

COURT FILE NUMBER 1301-06644
COURT COURT OF QUEEN'S BENCH OF ALBERTA
JUDICIAL CENTRE CALGARY
IN THE MATTER OF THE *BANKRUPTCY AND
INSOLVENCY ACT*, R.S.C. 1985, c. B-3, AS
AMENDED
PLAINTIFF NATIONAL BANK OF CANADA
DEFENDANT ARGOSY ENERGY INC. AND RADIUS
RESOURCES CORP.
DOCUMENT **SECOND REPORT OF FTI CONSULTING
CANADA INC., IN ITS CAPACITY AS
COURT-APPOINTED RECEIVER AND
MANAGER OF ARGOSY ENERGY INC. AND
RADIUS RESOURCES CORP.**

August 8, 2013

ADDRESS FOR SERVICE AND
CONTACT INFORMATION OF
PARTY FILING THIS
DOCUMENT

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INTRODUCTION

1. FTI Consulting Canada Inc. was appointed Receiver and Manager (the “Receiver”) of the property, assets and undertakings (the “Assets”) of Argosy Energy Inc. and Radius Resources Corp. (collectively referred to as “Argosy” or the “Company”) pursuant to an Order of this Honourable Court granted on May 30, 2013 (the “Receivership Order”).
2. The Receivership Order authorized the Receiver, among other things, to carry on the business of the Company, to market and solicit offers to purchase the assets of the Company, and to make such arrangements or agreements as deemed necessary by the Receiver.
3. On May 30, 2013, the Court of Queen’s Bench of Alberta made a further Order authorizing and directing the Receiver to finalize an asset purchase agreement (the “LTA APA”) with Long Term Asset Management Inc. (“LTA” or the “Purchaser”) on such terms and conditions that the Receiver considers commercially reasonable and thereafter execute and deliver the LTA APA to the Purchaser and conclude the transaction contemplated by the LTA APA (the “LTA Transaction”). The LTA Transaction included the sale of the large majority of Argosy’s oil and gas assets however certain oil and gas land rights and three shut-in oil wells were excluded from the LTA Transaction (the “Excluded Assets”).
4. On July 31, 2013, the Court of Queen’s Bench of Alberta granted an Order approving an interim distribution to the senior secured lender National Bank of Canada (“National Bank”) up to \$4,750,000. The Receiver has, since July 31, 2013 distributed \$4,729,265 to National Bank.

5. The purpose of this second report (the "Second Report") of the Receiver is to advise this Honourable Court with respect to:
 - a) the Receiver's comments on its efforts to market and sell the Excluded Assets; and
 - b) an offer to purchase all of the Excluded Assets from Torc Oil and Gas Ltd. ("Torc").

6. All references to currency in the Second Report are in Canadian Dollars.

BACKGROUND

7. Argosy is an oil and gas company engaged in the production, exploration, development and acquisition of petroleum and natural gas properties in the Province of Alberta. Argosy is a public company listed on the TSX Venture Exchange with its head office located in Calgary, Alberta. Radius Resources Corp. is a wholly owned subsidiary of Argosy which has limited assets and operations and is therefore incorporated in the operations of Argosy herein.

8. Argosy's operations included the following core oil and gas exploration and production areas:
 - a) oil and natural gas properties located in Southern Alberta in the Claresholm area (the "Claresholm Properties");
 - b) natural gas properties located in the Atlee Buffalo region; and
 - c) the Excluded Assets from the LTA Transaction, certain oil and gas land rights and three shut-in oil wells located in the Alberta Bakken region.

9. Argosy's unaudited September 30, 2012 financial statements indicated the following:
 - a) Book value of oil and gas assets totalling approximately \$44.8 million;
 - b) Secured debt of \$21.9 million primarily owed to the National. National Bank provided Argosy with an operating line of credit and is the most significant secured creditor with respect to this Receivership; and
 - c) Unsecured creditors totalling \$2.9 million.

SOLICITATION PROCESS OF EXCLUDED ASSETS

10. As discussed in the Receiver's First Report, Sayer Energy Advisors ("Sayer") and Avonlea Ventures Inc. ("Avonlea") were retained on February 25, 2013 prior to the receivership by Argosy. Sayer and Avonlea were retained to assist Argosy in the marketing of their oil and gas assets as well as seek potential investment and/or refinancing arrangements (the "Solicitation Process"). The details of the Solicitation Process was described in the Receiver's First Report as well as in the Affidavit of Elizabeth Pineda dated May 29, 2013.
11. The Solicitation Process undertaken by Sayer and Avonlea resulted in a superior offer from Torc relating specifically to the Excluded Assets.
12. Since the commencement of the receivership and closing of the LTA Transaction, the Receiver and Sayer have continued to negotiate with Torc to complete a sale of the Excluded Assets.
13. On August 8, 2013 Torc and the Receiver signed a formal asset purchase and sale agreement for the Excluded Assets (the "Torc Excluded Asset APA"). The Torc Excluded Asset APA is attached as Appendix "A" and includes the following terms:

- (a) Purchase price of \$850,000;
- (b) Includes all of the Excluded Assets;
- (c) Escrow closing on August 8, 2013 (“Escrow Closing Date”), at which time the purchase price and all closing deliverables (books and records relating to the Excluded Assets) are delivered to Blake, Cassels & Graydon LLP in escrow;
- (d) Condition that the Receiver obtain Court approval for the Torc Excluded Asset APA; and
- (e) Should the sale be approved by the Honourable Court, the Torc Excluded Asset APA states that the Escrow Closing Deliverables held in escrow by Blakes, Cassels & Graydon LLP are to be released on August 20, 2013 or such other date as agreed upon by Torc and the Receiver (the “Closing Date”).

14. The Receiver has the following comments with respect to the Torc Excluded Asset APA;

- (a) the proceeds from the Torc Excluded Asset APA combined with the LTA Transaction presented the highest purchase price of all offers submitted for Argosy’s oil and gas assets;
- (b) the Torc Excluded Asset APA includes all of the Excluded Assets, therefore the Receiver would not be left with less desirable, lower value assets that may be difficult to dispose of or cause potential issues with regulatory authorities;

- (c) the Torc Excluded Asset APA does not include any further due diligence or financing condition, reducing the closing risk on the sale, with the only condition precedent being Court approval; and
 - (d) the Solicitation Process appropriately and fully exposed the Excluded Assets to the market place.
- 15. For the reasons discussed above, the Receiver, in consultation with Sayer and National Bank, determined that the Torc Excluded Asset APA was the best offer for the Excluded Assets and, as such, accepted the Torc Excluded Asset APA, subject to Court approval.
- 16. For the reasons identified, above, the Receiver recommends that the Torc Excluded Asset APA be approved by this Honourable Court.

ANALYSIS OF SECURED AND/OR PRIORITY CLAIMS

VALIDITY AND ENFORCEABILITY OF NATIONAL BANK'S SECURITY

- 22. As discussed in the First Report of the Receiver National Bank's security has been reviewed by the Receiver's counsel and counsel advised that the security creates a valid security interest in favour of National Bank in the right, title and interest of Argosy in its personal property and a floating charge over the Mortgaged Property (as defined in the security).

LIENS AND PRIORITY CLAIMS

- 23. The Receiver, in consultation with its counsel, has performed a review of liens and priority claims relating to the Excluded Assets. The Receiver has determined that there are three lien claims (collectively the "**Liens**") registered against the Excluded Assets that may have priority over National Bank's security, as follows:

| Claimant | Type | Amount |
|-----------------------------|----------------|---------------|
| Rapid Rod Services Ltd. | Builders' Lien | \$8,582.39 |
| Hallmark Tubulars Ltd. | Builders' Lien | \$166,000.00 |
| Ensign Drilling Partnership | Builders' Lien | \$203,032.09 |

24. The Receiver notes that the sale price in the Torc Excluded Asset APA is greater than the sum of the Liens of \$377,614. As such, the Receiver anticipates, subject to final verification of the lien amounts, and consultation with counsel to National Bank being able to fully pay out the Liens upon closing the Torc Excluded Asset APA once the Closing Date has passed and the proceeds of sale are released to the Receiver.
25. Upon final closing of the Torc Excluded Asset APA, the Receiver intends to hold sufficient proceeds from the sale of the Excluded Assets to satisfy the Liens, if they are ultimately determined to be valid and in priority to National Bank.

PAYMENT OF FUNDS OUT OF COURT

26. The Receiver became aware that certain funds (the "Funds") had been paid into court in Court of Queen's Bench Action Number 1301-01648 (the "Action") by a notice of proposed distribution sent by the Clerk of the Court, attached hereto as Appendix "B". It appears that the Funds were paid into court as a result of enforcement steps taken, by way of the issuance of a garnishee summons, with respect to a judgment that was granted against Argosy in the Action. Attached hereto as Appendix "B" is a copy of the procedure card for the Action.
27. The Clerk of the Court has advised counsel for the Receiver that the Funds have not yet been paid out of Court. The Receiver, in consultation with its counsel, has determined that the Funds are properly payable to the Receiver for further distribution.

PROPOSED SECOND INTERIM DISTRIBUTION OF PROCEEDS FROM REALIZATION

28. The Receiver proposes a second interim distribution of the proceeds from realization to National Bank as follows:

| Proposed Second Interim Distribution to National Bank | | Notes |
|--|-------------------------|--------------|
| Cash on Hand (Hold Back From LTA Transaction) | 750,000 | |
| Less finance charges since the Receiver's second report | (581) | |
| Expected Proceeds from the Torc Excluded Asset APA | <u>850,000</u> | |
| Total Funds Expected to be Available for Distribution | <u>1,599,419</u> | a |
| Rapid Rod Services Ltd. Lien | (8,582) | b |
| Hallmark Tubulars Ltd. Lien | (166,000) | b |
| Ensign Drilling Partnership Lien | (203,032) | b |
| Funds Required to complete receivership | <u>(221,805)</u> | c |
| Total Funds Held Back | <u>(599,419)</u> | |
| Proposed Interim Distribution to National Bank | 1,000,000 | d |

- (a) Total funds expected to be available for distribution includes cash held back in the Receiver's First Report, the expected proceeds from closing of the Torc Excluded Asset APA less bank charges that have been incurred since the Receiver's First Report;
- (b) The full amount of the Liens is proposed to be held back. The Receiver intends to complete a final verification of the lien amounts and will report further to this Honourable Court advising of the results of its verification process and recommending a final distribution;
- (c) amounts held back by the Receiver for any final closing adjustments related to the LTA Transaction, remaining operating costs and administrative costs and professional fees; and

(d) the amount of the proposed second interim distribution to National Bank.

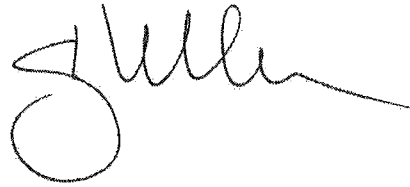
29. Per the schedule above, the Receiver recommends a second interim distribution to National Bank in the amount of \$1.0 million ("Second Interim Distribution").
30. The Receiver anticipates seeking approval of a final distribution and its discharge upon completing the final adjustment of the LTA Transaction, final closing of the Torc Excluded Asset APA, and certain other administrative matters.
31. Based on the amount of the National Bank's secured loan and estimated remaining recoveries, the Receiver does not anticipate any distributions to unsecured creditors or other creditors with claims that are subordinate to National Bank.

RECEIVER'S RECOMMENDATIONS

32. The Receiver recommends that this Honourable Court approve;
 - a) the Torc Excluded Asset APA; and
 - b) the Second Interim Distribution.

All of which is respectfully submitted this 8th day of August, 2013.

FTI Consulting Canada Inc.
in its capacity as Receiver of
the assets, property and undertaking of Argosy
Energy Inc. and Radius Resources Corp.

A handwritten signature in black ink, appearing to read 'Deryck Helkaa', written over a horizontal line.

Name: Deryck Helkaa
Title: Senior Managing Director,
FTI Consulting Canada Inc.

Appendix A

Torc Excluded Asset APA

ASSET PURCHASE AND SALE AGREEMENT

BETWEEN

ARGOSY ENERGY INC. ("Argosy") and RADIUS RESOURCES CORP. ("Radius")
(collectively, the "Debtor"), by and through their court appointed receiver and manager,
FTI CONSULTING CANADA INC. (the "Receiver"), in its capacity as court appointed
receiver and manager of the assets, properties and undertaking of Argosy Energy Inc.
and Radius Resources Corp., and not in its personal capacity (the "Vendor")

AND

TORC OIL & GAS LTD., a corporation incorporated
pursuant to the laws of the Province of Alberta

(the "Purchaser")

August 8, 2013

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ASSET PURCHASE AND SALE AGREEMENT

THIS AGREEMENT made as of the 8th day of August, 2013.

BETWEEN:

ARGOSY ENERGY INC. ("Argosy") and RADIUS RESOURCES CORP. ("Radius") (collectively, the "**Debtor**") by their court appointed receiver and manager **FTI CONSULTING CANADA INC.**, (the "**Receiver**") in its capacity as court appointed receiver and manager of the assets, properties and undertakings of Argosy Energy Inc. and Radius Resources Corp., and not in its personal capacity (the "**Vendor**")

- and -

TORC OIL & GAS LTD., a corporation incorporated pursuant to the laws of the Province of Alberta (the "**Purchaser**")

WHEREAS the Receiver was appointed as receiver and manager of the Property of Argosy and Radius pursuant to the terms of the Receivership Order granted on May 30, 2013;

WHEREAS the Receiver will seek authorization and direction to finalize this Agreement with the Purchaser by a Sale Approval and Vesting Order anticipated to be granted on August 13, 2013.

