Grant Thornton

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COURT:	**COURT OF QUEEN'S BENCH OF ALBERTA**
JUDICIAL CENTRE:	**CALGARY**
APPLICANT:	**ALBERTA ENERGY REGULATOR**
RESPONDENT:	**LEXIN RESOURCES LTD., 1051393 B.C. LTD., 0989 RESOURCE PARTNERSHIP, LR PROCESSING LTD. and LR PROCESSING PARTNERSHIP**
DOCUMENT:	**RECEIVER'S TENTH REPORT NOVEMBER 19, 2018**

ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING DOCUMENT

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Introduction

1. On March 20, 2017, on application by the Alberta Energy Regulator ("**AER**"), the Court of Queen's Bench of Alberta (the "**Court**") granted an order (the "**Receivership Order**") appointing Grant Thornton Limited (the "**Receiver**") as receiver and manager of Lexin Resources Ltd. ("**Lexin**" or the "**Company**").

2. On June 13, 2017, on a consent basis the Court approved a further receivership order ("**Expanded Receivership Order**") adding the following Lexin related entities to the within Receivership proceedings:

   a) 1051393 BC Ltd. ("**105**");

   b) 0989 Resource Partnership ("**0989**");

   c) LR Processing Ltd. ("**LR Ltd**"); and

   d) LR Processing Partnership ("**LR Partnership**");

   (collectively the "**Additional Lexin Entities**" and collectively, along with Lexin, the "**Lexin Group**").

3. The Receiver has issued nine previous reports and their supplements between March 30, 2017 and November 7, 2018 (collectively the "**Prior Reports**"). The Prior Reports should be read in conjunction with the Tenth Report.

4. On June 7, 2018, this Court issued an order addressing various relief sought by the Receiver (the "**June 7 Order**"), including but not limited to approval of various equipment salvage processes for certain of the Lexin sites.

5. As noted in the preamble to the Ninth Report, the Ninth Report was intended as a single-purpose report devoted to the Settlement Agreement (as defined) with a notation that information on activities since the Eighth Report would be contained in a future report. This is that future report.

6. The purpose of this report (the "**Tenth Report**") is to provide the Court and other interested parties with:

   a) a brief summary of activities since the Eighth Report;

   b) an update on the status of the Court-approved Sales Process conducted with the assistance of the sales advisor, Sayer Energy Advisors Ltd. ("**Sayer**"),

   c) the Receiver's application for the Court's approval of a proposed Purchase and Sale Agreement ("**PSA**") the Receiver has executed with Long Term Asset Management Inc. ("**LTAM**") for the sale of Lexin's interest in the High River area properties and the Receiver's comments and recommendations in respect of that application;

   d) an update on the status of the Receiver's various asset realization engagements with third party specialists, including:

      i. the development of a Request for Proposal ("**RFP**") for bids to decommission, dismantle and salvage gas processing buildings and equipment located at the Mazeppa Gas Plant and the subsequent marketing of these assets by the Receiver;

      ii. the development of an on-line auction of oil and gas surface equipment located at Lexin-licensed sites in the Gladys area; and

      iii. the listing of the quarter section of unencumbered farmland located directly south of the Mazeppa Gas Plant;

   e) information on the financial position of the receivership estate;

   f) the Receiver's application for Court approval of the Receiver's activities and conduct as outlined in this Tenth Report; and

   g) the Receiver's application for Court approval of the professional fees and disbursements incurred by the Receiver and its legal counsel, since last approved.

7. Unless otherwise stated, all monetary amounts noted herein are expressed in Canadian dollars. Capitalized terms not otherwise defined herein shall adopt the meaning as defined in the Receivership Order, the AER's originating application materials, the affidavit of Laura Chant sworn on March 11, 2017 (the "**Chant Affidavit**") and the Receiver's Prior Reports.

Limitations of Report

8. The information contained in the Tenth Report has been obtained from the available records of the Lexin Group, publicly available information, information obtained from various Lexin Group stakeholders, and discussions with former Lexin Group employees. The information was not audited or otherwise verified by the Receiver as to its accuracy or completeness, nor has it been prepared in accordance with generally accepted accounting principles and the reader is cautioned that this report may not disclose all significant matters about the Lexin Group. Accordingly, unless otherwise stated, we do not express an opinion or any other form of assurance on the information presented herein. The Receiver may refine or alter its observations as further information is obtained or is brought to its attention after the date of this Tenth Report.

