Clerk's Stamp

COURT FILE NUMBER	2101-00814
COURT	COURT OF QUEEN'S BENCH OF ALBERTA
JUDICIAL CENTRE	CALGARY
APPLICANTS	IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT, R.S.C. 1985, c. C-36, as amended AND IN THE MATTER OF CALGARY OIL & GAS SYNDICATE GROUP LTD., CALGARY OIL AND GAS INTERCONTINENTAL GROUP LTD. (IN ITS OWN CAPACITY AND IN ITS CAPACITY AS GENERAL PARTNER OF T5 SC OIL AND GAS LIMITED PARTNERSHIP), CALGARY OIL AND SYNDICATE PARTNERS LTD., and PETROWORLD ENERGY LTD.
DOCUMENT	**SECOND REPORT OF BDO CANADA LIMITED, IN ITS CAPACITY AS MONITOR OF CALGARY OIL & GAS SYNDICATE GROUP LTD., CALGARY OIL AND GAS INTERCONTINENTAL GROUP LTD., CALGARY OIL AND SYNDICATE PARTNERS LTD., PETROWORLD ENERGY LTD. and T5 SC OIL AND GAS LIMITED PARTNERSHIP** **MARCH 2, 2021**
ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT	**MONITOR'S COUNSEL** Cassels Brock & Blackwell LLP Suite 3800, 888 - 3rd Street SW Calgary, AB T2P 5C5 Attention: Jeff Oliver Telephone: 403-351-2921 Facsimile: 403-648-1151 Email:joliver@cassels.com

SECOND REPORT OF THE MONITOR
BDO CANADA LIMITED
MARCH 2, 2021

I N D E X

APPENDIX

INTRODUCTION

1. On February 10 and February 11, 2021 (the "**Initial Application**") , Calgary Oil & Gas Syndicate Group Ltd. ("**Syndicate Group**"), Calgary Oil & Gas Intercontinental Group Ltd. ("**Intercontinental**") (in its own capacity and in its capacity as General Partner of T5 SC Oil and Gas Limited Partnership (the "**Partnership**")), Calgary Oil and Syndicate Partners Ltd. ("**Syndicate Partners**"), and Petroworld Energy Ltd ("**Petroworld**") (collectively referred to as the "**Applicants**") made an application to the Court of Queen's Bench of Alberta (the "**Court**") for an initial order (the "**Initial Order**") pursuant to the *Companies Creditors Arrangement Act*, R.S.C. 1985 c. C-36, as amended (the "**CCAA**").

2. On February 11, 2021 (the "**Filing Date**"), the Initial Order was granted by the Honourable Mr. Justice D. B. Nixon of the Court providing certain relief to the Applicants as well as the Partnership (collectively referred to as the "**Companies**"), including, but not limited to, an initial stay of proceedings (the "**Stay**") against the Companies and their assets.

3. The Court appointed BDO Canada Limited ("**BDO**") as monitor (the "**Monitor**") of the Companies within the CCAA proceedings (the "**Proceedings**").

4. On February 8, 2021, BDO prepared a report (the "**Pre-Filing Report**") with the Court in contemplation of the initial application held on February 10, 2021.

5. On February 18, 2021, the Monitor prepared a report (the "**First Report**") in advance of the Companies' application to amend and restate the Initial Order.

6. On February 18, 2021, the Court granted the following two Orders:

    a. an Amended and Restated Initial Order (the "**ARIO**") providing for a brief extension of the Stay through to March 4, 2021; and

    b. an order sealing the non-binding Letter of Intent (the "**LOI**") entered into with a third party (the "**Third Party**") in respect of a potential transaction that was attached as Confidential Exhibit "A" to the Affidavit of Ryan Martin sworn February 17, 2021 (the "**February 17th Martin Affidavit**") and filed in the Proceedings.

7. The purpose of this report (the "**Second Report**") is to provide information to this Honourable Court with respect to:

a. the following applications to be made at the comeback application scheduled for March 4, 2021 (the "**Comeback Application**") :

i. the application by Crown Capital Partnership Funding LP, by its general partner, Crown Capital LP Partner Funding Inc. ("**Crown Capital**"), the Companies' principal secured lender, for an Order (the "**SA Process Order**"):

1. approving a strategic alternative process (the "**SA Process**") and associated procedures (the "**SAP Procedures**");

2. approving the engagement of Peters & Co. Limited ("**Peters**") as the financial advisor (the "**Financial Advisor**") to administer the SA Process, under the supervision of the Monitor;

3. approving a Court-ordered charge in favour of the Financial Advisor; and

4. enhancing the powers of the Monitor as it relates to the SA Process.

ii. the Companies' upcoming application for a second amended and restated initial order seeking the following:

1. an increase in the amount of the Administration Charge from $117,000 to $350,000; and

2. an extension of the Stay through to April 15, 2021.

b. the Company' updated cash flow forecast; and

c. the Monitor's conclusions and recommendations in respect of the above, as applicable.

TERMS OF REFERENCE AND DISCLAIMER

8. In preparing this Second Report, the Monitor has been provided with, and has relied upon unaudited financial information, certain books and records of the Companies, financial information prepared by the Companies and discussions with the Companies' management ("**Management**") and the Companies' legal counsel (collectively the "**Information**").

9. The Monitor has reviewed the Information for reasonableness, internal consistency and use in the context in which it was provided as necessary; however, the Monitor has not audited, reviewed or otherwise attempted to verify the accuracy or completeness of such Information in such a manner that would wholly or partially comply with standards as set out in the *Chartered Professional Accountants Canada Handbook* (the "**CPA Handbook**"). Consequently, the Monitor expresses no opinion or other form of assurance in respect of any such Information contained in this Second Report.

10. Some of the Information referred to in this Second Report consists of forecasts and projections prepared by Management based on its estimates and assumptions. An examination or review of any financial forecast and projections as outlined in the CPA Handbook has not been performed. Readers are cautioned that actual results will vary from projections and such variances could be significant.

11. Unless otherwise stated, all monetary amounts noted herein are expressed in Canadian dollars.

SA PROCESS

12. As was set out in the First Report, the Companies have been in confidential negotiations with the Third Party in respect of a potential transaction (the "**LOI Transaction**") that would contribute to the retirement of the Companies' indebtedness to Crown Capital and form the basis of an overall restructuring plan.

13. Crown Capital and the Companies have had discussions surrounding the LOI and Crown Capital is agreeable to the Company continuing to pursue the LOI Transaction. However, Crown Capital is concerned that if the LOI Transaction fails to proceed expeditiously, time will have lapsed that could have been utilized to attempt to facilitate an alternative strategic solution. Consequently, Crown Capital, the Monitor, the Companies and the Financial Advisor have held discussions surrounding the development of the SA Process.

14. As mentioned above, Crown Capital is agreeable to allowing the Companies an opportunity to pursue the LOI Transaction such that the SA Process will only be initiated by the Monitor in the event that any of the following milestones are not achieved in respect of the LOI (the "**LOI Transaction Milestones**"):

    a. the Companies providing the Monitor with confirmation that the Third Party's board of directors has approved the LOI by March 10, 2021;

    b. the Companies providing the Monitor with evidence that the Third Party has paid a refundable deposit by March 15, 2021;

    c. the Companies providing evidence that a definitive agreement in respect of the LOI Transaction has been completed by March 22, 2021; and

    d. closing of the LOI Transaction takes place by March 31, 2021 with sufficient funds being available to repay the amounts outstanding to Crown Capital (the "**Amounts Outstanding**").

15. The Companies have advised that they have several issues with the SA Process as proposed by Crown Capital, including, *inter alia*:

    a. the requirement for an agreement on or final determination of the Amounts Outstanding;

    b. the closing of the LOI Transaction with the certainty that the subject assets would be transferred free and clear by way of Court approval;

    c. the Companies ensuring they have sufficient cash available to settle the Amounts Outstanding; and

d. the time required to address the claims of all stakeholders within the Proceedings.

16. Crown Capital has advised that it disagrees with the Companies position in respect of the SA Process and intends to proceed with its application for the SA Process as filed. The Monitor takes no position with respect to the dispute between the parties in this regard, including in respect of the LOI Transaction Milestones.

17. The SAP Procedures are attached as **Appendix "A"** to this Second Report, the salient terms which are, *inter alia*:

a. the SA Process provides for the solicitation of either a debt or equity investment in the Companies or the sale of the Companies oil and gas interests;

b. the SA Process will not commence unless there is a breach of one of the LOI Transaction Milestones in which case the Monitor is to issue a notice thereof (the "**SA Process Notice**");

c. the date on which the SA Process Notice is issued shall be the date that the SA Process shall commence (the "**Commencement Date**");

d. the deadline for the submission of non-binding letters of intent (the "**Phase I LOI's**") by parties wishing to pursue a transaction pursuant to the SA Process shall be 40 days from the Commencement Date (the "**Phase I Bid Deadline**");

e. following the Phase I Bid Deadline, the Monitor in consultation with the Financial Advisor shall assess the Phase I LOI's pursuant to the criteria detailed in the SAP Procedures and determine which of the parties submitting Phase 1 LOI's shall be permitted to continue on in the SA Process (the "**Qualified Bidders**");

f. Qualified Bidders must submit qualified binding bids (the "**Qualified Phase II Bids**") in the form of a definitive agreement by no later than 70 days following the Commencement Date;

g. following the Phase II Bid Deadline, the Monitor in consultation with the Financial Advisor shall assess the Qualified Phase II Bids and determine which, if any, are the highest or best Qualified Phase II Bids that should be pursued (the "**Successful Bid**"). The Monitor and the Financial Advisor may negotiate the terms of any Qualified Phase II Bid and any such Qualified Phase II Bid may be amended as a result;

h. upon the selection of the Successful Bid, the party submitting the Successful Bid and shall have ten business days to negotiate and settle the terms of a definitive agreement with the Monitor (the "**Definitive Agreement**"); and

i. the Definitive Agreement shall be subject to approval of this Honourable Court.

18. The Monitor has reviewed the SAP Procedures and the timeline contemplated therein with the Financial Advisor. Notwithstanding that the Monitor takes no position with respect to the disagreement, including in respect of the LOI Transaction Milestones, between Crown Capital and the Companies, the Monitor is satisfied that if the SA Process is launched, the SAP Procedures are reasonable and the Monitor is of the view that the associated request to enhance the Monitor's powers is appropriate in the circumstances.

ENGAGEMENT AGREEMENT

19. As was set out in the Pre-Filing Report, as a result of several events of default pursuant to the Companies' obligations to Crown Capital, a forbearance and amending agreement dated October 16, 2020 (the "**Forbearance Agreement**") was entered into, pursuant to which Crown Capital agreed to forbear from enforcement proceedings.