WHEREAS the Vendor wishes to sell the Assets to the Purchaser and the Purchaser wishes to purchase the Assets from the Vendor, all upon and subject to the terms and conditions set forth in this Agreement;

NOW THEREFORE THIS AGREEMENT WITNESSETH that in consideration of the premises, mutual covenants, agreements and warranties in this Agreement, the Parties covenant and agree as follows:

**ARTICLE 1
DEFINITIONS AND INTERPRETATION**

1.1 Definitions

In this Agreement, including the recitals, this Section 1.1 and the Schedules attached hereto, unless the context otherwise requires, or unless otherwise defined herein, the following words and phrases shall have the following meanings:

- (a) "**Abandonment and Reclamation Liabilities**" means all past, present and future obligations and liabilities to:
 - (i) abandon the Wells and close, decommission, dismantle and remove all structures, foundations, buildings, pipelines, equipment, tanks and other facilities and Tangibles that are or were located in or on the Lands or lands used, previously used or useful or intended for use in respect of or in connection with the Lands; and

- (ii) restore, remediate and reclaim any surface and subsurface locations of the lands on which the Wells, structures, foundations, buildings, pipelines, equipment, tanks and other facilities described in Section 1.1(a)(i) are located and all lands used to gain access to any of them;

all in accordance with generally accepted industry practices in the province where the Assets are located and in compliance with all Applicable Laws and the Title and Operating Documents.

- (b) "**Affiliate**" means, with respect to any Person, any other Person or group of Persons acting in concert, directly or indirectly, that controls, is controlled by or is under common control with such Person. The term "**control**" as used in the preceding sentence means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of a Person whether through ownership of more than fifty percent (50%) of the voting securities of such Person, by contract or otherwise.
- (c) "**Agreement**" means this Asset Purchase and Sale Agreement including the recitals hereto and the Schedules attached hereto.
- (d) "**Applicable Laws**" means, in relation to any Person, asset, transaction, event or circumstance:
 - (i) statutes (including regulations enacted thereunder);
 - (ii) judgments, decrees and orders of courts of competent jurisdiction;
 - (iii) regulations, orders, ordinances and directives issued by Government Authorities; and
 - (iv) the terms and conditions of all permits, licenses, approvals and authorizations;which are applicable to such Person, asset, transaction, event or circumstance.
- (e) "**Assets**" means all of the Debtor's right, title, estate and interest in the Petroleum and Natural Gas Rights, the Seismic Data, the Miscellaneous Interests and the Tangibles.
- (f) "**Business Day**" means any day other than a Saturday, Sunday or statutory holiday in Calgary, Alberta.
- (g) "**Claim**" means any claim, demand, lawsuit, proceeding, arbitration or governmental investigation, in each case, whether asserted, threatened, pending or existing.
- (h) "**Closing**" means the transfer of possession, beneficial ownership and risks of the Assets from the Vendor to the Purchaser, the exchange of Conveyance Documents and payment of the Purchase Price by the Purchaser to the Vendor, and all other items and consideration required to be delivered on the Closing Date pursuant hereto.

- (i) **"Closing Date"** has the meaning provided in Section 5.1.
- (j) **"Closing Payment"** has the meaning provided in Section 3.3.
- (k) **"Conveyance Documents"** means all conveyances, assignments, transfers, novations, notices of assignment, trust agreements and declarations, subleases, directions to pay and other documents and instruments that are reasonably required desirable in accordance with generally accepted oil and gas industry practice in the province where the Assets are located, to convey, assign and transfer title to the Assets held in the name of the Debtor or its Affiliates, to the Purchaser and to novate the Purchaser into the contracts, licenses, permits, approvals and authorizations comprised in the Miscellaneous Interests in the place and stead of the Debtor or its Affiliates, insofar as such contracts, licenses, permits, approvals and authorizations pertain to the Assets.
- (l) **"Court"** means the Court of Queen's Bench of Alberta.
- (m) **"Court Approval"** means the approval of the Transaction by the Court and the vesting of the Assets in the name of the Purchaser free and clear of any Encumbrances other than the Permitted Encumbrances, attached hereto as D.
- (n) **"Data Room Information"** means all information provided to the Purchaser in electronic form in relation to the Debtor, or its Affiliates and/or the Assets.
- (o) **"Debtor"** means, collectively, Argosy Energy Inc. and Radius Resources Corp.
- (p) **"Dollar"** and **"\$"** mean a dollar of the lawful money of Canada.
- (q) **"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.
- (r) **"Environment"** means the components of the earth and includes ambient air, land, surface and sub-surface strata, groundwater, surface water, all layers of the atmosphere, all organic and inorganic matter and living organisms, and the interacting natural systems that include such components, and any derivative thereof shall have a corresponding meaning.
- (s) **"Environmental Law"** means all Applicable Laws respecting the protection of, or the control, remediation or reclamation of contamination or pollution of, the Environment or any part thereof.
- (t) **"Environmental Liabilities"** means all past, present and future obligations and liabilities of whatsoever nature or kind arising from or relating to, directly or indirectly:
 - (i) Environmental Matters;
 - (ii) past, present and future non-compliance with, violation of or liability under Environmental Laws applicable to or otherwise involving the Assets; or

(iii) Abandonment and Reclamation Liabilities,

whenever occurring or arising.

(u) **"Environmental Matters"** means any activity, event or circumstance in respect of or relating to:

(i) the storage, use, holding, collection, accumulation, assessment, generation, manufacture, construction, processing, treatment, stabilization, disposition, handling, transportation or Release of Hazardous Substances;

(ii) the protection of the Environment; or

(iii) pollution, reclamation, remediation or restoration of the Environment;

in each case relating to the Lands or the Assets or that hereafter arise from or in respect of the future Operations, activities or omissions in or on the Lands or in respect of or otherwise involving the Assets, including obligations to compensate Third Parties for Losses and Liabilities.

(v) **"Escrow Agent"** means Blake, Cassels & Graydon LLP.

(w) **"Escrow Agreement"** means the escrow agreement in the form attached as Schedule "E".

(x) **"Escrow Closing"** means the Closing of the Transaction in escrow as provided for herein.

(y) **"Escrow Closing Date"** means August 8, 2013 or such other date as the Parties may mutually agree in writing.

(z) **"GAAP"** means generally accepted accounting principles and practices in Canada.

(aa) **"General Conveyance"** means the general conveyance in the form attached as Schedule "B".

(bb) **"Government Authority"** means any federal, national, provincial, territorial, municipal or other government, any political subdivision thereof, and any ministry, sub-ministry, agency or sub-agency, court, board, bureau, office, or department, including any government-owned entity, having jurisdiction over a Party, the Assets or the Transaction.

(cc) **"GST"** the goods and services tax required to be paid pursuant to the *Excise Tax Act* (Canada) and in accordance with Section 3.4(a).

(dd) **"Hazardous Substances"** means hazardous or toxic substances, hazardous wastes, radioactive substances, asbestos, dangerous goods and Petroleum Substances, including any and all substances and wastes regulated under Environmental Law.

- (ee) **"Insider"** has the meaning given to that term in the *Securities Act* (Alberta).
- (ff) **"Land Schedule"** means the lands listed in Schedule "A".
- (gg) **"Lands"** means the entire interest of Debtor in and to the lands set forth and described in the Land Schedule, and includes (i) unless the context otherwise requires, the surface of such lands and (ii) the Petroleum Substances within, upon or under such lands, together with the rights to drill for, explore for, win, take, own or remove same, insofar as the same are granted by the Leases to such lands.
- (hh) **"Leases"** means the leases, reservations, permits, licenses or other documents of title set forth and described in the Land Schedule by virtue of which the holder thereof is entitled to drill for, explore for, mine, win, take, own or remove Petroleum Substances underlying the Lands, and include, if applicable, all renewals and extensions of such documents and all documents issued in substitution therefore.
- (ii) **"Losses and Liabilities"** means, in relation to a matter, any and all:
 - (i) losses, costs, damages, expenses and charges (including all penalties, assessments and fines) which the Vendor suffers, sustains, pays or incurs, directly or indirectly, in connection with such matter and includes costs of legal counsel (on a full indemnity basis) and other professional advisors and reasonable costs of investigating and defending Claims arising from the matter, regardless of whether such Claims are sustained and includes taxes payable on any settlement payment or damage award in respect of such matter; and
 - (ii) liabilities and obligations (whether under common law, in equity, under Applicable Law or otherwise; whether tortious, contractual, vicarious, statutory or otherwise; whether absolute or contingent; and whether based on fault, strict liability or otherwise) which the Vendor suffers, sustains, pays or incurs as a result of or in connection with such matter;but excluding indirect, incidental, consequential, exemplary, special or punitive losses or damages or loss of profits suffered, sustained, paid or incurred by the Vendor, but including any such indirect, incidental, consequential, exemplary, special or punitive losses or damages or loss of profits suffered, sustained, paid or incurred by a Third Party entitled to recovery or indemnification from the Vendor.
- (jj) **"Miscellaneous Interests"** means all of the right, title, interest and estate of the Debtor in and to all property, assets and rights, whether contingent or absolute, legal or beneficial, present or future, vested or not (other than the Petroleum and Natural Gas Rights and the Tangibles), to the extent relating to the Petroleum and Natural Gas Rights, the Lands or the Tangibles, and to which the Debtor is entitled, including the following property, rights and assets:
 - (i) all contracts, agreements, books, records, files, maps and documents to the extent that they relate to the Petroleum and Natural Gas Rights, the

Lands or the Tangibles, including the Title and Operating Documents and any rights of the Debtor in relation thereto;

- (ii) the Surface Interests;
 - (iii) geological, geochemical and mineralogical data, reports and findings and archive samples, and all core or liquid samples and cuttings;
 - (iv) all engineering information, to the extent relating to the Petroleum and Natural Gas Rights, the Lands, and the Tangibles which the Debtor either has in its custody or to which the Debtor has access, excluding any such information which is subject to confidentiality restrictions;
 - (v) all permits, licenses, approvals and other authorizations, crossing privileges and other subsisting rights to carry out operations on the Lands and any lands upon which the Tangibles are located, including well and pipeline licenses and other permits and authorizations relating to the Petroleum and Natural Gas Rights or the Tangibles, and
 - (vi) the Wells, including the entire wellbores and casings.
- (kk) **"Operations"** means any and all work, activities and operations of any kind whatsoever conducted on or with respect to the Assets.
- (ll) **"Outside Date"** means September 30, 2013.
- (mm) **"Party"** means the Vendor or the Purchaser, and **"Parties"** means the Vendor and the Purchaser.
- (nn) **"Permitted Encumbrances"** means, as of a particular time, any of the following:
- (i) easements, rights of way, servitudes, permits, licenses and other similar rights in land, including 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 cable;
 - (ii) the right reserved to or vested in any Government Authority by the terms of any Title and Operating Document, lease, license, franchise, grant or permit or by any Applicable Law, to terminate any such Title and Operating Document, lease, license, franchise, grant or permit or to require annual or other periodic payments as a condition of the continuance thereof;
 - (iii) the right reserved to or vested in any Government Authority to levy taxes on Petroleum Substances or the income or revenue attributable thereto and governmental requirements and limitations of general application;
 - (iv) rights reserved to or vested in any Government Authority to control or regulate any of the Assets in any manner;

- (v) liens granted in the ordinary course of business to a public utility or Government Authority in connection with operations on or in respect of the Lands;
- (vi) the express or implied reservations, limitations, provisos and conditions in any original grants from the Crown of any of the Lands or interests therein and statutory exceptions to title;
- (vii) all royalty burdens, liens, adverse claims, penalties, conversions and other Encumbrances identified in the Land Schedule;
- (viii) the terms and condition of the Leases and the Title and Operating Documents; and
- (ix) any other circumstance, matter or thing disclosed in any Schedule hereto;

Additionally, the following items must be identified in a Schedule to qualify as a Permitted Encumbrance: (A) any Encumbrance, overriding royalty, net profits or other similar encumbrance applicable to the Petroleum and Natural Gas Rights for which Purchaser will assume the obligation for payment; (B) any existing potential alteration of the Debtor's interests in the Assets because of a payout conversion or farmin, farmout or other similar agreement; and (C) any security interest which would not be a Permitted Encumbrance under the preceding paragraphs of this definition.

- (oo) **"Person"** means any individual, corporation, limited or unlimited liability company, joint venture, partnership (limited or general), trust, trustee, executor, Government Authority or other entity.
- (pp) **"Petroleum and Natural Gas Rights"** means all of the right, title, estate and interest, whether absolute or contingent, legal or beneficial, present or future, vested or not, and whether or not an "interest in land", of the Debtor in and to the Lands and the Leases, subject in all events to the Permitted Encumbrances.
- (qq) **"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 or produced in conjunction with any of the foregoing, whether liquid, solid or gaseous, and whether hydrocarbons or not, including sulphur and hydrogen sulphide.
- (rr) **"Place of Closing"** means the offices of Blake, Cassels & Graydon LLP at 3500, 855 – 2nd Street S.W. in the City of Calgary in the Province of Alberta, or as otherwise agreed to in writing by the Parties.
- (ss) **"Property"** has the meaning given to it in the Receivership Order.
- (tt) **"Purchase Price"** has the meaning given in Section 3.1.
- (uu) **"Receivership Order"** means the order issued by the Court in the Receivership Proceedings on May 30, 2013, as amended, modified or supplemented from time to time.

