

CONFIDENTIAL INFORMATION DISCLOSURE PROCEDURE
CAPL 2015 STANDARD FORM

1. **DEFINED TERMS**

In this Confidential Information Disclosure Procedure, ~~including the foregoing recitals~~ (hereinafter referred to as this "Procedure"), in addition to those terms contained in that Agreement which incorporates this Procedure, which will have the same meanings ascribed to them therein when used in this Procedure, the following terms shall have the meanings set out below:

- a) ~~"affiliate" and "subsidiary" have the meanings ascribed thereto in the *Business Corporations Act* (Alberta), as amended from time to time;~~
- b) ~~"Agreement" means the confidential agreement which incorporates this Procedure;~~
- e) ~~"Asset" means the lands, tangibles, interests, rights, obligations, liabilities, securities, equities or entities of the Owner, including any securities, equities or entities related to a corporate merger or acquisition, to which the contemplated Transaction pertains as more particularly set forth in the Agreement;~~
- a) "Affiliate" means, in relation to any person, any other person or group of persons acting in concert, directly or indirectly, that controls, is controlled by or under common control with the first mentioned person, and, for the purposes hereof, "control" means the possession, directly or indirectly, by such person or group of persons acting in concert of the power to direct or cause the direction of the management and policies of the first mentioned person, whether through the ownership of voting securities, by contractual rights or otherwise;
- Ⓛb) "Confidential Information" means, except as otherwise expressly provided in this Procedure, all ~~Proprietary~~ Proprietary Data disclosed ~~or~~ provided or made available by the Disclosing Party to the Receiving Party in any form or location whatsoever, which may be in writing, orally, electronically, visually or by any other means in presentations, data books or in a Data Room, and whether or not identified as "confidential", as it pertains to the Asset or Transaction including all such information, if any, made available to the Receiving Party prior to the date of the Agreement, and all Extracted Data;
- e) ~~"Confidential Period" means that period of time defined as such in the Agreement; and~~
- Ⓛc) "Data Room" means ~~the any~~ room or ~~rooms~~ area, physical, paper-based, electronic or virtual, containing the Confidential Information provided by the ~~Owner~~ Disclosing Parties;
- Ⓛd) "Definitive Agreement" means a final binding agreement with respect to and documenting a Transaction between the Parties, or among the Parties and others, related to any or all of the Asset ~~to which the Confidential Information relates and~~ which is fully executed and delivered to all the parties thereto; but, for further certainty, ~~this definition as used in this Procedure~~ does not include an executed letter of intent or any other preliminary written agreement, nor does it include any written or oral offer or bid ~~on its part~~ or any written or oral acceptance thereof;

- h)e) **"Disclosing Party"** means, collectively, the Owner, its Affiliates, its and their Representatives and any other party or person specifically named in the Agreement as representing the Owner or as a contact or source for disclosure of the Confidential Information, or any them individually, as the context so requires;
- i) **"Effective Date"** means ~~that date defined as such in the Agreement;~~
- j)f) **"Extracted Data"** means all reproductions, extracts, evaluations, analyses, studies, notes, memoranda, summaries, reports, compilations or other documents or information prepared by or for the Receiving Party containing or based upon, in whole or in part, ~~that the~~ Confidential Information ~~disclosed or provided by the Disclosing Party to the Receiving Party~~ or reflecting the Receiving Party's review and mental impressions of the Confidential Information or evaluation of the Asset or Transaction;
- k)g) **"Owner"** means that Party defined as such in the Agreement and which, for the purposes of the Agreement, means any Affiliates for whom that Party is acting as a representative or agent in respect of the Transaction;
- l)h) **"Party"** or **"Parties"** means individually and ~~collective~~collectively, as the context requires, each person that is a party to the Agreement;
- m)i) **"person"** will be interpreted broadly to include, without limitation, any natural person, firm, corporation, ~~body corporate~~, company, group, partnership, limited liability company, unincorporated association or proprietorship, trust, joint venture, agent of the provincial or federal Crown or other entity or individual;
- n)j) **"Personal Information"** means information about an identifiable individual but does not include an individual's name, position, title, business telephone number, business address, business email or business fax number;
- o)k) **"~~Propriety~~Proprietary Data"** means all documents, records, data and information relating to the Owner, or its ~~affiliates and subsidiaries~~Affiliates, or the business, affairs, finances, assets, prospects, operations and activities of any of them, which includes, but is not limited to, all land, well, engineering, environmental, geological, geochemical, geophysical and seismic (either trade or proprietary) data, maps, evaluations, analyses, studies, notes, memoranda, summaries and reports, legal opinions, names of unit holders and joint venture partners, budget information, financial and operating statements, processing and marketing arrangements, trade secrets and intellectual data, whether factual or interpretive;
- p)l) **"Recipient"** means that Party defined as such in the Agreement and which, for the purposes of the Agreement, means any Affiliates for whom that Party is acting as a representative or agent in respect of the Transaction;
- q)m) **"Receiving Party"** means, collectively, the Recipient and those of its Representatives to whom the Confidential Information is disclosed in accordance with Clause 4, or any of them individually, as the context so requires;
- r)n) **"Representatives"** means, with respect to each Party, ~~that Party's affiliates and subsidiaries, and that Party's audits~~ Affiliates and each of their respective directors, officers, employees, representatives, associates, agents, lawyers, consultants, contractors, accountants, financial and other advisors; and
- s) **"Term"** means ~~that period of time defined as such in the Agreement; and~~
- t)o) **"Transaction"** means a possible negotiated transaction between the Owner and the Recipient whereby all or any part of the Asset may be purchased, earned, exchanged or otherwise acquired, directly or indirectly, by the Recipient, or through any Affiliate represented by the Recipient, or whereby the

securities, equities or entities of the Owner, or any Affiliate represented by the Owner, are to be subject to any amalgamation, arrangement, merger or similar transaction which directly or indirectly results in any business combination of the OwnerParties or a subsidiary of any Affiliates represented by the Owner with any personParties or whereby all or a portion of the Asset is to be subject to a joint venture or similar arrangement.

