfied or complied with, the condition precedent shall be conclusively deemed to have been satisfied or complied with.



## **ARTICLE 4** **CLOSING**

### 4.1 The Closing

The Closing will take place at the Closing Place at the Closing Time on the later of:

- (a) the 19<sup>th</sup> day of December, 2014; and
- (b) the third Business Day following the day on which any and all preferential, preemptive or first purchase rights of Third Parties that become operative by virtue of this Agreement or the Transaction to be effected by it shall have been exercised or waived by the holders thereof or all time periods within which such rights may be exercised shall have expired; and
- (c) three (3) Business Days following the day on which the Approval and Vesting Order, or the parallel or recognition order from the Court of Queen's Bench for Saskatchewan, as the case may be, is obtained; and
- (d) such other Business Day as the Parties may agree in writing,

(the "**Closing Date**").

### 4.2 Transfer of Possession

The transfer of the Assets from Vendor to Purchaser and the assumptions of the benefits and obligations associated with the Assets by Purchaser will be effective as of the Adjustment Date, provided however, that all risk, possession and ownership of the Assets will not pass to Purchaser until the Closing Time.

### 4.3 Deliveries at Closing

- (a) At the Closing Time, Vendor shall table the following:
  - (i) a certified copy of the Approval and Vesting Order;
  - (ii) the General Conveyance duly executed by Vendor;
  - (iii) the Specific Conveyances duly executed by Vendor or Lane Land Services Ltd., as the case may be;
  - (iv) the Officer's Certificate duly executed by Vendor;
  - (v) copies of all consents to disposition (if any) and waivers of ROFRs obtained by Vendor prior to Closing with respect to the sale of the Assets to Purchaser;
  - (vi) the Title Documents;
  - (vii) copies of those approvals it is responsible for obtaining in respect of the Transaction; and

- (viii) such other items as may be specifically required hereunder.
- (b) At the Closing Time, Purchaser shall table the following:
  - (i) the amounts payable at Closing on account of the Purchase Price pursuant to section 2.6, as adjusted, and GST in accordance with section 2.6;
  - (ii) the Officer's Certificate duly executed by Purchaser;
  - (iii) copies of those approvals it is responsible for obtaining in respect of the Transaction; and
  - (iv) such other items as may be specifically required hereunder.

Each Party will duly execute all documents requiring execution by it and to be tabled at Closing.

#### 4.4 Seismic

As soon as reasonably possible following Closing the Vendor will deliver the Seismic to the Purchaser. Notwithstanding anything to the contrary herein, it is the sole obligation of Purchaser to obtain any Third Party consents, permissions or approvals that are required in connection with the assignment (from Vendor to Purchaser) of Debtor's proprietary interest in any Seismic that is not wholly-owned by Debtor. All costs, fees, expenses, penalties or levies that are incurred by Vendor in order to effect the assignment (from Vendor to Purchaser) of Debtor's proprietary interest in any Seismic that is not wholly-owned by Debtor shall be the sole responsibility of Purchaser, and Purchaser agrees to pay on behalf of Vendor any such costs, fees, expenses, penalties or levies on a timely basis.

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

#### 5.1 Representations and Warranties of Vendor

Vendor makes the following representations and warranties to Purchaser:

- (a) Valid Appointment: it has been appointed by the Court as receiver and manager of the assets, properties and undertakings of the Debtor and such appointment is valid and subsists;
- (b) Authority: it has good right, full power and absolute authority to sell, assign, transfer, convey and set over the interest of the Debtor in and to the Assets, subject to the terms and conditions of the Receivership Order and the Approval and Vesting Order;
- (c) No Encumbrances Created: other than selling Leased Substances in the ordinary course of Debtor's business, Vendor has not previously sold, assigned transferred, conveyed set over or granted an Encumbrance in the Assets (other than pursuant to the receiver certificates issued from time to time by Vendor,

each of which shall be released and discharged as against the Assets at Closing);

- (d) Canadian Resident: it is not a non-resident of Canada for the purposes of the *Income Tax Act* (Canada);
- (e) Finders' Fees: Vendor has not incurred any obligation or liability, contingent or otherwise, for brokers' or finders' fees in respect of this Agreement or the Transaction to be effected by it for which Purchaser shall have any obligation or liability.

## 5.2 No Additional Representations and Warranties by Vendor

- (a) Notwithstanding anything to the contrary in this Agreement, Vendor makes no representations or warranties except as expressly set forth in section 5.1 and in particular, and without limiting the generality of the foregoing, Vendor disclaims and shall not be liable for any representation or warranty express or implied, of any kind, at law or in equity, which 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 Purchaser in any manner including any opinion, information, or advice which may have been provided to Purchaser by Vendor or its Representatives in connection with the Assets or in relation to the Transaction. For greater certainty, Vendor 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 other data or information supplied by Vendor or any of its Representatives in connection with the Assets, including without limitation any data or information included in or forming part of the GeoNexus Project or the Accounting Project;
  - (ii) the quality, quantity or recoverability of any Leased Substances with or under the Lands;
  - (iii) the value of the Assets or any estimates of prices or future cash flows arising from the sale of any Petroleum Substances produced from or allocated to the Assets or the Lands or any estimates of other revenues or expenses attributable to the Assets;
  - (iv) the availability or continued availability of facilities, services or markets for the processing, transportation or sale of any Leased Substances;
  - (v) the quality, condition, fitness, suitability, serviceability or merchantability of any of the Tangibles, Wells, including the wellbores, and any and all casings; or
  - (vi) the title of Debtor to the Assets.

Purchaser acknowledges and confirms that it is relying on its own investigations concerning the Assets and it has not relied on advice from Vendor or any of its Representatives with respect to the matters specifically enumerated in the immediately preceding paragraphs in connection with the purchase of the Assets

pursuant hereto. Purchaser further acknowledges and agrees that it is acquiring the Assets on an "as is, where is" basis. Purchaser acknowledges and agrees that it is familiar with the condition of the Assets, including the past and present use of the Lands and the Tangibles, that Vendor has provided Purchaser with a reasonable opportunity to inspect the Assets at the sole cost, risk and expense of Purchaser (insofar as the Vendor could reasonably provide such access) and that Purchaser is not relying upon any representation or warranty of Vendor as to the condition, environmental or otherwise, of the Assets, except as expressly contained in section 5.1 of this Agreement.

- (b) Except for its express rights under this Agreement, Purchaser 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 Vendor and Debtor in respect of the Assets or the Transaction or any representations or statements made, direct or indirect, express or implied, or information or data furnished to Purchaser or its Representatives, in connection herewith (whether made or furnished orally or by electronic, faxed, written or other means).

