

Sale and Investment Solicitation Process

Procedures for the Sale and Investment Solicitation Process

1. On October 12, 2017, the Alberta Court of Queen's Bench (the "**Court**") made an order (the "**Receivership Order**") appointing FTI Consulting Canada Inc. ("**FTI**") as Receiver and Manager (the "**Receiver**") over certain assets, undertakings, and properties of Blaze Energy Ltd. and Wild Rose Energy Ltd. (collectively, the "**Company**"). The Receiver is requesting the Court's approval of the Sale and Investment Solicitation Process (the "**SISP**") set forth herein at a Court application scheduled on November 17, 2017.
2. Set forth below are the procedures (the "**SISP Procedures**") to be followed with respect to the SISP to seek a Successful Bid (as defined herein), and if there is a Successful Bid, to complete the transactions contemplated by the Successful Bid.

Defined Terms

3. All capitalized terms used but not otherwise defined herein shall have the meanings given to them in the Receivership Order. In addition, in these SISP Procedures:

"**Business Day**" means a day, other than a Saturday or Sunday, on which banks are open for business in the City of Calgary;

"**Lenders**" means Stream Asset Financial Spark LP and Maxam Opportunities Fund II Limited Partnership;

"**Material Contracts**" means each of the Company agreements set out in the attached **Schedule "A"**; and

"**Material Contract Counterparty**" means NOVA Gas Transmission Ltd., J.P. Morgan Commodities Canada Corporation (Mercuria Commodities Canada Corporation), NBC

Commodities (2015) Inc., Tidal Energy Marketing Inc., PetroChina International (Canada) Trading Ltd., and Tidewater Midstream and Infrastructure Ltd.

SISP Procedures and Timeline

4. The SISP Procedures set forth herein describe the manner in which prospective bidders may gain access to or continue to have access to due diligence materials concerning the Company, and that portion of its business and its operations (the “**Business**”) and its assets, undertakings, and property that are subject to the Receivership Order granted by the Court on October 12, 2017 in Action No. 1701-13518 (collectively, the “**Property**”), the manner in which a bid becomes a Qualified Phase I Bid or a Qualified Phase II Bid (each as defined herein), the receipt and negotiation of bids received, the ultimate selection of a Successful Bid, if any, and the approval thereof by the Court.

5. The Receiver shall administer the SISP Procedures. The Company is required to assist and support the efforts of the Receiver, as provided herein. In the event that there is disagreement as to the interpretation or application of the SISP Procedures, the Court will have jurisdiction to hear and resolve such dispute.

6. The following table sets out the key milestones under this SISP:

Milestone	Deadline
Phase I Bid Deadline	December 14, 2017
Phase II Bid Deadline	January 24, 2018

7. The Receiver will use their reasonable efforts to complete the SISP in accordance with the timelines as set out herein. The Receiver shall be permitted to make such adjustments to the timeline that it determines are reasonably necessary, in accordance with these SISP Procedures.

Solicitation of Interest

8. As soon as practicable following Court approval of the SISP, the Receiver shall cause a notice of the SISP to be published in the Daily Oil Bulletin.

9. A non-confidential teaser letter prepared by the Receiver describing the opportunity to acquire some, or substantially all of the Business or Property will be made available by the Receiver to prospective purchasers or prospective strategic or financial investors, and will be posted on the Receiver's website as soon as practicable following Court approval of the SISP. The Receiver intends to contact all parties who had previously expressed an interest in the Property or were included in the Company's previous marketing efforts undertaken up to June of 2017.

10. A "**Confidential Information Memorandum**" describing the opportunity to acquire some, or substantially all of the Business or Property will be made available by the Receiver to prospective purchasers that have executed a non-disclosure agreement with the Receiver, in a form satisfactory to the Receiver.

11. The Receiver will also populate an electronic data room (the "**Data Room**") or make such information available to interested buyers that will include detailed information regarding the Business and Property, which may include but will not be limited to listings, photographs, financial information, technical specifications, and other information required for prospective purchasers to perform due diligence on the Business and Property.