Where any word or term is used herein in the singular or neuter, the same shall include the plural or masculine or feminine as the context may require. Whenever the word "include" or "including" is used, it shall be deemed to mean "include or including, without limitation", as applicable, and such particular listed words shall not be interpreted so as to be an exhaustive list of those matters or things falling within the general application or general class of the listed words.

2. **TERM**

~~The Agreement shall be in effect for the Term, atAt the expiry of whichthe Term, or with respect to any portion of the Asset and related Confidential Information that becomes subject to a Definitive Agreement prior to expiry of the Term, the provisions of the Agreement, including this Procedure, shall cease to apply other than with respect to the provisions of Clause which may apply beyond expiry of the Term as provided for in Subelause, notwithstanding that, unless specifically stated otherwise in the Confidential Information may have been returned or destroyed, and the provisions of Clause which will apply beyond expiry of the Term as provided for in Subelause-Definitive Agreement.~~

3. **ACCESS TO CONFIDENTIAL INFORMATION**

- a) ~~It is understood and agreed by the The Recipient agrees that, it and its Representatives will nottake such actions necessary to ensure that, other than in the ordinary course of business, no Receiving Party will contact any persons other than those Representatives of Owner as designated by the Owner in the Agreement, and or otherwise in writing to act as Disclosing Parties. The Receiving Parties are to submit or direct all: (i) requests for Confidential Information; (ii) communications regarding the Confidential Information or the Transaction; (iii) requests for facility tours or meetings with management; (iv) arrangements for due diligence purposes with respect to the Asset or Transaction; and, (iv) discussions or questions regarding any of the foregoing, will be submitted or directed to, and coordinated by, only to those persons so designated Representatives in the Agreement.~~
- b) The Owner may require that a portion of the Confidential Information be reviewed only at the premises designated by the Owner and that access to such premises shall be subject to such restrictions and procedures as the Owner may, in the Owner's sole discretion, establish.
- c) Except in the ordinary course of business and to the extent permitted by existing ~~proceduresagreements~~ between the Recipient and the Owner, the RecipientReceiving Party shall not visit any of the business sites of the Owner without the prior written consent of the Owner. In the event any of the RecipientReceiving Party desires physical access to any of the Owner's propertiesbusiness sites and the Owner, in its sole discretion, permits such access, the Recipient agrees to be liable for, and shall indemnify, defend and hold harmless the Owner from and against, any and all losses, costs, expenses, liabilities, claims, lawsuits and causes of action, including those for personal injury, death and damage occurring on or related to ~~the Owner's property;that business site~~ or suffered by ~~theany such~~ Receiving Party, as a result of its entry onto the premisesbusiness site, except where such liability, claim or cause of action arises solely as a result of the gross negligence or wilfulwillful misconduct of the Owner. The Recipient agrees ~~tothat the Receiving Party shall~~ comply fully with all rules, regulations, procedures and instructions issued by the Owner regarding its actions while upon, entering or leaving the propertybusiness site of the Owner.

d) If any of the Recipient~~Receiving Party~~ makes a request to view seismic data ~~as comprising~~ part of ~~its review of the Asset~~Confidential Information, and the Owner provides ~~such access to same~~, the Recipient ~~warrants~~agrees that ~~under no circumstances will it allow its Representatives to copy, remove, take such data or any derivative thereof will be copied, removed, taken away or otherwise reproduce any of the seismic data or derivatives thereof that reproduced by such Representatives have been given access to hereunder.~~Receiving Parties. This would include, but not be limited to, an absolute restriction against any sketches or tracings or the use of electronic equipment to produce photographs, photocopies or other digital ~~copycopies~~ or reproductions of ~~any of the affected seismic data and or photocopies, sketches or tracings of such affected seismic data.~~ Unless otherwise agreed to by Owner, no electronic devices, cameras, USB devices, laptops, or cell phones with photographic capability may be brought into ~~the~~Data Room or an area where containing any seismic data is disclosed.

4. *USE AND NON-DISCLOSURE OF CONFIDENTIAL INFORMATION*

a) The Recipient understands and agrees that all Confidential Information provided ~~to it concerning the Asset or Transaction~~ is proprietary and confidential to the Owner and will be so treated by all the Recipient~~Receiving Parties~~ and shall not be used for any purpose whatsoever other than evaluating the Asset in the context of a possible Transaction, and shall not be used to the detriment of any business interests of the Owner, ~~or its affiliates or subsidiaries~~Affiliates.

b) Without the express consent of the Owner, the Confidential Information shall not be disclosed by the Recipient to any persons, in any manner or for whatever reason, other than those of its Representatives who need to know such information for the sole purpose of assisting the Recipient in its appraisal of the Asset or Transaction. Prior to ~~disclosing such disclosure of the Confidential Information to any of its Representatives~~, the Recipient shall take all such steps as are reasonably necessary to ensure that ~~those Representatives~~all other Receiving Parties are aware of the terms and conditions of this Procedure, and that such terms and conditions, or substantially similar terms and conditions, are binding upon those ~~Representatives~~other Receiving Parties.