9. The Receiver assumes no responsibility or liability for any loss or damage occasioned by any party because of the circulation, publication, reproduction, or use of the Tenth Report. Any use that any party makes of this report, or any reliance on or decisions to be made based on it is the responsibility of such party.

10. A copy of the Tenth Report and other relevant documents in the receivership proceedings are available on the Receiver's website at: www.grantthornton.ca/Lexin.

Confidential Appendices

11. In order to avoid publicly disclosing certain information that would be prejudicial to third parties and the Receiver's efforts to maximize realizations from the sale of the Lexin Group's Property, prior to completing the sale of that Property, the Receiver has marked certain appendices to this report as confidential and omitted them from the report that will form part of the public record. These confidential appendices have been submitted to the

Court for review and the Receiver will be applying for an order sealing these confidential appendices until further order of the Court.

Background

12. Lexin is a privately held corporation formed pursuant to the laws of British Columbia. The Company was engaged in the business of oil and gas exploration and production in Alberta.

13. The events leading up to the receivership of Lexin were outlined in the Chant Affidavit and in the First Report. In summary, Lexin had numerous regulatory orders issued against it by the AER which resulted in the suspension of all of Lexin's AER regulated assets. In an unprecedented step taken by the AER, the AER sought the appointment of a receiver to realize upon the assets of Lexin, attend to stakeholder and creditor issues in an orderly fashion and help address many of the outstanding environmental and safety issues at the Sites and the Abandoned Sites in a court supervised process.

14. The organizational structure of the Lexin Group is discussed in our Prior Reports. For ease of reference, we have included the organizational structure and a table of defined terms for each entity in documents attached as **Appendix 1** and **Appendix 2**, respectively.

15. Further background on the Lexin Group, its assets and events leading up to the receivership proceedings are available by reviewing the Chant Affidavit and materials filed in these proceedings.

Brief Summary of Activities

16. Since filing the Eighth Report, the Receiver has taken a number of steps, which fall into the following categories:
    a) Environmental and Safety Issues;
    b) Asset Preservation and Protection Issues;
    c) Creditor/Stakeholder Issues; and
    d) Sales Process Issues.

Each of these major areas are discussed further below.

Environmental and Safety Issues

17. The Receiver has continued to work with stakeholders, including the AER, OWA and Working Interest Partners ("**WIP**"), to address environmental and safety matters, including matters at the Mazeppa Gas Plant where break-ins earlier in the year necessitated the AER to increase security on site to 24/7 security. Based on feedback from the AER, the increase in security appears to have been successful in eliminating these break-ins.

18. The Receiver has also consented to the OWA's abandonment of a large portion of LR Processing's sour gas pipelines, except for one segment on the north end of the system that is the subject of an offer.

Asset Preservation, Protection and Realization Issues

19. The Receiver continues to conduct investigations and make inquiries with respect to potential realizable assets. All current realizations are reflected in the financial position of the receivership estate discussed later in this Tenth Report.

20. Since early 2018, the Receiver has corresponded with joint venture personnel at SanLing Energy Ltd. ("**SanLing**") in relation to the status of their payment to Lexin of the joint interest billing account, which at the time aggregated over $43,000 and presently aggregates over $80,000. Despite written representations by SanLing that this account would be paid, no such payment has been made and the SanLing representative who made these representations is no longer with SanLing. Of late, SanLing's joint venture personnel have asserted that Lexin went into penalty status in June 2017 on one well, and as a result, no amount is payable. The Receiver disputes SanLing's assertion as it received no such penalty notice from SanLing. Further, the amounts are shown as owing in EnergyLink, the system used by joint venture partners for rendering joint interest billings. The Receiver's correspondence has more recently gone unanswered. The Receiver continues to assess reasonable avenues to recover these amounts from SanLing.

21. Insurance coverage with respect to the Property continues to be in place. The Receiver has made further amendments to the coverage as a result of the Sales Process results outlined later in this report. The Sales Process results demonstrate that the amount of the saleable assets requiring insurance has reduced significantly from the initial insurance levels.

