

UNDERWRITING AGREEMENT

Effective May 26, 2016

Granite Oil Corp.
432, 222 - 3rd Avenue S.W.
Calgary, Alberta T2P 0B4

Attention: Mr. Michael Kabanuk
President and Chief Executive Officer

Dear Sir:

Re: Offering of 2,113,000 Common Shares

National Bank Financial Inc., as co-lead underwriter and sole book runner ("**National Bank**"), Raymond James Ltd. (together with National Bank, the "**Lead Underwriters**"), together with Cormark Securities Inc., CIBC World Markets Inc., Dundee Securities Ltd., RBC Dominion Securities Inc., Scotia Capital Inc. and TD Securities Inc. (collectively, the "**Underwriters**") understand that Granite Oil Corp. (the "**Corporation**") proposes to issue and sell an aggregate of 2,113,000 common shares of the Corporation (the "**Firm Shares**") at a price of \$7.10 per Firm Share. We also understand that the Corporation will prepare and file, in accordance with the terms hereof, the Preliminary Prospectus (as defined herein), the Prospectus (as defined herein) and all other necessary documents in order to qualify the Offered Shares (as defined herein) for distribution to the public in each of the Qualifying Provinces (as defined herein).

Upon and subject to the terms and conditions contained in this Agreement (as defined herein), the Underwriters hereby severally, and not jointly (or jointly and severally), 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 issue and sell to the Underwriters or purchasers identified by the Underwriters, all, but not less than all, of the 2,113,000 Firm Shares, at the purchase price of \$7.10 per Firm Share, being an aggregate purchase price of \$15,002,300.00.

The Corporation hereby grants to the Underwriters an option (the "**Over-Allotment Option**") to purchase from the Corporation, at the Underwriter's election, up to an additional 211,300 common shares of the Corporation (the "**Option Shares**"). The Underwriters may exercise the Over-Allotment Option, in whole or in part, at any time prior to 5:00 p.m. (Calgary time) on the date that is 30 days following the Closing Date for the purpose of covering over-allotments, if any, and for market stabilization purposes, by written notice to the Corporation by National Bank, on behalf of the Underwriters, setting forth the number of Option Shares to be purchased. In the event and to the extent that the Underwriters exercise the Over-Allotment Option in respect of Option Shares, subject to the terms and conditions hereof, the Underwriters hereby severally, and not jointly (or jointly and severally), agree to purchase from the Corporation, in the respective percentages set forth in section 18, and the Corporation hereby agrees to sell to the Underwriters, the number of Option Shares as to which the Over-Allotment Option has been exercised, at the purchase price of \$7.10 per Option Share.

The Underwriters shall be entitled (but not obligated) in connection with the offering and sale of the Offered Shares (as defined herein) to retain as sub-agents other registered securities dealers and may receive subscriptions for Offered Shares from subscribers from other registered dealers. The fee payable to any such sub-agent shall be for the account of the Underwriters.

Subject to the terms and conditions hereof, the Corporation understands that although this offer for Firm Shares is presented on behalf of the Underwriters as the purchasers, the Underwriters will have the right to solicit orders and obtain substituted purchasers (the "**Substituted Purchasers**") for the Firm Shares on behalf of the Corporation and the obligation of the Underwriters to purchase the Firm Shares shall be reduced by the number of Firm Shares purchased by the Substituted Purchasers. The same will be the case in respect of the Option Shares, if and when applicable.

The Underwriters will offer the Firm Shares initially at the offering price specified above. The Underwriters may subsequently reduce the price at which the Firm Shares are offered. Any such reduction shall not reduce the proceeds received by the Corporation in accordance with this Agreement.

Scotia Capital Inc., CIBC World Markets Inc., TD Securities Inc. and National Bank Financial Inc. or affiliates thereof, own or control an equity interest in TMX Group Limited ("**TMX Group**") and may have a director 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 Toronto Stock Exchange, 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. None of CIBC World Markets Inc., TD Securities Inc. or National Bank Financial Inc. requires the Corporation to list securities on any TMX Exchange as a condition of supplying or continuing to supply underwriting and/or any other services, including any services provided pursuant to the terms hereof.

Notwithstanding anything to the contrary contained herein and subject to the terms and conditions hereof, the Underwriters, acting through their U.S. Affiliates (as defined herein) in accordance with Schedule "A" hereto, may offer and sell the Firm Shares and Option Shares in the United States (as defined herein) to Qualified Institutional Buyers in compliance with Rule 144A, the Underwriters or their U.S. Affiliates shall purchase such Firm Shares and Option Shares from the Corporation for resale in compliance with Rule 144A. Any reference in this Agreement to "the purchasers" of Firm Shares or Option Shares shall be taken to be a reference to the Underwriters, as the initial committed purchasers, and to the Substituted Purchasers, if any.

1. Definitions

In this Agreement:

- (a) "**ABCA**" means the *Business Corporations Act* (Alberta) and the regulations thereunder as amended from time to time;
- (b) "**Additional Closing Date**" and "**Additional Closing Time**" have the meanings ascribed thereto in subsection 13(b);
- (c) "**Agreement**" means this underwriting agreement, including any schedules or exhibits attached hereto, and not any particular article or section or other portion except as may be specified, and words such as "**hereof**", "**hereto**", "**herein**" and "**hereby**" refer to this Agreement as the context requires;
- (d) "**AIF**" means the annual information form of the Corporation dated March 21, 2016 for the year ended December 31, 2015;

- (e) **"Applicable Securities Laws"** means, collectively, the Canadian Securities Laws and the U.S. Securities Laws;
- (f) **"Arrangement"** means the plan of arrangement completed under the ABCA by the Corporation on May 15, 2015, as described and set forth in the Special Circular;
- (g) **"ASC"** means the Alberta Securities Commission;
- (h) **"Boulder"** means Boulder Energy Ltd., a corporation duly arranged pursuant to the ABCA;
- (i) **"Boulder Financial Statements"** means:
 - (i) the audited statements of Boulder in relation to: (i) financial position as at December 31, 2014; (ii) changes in equity for the period from incorporation to December 31, 2014; and (iii) cash flows for the period from incorporation to December 31, 2014;
 - (ii) the audited carve-out statements in respect of the spun-out assets of Boulder in relation to: (i) financial position as at December 31, 2014 and December 31, 2013; (ii) income and comprehensive income for the years ended December 31, 2014, 2013 and 2012; (iii) changes in owner's net investment for the years ended December 31, 2014, 2013 and 2012; and (iv) cash flows for the years ended December 31, 2014, 2013 and 2012; and
 - (iii) the unaudited pro forma financial statements in respect of Boulder after giving effect to the Arrangement in relation to: (i) financial position as at December 31, 2014; and (ii) income and comprehensive income for the year ended December 31, 2014;
- (j) **"Business Day"** means a day which is not Saturday or Sunday or a legal holiday in the City of Calgary, Alberta;
- (k) **"Canadian Securities Laws"** means all applicable Canadian securities laws, rules, regulations, notices, instruments, blanket orders and policies in the Qualifying Provinces;
- (l) **"CDS"** shall have the meaning set forth in subsection 13(c) hereof;
- (m) **"Closing Date"** means June 15, 2016 or such other date as the parties hereto may agree, but in any event, not later than the date that is 42 days after the date of the Final Passport System Decision Document;
- (n) **"Closing Time"** means 6:00 a.m. (Calgary time) or such other time, on the Closing Date, as the Underwriters and the Corporation may agree;
- (o) **"Common Shares"** means the common shares of the Corporation and, where appropriate in the context, includes the Offered Shares;
- (p) **"Corporation"** means Granite Oil Corp. (formerly DeeThree Exploration Ltd.) a corporation duly amalgamated pursuant to the ABCA;

- (q) **"Corporation's auditors"** means KPMG LLP, chartered accountants, Calgary, Alberta;
- (r) **"Corporation's counsel"** means DLA Piper (Canada) LLP or such other legal counsel as the Corporation, with the consent of the Underwriters, may appoint;
- (s) **"Credit Agreement"** means the credit agreement dated May 15, 2015 entered into by the Corporation with those parties who may from time to time become lenders thereunder in respect of the Credit Facility;
- (t) **"Credit Facility"** means the Corporation's revolving credit facility with an authorized borrowing amount of \$60,000,000.00;
- (u) **"distribution"** means **"distribution"** or **"distribution to the public"**, as the case may be, as defined under the Canadian Securities Laws and "distribute" has a corresponding meaning;
- (v) **"Documents"** means, collectively, the documents incorporated by reference in the Prospectuses and any Supplementary Material including, without limitation:
 - (i) the AIF;
 - (ii) the Financial Statements;
 - (iii) the management discussion and analysis of the Corporation for the year ended December 31, 2015;
 - (iv) the management discussion and analysis of the Corporation for the three month period ended March 31, 2016;
 - (v) the Information Circular;
 - (vi) the Special Circular;
 - (vii) the unaudited interim financial reports of the Corporation as at and for the three month period ended March 31, 2016 together with the notes thereto;
 - (viii) any material change reports of the Corporation subsequent to December 31, 2015;
 - (ix) the marketing materials contemplated by subsection 3(c)(i) hereof; and
 - (x) any documents of the type required by NI 44-101 to be incorporated by reference in a short form prospectus, including any material change reports (excluding confidential reports), comparative interim financial statements, comparative annual financial statements and the auditor's report thereon, management's discussion and analysis of financial condition and results of operations, information circulars, annual information forms, marketing materials and business acquisition reports filed by the Corporation with the Securities Commissions after the date of this Agreement and during the period of distribution.
- (w) **"Due Diligence Session"** shall have the meaning set forth in subsection 3(f) hereof;

- (x) **"Environmental Laws"** means applicable federal, provincial, state, municipal or local laws, regulations, orders, government decrees or ordinances with respect to environmental, health or safety matters;
- (y) **"Exchange"** means the Toronto Stock Exchange;
- (z) **"Final Passport System Decision Document"** means a receipt for the Prospectus issued in accordance with the Passport System;
- (aa) **"Financial Statements"** means:
 - (i) the audited annual financial statements of the Corporation as at and for the years ended December 31, 2015 and December 31, 2014, together with the notes thereto and the auditors' report thereon; and
 - (ii) the audited financial statements of DeeThree Exploration Ltd. for the year ended December 31, 2014 and 2013, together with the report of the auditors thereon;
- (bb) **"Forward-looking Statements"** shall have the meaning set forth in subsection 7(b)(lx) hereof;
- (cc) **"GST"** shall have the meaning set forth in section 2 hereof;
- (dd) **"Information Circular"** means the management information circular of the Corporation dated April 11, 2016 relating to the annual general meeting of Shareholders of the Corporation held on May 12, 2016;
- (ee) **"Intellectual Property"** shall have the meaning set forth in subsection 7(b)(xliv)) hereof;
- (ff) **"Marketing Documents"** means, collectively, all:
 - (i) standard term sheets; and
 - (ii) marketing materials (including any template version, revised template, version or limited-use version (as such term is defined in NI 41-101) thereof),

and in either case provided to a potential investor in connection with the distribution of the Offered Shares;
- (gg) **"marketing materials"** has the meaning ascribed to such term in NI- 41-101;
- (hh) **"Material Adverse Change" or "Material Adverse Effect"** means:
 - (i) any change or effect (or any condition, event or development involving a prospective change or effect) in or on the business, operations, revenues, properties results of operations, affairs, assets, capitalization, financial condition, rights or liabilities, whether contractual or otherwise, of the Corporation which is, or would reasonably be expected to be, material and adverse to the business, operations or financial condition of the Corporation; or
 - (ii) any fact, event or change that would, or would reasonably be expected to, result in the Offering Documents containing a misrepresentation;