- (vv) **"Receivership Proceedings"** means the proceedings before the Court and identified as Court File No. 1301-06644.
- (ww) **"Release"** means any release, spill, emission, leaking, pumping, injection, deposit, disposal, discharge, dispersal, leaching or migration of a Hazardous Substance into or through the Environment or into or out of any lands, including the movement of a Hazardous Substance through or in any part of the Environment.
- (xx) **"Representatives"** means, with, respect to any Party, its Affiliates, and the respective directors, officers, servants, agents, advisors, employees, consultants and representatives of that Party and its Affiliates.
- (yy) **"Seismic Data"** a copy of the 3D seismic data outlined in blue on Part 4 of Schedule "A" and with respect to such seismic data shall include:
 - (i) all permanent records of basic field data including, but not limited to, any and all microfilm or paper copies of seismic driller's reports, monitor records, observer's reports and survey notes and any and all copies of magnetic field tapes or conversions thereof;
 - (ii) all permanent records of the processed field data including, but not limited to, any and all microfilm or paper copies of shot point maps, pre- and post- stacked record sections including amplitude, phase and structural displays, post-stack data manipulations including filters, migrations and wavelet enhancements, and any and all copies of final stacked tapes and any manipulations and conversions thereof;
 - (iii) all permanent records or bin locations, bin fold, static corrections, surface elevations and any other relevant information; and
 - (iv) any and all interpretations of the foregoing.
- (zz) **"Surface Interests"** means all right, title, interest and estate of the Debtor to enter upon, use, occupy and enjoy the surface of the Lands and any lands upon which the Wells or the Tangibles are located and any lands used to gain access thereto, in each case, for purposes related to the use or ownership of the Petroleum and Natural Gas Rights, the Tangibles or the Wells or Operations, whether the same are held by right of way, or otherwise.
- (aaa) **"Tangibles"** means, collectively, all right, title, interest and estate of the Debtor, whether absolute or contingent, legal or beneficial, present or future, vested or not, in and to the tangible depreciable property and assets located within or upon the Lands and which are used or are intended to be used to produce, process, gather, treat, measure, or make marketable Petroleum Substances or in connection with water condensate, injection or removal operations that pertain to the Petroleum and Natural Gas Rights, and including those assets listed in Part 5 of Schedule "A".
- (bbb) **"Third Party"** means any Person other than the Parties or their Representatives.

- (ccc) **"Title and Operating Documents"** means all agreements, contracts, instruments and other documents that govern the ownership, operation or use of the Assets or relate to Permitted Encumbrances, including (i) the Leases and other agreements and instruments pursuant to which the Petroleum and Natural Gas Rights were issued, granted or created, (ii) permits, licenses, approvals and authorizations, (iii) operating agreements, unit agreements, production allocation agreements, trust declarations, participation agreements, joint venture agreements, farm-in agreements, farmout agreements and royalty agreements, (iv) agreements that create or relate to Surface Interests, (v) agreements for the construction, ownership and/or operation of the Tangibles, (vi) trust declarations and other documents and instruments that evidence the Debtor's interests in the Assets; and (vii) trust declarations pursuant to which the Debtor holds interests in the Lands in trust for other Persons.
- (ddd) **"Transaction"** means the transaction for the purchase and sale of the Assets as contemplated by this Agreement.
- (eee) **"Vendor Consents"** has the meaning provided in Section 8.1.
- (fff) **"Vendor Entity"** means the Vendor and its Representatives, and each of their respective successors and assigns.
- (ggg) **"Wells"** means all wells located on the Lands, including all producing, shut in, abandoned, suspended, capped, water source, service, observation, delineation, injection and disposal wells, and includes any well set out in Schedule "A", Part 2.

1.2 Interpretation

The following rules of construction shall apply to this Agreement unless the context otherwise requires:

- (a) the headings in this Agreement are inserted for convenience of reference only and shall not affect the meaning, interpretation or construction of this Agreement;
- (b) all documents executed and delivered pursuant to the provisions of this Agreement are subordinate to the provisions hereof and the provisions hereof shall govern and prevail in the event of a conflict;
- (c) any reference to a statute shall include and shall be deemed to be a reference to such statute and to the regulations made pursuant thereto, and all amendments made thereto and in force at the date hereof;
- (d) whenever the singular or masculine or neuter is used in this Agreement, the same shall be construed as meaning plural or feminine or referring to a body politic or corporate, and *vice versa*, as the context requires;
- (e) the words "hereto", "herein", "hereof", "hereby", "hereunder" and similar expressions refer to this Agreement and not to any particular provision of this Agreement;

- (f) reference to any Article, Section or Schedule means an Article, Section or Schedule of this Agreement unless otherwise specified;
- (g) if any provision of a Schedule hereto conflicts with or is at variance with any provision in the body of this Agreement, the provisions in the body of this Agreement shall prevail to the extent of the conflict;
- (h) "include" and derivatives thereof shall be read as if followed by the phrase "without limitation"; and
- (i) All references to currency shall mean CAD, unless otherwise specifically stated.

1.3 Schedules

The following schedules are attached to and form part of this Agreement:

| | |
|--------------|---|
| SCHEDULE "A" | Land Schedule |
| Part 1 | Lands and Leases |
| Part 2 | Wells |
| Part 3 | Petroleum and Natural Gas Rights |
| Part 4 | Seismic Data |
| SCHEDULE "B" | Form of General Conveyance |
| SCHEDULE "C" | Form of Purchaser's Officer's Certificate |
| SCHEDULE "D" | Form of Court Approval Order |
| SCHEDULE "E" | Escrow Agreement |

1.4 Interpretation If Closing Does Not Occur

If Closing does not occur, each provision of this Agreement which presumes that the Purchaser has acquired the Assets shall be construed as having been contingent upon Closing having occurred.

1.5 Knowledge or Awareness

References to a Party's knowledge or awareness and similar references contained in Sections 9.1 and 9.3 mean the actual knowledge or awareness, as the case may be, of the officers of such Party who are primarily responsible for the matters in question, and does not include knowledge and awareness of any other Person or any other Person or any constructive or imputed knowledge. A Party shall not have any obligation to make inquiry of any Person or the files and records of any Person or of any Government Authority in connection with any representations and warranties contained herein that are made to its knowledge, information, belief or awareness.

**ARTICLE 2
PURCHASE AND SALE**

2.1 Purchase and Sale

Subject to the terms and conditions of this Agreement, the Vendor hereby agrees to sell, assign, transfer, convey and set over to the Purchaser, and the Purchaser agrees to purchase and accept the Assets from the Vendor at and for the Purchase Price.

2.2 Transfer of Assets

Provided that Closing occurs, and subject to the terms and conditions of this Agreement, possession, risk and beneficial ownership of the Assets shall transfer from the Vendor to the Purchaser on the Closing Date.

**ARTICLE 3
PURCHASE PRICE AND PAYMENT**

3.1 Purchase Price

The purchase price to be paid by the Purchaser to the Vendor for the Assets shall be eight hundred fifty thousand dollars (\$850,000) (the "Purchase Price").

3.2 Allocation of the Purchase Price

The Purchase Price shall be allocated among the Assets as follows:

- | | | |
|-----|----------------------------------|--------------|
| (a) | to the Miscellaneous Interests | \$10.00 |
| (b) | to the Tangibles | \$170,000.00 |
| (c) | to Seismic Data | \$100,000.00 |
| (d) | Petroleum and Natural Gas Rights | \$579,990.00 |

3.3 Closing Payment

The Purchaser shall pay to the Vendor at the Escrow Closing, by certified cheque, bank draft or electronic wire transfer, the Purchase Price (the "Closing Payment"), which shall be held by the Escrow Agent pursuant the Escrow Agreement.

3.4 Taxes and Fees

- (a) The Purchase Price does not include GST. At the Escrow Closing, the Purchaser shall pay to the Vendor an amount equal to the statutory rate of GST on the portion of the Purchase Price allocated to Tangibles and Miscellaneous Interests pursuant to Section 3.2 and on the amount attributable to any other Assets or expenses to which GST may apply, which shall be held by the Escrow Agent pursuant the Escrow Agreement. Following release from escrow pursuant to the Escrow Agreement, the Vendor shall remit such amounts as required by applicable law. The 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 hereto, including any interest, penalties, or any other costs payable in respect of such additional GST, and shall indemnify and save harmless the Vendor in respect thereof. The GST Registration Number of Argosy Energy Inc. is 848093621RT0001 and Radius Resources Corp. is 830997540RT0001. The GST Registration Number of the Purchaser is 81758 8858 RT0001.

- (b) The Purchaser shall also be liable for and shall pay any and all land transfer taxes, federal or provincial sales taxes and all other taxes (excluding income taxes), duties or other similar charges properly payable upon and in connection with the conveyance and transfer of the Assets by the Vendor to the Purchaser and the Purchaser shall be responsible for all registration fees payable in connection therewith.

3.5 Tax Election

- (a) The Purchaser and Vendor each acknowledge and agree that the purchase and sale of the Assets is to be carried out in accordance with section 66.7 of the *Income Tax Act* (Canada) (the "Tax Act") and that the parties will jointly elect pursuant to paragraph 66.7(8)(e) and 66.7(8)(e) of the Tax Act in the prescribed form and within the time referred to in the Tax Act.

ARTICLE 4 NO ADJUSTMENTS

4.1 No Adjustments on Purchase Price

There will be no adjustments to the Purchase Price.

ARTICLE 5 CLOSING

5.1 Closing

- (a) The Closing of the Transaction shall take place at the Place of Closing or such other place as the Parties may agree on August 20, 2013; or
- (b) such other date as the Parties may agree in writing;

provided that, the Closing must take place no later than the Outside Date (the "Closing Date").

ARTICLE 6 INTERIM PROVISIONS

6.1 Assets to be Maintained

Until the Closing Date, the Vendor shall, subject to the Title and Operating Documents:

- (a) subject to the terms of the Receivership Order, cause the Assets to be maintained in a proper and prudent manner in accordance with generally accepted industry practices;

- (b) pay or cause to be paid all costs and expenses relating to the Assets which become due prior to the Closing Date; and
- (c) subject to the terms of the Receivership Order, perform and comply in all material respects with the covenants and conditions contained in the Title and Operating Documents to be performed or complied with by the Vendor prior to Closing.

6.2 Restrictions on Conduct of Business

The Vendor shall not, between the date of this Agreement and the Closing Date, without the written consent of the Purchaser, which consent will not be unreasonably withheld, conditioned or delayed:

- (a) make any commitment or propose, initiate or authorize any capital expenditure out of the ordinary course of business with respect to the Assets, of which the Debtor's share is in excess of Fifty Thousand Dollars (\$50,000.00), except in the case of an emergency or as may be reasonably necessary to protect or ensure life and safety or to preserve the Assets or title to the Assets (including Lease rental payments) or in respect of amounts which the Vendor may be committed to expend or be deemed to authorize for expenditure without its consent;
- (b) other than in the ordinary course of business, materially amend or terminate any agreement or instrument relating to the Assets or enter into any new agreement or commitment relating to the Assets, except as may be reasonably necessary to protect or ensure life and safety or to preserve the Assets or title to the Assets;
- (c) surrender or abandon any of the Assets, unless an expenditure of money is required to avoid the surrender or abandonment and the Purchaser does not provide same in a timely fashion, in which event the Assets in question shall be surrendered or abandoned without abatement or reduction in the Purchase Price;
- (d) sell, encumber or otherwise dispose of any of the Assets or any interest therein except the sale of materials and supplies no longer required in connection with the Assets, and excepting sales of Petroleum Substances in the ordinary course of business; and
- (e) exercise any right or option of the Debtor relative to or arising as a result of the ownership of the Assets.

6.3 Following Closing

- (a) Following Closing, Vendor shall hold title to the Assets in trust for Purchaser, as bare legal trustee, until all necessary notifications, registrations and other steps required to transfer such title to Purchaser have been completed and, in furtherance thereof:
 - (i) the Vendor shall forward all statements, notices and other information received by it pursuant to such Title and Operating Document that pertain to the Assets to Purchaser promptly following its receipt thereof; and

- (ii) the Vendor shall forward to other parties to the Title and Operating Documents such notices and elections pursuant to such Title and Operating Documents pertaining to the Assets as Purchaser may reasonably request;

provided that the Vendor shall not be required to initiate or conduct Operations in relation to the Assets.

- (b) Purchaser shall indemnify and save and hold harmless the Vendor Entity from and against all Losses and Liabilities arising as a consequence of the provisions of this Section 6.3, except to the extent caused by the gross negligence or wilful misconduct of the Vendor Entity. Acts or omissions taken by the Vendor Entity on the instructions of, or with the approval or concurrence of Purchaser shall not constitute gross negligence or wilful misconduct.

ARTICLE 7 ACCESS TO INFORMATION AND RECORDS

7.1 Technical and Operating Information

The Vendor shall, upon request and subject to contractual restrictions relating to disclosure, make available all technical data relating to the Assets (including seismic data, drilling reports, land files, well files and production records, but excluding data and information which are subject to confidentiality restrictions prohibiting their disclosure) as are in the possession of the Vendor or the Debtor for such inspection as the Purchaser reasonably requires in connection herewith. Upon reasonable written notice to the Vendor the Purchaser shall be entitled to conduct a field inspection of the Lands.

7.2 No Right to Reduction in Purchase Price

Notwithstanding anything to the contrary in this Agreement, the Purchaser acknowledges and agrees that it shall have no right or other entitlement to any abatement or reduction in the Purchase Price as a result of, arising from or in connection with any deficiency or allegation of deficiency in respect of the Assets, including, without limitation, any environmental liability or deficiency or title deficiency, whether identified in connection with the Purchaser's right to information as provided by Section 7.1 or otherwise.