Creditor/Stakeholder Issues

22. The Receiver has continued to maintain discussions with PPR and land title registrants, WIPs, creditors and other stakeholders as outlined in the Prior Reports. The following are relevant updates on some of the more material matters.

Tamarack

23. The two well licenses referenced in the Eighth Report were transferred to Tamarack Acquisition Corp. ("**Tamarack**") by the AER in July of 2018. The applicable pipeline license has not been transferred as the conditions do not allow for a transfer in the ordinary course. The Receiver understands that Tamarack is dealing directly with the AER on this issue.

Midstream

24. Midstream Canada Ltd. ("**Midstream**") was unsuccessful in its July 20, 2018 application seeking to lift the Stay to assume operatorship of certain joint ventured assets. The Receiver continues to work with Midstream on joint venture matters of relevance to the Sales Process, including payment of Lexin's share of mineral and surface lease rentals on Midstream-operated properties that are the subject of the LTAM offer.

Utility Suppliers

25. The Receiver has been paying the utility bills associated with the Sites in conjunction with the OWA's and WIPs' care and custody of same. These utilities include Epcor power bills, Zedi sour gas monitoring system bills, Telus bills for emergency call-in phone lines and other associated environmental and line locating vendor bills. The Receiver has cancelled or

transferred some of these services to the OWA and will continue to do so as it identifies unsaleable properties during the Sales Process outlined herein with a view to minimizing the costs being incurred by the estate.

26. The Receiver has provided its consent for Fortis, the supplier of the electricity infrastructure to the Mazeppa Gas Plant, to salvage its electricity infrastructure at the Mazeppa Gas Plant and we understand Fortis is working with AER, who have care and custody of this site, for this purpose.

CRA

27. As outlined in the Eighth Report, the Canada Revenue Agency ("**CRA**") is conducting an audit of certain entities of the Lexin Group. Where possible, the Receiver has worked diligently to provide requested information to the CRA. No further information has been requested by the CRA with respect to this audit since the Eighth Report and the Receiver is unaware of the status of the audit as at the date of this Tenth Report.

Surface Lessors

28. Following the partial discharge over various well and facility licenses which had no offers, in April and June the Receiver provided a list of said licenses to the SRB for purposes of lifting the Stay to allow the SRB to proceed with applications by landowners for compensation. Unfortunately, due to the complexities associated with SRB's internal systems, the Receiver determined shortly thereafter that licenses required for areas where offers were still pending and which were not part of the partial discharge process were erroneously included by the SRB in this landowner compensation process.

29. As a result, at the request of the Receiver, the SRB has halted their landowner compensation process, given the negative implications to the Sales Process associated with lifting the stay and terminating surface leases on potentially saleable assets. The Receiver continues to work with the SRB and where appropriate, facilitate the stay lifting process for surface leases on a one-off basis.

30. The Receiver notes that, based on its review, none of the surface leases referenced above relate to the assets which are subject to the proposed sale to LTAM.

Freehold Mineral Lessors

31. The Receiver continues to work with freehold mineral lessors to determine the applicable rental and royalty arrears required to be paid from prospective sales proceeds on saleable properties.

Crown matters

32. Following the conclusion of the Sales Process, anticipated in early 2019, the Receiver intends to notify Alberta Energy that any Crown lease not required for concluding sales by the Receiver can be returned to the land bank for re-sale to the public at large.

Non-operated Joint Venture Partners

33. Aside from Lexin's interest in the joint venture assets at High River operated by Midstream, some of which assets are subject to the proposed LTAM transaction, the Receiver does not foresee selling any of Lexin's other non-operated joint venture interests of any materiality and intends to renounce those interests, to the extent it has not already done so.

Sales Process

34. Since the Eighth Report, the Receiver has continued to work with Sayer to advance the Sales Process, notwithstanding the uncertainty surrounding the validity of the Finance Loan and the related credit bid on a portion of Lexin's assets.