### 5.3 Representations and Warranties of Purchaser

Purchaser makes the following representations and warranties to Vendor:

- (a) Standing: Purchaser is a general partnership duly organized and validly existing under the laws of the jurisdiction of organization of Purchaser, is authorized to carry on business in the Province in which the Lands are located, and now has good right, full power and absolute authority to purchase the interest of Vendor in and to the Assets according to the true intent and meaning of this Agreement;
- (b) Requisite Authority: the execution, delivery and performance of this Agreement has been duly and validly authorized by any and all requisite partners' actions and will not result in any violation of, be in conflict with or constitute a default under any articles, charter, bylaw or other governing document to which Purchaser is bound;
- (c) No Conflicts: the execution, delivery and performance of this Agreement will not result in any violation of, be in conflict with or constitute a default under any term or provision of any agreement or document to which Purchaser is party or by which Purchaser is bound, nor under any judgment, decree, order, statute, regulation, rule or license applicable to Purchaser;
- (d) Enforceability: this Agreement and any other agreements delivered in connection herewith constitute valid and binding obligations of Purchaser enforceable against Purchaser in accordance with their terms;
- (e) No Approvals or Authorizations Required: no authorization or approval or other action by, and no notice to or filing with, any governmental authority or regulatory body exercising jurisdiction over the Assets is required for the due execution, delivery and performance by Purchaser of this Agreement, other than

authorizations, approvals or exemptions from requirement therefor, previously obtained and currently in force;

- (f) Finders' Fees: Purchaser has not incurred any obligation or liability, contingent or otherwise, for brokers' or finders' fees in respect of this Agreement or the Transaction to be effected by it for which Vendor shall have any obligation or liability;
- (g) Investment Canada: Purchaser is not a non-Canadian person for the purposes of the *Investment Canada Act*; and
- (h) Licensee Liability Rating: the licensee liability rating (as set forth by SME under section 117 of Part XVI of *The Oil and Gas Conservation Regulations, 2012*, c. O-2, Reg 6) of Purchaser equals or exceeds 1.0 and will not fall below 1.0 as a result of any licence transfer application(s) submitted or to be submitted in respect of the Assets and the Transaction effected hereby.

#### 5.4 Enforcement of Representations and Warranties

Notwithstanding anything to the contrary herein expressed or implied and notwithstanding the Closing or deliveries of covenants and/or representations and warranties in any other agreements at Closing or prior or subsequent thereto, the representations and warranties set for in sections 5.1 and 5.3 shall survive the Closing for the benefit of Purchaser and Vendor respectively, provided that no claim in respect of such representations and warranties shall be made or enforceable unless written notice of such claim, with reasonable particulars, is given by the Party making the claim to the other Party within a period of twelve (12) months from the Closing Time.

### **ARTICLE 6** **PURCHASER'S INDEMNITIES**

#### 6.1 General Indemnity

If Closing occurs, Purchaser shall, without any further necessary action on the part of Vendor or Purchaser:

- (a) assume, perform, pay, discharge and be liable to Vendor and Debtor for; and
- (b) as a separate covenant, save and hold harmless and indemnify Vendor and Debtor from and against,

all Losses and Liabilities suffered, sustained, paid or incurred by it to the extent arising or accruing on or after the Closing Time and which relate to the Assets or the terms and conditions of the Title Documents, including but not limited to all Losses and Liabilities attributable to the operation, ownership, use, construction or maintenance of the Assets arising or accruing on or after the Closing Time. Purchaser's indemnity obligation set forth in this section 6.1 shall survive the Closing indefinitely.

## 6.2 Abandonment and Reclamation

Purchaser shall see to the timely performance of all Abandonment and Reclamation Obligations pertaining to the Assets which in the absence of this Agreement would be the responsibility of Vendor. Purchaser shall be liable to Vendor for and shall, in addition, indemnify Vendor and Debtor from and against, all Losses and Liabilities suffered, sustained, paid or incurred by Vendor should Purchaser fail to timely perform such obligations. The indemnity in this section 6.2 shall survive Closing.

## 6.3 Environmental Matters

- (a) Purchaser acknowledges that it:
  - (i) is familiar with the condition of the Assets, including the past and present use of the Assets, and it has been provided with the right and the opportunity to conduct due diligence investigations with respect to existing or potential Environmental Liabilities pertaining to the Assets; and
  - (ii) is not relying upon any representation or warranty of Vendor as to the condition, environmental or otherwise, of the Assets.
- (b) Purchaser agrees that once Closing has occurred Vendor shall have no liability whatsoever for any Environmental Liabilities. In this regard, once Closing has occurred, Purchaser shall, without any further necessary action on the part of Vendor or Purchaser:
  - (i) be solely liable and responsible for all of Vendor's and Debtor's Losses and Liabilities; and
  - (ii) as a separate covenant, indemnify, save and hold Vendor and Debtor harmless from and against all Losses and Liabilities that may be brought against or which it may suffer, sustain, pay or incur;

as a result of any act, omission, matter or thing related to any Environmental Liabilities and Abandonment and Reclamation Obligations pertaining to the acquired Assets arising, however and whenever arising or occurring, and Purchaser shall assume, perform, pay and discharge all Environmental Liabilities and Abandonment and Reclamation Obligations pertaining to the acquired Assets. Purchaser acknowledges and agrees that it shall not be entitled to any rights or remedies as against Vendor or Debtor under the common law or statute pertaining to any Environmental Liabilities, including the right to name Vendor or Debtor as a 'third party' to any action commenced by any Person against Purchaser. Purchaser's indemnity obligation set forth in this section 6.3 shall survive the Closing indefinitely.