7.3 Access to Records

The Vendor may, at its sole expense, for a period of six (6) years after Closing, obtain from the Purchaser copies or photocopies of any Title and Operating Documents, correspondence, documents, records, policies, manuals, reports, or other proprietary, confidential business or technical information which were delivered to the Purchaser at Closing and which the Vendor requires to the extent the Purchaser is in possession or control thereof.

ARTICLE 8 THIRD PARTY CONSENTS

8.1 Consents

The Vendor shall, forthwith upon execution of this Agreement, use commercially reasonable efforts to:

- (a) identify and request in writing all necessary consents, permissions and approvals by Third Parties and Government Authorities in connection with the Transaction customarily obtained by a vendor prior to Closing (the "Vendor Consents"); and
- (b) provide prior written notice to all Third Parties and Government Authorities in sufficient time to allow any Vendor Consents having an expiry period to expire (if not refused) prior to the Closing Date.

ARTICLE 9 REPRESENTATIONS AND WARRANTIES

9.1 Vendor's Representations and Warranties

The Vendor hereby represents and warrants to the Purchaser that:

- (a) The Receiver 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) The Receiver 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 Court Approval;
- (c) The Debtor has not incurred any obligation or liability, contingent or otherwise, for broker's or finder's fees in respect of the Transaction for which the Purchaser shall have any obligations or liabilities; and
- (d) The Debtor is not a non-resident of Canada for the purposes of the *Income Tax Act* (Canada).

9.2 No Additional Representations and Warranties by the Vendor

- (a) Notwithstanding anything to the contrary in this Agreement, the Vendor makes no representations or warranties except as expressly set forth in Section 9.1 and in particular, and without limiting the generality of the foregoing, the 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 the Purchaser in any manner including any opinion, information, or advice which may have been provided to the Purchaser by the Debtor, the Receiver or their Representatives in connection with the Assets or in relation to the Transaction. For greater certainty, the Vendor makes no representation or warranty, express or implied, of any kind, at law or in equity, with respect to:

- (i) the accuracy or completeness of the Data Room Information or any other data or information supplied by the Vendor or the Debtor or any of its Representatives in connection with the Assets;
- (ii) the quality, quantity or recoverability of any Petroleum 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 Petroleum Substances;
- (v) the quality, condition, fitness, suitability, serviceability or merchantability of any of the Tangibles; or
- (vi) the title of the Debtor to the Assets.

The Purchaser acknowledges and confirms that it is relying on its own investigations concerning the Assets and it has not relied on advice from the 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. The Purchaser further acknowledges and agrees that it is acquiring the Assets on an "as is, where is" basis. The 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 the Vendor has provided the Purchaser with a reasonable opportunity to inspect the Assets at the sole cost, risk and expense of the Purchaser (insofar as the Vendor could reasonably provide such access) and that the Purchaser is not relying upon any representation or warranty of the Vendor as to the condition, environmental or otherwise, of the Assets, except as expressly contained in Section 9.1 of this Agreement.

- (b) Except for its express rights under this Agreement, the Purchaser hereby waives all rights and remedies (whether now existing or hereinafter arising and including all equitable, common law, tort, contractual and statutory rights and remedies) against the Vendor or Vendor Entity 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 the Purchaser or its Representatives, in connection herewith (whether made or furnished orally or by electronic, faxed, written or other means).

9.3 Purchaser's Representations and Warranties

The Purchaser hereby represents and warrants to the Vendor that:

- (a) **Standing:** It is and at the Closing Date shall continue to be a valid and subsisting corporation under the laws of its jurisdiction of registration and is authorized to carry out business in the jurisdiction where the Assets are located.

- (b) **Requisite Authority:** Except for the Court Approval, it has taken all action and has full power and authority to enter into this Agreement and the other documents and agreements executed and delivered hereunder and it has taken all necessary action to consummate the Transaction and to perform its obligations hereunder and the other documents and agreements executed and delivered hereunder.
- (c) **Execution and Enforceability:** Provided the Court Approval is obtained, this Agreement has been, and all documents and agreements to be executed and delivered by it at Closing pursuant to this Agreement shall be, duly executed and delivered by it, and upon execution by the Vendor and it, this Agreement constitutes, and all documents and agreements required to be executed and delivered by it at Closing will constitute legal, valid and binding obligations of it enforceable against it in accordance with their respective terms, subject to bankruptcy, insolvency, preference, reorganization, moratorium and other similar laws affecting creditor's rights generally and the discretionary nature of equitable remedies and defences.
- (d) **No Further Authorization Required:** To its knowledge after due inquiry, and provided that Court Approval is obtained, no authorization or approval or other action by, and no notice to or filing with, any Government Authority exercising jurisdiction over the Assets is required by it or on its behalf for the due execution and delivery of this Agreement.
- (e) **No Conflicts:** Provided the Court Approval is obtained, the consummation of the Transaction will not constitute or result in a material violation, breach or default by it under any provision of any agreement or instrument to which it is a party or by which it is bound or any judgment, law, decree, order or ruling applicable to it.
- (f) **Finder's Fee:** It has not incurred any obligation or liability, contingent or otherwise, for broker's or finder's fees in respect of the Transaction for which the Vendor or the Debtor shall have any obligations or liability.
- (g) **No Lawsuits or Claims:** It has not received notice of any Claims in existence, contemplated, pending or threatened against it seeking to prevent the consummation of the Transaction.
- (h) **Purchaser as Principal:** It is acquiring the Assets in its capacity as a principal and is not purchasing the Assets for the purpose of resale or distribution to a Third Party.
- (i) **Availability of Funds:** It has sufficient funds available to it to enable it to pay in full the Purchase Price to the Vendor as herein provided and otherwise to fully perform its obligations under this Agreement.
- (j) **Insiders:** To the Purchaser's knowledge, having made due enquiry, no Insider of the Purchaser is also an Insider of the Vendor or the Debtor.

9.4 Enforcement of Representations and Warranties

- (a) 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 forth in Section and 9.3 hereof shall survive Closing for the benefit of the Vendor, provided that no Claim in respect of such representations and warranties shall be made or be enforceable unless written notice of such Claim is given by the Vendor to the other Purchaser within twelve (12) months of the Closing Date. Effective on the expiry of such twelve (12) month period, the Vendor hereby releases and forever discharges the Purchaser from any breach of any representations and warranties set forth in Section 9.3 hereof except in respect of those Claims in which notice has been given in accordance with this Section 9.4. No Claim shall be made a Party in respect of the representations and warranties in this Agreement made by the other Parties except pursuant to and in accordance with this Section 9.4.
- (b) The representations and warranties of the Vendor shall merge and be of no further effect from and after Closing; otherwise, there shall not be any merger of any covenant, representation or warranty in any assignment, conveyance, transfer or document delivered pursuant hereto notwithstanding any rule of law, equity or statute to the contrary and all such rules are hereby waived.
- (c) The representations and warranties of the Vendor and the Purchaser made herein or pursuant hereto are made for the exclusive benefit of the Purchaser or the Vendor, as the case may be, and are not transferable and may not be made the subject of any right of subrogation in favour of any other Person.

ARTICLE 10 CONDITIONS PRECEDENT TO CLOSING

10.1 Vendor's Closing Conditions

The obligation of the Vendor to complete the sale of the Assets pursuant to this Agreement is subject to the satisfaction at or prior to the Closing Date of the following conditions precedent:

- (a) **Representations and Warranties True:** All representations and warranties of the Purchaser contained in this Agreement shall be true in all material respects on the Closing Date, and the Vendor shall have received a certificate from an officer of the Purchaser substantially in the form attached hereto as Schedule "C" dated as of the Closing Date.
- (b) **Purchaser's Obligations:** The Purchaser shall have, in all material respects, timely performed and satisfied all obligations required by this Agreement to be performed and satisfied by the Purchaser on or prior to the Closing Date.
- (c) **Payment:** The Purchaser shall have tendered the Closing Payment to the Vendor in the manner provided in this Agreement.
- (d) **Conveyance Documents:** The Purchaser shall have executed and delivered to the Vendor all Conveyance Documents required under Section 12.1(a) and the General Conveyance.

- (e) **No Injunction:** There will not be any judicial restraining order or injunction, preliminary or otherwise, in effect prohibiting the Closing or the Transaction.
- (f) **Restrictions:** 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.
- (g) **Court Approval:** The Court Approval shall have been obtained.

The foregoing conditions shall be for the benefit of the Vendor and may, without prejudice to any of the rights of the Vendor hereunder excluding reliance on or enforcement of any representations, warranties or covenants dealing with the subject of or similar to the condition waived, be waived by it in writing, in whole or in part, at any time, provided that the Vendor is not entitled to waive the Court Approval condition contained in Section 10.1(g). The Vendor shall proceed diligently and in good faith and use all reasonable efforts to fulfill and assist in the fulfillment of the foregoing conditions in case any of the said conditions shall not be complied with, or waived by the Vendor, at or before the Closing Date, the Vendor may terminate this Agreement by written notice to the Purchaser.

10.2 Purchaser's Closing Conditions

The obligation of the Purchaser to complete the purchase of the Assets pursuant to this Agreement is subject to the satisfaction, at or prior to the Closing Date, of the following conditions precedent:

- (a) **Representations and Warranties True:** All representations and warranties of the Vendor contained in this Agreement shall be true in all material respects on the Closing Date.
- (b) **Vendor's Obligations:** The Vendor shall have, in all material respects, timely performed and satisfied all obligations required by this Agreement to be performed and satisfied by the Vendor on or prior to the Closing Date.
- (c) **Conveyance Documents:** The Vendor shall have executed and delivered to the Purchaser all Conveyance Documents required under Section 12.1(a) and the General Conveyance.
- (d) **No Injunction:** There shall not be any judicial restraining order or injunction, preliminary or otherwise, in effect prohibiting the Closing or the Transaction.
- (e) **Restrictions:** 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.
- (f) **Court Approval:** The Court Approval shall have been obtained substantially in the form attached as Schedule "D".

The foregoing conditions shall be for the benefit of the Purchaser and may, without prejudice to any of the rights of the Purchaser hereunder (excluding reliance on or enforcement of any representations, warranties or covenants dealing with the subject of or similar to the condition waived), be waived by it by notice to the Vendor in writing, in whole or in part, at any time,

provided that the Purchaser is not entitled to waive the Court Approval condition contained in Section 10.2(f). The Purchaser shall proceed diligently and in good faith and use all reasonable efforts to fulfill and assist in the fulfillment of the foregoing conditions. In case any of the said conditions shall not be complied with, or waived by the Purchaser at or before the Closing Date, the Purchaser may terminate this Agreement by written notice to the Vendor.

10.3 Parties to Exercise Diligence and Good Faith with respect to Conditions

Each Party covenants to the other that it will proceed diligently, honestly, and in good faith, and use commercially reasonable efforts with respect to all matters within its reasonable control to satisfy its respective conditions in Sections 10.1 and 10.2.

ARTICLE 11 CLOSING DELIVERIES

11.1 Vendor Escrow Closing Deliveries

At the Escrow Closing Vendor, Purchaser and the Escrow Agent shall execute the Escrow Agreement and the Vendor shall table the following, which deliveries shall be held by the Escrow Agent in accordance with the Escrow Agreement:

- (a) a receipt for the Closing Payment;
- (b) the General Conveyance, fully executed by the Vendor;
- (c) the deliveries required by Section 11.3
- (d) the Seismic Data; and
- (e) the Conveyance Documents, to the extent prepared on or by the Closing Date in accordance with Section 12.1(a).

11.2 Purchaser's Escrow Closing Deliveries

At the Escrow Closing, Purchaser shall table the following, which deliveries shall be held by the Escrow Agent in accordance with the Escrow Agreement:

- (a) the Escrow Agreement, fully executed by Purchaser;
- (b) the Closing Payment;
- (c) a certificate of a senior officer of Purchaser substantially in the form attached hereto as Schedule "C" dated as of the Closing Date; and
- (d) the General Conveyance, fully executed by Purchaser.

11.3 Deliveries

Vendor shall deliver or cause to be delivered to Purchaser at the Escrow Closing, the original copies of the Title and Operating Documents and any other agreements and documents in its possession related to the Assets and the original copies of contracts, agreements, records, books, documents, licenses, reports and data included in the Miscellaneous Interests which are

now in the possession of Vendor, which shall be held by the Escrow Agent pursuant the Escrow Agreement. Notwithstanding the foregoing, if and to the extent such contracts, agreements, records, books, documents, licenses, reports and data also pertain to interests other than the Assets, at Vendor's expense, photocopies or other copies may be provided to Purchaser in lieu of original copies.

11.4 Closing Date Deliveries

Upon receipt of the Court Approval, Vendor shall promptly advise Purchaser in writing and shall deliver a filed copy of the Court Approval to Purchaser at the Closing Date, and provided that all other conditions to Closing as contained in Sections 10.1 and 10.2 are satisfied or waived as provided for therein, the Parties shall execute a joint direction to the Escrow Agent and the Escrow Agent shall release the deliveries made by the Parties pursuant to Sections 11.1 and 11.2 in accordance with the Escrow Agreement.

