UNDERWRITING AGREEMENT

Effective as of May 29, 2014

Madalena Energy Inc.
200, 707 – 7th Avenue S.W.
Calgary, Alberta T2P 3H6

Attention: Mr. Kevin Shaw
President and Chief Executive Officer

Dear Sir:

Re: Offering of Subscription Receipts of Madalena Energy Inc.

Dundee Capital Markets, a division of Dundee Securities Ltd., (the "**Lead Underwriter**"), as lead underwriter, together with RBC Dominion Securities Inc., Haywood Securities Inc., Beacon Securities Limited, National Bank Financial Inc., FirstEnergy Capital Corp., Mackie Research Capital Corporation, TD Securities Inc., Canaccord Genuity Corp., Jennings Capital Inc. and Raymond James Ltd. (collectively, the "**Underwriters**" and each, an "**Underwriter**") understand that Madalena Energy Inc. (the "**Corporation**" or "**Madalena**") proposes to issue and sell an aggregate of 98,100,000 subscription receipts (the "**Subscription Receipts**") of the Corporation (the "**Firm Receipts**") at a price of $0.51 per Firm Receipt (the "**Offering Price**"). The Firm Receipts, the Option Receipts (as defined herein) and any Underlying Shares (as defined herein) issuable pursuant to the conversion of the Offered Receipts (as defined herein) are hereinafter referred to collectively as the "**Offered Securities**".

We also understand that the Corporation will prepare and file, in accordance with the terms hereof, the Preliminary Prospectus (as defined herein) and the Prospectus (as defined herein) and all other necessary documents in order to qualify for distribution the Offered Securities in each of the Qualifying Provinces (as defined herein).

Upon and subject to the terms and conditions contained in this Agreement, the Underwriters hereby severally, and not jointly, agree to purchase from the Corporation on the Closing Date (as defined herein), in the respective percentages set forth in Section 18, and the Corporation hereby agrees to sell to the Underwriters, all but not less than all of the Subscription Receipts, at a price of $0.51 per Subscription Receipt for an aggregate purchase price of $50,031,000 (the "**Offering**").

The Corporation hereby grants to the Underwriters an option (the "**Over-Allotment Option**"), which may be exercised in the Underwriters' sole discretion and without obligation, exercisable in whole or in part and in one or more tranches at any time and from time to time commencing on the Closing Date (as defined herein) and prior to 5:00 p.m. (Calgary time) on the date that is 30 days after the Closing Date, by written notice delivered to the Corporation by the Lead Underwriter on behalf of the Underwriters, to purchase up to an additional 14,715,000 Subscription Receipts (the "**Option Receipts**") on the same terms and conditions as the Firm Receipts. The Firm Receipts together with any Option Receipts are collectively referred to herein as the "**Offered Receipts**". If the Over-Allotment Option is exercised in whole or in part following the completion of the Acquisition (as defined herein), an equal number of Underlying Shares shall be issued in lieu of the Option Receipts and any reference herein to the Option Receipts shall be deemed to be a reference to such Underlying Shares. In the event and to the

extent that the Underwriters exercise the Over-Allotment Option, subject to the terms and conditions hereof, the Underwriters hereby severally, and not jointly, agree to purchase from the Corporation the number of Option Receipts as to which Over-Allotment Option shall have been exercised in the respective percentages set forth in Section 18 hereof, and the Corporation hereby agrees to issue and sell such number of Option Receipts to the Underwriters at the purchase price of $0.51 per Option Receipt.

Each Subscription Receipt will entitle the holder either:

(a) if the closing of the Acquisition takes place by 5:00 p.m. (Toronto time) on July 31, 2014 (the "**Deadline**"), to receive one Underlying Share, without payment of additional consideration or further action on the part of the holder, forthwith upon the closing of the Acquisition; or

(b) if at or before the Deadline: (i) the Release Notice (as defined herein) has not been delivered to the Escrow Agent (as defined herein); (ii) the Corporation advises the Underwriters or announces to the public that it does not intend to proceed with the Acquisition; or (iii) either of the Acquisition Agreements (as defined herein) have been terminated in accordance with their terms (the time of occurrence of any such event being "**Termination Time**"), to receive forthwith, from the gross proceeds (the "**Escrowed Funds**") of the issuance of the Offered Receipts being held by the Escrow Agent under the Subscription Receipt Agreement (as defined herein), the full purchase price of such holder's Subscription Receipt, plus the pro rata portion of the interest earned thereon, calculated from the Closing Date to and including the Termination Time, and upon the occurrence of the Termination Time, the Offered Receipts will only represent the holder's right to receive such payment from the Escrow Agent.

The Escrowed Funds will be held by the Escrow Agent and invested in short-term interest bearing obligations of, or guaranteed by, the Government of Canada (and other approved instruments as set forth in the Subscription Receipt Agreement) pending delivery of the Release Notice. Provided that the Release Notice is delivered to the Escrow Agent prior to the Termination Time: (i) the Underlying Shares will be issued to the holders of the Offered Receipts; (ii) the applicable portion of the Underwriting Fee (as defined herein) payable to the Underwriters in accordance with Section 2 hereof and the interest accrued thereon shall be released by the Escrow Agent to the Lead Underwriter, on behalf of the Underwriters; and (iii) the balance of the Escrowed Funds and the interest accrued thereon shall be released to the Corporation or as it otherwise directs.

In connection with the Offering, the Underwriters shall be entitled to retain as sub-agents other registered securities dealers and may receive (for delivery to the Corporation at the Closing Time (as defined herein)) subscriptions for Subscription Receipts from other registered securities dealers. The fee payable to such sub-agents shall be for the account of the Underwriters and shall not exceed the fee payable to the Underwriters hereunder.

The Corporation understands that the Underwriters will have the right to solicit orders and obtain substituted purchasers (the "**Substituted Purchasers**") for the Offered Receipts on behalf of the Corporation and the obligation of the Underwriters to purchase the Offered Receipts shall be reduced by the number of Offered Receipts purchased by the Substituted Purchasers. Notwithstanding anything to the contrary contained herein, all offers and sales of Offered Receipts, including, without limitation, all offers and sales of Offered Receipts in the

United States, were made and will be made in accordance with Schedule "A" hereto, which forms part of this Agreement and the terms and conditions of which are incorporated herein by reference. In particular, all Offered Receipts sold in the United States or to persons offered Offered Receipts in the United States pursuant to Rule 144A (as defined herein) shall first be purchased by the Underwriters, acting as principal, and resold in transactions in accordance with the exemption from the registration requirements of the U.S. Securities Act (as defined herein) provided by Rule 144A , and all Offered Receipts sold in the United States or to persons offered Offered Receipts in the United States pursuant to Rule 506b) of Regulation D (as defined herein) shall be sold directly by the Corporation to Substituted Purchasers.

1. Definitions and Interpretation.

In this Agreement, the following terms shall have the following meanings:

"**ABCA**" means the *Business Corporations Act* (Alberta), R.S.A. 2000, c.B-9, as amended, including the regulations promulgated thereunder.

"**Acquisition**" means collectively, the Petrolifera Acquisition and the GTEA Acquisition.

"**Acquisition Agreements**" means, collectively, the Petrolifera Acquisition Agreement and the GTEA Acquisition Agreement.

"**Acquisition Financial Statements**" means, collectively, the combined consolidated audited carve-out financial statements as at and for the year ended December 31, 2013 of Petrolifera, GTEA and Pet-Ja (taken as a whole), together with the auditor's report thereon and the notes thereto, and the combined consolidated interim carve-out financial statements as at and for the period ended March 31, 2014 of Petrolifera, GTEA and Pet-Ja (taken as a whole), together with the notes thereto.

"**Additional Closing Time**" has the meaning ascribed thereto in Section 13(b) of this Agreement.

"**Agreement**" means this underwriting agreement as it may be amended from time to time and not any particular Article or Section or portion except as may be specified, and words such as "**hereto**", "**herein**" and "**hereby**" refer to this Agreement as the context requires.

"**AIF**" means the annual information form of the Corporation dated April 28, 2014 for the year ended December 31, 2013.

"**Anti-Corruption Rules**" means all applicable laws, regulations, decrees, government orders, and administrative or other requirements in any jurisdiction in which the Corporation operates relating to the prevention and/or sanction of bribery and other forms of corrupt behaviour or practices (including without limitation the *Corruption of Foreign Public Officials Act* (Canada), the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act* (Canada), any applicable law of the Republic of Argentina, and any applicable law implementing either the *United Nations Convention Against Corruption* or the *OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions*), all as amended.

"**Anti-Money Laundering Laws**" has the meaning ascribed thereto in Section 7(b)(xlix) of this Agreement.

"**Applicable Law**" means: (i) any applicable domestic or foreign law including any statute, subordinate legislation or treaty; and (ii) any applicable guideline, directive, rule, standard, requirement, policy, order, judgment, injunction, award or decree of a governmental authority having the force of law, including but not limited to the Applicable Securities Laws, the Environmental Laws, Anti-Corruption Rules and the Anti-Money Laundering Laws;

"**Applicable Securities Laws**" means all applicable Canadian securities, corporate and other laws, rules, regulations, notices and policies in the Qualifying Provinces.

"**ASC**" means the Alberta Securities Commission.

"**Business Day**" means a day other than a Saturday, Sunday or any other day on which the principal chartered banks located in the City of Calgary, Alberta, are not open for business.

"**Closing Date**" means June 24, 2014 or such other date as the Corporation and the Underwriters may mutually agree upon.

"**Closing Time**" means 6:00 a.m. (Calgary time) on the Closing Date or such other time as mutually agreed to by the Corporation and the Underwriters.

"**Common Shares**" means the common shares in the capital of the Corporation.

"**Corporation**" or "**Madalena**" means Madalena Energy Inc., a corporation duly amalgamated pursuant to the provisions of the ABCA and includes any successor corporation to or of the Corporation, and when the context requires or permits, includes its Subsidiaries.

"**Corporation's auditors**" means KPMG LLP, chartered accountants, Calgary, Alberta.

"**Corporation's counsel**" means Burnet, Duckworth & Palmer LLP, or such other legal counsel as the Corporation may appoint.

"**Deadline**" has the meaning ascribed to such term in the fifth paragraph of this Agreement.

"**Disclosure Record**" means all information filed by or on behalf of the Corporation with the Securities Commissions subsequent to January 1, 2012, including without limitation, the Documents, the Prospectuses, any Supplementary Material and any other information filed with any Securities Commission in compliance, or intended compliance, with any Applicable Securities Laws.

"**distribution**" means "**distribution**" or "**distribution to the public**", as the case may be, as defined under Applicable Securities Laws and "**distribute**" has a corresponding meaning.

"**Documents**" means, collectively, the documents incorporated by reference in the Prospectuses and any Supplementary Material including, without limitation:

(a) the AIF;

(b) the Madalena Financial Statements;

(c) the Corporation's management's discussion and analysis of financial condition and results of operations as at and for the years ended December 31, 2013 and 2012;

(d) the Corporation's management's discussion and analysis of financial condition and results of operations as at and for the three months ended March 31, 2014 and 2013;

(e) the material change report dated January 24, 2014 concerning the announcement of a bought-deal financing of 28,571,500 Common Shares;

(f) the management information circular dated June 25, 2013 in respect of the annual general and special meeting of shareholders of the Corporation held on July 30, 2013;

(g) any template version of marketing materials provided to potential investors in connection with the distribution of the Offered Receipts; and

(h) any documents of the type required by NI 44-101 to be incorporated by reference in a short form prospectus, including any annual information form, annual financial statements and the auditors' report thereon, interim financial statements, management's discussion and analysis of financial condition and results of operations, material change report (except a confidential material change report), business acquisition report and information circular, filed by the Corporation after the date of this Agreement and during the period of distribution.

"**Due Diligence Responses**" means the written and verbal responses (to the extent such verbal responses are subsequently reduced to writing in a form acceptable to the Corporation, acting reasonably) provided by the Corporation together with all materials provided to the Underwriters' counsel during the Due Diligence Session, as given by any director or senior officer of the Corporation, at a Due Diligence Session.

"**Due Diligence Session**" shall have the meaning set forth in subsection 3(d) hereof.

"**Escrow Agent**" means Alliance Trust Company in its capacity as escrow agent under the Subscription Receipt Agreement.

"**Escrowed Funds**" means the gross proceeds from the sale of the Offered Receipts to be held by the Escrow Agent pursuant to the terms of the Subscription Receipt Agreement.

"**Exchange**" means the TSX Venture Exchange.

"**Final Passport System Decision Document**" means a receipt for the Prospectus issued in accordance with the Passport System.

"**Firm Receipts**" has the meaning ascribed to such term in the first paragraph of this Agreement.

"**GLJ**" means GLJ Petroleum Consultants Ltd.

"**GLJ Report**" means the report of GLJ dated February 20, 2014 evaluating the consolidated crude oil, natural gas liquids and natural gas reserves of Gran Tierra Energy Inc. as at December 31, 2013.

"**GTEA**" means Gran Tierra Energy Argentina S.R.L.

"**GTEA Acquisition**" means the proposed acquisition by the Corporation, through itself and MVII, of all of the issued and outstanding shares of GTEA and Pet-Ja and the Purchased Debt (as defined in the GTEA Acquisition Agreement) from the GTEA Vendors pursuant to the terms of the GTEA Acquisition Agreement.

"**GTEA Acquisition Agreement**" means the share purchase and sale offer dated May 29, 2014 between the GTEA Vendors and MVII pursuant to which the Corporation, through MVII, has agreed to purchase from the GTEA Vendors Vendor all of the issued and outstanding shares of GTEA and Pet-Ja.

"**GTEA Vendors**" means, collectively, Gran Tierra Energy Inc. and PCESA Petroleros Canadienses De Ecuador S.A.

"**IFRS**" means International Financial Reporting Standards, as adopted by the Canadian Accounting Standards Board, for publicly accountable enterprises.

"**Indemnified Persons**" means the Underwriters, their affiliates and their respective directors, officers, managers, members, partners, agents, employees and advisors.

"**Madalena Annual Financial Statements**" means the audited consolidated financial statements of the Corporation as at and for the years ended December 31, 2013 and 2012, together with the notes thereto and the report of the auditors thereon.

"**Madalena Financial Statements**" means, collectively, the Madalena Annual Financial Statements and the Madalena Interim Financial Statements.

"**Madalena Interim Financial Statements**" means the condensed unaudited consolidated financial statements of Madalena for the three months ended March 31, 2014 and 2013, together with the notes thereto.

"**Marketing Documents**" means, collectively, all (i) standard term sheets, and (ii) marketing materials (including any template version, revised template version or limited use version thereof), provided to a potential investor in connection with the distribution of Offered Securities.

"**marketing materials**" has the meaning ascribed thereto under NI 41-101.

"**material change**", "**material fact**" and "**misrepresentation**" shall have the meanings ascribed thereto under the Applicable Securities Laws.

"**Material Subsidiary**" means any Subsidiary, the total assets of the which constitute 10% or more of the consolidated assets of the Corporation as at December 31, 2013.

"**McDaniel**" means McDaniel and Associates Consultants Ltd.

"**McDaniel Report**" means the report of McDaniel dated April 28, 2014 evaluating the Canadian crude oil, natural gas liquids and natural gas reserves of the Corporation as at December 31, 2013.

"**MVIHC**" means Madalena Ventures International Holding Company Inc.

"**MVII**" means Madalena Ventures International Inc.

"**NI 44-101**" means National Instrument 44-101 – *Short Form Prospectus Distributions*, as amended.

"**NP 11-202**" means National Policy 11-202 – *Process for Prospectus Reviews in Multiple Jurisdictions*, as amended.

"**Offered Securities**" has the meaning ascribed to such term in the first paragraph of this Agreement.

"**Option Receipts**" means up to 14,715,000 Subscription Receipts issuable by the Corporation upon exercise of the Over-Allotment Option.

"**Over-Allotment Option**" has the meaning ascribed to such term in the fourth paragraph of this Agreement.

"**Passport System**" means the system and procedures for prospectus filing and review under Multilateral Instrument 11-102, entitled "Passport System" and NP 11-202.

"**Pet-Ja**" means Pet-Ja S.A.

"**Petrolifera**" means Petrolifera Petroleum Limited.

"**Petrolifera Acquisition**" means the proposed acquisition by the Corporation of all of the issued and outstanding shares of Petrolifera and the Purchased Debt (as defined in the Petrolifera Acquisition Agreement) from the Petrolifera Vendor pursuant to the terms of the Petrolifera Acquisition Agreement.

"**Petrolifera Acquisition Agreement**" means the share purchase and sale offer dated May 29, 2014 between Petrolifera Vendor and the Corporation pursuant to which the Corporation has agreed to purchase from Petrolifera Vendor all of the issued and outstanding shares of Petrolifera.

"**Petrolifera Vendor**" means Gran Tierra Petroco Inc.

"**Preliminary Passport System Decision Document**" means a receipt for the Preliminary Prospectus issued in accordance with the Passport System.

"**Preliminary Prospectus**" means the preliminary short form prospectus of the Corporation to be dated June 4, 2014 and any amendments thereto, in respect of the distribution of the Subscription Receipts, including the documents incorporated by reference therein.

"**Preliminary U.S. Placement Memorandum**" means the preliminary U.S. Placement Memorandum, including the Preliminary Prospectus, in the form agreed to by the Corporation and the Underwriters.

"**Prospectus**" means the (final) short form prospectus of the Corporation and any amendments thereto, in respect of the distribution of the Subscription Receipts, including the documents incorporated by reference therein.

"**Prospectuses**" means, collectively, the Preliminary Prospectus and the Prospectus.

"**provide**" in the context of sending or making available Marketing Documents to a potential investor of Offered Securities has the meaning ascribed thereto under Applicable Securities Laws, whether in the context of a "road show" (as defined in NI 41-101) or otherwise.

"**Ryder Scott**" means Ryder Scott Petroleum Consultants, independent oil and natural gas reservoir engineers.

"**Ryder Scott Report**" means the report of Ryder Scott dated April 15, 2014 evaluating the Argentinean crude oil, natural gas liquids and natural gas reserves of the Corporation as at December 31, 2013.

"**Qualifying Provinces**" means the provinces of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, New Brunswick, Nova Scotia and such other provinces (excluding Québec) as the Underwriters and the Corporation may agree.

"**Regulation D**" means Regulation D adopted by the SEC under the U.S. Securities Act.

"**Regulation S**" means Regulation S adopted by the SEC under the U.S. Securities Act.

"**Release Notice**" means the notice to be provided by the Corporation to the Escrow Agent in connection with the completion of the Acquisition, which notice shall have been acknowledged by the Lead Underwriter, on behalf of the Underwriters, pursuant to the Subscription Receipt Agreement.

"**Rule 144A**" means Rule 144A adopted by the SEC under the U.S. Securities Act.

"**SEC**" means the United States Securities and Exchange Commission.

"**Securities Commissions**" means, collectively, the securities commissions or similar regulatory authorities in the Qualifying Provinces and "**Securities Commission**" means any of them.