**ARTICLE 7**  
**OPERATING ADJUSTMENTS**

7.1 Operating Adjustments

- (a) Except as otherwise provided in this section 7.1 and subject to all other provisions of this Agreement and without duplication, the Parties will adjust and apportion all benefits, obligations, expenditures and revenues of every kind and nature accruing, payable or paid, receivable or received, in respect of the operation of the Assets including operating, maintenance, development and capital costs, proceeds from the sale of Petroleum Substances (with respect to the sale of natural gas, based on the weighted average price received by Vendor for its natural gas produced after the Adjustment Date and from the province in which the Lands are situated) net of applicable transportation costs, equipment, vehicle and field office rental and lease costs, royalties, including lessor royalties, property taxes, gas cost allowance (or similar allowances), prepayments and deposits, duties, taxes and assessments (excluding income taxes), as at the Adjustment Date.
- (b) Vendor is entitled to the revenues and benefits from Debtor's ownership and operation of the Assets incurred and / or accrued prior to the Adjustment Date including, without limitation, the benefit of audit queries for such time when resolved, and is responsible for and will pay for the expenditures pertaining to the ownership, operation and development of the Assets incurred and or accrued prior to the Adjustment Date.
- (c) Purchaser is entitled to the revenues and benefits from the ownership and operation of the Assets incurred and / or accrued from and after the Adjustment Date and is responsible for and will pay for the expenditures pertaining to the ownership, operation and development of the Assets incurred and or accrued from and after the Adjustment Date. For clarity, there will be no adjustment for income taxes paid by Vendor or Debtor on the revenue from the Assets on and after the Adjustment Date.
- (d) Vendor's share of all Petroleum Substances beyond the wellhead at the Adjustment Date do not comprise part of the Assets. Petroleum Substances attributable to the Assets which were beyond the wellhead, but not sold, as of the Adjustment Date shall be retained by Vendor and Vendor shall be responsible for all royalties or other encumbrances thereon. Petroleum Substances will be deemed to be sold on a first in, first out basis.
- (e) There will be no adjustments for royalty tax credits or similar incentives that accrue to a Party because of financial or organizational attributes specific to it.
- (f) Costs and expenses of work done, services provided and goods supplied shall be deemed to accrue for the purposes of this Section when the work is done or the goods (other than inventory) or services are provided, regardless of when such costs and expenses become payable.
- (g) All freehold mineral taxes, surface and mineral lease rentals and any similar payments made by Vendor or Debtor to preserve any of the Leases or any

Surface Rights shall be apportioned between Vendor and Purchaser on a per diem basis as at the Adjustment Date.

- (h) All statements prepared under this section 7.1 will be prepared as contemplated herein and in accordance with generally accepted accounting principles applying the accrual method, according to IFRS Rules.
- (i) Vendor shall prepare and deliver to Purchaser for approval a statement no later than three (3) Business Days prior to the Closing Time that shall set forth a written statement of adjustments to be made in accordance with this Agreement (the "**Interim Statement of Adjustments**") and Vendor will make available to representatives of Purchaser all information necessary for Purchaser to confirm the calculations in the statement. The Interim Statement of Adjustments shall be based on Vendor's good faith estimate of the costs and expenses accrued prior to Closing and the revenues received and accrued by Vendor prior to Closing.
- (j) If Vendor receives any revenues pertaining to the Assets after the Closing Time, Vendor shall be entitled to deduct any costs, expenses and other payments made by Vendor in respect of the Assets that accrued after the Adjustment Date and that were not accounted for in the Interim Statement of Adjustments and shall pay the net amount of such revenues to Purchaser within ten (10) Business Days following receipt of such revenues;
- (k) Subject to subsection 7.1(i), within ninety (90) days following the Closing Date, Vendor shall prepare and deliver to Purchaser a final statement of all adjustments and payments to be made pursuant to this Agreement (the "**Final Statement of Adjustments**"). Purchaser shall provide, or cause to be provided, to Vendor full (but non-exclusive) access to, and Vendor at its own expense shall be entitled to audit, the relevant records to aid in the preparation of such statement. Vendor shall provide to Purchaser at its own expense the right to review the Final Statement of Adjustments and full access to the working papers of Vendor to aid in such review. The net amount will be remitted by the Party who in the net result is obliged to make payment within fifteen (15) Business Days of receipt by Purchaser of the Final Statement of Adjustments.
- (l) If Purchaser is of the opinion that any change is required to be made to the Final Statement of Adjustments as prepared by Vendor, it shall, on or before that date which is ten (10) Business Days after the delivery of the Final Statement of Adjustments by Vendor to Purchaser (the "**Objection Date**") pursuant to subsection 7.1(k), give written notice to Vendor of any such proposed change, including the reason for such change. If Purchaser does not notify Vendor of any proposed change on or before the Objection Date, then Purchaser shall be deemed to have accepted the Final Statement of Adjustments.
- (m) If Purchaser gives written notice to Vendor of any proposed change to the Final Statement of Adjustments on or before the Objection Date, and if the proposed change is disputed by Vendor and the Parties fail to resolve the dispute within ten (10) Business Days after the Objection Date, then either party may apply to the Court for determination of such dispute.



- (n) Upon agreement with respect to all matters in dispute, or upon a decision of the Court with respect thereto, such amendments shall be made to the Final Statement of Adjustments as may be necessary to reflect such agreement or such decision, as the case may be. The net amount will then be remitted promptly by the Party who in the net result is obliged to make payment. In such event, references in the Agreement to the Final Statement of Adjustments shall refer to the Final Statement of Adjustments, as so amended.
- (o) Subject to subsection 7.1(n), each Party will have the right, within the later of two (2) months following the distribution of the Final Statement of Adjustments by Vendor under subsection 7.1(k) or six (6) months following the Closing Time, to examine, copy and audit the records of the other relative to the Assets for the purpose of effecting or verifying adjustments required under this Article. The auditing Party will, upon reasonable notice, conduct that audit at its sole expense during normal business hours at the offices of the audited Party or at such other premises where those records are maintained. Any Claims of discrepancies disclosed by that audit will be made in writing to the audited Party within one (1) month following the completion of that audit. That Party will respond in writing to any such Claims within one (1) month of the receipt of notice of those Claims. To the extent that the Parties are unable to resolve such Claims, the matter will be referred to the Court;
- (p) Notwithstanding subsection 7.1(k), further adjustments on the basis indicated in this Article will be made as and when those items arise if notice requesting that adjustment, including reasonable particulars thereof, has been given by a Party to the other Party within thirty (30) days following receipt of a Thirteenth Month Adjustment or a completed and agreed to audit or other report and the need for that adjustment arises from:
  - (i) a Thirteenth Month Adjustment, operator error adjustments or errors established by joint venture audits within twelve (12) months after the Closing Date; or
  - (ii) errors established by an audit or other review of lessor royalty payments that is conducted under the regulations or Leases within twelve (12) months after the Closing Date or such later time as may be prescribed by Applicable Law.
- (q) Subject to subsection 7.1(k) above, all payments made after the Closing Date are to be paid within thirty (30) days after the amount is determined. Any amounts not paid within the stipulated time period will thereafter bear interest until paid at a rate of interest equal to the Prime Rate plus one (1%) percent compounded annually.

**ARTICLE 8**  
**MAINTENANCE OF ASSETS AND POST-CLOSING TRANSITION**

8.1 Maintenance of Assets

Until the Closing Time, Vendor shall, to the extent that the nature of its interest permits, and subject to the Title Documents and any other agreements and documents to which the Assets are subject:

- (a) maintain the Assets in a proper and prudent manner in accordance with good oil and gas industry practices and in material compliance with all Applicable Laws and Environmental Law;
- (b) pay or cause to be paid all costs and expenses relating to the Assets which arose after the date Vendor was appointed as receiver and manager and which become due from the date hereof to the Closing Time; and
- (c) perform and comply with all covenants and conditions contained in the Title Documents and any other agreements and documents to which the Assets are subject.