20. The terms of the Forbearance Agreement contemplated that a strategic alternative process with the Companies' oil and gas assets be undertaken. Consequently, on January 14, 2021, the Companies entered into an engagement agreement (the "**Engagement Agreement**") with Peters to act as financial advisor to administer such a process. Upon the Initial Order being granted, Management directed Peters to put the process on hold to allow the Companies' time to explore and pursue alternative restructuring scenarios.

21. A redacted copy of the Engagement Agreement was attached as Exhibit "23" to the Affidavit of Mr. Ryan Martin sworn on February 5, 2021 (the "**Initial Ryan Affidavit**") and filed in the Proceedings.

22. The proposed SA Process Order authorizes the Monitor to take all steps necessary on behalf of the Companies to execute an engagement agreement with Peters. The Monitor, in conjunction with the Companies, have agreed to an amending agreement to the Engagement Agreement (the "**Amending Letter**") to incorporate terms contemplated by the SA Process. Crown Capital has advised the Monitor that it is in agreement with the terms of the Engagement Agreement and the Amending Letter.

23. Peters is concerned that the public disclosure of the quantum of its remuneration may affect future engagements. Redacted versions of the Engagement Agreement and the Amending Letter are attached as **Appendix "B"** to this Second Report and unredacted versions are attached as **Confidential Appendix "C"** to this Second Report.

24. The Monitor offers the following comments in respect of the Engagement Agreement and the Amending Letter:

    a. the Monitor is of the view that the fee structure contemplated is comparable to other restructuring engagements BDO has been recently involved in and is commercially reasonable in the circumstances;

b. a "carve out" provision in respect of the Third Party and any other party that may be exclusively introduced to the SA Process by the Companies in relation to the payment of any transaction fees which has been agreed to by Peters. The Monitor believes this is reasonable and consistent with general practices; and

c. the Monitor is of the view that a Court-ordered charge in respect of the Financial Advisor's fees is consistent with practices followed in other insolvency related engagements and is reasonable in the circumstances.

25. The Monitor concurs that the fee structure agreed to with Peters is commercially sensitive such that the Monitor will be seeking to have **Confidential Appendix "C"** sealed until the discharge of the Monitor, by which time it is anticipated that the SA Process will have been completed and a transaction has closed.

COURT-ORDERED CHARGES

26. The ARIO provides for the following forms of super-priority charges (the "**Court-Ordered Charges**") as against the property, assets and undertakings of the Companies (the "**Assets**") as follows:

a. Administration Charge ($117,000) – first ranking;

b. Critical Suppliers' Charge ($60,000) – second ranking; and

c. Directors' Charge ($25,000) – third ranking.

27. The Companies will be making an application to increase the Administration Charge to $350,000, as had been previously sought at the time of the Initial Application.

28. The Monitor believes that it is appropriate that the proposed beneficiaries of the Administration Charge, being the Applicants' legal counsel, the Monitor and counsel to the Monitor be afforded the benefit of such a charge as they will be undertaking key roles in the Applicants' efforts towards completing a successful restructuring.

29. The Monitor believes that the revised quantum of the Administration Charge being sought is reasonable and appropriate in the circumstances in light of the anticipated further extension of the Stay and is not unreasonable in comparison to similar Court-ordered charges in comparable proceedings, It is also consistent with the Initial Forecast filed in the Proceeding

30. Crown Capital will be seeking a charge on the Assets to secure the amount of fees that become payable to the Financial Advisor under the terms of the Engagement Agreement and the Amending Letter (the "**Financial Advisor Charge**"). Crown Capital proposes that the Financial Advisor Charge would rank third in priority behind the Administration Charge and the Critical Suppliers' Charge.

31. The Monitor is of the view that if the SA Process is initiated, the Financial Advisor's role will be significant in the Proceedings and it should be afforded the benefit of a charge along the lines of that afforded to the beneficiaries of the Administration Charge.

UPDATED CASH FLOW FORECAST

32. In advance of the Initial Application, Management prepared a consolidated 13 week cash flow forecast (the "**Initial Forecast**") and accompanying notes and assumptions for the period February 1 - May 2, 2021 (the "**Forecast Period**") a copy of which was appended as Exhibit "24" to the Initial Ryan Affidavit.

33. The Initial Forecast did not contemplate any financial transactions until the week of February 22, 2021 upon receipt of revenues from January production. As a result of logistical difficulties encountered with coordinating the deposits of January production revenues pursuant to alternative instructions with the Companies' marketers, the receipt of January production revenues was delayed such that anticipated disbursements have not yet been expended. The Initial forecast estimated approximately $1.8 million of revenues to be received on February 25th and Management advises that once the final revenues are deposited, there should be a minimal negative variance of approximately $30,000 in comparison to what was originally estimated in the Initial Forecast.

34. Attached as Exhibit "A" to the February 26, 2021 Supplemental Affidavit of Ryan Martin and filed in the Proceedings and as **Appendix "D"** to this Second Report, is an updated Initial Forecast (the "**Updated Forecast**") prepared by Management to account for:

a. the above noted delay of the receipt of January production revenues and corresponding delay in forecasted disbursements; and

b. updated forecasted revenues and associated expenditures.

35. A summary of the Updated Forecast is as follows:

	February 1 - May 2, 2021
Receipts	
Production revenues	$ 5,684,127
	5,684,127
Operating Disbursements	
Royalties	710,806
Production royalties	214,536
Operating expenses	432,873
Transportation	130,918
G&A contractors	150,533
G&A rent	39,317
Gas processing fees	1,009,735
GST remittance	181,636
Professional fees	349,998
	3,220,352
Non-Operating Disbursements	
Finance leases	249,782
Interest expense	716,826
Capital expenditures	6,476
	973,084
Total Disbursements	4,193,436
Net cash flow	1,490,691
Cash - beginning	23,128
Cash - closing	$ 1,513,819

36. The Monitor has reviewed the reasonableness of the Updated Forecast in accordance with section 23(1)(b) of the CCAA and although there is not a significant difference between the Initial Forecast and the Updated Forecast, the Monitor highlights the following:

a. the Updated Forecast reflects approximately $231,000 of additional revenues over the Forecast Period;

b. total estimated operating expenses remain generally equivalent at approximately $3.2 Million; and

c. the Updated Forecast reflects an anticipated cash position of approximately $1.5 Million at the end of the Forecast Period, which is approximately $226,000 higher than was estimated in the Initial Forecast.

37. Our review consisted of inquiries, analytical procedures and discussions related to information, and assumptions provided to us by Management. Since hypothetical assumptions need not be supported, our analysis thereof was limited to evaluating whether they were consistent with the purpose of the Updated Forecast. We have also reviewed the support provided by Management for the probable assumptions and the preparation and presentation of the Updated Forecast.

38. Based on our review, nothing has come to our attention that causes us to believe that, in all material respects:

a. The hypothetical assumptions are not consistent with the purpose of the Updated Forecast;

b. As of the date of this Second Report, the probable assumptions developed by Management are not suitably supported and consistent with the current plans of the Companies or do not provide a reasonable basis for the Updated Forecast, given the hypothetical assumptions; or

c. The Updated Forecast does not reflect the probable and hypothetical assumptions.

39. Since the Updated Forecast is based on assumptions regarding future events, actual results will vary from the information presented, even if the hypothetical assumptions occur, and such variations may be material. Accordingly, we express no assurance or representations as to whether the Updated Forecast will be met. We express no opinion or other form of assurance with respect to the accuracy of any financial information presented in this Updated Report. The Updated Forecast has been prepared solely for the purpose of demonstrating the Companies' ability to fund operations during the Forecast Period and readers are cautioned that it might not be appropriate for other uses.

EXTENSION OF STAY OF PROCEEDINGS

40. The Companies will be seeking a further extension of the Stay through to April 15, 2021.

41. In light of the timelines contemplated in respect of the Companies' pursuit of the LOI Transaction, the Monitor is of the view that the length of the requested Stay is an appropriate length of time in which to report back to the Court as to the status of the Proceedings.

CONCLUSIONS AND RECOMMENDATIONS

42. The Monitor is satisfied that Management continues to act in good faith and with due diligence with a view to advancing the Proceedings.

43. For the reasons set out in this Second Report, the Monitor is supportive of and recommends:

    a. in the event the SA Process is approved:

        i. the approval of the Engagement Letter and the Amending Letter and the appointment of Peters as the Financial Advisor;

        ii. approval of the proposed Financial Advisor Charge ranking third in priority behind the Administration Charge and the Critical Suppliers' Charge; and

iii. the enhancement of the powers of the Monitor in respect of the proposed SA Process.

b. an extension of the Stay through to April 15, 2021; and

c. sealing of **Confidential Appendix "C"** of this Second Report containing the Engagement Letter until the discharge of the Monitor.

All of which is respectfully submitted this 2nd day of March, 2021.

BDO Canada Limited, in its capacity as
the Monitor of Calgary Oil & Gas Syndicate Group Ltd., Calgary Oil & Gas Intercontinental Group Ltd., Calgary Oil and Syndicate Partners Ltd., Petroworld Energy Ltd. and T5 SC Oil and Gas Limited Partnership
and not in its personal or corporate capacity

Per: Marc Kelly
Senior Vice President

APPENDIX “A”

STRATEGIC ALTERNATIVES PROCESS

A. INTRODUCTION

1. Calgary Oil and Gas Intercontinental Group Ltd. ("**Intercontinental**") is an Alberta corporation carrying on business in Alberta, and the general partner of T5 SC Oil and Gas Limited Partnership (the "**Partnership**"), an Alberta registered partnership. Calgary Oil & Gas Syndicate Group Ltd. ("**Syndicate Group**") holds 100% of the voting shares in Calgary Oil and Syndicate Partners Ltd. ("**Syndicate Partners**"). Syndicate Partners holds 100% of the voting shares in Intercontinental and Petroworld Energy Ltd. ("**Petroworld**"; together with Intercontinental, the Partnership, Syndicate Group and Syndicate Partners, the "**Companies**", or individually the "**Company**").

2. The Partnership, through its general partner Intercontinental, operates 10 wells in the Spirit River Formation in the Ferrier area of Northern Alberta.

3. On February 11, 2021, the Honourable Justice D.B. Nixon pronounced an initial order pursuant to the *CCAA*, which, among other things, commenced the proceedings under the *CCAA* (the "**Proceedings**"), stayed all proceedings against the Companies for a ten-day period and appointed BDO Canada Limited as court-appointed monitor (the "**Monitor**") of the Companies. On February 19, 2021, the Honourable Justice R.A. Neufeld pronounced an order amending and restating the February 11, 2021 initial order and extending the stay of proceedings to March 4, 2021 (such orders being collectively referred to as the "**Initial Order**").