"As Is, Where Is"

12. Any sale of the Business or Property will be on an "as is, where is" basis and without any representations, warranties, covenants, or indemnities of any kind, nature, or description by the Receiver or any of its affiliates, advisors, agents, or representatives, except to the extent otherwise provided in the relevant final sale agreement with a Successful Bidder.

Free of Any and All Claims and Interests

13. In the event of a sale of the Business or Property, to the extent permitted by law, all of the rights, title, and interests of the Company in and to the Business or Property to be acquired will be sold free and clear of all pledges, liens, security interests, encumbrances, claims, charges, options, and interests thereon and there against (collectively, the "**Claims and Interests**"), such Claims and Interests to attach to the net proceeds of the sale of such Business or Property (without prejudice to any claims or causes of action regarding the priority, validity, or

enforceability thereof), pursuant to the Sale Approval and Vesting Order (as defined herein) made by the Court, upon the application of the Receiver, except to the extent otherwise set forth in the relevant sale agreement with a Successful Bidder.

Participation Requirements

14. In order to participate in the SISP, each person interested in bidding on the Business or Property (a “**Potential Bidder**”) must deliver to the Receiver at the address specified in **Schedule “B”** hereto (including by email or fax transmission), and prior to the distribution of any confidential information by the Receiver to a Potential Bidder (including the Confidential Information Memorandum), an executed non-disclosure agreement in a form satisfactory to the Receiver, which shall inure to the benefit of any purchaser.

Phase I

15. A Potential Bidder that has executed a non-disclosure agreement, as described above, and who the Receiver in their sole discretion determine has a reasonable prospect of completing a transaction contemplated herein, will be deemed a “**Qualified Phase I Bidder**” and will be promptly notified of such classification by the Receiver in writing.

16. Qualified Phase I Bidders shall be provided with access to the Data Room and, if requested by the Qualified Phase I Bidder and deemed appropriate by the Receiver, a management presentation, together with such further information as the Receiver may deem appropriate. The Receiver makes no representation or warranty as to the accuracy or completeness of the information contained in the Data Room, the information to be provided through the due diligence process, or otherwise, regardless of whether such information is provided in written, oral, or any other form, except to the extent otherwise contemplated under any final sale agreement with a Successful Bidder.

17. With the written consent of the Receiver, Qualified Phase I Bidders may be permitted to enter into discussions with any Material Contract Counterparty in respect of the Material Contracts, but not with respect to the details of its potential bid.

18. A Qualified Phase I Bidder, if it wishes to submit a bid, must deliver written copies of a non-binding letter of intent (a “**Phase I Bid**”) to the Receiver at the addresses specified in

Schedule “B” hereto (including by email or fax transmission) by no later than 5:00 p.m. (Calgary Time) on December 14, 2017, or such other date or time as may be agreed to by the Receiver (the “**Phase I Bid Deadline**”).

19. A Phase I Bid will be deemed to be a “**Qualified Phase I Bid**” only if the Phase I Bid complies with all of the following:

- (a) it includes a term sheet describing the terms and conditions of the proposed transaction, including identification of the Business and Property proposed to be acquired (including any liabilities to be assumed), the purchase price for the Business or Property proposed to be acquired in Canadian Dollars (the “**Purchase Price**”), a detailed description of all assumptions and conditions relating to each of the Material Contracts which the Phase I Bidder has factored into the proposed Purchase Price, the effective and closing date of the proposed transaction, and the structure and financing of the proposed transaction;
- (b) it is not subject to a financing condition and it includes written evidence of the financial ability to consummate the proposed transaction that will allow the Receiver to make a reasonable determination as to the Qualified Phase I Bidder’s financial and other capabilities to consummate the transaction contemplated by its Phase I Bid;
- (c) it contains a description of the conditions and approvals required for a final and binding offer, including any anticipated corporate, security holder, internal, or regulatory approvals required to close the transaction, an estimate of the anticipated time frame, and any anticipated impediments for obtaining such approvals;
- (d) it contains an outline of any additional due diligence required to be conducted by the Qualified Phase I Bidder in order to submit a final and binding offer;
- (e) it fully discloses the identity of each person (including any person that controls such person) that will be directly or indirectly sponsoring or participating in the bid and the complete terms of any such participation;

- (f) it does not include any request for or entitlement to any break or termination fee, expense reimbursement, or similar type of payment;
- (g) it contains such other information as may reasonably be requested by the Receiver; and
- (h) it is received by the Phase I Bid Deadline.