c) All of the terms and conditions of this Procedure shall be construed as being applicable to all the Recipient's Representatives~~Receiving Party~~ as fully and completely as if each of the Representatives~~other Receiving Party~~ were the Recipient itself. The Recipient shall be liable to the Owner, in accordance with Clause 12, for any breach of the terms and conditions of this Procedure by such ~~Representatives~~other Receiving Parties, even if ~~any such Representative~~other Receiving Parties may subsequently no longer be affiliated with, employed by or under contract to the Recipient.

d) Without the prior written consent of the Owner, the Recipient agrees that it shall not, and shall instruct ~~its Representatives~~all other Receiving Party to not, disclose to any person (i) that Confidential Information has been requested or made available to the Receiving Party, (ii) that investigations, discussions or negotiations are or were taking place concerning a possible Transaction, (iii) any opinion or comment with respect to the Confidential Information, or (iv) the terms, conditions or other facts with respect to the Agreement or any possible Transaction, including the status thereof; provided, however, if the Recipient has received the opinion of counsel that such disclosure must be made by it in order to not commit a violation of a law, regulation or rule of any stock exchange, such disclosure shall be subject to the provisions of Subclause 4.e).

e) Notwithstanding the foregoing provisions of this Clause 4, the Recipient shall be permitted to disclose Confidential Information to the extent required or requested pursuant to any law, rule, regulation or order issued by a court or regulatory body of competent jurisdiction, or as required by a stock exchange. In such a case, the Recipient shall:

- i) promptly notify the Owner in writing of such a requirement or request for disclosure ~~of that Confidential Information~~ in advance of complying with same so that the Owner may, at its sole cost and expense, seek a protective order or other appropriate remedy;
 - ii) ~~consult with the Owner on the advisability of taking steps to resist or narrow such request; and~~
 - ~~iii) if disclosure is required or deemed advisable, the Recipient shall~~ reasonably cooperate with the Owner in any attempt that it may make to obtain an order or other reliable assurance that confidential treatment will be accorded to such Confidential Information; and
 - iii) ~~The requirements of this Clause shall not apply to any~~ disclose only such part of the Confidential Information necessary to comply with such law, rule, regulation or order.
- f) The Agreement shall not apply to any information which:
- i) at the time of its disclosure to the Receiving Party by the Disclosing Party, was, or thereafter becomes, a part of the public domain, other than by an act or failure to act on the part of the Receiving Party; or
 - ii) prior to its disclosure by the Disclosing Party, was obtained by the ~~Recipient~~ Receiving Party from a third party on a non-confidential basis and which third party, to the ~~best of the Recipient's knowledge, having made due inquiry~~ Receiving Party's reasonable belief, is or was not bound by any obligation to the Owner or any other party to hold such information confidential when provided by that third party to the ~~Recipient~~ Receiving Party; or
 - iii) has been independently acquired or developed by the ~~Recipient~~ Receiving Party without violating any obligations of confidentiality under the Agreement; or
 - iv) prior to its disclosure by the Disclosing Party, was otherwise in the lawful possession of the Receiving Party.
- g) For purposes of Subclause 4.f), it is ~~acknowledged and~~ agreed by the Recipient that specific items of Confidential Information shall not be considered to be in the public domain merely because more general information was in the public domain ~~and no Confidential Information shall be deemed to be in the public domain or in the Recipient's possession merely because that information is obtainable from general public sources if such information or the information's potential value/relevance would not have been reasonably expected to come to the attention of the Recipient, absent the disclosure of that information by the Disclosing Party.~~
- h) ~~Unless and until there is a Definitive Agreement between the Parties, the provisions of this Clause shall remain in force for such period of time that is the lesser of the Term or until all of the Confidential Information pertaining to the Owner's, or its affiliates' or subsidiaries', interests in any asset that is not part of a completed Transaction becomes part of the public domain pursuant to Paragraph through no violation of the terms and conditions of this Procedure by the Receiving Party, at which time the Agreement shall terminate in its entirety except for the provisions of Clause which shall survive beyond such termination as therein provided.~~
- i) h) Unless information considered to be a trade secret is specifically identified in the Agreement and the Parties have provided in the Agreement to treat such trade secret information in a manner different than the rest of the Confidential Information, the use and non disclosure of any such trade secrets disclosed by the Disclosing Party to the Receiving Party shall be construed as part of the Confidential Information and

the use and non-disclosure of same shall be subject ~~only~~ to the provisions of this ~~Clause-Procedure in the same manner.~~