4. The Monitor, in consultation with the Companies and Peters & Co. Limited, has developed the strategic alternatives process set out herein (the "**SA Process**") in order to solicit interest of potential equity or debt investors in, or buyers of certain property and assets of, the Companies. The SA Process is intended to solicit proposals for either a debt or equity investment in the Companies (an "**Investment Transaction**") or for the sale of the Business and Property (a "**Sale Transaction**", and such opportunity to invest or purchase, a "**SAP Transaction**").

5. Crown Capital Partnership Funding, LP, by its general partner, Crown Capital LP Partner Funding Inc. ("**Crown Capital**") applied pursuant to the *CCAA* for an Order (the "**SA Process Order**") approving the SA Process and appointing Peters & Co. Limited as financial advisor to administer the SA Process (in such capacity, the "**Financial Advisor**") under the direction of the Monitor, which application is scheduled to be heard on March 4, 2021.

6. The SA Process Order provides that the SA Process will not commence unless there is a breach of the LOI Transaction Milestones (as that term is defined in the SA Process Order) and a SA Process Notice is issued by the Monitor.

7. The date of the SA Process Notice issued by the Monitor will be the commencement date (the "**Commencement Date**") of the SA Process and all of the subsequent deadlines will be calculated by reference to the Commencement Date plus the number of days.

B. INTERPRETATION

8. All capitalized terms used but not otherwise defined in this SA Process shall have meaning the set out or contemplated below:

(a) "**Affiliate**" has the meaning given to the term "affiliate" in the *Business Corporations Act*, RSA 2000, c B-9, as amended;

(b) "**Bid**" means a Qualified Bid, Qualified Phase II Bid or a Successful Bid;

(a) "**Bid Deadline**" is defined in paragraph 21;

(b) "**Bidder**" means a Qualified Bidder and Participating Bidder;

(c) "**Business**" means the business of the Companies described in paragraph 2;

(d) "**Business Day**" means any day other than a Saturday, Sunday or a statutory holiday in the City of Calgary in the Province of Alberta;

(e) "***CCAA***" means the *Companies' Creditors Arrangement Act*, RSC 1985, c C-36, as amended;

(f) "***CCAA* Court**" means the Court of Queen's Bench of Alberta or any appeal court therefrom;

(g) "**CIM**" is defined in paragraph 13(d);

(h) "**Companies**" and "**Company**" are defined in paragraph 1;

(i) "**Commencement Date**" is defined in paragraph 7;

(j) "**Confidential Information**" has the meaning given to that term in each NDA;

(k) "**Data Room**" is defined in paragraph 14;

(l) "**Definitive Agreement**" is defined in paragraph 31;

(m) "**Deposit**" is defined in paragraph26(a)(v);

(n) "**Financial Advisor**" is defined in paragraph 5;

(o) "**Form of Definitive Agreement**" is defined in paragraph 16;

(p) "**Initial Order**" is defined in paragraph 3;

(q) "**Investment Transaction**" is defined in paragraph 4;

(r) "**Known Potential Bidders**" is defined in paragraph 13(c);

(s) "**Letter of Intent**" is defined in paragraph 21;

(t) "**Monitor**" is defined in paragraph 3;

(u) "**NDA**" is defined in paragraph 13(b);

(v) "**Participating Bidder**" is defined in paragraph 17;

(w) "**Person**" means a natural person, whether acting in their own capacity, or in their capacity as executor, administrator, estate trustee, trustee or personal or legal representative, and the heirs, executors, administrators, estate trustees, trustees or other personal or legal representatives of a natural person, or a corporation or a company of any kind, a partnership of any kind, a sole proprietorship, a trust, a joint venture, an association, an unincorporated association, an unincorporated syndicate, an unincorporated organization or any other association, organization or entity of any kind;

(x) "**Potential Bidder**" is defined in paragraph 17;

(y) "**Qualified Bid**" is defined in paragraph 22;

(z) "**Qualified Bidder**" is defined in paragraph 24;

(aa) "**Phase II Bid Deadline**" is defined in paragraph 26;

(bb) "**Phase II Qualified Bid**" is defined in paragraph 26;

(cc) "**Phase II Qualified Bidder**" is defined in paragraph 26;

(dd) **"Priority Charges**" is defined in paragraph 42;

(ee) **"Priority Obligations"** is defined in paragraph 42;

(ff) **"Proceedings"** is defined in paragraph 3;

(gg) "**Property**" means the property and assets of the Partnership as described in the CIM, and includes, for certainty, the shares of Intercontinental and Syndicate Partners;

(hh) "**Representative**" means a Person, each director, officer, employee, agent, Affiliate, manager, lender, solicitor, accountant, professional advisor, consultant, contractor and other representative of such Person or such Person's Affiliates;

(ii) "**Sale Transaction**" is defined in paragraph 4;

(jj) "**SA Process**" is defined in paragraph 4;

(kk) "**SA Process Order**" is defined in paragraph 5;

(ll) "**SAP Transaction**" is defined in paragraph 4;

(mm) "**Successful Bid**" and "**Successful Bidder**" are defined in paragraph 29;

(nn) "**Teaser Letter**" is defined in paragraph 13(a);

(oo) "**Transaction Price**" means the consideration payable under a SAP Transaction.

9. For the purposes of this SA Process:

(a) words signifying the singular number include the plural and *vice versa*, and words signifying gender include all genders, and the use of the words "including" or "includes" is to be construed as meaning "including, without limitation" or "includes, without limitation", respectively;

(b) references to paragraphs are to be construed as references to paragraphs of this SA Process unless otherwise specified, references to time of day or date mean the local time or date in the City of Calgary in the Province of Alberta, and references to dollars, monetary amounts or to C$ are expressed in Canadian currency; and

(c) the time periods within which or following which any action is to be taken will be calculated by excluding the day on which the period begins and including the day on which the period ends, and if the last day of a time period is not a Business Day, the time period will end on the next Business Day.

C. ADMINISTRATION AND PREPARATION OF THE SA PROCESS

Administration of SA Process

10. The Financial Advisor shall administer the SA Process subject to the supervision and direction of the Monitor, and the Companies will be entitled to participate in the SA Process in the manner provided for herein and is entitled to receive all information relating to the SA Process.

11. The activities of the Financial Advisor and Monitor hereunder shall be subject to the overall control of the *CCAA* Court. In the event that there is disagreement as to the interpretation or application of this SA Process, the *CCAA* Court will have jurisdiction to hear and resolve such disagreement.

12. The Financial Advisor, the Companies and the Monitor will each use their reasonable efforts to complete the SA Process in accordance with the timelines set out herein. The Monitor, using its reasonable business judgment, may make adjustments to the timeline that it determines are reasonably necessary.

Preparation for Launching of SA Process

13. As soon as reasonably practicable following the Commencement Date, the Financial Advisor shall prepare, in consultation with the Monitor and the Companies:

(a) a process summary (the "**Teaser Letter**") outlining the process under the SA Process and inviting recipients of the Teaser Letter to express their interest in the Property or Business pursuant to the SA Process;

(b) a non-disclosure agreement in form and substance satisfactory to the Monitor and the Companies (a "**NDA**");

(c) a list of Persons potentially interested in submitting bids under the SA Process including: (i) Persons that have approached, the Financial Advisor or the Monitor indicating an interest in the SAP Transaction; and (ii) local and international strategic and financial parties who the Financial Advisor, in consultation with the Monitor and the Companies, believe may be interested in a possible Investment

Transaction or Sale Transaction (such Persons being, collectively, the "**Known Potential Bidders**"); and

(d) a confidential information memorandum ("**CIM**") setting out information with respect to the Business, Property and SA Process.

14. Concurrently with preparing the Teaser Letter, NDA and CIM, the Financial Advisor and the Monitor will gather and review all information, documentation and materials that may reasonably be required by Persons in carrying out due diligence in respect of the Companies, the Property, the Business and the Opportunities under the SA Process and deposit such information, documentation and materials in a secure, electronic data room (the "**Data Room**"), which will be maintained and administered by the Financial Advisor during the SA Process. The Companies and their Representatives shall provide all information, documentation, materials and assistance required by the Financial Advisor and the Monitor in connection with the preparation of the Teaser Letter, the list of Known Potential Bidders, the CIM and the Data Room, and in the due diligence process contemplated by paragraph 19.

15. The solicitation and initial due diligence phase of the SA Process shall also commence on the Commencement Date whereupon:

(a) the Financial Advisor will issue a press release setting out the information contained in the Teaser Letter and such other relevant information that the Monitor considers appropriate;

(b) the Financial Advisor shall cause a notice of the SA Process to be posted on the Financial Advisor's website and published in the Calgary Herald, Edmonton Journal, National Post or Globe and Mail, Daily Oil Bulletin, Oil and Gas Investments Bulletin, and Insolvency Insider once approved by the *CCAA* Court; and

(c) the Financial Advisor shall send the Teaser Letter and NDA to all Known Potential Bidders and to any other Person who requests a copy of the Teaser Letter and NDA or who is identified to the Financial Advisor, the Companies or the Monitor as a potential bidder as soon as reasonably practicable after such request or identification, as applicable.

16. The Monitor, in consultation with the Companies, shall prepare and provide to the Financial Advisor word versions of the form of a purchase and sale agreement for Property pursuant to a Sale Transaction and the form of an investment agreement pursuant to an Investment Transaction (each a "**Form of Definitive Agreement**") and the Financial Advisor shall deposit the Forms of Definitive Agreement into the Data Room. A Bidder shall be permitted to modify or revise a Form of Definitive Agreement, or submit its own form of a purchase and sale agreement or an investment agreement, as the case may be, for the purposes of submitting a Bid in the SA Process.

D. MARKETING, SOLICITATION AND DUE DILIGENCE

Potential Bidders and Participating Bidders

17. Any Person who wishes to participate in the SA Process (a "**Potential Bidder**") must, prior

to being provided with a copy of the CIM, being given access to the Data Room, or being permitted to carry out due diligence contemplated by paragraph 19, provide to the Financial Advisor the following:

(a) written confirmation of the identity of the Potential Bidder, including the direct and indirect principals of the Potential Bidder;

(b) the contact information for such Potential Bidder; and

(c) a NDA duly executed and delivered by the Potential Bidder,

whereupon, so long as the disclosure in paragraph 17(a) is acceptable to the Financial Advisor and the Monitor, such Potential Bidder will be qualified to participate in the SA Process, will be provided with a copy of the CIM and will be given access to the Data Room (the Potential Bidder, upon being qualified, shall be referred to as a "**Participating Bidder**").

18. At any time during the SA Process, the Monitor may, acting reasonably, eliminate a Participating Bidder from the SA Process, in which case the Monitor shall provide its reasons for the elimination to the Financial Advisor, the Companies, and such Participating Bidder, and such Participating Bidder shall cease to have access to the Data Room, shall not be permitted to make a Qualified Bid, and shall return to the Monitor all Confidential Information in accordance with the NDA.