8.2 Consent of Purchaser

Notwithstanding section 8.1, Vendor shall not, without the written consent of Purchaser, which consent shall not be unreasonably withheld by Purchaser and which, if provided, shall be provided in a timely manner:

- (a) make any commitment or propose, initiate or authorize any capital expenditure with respect to the Assets of which Vendor's share is in excess of \$25,000.00, except in case of an emergency or in respect of amounts which Vendor may be committed to expend or be deemed to authorize for expenditure without its consent;
- (b) surrender or abandon any of the Assets, or allow any of the Leases to expire or be terminated;
- (c) amend or terminate any Title Document or any other agreement or document to which the Assets are subject, or enter into any new agreement or commitment relating to the Assets; or
- (d) sell, encumber or otherwise dispose of any of the Assets or any part or portion thereof excepting sales of the Leased Substances or any of them in the normal course of business.

8.3 Post Closing Administration

Following Closing:

- (a) Vendor shall hold Debtor's title to the Assets on behalf of Purchaser until all necessary notifications, registrations and other steps have been completed;

- (b) Vendor shall represent Purchaser in all matters arising under the Title Documents:
- (i) all payments relating to the Assets after Closing received by Vendor pursuant to the Title Documents shall be received and held by Vendor for Purchaser and Vendor shall remit such amounts to Purchaser within 30 days of receipt thereof, provided however Vendor, acting reasonably, shall be entitled to retain any portion of such payments to satisfy any amounts owing or payable hereunder or to satisfy any amounts owing to Third Parties by Purchaser under the Title Documents;
  - (ii) Vendor shall forward all statements, notices and other information received by it pursuant to the Title Documents that pertain to the Assets to Purchaser following their receipt by Vendor; and
  - (iii) Vendor shall forward to Third Parties to the Title Documents such notices and elections pursuant to the Title Documents pertaining to the Assets as Purchaser may reasonably request.
- (c) Purchaser ratifies and confirms all actions taken, or refrained from being taken, by Vendor under this section 8.3, and Purchaser shall indemnify and save harmless Vendor from and against all Losses and Liabilities arising as a consequence of the provisions of subsections 8.3(a) and (b) hereof, except to the extent caused by the gross negligence or wilful misconduct of Vendor or its servants, agents or employees. Acts or omissions taken by Vendor or its servants or agents with the approval of Purchaser shall not constitute gross negligence or wilful misconduct for purposes of this subsection. The indemnity in this section 8.3 shall survive Closing.

#### 8.4 Lease Rental and Related Payments and Production Accounting

- (a) Unless otherwise directed by Purchaser, Vendor shall pay on behalf of Purchaser all rentals for Crown and freehold mineral and surface leases that are or are in respect of the Assets and which are due and payable on or before the Closing Date.
- (b) Vendor will be responsible for production accounting for the production month in which Closing occurs and payment of costs related directly to this period. The Purchaser shall be responsible for production accounting and payment of costs after such date.
- (c) Purchaser will be responsible for all Saskatchewan freehold mineral taxes (if any) effective the 1st day of the month following the Closing Time.
- (d) Purchaser shall indemnify and save harmless Vendor from and against all Losses and Liabilities arising as a consequence of the provisions of this section 8.4, except to the extent caused by the gross negligence or wilful misconduct of Vendor or its servants, agents or employees. Acts or omissions taken by Vendor or its servants or agents with the approval of Purchaser shall not constitute gross negligence or wilful misconduct for purposes of this subclause. The indemnity in this section 8.4 shall survive Closing.

**ARTICLE 9**  
**RIGHTS OF FIRST REFUSAL**

9.1 Rights of First Refusal

Within 2 Business Days of the execution and delivery of this Agreement, Vendor shall advise Purchaser which of the Assets are subject to ROFR rights that become operative by virtue of this Agreement or the Transaction. Within 2 Business Days of receiving such advice, Purchaser shall advise Vendor in writing of its bona fide allocations of value for Vendor's interest in and to such Assets. Vendor shall comply with the applicable provisions of such rights and shall courier notices to the Third Parties (and Purchaser, if applicable) holding such rights no later than 2 Business Days after it receives the bona fide allocations of Purchaser, in a form that is acceptable to Purchaser acting reasonably, using the bona fide allocations of Purchaser. Vendor shall notify Purchaser in writing forthwith upon each Third Party exercising or waiving such a right. If any such Third Party elects to exercise such a right, the definition of Assets shall be deemed to be amended to exclude those Assets in respect of which the right has been exercised, such Assets shall not be conveyed to Purchaser and the Purchase Price, the tax allocations and the GST shall be reduced accordingly.

**ARTICLE 10**  
**PRE-CLOSING INFORMATION**

10.1 Production of Documents

At all reasonable times from the date hereof until the Closing Time, Vendor shall make available to Purchaser and Purchaser's Representatives in Vendor's offices in Calgary the following information pertaining to the Assets to which Vendor has possession or to which it has access:

- (a) all title opinions and reports;
- (b) all of the Title Documents and any other agreements and documents to which the Assets are subject including without limitation (i) production sales contracts pertaining to the Leased Substances or any of them, (ii) gas balancing or similar agreements pertaining to the Leased Substances or any of them, (iii) agreements for the transportation, processing or disposal of the Leased Substances or any of them or substances produced in connection with the Leased Substances or any of them, (iv) agreements for the contract operation by a Third Party of the Assets or any of them, and (v) agreements to provide transportation, processing or disposal capacity or service to any Third Party;
- (c) mortgages, deeds of trust, security agreements, chattel mortgages and other encumbrances affecting the Assets;
- (d) evidence with respect to the payment of all bonuses, rentals, royalties and other payments due under the Title Documents and any other agreements and documents to which the Assets are subject;
- (e) evidence with respect to the payment of all taxes, charges and assessments pertaining to the Assets;

- (f) lease records, data sheets, production records, ownership maps and surveys;
- (g) permits, easements, licenses and orders;
- (h) all documents and information relevant to environmental damage or contamination or other environmental problems pertaining to the Assets; and
- (i) accounting records, policies of insurance, consulting agreements, field contracts and other agreements relating to the operation of the Assets.