"**SEDAR**" means the System for Electronic Document Analysis and Retrieval of the Canadian Securities Administrators.

"**Selling Dealer Group**" means the dealers and brokers other than the Underwriters who participate in the offer and sale of the Offered Receipts pursuant to this Agreement.

"**Sproule**" means Sproule Associates Limited, independent oil and gas reservoir engineers.

"**Subscription Receipt Agreement**" means the agreement to be dated the Closing Date among the Corporation, the Lead Underwriter and the Escrow Agent governing the terms and conditions of the Subscription Receipts.

"**Subscription Receipts**" means the subscription receipts having the rights and entitlements set forth in this Agreement and the Subscription Receipt Agreement.

"**Subsidiary**" or "**Subsidiaries**" shall have the meanings set forth in subsection 7(b)(ii) hereof.

"**Supplementary Material**" means, collectively, any amendment to the Preliminary Prospectus or Prospectus, any amended or supplemental Preliminary Prospectus or Prospectus or any ancillary material, information, evidence, return, report, application, statement or document which may be filed by or on behalf of the Corporation under Applicable Securities Laws.

"**Swaps**" means any transaction which is a rate swap transaction, basis swap, forward rate transaction, commodity swap, commodity option, equity or equity index swap, equity or equity index option, bond option, interest rate option, foreign exchange transaction, cap transaction, floor transaction, collar transaction, currency swap transaction, cross-currency rate swap transaction, currency option, forward sale, exchange traded futures contract or any other similar transaction (including any option with respect to any of these transactions or any combination of these transactions).

"**template version**" has the meaning ascribed thereto under NI 41-101 and includes any revised template version of marketing materials as contemplated by NI 41-101.

"**Termination Time**" has the meaning ascribed to such term in the fifth paragraph of this Agreement.

"**Transfer Agent**" means Alliance Trust Company in its capacity as transfer agent and registrar of the Corporation at its principal offices in the City of Calgary, Alberta.

"**Underlying Shares**" means the Common Shares issuable upon exercise of the Offered Receipts.

"**Underwriters**" means, collectively, the Lead Underwriter, RBC Dominion Securities Inc., Haywood Securities Inc., Beacon Securities Limited, National Bank Financial Inc., FirstEnergy Capital Corp., Mackie Research Capital Corporation, TD Securities Inc., Canaccord Genuity Corp., Jennings Capital Inc. and Raymond James Ltd.

"**Underwriter's counsel**" means McCarthy Tétrault LLP, or such other legal counsel as the Underwriters may appoint.

"**United States**" means the United States of America, its territories and possessions, any State of the United States and the District of Columbia.

"**unlawful**" in relation to any financial or other advantage or benefit of any kind means that the offer, giving, promise, request or acceptance of, or agreement to receive, such financial or other advantage in breach of Anti-Corruption Rules.

"**U.S. Affiliate**" means a United States registered broker-dealer affiliate of any Underwriter.

"**U.S. Placement Memorandum**" means the U.S. private placement memorandum, including the Prospectus, prepared for the offering of the Offered Receipts in the United States, in the form agreed to by the Corporation and the Underwriters.

"**U.S. Securities Act**" means the *United States Securities Act of 1933*, as amended.

"**Vendors**" means, collectively, the Petrolifera Vendor and the GTEA Vendors.

In this Agreement, "to the best of the Corporation's knowledge, information and belief", or an equivalent statement, means a statement as to the knowledge of each of the senior officers of the Corporation about the facts or circumstances to which such phrase relates, after having made reasonable inquiries and investigations in connection with such facts and circumstances that would ordinarily be made by senior officers of junior exploration and production companies in similar circumstances in the discharge of their duties, without special inquiry for the purpose

of this Offering. In this Agreement, "to the knowledge of the Corporation", or an equivalent statement, means a statement as to the actual knowledge of each of the senior officers of the Corporation about the facts or circumstances to which such phrase relates.

In addition, unless otherwise defined herein capitalized terms shall have the meanings ascribed thereto in the Prospectuses.

2. Underwriting Fee

In consideration for their services in underwriting the distribution of and purchasing the Offered Receipts, the Corporation agrees to pay the Underwriters the following fee (the "**Underwriting Fee**"):

(a) at the Closing Time, a fee of $0.0153 per Firm Receipt;

(b) at any Additional Closing Time, a fee of $0.0153 per Option Receipt purchased; and

(c) at the time of release of the funds held by the Escrow Agent to the Corporation pursuant to the Subscription Receipt Agreement, if applicable, a fee of $0.0153 per Firm Receipt and, if applicable, a fee of $0.0153 per Option Receipt purchased, plus earned interest on the amount of the underwriting fee held in escrow until the date of release, payable from the funds held by the Escrow Agent pursuant to the Subscription Receipt Agreement.

For greater certainty, the services provided by the Underwriters in connection herewith will not be subject to the Goods and Services Tax or Harmonized Sales Tax ("**GST**") provided for in the *Excise Tax Act* (Canada) and taxable supplies provided will be incidental to the exempt financial services provided. However, in the event that the Canada Revenue Agency determines that GST provided for in the *Excise Tax Act* (Canada) is exigible on the Underwriting Fee, the Corporation agrees to pay the amount of GST forthwith upon the request of the Underwriters. The Corporation also agrees to pay the Underwriters' expenses as set forth in Section 10 hereof.

Notwithstanding anything to the contrary contained in this Section 2, the entire Underwriting Fee payable in respect of Offered Receipts purchased by Substituted Purchasers from the Corporation pursuant to Rule 506(b) of Regulation D shall be payable to the Lead Underwriter and/or its U.S. Affiliate and any other Underwriter that shall have delivered to the Lead Underwriter and the Corporation, on or prior to the Closing Time, a written confirmation, in form and substance reasonably satisfactory to the Lead Underwriter and the Corporation, with respect to itself and its affiliates, as applicable, as to the matters set forth in Sections 3.10 and 3.11 of Schedule "A", such Underwriting Fee to be paid proportionally among such Underwriters based on their respective percentages as set forth in Section 18.

3. Qualification for Sale

(a) The Corporation represents and warrants to the Underwriters that it is eligible to use the short form prospectus offering qualification system described in NI 44-101 for the distribution of the Offered Receipts.

(b) The Corporation shall elect and comply with the Passport System and shall:

(i) not later than 5:00 p.m. (Calgary time) on June 4, 2014, have prepared and filed the Preliminary Prospectus and other documents required under the Applicable Securities Laws with the Securities Commissions and designated the ASC as the principal regulator under the Passport System;

(ii) obtained from the ASC a Preliminary Passport System Decision Document dated June 4, 2014, evidencing that a receipt for the Preliminary Prospectus has been issued or deemed to have been issued in each of the Qualifying Provinces;

(iii) forthwith after any comments with respect to the Preliminary Prospectus have been received and resolved from the Securities Commissions (or such later date as may be agreed to in writing by the Corporation and the Underwriters) have used all commercially reasonable efforts to have:

(A) prepared and filed the Prospectus and other documents required under the Applicable Securities Laws with the Securities Commissions by not later than 5:00 p.m. (Calgary time) on June 12, 2014 (or such later date as may be agreed to in writing by the Corporation and the Underwriters); and

(B) obtained from the ASC a Final Passport System Decision Document dated June 12, 2014 (or such later date as may be agreed to in writing by the Corporation and the Underwriters), evidencing that a receipt for the Prospectus has been issued in Alberta and Ontario and has been deemed to have been issued in each of the Qualifying Provinces other than Alberta and Ontario or otherwise obtained a receipt for the Prospectus from each of the Securities Commissions;

and otherwise fulfilled all legal requirements to enable the Offered Securities to be offered and sold to the public in each of the Qualifying Provinces through the Underwriters or any other investment dealer or broker registered in the applicable Qualifying Province; and

(iv) until the completion of the distribution of the Offered Receipts, promptly take all additional steps and proceedings that from time to time may be required under the Applicable Securities Laws in each Qualifying Province to continue to qualify the Offered Securities for distribution or, in the event that the Offered Securities have, for any reason, ceased to so qualify, to again qualify the Offered Securities for distribution in each Qualifying Province and, to the extent within the control of the Corporation, to qualify the Offered Receipts for sale in transactions in accordance with Schedule “A” hereto and in transactions exempt from or not subject to registration under the U.S. Securities Act, pursuant to Rule 144A, Rule 506(b) of Regulation D and/or Rule 903 of Regulation S thereunder, as applicable, and in reliance upon exemptions from registration under applicable state securities laws.

(c) Prior to the filing of the Prospectuses and, during the period of distribution of the Offered Receipts (which, for greater certainty, shall terminate no later than 33 days following the Closing Date), prior to the filing with any Securities Commissions of any Supplementary Material or any documents incorporated by reference therein after the date hereof, the Corporation shall have allowed the Underwriters and the Underwriters' counsel to participate fully in the preparation of, and, acting reasonably, to approve the form of, such documents (including, without limitation, the Preliminary U.S. Placement Memorandum and the U.S. Placement Memorandum) and to have reviewed any documents incorporated by reference therein.

(d) During the period from the date hereof until completion of the distribution of the Offered Receipts (which, for greater certainty, shall terminate no later than 33 days following the Closing Date), the Corporation shall allow the Underwriters to conduct all due diligence which they may reasonably require in order to fulfill their obligations as underwriters and in order to enable the Underwriters responsibly to execute the certificates required to be executed by them in the Prospectuses or in any Supplementary Material. Without limiting the generality of the foregoing, the Corporation shall make available its directors, senior management and audit committee, and shall use all commercially reasonable efforts to cause its auditors (including of any predecessor entity or business), independent engineers (including of any predecessor entity or business), legal counsel, and the independent engineers of Petrolifera, GTEA, Pet-Ja and/or the Vendors to be available, as applicable, to answer any questions which the Underwriters may have and to participate in one or more due diligence sessions to be held prior to the Closing Time (collectively, the "**Due Diligence Session**"). The Underwriters shall distribute a list of written questions to be answered in advance of such Due Diligence Session and the Corporation shall provide written responses to such questions in advance of the Due Diligence Session and shall use all commercially reasonable efforts to have the above-mentioned auditors, independent engineers, legal counsel and other experts provide written responses to such questions in advance of the Due Diligence Session.

(e) The Corporation will ensure that management of the Corporation will, in accordance with Applicable Securities Laws, make themselves available to, and shall assist in the marketing of, the Offered Securities at such times and in such manner as the Underwriters may reasonably request, including, without limitation, to participate in meetings with institutional investors as reasonably requested by the Underwriters.

(f) The Corporation shall take or cause to be taken all such other steps and proceedings, including fulfilling all legal, regulatory and other requirements, as required under Applicable Securities Laws to qualify the Offered Securities for distribution to the public in the Qualifying Provinces, to ensure that the Offered Securities are freely tradeable in the Qualifying Provinces, save and except for a trade that is a control distribution, and to take such action within its control that is necessary to permit the Offered Receipts to be offered and sold, in accordance with Schedule "A" hereto, in transactions exempt from or not subject to the registration requirements of the U.S. Securities Act and for sale internationally on a "private placement" basis in such jurisdictions as the Corporation may agree as

permitted by applicable laws and to qualify the distribution to the Underwriters of the Over-Allotment Option in the Qualifying Provinces.

(g) During the period from the date hereof until completion of the distribution of the Offered Receipts (which, for greater certainty, shall terminate no later than 33 days following the Closing Date):

(i) the Corporation shall prepare, in consultation with the Lead Underwriter, and approve in writing, prior to such time any marketing materials are provided to potential investors in Offered Receipts, a template version of any marketing materials reasonably requested to be provided by the Underwriters to any such potential investor, such marketing materials to comply with Applicable Securities Laws and to be acceptable in form and substance to the Underwriters and their counsel, acting reasonably;

(ii) the Lead Underwriter shall, on behalf of the Underwriters, approve a template version of any such marketing materials in writing prior to such time such marketing materials are provided to potential investors in Offered Receipts;

(iii) the Corporation shall file a template version of the English version of any such marketing materials on SEDAR as soon as reasonably practical after such marketing materials are so approved in writing by the Corporation and the Lead Underwriter and in any event on or before the day the marketing materials are first provided to any potential investor in Offered Receipts (provided that if any comparables are removed, the Corporation shall deliver a complete template version of any such marketing materials to the Securities Commissions), and the Corporation shall provide a copy of such filed template version to the Underwriters as soon as practicable following such filing; and

(iv) following the approvals set forth in Section 3(g)(i) to 3(g)(iii), the Underwriters may provide a limited use version of such marketing materials to potential investors in Offered Receipts in accordance with Applicable Securities Laws.

(h) The Corporation and each Underwriter, on a several basis, covenants and agrees not to provide any potential investor of Offered Receipts with any marketing materials except for marketing materials which have been approved as contemplated in Section 3(g)(ii) hereof.

4. Delivery of Prospectus and Related Documents

The Corporation shall deliver or cause to be delivered without charge to the Underwriters and the Underwriters' counsel the documents set out below at the respective times indicated:

(a) prior to or contemporaneously, as nearly as practicable, with the filing with the Securities Commissions of each of the Preliminary Prospectus and the Prospectus:

(i) copies of the Preliminary Prospectus and the Prospectus signed as required by Applicable Securities Laws;

(ii) copies of the Preliminary U.S. Placement Memorandum and the U.S. Placement Memorandum, respectively, if required by the Underwriters; and

(iii) copies of any documents incorporated by reference therein, which have not previously been delivered to the Underwriters or are otherwise available on SEDAR;

(b) as soon as they are available, copies of any Supplementary Material, signed as required by Applicable Securities Laws and including, in each case, copies of any documents incorporated by reference therein, which have not been previously delivered to the Underwriters; and

(c) prior to the filing of the Prospectus with the Securities Commissions, a "comfort letter" from the Corporation's auditors and any other auditors who have audited any of the financial statements included in or incorporated by reference in the Prospectus, dated the date of the Prospectus, addressed to the Underwriters and satisfactory in form and substance to the Underwriters and the Underwriters' counsel, acting reasonably, to the effect that they have carried out certain procedures performed for the purposes of comparing certain specified financial information and percentages appearing in the Prospectus and the documents incorporated therein by reference with indicated amounts in the financial statements or accounting records of the Corporation or other applicable entity or business and have found such information and percentages to be in agreement, which comfort letter shall be based on the applicable auditors' review having a cut-off date of not more than two Business Days prior to the date of the Prospectus.

Opinions or comfort letters similar to the foregoing shall be provided to the Underwriters with respect to any Supplementary Material and any other relevant document at the time the same is presented to the Underwriters for their signature or, if the Underwriters' signature is not required, at the time the same is filed. All such comfort letters shall be in form and substance acceptable to the Underwriters and the Underwriters' counsel, acting reasonably.

The deliveries referred to in subsections 4(a) and (b) shall also constitute the Corporation's consent to the use by the Underwriters and members of the Selling Dealer Group of the Documents, the Prospectuses, the Preliminary U.S. Placement Memorandum, the U.S. Placement Memorandum, and any Supplementary Material in connection with the offering and sale of the Offered Receipts.

5. Commercial Copies

(a) The Corporation shall, as soon as possible, but in any event not later than 4:00 p.m. (local time at the place of delivery) on the Business Day following the date of receipt of the Preliminary Passport System Decision Document or the Final Passport Decision Document, as the case may be (or such other date or time as the Underwriters and the Corporation may agree), with the Securities

Commissions and no later than noon (local time) on the first Business Day after the execution of any Supplementary Material in connection with the Prospectuses, cause to be delivered to the Underwriters, without charge, copies of all marketing materials, as required by Applicable Securities Laws, together with, in the case of any marketing materials proposed to be provided to potential investors of Offered Securities, commercial copies of the Preliminary Prospectus, the Prospectus or such Supplementary Material, in such numbers and in such cities as the Underwriters may reasonably request by oral or written instructions to the Corporation or the printer thereof given no later than the time when the Corporation authorizes the printing of the commercial copies of such documents.

(b) Opinions, comfort letters, studies and certificates similar to those set out in Section 4 shall be provided to the Underwriters with respect to any marketing materials filed pursuant to Section 3(g) on SEDAR and any Supplementary Material filed pursuant to Section 6(c) and any other relevant document at the time the same is presented to the Underwriters for their signature or, if the Underwriters' signatures are not required, at the time the same is filed. All such opinions, comfort letters, studies and certificates shall be in form and substance satisfactory to the Underwriters and their counsel, acting reasonably.

(c) The Corporation shall cause to be provided to the Underwriters such number of copies of any documents incorporated by reference in the Preliminary Prospectus, the Prospectus or any Supplementary Materials as the Underwriters may reasonably request.

(d) The Corporation will similarly cause to be delivered to the Underwriters, at those delivery points as the Underwriters may reasonably request, commercial copies of the Preliminary U.S. Placement Memorandum, the U.S. Placement Memorandum and any Supplementary Material required to be delivered to purchasers or prospective purchasers of the Offered Receipts. Each delivery of the Preliminary U.S. Placement Memorandum and the U.S. Placement Memorandum and any such Supplementary Material will constitute consent by the Corporation to the use of the Preliminary U.S. Placement Memorandum, the U.S. Placement Memorandum and any such Supplementary Material by the Underwriters and the U.S. Affiliates of the Underwriters and members of the Selling Dealer Group (if any) for the offer and sale of the Offered Receipts in the United States in accordance with this Agreement.

(e) The Corporation will similarly cause to be delivered to the Underwriters, at those delivery points as the Underwriters may reasonably request, commercial copies of any Supplementary Material required to be delivered to purchasers or prospective purchasers of the Offered Receipts.

6. Material Change and Certain Other Covenants

(a) During the period commencing on the date hereof and ending on the completion of the distribution of the Offered Securities (which, for greater certainty, shall terminate no later than the first to occur of the closing of the Acquisition or the Deadline), the Corporation will promptly inform the Underwriters in writing of the full particulars of:

(i) any material change (actual, anticipated or threatened) in or affecting the business, operations, revenues, capital, properties, assets, liabilities (absolute, accrued, contingent or otherwise), condition (financial or otherwise) or results of operations of the Corporation, or in or affecting the Acquisition;

(ii) any change in any material fact contained or referred to in the Preliminary Prospectus, the Prospectus, the Preliminary U.S. Placement Memorandum, the U.S. Placement Memorandum or any Supplementary Material; and

(iii) the occurrence or discovery of a material fact or event which, in any such case, is, or may be, of such a nature as to:

(A) render the Preliminary Prospectus, the Prospectus, the Preliminary U.S. Placement Memorandum, the U.S. Placement Memorandum or any Supplementary Material untrue, false or misleading in any material respect;

(B) result in a misrepresentation in the Preliminary Prospectus, the Prospectus, the Preliminary U.S. Placement Memorandum, the U.S. Placement Memorandum or any Supplementary Material; or

(C) result in the Preliminary Prospectus, the Prospectus, the Preliminary U.S. Placement Memorandum, the U.S. Placement Memorandum or any Supplementary Material not complying in any material respect with the Applicable Securities Laws,

provided that if the Corporation is uncertain as to whether a material change, change, occurrence or event of the nature referred to in this section has occurred or been discovered, the Corporation shall promptly inform the Underwriters of the full particulars of the occurrence giving rise to the uncertainty and shall consult with the Underwriters as to whether the occurrence is of such nature prior to making any filing referred to in paragraph 6(c).