Due Diligence

19. The Financial Advisor will afford each Participating Bidder with such reasonable access to due diligence materials and any other information relating to the Companies, the Property and Business that it deems appropriate, in consultation with the Companies and the Monitor, either through the Data Room, management presentations, on-site inspections or otherwise and with such participation as is required by the Monitor. The Financial Advisor will designate a representative to coordinate all such requests for additional information and due diligence access by Bidders and advise the Bidders of the manner in which such requests must be communicated.

20. If the Monitor, in consultation with the Companies, determine that information or due diligence material is proprietary or commercially sensitive, and its disclosure to a particular Bidder could be harmful to the Business, the Monitor in consultation with the Companies, may direct that such Bidder not have access to such information or due diligence material, whereupon such Bidder shall not have such access.

E. BIDDING PROCEDURES

Phase I Bid Deadline

21. A Participating Bidder who wishes to pursue a SAP Transaction further must deliver to the Monitor and Financial Advisor at the addresses specified on **Schedule "A"** an executed non-binding letter of intent (a "**Letter of Intent**") by no later than 5:00 PM (Mountain Time) on **COMMENCEMENT DATE PLUS 40 DAYS** (such date, or any extended date pursuant to paragraph 24, being the "**Phase I Bid Deadline**").

22. In order for a Letter of Intent to be a qualified bid under this SA Process (such qualified Letter of Intent being a "**Qualified Bid**"), the Letter of Intent and Participating Bidder shall comply with the following requirements:

(a) the Letter of Intent shall be received by the Monitor and Financial Advisor by no later than the Phase I Bid Deadline;

(b) the Letter of Intent shall state whether the SAP Transaction is a Sale Transaction or an Investment Transaction and describe the anticipated structure of the SAP Transaction;

(c) in the case of a Sale Transaction:

(i) the Letter of Intent shall set out the Transaction Price in Canadian dollars and a description of any liabilities to be assumed;

(ii) if a Participating Bidder wishes to acquire Property owned by more than one Company, the Transaction Price must be allocated for such Property between the relevant Companies; and

(iii) the Letter of Intent shall describe the Property to be purchased and any excluded Property, obligations or liabilities;

(d) in the case of an Investment Transaction:

(i) the Letter of Intent shall describe the aggregate amount of the equity and/or debt investment to be made in the Business in Canadian dollars;

(ii) if the Investment Transaction relates to more than one Company, the Transaction Price must be allocated between the relevant Companies;

(iii) if a plan of compromise and arrangement and/or plan of arrangement is required in connection with such Investment Transaction, a summary of the proposed terms, provisions and conditions thereof; and

(iv) the Letter of Intent shall set out the *pro forma* capital structure and the underlying assumptions relating to such capital structure;

(e) the Letter of Intent for either a Sale Transaction or an Investment Transaction shall contain acknowledgments by the Participating Bidder that:

(i) the Participating Bidder has had the opportunity to conduct any and all due diligence regarding the Property, Business and the Companies prior to making the Binding Offer;

(ii) the Participating Bidder has relied solely upon its own independent review, investigation and/or inspection of any information, documents or other matters and the Companies, the Business and the Property;

(iii) the Participating Bidder did not rely upon any written or oral statements, representations, warranties, or guarantees whatsoever made by the

Financial Advisor, the Companies or the Monitor, whether express, implied, statutory or otherwise, regarding the Business, Property, or the Companies, or the accuracy or completeness of any information provided in connection therewith, except as is expressly stated in the Letter of Intent;

(iv) the contemplated SAP Transaction shall be on an "as-is, where-is" basis; and

(v) the Participating Bidder is not entitled to exclusivity, any break fee or any reimbursement of expenses associated with submitting the Letter of Intent, conducting due diligence, negotiating a Definitive Agreement or otherwise participating in the SA Process;

(f) the Letter of Intent for either a Sale Transaction or an Investment Transaction shall provide information satisfactory to the Monitor of the financial capacity of the Participating Bidder to complete the Transaction contemplated by the Letter of Intent, and if debt or equity financing is required in order to complete such Transaction the Letter of Intent shall disclose the identity of the Person or Persons providing such financing, the quantum and structure of such financing, and evidence of the availability of such financing; and

(g) the Letter of Intent for either a Sale Transaction or an Investment Transaction shall contain:

(i) a description of all approvals required by the Participating Bidder in connection with the contemplated SAP Transaction;

(ii) a description of any closing conditions in favour of the Participating Bidder;

(iii) any other terms or conditions material to the contemplated SAP Transaction; and

(iv) any other information or terms requested by the Financial Advisor or the Monitor from time to time.

23. The Monitor, in consultation with the Companies, may waive compliance with one or more of the requirements in paragraphs 21 and 22, whereupon a Letter of Intent that does not comply with such requirements shall be deemed to be a Qualified Bid. If the Monitor is not satisfied with the number of Letters of Intent received or their terms, the Monitor may extend the Bid Deadline, to a date determined by the Monitor, in consultation with the Companies, whereupon the Phase I Bid Deadline shall be deemed to be extended to such date and the Financial Advisor shall notify the Participating Bidders of the requirements that must be satisfied in order for the Monitor to be satisfied with the Qualified Bids.

24. Following the Phase I Bid Deadline, in consultation with the Financial Advisor, the Monitor shall determine whether a Letter of Intent is a Qualified Bid. As soon as reasonably practicable following the determination that a Letter of Intent is a Qualified Bid, the Financial Advisor shall give written notice to the applicable and the Participating Bidder (such Participating Bidder thereafter being a "**Qualified Bidder**") of such determination.

Phase II Bid Deadline

25. Qualified Bidders must submit qualified binding bids ("**Qualified Phase II Bids**") in the form of a Definitive Agreement (as defined below) by no later than **COMMENCEMENT DATE PLUS 70 DAYS** ("**Phase II Bid Deadline**") and any such Qualified Bidder shall thereafter become a "**Qualified Phase II Bidder**" upon submission of the Definitive Agreement to the Monitor and notification by the Monitor or the Financial Advisor that such Definitive Agreement has been accepted as a Qualified Phase II Bid.

26. The applicable form of Definitive Agreement (such definitive agreement being a "**Definitive Agreement**"), which for greater certainty, in addition to the matters contemplated by paragraphs 22(e)(i) to (iii) and (v), shall include the following:

(a) the SAP Transaction contemplated by the Definitive Agreement will be on an "as is, where is" basis and without surviving representations, warranties, covenants or indemnities of any kind, nature, or description by the Companies, the Monitor, the Financial Advisor or any of their respective Representatives including with respect to the accuracy or completeness of the information contained in the CIM, the Data Room or otherwise made available pursuant to the SA Process or otherwise, except to the extent expressly contemplated in the Definitive Agreement including any of the following;

(i) a fully binding and definitive agreement (subject only to Court approval), duly authorized and executed, setting out the terms and conditions of the proposed SAP Transaction, including the aggregate amount of the proposed equity and debt investment, assumption of debt, if any, financing and details regarding the proposed equity and debt structure of the Company following completion of the proposed transaction; or

(ii) a fully binding and definitive agreement (subject only to Court approval), duly authorized and executed purchase and sale agreement, together with all exhibits and schedules thereto, and such ancillary agreements as may be required with all exhibits and schedules thereto;

(iii) the Definitive Agreement is irrevocable for a minimum of thirty-five (35) days following the Phase II Bid Deadline;

(iv) it is not conditional on (a) the outcome of unperformed due diligence and/or (b) obtaining any credit, capital or other form of financing;

(v) is accompanied by a refundable deposit (the "**Deposit**") in the form of a wire transfer (to a trust account specified by the Monitor), payable to the Monitor in trust, in an amount equal to ten percent (10%) of the total consideration to be paid, including the cash consideration, the amount to be financed or invested, and/or the amount of debt to be assumed and to be paid pursuant to the Qualified Phase II Bid, to be held and dealt with in accordance with these SA Process Procedures;

(vi) it includes written evidence of a firm and irrevocable commitment for all required funding and/or financing from a creditworthy Person to consummate the proposed SAP Transaction;

(vii) it fully discloses the identity of each Person that is bidding or that will otherwise be sponsoring or participating in the Qualified Phase II Bid, including the identification of the Qualified Phase II Bidder's direct and indirect owners and their principals and the full and complete terms of any such participation;

(viii) it includes evidence, in form and substance reasonably satisfactory to the Monitor, of compliance or anticipated compliance with any and all applicable regulatory approvals, the anticipated time frame for such compliance and any anticipated impediments for obtaining such approvals; and

(ix) such other information reasonably requested by the Monitor, in consultation with the Financial Advisor; and

(b) the effectiveness of the Definitive Agreement and the completion of the SAP Transaction contemplated thereby shall be conditional upon their approval by the *CCAA* Court.

27. Following the Phase II Bid Deadline, the Monitor in consultation with the Financial Advisor will assess the Qualified Phase II Bids on the basis of their respective terms and provisions, the amount and form of payment of the Transaction Prices thereunder, any conditions to the completion of the SAP Transaction therein and the probability of such conditions being satisfied, the probability and time-frame within which such Transaction can realistically be completed, the identity and financial capacity of the Qualified Phase II Bidders submitting the Qualified Phase II Bids and of any Persons with a direct and indirect interest therein, if the completion of any such SAP Transactions require debt or equity financing, the probability of completing such financings, and any other factors that the Monitor considers relevant to its assessment.

28. At any time and from time to time, the Monitor and the Financial Advisor may negotiate the terms of any Qualified Phase II Bid and such Qualified Phase II Bid may be amended, modified or varied as a result of such negotiations.

29. The Monitor shall determine with the advice and assistance of the Financial Advisor whether any of the Qualified Phase II Bids are the highest or best Qualified Phase II Bids in respect of one or more of the Companies or some or all of the Businesses and Property (any such Qualified Phase II Bid being a "**Successful Bid**" and the Bidder thereunder being the "**Successful Bidder**") based on its assessments and negotiations contemplated by paragraphs 28 and 29.

30. For greater certainty, the Monitor shall have no obligation to accept the highest or any Qualified Phase II Bid. Where there are multiple Qualified Phase II Bids for different Property or that relate to different Companies, the Monitor with the advice and assistance of the Financial Advisor can designate one or more such Qualified Phase II Bids as Successful Bids and negotiate such amendments to any Qualified Phase II Bids as are necessary.

31. Upon the selection of a Successful Bid, the Successful Bidder shall have ten (10) Business Days within which to negotiate and settle any of the terms of the Definitive Agreement with the Monitor.