5. **OWNERSHIP AND POSSESSION OF INFORMATION**

- a) Disclosure of and access to the Confidential Information shall, at all times, be at the complete discretion of the Owner.
- b) ~~The Nothing in the~~ Agreement, ~~notwithstanding anything contained in this Procedure,~~ nor the disclosure of Confidential Information to the Receiving Party, shall ~~not~~ be construed as granting to the ~~Recipient~~Receiving Party, either expressly or by implication, ~~whether~~ during or after the Term, any license or other rights, title or interest with respect to the Confidential Information.
- c) ~~If the Recipient decides that it does not wish to proceed with a Transaction, it will promptly notify~~At the time of disclosure, the Owner ~~of that decision. In that case, or if the Owner elects at~~shall identify any time to terminate the Receiving Party's access to the part of the Confidential Information ~~for any reason, the Recipient shall, at the that is to be returned to the Owner and not destroyed by the Receiving Party. Within thirty (30) days of receiving a written request of~~from the Owner, ~~immediately to return any such Confidential Information or to destroy any or all other Confidential Information, the Recipient shall return or cause to be returned to the Owner the that identified Confidential Information in the original form that it was provided to the Receiving Party and shall, if so requested and shall otherwise, destroy or cause to have destroyed any such other Confidential Information and any copies or other reproductions thereof (whether electronic, magnetic or otherwise) and any Extracted Data; ~~provided, however. However,~~ the RecipientReceiving Party shall be entitled to retain (i) a list of the Confidential Information for archival purposes only, ~~which list shall be subject to the terms of this Procedure as if it were Confidential Information,~~ (ii) a copy of any portion of the Extracted Data which was presented to obtain any required approvals respecting a possible Transaction, for legal or corporate governance purposes only, and (iii) to the extent that the Recipient'sReceiving Party's computer system's back-up procedures create automatic back-up or archived copies of the Confidential Information, such copies of that information as exist in the Recipient'sReceiving Party's archival or back-up computer storage for the normal period of time that it usually retains archived or back-up computer records, which copies shall be subject to the provisions of this Procedure until the same are destroyed, and shall not be accessed by the RecipientReceiving Party during such period of archival or back-up storage.~~
- d) Notwithstanding the return or destruction of physical or electronic copies of the Confidential Information, or that any such data is allowed to be retained pursuant to Subclause 5.c), or that a Receiving Party may have retained a mental impression regarding such data that was not reduced to a written, electronic or any other form of Extracted Data, the Recipient will, and shall cause ~~its Representatives~~all other Receiving Party to, continue to be bound by its obligations of confidentiality and all other obligations hereunder, ~~including with in respect to any mental impressions which such Representatives may have formed regarding the Confidential Information that were not reduced to a written, electronic or any other form of Extracted Data. Furthermore, the of all such data.~~
- ~~e)~~ The Recipient shall, if so requested by the Owner, provide to the Owner a certificate executed by one of its duly authorized officers indicating that the requirements of paragraphs 5.c) this paragraph and 5.d) have been complied with.

6. **NON-DISCLOSURE OF PERSONAL INFORMATION**

In addition to any other obligation with respect to the Confidential Information, the Recipient shall be responsible for ~~its and its Representatives~~all the Receiving Party's compliance with the applicable privacy laws which govern the collection, use and disclosure of Personal Information, if any, acquired by it in connection with this Procedure.

~~All such Personal Information shall be treated as Confidential Information pursuant to the terms of this Procedure. The Recipient shall limit, and shall cause its Representatives to limit, the use, collection and disclosure of such Personal Information, if any, to those purposes that relate to the Transaction, unless the consent for other use or disclosure is obtained by the Owner from the individuals to whom such Personal Information relates or unless otherwise permitted or required by applicable law. The Recipient shall employ security measures to protect the Personal Information against inadequate or accidental disclosure of a standard at least as high as that employed by it in its own business.~~

7. ***NON-CONTACT WITH PERSONNEL***
(TO APPLY ONLY IF THIS CLAUSE IS MADE APPLICABLE IN THE ~~HEAD~~ AGREEMENT)

~~Until the earliest of the execution of a Definitive Agreement or the expiry of the Term, other~~Other than as provided for in Subclause 3.a), the Recipient will not and will ~~not cause its Representatives to take such actions necessary to ensure no Receiving Party~~, directly or indirectly, initiate or maintain contact (except for those contacts made in the ordinary course of business) with any officer, director, ~~or~~ employee ~~or agent~~ of the Owner, including any customers or suppliers of the Owner, regarding its business, operations, prospects or finances except with the express permission of a duly authorized ~~executive~~ officer of the Owner.

8. ***NON-SOLICITATION FOR EMPLOYMENT***
(TO APPLY ONLY IF THIS CLAUSE IS MADE APPLICABLE IN THE ~~HEAD~~ AGREEMENT)®

~~Until~~Unless otherwise agreed to in writing by the ~~earliest of the execution of a Definitive Agreement or the expiry of the Term~~Owner, the Recipient, ~~during the term set forth in the Agreement~~, will not and will ~~not cause its Representatives to take such actions necessary to ensure no Receiving Party~~, directly or indirectly, solicit any officer, director or employee of the Owner for hire or employment unless such person: (i) is solicited by the ~~Recipient~~Receiving Party advertising to the general public or the industry generally; or (ii) is solicited indirectly through a personnel search agency engaged by the ~~Recipient~~Receiving Party generally and not specifically in respect of the Owner's personnel; or (iii) contacts the ~~Recipient~~Receiving Party on his or her own initiative without any prohibited solicitation; or (iv) is solicited by ~~an employee~~a Representative of the Recipient, ~~other than a Receiving Party~~, in the normal course of business ~~who was unaware of the Agreement or a potential Transaction~~.