## **ARTICLE 11**

### **GENERAL**

#### **11.1 Further Assurances**

Each Party will, from time to time and at all times after Closing, without further consideration, do such further acts and deliver all such further assurances, deeds and documents as shall be reasonably required in order to fully perform and carry out the terms of this Agreement. Until Purchaser is novated, with respect to the interest of Vendor in and to the Assets, into the Title Documents and any other agreements and documents to which the Assets are subject, Vendor shall act as Purchaser's agent (including without limitation to serve operation notices and authorizations for expenditure) as Purchaser reasonably and lawfully directs. Purchaser shall be liable to Vendor and shall, in addition, indemnify Vendor from and against, all losses, costs, claims, damages, expenses and liabilities suffered, sustained, paid or incurred by Vendor arising in connection with all acts or omissions of Vendor in its capacity as agent of Purchaser to the extent such acts and omissions were expressly or impliedly authorized by Purchaser. The indemnity in this section 11.1 shall survive Closing

#### **11.2 No Merger**

The covenants, representations, warranties and indemnities contained in this Agreement shall be deemed to be restated in any and all assignments, conveyances, transfers and other documents conveying the interests of Vendor in and to the Assets to Purchaser, subject to any and all time and other limitations contained in this Agreement. There shall not be any merger of any covenant, representation, warranty or indemnity in such assignments, conveyances, transfers and other documents notwithstanding any rule of law, equity or statute to the contrary and such rules are hereby waived.

#### **11.3 Entire Agreement**

The provisions contained in any and all documents and agreements collateral hereto shall at all times be read subject to the provisions of this Agreement and, in the event of conflict, the provisions of this Agreement shall prevail. No amendments shall be made to this Agreement unless in writing, executed by the Parties. This Agreement supersedes all other agreements, documents, writings and verbal understandings among the Parties relating to the subject matter hereof and expresses the entire agreement of the Parties with respect to the subject matter hereof.

#### 11.4 Governing Law

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 irrevocably attorn and submit to the non-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.

#### 11.5 Enurement

This Agreement may not be assigned by a Party without the prior written consent of the other Party, which consent may be unreasonably and arbitrarily withheld. This Agreement shall be binding upon and shall enure to the benefit of the Parties and their respective administrators, trustees, receivers, successors and permitted assigns.

#### 11.6 Time of Essence

Time shall be of the essence in this Agreement.

#### 11.7 Notices

The addresses for service and the fax numbers of the Parties shall be as follows:

Vendor - FTI Consulting Canada Inc., as receiver and manager of the assets,  
undertaking and property of 101033165 Saskatchewan Ltd.  
1000, 888-3rd Street SW  
Bankers Hall, West Tower  
Calgary, AB T2P 5C5

Attention: Deryck Helkaa, Senior Managing Director  
Fax no.: (403) 444-6699

With a copy to Sayer Energy Advisors  
1620, 540 – 5<sup>th</sup> Avenue S. W.  
Calgary, AB T2P 0M2  
Attention: Ryan Ferguson Young  
Fax no.: (403) 266-4467

Purchaser - Crescent Point Resources Partnership  
2000, 585 – 8<sup>th</sup> Avenue S. W.  
Calgary, AB T2P 1G1  
Attention: Vice-President Land  
Purchaser fax no.: (403) 693-0070

All notices, communications and statements required, permitted or contemplated hereunder shall be in writing, and shall be delivered as follows:

- (a) by personal service on a Party at the address of such Party set out above, in

which case the item so served shall be deemed to have been received by that Party when personally served;

- (b) by facsimile transmission to a Party to the fax number of such Party set out above, in which case the item so transmitted shall be deemed to have been received by that Party when transmitted; or
- (c) except in the event of an actual or threatened postal strike or other labour disruption that may affect mail service, by mailing first class registered post, postage prepaid, to a Party at the address of such Party set out above, in which case the item so mailed shall be deemed to have been received by that Party on the third Business Day following the date of mailing (the date of mailing being the Business Day immediately prior to the postmarked date of the envelope containing the notice, communication or statement or if the subject envelope has been lost or destroyed, the date of such notice, communication or statement or if undated the date of the transmittal letter accompanying the same).

A Party may from time to time change its address for service or its fax number or both by giving written notice of such change to the other Party.

#### 11.8 Operatorship

Purchaser acknowledges that Vendor is unable to assign to Purchaser operatorship of the Assets, if any, operated by Vendor and in respect of which Vendor does not have a 100% interest. Vendor shall, however, use reasonable best efforts to assist Purchaser in its attempts to obtain operatorship provided that in exercising such efforts it is not obligated to incur monetary obligations. Nothing in this Agreement shall be interpreted as an assignment of Vendor's rights as operator of any of the Assets under the Title Documents or as any assurance by Vendor that Purchaser will be able to serve as operator for any of the Assets thereunder at or after Closing.

#### 11.9 Limit of Liability

In no event shall the liability of Vendor to Purchaser in respect of claims of Purchaser arising out of or in connection with this Agreement exceed, in the aggregate, the Purchase Price, taking into account any and all increases or decreases to the Purchase Price that occur by virtue of the terms of this Agreement.

#### 11.10 Invalidity of Provisions

In case any of the provisions of this Agreement should be invalid, illegal or unenforceable in any respect, the validity, legality or enforceability of the remaining provisions contained herein shall not in any way be affected or impaired thereby.

#### 11.11 Waiver

No failure on the part of any Party in exercising any right or remedy hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any such right or remedy preclude any other or further exercise thereof or the exercise of any right or remedy in law or in equity or by statute or otherwise conferred. No waiver of any provision of this Agreement, including without limitation, this section, shall be effective otherwise than by an instrument in

writing dated subsequent to the date hereof, executed by a duly authorized representative of the Party making such waiver.

#### 11.12 Amendment

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

#### 11.13 Agreement not Severable

This Agreement extends to the whole of the Assets and is not severable without Purchaser's express written consent or as otherwise herein provided.

#### 11.14 Confidentiality and Public Announcements

Until Closing has occurred, each Party shall keep confidential all information obtained from the other Party in connection with the Assets and shall not release any information concerning this Agreement and the Transactions herein provided for, without the prior written consent of the other Party, which consent shall not be unreasonably withheld. Nothing contained herein shall prevent a Party at any time from furnishing information (i) to any governmental agency or regulatory authority or to the public if required by Applicable Law, provided that the Parties shall advise each other in advance of any public statement which they propose to make, (ii) in connection with obtaining consents or complying with preferential, preemptive or first purchase rights contained in Title Documents and any other agreements and documents to which the Assets are subject, or (iii) to procure the consent of Vendor's lenders. Additionally, nothing contained herein shall prevent Vendor from appending a copy of this Agreement to Vendor's report to be filed with the Court on the application for the Approval and Vesting Order.

#### 11.15 Securities Act Disclosure

At any time prior to Closing or in the two (2) year period following Closing, should Purchaser require an audited operating statement with respect to the Assets pursuant to Applicable Law, including any disclosure requirements under securities' legislation, for a period during which the Assets were owned by Debtor, then:

- (a) Vendor shall provide access during normal business hours to the records of Debtor relevant to preparation of such an operating statement during such period;
- (b) the audit shall be performed by a firm of independent auditors selected by Vendor, and Purchaser shall be responsible for all costs incurred in connection with the audit and the preparation of any statements or reports and Vendor shall not be required to provide direct access to Debtor's records to Purchaser or its other Representatives; and
- (c) if the auditor requires the assistance of Vendor's personnel to find, collect or interpret the necessary information from Vendor's or Debtor's records, Vendor shall cause such assistance to be provided and Purchaser shall pay reasonable hourly costs to Vendor as compensation for the time devoted by such personnel.



