

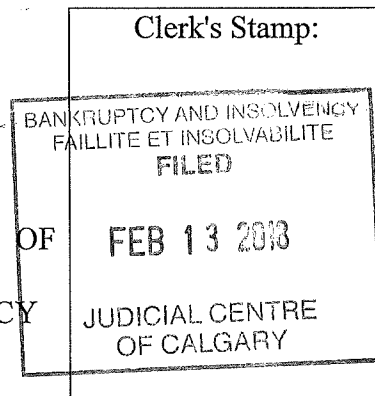
ESTATE NUMBER 25-2332583  
25-2332610  
25-2335351

COURT COURT OF QUEEN'S BENCH OF ALBERTA  
IN BANKRUPTCY AND INSOLVENCY

JUDICIAL CENTRE CALGARY

PROCEEDING IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE  
A PROPOSAL OF MANITOK ENERGY INC.  
  
IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE  
A PROPOSAL OF RAIMOUNT ENERGY CORP.  
  
IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE  
A PROPOSAL OF CORINTHIAN OIL CORP.

DOCUMENT **AFFIDAVIT**



ADDRESS FOR SERVICE AND  
CONTACT INFORMATION OF  
PARTY FILING THIS DOCUMENT

Gowling WLG (Canada) LLP  
1600, 421 – 7 Avenue SW  
Calgary, AB T2P 4K9

Attention: Clifton Prophet / Thomas Gertner  
Telephone (416) 862-3509 / (416) 369-4618  
Facsimile 416-863-3509  
Email: [clifton.prophet@gowlingwlg.com](mailto:clifton.prophet@gowlingwlg.com)  
[thomas.gertner@gowlingwlg.com](mailto:thomas.gertner@gowlingwlg.com)

**AFFIDAVIT OF MASSIMO GEREMIA**

**Sworn on February 13, 2018**

I, Massimo Geremia, of the City of Calgary, in the Province of Alberta, MAKE OATH  
AND SAY AS FOLLOWS:

1. I am the President and Chief Executive Officer of Manito Energy Inc. ("**Manitok**") and as such I have personal knowledge of the matters hereinafter deposed to save and except where stated to be based upon information and belief, in which case I believe the same to be true.
2. I am swearing this affidavit (the "**First Supplementary Affidavit**") to provide information to supplement my affidavit sworn February 7, 2018 (the "**Geremia Second Affidavit**"), filed in these proceedings, and in support of an Application by Manito Energy Inc. and its wholly owned subsidiaries Raimont Energy Corp. ("**Raimont**") and Corinthian Oil Corp. ("**Corinthian**", collectively with Manito Energy Inc. and Raimont Energy Corp., the "**Companies**"), for *inter alia*, an extension of the stay of proceedings for each of the Companies until March 31, 2018.
3. Capitalized terms used in this First Supplementary Affidavit but not otherwise defined herein have the meanings ascribed to them in the Geremia Second Affidavit.

#### **Developments in Relation to the Proposal Framework**

4. As set out in the Geremia Second Affidavit, the Companies primary focus during these proceedings has been the development of a framework (the "**Proposal Framework**") for the restructuring of the Companies' affairs and the repayment in full of the indebtedness of Manito Energy Inc. and Raimont Energy Corp. to National Bank of Canada ("**NBC**").
5. The Proposal Framework was made up of the following 4 main elements: (i.) certain existing shareholders and stakeholders of Manito Energy Inc. (the "**Equity Investors**") agreeing to provide an equity injection to Manito Energy Inc. through a subscription of common shares in an amount not less than \$10,000,000; (ii.) as a condition of the Equity Financing, 25% of the principle amount of collateralized exchange listed notes (the "**CEL Notes**") previously issued by Manito Energy Inc. being forgiven and 37.5% of the principal amount of the CEL Notes being converted into common shares of Manito Energy Inc. (the "**CEL Note Restructuring**"); (iii.) Manito Energy Inc. entering into asset purchase agreements to sell certain non-core assets to Baserock Energy Inc. (an affiliate of Doag Energy Ltd. ("**Doag**")) and Yangarra Resources Ltd. ("**Yangarra**") generating gross aggregate sale proceeds of approximately \$5,500,000; and (iv.) Stream Asset Financial Manito Energy Inc. / Stream Asset Financial Manito Energy LP (collectively "**Stream**") agreeing to provide a senior first ranking credit facility in the maximum amount of \$25,500,000 (the "**Stream Credit Facility**") to Manito Energy Inc.

6. The efforts of management of the Companies have resulted in substantial progress being made towards the implementation of the Proposal Framework.
7. Since I swore the Geremia Second Affidavit, Manitok has made the following progress on the Proposal Framework:
  - (a) Manitok obtained fully executed Amended and Restated Subscription Agreements, representing in the aggregate, gross proceeds of \$9,234,010.18 (the “**Equity Investment**”) from certain of the Equity Investors. The Equity Investment was delivered by the Equity Investors to Gowling WLG (the “**Escrowed Equity Investment**”), to be held in escrow, subject only to the other conditions of the Proposal Framework being implemented. Attached hereto and marked as Exhibit “**A**” is a true copy of a trust account statement issued by Gowling WLG reflecting receipt of the majority of the Escrowed Equity Investment, together with certain cheques received by Gowling WLG representing the balance of the Escrowed Equity Investment;
  - (b) Doag deposited \$3,250,078.73, being the purchase price for the Rockyford Transaction (the “**Escrowed Rockyford Funds**”) in escrow with Gowling WLG (Canada) LLP (“**Gowling WLG**”), and agreed to waive all conditions precedent to closing other than the issuance by the Court of the Rockyford Approval and Vesting Order. Attached hereto and marked as Exhibit “**B**” is a true copy of an escrow agreement dated February 9, 2018, between Doag, Gowling WLG and Manitok in respect of the Escrowed Rockyford Funds; and
  - (c) Yangarra advised the Companies that they intended to, on, Tuesday February 13, 2018, deposit the net purchase price in respect of the Ferrier Transaction with Gowling WLG to be held in escrow, subject only to issuance by the Court of the Ferrier Approval and Vesting Order.
8. As noted in the Second Geremia Affidavit, Manitok has already received amended and restated restructuring support agreements from more than 67% of the holders of the CEL Notes.
9. Given the progress described above, the sole significant element outstanding in implementing the Proposal Framework (outside of the preparation and presentment of formal proposals to the Companies’ unsecured creditors) was Manitok entering into a definitive credit agreement with Stream to govern the Stream Credit Facility (the “**Stream Credit Agreement**”).
10. At the time of the Geremia Second Affidavit, Manitok and Stream were in the process of negotiating the Stream Credit Agreement and Manitok anticipated having the agreement finalized by February 13, 2018.

11. Despite the substantially negotiated state of the Stream Credit Agreement, on February 9, 2018, Manitoak was advised by Stream that it was no longer willing to extend the Stream Credit Facility and that Stream wished to proceed with a different approach to Manitoak's restructuring.
12. As an alternative to participating in the Proposal Framework, Stream informed the Companies, that it would participate in the restructuring of the Companies' businesses (collectively, the "**Business**") through an offer (the "**Stream / SCCC Offer**"), with SCCC Petroleum Corporation ("**SCCC**"), to acquire substantially all of the assets, properties and undertakings (collectively, the "**Assets**") of the Companies.
13. Since the Proposal Framework was not viable without the Stream Credit Facility, the Companies were open to exploring the Stream / SCCC Offer, and in consultation with the Proposal Trustee entered into discussions with Stream and SCCC concerning the offer.
14. The Stream / SCCC Offer is being made through Renergy Resources (Canada) Co. Ltd. (the "**Stalking Horse Purchaser**"). The Stream / SCCC Offer provides for the continuation of the Business, through the Stalking Horse Purchaser and for the payment in full of Manitoak's indebtedness to NBC, including amounts owing under the DIP Financing Agreement. I understand that it is contemplated that a credit facility in the amount of approximately \$22,000,000 will also be provided by Stream to the Stalking Horse Purchaser upon Manitoak's exit from these proceedings under the *Bankruptcy and Insolvency Act*.
15. The Proposal Trustee has advised Manitoak that, in its view, some type of expedited sale process is required to market test the Stream / SCCC Offer. The Stream / SCCC Offer therefore contemplates that it will function as a "stalking horse bid" (the "**Sales Process**").
16. In furtherance of this aim, the Companies in consultation with their legal counsel and the Proposal Trustee, have substantially negotiated a stalking horse asset purchase agreement with Stream / SCCC (the "**Stalking Horse APA**"). I have attached the latest version of this agreement received from the Stalking Horse Purchaser as Exhibit "**C**" to this affidavit. Although terms are still under discussion, I anticipate that this agreement may be entered into in short order if it is acceptable to NBC and to this Court.

17. The material terms of the Stalking Horse APA, include:
- (a) a purchase price sufficient for the repayment of all indebtedness owed by the Companies to NBC including under the DIP Financing Agreement (the “**Proposed Purchase Price**”);
  - (b) a deposit requirement on signing of \$3.0 million;
  - (c) an acknowledgement that the Stalking Horse APA is binding and not subject to further due diligence in relation to the Assets;
  - (d) an assumption by the Stalking Horse Purchaser of all amounts owing by Manitok to Stream by way of an amended joint venture agreement;
  - (e) the potential preservation of the employment of current employees of the Companies, through the Stalking Horse Purchaser’s ability to, at its election, make offers of employment to existing employees of the Companies;
  - (f) an assumption or payment of certain other priority payments including, cure costs associated with contracts being assigned to the Stalking Horse Purchaser as well as costs associated with obtaining a replacement arrangement with PrairieSky Royalty Ltd.;
  - (g) a break fee of approximately \$3.0 million if a superior bid is selected in the Sale Process together with the reimbursement of expenses up to \$500,000; and
  - (h) a condition requiring Court approval of the Stalking Horse APA and the Sale Process guidelines appended as a schedule to the APA (the “**Sale Process Order**”).
18. In order to provide the maximum transparency and objectivity in relation to the Sales Process, the Companies, Stream and SCCC suggest that the powers of the Proposal Trustee, be expanded to give the Proposal Trustee the exclusive authority to run all aspects of the Sale Process (the “**Expanded Proposal Trustee Mandate**”).
19. Stream and SCCC have advised the Companies and the Proposal Trustee that in order to avoid any risk surrounding the interruption of the Business and the depletion of the Assets, each require that the Companies continue to remain in possession and control of the Assets until the conclusion of the Sale Process (subject to the Expanded Proposal Trustee Mandate).

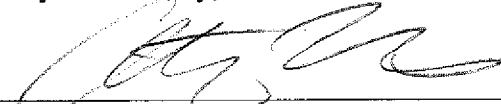
### Conclusion

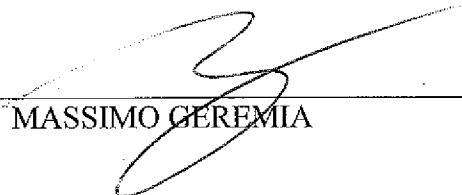
20. Although the Proposal Framework is no longer viable in the absence of the Stream Credit Facility, the Companies’ significant progress on its Proposal Framework (including, raising

\$9,234,010.18 from the Equity Investors, and generating proceeds in the approximate amount of \$5,000,000 through the imminent closing of the Rockyford Transaction and the Ferrier Transaction) reflects Manitok's diligence and good faith in these proceedings.

- 21. The Companies remain committed to implementing the best plan available for maximizing value for the greatest number of stakeholders in these proceedings. It is my view that an extension of the stay of proceedings until March 31, 2018, and approval of the Stalking Horse APA and the Sales Process, will facilitate this goal and is in the interest of the Companies' stakeholders.

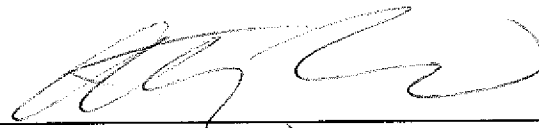
SWORN BEFORE ME at the City of )  
 Calgary, in the Province of Alberta this 13th )  
 day of February, 2018. )

  
 \_\_\_\_\_ )  
 A Commissioner for Oaths in and for the )  
 Province of Alberta

  
 \_\_\_\_\_ )  
 MASSIMO GEREMIA

**Anthony Mersich**  
**Barrister and Solicitor**

THIS IS EXHIBIT "A" TO THE FIRST SUPPLEMENTARY  
AFFIDAVIT OF MASSIMO GEREMIA  
SWORN BEFORE ME  
THIS 13th DAY OF FEBRUARY, 2018



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A Commissioner for Oaths  
in and for the Province of Alberta

Anthony Mersich  
Barrister and Solicitor

02/12/2018

1:30 PM

X (G) General  
X (I) Invested  
X (B) Blended  
X (A) Available

Gowling WLG (Canada) LLP  
Trust Subsidiary Report  
Periods: 201801 To 201802

Report: TRST03  
Req'd By: DenancesS  
Currency: CAD

Client  
Matter  
Trust

Date	Period	Type	Payor/Payee	Receipt Ref	Bill Txpr Bank	Resp Txpr Acct Type	Opening Balance	Activity Amount	Ending Balance
Manitok Energy Inc.									
February 2018	201802	CR	Manitok Energy Inc.	February 2018 Subscription Receipt Finan	3040	3040			
BNS Client Trust Calgary									
02/07/2018	201802	CR	Manitok Energy Inc.	Gregory Peterson Check Num: 015	19745	G	\$0.00	\$25,375.00	
02/05/2018	201802	CR	Manitok Energy Inc.	Brigham Holdings Inc. Check Num:				\$30,000.00	
02/05/2018	201802	CR	Manitok Energy Inc.	Terrier Capital Corp. Check Num:				\$50,025.00	
02/07/2018	201802	CR	Manitok Energy Inc.	Maajic Management Inc. Check Num:				\$23,999.97	
02/06/2018	201802	CR	Manitok Energy Inc.	Jackson Valley Fund LP Check Num:				\$2,499,999.95	
02/08/2018	201802	CR	Manitok Energy Inc.	Freda Spain Check Num:				\$7,000.00	
02/09/2018	201802	CR	Manitok Energy Inc.	GMP Securities LP Check Num:				\$500,010.00	
02/09/2018	201802	CR	Manitok Energy Inc.	Haywood Securities Inc. Check Num: 891339				\$1,999,999.96	
02/09/2018	201802	CR	Manitok Energy Inc.	Toprun Investments Incorp. Check Num:				\$50,000.00	
02/09/2018	201802	CR	Manitok Energy Inc.	Mella Corp. Check Num:				\$50,000.00	
02/09/2018	201802	CR	Manitok Energy Inc.	Trapeze Capital Check Num:				\$3,852,490.00	
								Trust 2 Totals:	\$9,094,899.88

Start Time: 1:30 PM  
End Time: 1:30 PM





Wealth Management Gestion de patrimoine  
 Dominion Securities Dominion valeurs mobilières

RBC Dominion Securities Inc. CG 701-82382  
 RBC Dominion valeurs mobilières Inc.

DATE O/JDAY-MO/JR	AMOUNT DEBIT =	MONTANT DU DEBIT =	FOR ACCOUNT OF POUR LE COMPTE DE
12/09/18	*****	\$20,000.05	376-43636-14

3RD PTX

PR. PARTY:  
CAMERON VOURI

ORDER#180209-S022DC  
 FOR DELIVERY BY DAMIAN

PAYEE: GOWLING WLG (CANADA) LLP

APPROVED BY: SZCZEBELSKI

THIS DOCUMENT CONTAINS BOTH VISIBLE AND HIDDEN SECURITY FEATURES, SEE BACK FOR DETAILS BEFORE CASHING / CE DOCUMENT CONTIENT DES ÉLÉMENTS SÉCURITAIRES VISIBLES ET CACHÉS, VOIR LES DÉTAILS AU VERSO AVANT D'ENCAISSE



Wealth Management Gestion de patrimoine  
 Dominion Securities Dominion valeurs mobilières

ROYAL BANK OF CANADA  
 BANQUE ROYALE DU CANADA  
 MAIN BRANCH, ROYAL BANK PLAZA  
 TORONTO, ONTARIO M5J 2J5

CG 701-82382  
 CALGARY DOME

CHEQUE NO. - N° DE CHÈQUE  
 CK# CG70182382

ACCOUNT NO. - N° DE COMPTE  
 376-43636-14

DATE 20180209  
 Y/A M/M D/J

PAY TO THE ORDER OF - PAYEZ À L'ORDRE DE  
 GOWLING WLG (CANADA) LLP  
 SUITE 1600, 421-7 AVE SW  
 CALGARY, AB, T2P 4K9  
 ATTN: FRANK SUR

\$ \*\*\*\*\*20,000.05


RBC DOMINION SECURITIES INC./RBC DOMINION VALEURS MOBILIÈRES INC.  
 PER: *Suzanne Maric*  
 PAR: AUTHORIZED SIGNATURE/SIGNATURE AUTORISÉE  
 PER: *Aine S*  
 PAR: AUTHORIZED SIGNATURE/SIGNATURE AUTORISÉE

⑈ 70182382⑈ ⑆00002⑆003⑆ 000⑆367⑆3⑆

MELAMAKEN ADVENTURES INC.  
22 STRATHRIDGE GROVE S.W.  
CALGARY, ALBERTA T3H 4M1

0020

DATE 2018-02-06  
Y Y Y Y M M D D

PAY to Howling WLG (Canada) LP \$ 10,010.<sup>00</sup>  
the order of Ten thousand and ten DOLLARS   
100



ROYAL BANK OF CANADA  
PRIVATE BANKING CALGARY PH: 403-292-8982  
335-8TH AVE. S.W. 3RD FLR.  
CALGARY, AB T2P 1C9



MELAMAKEN ADVENTURES INC.