32. Once a Successful Bid is determined pursuant to paragraph 30:

(a) if the Successful Bid is in respect of a Sale Transaction, the Monitor shall apply to the *CCAA* Court for an order, *inter alia*, approving the Successful Bid and the Sale Transaction contemplated thereby and vesting upon the satisfaction or waiver of the conditions in the Successful Bid of all of the right, title and interest of the Companies in any Property purchased thereunder in the Successful Bidder, free and clear of any mortgages, charges, security interests or other encumbrances identified therein other than those permitted under the Successful Bid; and

(b) if the Successful Bid is in respect of an Investment Transaction, the Monitor shall apply to the *CCAA* Court for such Orders, and to take such steps as are necessary or desirable, in order to implement such Investment Transaction including pursuant to any plan of compromise and arrangement or plan of arrangement provided for therein,

(any such Order being an "**Approval Order**").

G. DEPOSITS

33. All Deposits shall be retained by the Monitor in a non-interest bearing trust account with a bank in Canada. If there is a Qualified Phase II Bid that constitutes a Successful Bid, the Deposit paid by the Person making such Successful Bid shall be applied to the consideration to be paid by such Person upon closing of the SAP Transaction constituting the Qualified Phase II Bid.

34. The Deposit(s) of all Persons not making the Qualified Phase II Bid that constitutes a Successful Bid shall be returned to such Persons within five (5) Business Days of the earlier of the date that the Court approves a Successful Bid.

25. If the Person making a Qualified Phase II Bid selected as the Successful Bid breaches or defaults on its obligation to close the transaction in respect of Successful Bid it shall forfeit its Deposit to the Monitor for and on behalf of the Companies; provided however that the forfeit of such Deposit shall be in addition to, and not in lieu of, any other rights in law or equity that the Companies has in respect of such breach or default.

36. If the Companies are unable to complete the Successful Bid as a result of their own actions and not as a result of steps or conditions contained in the Successful Bid (or the actions of the Successful Bidder) than the Deposit shall be returned to the Successful Bidder.

H. GENERAL

33. Except as otherwise permitted herein, participants and prospective participants in the SA Process shall not during the SA Process be permitted to receive any information that is not made generally available to all participants relating to the number or identity of Potential Bidders or Bidders, the details of any Letters of Intent, Qualified Bids, Qualified Phase II Bids or of any confidential discussions or correspondence between the Monitor, the Financial Advisor and/or the Companies and any Potential Bidders, Bidders or Qualified Bidders in connection with the SA Process.

34. All discussions relating to any Letters of Intent, Qualified Bids, or Qualified Phase II Bids shall be directed through the Financial Advisor and/or the Monitor.

35. This SA Process does not, and will not be interpreted to create any contractual or other legal relationship between the Companies, the Monitor or the Financial Advisor and any Potential Bidder, Bidder, Qualified Bidder, Qualified Phase II Bidder or other Person other than as specifically set forth in any Definitive Agreement, which may be signed by the Monitor for and on behalf of the Companies.

36. Without limiting paragraph 35, neither the Monitor nor the Financial Advisor shall have any liability whatsoever to any person or party, including without limitation, any Potential Bidder, Bidder, Successful Bidder or any creditor or other stakeholder of the Companies for any act or omission related to the process contemplated by this SA Process procedure, except to the extent such act or omission is the result of gross negligence or willful misconduct by the Monitor or Financial Advisor. By submitting a Letter of Intent, Binding Offer, Qualified Phase II Bid or Definitive Agreement Bid, each Qualified Phase II Bidder shall be deemed to have agreed that it has no claim against the Monitor or Financial Advisor for any reason whatsoever, except to the extent such claim is the result of gross negligence or willful misconduct of the Monitor or Financial Advisor.

37. Potential Bidders and Bidders are responsible for all costs, expenses and liabilities incurred by them in connection with the submission of any Letter of Intent or Bid, or any due diligence, negotiations or other actions in the SA Process whether or not they lead to the consummation of a SAP Transaction.

38. The Monitor shall have the right to modify the SA Process if, in its reasonable business judgment in consultation with the Financial Advisor and the Companies, such modification will enhance the process or better achieve the objectives of the SA Process, provided that the service list in these *CCAA* proceedings shall be advised of any substantive modification to the procedures set forth herein.

I. DISCLOSURE OF INFORMATION

39. Subject to paragraph 40, the Companies and Crown Capital shall have full and complete access to all Qualified Bids, Qualified Phase II Bids and related materials and the Monitor, in consultation with the Financial Advisor, shall periodically update the Companies and Crown Capital on the SA Process and the prospect of a Successful Bid being completed thereunder.

40. Crown Capital is deemed to be a Potential Bidder in accordance with paragraph 17 hereof, and Crown Capital shall not have access to Qualified Bids or Qualified Phase II Bids or related materials and shall not receive updates from the Monitor on the SA Process or on the prospect of a Successful Bid being completed thereunder, unless and until Crown Capital confirms to the Monitor that it intends to and does submit a standing offer that is not subject to any further changes or increases in the amounts set out therein.

Credit Bid

41. Crown Capital shall be entitled to participate in this SA Process as a credit bidder (the "**Credit Bidder**"), provided that any credit bid submitted by Crown Capital must be for the entire sum of the Amounts Outstanding (as defined in the SA Process Order).

42. For the purposes of any credit bid submitted by a Credit Bidder, such Credit Bidder shall be entitled to credit all or any portion of its security as part of its bid but must either (a) irrevocably pay, in cash and in full, all of the obligations in priority (the "**Priority Obligations**") to the Credit Bidder's debt, including for reference any amounts that are priority charges (the "**Priority Charges**") under the Proceedings (the Administration Charge, Interim Financing Charge and the Directors' Charge); or (b) assume or otherwise satisfy any of the Priority Obligations on terms and conditions acceptable to the beneficiary of the security for such Priority Obligations (except for the Administration Charge and the Directors' Charge, which must be paid in cash and in full if there are amounts owing on them at the conclusion of the Proceedings).

43. Any credit bid shall be accompanied by a refundable Deposit in the form of a wire transfer (to a trust account specified by the Monitor), payable to the Monitor in trust, in an amount equal to ten percent (10%) of the total cash consideration to be paid pursuant to the credit bid and the amount of the Priority Obligations to be assumed (except if such amounts have been advanced by the Credit Bidder to the Companies, then no deposit is required to be paid for those amounts that form part of the credit bid). Any such Deposit is to be held by the Monitor and dealt with in accordance with these SA Process Procedures.

Schedule "A"

Financial Advisor

Peters & Co. Limited

Email:
Attention:

Monitor

BDO Canada Limited
110, 5800 – 2nd Street SW
Calgary, AB T2H 0H2

Email: makelly@bdo.ca
Attention: Marc Kelly

Wire Transfer Instructions of Monitor

APPENDIX “B”

PETERS & CO. LIMITED

2300 Jamieson Place
308 Fourth Avenue SW
Calgary, AB T2P 0H7
Tel: (403) 261 - 4850
www.petersco.com

PRIVATE & CONFIDENTIAL

January 14, 2021

Triple Five Worldwide Group of Companies
Suite 3600, 700 2nd Street SW
Calgary, AB T2P 2W2

ATTENTION: **Mr. Ryan Martin**
President

Dear Sir:

Peters & Co. Limited ("**Peters & Co.**" or the "**Financial Advisor**", "**we**", "**us**", or "**our**") understands that Triple Five Worldwide Group of Companies ("**Triple Five**" or the "**Company**") and its board of directors ("**Board**") wishes to retain Peters & Co. to provide financial advisory and related services, including assistance in identifying and evaluating potential strategic transactions which may include a negotiated combination of the Company's business and operations by means of a take-over, merger, sale, recapitalization, arrangement, amalgamation; or a sale of assets, or any combination thereof; or a retirement of all or a majority of the Net Indebtedness (as defined herein) of the Company; in each case involving another oil and natural gas company or other entity (collectively, a "**Prospective Offeror**") (any such transaction or any combination thereof is hereinafter referred to as a "**Transaction**").

1. Engagement

Subject to the terms of this Engagement Agreement, we will be the financial advisor to the Company with respect to any Transaction during the term of our engagement hereunder and in that capacity we will provide financial advice and related advisory services (the "**Financial Advisory Services**") to the Company during the term hereof in connection with such matters as the Company may request, including:

(a) review and analyze available information regarding the Company's operations and financial results;

(b) identify, screen and contact Prospective Offerors approved by the Board regarding the opportunity to review a potential Transaction;

(c) co-ordinate the execution of confidentiality agreements between the Company and Prospective Offerors;

(d) assist the Company in managing access to data rooms for select Prospective Offerors;

(e) review and evaluate alternative strategies and structures for completing a Transaction;

(f) assist in developing an appropriate negotiation strategy to facilitate a Transaction and, to the extent requested by the Company, assist in negotiating the terms and structure of a Transaction with Prospective Offerors;

(g) solicit Transaction proposals from Prospective Offerors and assist in the selection of the Prospective Offeror with which to negotiate a definitive transaction;

(h) assist with the gathering, exchange and analysis of information for certain due diligence purposes;

(i) assist, as required by the Company, in conducting due diligence with respect to a Prospective Offeror and a Transaction proposed by any Prospective Offeror if and as required, which may include a review of information relating to the business, operations, assets, financial performance and securities of a Prospective Offeror;

(j) at the request of the Board, preparing a presentation to the Board and/or senior management of the Company indicating the view of the Financial Advisor with respect to matters relevant to a Transaction and the appropriate structure thereof;

(k) assisting the Company in the preparation of all public disclosure materials including agreements, circulars, press releases and other public or shareholder communications in connection with a Transaction; and

(l) perform other tasks as mutually agreed to by the Financial Advisor and the Company.

Nothing described in this paragraph shall require Peters & Co. to prepare and deliver a formal valuation of the Company or any of the shares, options, securities, assets or business divisions of the Company or any Prospective Offeror within the meaning of or for the purposes of compliance by the Company with Multilateral Instrument 61-101.

The Financial Advisor understands that the Company shall have the sole discretion to determine whether to engage in a Transaction and to approve the terms and conditions thereof, and in particular understands that the decision by the Company to enter into a Transaction will be subject to the approval of the Company and the Board.

In the event that the Company or its management or directors receive any inquiry, including any unsolicited inquiries, concerning a Transaction they will within a reasonable time frame inform the Financial Advisor of such inquiry so that the Financial Advisor can assist the Company as requested by the Board.

In the event that the Financial Advisor receives any inquiry with respect to a Transaction proposal, we will promptly inform the Board of such inquiry and will not pursue or participate in any negotiations respecting such proposal without the prior consent of the Board.

The Financial Advisor agrees that it will keep its retainer hereunder confidential, and that it will not contact any Prospective Offeror except as instructed by the Board.