20. The Receiver, in consultation with the Lenders, will assess the Phase I Bids received by the Phase I Bid Deadline and determine which of such bids constitute Qualified Phase I Bids. The Receiver may waive compliance with any one or more of the requirements specified herein and deem such non-compliant bids to be Qualified Phase I Bids.

21. The Receiver may reject any Phase I Bid if it determines that such bid does not constitute a Qualified Phase I Bid, is otherwise inadequate or insufficient, or is otherwise contrary to the best interests of the Company, its creditors, or other stakeholders.

22. If it is determined by the Receiver that a person that has submitted a Qualified Phase I Bid (including where compliance with the bid requirements has been waived) has a bona fide interest in completing a transaction pursuant to these SISP Procedures and such bid has not been rejected pursuant to the provisions hereof, then such person shall be deemed to be a **“Phase II Bidder”**. Notwithstanding anything else in this paragraph, any person that submits a Qualified Phase I Bid which contemplates payment in full in cash of the secured debt of the Lenders (and which Qualified Phase I Bid is not subject to financing) shall be deemed a Phase II Bidder.

23. The Receiver shall notify each Phase I Bidder in writing as to whether or not such person has been determined to be a Phase II Bidder.

Phase II

24. The Receiver shall allow each Phase II Bidder such further access to confirmatory due diligence materials and information regarding mineral titles, the Material Contracts, and environmental diligence items as the Receiver deems appropriate.

25. If requested by a Phase II Bidder, the Receiver shall arrange for a site visit, subject to compliance with health, safety, and security measures reasonably required by the Receiver.

26. With the written consent of the Receiver, Qualified Phase II Bidders may be permitted to enter into discussions with any Material Contract Counterparty in respect of the Material Contracts, but not with respect to the details of its potential bid.

27. Phase II of the SISP will be limited to those persons that were identified by the Receiver as a Phase II Bidder. No person shall be permitted to participate in Phase II of the SISP without having participated in Phase I of the SISP and who were designated as a Phase II Bidder herein.

28. A Phase II Bidder that wishes to make a formal offer to purchase the Business or Property shall submit a binding offer (a “**Phase II Bid**”) and a copy of the purchase and sale agreement they are prepared to sign (the “**Definitive Agreement**”) to the Receiver at the addresses specified in **Schedule “B”** hereto (including by email or fax transmission), so as to be received by each of them no later than by 5:00 p.m. (Calgary Time) on January 24, 2018, or such other date or time as may be agreed to by the Receiver (the “**Phase II Bid Deadline**”). Such Phase II Bid shall be a “**Qualified Phase II Bid**” and such Phase II Bidder shall be a “**Qualified Phase II Bidder**” only if its Phase II Bid complies with all of the following:

- (a) it complies with all of the requirements in respect of Qualified Phase I Bids, other than the requirements set out in paragraphs 19(c), 19(d), and 19(h);
- (b) it clearly identifies the form of consideration being proposed to satisfy the Purchase Price and estimated value of the consideration in Canadian Dollars. The Receiver’s preference is for cash consideration, provided that the Receiver will consider securities or other forms of consideration;
- (c) it clearly identifies the contracts, agreements, or other arrangements held by the Company, including those of the Material Contracts, that are to be assumed by the Qualified Phase II Bidder under its Qualified Phase II Bid;
- (d) in respect of each Material Contract that is to be assumed by the Qualified Phase II Bidder under its Qualified Phase II Bid, all amendments or other changes in

respect of each such Material Contract that have either been agreed to by the Qualified Phase II Bidder and the applicable Material Contract Counterparty, or are to be agreed to if the Qualified Phase II Bidder was to become the Successful Bidder (as defined herein), are clearly identified;

- (e) it includes a letter stating that its Phase II Bid is irrevocable until the earlier of: (i) the approval of a Successful Bid (as defined herein) by the Court in accordance with these SISP Procedures; and (ii) thirty (30) calendar days following the Phase II Bid Deadline, provided that if such Qualified Phase II Bidder is selected as the Successful Bidder, its offer shall remain irrevocable until the closing of the transaction with the Successful Bidder;
- (f) it includes written evidence of a firm irrevocable commitment for all required financing, or other evidence of the financial ability of such Qualified Phase II Bidder to consummate the proposed transaction, that will allow the Receiver to make a reasonable determination as to the Qualified Phase II Bidder's financial and other capabilities to consummate the transaction contemplated by its bid;
- (g) it is not conditional on: (i) the outcome of unperformed due diligence; and/or (ii) obtaining financing;
- (h) it includes an acknowledgement and representation that the Qualified Phase II Bidder: (i) has relied solely upon its own independent review, investigation, and/or inspection of any documents and/or the Business or Property to be acquired and liabilities to be assumed in making its bid; and (ii) did not rely upon any written or oral statements, representations, promises, warranties, or guaranties whatsoever, whether express or implied (by operation of law or otherwise), regarding the Business or Property to be acquired, or liabilities to be assumed or the completeness of any information provided in connection therewith, except as expressly provided in a Definitive Agreement;
- (i) it includes evidence, in form and substance reasonably satisfactory to the Receiver, of authorization and approval from the Qualified Phase II Bidder's

board of directors (or comparable governing body) with respect to the submission, execution, delivery, and closing of the transaction contemplated by the Phase II Bid, and identifies any anticipated shareholder, regulatory, or other approvals outstanding, and the anticipated time frame and any anticipated impediments for obtaining such approvals;

- (j) it is accompanied by a refundable deposit (the “**Deposit**”) in the form of a wire transfer (to a bank account specified by the Receiver), or such other form acceptable to the Receiver, payable to the order of the Receiver, in trust, in an amount equal to ten percent (10%) of that total consideration set out in its Phase II Bid;
- (k) it includes an executed Definitive Agreement, including all exhibits and schedules contemplated thereby (other than exhibits and schedules that by their nature must be prepared by the Receiver), together with a blackline against the draft form of Definitive Agreement which will be prepared by the Receiver and posted in the Data Room;
- (l) it does not include any request for or entitlement to any break or termination fee, expense reimbursement, or similar type of payment;
- (m) it contains such other information as may reasonably be requested by the Receiver; and
- (n) it is received by the Phase II Bid Deadline.

Selection of Starting Bid

29. The Receiver, in consultation with the Lenders, will assess the Phase II Bids received by the Phase II Bid Deadline and determine whether or not each such bid constitutes a Qualified Phase II Bid. The Receiver may waive compliance with any one or more of the requirements specified herein and deem such non-compliant bid to be a Qualified Phase II Bid. The Receiver also reserves the right to request that certain Qualified Phase II Bidders revisit their Phase II Bids in the event that multiple Qualified Phase II Bids are competitive.

30. After the Receiver determines the most favourable of the Qualified Phase II Bids (the “**Successful Bid**”), the Receiver may then proceed to negotiate and settle the terms and conditions of a Definitive Agreement in respect of the Successful Bid, all of which shall be conditional upon Court approval and also conditional on the Successful Bid closing within thirty (30) calendar days after the Phase II Bid Deadline, or such longer period as shall be agreed to by the Receiver.

31. Once a Definitive Agreement has been negotiated and settled in respect of a Successful Bid, the person who made the Successful Bid shall be the “**Successful Bidder**”.