RE Subscriptions PER JQQ

⑈000020⑈ ⑆08519⑈003⑆ 101⑈886⑈00⑈

MR BRUNO GEREMIA  
(403) 998-0685

103

DATE 2018-02-12  
Y Y Y Y M M D D

PAY TO THE  
ORDER OF

Growlings WLG in trust

\$15,750.00

~ Fifteen Thousand Seven Hundred Fifty - 00/100 DOLLARS

Security features  
included.  
Details on back.

STYLE 103



CANADIAN IMPERIAL BANK OF COMMERCE  
2318 CENTRE ST. N.  
CALGARY, AB T2E 2T7

MEMO

450,000 shares MET

MP

⑈ 103 ⑈ ⑆00519⑆010⑆ 06⑈88339⑈

GREGORY A VAVRA  
JODY E VAVRA  
137 SIGNATURE PT SW  
CALGARY AB T3H 3B9

RBC Wealth Management  
Private Banking


449

DATE 20 12 02 07  
Y Y Y Y M M D D

PAY TO THE  
ORDER OF

*Gregory WLG, In Trust* \$ 30,000

*Thirty Thousand Only*

100 DOLLARS  Security features  
Included.  
Details on back.



ROYAL BANK OF CANADA  
PRIVATE BANKING CALGARY PH: 403-292-8982  
336-8TH AVE. S.W. 3RD FLR.  
CALGARY, AB T2P 1C9

MEMO

*WCI New EQ*  
*860,000 Shares*


MP

⑈449⑈ ⑆02949⑈003⑆502⑈745⑈3⑈

1444849 ALBERTA INC.  
211 HERITAGE PLACE S.W.  
CALGARY, ALBERTA T3Z 3P3  
Tel: (403) 239-8170

0081

DATE 2-01-02-07  
Y Y Y Y M M D D

PAY to Gowling LG in TRUST. \$ 25,375.00  
the order of Security Line Assurance & Surety Co. DOLLARS 

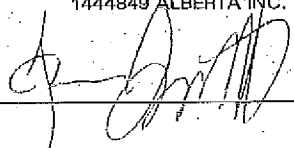


ROYAL BANK OF CANADA  
PRIVATE BANKING CALGARY PH: 403-292-8982  
335-8TH AVE. S.W. 3RD FL.  
CALGARY, AB T2P 1C9



1444849 ALBERTA INC.

RE Manitok Subscription Agreement

PER 

⑈000081⑈ ⑆08519⑈003⑆ 100⑈175⑈9⑈

MASSIMO GEREMIA  
SUITE 1102, TEL: (403) 968-3664  
735 2 AVE SW  
CALGARY AB T2P 0E4

SIGNATURE

252

DATE 2018-02-06  
Y Y Y Y M M D D

PAY TO THE  
ORDER OF

Gowling's WLG in trust

\$ 25,375.00

Twenty five thousand three hundred seventy five and 00/100

100 DOLLARS

Security features  
included.  
Details on back.



ROYAL BANK OF CANADA  
8TH AVE. & 7TH ST. S.W. BRANCH  
740-8TH AVE. S.W.  
CALGARY, AB T2P 1H2

MEMO

purchase 75,000 shares MEI  
CDE shares

*[Handwritten Signature]*

⑈ 2520 ⑈ ⑆ 02539 ⑈ 003 ⑆ 510 ⑈ 352 ⑈ 8 ⑈



**DONALD ROBERT MARTIN**  
623 TUSCANY SPRINGS BLVD NW  
CALGARY, AB T3L 2Y2

0988

DATE 2018-02-07  
Y Y Y Y M M D D

PAY TO THE  
ORDER OF

GOWLING WLG

\$ 12,500.25

Twelve Thousand Five Hundred

~~25~~ 100 DOLLARS

Security features  
Included.  
Details on back.



**Canada Trust**  
4880 32 AVENUE N.W.  
CALGARY, AB T3A 4N7

MEMO

man tok offering

MP

⑈988⑈ ⑆00599⑈004⑆

514565⑈2⑈

THIS IS EXHIBIT "B" TO THE FIRST SUPPLMENTARY  
AFFIDAVIT OF MASSIMO GEREMIA  
SWORN BEFORE ME  
THIS 13th DAY OF FEBRUARY, 2018



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A Commissioner for Oaths  
in and for the Province of Alberta

Anthony Mersich  
Barrister and Solicitor



## ESCROW AGREEMENT

**THIS ESCROW AGREEMENT** is made effective this 9th day of February, 2018 among Manito Energy Inc. ("MEI" or the "Corporation"), a corporation formed under the laws of the Province of Alberta, Canada, Doag Energy Ltd. (the "Funder"), a corporation formed under the laws of the Province of Alberta, Canada and Gowling WLG (Canada) LLP (the "Escrow Agent").

### WHEREAS:

- A. The Escrow Agent has agreed to act as escrow agent pursuant to the provisions of this Escrow Agreement; and
- D. The Corporation and the Funder acknowledge and agree that the Escrow Account and any payout of Escrow Funds (each as defined herein) will be dealt with in accordance with the terms and conditions of this Escrow Agreement.

**NOW THEREFORE IN CONSIDERATION** of the mutual covenants and promises set out in this Escrow Agreement and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties to this Escrow Agreement (the "Parties") agree as follows:

### ARTICLE 1 INTERPRETATION

1.1 **Interpretation.** In this Escrow Agreement, except as otherwise expressly provided:

- 1.1.1 all references in this Escrow Agreement to designated "Articles", "sections" and other subdivisions or Schedules are to the designated Articles, sections and other subdivisions or Schedules of or attached to this Escrow Agreement;
- 1.1.2 the headings are for convenience only and do not form a part of this Escrow Agreement and are not intended to interpret, define or limit the scope, extent or intent of this Agreement or any provision hereof;
- 1.1.3 the singular of any terms include the plural, and vice versa, the use of any term is generally applicable to any gender and where applicable, a body corporate;
- 1.1.4 the matters contained and referred to in the recitals to this Escrow Agreement and the Schedules hereto are expressly incorporated into and form part of this Escrow Agreement;
- 1.1.5 "or" is used in the inclusive sense of "and/or";
- 1.1.6 "\$" and/or CDN denotes the lawful currency of Canada; and
- 1.1.7 where the time for doing an act falls or expires on a day which is not a day other than a Saturday, Sunday or a statutory holiday in the Province of Alberta (a "Business Day"), the time for doing such act is extended to the next Business Day.

**ARTICLE 2**  
**ESCROW ARRANGEMENTS AND INSTRUCTIONS TO ESCROW AGENT**

- 2.1 **Appointment of Escrow Agent.** Gowling WLG (Canada) LLP is hereby appointed the Escrow Agent under this Escrow Agreement.
- 2.2 **Delivery of Escrow Funds.** The Escrow Agent acknowledges receipt from the Funder of a bank draft or wire transfer in the amount of **CDN\$3,250,078.73** for deposit to a trust account of the Escrow Agent ("**Escrow Account**"). These funds and any interest, if any, earned on the funds deposited to the Escrow Account from time to time (the "**Escrow Funds**") will not be released or dealt with in any other manner whatsoever except in the manner described in this Escrow Agreement.
- 2.3 **Escrow Funds in Escrow.** The Escrow Funds will be held by the Escrow Agent, in trust for the sole benefit of the Funder, on the terms set out in this Escrow Agreement and will be released from escrow only in accordance with the terms of this Escrow Agreement.
- 2.4 **Release from Escrow.** MEI and the Funder acknowledge and agree that the Escrow Account will be maintained by the Escrow Agent and the Escrow Funds will only be released as follows:
- 2.4.1 the Escrow Agent shall release all of the Escrow Funds as directed in writing by MEI upon receiving from MEI or the Funder, a filed copy of the Court Approval (as such term is defined under the Asset Purchase Agreement dated effective December 1, 2017, as amended, between the MEI and the Funder); and
- 2.4.2 in case a filed copy of the Court Approval is not received by the Escrow Agent on or before 12:01 PM on February 28, 2018, all Parties agree and confirm that the Escrow Agent shall release by wire transfer to the Funder the entire remaining amount of the Escrow Funds along with any interest earned thereon to the following account, or such other account as directed in writing by the Funder to the Escrow Agent:
- Beneficiary Name: Doag Energy Ltd.  
Beneficiary Address:  
Bank Name:  
Bank Address:  
Account No.:  
Bank Swift Code:
- 2.5 **Investment of and Interest on Escrow Account.** The Escrow Agent will invest the Escrow Funds in a separate interest bearing trust account with a Canadian chartered bank, redeemable within two Business Days. All interest earned on the Escrow Account will form part of Escrow Funds and the interest will be released in a manner directed by the Funder.
- 2.6 **Court Orders.** The Escrow Agent is authorized and directed to comply with and obey any final, non-appealable order, judgment or decree of any court of competent jurisdiction, and in case of such compliance the Escrow Agent will not be liable to any Party or to any other person.

**ARTICLE 3  
TERM AND TERMINATION OF AGREEMENT**

- 3.1 **Term and Termination.** This Escrow Agreement will remain in full force and effect until:
- 3.1.1 terminated in accordance with the terms of this Escrow Agreement, or with the mutual written consent of the Parties; or
  - 3.1.2 until payment of the full amount of the Escrow Funds in accordance with the terms of this Escrow Agreement, at which time this Escrow Agreement will terminate.

**ARTICLE 4  
ESCROW AGENT**

- 4.1 **Covenants of the Escrow Agent.** The Escrow Agent agrees to be bound by all of the terms and provisions contained in this Escrow Agreement applicable to the Escrow Agent. Any act or matter to be done or carried out by the Escrow Agent may be done or carried out by any lawyer practicing with the Escrow Agent.
- 4.2 **Escrow Agent as Legal Advisor.** MEI and Funder acknowledge and agree that prior to entering into this Escrow Agreement the Escrow Agent has and will continue to act as the legal advisor to MEI. Without limiting the generality of the foregoing, the Parties acknowledge, agree and consent to the Escrow Agent acting as legal advisor to MEI with respect to any matters in relation to the Offer and this Escrow Agreement. In the event of any dispute between MEI and Funder with respect to any matters in relation to or arising from the Offer and this Escrow Agreement, at the request of either MEI or Funder, the Escrow Agent will withdraw as Escrow Agent in accordance with the procedure set forth in Section 4.5 of this Escrow Agreement.
- 4.3 **Escrow Agent as Trustee.** The Escrow Agent will act at all times and for all purposes under this Escrow Agreement as a holding agent and trustee for the Funder, however the duties and powers of the Escrow Agent as trustee are only as expressly stated in this Escrow Agreement and no further duties or powers will be implied by the description of the Escrow Agent as trustee.
- 4.4 **Fees and Costs.** MEI agrees with the Escrow Agent to be responsible for and to pay to the Escrow Agent the following amounts:
- 4.4.1 all fees charged by the Escrow Agent for the Escrow Agent's services under this Escrow Agreement; and
  - 4.4.2 any and all expenses reasonably incurred by the Escrow Agent in discharging the Escrow Agent's duties in accordance with the terms of this Escrow Agreement.
- 4.5 **Withdrawal of Escrow Agent.**
- 4.5.1 The Escrow Agent may withdraw by giving thirty (30) days written notice to MEI and Funder. Within the thirty (30) day period, unless all of the Escrow Funds shall have been released and paid pursuant to a Release Notice, MEI and Funder will appoint another escrow agent, which will, unless otherwise agreed in writing by MEI and Funder, be a lawyer or firm of lawyers duly qualified to practice in the Province of Alberta, (the "New Agent") who are able and willing to accept the Escrow Funds and establish the Escrow Account on substantially the same terms as set out in this Escrow Agreement.
  - 4.5.2 Upon the appointment of the New Agent, MEI and the Funder will provide written notice of the New Agent to the Escrow Agent. Upon delivery of the Escrow Funds to the New Agent, the obligations of the Escrow Agent under this Escrow Agreement will terminate. In the event that a

New Agent is not appointed within the thirty (30) day period, MEI and the Funder agree that the Escrow Agent will transfer the Escrow Funds into the account designated in Section 2.4.2, and upon doing so, the obligations of the Escrow Agent under this Escrow Agreement will terminate.

## ARTICLE 5 LIABILITY OF ESCROW AGENT

- 5.1 **Escrow Agent Not Bound by Provisions Outside Agreement.** The Escrow Agent is not a party to and is not bound by any provisions that may be evidenced by, or arise out of, any agreement other than as set forth under the express provisions of this Escrow Agreement.
- 5.2 **Limitation on Action for Default.** The Escrow Agent is not required to take notice of any default or take any action with respect to such default involving any expense or liability, unless notice in writing of such default is formally given to the Escrow Agent in accordance with the notice provisions of this Escrow Agreement and unless the Escrow Agent is indemnified and funded, in a manner satisfactory to it, against such expense or liability.
- 5.3 **Advice of Legal Counsel.** The Escrow Agent may seek the advice of legal counsel in the event of any question or dispute as to the construction of any provision of this Escrow Agreement or its obligations under this Escrow Agreement, and the Escrow Agent will not incur any liability and will be fully protected in acting in accordance with the opinion and instructions of such legal counsel.
- 5.4 **Error of Judgment.** The Escrow Agent will not be liable for any error of judgment, or for any act done or omitted by it in good faith, or for any mistake of fact or law, or for anything which it may do or omit from doing in connection with this Escrow Agreement, except for fraud, gross negligence or willful misconduct.
- 5.5 **Release from Liability.** The Escrow Agent will not, by reason of its signing this Escrow Agreement, or otherwise, assume any responsibility or liability relating to the Escrow Funds or for any transaction between MEI and Funder, other than the performance of its obligations in accordance with this Escrow Agreement. The Escrow Agent will be automatically released from all responsibility and liability under this Escrow Agreement upon the delivery of the Escrow Funds in accordance with the provisions of this Escrow Agreement.
- 5.6 **Indemnity.** Without limiting any protection or indemnity of the Escrow Agent under any other provision of this Escrow Agreement, or otherwise at law, MEI and the Funder hereby jointly and severally agrees to indemnify and hold harmless the Escrow Agent from and against any and all liabilities, losses, damages, penalties, claims, action, suits, costs, expenses and disbursements, including reasonable legal or advisor fees and disbursements, of whatever kind and nature which may at any time be imposed on, incurred by or asserted against the Escrow Agent in connection with the performance of its duties and obligations hereunder, other than such liabilities, losses, damages, penalties, claims, actions, suits, costs, expenses and disbursements arising by reason of the gross negligence, fraud or willful misconduct of the Escrow Agent. This provision will survive the resignation or removal of the Escrow Agent. The Escrow Agent is not under any obligation to prosecute or to defend any action or suit in respect of the relationship which, in the opinion of its legal counsel, may involve it in expense or liability, unless MEI and/or the Funder, so often as required, furnishes the Escrow Agent with satisfactory indemnity and funding against such expense or liability.
- 5.7 **Duties Limited.** The Escrow Agent has no duties except those that are expressly set out in this Escrow Agreement, and the Escrow Agent is not be liable except for the performance of such duties and obligations as are specifically be set forth in this Escrow Agreement and no implied covenants or obligations will be read into this Escrow Agreement against the Escrow Agent. The Escrow Agent will not be bound by any notice, claim or demand with respect to, or any waiver, modification, amendment, termination or rescission of this Escrow Agreement, unless received by it in writing and if its duties as set out in this Escrow Agreement are affected, unless the Escrow Agent has given its prior written consent to such amendment. The Escrow Agent is not required to expend or risk its own funds or otherwise incur financial liabilities in the performance of any of its duties under this Escrow Agreement.

- 5.8 **Reliance on Documents Apparently Signed.** The Escrow Agent will not incur any liability in acting on any signature, notice, instruction, consent, or document reasonably believed by the Escrow Agent to be genuine, and the Escrow Agent may assume that any person purporting to give it any such notice, instruction, consent or document on behalf of MEI or the Funder in accordance with the provisions of this Escrow Agreement, has been duly authorized to do so.
- 5.9 **Survival.** The provisions of this Article 5 will survive the closing of the Offer, the release of the Escrow Funds and the termination of this Escrow Agreement.

## ARTICLE 6 GENERAL MATTERS

- 6.1 **Entire Agreement.** This Escrow Agreement constitute the entire agreement between the Parties pertaining to the subject matter of this Escrow Agreement. There are no warranties, representations, covenants or agreements between the Parties in connection with such subject matter except as specifically set forth or referred to in this Escrow Agreement.
- 6.2 **Notices.** Any notice, consent, wavier, approval, authorization or other communication which any Party is required or may desire to give to or make upon any other Party pursuant to this Escrow Agreement, including a Release Notice, will be effective and valid only if in writing and personally delivered or sent by facsimile or email transmission to the other Party or Parties at the address of the other Party or Parties set forth in the first page of this agreement or, in the case of the Escrow Agent at the address set out below (or at such other address as any such other Party may designate by notice delivered in accordance with this Section 6.2).