9. ***STANDSTILL AGREEMENT***
(TO APPLY ONLY IF THIS CLAUSE IS MADE APPLICABLE IN THE ~~HEAD~~ AGREEMENT)

Until the earlier of: (i) such time of an announcement by any party that is unrelated to the Recipient, or its ~~affiliates or subsidiaries~~Affiliates, of an offer or proposal for any merger, amalgamation or plan of arrangement involving the Owner, any take-over bid for the Owner, the sale of all or substantially all of the assets of the Owner or any purchase, directly or indirectly, of more than 50% of the equity of the Owner, whether negotiated or unsolicited (an "Acquisition Proposal"); (ii) such time as the ~~Board~~board of ~~Directors~~directors of the Owner approves or recommends any Acquisition Proposal or the Owner enters into an agreement, arrangement or understanding regarding any Acquisition Proposal; and (iii) the expiration of the Term, ~~neither the Recipient or any of its Representatives~~, shall ~~ensure that none of the Receiving Party~~ directly or indirectly:

- (a) effect or seek, offer, agree or propose (whether publicly or otherwise) to effect, or cause to participate in or in any way advise, encourage or assist (including financial assistance) any other person to effect or seek, offer, agree or propose (whether publicly or otherwise) to effect or participate in: (i) any direct or indirect acquisition of any securities or rights to acquire any securities (or any other beneficial ownership thereof), assets or properties of the Owner or any of its ~~subsidiaries~~Affiliates, whether such agreement or proposal is with the Owner or any of its ~~subsidiaries~~Affiliates or shareholders or with a third party; (ii) any merger, plan of arrangement or other business combination or tender, takeover bid or exchange offer involving the Owner or any of its ~~subsidiaries~~Affiliates or shareholders; (iii) any recapitalization, restructuring,

liquidation, dissolution or other extraordinary transaction with respect to the Owner or any of its ~~subsidiaries~~Affiliates, or (iv) any "solicitation" of "proxies" (as such terms are used in the proxy provisions of the *Securities Act* (Alberta)) or consents to vote or otherwise with respect to any voting securities of the Owner or any of its ~~subsidiaries~~Affiliates;

- (b) form, join or in any way participate in a group or act jointly or in concert with any person with respect to voting securities of the Owner;
- (c) otherwise act, alone or in concert with others, to seek to control or influence the management, ~~Board~~board of ~~Directors~~directors or policies of the Owner;
- (d) take any action which might cause or require the Owner to make a public announcement regarding any of the types of matters set forth in (a) above;
- (e) disclose any intention, plan or arrangement inconsistent with the foregoing; or
- (f) enter into any discussions or arrangements with any third party with respect to any of the foregoing;

provided that the foregoing restrictions shall not apply to any acquisition made or action taken by any of the Recipient's employee benefit plan managers or by any Representative of the Recipient not ~~reasonably~~ aware of ~~this~~the Agreement or the contemplated Transaction or conducted in the ordinary course of business not related to ~~this~~the Agreement or the contemplated Transaction.

10. **AREA OF EXCLUSION**
(TO APPLY ONLY IF THIS CLAUSE IS MADE APPLICABLE IN THE ~~HEAD~~ AGREEMENT)

- a) An area of exclusion is hereby established to include any right, title, estate and interest in mines, minerals, petroleum and/or natural gas rights and any related wells, tangibles, facilities, seismic data and other miscellaneous interests (the "**Exclusion Interests**") within, upon or underlying those lands within the boundaries of the area defined as the "Exclusion Area" in, to the extent only that the Agreement value or relevance of acquiring such Exclusion Interests would not have been reasonably expected to come to the attention of the Receiving Party had it not received the Confidential Information.
- b) If a Transaction is not consummated between the Recipient and Parties (or such Affiliates as were being represented by the Owner or any of its affiliates or subsidiaries, Parties), and the Recipient has received Confidential Information in respect of the Owner's ~~rights and~~ interests within the Exclusion Area, the Recipient hereby agrees that if it acquires, or has the ability to acquire or earn on or after the Effective Date, any right, title, estate or other interest in the Exclusion Interests within the Exclusion Area during the that period of time defined as the "Exclusion Period" in the Agreement, other than a right or any such interest acquired from the Owner or its affiliates or subsidiaries Affiliates or an incremental additional interest acquired in any lands in which the Recipient held an interest prior to the Effective Date, the Recipient shall immediately notify the Owner in writing (the "**Exclusion Area Notice**") of the terms on which it has acquired, or has the ability to acquire or earn, the Exclusion Interests, including the cash price paid or to be paid to acquire such Exclusion Interests and if not cash, or if the Exclusion Interests comprise only a portion of the interest acquired, its bona fide estimate of the cash value, ~~in cash~~ of the consideration paid in connection with the acquisition of the Exclusion Interests, or, if the consideration requires performance of an obligation or assumption of a liability by the Recipient to acquire or earn the Exclusion Interests, details of the obligation or liability to be performed or assumed. If ~~either Party~~the Owner disputes the ~~other Party's~~ bona fide estimate of the value of such non-cash consideration, the matter shall be referred to arbitration for resolution in accordance with the *Arbitration Act* (Alberta) ~~for resolution.~~

- c) ~~The Owner shall have~~For a period of ~~sixty (60)~~fifteen (15) days after receipt of the Exclusion Area Notice ~~to physically~~ the Recipient shall, and shall cause its Representatives to, and shall endeavor to obtain the agreement of any third party vendor from which such Exclusion Interests are yet to be acquired or earned to, provide all access reasonably required by the Owner and its Representatives to inspect the lands, wells, tangibles and facilities included in the Exclusion Interests acquired or to be acquired or earned by the Recipient and to review the files of the Recipient, and if applicable the third party, in respect of such Exclusion Interests, ~~and the Recipient shall, and shall cause its Representatives, as applicable, to provide all access reasonably required by the Owner, its affiliates or subsidiaries and their respective Representatives to complete its inspection and review~~ (the "**Due Diligence Period**"); provided, however, if arbitration is invoked pursuant to Subclause 10.b) ~~),~~ such period of time as provided for in this subclause shall not commence until the bona fide estimate has been determined.
- d) Prior to expiry of the Due Diligence Period, the Owner (on its own behalf or ~~anyon~~ behalf of its ~~affiliates or subsidiaries~~Affiliates) may elect to acquire the Exclusion Interests on written notice to the Recipient at and for the same consideration as set out in the Exclusion Area Notice or as determined by arbitration if invoked pursuant to Subclause 10.b) ~~paid or the bona fide estimate of value deemed to have been paid by the Recipient for such Exclusion Interests. If the Owner, or any of its affiliates or subsidiaries, so elects to purchase the Exclusion Interests, closing of the acquisition of such Exclusion Interests shall occur on the day that is not more than 5 business days following the later of the date of such election to purchase or the date regulatory approval or all other conditions precedent (if any) to the acquisition of such Exclusion Interests is received.~~
- e) ~~At the~~ If the Owner (on its own behalf or on behalf of its Affiliates) elects to acquire the Exclusion Interests based on a cash value consideration as set out in the Exclusion Area Notice, closing of the ~~purchase~~acquisition of such Exclusion Interests, ~~the Owner or any of its affiliates shall occur on the later of the day that is not more than 5 business days following:~~
- i) ~~the date of such election to acquire the Exclusion Interests acquired by the Recipient; or subsidiaries~~
 - ii) ~~the day that the Recipient closes the sales transaction with the third party vendor to acquire the Exclusion Interests; or~~
 - iii) ~~the date all required regulatory approvals are received; or~~
 - iv) ~~the date all other conditions precedent (if any) to the acquisition of such Exclusion Interests are waived or exercised; and~~
- e) ~~at such closing, the Owner shall pay the Recipient, an amount equal to :~~
- the cash price paid by the Recipient to acquire the Exclusion Interests; or, if non-cash consideration was paid, the bona fide estimate of ~~value of the non-cash consideration~~value specified in the Exclusion Area Notice or as determined by arbitration, if invoked pursuant to Subclause 10.b); ~~or, if the consideration required performance by the Recipient of certain obligations or the assumption of certain liabilities, the Owner or any of its affiliates or subsidiaries shall assume such obligations or liabilities pursuant to.~~
- f) If the Owner (on its own behalf or on behalf of its Affiliates) elects to acquire the Exclusion Interests based on the performance of an obligation or assumption of liability in place and stead of the Recipient, closing of the acquisition of such Exclusion Interests shall occur upon all affected parties entering into a mutually acceptable agreement.

- g) The Recipient further agrees that, in the event of a breach of any of the obligations undertaken by it in respect of this Clause 10, the Owner, ~~or its affiliates and subsidiaries~~, shall be entitled to a full accounting for and a repayment of all profits, compensation, royalties, commissions, remunerations and other benefits whatsoever which the Recipient directly or indirectly realizes or may realize from or relating to any such breach, all of which are hereby assigned to the Owner ~~for and on behalf of itself and its affiliates and subsidiaries~~, in addition to and not in limitation of any other rights, but in no event in duplication to remedies or damages available to the Owner, ~~or its affiliates and subsidiaries~~, at law or in equity.
- h) For further clarity, the provisions of this Clause 10 shall not apply to:
- i) any lands within the Exclusion Area held by the Recipient prior to the Effective Date; or
 - ii) any lands within the Exclusion Area acquired during the term hereof and which the Owner does not elect to acquire as evidenced in writing; or
 - iii) any exploration or, development or production activities being conducted by the Recipient that do not relate to the acquisition of Exclusion Interests, which may include, but is not limited to, the acquisition of seismic data and facilities; or
 - iv) any merger or corporate transactions or a sales transaction where the lands to be acquired by the Recipient within the Exclusion Area comprise less than fifty (50%) of the total net acres to be acquired; or
 - iii)v) any acquisition which can reasonably be expected that the Owner intended, by entering into the Agreement or by any action taken under Subclause 13.b) outside of the Area of Exclusion, to unduly prohibit the Recipient's ability to compete within the Exclusion Area if the Recipient held interests in the Exclusion Area prior to the Effective Date.

11. ***NO WARRANTY OR GUARANTY OF INFORMATION***

- a) The ~~Disclosing Party~~Owner represents and warrants that it has the right and authority to disclose the Confidential Information to the Recipient, but makes no representation or warranty, express or implied, in respect of the Confidential Information, including the accuracy and completeness thereof. The ~~Disclosing Party~~Owner hereby expressly negates, and the Recipient hereby waives, all other representations and warranties relating to the Confidential Information except as provided in this subclause, regardless of whether made directly or indirectly, in verbal, written or electronic form, by the ~~Disclosing Party~~Owner or implied under or arising by operation of law.
- b) The Recipient agrees that the ~~Disclosing Party~~Owner shall have no liability to the Recipient whatsoever for any damage or loss resulting from the Recipient's use, whether directly or indirectly, of the Confidential Information or for any errors therein or omissions therefrom, unless as a result of fraud or willful misconduct of the Disclosing Party. The Recipient shall rely solely on its own due diligence, assessment and analysis, appraisal and estimates in evaluating and satisfying itself as to all matters relating to the Owner, the Asset and the Transaction, including ~~the Owner's~~ the Owner's business, affairs, finances, assets, prospects, operations and activities, and the value and condition of the Asset ~~and shall rely solely on its own assessments and determinations respecting the Assets and a Transaction.~~ Only those representations or warranties that are contained in a Definitive Agreement, if and when executed, and subject to such conditions or limitations or restrictions as may therein be specified, shall have any legal effect.