ARTICLE 12 CONVEYANCES AND TRANSFER

12.1 Conveyances

- (a) The Vendor shall provide at the Escrow Closing Date those Conveyance Documents required to acquire the Debtor's interest in any Assets purchased herein (which shall be held by the Escrow Agent pursuant the Escrow Agreement), but no such documents shall require the Vendor to assume or incur any obligation, or to provide any representation or warranty, beyond that contained in this Agreement. The Vendor shall not be required to have such documents signed by Third Parties at or before the Closing Date but shall cooperate with the Purchaser as reasonably required to secure execution of such documents by such Third Parties thereafter. The Purchaser shall execute and promptly return to the Vendor at least one copy of each such document and shall use all reasonable efforts to obtain timely execution and return of such documents by Third Parties wherever required. The Parties agree that certain assignments may be in the form of electronic transfers including Energy Resources and Conservation Board well license transfers and agree that reasonable efforts shall be made to ensure such assignments will be completed on the Closing Date.
- (b) The Vendor shall promptly register in the applicable registry all registrable transfers and conveyances of its interests in the Assets and the Vendor shall make application to all applicable Government Authorities to change the recorded name of all Wells and Tangibles forming part of the Assets. All costs incurred in registering any transfers and conveyances inclusive of well license transfers, and all costs of registering any further assurances required to convey the Assets, shall be borne by the Purchaser.

12.2 License and Authorization Transfers

- (a) On or before the Closing Date, the Purchaser shall communicate with the relevant Government Authority to determine all conditions and deposits which the relevant Government Authority will require in order for the relevant Government Authority to approve the transfer by the Vendor to the Purchaser of any and all

licenses and authorizations for the Wells and any Tangibles licensed to the Vendor, and shall advise the Vendor in writing of such conditions and required deposits. In such case, on or before Closing, the Purchaser shall satisfy the deposit requirements of the relevant Government Authority in order to approve any of those license and authorization transfers to the Purchaser. The Purchaser further covenants to comply with all conditions imposed by the relevant Government Authority in respect of such transfers.

- (b) Within five (5) Business Days following Closing, the Vendor shall prepare and electronically submit an application to the relevant Government Authority for the transfer of any Wells and any Tangibles held in the name of the Debtor and the Purchaser shall promptly execute and return such applications to such Vendor for registration in accordance with Section 12.1(b).
- (c) Should the relevant Government Authority deny any license transfer because of misdescription or other minor deficiencies in the application, the Vendor shall, within two (2) Business Days, correct the application and amend and re-submit an application for the license transfers and the Purchaser shall electronically ratify and sign such application.
- (d) After Closing, whether or not the Purchaser requested prior determination of the relevant Government Authority transfer conditions under Section 12.2, if for any reason the relevant Government Authority requires the Purchaser to make a deposit in order to approve the license or authorization transfer, the Purchaser shall and covenants to immediately make such deposit.

ARTICLE 13 LIABILITIES AND INDEMNITIES

13.1 General Indemnity

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

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

all Losses and Liabilities suffered, sustained, paid or incurred by any of them to the extent arising or accruing on or after the Closing Date and which relate to the Assets or the terms and conditions of the Title and Operating 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 Date. The Purchaser's indemnity obligation set forth in this Section 13.1 shall survive the Closing Date indefinitely.

13.2 Environmental Indemnity

- (a) The 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 the Vendor as to the condition, environmental or otherwise, of the Assets.
- (b) The Purchaser agrees that once Closing has occurred the Vendor shall have no liability whatsoever for any Environmental Liabilities. In this regard, once Closing has occurred, the Purchaser shall, without any further necessary action on the part of the Vendor or the Purchaser:
- (i) be solely liable and responsible for all of the Vendor's Losses and Liabilities; and
 - (ii) as a separate covenant, indemnify, save and hold the Vendor, the Debtor and each other Vendor Entity, harmless from and against all Losses and Liabilities that may be brought against or which they or any one of them may suffer, sustain, pay or incur;

as a result of any act, omission, matter or thing related to any Environmental Liabilities however and whenever arising or occurring, and the Purchaser shall assume, perform, pay and discharge all Environmental Liabilities. This liability and indemnity shall apply without limit and without regard to cause or causes, including the negligence, whether sole, concurrent, gross, passive, primary or secondary, or the wilful or wanton misconduct of the Vendor or the Purchaser or any other person or otherwise. The Purchaser acknowledges and agrees that it shall not be entitled to any rights or remedies as against the Vendor, Debtor or any Vendor Entity under the common law or statute pertaining to any Environmental Liabilities, including the right to name the Vendor, Debtor or any Vendor Entity as a 'third party' to any action commenced by any Person against the Purchaser. The Purchaser's indemnity obligation set forth in this Section 13.2(b) shall survive the Closing Date indefinitely.

13.3 No Merger

There shall not be any merger of any liability or indemnity hereunder in any assignment, conveyance, transfer or document delivered pursuant hereto notwithstanding any rule of law, equity or statute to the contrary and all such rules are hereby waived.

13.4 Holding of Indemnities

The Vendor will hold the indemnities contained in Sections 13.1 and 13.2 in trust on behalf of all of the other Vendor Entities and may enforce the same on their behalf.

ARTICLE 14 TERMINATION

14.1 Grounds for Termination

This Agreement may be terminated at any time prior to Closing;

- (a) by mutual written agreement of the Vendor and the Purchaser;
- (b) by either the Vendor or the Purchaser pursuant to the provisions of Articles 10.1 or 10.2, as applicable; or
- (c) by either the Vendor or the Purchaser if Closing has not occurred on or before the Outside Date.

14.2 Effect of Termination

If this Agreement is terminated by the Vendor or the Purchaser as permitted under Section 14.1, then Article 13, Article 15 and Section 20.2 shall remain in full force and effect following any such permitted termination and the Parties shall be released of any further liabilities and obligations under this Agreement.

ARTICLE 15 CONFIDENTIALITY, PUBLIC ANNOUNCEMENTS AND SIGNS

15.1 Confidentiality

Each Party agrees to keep in strict confidence:

- (a) subject to Section 15.2, all information regarding the terms of this Agreement; and
- (b) any information exchanged or received in connection with:
 - (i) the performance of due diligence by the Purchaser prior to or after the date hereof (including due diligence conducted under or in connection with the Offer to Purchase); or
 - (ii) negotiation or drafting of this Agreement;

provided that a Party shall be entitled to disclose all information as may be required or desirable in connection with obtaining the Court Approval. If this Agreement is terminated, each Party upon request will promptly return to the other Party all documents, contracts, records or other information received by it that disclose or embody confidential information of the other Party.

In addition to the foregoing, the Purchaser shall continue to be bound by the Confidentiality Agreement in accordance with the terms thereof.

15.2 Public Announcements

- (a) If a Party intends to issue a press release or other public disclosure of this Agreement, the terms hereof or the transactions contemplated herein, the disclosing Party shall provide the other Parties with an advance copy of any such press release or other public disclosure with sufficient time to enable the other Parties to review such press release or other public disclosure and advise of any comments they may have with respect thereto.

- (b) Notwithstanding Section 15.1 or 15.2(a), a Party may release or provide information about the Transaction insofar as is required by Applicable Laws (including as may be required to obtain Court Approval) or stock exchange requirements applicable to the disclosing Party or its Affiliates; provided that such disclosing Party shall make reasonable commercial efforts to provide the other Parties with the details of the nature and substance of such required disclosure as soon as practicable end in any event prior to such disclosure. A Party may provide information about the Transaction to a bank or other financial institution to obtain financing on any required consent of the bank or other financial lender of such Party or any of its Affiliates. A Party may also disclose such information pertaining to this Agreement, including the identity of the Parties, insofar as is required to enable such Party to fulfil its obligations under this Agreement, including obtaining any approvals or consents to the Transaction required from Governmental Authorities (including Court Approval) or Third Parties.

15.3 Signs

Within sixty (60) days following the Closing Date, the Purchaser shall remove the names of the Vendor, the Debtor and their Affiliates and predecessors from all signs located at or near the Wells or any Tangibles. If the Purchaser fails to comply with the foregoing, the Vendor shall have the right, at its discretion, to remove its name as aforesaid and the Purchaser shall be responsible for and shall reimburse such Vendor for all reasonable costs incurred by such Vendor in so doing.

ARTICLE 16 GOVERNING LAW AND DISPUTE RESOLUTION

16.1 Governing Law

This Agreement shall, in all respects, be subject to and be interpreted, construed and enforced in accordance with the laws in effect in the Province of Alberta and to the laws of Canada applicable therein.

16.2 Resolution of Disputes

- (a) Each Party hereby irrevocably and unconditionally submits, for itself and its property, to the exclusive jurisdiction of the Court, and waives any defences it might have regarding jurisdiction in any action or proceeding arising out of or relating to this Agreement or any ancillary agreement to which it is a Party, or for recognition or enforcement of any judgment in respect thereof, and each Party hereto hereby irrevocably and unconditionally agrees that all Claims in respect of any such action or proceeding may be heard and determined by the Court.
- (b) Each Party hereby irrevocably and unconditionally waives, to the fullest extent it may legally and effectively do so, any objection that it may now or hereafter have to the laying of venue of any action or proceeding arising out of or relating to this Agreement or any ancillary agreement to which it is a Party in any court of competent jurisdiction in the Province of Alberta. Each of the Parties hereto hereby irrevocably waives, to the fullest extent permitted by Applicable Law, the defence of an inconvenient forum to the maintenance of such action or proceeding in any such court.

ARTICLE 17 NOTICES

17.1 Service of Notices

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

the Purchaser: TORC Oil & Gas Ltd.
Suite 1800, 525 - 8th Avenue S.W.
Calgary, Alberta T2P 1G1

Attention: Land Department

the Vendor: FTI Consulting Canada Inc., in its capacity as court appointed receiver and manager of the assets, properties and undertakings of Argosy Energy Inc. and Radius Resources Corp., and not in its personal capacity.
1000, 888-3rd Street SW
Bankers Hall, West Tower
Calgary, AB T2P 5C5

Attention: Deryck Helkaa

with a copy to: Kelly Bourassa/Ryan Zahara
Legal counsel to the Receiver
Blake, Cassels & Graydon LLP
#3500, 855 - 2nd Street SW
Calgary, AB T2P 4J8

Any of the Parties may from time to time change its address for service herein by giving written notice to the other. Any notice may be served by personal service upon the above person specified by a Party, or if no person is specified, upon any officer of a Party or by mailing the same by prepaid post in a properly addressed envelope addressed to the Party at its respective address for service hereunder. Any notice personally served upon an office or the person specified by a Party, as the case may be, shall be deemed to be given on the date of such service, any notice served by mail shall be deemed to be given to and received by the addressee on the fourth Business Day, after the mailing thereof and any notice given by email shall be deemed to be given and received on the day when it is sent, if it is sent during normal business hours (8:00 a.m. to 4:00 p.m.) and, otherwise, on the next following normal Business Day. No notices shall be served by mail during times of interruption or threat of interruption of mail service due to strikes, lockout or other causes.

**ARTICLE 18
PERSONAL INFORMATION**

18.1 Personal Information

The Purchaser covenants and agrees to use and disclose any personal information contained in any of the books, records or files transferred to the Purchaser or otherwise obtained by the Purchaser in connection with the Transaction only for those purposes for which it was initially collected from or in respect of the individual to which such information relates or as otherwise permitted or authorized by Applicable Law. The Purchaser's obligations set forth in this Section 18.1 shall survive the Closing Date indefinitely.

**ARTICLE 19
ASSIGNMENT**

19.1 Assignment

- (a) Neither Party may assign their interest in or under this Agreement or to the Assets without the prior written consent of the other Party, which consent may be withheld in such other Party's sole and unfettered discretion.
- (b) No assignment, transfer, or other disposition of this Agreement or the Assets or any portion of the Assets shall relieve the Purchaser from its obligations to the Vendor herein. The Vendor shall have the option to claim performance or payment of the obligations from the Purchaser or the assignee or transferee, and to bring proceedings in the event of default against either or all of them, provided that nothing herein shall entitle the Vendor to receive duplicate performance or payment of the same obligation.

**ARTICLE 20
MISCELLANEOUS**

20.1 Remedies Cumulative

No failure on the part of any Party to exercise any right or remedy will operate as a waiver thereof. A Party will not be precluded from exercising any right available to it at law, equity or by statute because of its exercise of any single or partial right, and a Party may exercise any such remedies independently or in combination.

20.2 Costs

Except as otherwise specified in this Agreement, each Party shall pay its respective costs incurred in connection with the preparation, negotiation and execution of this Agreement and the consummation of the Transaction.

20.3 No Waiver

No waiver by any Party of any breach of any of the terms, conditions, representations or warranties in this Agreement shall take effect or be binding upon that Party unless the waiver is expressed in writing under the authority of that Party and any waiver so given shall extend only

to the particular breach so waived and shall not limit or affect any rights with respect to any other or future breach.

20.4 Entire Agreement

This Agreement constitutes the entire agreement between the Parties with respect to the subject matter hereof, and the Parties agree and confirm that this Agreement cancels and supersedes any prior understandings and agreements between the Parties hereto with respect to the subject matter hereof, but expressly excluding the Confidentiality Agreement which shall continue to apply in accordance with its terms. No modification of or amendment to this Agreement shall be valid or binding unless set forth in writing and duly executed by the Parties.

20.5 Benefit of the Agreement

This Agreement will enure to the benefit of and be binding upon the respective successors and permitted assigns of the Parties.

20.6 Further Assurances

From time to time, as and when reasonably requested by the other Party, a Party shall execute and deliver or cause to be executed and delivered all such documents and instruments and shall take or cause to be taken all such further or other actions to implement or give effect to the Transaction, provided such documents, instruments or actions are consistent with the provisions of this Agreement. All such further documents, instruments or actions shall be delivered or taken at no additional consideration other than reimbursement of any expenses reasonably incurred by the Party providing such further documents or instruments or performing such further acts, by the Party at whose request such documents or instruments were delivered or acts performed.

20.7 Time of the Essence

Time shall be of the essence in this Agreement.

20.8 Enurement

This Agreement shall be binding upon and shall enure to the benefit of the Parties and their respective heirs, executors, successors and permitted assigns.