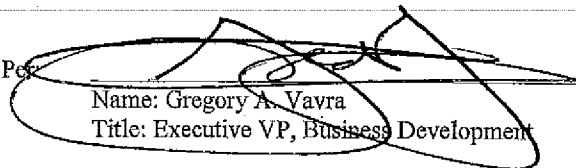
**Gowling WLG (Canada) LLP**  
421 7 Avenue SW #1600  
Calgary, AB T2P 4K9  
Attention: Greg Peterson  
E-mail: gregory.peterson@gowlingwlg.com

- Any notice delivered or sent in accordance with this Section 6.2 will be deemed conclusively to have been given and received on the day such notice was delivered or sent if it was delivered or sent on a day that was a Business Day or on the next day that is a Business Day if it was delivered or sent on a day that was not a Business Day.
- 6.3 **Further Assurances.** Each of the Parties will promptly do, make, execute or deliver, or cause to be done, made, executed or delivered, all such further acts and documents as the other Parties may reasonably require from time to time for the purpose of giving effect to this Escrow Agreement and will use reasonable efforts and take all such steps as may be reasonably within its power to implement to their full extent the provisions of this Escrow Agreement.
- 6.4 **Modifications, Approval and Consents.** No amendment, modification, termination or waiver of, and no consent with respect to, any provisions of this Escrow Agreement will be effective unless in writing signed by the Party against whom such amendment, modification, termination, waiver or consent is sought to be enforced, and then any such waiver or consent will be effective only in the specific instance and for the specific purpose given.
- 6.5 **Enurement.** This Escrow Agreement will enure to the benefit of and be binding upon the Parties and their respective successors and assigns.
- 6.6 **Governing Law.** This Escrow Agreement is and will be deemed to have been made in the Province of Alberta, and for all purposes will be governed exclusively by and construed and enforced in accordance with the laws of the Province of Alberta and the laws of Canada applicable therein and the rights and remedies of the Parties will be determined in accordance with those laws.

IN WITNESS WHEREOF the Parties have duly executed this Escrow Agreement on the date first noted above.


**MANITOK ENERGY INC.**

Per:

  
Name: Gregory A. Vavra  
Title: Executive VP, Business Development


**DOAG ENERGY LTD.**

Per:

  
Name: Norman Wang  
Title: President

**GOWLING WLG (CANADA) LLP**

Per:

  
Name: Frank Sur  
Title: Partner

THIS IS EXHIBIT "C" TO THE FIRST SUPPLMENTARY  
AFFIDAVIT OF MASSIMO GEREMIA  
SWORN BEFORE ME  
THIS 13th DAY OF FEBRUARY, 2018



---

A Commissioner for Oaths  
in and for the Province of Alberta

Anthony Mersich  
Barrister and Solicitor

---

**ASSET PURCHASE AGREEMENT  
DATED AS OF FEBRUARY 13, 2018**

**BETWEEN**

**MANITOK ENERGY INC.,**

**and**

**RAIMOUNT ENERGY CORP.**

**and**

**CORINTHIAN OIL CORP.**

**AS SELLERS,**

**AND**

**REENERGY RESOURCES (CANADA) CO. LTD.**

**AS BUYER**

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-

## ASSET PURCHASE AGREEMENT

**THIS ASSET PURCHASE AGREEMENT** (this "**Agreement**") is made as of February 13, 2018 between Manitok Energy Inc., an Alberta corporation ("**Manitok**"), Raimount Energy Corp., an Alberta corporation and Corinthian Oil Corp., an Alberta corporation (collectively with Manitok, the "**Sellers**" and each, a "**Seller**"), and Renergy Resources (Canada) Co. Ltd., an Alberta corporation ("**Buyer**").

### RECITALS

**WHEREAS** Sellers are engaged in the business of oil and natural gas exploration, development and production in the province of Alberta, and own certain oil and gas leases and associated assets;

**WHEREAS** on January 10, 2018 (the "**Filing Date**"), Sellers (other than Corinthian Oil Corp.) filed a notice of intention ("**NOI**") to make a proposal under section 50.6 of the *Bankruptcy and Insolvency Act* (the "**BIA**");

**WHEREAS** on January 19, 2018 Corinthian Oil Corp. filed an NOI;

**WHEREAS** Sellers desire to sell all of the Oil and Gas Assets and assign the Assumed Liabilities, and Buyer has agreed: (i) to act as a "stalking horse bidder" in connection therewith; and (ii) in the absence of Sellers' acceptance of a superior bid to the transaction of purchase and sale contemplated in this Agreement in accordance with the Bidding Procedures, to purchase certain assets and assume certain liabilities of Sellers, on the terms and conditions set out herein and in accordance with the Bidding Procedures Order;

**WHEREAS** Sellers will seek to obtain the Bidding Procedures Order to authorize Sellers to enter into this Agreement and authorize the sale process with respect to the property, assets and undertaking of Sellers pursuant to the Bidding Procedures;

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

### ARTICLE 1 DEFINITIONS

#### 1.1 Definitions

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

- (a) "**Abandonment and Reclamation Liabilities**" means all past, present and future obligations and liabilities to:
- (i) abandon the Wells and close, decommission, dismantle and remove all structures, foundations, buildings, pipelines, seismic lines, equipment, tanks and other facilities and Tangibles that are or were located in or on the Lands or lands used or previously used in connection with the Lands; and
  - (ii) restore, remediate and reclaim any surface and subsurface locations of the Lands on which the Wells, Facilities, related structures, foundations, buildings, pipelines, seismic lines, equipment, tanks and other facilities (including Wells, structures, foundations, buildings, pipelines, seismic lines, equipment, tanks and other facilities which were abandoned or decommissioned prior to the date hereof) are or were 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 Oil and Gas Assets are located and in compliance with all Legal Requirements and the Title and Documents.

- (b) "**Action**" means any legal action, suit or arbitration, or any inquiry, proceeding or investigation, by or before any Governmental Authority.
- (c) "**AER**" means the Alberta Energy Regulator.
- (d) "**Affiliate**" means with respect to a Person, any other Person directly or indirectly controlling, controlled by or under direct or indirect common control of such Person where, for the purposes of this definition only, "control", "controlling" or "controlled" means the possession, direct or indirect, of the power to direct the management and policies of such other Person, whether through the ownership of voting securities or by contract, partnership agreement, trust arrangement or other means.
- (e) "**Agreement**" has the meaning set forth in the introductory paragraph.
- (f) "**Approval and Vesting Order**" means a final order entered by the Court approving the Transaction as contemplated by and in accordance with the provisions of this Agreement, and vesting all of Seller's right, title and interest in and to the Oil and Gas Assets in Buyer, in the form of the *Alberta Template Approval and Vesting Order and Receiver's Certificate* for use on the commercial List of the Court with such amendments as may be requested by Buyer, and with such amendments as are necessary to reflect that the BIA Proceedings are not receivership proceedings but rather NOI proceedings, on notice to the Service List in the BIA Proceedings and such other Persons as Buyer may request.
- (g) "**Assigned Contracts**" means all Contracts including sales and purchase contracts, operating agreements, exploration agreements, development agreements, seismic licenses, balancing agreements, farmout agreements, service agreements, transportation agreements, agreement for the construction, ownership and operation of facilities, surface use agreements and other surface or subsurface rights agreements, processing, treatment and gathering agreements, equipment leases and other contracts, agreements and instruments, insofar as they relate to the Oil and Gas Assets (other than the Excluded Assets), including the Marketing and Midstream Agreements and the Title Documents, but excluding Excluded Contracts.
- (h) "**Assignment Order**" means an order or orders of the Court pursuant to applicable provisions of the BIA, in form and substance acceptable to Sellers and Buyer each acting in a commercially reasonable manner, authorizing and approving the assignment to Buyer of any Assigned Contract or License for which a required Consent has not been obtained and preventing any counterparty to the Assigned Contract or License from exercising any right or remedy under the Assumed Contract or License by reason of any default(s) arising from the BIA Proceedings, the insolvency of Sellers, the assignment of the Assigned Contract or License to the Buyer, or the failure of Sellers to perform a non-monetary obligation under the Assigned Contract or License.
- (i) "**Assumed Employees**" has the meaning set forth in Section 10.1(c).
- (j) "**Assumed Liabilities**" has the meaning set forth in Section 2.2.
- (k) "**Baserock APA**" means the asset purchase agreement dated January 25, 2018 between Manitox and Doag Energy Ltd.
- (l) "**BIA Proceedings**" means the proceedings commenced by Sellers under the BIA in the Court having Court file number 25-2332583 and styled *In the Matter of Notice of the Intention to make a Proposal of Manitox Energy Inc. and Raimount Energy Corp.*, which is currently pending before

the Court as of the date hereof, as such proceedings were amended to reflect the addition of Corinthian Oil Corp.

- (m) "**Bidding Procedures**" means the bidding procedures in substantially the form attached as Schedule E or such other form as Sellers and Buyer may agree.
- (n) "**Bidding Procedures Order**" has the meaning set forth in Section 8.1(b).
- (o) "**Business Day**" means a day, other than a Saturday or Sunday, on which Canadian chartered banks are open for the transaction of domestic business in Calgary, Alberta.
- (p) "**Cash Consideration**" has the meaning set forth in Section 3.1(a).
- (q) "**Closing**" has the meaning set forth in Section 4.1.
- (r) "**Closing Date**" means the date and time as of which the Closing occurs as set forth in Section 4.1.
- (s) "**Consent**" means any consent, approval or waiver required of another Person to an Assigned Contract in connection with the assignment of such Assigned Contract.
- (t) "**Contract**" means any agreement, contract, obligation, promise or undertaking (in each case, whether written or oral), that is legally binding.
- (u) "**Court**" means the Court of Queen's Bench of Alberta.
- (v) "**Cure Costs**" means the amount that must be paid, if any, in connection with the assignment and assumption of the Assigned Contracts, including costs to cure monetary defaults thereunder that are required to be cured as a condition of such assignment, together with any such other reasonable costs required to obtain any Consent, such amount to be determined prior to the Closing Date. For certainty, "**Cure Costs**" will include any payments required in obtaining the Replacement PrairieSky Arrangement up to \$1,000,000 and any outstanding royalty payments.
- (w) "**Deposit**" has the meaning set forth in Section 3.1(b).
- (x) "**Disclosure Schedule**" means Schedule B.
- (y) "**Encumbrance**" means any charge, lien, claim, mortgage, royalty, overriding royalty, production payment, net profits interest, hypothecation, deed of trust, pledge, security interest, option, right of first offer or first refusal, easement, servitude, restrictive covenant, encroachment, encumbrance, Third Party interest or other restriction or limitation of any kind.
- (z) "**Environmental Laws**" means all common law and Legal Requirements relating to the protection of the environment and related employee and public health and safety, and without restricting the generality of the foregoing, includes those Legal Requirements relating to the discovery, development, production, gathering, use, storage, transmission, transportation, treatment and disposal of Petroleum Substances, the emission, discharge, release or threatened release of substances into or onto the air, water or land and the clean-up and remediation of contaminated sites, in each case insofar as the protection of the environment and related employee and public health and safety is concerned.
- (aa) "**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 relating to or arising in connection with the ownership or control of the Oil and Gas Assets; or

(iii) Abandonment and Reclamation Liabilities,

whenever occurring or arising.

(bb) "**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 or arising in connection with the ownership or control of the Lands or the Oil and Gas Assets or that has or have arisen or hereafter arise from or in respect of past, present or future operations, activities or omissions in or on the Lands or in respect of the Oil and Gas Assets, including obligations to compensate Third Parties for Losses and Liabilities.

(cc) "**ETA**" means Part IX of the *Excise Tax Act* (Canada).

(dd) "**Excluded Assets**" means those assets set forth in Schedule C, including for certainty, the assets subject to the Baserock APA and the Yangarra APA attached thereto, if the transactions contemplated by such agreements are completed prior to Closing.

(ee) "**Excluded Contracts**" means those Contracts described as such in Schedule C, with such additions and deletions as Buyer may request before Closing.

(ff) "**Excluded Liabilities**" has the meaning set forth in Section 2.2(a).

(gg) "**Facilities**" means the facilities identified in Schedule A.

(hh) "**General Conveyance**" means the general conveyance agreement in the form attached hereto as Schedule D.

(ii) "**Governmental Authority**" means any federal, provincial, municipal, county or regional government or government authority or other law, regulation or rule making entity, including any court, department, commission, bureau, board, tribunal, administrative agency or regulatory body of any of the foregoing, that exercises jurisdiction over the Oil and Gas Assets or the Parties.

(jj) "**Governmental Authorization**" means any approval, consent, license, permit, waiver or other authorization issued, granted or otherwise made available by or under the authority of any Governmental Authority.

(kk) "**Hazardous Substance**" means any "pollutant," "contaminant," "hazardous waste," "hazardous material," or "hazardous substance" that is or becomes identified, listed, published, or defined under any of the Environmental Laws.

(ll) "**Interim Period**" means the period commencing at the date of this Agreement and ending on and including the Closing Date.

- (mm) "**Joint Venture Agreement**" means the amended and restated joint venture agreement between Manitoak and Stream, substantially in the form set forth in Exhibit A.
- (nn) "**Knowledge**" means (i) with respect to Sellers, the actual knowledge (without any duty of inquiry) of the senior officers of Sellers, and (ii) with respect to Buyer, the actual knowledge (without any duty of inquiry) of any of the senior officers of Buyer.
- (oo) "**Lands**" means all lands in the Whitemap Area, including the lands described in Schedule A (subject to the restrictions and exceptions as to geological formations and Petroleum Substances as set forth in Schedule A) and any lands pooled or unitized therewith.
- (pp) "**Leased Substances**" means each Seller's Interest in all Petroleum Substances or rights to Petroleum Substances that are granted, reserved or otherwise conferred by or under the Title Documents.
- (qq) "**Leases**" means the leases and licences of Petroleum Substances (or any of them) that are described in Schedule A, insofar as they relate to the Lands.
- (rr) "**Legal Requirement**" means all laws, orders, statutes, rules, by-laws, decrees, regulations, directives, judgments, declarations and similar pronouncements made by the Crown or other Governmental Authority.
- (ss) "**Licence Transfers**" means any transfers or assignments of Licences.
- (tt) "**Licences**" means all permits, licences, approvals, authorizations and related instruments issued by any Governmental Authority to a Seller pertaining to or used in connection with, the Petroleum and Natural Gas Rights or the Tangibles.
- (uu) "**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 Sellers, or either of them suffer, sustain, pay or incur, 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 Actions arising from the matter, regardless of whether such Actions 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 Legal Requirements or otherwise; whether tortious, contractual, vicarious, statutory or otherwise; whether absolute or contingent; and whether based on fault, strict liability or otherwise) which Sellers, or either of them suffer, sustain, pay or incur 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 Sellers, 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 Sellers.
- (vv) "**Manitok**" has the meaning set forth in the introductory paragraph.
- (ww) "**Marketing and Midstream Agreements**" means agreements in respect of:
- (i) the purchase or sale of Petroleum Substances;



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

described in Schedule A and includes the Joint Venture Agreement.

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

- (i) any change or effect to the extent that it results from or arises out of the pendency of the BIA Proceedings;
- (ii) the execution and delivery of this Agreement or the announcement thereof or consummation of the Transaction;
- (iii) changes in (or proposals to change) Legal Requirements, generally accepted accounting principles or other accounting regulations or principles;
- (iv) any action contemplated by this Agreement or taken at the request of Buyer; or
- (v) any change or effect generally applicable to (A) the industries and markets in which Sellers operate or (B) economic or political conditions or the securities or financial markets in any country or region.

(yy) **"Miscellaneous Interests"** means each Seller's Interest in and to all property, assets and rights (other than the Petroleum and Natural Gas Rights, the Tangibles, and the Excluded Assets) pertaining to or used in connection with, the Petroleum and Natural Gas Rights or the Tangibles to which Seller is entitled on the Closing Date including the following property, assets and rights:

- (i) the Assigned Contracts;
- (ii) to the extent transferable pursuant to applicable Legal Requirements, all Licences;
- (iii) the Surface Rights;
- (iv) the Seismic Rights;
- (v) the Wells, including the related wellbores and casing;
- (vi) all records, books, files, reports, data, documents and information, including seismic data, reservoir and geological studies, Well files, Lease files, agreement files, pipeline "as built drawings" and production records;
- (vii) emergency response plans;
- (viii) all cash and cash equivalents;
- (ix) all entitlements of Sellers to any Tax refunds;

(x) any entitlements of Sellers to a return of cash, bonds, letters of credit or equivalent posted with the Alberta Energy Regulator; and

(xi) all Suspense Funds;

but only to the extent that the above pertain to or are used in connection with the Petroleum and Natural Gas Rights or the Tangibles.

(zz) "**NOI**" has the meaning set forth in the introductory paragraph;

(aaa) "**NOI Trustee**" means FTI Consulting Canada Inc. in its capacity as Court appointed trustee in the BIA Proceedings.

(bbb) "**Oil and Gas Assets**" means the Petroleum and Natural Gas Rights, the Tangible Property and the Miscellaneous Interests.

(ccc) "**Order**" means any award, writ, injunction, judgment, order or decree entered, issued, made, or rendered by any Governmental Authority.

(ddd) "**Party**" or "**Parties**" means, individually, any of Buyer or a Seller and, collectively, Buyer and Sellers.