In the event that, at any point during the term of our engagement (or during the Post Completion Period, defined herein) the Company enters into any Court supervised / monitored process to effect a sale of its assets or consider, in any fashion, a settlement or compromise of amounts owing to creditors, the Company will make all reasonable efforts for Peters & Co. to be re-engaged as an advisor or sales agent through such process.

2. Access to Information

The Financial Advisor shall be provided, on a timely basis, with copies of or access to all relevant data and information (financial or otherwise) that is available or becomes available to the Company relating to the Company, including without limitation, financial history, position and condition, results of operations, assets, plans and business activities, including copies of such reports and valuations of management, independent consultants or others concerning the securities or assets of the Company as may be available and all contracts entered into by them which are material to their businesses or operations, all as the Financial Advisor may reasonably request. In addition, the Company will make available to the Financial Advisor such access to the directors, officers and employees of the Company and its advisors as the Financial Advisor may deem necessary (acting reasonably) to perform its services hereunder.

Until completion of a Transaction, the Financial Advisor shall be provided on a timely basis with copies of all information and documentation, including final copies of all documents or other material filed or to be filed by the Company with any securities commission, stock exchange or regulatory authority, domestic or foreign, respecting a Transaction.

The Company acknowledges and agrees that the ability of the Financial Advisor to provide the Financial Advisory Services hereunder is dependent upon, among other things, all relevant data and information being made available to us and to our being provided with access to the Company and other relevant parties including directors, officers, employees, and consultants to the Company.

Subject to the exercise of the Financial Advisor's professional judgement, the Financial Advisor shall be entitled to rely upon and assume the completeness, accuracy and fair presentation of all information provided to the Financial Advisor by the Company or other relevant information relating to the Company which has been or may be released by the Company to the public or provided to the Financial Advisor by the Company's management, counsel, consultants, auditors and other advisors. Subject to the exercise of the Financial Advisor's professional judgement, the Financial Advisor shall be entitled to assume that any projections to be provided to us by the Company or its advisors were prepared using assumptions identified therein and that such assumptions were reasonable at the time of preparation.

The Financial Advisor shall also be entitled to assume, without independent investigation by it, that each of the Company and any Prospective Offeror have title to their respective assets and properties, subject to only those encumbrances, rights and other claims that have been disclosed to us. The Financial Advisor will also be entitled to assume that the tax position of the Company and any Prospective Offeror and the tax consequences of the Transaction are as represented to the Financial Advisor.

Subject to the exercise of the Financial Advisor's professional judgement, the Financial Advisor shall be under no obligation to attempt to verify independently or investigate the accuracy or completeness of the information provided pursuant to this section 2 and the Financial Advisor shall be under no obligation to investigate changes which may occur in such information during or subsequent to the provision of the Financial Advisory Services.

3. Representations and Warranties

To the best of its knowledge, Triple Five hereby represents and warrants to the Financial Advisor on behalf of the Company, that the information concerning the Company and a Transaction provided or to be provided

to the Financial Advisor, directly or indirectly, orally or in writing, by the Company, or its agents and advisors in connection with the engagement hereunder will be accurate and complete in all material respects and will not be misleading in any material way, will not contain any misrepresentation (as defined in the *Securities Act* (Alberta)) and will not omit to state any fact or information which might reasonably be considered material to the Financial Advisory Services provided hereunder or a Transaction. Triple Five further represents and warrants to the Financial Advisor that all information released to the public by the Company (including, without limitation, press releases, circulars and financial statements) was true, correct and complete in all material respects and did not contain any misrepresentation (as defined in the *Securities Act* (Alberta)), as of the respective dates of such information or statements and no material change (as defined in the *Securities Act* (Alberta)) has occurred in relation to the Triple Five which has not been publicly disclosed. We acknowledge that some of the information which has been or will be publicly disclosed contains forward looking statements that will be subject to risks and uncertainties.

4. Notice of Changes in Information

The Company agrees to advise the Financial Advisor promptly of any material event or material change in the business, affairs, condition (financial or otherwise) or prospects of the Company that occurs during the term of the engagement hereunder. In addition, the Company agrees to allow the Financial Advisor and advisors thereto a reasonable period to review and comment upon all publicly available documentation concerning a Transaction that names the Financial Advisor.

5. Requests of Regulatory Authorities

The Company shall advise us promptly after it has received any communication from, or request by, any securities commission, stock exchange or regulatory authority, domestic or foreign, for any information, meeting or hearing relating to the Company, the Financial Advisory Services or a Transaction, or of the issuance or threatened or contemplated issuance of any cease trading order or restraining order or of the initiation of any meeting, hearing, proceeding, litigation or investigation by any regulatory, administrative or other governmental or public body or authority or any court with respect to the Company or a Transaction.

6. Fees and Expenses

For the purposes of this agreement ("**Engagement Agreement**"):

"**Net Indebtedness**" is defined to include (without duplication) as it relates to the Company, the aggregate principal amount of any indebtedness for money borrowed, any working capital deficiency, any lease liabilities, and any obligations, guarantees, claims, debt securities, and/or other liabilities of the Company and all severance and bonuses payable upon change of control, any net liability (or asset) created from the mark to market of financial instruments and shall be net of cash and cash equivalents (as defined on the Company's balance sheet) and net of the proceeds from the exercise of all vested "in-the-money" stock options, performance warrants or other convertible securities;

"**Post Completion Period**" is defined as the period ending twelve (12) months following the expiry of this Engagement Agreement, provided that the Post-Completion Period will not exist if this Engagement Agreement is terminated by Peters & Co. or if Peters & Co. is unwilling or unable to act as the Company's financial advisor; and

"**Transaction Value**" is defined as the aggregate market value of any cash consideration and/or non-cash consideration received for, or attributed to, the shares or assets of the Company pursuant to a Transaction, calculated on a fully-diluted basis (the number of shares taken after giving effect to the exercise of all vested "in-the-money" stock options, performance warrants or other convertible securities), plus the amount of "Net Indebtedness" assumed by the acquiror or merged company; or the aggregate Net Indebtedness retired through the completion of the Transaction.

In consideration of the Financial Advisor providing the Financial Advisory Services hereunder, the Company agrees to compensate the Financial Advisor in the manner outlined below:

(a) **Work Fee:** Triple Five will pay a work fee ("**Work Fee**") to the Financial Advisor in the amount of [redacted] payable on execution of this Engagement Agreement, and successive installments of [redacted] payable on each monthly anniversary for three additional months, for a total Work Fee of [redacted] Payment of the Work Fee is not contingent on the closing of a Transaction; [redacted] of the Work Fee will be credited against any Transaction Fee (defined below) paid to the Financial Advisor;

(b) **Transaction Fee:** If during the term of our engagement (or during the Post Completion Period, defined herein) the Company or a Prospective Offeror announces a Transaction which is subsequently completed, the Company shall pay to Peters & Co. a transaction fee ("**Transaction Fee**") equal to [redacted] of the Transaction Value;

(c) **Break Fee:** In the event that the Company enters into a Transaction during the term of our engagement (or during the Post Completion Period in the circumstances described below in this Section 6) that is subsequently terminated and Triple Five receives a break-up, non-completion, termination, or similar fee or payment (including any judgment for damages or amount in settlement of any dispute as a result of such termination (a "**Non-Completion Fee**"), a fee equal to [redacted] of such Non-Completion Fee (the "**Break Fee**") will be payable in cash on the third business day after the date that such Non-Completion Fee is received by Triple Five. The Break Fee is not to be paid in addition to any Transaction Fee, and the maximum Break Fee payable in any circumstance may not be higher than the Transaction Fee that would otherwise be payable to Peters & Co. pursuant to this Engagement Agreement had the Transaction (that was the subject of the agreement that was terminated) been completed; and

(d) **Expenses:** In addition to the foregoing compensation, the Company shall reimburse us (or cause us to be reimbursed) for our reasonable out-of-pocket expenses, including, without limiting the generality of the foregoing, virtual data room, long distance telephone, telecopier, courier, printing and travel expenses and the reasonable costs of any outside professional services including engineers, accountants and the fees and disbursements of our counsel, incurred by us in providing services hereunder. The out-of-pocket expenses will be limited to [redacted] unless prior notice is provided to the Company and such additional expenses are approved in advance by Triple Five. The out-of-pocket expenses are payable regardless of whether a Transaction is completed.

All or part of the amounts payable pursuant to this letter may be subject to Goods and Services Tax ("**GST**"). Where GST is applicable, an additional amount equal to the amount of GST owing will be charged to the Company.

The Transaction Fee shall be payable to the Financial Advisor in respect of any Transaction announced during the term of its engagement hereunder, or in respect of the announcement of any Transaction within the Post Completion Period (as defined below) where a Transaction is subsequently completed.

In the event that the consideration paid or received in a Transaction as referred to in or contemplated by this letter is in whole or in part in the form of securities, the value of such securities, for purposes of calculating the Transaction Fee, shall be the fair market value thereof at the close of business on the day prior to the announcement of such Transaction, as determined by the Company and the Financial Advisor, acting reasonably, provided however that if such securities have an existing public trading market, the value thereof shall be determined by the weighted average trading price of the sale prices for such securities in the principal trading market for such securities during the twenty trading days immediately prior to the first announcement of a Transaction. In the event that the consideration paid or received in a Transaction is in the form of securities or cash, at the option of the Company's shareholders, the Transaction Value will be calculated using the cash consideration, adjusted for any pro-ration as a result of a maximum placed on the amount of cash to be paid pursuant to such Transaction and under the assumption that all shareholders select the cash option. The foregoing calculation of Transaction Value will reflect the effect of any limits on maximum proportions of cash or non-cash elements of an offer, if applicable. The value of the securities referred to herein shall be appropriately adjusted to reflect any stock split, stock dividend, recapitalization or similar transaction occurring prior to such Transaction for which a fee is to be calculated.

Except to the extent otherwise provided in this Engagement Agreement, the Transaction Fee payable to us shall be paid in cash: (i) in respect of a take-over bid, on the earliest date that a party takes up and pays for any securities acquired pursuant to such offer which together with any securities already held by such party constitute at least [redacted] (on a fully diluted basis) of the securities of the Company entitled to vote under all circumstances; and (ii) in respect of any other Transaction, on the closing date of such Transaction.

The Company acknowledges and agrees that if any additional services in connection with a Transaction or otherwise are requested and provided by the Financial Advisor that are beyond the scope of the engagement provided herein, the terms and conditions relating to such services will be outlined in a separate agreement and the fees for such services shall be as agreed to between the Company and the Financial Advisor and shall be in addition to the fees payable hereunder.