High River area assets

35. Of most significance was work the Receiver undertook to sell the High River area assets, representing approximately 40% of Lexin's reserve value. These assets were not included in Finance's credit bid. Therefore, a sale could be negotiated without having to resolve issues involved with a conflicting bid. Following the re-bid process outlined in the supplement to

the Eighth Report, which resulted in no material changes to the bids previously submitted by bidders, as summarized in **CONFIDENTIAL APPENDIX 3** hereto, the Receiver selected LTAM as the successful bidder and began to work with LTAM's representatives, including legal counsel, to negotiate a binding PSA.

36. Various complexities associated with Lexin's interests in the High River area properties exist, including the following:

    a) Wells in the area have been shut-in with no previous production reported for upward of two years. As a result, the underlying assets have no deemed asset value for LLR purposes and it is unknown whether there are any well or pipeline integrity issues associated with the assets;
    b) The assets are subject to an Area Dedication Agreement (discussed further below) requiring gas to be processed through the Mazeppa Gas Plant. However, the Mazeppa Gas Plant has proved unsaleable given its circumstances, as previously reported by the Receiver. As a result, a purchaser has had to devise an alternative gas processing plan; a process that will delay the area's production capability by approximately a year, or longer for some of the assets;
    c) Multiple joint venture agreements exist requiring the proposed purchaser's review;
    d) The terms of Exxon-Mobil's freehold mineral leases require discussions between prospective purchasers and Exxon-Mobil in order to resolve various go-forward issues;
    e) There are no incumbent Lexin staff to assist in a purchaser's due diligence;
    f) It is difficult to access Lexin records to conduct due diligence; and
    g) The priority payables applicable to the assets, although for the account of the vendor and not the purchaser, factors negatively into the overall environment inherited by the proposed purchaser.

    As a result of the above, the time frame for due diligence and finalizing a PSA was longer than is typically found in more traditional receiverships.

37. In order to reduce its risk, and with the concurrence of the Receiver, LTAM has successfully applied to the AER for its required field reactivation plan and gas plant construction permit,

given that the Mazeppa Gas Plant is not available for processing. LTAM has also sought and obtained the required LLR relief from the AER pursuant to a program the AER established for this specific purpose. These applications caused delays in finalizing the proposed PSA, however, the Receiver believes this will significantly reduce the closing risk associated with the proposed LTAM transaction.

38. The LTAM PSA, a redacted copy of which is attached to this report as **Appendix 4**, with the applicable unredacted pages contained at **CONFIDENTIAL APPENDIX 5**, provides for the following general terms:

    a) Assets consist of:
        i. 57 Lexin-licensed wells with working interests ranging from 50 to 100%;
        ii. 78 Lexin-licensed pipelines;
        iii. 18 non-operated wells with working interests ranging from 12.5 to 50% (the remaining working interest belonging to Midstream);
        iv. wellhead equipment, mineral and surface leases and contracts necessary for operation of the assets outlined above.
    b) Consideration – Cash (no financing condition);
    c) Conditions / Sale Approval and Vesting Order ("**SAVO**") requirements:
        i. Court approval in the form of a SAVO; and
        ii. a release by the Receiver from any of the Purchaser's obligations to deliver the products produced from, delivered to, or transported from the Assets, or any reserves associated therewith, to the Mazeppa Gas Plant as set out under Schedule "D" to that Farmout, Participation and Area of Mutual Interest Agreement, Mazeppa made between Mobil Oil Canada and Compton Petroleum Corporation dated December 31, 1997 ("**Area Dedication Agreement**"), a release provided for in the terms of the draft SAVO.
    d) Permitted Encumbrances – Crown Royalties, Freehold Royalties and various registered GORRs;

e) Deposit – deposit representing 20% of the purchase price, refundable only if Court approval is not obtained or there are other vendor-related reasons for not completing the transaction;

f) ROFR – 30 day ROFR periods on a variety of assets joint ventured with Midstream;

g) Surface/Mineral lease arrears/assignment issues – a retention in trust provision (defined as Curative Costs) to address any surface or freehold mineral lessors that cannot be located by the Receiver for purposes of ascertaining their arrears.