(eee) "**Permitted Encumbrances**" means any of the following:

(i) any rights, obligations, or duties reserved to or vested in any municipality or other Governmental Authority to:

(A) control or regulate any Oil and Gas Asset in any manner including all applicable Legal Requirements;

(B) purchase, condemn, expropriate, or recapture any Oil and Gas Asset;

(ii) the terms and conditions of all of the Assigned Contracts, provided that the following items must be identified in Schedule A to qualify as a Permitted Encumbrance:

(A) any royalties, overriding royalties, net profits interest or other Encumbrances; and

(B) any penalty or forfeiture that applies to the Oil and Gas Assets because of Seller's election, or the election of Seller's predecessor in interest not to participate in a particular operation;

(iii) the requirement to receive any consent applicable to the Transaction, provided that all consents that are normally obtained prior to Closing or are otherwise dealt with in the Approval and Vesting Order have been obtained prior to Closing;

(iv) easements, rights-of-way, servitudes, permits, surface leases, and other similar rights on, over, or in respect of any of the Oil and Gas Assets, as long as any such encumbrances, individually or in the aggregate, do not interfere in any material respect with Seller's use or operation of the Oil and Gas Assets (as currently used or operated) burdened thereby;

(v) all royalties, overriding royalties, production payments, net profits interests, reversionary interests, carried interests, and other burdens shown in Schedule A;

(vi) defects or irregularities of title as to which the relevant statute(s) of limitations or prescription would bar any attack or claim against Sellers' title;

- (vii) liens or other Encumbrances for Taxes not yet due and payable;
  - (viii) Abandonment and Reclamation Liabilities;
  - (ix) all requirements to obtain the consent or approval of, or to submit notices or filings with, or other actions by, Governmental Authorities in connection with the conveyance of the Leases, if the same are customarily sought and received after the Closing;
  - (x) the terms and conditions of the Leases, including any depth limitations or similar limitations that may be set forth therein and any liens or security interests reserved in the Leases for royalty, bonus, or rental, or for compliance with the terms of the Leases;
  - (xi) liens, obligations, defects, irregularities, or other Encumbrances affecting the Oil and Gas Assets that would be waived by an reasonable prudent operator or company experienced in the acquisition or divestiture of producing properties; and
  - (xii) conventional rights of reassignment obligating a Seller to reassign its interest in any portion of the Leases to a Third Party, if such right is only triggered when Buyer expressly indicates its intention to release or abandon such interest prior to the expiration of the primary term or other termination of such interest.
- (fff) **"Person"** means any individual, corporation (including any non-profit corporation), partnership, limited liability company, joint venture, estate, trust, association, organization or other entity or Governmental Authority.
- (ggg) **"Petroleum and Natural Gas Rights"** means each Seller's Interest in and to the Lands, the Leases, the Petroleum Substances, the Leased Substances and all other rights to explore for, drill for, extract, win, produce, take, save or market Petroleum Substances from the Whitemap Area, whether arising by virtue of fee simple ownership of mines and minerals, the Title and Operating Documents or otherwise, excluding the Excluded Assets.
- (hhh) **"Petroleum Substances"** means any and all of crude oil, crude bitumen and products derived therefrom, synthetic crude oil, petroleum, natural gas and all related hydrocarbons (including liquid hydrocarbons) and all other substances relating to any of the foregoing, whether liquid, gaseous or solid, and whether hydrocarbons or not, and all products derived from any of the foregoing (except coal but including sulphur).
- (iii) **"Post-Filing"** means, with respect to Manitok and Raimount Energy Corp., on or after January 10, 2018, and with respect to Corinthian Oil Corp., on or after January 19, 2018.
- (jjj) **"PrairieSky"** means PrairieSky Royalty Ltd.
- (kkk) **"Proceeding"** means any Action, arbitration, audit, hearing, investigation, litigation, or suit (whether civil, criminal, administrative or investigative) commenced, brought, conducted, or heard by or before, or otherwise involving, any Governmental Authority.
- (lll) **"Purchase Price"** has the meaning set forth in Section 3.1.
- (mmm) **"Release"** means any past or present spilling, leaking, pumping, pouring, emitting, emptying, discharging, injecting, escaping, leaching, dumping or disposing of a Hazardous Substance into the environment (including the abandonment or discharging of barrels, containers and other closed receptacles containing any Hazardous Substance).

- (nnn) "**Representative**" means, with respect to a particular Person, any director, officer, employee, agent, consultant, advisor or other representative of such Person, including legal counsel, accountants and financial advisors.
- (ooo) "**Replacement PrairieSky Arrangements**" means replacement lease issuance and drilling commitment agreements between ManitoK and PrairieSky satisfactory to Buyer.
- (ppp) "**Right of First Refusal**" or "**ROFR**" means a right of first refusal, pre-emptive right of purchase or similar right whereby any Third Party has the right to acquire or purchase any of the Oil and Gas Assets as a consequence of the Parties entering into this Agreement or the Transaction.
- (qqq) "**Security Arrangements**" has the meaning set forth in Section 2.6(d).
- (rrr) "**Seismic Rights**" means all seismic data relating to or in respect of:
- (i) Seller's 100% proprietary seismic data lines relates to the Oil and Gas Assets; and
  - (ii) Seller's proprietary seismic data lines in respect of which Buyer has agreed to pay any licencing or transfer fees payable to Third Parties in respect of the licencing or transfer thereof.
- (sss) "**Sellers**" has the meaning set forth in the introductory paragraph.
- (ttt) "**Seller Employees**" means employees of a Seller whose employment obligations relate to the Oil and Gas Assets.
- (uuu) "**Seller Parties**" means each Seller, its Affiliates and the former, current or future equity holders and Representatives of each of the foregoing.
- (vvv) "**Seller's Interest**" means all of a Seller's right, interest, title and estate, whether absolute or contingent, legal or beneficial.
- (www) "**Sellers' Obligations**" has the meaning set forth in Section 2.6(d).
- (xxx) "**Specific Conveyances**" means all conveyances, assignments, transfers, novations and other documents or instruments that are reasonably required or desirable, in accordance with normal oil and gas industry practices, to convey, assign and transfer the Oil and Gas Assets to Buyer and to novate Buyer in the place and stead of a Seller and/or its Affiliates with respect to the Oil and Gas Assets, including, change of operator forms, change of operator notices required under applicable operating agreements, and any other applicable forms and declarations required by federal and provincial agencies relative to Buyer's assumption of operations and plugging and abandonment liabilities with respect to all of the Oil and Gas Assets; provided however, that no Specific Conveyance shall confer or impose upon a Party any greater right or obligation than contemplated in this Agreement.
- (yyy) "**Stalking Horse Bid**" has the meaning set forth in Section 8.1(b).
- (zzz) "**Stream**" means Stream Asset Financial ManitoK LP.
- (aaaa) "**Stream Credit Facility**" means a Twenty Two Million Five Hundred Thousand Dollar (\$22,500,000) credit facility made available to Buyer by Stream (or its Affiliate), with a term of 24 months, bearing interest at 9% per annum and otherwise on terms satisfactory to Buyer, acting reasonably.

- (bbbb) **"Subsidiary"** means any entity with respect to which a specified Person directly or indirectly (through one or more intermediaries) has the power, through the direct or indirect ownership of securities or otherwise, to elect a majority of the directors or similar managing body.
- (cccc) **"Successful Bid"** has the meaning set out in the Bidding Procedures.
- (dddd) **"Surface Rights"** means all rights of each Seller or its Affiliates to use the surface of land in connection with the Oil and Gas Assets and the operations thereon, including rights to enter upon, use, occupy and enjoy the surface of lands upon which the Tangibles and the Wells are located or any lands which are or may be used to gain access to or otherwise use the Petroleum and Natural Gas Rights and the Tangibles, or either of them, including road permits, road use agreements and similar rights and agreements.
- (eeee) **"Suspense Funds"** means proceeds of production and interest in respect of any of the Oil and Gas Assets that are payable by a Seller to Third Parties and are being held in suspense by a Seller as the operator of such Oil and Gas Assets.
- (ffff) **"Tangible Property"** means Seller's Interest in the Tangibles.
- (gggg) **"Tangibles"** means the Facilities, and any and all tangible depreciable equipment and facilities that are located within, upon, or in the immediate vicinity of the Lands, or that are used or intended to be used in producing, gathering, processing, treating, dehydrating, measuring, transporting, making marketable or storing Petroleum Substances, excluding the Excluded Assets but including:
- (i) facilities for water injection or removal operations in respect of such Petroleum Substances;
  - (ii) the tangibles listed in Schedule A and also including all equipment, machinery, fixtures and other tangible personal property and improvements located on, used or held for use or obtained in connection with the ownership or operation of the Lands, including tanks, boilers, plants, buildings, field offices and other structures, fixtures, injection facilities, saltwater disposal facilities, compressors and other compression facilities (whether installed or not), pumping units, flow lines, pipelines, gathering systems, treating or processing systems or facilities, meters, machinery, power and other utility lines, roads, computer and automation equipment, telecommunications equipment, field radio telemetry and associated frequencies and licences, pressure transmitters, central processing equipment, tools, spare parts, warehouse stock, and the vehicles identified in Schedule A (and all equipment used in connection with such rolling stock, including safety equipment, special tools, dynamometers, hand tools and fluid level equipment), and other appurtenances, improvements and facilities; and
  - (iii) all pipes, casing, tubulars, fittings, rig mats, and other spare parts, supplies, tools, and materials located on, used or held for use on or held as inventory in connection with the ownership or operation of the Lands and other Tangibles.
- (hhhh) **"Tax" or "Taxes"** (and with correlative meaning, "Taxable" and "Taxing") means any federal, state, provincial, local, foreign or other income, alternative, minimum, add-on minimum, accumulated earnings, personal holding company, franchise, capital stock, net worth, capital, profits, intangibles, windfall profits, gross receipts, value added, sales, use, goods and services, excise, customs duties, transfer, conveyance, mortgage, registration, stamp, documentary, recording, premium, severance, environmental, natural resources, real property, personal property, ad valorem, intangibles, rent, occupancy, licence, occupational, employment, unemployment insurance, social security, disability, workers' compensation, payroll, health care, withholding, estimated or other tax of any kind whatsoever, whether computed on a separate or consolidated,

unitary or combined basis, or in any other manner, including any interest, penalty or addition thereto, whether disputed or not.

- (iii) "**Tax Act**" means the *Income Tax Act* (Canada).
- (jjjj) "**Tax Return**" means any return, declaration, report, claim for refund, information return or other document (including any related or supporting estimates, elections, schedules, statements, or information) filed or required to be filed in connection with the determination, assessment or collection of any Tax or the administration of any laws, regulations or administrative requirements relating to any Tax.
- (kkkk) "**Third Parties**" means any Person other than Sellers, Buyer and their Affiliates.
- (llll) "**Title Documents**" means, except in respect of the Excluded Assets, any and all Leases, unit agreements, assignments, trust declarations, operating agreements, royalty agreements, gross overriding royalty agreements, contract operating agreements, participation agreements, farm-in agreements, sale and purchase agreements, pooling agreements and any other documents and agreements granting, reserving or otherwise conferring Working Interests and other rights to and in respect of:
- (i) the drilling for, production, taking, use of or marketing of Petroleum Substances;
  - (ii) sharing in the production of Petroleum Substances;
  - (iii) sharing in the proceeds from, or measured or calculated by reference to, the value or quantity of, Petroleum Substances that are produced; and
  - (iv) acquiring any of the rights described in subparagraphs (i) to (iii) above;
- including those, if any, set out in Schedule A, but only to the extent that the foregoing subparagraphs (i) through (iv) pertain to Petroleum Substances within, upon or under the Lands.
- (mmmm) "**Transaction**" means the sale and purchase of the Oil and Gas Assets by Sellers to Buyer as contemplated by this Agreement.
- (nnnn) "**Transaction Documents**" means this Agreement, the General Conveyance, the Specific Conveyances, the assignment and novation agreements in respect of the Joint Venture Agreement and Replacement PrairieSky Arrangements and any other agreements, instruments or documents entered into pursuant to this Agreement.
- (oooo) "**Transfer Taxes**" has the meaning set forth in Section 9.1(a).
- (pppp) "**Trustee's Certificate**" means the certificate filed with the Court by the NOI Trustee certifying that the NOI Trustee has received written confirmation in form and substance satisfactory to the NOI Trustee from Sellers and Buyer that all conditions to Closing have been satisfied or waived by the applicable Parties and that the cash portion of the Purchase Price and all applicable sales and transfer Taxes payable by the Buyer to the Seller have been received by the Trustee.
- (qqqq) "**Unscheduled Oil and Gas Assets**" has the meaning set forth in Section 2.7(a).
- (rrrr) "**Wells**" means all producing, non-producing, shut-in, water source, observation, disposal, injection, abandoned, suspended and similar wells located on or within the Lands, whether or not completed, including oil, gas, water source, water disposal, observation and injection wells located on the Lands, including, those described or identified in Schedule A.

- (ssss) "**Whitemap Area**" means all lands within the Province of Alberta.
- (tttt) "**Working Interest**" means an undivided percentage ownership interest, under a Lease, in the rights to explore and drill for, produce, take, win and remove the Petroleum Substances that are subject to the Lease, together with the associated liability for the said percentage of the costs and expenses of the said activities.
- (uuuu) "**Yangarra APA**" means the asset purchase agreement dated January 26, 2018 between Manitoak and Yangarra Resources Ltd.

## 1.2 Other Definitions and Interpretive Matters

- (a) Unless otherwise expressly provided, for purposes of this Agreement, the following rules of interpretation shall apply:
- (i) Calculation of Time Period. When calculating the period of time before which, within which or following which any act is to be done or step taken pursuant to this Agreement, the date that is the reference date in calculating such period shall be excluded. If the last day of such period is a day other than a Business Day, the period in question shall end on the next succeeding Business Day.
  - (ii) Schedules. All Schedules attached or annexed hereto or referred to herein are hereby incorporated in and made a part of this Agreement as if set forth in full herein. Any capitalized terms used in any Schedule but not otherwise defined therein shall be defined as set forth in this Agreement.
  - (iii) Gender and Number. Any reference in this Agreement to gender includes all genders, and words importing only the singular number include the plural and vice versa.
  - (iv) Headings. The provision of a table of contents, the division of this Agreement into Articles, Sections and other subdivisions and the insertion of headings are for convenience of reference only and shall not affect or be utilized in the construction or interpretation of this Agreement. All references in this Agreement to any "Section" or "Article" are to the corresponding Section or Article of this Agreement unless otherwise specified.
  - (v) Herein. Words such as "herein," "hereof" and "hereunder" refer to this Agreement as a whole and not merely to a subdivision in which such words appear, unless the context otherwise requires.
  - (vi) Monetary References. Any reference in this Agreement to a monetary amount, including the use of the term "Dollar" or the symbol "\$", shall mean the lawful currency of Canada unless the contrary is specified or provided for elsewhere in this Agreement.
  - (vii) Including. The word "including" or any variation thereof means "including, without limitation," and shall not be construed to limit any general statement that it follows to the specific or similar items or matters immediately following it.
  - (viii) No Strict Construction. Buyer, on the one hand, and Seller, on the other hand, participated jointly in the negotiation and drafting of this Agreement. In the event that an ambiguity or question of intent or interpretation arises, this Agreement shall be construed as jointly drafted by Buyer, on the one hand, and Seller, on the other hand, and no presumption or burden of proof shall arise favoring or disfavoring any Party by virtue of the authorship of any provision of this Agreement. Without limitation as to the foregoing,

no rule of strict construction construing ambiguities against the draftsman shall be applied against any Person with respect to this Agreement.

## ARTICLE 2 PURCHASE AND SALE

### 2.1 Purchase and Sale

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

### 2.2 Assumed Liabilities

Upon the terms and subject to the conditions of this Agreement, on the Closing Date Buyer shall assume and agree to discharge as and when due in accordance with the relevant terms the following and only the following costs and expenses (collectively, the "**Assumed Liabilities**") and no others:

- (a) all debts, liabilities and obligations under the Assigned Contracts to the extent first arising or accruing after the Closing Date and not related to any fact, act, omission or default existing at, prior to or as a consequence of Closing;
- (b) all debts, liabilities and obligations under the Joint Venture Agreement;
- (c) all the Cure Costs listed on Schedule F and any such additional Cure Costs as may be agreed upon between Sellers and Buyer prior to the Closing;
- (d) all liabilities in respect of Assumed Employees that are expressly assumed by Buyer pursuant to Section 10.1;
- (e) all Permitted Encumbrances;
- (f) all Environmental Liabilities as provided for in Section 14.2;
- (g) any Transfer Taxes payable by Buyer pursuant to Section 9.1; and
- (h) all of Sellers' liabilities in connection with the Suspense Funds which are transferred to Buyer.

### 2.3 Excluded Liabilities

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

- (a) all indebtedness for borrowed money of a Seller;
- (b) all guarantees of Third Party obligations by a Seller and reimbursement obligations to guarantors of Seller's obligations or under letters of credit;
- (c) all accrued expenses and accounts payables;



- (d) those Actions and Proceedings set forth in the Disclosure Schedule;
- (e) all liabilities of a Seller to any owner or former owner of capital stock, warrants, options, other convertible securities, or holder of indebtedness for borrowed money;
- (f) all liabilities of a Seller for Taxes, whenever arising, and all liabilities for Taxes relating to the Oil and Gas Assets arising prior to the Closing Date or in respect of any period ending on or before Closing, but excluding liabilities for Transfer Taxes payable by Buyer pursuant to Section 9.1;
- (g) drafts or checks outstanding at the Closing;
- (h) except as provided in Section 10.1, all liabilities in respect of Seller Employees; and
- (i) any claims to the extent related to the Excluded Assets.