12. **INDEMNITY AND LIABILITY**

- a) In addition to any other rights that the Owner may have against the Recipient arising by reason of any breach of ~~this Procedure~~the Agreement, the Recipient ~~agrees to and~~ shall:
- i) be liable to the ~~Disclosing Party~~Owner for all losses, costs, damages, expenses, claims and liabilities whatsoever; ~~(including reasonable legal costs, accounting and other professional costs, expenses, fees and disbursements)~~ which the ~~the Disclosing Party~~Owner may suffer, sustain, pay or incur; and in addition,
 - ii) defend, indemnify and hold harmless the ~~Disclosing Party~~Owner against all losses, costs, damages, expenses, claims and liabilities whatsoever (including reasonable legal costs ~~on a solicitor and his own client basis~~, accounting and other professional costs, expenses, fees and disbursements), which ~~may be suffered, sustained, paid~~the Owner may suffer, sustain, pay or incurred by the Disclosing Partyincur, or any claims, actions, demands or other proceedings made or commenced against or upon the ~~Disclosing Party~~Owner,

in each case, in respect of all matters which may result or arise out of any ~~act or omission related to any breach of this Procedure~~the Agreement by the Receiving Party, ~~or arising from the unauthorized use or disclosure of the Confidential Information by the Receiving Party, or caused or suffered by the Receiving Party~~ or as a direct result of the Receiving Party accessing the Owner's property in accordance with Subclause 3.c). The Recipient acknowledges that the Owner is constituted as trustee of the covenants of the Recipient under this clause for the benefit of the Disclosing Party, or any of them, and that it shall be entitled to enforce these covenants on behalf of such parties or persons.

- b) The Recipient acknowledges the sensitive nature of the Confidential Information to the Owner's business and the importance and competitive value thereof, and that the Owner may be irreparably damaged if any provision of ~~this Procedure~~the Agreement is not performed by the Receiving Party. The Recipient further acknowledges that monetary damages alone may not be a sufficient remedy for a breach of ~~this Procedure~~the Agreement and agrees that, in addition to any other remedies that the Owner may have at law or in equity, the Owner shall be entitled to equitable relief, including injunctive relief, to prevent breaches of ~~this Procedure~~the Agreement and to specific enforcement and performance of the terms and provisions hereof.
- c) The Owner shall have the right to seek remedy, to the full extent permitted at law or in equity, for any breach of ~~this Procedure~~the Agreement by the Receiving Party pursuant to the provisions of this Clause 12, by service of written notice to the Recipient describing the claim in reasonable detail, so long only as such notice is served no later than two (2) years from expiry of the date the Agreement terminates pursuant to the Term, notwithstanding any provisions of ~~Subclause the Limitations Act (Alberta) to the contrary.~~

13. **TRANSACTION PROCESS**

- a) The Recipient understands and agrees that no contract or agreement providing for a Transaction shall be deemed to exist between the Recipient and the Owner, and the Recipient hereby waives, in advance, any claims (including, ~~without limitation,~~ claims or damages for breach of contract) against any of the Owner or its RepresentativesDisclosing Party in connection with the Asset, unless and until there is a Definitive Agreement between the Parties.
- b) The Recipient understands and agrees that, unless and until there is a Definitive Agreement between the Parties, the Owner shall, without prior notice to the Recipient or any other person, be free to:

- i) conduct the process for ~~the Transaction~~ a transaction as the Owner in its sole discretion shall determine, including, ~~without limitation,~~ providing information to, and negotiating with, any other prospective buyer or buyers and accepting an offer related to the Asset, in whole or in part, from any such other party; or
 - ii) change any procedures relating to a Transaction at any time; or
 - iii) reject any and all offers or proposals made by the Recipient with respect to a Transaction; ~~and/or~~
 - iv) ~~to~~ terminate discussions and negotiations with the Recipient at any time.
- c) The Recipient acknowledges and agrees that the Agreement does not constitute the Owner's agreement to recommend any Transaction to its shareholders.
- d) The Recipient acknowledges and confirms that it is, and will ensure ~~its Representatives to whom~~ all the ~~Confidential Information is disclosed~~ other Receiving Party are also, aware of the general nature of applicable securities laws, including, ~~without limitation,~~ all applicable securities laws that may prohibit any person who has material, non-public information concerning the matters which are the subject of this Procedure, from trading in securities of a company which may be a party to ~~a Transaction of,~~ or may propose to become a party to, a Transaction of the type contemplated herein or from communicating such information to other persons.
- e) Notwithstanding anything ~~contained to the contrary~~ in ~~the~~ this Procedure, the Recipient shall have the right to seek expressions of interest from third parties about a possible joint bid for the assets of the Owner, provided that:
- i) the Recipient must first receive written consent from the Owner;
 - ii) nothing herein shall permit the Recipient to disclose Confidential Information that is not permitted to be disclosed pursuant to the terms hereof; and
 - iii) in the event that the Recipient receives a positive response from any third party which it has contacted in accordance with this Procedure, the Recipient shall direct such third party to execute a confidentiality agreement in the form and substance of the Agreement directly with the Owner and shall not pursue any formal discussion with such third party until it has been advised by the Owner that such a confidentiality agreement has been signed and delivered.