20.9 Severability

In the 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.

20.10 Counterpart Execution

This Agreement may be executed in counterpart and all executed counterparts together shall constitute one agreement. This Agreement shall not be binding upon any Party unless and until executed by all Parties.

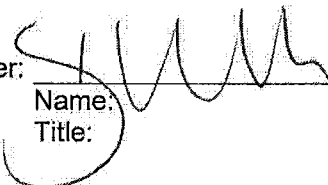
20.11 Electronic Execution

Delivery of an executed signature page to this Agreement by any party by electronic transmission will be as effective as delivery of a manually executed copy of the Agreement by such party.

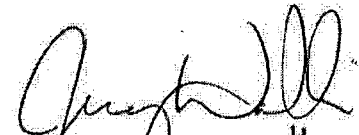
[Remainder of page intentionally left blank]

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

ARGOSY ENERGY INC., by and through its court appointed receiver and manager, FTI CONSULTING CANADA INC., in its capacity as court appointed receiver and manager of the assets, properties and undertakings of Argosy Energy Inc., and not in its personal capacity

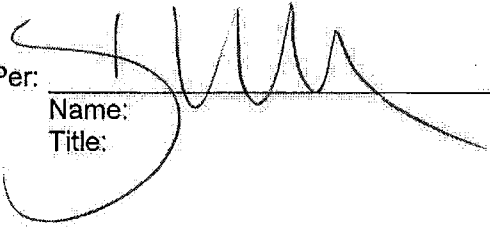
Per: 
Name: _____
Title: _____

TORC OIL & GAS LTD.

Per: 
Name: Jeremy Hallis
Title: Vice President, Land

Per: _____
Name: _____
Title: _____

RADIUS RESOURCES CORP., by and through its court appointed receiver and manager, FTI CONSULTING CANADA INC., in its capacity as court appointed receiver and manager of the assets, properties and undertakings of Radius Resources Corp., and not in its personal capacity

Per: 
Name: _____
Title: _____

[This is the execution page to the Asset Purchase and Sale Agreement dated August 8, 2013 between Argosy Energy Inc. and Radius Resources Corp., by and through their court appointed receiver and manager FTI Consulting Canada Inc., in its capacity as court appointed receiver and manager of the assets, properties and undertakings of Argosy Energy Inc. and Radius Resources Corp., and not in its personal capacity, and TORC Oil & Gas Ltd., a corporation incorporated pursuant to the laws of Alberta.]

SCHEDULE "A"

Attached to and made a part of that Asset Purchase and Sale Agreement dated August 8, 2013.

Part 1 – Lands, Leases and Permits

| <u>Mineral Title Document</u> | <u>Land Description</u> | <u>Vendor Interest</u> | <u>Encumbrances</u> |
|--------------------------------------|--|------------------------|-----------------------|
| Alberta Crown PNG Lease # 0411040038 | 009-24-W4: Section 16, All Petroleum and Natural Gas | 100% | AB Crown Royalty Only |
| Alberta Crown PNG Lease # 0411040039 | 009-24-W4: Section 18, All Petroleum and Natural Gas | 100% | AB Crown Royalty Only |
| Alberta Crown PNG Lease # 0411020002 | 009-24-W4: Section 20, All Petroleum and Natural Gas | 100% | AB Crown Royalty Only |

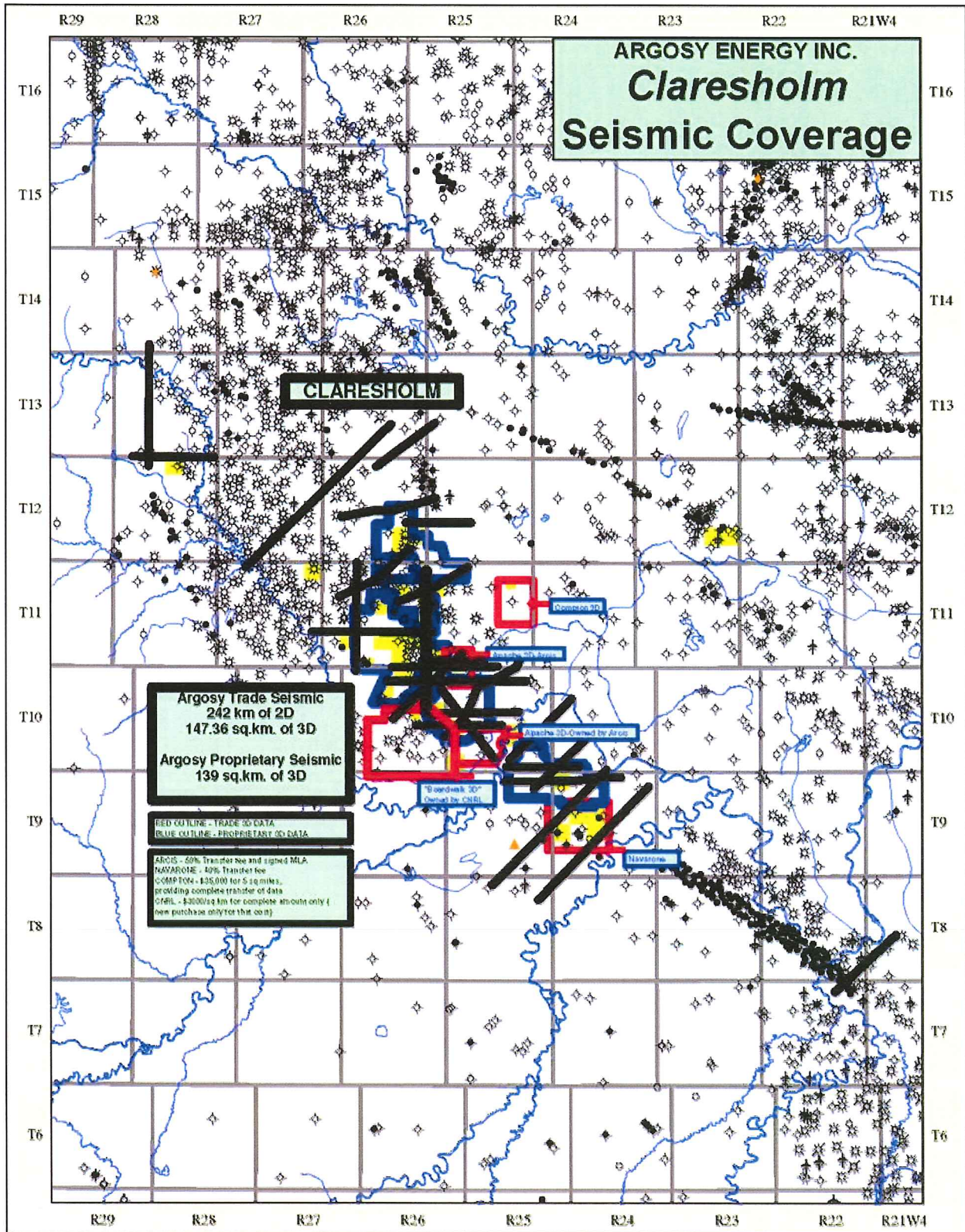
Part 2 – Wells

100/07-21-009-24W4
 100/02-31-009-24W4
 102/13-35-010-26W4

Part 3 - Petroleum and Natural Gas Rights

See Part 1 of this Schedule "A"

Part 4 – Seismic Data



**SCHEDULE "B"
GENERAL CONVEYANCE**

Attached to and made part of that Asset Purchase and Sale Agreement dated August 8, 2013.

GENERAL CONVEYANCE

This General Conveyance made this • day of •, 2013.

BETWEEN:

ARGOSY ENERGY INC. and RADIUS RESOURCES CORP. (the "Debtor") by their court appointed receiver and manager **FTI CONSULTING CANADA INC.**, (the "Receiver") in its capacity as court appointed receiver and manager of the assets, properties and undertakings of Argosy Energy Inc. and Radius Resources Corp., and not in its personal capacity (the "Vendor")

- and -

TORC OIL & GAS LTD., a corporation incorporated pursuant to the laws of the Province of Alberta (the "Purchaser")

WHEREAS the Vendor has agreed to sell and convey the Debtors' entire right, title, estate and interest in the Assets to the Purchaser and the Purchaser has agreed to purchase and accept all of the Debtors' rights, title, estate and interest in and to the Assets.

THE PARTIES AGREE AS FOLLOWS:

1. Definitions

In this General Conveyance, including the recitals, "Agreement" means the Asset Purchase and Sale Agreement dated •, between the Vendor and the Purchaser and, in addition, the definitions provided for in the Agreement are adopted in this General Conveyance.

2. Closing

The Vendor and the Purchaser each hereby certify that it has performed and satisfied all agreements and obligations that it was required to perform or satisfy pursuant to the Agreement on or prior to the date hereof, that the representations and warranties made by it as contained in the Agreement are true in all material respects at and as of the Effective Time and the Closing Date, that all closing conditions in its favour have either been satisfied or are hereby waived, and Closing as the term is defined in the Agreement, is hereby completed.

3. "As is, Where is" Basis

The Assets are being purchased by the Purchaser on an "as is, where is" basis and without representation or warranty of any nature, kind or description by the Vendor or its

directors, officers, employees, agents or counsel. Without limiting the generality of the foregoing, the Vendor makes no representation or warranty with respect to (a) the value of the Assets, (b) the quality or condition of the Assets or (c) the Debtor's compliance with any Applicable Laws pertaining to the Assets.

4. Conveyance

The Vendor, for the consideration provided for in the Agreement, the receipt and sufficiency of which is acknowledged by the Vendor, hereby sells, assigns, transfers and conveys the entire right, title, benefit and interest of the Debtor in and to the Assets to the Purchaser, its successors and assigns, and the Purchaser purchases and accepts such interests from the Vendor, TO HAVE AND TO HOLD the same absolutely, subject to the terms of the Agreement, the Permitted Encumbrances and compliance with the terms of the Leases and all other Title and Operating Documents.

5. Effective Time

This General Conveyance and the transfer of title to and possession of the Debtor's interest in and to the Assets will, subject to the terms of the Agreement, be effective as of the Closing Date.

6. Subordinate Document

This General Conveyance is executed and delivered by the Parties pursuant to the Agreement for the purposes of the provisions of the Agreement, and the terms hereof shall be read on conjunction with the terms of the Agreement. If there is a conflict between the provisions of the Agreement and this General Conveyance, the provisions of the Agreement shall prevail to the extent of the conflict.

7. Enurement

This General Conveyance enures to the benefit of and is binding upon the Parties and their respective successors and permitted assigns.

8. Further Assurances

Each Party shall, after the date of this General Conveyance, at the request of the other Party and without further consideration, do all further acts and execute and deliver all further documents which are reasonably required to perform and carry out the terms of this General Conveyance.

9. Governing Law

This General Conveyance will be governed by and construed in accordance with the laws of the Province of Alberta.

IN WITNESS WHEREOF the Parties have duly executed this General Conveyance.

ARGOSY ENERGY INC., by and through its court appointed receiver and manager, **FTI CONSULTING CANADA INC.**, in its capacity as court appointed receiver and manager of the assets, properties and undertakings of Argosy Energy Inc., and not in its personal capacity

Per: _____
Name:
Title:

Per: _____
Name:
Title:

RADIUS RESOURCES CORP., by and through its court appointed receiver and manager, **FTI CONSULTING CANADA INC.**, in its capacity as court appointed receiver and manager of the assets, properties and undertakings of Argosy Energy Inc., and not in its personal capacity

Per: _____
Name:
Title:

Per: _____
Name:
Title:

TORC OIL & GAS LTD.

Per: _____
Name:
Title:

Per: _____
Name:
Title:

SCHEDULE "C"
PURCHASER'S OFFICER'S CERTIFICATE

Attached to and made part of that Asset Purchase and Sale Agreement dated August 8, 2013.

Re: Section 10.1(a) of the Asset Purchase and Sale Agreement ("**Agreement**") dated ●, 2013, between ARGOSY ENERGY INC. and RADIUS RESOURCES CORP., as the Vendor, by and through their court appointed receiver and manager, FTI CONSULTING CANADA INC., in its capacity as court appointed receiver and manager of the assets, properties and undertakings of Argosy Energy Inc. and Radius Resources Corp., and not in its personal capacity as the Vendor and TORC Oil & Gas Ltd. as the Purchaser.

Unless otherwise stated, the definitions provided for in the Agreement are adopted in this Certificate.

I, [Name], [Title], hereby certify that:

1. Each of the representations and warranties of the Purchaser contained in Section 9.3 of the Agreement is true and correct in all material respects as of the Closing Date.
2. All Closing conditions for the benefit of the Purchaser, pursuant to Section 10.2 of the Agreement, have been satisfied or waived.
3. This Certificate is made for and on behalf of the Purchaser and is binding upon it, and I am not incurring and will not incur any personal liability whatsoever with respect to it.
4. This Certificate is made with full knowledge that the Vendor is relying on the same for the Closing of the Transaction.

Attached to and made part of that Asset Purchase and Sale Agreement dated ●, 2013.

SCHEDULE "D"
FORM OF COURT ORDER

Attached to and made part of that Asset Purchase and Sale Agreement dated August 8, 2013.

Clerk's stamp:

COURT FILE NO. 1301-06644

COURT COURT OF QUEEN'S BENCH OF ALBERTA

JUDICIAL CENTRE CALGARY

IN THE MATTER OF THE *BANKRUPTCY AND
INSOLVENCY ACT*, R.S.C. 1985, c. B-3, AS AMENDED

PLAINTIFF NATIONAL BANK OF CANADA

DEFENDANT ARGOSY ENERGY INC. and RADIUS RESOURCES
CORP.