#### **2.4 Licence Transfers**

- (a) Promptly following execution of this Agreement Buyer and Sellers will seek pre-approval of the Transaction and related License Transfers by the AER in accordance with AER Bulletin 2016-21.
- (b) Within five (5) Business Days following Closing, each Seller shall prepare and where applicable, electronically submit an application to the applicable Governmental Authority for the Licence Transfers and Buyer or its nominee shall, where applicable, at the same time electronically ratify and sign such application.
- (c) If a Governmental Authority denies any Licence Transfers because of misdescription or other minor deficiencies in the application, such Seller shall within five (5) Business Days of such denial correct the application and amend and re-submit the application for the Licence Transfers and Buyer or its nominee shall, where applicable, electronically ratify and sign such application.
- (d) In the event that Buyer is required to make any deposits or furnish any other form of security to a Governmental Authority in order to meet the qualification requirements of Buyer as specified in Section 6.7 in relation to facilitating the approval of any Licence Transfers by the applicable Governmental Authority, such amount will be treated as a Cure Cost and paid out of the proceeds hereunder.

#### **2.5 Specific Conveyances**

- (a) Prior to Closing, Sellers shall prepare the Specific Conveyances at their cost with such assistance from Buyer as may be reasonably required. It shall not be necessary for Specific Conveyances to have been executed prior to or at Closing by Third Parties. Promptly after Closing, and at Buyer's cost, Buyer shall deliver all Specific Conveyances to Third Parties and each applicable Governmental Authority in accordance with normal industry practices and the Approval and Vesting Order, and shall attend to the registration of Specific Conveyances with each applicable Governmental Authority in accordance with normal industry practices.
- (b) Buyer shall use all commercially reasonable efforts to become, as soon as reasonably practicable following Closing, the recognized and beneficial holder of the Oil and Gas Assets in the place and stead of Sellers.
- (c) Subject to the requirements relating to Licence Transfers under Section 2.4, Buyer shall bear all out of pocket costs, fees and deposits of every nature and kind incurred (whether by Sellers or Buyer) in registering any Specific Conveyances and registering any further assurances required to convey the Oil and Gas Assets to Buyer.

- (d) Except in connection with the Assignment Order, any transfer or assignment of the legal interest of a Seller in the Title Documents requiring notice to or consent from a Third Party shall not be assigned or transferred to Buyer until and unless the notice or consent requirements have been satisfied. Each Party shall use commercially reasonable efforts, as to matters within its control and for which consents are not routinely sought prior to Closing, to satisfy such requirements as of the Closing Date, and Buyer shall furnish any deposits or security reasonably required to complete such transfers and assignments in accordance with normal industry practices, the Approval and Vesting Order, the Assignment Order, the provisions of the Leases and the Assigned Contracts, and applicable Legal Requirements.

## 2.6 Assigned Contracts and Leases

- (a) Each Seller shall, as soon as reasonably practicable after the date hereof, use commercially reasonable efforts to provide or make available to Buyer the Assigned Contracts, if any, and any Assigned Contracts to be entered into by a Seller relating to its operations or the Oil and Gas Assets between the date hereof and the Closing Date in accordance with the terms of this Agreement. The Buyer shall, acting reasonably, be entitled to make follow-up requests relating thereto to the Seller which the Seller will use commercially reasonable efforts to respond to in good faith.
- (b) From the date hereof until the date that is ten (10) Business Days before the Closing Date, Buyer, in its sole discretion, shall have the right at any time and from time to time, upon irrevocable written notice to the Seller, to add to the Excluded Contracts one or more of the Assigned Contracts provided that no changes to the Purchase Price shall result from the operation of this Section 2.6(b) and that the Closing shall not be delayed or restricted in any way as a consequence of this Section 2.6(b)
- (c) Each Seller shall use its commercially reasonable efforts prior to Closing to obtain any necessary Consents in order to assign the Assigned Contracts to Buyer. To the extent assignable and transferable to Buyer, all Assigned Contracts shall be assigned by Sellers to Buyer. In the event that, despite the commercially reasonable efforts of Sellers, the necessary Consents in order to assign the Assigned Contracts are not obtained at Closing, Buyer may, in its sole discretion, request Sellers to make an application to the Court, at Sellers' expense, to obtain the Assignment Order. Nothing in this Section 2.6(c) shall require Buyer to incur any costs or expenses to obtain such Consents except as accounted for in the Cure Costs.
- (d) Buyer acknowledges that various bonds, surety bonds, letters of credit, guarantees, and/or cash deposits, including those set forth in Schedule A (collectively the "**Security Arrangements**") have been provided by Sellers and/or their Affiliates to secure the payment and/or performance of certain of Sellers' obligations directly related to the Oil and Gas Assets. Buyer acknowledges that Sellers have no duty to maintain any Security Arrangements after the Closing. To the extent a Seller and/or any of its Affiliates have any obligations pursuant to any Security Arrangement or have pledged or otherwise provided any property that secures any such Security Arrangement (collectively, "**Sellers' Obligations**"), Buyer shall take such actions, as are necessary to cause Sellers' Obligations arising under the Security Arrangements set forth in Schedule A (and such Security Arrangements) to be released and terminated, and any of a Seller's property pledged or otherwise provided to secure such Security Arrangements returned to that Seller, concurrent with the Closing. As to those Security Arrangements not listed in Schedule A, Buyer shall take such actions as are necessary to cause Sellers' Obligations arising under such Security Arrangements (and such Security Arrangements) to be released and terminated, and any of Sellers' property pledged or otherwise provided to secure such Security Arrangements returned to that Seller, within thirty (30) days following Seller notifying Buyer (or if earlier, Buyer's otherwise becoming aware) of such Security Arrangement, and Buyer shall reimburse Seller, within ten (10) days following Seller's demand therefor, the aggregate amount of any Sellers' Obligations that are paid or performed by Seller under such Security Arrangements following the Closing.

## 2.7 Whitemap Area

- (a) The Parties acknowledge that although Sellers have prepared, and Buyer has reviewed, the Schedules attached hereto diligently and with good faith, they recognize that there may be unintended omissions or misdescriptions. As such, the Parties acknowledge and agree that it is their intention that, in addition to those Oil and Gas Assets included and specified in the Schedules hereto, the Oil and Gas Assets shall include each Seller's entire interest in and to all Petroleum and Natural Gas Rights, Tangibles and Miscellaneous Interests (as those terms are defined herein) which fall within the Whitemap Area, any of such additional unscheduled Oil and Gas Assets, if any, being the "**Unscheduled Oil and Gas Assets**", and that the Purchase Price includes consideration for such Unscheduled Oil and Gas Assets. Notwithstanding the foregoing the Unscheduled Oil and Gas Assets shall not include the Excluded Assets.
- (b) To the extent that any Unscheduled Oil and Gas Assets are identified by a Party after the Closing Date, the Parties shall use all reasonable efforts to replace the affected Schedules attached hereto with corrected Schedules, which corrected Schedules shall be deemed to be the applicable Schedule as of the date hereof, and to take such additional steps as are necessary to specifically convey each Seller's interest in such Unscheduled Oil and Gas Assets to Buyer.
- (c) It is the intention of the Parties that this Agreement will serve to transfer all of Sellers' legal and beneficial interest in all of their assets (other than the Excluded Assets) to Buyer. The Parties agree that except for the rights and interests of Sellers relating to the Excluded Assets, all beneficial rights and interests of Sellers to any asset or property within the Whitemap Area are included as part of the Oil and Gas Assets and the Parties further agree to make such amendments to this Agreement (and Schedules hereto) following execution as are needed to give effect to the foregoing.

## 2.8 Further Assurances

The Parties agree to (a) furnish upon request to each other such further information, (b) execute, acknowledge and deliver to each other such other documents, and (c) do such other acts and things, all as the other Party may reasonably request for the purpose of carrying out the intent of this Agreement and the Transaction Documents; provided that nothing in this Section 2.8 shall prohibit a Seller from ceasing operations or winding up its affairs (including, through a bankruptcy) following the Closing.

## ARTICLE 3 PURCHASE PRICE

### 3.1 Purchase Price

- (a) The purchase price for the purchase, sale, assignment and conveyance of Seller's right, title and interest in, to and under the Oil and Gas Assets shall be Forty Million Dollars (\$40,000,000), less any gross proceeds received by Manitoq prior to closing under the Baserock APA and/or the Yangarra APA (the "**Purchase Price**") plus the assumption of the Assumed Liabilities, to be paid or satisfied by Buyer on the Closing Date, in accordance with the terms and conditions set forth herein:
- (i) by the release of the Deposit (as defined below) to Manitoq in accordance with Section 3.1(b);
  - (ii) by payment to each applicable Person of the amount of Cure Costs payable to such Person; and

- (iii) the balance, if any, by payment to or as directed by ManitoK by wire transfer of immediately available funds after deducting the foregoing amounts from the Purchase Price (the "**Cash Consideration**"), plus
- (iv) by Buyer's assumption of the Joint Venture Agreement and other Assumed Liabilities.

On the Closing Date, Buyer will be entitled to deduct and withhold from the Cash Consideration to or for the benefit of Sellers, pursuant to or contemplated by this Agreement such amounts it is required to deduct and withhold with respect to the making of such payment under any provision of federal, provincial, state or local laws. Any amounts withheld in accordance with this Agreement will be treated for all purposes of this Agreement, as having been paid to the person in respect of which such deduction and withholding was made.

- (b) ~~ManitoK acknowledges receipt from Buyer of the sum of Three Million Dollars (\$3,000,000) representing 7.5% of the Purchase Price before any deduction for proceeds under the Baserock and Yangarra APAs, paid to Gowlings WLG as solicitors for ManitoK [NTD: To be discussed. Preference is to pay to FTI if they are able to hold in escrow.] concurrently with the execution hereof, as a good faith deposit to be applied against the Purchase Price on Closing (the "**Deposit**"). The Deposit shall be held in trust in a non-interest bearing account until one of the following events occur:~~
  - (i) if this Agreement is the Successful Bid and Closing occurs, the Deposit shall be released and paid over to ManitoK on behalf of Sellers at Closing as partial satisfaction of the Purchase Price and the payment obligation of Buyer hereunder; or
  - (ii) if this Agreement is not the Successful Bid or if Closing does not occur due to a material breach of this Agreement by a Seller, the conditions set forth in Sections 12.1, 12.2, 12.3, 12.5, 12.6, 12.7 or 12.8 not being satisfied (unless such failure is solely as a result of the actions or inactions of Buyer), the Deposit shall be returned forthwith to Buyer for the account of Buyer absolutely; or
  - (iii) if Closing does not occur due to a material breach of this Agreement by Buyer or due to failure of Buyer to fulfill Sellers' conditions set forth in Sections 13.1, 13.3 or 13.5, the Deposit shall be forfeited to ManitoK on behalf of Sellers for Sellers' account absolutely as liquidated damages and not as a penalty as a result of Closing not occurring, which forfeiture of the Deposit shall constitute Sellers' sole remedy in such instance, with no right to claim further damages or other remedies from Buyer
- (c) In the determination of the Purchase Price payable for the Oil and Gas Assets, the Parties agree that the extent and value of past, present and future environmental, abandonment or reclamation liabilities related to the Oil and Gas Assets is unknown as of the Closing Date, and the Parties have not attributed a specific or agreed to value with regard to (i) such Environmental Liabilities, or (ii) the indemnities provided for in this Agreement or (iii) any Assumed Liabilities other than Cure Costs nor shall there be any adjustments made to the Purchase Price in relation thereto.

### 3.2 Allocation of Purchase Price

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

- |     |                                  |               |
|-----|----------------------------------|---------------|
| (a) | Miscellaneous Interests          | \$10          |
| (b) | Tangibles                        | 20% less \$10 |
| (c) | Petroleum and Natural Gas Rights | 80%           |

## ARTICLE 4 CLOSING

### 4.1 Closing Date

Upon the terms and subject to the conditions hereof, the closing of the sale of the Oil and Gas Assets and the assumption of the Assumed Liabilities contemplated hereby (the "Closing") shall take place at 9:00 a.m., Mountain Daylight Time, at the offices of Manitek in Calgary, Alberta or such other place as may be agreed upon in writing by the Parties, no later than seven (7) Business Days following the date on which the Approval and Vesting Order is granted, provided that the conditions set forth in Article 12 and Article 13 have been satisfied or, if permissible, waived, excepting the conditions that by their nature are to be satisfied at the Closing, but subject to the satisfaction or, if permissible, waiver of such conditions. The date and time at which the Closing actually occurs is hereinafter referred to as the "Closing Date".

### 4.2 Payment on the Closing Date

Subject to satisfaction or, if permissible, waiver of the conditions set forth in Article 12 and Article 13, at the Closing, Buyer shall pay, or cause to be paid, the Cash Consideration by wire transfer of immediately available funds to an account specified in writing by Manitek prior to the Closing Date.

### 4.3 Buyer's Deliveries

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

- (a) the Cash Consideration in accordance with Section 4.2;
- (b) a certificate of status of Buyer;
- (c) each other Transaction Document to which Buyer is a party, duly executed (and acknowledged, where applicable) by Buyer, including the General Conveyance, and those Specific Conveyances available as at the Closing Date;
- (d) the certificates of Buyer to be received by Sellers pursuant to Sections 13.1 and 13.3;
- (e) evidence (including evidence of satisfaction of all applicable bonding or insurance requirements) as Sellers may reasonably request demonstrating that Buyer is qualified with the applicable Governmental Authorities and pursuant to any applicable operating agreement to succeed Sellers as the registered owner and, where applicable, the operator of the Oil and Gas Assets;
- (f) such other assignments and other good and sufficient instruments of assumption and transfer, in a form reasonably satisfactory to Sellers, as Sellers may reasonably request to transfer and assign the Assumed Liabilities to Buyer; and
- (g) any other documents required to be delivered by Buyer to Sellers at Closing pursuant to this Agreement

### 4.4 Sellers' Deliveries

At the Closing, Sellers shall deliver or cause to be delivered to Buyer:

- (a) each other Transaction Document to which a Seller is party, duly executed (and acknowledged, where applicable) by that Seller, including the General Conveyance, the Specific Conveyances available as of the Closing Date,

- (b) Specific Conveyances executed by the applicable Seller in respect of the Assigned Contracts;
- (c) a certified copy of the Assignment Order, if applicable;
- (d) an executed copy of the Trustee's Certificate;
- (e) a certified copy of the Approval and Vesting Order;
- (f) the certificates of Sellers to be received by Buyer pursuant to Sections 12.1 and 12.2;
- (g) the executed Joint Venture Agreement, duly assigned and novated to Buyer; and
- (h) any other documents required to be delivered by a Seller to Buyer at Closing pursuant to this Agreement.

## ARTICLE 5 REPRESENTATIONS AND WARRANTIES OF SELLERS

Except as disclosed in the Disclosure Schedule attached hereto, Sellers jointly and severally represent and warrant the following to Buyer:

### 5.1 Organization and Good Standing

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

### 5.2 Authority; Validity; Consents

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

- (a) for entry of the Approval and Vesting Order and the Bidding Procedures Order;
- (b) for notices, filings and consents required in connection with the BIA Proceedings; and
- (c) for the notices, filings and consents set forth in the Disclosure Schedule;

No Seller is required to give any notice to, make any filing with or obtain any consent from any Person (including any Governmental Authority) in connection with the execution and delivery of this Agreement and the other Transaction Documents or the consummation or performance of the Transaction, except as would not, individually or in the aggregate, have a Material Adverse Effect.

### **5.3 No Conflict**

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

### **5.4 Legal Proceedings**

Except for the BIA Proceedings and as set forth in the Disclosure Schedule, there is no Proceeding or Order pending, outstanding or, to Sellers' Knowledge, threatened against a Seller that seeks to restrain or prohibit or otherwise challenge the consummation, legality or validity of the Transaction or that would have, individually or in the aggregate, a Material Adverse Effect.

### **5.5 Residency**

None of Sellers is a non-resident of Canada for the purposes of the Tax Act.

### **5.6 GST**

Each Seller is a registrant for purposes of the ETA, and its registration number is [●].

### **5.7 Ordinary Course**

From the Filing Date there has not been any event, circumstance or occurrence, which has had, or is reasonably likely to cause a Material Adverse Effect.

### **5.8 Title**

Sellers do not warrant title to the Oil and Gas Assets; however, except for Permitted Encumbrances:

- (a) Sellers have not alienated or encumbered the Oil and Gas Assets and have done no act or thing and are not aware of any circumstance, matter or thing, whereby any of the Oil and Gas Assets may be cancelled or determined and the Oil and Gas Assets are or will be at Closing, free and clear of any and all encumbrances created by, through or under Sellers or of which Sellers' have knowledge; and
- (b) subject to the rents, covenants, conditions and stipulations in the Leases, and any other agreements pertaining to the Oil and Gas Assets and on the lessee's or holder's part thereunder to be paid, performed, and observed, Buyer may enter into and upon, hold and enjoy the Oil and Gas Assets for the residue of the respective terms of the applicable Leases, such other agreement relating to the Oil and Gas Assets and all renewals or extensions thereof as to the interests assigned to Buyer in connection with the Transaction for Buyer's own use and benefit without any interruption of or by a Seller or any other person whomsoever claiming by, through or under a Seller.

## 5.9 AER Matters

Either (a) the Oil and Gas Assets and Assumed Liabilities will, on a *pro forma* basis and assuming no additional assets or liabilities, result in Buyer having a "licensee liability rating" under the rules of the AER of at least 2.0 or (b) the transfer of the Oil and Gas Assets contemplated hereby will be approved by the AER without any requirement for Buyer to post a deposit or other security with the AER.