(b) During the period commencing on the date hereof and ending on the completion of the distribution of the Offered Securities (which, for greater certainty, shall terminate no later than the first to occur of the closing of the Acquisition or the Deadline), the Corporation will promptly inform the Underwriters in writing of the full particulars of:

(i) any request of any Securities Commission, the SEC or similar regulatory authority for any amendment to, or to suspend or prevent the use of, the Preliminary Prospectus, the Prospectus, the Preliminary U.S. Placement Memorandum, the U.S. Placement Memorandum or any other part of the Disclosure Record or for any additional information of a material nature;

(ii) the issuance by any Securities Commission, the SEC or similar regulatory authority, the Exchange or any other competent authority of any order to cease or suspend trading of any securities of the Corporation or of the institution or threat of institution of any proceedings for that purpose; and

(iii) the receipt by the Corporation of any communication from any Securities Commission, the SEC or similar regulatory authority, the Exchange or any other competent authority relating to the Preliminary Prospectus, the Prospectus, the Preliminary U.S. Placement Memorandum, the U.S. Placement Memorandum, any part of the Disclosure Record or the distribution of the Offered Securities.

(c) The Corporation will promptly comply to the reasonable satisfaction of the Underwriters and the Underwriters' counsel with Applicable Securities Laws with respect to any material change, change, occurrence or event of the nature referred to in subsections 6(a) or 6(b) above and the Corporation will prepare and file promptly at the Underwriters' request, acting reasonably, and only during the distribution of the Offered Securities, any amendment to the Prospectus, the U.S. Placement Memorandum or Supplementary Material as may be required under Applicable Securities Laws or the U.S. Securities Act; provided that the Corporation shall have allowed the Underwriters and the Underwriters' counsel to participate fully in the preparation of any Supplementary Material, to have reviewed any other documents incorporated by reference therein and conduct all due diligence investigations which the Underwriters may reasonably require in order to fulfill their obligations as underwriters and in order to enable the Underwriters responsibly to execute the certificate required to be executed by them in, or in connection with, any Supplementary Material, such approval not to be unreasonably withheld and to be provided in a timely manner. The Corporation shall further promptly deliver to each of the Underwriters and the Underwriters' counsel a copy of each Supplementary Material as filed with the Securities Commissions and of comfort letters and opinions with respect to each such Supplementary Material substantially similar to those referred to in Section 4 above.

(d) During the period commencing on the date hereof and ending on the completion of the distribution of the Offered Securities (which, for greater certainty, shall terminate no later than the first to occur of the closing of the Acquisition or the Deadline), the Corporation will promptly provide to the Underwriters, for review by the Underwriters and the Underwriters' counsel, prior to filing or issuance:

(i) any financial statement of the Corporation;

(ii) any proposed document, including without limitation any amendment to the AIF, new annual information form, business acquisition report, material change report, interim report, or information circular, which may be incorporated, or deemed to be incorporated, by reference in the Prospectus;

(iii) any press release of the Corporation; and

(iv) any Supplementary Material, the Preliminary U.S. Placement Memorandum or the U.S. Placement Memorandum.

(e) During the period commencing on the date hereof and ending on the first to occur of the closing of the Acquisition and the Deadline, the Corporation will promptly advise the Underwriters: (i) of any amendment or proposed amendment

to any of the Acquisition Agreements or waiver or proposed waiver of any term, provision or condition thereof and shall not materially amend any of the Acquisition Agreements or waive any material term, provision or condition thereof without the prior approval of the Underwriters, acting reasonably; and (ii) if it becomes aware that any of the representations and warranties of any parties to the Acquisition Agreements cease to be true and correct in any material respects or if the Corporation becomes aware that there is any change of any material fact or event which is, or may become of such a nature as to, render any such representations and warranties, or any information provided to the Underwriters in respect of the Acquisition, untrue, false or misleading in any material respects; and (iii) if either of the Acquisition Agreements are terminated, or the Corporation determines it will not be proceeding with the Acquisition.

(f) The Corporation will use its reasonable commercial efforts to expeditiously pursue the satisfaction of all conditions to the completion, and the closing of the Acquisition prior to the Deadline, and to cause the issuance of the Underlying Shares.

7. Representations and Warranties of the Corporation

(a) Each delivery of the Preliminary Prospectus, the Prospectus, the Preliminary U.S. Placement Memorandum, the U.S. Placement Memorandum and any Supplementary Material pursuant to Section 4 above shall constitute a representation and warranty to the Underwriters by the Corporation (and the Corporation hereby acknowledges that each of the Underwriters is relying on such representations and warranties in entering into this Agreement) that:

(i) all of the information and statements (except information and statements relating solely to the Underwriters and furnished by them in writing expressly for inclusion in the applicable document) contained in the Preliminary Prospectus, the Prospectus, the Preliminary U.S. Placement Memorandum, the U.S. Placement Memorandum or any Supplementary Material, as applicable, including, without limitation, the documents incorporated by reference, as the case may be:

(A) are at the respective dates of such documents, true and correct in all material respects;

(B) contain no misrepresentation; and

(C) constitute full, true and plain disclosure of all material facts relating to the Corporation, the Offered Securities and the Acquisition;

(ii) the Preliminary Prospectus, the Prospectus, or any Supplementary Material, as applicable, including, without limitation, the documents incorporated by reference, as the case may be, comply in all material respects with the Applicable Securities Laws, including without limitation NI 44-101, and the Preliminary U.S. Placement Memorandum and the U.S. Placement Memorandum and, to the extent applicable, any related Supplementary Material, complies as to form in all material respects with the U.S. Securities Act and applicable state securities laws; and

(iii) except as is disclosed in the Disclosure Record, there has been no intervening material change (actual, proposed or prospective, whether financial or otherwise), from the date of the Preliminary Prospectus, the Prospectus, the Preliminary U.S. Placement Memorandum, the U.S. Placement Memorandum and any Supplementary Material to the time of delivery thereof, in the business, operations, revenues, capital, properties, assets, liabilities (absolute, accrued, contingent or otherwise), condition (financial or otherwise) or results of operations of the Corporation or, to the best of the Corporation's knowledge, information and belief, the Acquisition.

(b) In addition to the representations and warranties contained in subsection 7(a) hereof, the Corporation represents and warrants to, and covenants with, the Underwriters, and acknowledges that each of the Underwriters is relying upon such representations, warranties and covenants in entering into this Agreement, that:

(i) the Corporation and each of the Subsidiaries is a corporation duly incorporated, continued or amalgamated and validly existing and in good standing under the laws of the jurisdiction in which it was incorporated, continued or amalgamated, as the case may be, has all requisite corporate power, authority and capacity to own, lease or operate its properties and assets as described in the Prospectus and no steps or proceedings have been taken by any person, voluntary or otherwise, requiring or authorizing its dissolution or winding up, and the Corporation has all requisite corporate power and authority to enter into this Agreement and to carry out its obligations hereunder;

(ii) the Corporation is the registered and beneficial holder of: (a) 100% of the issued and outstanding securities of MVIHC; (b) 100% of the issued and outstanding securities of Madalena Austral SA; and (c) indirectly through MVIHC, 100% of the issued and outstanding securities of MVII (individually, each a "**Subsidiary**" and collectively the "**Subsidiaries**"), in each case, free and clear of all mortgages, charges, pledges, security interests, encumbrances, claims or demands whatsoever and no person or other entity has any agreement, option, right or privilege (whether pre-emptive or contractual) to purchase or receive (or capable of becoming an agreement or a right to purchase or receive) from the Corporation or any of the Subsidiaries any issued or unissued securities of the Subsidiaries;

(iii) the Corporation and each of the Subsidiaries are duly registered and qualified to carry on business and are validly existing under the laws of each jurisdiction in which they carry on business;

(iv) other than the Subsidiaries, the Corporation does not have any subsidiaries and the Corporation has no shareholdings in any other corporation or business organization;

(v) the Corporation and each of the Subsidiaries have conducted and are conducting their business in compliance in all material respects with all

applicable laws, rules and regulations and, in particular, all applicable licensing and environmental legislation, regulations or by-laws or other lawful requirement of any governmental or regulatory bodies applicable to the Corporation and each of the Subsidiaries of each jurisdiction in which the Corporation and each of the Subsidiaries carry on business and the Corporation and each of the Subsidiaries hold all material licences, registrations and qualifications in all jurisdictions in which the Corporation and each of the Subsidiaries carry on business which are necessary or desirable to carry on the business of the Corporation and each of the Subsidiaries, as now conducted and as presently proposed to be conducted in the Prospectus except where the failure to so conduct its business or to hold such licences, registrations or qualifications would not have a material adverse effect on the Corporation and the Subsidiaries (taken as a whole) and all such licenses, registrations and qualifications are valid and existing and in good standing and none of such licenses, registrations or qualifications contains any burdensome term, provision, condition or limitation which has or is likely to have any material adverse effect on the business of the Corporation and the Subsidiaries (taken as a whole) as now conducted or as proposed to be conducted;

(vi) neither the Corporation nor any of the Subsidiaries is in default or breach of, and the execution and delivery of, and the performance of and compliance with the terms of this Agreement, the Subscription Receipt Agreement and the Acquisition Agreements or any of the transactions contemplated hereby or thereby, does not and will not result in any breach of, or be in conflict with or constitute a default under, or create a state of facts which, after notice or lapse of time, or both, would result in a breach of or constitute a default under: (i) any term or provision of the articles, by laws or resolutions of the directors (or any committee thereof) or shareholders of the Corporation or any of the Subsidiaries; (ii) any mortgage, note, indenture, contract, agreement (written or oral), instrument, lease or other document to which the Corporation or any of the Subsidiaries are a party or by which it is bound; or (iii) any law, judgment, decree, order, statute, rule or regulation applicable to the Corporation or any of the Subsidiaries or their properties or assets; which default or breach might reasonably be expected to materially adversely affect the business, operations, capital or condition (financial or otherwise) of the Corporation and the Subsidiaries (taken as a whole) or would impair the ability of the Corporation or any of the Subsidiaries to consummate the transactions contemplated hereby or thereby or to duly observe and perform any of its covenants or obligations contained in this Agreement, the Subscription Receipt Agreement and the Acquisition Agreements;

(vii) the Corporation has full corporate capacity, power and authority to enter into this Agreement, the Subscription Receipt Agreement and the Acquisition Agreements and to perform its obligations set out herein and therein (including, without limitation, to complete the Acquisition and to issue the Offered Securities), and this Agreement and the Acquisition Agreements have been, and the Subscription Receipt Agreement will, on the Closing Date, be, duly authorized, executed and delivered by the

Corporation and this Agreement and the Acquisition Agreements are, and the Subscription Receipt Agreement will, on the Closing Date, be, legal, valid and binding obligations of the Corporation enforceable against the Corporation in accordance with their terms except that the validity, binding effect and enforceability of the terms of agreements and documents are subject to the qualification that:

(A) enforceability may be limited by bankruptcy, insolvency, moratorium, reorganization or other similar laws of general application affecting creditors' rights;

(B) equitable remedies, including the remedies of specific performance and injunctive relief, are available only in the discretion of the applicable court;

(C) the equitable or statutory powers of the courts in Canada to stay proceedings before them and the execution of judgments;

(D) rights to indemnity, contribution and waiver hereunder may be limited or unavailable under applicable law;

(E) the applicable laws regarding limitations of actions;

(F) the enforceability of provisions which purport to sever any provision which is prohibited or unenforceable under applicable law without affecting the enforceability or validity of the remainder of such document would be determined only in the discretion of the court;

(G) the enforceability of the provisions exculpating a party from liability or duty otherwise owed by it to another and certain remedial terms and waivers of equitable defences provided for in such agreement or other document may be limited under applicable law;

(H) the requirement of a court that the discretionary powers expressed to be conferred on any party to such agreement, indenture or other document be exercised reasonably and in good faith notwithstanding any provisions to the contrary and the possibility that such court may decline to accept as conclusive factual or legal determinations described as conclusive therein; and

(I) the fact that costs of and incidental to all proceedings authorized to be taken in court are in the discretion of the court and that the court has full power to determine by whom and to what extent such costs shall be paid;

(viii) there has not been any reportable event (within the meaning of Section 4.11 of NI 51-102 of the CSA) with the Auditor;

(ix) there has not been any material change in the capital, assets, liabilities or obligations (absolute, contingent or otherwise) of the Corporation from the

position set forth in the Madalena Financial Statements which has not been disclosed in the Prospectus and there has not been any adverse material change in the business, operations, capital or condition (financial or otherwise) or results of the operations of the Corporation since March 31, 2014 which has not been disclosed in the Prospectus; and since that date, other than as a result of changes in commodity prices, there have been no material facts, transactions, events or occurrences which could materially adversely affect the capital, assets, liabilities (absolute, accrued, contingent or otherwise), business, operations or condition (financial or otherwise) or results of the operations of the Corporation and the Subsidiaries (taken as a whole) which have not been disclosed in the Prospectus;

(x) the Madalena Financial Statements fairly present, in accordance with generally accepted accounting principles in Canada, consistently applied, the financial position and condition of the Corporation on a consolidated basis at the dates thereof and the results of the operations of the Corporation on a consolidated basis for the periods then ended and reflect all assets, liabilities and obligations (absolute, accrued, contingent or otherwise) of the Corporation as at the dates thereof which are required to be disclosed in accordance with generally accepted accounting principles;

(xi) to the best of the Corporation's knowledge, information and belief, the Acquisition Financial Statements fairly present, in accordance with generally accepted accounting principles in Canada, consistently applied, the financial position and condition of Petrolifera, GTEA and Pet-Ja on a consolidated basis at the dates thereof and the results of the operations of the Corporation on a consolidated basis for the periods then ended and reflect all assets, liabilities and obligations (absolute, accrued, contingent or otherwise) of Petrolifera, GTEA and Pet-Ja as at the dates thereof which are required to be disclosed in accordance with generally accepted accounting principles;

(xii) the Corporation, on a consolidated basis, maintains a system of internal controls sufficient to provide reasonable assurances that: (i) all material transactions are executed in accordance with management's authorization; (ii) transactions are recorded as necessary to permit the financial statements to be fairly presented in accordance with IFRS and to maintain accountability for assets; (iii) material information relating to the Corporation and each of the Subsidiaries is made known to those within the Corporation and each of the Subsidiaries, as applicable, responsible for the preparation of the financial statements during the period in which the financial statements have been prepared; (iv) no material deficiencies or weaknesses in operation of such internal controls exist that could have a material adverse effect on the Corporation's ability to disclose to the public information required to be disclosed by it in accordance with applicable law; and (v) all fraud, whether or not material, that involves management or employees that have a significant role in the Corporation's internal controls have been disclosed to the directors;

(xiii) other than with respect to the Acquisition, neither the Corporation nor any of the Subsidiaries has completed any "significant acquisitions" since December 31, 2012;

(xiv) there are no actions, suits, proceedings or inquiries, including, to the best of the Corporation's knowledge, information and belief, pending or threatened against or affecting the Corporation or any of the Subsidiaries at law or in equity or before or by any federal, provincial, municipal or other governmental department, commission, board, bureau, agency or instrumentality which in any way materially adversely affects, or may in any way materially adversely affect, the assets, business, operations or condition (financial or otherwise) of the Corporation and the Subsidiaries (taken as a whole) or which affects or may affect the distribution of the Offered Securities or which would impair the ability of the Corporation to consummate the transactions contemplated by this Agreement, the Subscription Receipt Agreement or the Acquisition Agreements or to duly observe and perform any of its covenants or obligations contained in this Agreement or the Acquisition Agreements, and to be contained in the Subscription Receipt Agreement, and the Corporation is not aware of any existing ground on which such action, suit, proceeding or inquiry might be commenced with any reasonable likelihood of success;

(xv) neither the Corporation nor any of the Subsidiaries is a party to or bound by any agreement of guarantee, indemnification (other than an indemnification of directors and officers in accordance with the by-laws of the Corporation or any of the Subsidiaries and applicable law and other rights of indemnification granted under registrar and transfer agency agreements, agency or underwriting agreements, the Acquisition Agreements, financial and strategic advisory agreements, confidentiality agreements, to the Corporation's bankers, to subscribers of flow-through shares or pursuant to operating or similar agreements in the ordinary course of business) or any other like commitment of the obligations, liabilities (contingent or otherwise) or indebtedness of any other person;

(xvi) neither the Corporation nor any of the Subsidiaries is party to or bound by or affected by any commitment, agreement or document containing any covenant which expressly limits the freedom of the Corporation or any of the Subsidiaries to compete in any line of business, transfer or move any of its assets or operations or which materially or adversely affects the business practices, operations or condition of the Corporation and the Subsidiaries (taken as whole);

(xvii) neither the Corporation nor any of the Subsidiaries has any loans or other indebtedness outstanding which have been made to or from any of its shareholders, officers, directors or employees or any other person not dealing at arm's length with the Corporation or any of the Subsidiaries that are currently outstanding;

(xviii) the information and statements set forth in the Public Record, as such relate to the Corporation and the Subsidiaries (taken as a whole), were true, correct and complete in all material respects and did not contain any

misrepresentation (as defined under Applicable Securities Laws), as of the respective dates of such information or statements, the Public Record complies with Applicable Securities Laws in all material respects and the Corporation has not filed any confidential material change reports which continue to be confidential;

(xix) the Corporation has the necessary corporate power and authority to execute, deliver and file the Prospectuses and, prior to the filing of the Prospectuses, all requisite action will have been taken by the Corporation to authorize the execution, delivery and filing of the Prospectuses;

(xx) the attributes and characteristics of the Offered Securities will conform in all material respects to the attributes and characteristics thereof described in the Prospectuses;

(xxi) the authorized capital of the Corporation consists of an unlimited number of Common Shares and an unlimited number of preferred shares, of which, as at the date hereof, 396,885,731 Common Shares and nil preferred shares are outstanding as validly issued and fully paid and non-assessable shares of the Corporation;

(xxii) as at March 31, 2014, other than 19,529,999 stock options granted to certain officers, directors, employees and consultants of the Corporation, no person, firm, corporation or other entity holds any securities convertible or exchangeable into securities of the Corporation or now has any agreement, warrant, option, right or privilege (whether pre-emptive or contractual) being or capable of becoming an agreement for the purchase, subscription or issuance of any unissued shares, securities (including convertible securities) or warrants of the Corporation;

(xxiii) none of the directors, officers or employees of the Corporation or any the Subsidiaries, any person who owns, directly or indirectly, more than 10% of any class of securities of the Corporation, or any associate or affiliate of any of the foregoing, had or has any material interest, direct or indirect, in any material transaction or any proposed material transaction with the Corporation or any of the Subsidiaries which, as the case may be, materially affects, is material to or will materially affect the Corporation and the Subsidiaries (taken as a whole);