- (ii) **"material change", "material fact" and "misrepresentation"** shall have the meanings ascribed thereto under the Canadian Securities Laws;
- (jj) **"May 2016 Flow-Through Subscription Agreement"** means the subscription agreement entered into between the Corporation and a subscriber relating to the issue and sale of 330,000 Common Shares on a "flow-through" basis under the Tax Act, completed on May 4, 2016;
- (kk) **"NI 41-101"** means National Instrument 41-101, *General Prospectus Requirements* of the Canadian Securities Administrators, as amended or replaced;
- (ll) **"NI 44-101"** means National Instrument 44-101, *Short Form Prospectus Distributions* of the Canadian Securities Administrators, as amended or replaced;
- (mm) **"Offering Documents"** means, collectively, the Prospectuses, the Preliminary U.S. Placement Memorandum, the U.S. Placement Memorandum, any Supplementary Material, the marketing materials contemplated by subsection 3(c)(i) hereof and any standard term sheets;
- (nn) **"Offered Shares"** means, collectively, the Firm Shares and the Option Shares;
- (oo) **"OTCQX"** means OTCQX International;
- (pp) **"Passport System"** means the system and procedures for the filing of prospectuses and related materials in one or more Canadian jurisdictions pursuant to Multilateral Instrument 11-102 *Passport System* and National Policy 11-202 *Process for Prospectus Reviews in Multiple Jurisdictions* of;
- (qq) **"Preliminary Passport System Decision Document"** means a receipt for the Preliminary Prospectus issued in accordance with the Passport System;
- (rr) **"Preliminary Prospectus"** means the preliminary short form prospectus of the Corporation to be dated May 31, 2016 and any amendments thereto, in respect of the distribution of the Offered Shares and the Over-Allotment Option, including the documents incorporated by reference therein;
- (ss) **"Preliminary U.S. Placement Memorandum"** means the preliminary U.S. private placement memorandum and any amendments thereto, including the Preliminary Prospectus, to be delivered in connection with the offer and sale of the Firm Shares and Option Shares in the United States and referred to in Schedule "A" hereto;
- (tt) **"Prospectus"** means the (final) short form prospectus of the Corporation to be dated on or about June 8, 2016 and any amendments thereto, in respect of the distribution of the Offered Shares and the Over-Allotment Option, including the documents incorporated by reference therein;
- (uu) **"Prospectuses"** means, collectively, the Preliminary Prospectus and the Prospectus;
- (vv) **"provide"** and any derivations thereof, where used in reference to Marketing Materials, shall have, in the context of sending or making available Marketing Documents to a

potential investor of Offered Shares, the meaning ascribed to such term in NI 41-101 and NI 44-101 and the respective comparison policies;

- (ww) **"Public Record"** means all information filed by or on behalf of the Corporation or any predecessor entity with the Securities Commissions, including without limitation, the Documents, the Prospectuses, any Supplementary Material, any marketing materials contemplated by subsection 3(c)(i) hereof and any other information filed with any Securities Commission in compliance, or intended compliance, with any Applicable Securities Laws;
- (xx) **"Qualifying Provinces"** means each of the provinces of Canada, other than Quebec;
- (yy) **"Responses"** means the written and verbal responses delivered on behalf of the Corporation by certain directors and officers of the Corporation at the Due Diligence Session and such other verbal and written responses to due diligence queries delivered to the Underwriters or Underwriters' Counsel in a form as agreed by the parties;
- (zz) **"SEC"** means the United States Securities and Exchange Commission;
- (aaa) **"SEDAR"** means the System for Electronic Document Analysis and Retrieval;
- (bbb) **"Securities Commissions"** means the securities commissions or similar regulatory authorities in the Qualifying Provinces;
- (ccc) **"Selling Dealer Group"** means the dealers and brokers other than the Underwriters who participate in the offer and sale of the Offered Shares pursuant to this Agreement;
- (ddd) **"Special Circular"** means the management information circular of the Corporation dated April 9, 2015 relating to the annual general and special meeting of Shareholders of the Corporation held on May 14, 2015;
- (eee) **"Sproule"** means Sproule Associates Limited, independent oil and natural gas reservoir engineers;
- (fff) **"Sproule Reports"** means:
 - (i) the independent engineering evaluation of the crude oil, natural gas and natural gas liquids reserves of the Corporation prepared by Sproule with an effective date of December 31, 2015 dated March 7, 2016, including any updated reports;
 - (ii) the reserve report dated March 23, 2015 and prepared by Sproule in relation to the crude oil and natural gas reserves attributable to the DeeThree Exploration Ltd.'s Bakken assets and the future net production revenues attainable thereto with an effective date of January 1, 2015; and
 - (iii) the reserve report dated April 7, 2015 and prepared by Sproule in relation to the crude oil and natural gas reserves attributable to the spun-out assets of Boulder and the future net production revenues attainable thereto with an effective date of January 1, 2015;
- (ggg) **"standard term sheet"** has the meaning ascribed to such term in NI 41-101;

- (hhh) "**Subsidiary**" means a subsidiary in respect of the Corporation within the meaning of the ABCA;
- (iii) "**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 the Canadian Securities Laws;
- (jjj) "**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);
- (kkk) "**Tax Act**" means the *Income Tax Act* (Canada) and the regulations thereunder as amended from time to time;
- (lll) "**template version**" has the meaning ascribed to such term in NI 41-101 and includes any revised template version of marketing materials as contemplated by NI 41-101;
- (mmm) "**Underwriters' counsel**" means Burnet, Duckworth & Palmer LLP or such other legal counsel as the Underwriters, with the consent of the Corporation, may appoint;
- (nnn) "**Underwriting Fee**" shall have the meaning set forth in section 2 hereof;
- (ooo) "**United States**" or "**U.S.**" means the United States of America, its territories and possessions, any state of the United States and the District of Columbia;
- (ppp) "**U.S. Affiliate**" means a United States broker-dealer affiliate of an Underwriter, duly registered as a broker-dealer under the U.S. Exchange Act and all applicable state securities laws;
- (qqq) "**U.S. Exchange Act**" means the United States Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder;
- (rrr) "**U.S. Placement Memorandum**" means the final U.S. private placement memorandum and any amendments thereto, including the Prospectus, to be delivered in connection with the offer and sale of the Firm Shares and Option Shares in the United States and referred to in Schedule "A" hereto;
- (sss) "**U.S. Securities Act**" means the United States Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder; and
- (ttt) "**U.S. Securities Laws**" means the United States federal securities laws, including, without limitation, the U.S. Securities Act, the U.S. Exchange Act, the rules and regulations promulgated thereunder and applicable U.S. state securities laws.

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 hereunder, the Corporation agrees to pay to National Bank on behalf of the Underwriters:

- (a) at the Closing Time, a fee equal to the amount of (i) \$0.355 (5%) for each Firm Share purchased, including any Firm Shares, as applicable, purchased by the Underwriters as principal hereunder; and
- (b) at the Additional Closing Time, a fee equal to the amount of \$0.355 (5%) for each Option Share purchased, including any Option Shares purchased by the Underwriters as principal hereunder

(collectively, the "**Underwriting Fee**").

The Underwriting Fee may, at the sole option of National Bank, be deducted from the aggregate gross proceeds of the sale of the Offered Shares and withheld for the account of the Underwriters. For greater certainty, the services provided by the Underwriters in connection herewith will not be subject to the Goods and Services 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.

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 Shares.
- (b) The Corporation shall elect and comply in all material respects with the Passport System and shall:
 - (i) not later than 5:00 p.m. (Calgary time) on May 31, 2016, have prepared and filed the Preliminary Prospectus and other documents required under the Canadian Securities Laws with the Securities Commissions and designated the ASC as the principal regulator under the Passport System;
 - (ii) as soon as possible thereafter obtained from the ASC a Preliminary Passport System Decision Document dated not later than May 31, 2016, evidencing that a receipt for the Preliminary 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;
 - (iii) forthwith after any comments with respect to the Preliminary Prospectus have been received from the Securities Commissions but not later than June 8, 2016

(or such later date as may be agreed to in writing by the Corporation and the Underwriters), have:

- (A) prepared and filed the Prospectus and other documents required under the Canadian Securities Laws with the Securities Commissions; and
- (B) obtained from the ASC a Final Passport System Decision Document 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;

and otherwise fulfilled all legal requirements to enable the Offered Shares 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 Shares, promptly take all additional steps and proceedings that from time to time may be required under the Canadian Securities Laws in each Qualifying Province to continue to qualify the Offered Shares for distribution or, in the event that the Offered Shares have, for any reason, ceased to so qualify, to again qualify the Offered Shares for distribution.

(c) During the distribution of the Offered Shares:

- (i) the Corporation shall prepare, in consultation with National Bank, and approve in writing, prior to such time any marketing materials are provided to potential investors of Offered Shares, 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 the Canadian Securities Laws and to be acceptable in form and substance to the Underwriters and the Underwriters' counsel, acting reasonably;
- (ii) National Bank shall, on behalf of the Underwriters, as contemplated by the Canadian Securities Laws, approve a template version of any such marketing materials in writing prior to the time such marketing materials are provided to potential investors of Offered Shares;
- (iii) the Corporation shall file a template version of any such marketing materials on SEDAR with the Securities Commissions as soon as reasonably practical after such marketing materials are so approved in writing by the Corporation and National Bank and, in any event, on or before the day the marketing materials are first provided to potential investors of Offered Shares, and any comparables (as defined in NI 41-101) shall be removed from the template version in accordance with NI 44-101 prior to filing such on SEDAR with the Securities Commissions (provided that if any such 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.

- (iv) following the approvals and filings set forth in subsections 3(c)(i) to 3(c)(iii) above, the Underwriters may provide a limited-use version (as such term is defined in NI 41-101) of such marketing materials to potential investors of Offered Shares in accordance with the Canadian Securities Laws; and
 - (v) the Corporation shall prepare and file on SEDAR with the Securities Commissions a revised template version of any marketing materials provided to potential investors of Offered Shares where required under the Canadian Securities Laws.
- (d) The Corporation and the Underwriter, on several basis, covenant and agree during the distribution of the Offered Shares:
- (i) not to provide any potential investor of Offered Shares with any marketing materials unless a template version of such marketing materials has been filed by the Corporation with the Securities Commissions on or before the day such marketing materials are first provided to potential investors of Offered Shares;
 - (ii) not to provide potential investors with any materials or information in relation to the distribution of the Offered Shares or the Corporation, other than: (A) such marketing materials that have been approved and filed in accordance with subsection 3(c) above and limited-use versions (as defined in NI 41-101) thereof; (B) the Prospectuses and any Supplemental Materials in connection with this Agreement; and (C) any standard term sheets approved in writing by the Corporation and National Bank; and
 - (iii) that any marketing materials approved and filed in accordance with subsection 3(c) above, and any standard term sheets approved in writing by the Corporation and National Bank, shall only be provided to potential investors in the Qualifying Provinces.
- (e) Prior to the filing of the Prospectuses and, during the period of distribution of the Offered Shares, 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 to approve the form of, such documents and to have reviewed any documents incorporated by reference therein.
- (f) During the period from the date hereof until completion of the distribution of the Offered Shares, 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 and senior management and shall use its 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 other experts to be available, 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 and shall use its commercially reasonable efforts to have its auditors, independent engineers, legal counsel and other experts provide written responses to such questions in advance of the Due Diligence Session. In addition, the Corporation will ensure that management of the Corporation will make themselves available to, and shall assist in the marketing of, the Offered Shares 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.

- (g) 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 Canadian Securities Laws to qualify the Offered Shares for distribution to the public in the Qualifying Provinces, to qualify the distribution to the Underwriters of the Over-Allotment Option, and, to offer and sell the Firm Shares and Option Shares, in accordance with Schedule "A" hereto, in transactions not requiring registration under U.S. Securities Act and under the securities laws of any applicable state in the United States.