Notwithstanding the generality of the foregoing, Purchaser hereby acknowledges that:

- (d) all information provided by Vendor to Purchaser pursuant to this section 11.15 is provided on the express condition that Vendor and its Representatives assume no liability, whatsoever, to Purchaser or any other Person in respect of such information, or the accuracy or sufficiency thereof or in connection with any claim in respect of such information; and
- (e) Vendor and its Representatives make no representation or warranty regarding such information and expressly disclaim any implied or constructive representation or warranty.

**11.16 Counterparts and Electronic Transmission**

This Agreement may be executed in several counterparts, each of which when so executed shall be deemed to be an original, and such counterparts shall constitute one and the same instrument, and notwithstanding the date of execution, shall be deemed to bear date as of the date of this Agreement. This Agreement shall be considered properly executed by any Party if executed and transmitted by facsimile or other electronic means to the other Parties.

**11.17 Waiver of Legislation**

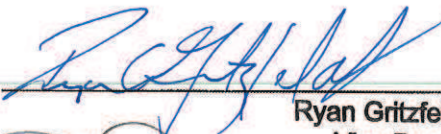
The *Land Contracts (Actions) Act* (Saskatchewan) shall have no application to any action, as defined in that Act, with respect to this Agreement; and *The Limitation of Civil Rights Act* (Saskatchewan) shall have no application to this Agreement or any agreement renewing, extending or collateral to this Agreement.


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

**FTI CONSULTING CANADA INC.**, as  
Receiver and Manager of the assets,  
undertaking and property of **101033165**  
**SASKATCHEWAN LTD.**, and not in its  
personal capacity

**CRESCENT POINT RESOURCES**  
**PARTNERSHIP**, by its Managing Partner,  
**CRESCENT POINT ENERGY CORP.**

Per:   
Deryck Helkaa, Senior Managing Director

Per:   
Ryan Gritzfeldt, P.Eng.  
Vice President  
Engineering & Business Development East

Per:   
Derek Christie  
Vice President, Exploration & Geosciences  
Crescent Point Energy Corp.

THIS AND THE FOLLOWING TWO (2) PAGES COMPRISE SCHEDULE "A" ATTACHED TO AND FORMING PART OF AN AGREEMENT OF PURCHASE AND SALE MADE AS OF THE 12<sup>TH</sup> DAY OF DECEMBER, 2014 BETWEEN FTI CONSULTING CANADA INC., AS RECEIVER AND MANAGER OF THE ASSETS, UNDERTAKING AND PROPERTY OF 1010333165 SASKATCHEWAN LTD., AS VENDOR, AND CRESCENT POINT RESOURCES PARTNERSHIP, AS PURCHASER

Lands and Petroleum and Natural Gas Rights

Number (Split)	Area	Lessor / Crown #	Lease	Effective	Legal Description	Rights	UWI/Well Status/Type/ File Status	Debtor's Interest	Gross Rental	Royalties	Related Contracts
M00021 (1)	GLEN EWEN (SK)	PN39696	Feb-11-1997	Apr-01-1997	TWP 2-RGE 1-W2M NW 29	Lsds 11 & 12 - PNG from surface to base MIDALE BEDS Lsds 13 & 14 - PNG from surface to base FROBISHER-ALIDA BEDS, excluding the 141/14-29-02-01 W2/00 Wellbore	141/13-29-002-01-W2/00 - SWD	Undivided 62% working interest	0	LSR; 100% of production; Non-Convertible; Not TIK; 100% of all products; CROWN DEDUCTIONS GOR; 28% of production; Non-Convertible; Not TIK; 5% of all products; SIMILAR TO CROWN DEDUCTIONS GOR; 29% of production; Non-Convertible; Not TIK; 5% of all products; SIMILAR TO CROWN DEDUCTIONS	C00021 - 1 JOA ROFR - Yes C00026 - 1 ROYALTY C00022 - 1 Retrospective JOA

Number (Split)	Area	Lessor / Crown #	Lease	Effective	Legal Description	Rights	UWI/Well Status/Type/ File Status	Debtor's Interest	Gross Rental	Royalties	Related Contracts
M00021 (2)						PNG from surface to base FROBISHER ALIDA BEDS in 141/14-29-02-01 W2/00 wellbore only	141/14-29-002-01-W2/00 - OIL	Undivided 62% working interest	226.63	LSR; 100% of production; Non-Convertible; Not TIK; 100% of all products; CROWN DEDUCTIONS GOR; 28% of production; Non-Convertible; Not TIK; 5% of all products; SIMILJAR TO CROWN DEDUCTIONS GOR; 29% of production; Non-Convertible; Not TIK; 5% of all products; SIMILJAR TO CROWN DEDUCTIONS	C00021 - 1 JOA ROFR Yes C00026 - 1 ROYALTY C00022 - 1 Retrospective JOA
M00022 (1)	GLEN EWE N (SK)	PN19724	Jun-07-1984	Apr-01-1985	TWP 2-RGE 1-W2M NE29	PNG from surface to base FROBISHER ALIDA BEDS	131/15-29-002-01-W2/00 - OIL	Undivided 92% working interest	225.22	LSR; 100% of production; Non-Convertible; Not TIK; 100% of all products; CROWN DEDUCTIONS	C00007 - 2 TRUST C00007 - 4 TRUST C00007 - 1 TRUST C00007 - 6 TRUST C00007 - 3 TRUST C00007 - 5