(xxiv) to the knowledge, information and belief of the Corporation, except in respect of sales of Common Shares in connection with the exercise of stock options, no insider has a present intention to sell any securities of the Corporation held by it;

(xxv) the definitive form of certificate for the Common Shares has been, and the definitive form of certificate for the Offered Receipts will, on the Closing Date, be, duly approved and adopted by the Corporation and comply with all legal requirements relating thereto;

(xxvi) the Corporation and each of the Subsidiaries have duly and timely filed, in proper form, returns in respect of Taxes for all periods in respect of which

such filings have heretofore been required, and all Taxes shown thereon and all Taxes owing have been paid or accrued on the books of the Corporation and each of the Subsidiaries and there are no outstanding agreements or waivers extending the statutory period of limitations applicable to any federal, provincial or other return in respect of Taxes for any period, and all payments by the Corporation or any of the Subsidiaries to any non-resident of Canada have been made in accordance with applicable legislation in respect of withholding tax; there are no assessments or reassessments respecting the Corporation or any of the Subsidiaries pursuant to which there are amounts owing or discussions in respect thereof with any taxing authority, and the Corporation and each of the Subsidiaries have withheld from each payment made to any of its officers, directors, former directors and employees the amount of all Taxes (including, without limitation, income tax) and other deductions required to be withheld therefrom and has paid the same to the proper Tax or other authority within the time required under any applicable Tax legislation;

(xxvii) the Corporation and each of the Subsidiaries have established reserves that are adequate for the payment of all Taxes not yet due and payable and there are no liens, mortgages, charges, pledges, encumbrances or other security interests for Taxes on the assets or properties of any of the foregoing entities, except for Taxes not yet due;

(xxviii) all filings made by the Corporation and each of the Subsidiaries under which the Corporation and each of the Subsidiaries have received or are entitled to government incentives have been made in accordance, in all material respects, with all applicable legislation and contain no misrepresentations of material fact or omit to state any material fact which could cause any amount previously paid to the Corporation or any of the Subsidiaries or previously accrued on the accounts thereof to be recovered or disallowed;

(xxix) as at the date hereof, the Corporation is not aware of any material contingent tax liability of the Corporation or any of the Subsidiaries or any grounds which will prompt a reassessment;

(xxx) the issued and outstanding Common Shares are listed and posted for trading on the Exchange, and the Corporation is in compliance with the by-laws, rules and regulations of the Exchange in all material respects;

(xxxi) the minute books of the Corporation and each of the Subsidiaries contain true and correct copies of all constating documents of the Corporation and each of the Subsidiaries and contain copies of the minutes of all meetings, some of which are in draft form, and all the resolutions of directors, shareholders and partners, as the case may be, thereof as at the date hereof;

(xxxii) as of the date hereof, the Corporation is a “reporting issuer” or equivalent status in each of the provinces of Canada, other than Québec, within the

meaning of Applicable Securities Laws, and is not in material default of any requirement in relation thereto;

(xxxiii) Alliance Trust Company, at its principal office in the City of Calgary, Alberta is the duly appointed registrar and transfer agent of the Corporation with respect to its Common Shares;

(xxxiv) Alliance Trust Company, at its principal office in the City of Calgary, will, on the Closing Date, be the duly appointed transfer agent of the Subscription Receipts and escrow agent under the Subscription Receipt Agreement;

(xxxv) any and all operations of the Corporation and each of the Subsidiaries, and to the best of the Corporation's knowledge, any and all operations by third parties on or in respect of the assets and properties of the Corporation and each of the Subsidiaries, have in material respects been conducted in accordance with good oil and gas industry practice and in material compliance with applicable laws, rules, regulations, orders and directions of government and other competent authorities except where the failure to so conduct the operations would not have a material adverse effect on the Corporation and the Subsidiaries (taken as a whole) or its ability to complete the Acquisition;

(xxxvi) other than as provided for in this Agreement, the Acquisition Agreements and as disclosed in the Prospectuses, the Corporation has not incurred any obligation or liability, contingent or otherwise, for brokerage fees, finder's fees, agent's commission or other similar forms of compensation with respect to the Offering;

(xxxvii) no officer, director, employee or any other person not dealing at arm's length with the Corporation or any of the Subsidiaries or, to the knowledge of the Corporation, any "associate" or "affiliate" (as such terms are defined in the *Securities Act* (Alberta)) of any such person, owns, has or is entitled to any royalty, net profits interest, carried interest or any other encumbrances or claims of any nature whatsoever which are based on production from the properties or assets of the Corporation and the Subsidiaries (taken as a whole) or any revenue or rights attributed thereto;

(xxxviii) the Corporation and each of the Subsidiaries are insured by insurers of recognized financial responsibility against such losses and risks and in such amounts that are customary in the business in which they are engaged; all policies of insurance and fidelity or surety bonds insuring the Corporation and each of the Subsidiaries and their businesses, assets, employees, officers and directors are in full force and effect, the Corporation and each of the Subsidiaries are in compliance with the terms of such policies and instruments in all material respects and there are no material claims by the Corporation or any of the Subsidiaries under any such policy or instrument as to which any insurance company is denying liability or defending under a reservation of rights clause; the Corporation has no reason to believe that it will not be

able to renew its existing insurance coverage as and when such coverage expires or to obtain similar coverage from similar insurers as may be necessary to continue its business at a cost that would not have a material adverse effect on the condition (financial or otherwise) prospects, earnings, business or properties of the Corporation and the Subsidiaries (taken as a whole);

(xxxix) except to the extent that any violation or other matter referred to in this subparagraph does not have a material adverse effect on the business, financial condition, assets, properties, liabilities or operations of the Corporation and the Subsidiaries (taken as a whole) (and in respect of non-operated properties, to the knowledge of the Corporation):

(A) neither the Corporation nor any of the Subsidiaries are in violation of any applicable federal, provincial, municipal or local laws, regulations, orders, government decrees or ordinances with respect to environmental, health or safety matters (collectively, "**Environmental Laws**");

(B) the Corporation and each of the Subsidiaries have operated its business at all times and has received, handled, used, stored, treated, shipped and disposed of all contaminants without violation of Environmental Laws;

(C) there have been no spills, releases, deposits or discharges of hazardous or toxic substances, contaminants or wastes into the earth, air or into any body of water or any municipal or other sewer or drain water systems by the Corporation or any of the Subsidiaries that have not been remedied;

(D) no orders, directions or notices have been issued and remain outstanding pursuant to any Environmental Laws relating to the business or assets of the Corporation or any of the Subsidiaries;

(E) neither the Corporation nor any the Subsidiaries has failed to report to the proper federal, provincial, municipal or other political subdivision, government, department, commission, board, bureau, agency or instrumentality, domestic or foreign, the occurrence of any event which is required to be so reported by any Environmental Law;

(F) the Corporation and each of the Subsidiaries hold all licenses, permits and approvals required under any Environmental Laws in connection with the operation of their businesses and the ownership and use of their assets, all such licenses, permits and approvals are in full force and effect, and except for notifications and conditions of general application to assets of reclamation obligations under the *Environmental Protection and Enhancement Act* (Alberta) and similar legislation in any other jurisdiction in which they conduct their business, neither the Corporation nor any of the Subsidiaries has received any notification pursuant to any

Environmental Laws that any work, repairs, constructions or capital expenditures are required to be made by it as a condition of continued compliance with any Environmental Laws, or any license, permit or approval issued pursuant thereto, or that any license, permit or approval referred to above is about to be reviewed, made subject to limitations or conditions, revoked, withdrawn or terminated; and

(G) neither the Corporation nor any of the Subsidiaries has received any notice of, or been prosecuted for an offence alleging, material non-compliance with any Environmental Laws, and the Corporation and each of the Subsidiaries have not (including, if applicable, any predecessor companies) has settled any allegation of material non-compliance short of prosecution;

(xl) other than this Agreement and the Acquisition Agreements, there are no material contracts or agreements to which the Corporation or any of the Subsidiaries are a party, or by which it is bound. For the purposes of this subparagraph, any contract or agreement pursuant to which the Corporation or any of the Subsidiaries will, or may reasonably be expected to, result in a requirement to expend more than an aggregate of $250,000 or receive or be entitled to receive revenue of more than $250,000, in either case in the next 12 months and is outside of the ordinary course of business of the Corporation or any of the Subsidiaries, shall be considered to be material;

(xli) except as disclosed in the Public Record, neither the Corporation nor any of the Subsidiaries is a party to any written contracts of employment which may not be terminated on one month's notice (other than amounts payable at common law) or less or which provide for payments occurring on a change of control of the Corporation or any of the Subsidiaries;

(xlii) except as disclosed in the Public Record, neither the Corporation nor any of the Subsidiaries is currently a party to any Swaps;

(xliii) there is not in the constating documents or by-laws of the Corporation, or in any agreement, mortgage, note, debenture, indenture or other instrument or document to which the Corporation is a party, any restriction upon or impediment to the declaration of dividends by the directors of the Corporation or payment of dividends by the Corporation to the holders of the Common Shares;

(xliv) neither the Corporation nor, to its knowledge, having conducted no inquiry, any of its shareholders is a party to any unanimous shareholders agreement, pooling agreement, voting trust or other similar type of arrangements in respect of outstanding securities of the Corporation;

(xlv) the Corporation, its affiliates, if any, and any of its respective officers, directors, supervisors, managers, agents, or employees, has conducted and is conducting its business in material compliance with all Applicable Laws, rules and regulations of each jurisdiction in which it carries on its

business and the Corporation has not received any notice of any alleged violation of any such laws, rules and regulations;

(xlvi) to the best of the Corporation's knowledge, information and belief, the Corporation, its affiliates, and any of its officers, directors, supervisors, managers, agents, or employees, has conducted and is conducting its business in material compliance with all Applicable Laws (including Anti-Corruption Rules), rules and regulations of each jurisdiction in which it carries on a material portion of its business and the Corporation has not received any notice of any alleged violation of any such laws, rules and regulations;

(xlvii) to the best of the Corporation's knowledge, information and belief, the Corporation, its affiliates, and any of its directors, officers, supervisors, managers, agents, and employees, and any persons acting on behalf of any such persons, have conducted at all times and are conducting its operations in full compliance with the Anti-Corruption Rules of all applicable jurisdictions and no action, suit, investigation or proceeding by or before any governmental authority or any arbitrator involving the Corporation or any of its directors, officers, supervisors, managers, agents, employees, or affiliates, or any persons acting on behalf of any such persons, with respect to a violation or potential violation of Anti-Corruption Rules is pending or threatened;

(xlviii) the Corporation or any its respective directors, officers, agents, employees, or affiliates, or any persons acting on behalf of any such persons, is not a "listed entity", "designated person" or "listed person" under Part II.1 of the Criminal Code (Canada) or an order or regulation issued under the United Nations Act (Canada) or the *Special Economic Measures Act* (Canada) (collectively, "**Canadian Sanctions Laws**") or to its knowledge, is the subject of any sanctions administered by the Office of Foreign Assets Control of the U.S. Treasury Department ("**OFAC**"); and the Corporation will not, directly or indirectly, use the proceeds of the offering of the Offered Securities, or lend, contribute or otherwise make available such proceeds to any Subsidiary, joint venture partner or other person or entity, for the purpose of financing the activities of any person or entity that is listed or designated under Canadian Sanctions Laws or is, to its knowledge, the subject of any sanctions administered by OFAC;

(xlix) to the best of the Corporation's knowledge, information and belief, the Corporation, the activities and operations of the Corporation and all of its respective directors, officers, agents, employees, affiliates or persons acting on behalf of any such persons, are and have been conducted at all times in compliance with the anti-money laundering statutes of all applicable jurisdictions, the rules and regulations thereunder and any related or similar rules, regulations or guidelines, issued, administered or enforced by any governmental agency to which they are subject (collectively, the "**Anti-Money Laundering Laws**") and no action, suit or proceeding by or before any governmental authority or any arbitrator involving the Corporation with respect to the Anti-Money Laundering Laws

is, to the best of the knowledge, information and belief of the Corporation, pending or threatened;

(l) the Corporation does not have any outstanding obligations to incur and/or renounce flow-through obligations to other person;

(li) the Corporation has made available to McDaniel prior to the issuance of the McDaniel Report, for the purpose of preparing the McDaniel Report, all information requested by McDaniel, which information did not contain any material misrepresentation at the time such information was provided. Except with respect to changes in the prices of oil and gas or as a result of acquisitions, dispositions, facility turn-arounds and production since such time, the Corporation has no knowledge of a material adverse change in any production (taken as a whole), costs, reserves or other relevant information provided to McDaniel since the date that such information was so provided. The Corporation believes that the McDaniel Report reasonably presents the quantity and pre-tax present worth values of the oil and gas reserves attributable to the crude oil, natural gas liquids and natural gas properties of the Corporation evaluated in such report as at December 31, 2013 based upon information available at the time such reserves information was prepared and the assumptions as to commodity prices and costs contained therein, and the Corporation believes that at the date of such report based on the assumptions as to commodity prices and costs contained therein it did not (and as of the date hereof, except as may be attributable to production since the date of such report does not) overstate the aggregate quantity or pre-tax present worth values of such reserves or the estimated monthly production volumes therefrom;

(lii) the Corporation has made available to Ryder Scott prior to the issuance of the Ryder Scott Report, for the purpose of preparing the Ryder Scott Report, all information requested by Ryder Scott, which information did not contain any material misrepresentation at the time such information was provided. Except with respect to changes in the prices of oil and gas or as a result of acquisitions, dispositions, facility turn-arounds and production since such time, the Corporation has no knowledge of a material adverse change in any production (taken as a whole), costs, reserves or other relevant information provided to Ryder Scott since the date that such information was so provided. The Corporation believes that the Ryder Scott Report reasonably presents the quantity and pre-tax present worth values of the oil and gas reserves attributable to the crude oil, natural gas liquids and natural gas properties of the Corporation evaluated in such report as at December 31, 2013 based upon information available at the time such reserves information was prepared and the assumptions as to commodity prices and costs contained therein, and the Corporation believes that at the date of such report based on the assumptions as to commodity prices and costs contained therein it did not (and as of the date hereof, except as may be attributable to production since the date of such report does not) overstate the aggregate quantity or pre-tax present worth values of such reserves or the estimated monthly production volumes therefrom;

(liii) to the knowledge of the Corporation, Petrolifera, GTEA and Pet-Ja have made available to GLJ prior to the issuance of the GLJ Report, for the purpose of preparing the GLJ Report, all information requested by GLJ, which information did not contain any material misrepresentation at the time such information was provided. Except with respect to changes in the prices of oil and gas or as a result of acquisitions, dispositions, facility turn-arounds and production since such time, to the knowledge of the Corporation, Petrolifera, GTEA and Pet-Ja have no knowledge of a material adverse change in any production (taken as a whole), costs, reserves or other relevant information provided to GLJ since the date that such information was so provided. The Corporation believes that the GLJ Report reasonably presents the quantity and pre-tax present worth values of the oil and gas reserves attributable to the crude oil, natural gas liquids and natural gas properties of Petrolifera, GTEA and Pet-Ja evaluated in such report as at December 31, 2013 based upon information available at the time such reserves information was prepared and the assumptions as to commodity prices and costs contained therein, and the Corporation believes that at the date of such report based on the assumptions as to commodity prices and costs contained therein, Petrolifera, GTEA and Pet-Ja did not (and as of the date hereof, except as may be attributable to production since the date of such report does not) overstate the aggregate quantity or pre-tax present worth values of such reserves or the estimated monthly production volumes therefrom;

(liv) the properties and assets of the Corporation and its Subsidiaries and, to the knowledge, information and belief of the Corporation, the properties and assets of Petrolifera, GTEA and Pet-Ja, are free and clear of all mortgages, pledges, liens, charges and encumbrances other than those encumbrances that are referred to in the Acquisition Agreements or that are standard in the oil and gas industry, encumbrances pursuant to the Corporation's credit facility, or which do not and will not have a material adverse effect on the ownership or operation of such assets and properties ("**Permitted Encumbrances**") and other than Permitted Encumbrances, the Corporation and its Subsidiaries have not done any act or suffered or permitted any action to be done whereby any person has acquired or may acquire an interest in or to the material properties and assets of the Corporation or its Subsidiaries, nor has it done any act, omitted to do any act or permitted any act to be done that may adversely affect or defeat its title to any of its material properties or assets;

(lv) although it does not warrant title, and other than Permitted Encumbrances, the Corporation does not have reason to believe that the Corporation and each of the Subsidiaries do not have title to or the irrevocable right to produce and sell their petroleum, natural gas and related hydrocarbons (for the purposes of this clause, the foregoing are referred to as the "**Interests**") and does represent and warrant that the Interests are to the best of its knowledge, information and belief, after due inquiry, free and clear of adverse claims created by, through or under the Corporation and the Subsidiaries (taken as a whole), except as disclosed in the Public Record, related to bank financing or those arising in the ordinary course of business, and, to the knowledge of the Corporation

after due inquiry, the Corporation and each of the Subsidiaries hold their Interests under valid and subsisting leases, licenses, permits, concessions, concession agreements, contracts, subleases, reservations or other agreements except where the failure to so hold the Interest would not have a material adverse effect upon the Corporation and the Subsidiaries (taken as a whole);

(lvi) the Corporation is not aware of any defects, failures or impairments in the title of the Corporation and each of the Subsidiaries to their oil and gas properties, whether or not an action, suit, proceeding or inquiry is pending or threatened and whether or not discovered by any third party, which in aggregate could have a material adverse effect on: (A) the quantity and pre-tax present worth values of the oil and gas reserves of the Corporation, generally; (B) the quantity and pre-tax present worth values of the oil and gas reserves of the Corporation shown in the McDaniel Report and the Ryder Scott Report; (C) the current production of the Corporation; or (D) the current cash flow of the Corporation;

(lvii) although it does not warrant title, and other than Permitted Encumbrances, the Corporation does not have reason to believe that Petrolifera, GTEA or Pet-Ja do not have title to or the irrevocable right to produce and sell their petroleum, natural gas and related hydrocarbons (for the purposes of this clause, the foregoing are referred to as the "**Vendors' Interests**") and does represent and warrant that the Vendors' Interests are to the best of the Corporation's knowledge, information and belief, free and clear of adverse claims created by, through or under the Petrolifera, GTEA or Pet-Ja do (taken as a whole), except those arising in the ordinary course of business, and, to the best of the Corporation's knowledge, information and belief, Petrolifera, GTEA or Pet-Ja hold the Vendors' Interests under valid and subsisting leases, licenses, permits, concessions, concession agreements, contracts, subleases, reservations or other agreements except where the failure to so hold the Vendors' Interest would not have a material adverse effect upon the Vendors (taken as a whole);

(lviii) to the best of the Corporation's knowledge, information and belief, there are no defects, failures or impairments in the title of Petrolifera, GTEA or Pet-Ja to their oil and gas properties, whether or not an action, suit, proceeding or inquiry is pending or threatened and whether or not discovered by any third party, which in aggregate could have a material adverse effect on: (A) the quantity and pre-tax present worth values of the oil and gas reserves of Petrolifera, GTEA or Pet-Ja, generally; (B) the quantity and pre-tax present worth values of the oil and gas reserves of Petrolifera, GTEA or Pet-Ja shown in the GLJ Report; (C) the current production of Petrolifera, GTEA or Pet-Ja; or (D) the current cash flow of Petrolifera, GTEA or Pet-Ja;

(lix) the representations and warranties of the Corporation in the Acquisition Agreements, a true copy of which has been provided to the Underwriters, are true and correct as of the date hereof;

(lx) the Corporation has no reason to believe that the representations and warranties of any of the Vendors in the Acquisition Agreements are not true and correct in all material respects as of the date hereof or that the Vendors are in breach of any covenants of the Vendors in either of the Acquisition Agreements;

(lxi) to the best of the Corporation's knowledge, information and belief, no event has occurred or condition exists which will prevent the Acquisition from being completed prior to 5:00 p.m. (Toronto time) on July 31, 2014;

(lxii) the Corporation has provided the Underwriters with full access to all material due diligence materials requested by the Underwriters and information provided to the Corporation by the Vendors in connection with the Acquisition requested by the Underwriters and the Corporation is not aware of any misrepresentations in any such materials or information which could now, or upon or after completion of the Acquisition, be reasonably expected to have a material adverse effect on the Corporation;

(lxiii) the Corporation has conducted due diligence procedures in connection with the Acquisition as are standard and customary for transactions of such nature, including environmental due diligence, and the environmental diligence has not identified any material contamination or other material environmental issues in respect of the Petrolifera, GTEA or Pet-Ja;

(lxiv) the Corporation is in material compliance with the filing and certification requirements of each of NI 51-102 and NI 51-109; and

(lxv) the Due Diligence Session Responses will be true and correct where they relate to matters of fact, and in all material respects as at the time such responses are given and, to the knowledge of the Corporation, such responses taken as a whole shall not omit any fact or information necessary to make any of the responses not misleading in light of the circumstances in which such responses were given. Where the Due Diligence Session Responses reflect the opinion or view of the Corporation or its directors or officers (including, Due Diligence Session Responses or portions of such Due Diligence Session Responses, which are forward looking or otherwise relate to projections, forecasts or estimates of future performance or results (operating, financial or otherwise)) ("**Forward-looking Statements**"), such opinions or views are subject to the qualifications and provisions set forth in the Due Diligence Session Responses and will be honestly held and believed to be reasonable at the time they are given; provided, however, it shall not constitute a breach of this paragraph solely if the actual results vary or differ from those contained in Forward-looking Statements.