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 the Canadian Securities Laws;
 - (ii) copies of the Preliminary U.S. Placement Memorandum and the U.S. Placement Memorandum, respectively; and
 - (iii) upon request from the Underwriters, copies of any documents incorporated by reference therein which have not previously been delivered to the Underwriters;
- (b) as soon as they are available, copies of any Supplementary Material, signed as required by the Canadian 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 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 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.

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 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 4(b) shall also constitute the Corporation's consent to the use by the Underwriters, the U.S. Affiliates and other members of the Selling Dealer Group of 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 Shares.

5. Commercial Copies

- (a) The Corporation shall, as soon as possible but in any event not later than noon (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 System Decision Document, as the case may be (or such other date or time as the Underwriters and the Corporation may agree), 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, 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) 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 Material as the Underwriters may reasonably request.
- (c) The Corporation shall cause to be provided to the Underwriters such number of copies of the marketing materials contemplated by subsection 3(c) hereof 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 Shares. Each delivery of the Preliminary U.S. Placement Memorandum, 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 required to be prepared and/or filed under U.S. Securities Laws by the Underwriters, the U.S. Affiliates and members of the Selling Dealer Group for the offer and sale of Offered Shares by them in connection with the distribution of the Offered Shares in the United States in accordance with this Agreement, including Schedule "A" hereto.

6. **Material Change and Certain Other Covenants**

- (a) During the period of distribution of the Offered Shares, 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, properties, results of operations, affairs, assets, capitalization, condition (financial or otherwise), prospects, rights or liabilities (absolute, accrued, contingent or otherwise), cash flow or income of the Corporation;
 - (ii) any change in any material fact contained or referred to in the Offering Documents or other part of the Public Record; 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 Offering Documents untrue, false or misleading in any material respect;
 - (B) result in a misrepresentation in the Offering Documents;
 - (C) result in the Offering Documents not complying in any material respect with the Applicable Securities Laws; or
 - (D) have a significant effect on the market price or value of the Offered Shares,

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.

- (b) During the period of distribution of the Offered Shares, 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 Offering Documents or any other part of the Public Record or for any additional information;
 - (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 Offering Documents or any other part of the Public Record or the distribution of the Offered Shares.

- (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' reasonable request any amendment to the Preliminary U.S. Placement Memorandum or the U.S. Placement Memorandum or Supplementary Material as may be required under Applicable Securities Law; provided that the Corporation shall have allowed the Underwriters and the Underwriters' counsel to participate fully in the preparation of and approve any amendment to the Preliminary U.S. Placement Memorandum or the U.S. Placement Memorandum or 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 with respect to each such Supplementary Material, substantially similar to those referred to in section 4 above.
- (d) During the period of distribution of the Offered Shares, the Corporation will promptly provide to the Underwriters, for review, on a confidential basis, by the Underwriters and the Underwriters' counsel, prior to filing or issuance of:
 - (i) any proposed document, including, without limitation, any amendment to the Documents and any new annual information form, financial statement, management's discussion and analysis, material change report, interim report, information circular or business acquisition report which may be incorporated, or deemed to be incorporated, by reference in the Prospectus;
 - (ii) any press release of the Corporation; and
 - (iii) any amendment to the Preliminary Prospectus, the Prospectus, the Preliminary U.S. Placement Memorandum or the U.S. Placement Memorandum or Supplementary Material,

and the Corporation will provide to the Underwriters, for review by the Underwriters and the Underwriters' counsel, any draft or final report with respect to the Corporation's crude oil, natural gas liquids and natural gas reserves, or value attributable thereto, prepared by Sproule or any other independent engineer as soon as practicable following receipt thereof by the Corporation.

7. Representations and Warranties of the Corporation

- (a) Each delivery of the Offering Documents 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 furnished by the Underwriters to the Corporation in writing and relating solely to

the Underwriters) contained in such delivered Offering Documents 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 no material fact or information has been omitted from such documents which is required to be stated therein or is necessary to make the statements or information contained therein not misleading in light of the circumstances in which they were made; and
 - (C) constitute full, true and plain disclosure of all material facts relating to the Corporation and the Offered Shares as required under Canadian Securities Laws;
- (ii) the Prospectuses, any Supplementary Material, the marketing materials contemplated by subsection 3(c)(i) hereof or any standard term sheets, as applicable, including, without limitation, the documents incorporated by reference, as the case may be, comply in all material respects with the Canadian Securities Laws, including, without limitation, NI 44-101, and the Preliminary U.S. Placement Memorandum and the U.S. Placement Memorandum and any related Supplementary Material comply in all material respects with U.S. Securities Laws; and
- (iii) except as is disclosed in the Public Record, there has been no intervening material change, from the date of the Offering Documents to the time of delivery thereof, in the business, operations, revenues, properties results of operations, affairs, assets, capitalization, condition (financial or otherwise), prospects, rights or liabilities (absolute, accrued, contingent or otherwise), cash flow or income of the Corporation.
- (b) In addition to the representations and warranties contained in subsection 7(a) hereof, the Corporation represents and warrants to the Underwriters, and acknowledges that each of the Underwriters is relying upon such representations and warranties in entering into this Agreement, that:
- (i) the Corporation has been duly amalgamated and organized, and is validly existing under the laws of the jurisdiction of its amalgamation and has all requisite corporate capacity, power and authority to carry on its business, as described in the Prospectuses, and to own, lease and operate its properties and assets as described in the Prospectuses;
 - (ii) the Corporation is qualified to carry on business under the laws of each jurisdiction in which it carries on a material portion of its business;
 - (iii) the Corporation has conducted and is conducting and will conduct its 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 requirements of any governmental or regulatory bodies applicable to it of each jurisdiction in which it carries on

business and holds all licences, registrations and qualifications in all jurisdictions in which it carries on business which are necessary or desirable to carry on the business of the Corporation as now conducted and as presently proposed to be conducted, all such licences, registrations or qualifications are valid and existing and in good standing and none of such licences, registrations or qualifications contains any burdensome term, provision, condition or limitation which has or is likely to constitute a Material Adverse Effect and the Corporation is not aware of any legislation, regulation, rule or lawful requirement presently in force or proposed to be brought into force which the Corporation anticipates the Corporation will be unable to comply with without materially adversely affecting the Corporation;

- (iv) as at the date hereof, the Corporation does not have any Subsidiaries, the Corporation is not "affiliated" with or a "holding corporation" of any other body corporate (within the meaning of those terms in the ABCA), nor is it a partner of any partnerships (other than participating in industry partnerships in the ordinary course of business) or limited partnerships, and the Corporation has no material shareholdings or other equity or voting interests in any other corporation or business organization;
- (v) the minute book for the Corporation contains full, true and correct copies of the constating documents of the Corporation and contains copies of all minutes of all meetings and all consent resolutions of the directors, committees of directors and shareholders of the Corporation, and all such meetings were duly called and properly held and all consent resolutions were properly adopted;
- (vi) the books of account and other records of the Corporation, whether of a financial or accounting nature or otherwise, have been maintained in accordance with prudent business practices;
- (vii) the Corporation is insured by insurers who are, to the best of its knowledge, information and belief, of recognized financial responsibility against such losses and risks and in such amounts that, to the best of the knowledge, information and belief of the Corporation, are customary in the business in which it is engaged; all policies of insurance and fidelity or surety bonds insuring the Corporation and its businesses, assets, employees, officers and directors are in full force and effect; the Corporation is in compliance with the terms of such policies and instruments in all material respects; and there are no material claims by the Corporation under any such policy or instruments as to which any insurance company is denying liabilities or defending under a reservation of rights clause; the Corporation has no reason to believe that it will not be able to renew such existing insurance coverage as and when the coverage expires or to obtain similar coverage from similar insurers as may be necessary to continue its business at a cost that would not constitute a Material Adverse Effect;
- (viii) the Corporation has duly and on a timely basis filed all tax returns due and required to be filed by it, has paid all taxes due and payable by it and has paid all assessments and reassessments and all other taxes, governmental charges, penalties, interest and other fines due and payable by it and which were claimed by any governmental authority to be due and owing and adequate provision has been made for taxes payable for any completed fiscal period for which tax

returns are not yet required and there are no agreements, waivers, or other arrangements providing for an extension of time with respect to the filing of any tax return or payment of any tax, governmental charge or deficiency by the Corporation and to the best of the knowledge, information and belief of the Corporation there are no actions, suits, proceedings, investigations or claims threatened or pending against the Corporation in respect of taxes, governmental charges or assessments or any matters under discussion with any governmental authority relating to taxes, governmental charges or assessments asserted by any such authority and the Corporation has 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 and other authority within the time required under any applicable tax legislation;

- (ix) all filings made by the Corporation under which the Corporation has received or is 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 previously accrued on the accounts thereof to be recovered or disallowed;
- (x) except to the extent that any violation or other matter referred to in this subparagraph does not constitute a Material Adverse Effect:
 - (A) the Corporation is not in violation of any Environmental Laws;
 - (B) the Corporation has 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 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;
 - (E) the Corporation has not 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; and
 - (F) the Corporation holds all licences, permits and approvals required under any Environmental Laws in connection with the operation of its business and the ownership and use of its assets, all such licences, permits and approvals are in full force and effect, and the Corporation has not 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 licence, permit or approval issued pursuant thereto, or that any licence, permit or approval referred to above is about to be reviewed, made subject to limitation or conditions, revoked, withdrawn or terminated;

- (xi) any and all operations of the Corporation and, to the best of the knowledge, information and belief of the Corporation, any and all operations by third parties, on or in respect of the assets and properties of the Corporation have been conducted in accordance with good oil and gas industry practices and in material compliance with applicable laws, rules, regulations, orders and directions of governmental and other competent authorities;
- (xii) in respect of the assets, properties and businesses of the Corporation that are operated by the Corporation, the Corporation holds all valid licences, permits and similar rights and privileges that are required and necessary under applicable law to operate the assets, properties and businesses of the Corporation as presently operated;
- (xiii) the Corporation has full corporate capacity, power and authority to enter into this Agreement and to perform its obligations set out herein and therein (including, without limitation, to create, issue and sell the Offered Shares and grant the Over-Allotment Option, and this Agreement has been duly authorized, executed and delivered by the Corporation and this Agreement constitutes legal, valid and binding obligations of the Corporation enforceable against the Corporation in accordance with their terms subject to laws relating to creditors' rights generally and except as rights to indemnity may be limited by applicable law;
- (xiv) 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;
- (xv) the attributes and characteristics of the Offered Shares and the Over-Allotment Option conform in all material respects to the attributes and characteristics thereof described in the Prospectuses;
- (xvi) at the Closing Date and the Additional Closing Date (as applicable), the Firm Shares and the Option Shares, respectively, will be issued as fully paid and non-assessable Common Shares;
- (xvii) the Corporation is not in default or breach of, and the execution and delivery of, and the performance of and compliance with the terms of this Agreement by the Corporation or any of the transactions contemplated hereby, does not and will not result in any 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, would result in a breach of or constitute a default under:
 - (A) any term or provision of the articles or by-laws of the Corporation;

- (B) resolutions of the directors (or any committee thereof) or shareholders of the Corporation;
- (C) any mortgage, note, indenture, contract, agreement (written or oral), instrument, lease or other document to which the Corporation is a party or by which it is bound; or
- (D) any law, judgment, decree, order, statute, rule or regulation applicable to the Corporation or any of its properties or assets;

which default or breach might reasonably be expected to constitute a Material Adverse Effect 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;