39. Based on present due diligence results, the majority of the sales proceeds will go towards repaying priority arrears owing on crown and freehold mineral lease and royalties, property taxes and surface leases, plus transaction costs and costs of administration, with the balance of the net sales proceeds available for repayment of Receiver's Certificates;

40. The Receiver considers the sales process for the High River assets to be fair and reasonable given that:

a) it was approved by the Court;

b) it was conducted by Sayer, an independent third party focused on providing oil and gas sales advisory services, to canvas bidders;

c) Sayer took various steps to market the assets, including but not limited to:

i. Issuing a notice and teaser via mail and e-mail to over 2,000 parties on September 1st and 5th, 2017;

ii. Posting advertisements in the Daily Oil Bulletin, BOE Report ("**BOE**"), A&D Watch, PLS Inc. and Canadian Oil Industry Asset Sale Listing publications; and

iii. Creating a virtual data room ("**VDR**") containing confidential information accessible to potential bidders who executed a non-disclosure agreement ("**NDA**").

d) Sayer received a wide overall response to their marketing, with over 60 NDA's executed and over 40 offers received on all Lexin properties;

e) The Receiver undertook two High River re-bid processes as outlined in the Eighth Report and supplement thereto with Sayer notifying each High River bidder of the subsequent bid deadline and providing such bidder the opportunity to amend their bid to reflect the changing market conditions.

41. The Receiver considers the proposed LTAM PSA to be fair and reasonable given that:
    a) LTAM's bid was the highest and best bid received during the final re-bid process;
    b) the proposed LTAM PSA was negotiated at arm's length and in good faith;
    c) the Receiver's release of LTAM from the terms of the Area Dedication Agreement does not prejudice any party as the Mazeppa Gas Plant is not saleable and is undergoing a salvage process;
    d) the process used by LTAM to seek stakeholder consents, including obtaining AER approvals in advance of concluding the transaction, is anticipated to reduce the closing risk of the transaction; and
    e) the purchase price obtained, in the Receiver's view, represents the highest price achievable in the circumstances.

42. In addition, the Receiver notes that there is no material cash flow outside of the Receiver's Borrowings, due to the fact that Lexin's licensed oil and gas assets were ordered suspended by the AER before the receivership. Thus, the net sale proceeds from the LTAM sale will provide a much needed injection of cash into the proceedings and provide for the repayment of all or a substantial portion of the Receiver Certificates.

43. For the above noted reasons, the Receiver views the sale of Lexin's interests in the High River area to LTAM to be in the best interest of the Lexin Group's stakeholders. The Receiver supports and recommends the sale to LTAM as being commercially reasonable in the circumstances.

Other Offers Received on Oil and Gas Properties

44. Aside from the High River area assets, there are two more potential sales of Lexin's properties that could be accretive to the Lexin estate. The Receiver defines an accretive sale as producing some value after priority arrears, transaction costs and costs of administration are deducted from the gross sales proceeds, and taking into account closing/transaction risk.

45. The difficulty currently facing the Receiver with these additional offers is similar to the circumstances referenced earlier in the LTAM due diligence discussions: shut-in assets with no deemed asset value, unknown asset/pipeline integrity issues, no incumbent Lexin staff to assist in due diligence and difficulties accessing Lexin records to conduct due diligence. These circumstances combined with deteriorating gas markets since the commencement of the Sales Process have resulted in gross offer prices declining on all re-bids since those offers received in the initial October 2017 bid process. Conversely, the priority arrears amounts, by their very nature, continue to increase daily. As a result, fewer and fewer offers in the current re-bid environment remain accretive to the estate.

46. At present the Receiver intends to pursue these two potentially accretive offers following the approval of the LTAM sale. The remaining offers are presently non-accretive. Unless these offers can be restructured into accretive deals following the approval of the LTAM sale, the Receiver intends to seek its partial discharge over these assets shortly thereafter.

Seismic and Fee Simple, Freehold Land Assets

47. As outlined in the Ninth Report, as part of the Settlement Agreement, seismic, which was transferred at a value of $890,000 in February 2017 and fee simple, freehold lands, which was transferred at a value of $5.3 million in December 2015, will be returned to 0989 by Finance and 1059 respectively assuming Court approval of the Settlement Agreement.

48. Upon the returning of these assets to the Lexin estate, the Receiver will instruct Sayer to market these assets for sale. The seismic data in particular has had considerable interest expressed throughout the Sales Process, despite not being included in that process.