DOCUMENT **SALE APPROVAL AND VESTING ORDER**

ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT BLAKE, CASSELS & GRAYDON LLP
3500, 855 – 2nd Street S.W.
Calgary, AB T2P 4J8
Attn: Kelly Bourassa
Telephone/Facsimile: 403-260-9697/403-260-9700
E-mail: kelly.bourassa@blakes.com
File.: 79294/5

DATE ON WHICH ORDER WAS PRONOUNCED: August 13, 2013

LOCATION WHERE ORDER WAS PRONOUNCED: Justice Chambers

NAME OF JUSTICE WHO MADE THIS ORDER: Honourable Justice B.E.C.
Romaine

UPON the application of FTI Consulting Canada Inc. ("FTI") in its capacity as court-appointed receiver and manager (the "Receiver") of Argosy Energy Inc. and Radius Resources Corp. (the "Debtors"); AND UPON reading the Receiver's First Report dated July 24, 2013 (the "First Report"), filed; the Receiver's Second Report dated August [•], 2013 (the "Second Report"), filed; the Asset Purchase and Sale Agreement dated August [•], 2013 (the "Sale

Agreement") between the Receiver and TORC Oil and Gas Ltd. (the "**Purchaser**"); and, the Affidavit of Service of [•] sworn August [•], 2013, filed; **AND UPON** hearing counsel for the Receiver, counsel for National Bank of Canada, counsel for the Purchaser, and counsel for other interested parties; **AND UPON** it appearing that the Sale Agreement represents the best realizable value for the Assets (as defined below) in the present circumstances;

IT IS HEREBY ORDERED AND DECLARED THAT:

1. The time for service of the Application and materials in support thereof be and is hereby abridged to the date of actual service and that service be and is hereby approved, the Application is properly returnable today and all parties entitled to notice of this Application have been properly served, and further service is hereby dispensed with.

2. Capitalized terms not otherwise defined herein shall have the meaning ascribed to them in the First Report, the Second Report and the Sale Agreement, as applicable.

3. The Sale Agreement and the transaction contemplated therein (the "**Transaction**") pursuant to which the Purchaser has agreed to purchase from the Receiver all of the Debtors' right, title and interest (whether absolute or contingent, legal or beneficial), if any, in and to the Assets, be and is hereby approved.

4. Approval is hereby granted to the Receiver and the Receiver is hereby authorized and directed to proceed with the Transaction and in particular, the sale by the Receiver to the Purchaser of all of the Debtors' right, title and interest in and to the Assets, and to take all steps necessary to complete the Transaction and, for greater certainty, the sale of the Assets is also approved pursuant to paragraphs 3(1)(ii) and 3(m) of the Receivership Order granted on May 30, 2013 in this action.

5. Upon Closing of the Transaction, all of the right, title, interest, estate and equity of redemption of the Debtors, and any parties claiming through them in and to the Assets will be extinguished and all of the Debtors' right, title and interest in and to the Assets, including the legal and beneficial ownership of title to the Assets, shall, without further instrument of transfer or assignment, vest absolutely and forever in the Purchaser in accordance with and as contemplated by the Sale Agreement, free and clear of and from any and all estate, right, title, interest, claims, demands, actions, lawsuits, proceedings, arbitrations, investigations (in any case

whether asserted, threatened, pending or existing) hypothecs, mortgages, charges, liens (whether contractual, statutory or otherwise), security interests, assignments, pledges, levies, taxes (including any unpaid property taxes in respect of the Assets), judgments, writs of execution, trusts or deemed trusts (whether contractual, statutory or otherwise), options, agreements, disputes, debts, easements, covenants, caveats, encumbrances, or other rights, limitations or restrictions of any nature whatsoever, or any other contractual, financial or monetary claims of any nature whatsoever including, without limitation, any rights or interests of any creditors of the Debtors whether or not any of the foregoing have attached or been perfected, registered or filed, whether secured, unsecured or otherwise, whether liquidated, unliquidated or contingent (collectively, the “**Claims**”) and, for greater certainty, this Court orders that all of the Claims, except for Permitted Encumbrances, as set forth in Schedule “A” hereto, affecting or relating to the Debtors’ right, title and interest in the Assets are hereby expunged and discharged as against the Assets.

6. The Purchaser shall, by virtue of the completion of the transaction, have no liability of any kind whatsoever to any persons or entities of any kind whatsoever, including, without limitation, all individuals, firms, corporations, partnerships, joint ventures, trusts, unincorporated organizations, governmental and administrative bodies, agencies, authorities or tribunals and all other natural persons or corporations, whether acting in their capacity as principals or as agents, trustees, executives, administrators or other legal representatives (collectively, the “**Claimants**”), in respect of any Claims any of the Claimants may have against the Debtors.

7. Other than a certified copy of this Order and a letter from Blake, Cassels & Graydon LLP, counsel to the Receiver, authorising the use of this Order (the “**Authorisation Letter**”), no further authorisation or approval or other action by any governmental authority or regulatory body exercising jurisdiction over the Assets shall be required for the Closing and post-Closing implementation of the Transaction contemplated in the Sale Agreement.

8. The Receiver is authorised and directed to deliver to the Purchaser at Closing a General Conveyance and post-Closing such specific conveyances, as the Purchaser, acting reasonably, determines necessary to convey the Assets, signed by the Receiver in the manner provided for in Paragraph 10 of this Order, and upon filing of a certified copy of this Order and the Authorisation Letter, together with any applicable registration fees, the appropriate government authorities are hereby directed to register such transfers, discharges, discharge statements or

conveyances, as may be required to convey clear title to the Assets to the Purchaser except for Permitted Encumbrances. Without limiting the foregoing:

- (a) the Registrar of the Alberta Land Registration District (the "Registrar") shall, notwithstanding subsection 191(1) of the *Land Titles Act*, R.S.A. 2000, c. L-4 (Alberta), as amended, cancel and discharge the Claims registered against the interests of the Debtors in respect of freehold properties located in the Province of Alberta, including but not limited to those identified in Schedule "B" to this Order, and except for those Permitted Encumbrances identified in Schedule "A" to this Order. For further certainty, the Registrar shall not cancel and discharge the registration of any claims registered against estates or interests other than the estate or interest of the Debtors; and
- (b) the Ministry of Energy for Alberta acting pursuant to section 99 of the *Mines and Minerals Act*, R.S.A. 2000, c. M-17, as amended, and sections 36 and 47 of the *Builders' Lien Act*, R.S.A. 2000, c B-7.1, as amended, is hereby directed to cancel and discharge the Claims registered against the estate or interest of the Debtors in and to the Assets located in the Province of Alberta, including but not limited to those identified in Schedule "C" to this Order, and except for those Permitted Encumbrances identified in Schedule "A" to this Order. For further certainty, the Minister of Energy shall not cancel and discharge the registration of builders' liens or security notices registered against estates or interests other than the estate or interest of the Debtors.

9. The net proceeds of the sale of the Assets shall stand in the place and stead of the Assets and all Claims not identified as Permitted Encumbrances shall, to the extent that they are not paid from the net sale proceeds or otherwise, cease to be attached to or encumber or otherwise form a lien or a claim against the Assets and shall attach to the net sale proceeds with the same validity, priority and in the same amounts, and subject to the same defences, that existed when the Claims attached to the Assets.

10. Any transfers, assignments, or other conveyances in respect of the Assets to be registered at any Land Titles Office, the Ministry of Energy or any other government agency, shall be deemed to be validly executed if signed in the following manner as applicable:

FTI Consulting Canada Inc., in its capacity as
Receiver and Manager of Argosy Energy
Inc.,
and not in its personal capacity.

Per: _____

FTI Consulting Canada Inc., in its capacity as
Receiver and Manager of Radius Resources Corp.,
and not in its personal capacity.

Per: _____

11. The Purchase Price represents the best possible and realizable value for the Assets in the present circumstances.

12. All of the interest, right, title, estate and equity of redemption of the Debtors and any persons claiming by, through or under the Debtors or the Receiver in and to the Assets, will upon the closing of the Transaction contemplated in the Sale Agreement, be fully and finally extinguished.

13. Notwithstanding the pendency of these proceedings and the provisions of any federal or provincial statutes neither the Sale Agreement nor the Transaction contemplated thereby will be void or voidable at the instance of creditors and Claimants and do not constitute nor shall they be deemed to be settlements, fraudulent preferences, assignments, fraudulent conveyances or other reviewable transactions under the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended or any other applicable federal or provincial legislation, nor shall it constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

14. In completing the Transaction subject to the terms and conditions of the Sale Agreement, the Receiver is further authorized:

- (a) to execute and deliver such additional, related and ancillary documents and assurances governing or giving effect to the Transaction as the Receiver, in its discretion, may deem reasonably necessary or advisable to conclude the Transaction or in furtherance of this Order;

- (b) to enter into such amendments to the Sale Agreement which are not material, whereupon any reference in this Order to the Sale Agreement shall be and include a reference to the Sale Agreement as amended; and
- (c) to take such steps as are necessary or incidental to the performance of its obligations pursuant to the Sale Agreement, including to make any necessary post-closing adjustments as may be required.

15. The Receiver shall be at liberty from time to time to apply to this Court for advice and directions with respect to the Sale Agreement and the Transaction. The Receiver shall be authorized and empowered to apply, upon such notice, if any, as it may consider necessary or desirable, to this Court to make such orders and provide such other aid and assistance to the Receiver, as this Court may deem necessary or appropriate.

16. To the extent necessary, this Court hereby requests the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or elsewhere, to give effect to this Order and to assist the Receiver and its agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Receiver, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the Receiver and its agents in carrying out the terms of this Order.

17. Service of this Order by way of facsimile or electronic transmission and by posting a copy of this Order on the Receiver's website shall constitute good and sufficient service on all parties entitled to notice of same and further service thereof is hereby dispensed with.

J.C.C.Q.B.A.

Schedule "A"

Permitted Encumbrances

- (a) easements, rights of way, servitudes, permits, licenses and other similar rights in land, including 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 cable;
- (b) the right reserved to or vested in any Government Authority by the terms of any Title and Operating Document, lease, license, franchise, grant or permit or by any Applicable Law, to terminate any such Title and Operating Document, lease, license, franchise, grant or permit or to require annual or other periodic payments as a condition of the continuance thereof;
- (c) the right reserved to or vested in any Government Authority to levy taxes on Petroleum Substances or the income or revenue attributable thereto and governmental requirements and limitations of general application;
- (d) rights reserved to or vested in any Government Authority to control or regulate any of the Assets in any manner;
- (e) liens granted in the ordinary course of business to a public utility or Government Authority in connection with operations on or in respect of the Lands;
- (f) the express or implied reservations, limitations, provisos and conditions in any original grants from the Crown of any of the Lands or interests therein and statutory exceptions to title;
- (g) all royalty burdens, liens, adverse claims, penalties, conversions and other Encumbrances identified in the Land Schedule;
- (h) the terms and condition of the Leases and the Title and Operating Documents; and
- (i) any other circumstance, matter or thing disclosed in any Schedule attached to the Sale Agreement;

Additionally, the following items must be identified in a Schedule attached to the Sale Agreement to qualify as a Permitted Encumbrance: (A) any Encumbrance, overriding royalty, net profits or other similar encumbrance applicable to the Petroleum and Natural Gas Rights for which Purchaser will assume the obligation for payment; (B) any existing potential alteration of the Debtor's interests in the Assets because of a payout conversion or farmin, farmout or other similar agreement; and (C) any security interest which would not be a Permitted Encumbrance under the preceding paragraphs of this definition.

Schedule "B"

| Instrument Number | Date of Registration | Type of Registration | Registrant |
|------------------------------|---------------------------------|---------------------------------------|--------------------------------|
| 121 213 358 | 20/08/2012 | Builder's Lien | Ensign Drilling Partnership |
| 131 057 141 | 08/03/2013 | Caveat Re: Agreement Charging Land | National Bank of Canada |
| 131 057 136 | 08/03/2013 | Caveat Re: Agreement Charging Land | National Bank of Canada |
| 121 212 176 | 17/08/2012 | Builder's Lien | Hallmark Tubulars Ltd. |
| 121 311 205 | 27/11/2012 | Builder's Lien | Rapid Rod Service Ltd. |

Schedule "C"

| Encumbrance ID | Crown Lease Number | Date of Registration | Registrant |
|-----------------------|-------------------------------|---------------------------------|----------------------------|
| 1203747 | 0411020002 | 2012/12/27 | National Bank of Canada |
| | 0411040038 | | |
| | 0411040039 | | |

SCHEDULE "E"
FORM OF ESCROW AGREEMENT

THIS AGREEMENT is made as of the ___ day of _____, 2013

AMONG:

BETWEEN:

ARGOSY ENERGY INC. and RADIUS RESOURCES CORP. (the "Debtor") by their court appointed receiver and manager **FTI CONSULTING CANADA INC.**, (the "Receiver") in its capacity as court appointed receiver and manager of the assets, properties and undertakings of Argosy Energy Inc. and Radius Resources Corp., and not in its personal capacity (the "Vendor")

- and -

TORC OIL & GAS LTD., a corporation incorporated pursuant to the laws of the Province of Alberta (the "Purchaser")

- and -

BLAKE, CASSELS & GRAYDON LLP, Barristers and Solicitors, having offices in the City of Calgary, in the Province of Alberta ("Blakes")

PREAMBLE:

- A. Purchaser and Vendor have entered into an Asset Purchase and Sale Agreement dated ●, 2013 (the "PSA").
- B. As of the date hereof the Parties will place with Blakes, as escrow agent, certain escrow closing deliveries (the "Escrow Deliveries") to be held in accordance with the terms of the PSA.
- C. Blakes is willing to hold the Escrow Deliveries in escrow on behalf of Purchaser and Vendor subject to the terms and conditions of this Agreement.