- (xviii) there has not been any material change in the business, operations, revenues, properties results of operations, affairs, assets, capitalization, condition (financial or otherwise), prospects, rights or liabilities (absolute, accrued, contingent or otherwise), cash flow or income of the Corporation from the position set forth in the Financial Statements and there has not been any Material Adverse Change since December 31, 2015 and since that date there have been no material facts, transactions, events or occurrences which, to the best of the knowledge, information and belief of the Corporation, could cause a Material Adverse Effect;
- (xix) the Financial Statements and Boulder Financial Statements fairly present, in all material respects and in accordance with International Financial Reporting Standards, consistently applied, the consolidated financial position and condition, the results of operations, cash flows and other information purported to be shown therein of the Corporation, as at the dates thereof and 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 required to be disclosed in accordance with generally accepted accounting principles in Canada, and include all adjustments necessary for a fair presentation;
- (xx) the Corporation has not completed any "significant acquisitions" nor are there any proposed significant acquisitions that would require, pursuant to NI 44-101, any financial statements or pro forma financial statements in respect thereof to be included in the Prospectuses;
- (xxi) the Corporation is not 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 and applicable laws, indemnification agreements or covenants that are entered into arising in the ordinary course of business, including operating and similar agreements, indemnification provisions in the May 2016 Flow-Through Subscription Agreement, indemnification and contribution provisions in this Agreement and in the credit documents of the Corporation, and the Corporation's transfer agency agreement) or any other like commitment of the obligations, liabilities (contingent or otherwise) or indebtedness of any other person;

- (xxii) there has not been any "reportable event" (within the meaning of Section 4.11 of National Instrument 51-102 - *Continuous Disclosure Obligations*) with the auditors of the Corporation since incorporation of the Corporation;
- (xxiii) the Corporation does not have 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 that are currently outstanding;
- (xxiv) except as disclosed in the Public Record, no officer, director, employee or any other person not dealing at arm's length with the Corporation or, to the best of the knowledge, information and belief of the Corporation, any associate or affiliate of any such person, owns, has or is entitled to any royalty, net profits interest, carried interest, licensing fee or any other encumbrances or claims of any nature whatsoever which are based on the Corporation's revenues;
- (xxv) except as disclosed in the Public Record, none of the directors, officers or employees of the Corporation, 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, has or will have any material interest, direct or indirect, in any material transaction or any proposed material transaction with the Corporation which materially affects, is material to or will materially affect the Corporation;
- (xxvi) except as disclosed in the Public Record, since December 31, 2015, the Corporation has not incurred, assumed or suffered any liability (absolute, accrued, contingent or otherwise) or entered into any transaction which is or may be material to the Corporation and which is not in the ordinary course of business;
- (xxvii) there are no actions, suits, proceedings or inquiries in existence or, to the best of the knowledge, information and belief of the Corporation, pending or threatened against or affecting the Corporation 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 may constitute a Material Adverse Effect or which affects or may affect the distribution of the Offered Shares and which 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 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;
- (xxviii) the information and statements set forth in the Public Record and the Documents were true, correct, and complete in all material respects and did not contain any misrepresentation, as of the date of such information or statement, and were prepared in accordance with and complied with Applicable Securities Laws and the Corporation has not filed any confidential material change report still maintained on a confidential basis;

- (xxix) the authorized capital of the Corporation consists of an unlimited number of Common Shares and an unlimited number of preferred shares issuable in series, of which no preferred shares and 30,383,951 Common Shares are currently issued and outstanding, all of which issued and outstanding shares are validly issued, fully paid and non-assessable;
- (xxx) no person, firm, corporation or other entity holds any securities convertible or exchangeable into securities of the Corporation or has any agreement, warrant, option, right or privilege (whether pre-emptive or contractual) being or capable of becoming an agreement, warrant, option or right (whether or not on condition(s)) for the purchase or other acquisition of any unissued securities of the Corporation except 165,559 Common Shares subject to options granted by the Corporation as a part of the Arrangement and shares issuable pursuant to the Corporation's share incentive plan;
- (xxxi) Computershare Trust Company of Canada, at its principal offices in the city of Calgary, has been duly appointed registrar and the transfer agent of the Common Shares;
- (xxxii) no Securities Commission, other securities commission or similar regulatory authority, the Exchange or other exchange in Canada or the United States has issued any order which is currently outstanding preventing or suspending trading in any securities of the Corporation, no such proceeding is, to the best of the knowledge, information and belief of the Corporation, pending, contemplated or threatened and the Corporation is not in default of any material requirement of Applicable Securities Laws of the Qualifying Provinces;
- (xxxiii) the issued and outstanding Common Shares are listed and posted for trading on the Exchange and the OTCQX and the Corporation is in compliance in all material respects with the current listing and corporate governance requirements of the Exchange and the OTCQX, as applicable;
- (xxxiv) to the best of the knowledge, information and belief of the Corporation, no insider (as that term is defined in Canadian Securities Laws) of the Corporation has a present intention to sell any securities of the Corporation held by it;
- (xxxv) no authorization, approval or consent of any court or governmental authority or agency is required to be obtained by the Corporation in connection with the sale and delivery of the Offered Shares, except as contemplated hereby;
- (xxxvi) other than as provided for in this Agreement, the Corporation has not incurred any obligation or liability, contingent or otherwise, or brokerage fees, finder's fees, underwriters' or agent's commission or other similar forms of compensation with respect to the transactions contemplated hereby;
- (xxxvii) the definitive form and terms of certificates representing the Common Shares have been duly approved and adopted by the Corporation and comply with all legal and Exchange requirements relating thereto;
- (xxxviii) the Corporation has made available to Sproule, prior to the issuance of the Sproule Reports for the purpose of preparing the Sproule Reports, respectively,

all information requested by Sproule, which information did not contain any material misrepresentation at the time such information was provided. Except with respect to changes in commodity prices, the Corporation has no knowledge of a material adverse change in any production, cost, reserves or other relevant information provided to Sproule since the dates that such information was so provided. The Corporation believes that the Sproule Reports 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 evaluated in the Sproule Reports as at December 31, 2015 based upon information available at the time the Sproule Reports was prepared, and the Corporation believes that at the date of the Sproule Reports such report did not (and as of the date hereof, except as may be attributable to changes in commodity prices and 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;

- (xxxix) although it does not warrant title, and except for permitted encumbrances customary in the oil and gas industry in Alberta, the Corporation does not have reason to believe that the Corporation does not have good title to all of its material petroleum, natural gas and related hydrocarbon assets and undertakings (for the purpose of this clause, the foregoing is referred to as the "**Interest**") and except for security granted in respect of the Corporation's credit documents the Corporation does represent and warrant that such Interest is free and clear of adverse claims created by, through or under the Corporation, except for permitted encumbrances customary in the oil and gas industry in Alberta and those arising in the ordinary course of business, which are not material to the Corporation individually or in the aggregate and that, to the best of its knowledge, information and belief, the Corporation holds its Interest under valid and subsisting leases, licenses, permits, concessions, concession agreements, contracts, subleases, reservations or other agreements except where the failure to so hold its Interest would not constitute a Material Adverse Effect;
- (xl) although it does not warrant title, the Corporation is not aware of any defects, failures or impairments in the title of the Corporation to the crude oil, natural gas liquids and natural gas properties disclosed in the Public Record whether or not an action, suit, proceeding or inquiry is pending or threatened or 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 crude oil, natural gas liquids, and natural gas reserves of the Corporation as shown on the Sproule Reports; (b) the current production volumes of the Corporation; or (c) the current cash flow of the Corporation;
- (xli) the Corporation is not aware of any pending or threatened action, suit, proceeding or inquiry which, in aggregate, could have a material adverse effect on: (i) the quantity and pre-tax present value of estimated future net revenue values of oil and natural gas reserves of the Corporation as shown in the Sproule Reports; (ii) the current production of the Corporation; or (iii) the current cash flow of the Corporation;
- (xlii) as of the date hereof, the amount of indebtedness of the Corporation under the Credit Facility is approximately \$40,000,000.00;

- (xliii) the Credit Agreement constitutes a legally valid and binding agreement of the Corporation, enforceable in accordance with its terms, the Corporation is not in default thereunder and no event has occurred which with notice or lapse of time or both would directly or indirectly constitute such a default;
- (xliv) there are no proprietary rights provided in law to patents, trademarks, copyrights, industrial designs, software, firmware, trade secrets, know how, show how, concepts, information and other intellectual and industrial property (collectively "**Intellectual Property**") that would be necessary to permit the Corporation to conduct its business as presently conducted or as proposed to be conducted;
- (xlv) the Corporation does not have any knowledge of any outstanding rights of first refusal or other pre-emptive rights of purchase which entitle any person to acquire any of the rights, title, interests, property or assets of the Corporation;
- (xlvi) each of the leases pursuant to which the Corporation occupies any premises, are in good standing and in full force and effect, and the Corporation is not in breach of any material covenants, conditions or obligations contained therein;
- (xlvii) to the best of the knowledge, information and belief of the Corporation, any and all operations by third parties in respect of the rights, title, interests, properties or assets of the Corporation have been conducted in accordance with good oil and gas industry practices and in material compliance with applicable laws, rules, regulations, orders and directions of governmental and other competent authorities;
- (xlviii) to the best of the knowledge, information and belief of the Corporation, none of its directors or officers are now, or have ever been, subject to an order or ruling of any securities regulatory authority or stock exchange prohibiting such individual from acting as a director or officer of a public company or of a company listed on a particular stock exchange;
- (xlix) other than this Agreement and the Credit Agreement, there are no material contracts or agreements to which the Corporation is a party;
- (l) to the best of the knowledge, information and belief of the Corporation, no other party is in default in the observance or performance of any term or obligation to be performed by it under any contract to which the Corporation is a party or it is bound which is material to the business of the Corporation and no event has occurred which with notice or lapse of time or both would directly or indirectly constitute such a default, in any such case which default or event would reasonably be expected to constitute a Material Adverse Effect;
- (li) other than as disclosed to the Underwriters and except in respect of any entitlements that may exist solely pursuant to the common law of Alberta, the Corporation is not a party to any contracts of employment which may not be terminated on one month's notice or which provide for payments occurring on a change of control of the Corporation and no other such agreements are currently contemplated;

- (lii) other than as disclosed in the Public Record, the Corporation currently does not have any outstanding Swaps;
- (liii) as of the date hereof, other than the Corporation's outstanding eligible exploration expenditure obligations in respect of the May 4, 2016 private placement of flow-through Common Shares at a price of \$9.10 per flow-through Common Share totaling approximately \$3,000,000.00, the Corporation has incurred and renounced all of its obligations resulting from its prior issuances of flow-through Common Shares;
- (liv) the Corporation does not have in place a shareholder rights plan;
- (lv) the Corporation has satisfied all obligations under, and there are no outstanding material defaults or material violations with respect to, and no material taxes, penalties, or fees are owing or exigible under or in respect of, any employee benefit, incentive, pension, retirement, stock option, stock purchase, stock appreciation, health, welfare, medical, dental, disability, life insurance and similar plans, arrangements or practices relating to the current or former employees, officers, trustees or directors of the Corporation maintained, sponsored or funded by any of them, whether written or oral, funded or unfunded, insured or self-insured, registered or unregistered and all contributions or premiums required to be paid thereunder have been made in a timely fashion and any such plan or arrangement which is a funded plan or arrangement is fully funded on an ongoing and termination basis;
- (lvi) no labour dispute with the employees of the Corporation exists or, to the best of the knowledge, information and belief of the Corporation, is anticipated;
- (lvii) other than under the Credit Facility, the Corporation is not currently prohibited, directly or indirectly, from paying any dividends, from making any other distribution on the Common Shares (including the Offered Shares) or other securities, or from paying any interest or repaying any loans, advances or other indebtedness;
- (lviii) the Corporation is a "reporting issuer" in each of the Qualifying Provinces within the meaning of the Applicable Securities Laws in such provinces and is not in default of any material requirement of Applicable Securities Laws;
- (lix) there are no "promoters" of the Corporation (as such term is defined under Applicable Securities Laws);
- (lx) neither the Corporation nor, to the best of its knowledge, information and belief, 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;
- (lxi) the Responses shall be true and correct where they relate to matter of fact and in all material respects as at the time such responses are given and, to the best of the knowledge, information or belief of the Corporation, such responses taken as a whole shall not omit any fact or information necessary to make any responses not misleading in light of the circumstances in which such responses were given and

the directors and officers of the Corporation will respond in as thorough and complete a fashion as possible. Where the Responses reflect the opinion or view of the Corporation or its directors or officers (including, Responses or portions of such 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 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 results vary or differ from those contained in the Forward-Looking Statements;