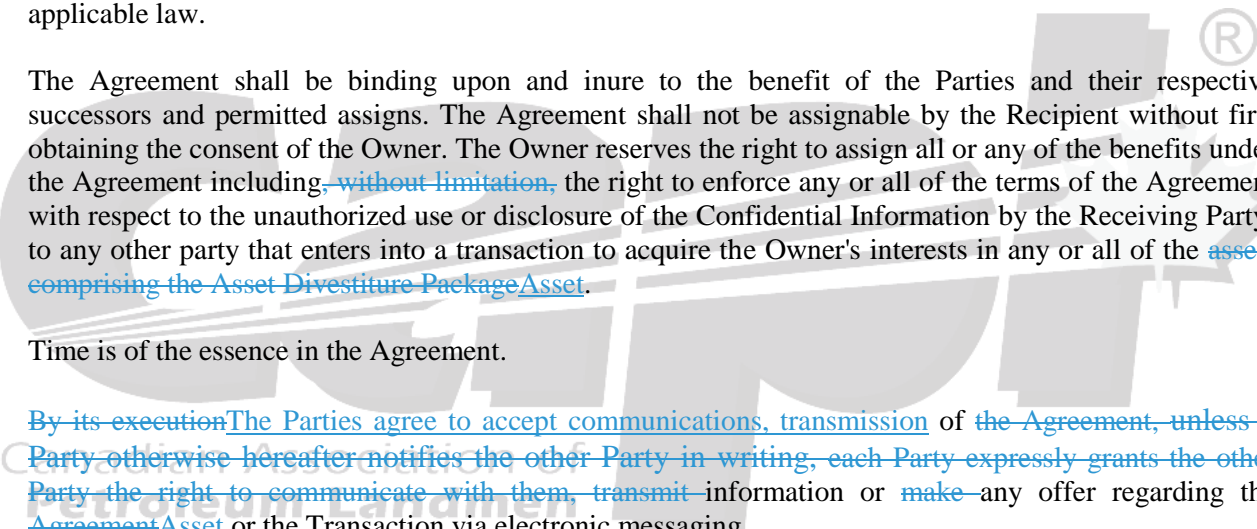
14. **GENERAL PROVISIONS**

- a) The Agreement represents the entire understanding of the Parties with respect to the matters referred to in the Agreement and supersedes all prior understandings, written or oral, between the Parties with respect thereto.
- b) All modifications of and amendments to the Agreement or any part ~~hereof~~ thereof must be in writing signed by all the Parties. Waivers of any terms and provisions of the Agreement shall be in writing.
- c) No failure or delay by ~~the Owner~~ a Party to exercise any of its rights, powers or privileges under the Agreement shall operate as a waiver thereof nor will any single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any right, power or privilege ~~hereunder~~ thereunder.

The Agreement shall be governed by and construed in accordance with the laws of the Province of Alberta. The service of any process, summons, notice or document by registered mail by one Party to the

other shall be effective service of process for any action, suit or proceeding brought by one against the other in any such court. The Parties hereby irrevocably and unconditionally :

- i) ~~consent to submit to the exclusive jurisdiction of the courts of the Province of Alberta for any actions, suits or proceedings arising out of or relating to the Agreement ~~and the Transaction contemplated hereby;~~~~
- ii) ~~agree not to commence any action, suit or proceeding relating thereto except in such courts;~~
- iii) ~~waive any objection to the laying of venue of action, suit or proceeding arising out of the Agreement or a Transaction contemplated hereby in the courts of the Province of Alberta; and~~
- iv) ~~waive and agree not to plead or claim in any such court that any such action, suit or proceeding brought in any such court has been brought in an inconvenient forum.~~

- d) ~~If any provision of the Agreement is determined to be invalid or unenforceable for any reason, in whole or in part, the remaining provisions of the Agreement shall be unaffected thereby and shall remain in full force and effect to the extent alternative interpretations are available and to the fullest extent permitted by applicable law.~~
- e) The Agreement shall be binding upon and inure to the benefit of the Parties and their respective successors and permitted assigns. The Agreement shall not be assignable by the Recipient without first obtaining the consent of the Owner. The Owner reserves the right to assign all or any of the benefits under the Agreement including, ~~without limitation,~~ the right to enforce any or all of the terms of the Agreement with respect to the unauthorized use or disclosure of the Confidential Information by the Receiving Party, to any other party that enters into a transaction to acquire the Owner's interests in any or all of the ~~assets comprising the Asset Divestiture Package~~Asset. 
- f) Time is of the essence in the Agreement.
- g) ~~By its execution~~The Parties agree to accept communications, transmission of the Agreement, unless a Party otherwise hereafter notifies the other Party in writing, each Party expressly grants the other Party the right to communicate with them, transmit information or make any offer regarding the AgreementAsset or the Transaction via electronic messaging.
- h) Except as provided for in Clause 12, each Party shall be responsible for and shall pay its own costs and expenses incurred in connection with the Agreement.
- i) This Procedure is in the standard form of the CAPL 2014/2015 Standard Form Confidential Information Disclosure Procedure as published by the Canadian Association of Petroleum Landmen. It has been modified only to the extent of those changes specifically identified in the Agreement. Each modification hereof that has not been specifically identified in this manner will be deemed to be ineffective and this Procedure shall be interpreted in accordance with the standard form of the CAPL 2014/2015 Standard Form Confidential Information Disclosure Procedure, as if no such changes had been made.

SAMPLE OFFICER'S CERTIFICATE