NOW THEREFORE in for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. **Definitions.** Capitalized terms used and not defined herein (including the recitals hereof) shall have the meanings attributed to them in the PSA.
2. **Direction and Termination of Original Escrow Agreement.** Purchaser and Vendor hereby direct Blakes to hold the Escrow Deliveries in accordance with the terms of this Agreement and the PSA.
3. **Disposition of Escrow Deliveries.** Upon receipt by Blakes of a written direction signed by each of Purchaser and Vendor, Blakes is hereby irrevocably authorized and directed

to deliver the Escrow Deliveries in accordance with such written direction. Blakes shall have no obligation to make any determination as to the validity of any such direction or any claim made by any party for entitlement to the Escrow Deliveries and Blakes shall be entitled to continue to hold the Escrow Deliveries until such time as Blakes receives a written direction signed by both Purchaser and Vendor as contemplated in this Section 3 or until Blakes is directed by final judgement of a Court as to the disposition of the Escrow Deliveries or until Blakes interpleads the Escrow Deliveries as contemplated in Section 4.

4. **Dispute.** Blakes shall have the right at any time to deposit the Escrow Deliveries, if any, with the Accountant section of the Alberta Court of Queen's Bench in accordance with the Rules of Civil Procedure respecting interpleader or in such other manner or on such other grounds as such Court may direct. Blakes shall give written notice of any such deposit to Purchasers and Vendor immediately after such deposit is made.
5. **No Agency.** The parties hereto acknowledge that Blakes is acting solely as a stakeholder at their request and for their convenience and Blakes shall not be deemed to be the agent of either Purchaser or Vendor in respect of the escrow herein referred to. Blakes shall not be liable to either Purchaser or Vendor for any error in judgement or for any act or omission on its part in respect of the escrow herein referred to unless such error in judgement, act or omission is made, taken or suffered in bad faith or involves gross negligence.
6. **Indemnity.** Purchaser and Vendor hereby jointly and severally agree to indemnify and hold Blakes harmless from and against all costs, claims (including those from third parties) and expenses, including solicitor's fees and disbursements incurred in connection with or arising from the performance of Blakes' duties or rights hereunder; provided that this indemnity shall not extend to actions or omissions taken or suffered by Blakes in bad faith or involving gross negligence on the part of Blakes.
7. **Fees.** Vendor agrees to pay to Blakes forthwith upon receipt of an invoice therefor all of Blakes' accounts for time, disbursements and applicable goods and services taxes relating to the performance by Blakes of its duties or rights hereunder or other work incidental to or contemplated pursuant to the terms of this Agreement.
8. **Limitation on Duties.** It is understood and agreed that Blakes' only duties and obligations in respect of the Escrow Deliveries are expressly set out in this Agreement. Blakes shall have the right to consult with separate counsel of its own choosing (if it deems such consultation advisable) and shall not be liable for any action taken, suffered or omitted to be taken by it if Blakes acts in accordance with the advice of such counsel. Blakes shall be protected if it acts upon any written or oral communication, notice, certificate or other instrument or document believed by Blakes to be genuine and to be properly given or executed without the necessity of verifying the truth or accuracy of the same or the authority of the person giving or executing the same.
9. **Resignation of Blakes.** Blakes may, at any time, resign its obligations under this Agreement and be discharged from all further duties and liabilities hereunder by giving each of Purchaser and Vendor at least 10 days notice in writing of its intention to resign or such shorter notice as Purchaser and Vendor may accept as sufficient. Purchaser and Vendor agree that they shall forthwith upon receipt of such notice appoint a new stakeholder to act in the place and stead of Blakes and if they fail to agree on such

appointment, any of Purchaser or Vendor or Blakes may apply to a Justice of the Alberta Court of Queen's Bench on such notice as such Justice may direct for the appointment of a new stakeholder. Upon any new appointment, the new stakeholder will be vested with the same powers, rights, duties and obligations as if it had been originally named herein as stakeholder and such new stakeholder shall enter into an agreement with Purchaser and Vendor agreeing to be bound by all of the provisions of this Agreement.

10. **Discharge from Duties.** Upon disposing of the Escrow Deliveries in accordance with the provisions of this Agreement, Blakes shall be relieved and discharged from all claims and liabilities relating to the Escrow Deliveries and Blakes shall not be subject to any claims made by or on behalf of any party hereto.
11. **No Conflict.** The fact that Blakes is acting as stakeholder under this Agreement shall not in any way prevent it from representing the Vendor prior to Closing in connection with the transactions contemplated under the PSA or in any litigation arising from the PSA or this Agreement or from representing Vendor or any other party in any other capacity or in any other transaction.
12. **Notice.** All notices or other communications given pursuant to this Agreement shall be in writing and shall be either delivered by hand or by facsimile transmission addressed as follows:

the Purchaser: TORC Oil & Gas Ltd.

Suite 1800, 525 - 8th Avenue S.W.
Calgary, Alberta T2P 1G1

Attention: Land Department

with a copy to: Legal counsel to the Purchaser
Heenan Blaikie
215 - 9th Avenue SW
Suite 1900
Calgary, Alberta T2P 1K3

the Vendor: FTI Consulting Canada Inc., in its capacity as court appointed receiver and manager of the assets, properties and undertakings of Argosy Energy Inc. and Radius Resources Corp., and not in its personal capacity.
1000, 888-3rd Street SW
Bankers Hall, West Tower
Calgary, AB T2P 5C5

Attention: Deryck Helkaa

with a copy to: Kelly Bourassa/Ryan Zahara
Legal counsel to the Receiver
Blake, Cassels & Graydon LLP
#3500, 855 – 2nd Street SW
Calgary, AB T2P 4J8

in the case of Blakes, to:

Blake, Cassels & Graydon LLP
3500 Bankers Hall East
855 - 2nd Street S.W.
Calgary, AB T2P 4J8

Attention: Ken Mills
Facsimile: 403.260.9700

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

13. **Governing Law.** This Agreement shall be construed and enforced in accordance with the laws of the Province of Alberta and the laws of Canada applicable therein.
14. **Modification.** This Agreement may only be modified or amended by an agreement in writing signed by all of the parties hereto.
15. **Counterpart.** This Agreement may be executed in one or more counterparts, which so executed will constitute an original and all of which together will constitute one and the same agreement. A signed counterpart provided by way of facsimile or electronic mail will be as binding upon the parties as an originally signed counterpart.
16. **Time.** Time shall be of the essence of this Agreement.
17. **Successors and Assigns.** This Agreement shall enure to the benefit of and be binding upon the parties hereto and their respective successors and assigns.

[Signature Page Follows]

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

ARGOSY ENERGY INC., by and through its court appointed receiver and manager, **FTI CONSULTING CANADA INC.**, in its capacity as court appointed receiver and manager of the assets, properties and undertakings of Argosy Energy Inc., and not in its personal capacity

TORC OIL & GAS LTD.

Per: _____

Name:

Title:

Per: _____

Name:

Title:

Per: _____

Name:

Title:

RADIUS RESOURCES CORP., by and through its court appointed receiver and manager, **FTI CONSULTING CANADA INC.**, in its capacity as court appointed receiver and manager of the assets, properties and undertakings of Radius Resources Corp., and not in its personal capacity

BLAKE, CASSELS & GRAYDON LLP

Per: _____

Name:

Title:

Per: _____

Name:

Title:

Appendix B

Procedure Card

Proposed Distribution

June 18, 2013

Page 01

Our File No: Q 1301 01648
 SONIC OILFIELD SERVICE LTD.
 SUITE 550, 717 - 7 AVENUE SW
 CALGARY, AB T2P 0Z3

| | | |
|-----------------------------------|------------------|-----------------|
| ADDITIONAL DISTRIBUTION IN | AMT OWING | DIVIDEND |
| File No: 13052149364 | 0.00 | 0.00 |
| Cred: PRICEWATERHOUSECOOPERS INC. | | |
| Debt: ARGOSY ENERGY INC. | | |

| | | |
|-------------------------------|------------------|-----------------|
| SECURITY AGREEMENTS | AMT OWING | DIVIDEND |
| File No: 08092207771 | 0.00 | 0.00 |
| Cred: NATIONAL BANK OF CANADA | | |
| Debt: ARGOSY ENERGY INC. | | |

| | | |
|--------------------------------|------------------|-----------------|
| CLERKS DISTRIBUTION FEE | AMT OWING | DIVIDEND |
| File No: | 10.00 | 10.00 |
| Cred: | | |

| | | |
|-----------------------------|------------------|-----------------|
| PREFERRED COSTS | AMT OWING | DIVIDEND |
| File No: 13030421775 | 494.00 | 494.00 |
| Cred: JACAR ENERGY SERVICES | | |
| Debt: ARGOSY ENERGY INC. | | |

| | | |
|-----------------------------|------------------|-----------------|
| \$2000 RULE | AMT OWING | DIVIDEND |
| File No: 13030421775 | 2000.00 | 2000.00 |
| Cred: JACAR ENERGY SERVICES | | |
| Debt: ARGOSY ENERGY INC. | | |

| | | |
|-----------------------------------|------------------|-----------------|
| PRO-RATA | AMT OWING | DIVIDEND |
| File No: 13022627675 | 4396.46 | 326.02 |
| Cred: SONIC OILFIELD SERVICE LTD. | | |
| Debt: ARGOSY ENERGY INC. | | |

| | | |
|-----------------------------|---------|--------|
| File No: 13030421775 | 1843.40 | 136.70 |
| Cred: JACAR ENERGY SERVICES | | |
| Debt: ARGOSY ENERGY INC. | | |

| | | |
|--------------------------------|----------|---------|
| File No: 13031531014 | 18527.83 | 1373.94 |
| Cred: T.C. MOBILE VESSELS LTD. | | |
| Debt: ARGOSY ENERGY INC. | | |

Ratio: 1836.66 / 24767.69 = 0.07415548

0.00

Total Dividends **4340.66**

* * * End Of Proposed Distribution * * *

The Court of Queen's Bench of Alberta

Accounting Section
Judicial Centre of Calgary
Calgary Courts Centre Box 2549 Mai
603N, 601 - 5 Street S.W.
Calgary, Alberta T2P 5P7
Telephone: 403-297-2209 Fax: 403-297-4984

June 18, 2013

SONIC OILFIELD SERVICE LTD.
SUITE 550, 717 - 7 AVENUE SW
CALGARY, AB T2P 0Z3

Dear Sir/Madam:

Subject: ARGOSY ENERGY INC.
1200, 700 - 2 ST SW W CALGARY, AB

Our File No: Q 1301 01648
Your File No:

FUNDS REC'D APRIL 22/2013

Enclosed is my proposed distribution amongst the enforcement creditors of the above named debtor, of monies received.

The amounts owing, as listed on this proposed distribution, refer to the amounts owing registered at the Personal Property Registry.

Objection to this distribution must be filed with this office in writing within 15 days from this date in accordance with section 101(1)B of the Civil Enforcement Act.

Yours truly,



Clerk of the Court

Enclosure

CLERK OF THE COURT - COUNTER PROCEDURE RECORD PRINT

| ACTIVITY DESCRIPTION | LITIGANTS HEARING DATE & TYPE | AMOUNT RESULT | EXPLANATION APPLICATION | JUSTICE/MASTER | DATE FILED | LAW FIRM |
|---------------------------|---|---------------|-------------------------|----------------------|------------|----------|
| ACTION NO: Q1301 01648 | JACAR ENERGY SERVICES; D ROBB & EVENSON CASCADE ENERGY SERVICES ROBB & EVENSON | | VS ARGOSY ENERGY INC. | | | |
| STATEMENT CLAIM JUDGMENT | | \$2,819 | | | 06FEB2013 | R&E |
| AFFIDAVIT OF SERVICE | ARGOSY ENERGY INC. | | W/CLAIM | | 04MAR2013 | R&E |
| DEFAULT JUDGMENT | | \$3,210 | | | 04MAR2013 | R&E |
| WRIT OF ENFORCEMENT | ARGOSY ENERGY INC. | \$3,210 | | | 04MAR2013 | R&E |
| BILL OF COSTS | | \$628 | | | 11MAR2013 | R&E |
| GARNISHEE SUMS AFTER JDGT | JACAR ENERGY SERVICES; D CASCADE ENERGY SERVICES ARGOSY ENERGY INC. | \$4,337 | NATIONAL BANK OF CANADA | | 12MAR2013 | R&E |
| SUBSEQUENT BILL OF COSTS | | \$494 | | | 23APR2013 | R&E |
| CERTIFICATE OF SERVICE | ARGOSY ENERGY INC. | | NATIONAL BANK | | 04JUN2013 | GSM |
| FEAT | CONT | | SERVICE DEEMED G | J. T. PROWSE, M.C.O. | B04JUN2013 | R&E |

*** END OF ACTIVITIES ***

CLERK OF THE COURT - COUNTER PROCEDURE RECORD PRINT

ACTION NO: Q1301 01648 FINANCIAL ACTIVITY

| DATE | TYPE | NUMBER | DESCRIPTION | AMOUNT |
|-------------------------|--------|--------|-------------------------|----------|
| 22APR2013 | RECEIP | 002954 | GARNISHEE MONIES | 4,337.40 |
| 17JUN2013 | JE CR | 122165 | DIST 17/06/2013 INT ADJ | 3.26 |
| *** CURRENT BALANCE *** | | | | 4,340.66 |

*****END OF REPORT*****