- (lxii) the Corporation has established financial reporting procedures which provide a reasonable basis for the Corporation and its officers and directors to make proper judgments as to the financial position and prospects of the Corporation;
- (lxiii) the Corporation maintains a system of internal control over financial reporting that has been designed by the Corporation's President and Chief Executive Officer and Chief Financial Officer, or under their supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with International Financial Reporting Standards. The Corporation will, following the Closing Time, maintain a system of disclosure controls and procedures that is designed to provide reasonable assurance that information required to be disclosed by the Corporation under Applicable Securities Laws is recorded, processed, summarized and reported within the time periods specified under Applicable Securities Laws and to ensure that information required to be disclosed by the Corporation under Applicable Securities Laws is accumulated and communicated to the Corporation's management, including its President and Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure;
- (lxiv) with respect to forward-looking information contained in the Public Record:
 - (A) the Corporation has a reasonable basis for the forward-looking information;
 - (B) all material forward-looking information is identified as such, and the Public Record cautions users of forward-looking information that actual results may vary from the forward-looking information and identifies material risk factors that could cause actual results to differ materially from the forward-looking information; and accurately states the material factors or assumptions used to develop forward-looking information; and
 - (C) all material future-oriented financial information and each financial outlook (other than such disclosure that is subject to the requirements in National Instrument 51-101 *Standards of Disclosure for Oil and Gas Activities*): (A) has been prepared in accordance with generally accepted accounting principles in Canada using the accounting policies the Corporation expects to use to prepare its historical financial statements for the period covered by the future-oriented financial information or the financial outlook; (B) presents fully, fairly and correctly in all material

respects the expected results of the operations for the periods covered thereby; (C) is based on assumptions that are reasonable in the circumstances, reflect the Corporation's intended course of action, and reflect management's expectations concerning the most probable set of economic conditions during the periods covered thereby; and (D) is limited to a period for which the information in the future-oriented financial information or financial outlook can be reasonably estimated; and

- (lxv) the Corporation has not, directly or indirectly, made or authorized any contribution, payment or promise to make payment of any money, gift, loan, reward, advantage or benefit of any kind (collectively a "**Benefit**") to:
- (A) any employee, official or agent of any governmental or regulatory agency, authority or instrumentality;
 - (B) any person who holds a legislative, administrative or judicial position with any governmental or regulatory agency, authority or instrumentality;
 - (C) any employee of a wholly or partially state owned or controlled corporation or enterprise;
 - (D) any member of a political party or candidate for public office; or
 - (E) any employee, official or agent of a public international organization,
- (collectively, a "**Public Official**")

where the purpose of such Benefit was to influence an act or omission of a Public Official (an "**Improper Payment**"), or would be prohibited under the *Corruption of Foreign Public Officials Act* (Canada), the United States Foreign Corrupt Practices Act of 1977, the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act* (Canada) or the rules and regulations promulgated thereunder or under any other legislation of any relevant jurisdiction covering a similar subject matter applicable to the Corporation and its operations ("**Applicable Anti-Corruption Legislation**"). The Corporation further represents and warrants that it will not, directly or indirectly, authorize or make any such Improper Payments and has instituted and maintained policies and procedures designed to ensure, and which are reasonably expected to continue to ensure, continued compliance with Applicable Anti-Corruption Legislation;

- (lxvi) the Corporation has not been, nor to the knowledge of the Corporation, has any director, officer, agent, employee, affiliate or person acting on behalf of the Corporation been or is currently subject to any United States sanctions administered by the Office of Foreign Assets Control of the United States Treasury Department ("**OFAC**"); and the Corporation will not directly or indirectly use any proceeds of the distribution of the Offered Shares, or lend, contribute or otherwise make available such proceeds to the Corporation or to any affiliated entity, joint venture partner or other person or entity, to finance any

investments in, or make any payments to, any country or person targeted by any of the sanctions of the United States administered by OFAC; and

- (lxvii) the operations of the Corporation are and have been conducted at all times in compliance with applicable financial recordkeeping and reporting requirements of the money laundering statutes of all jurisdictions, the rules and regulations thereunder and any related or similar rules, regulations or guidelines, issued, administered or enforced by any governmental authority (collectively, the "**Money Laundering Laws**") and no action, suit or proceeding by or before any court of governmental authority or any arbitrator non-governmental authority involving the Corporation with respect to the Money Laundering Laws is, to the best knowledge of the Corporation, pending or threatened.

8. Indemnity

- (a) The Corporation shall indemnify and save each of the Underwriters, and each of the Underwriters' affiliates, and each of their respective directors, officers, managers, members, partners, employees, agents, advisors, shareholders, controlling persons (within the meaning of Section 15 of the U.S. Securities Act or Section 20 of the U.S. Exchange Act) and each other person controlling an Underwriter or any of their respective affiliates (individually, an "**Indemnified Person**") harmless against and from all liabilities, claims, demands, losses (other than losses of profit), costs (including, without limitation, legal fees and disbursements on a full indemnity basis), the reasonable fees and expenses of the Indemnified Person's counsel may incur in advising with respect to and/or defending any claim that may be made against the Underwriters and/or the Indemnified Person, actions, suits, proceedings, damages and expenses to which the Indemnified Person may be subject or which the Indemnified Person may suffer or incur (other than as a result of the subscription, acquisition, holding or disposition of Offered Shares by such person as principal), 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 Offering Documents or in any other certificate, document or material filed or delivered (other than any information or statement relating solely to the Indemnified Person and furnished to the Corporation by the Indemnified Person in writing expressly for inclusion in the Offering Documents), or in any oral statements made, by or on behalf of the Corporation, its affiliates or their respective directors, officers, employees or agents pursuant hereto or any omission or alleged omission by or on behalf of the Corporation to provide any information or to state any fact;
 - (ii) any act or failure to act by the Corporation, its affiliates or their respective directors, officers, employees or agents, or by any Indemnified Person at the Corporation's request or with the Corporation's consent;
 - (iii) any misrepresentation or alleged misrepresentation (except a misrepresentation which is based only upon information relating solely to the Indemnified Person and furnished to the Corporation by the Indemnified Person in writing expressly for inclusion in the Offering Documents or in any other document or other part of the Public Record) contained in the Offering Documents or in any other document or any other part of the Public Record filed by or on behalf of the Corporation;

- (iv) any prohibition or restriction on trading in the securities of the Corporation or any prohibition or restriction affecting the distribution of the Offered Shares 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)(iii);
- (v) any order made or any inquiry, investigation (whether formal or informal) or other proceeding commenced, threatened or advanced by any one or more competent authorities (except to the extent caused solely by actions of the Indemnified Person or Selling Dealer Group in breach of this Agreement) or any change of law or the interpretation or administration thereof, prohibiting, restricting, relating to or materially affecting the trading or distribution of the Offered Shares or any other securities of the Corporation or any of them;
- (vi) any breach of, default under or non-compliance by or alleged 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 the OTCQX 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;
- (vii) any information or statement contained in the Responses; or
- (viii) the engagement of the Underwriters or the performance by the Underwriters of the services contemplated by this Agreement;

except that, if and to the extent that a court of competent jurisdiction in a final judgment from which no appeal can be made or a governmental authority in a final ruling from which no appeal can be made determines that a claim contemplated solely by subsection 8(a)(viii) resulted primarily from the gross negligence or willful misconduct of the Indemnified Person claiming indemnity, such Indemnified Person shall promptly reimburse to the Corporation any funds advanced to the Indemnified Person in respect of such claim and the indemnity provided for in this section 8 shall cease to apply to such Indemnified Person in respect of such claim. For greater certainty, the Corporation and the Underwriters agree that they do not intend that any failure by the Underwriters to conduct such reasonable investigation as necessary to provide the Underwriters with reasonable grounds for believing that the Preliminary Prospectus, the Prospectus, or any Supplementary Material contained no misrepresentation shall constitute "gross negligence" or "willful misconduct" for purposes of this section 8 or otherwise disentitle the Underwriters from indemnification hereunder.

- (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 defence of any suit brought to enforce such claim, provided however, that the defence shall be through legal counsel acceptable to the Underwriters acting reasonably and that no admission of liability or settlement may be

made by the Corporation or an 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 Indemnified Person with respect to any liability of the Corporation by reason of or arising out of any information or statement contained in Offering Documents or any other part of the Public Record provided, however, that such waiver shall not apply in respect of liability caused or incurred by reason of (i) a misrepresentation which is based only upon information relating solely to the Indemnified Person contained in such document and furnished to the Corporation by the Indemnified Person in writing expressly for inclusion in the Offering Documents or any other part of the Public Record or (ii) any failure by the Indemnified Person to provide to a prospective purchaser of the Offered Shares any document which the Corporation is required to provide to such prospective purchasers and which the Corporation has provided to the Indemnified Person to forward to such prospective purchasers, provided that the Corporation shall have complied with sections 4, 5 and 6 hereof.
- (d) If any legal proceedings shall be instituted against the Corporation in respect of the Offering Documents or any other part of the Public Record or the Offered Shares or if any regulatory authority or stock exchange shall carry out an investigation of the Corporation in respect of the Offering Documents or any other part of the Public Record or the Offered Shares 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, provided such proceeding is not brought as a result of any gross negligence, wilful misconduct or any actions or inactions of the Indemnified Person (as determined by a court of competent jurisdiction in a final judgment), 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 11 (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 Underwriters' respective agents, affiliates, directors, officers, shareholders, partners, advisors and employees under this section 8 and under section 9 with respect to all such agents, affiliates, directors, officers, shareholders, partners, advisors and employees.
- (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. For clarity, in the event that the Corporation may be entitled to contribution from an Indemnified Person under the provisions of any statute or law, the Corporation shall be limited to contribution in any amount not exceeding the lesser of the portion of the amount of losses, claims, costs, damages, expenses and liabilities giving rise to such contribution for which the Underwriters are responsible and the amount of the fees received by the Underwriters.
- (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 (or the Underwriters have agreed to waive compliance therewith) and the person asserting any claim contemplated by this section 8 was not provided with a copy of the Prospectus or the U.S. Placement Memorandum or any amendment to the Prospectus, the U.S. Placement Memorandum or any Supplementary Material 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 by the Underwriters.
- (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 or unenforceable by an Indemnified Party or is insufficient to hold the Indemnified Party harmless, 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 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 Underwriter(s) on the other hand, from the offering of the Offered Shares; 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 Underwriter on the one hand, and the Corporation, on the other hand, in connection with the statements, misrepresentations 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 Underwriter(s), on the other hand, shall be deemed to be in the same proportion that the total proceeds of the offering of Offered Shares 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 Offering Documents or any other part of the Public Record, 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, provided that no Indemnified Person shall be entitled to such reimbursement, if and to the extent that a court of competent jurisdiction in a final judgment from which no appeal can be made or a governmental authority in a final ruling from which no appeal can be made determines that a proceeding to which such Indemnified Person was named as a party resulted from the gross negligence or willful misconduct of the Indemnified Person claiming such reimbursement.

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 any Underwriter under this section 9 shall be limited to the amount actually received by such Underwriter under section 2. In no event shall the Indemnified Persons be responsible for or required to contribute an aggregate amount in excess of the aggregate fees actually received by the Underwriters.