## 5.10 No Additional Representations and Warranties by Seller

(a) Notwithstanding anything to the contrary in this Agreement, Sellers make no representations or warranties except as expressly set forth in Sections 5.1 to 5.6 and in particular, and without limiting the generality of the foregoing, each Seller disclaims and shall not be liable for any representation or warranty express or implied, of any kind, at law or in equity, that may have been made or alleged to be made in any instrument or document relative hereto, or in any statement or information made or communicated to Buyer in any manner including any opinion, information, or advice that may have been provided to Buyer by a Seller or its Representatives in connection with the Oil and Gas Assets or in relation to the Transaction. For greater certainty, Sellers do not make any representation or warranty, express or implied, of any kind, at law or in equity, with respect to:

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

Buyer acknowledges and confirms that it is relying on its own investigations concerning the Oil and Gas Assets and it has not relied on advice from Sellers or their Representatives with respect to the matters specifically enumerated in the immediately preceding paragraphs in connection with the purchase of the Oil and Gas Assets pursuant hereto. Buyer further acknowledges and agrees that it is acquiring the Oil and Gas Assets on an "as is, where is" basis. Buyer acknowledges and agrees that it is familiar with the condition of the Oil and Gas Assets, including the past and present use of the Lands and the Tangibles, that Sellers have provided Buyer with a reasonable opportunity to inspect the Oil and Gas Assets at the sole cost, risk and expense of Buyer (insofar as Sellers could reasonably provide such access) and that Buyer is not relying upon any representation or warranty of Sellers as to the condition, environmental or otherwise, of the Oil and Gas Assets, except as expressly contained in Sections 5.1 to 5.6 above.

(b) Except for its express rights under this Agreement, Buyer hereby waives all rights and remedies (whether now existing or hereinafter arising and including all equitable, common law, tort, contractual and statutory rights and remedies) against Sellers in respect of the Oil and Gas Assets or the Transaction or any representations or statements made, direct or indirect, express



or implied, or information or data furnished to Buyer or its Representatives, in connection herewith (whether made or furnished orally or by electronic, faxed, written or other means).

## **ARTICLE 6 REPRESENTATIONS AND WARRANTIES OF BUYER**

Buyer represents and warrants to Sellers as follows:

### **6.1 Organization and Good Standing**

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

### **6.2 Authority; Validity; Consents**

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

### **6.3 No Conflict**

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

### **6.4 Availability of Funds**

As of the Closing, Buyer will have sufficient cash in immediately available funds (without giving effect to any unfunded financing, regardless of whether any such financing is committed) to pay the Purchase Price and all costs, fees and expenses to be paid by Buyer that are necessary to consummate the Transaction and the other Transaction Documents, and including assuming and satisfying the Assumed Liabilities.

## 6.5 Litigation

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

## 6.6 Brokers or Finders

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

## 6.7 Qualification

Subject to compliance with the terms hereof, Buyer will as of Closing Date meet all qualification requirements of Governmental Authorities, including the AER, necessary to complete the Licence Transfers and to consummate the Transaction, and there will be no regulatory approvals or rulings required to be obtained by Buyer to complete the Transaction and the Licence Transfers, other than those required in the ordinary course of such transfer.

## ARTICLE 7 ACTIONS PRIOR TO THE CLOSING DATE

### 7.1 Due Diligence

Subject to Section 2.6(a) and (b), Buyer acknowledges that it has, prior to the execution hereof, been given an opportunity to:

- (a) review Sellers' title to the Oil and Gas Assets; and
- (b) conduct an environmental review of the Oil and Gas Assets;
- (c) and that it has satisfied itself in regard to both Sellers' title to the Oil and Gas Assets and all environmental matters relating to the Oil and Gas Assets, including any past, present or future Environmental Liabilities. Buyer expressly waives all defects relating either to Seller's title to the Oil and Gas Assets or to environmental matters relating to the Oil and Gas Assets, whether disclosed by Buyer's review or otherwise.

### 7.2 Operations Prior to the Closing Date

Each Seller covenants and agrees that, except (a) as expressly required by this Agreement, (b) as disclosed in the Disclosure Schedule, (c) with the prior written consent of Buyer (which consent shall not be unreasonably withheld, conditioned or delayed) or (d) as otherwise required by Legal Requirements, during the Interim Period:

- (a) Seller shall:
  - (i) use commercially reasonable efforts, taking into account Seller's status as debtor in possession in the BIA Proceedings, to maintain and operate the Oil and Gas Assets that are operated by Seller as a reasonably prudent operator or cause such Oil and Gas Assets to be operated as a reasonably prudent operator in the ordinary course of business;

- (ii) pay or cause to be paid all Post-Filing bonuses and rentals, royalties, overriding royalties, shut-in royalties, and minimum royalties and development and operating expenses, and other payments incurred with respect to the Oil and Gas Assets operated by Seller except (A) royalties held in suspense as a result of title issues and that do not give any Third Party a right to cancel an interest in any Oil and Gas Assets operated by Seller, and (B) expenses or royalties being contested in good faith, unless the nonpayment of such contested expenses or royalties could result in the termination of a Lease, in which case Seller will notify Buyer and obtain Buyer's approval prior to withholding such payment;
  - (iii) maintain its books, accounts and records in accordance with past custom and practice;
  - (iv) maintain the personal property comprising part of the Oil and Gas Assets operated by Seller in at least as good a condition as it is on the date hereof, subject to ordinary wear and tear; and
  - (v) use commercially reasonable efforts, taking into account Seller's status under the BIA, to retain Seller Employees who are necessary to conduct the business as it is currently being conducted.
- (b) Seller shall not:
- (i) abandon any Oil and Gas Asset;
  - (ii) commence, propose, or agree to participate in any single operation with respect to the Wells or Leases with an anticipated cost in excess of two hundred thousand dollars (\$200,000), except for emergency operations, operations scheduled under the authorizations for expenditure as provided to Buyer, or operations required by any Governmental Authority;
  - (iii) terminate, cancel, or materially amend or modify any Lease or other Title Document, excluding any Lease that expires in accordance with the terms of such Lease;
  - (iv) sell, lease, encumber, or otherwise dispose of all or any portion of any Oil and Gas Assets, except sales of Petroleum Substances in the ordinary course of business;
  - (v) grant to any Seller Employee any increase in compensation or additional compensation except in the ordinary course of Seller's business and consistent with past practice or pursuant to an order granted in the BIA Proceedings;
  - (vi) terminate or materially modify the terms of employment of any Seller Employee; or
  - (vii) enter into any agreement or commitment to take any action prohibited by this Section 7.2(b).

### **7.3 Commercially Reasonable Efforts**

- (a) During the Interim Period, Sellers and Buyer shall use commercially reasonable efforts to take, or cause to be taken, all actions, and to do, or cause to be done, and to assist and cooperate with the other in doing, all things necessary, proper or advisable to consummate and make effective, in the most expeditious manner practicable, the Transaction, including using commercially reasonable efforts to accomplish the following:
  - (i) the taking of all reasonable acts necessary to cause the conditions precedent set forth in Article 12 and Article 13 to be satisfied;

- (ii) the obtaining, at the earliest practicable date, of all necessary Governmental Authorizations and the making of all necessary registrations, declarations and filings (including registrations, declarations and filings with Governmental Authorities, if any) and the taking of all reasonable steps as may be necessary to avoid any Proceeding by any Governmental Authority; and
  - (iii) the execution or delivery of any additional instruments necessary to consummate the Transaction and to fully carry out the purposes of this Agreement.
- (b) Sellers, on the one hand, and Buyer, on the other hand:
- (i) shall promptly inform each other of any communication from any Governmental Authority concerning this Agreement, the Transaction, and any filing, notification or request for approval; and
  - (ii) shall permit the other to review in advance any proposed written or material oral communication or information submitted to any such Governmental Authority in response thereto. In addition, no Party shall agree to participate in any meeting with any Governmental Authority in respect of any filings, investigation or other inquiry with respect to this Agreement or the Transaction, unless such Party consults with the other Party in advance and, to the extent permitted by any such Governmental Authority, gives the other Party the opportunity to attend and participate thereat, in each case to the maximum extent practicable. Subject to any restrictions under applicable laws, rules or regulations, each of Buyer, on the one hand, and Sellers, on the other hand, shall furnish the other with copies of all correspondence, filings and communications (and memoranda setting forth the substance thereof) between it and its Affiliates and their respective Representatives on the one hand, and the Governmental Authority or members of its staff on the other hand, with respect to this Agreement, the Transaction (excluding documents and communications that are subject to pre-existing confidentiality agreements or to the solicitor-client privilege or litigation work product privilege) or any such filing, notification or request for approval. Each Party shall also furnish the other Party with such necessary information and assistance as such other Party and its Affiliates may reasonably request in connection with their preparation of necessary filings, registration or submissions of information to the Governmental Authority in connection with this Agreement, the Transaction and any such filing, notification or request for approval.
- (c) Sellers will use best efforts to obtain a sealing order with respect to the commercial terms of the Transaction, as agreed to between Buyer and Sellers, each acting reasonably.

## ARTICLE 8 BIDDING PROCEDURES

### 8.1 Bidding Procedures

- (a) Sellers and Buyer acknowledge that this Agreement and the transactions contemplated hereby are subject to Court approval.
- (b) Sellers and Buyer acknowledge and agree that Sellers shall apply to the Court by no later than February 21, 2018, or such other date as they may agree, for an order (the "**Bidding Procedures Order**"), inter alia, recognizing this Agreement, and in particular the Purchase Price and Assumed Liabilities, as a baseline or "stalking horse bid" (the "**Stalking Horse Bid**") and approving the Bidding Procedures and the payment of the break fee and expense reimbursement in the circumstances set out in Section 8.2. Sellers and Buyer will use all commercially reasonable efforts to have the Bidding Procedures Order issued. Buyer acknowledges and agrees that the

Bidding Procedures are in contemplation of determining whether a superior bid can be obtained for the Oil and Gas Assets and Assumed Liabilities.

## 8.2 Break Fee and Expense Reimbursement

- (a) In consideration for Buyer's expenditure of time and money and agreement to act as the initial bidder through the Stalking Horse Bid, and the preparation of the Agreement, and in performing due diligence pursuant to this Agreement, and subject to Court approval, Buyer shall be entitled to: (i) a break fee in the amount of Three Million Dollars (\$3,000,000); and (ii) an expense reimbursement in the amount not to exceed Five Hundred Thousand Dollars (\$500,000), in each case payable by Manitok on behalf of Sellers to Buyer only in the event that a Successful Bid other than the Stalking Horse Bid is accepted by Sellers, approved by the Court and completed. The expense reimbursement shall be paid only after Sellers have received from Buyer documentation establishing reasonable third party costs that have actually been incurred by Buyer in connection with this Agreement and the transactions contemplated herein. The payment of the foregoing amounts shall be approved in the Bidding Procedures Order and shall be payable to Buyer out of the sale proceeds derived from and upon completion of the Successful Bid. Sellers and Buyer acknowledge and agree that the foregoing amounts represent a fair and reasonable estimate of the costs and damages that will be incurred by Buyer as a result of non-completion of this Agreement, and is not intended to be punitive in nature nor to discourage competitive bidding for the Oil and Gas Assets and Assumed Liabilities.

## ARTICLE 9 TAXES

### 9.1 Taxes

- (a) Any transfer, documentary, sales (including goods and services tax), use, stamp, registration and other similar Taxes, and all conveyance fees, recording charges and other similar fees and charges (including any penalties and interest) payable in connection with the consummation of the transactions contemplated by this Agreement (collectively, the "Transfer Taxes") shall be borne by Buyer, other than, for greater certainty, any Taxes payable in respect of a Seller's net income, profits or gains and all other similar Taxes of Seller. Sellers and Buyer shall use commercially reasonable efforts and cooperate in good faith to reduce or eliminate any Transfer Taxes applicable to the sale and transfer of the Oil and Gas Assets. Without limited the foregoing, Sellers and Buyer will jointly elect pursuant to subsection 167(1) of the ETA, in the prescribed form and within the prescribed time, such that no goods and services taxes are payable under the ETA in respect of the Transaction. Buyer will, at its own expense, file all necessary Tax Returns and other documentation required to be filed by Buyer with respect to all Transfer Taxes, payable by Buyer on its own account pursuant to this Section 9.1. Each Seller will, at its own expense, file all necessary Tax returns required to be filed by Seller with respect to all Taxes payable by Seller in connection with the consummation of the Transaction.
- (b) Buyer and Sellers agree to furnish or cause to be furnished to each other, upon request, as promptly as practicable, such information and assistance relating to the Oil and Gas Assets (including access to books and records and Tax Returns and related working papers dated before Closing) as is reasonably necessary for the filing of all Tax Returns, the making of any election relating to Taxes, the preparation for any audit by any taxing authority, the prosecution or defense of any claims, suit or proceeding relating to any Tax, and the claiming by Buyer of any federal, provincial or local business tax credits or incentives that Buyer may qualify for in any of the jurisdictions in which any of the Oil and Gas Assets are located; provided however, that neither Buyer nor Sellers shall be required to disclose the contents of its income Tax Returns to any Person. Any reasonable expenses incurred in furnishing such information or assistance pursuant to this Section 9.1(b) shall be borne by the Party requesting it.

- (c) Upon the written request by Buyer, each Seller agrees to jointly elect with Buyer pursuant to paragraph 66.7(7) of the *Income Tax Act* (Canada) in the prescribed form and within the prescribed time.

## ARTICLE 10 EMPLOYEES

### 10.1 Employee Matters

- (a) Prior to the Closing Date, Sellers will provide notice to all Seller Employees of the sale of the Oil and Gas Assets and such notice shall be at a time and in a form approved by the Parties, each acting reasonably.
- (b) No more than five (5) days after the date of this Agreement, ManitoK will deliver a schedule containing a true, correct and complete list of all of the Seller Employees, specifying their positions and material terms of employment including wages/salary, incentive compensation, date of hire, benefits and vacation entitlement and accrual entitlements under applicable employee plans, working location, length of service, annual bonus for the current calendar year and their status as active or inactive (and, if inactive, whether long term disability, short term disability, maternity or paternity leave or other reason). Such schedule will be updated no later than fifteen (15) days prior to the Closing Date and immediately prior to Closing as reasonably requested by Buyer.
- (c) At least five (5) days prior to the Closing Date, Buyer shall provide Sellers with a list of the Seller Employees that Buyer, in its sole discretion, intends to make offers of employment to, conditional on Closing (the "**Assumed Employees**"). At least three (3) days prior to Closing, Buyer shall offer employment in writing, conditional on Closing, and effective from the Closing Date, to all of the Assumed Employees who are Employees on the Closing Date. Buyer shall notify the Seller of the acceptance and rejections of offers of employment that have been received from each of the Employees upon request of the Seller.
- (d) Sellers will cooperate with Buyer in giving notice to the Employees concerning such matters referred to in this Section 10.1 as are reasonable under the circumstances. Sellers and Buyer shall exercise reasonable efforts to persuade the Employees to accept Buyer's offers of employment.
- (e) Buyer shall assume and be responsible for all liabilities and obligations with respect to the Assumed Employees following the Closing Date, including, but not limited to, any required notice of termination, termination or severance pay (required under Legal Requirement or under any Contract), and any employment insurance, workplace safety and insurance/workers' compensation, Canada Pension Plan, salary or wages, vacation pay, overtime pay, payroll or employer health Taxes, commissions, bonuses or vacation entitlements and accruals. Buyer shall also assume and be responsible for any vacation pay or wage liability with respect to the Assumed Employees, whether accruing or arising prior to or following the Closing Date.
- (f) For the avoidance of doubt, Sellers shall retain, and Buyer shall not assume at the Closing, any liabilities under any of Sellers' employee benefit plans or Seller Employees that are not Assumed Employees.

## ARTICLE 11 ADJUSTMENTS

### 11.1 Adjustments

The Parties agree that there shall be no further adjustments to the Purchase Price following Closing, except as may have been specifically provided for in this Agreement.

### 11.2 Payments Received

Each Seller agrees that, after the Closing, it will hold in trust for the benefit of Buyer, and will promptly transfer and deliver to Buyer, from time to time as and when received by Seller, all funds received by it in connection with any cash, cheques with appropriate endorsements (using their best efforts not to convert such cheques into cash), wire or other electronic transfers or other property that it may receive on or after the Closing and that properly belongs to the Oil and Gas Assets and will account to Buyer for all such receipts.

## ARTICLE 12 CONDITIONS PRECEDENT TO OBLIGATIONS OF BUYER TO CLOSE

The obligations of Buyer to consummate the transactions contemplated by this Agreement are subject to the satisfaction or waiver, at or prior to the Closing, of each of the following conditions, failing which Buyer shall be entitled in its sole discretion to terminate this Agreement:

### 12.1 Accuracy of Representations

The representations and warranties of each Seller set forth in this Agreement shall be true and correct in all material respects on and as of the Closing Date with the same effect as though such representations and warranties had been made on and as of the Closing (provided that representations and warranties that are confined to a specified date shall speak only as of such date); provided however, that in the event of a breach of or inaccuracy in the representations and warranties of a Seller set forth in this Agreement, the condition set forth in this Section 12.1 shall be deemed satisfied unless the effect of all such breaches of or inaccuracy in such representations and warranties taken together results in a Material Adverse Effect. Buyer shall have received a certificate of Sellers to such effect signed by duly authorized officers thereof.