8. Indemnity

(a) The Corporation shall indemnify and save each of the Indemnified Persons, harmless against and from all actual or threatened, liabilities, claims, demands,

losses, costs (including, without limitation, legal fees and disbursements on a full indemnity basis), damages and expenses to which the Indemnified Persons may be subject or which the Indemnified Persons may suffer or incur, whether under the provisions of any statute or otherwise, in any way caused by, or arising directly or indirectly from or in consequence of:

(i) any information or statement contained in the Preliminary Prospectus, the Prospectus, the Preliminary U.S. Placement Memorandum, the U.S. Placement Memorandum, any Supplementary Material, any part of the Disclosure Record or in any other document or material filed or delivered by or on behalf of the Corporation pursuant hereto (other than any information or statement relating solely to the Underwriters and furnished to the Corporation by the Underwriters in writing expressly for inclusion in the Preliminary Prospectus, Prospectus, the Preliminary U.S. Placement Memorandum, the U.S. Placement Memorandum or any Supplementary Material or such other document or material) which is or is alleged to be untrue or any omission or alleged omission to provide any information or state any fact (other than any information or fact relating solely to the Underwriters) the omission of which makes or is alleged to make any such information or statement untrue or misleading in light of the circumstances in which it was made;

(ii) any misrepresentation or alleged misrepresentation (except a misrepresentation which is based upon information relating solely to the Underwriters and furnished to the Corporation by the Underwriters in writing expressly for inclusion in the Preliminary Prospectus, Prospectus, Preliminary U.S. Placement Memorandum, U.S. Placement Memorandum, any Supplementary Material or in any document or other part of the Disclosure Record) contained in the Preliminary Prospectus, the Prospectus, the Preliminary U.S. Placement Memorandum, the U.S. Placement Memorandum, any Supplementary Material or in any other document or any other part of the Disclosure Record filed by or on behalf of the Corporation;

(iii) any prohibition or restriction of trading in the securities of the Corporation or any prohibition or restriction affecting the distribution of the Offered Securities imposed by any competent authority if such prohibition or restriction is based on any misrepresentation or alleged misrepresentation of a kind referred to in subsection 8(a)(ii);

(iv) any order made or any inquiry, investigation (whether formal or informal) or other proceeding commenced or threatened by any one or more competent authorities prohibiting, restricting, relating to or materially affecting the trading or distribution of the Offered Securities;

(v) any breach of, default under or non-compliance by the Corporation with any requirements of the Applicable Securities Laws, the by-laws, rules or regulations of the Exchange or any representation, warranty, term or condition of this Agreement or in any certificate or other document delivered by or on behalf of the Corporation hereunder or pursuant hereto;

(vi) the exercise by any subscriber for Offered Receipts or any holder of Offered Securities of any contractual or statutory right of rescission for damages in connection with the purchase of the Offered Receipts based on any misrepresentation or alleged misrepresentation of a kind referred to in subsection 8(a)(ii); or

(vii) the release of the Escrowed Funds by the Escrow Agent to or on the direction of the Corporation;

provided, however, no party who has engaged in any willful misconduct, or gross negligence shall be entitled, to the extent that a court of competent jurisdiction from which no appeals can be made has determined that the liabilities, claims, losses, costs, damages or expenses were caused solely by such activity, to claim indemnification from any person who has not engaged in such willful misconduct, or gross negligence (provided that for greater certainty, the foregoing shall not disentitle an Underwriter from claiming indemnification hereunder to the extent that the gross negligence, if any, relates to the Underwriter's failure to conduct adequate "due diligence").

(b) If any claim contemplated by subsection 8(a) shall be asserted against any of the persons or corporations in respect of which indemnification is or might reasonably be considered to be provided for in such subsections, the Indemnified Person shall notify the Corporation (provided that failure to so notify the Corporation of the nature of such claim in a timely fashion shall relieve the Corporation of liability hereunder only if and to the extent that such failure materially prejudices the Corporation's ability to defend such claim) as soon as possible of the nature of such claim and the Corporation shall be entitled (but not required) to assume the defense of any suit brought to enforce such claim, provided however, that the defense shall be through legal counsel selected by the Corporation and acceptable to the Indemnified Person acting reasonably and that no admission of liability or settlement may be made by the Corporation or the Indemnified Person without the prior written consent of the other, such consent not to be unreasonably withheld. The Indemnified Person shall have the right to retain its own counsel in any proceeding relating to a claim contemplated by subsection 8(a) if:

(i) the Indemnified Person has been advised by counsel that there may be a reasonable legal defense available to the Indemnified Person which is different from or additional to a defense available to the Corporation and that representation of the Indemnified Person and the Corporation by the same counsel would be inappropriate due to the actual or potential differing interests between them (in which case the Corporation shall not have the right to assume the defense of such proceedings on the Indemnified Person's behalf);

(ii) the Corporation shall not have taken the defense of such proceedings and employed counsel within ten (10) days after notice has been given to the Corporation of commencement of such proceedings; or

(iii) the employment of such counsel has been authorized by the Corporation in connection with the defense of such proceedings;

and, in any such event, the reasonable fees and expenses of such Indemnified Person's counsel (on a solicitor and his client basis) shall be paid by the Corporation, provided that the Corporation shall not, in connection with any one such action or separate but substantially similar or related actions in the same jurisdiction arising out of the same general allegations or circumstances, be liable for the fees and expenses of more than one separate law firm (in addition to any local counsel) for all such Indemnified Persons.

(c) The Corporation hereby waives its rights to recover contribution from the Underwriters with respect to any liability of the Corporation by reason of or arising out of any misrepresentation in the Preliminary Prospectus, the Prospectus, the Preliminary U.S. Placement Memorandum, the U.S. Placement Memorandum, any Supplementary Material or any other part of the Disclosure Record provided, however, that such waiver shall not apply in respect of liability caused or incurred by reason of any misrepresentation which is based upon information relating solely to the Underwriters contained in such document and furnished to the Corporation by the Underwriters expressly for inclusion in the Preliminary Prospectus, the Prospectus, the Preliminary U.S. Placement Memorandum, the U.S. Placement Memorandum or any Supplementary Material.

(d) If any legal proceedings shall be instituted against the Corporation in respect of the Preliminary Prospectus, the Prospectus, the Preliminary U.S. Placement Memorandum, the U.S. Placement Memorandum, any Supplementary Material or any other part of the Disclosure Record or the Offered Securities or if any regulatory authority or stock exchange shall carry out an investigation of the Corporation in respect of the Preliminary Prospectus, the Prospectus, the Preliminary U.S. Placement Memorandum, the U.S. Placement Memorandum, any Supplementary Material or any other part of the Disclosure Record or the Offered Securities and, in either case, any Indemnified Person is required to testify, or respond to procedures designed to discover information, in connection with or by reason of the services performed by the Underwriters hereunder, the Indemnified Persons may employ their own legal counsel and the Corporation shall pay and reimburse the Indemnified Persons for the reasonable fees, charges and disbursements (on a full indemnity basis) of such legal counsel, the other expenses reasonably incurred by the Indemnified Persons in connection with such proceedings or investigation and a fee at the normal per diem rate for any director, officer or employee of the Underwriters involved in the preparation for or attendance at such proceedings or investigation.

(e) The rights and remedies of the Indemnified Persons set forth in Sections 8, 9 and 10 (in the case of the Underwriters) hereof are to the fullest extent possible in law, cumulative and not alternative and the election by any Underwriter or other Indemnified Person to exercise any such right or remedy shall not be, and shall not be deemed to be, a waiver of any other rights and remedies.

(f) The Corporation hereby acknowledges that the Underwriters are acting as agents for the other Indemnified Persons under this Section 8 and under Section 9 with respect to all such Indemnified Persons.

(g) The Corporation waives any right it may have of first requiring an Indemnified Person to proceed against or enforce any other right, power, remedy or security

or claim or to claim payment from any other person before claiming under this indemnity. It is not necessary for an Indemnified Person to incur expense or make payment before enforcing such indemnity.

(h) The rights of indemnity contained in this Section 8 shall not apply if the Corporation has complied with the provisions of Sections 3, 4 and 5 and the person asserting any claim contemplated by this Section 8 was not provided with a copy of the Prospectus or any amendment to the Prospectus or other document which corrects any misrepresentation or alleged misrepresentation which is the basis of such claim and which was required, under Applicable Securities Laws, to be delivered to such person and which the Corporation has provided to the Underwriters to forward to such person.

(i) If the Corporation has assumed the defense of any suit brought to enforce a claim hereunder, the Indemnified Person shall provide the Corporation copies of all documents and information in its possession pertaining to the claim, take all reasonable actions necessary to preserve its rights to object to or defend against the claim, consult and reasonably cooperate with the Corporation in determining whether the claim and any legal proceeding resulting therefrom should be resisted, compromised or settled and reasonably cooperate and assist in any negotiations to compromise or settle, or in any defense of, a claim undertaken by the Corporation.

9. Contribution

In order to provide for just and equitable contribution in circumstances in which the indemnification provided for in this Agreement is due in accordance with its terms but is, for any reason, held by a court to be unavailable from the Corporation on grounds of policy or otherwise, the Corporation and the party or parties seeking indemnification shall contribute to the aggregate liabilities, claims, demands, losses (other than losses of profit), costs (including, without limitation, legal fees and disbursements on a full indemnity basis), damages and expenses (or claims, actions, suits or proceedings in respect thereof) to which they may be subject or which they may suffer or incur:

(a) in such proportion as is appropriate to reflect the relative benefit received by the Corporation on the one hand, and by the Underwriters on the other hand, from the offering of the Offered Receipts; or

(b) if the allocation provided by subsection 9(a) above is not permitted by applicable law, in such proportion as is appropriate to reflect not only the relative benefits referred to in subsection 9(a) above but also to reflect the relative fault of the Underwriters on the one hand, and the Corporation, on the other hand, in connection with the statements, commissions or omissions or other matters which resulted in such liabilities, claims, demands, losses, costs, damages or expenses, as well as any other relevant equitable considerations.

The relative benefits received by the Corporation, on the one hand, and the Underwriters, on the other hand, shall be deemed to be in the same proportion that the total proceeds of the offering received by the Corporation (net of fees but before deducting expenses) bear to the fees received by the Underwriters. In the case of liability arising out of the Preliminary Prospectus, the Prospectus, the Preliminary U.S. Placement Memorandum, the U.S. Placement

Memorandum or any Supplementary Material, the relative fault of the Corporation, on the one hand, and of the Underwriters, on the other hand, shall be determined by reference, among other things, to whether the misrepresentation or alleged misrepresentation, order, inquiry, investigation or other matter or thing referred to in Section 8 relates to information supplied or which ought to have been supplied by, or steps or actions taken or done on behalf of or which ought to have been taken or done on behalf of the Corporation or the Underwriters and the parties' relative intent knowledge, access to information and opportunity to correct or prevent such misrepresentation or alleged misrepresentation, order, inquiry, investigation or other matter or thing referred to in Section 8.

The amount paid or payable by an Indemnified Person as a result of liabilities, claims, demands, losses (other than losses of profit), costs, damages and expenses (or claims, actions, suits or proceedings in respect thereof) referred to above shall, without limitation, include any legal or other expenses reasonably incurred by the Indemnified Person in connection with investigating or defending such liabilities, claims, demands, losses, costs, damages and expenses (or claims, actions, suits or proceedings in respect thereof) whether or not resulting in any action, suit, proceeding or claim.

Each of the Corporation and the Underwriters agree that it would not be just and equitable if contributions pursuant to this Agreement were determined by pro rata allocation or by any other method of allocation which does not take into account the equitable considerations referred to in the immediately preceding sections. The rights to contribution provided in this Section 9 shall be in addition to, and without prejudice to, any other right to contribution which the Underwriters or other Indemnified Persons may have.

Any liability of an Underwriter under this Section 9 shall be limited to the amount actually received by the Underwriter under Section 2.

10. Expenses

Whether or not the transactions contemplated herein shall be completed, all costs and expenses (including applicable GST) of or incidental to the transactions contemplated hereby including, without limitation, those relating to the distribution of the Offered Receipts, if applicable, shall be borne by the Corporation including, without limitation, all costs and expenses of or incidental to the preparation, filing, translation and reproduction (including the commercial copies thereof) of the Preliminary Prospectus, the Prospectus, the Preliminary U.S. Placement Memorandum, the U.S. Placement Memorandum, any Supplementary Material, and the delivery thereof to the Underwriters, the fees and expenses of the Corporation's counsel, the fees and expenses of agent counsel retained by the Corporation or the Corporation's counsel, the fees and expenses of the Corporation's transfer agent, any auditors, engineers and other outside consultants, all stock exchange listing fees, and all other costs and expenses relating to this transaction including, without limitation, the legal fees (to a maximum of $85,000 exclusive of GST) and disbursements of Underwriters' counsel (including the fees and disbursements of special U.S. counsel, if any) together with applicable GST and the reasonable out-of-pocket expenses of the Underwriters. All fees and expenses incurred by the Underwriters which are reimbursable hereunder shall be payable by the Corporation immediately upon receiving an invoice therefor from the Underwriters.

For greater certainty, 100% of the Underwriters expenses shall be payable from the Corporation's general funds, at the Closing Date or any Additional Closing Date, as the case may be.

11. Termination

(a) In addition to any other rights or remedies available to the Underwriters, the Underwriters, or any of them, may, without liability, terminate their obligations hereunder, by written notice to the Corporation in the event that after the date hereof and at or prior to the Closing Time:

(i) any order to cease or suspend trading in any securities of the Corporation or prohibiting or restricting the distribution of any of the Offered Securities is made, or proceedings are announced, commenced or threatened for the making of any such order, by any securities commission or similar regulatory authority, the Exchange or any other competent authority, and such order or proceeding has not been rescinded, revoked or withdrawn or such announced, commenced or threatened proceeding has not been terminated or withdrawn;

(ii) any inquiry, action, suit, investigation or other proceeding (whether formal or informal) in relation to the Corporation or any of its directors or senior officers is announced, commenced or threatened by any federal, provincial, state, municipal, other governmental agency or any securities commission or similar regulatory authority, the Exchange or any other competent authority, or there is a change in law, regulation or policy or the interpretation or administration thereof, if, in the sole opinion of the Underwriters, or any one of them, acting reasonably, the change, announcement, commencement or threatening thereof, as the case may be, operates or could operate to prevent, suspend or restrict the Acquisition or, the trading, distribution of the Offered Securities or any other securities of the Corporation or otherwise materially adversely affects, or may materially adversely affect the Corporation or the market price or value of the Offered Securities;

(iii) there should develop, occur or come into effect or existence any event, action, state, condition or major financial occurrence of national or international consequence, including, without limitation, any military conflict, civil insurrection, act of terrorism, war or like event, or a governmental action, law, regulation, inquiry or any occurrence of any nature whatsoever, which, in the sole opinion of the Underwriters or any one of them, acting reasonably, seriously adversely affects or involves, or may seriously adversely affect or involve, the financial markets generally or the business, operations, affairs or profitability of the Corporation, the Acquisition, or the market price or value or marketability of the of the Offered Securities or any other securities of the Corporation;

(iv) there should occur any material change, change of a material fact, occurrence, event, fact or circumstance (whether actual, anticipated, proposed, contemplated or threatened) or any development that could result in a material change or change of a material fact, any of which, in the sole opinion of the Underwriters, or any one of them, as determined by the Underwriter in its sole discretion, could reasonably be expected to have a material adverse effect on the business, operations, affairs or profitability of the Corporation, the Acquisition or the market price or value

or the marketability of the Offered Securities or other securities of the Corporation;

(v) the Underwriters or any one of them, determine in its sole discretion that the Corporation shall be in breach of, default under or non-compliance with any covenant, term or condition of this Agreement or the Acquisition Agreements in any material respect, or any representation or warranty given by the Corporation in this Agreement or either of the Acquisition Agreements becomes or are false in any material respect;

(vi) the Underwriters or any one of them, becomes aware, as a result of its due diligence review or otherwise, of any adverse material information, fact or change with respect to the Corporation or the Acquisition (in the sole opinion of the Underwriters acting reasonably) which had not been publicly disclosed or disclosed to the Underwriters prior to the date hereof or which occurred after the effective date hereof but prior to the Closing and which would have a material adverse effect on the market price or value of the Offered Securities or the Acquisition;

(vii) either of the Acquisition Agreements are terminated and not replaced by an amendment or restatement of such on substantially the same terms and satisfactory in form and containing terms and conditions acceptable to the Underwriters, acting reasonably, or the Corporation otherwise notifies the Underwriters that the Acquisition will not occur; or

(viii) the Termination Time has occurred.