Number (Split)	Area	Lessor / Crown #	Lease	Effective	Legal Description	Rights	UWI/Well Status/Type/ File Status	Debtor's Interest	Gross Rental	Royalties	Related Contracts
											TRUST
M00079 (1)	GLEN EWE N (SK)	PN63315	Dec-07-2009	Apr-01-2010	TWP 2-RGE 1-W2M W28	PNG from surface to top PRECAMBRIA N		100% working interest	450.42	LSR; 100% of production; Non-Convertible; Not TIK; 100% of all products; CROWN DEDUCTIONS	C00022 - 1 Retrospective JOA Lane Land Services Ltd. holds title to lease as agent for Debtor
M00085 (1)	GLEN EWE N (SK)	PN64252	Jun-07-2010	Apr-01-2011	TWP 2-RGE 1-W2M SE30	PNG from surface to top PRECAMBRIA N		100% working interest	225.96	LSR; 100% of production; Non-Convertible; Not TIK; 100% of all products; CROWN DEDUCTIONS	Lane Land Services Ltd. holds title to lease as agent for Debtor
M00086 (1)	GLEN EWE N (SK)	PN64253	Jun-07-2010	Apr-01-2011	TWP 2-RGE 1-W2M SW30	PNG from surface to top PRECAMBRIA N		100% working interest	226.03	LSR; 100% of production; Non-Convertible; Not TIK; 100% of all products; CROWN DEDUCTIONS	Lane Land Services Ltd. holds title to lease as agent for Debtor
M00111 (1)	GLEN EWE N (SK)	PN66528	Dec-05-2011	Apr-01-2012	TWP 2-RGE 1-W2M SE29	PNG from surface to top PRECAMBRIA N		100% working interest	226.63	LSR; 100% of production; Non-Convertible; Not TIK; 100% of all products; CROWN DEDUCTIONS	Lane Land Services Ltd. holds title to lease as agent for Debtor

**THIS PAGE COMPRISES SCHEDULE "B" ATTACHED TO AND FORMING PART OF AN AGREEMENT OF PURCHASE AND SALE MADE AS OF THE 12<sup>TH</sup> DAY OF DECEMBER, 2014 BETWEEN FTI CONSULTING CANADA INC., AS RECEIVER AND MANAGER OF THE ASSETS, UNDERTAKING AND PROPERTY OF 101033165 SASKATCHEWAN LTD., AS VENDOR, AND CRESCENT POINT RESOURCES PARTNERSHIP, AS PURCHASER**

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AFEs

None

Facilities

1) Facility Code – SKBTB4L38256 (Licence #6077) located at 15-29-02-01 W2M

Pipelines

1) Collection line that is the subject of Crown Easement Agreement No. 338083 dated February 21, 2013 between Ministry of Agriculture, as Grantor and 101033165 Saskatchewan Ltd. registered against title to the surface of NW¼ 29-02-01 W2M as Interest Register #119005927;

2) Flow-line that is the subject of a Grant of Easement and Right-of-Way Agreement dated October 9, 2002 between Thomas Hugh Hammell, as grantor and 101033165 Saskatchewan Ltd., as grantee registered against title to the surface of NE¼ 29-02-01 W2M as Interest Register #105583631; and

3) Collection line that is the subject of Grant of Easement and Right-of-Way Agreement dated May 21, 2013 between Thomas Hugh Hammell and Rose Delia Hammell, as grantor and 101033165 Saskatchewan Ltd. registered against title to the surface of NE¼ 29-02-01 W2M as Interest Register #119178423.

Production Contracts

None

Wells

1) CC/10-29-02-01 W2/00 (Licence #09H083)

2) 141/13-29-02-01 W2/00 (Licence #90K001)

3) 131/15-29-02-01 W2/00 (Licence #84H117)

4) 141/14-29-02-01 W2/00 (Licence #02C051)

**THIS PAGE COMPRISES SCHEDULE "C" ATTACHED TO AND FORMING PART OF AN AGREEMENT OF PURCHASE AND SALE MADE AS OF THE 12<sup>TH</sup> DAY OF DECEMBER, 2014 BETWEEN FTI CONSULTING CANADA INC., AS RECEIVER AND MANAGER OF THE ASSETS, UNDERTAKING AND PROPERTY OF 101033165 SASKATCHEWAN LTD., AS VENDOR, AND CRESCENT POINT RESOURCES PARTNERSHIP, AS PURCHASER**

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**Rights of First Refusal**

**Joint Operating Agreement dated February 11, 1997 between Buffalo Oil Company Limited, Boulder Oil Inc., WAL Oil Ltd., Frank R. Lee Investments Ltd., Circle B Resources Ltd., Red River Resources Ltd. and United Oils Ltd. whereby Boulder Oil Inc. and Red River Resources Ltd. have a right of first refusal pursuant to alternate "B" of clause 2401 of the CAPL Operating Procedure – 1990 (incorporated by reference therein) with respect to 101033165 Saskatchewan Ltd's interest in Crown Lease PN39696 in the NW<sup>1</sup>/<sub>4</sub> 29-02-01 W2M.**

THIS AND THE FOLLOWING PAGE COMPRISES SCHEDULE "D" ATTACHED TO AND FORMING PART OF AN AGREEMENT OF PURCHASE AND SALE MADE AS OF THE 12<sup>TH</sup> DAY OF DECEMBER, 2014 BETWEEN FTI CONSULTING CANADA INC., AS RECEIVER AND MANAGER OF THE ASSETS, UNDERTAKING AND PROPERTY OF 101033165 SASKATCHEWAN LTD., AS VENDOR, AND CRESCENT POINT RESOURCES PARTNERSHIP, AS PURCHASER

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**PETROLEUM, NATURAL GAS AND GENERAL RIGHTS CONVEYANCE**

THIS AGREEMENT made as of the \_\_\_\_ day of \_\_\_\_\_, 2014.

AMONG:

**FTI CONSULTING CANADA INC.**, in its capacity as Receiver and Manager of the assets, undertaking and property of **101033165 SASKATCHEWAN LTD.**, and not in its personal capacity (in such capacity hereinafter referred to as "**Vendor**")

- and -

**CRESCENT POINT RESOURCES PARTNERSHIP**, a general partnership, having an office in the City of Calgary, in the Province of Alberta (hereinafter referred to as "**Purchaser**")

WHEREAS:

- (A) Vendor and Purchaser entered into that Agreement of Purchase and Sale made as of the 12<sup>th</sup> day of December, 2014 (the "Sale Agreement") with respect to the "Assets" (which term, when used in this Agreement, has the same meaning as in the Sale Agreement);
- (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; and
- (C) Any definitions used in this agreement shall have the same meaning as in the Sale Agreement.

NOW THEREFORE in consideration of the premises hereto and the covenants and agreements hereinafter set forth and contained, the parties hereto covenant and agree as follows:

1. Vendor hereby sells, assigns, transfers, conveys and sets over to Purchaser, and Purchaser hereby purchases from Vendor, all of the right, title, estate and interest of Vendor (whether absolute or contingent, legal or beneficial) in and to the 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. The assignment and conveyance effected by this agreement is made with full right of substitution of Purchaser in and to all covenants, representations, warranties and indemnities by others heretofore given or made in respect of the Assets or any part thereof.
5. 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 non-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.
6. 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.
7. This Agreement may be executed in several counterparts, each of which when so executed shall be deemed to be an original, and such counterparts shall constitute one and the same instrument, and notwithstanding the date of execution, shall be deemed to bear date as of the date of this Agreement. This Agreement shall be considered properly executed by any Party if executed and transmitted by facsimile or other electronic means to the other Parties.