The obligations under indemnity and right to contribution provided herein shall apply whether or not the transactions contemplated by this Agreement are completed and shall survive the completion of the transactions contemplated under this Agreement and the termination of this Agreement.

10. Expenses

Whether or not the transactions contemplated herein shall be completed all costs and expenses (including applicable GST and other taxes) of or incidental to the transactions contemplated hereby, including, without limitation, those relating to the distribution of the Offered Shares, shall be borne by the Corporation, including, without limitation, all costs and expenses of or incidental to the preparation, filing, reproduction (including the commercial copies thereof) of the Offering Documents and the delivery thereof to the Underwriters, the fees and expenses related to any SEC and "blue sky" filings in the United States, 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 and any auditors, engineers and other outside consultants, all stock exchange listing fees, and, additionally, the Underwriters' reasonable out of pocket expenses of \$10,000.00, plus the legal fees (to a maximum of \$75,000.00 excluding taxes and disbursements), disbursements of Underwriters' counsel and applicable taxes, and all other costs and expenses relating to the transactions contemplated herein. 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 or as otherwise provided for in Section 13 hereof.

11. Termination

- (a) The Underwriters, or any of them, may, without liability, terminate their obligations hereunder, by written notice to the Corporation and by copy to the other Underwriters 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 Shares 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 has not been rescinded, revoked or withdrawn;
 - (ii) any inquiry, action, suit, investigation or other proceeding (whether formal or informal) in relation to the Corporation or any of the directors or senior officers of the Corporation is announced, commenced, threatened or advanced by 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 reasonable opinion of the

Underwriters or any one of them, the change, announcement, commencement, threatening or advancement thereof adversely affects, or may adversely affect, the trading, distribution of the Offered Shares or any other securities of the Corporation;

- (iii) there shall have occurred or be discovered any adverse change, as determined by the Underwriters or any one of them in their sole discretion, acting reasonably, in the business, operations, revenues, properties results of operations, affairs, assets, capitalization, condition (financial or otherwise), prospects, rights or liabilities (absolute, accrued, contingent or otherwise), cash flow or income of the Corporation which in the opinion of the Underwriters or any one of them, could reasonably be expected to have a significant adverse effect on the market price or value of the Offered Shares or the marketability of the Offered Shares or any other securities of the Corporation;
- (iv) there should develop, occur or come into effect or existence, or be announced, any event, action, state, condition or occurrence of national or international consequence, including any act of terrorism, war or like event or any law, action, regulation, which, in the sole opinion of the Underwriters or any one of them, acting reasonably, seriously adversely affects or involves, or will seriously adversely affect or involve, the financial markets generally or the business, operations or affairs of the Corporation;
- (v) there should occur any material change, change of a material fact, occurrence or event or any development that could result in a material change or change of a material fact in which, in the sole opinion of the Underwriters, or anyone of them, as determined by the Underwriters, or any one of them, in their sole discretion, acting reasonably, could reasonably be expected to have a Material Adverse Effect on the business, operations or affairs of the Corporation or the market price or value or the marketability of the Common Shares;
- (vi) The Corporation shall be in breach of, default under or non-compliance in any material respect with any material representation, warranty, covenant, term or condition of this agreement; or
- (vii) the Underwriters shall become aware, as a result of their due diligence review or otherwise, of any adverse material change with respect to the Company (in the sole opinion of the Underwriters, or anyone of them, acting reasonably) which had not been publicly disclosed or disclosed to the Underwriters prior to the date hereof and which would have a Material Adverse Effect on the market price or value of the Offered Shares;

in any of which cases, the Underwriter shall be entitled, at its option, to terminate and cancel its obligations to the Corporation under this agreement by written notice to that effect given to the Corporation, with a copy to the other Underwriters. In the event of any such termination pursuant to the provisions of this paragraph by anyone of the Underwriters, the other Underwriters shall be deemed contemporaneously to have terminated the obligations under this agreement unless any such other Underwriter shall, within 24 hours after notice of termination is given, notify the Corporation to the effect that it is assuming the obligations of the Underwriter(s) terminating its obligations. In the event of any such termination, the Corporation's liabilities to the Underwriter(s) who has

so terminated shall be at an end except for any liability of the Corporation provided for in this agreement which by its terms survives termination.

- (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 and such material breach is the sole cause of the events giving rise to such rights) 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 Shares 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 provided that no termination shall discharge or otherwise affect any obligation of the Corporation under sections 8, 9, 10, or 16. 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 Shares 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 Firm Shares 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:

- (a) favourable legal opinions of the Corporation's counsel and the Underwriters' 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 Shares and the transactions contemplated hereby, including, without limitation, that:
 - (i) the Corporation has been duly amalgamated and is validly subsisting under the laws of the jurisdiction of its amalgamation and has all requisite corporate or partnership capacity, power and authority to carry on its business as now conducted by it and to own its properties and assets;

- (ii) the Corporation has full corporate power and authority to enter into this Agreement and to perform its obligations set out herein and this Agreement has been duly authorized, executed and delivered by the Corporation and this Agreement constitutes a legal, valid and binding obligation of the Corporation enforceable against the Corporation in accordance with its terms, subject to laws relating to creditors' rights generally and except as rights to indemnity may be limited by 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 by the Corporation does not and will not result in a breach of, or constitute a default under, and do 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 or by-laws of the Corporation;
 - (C) of which counsel is aware, any resolutions of the shareholders, 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;
- (iv) the Offered Shares have been validly issued as fully paid and non-assessable Common Shares and the Over-Allotment Option has been duly and validly created and authorized;
- (v) the Corporation is a "reporting issuer" not in default of any requirement of the *Securities Act* (Alberta) and the regulations thereunder and has a similar status under the Canadian Securities Laws of each of the other Qualifying Provinces;
- (vi) the attributes of the Offered Shares and the Over-Allotment Option conform in all material respects with the description thereof contained in the Prospectuses;
- (vii) the Offered Shares are eligible investments as set out under the heading "Eligibility for Investment" in the Prospectuses;
- (viii) all necessary documents have been filed, all necessary proceedings have been taken and all legal requirements have been fulfilled as required under the Canadian Securities Laws of each of the Qualifying Provinces in order to qualify the Offered Shares for distribution and sale to the public in each of such Qualifying Provinces by or through investment dealers and brokers duly registered under the applicable laws of such provinces who have complied with

the relevant provisions of such Canadian Securities Laws and to qualify the Over-Allotment Option for distribution to the Underwriters in each of the Qualifying Provinces;

- (ix) the Corporation has the necessary corporate power and authority to execute and deliver the Prospectuses and all necessary corporate action has been taken by the Corporation to authorize the execution and delivery by it of the Prospectuses and the filing thereof, as the case may be, in each of the Qualifying Provinces in accordance with Canadian Securities Laws;
- (x) subject to the qualifications set out therein, the statements in the Prospectus under the heading "Certain Canadian Federal Income Tax Considerations" constitute a fair summary of the principal Canadian federal income tax consequences arising under the Tax Act to persons referred to therein who hold Offered Shares;
- (xi) the Offered Shares 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 listed and posted for trading on the Exchange;
- (xii) Computershare Trust Company of Canada has been duly appointed by the Corporation as the transfer agent and registrar for the Common Shares;
- (xiii) the form and terms of the definitive certificates representing the 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
- (xiv) the authorized and issued capital of the Corporation and that such is fully paid and non-assessable;

and as to all other legal matters, including compliance with Canadian Securities Laws, in any way connected with the issuance, sale and delivery of the Offered Shares as the Underwriters may reasonably request.

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. It is further understood that the Underwriters' counsel may rely on the opinion of the Corporation's counsel as to matters which specifically relate to the Corporation or the Offered Shares, including the issuance of the Offered Shares;

- (b) if any Firm Shares or Option Shares are sold in the United States, a legal opinion of DLA Piper LLP (US), the Corporation's special United States legal counsel, dated the Closing Date or any Additional Closing Date, as applicable, addressed to the Underwriters, in form and substance acceptable to the Underwriters and their counsel, acting reasonably, to the effect that no registration of the Firm Shares or the Option Shares will be required under the U.S. Securities Act in connection with (i) the offer, sale and delivery of the Firm Shares or Option Shares, as applicable, in the United States or (ii) the initial re-offer and resale of the Firm Shares or the Option Shares, as applicable, by the Underwriters

through the U.S. Affiliates in the United States, provided, in each case, that such offers, sales and deliveries are made in accordance with Schedule "A" to this Agreement;

- (c) 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 that:
 - (i) the Corporation has complied with and satisfied in all material respects 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 (except where qualified by materiality, in all respects) at the Closing Time, as if made at such time; and
 - (iii) no event of a nature referred to in subsections 6(a), 6(b), 11(a)(i), 11(a)(ii), 11(a)(iii) or 11(a)(vi) has occurred or to the best of the knowledge, information and belief of such officer is pending, contemplated or threatened (excluding any requirement to make any determination as to any Underwriter's opinion);
- (d) 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 letter referred to in subsection 4(c) hereof up to the Closing Time, which comfort letter shall be based on the Corporation's auditors' review, such review having a cut-off date of not more than two Business Days prior to the Closing Date;
- (e) evidence satisfactory to the Underwriters that the Offered Shares have been conditionally listed on the Exchange, and upon notice to the Exchange shall be posted for trading as at the opening of business on the Closing Date or first trading date after notice of the issuance of the Offered Shares; and
- (f) such other certificates and documents as the Underwriters may request, acting reasonably.

13. Deliveries

- (a) The sale of the Firm Shares 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 Corporation, by bank or wire transfer, the amount of \$15,002,300.00 against delivery by the Corporation of:
 - (i) the opinions, certificates and documents referred to in section 12;
 - (ii) definitive certificates representing, in the aggregate, all of the Offered Shares which the Underwriters have elected to purchase hereunder 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 Closing Time; and

- (iii) payment to National Bank, on behalf of the Underwriters, 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 Offered Shares and the expenses of the Underwriters provided for in section 10;
 - (iv) or the Underwriters may, in their discretion, deliver by wire transfer the net amount of the amount in respect of the Offered Shares referred to above and the amount referred to in (iii) above.
- (b) The sale of the Option Shares 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 Shares (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 Shares), 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 Corporation, by bank or wire transfer or such other means as the Corporation and the Underwriters may agree, the amount of \$7.10 per Option Share purchased by the Underwriters from the Corporation pursuant to the exercise of the Over-Allotment Option including any Option Shares purchased by the Underwriters from the Corporation pursuant to the exercise of the Over-Allotment Option, 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 Shares 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 National Bank, on behalf of the Underwriters 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 subsection 2(b) in respect of the Offered Shares and the expenses of the Underwriters provided for in section 10, or the Underwriters may, in their discretion, deliver by bank or wire transfer the net amount of the amount in respect of the Option Shares referred to above and the amount referred to in (iii) above.

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 Shares as would apply to the Firm Shares 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 all or part of the Offered Shares on a non-certificated basis 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 Shares 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 Shares 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 Computershare Trust Company of Canada as registrar and transfer agent of the Offered Shares, to deliver to CDS, on behalf of the Underwriters, electronically the Offered Shares to be purchased hereunder registered in the name of "CDS & Co." as the nominee of CDS, in accordance with the rules and procedures of CDS.