7. Indemnity

Triple Five agrees to indemnify and hold the Financial Advisor and each and every one of its respective directors, officers, employees, shareholders, partners and agents (in the case of the Financial Advisor's agents, only those agents identified by the Financial Advisor to the Company during the terms of the Engagement Agreement) (the **"Personnel"**) harmless from and against any and all fees, costs, expenses, losses, claims, actions, damages, fines, penalties or liabilities of any nature whatsoever, joint or several, (including the aggregate amount paid in reasonable settlement of any actions, suits, proceedings or claims that may be made against or involve the Financial Advisor or the Personnel and the reasonable fees and expenses of its or their counsel provided that no settlement shall be made without the prior written consent of Triple Five which shall not be unreasonably withheld) to which the Financial Advisor and/or the Personnel may become subject or otherwise, but excluding loss of profits or similar losses, insofar as such fees, costs, expenses, losses, claims, actions, damages, fines, penalties, or liabilities arise out of or are based, directly or indirectly, on the services provided by the Financial Advisor, or the Personnel hereunder or otherwise incurred in connection with providing the Financial Advisory Services or in connection with a

Transaction, provided, however, that this indemnity shall not apply to the extent that a court of competent jurisdiction in a final judgement that has become non-appealable shall determine that the fees, costs, expenses, losses, claims, actions, damages, fines, penalties or liabilities as to which indemnification is claimed, were caused by a breach of this Engagement Agreement by the Financial Advisor or its Personnel as applicable, or the bad faith, negligence or wilful misconduct of the Financial Advisor or the Personnel, as applicable.

Triple Five will not, without the prior written consent of the Financial Advisor, settle, compromise or consent to any judgement or decision in any proceeding in respect of which indemnification may be sought hereunder unless the settlement, compromise or consent includes a release of the Financial Advisor and the Personnel, as applicable, from all liability arising out of such proceeding.

If for any reason the foregoing indemnification is unavailable to the Financial Advisor or the Personnel, as applicable, other than for a breach of this Engagement Agreement, or the bad faith, negligence or wilful misconduct of the Financial Advisor or the Personnel, or is insufficient to hold it or them harmless, then Triple Five shall contribute to the amount paid or payable by the Financial Advisor or the Personnel, as applicable, as a result of such fees, costs, expenses, losses, claims, damages, fines, penalties or liabilities in such proportion as is appropriate to reflect not only the relative benefits received by Triple Five on the one hand, and the Financial Advisor on the other hand but also the relative fault of Triple Five and the Financial Advisor, as well as any relevant equitable considerations, provided that in the aggregate, Triple Five shall not in any event contribute to the amount paid or payable by the Financial Advisor as a result of such fees, costs, expenses, losses, claims, damages, fines, penalties or liabilities, any excess of such amount over the amount of the fees received by the Financial Advisor hereunder.

Triple Five acknowledges that the Financial Advisor acts as trustee for any of the other parties entitled to indemnity hereunder, including the Personnel, of Triple Five's covenants under this indemnity and rights of contribution herein with respect to such persons and the Financial Advisor shall be entitled to enforce such covenants on behalf of such persons.

Within 10 business days of the date Triple Five receives notice from the Financial Advisor of the assertion of any claim against or on the commencement of any investigation or proceeding involving the Financial Advisor or any of the Personnel to which a right of indemnity exists hereunder, Triple Five may, and shall if requested to by the Financial Advisor or the Personnel, participate in such action, investigation or proceeding and assume the defense of any proceeding in respect of which indemnification may be sought hereunder, including employment of counsel of Triple Five's selection who are satisfactory to the Financial Advisor, acting reasonably, the fees and disbursements of which counsel shall be paid by Triple Five (in such proportion as is reflective of the relevant equitable contributions). The Financial Advisor and the Personnel shall have the right to participate and to retain their own counsel in any such investigation or proceeding. The fees and disbursements of such counsel shall be paid by the Financial Advisor, unless:

(a) Triple Five and the Financial Advisor and the Personnel, as applicable, have agreed in writing to the retention of such counsel and the payment of the fees, disbursements and other charges of such counsel by Triple Five;

(b) Triple Five shall not have assumed the defense of such action within a reasonable time (not to exceed 10 business days) after written notice of such investigation or proceeding has been received by Triple Five from the Financial Advisor or any of the Personnel, as applicable; or

(c) Triple Five and either the Financial Advisor or the Personnel, as applicable, are subject to the investigation or parties to the proceedings and counsel to the Financial Advisor or the Personnel as applicable, is of the opinion (expressed in writing and addressed to both the Financial Advisor and Triple Five) that the representation of them by the same counsel would be inappropriate due to, or could give rise to, actual or potential differing or conflicting interests between them.

in which cases the fees and disbursements of counsel to the Financial Advisor and/or the Personnel shall be paid by Triple Five (in such proportion as is reflective of the relevant equitable contributions), provided that, in no circumstances, will Triple Five be responsible or liable for the fees, disbursements or expenses of more than one separate law firm for all persons indemnified under this section 7, in respect of any action, investigation or proceeding arising out of the same general allegations or circumstances.

The Company agrees that, in case any legal proceeding shall be brought against the Company and/or the Financial Advisor and/or the Personnel by any governmental commission or regulatory authority in connection with the provision of the Financial Advisory Services or a Transaction and any of the Financial Advisor or the Personnel shall be required to testify in connection therewith or shall be required to respond to procedures designed to discover information regarding, in connection with, or by reason of the performance of professional services rendered hereunder to the Company by the Financial Advisor, the Financial Advisor and the Personnel shall have the right to employ their own counsel in connection therewith at such time as, in the reasonable opinion of counsel to the Financial Advisor (expressed in writing and addressed to both the Financial Advisor and the Company), a conflict of interest arises between the Company and the Financial Advisor and/or any of the Personnel and all parties cannot be adequately represented by the Company's counsel, in which case, the reasonable fees and expenses of such counsel shall be paid by Triple Five (in such proportion as is reflective of the relevant equitable contributions) as they occur, provided that, in no circumstances, will Triple Five be responsible or liable for the fees, disbursements or expenses of more than one separate law firm for all persons indemnified under this section 7, in respect of any proceeding arising out of the same general allegations or circumstances and provided further that Triple Five shall be entitled to recover from the Financial Advisor and its Personnel, as applicable, any amounts so paid, if it is later determined by a court of competent jurisdiction in a final judgment that has become non-appealable that the Financial Advisor breached this Engagement Agreement or acted in bad faith or negligently in respect of the matter giving rise to the foregoing legal proceeding or the Financial Advisor or any of its Personnel are determined to have acted negligently or engaged in wilful misconduct in respect of the matters giving rise to such legal proceeding. In addition, unless such investigation arises out of or is based, directly or indirectly, upon the Financial Advisor's or its Personnel breach of this Engagement Agreement, bad faith, negligence or wilful misconduct, Triple Five (in such proportion as is reflective of the relevant equitable contributions) will pay to the Financial Advisor reasonable consulting fees for the services of its professional staff in relation to such investigation based on the Financial Advisor's then prevailing per diem rate for such staff, together with its reasonable out-of-pocket expenses. Triple Five shall have the right to direct carriage of any legal proceeding contemplated herein from time to time and at all times subject to the right of the Financial Advisor and/or the Personnel to employ their own counsel at Triple Five's expense as provided herein and subject to the restrictions and limitations set forth herein.

The obligations of Triple Five hereunder in addition to any liabilities which Triple Five may otherwise have to the Financial Advisor or any of the Personnel, shall be binding upon and enure to the benefit of any successors, assigns, heirs or personal representatives of Triple Five, the Financial Advisor and any of the Personnel. The foregoing provisions shall survive completion of the professional services rendered under this Engagement Agreement or any termination hereof.

8. Confidentiality

We agree to keep all information provided to us hereunder in strict confidence during the term of our engagement and thereafter, and shall not, without the prior written consent of the Company (which consent may be withheld in the Company's sole discretion), use or disclose any of the same not otherwise in the public domain except:

(a) to our employees, who are subject to implied or written confidentiality covenants to us, and advisors who require access to the same, specifically for the purposes of this Engagement Agreement; and

(b) as and only to the extent as may be required by law or in connection with legal or regulatory proceedings,

provided that the foregoing shall not apply to information which may subsequently become public other than through breach by the Financial Advisor or the Personnel of their obligations hereunder or information disclosed to the Financial Advisor by third parties in respect of which such third parties are not under an obligation of confidentiality. We agree to be responsible and liable for any improper disclosure or use of confidential information by any of our Personnel.

Subject to the provisions hereof, any written or oral advice and opinions of the Financial Advisor, and any background or supporting materials or analyses, shall not be publicly disclosed or referred to or provided to any third party (other than the Company's advisors) by the Company without the prior written consent of the Financial Advisor except as required by applicable securities law requirements or the rules or policies of any regulatory authority. In addition, except as expressly provided herein, no public reference to the Financial Advisor or their engagement hereunder will be made for any reason whatsoever without the prior written consent of the Financial Advisor.

9. Term of Agreement

The term of this Engagement Agreement shall expire on the first to occur of termination of this engagement by either the Board or the Financial Advisor pursuant to section 10 hereof or December 31, 2021, unless extended by mutual agreement.

10. Termination

The engagement of the Financial Advisor hereunder may be terminated at any time by either party by providing written notice to the other party, and will automatically expire upon the closing of a Transaction, subject to the payment of any fees and expenses owing or that may become owing to the Financial Advisor under section 6 hereof.

11. Notices

Any notice or other communication required or permitted to be given under this Engagement Agreement shall be in writing and shall be sufficiently given or made by delivery (with a copy by email, which shall not constitute notice) to the respective parties as follows:

If to Triple Five, to:

Triple Five Worldwide Group of Companies
Suite 3600, 700 2nd Street SW
Calgary, AB T2P 2W2

Attention: Mr. Ryan Martin
President

Email: ryan.martin@petroworldenergy.com

If to Peters & Co., to:

Peters & Co. Limited
2300 Jamieson Place
308 – 4th Avenue SW
Calgary, Alberta T2P 0H7

Attention: Mr. Jeff Lawson
Managing Director, Corporate Finance

Email: jlawson@petersco.com

Any notice so given shall be deemed conclusively to have been given and received when so personally delivered. Either party may change its address by notice to the other in the manner set forth in this section.

12. Advertisement

Upon consummation of a Transaction, the Company agrees that the Financial Advisor shall have the right to place advertisements in financial and other newspapers and journals at its expense describing its services hereunder, provided that the Financial Advisor shall submit a copy of any such advertisements to the Company for its approval, which approval shall not be unreasonably withheld, provided further that no such advertisements may name Alberta Investment Management Company without the approval of Alberta Investment Management Company.