### 12.2 Seller's Performance

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

### 12.3 No Order

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

**12.4 Capitalization of Buyer**

Stream shall have entered into the Stream Credit Facility with Buyer and advanced the full non-revolving term loan available thereunder to Buyer prior to Closing.

**12.5 Replacement Contracts**

The Joint Venture Agreement and such other Assigned Contracts as Buyer may require shall have been assigned and novated to Buyer with effect at Closing. PrairieSky shall have agreed to provide Buyer with Replacement PrairieSky Arrangements effective at Closing.

**12.6 Sellers' Deliveries**

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

**12.7 Successful Bid**

This Agreement shall be the Successful Bid.

**12.8 Asset Sales**

If completed prior to Closing, the net proceeds from Manitok's asset sales pursuant to the Baserock APA and Yangarra APA shall have been distributed, or shall be available for distribution, to the creditors of the Sellers' in accordance with the BIA.

**12.9 Approval and Vesting Order**

The Court shall have entered the Approval and Vesting Order and the Approval and Vesting Order shall be in full force and effect.

**ARTICLE 13  
CONDITIONS PRECEDENT TO THE OBLIGATION OF SELLERS TO CLOSE**

Each Seller's obligation to consummate the transactions contemplated by this Agreement is subject to the satisfaction or waiver, at or prior to the Closing, of each of the following conditions, failing which Seller shall be entitled in its sole discretion to terminate this Agreement:

**13.1 Accuracy of Representations**

The representations and warranties of Buyer set forth in this Agreement shall be true and correct in all material respects on and as of the Closing Date with the same effect as though such representations and warranties had been made on and as of the Closing (provided that representations and warranties that are confined to a specified date shall speak only as of such date); provided however, that in the event of a breach of or inaccuracy in the representations and warranties of Buyer set forth in this Agreement, the condition set forth in this Section 13.1 shall be deemed satisfied unless the effect of all such breaches of or inaccuracy in such representations and warranties taken together would prevent or materially impair Buyer's ability to complete the Transaction as contemplated by this Agreement. Sellers shall have received a certificate of Buyer to such effect signed by a duly authorized officer thereof. If a Seller determines that there has been a breach or inaccuracy of any of Buyer's representations and warranties, it shall provide Buyer with notice of such breach or inaccuracy as promptly as reasonably practicable so that Buyer may attempt to cure such breach or inaccuracy to Sellers' reasonable satisfaction on or before the Closing Date.



### 13.2 Approval and Vesting Order in Effect

The Court shall have entered the Approval and Vesting Order and the Approval and Vesting Order shall be in full force and effect.

### 13.3 Buyer's Performance

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

### 13.4 No Order

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

### 13.5 Buyer's Deliveries

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

### 13.6 Successful Bid

This Agreement shall be the Successful Bid.

## ARTICLE 14 LIABILITIES AND INDEMNITIES

### 14.1 General Indemnity

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

- (a) assume, perform, pay, discharge and be liable to Sellers for; and
- (b) as a separate covenant, save and hold harmless and indemnify Sellers and each other Seller Party 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 to the extent relating to the Oil and Gas Assets or the terms and conditions of the Title Documents, including but not limited to all Losses and Liabilities attributable to the operation, ownership, use, construction or maintenance of the Oil and Gas Assets arising or accruing on or after the Closing Date. Buyer's indemnity obligation set forth in this Section 14.1 shall survive the Closing Date indefinitely.

### 14.2 Environmental Indemnity

- (a) Buyer acknowledges that it:
  - (i) is familiar with the condition of the Oil and Gas Assets, including the past and present use of the Oil and Gas 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 Oil and Gas Assets; and

- (ii) is not relying upon any representation or warranty of Sellers as to the condition, environmental or otherwise, of the Oil and Gas Assets.
- (b) Buyer agrees that once Closing has occurred Sellers shall have no liability whatsoever for any Environmental Liabilities. In this regard, once Closing has occurred, Buyer shall, without any further necessary action on the part of Sellers or Buyer:
- (i) be solely liable and responsible for all of Sellers' Losses and Liabilities; and
  - (ii) as a separate covenant, indemnify, save and hold each Seller and each other Seller Party 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 arising, whether arising prior to, on or following the Closing Date, and Buyer 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, active, passive, primary or secondary, or the wilful or wanton misconduct of Sellers or Buyer or any other person or otherwise. Buyer acknowledges and agrees that it shall not be entitled to any rights or remedies as against Sellers or any Seller Party under the common law or statute pertaining to any Environmental Liabilities, including the right to name Sellers or any Seller Party as a 'third party' to any action commenced by any Person against Buyer. Buyer's indemnity obligation set forth in this Section 14.2(b) shall survive the Closing Date indefinitely.

### **14.3 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.

## **ARTICLE 15 TERMINATION**

### **15.1 Grounds for Termination**

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

- (a) by written agreement of Sellers and Buyer;
- (b) by either of Sellers or Buyer pursuant to the provisions of Article 12 or Article 13, as applicable; or
- (c) by either of Sellers or Buyer if Closing has not occurred on or before April 30, 2018, provided that Buyer may, in its sole discretion, elect to extend such deadline.

### **15.2 Automatic Termination**

In the event that the Stalking Horse Bid is not the Successful Bid, this Agreement shall automatically terminate in accordance with the terms of the Bidding Procedures.

### 15.3 Effect of Termination

If this Agreement is terminated by Sellers or Buyer as permitted under Section 15.1 or automatically terminates under Section 15.2, then Section 16.2 and 16.3 shall remain in full force and effect following any such permitted termination.

## ARTICLE 16 GENERAL PROVISIONS

### 16.1 Survival

All covenants and agreements contained herein that by their terms are to be performed in whole or in part, or that prohibit actions, subsequent to the Closing shall, solely to the extent such covenants and agreements are to be performed, or prohibit actions, subsequent to the Closing, survive the Closing in accordance with their terms. Subject to the following sentence, all other covenants and agreements contained herein, and all representations and warranties contained herein or in any certificated deliveries hereunder, shall not survive the Closing and shall thereupon terminate, including any Actions for damages in respect of any breach thereof. Notwithstanding anything to the contrary, the indemnity obligations set forth in Sections 14.1 and 14.2 shall survive Closing.

### 16.2 Confidentiality

Until Closing has occurred, each of Sellers, on the one hand, and Buyer, on the other hand, shall keep confidential all information obtained from the other Party in connection with the Oil and Gas Assets and shall not release any information concerning this Agreement and the Transactions herein provided for, without the prior written consent of the other Party, which consent shall not be unreasonably withheld; provided however, that disclosure of matters that become a matter of public record as a result of the BIA Proceedings and the filings related thereto (including any information disclosed in order to obtain the Approval and Vesting Order or to obtain an extension of the stay of proceedings in the BIA Proceedings) shall be a permitted disclosure. After Closing, each Seller shall keep confidential all information it retains with respect to the Oil and Gas Assets or Buyer, except to the extent that Seller is required under a Legal Requirement to disclose such information.

### 16.3 Public Announcements

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

### 16.4 Notices

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

- (a) If to a Seller, then to:

Manitok Energy Inc.  
Suite 700, 444 7th Avenue SW  
Calgary, Alberta T2P 0X8

Attention: Massimo Geremia  
E-mail: mass@manitok.com

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

Gowling WLG  
Suite 1600, 421 7<sup>th</sup> Avenue S.W.  
Calgary, Alberta T2P 4K9

Attention: Clifton Prophet / Gregory Peterson / Frank Sur  
E-mail: Clifton.Prophet@gowlingwlg.com / Gregory.Peterson@gowlingwlg.com /  
Frank.Sur@gowlingwlg.com

- (b) If to Buyer, then to:

Reenergy Resources (Canada) Co. Ltd.  
c/o 4300 Bankers Hall West  
888 3<sup>rd</sup> Street S.W.  
Calgary, Alberta T2P 5C5

Attention: Ben Hudy  
E-mail: bhudy@stikeman.com

#### 16.5 Action by Sellers

Where this Agreement requires action to be taken, or a determination made, by Sellers, such requirement shall be deemed to be satisfied if such action is taken or determination made by Manitok, which for this purpose will be deemed to be acting on behalf of Sellers. Each Seller agrees to maintain its corporate existence following Closing until all amounts payable under (viii) and (ix) of the definition of Miscellaneous Interests have been paid to Buyer or such obligations have otherwise been satisfied to the satisfaction of Buyer, acting reasonably.

#### 16.6 Waiver, Waiver of Damages

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

### **16.7 Entire Agreement; Amendment**

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

### **16.8 Assignment**

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

### **16.9 Severability**

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

### **16.10 Expenses**

Whether or not the transactions contemplated by this Agreement are consummated, the Parties shall bear their own respective expenses (including all compensation and expenses of counsel, financial advisors, consultants, actuaries and independent accountants) incurred in connection with this Agreement and the Transaction.

### **16.11 Post-Closing Books and Records and Personnel**

All of the information, materials and other records delivered to Buyer pursuant to the terms hereof shall be maintained in good order and good condition and kept in a reasonably accessible location by Buyer and its Affiliates for a period of five (5) years from the Closing Date or for any longer period as may be required under applicable Legal Requirements (the "Retention Period"). At any time prior to the expiration of the Retention Period, Buyer may destroy or give up possession of any such information or materials if it first delivers at least 60 days' prior notice to Sellers containing a detailed listing of the information and materials proposed to be destroyed and offering Sellers the opportunity, at the expense of Sellers, to obtain delivery of or a copy of so much of such information or materials as Sellers, as applicable, in their sole discretion, desires. Until the completion of the BIA Proceedings or the liquidation and winding up of Sellers' estates, each Seller shall preserve and keep any information, materials and other records relating to the Oil and Gas Assets and not included in Miscellaneous Interests, at Buyer's sole expense, shall make such information, materials and other records, and Seller's personnel available to Buyer as may be reasonably required by Buyer in connection with, among other things, any insurance claims by, Proceedings, Actions or Tax audits against, or governmental investigations in order to enable Buyer to comply with its obligations under this Agreement, the Assigned Contracts and each other Transaction Document.

**16.12 Successor Operator**

Each Seller shall use its commercially reasonable efforts to support Buyer's efforts to be appointed or to have a designee appointed as the successor operator of those Oil and Gas Assets that Seller currently operates.

**16.13 Time of Essence**

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

**16.14 Governing Law; Consent to Jurisdiction and Venue;**

- (a) Except to the extent the mandatory provisions of the BIA apply, this Agreement shall be governed by, and construed in accordance with, the laws of the Province of Alberta and the federal laws of Canada applicable therein, without regard to principles of conflicts or choice of laws or any other law that would make the laws of any other jurisdiction other than the Province of Alberta applicable hereto.
- (b) The Court shall retain exclusive jurisdiction to enforce the terms of this Agreement and to decide any claims or disputes that may arise or result from, or be connected with, this Agreement, any breach or default hereunder, or the Transaction and any and all claims relating to the foregoing shall be filed and maintained only in the Court, and the Parties hereby consent and submit to the exclusive jurisdiction and venue of the Court and irrevocably waive the defense of an inconvenient forum to the maintenance of any such Action or Proceeding. The Parties consent to service of process by mail (in accordance with Section 16.4) or any other manner permitted by law.

**16.15 Parties in Interest; No Third Party Beneficiaries**

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

**16.16 Non-Recourse**

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

**16.17 Disclosure Schedules; Materiality**

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

**16.18 Counterparts**

This Agreement and any amendment hereto may be executed in counterparts, each of which shall be deemed to be an original of this Agreement or such amendment and all of which, when taken together, shall constitute one and the same instrument. Notwithstanding anything to the contrary in Section 16.4, delivery of an executed counterpart of a signature page to this Agreement or any amendment hereto by facsimile or email attachment shall be effective as delivery of a manually executed counterpart of this Agreement or such amendment, as applicable.

*[Signature page follows]*

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

**MANITOK ENERGY INC.**

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

**RAIMOUNT ENERGY CORP.**

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

**CORINTHIAN OIL CORP.**

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

**RENERGY RESOURCES (CANADA) CO LTD.**

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

*(Signature Page to the Asset Purchase Agreement dated February 13, 2018 among Manito Energy Inc., Raimount Energy Corp., Corinthian Oil Corp. and Renergy Resources (Canada) Co. Ltd.)*



**SCHEDULE A TO THE ASSET PURCHASE AGREEMENT DATED [●], 2018 AMONG MANITOK ENERGY INC., RAIMOUNT ENERGY CORP., CORINTHIAN OIL CORP. AND RENERGY RESOURCES (CANADA) CO. LTD.**

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**OIL AND GAS ASSETS**

See attached.

**SCHEDULE B TO THE ASSET PURCHASE AGREEMENT DATED FEBRUARY 13, 2018 AMONG  
MANITOK ENERGY INC., RAIMOUNT ENERGY CORP., CORINTHIAN OIL CORP. AND RENERGY  
RESOURCES (CANADA) CO. LTD.**

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**DISCLOSURE SCHEDULE**

See attached.

**SCHEDULE C TO THE ASSET PURCHASE AGREEMENT DATED FEBRUARY 13, 2018 AMONG  
MANITOK ENERGY INC., RAIMOUNT ENERGY CORP., CORINTHIAN OIL CORP. AND RENERGY  
RESOURCES (CANADA) CO. LTD.**

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**EXCLUDED ASSETS**

See attached.

**SCHEDULE D TO THE ASSET PURCHASE AGREEMENT DATED FEBRUARY 13, 2018 AMONG  
MANITOK ENERGY INC., RAIMOUNT ENERGY CORP., CORINTHIAN OIL CORP. AND RENERGY  
RESOURCES (CANADA) CO. LTD.**

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**FORM OF GENERAL CONVEYANCE**

See attached.

**SCHEDULE E TO THE ASSET PURCHASE AGREEMENT DATED FEBRUARY 13, 2018 AMONG  
MANITOK ENERGY INC., RAIMOUNT ENERGY CORP., CORINTHIAN OIL CORP. AND RENERGY  
RESOURCES (CANADA) CO. LTD.**

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**BIDDING PROCEDURES**

On January 10, 2018, each of Manitok Energy Inc. and Raimount Energy Corp. and then on January 19, 2018, Corinthian Oil Corp. (collectively, the "**Debtors**") filed a notice of intention to make a proposal (the "**NOI**") pursuant to the *Bankruptcy and Insolvency Act* (Canada) (the "**BIA**") and to initiate insolvency proceedings (the "**NOI Proceedings**") before the Court of Queen's Bench of Alberta (the "**Court**").

On ●, 2018, the Debtors filed a motion (the "**Bidding Procedures Motion**") with the Court seeking, among other things, approval of (a) the Debtors' entry into an asset purchase agreement with respect to substantially all of the assets of the Debtors (the "**Stalking Horse Assets**") between the Debtors and Renergy Resources (Canada) Co. Ltd. (the "**Stalking Horse Bidder**") dated February 13, 2018 (the "**Stalking Horse Agreement**") so as to set a minimum floor price in respect of the disposition of the Debtors' assets; (b) certain protections granted to the Stalking Horse Bidder pursuant to the Stalking Horse Agreement; and (c) certain bidding procedures (the "**Bidding Procedures**") for the solicitation of offers or proposals (each a "**Bid**") for the acquisition or disposition of the Stalking Horse Assets.

On ●, 2018, the Court entered an order (the "**Bidding Procedures Order**") granting the relief requested in the Bidding Procedures Motion including approval of these Bidding Procedures. Accordingly, the following procedures shall govern the proposed disposition of the Stalking Horse Assets pursuant to one or more Bids. These Bidding Procedures shall govern the Debtors' process relating to the solicitation by the Debtors of one or more Bids for the Stalking Horse Assets that are superior to that contemplated by the Stalking Horse Agreement.

All amounts specified herein are in Canadian dollars.

**1. Assets to Be Sold**

The Debtors are soliciting superior offers for the Stalking Horse Assets.

**2. The Bidding Process**

The Debtors shall: (a) receive Bids; (b) determine whether any person making a Bid (a "**Bidder**") is a Qualified Bidder (as defined below); (c) receive offers from Qualified Bidders; and (d) negotiate any offers made to purchase the Stalking Horse Assets (collectively, the "**Bidding Process**"). The Debtors shall, after consultation with the Trustee (as defined below), have the right to adopt such other rules for the Bidding Process (including rules that may depart from those set forth herein) that in their reasonable business judgment will better promote the goals of the Bidding Process, *provided, however*, that the adoption of any rule that materially deviates from these Bidding Procedures shall require the consent of the Stalking Horse Bidder.

**3. Bid Deadline**

A Qualified Bidder that desires to make a bid shall deliver written copies of its Bid to each of:

- (i) the Debtors, Manitok Energy Inc., Raimount Energy Corp. and Corinthian Oil Corp., Suite 2600, 585- 8th Avenue S.W., Calgary, Alberta T5N 2M5, Attn.: Massimo Geremia;
- (ii) counsel to the Debtors, Gowling WLG (Canada) LLP, Suite 1600, 421 7th Avenue S.W., Calgary, Alberta T2P 4K9, Attn.: Clifton Prophet / Greg Peterson / Frank Sur;

- (iii) the NOI Trustee, FTI Consulting Canada Inc. (the "**Trustee**"), Suite 1610, 520 – 5th Ave S.W., Calgary, AB T2P 3R7 Canada, Attn: Deryck Helkaa / Dustin Olver; and
- (iv) counsel to the Stalking Horse Bidder, Stikeman Elliott LLP, 4300 Bankers Hall West, 888 – 3rd Street S.W., Calgary, Alberta T2P 5C5, Attn: Ben Hudy (collectively, the "**Notice Parties**"),

so that such bid is received by each of the foregoing by not later than 5:00 p.m. (prevailing Calgary time) on ●, 2018 (the "**Bid Deadline**"). A Bid received after the Bid Deadline shall not constitute a Qualified Bid (as defined below). A Bid shall be delivered to all Notice Parties at the same time. Interested bidders requesting information about the qualification process, including a copy of the Stalking Horse Agreement, and any other information, should contact the Trustee.