IN WITNESS WHEREOF the parties hereto have executed this agreement as of the day and year first above written.

**FTI CONSULTING CANADA INC.**, as  
Receiver and Manager of the assets,  
undertaking and property of **101033165**  
**SASKATCHEWAN LTD.**, and not in its  
personal capacity

**CRESCENT POINT RESOURCES**  
**PARTNERSHIP**, by its Managing Partner,  
**CRESCENT POINT ENERGY CORP.**

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

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

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

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



**THIS AND THE FOLLOWING PAGE COMPRISE SCHEDULE "E" ATTACHED TO AND FORMING PART OF AN AGREEMENT OF PURCHASE AND SALE MADE AS OF THE 12<sup>TH</sup> DAY OF DECEMBER, 2014 BETWEEN FTI CONSULTING CANADA INC., AS RECEIVER AND MANAGER OF THE ASSETS, UNDERTAKING AND PROPERTY OF 101033165 SASKATCHEWAN LTD., AS VENDOR, AND CRESCENT POINT RESOURCES PARTNERSHIP, AS PURCHASER**

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**OFFICER'S CERTIFICATE OF VENDOR**

**TO: CRESCENT POINT RESOURCES PARTNERSHIP ("Purchaser")**

The undersigned, \_\_\_\_\_ being an officer of **FTI CONSULTING CANADA INC.** ("FTI"), in its capacity as receiver and manager of the assets, undertaking and property of **101033165 SASKATCHEWAN LTD.** (FTI in such capacity, "Vendor"), does hereby certify, for and on behalf of Vendor and not in his/her personal capacity, as follows:

1. The undersigned is personally familiar, in his/her capacity as a \_\_\_\_\_ with the Vendor, with the matters hereinafter mentioned.
2. This certificate is made pursuant to an Agreement of Purchase and Sale made as of the 12<sup>th</sup> day of December, 2014 between Vendor and Purchaser (the "Sale Agreement").
3. The definitions contained in the Sale Agreement are herein adopted and wherever used shall have the meanings ascribed to them in the Sale Agreement.
4. The representations and warranties of Vendor contained in the Sale Agreement were true in all material respects when made and are true in all material respects as of the date hereof.
5. All obligations of Vendor contained in the Sale Agreement to be performed prior to or at Closing have been timely performed in all material respects.
6. From the Adjustment Date to the date hereof, the undersigned is not aware of any material adverse damage or change to the Assets.

DATED at Calgary, Alberta, as of the \_\_\_\_ day of \_\_\_\_\_, 2014.

\_\_\_\_\_  
[Name of Officer]

**OFFICER'S CERTIFICATE OF PURCHASER**

TO: **FTI CONSULTING CANADA INC.**, as Receiver and Manager of the assets, undertakings and property of **101033165 SASKATCHEWAN LTD.** (in such capacity, "Vendor")

The undersigned, \_\_\_\_\_, being an officer of **CRESCENT POINT RESOURCES PARTNERSHIP** ("Purchaser"), does hereby certify, for and on behalf of Purchaser and not in his/her personal capacity, as follows:

1. The undersigned is personally familiar, in his/her capacity as an officer of Purchaser, with the matters hereinafter mentioned.
2. This certificate is made pursuant to an Agreement of Purchase and Sale made as of the 12<sup>th</sup> day of December, 2014 between Vendor and Purchaser (the "Sale Agreement").
3. The definitions contained in the Sale Agreement are herein adopted and wherever used shall have the meanings ascribed to them in the Sale Agreement.
4. The representations and warranties of Purchaser contained in the Sale Agreement were true in all material respects when made and are true in all material respects as of the date hereof.
5. All obligations of Purchaser contained in the Sale Agreement to be performed prior to or at Closing have been timely performed in all material respects.

DATED at Calgary, Alberta, as of the \_\_\_\_ day of \_\_\_\_\_, 2014.

\_\_\_\_\_  
[Name of Officer]

THIS AND THE FOLLOWING PAGE COMPRISE "F" ATTACHED TO AND FORMING PART OF AN AGREEMENT OF PURCHASE AND SALE MADE AS OF THE 12<sup>TH</sup> DAY OF DECEMBER, 2014 BETWEEN FTI CONSULTING CANADA INC., AS RECEIVER AND MANAGER OF THE ASSETS, UNDERTAKING AND PROPERTY OF 101033165 SASKATCHEWAN LTD., AS VENDOR, AND CRESCENT POINT RESOURCES PARTNERSHIP, AS PURCHASER

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**WIRE TRANSFER INSTRUCTIONS**

**FTI CONSULTING CANADA INC., as receiver of 101033165 Saskatchewan Ltd.**

Bankers Hall, West Tower  
1000, 888 – 3<sup>rd</sup> Street SW  
Calgary, Alberta  
T2P 5C5

Bank Name: National Bank of Canada  
Bank Address: 301 – 6<sup>th</sup> Avenue SW  
Calgary, Alberta  
T2P 4M9

Transit #: [REDACTED]  
Account #: [REDACTED]  
Bank #: [REDACTED]  
SWIFT Code: [REDACTED]

**CRESCENT POINT RESOURCES PARTNERSHIP**

**CAN DOLLARS/EURO/STIRLING**

**CREDIT: THE BANK OF NOVA SCOTIA  
INTERNATIONAL BANKING CENTRE  
720 KING STREET  
TORONTO, ON M5V 2T3  
TRANSIT #52712  
SWIFT CODE NOSCCATT**

**FOR FURTHER CREDIT TO: THE BANK OF NOVA SCOTIA  
CALGARY BUSINESS SUPPORT CENTRE  
2850 SUNDRIDGE BLVD NE  
CALGARY, ALBERTA T1Y 6G2**

**BANK# 002, TRANSIT #12989  
ACCT NAME: CPRP CRESCENT POINT RP  
ACCT NO. 129890253316**

**ATTN: SHELLEY MORRISON / RHONDA GUERIN  
TEL: (403) 221-6469, FAX: (403) 221-6431**

**US DOLLARS**

**CREDIT: THE BANK OF NOVA SCOTIA  
NEW YORK AGENCY  
1 LIBERTY PLAZA  
NEW YORK, NEW YORK  
10006  
ABA# 026002532**

**FOR FURTHER CREDIT TO: THE BANK OF NOVA SCOTIA  
CALGARY BUSINESS SUPPORT CENTRE  
2850 SUNDRIDGE BLVD NE  
CALGARY, ALBERTA T1Y 6G2**

**BANK# 002, TRANSIT #12989  
ACCT NAME: CPLP CRESCENT POINT RP  
ACCT NO. 129890253316**

**ATTN: SHELLEY MORRISON / RHONDA GUERIN  
TEL: (403) 221-6469, FAX: (403) 221-6431**