13. General

This Engagement Agreement shall be governed by and construed in accordance with the laws of the Province of Alberta. Each of the parties hereto irrevocably submits to the jurisdiction of the courts of the Province of Alberta over any action or proceeding arising out of or relating to this agreement and the parties hereto irrevocably agree that all claims in respect of such action or proceeding may be heard and determined

in such courts and all courts competent to hear appeals therefrom. The parties hereto agree that a final judgement in any such action or proceeding after all appeals are exhausted shall be conclusive and may be enforced in other jurisdictions by suit on the judgement or in any other manner provided by law. The terms and conditions of sections 3, 5, 6 (to the extent provided therein), 7, 8, 11 and this section 13 of this Engagement Agreement shall survive the completion of services hereunder, the closing of a Transaction, and any termination or purported termination of this agreement. The representations, warranties, indemnity and other agreements provided by Triple Five and us in connection herewith shall remain in full force and effect regardless of any termination of this Engagement Agreement. All dollar amounts herein are in Canadian dollars.

Please confirm the foregoing is in accordance with the Board's understanding by signing the attached duplicate copy of this letter, which shall thereupon constitute a binding agreement between the Company and the Financial Advisor.

Yours very truly,

PETERS & CO. LIMITED

Per: _____
Jeff Lawson
Managing Director, Corporate Finance

Accepted and agreed to as of the _____ day of January, 2021

TRIPLE FIVE WORLDWIDE GROUP OF COMPANIES

Per: _____
Ryan Martin
President

PETERS & CO. LIMITED

2300 Jamieson Place
308 Fourth Avenue SW
Calgary, AB T2P 0H7
Tel: (403) 261 - 4850
www.petersco.com

March 1, 2021

T5 SC Oil and Gas LP, by its general partner
Calgary Oil & Gas Intercontinental Group Ltd.
Suite 3600, 700 2nd Street SW
Calgary, AB T2P 2W2

BDO Canada LLP in its Capacity as Monitor of
in its Capacity of T5 SC Oil and Gas LP
Suite 620, 903 8th Avenue SW
Calgary, AB T2P 0P7

ATTENTION: **Mr. Ryan Martin, President, T5 SC Oil and Gas LP**
Mr. Marc Kelly, Senior Vice President, BDO Canada Limited

Dear Sirs:

Capitalized terms not otherwise defined herein have the meanings ascribed to such terms in the financial advisory agreement dated January 14, 2021 (the **"Original Agreement"**) between Peters & Co. Limited ("**Peters & Co.**") and T5 SC Oil and Gas LP, by its general partner, Calgary Oil & Gas Intercontinental Group Ltd. ("**Intercontinental**"), formerly Triple Five Intercontinental Group Ltd.

The Parties acknowledge that the initial [redacted] portion of the Work Fee under the Original Agreement has been paid in full.

The Parties agree that the Original Agreement will be amended to give effect to the below.

For the balance of the Work Fee payable, Intercontinental will pay a work fee ("**Work Fee**") to the Financial Advisor in the amount of [redacted] payable within three business days of the date of the Monitor issuing the SA Process Notice (as defined by the *Order (Strategic Alternatives Process)* anticipated to be granted by the Court of Queen's Bench of Alberta (the "Court")) and an additional [redacted] payable one month later, for a total Work Fee of [redacted] having regard to the [redacted] previously paid. Payment of the Work Fee is not contingent on the closing of a Transaction; [redacted]% of the Work Fee will be credited against any Transaction Fee (defined below) paid to the Financial Advisor;

Notwithstanding anything to the contrary contained in this supplemental agreement or the Original Agreement, if the Transaction is concluded with the party identified in the Affidavit of Ryan Martin dated February 17, 2021 as having executed a non-binding Letter of Intent dated February 10, 2021, or with a party previously identified by Intercontinental and specifically discussed with Peters & Co. on a confidential basis, no Transaction Fee shall be payable to Peters & Co.

The timing of any relaunched marketing process will be subject to timelines as approved by the Court, which are anticipated to include a two phase bidding process that includes an initial marketing phase of ~40 days prior to Phase 1 bids and an additional marketing phase of ~30 days prior to Phase 2 bids.

Crown Capital, with the support of BDO Canada Limited, in its capacity as Monitor, will seek Court approval for a Financial Advisor charge in order to cover any fees payable to Peters & Co.

It is the understanding of the parties that these amendments to the Original Agreement will be subject to Court approval.

Please confirm the foregoing by signing below, which shall thereupon constitute a binding agreement between Intercontinental and Peters & Co.

Yours truly,

PETERS & CO. LIMITED

Per: _____
Jeff Lawson
Managing Director, Corporate Finance

Accepted and agreed to as of the 1st day of March, 2021

T5 SC OIL AND GAS LP, by its general partner
CALGARY OIL & GAS INTERCONTINENTAL GROUP LTD.

Per: _____
Ryan Martin
President

BDO CANADA Limited, in its capacity as Monitor of
T5 SC OIL AND GAS LP and
CALGARY OIL & GAS INTERCONTINENTAL GROUP LTD.

Per: _____
Marc Kelly
Senior Vice President

CONFIDENTIAL
APPENDIX “C”

APPENDIX “D”

Calgary Oil and Gas Intercontinental Group Ltd.

13-week Cash Flow Forecast- Consolidated

For the 13-week period ending April 30, 2021

	Notes	Week En	Week 1 01-Feb Proj.	Week 2 08-Feb Proj.	Week 3 15-Feb Proj.	Week 4 22-Feb Proj.	Week 5 01-Mar Proj.	Week 6 08-Mar Proj.	Week 7 15-Mar Proj.	Week 8 22-Mar Proj.	Week 9 29-Mar Proj.	Week 10 05-Apr Proj.	Week 11 12-Apr Proj.	Week 12 19-Apr Proj.	Week 13 26-Apr Proj.	Total Proj.
Operating Receipts																
Production Revenue	1					$ 1,118,723	$ 620,609			$ 1,999,305					$ 1,945,490	$ 5,684,127
Total Operating Receipts			-	-	-	1,118,723	620,609			1,999,305					1,945,490	5,684,127
Operating Disbursements																
Royalty Expense	2						208,200			254,210					248,395	710,806
Production Royalty payment to CC	3						64,634			75,974					73,929	214,536
Operating Expense	4			3,656			283,294			72,962					72,962	432,873
Transportation Expense	5						40,146			45,386					45,386	130,918
G&A Contractors	6						50,178			50,178					50,178	150,533
G&A- Head Office Rent	6			(162)			15,479			12,000					12,000	39,317
Gas processing fees	7						353,636			299,748					356,351	1,009,735
GST Remittance							49,636			62,000					70,000	181,636
Professional Fees	8						116,666			116,666					116,666	349,998
Total Operating Disbursements			-	3,494	-	-	1,181,868			989,123					1,045,866	3,220,352
Non-Operating Disbursements																
Finance Leases	9						83,261			83,261					83,261	249,782
Interest Expense	10						221,545			245,282					250,000	716,826
Capital costs	11			6,476						-					-	6,476
Total Non-Operating Disbursements			-	6,476	-	-	304,805			328,542					333,261	973,085
Total Disbursements			-	9,971	-	-	1,486,673			1,317,666					1,379,127	4,193,437
Net Change in Cash			-	(9,971)	-	1,118,723	(866,064)			681,640					566,363	1,490,691
Opening Cash	12		23,128	23,128	13,157	13,157	1,131,880			265,816					947,456	13,157
Ending Cash			$ 23,128	$ 13,157	$ 13,157	$ 1,131,880	$ 265,816			$ 947,456					$ 1,513,819	$ 1,503,848

Notes: Please refer to attached assumptions and notes

Representations

The hypothetical assumptions are reasonable and consistent with the purpose of the projections described in the attached notes and the probable assumptions are suitably supported and consistent with the plans of the debtor company and provide a reasonable basis for the projections.

Since the projections are based on assumptions regarding future events, actual results will vary from the information presented, and the variations may be material.

The projections have been prepared using probable and hypothetical assumptions. Consequently readers are cautioned that it may not be appropriate for other purposes.

Calgary Oil and Gas Intercontinental Group Ltd.

Per: Ryan Martin

Triple Five Intercontinental Group Ltd.
Notes to the Cash Flow Statement
For the period of February 5th to April 30th

Note 1- Production revenue: relates to revenues associated with the sale of natural gas and natural gas liquids. Triple Five has done a recent maintenance operation with new tubing on 4 wells and an additional compressor and anticipates increased production rates and higher revenues moving forward. Sproule engineering reports were used for production estimates and Peter's & Co. price decks were used for pricing estimates. The January production is now known and reflects actual to cash to be received. Revenue to be received in March is based on up to date known production numbers and up dated actual pricing.

Note 2- Royalties: Crown, freehold and GORR royalties are a function of production prices, volumes and mix.

Note 3- Production royalty expense- This relates to a production payment being paid to Crown Capital Partners on production revenue currently averaging about 4% of revenues. This payment is a result of the master loan agreement.

Note 4- Operating expense: Expected operating expenses over the forecast period total $483,715 for the 13 weeks ending April 30, 2021. These disbursements consist of vendor payments (and prepayments) for hauling and transportation, parts, consumables (glycol, methanol and lubricants), chemicals, repairs, regulatory costs and licenses, and rentals.

Includes arrears payments to 4 key suppliers in order to ensure continuity of operations and avoid production downtime.
On Feb. 8th, a payment was made to Alberta Treating & Chemicals for glycol necessary to avoid freeze offs. This was not anticipated on the original cash flow projections.

Note 5- Transportation expense: This relates to firm service unabsorbed demand charges on the TC\Nova pipeline system. These costs are based a contractual arrangement with the pipeline company and are the maximum based on current forecasted production levels.

Note 6- General & administrative: Consists of rent, contractor fees and accounting system fees. Rent is currently being negotiated with the landlord and could be reduced and contractor and accounting system fees are fixed.

Note 7- Gas processing: Consists of gas processing costs to Keyera via their Strachan gas plant. These costs are set under a master processing agreement and are variable based on throughput plant volumes.

Note 8- Professional fees: Estimated legal and monitor fees throughout the restructuring period.

Note 9- Finance leases: Relates to rentals on 3 compressor units, 1 gen set unit, 1 4.5mmbtu line heater and 2 separator units. This equipment is required to keep production flowing on a daily basis.

Note 10- Interest expense: Relates to interest payable to Crown Capital Partners on the $27.0 mil loan agreement. They have a fixed floating charge over all present and after acquired assets of the entity and any subsidiaries of joint venture, providing a first lien on all assets.
Note 11- Pursuant to a judgement obtained by Pason Well Systems, these funds were garnisheed from our account 1 day before the CCAA filing.

Note 12- Opening cash: Opening cash is the cash remaining in the company's bank accounts after all issued cheques have cleared as it is assumed that all issued cheques will be honoured. Opening cash does not include funds totalling $866,977 which is held in term deposits as Letters of Credit for Nova and Keyera or funds in the Lockbox account controlled by Crown Capital, as such funds are not accessible by the company.