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, directly or indirectly, offer, or announce the issuance or 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 National Bank (on behalf of the Underwriters), such consent not to be unreasonably withheld, provided that notwithstanding the foregoing, the Corporation may, without such consent: (i) issue the Offered Shares; (ii) grant share incentives to directors, officers, consultants or employees of the Corporation and issue Common Shares on exercise thereof subject to the current board approved option incentive program and in accordance with the rules of the Exchange; and (iii) issue Common Shares or exercise of other outstanding instruments as of the date hereof;

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 Mr. Michael Kabanuk, President and Chief Executive Officer, at the above address, with a copy to:

DLA Piper (Canada) LLP
 Livingston Place
 1000, 250 - 2nd Street S.W.
 Calgary, Alberta T2P 0C1

Attention: Daniel E. Kenney
 Fax No.: (403) 213-4460

and, in the case of notice to be given to the Underwriters, be addressed to:

National Bank Financial Inc.
1800, 311 — 6th Avenue S.W.
Calgary, AB T2P 3112

Attention: Chris Muldoon
Fax No.: (403) 265-0543

Raymond James Ltd.
Suite 4250, 525 — 8th Avenue S.W.
Calgary, Alberta T2P 1G1

Attention: Jason Holtby
Fax No.: (403) 509-0535

Cormark Securities Inc.
Suite 1800, 300 — 5th Avenue S.W.
Calgary, Alberta T2P 3C4

Attention: Dion Degrand
Fax No.: (403) 266-4222

CIBC World Markets Inc.
Suite 900, 855 — 2nd Street S.W.
Calgary, Alberta T2P 4J7

Attention: John Peltier
Fax No.: (403) 260-0524

Dundee Securities Ltd.
Suite 3600, 350 — 7th Avenue S.W.
Calgary, Alberta T2P 3N9

Attention: Tony P. Loria
Fax No.: (403) 264-6331

RBC Dominion Securities Inc.
Suite 3900, 888 — 3rd Street S.W.
Calgary, Alberta T2P 5C5

Attention: Darrell Law
Fax: (403) 299-6900

Scotia Capital Inc.
Suite 1800, 700 — 2nd Street S.W.
Calgary, Alberta T2P 2W1

Attention: David Baboneau
Fax: (403) 269-8355

TD Securities Inc.
Suite 3600, 421 — 7th Avenue S.W.
Calgary, AB T2P 4K9

Attention: Scott W. Barron
Fax No.: (403) 292-2776

and a copy to:

Burnet, Duckworth & Palmer LLP
2400, 525 — 8th Avenue S.W.
Calgary, Alberta T2P 1G1

Attention: P.L. (Lonny) Tetley
Fax No.: (403) 260-0332

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 any of the Underwriters to terminate its obligations to purchase the Offered Shares, 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 an Underwriter only if the same is in writing and signed by such Underwriter.

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 Shares, the termination of this Agreement and the distribution of the Offered Shares pursuant to the Prospectus and the offer and sale of Firm Shares and Option

Shares in the United States pursuant to 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 (or joint and several), including, without limitation, that:

- (a) subject to the terms and conditions of this Agreement, each of the Underwriters shall be obligated to purchase only the percentage of the total number of Firm Shares and, if applicable, Option Shares set forth opposite their names set forth in this section 18; and
- (b) if any one or more of the Underwriters shall not purchase its applicable percentage of:
 - (i) the Firm Shares at the Closing Time; or
 - (ii) the Option Shares, if any, to be purchased at the Additional Closing Time;
 (collectively, the "**Defaulted Shares**"),

then the other Underwriters (the "**Continuing Underwriters**") who are willing and able to purchase their own applicable percentage of the total number of Firm Shares or Option Shares, as the case may be, at the Closing Time or at the Additional Closing Time, as the case may be, shall have the right, but shall not be obligated, to purchase all of the percentage of the Firm Shares or the Option Shares, as the case may be, which would otherwise have been purchased by such one or more of the defaulting Underwriters; the Continuing Underwriters exercising such right shall purchase such Offered Shares *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 Continuing 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 Shares and Option Shares, as applicable, which each of the Underwriters shall be severally obligated to purchase is as follows:

National Bank Financial Inc.	42.5%
Raymond James Ltd.	22.5%
Cormark Securities Inc.	15.0%
CIBC World Markets Inc.	4.0%
Dundee Securities Ltd.	4.0%
RBC Dominion Securities Inc.	4.0%
Scotia Capital Inc.	4.0%
TD Securities Inc.	4.0%
	<u>100.00%</u>

If the Continuing Underwriters do not elect to purchase the Defaulted Shares, nothing in this Agreement shall obligate the Corporation to sell less than all of the Firm Shares or all of the Option Shares elected to be purchased by the Underwriters, as the case may be, or shall relieve any Underwriter in default from liability to the Corporation or any Continuing Underwriter in respect of the defaulting Underwriters' default hereunder and the Corporation shall be entitled to terminate its obligations 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 National Bank, 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 section 16, the waiver of any significant closing conditions, the initiation or rescission of a claim for indemnification or contribution or any agreement under section 18. While not affecting the foregoing, National Bank shall consult with the other Underwriters with respect to any such notice, waiver, extension or other communication.

20. Underwriters Covenants

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

- (a) offer the Offered Shares for sale to the public in the Qualifying Provinces and may, subject to the terms of this Agreement, offer the Firm Shares and Option Shares for sale in the United States in the manner contemplated by Schedule "A" attached hereto;
- (b) conduct activities in connection with the proposed offer and sale of the Offered Shares in compliance with all the Applicable Securities Laws and cause a similar covenant to be contained in any agreement entered into with any Selling Dealer Group established in connection with the distribution of the Offered Shares;
- (c) use all reasonable efforts to complete the distribution of Offered Shares as soon as possible;
- (d) not solicit subscriptions for the Offered Shares, trade in Offered Shares or otherwise do any act in furtherance of a trade of Offered Shares 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, solicitations or other contracts in jurisdictions outside of Canada: (i) are made in accordance with the applicable securities laws of such other jurisdictions; and (ii) do not subject the Corporation (or any of its directors, officers or employees) to any requirement to register, complete filings, or obtain approvals or to any inquiry, investigation or proceeding of any regulatory authority in such other jurisdictions nor require the qualification or registration of such Offered Shares in that jurisdiction or the filing of a prospectus, registration statement or other notice or documents with respect to the distribution of such Offered Shares under the laws of such jurisdiction nor impose any disclosure obligations on the Corporation (or any of its directors, officers or employees); and (iii) do not constitute Directed Selling Efforts (as defined in Schedule "A" hereto);
- (e) not, in relation to the United Kingdom, directly or indirectly, offer for subscription or sale or solicit applications for any of the Offered Shares, nor distribute (or caused to be distributed) any documents in relation to the Offering to any person: (a) which would cause the Offering to be regarded as an offer of transferable securities to the public within

the meaning of section 102B of the United Kingdom's Financial Services and Markets Act 2000 ("FSMA") or otherwise; and/or (b) which would require the Corporation to issue an "approved prospectus" within the meaning of Section 85(7) of FSMA with regard to the same, and only communicate with potential offerees based in the United Kingdom who: (i) fall within Article 19 (investment professionals) and/or 49 (high net worth entities, unincorporated associations etc.) of the United Kingdom's Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, and (ii) are "qualified investors" within the meaning of Section 86(7) of the FSMA acting as principal, or in circumstances to which Section 86(2) of FSMA applies; and

- (f) 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 Offered Shares sold in each of the Qualifying Provinces and, upon completion of the distribution of the Offered Shares, 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 under this section 20 or any other section of this Agreement with respect to a default by any of the other Underwriters or any member of any Selling Dealer Group appointed by any other Underwriter but will be liable to the Corporation only for its own default.

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

- (a) The Corporation hereby acknowledges that (i) the purchase and sale of the Offered Shares pursuant to this Agreement is an arm's-length commercial transaction between the Corporation, on the one hand, and each of the Underwriters and any affiliate through which it may be acting, on the other, (ii) each of the Underwriters is acting as principal and not as an agent or fiduciary of the Corporation and (iii) the Corporation's engagement of each of the Underwriters in connection with the offering of Offered Shares and the process leading up to the offering of Offered Shares is as independent contractors and not in any other capacity. Furthermore, the Corporation agrees that it is solely responsible for making its own judgments in connection with the offering of Offered Shares (irrespective of whether any of the Underwriters has advised or is currently advising the Corporation on related or other matters). The Corporation agrees that it will not claim that the Underwriters have rendered advisory services of any nature or respect, or owes an agency, fiduciary or similar duty to the Corporation, in connection with such transaction or the process leading thereto.
- (b) The Corporation acknowledges and agrees that: (i) the Underwriters have certain statutory obligations as registrants under the Applicable Securities Laws and have relationships with their clients; and (ii) 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. Stabilization

In connection with the distribution of the Offered Shares, the Underwriters may over-allot or effect transactions which stabilize or maintain the market price of the 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.

24. 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.

25. Time of the Essence

Time shall be of the essence of this Agreement.

26. 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 affected by facsimile or other form of electronic transmission, including in pdf format.

27. 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.

28. U.S. Offers

- (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, no Underwriter or its U.S. Affiliate will be liable to the Corporation under this section or Schedule "A" hereto with respect to a violation by another Underwriter or its U.S. Affiliate of the provisions of this section or Schedule "A" hereto if the former Underwriter or its U.S. Affiliate is not itself also in violation.

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

29. Use of Proceeds

The Corporation agrees to use the proceeds from the issuance and sale of the Offered Shares substantially in accordance with the disclosure in the Prospectuses.

30. Entire Agreement

It is understood that the terms and conditions of this Agreement, including Schedule "A" hereto, 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 National Bank.

NATIONAL BANK FINANCIAL INC.

RAYMOND JAMES LTD.

By: (signed) "Chris Muldoon"

By: (signed) "Jason Holtby"

CORMARK SECURITIES INC.

CIBC WORLD MARKETS INC.

By: (signed) "Dion Degrand"

By: (signed) "John Peltier"

DUNDEE SECURITIES LTD.

RBC DOMINION SECURITIES INC.

By: (signed) "Tony Loria"

By: (signed) "Darrell Law"

SCOTIA CAPITAL INC.

TD SECURITIES INC.

By: (signed) "David Baboneau"

By: (signed) "Scott Barron"

ACCEPTED AND AGREED to as of the date first written above.

GRANITE OIL CORP.

By: (signed) "Gail Hannon"

SCHEDULE "A"
TERMS AND CONDITIONS FOR
UNITED STATES OFFERS AND SALES

1. For the purposes of this Schedule "A", the following terms will have the meanings indicated:
 - 1.1 **"Directed Selling Efforts"** means "directed selling efforts" as defined in Rule 902(c) of Regulation S;
 - 1.2 **"Foreign Issuer"** means a "foreign issuer" as that term is defined in Rule 902(e) of Regulation S;
 - 1.3 **"General Solicitation"** and **"General Advertising"** mean "general solicitation" and "general advertising", respectively, as used in Rule 502(c) under the U.S. Securities Act, including, without limitation, advertisements, articles, notices or other communications published on the internet or in any newspaper, magazine or similar media or broadcast over radio, television, or the internet or any seminar or meeting whose attendees had been invited by general solicitation or general advertising or any public offering within the meaning of Section 4(a)(2) of the U.S. Securities Act;
 - 1.4 **"Offering Documents"** means (i) the Preliminary U.S. Placement Memorandum; and (ii) the U.S. Placement Memorandum;
 - 1.5 **"Offshore Transaction"** means an "offshore transaction" as defined in Rule 902(h) of Regulation S;
 - 1.6 **"Qualified Institutional Buyer"** means a "qualified institutional buyer" as defined in Rule 144A;
 - 1.7 **"Regulation D"** means Regulation D promulgated by the SEC under the U.S. Securities Act;
 - 1.8 **"Regulation S"** means Regulation S promulgated under the U.S. Securities Act;
 - 1.9 **"QIB Representation Letter"** means the form of U.S. qualified institutional buyer letter attached to the U.S. Placement Memorandum as Exhibit III;
 - 1.10 **"Rule 144A"** means Rule 144A promulgated under the U.S. Securities Act;
 - 1.11 **"Securities"** means, collectively, the Firm Shares and the Option Shares;
 - 1.12 **"Substantial U.S. Market Interest"** means "substantial U.S. market interest" as defined in Rule 902(j) of Regulation S; and

Capitalized terms used in this Schedule "A" but not defined herein have the meanings ascribed to them in the Underwriting Agreement to which this Schedule "A" is attached and of which this Schedule "A" forms a part (the **"Underwriting Agreement"**).