(b) The Underwriters, or any of them, may exercise any or all of the rights provided for in subsection 11(a) or Sections 12 or 16 notwithstanding any material change, change, event or state of facts and (except where the Underwriter purporting to exercise any of such rights is in material breach of its obligations under this Agreement) notwithstanding any act or thing taken or done by the Underwriters or any inaction by the Underwriters, whether before or after the occurrence of any material change, change, event or state of facts including, without limitation, any act of the Underwriters related to the offering or continued offering of the Offered Securities for sale and any act taken by the Underwriters in connection with any amendment to the Prospectus (including the execution of any amendment or any other Supplementary Material) and the Underwriters shall only be considered to have waived or be estopped from exercising or relying upon any of their rights under or pursuant to subsection 11(a) or Sections 12 or 16 if such waiver or estoppel is in writing and specifically waives or estops such exercise or reliance.

(c) Any termination pursuant to the terms of this Agreement shall be effected by notice in writing delivered to the Corporation with a copy to the other Underwriters provided that no termination shall discharge or otherwise affect any obligation of the Corporation under Sections 8, 9, 10 or 17. The rights of the Underwriters to terminate their obligations hereunder are in addition to, and without prejudice to, any other rights or remedies they may have.

(d) If an Underwriter elects to terminate its obligation to purchase the Offered Receipts as aforesaid, whether the reason for such termination is within or beyond the control of the Corporation, the liability of the Corporation hereunder with respect to such Underwriter shall be limited to the indemnity referred to in Section 8, the contribution rights referred to in Section 9 and the payment of expenses referred to in Section 10.

12. Closing Documents

The obligations of the Underwriters hereunder to purchase the Offered Securities at the Closing Time shall be conditional upon all representations and warranties and other statements of the Corporation herein being, at and as of the Closing Time, true and correct in all material respects, the Corporation having performed in all material respects, at the Closing Time, all of its obligations hereunder theretofore to be performed and the Underwriters receiving at the Closing Time and the delivery by the Corporation to the Underwriters of:

(a) favourable legal opinions of the Corporation's counsel addressed to the Underwriters, in form and substance reasonably satisfactory to the Underwriters, with respect to such matters as the Underwriters may reasonably request relating to the Corporation, the offering of the Offered Receipts and the transactions contemplated hereby, including, without limitation, that:

(i) the Corporation and its Subsidiaries have been duly created, incorporated, amalgamated, as the case may be, and are validly subsisting and have all requisite corporate capacity, power and authority to own and lease their properties and assets and to carry on their respective businesses as now conducted by them and as described in the Prospectuses and are qualified to carry on business under the laws of each of the jurisdictions in which they carry on a material portion of their respective businesses;

(ii) the Corporation has full corporate power and authority to enter into this Agreement, the Subscription Receipt Agreement and the Acquisition Agreements and to perform its obligations set out herein and therein, and this Agreement, the Subscription Receipt Agreement and the Acquisition Agreements have been duly authorized, executed and delivered by the Corporation and each of this Agreement, the Subscription Receipt Agreement and the Acquisition Agreements constitutes a legal, valid and binding obligation of the Corporation enforceable against the Corporation in accordance with its terms, except that the validity, binding effect and enforceability of the terms of agreements and documents are subject to the qualification that such validity, binding effect and enforceability may be limited by: (i) applicable bankruptcy, insolvency, moratorium, reorganization or other laws affecting creditors' rights generally; (ii) equitable remedies, including the remedies of specific performance and injunctive relief, being available only in the discretion of the applicable court; (iii) the statutory and inherent powers of a court to grant relief from forfeiture, to stay execution of proceedings before it and to stay executions on judgments; (iv) the applicable laws regarding limitations of actions; (v) enforceability of provisions which purport to sever any provision which is prohibited or unenforceable under applicable law

without affecting the enforceability or validity of the remainder of such document would be determined only in the discretion of the court; (vi) enforceability of the provisions exculpating a party from liability or duty otherwise owed by it may be limited under applicable law; and (vii) the rights to indemnity, contribution and waiver under the documents which may be limited or unavailable under applicable law;

(iii) the execution and delivery of this Agreement and the fulfillment of the terms hereof by the Corporation, and the performance of and compliance with the terms of this Agreement, the Subscription Receipt Agreement and the Acquisition Agreements by the Corporation (or MVII, as applicable) does not and will not result in a breach of, or constitute a default under, and does not and will not create a state of facts which, after notice or lapse of time or both, will result in a breach of or constitute a default under: (a) any applicable laws of the Province of Alberta or the federal laws of Canada applicable therein; (b) any term or provision of the articles, by-laws or other constating documents, as applicable, of the Corporation; (c) of which counsel is aware, any resolutions of the shareholders or directors (or any committee thereof) of the Corporation; (d) of which counsel is aware, any indenture, mortgage, note, contract, agreement (written or oral), instrument, lease or other document to which the Corporation is a party or by which it is bound; or (e) of which counsel is aware, any judgment, decree or order, of any court, governmental agency or body or regulatory authority having jurisdiction over or binding the Corporation or its properties or assets or would impair the ability of the Corporation to consummate the transactions contemplated hereby or to duly observe and perform any of its covenants or obligations contained in this Agreement, the Subscription Receipt Agreement and the Acquisition Agreements;

(iv) the Corporation has full corporate capacity, power and authority to issue the Offered Securities issuable pursuant thereto and to grant the Over-Allotment Option and, at the Closing Time, the Firm Receipts and the Underlying Shares issuable pursuant to the Firm Receipts and, if applicable, the Option Receipts and the Underlying Shares issuable pursuant to the Option Receipts will be duly and validly authorized, allotted and reserved for issuance in accordance with the Subscription Receipt Agreement and, upon receipt of the purchase price therefor, the Offered Receipts will be duly and validly issued, as fully paid and non-assessable and upon the issuance of the Underlying Shares pursuant to the Offered Receipts in accordance with the terms of the Subscription Receipt Agreement, such Underlying Shares will be duly and validly issued as fully paid and non-assessable;

(v) the Corporation is a reporting issuer in each of the Qualifying Provinces, and is not included in a list of defaulting reporting issuers maintained pursuant to the applicable securities legislation of such provinces, and is eligible to participate in NI 44-101 in each of the Qualifying Provinces;

(vi) the Firm Receipts and, if applicable, the Option Receipts have been duly and validly created, allotted and issued as Subscription Receipts in accordance with the provisions of the Subscription Receipt Agreement;

(vii) the Underlying Shares issuable pursuant to the Firm Receipts and, if applicable, the Option Receipts will, upon issuance in accordance with the terms of the Subscription Receipt Agreement, be issued as fully paid and non-assessable Common Shares of the Corporation;

(viii) the attributes of the Offered Securities conform in all material respects with the description thereof contained in the Prospectuses; the Offered Receipts and Underlying Shares are "qualified investments" as set out under the heading "Eligibility for Investment" in the Prospectuses;

(ix) all necessary documents have been filed, all necessary proceedings have been taken and all legal requirements have been fulfilled as required under the Applicable Securities Laws of each of the Qualifying Provinces in order to qualify the Offered Securities for distribution and sale to the public in each of such Qualifying Provinces by or through persons duly registered under the applicable laws of such provinces who have complied with the relevant provisions of such Applicable Securities Laws;

(x) no action, approval, consent or vote on the part of the shareholders of the Corporation is or shall be necessary to consummate the transactions contemplated by this Agreement or the Acquisition Agreements;

(xi) no filing, proceeding, approval, consent or authorization is required to be made, taken or obtained by the Corporation under Applicable Securities Laws to permit the issuance by the Corporation of the Offered Securities, provided that no commission or other remuneration is paid or given in respect of the distribution except for administrative or professional services or for services performed by a registered dealer;

(xii) the first trade by a holder of Offered Receipts or by a holder of Underlying Shares received pursuant to the Firm Receipts and, if applicable, the Option Receipts will not be subject to the prospectus requirements of Applicable Securities Laws and no filing, proceeding, approval, consent or authorization under Applicable Securities Laws will be required to permit the trading of such Common Shares in the Qualifying Provinces, provided that the trade is not a "control distribution" as such term is defined in National Instrument 45-102 ("**NI 45-102**") and the Corporation is a "reporting issuer" for the purposes of NI 45-102 at the time of such trade in the jurisdiction where such trade occurs;

(xiii) the Corporation has the necessary corporate power and authority to execute and deliver the Prospectuses and marketing materials and all necessary corporate action has been taken by the Corporation to authorize the execution and delivery by it of the Prospectuses and marketing materials and the filing thereof, as the case may be, in each of the Qualifying Provinces in accordance with Applicable Securities Laws;

(xiv) the Offered Receipts and the Common Shares issuable pursuant to the Offered Receipts are conditionally approved for listing and, upon notification to the Exchange of the issuance and sale thereof and fulfillment of the conditions of the Exchange, will be issued and posted for trading on the Exchange;

(xv) Alliance Trust Company, at its principal offices in Calgary, Alberta has been duly appointed the transfer agent and registrar for the Common Shares and the Offered Receipts, and has been duly appointed the escrow agent under the Subscription Receipt Agreement;

(xvi) the form and terms of the definitive certificates representing the Subscription Receipts and Common Shares have been duly approved and adopted by the board of directors of the Corporation and comply with all legal requirements (including the requirements of the Exchange) relating thereto; and

(xvii) the authorized and issued capital of the Corporation.

It is understood that the respective counsel may rely on the opinions of local counsel acceptable to them as to matters governed by the laws of jurisdictions other than where they are qualified to practice law, and on certificates of officers of the Corporation, the transfer agent and the Corporation's auditors as to relevant matters of fact;

(b) the Underwriters shall have received favourable legal opinions addressed to the Underwriters and the Underwriters' Counsel in form and substance satisfactory to the Underwriters, acting reasonably, dated as of the Closing Date, from counsel to each of the Material Subsidiaries, which counsel in turn may rely, as to matters of fact, on certificates of auditors, public officials and officers of the Material Subsidiaries, as appropriate, with respect to the following matters: (i) each of the Material Subsidiaries is a corporation existing under the laws of the jurisdiction in which it was incorporated, amalgamated or continued, as the case may be, and has all requisite corporate power to carry on its business as now conducted and to own, lease and operate its property and assets; and (ii) the percentage of the issued and outstanding shares of each of the Material Subsidiaries set forth in subsection 7(b)(ii) are registered, directly or indirectly, in the name of the Corporation;

(c) the Underwriters shall have received favourable title opinion(s), addressed to the Underwriters and the Underwriters' Counsel in form and substance satisfactory to the Underwriters, acting reasonably, dated as of the Closing Date, from Argentine counsel, with respect to the interests held by the Vendors to be acquired by the Corporation pursuant to the Acquisition;

(d) if any Offered Receipts are sold in the United States, a favourable legal opinion by Dorsey & Whitney LLP, the Corporation's special United States counsel, in form and substance reasonably satisfactory to the Underwriters, which opinion may be subject to usual and customary qualifications for opinions of this type, to the effect that no registration under the U.S. Securities Act is required for the offer and sale of the Firm Receipts (and, if applicable, the Option Receipts) in the

United States in accordance with the terms of this Agreement, including Schedule "A" attached hereto;

(e) a certificate of the Corporation dated the Closing Date addressed to the Underwriters and signed on behalf of the Corporation by the President and Chief Executive Officer and the Chief Financial Officer of the Corporation or such other officers of the Corporation satisfactory to the Underwriters, acting reasonably, certifying, on behalf of the Corporation and without personal liability, that:

(i) the Corporation has, in all material respects, complied with and satisfied all terms and conditions of this Agreement on its part to be complied with or satisfied at or prior to the Closing Time;

(ii) the representations and warranties of the Corporation set forth in this Agreement are true and correct in all material respects at the Closing Time (except for those representations and warranties that are subject to a materiality qualification, which are to be true and correct as of the Closing Time in all respects), as if made at such time;

(iii) no event of a nature referred to in subsection 6(a), 6(b), 11(a)(i), 11(a)(ii), 11(a)(iii) or 11(a)(vii) has occurred or to the knowledge of such officer is pending, contemplated or threatened (excluding any requirement to make any determination as to any Underwriter's opinion);

(iv) neither of the Acquisition Agreements have been amended nor have any terms and conditions thereof been waived, other than as disclosed in writing to the Underwriters;

(v) the Corporation has no reason to believe that the Acquisition will not be completed in accordance with the terms of the Acquisition Agreements prior to the Deadline;

(vi) there have been no material changes to the Due Diligence Responses not disclosed to the Underwriters, in writing; and

(vii) such other matters as may be reasonably requested by the Underwriters or the Underwriters' counsel;

and each such statement shall be true and the Underwriters shall have no knowledge to the contrary;

(f) a comfort letter of the Corporation's auditors and those other auditors required to provide a "comfort letter" pursuant to subsection 4(c) addressed to the Underwriters and dated the Closing Date, satisfactory in form and substance to the Underwriters, acting reasonably, bringing the information contained in the comfort letters referred to in subsection 4(c) hereof up to the Closing Time, which comfort letters shall be not more than two Business Days prior to the Closing Date;

(g) evidence satisfactory to the Underwriters that the Corporation has obtained all necessary third party approvals and all necessary approvals of the Exchange for

the issuance of the Offered Securities and the issuance and listing of the Offered Receipts and the Underlying Shares, subject only to the filing of Prospectuses and ancillary documentation in respect of the Offered Receipts and the Underlying Shares and required documents which are in the possession of the Corporation on the Closing Date and payment of applicable fees; and

(h) such other certificates and documents as the Underwriters may request, acting reasonably.

13. Deliveries

(a) The sale of the Firm Receipts to be purchased hereunder shall be completed at the Closing Time at the offices of the Corporation's counsel in Calgary, Alberta or at such other place as the Corporation and the Underwriters may agree. Subject to the conditions set forth in Section 12, the Underwriters, on the Closing Date, shall deliver to the Escrow Agent, by wire transfer, the amount of $0.51 per Offered Receipt (being an aggregate of $50,031,000) against delivery by the Corporation of:

(i) the opinions, certificates and documents referred to in Section 12; and

(ii) definitive certificates or evidence of book-entry registration as set out in subsection 13(b) representing, in the aggregate, all of the Firm Receipts which the Underwriters have elected to purchase hereunder registered, subject to subsection 13(b) below, in the name of CDS & Co. or in such name or names as the Underwriters shall notify the Corporation in writing not less than 24 hours prior to the Closing Time; and

(iii) payment to the Lead Underwriter, by certified cheque, bank draft or wire transfer or such other means as the Corporation and the Underwriters may agree, of the Underwriting Fee provided for in Section 2 in respect of the Firm Receipts.

(b) The sale of the Option Receipts, if applicable, shall be completed at the offices of the Corporation's counsel in Calgary, Alberta or at such other place as the Corporation and the Underwriters may agree, on the date (the "**Additional Closing Date**") and at the time ("**Additional Closing Time**") specified by the Underwriters in the written notice given by the Underwriters pursuant to their election to purchase such Option Receipts (provided that in no event shall such time be earlier than the Closing Time or earlier than two or later than ten Business Days after the date of the written notice of the Underwriters to the Corporation in respect of the Option Receipts), or at such other time and date as the Underwriters and the Corporation may agree upon in writing. Subject to the conditions set forth in Section 12 (with the references therein to the Closing Time changed to the Additional Closing Time), the Underwriters, at the Additional Closing Time, shall deliver to the Escrow Agent, on behalf of the Corporation (or, if the closing of the Acquisition has occurred, directly to the Corporation), by certified cheque, bank draft or wire transfer or such other means as the Corporation and the Underwriters may agree, the amount of $0.51 per Option Receipt agreed to be purchased by the Underwriters from the Corporation pursuant to the exercise of the Over-Allotment Option (being an aggregate of

$7,504,650 if the Over-Allotment Option is exercised in full), against delivery by the Corporation of:

(i) the opinions, certificates and documents referred to in Section 12 (with the references therein to the Closing Time and Closing Date changed to the Additional Closing Time and Additional Closing Date respectively);

(ii) definitive certificates representing, in the aggregate, all of the Option Receipts agreed to be purchased from the Underwriters from the Corporation pursuant to the exercise of the Over-Allotment Option registered, subject to subsection 13(c) below, in the name of CDS & Co. or in such name or names as the Underwriters shall notify the Corporation in writing not less than 24 hours prior to the Additional Closing Time; and

(iii) payment to the Lead Underwriter, by certified cheque, bank or wire transfer or such other means as the Corporation and the Underwriters may agree, of the Underwriting Fee provided for in subsection 2(b) in respect of the Option Receipts.

Whether or not specifically contemplated in this Agreement, all provisions of this Agreement shall apply in the same manner and upon the same terms and conditions in respect of any Option Receipts as would apply to the Firm Receipts issued and sold pursuant to this Agreement, and any steps to be taken or conditions to be satisfied at the Additional Closing Time shall be the same as those steps to be taken or conditions to be satisfied at Closing Time.

(c) If the Corporation determines to issue the Offered Receipts as a book-entry only security in accordance with the rules and procedures of The Canadian Depository for Securities Limited ("**CDS**"), then, as an alternative to the Corporation delivering to the Underwriters definitive certificates representing the Offered Receipts in the manner and at the times set forth in this Section 13:

(i) the Underwriters will provide a direction to CDS with respect to the crediting of the Offered Receipts to the accounts of the participants of CDS as shall be designated by the Underwriters in writing in sufficient time prior to the Closing Date to permit such crediting; and

(ii) the Corporation shall cause Alliance Trust Company as registrar and transfer agent of the Offered Receipts, to deliver to CDS, on behalf of the Underwriters, one fully registered global certificate for the Offered Receipts to be purchased hereunder, registered in the name of "CDS & Co." as the nominee of CDS, to be held by CDS as a book-entry only security in accordance with the rules and procedures of CDS.

(d) Notwithstanding anything to the contrary contained herein, all Offered Receipts sold pursuant to Rule 506(b) of Regulation D shall be represented by individual, fully registered definitive share certificates, and for greater certainty, such Offered Receipts shall not be registered in the name of "CDS & Co." Each such certificate shall bear a legend describing the applicable restrictions on transfer of such Option Receipts imposed by the U.S. Securities Act, in the form set forth in the U.S. Placement Memorandum.

14. Restrictions on Offerings

The Corporation agrees that, from the date hereof and ending on the date that is 90 days following the Closing Date that it will not issue, offer, or announce the offering of, or make or announce any agreement to issue, sell, or exchange Common Shares or securities convertible or exchangeable into Common Shares without the prior consent of the Lead Underwriter, not to be unreasonably withheld or delayed, provided that notwithstanding the foregoing, the Corporation may, without such consent, (i) grant Common Shares pursuant to the Acquisition; (ii) grant options to directors, officers, consultants or employees of the Corporation pursuant to the Corporation's board approved stock option plan, (iii) issue Common Shares on exercise of outstanding stock options granted under such plan and upon exercise of outstanding rights, agreements, warrants and other convertible securities, (iv) issue the Underlying Shares in accordance with the terms of the Subscription Receipts. The Corporation further acknowledges and understands that it will use its reasonable commercial efforts to cause its officers and directors to enter into an agreement with the Lead Underwriter pursuant to which each of such individuals will agree not to sell, transfer or pledge, or otherwise dispose of, any securities of the Corporation (other than in connection with the disposition of Common Shares upon the exercise of outstanding stock options) until the date which is 90 days after the date of the closing of the Offering, in each case without the prior written consent of the Lead Underwriter, such consent not to be unreasonably withheld or delayed.

15. Notices

Any notice or other communication to be given hereunder shall, in the case of notice to be given to the Corporation be addressed to the Corporation, c/o Mr. Kevin Shaw, President and Chief Executive Officer, at the above address, Fax No. (403) 262-1905, with a copy to Burnet, Duckworth & Palmer LLP, Suite 2400, 525 – 8th Avenue S.W., Calgary, Alberta, T2P 1G1, Attention: Lonny Tetley (Fax No.: (403) 260-0332), and, in the case of notice to be given to the Underwriters, be addressed to:

Dundee Securities Ltd.
3600, 350 - 7th Avenue S.W.
Calgary, Alberta T2P 3N9
Attention: James Heaps
Fax No.: (403) 264-6331

and to:

RBC Dominion Securities Inc.
3900, 888 - 3rd Street S.W.
Calgary, Alberta T2P 5C5
Attention: Darrell Law
Fax No.: (403) 299-6900

and to:

Haywood Securities Inc.
301, 808 – 1st Street S.W.
Calgary, Alberta TSP 1M9
Attention: Jeff Reymer
Fax No.: (403) 506-1926

and to:

Beacon Securities Limited
2030, 335 – 4th Avenue S.W.
Calgary, Alberta T2P 0J1
Attention: Kirk Wilson
Fax No.: (416) 646-3379

and to:

National Bank Financial Inc.
1800, 311 – 6th Avenue S.W.
Calgary, Alberta T2P 3H2
Attention: Tom MacInnis
Fax No.: (403) 265-0543

and to:

FirstEnergy Capital Corp.
1100, 311 – 6th Avenue S.W.
Calgary, Alberta T2P 3H2
Attention: Erik Bakke
Fax No.: (403) 262-0688

and to:

Mackie Research Capital Corporation
4500, 199 Bay Street
Toronto, Ontario M5L 1G2
Attention: Gage Jull
Fax No.: (416) 860-7674

and to:

TD Securities Inc.
3600, 421-7th Avenue S.W.
Calgary, Alberta T2P 4K9
Attention: Bryce Hipp
Fax No.: (403) 292-2776

and to:

Canaccord Genuity Corp.
2200, 450 – 1st Street S.W.
Calgary, Alberta T2P 5P8
Attention: Bruce McDonald
Fax No.: (403) 508-3866

and to:

Jennings Capital Inc.
2700, 308 – 4th Avenue S.W.
Calgary, Alberta T2P 0H7
Attention: David McGorman
Fax No.: (403) 292-0979

and to:

Raymond James Ltd.
4250, 525 – 8th Avenue S.W.
Calgary, Alberta T2P 1G1
Attention: Jason Holtby
Fax No.: (403) 509-0535

and a copy to:

McCarthy Tétrault LLP
4000, 421-7th Avenue S.W.
Calgary, Alberta T2P 4K9
Attention: Sony Gill
Fax No.: (403) 260-3501

or to such other address as the party may designate by notice given to the other. Each communication shall be personally delivered to the addressee or sent by facsimile transmission to the addressee, and:

(a) a communication which is personally delivered shall, if delivered before 4:00 p.m. (local time at the place of delivery) on a Business Day, be deemed to be given and received on that day and, in any other case be deemed to be given and received on the first Business Day following the day on which it is delivered; and

(b) a communication which is sent by facsimile transmission shall, if sent on a Business Day before 4:00 p.m. (local time at the place of receipt), be deemed to be given and received on that day and, in any other case, be deemed to be given and received on the first Business Day following the day on which it is sent.

16. Conditions

All terms, covenants and conditions of this Agreement to be performed by the Corporation shall be construed as conditions, and any breach or failure to comply with any material terms and conditions which are for the benefit of the Underwriters shall entitle the Underwriters to terminate their obligations to purchase the Offered Receipts, by written notice to that effect given to the Corporation prior to the Closing Time. The Underwriters may waive in whole or in part any breach of, default under or non-compliance with any representation, warranty, term or condition hereof, or extend the time for compliance therewith, without prejudice to any of their rights in respect of any other representation, warranty, term or condition hereof or any other breach of, default under or non-compliance with any other representation, warranty, term or condition hereof, provided that any such waiver or extension shall be binding on the Underwriters only if the same is in writing.

17. Survival of Representations and Warranties

All representations, warranties, terms and conditions herein (including, without limitation, those contained in Section 7) or contained in certificates or documents submitted pursuant to or in connection with the transactions contemplated herein shall survive the payment by the Underwriters for the Offered Receipts and the distribution of the Offered Receipts and the Underlying Shares pursuant to the Prospectus and the U.S. Placement Memorandum and shall continue in full force and effect for the benefit of the Underwriters regardless of any investigation by or on behalf of the Underwriters with respect thereto.

18. Several Liability of Underwriters

The Underwriters' rights and obligations under this Agreement are several and not joint and several including, without limitation, that:

(a) each of the Underwriters shall be obligated to purchase only the percentage of the total number of Firm Receipts and, if applicable, Option Receipts set forth opposite their names set forth in this Section 18; and

(b) if at the Closing Time and/or the Additional Closing Time, as the case may be, any one or more of the Underwriters shall fail or refuse to purchase its respective percentage set forth below of the aggregate number of the Firm Receipts and/or Option Receipts, as the case may be, (other than in accordance with Section 11) and the aggregate number of such Firm Receipts and/or Option Receipts, as the case may be, which such defaulting Underwriter or Underwriters agreed but failed or refused to purchase is not more than 5.2% of the aggregate number of Firm Receipts and/or Option Receipts, as the case may be, to be purchased on such date, the non-defaulting Underwriters shall be obligated severally, *pro rata* to their respective percentages aforesaid of all such non-defaulting Underwriters, to purchase the Firm Receipts and/or Option Receipts, as the case may be, which such defaulting Underwriter or Underwriters agreed but failed or refused to purchase at such time; and

(c) if any one or more of the Underwriters shall fail or refuse to purchase its applicable percentage of the Firm Receipts and/or Option Receipts, as the case may be, at the Closing Time and/or the Additional Closing Time, as the case may be, and the number of such securities which such defaulting Underwriter or Underwriters agreed but failed or refused to purchase is greater than 5.2% of the aggregate number of Firm Receipts and/or Option Receipts, as the case may be, to be purchased at such time, then the other Underwriters shall have the right, but not the obligation, to purchase all of the Firm Receipts and/or Option Receipts, as the case may be, which would otherwise have been purchased by such one or more of the Underwriters. The Underwriters exercising such right shall purchase such Firm Receipts and/or Option Receipts, as the case may be, *pro rata* to their respective percentages aforesaid or in such other proportions as they may otherwise agree. In the event such right is not exercised, the Underwriters which are not in default shall be entitled by written notice to the Corporation to terminate this Agreement without liability.

The applicable percentage of the total number of Firm Receipts or Option Receipts, as the case may be, which each of the Underwriters shall be separately obligated to purchase is as follows:

Dundee Securities Ltd.	35.9%
RBC Dominion Securities Inc.	15.4%
Haywood Securities Inc.	10.2%
Beacon Securities Limited	7.7%
National Bank Financial Inc.	7.7%
FirstEnergy Capital Corp.	5.1%
Mackie Research Capital Corporation	5.1%
TD Securities Inc.	5.1%
Canaccord Genuity Corp.	2.6%
Jennings Capital Inc.	2.6%
Raymond James Ltd.	2.6%

Nothing in this Agreement shall obligate the Corporation to sell less than all of the Subscription Receipts or shall relieve any Underwriter in default from liability to the Corporation or any non-defaulting Underwriter in respect of the defaulting Underwriter's default hereunder. In the event of a termination by the Corporation of its obligations under this Agreement there shall be no further liability on the part of the Corporation to the Underwriters except in respect of any liability which may have arisen or may thereafter arise under Sections 8, 9 or 10.

19. Authority to Bind Underwriters

The Corporation shall be entitled to and shall act on any notice, waiver, extension or communication given by or on behalf of the Underwriters by the Lead Underwriter, which shall represent the Underwriters, and which shall have the authority to bind the Underwriters in respect of all matters hereunder, except in respect of any settlement under Section 8 or 9, any matter referred to in Section 11 or any agreement under Section 18.

20. Underwriters' Covenants

Each of the Underwriters, severally and not jointly and severally, covenants and agrees with the Corporation that it will:

(a) offer the Subscription Receipts for sale to the public in the Qualifying Provinces and may, subject to the terms of this Agreement, offer and sell them in the United States, all in the manner contemplated by Schedule "A" attached hereto;

(b) conduct activities in connection with the proposed offer and sale of the Subscription Receipts in compliance with all the Applicable Securities Laws and applicable United States federal and state securities laws, and cause a similar covenant to be contained in any written agreement entered into with any Selling Dealer Group established in connection with the distribution of the Offered Securities;

(c) use all reasonable efforts to complete the distribution of Offered Securities as soon as possible;

(d) not solicit subscriptions for the Subscription Receipts, trade in Subscription Receipts or otherwise do any act in furtherance of a trade of Subscription Receipts in any jurisdictions outside of the Qualifying Provinces, except as contemplated in Schedule "A" attached hereto or in such other jurisdictions outside of Canada and the United States provided that such sales are made in accordance with the applicable securities laws of such jurisdictions and with the agreement of the Corporation; and

(e) as soon as reasonably practicable after the Closing Date (and in any event within 30 days thereof) provide the Corporation with a breakdown of the number of Firm Receipts and Option Receipts, if applicable, sold in each of the Qualifying Provinces and, upon completion of the distribution of the Offered Securities, provide to the Corporation and to the Securities Commissions notice to that effect, if required by Applicable Securities Laws.

No Underwriter will be liable to the Corporation with respect to a default by any of the other Underwriters or their U.S. Affiliates but will be liable to the Corporation only for its own default and the default of its U.S. Affiliate.

21. Severance

If one or more of the provisions contained herein shall, for any reason, be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provision of this Agreement, but this Agreement shall be construed as if such invalid, illegal or unenforceable provision or provisions had never been contained herein.

22. Relationship Between the Corporation and the Underwriters

The Corporation: (i) acknowledges and agrees that the Underwriters have certain statutory obligations as registrants under the Applicable Securities Laws and have relationships with their clients; (ii) acknowledge and agree that the Underwriters are neither the agents of the Corporation nor otherwise fiduciaries of the Corporation; and (iii) consents to the Underwriters acting hereunder while continuing to act for their clients. To the extent that the Underwriters' statutory obligations as registrants under the Applicable Securities Laws or relationships with their clients conflicts with their obligations hereunder the Underwriters shall be entitled to fulfill their statutory obligations as registrants under the Applicable Securities Laws and their duties to their clients. Nothing in this Agreement shall be interpreted to prevent the Underwriters from fulfilling their statutory obligations as registrants under the Applicable Securities Laws or duties to their clients.

23. No Requirement to List Securities as a Condition for Services Provided

Each of National Bank Financial Inc. and TD Securities Inc., and, or an affiliate thereof, owns or controls an equity interest in TMX Group Limited ("**TMX Group**") and may have a nominee director serving on the TMX Group's board of directors. As such, each such investment dealer may be considered to have an economic interest in the listing of securities on any exchange owned or operated by TMX Group, including the TSX, the TSX Venture Exchange and the Alpha Exchange (each, a "**TMX Exchange**"). No person or company is required to obtain products or services from TMX Group or its affiliates as a condition of any such dealer supplying or continuing to supply a product or service. Neither National Bank Financial Inc. nor TD Securities Inc., requires the Corporation to list securities on any of the TMX Exchanges as a

condition of supplying or continuing to supply underwriting and/or any other services, including any services provided pursuant to the terms hereof.

24. Stabilization

In connection with the distribution of the Offered Securities, the Underwriters may effect transactions which stabilize or maintain the market price of the Offered Receipts and Common Shares at levels other than those which might otherwise prevail on the open market, but in each case only as permitted by applicable law. Such stabilizing transactions, if any, may be discontinued at any time.

25. Governing Law

This Agreement shall be governed by and construed in accordance with the laws of the Province of Alberta and the laws of Canada applicable therein. Each of the Corporation and the Underwriters hereby attorn to the non-exclusive jurisdiction of the courts of the Province of Alberta.

26. Time of the Essence

Time shall be of the essence of this Agreement.

27. Counterpart Execution

This Agreement may be executed in one or more counterparts each of which so executed shall constitute an original and all of which together shall constitute one and the same agreement. Delivery of counterparts may be effected by facsimile transmission.

28. Further Assurances

Each party to this Agreement covenants and agrees that from time to time, it will, at the request of the requesting party, execute and deliver all such documents and do all such other acts and things as any party hereto, acting reasonably, may from time to time request be executed or done in order to better evidence or perfect or effectuate any provision of this Agreement or of any agreement or other document executed pursuant to this Agreement or any of the respective obligations intended to be created hereby or thereby.

29. Use of Proceeds

The Corporation agrees to use the proceeds from the issuance and sale of the Offered Securities, if applicable, in accordance with the disclosure in the Prospectuses, subject to the qualifications set forth therein.

30. Compliance with U.S. Securities Laws

(a) The Underwriters make the representations, warranties, covenants and agreements applicable to them in Schedule “A” hereto and agree, on behalf of themselves and their U.S. Affiliates, for the benefit of the Corporation, to comply with the U.S. selling restrictions imposed by the laws of the United States and set forth in Schedule “A” hereto, which forms part of this Agreement. Notwithstanding the foregoing provisions of this section, an Underwriter will not be liable to the

Corporation under this section or Schedule "A" with respect to a violation by another Underwriter or its U.S. Affiliate(s) of the provisions of this section or Schedule "A" if the former Underwriter or its U.S. Affiliate, as applicable, is not itself also in violation.

(b) The Corporation makes the representations, warranties, covenants and agreements applicable to it in Schedule "A" hereto.

31. Entire Agreement

It is understood that this Agreement represents the entire agreement between the parties with respect to the subject matter hereof and the terms and conditions of this Agreement supersede any previous verbal or written agreement between the Underwriters and the Corporation.

[The remainder of this page was intentionally left blank.]

If the foregoing is in accordance with your understanding and is agreed to by you, please confirm your acceptance by signing the enclosed copies of this letter at the place indicated and by returning the same to the Lead Underwriter.

DUNDEE SECURITIES LTD.

Per: *(signed) "James Heaps"*
Authorized Signatory

RBC DOMINION SECURITIES INC.

Per: *(signed) "Darrell Law"*
Authorized Signatory

HAYWOOD SECURITIES INC.

Per: *(signed) "Jeff Reymer"*
Authorized Signatory

BEACON SECURITIES LIMITED

Per: *(signed) "Kirk Wilson"*
Authorized Signatory

NATIONAL BANK FINANCIAL INC.

Per: *(signed) "Tom MacInnis"*
Authorized Signatory

FIRSTENERGY CAPITAL CORP.

Per: *(signed) "Erik Bakke"*
Authorized Signatory

MACKIE RESEARCH CAPITAL CORPORATION

Per: *(signed) "Gage Jull"*
Authorized Signatory

TD SECURITIES INC.

Per: *(signed) "Bryce Hipp"*
Authorized Signatory

CANACCORD GENUITY CORP.

Per: *(signed) "Bruce McDonald"*
Authorized Signatory

JENNINGS CAPITAL INC.

Per: *(signed) "David McGorman"*
Authorized Signatory

RAYMOND JAMES LTD.

Per: *(signed) "Jason Holtby"*
Authorized Signatory

ACCEPTED AND AGREED to as of the date of this Agreement

MADALENA ENERGY INC.

By: *"Kevin Shaw"*
President and Chief Executive Officer

SCHEDULE "A"

COMPLIANCE WITH UNITED STATES SECURITIES LAWS

1. For the purposes of this Schedule "A", capitalized terms used herein and not defined herein shall have the meanings ascribed thereto in the Agreement to which this Schedule is annexed and the following terms shall have the meanings indicated:

1.1. "affiliate" means an "affiliate" within the meaning of Rule 405 under the U.S. Securities Act;

1.2. "**Directed Selling Efforts**" means "directed selling efforts" as defined in Regulation S and, without limiting the foregoing, but for greater clarity, it means, subject to the exclusions from the definition of directed selling efforts contained in Regulation S, any activity undertaken for the purpose of, or that could reasonably be expected to have the effect of, conditioning the market in the United States for the Offered Receipts, and includes the placement of any advertisement in a publication with a general circulation in the United States that refers to the offering of the Offered Receipts;

1.3. "**FINRA**" means the Financial Industry Regulatory Authority, Inc.;

1.4. "**Foreign Issuer**" means a "foreign issuer" as that term is defined in Regulation S. Without limiting the foregoing, but for greater clarity in this Schedule "A", it means any issuer that is (a) the government of any country, or of any political subdivision of a country, other than the United States; or (b) a corporation or other organization incorporated or organized under the laws of any country other than the United States, except an issuer meeting the following conditions as of the last business day of its most recently completed second fiscal quarter: (1) more than 50 percent of the outstanding voting securities of such issuer are directly or indirectly owned of record by residents of the United States; and (2) any of the following: (i) the majority of the executive officers or directors are United States citizens or residents, (ii) more than 50 percent of the assets of the issuer are located in the United States, or (iii) the business of the issuer is administered principally in the United States;

1.5. "**General Solicitation**" or "**General Advertising**" means "general solicitation" or "general advertising", as used in Rule 502(c) of Regulation D under the U.S. Securities Act, including, but not limited to, advertisements, articles, notices or other communications published on the Internet or in any newspaper, magazine or similar media or broadcast over radio, television or on the Internet, or any seminar or meeting whose attendees had been invited by general solicitation or general advertising;

1.6. "**Institutional Accredited Investors**" means those institutional "accredited investors" specified in Rule 501(a)(1), (2), (3) and (7) of Regulation D;

1.7. "**Qualified Institutional Buyer**" means a "qualified institutional buyer?" within the meaning of Rule 144A;

1.8. "**Substantial U.S. Market Interest**" means "substantial U.S. market interest" as defined in Regulation S;

1.9. "**U.S. Exchange Act**" means the United States Securities Exchange Act of 1934, as amended.

1.10. The Underwriters may offer and sell the Offered Receipts on the terms and subject to the conditions of this Schedule "A". In particular, the Underwriters, through their U.S. Affiliates, may (i) offer and sell the Offered Receipts within the United States to Qualified Institutional Buyers, in transactions in accordance with Rule 144A and similar exemptions under applicable state securities laws, (ii) offer the Offered Receipts within the United States to Institutional Accredited Investors, for sale directly by the Corporation to Substituted Purchasers, in transactions in accordance with Rule 506(b) and similar exemptions under applicable state securities laws, and (iii) offer and sell the Offered Receipts outside the United States in "offshore transactions" (within the meaning of such term in Regulation S) and otherwise in transactions in accordance with Rule 903 of Regulation S.

2. In connection therewith, the Corporation represents, warrants and covenants that:

2.1. the Corporation is and will be as of the Closing Time and any Additional Closing Time, a Foreign Issuer and reasonably believes there is and as of the Closing Time and any Additional Closing Time there will be, no Substantial U.S. Market Interest with respect to the Common Shares or Subscription Receipts;

2.2. none of the Corporation, its affiliates or any person acting on their behalf (other than the Underwriters, U.S. Affiliates, any members of the Selling Dealer Group and any person acting on any of their behalf, as to whom the Corporation makes no representation, warranty, agreement or covenant), has engaged or will engage in any Directed Selling Efforts in connection with offers and sales of the Offered Receipts;

2.3. the Corporation is not, and following the application of the proceeds of the sale of the Offered Receipts in the manner described in the U.S. Placement Memorandum and the Prospectus will not be, registered or required to be registered as an "investment company" under the *United States Investment Company Act of 1940*, as amended;

2.4. none of the Corporation, its affiliates or any person acting on their behalf (other than the Underwriters, U.S. Affiliates, any members of the Selling Dealer Group and any person acting on any of their behalf, as to whom the Corporation makes no representation, warranty, agreement or covenant), has engaged or will engage in any form of General Solicitation or General Advertising or in any conduct involving a public offering within the meaning of Section 4(a)(2) of the *U.S. Securities Act* in connection with any offer or sale of the Offered Receipts in the United States;

2.5. none of the Corporation, its affiliates or any person acting on their behalf (other than the Underwriters, U.S. Affiliates, any members of the Selling Dealer Group and any person acting on any of their behalf, as to whom the Corporation makes no representation, warranty, agreement or covenant) has or will, during the period beginning six months before the commencement of the offering of the Offered Receipts and ending on the later of the Closing Time and any Additional Closing Time, (i) offered or sold, or solicited any offer to buy, any securities of the Corporation in a manner that would be integrated with the offer and sale of the Offered Receipts and would cause the exemptions from the registration requirements of the U.S. Securities Act afforded by Rule 144A or Rule 506(b) of Regulation D, or the exclusion from such registration requirements

afforded by Rule 903 of Regulation S, to become unavailable with respect to the offer and sale of the Offered Receipts pursuant to this Schedule "A" and the Agreement to which it is annexed, and (ii) neither the Corporation nor any person acting on its behalf has made or will make any General Solicitation or General Advertising in connection with any offer or sale of its securities in reliance upon Rule 506(c) of Regulation D;

2.6. so long as any of the Offered Securities are outstanding and are "restricted securities" within the meaning of Rule 144(a)(3) under the *U.S. Securities Act* and not eligible for resale pursuant to Rule 144(b)(1) under the *U.S. Securities Act*, the Corporation will, if it is neither subject to and in compliance with the reporting requirements of Section 13 or 15(d) of the *U.S. Exchange Act* nor exempt from such requirements pursuant to Rule 12g3-2(b) thereunder, provide to any holder of those restricted securities, or to any prospective purchaser of those restricted securities designated by a holder, upon the request of that holder or prospective purchaser, at or prior to the time of sale, the information required to be provided by Rule 144A(d)(4) under the *U.S. Securities Act* (so long as the delivery of such information is necessary in order to permit holders of the restricted securities to effect resales under Rule 144A);

2.7. none of the Corporation, its affiliates or any person acting on its or their behalf (other than the Underwriters, U.S. Affiliates, any members of the Selling Dealer Group and any person acting on any of their behalf, as to whom the Corporation makes no representation, warranty, agreement or covenant), have taken, or will take, any action that would cause the exemptions from registration provided by Rule 144A or Rule 506(b) of Regulation D, or the exclusion from registration provided by Rule 903 of Regulation S, to be unavailable for the offer and sale of the Offered Receipts pursuant to this Schedule "A" and the Agreement to which it is annexed;

2.8. the Corporation will, within prescribed time periods, prepare and file any forms or notices required under the *U.S. Securities Act* or applicable state securities laws to be filed by it in connection with the offer and sale of the Offered Receipts;

2.9. in connection with offers and sales of Offered Receipts made outside the United States, the Corporation, its affiliates and any person acting on its or their behalf (other than the Underwriters, U.S. Affiliates, any members of the Selling Dealer Group and any person acting on any of their behalf, as to whom the Corporation makes no representation, warranty, agreement or covenant) have complied and will comply with the requirements for an "offshore transaction", as such term is defined in Regulation S, and all such offers and sales have otherwise been and will be made in accordance with the requirements of Rule 903 of Regulation S;

2.10. the Corporation will not pay or give any commission or other remuneration, directly or indirectly, for soliciting the exercise of the Offered Receipts for Underlying Shares;

2.11. the Offered Receipts are not, and as of the Closing Time and any Additional Closing Time will not be, and no securities of the same class as such securities are or will be, (i) listed on a national securities exchange in the United States registered under Section 6 of the *U.S. Exchange Act*, (ii) quoted in a "U.S. automated inter-dealer quotation system", as such term is used for purposes of Rule 144A, or (iii) convertible or exchangeable at an effective conversion or exercise premium (calculated as specified in paragraph (a)(6) or (a)(7) of Rule 144A) of less than ten percent for securities so listed or quoted;

2.12. except for offers and sales made through an Underwriter (or Selling Dealer Group member), acting through a U.S. Affiliate, and except for sales of Offered Receipts made to Substituted Purchasers pursuant to Rule 506(b), none of the Corporation, its affiliates, or any person acting on its or their behalf (other than the Underwriters, U.S. Affiliates, any members of the Selling Dealer Group and any person acting on any of their behalf, as to whom the Corporation makes no representation, warranty, agreement or covenant) has made or will make any offers or sales of Offered Receipts in the United States;

2.13. none of the Corporation or any of its predecessors or affiliates have been subject to any order, judgment or decree of any court of competent jurisdiction temporarily, preliminarily or permanently enjoining such person for failure to comply with Rule 503 of Regulation D;

2.14. prior to the completion of any sale of the Offered Receipts to a purchaser in the United States or that was offered Offered Receipts in the United States, each such purchaser will be required to execute representation letter in the appropriate form attached as Exhibit A or Exhibit B to the U.S. Placement Memorandum;

2.15. with respect to Offered Receipts to be offered and sold in reliance on Rule 506 of Regulation D, none of the Corporation, any of its predecessors, any affiliated issuer, any director, executive officer, other officer of the Corporation participating in the offering of such Offered Receipts, any beneficial owner of 20% or more of the Corporation's outstanding voting equity securities, calculated on the basis of voting power, nor any promoter (as that term is defined in Rule 405 under the U.S. Securities Act) connected with the Corporation in any capacity at the time of sale (each, an "Issuer Covered Person" and, together, "Issuer Covered Persons") is subject to any of the "Bad Actor" disqualifications described in Rule 506(d)(1)(i) to (viii) of Regulation D (a "Disqualification Event"), except for a Disqualification Event covered by Rule 506(d)(2) or (d)(3) of Regulation D. The Corporation has exercised, or will exercise prior to the Closing Time, reasonable care to determine whether any Issuer Covered Person is subject to a Disqualification Event, and the Corporation shall deliver a certificate to such effect at the Closing Time. The Corporation has complied, to the extent applicable, with its disclosure obligations under Rule 506(e) of Regulation D, and has furnished to the Underwriters a copy of any disclosures provided thereunder;

2.16. the Corporation is not aware of any person (other than any Issuer Covered Person or Dealer Covered Person (as defined below) and other than any person covered by a certification delivered pursuant to Section 2 of the Agreement to which this Schedule "A" is annexed) that has been or will be paid (directly or indirectly) remuneration for solicitation of purchasers in connection with the sale of any Offered Receipts pursuant to Rule 506 of Regulation D; and

2.17. the Corporation will notify the Underwriters, in writing, prior to the Closing Date and any Additional Closing Date of (i) any Disqualification Event relating to any Issuer Covered Person and (ii) any event that would, with the passage of time, become a Disqualification Event relating to any Issuer Covered Person.

3. Each Underwriter acknowledges that the Offered Receipts have not been and will not be registered under the *U.S. Securities Act* or applicable state securities laws and may be offered and sold only in transactions exempt from or not subject to the registration requirements of the *U.S. Securities Act* and applicable state securities laws. Accordingly,

each Underwriter, severally and not jointly, represents, warrants and covenants, and will cause its U.S. Affiliate (if applicable) to comply with such representations, warranties and covenants, that:

3.1. it has not offered and will not offer (i) any Offered Receipts constituting part of its allotment within the United States, except as provided in this Schedule "A"; or (ii) any Offered Receipts outside of the United States, except in "offshore transactions", as such term is defined in Regulation S, and otherwise in accordance with Rule 903 of Regulation S. Accordingly, except as permitted hereby, none of it, its affiliates or any person acting on its or their behalf has engaged or will engage in: (i) any offer to sell or any solicitation of an offer to buy, any Offered Receipts to any person in the United States, (ii) any sale of Offered Receipts to any purchaser unless, at the time the buy order was or will have been originated, the purchaser was outside the United States, or such Underwriter, affiliate or person acting on behalf of either reasonably believed that such purchaser was outside the United States, or (iii) any Directed Selling Efforts in connection with offers and sales of the Offered Receipts;

3.2. none of it, its affiliates or any person acting on its or their behalf has engaged or will engage in any form of General Solicitation or General Advertising or in any conduct involving a public offering within the meaning of Section 4(a)(2) of the *U.S. Securities Act* in connection with its offers and sales of the Offered Receipts in the United States;

3.3. all offers and sales of the Offered Receipts in the United States made by it have been and will be effected through its U.S. Affiliate, which is and at all relevant times was and will be duly registered with the SEC under the *U.S. Exchange Act*, registered in all applicable states pursuant to such states' broker-dealer laws (unless exempted from the respective state's broker-dealer registration requirements) and a member of, and in good standing with, FINRA, in each case, on the date hereof and at the date of all offers and sales of Offered Receipts in the United States, and all such offers and sales will be and have been made in compliance with all applicable United States federal and state broker-dealer requirements;

3.4. in connection with the offer and sale of the Offered Receipts in the United States, it has not used and will not use any written material other than the Preliminary U.S. Placement Memorandum and the U.S. Placement Memorandum;

3.5. each person offered the Offered Receipts in the United States by the Underwriter, through its U.S. Affiliate, has been or will be provided with a copy of the Preliminary U.S. Placement Memorandum and/or the U.S. Placement Memorandum, and each such person purchasing the Offered Receipts in the United States and each such person purchasing the Offered Receipts that was offered the Offered Receipts in the United States shall be provided with the U.S. Placement Memorandum at or prior to the time of purchase by such person of any Offered Receipts;

3.6. all purchasers of the Offered Receipts in the United States or who were offered Offered Receipts in the United States shall purchase such shares from an Underwriter or its U.S. Affiliate, acting as principal;

3.7. any offer or solicitation of an offer to buy the Offered Receipts that has been made or will be made in the United States by the Underwriter, through its U.S. Affiliate, was or will be made only to a person it reasonably believed immediately prior to such offer or

solicitation to be(i) a Qualified Institutional Buyer who is acquiring the Offered Receipts (A) for its own account or (B) for the account of a Qualified Institutional Buyer with respect to which it exercises sole investment discretion, in a transaction in compliance with Rule 144A and applicable state securities laws or (ii) an Institutional Accredited Investor who is acquiring the Offered Receipts (A) for its own account or (B) for the account of an Institutional Accredited Investor with respect to which it exercises sole investment discretion, in a transaction in compliance with Rule 506(b) or Regulation D and applicable state securities laws; prior to any sale of the Offered Receipts to a person in the United States or a person offered the Offered Receipts in the United States, the Underwriter or its U.S. Affiliate shall have reasonable grounds to believe and shall believe that each such purchaser is a Qualified Institutional Buyer or Institutional Accredited Investor, as applicable;

3.8. all purchasers of the Offered Receipts in the United States or who were offered Offered Receipts in the United States pursuant to Rule 144A will be informed that the Offered Receipts are being offered and sold to such purchasers in reliance on the exemption from the registration requirements of the U.S. Securities Act provided by Rule 144A and similar exemptions from the registration requirements of applicable state securities laws;

3.9. all sales of Offered Receipts pursuant to Rule 506(b) of Regulation D shall be made directly by the Corporation;

3.10. the Lead Underwriter represents and warrants that with respect to Offered Receipts to be offered and sold in reliance on Rule 506 of Regulation D, neither it, nor its U.S. Affiliate, nor any of its or its U.S. Affiliate's directors, executive officers, general partners, managing members or other officers participating in the offering of such Offered Receipts, nor any other person associated with the Lead Underwriter (including, without limitation, employees of the Lead Underwriter or its U.S. Affiliate) who will receive, directly or indirectly, remuneration for solicitation of purchasers of Offered Receipts pursuant to Rule 506 of Regulation D (each, a "Dealer Covered Person" and, together, "Dealer Covered Persons"), is subject to any Disqualification Event except for a Disqualification Event (i) covered by Rule 506(d)(2)(i) of Regulation D and (ii) a description of which has been furnished in writing to the Corporation prior to the date hereof or, in the case of a Disqualification Event occurring after the date hereof, prior to the Closing Date and any Additional Closing Date;

3.11. the Lead Underwriter represents that it is not aware of any person (other than any Issuer Covered Person or Dealer Covered Person and other than any person covered by a certification delivered pursuant to Section 2 of the Agreement to which this Schedule "A" is annexed) that has been or will be paid (directly or indirectly) remuneration for solicitation of purchasers in connection with the sale of any Offered Receipts pursuant to Rule 506 of Regulation D. It will notify the Corporation, prior to the Closing Date and any Additional Closing Date, of any agreement entered into between it and any such person in connection with such sale; and

3.12. it will notify the Corporation, in writing, prior to the Closing Date and any Additional Closing Date, of (i) any Disqualification Event relating to any Dealer Covered Person not previously disclosed to the Corporation in accordance with Section 3.9, and (ii) any event that would, with the passage of time, become a Disqualification Event relating to any Dealer Covered Person.

4. Each Underwriter agrees that:

4.1. it will provide the Corporation or Alliance Trust Company, at least one business day prior to the Closing Date and any Additional Closing Date, with a list of all purchasers of the Offered Receipts in the United States and all purchasers that were offered the Offered Receipts in the United States;

4.2. at the Closing Time and any Additional Closing Time, it, together with its U.S. Affiliate that has offered or sold the Offered Receipts in the United States, will provide a certificate, substantially in the form of Exhibit A to this Schedule "A", relating to the manner of the offer and sale of the Offered Receipts in the United States, or will be deemed to have represented that neither it nor its U.S. Affiliate offered or sold the Offered Receipts in the United States; and

4.3. the Underwriters will require each member of the Selling Dealer Group to agree in writing, for the benefit of the Corporation, to be bound by and to comply with the provisions of this Schedule "A" in connection with all offers and sales of the Offered Receipts, to the same extent as such provisions are applicable to the Underwriters. The Underwriters have not and will not make any other contractual arrangement for the distribution of the Offered Receipts in the United States without the prior written consent of the Corporation; and

4.4. none of the Underwriter, its affiliates, or any person acting on its or their behalf will solicit the exercise of the Offered Receipts for Underlying Shares and will not pay, give or receive any commission or other remuneration, directly or indirectly, for soliciting such exercise of the Offered Receipts.

5. It is understood and agreed by each of the Underwriters, severally but not jointly, that with respect to offers and sales of Offered Receipts in the United States, the Offered Receipts may only be (i) offered and resold by the Underwriters, the U.S. Affiliates and members of the Selling Dealer Group in the United States pursuant to the provisions of Rule 144A to persons who are, or are reasonably believed by them to be, Qualified Institutional Buyers in transactions meeting the requirements of Rule 144A; and (ii) offered by the Underwriters, the U.S. Affiliates and members of the Selling Dealer Group in the United States for sale directly by the Corporation to Substituted Purchasers who are, or are reasonably believed by them to be, Institutional Accredited Investors, in transactions meeting the requirements of Rule 506(b); and in each case, in compliance with, and pursuant to an exemption from, any applicable state securities laws of the United States and this Schedule "A" and the Agreement to which it is annexed.

EXHIBIT A UNDERWRITERS' CERTIFICATE

In connection with the private placement in the United States of the Offered Receipts of Madalena Energy Inc. (the "**Corporation**") pursuant to the underwriting agreement dated May 29, 2014 among the Corporation and the Underwriters named therein (the "**Underwriting Agreement**"), each of the undersigned does hereby certify in favour of the Corporation as follows:

I. _____ (the "**U.S. Affiliate**") is on the date hereof and was on the date of each offer and sale of Offered Receipts made by it in the United States duly registered as a broker or dealer with the SEC under the U.S. Exchange Act and in each applicable state pursuant to such state's broker-dealer laws (unless exempted from the respective state's broker-dealer registration requirements), and is on the date hereof and at all relevant times was a member of and in good standing with FINRA, and all offers and sales of Offered Receipts in the United States have been effected by or through the U.S. Affiliate in accordance with all U.S. federal and state broker-dealer requirements and in compliance with applicable state securities laws;

II. the Offered Receipts offered and sold by us in the United States have been offered only by the U.S. Affiliate and were sold (i) by an Underwriter through the U.S. Affiliate to Qualified Institutional Buyers or (ii) by the Corporation to Institutional Accredited Investors;

III. each person in the United States offered Offered Receipts by us was provided with a copy of one or both of the Preliminary U.S. Placement Memorandum and the U.S. Placement Memorandum for the offering of the Offered Receipts in the United States and no other written material has been or will be used by us;

IV. immediately prior to our transmitting a Preliminary U.S. Placement Memorandum or U.S. Placement Memorandum to such offerees, we had reasonable grounds to believe and did believe that each such offeree was, and continue to believe on the date hereof that each such offeree purchasing Offered Receipts who is in the United States or who was offered Offered Receipts in the United States is, a Qualified Institutional Buyer or an Institutional Accredited Investor;

V. no form of General Solicitation or General Advertising was used by us in connection with offers or sales of the Offered Receipts, nor have we solicited offers for, offered to sell or sold the Offered Receipts by any means involving a public offering within the meaning of Section 4(a)(2) of the U.S. Securities Act; and

VI. the offer and sale of the Offered Receipts has been conducted by us in accordance with the terms of the Underwriting Agreement, including Schedule "A" attached thereto.

Unless otherwise defined, capitalized terms used in this certificate have the meanings given to them in the Underwriting Agreement, including Schedule "A" attached thereto.

Dated ●, 2014.

[UNDERWRITER]

Per: _____
[Name]
[Title]

[U.S. BROKER-DEALER AFFILIATE]

Per: _____
[Name]
[Title]