Court Approval Motion

32. The Receiver shall apply to the Court (the “**Approval Motion**”) for an order (the “**Sale Approval and Vesting Order**”) approving the Successful Bid and authorizing the Receiver to enter into any and all necessary agreements with respect to the Successful Bid, as well as an order vesting title to the purchased Business or Property in the name of the Successful Bidder.

33. The Approval Motion will be held on a date to be scheduled by the Court upon application by the Receiver. The Approval Motion may be adjourned or rescheduled by the Receiver without further notice by an announcement of the adjourned date at the Approval Motion.

34. All Qualified Phase II Bids (other than the Successful Bid) shall be deemed rejected on and as of the date of approval and recognition of the Successful Bid by the Court, but not before, and shall remain open for acceptance until that time.

Deposits

35. All Deposits shall be retained by the Receiver and invested in an interest-bearing trust account. If there is a Successful Bid, the Deposit (plus accrued interest) paid by the Successful Bidder whose bid is approved at the Approval Motion shall be applied to the Purchase Price to be paid by the Successful Bidder upon closing of the approved transaction and will be non-refundable. The Deposits (plus applicable interest) of Qualified Bidders not selected as the Successful Bidder shall be returned to such bidders within five (5) Business Days of the date upon which the Sale Approval and Vesting Order is approved by the Court. If there is no

Successful Bid, all Deposits shall be returned to the bidders within five (5) Business Days of the date upon which the SISP is terminated in accordance with the SISP Procedures.

Approvals

36. For greater certainty, the approvals required pursuant to the terms hereof are in addition to, and not in substitution for, any other approvals required by the applicable law in order to implement a Successful Bid.

No Amendment

37. Subject to the above, there shall be no amendments to these SISP Procedures, including, for greater certainty, the process and procedures set out herein, without the consent of the Receiver.

No Obligation to Conclude a Transaction

38. The Receiver has no obligation to agree to conclude a sale or investment arising out of this SISP, and it reserves the right and unfettered discretion to reject any offer or other proposal made in connection with this SISP. In addition, at any time during the SISP, the Receiver may determine to terminate these SISP Procedures, and shall provide notice of such a decision to all Qualified Phase I Bidders or Qualified Phase II Bidders, as applicable.

Further Orders

39. At any time during the SISP, the Receiver may apply to the Court for advice and directions with respect to the discharge of its powers and duties hereunder.

Schedule "A"

Material Contracts

- Service Agreement Rate Schedule FT-R between NOVA Gas Transmission Ltd. and Wild Rose Energy Ltd. dated May 11, 2017 and signed June 5, 2017
- Project and Expenditure Authorization between NOVA Gas Transmission Ltd. and Wild Rose Energy Ltd. dated May 11, 2017 and signed June 5, 2017
- Master Natural Gas Storage Agreement between Wild Rose Energy Ltd. and J.P. Morgan Commodities Canada Corporation (*Mercuria Energy Trading purchased physical trading book from J.P. Morgan in 2014*) (Contract# JPMCCC01) dated March 4, 2013, including all Transactions (as defined in such Master Natural Gas Storage Agreement) currently in effect and set out below for reference:

MCCC.2016.PK01
MCCC.2016.PK02
MCCC.2016.PK03
MCCC.2016.PK04
MCCC.2016.PK05

- Master Natural Gas Storage Agreement between Wild Rose Energy Ltd. and NBC Commodities (2015) Inc. (Contract# NBC02) dated October 28, 2014, including all Transactions (as defined in such Master Natural Gas Storage Agreement) currently in effect and set out below for reference:

NBCI.2013.PK1	NBCO.2016.PK09	NBCO.2016.PK25	NBCO.2016.PK41
NBCI.2015.PK1	NBCO.2016.PK10	NBCO.2016.PK26	NBCO.2016.PK42
NBCI.2015.PK2	NBCO.2016.PK11	NBCO.2016.PK27	NBCO.2016.PK43
NBCI.2014.PK21	NBCO.2016.PK12	NBCO.2016.PK28	NBCO.2016.PK44
NBCI.2014.PK22	NBCO.2016.PK13	NBCO.2016.PK29	NBCO.2016.PK45
NBCI.2014.PK23	NBCO.2016.PK14	NBCO.2016.PK30	NBCO.2016.PK46
NBCI.2014.PK24	NBCO.2016.PK15	NBCO.2016.PK31	
NBCI.2014.PK25	NBCO.2016.PK16	NBCO.2016.PK32	
NBCO.2016.PK01	NBCO.2016.PK17	NBCO.2016.PK33	
NBCO.2016.PK02	NBCO.2016.PK18	NBCO.2016.PK34	
NBCO.2016.PK03	NBCO.2016.PK19	NBCO.2016.PK35	
NBCO.2016.PK04	NBCO.2016.PK20	NBCO.2016.PK36	
NBCO.2016.PK05	NBCO.2016.PK21	NBCO.2016.PK37	
NBCO.2016.PK06	NBCO.2016.PK22	NBCO.2016.PK38	
NBCO.2016.PK07	NBCO.2016.PK23	NBCO.2016.PK39	

NBCO.2016.PK08	NBCO.2016.PK24	NBCO.2016.PK40
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- Master Natural Gas Storage Agreement between Wild Rose Energy Ltd. and Tidal Energy Marketing Inc. (Contract# TEMI01) dated January 22, 2013, including all Transactions (as defined in such Master Natural Gas Storage Agreement) currently in effect and set out below for reference:

TEMI.2015.PK3
TEMI.2015.PK4
TEMI.2015.PK5
TEMI.2015.PK6
TEMI.2015.PK7
TEMI.2015.TC10
TEMI.2015.PK9
TEMI.2016.TC01
TEMI.2016.TC02
TEMI.2016.TC03
TEMI.2016.TC04
TEMI.2016.TC05

- Master Natural Gas Storage Agreement between Wild Rose Energy Ltd. and PetroChina International (Canada) Trading Ltd. dated April 2, 2015, including all Transactions (as defined in such Master Natural Gas Storage Agreement) currently in effect and set out below for reference:

PCIC.2015.TC01
PCIC.2015.TC02
PCIC.2015.TC03
PCIC.2015.PK1
PCIC.2015.PK2
PCIC.2015.TC04
PCIC.2016.TC01
PCIC.2016.TC02

- Master Natural Gas Storage Agreement between Wild Rose Energy Ltd. and Tidewater Midstream and Infrastructure Ltd. (Contract# TWM01) dated August 4, 2017, including all Transactions (as defined in such Master Natural Gas Storage Agreement) currently in effect and set out below for reference:

TWM.2017.PK1

TWM.2017.PK2
TWM.2017.PK3
TWM.2017.PK4
TWM.2017.PK5
TWM.2017.PK6
TWM.2017.PK7
TWM.2017.PK8
TWM.2017.PK9

- GasEDI Base Contract for the Sale and Purchase of Natural Gas between PetroChina International (Canada) Trading Ltd. and Wild Rose Energy Ltd. dated April 2, 2015, including the Special Provisions thereto and all Transactions (as defined in such GasEDI Base Contract) currently in effect.
- GasEDI Base Contract for the Sale and Purchase of Natural Gas between PetroChina International (Canada) Trading Ltd. and Blaze Energy Ltd. dated April 2, 2015, including the Special Provisions thereto and all Transactions (as defined in such GasEDI Base Contract) currently in effect.

Schedule “B”

Addresses for Notices

If to the Receiver:

FTI Consulting Canada Inc.
720, 440 2 Avenue S.W.
Calgary, Alberta T2P 5E9

Attention: Dustin Olver
Telephone: (403) 454-6032
Fax: (403) 232-6116
Email: dustin.olver@fticonsulting.com

With a copy to:

Fasken Martineau DuMoulin LLP
3400 First Canadian Centre
350 7 Avenue S.W.
Calgary, Alberta T2P 3N9

Attention: Travis Lysak
Telephone: (403) 261-5350
Fax: (403) 261-5351
Email: tlysak@fasken.com