2. The Underwriters acknowledge that none of the Securities have been or will be registered under the U.S. Securities Act or the securities laws of any state of the United States and that the

Securities are being offered and sold pursuant to Applicable Securities Laws and, in each case, in reliance upon and in compliance with Rule 903 of Regulation S or, in the case of the Securities, pursuant to an exemption from the registration requirements of the U.S. Securities Act and applicable state securities laws. The Underwriters and the Corporation acknowledge and agree that the Securities may only be (i) offered or sold in Offshore Transactions and otherwise in accordance with Rule 903 of Regulation S, or (ii) in the case of the Securities, offered within the United States by the Underwriters, or any person acting on their behalf, through a U.S. Affiliate, and sold by the applicable Underwriter or the Underwriter's U.S. Affiliate to Qualified Institutional Buyers in accordance with the exemption from the registration requirements of the U.S. Securities Act provided by Rule 144A, and in accordance with all applicable state securities laws.

3. The Underwriters may offer and sell the Securities within the United States on the terms and subject to the conditions of this Schedule "A". In connection therewith and as of the date hereof, the Closing Date and any Additional Closing Date, the Corporation represents, warrants and covenants to and with the Underwriters that:
 - 3.1 the Corporation is, and as of the Closing Date and any Additional Closing Date will be, a Foreign Issuer and reasonably believes there is and will be as of the Closing Date and any Additional Closing Date, no Substantial U.S. Market Interest with respect to the Common Shares;
 - 3.2 none of the Corporation, its affiliates or any person acting on its or their behalf (other than the Underwriters, the U.S. Affiliates, and any members of the Selling Dealer Group as to whom the Corporation makes no representation) has engaged or will engage in any Directed Selling Efforts with respect to the Securities;
 - 3.3 the Corporation is not, and following the application of the proceeds of the sale of the Securities in the manner described in the Offering Documents will not be, registered or required to be registered as an "investment company" under the United States Investment Company Act of 1940, as amended, and the rules and regulations promulgated thereunder;
 - 3.4 none of the Corporation, its affiliates or any person acting on its or their behalf (other than the Underwriters, the U.S. Affiliates, and any members of the Selling Dealer Group, as to whom the Corporation makes no representation) 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 Securities or any security convertible or exchangeable into the Securities in the United States, nor has the Corporation offered or sold any securities for a period of six months prior to the commencement of the offering of the Securities in a manner that would be integrated with the offer and sale of the Securities and cause the exemption from registration provided by the U.S. Securities Act to become unavailable for the offer and sale of the Securities;
 - 3.5 none of the Corporation, its affiliates or any person acting on their respective behalf (other than the Underwriters, the U.S. Affiliates, and any members of the Selling Dealer Group, as to whom the Corporation makes no representation) has taken, or will take, any action (i) that would cause any exemptions or exclusions from the registration requirements of the U.S. Securities Act, including, without limitation, those provided by Rule 144A, Rule 903 of Regulation S, Section 4(a)(2) of the U.S. Securities Act, to be

unavailable for the offer and sale of the Securities pursuant to the Underwriting Agreement or (ii) that would, directly or indirectly, constitute a violation of Regulation M under the U.S. Exchange Act in connection with offers and sales of the Securities;

- 3.6 the Corporation will, within prescribed time periods, prepare and file any forms or notices required under the U.S. Securities Act or applicable blue sky laws;
 - 3.7 in connection with offers and sales of Securities outside the United States, the Corporation, its respective affiliates and any person acting on its or their behalf (other than the Underwriters, the U.S. Affiliates, and any members of the Selling Dealer Group, as to whom the Corporation makes no representation) have complied and will comply with the requirements for an Offshore Transaction;
 - 3.8 the Corporation will notify Computershare Trust Company of Canada as soon as possible upon it becoming a "domestic issuer", as defined in Regulation S;
 - 3.9 as of the date hereof and as of the Closing Date and the Additional Closing Date, as applicable, none of the Securities is or will be part of a class of securities listed on a national securities exchange registered under Section 6 of the U.S. Exchange Act, quoted in a U.S. automated inter-dealer quotation system (within the meaning of such term in Rule 144A), or convertible or exchangeable at an effective conversion premium (calculated as specified in paragraph (a)(6) of Rule 144A) or exercisable at an effective exercise premium (calculated as specified in paragraph (a)(7) of Rule 144A), in each case, of less than ten percent for securities so listed or quoted;
 - 3.10 the Common Shares have not been and are not the subject of a suspension or revocation by the SEC pursuant to Section 12(j) of the U.S. Exchange Act;
 - 3.11 none of the Corporation's securities are registered or are required to be registered under Section 12 of the U.S. Exchange Act and that the Corporation does not have a reporting obligation under Section 13 or Section 15(d) of the U.S. Exchange Act;
 - 3.12 the Corporation is, and as of the Closing Date and any Additional Closing Date will be, in compliance with Rule 12g3-2(b) under the U.S. Exchange Act; and
 - 3.13 it shall use commercially reasonable efforts to remain a Foreign Issuer for a period of 12 months from the Closing Date.
4. Each Underwriter, on its own behalf and on behalf of its U.S. Affiliate (if any), acknowledges that the Securities have not been and will not be registered under the U.S. Securities Act or any state securities laws and the Securities may be offered and sold only in transactions exempt from or not subject to the registration requirements of the U.S. Securities Act and any applicable state securities laws. Accordingly, each Underwriter, on its own behalf and on behalf of its U.S. Affiliate, severally and not jointly, represents, warrants and covenants, and will cause its U.S. Affiliate to comply with such representations, warranties and covenants, that:
- 4.1 it has not offered or sold, and will not offer or sell, (i) any Securities constituting part of its allotment within the United States except as provided in this Schedule "A", or (ii) any Securities outside of the United States except in accordance with Rule 903 of Regulation S. Accordingly, except as provided in the Underwriting Agreement and this Schedule "A", none of it, its affiliates, including its U.S. Affiliate, 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 Securities to any person in the United States, (ii) any sale of Securities 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 within the meaning of Rule 903 of Regulation S, or (iii) any Directed Selling Efforts with respect to the Common Shares, except as permitted in this Schedule "A";

- 4.2 none of it, its U.S. Affiliate 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 or sales of the Securities in the United States;
 - 4.3 all offers and sales of the Securities in the United States will be effected through its U.S. Affiliate, which is duly registered as a broker-dealer under the U.S. Exchange Act and the securities laws of each state in which such offer or sale is made (unless exempted from the respective state's broker-dealer registration requirements) and is a member in good standing with the Financial Industry Regulatory Authority, Inc. ("FINRA"), or otherwise pursuant to Rule 15a-6 under the U.S. Exchange Act, and all offers and sales of Securities in the United States by it shall be made in accordance with all applicable United States state and federal securities (including broker-dealer) laws and all applicable rules of the FINRA;
 - 4.4 it has not used and will not use any written material other than the Offering Documents relating to the offering of Securities in the United States, and it agrees to deliver, through its U.S. Affiliate, a copy of the U.S. Placement Memorandum to each person in the United States purchasing the Securities from it or its U.S. Affiliate and to each person purchasing Securities that was offered securities in the United States by it or its U.S. Affiliate;
 - 4.5 any offer, sale or solicitation of an offer to buy Securities that has been made or will be made by it in the United States by it or its U.S. Affiliate was or will be made only a person it reasonably believes and believed to be a Qualified Institutional Buyer who is acquiring the Securities (i) for its own account or (ii) for the account of one or more Qualified Institutional Buyers with respect to which it exercises sole investment discretion, in a transaction that is exempt from the registration requirements of the U.S. Securities Act pursuant to Rule 144A. Any sales of Securities made to Substituted Purchasers in the United States will be made directly by the Corporation to the Substituted Purchasers, and the Underwriter and its U.S. Affiliate shall act in the capacity as placement agent for such sales;
 - 4.6 prior to the completion of any sale of Securities in the United States or to any person that was offered Securities each U.S. purchaser will be required to provide a duly executed QIB Representation Letter; and
 - 4.7 its U.S. Affiliate is a Qualified Institutional Buyer.
5. Each Underwriter, separately and not jointly, agrees that:
- 5.1 prior to the Closing Date and any Additional Closing Date, it will cause its U.S. Affiliate to provide Computershare Trust Company of Canada with a list of all purchasers of

Securities in the United States purchasing Securities from it or its U.S. Affiliate or that were offered Securities in the United States by it or its U.S. Affiliate, and will provide the Corporation with all completed and executed QIB Representation Letters from such persons for acceptance by the Corporation;

- 5.2 at the Closing Time or Additional Closing Time, as applicable, it, together with its U.S. Affiliate offering or selling Securities 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 Securities in the United States, or will be deemed to have represented that neither it nor its U.S. Affiliate offered or sold Securities in the United States; and
- 5.3 if the Underwriters authorize any member of the Selling Dealer Group (if any) to offer and sell Securities in the United States through a U.S. Affiliate, the Underwriters will cause each such firm to acknowledge in writing, for the benefit of the Corporation, its agreement to be bound by the provisions of the Underwriting Agreement, including this Schedule "A", in connection with all offers and sales of the Securities in the United States. The Underwriters have not and will not make any other contractual arrangement for the distribution of the Securities in the United States without the prior written consent of the Corporation.

EXHIBIT A

UNDERWRITERS' CERTIFICATE

In connection with the private placement in the United States of the common shares (the "**Securities**") of Granite Oil Corp. (the "**Corporation**") pursuant to the underwriting agreement dated May 26, 2016 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. [Name of U.S. broker-dealer Affiliate] (the "**U.S. Affiliate**") is a duly registered broker or dealer under the U.S. Exchange Act and is and was a member of and in good standing with the Financial Industry Regulatory Authority, Inc. on the date hereof and on the date of each offer and sale made by it in the United States, and all offers and sales of Securities in the United States effected by the U.S. Affiliate have been and will be effected by the U.S. Affiliate in accordance with all applicable U.S. federal and state broker-dealer requirements;
- II. the U.S. Affiliate provided each offeree in the United States to which it offered Securities with a copy of one or both of the Preliminary U.S. Placement Memorandum and/or the U.S. Placement Memorandum and provided each purchaser of Securities in the United States prior to the time of purchase of Securities with a copy of the U.S. Placement Memorandum, and no other written material has been or will be used by us in connection with offers and sales of Securities in the United States;
- III. immediately prior to transmitting such Offering Documents to such offerees, we had reasonable grounds to believe and did believe that each such offeree was, and continue to believe that each such offeree, is a Qualified Institutional Buyer;
- IV. no form of "general solicitation" or "general advertising" (as those terms are used in Regulation D under the U.S. Securities Act) was used by us in connection with offers and sales of the Securities in the United States;
- V. we have not taken and will not take any action that would constitute a violation of Regulation M under the U.S. Exchange Act in connection with offers and sales of the Securities;
- VI. prior to any sale of Securities in the United States by us, we caused each U.S. purchaser to sign a QIB Representation Letter, as applicable; and
- VII. the offering of the Securities in the United States has been conducted by us in accordance with the terms of the Underwriting Agreement, including Schedule "A" thereto.

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

Dated ●, 2016.

[UNDERWRITER]

[U.S. BROKER-DEALER AFFILIATE]

By: _____
Name:
Title:

By: _____
Name:
Title: