



Corporate Finance

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fticonsulting.com

April 19, 2018

VIA REGULAR MAIL



Attention: ►

Dear Sir/Madam:

Re: Dundee Energy Limited Partnership (“DELP”) and Dundee Oil and Gas Limited (“DOGL” and together with DELP, the “Debtors”) - Notice of sale approval, assignment of leases and distribution of certain sale proceeds.

We are contacting you with respect to your agreement with the Debtors, or either of them, related to [TYPE] [and TYPE] (as each may be amended, restated, renewed, extended or assigned from time to time, collectively the “Lease(s)”).

SUMMARY OF MATTER

As you may be aware, the Debtors have experienced financial difficulties and are restructuring their business under supervision of the Ontario Superior Court of Justice (Commercial List) (the “**Court**”), as further discussed below. As part of their restructuring efforts, the Debtors will seek relief from the Court approving the sale of substantially all of the Debtors’ assets to Lagasco Inc. (the “**Buyer**”). As part of that sale transaction, the Debtors will seek to assign the Lease(s) to the Buyer and distribute the net sale proceeds to National Bank of Canada, as first priority secured creditor of the Debtors. **This motion will take place on May 23, 2018.** Any payment arrears owing to you under the Lease(s), as described below, will be paid to you following the assignment of the Lease(s) to the Buyer. Thereafter, the Buyer will be responsible for all obligations under the Lease(s). If you have an objection to the proposed assignment, we suggest that you retain a lawyer to assist you. **If you do not object, an order may be made assigning the Lease(s) to the Buyer.** The following is a more detailed explanation of the proceeding.

DESCRIPTION OF MATTER

By order (the “**Initial Order**”) of the Court dated February 13, 2018, DOGL commenced a proceeding under the *Companies’ Creditors Arrangement Act* (Canada) (the “**CCAA**”). The benefits of the protection and authorizations in the Initial Order also extend to DELP. Under the terms of the Initial Order, FTI Consulting Canada Inc. was appointed as monitor of DOGL (the “**Monitor**”) and was authorized to carry out and fulfill the sale solicitation process with respect to the Debtors’ assets.

We are pleased to advise that the Debtors have entered into an Asset Purchase Agreement with the



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Buyer dated April 4, 2018 (the “**APA**”), pursuant to which the Debtors will sell substantially all of their assets and assign to the Buyer certain leases and other agreements between one or both of the Debtors and certain third parties. After closing of the proposed sale transaction, the Buyer will be bound by the terms of the Lease(s) and will assume the liabilities and obligations under the Lease(s).

Pursuant to the APA, the Debtors will be seeking to assign the Lease(s) to the Buyer pursuant to section 11.3 of the CCAA. Such section provides that “on application by a debtor company and on notice to every party to an agreement and the Monitor, the court may make an order assigning the rights and obligations of the company under the agreement to any person who is specified by the court and agrees to the assignment... In deciding whether to make the order, the Court is to consider, among other things, (a) whether the Monitor approved the proposed assignment; (b) whether the person to whom the rights and obligations are to be assigned would be able to perform the obligations; and (c) whether it would be appropriate to assign the rights and obligations to that person.” Additionally, the Court will only make the order if the Cure Amount (as defined below) is remedied.

Please be advised that, on May 23, 2018 at 10:00 a.m. (Eastern Time), a motion will be held before the Court at 330 University Avenue, Toronto, Ontario (the “**Sale Approval Motion**”) for an order: (i) approving the APA and vesting in and to the Buyer all rights, title and interest in the Purchased Assets (as defined in the APA); (ii) assigning the rights and obligations of the Debtors under the Lease(s) to the Buyer pursuant to section 11.3 of the CCAA; and (iii) approving the distribution of the net sale proceeds under the APA to National Bank of Canada, as first priority secured creditor of the Debtors. A copy of the Debtors’ motion materials filed in connection with the Sale Approval Motion and the Monitor’s Report to the Court in respect of same, which assesses the factors described above as set out in s. 11.3 of the CCAA, will be made available on May 9, 2018 at <http://cfcanada.fticonsulting.com/Dundee/>. The order to be sought at the Sale Approval Motion, if granted, will be posted to the Monitor’s website on May 23, 2018.

The Debtors’ records demonstrate that, as of March 31, 2018, the amount owing to you under the Lease(s) from the Debtors is \$[X] (together with any amounts owing to you by the Debtors under the Lease(s) from April 1, 2018 until closing of the APA, the “**Cure Amount**”). Following the assignment, the Buyer will be responsible for all obligations under the Lease(s) and all notices under the Lease(s) should be addressed to:

Lagasco Inc.
2807 Woodhull Road
London, ON N6K 4S4
Attention: Jane Lowrie
E-mail: jlowrie@tributeresources.com



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The Cure Amount will be paid to you following closing of the sale transaction under the APA. Any objections to the Cure Amount must be provided with specificity to the Monitor within thirty (30) days of the date of this letter in writing to the following address:

FTI Consulting Canada Inc.
79 Wellington Street West, Suite 2010
Toronto, ON M5K 1G8
Phone: 1-833 286 9926
Email: dundeeenergy@fticonsulting.com
Attention: Dundee Monitor

Any objections to either (i) the sale of the Purchased Assets to the Buyer; (ii) the assignment of the Lease(s) to the Buyer (other than the Cure Amount, which is addressed above); or (iii) the proposed distribution of the net sale proceeds to National Bank of Canada, must be filed with the Court in advance of the Sale Approval Motion and served on the Service List, which is accessible at <http://cfcanada.fticonsulting.com/Dundee/>. We suggest that you consult a lawyer if you intend to object to the Sale Approval Motion.

If you have any questions about the content of this letter, please contact the Monitor at the phone number and/or email address displayed above.

Yours truly,

**FTI Consulting Canada Inc., solely in its capacity
as the Court-Appointed Monitor of Dundee Oil and Gas Limited,
and not in its personal or corporate capacity**