#### 4. **Designation as Qualified Bidder**

To participate in the Auction (as defined below), a Bidder must submit a Bid that is determined by the Debtors in consultation with the Trustee, to satisfy each of the following conditions (a "**Qualified Bid**", such Bidder, a "**Qualified Bidder**"):

- (a) Written Submission of Modified Stalking Horse Agreement and Commitment to Close. Bidders (other than the Stalking Horse Bidder) must submit a Bid by the Bid Deadline in the form of an executed mark-up of the Stalking Horse Agreement (each a "**Modified Agreement**") reflecting such Qualified Bidder's proposed changes to the Stalking Horse Agreement (together with a blackline of the Modified Agreement against the Stalking Horse Agreement), and a written and binding commitment to close on the terms and conditions set forth therein;
- (b) Irrevocable. A Bid must be irrevocable until the sooner of (i) ●, 2018; and (ii) two (2) business days after the Stalking Horse Assets have been sold pursuant to the closing of the sale or sales approved by the Court (the "**Termination Date**");
- (c) Contingencies. A Bid may not be conditional on any internal approval or on the outcome or review of due diligence. Any other contingencies associated with a Bid may not, in aggregate, be more burdensome than those set forth in the Stalking Horse Agreement;
- (d) Financing Sources. A Bid must contain written evidence of a commitment for financing or other evidence of the ability to consummate the sale satisfactory to the Debtors with appropriate contact information for such financing sources;
- (e) No Fees payable to Qualified Bidder. A Bid may not request or entitle the Qualified Bidder, other than the Stalking Horse Bidder, to any break-up fee (the "**Break-Up Fee**"), expense reimbursement (the "**Expense Reimbursement**") or similar type of payment;
- (f) Good-Faith Deposit. Each Bid must be accompanied by a cash deposit (the "**Good Faith Deposit**") equal to ten percent (10%) of the total consideration contemplated under the Modified Agreement that shall be paid to the Trustee, to be held by the Trustee in trust in accordance with these Bidding Procedures; and
- (g) Minimum Overbid. The aggregate consideration in a Bid must have an aggregate purchase price of at least equal to the aggregate purchase price under the Stalking Horse Agreement of \$40,000,000 (less the gross proceeds of the two asset sales referenced in the Stalking Horse Agreement, if applicable), plus the Assumed Liabilities, the Break-Up Fee of \$3,000,000, plus the Expense Reimbursement of up to \$500,000, plus \$1,000,000 for a total minimum consideration of \$● (the "**Minimum Overbid**").

For greater certainty, the Stalking Horse Bidder is and is deemed to be a Qualified Bidder for all purposes of these Bidding Procedures.

## 5. Due Diligence

Each Qualified Bidder shall comply with all reasonable requests for additional information by the Debtors or the Trustee regarding such Bidder and its contemplated transaction. Failure by a Bidder to comply with requests for additional information will be a basis for the Debtors to determine that the Bidder is not a Qualified Bidder.

## 6. The Auction and Auction Procedures

Only if a Qualified Bid (other than the Bid from the Stalking Horse Bidder) (a "**Qualified Non-Stalking Horse Bid**") is received by the Bid Deadline shall the Debtors conduct an auction (the "**Auction**") to determine the highest and/or best Bid with respect to the Stalking Horse Assets. The Auction shall commence on ●, 2018, at the offices of Gowling WLG (Canada) LLP at 11:00 a.m. (prevailing Calgary time).

If no such Qualified Non-Stalking Horse Bid is received by the Bid Deadline, then the Auction shall not take place, the Stalking Horse Bidder shall be declared the Successful Bidder (as defined below), the Debtors shall consummate the Stalking Horse Agreement and the transactions provided for therein and the Trustee shall post notice of such facts on its website established in connection with the NOI Proceedings.

If a Qualified Non-Stalking Horse Bid is received in accordance with these Bidding Procedures, the Auction shall be conducted according to the following procedures:

- (a) **Attendance at Auction:** Only a Qualified Bidder that has submitted a Qualified Bid is eligible to participate at the Auction. For greater certainty, the Stalking Horse Bidder is a Qualified Bidder and eligible to participate at this Auction. Only the authorized representatives (including counsel and other advisors) of each of the Qualified Bidders, the Debtors and the Trustee shall be permitted to attend at the Auction. The bidding at the Auction shall begin with the highest Qualified Bid determined in accordance with 6(b) hereof (the "**Opening Bid**") and each subsequent round of bidding shall continue in minimum increments of at least the Minimum Overbid Increment (as defined below).
- (b) **Conduct of Auction:** The Debtors and their professionals, in consultation with the Trustee, shall direct and preside over the Auction. At the start of the Auction, the Debtors shall provide the terms of the Opening Bid to all participating Qualified Bidders at the Auction and, if applicable, a blackline of such Opening Bid to the Stalking Horse Agreement. The determination of which Qualified Bid constitutes the Opening Bid shall take into account the following: (i) the amount and nature of the consideration; (ii) the proposed assumption of any liabilities, if any; (iii) the ability of the Qualified Bidder to close the proposed transaction; (iv) the proposed closing date and the likelihood, extent and impact of any potential delays in closing; (v) any purchase-price adjustments; (vi) the impact of the contemplated transaction on any actual or potential litigation; (vii) the net economic effect of any changes from the Stalking Horse Agreement, if any, contemplated by the contemplated transaction documents (the "**Contemplated Transaction Documents**"); (viii) the net after-tax consideration to be received by the Debtors; and (ix) such other considerations as the Debtors deem relevant in their reasonable business judgment (collectively, the "**Bid Assessment Criteria**"). All Bids made after the Opening Bid shall be Overbids (as defined below), and shall be made and received on an open basis, and all material terms of each Overbid shall be fully disclosed to all other Qualified Bidders that are participating in the Auction. The Debtors shall maintain a transcript of the Opening Bid and Overbids made and announced at the Auction, including the Successful Bid and the Back-up Bid (as defined below).

- (c) Terms of Overbids. An "Overbid" is any Bid made at the Auction subsequent to the Debtors' announcement of the Opening Bid and at the beginning of each subsequent round of bidding of the then highest and/or best Overbid. To submit an Overbid, in any round of the Auction, a Qualified Bidder must comply with the following conditions:

(i) *Minimum Overbid Increment*

Any Overbid shall be made in increments of at least \$● (the "**Minimum Overbid Increment**"). The amount of the cash purchase price consideration of any Overbid shall not be less than the cash purchase price consideration of the Opening Bid.

(ii) *Remaining terms are the same as for Qualified Bids*

Except as modified herein, an Overbid must comply with the conditions for a Qualified Bid set forth above, provided, however, that the Bid Deadline shall not apply. Any Overbid made by a Qualified Bidder must remain open and binding on the Qualified Bidder until and unless (A) the Debtors accept a higher Overbid and (B) such Overbid is not selected as the Back-up Bid (as defined below).

The Debtors shall credit the amount of the Break-Up Fee and Expense Reimbursement to each and every Overbid submitted by the Stalking Horse Bidder at the Auction, meaning that if the Stalking Horse Bidder's subsequent Overbid is the then highest and/or best Overbid at the Auction, any subsequent Overbid must exceed the Stalking Horse Bidder's Overbid by the amount of the Break-Up Fee, Expense Reimbursement and Minimum Overbid Increment.

To the extent not previously provided (which shall be determined by the Debtors), a Qualified Bidder submitting an Overbid must submit, as part of its Overbid, written evidence (in the form of financial disclosure or credit-quality support information or enhancement reasonably acceptable to the Debtors) demonstrating such Qualified Bidder's ability to close the transaction proposed by such Overbid.

(iii) *Announcing Overbids*

At the end of each round of bidding, the Debtors shall announce the material terms of the then highest and/or best Overbid, the basis for calculating the total consideration offered in such Overbid, and the resulting benefit to the Debtors based on the Bid Assessment Criteria.

(iv) *Failure to Bid*

If at the end of any round of bidding a Qualified Bidder (other than the Qualified Bidder that submitted the then highest and/or best Overbid or Opening Bid, as applicable) fails to submit an Overbid, then such Qualified Bidder shall not be entitled to continue to participate in the next round of the Auction.

- (d) Additional Procedures. The Debtors may, with the assistance of their advisors and in consultation with the Trustee, adopt rules for the Auction at or prior to the Auction that will better promote the goals of the Auction and that are not inconsistent with any of the provisions of these Bidding Procedures or the Bidding Procedures Order; provided that no such rules may change the requirement that all Overbids shall be made and received in one room, within a defined period, on an open basis, and all other Qualified Bidders (that have not failed to make an Overbid in a prior round of bidding) shall be entitled to be present for all bidding with the understanding that the true identity of each Qualified Bidder – i.e., principals submitting the Bid – shall be fully disclosed to all other Qualified Bidders and that all material terms of the then highest and/or best Overbid at the end of each round of bidding will be fully disclosed to all other Qualified Bidders provided further that the adoption of any rule that materially deviates from the Auction procedures set forth herein shall require the prior written consent of the Stalking Horse Bidder or an Order of the Court.



- (e) Closing the Auction. Upon conclusion of the bidding, the Auction shall be closed, and the Debtors shall, with the assistance of their advisors and in consultation with the Trustee, (i) immediately review the final Overbid of each Qualified Bidder on the basis of financial and contractual terms and the factors relevant to the sale process, including those factors affecting the speed and certainty of consummating the proposed sale; and (ii) identify the highest and/or best Overbid or Opening Bid (the "**Successful Bid**" and the entity or entities submitting such Successful Bid, the "**Successful Bidder**"), and the next highest and/or best Overbid, Opening Bid, or Stalking Horse Agreement after the Successful Bid (the "**Back-up Bid**" and the entity or entities submitting such Back-up Bid, the "**Back-Up Bidder**"), and advise the Qualified Bidders of such determination.
- (f) Consent to Jurisdiction as Condition to Bid. All Qualified Bidders at the Auction shall be deemed to have consented to the jurisdiction of the Court and waived any right to a jury trial in connection with any disputes relating to the Auction, and the construction and enforcement of the Bidder's Contemplated Transaction Documents, as applicable.
- (g) Breakup Fee; Expense Reimbursement. In the event that the Stalking Horse Bidder is not the Successful Bidder, the Stalking Horse Agreement shall be terminated pursuant to Section 15.2 of the Stalking Horse Agreement, and the Break-Up Fee (in the amount of \$3,000,000) and Expense Reimbursement (in the amount of up to \$500,000) shall be immediately paid to the Stalking Horse Bidder from the proceeds received upon closing of the alternate transaction. The obligation to pay the Break-Up Fee and Expense Reimbursement under the Stalking Horse Agreement shall be absolute and unconditional and shall not be subject to any defense, claim, counterclaim, offset, recoupment or reduction of any kind whatsoever. Section 8.2 of the Stalking Horse Agreement and the rights and obligations created thereunder shall survive termination of the Stalking Horse Agreement.

## 7. **Acceptance of Successful Bid**

The Debtors shall complete the sale transaction or transactions with the Successful Bidder:

- (a) if the Successful Bidder is the Stalking Horse Bidder pursuant to the Approval and Vesting Order (as defined in the Stalking Horse Agreement); or
- (b) if the Successful Bidder is not the Stalking Horse Bidder pursuant to a Non-Stalking Horse Bidder – Approval and Vesting Order.

The Debtors will be deemed to have accepted a Successful Bid only when the Successful Bid has been approved by the Court. The Debtors will be deemed to have accepted a Back-up Bid only when it has been approved by the Court and has been deemed to be a Successful Bid.

## 8. **"As Is, Where Is"**

The sale of the Stalking Horse Assets pursuant to these Bidding Procedures shall be on an "as is, where is" basis and without representations or warranties of any kind, nature, or description by the Debtors, their agents or estates except to the extent set forth in the Stalking Horse Agreement or the purchase agreement of another Successful Bidder. The Stalking Horse Bidder and each Qualified Bidder shall be deemed to acknowledge and represent that it has had an opportunity to conduct any and all due diligence regarding the Stalking Horse Assets prior to making its offer, that it has relied solely on its own independent review, investigation, and/or inspection of any documents and/or the Stalking Horse Assets in making its Bid, and that it did not rely on any written or oral statements, representations, promises, warranties, conditions or guaranties whatsoever, whether express, implied, by operation of law or otherwise, regarding the Stalking Horse Assets, or the completeness of any information provided in connection therewith or the Auction, except as expressly stated in these Bidding Procedures or (a) as to the Stalking Horse Bidder, the terms of the sale of the Stalking Horse Assets shall be set forth in the

Stalking Horse Agreement, or (b) as to another Successful Bidder, the terms of the sale of the Stalking Horse Assets shall be set forth in the applicable purchase agreement.

#### **9. Free Of Any And All Encumbrances**

Except as otherwise provided in the Stalking Horse Agreement or another Successful Bidder's purchase agreement, all of the Debtors' right, title, and interest in and to the Stalking Horse Assets subject thereto all be sold free and clear of all pledges, liens, security interests, encumbrances, claims, charges, options, and interests thereon and there against (collectively, and other than any permitted encumbrances under the Stalking Horse Agreement or another Successful Bidder's purchase agreement, the "**Encumbrances**") in accordance with a vesting order of the Court, with such Encumbrances to attach to the net proceeds of the sale of the Stalking Horse Assets.

#### **10. Sale Hearing**

If the Successful Bidder is not the Stalking Horse Bidder, a hearing to obtain an approval and vesting order (a "**Non-Stalking Horse Bidder – Approval and Vesting Order**") from the Court, shall be heard within ● days of the conclusion of the Auction and by no later than ●, 2018 at the Court in Calgary, Alberta (the "**Sale Hearing**").

Following the approval of the sale to the Successful Bidder at the Sale Hearing, if such Successful Bidder fails to consummate the sale in accordance with the terms and conditions of the purchase agreement of the Successful Bidder, the Debtors shall be authorized, but not required, to deem the Back-up Bid, as disclosed at the Sale Hearing, the Successful Bid and the Debtors shall be authorized, but not required, to consummate the sale with the Back-up Bidder, subject to approval by the Court, which approval may be sought by the Debtors on a conditional basis at the Sale Hearing, at the Debtors' discretion.

#### **11. Return of Good Faith Deposit**

Good Faith Deposits of all Qualified Bidders shall be held in a non-interest-bearing account. Good Faith Deposits of all Qualified Bidders, other than the Successful Bidder and the Back-Up Bidder shall be returned to such Qualified Bidders two (2) business days after the selection of the Successful Bidder and Back-Up Bidder. Good Faith Deposits of the Successful Bidder shall be applied to the purchase price of such transaction at closing. The Good Faith Deposit of the Back-Up Bidder shall be held in an interest-bearing account until two (2) business days after the closing of the transactions contemplated by the Successful Bid, and thereafter returned to the Back-Up Bidder. If a Successful Bidder fails to consummate an approved sale because of a breach or failure to perform on the part of such Successful Bidder that prevents closing from occurring, the Debtors shall be entitled to retain the Good Faith Deposit of the Successful Bidder as part of their damages resulting from the breach or failure to perform by the Successful Bidder. If the Successful Bidder fails to consummate an approved sale for any reason, and a transaction is completed with the Back-Up Bidder (in which case, the Back-Up Bidder shall be deemed the Successful Bidder), the Good Faith Deposit of the Back-Up Bidder shall be applied to the purchase price of the transactions contemplated by the purchase agreement of the Back-Up Bidder at closing.

#### **12. Modifications and Reservations**

These Bidding Procedures may be modified or amended only upon the express written consent of the Debtors, after consultation with the Trustee, and, if such modification or amendment materially deviates from these Bidding Procedures, with the prior written consent of the Stalking Horse Bidder.

The Debtors may, after consultation with the Trustee, reject at any time before entry of an order of the Court approving a Successful Bid, any Bid (except the Stalking Horse Agreement, other than in accordance with its terms) that is (a) inadequate or insufficient; or (b) not in conformity with the requirements of the BIA, these Bidding Procedures, or the terms and conditions of sale.

### **13. Miscellaneous**

The Auction and these Bidding Procedures are solely for the benefit of the Debtors and nothing contained in the Bidding Procedures Order or these Bidding Procedures shall create any rights in any other person (including, without limitation, any Bidder or Qualified Bidder, and any rights as third party beneficiaries or otherwise) other than: (i.) the rights expressly granted to a Successful Bidder under the Bidding Procedures Order; (ii.) the rights explicitly granted to the Stalking Horse Bidder herein; and (iii.) any rights the Stalking Horse Bidder may have in connection with protections provided for it herein.

**SCHEDULE F TO THE ASSET PURCHASE AGREEMENT DATED FEBRUARY 13, 2018 AMONG  
MANITOK ENERGY INC., RAIMOUNT ENERGY CORP., CORINTHIAN OIL CORP. AND RENERGY  
RESOURCES (CANADA) CO. LTD.**

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**CURE COSTS**

See attached.

**Exhibit A**

**JOINT VENTURE AGREEMENT**