49. The Receiver has recently engaged Lexin's former Senior Geophysical Technician to assist the Receiver in understanding the nature of the seismic assets involved, including locating applicable agreements, identifying any applicable joint venture partner arrangements and other relevant information that would aid in a prospective purchaser's due diligence.

Engagement Matters on Marketing of Surplus Equipment and Farmlands

50. The Receiver provided an updated in its Eighth Report on the status of its efforts to market various other assets, including the Mazeppa and Gladys salvage processes. A further update on these efforts is provided below.

Mazeppa Decommission and Equipment Salvage

51. Following the June 7 Order, the Receiver engaged Millenia Engineering ("**Millenia**") to complete an RFP for the Mazeppa Decommission and Equipment Salvage project.

52. In August 2018, this RFP was completed. A copy of the RFP is attached as **Appendix 6** to this report. Concurrent with its finalization, a list of recipients for the RFP was compiled by the Receiver and Millenia, in consultation with the AER and the OWA.

53. In September 2018, this RFP was distributed to over 500 parties from over 200 companies. An on-line ad was placed in the September 6, 2018 BOE edition, establishing a bid deadline of October 26, 2018 and setting out a process for bidders to request confidential information, conduct a site visit and otherwise complete their due diligence.

54. During the marketing process, fifteen parties executed NDAs and entered Millenia's VDR portal to view the information compiled during the RFP process with seven conducting site visits with Millenia and AER personnel.

55. The MFC Power assets discussed in the Ninth Report, which assets are located on the Mazeppa site, received numerous expressions of interest during this Mazeppa decommission and equipment salvage process, even though these assets were not included in this process. The Receiver informed all of these parties that these assets were beyond the scope of the Receiver's mandate.

56. By the October 26 bid deadline, the Receiver received conditional bids on a number of asset packages. All of the bids were made on the sweet gas processing assets ("**Sweet Assets**"). No sour gas processing assets were offered upon.

57. The Receiver intends to allow the condition clearing process to continue in respect of the offers on the Sweet Assets, estimated to take approximately two to three months, given dismantling logistics, amongst other considerations. This process will be completed in consultation with the AER, who has care and custody of the site. Further, the AER will be involved in ensuring that any prospective purchaser complies with applicable requirements regarding the dismantling process. The Receiver intends to proceed with the best offer or offers after conditions clear, assuming that the offers are accretive to the estate.

58. The remainder of the assets located at the Mazeppa Gas Plant, including any unsold Sweet Assets, would be left for the bankruptcy trustee and/or the AER to carry out its processes following the Receiver's discharge over these assets.

Gladys Equipment Salvage

59. Following the June 7 Order, the Receiver engaged Energy Auctions ("**EA**") to broker the gas processing equipment located on 17 sites in and around the Gladys area.

60. In July 2018, EA visited all of the sites and photographed and catalogued the equipment. In August 2018, EA listed the equipment on its web-site, sent an email Notice out to the 7,800+ parties on its distribution list and placed ads in various industry publications and social media, including BOE. EA established a bid deadline of September 14, 2018. Copies of the EA e-mail Notice and the BOE ad are attached as **Appendix 7** to this report.

61. During the marketing process, EA conducted numerous site visits with prospective purchasers in conjunction with OWA personnel, who have care and custody of the sites.

62. After the September 14 bid deadline, the Receiver reviewed the bid results and selected three bidders for equipment located at seven of the 17 sites. The bidders were selected under the condition that, as outlined in the EA marketing materials, the entirety of equipment located at a site be purchased and removed in accordance with AER requirements.

63. A draft bill of sale reflective of the above was provided to each of the three bidders in order to finalize this arrangement and allow for the Receiver to conclude the transactions

following the November 27 Court application. The latter given that certain of the assets consist of the 597 equipment that is being returned to the estate pursuant to the Settlement Agreement, as set out in the Ninth Report. None of the prospective sales are above the Court approval threshold of $50,000.

64. However, to date, none of the three parties have executed the bills of sale for their respective purchases. As a result, if these parties do not execute these bills of sale and fulfill their terms, the Receiver will consider this Gladys equipment salvage matter to be concluded.

65. Based on the low level of interest received relative to the costs of administration associated with conducting the Gladys salvage process, the Receiver does not intend to expand the marketing to any of the other sites. All of these surplus equipment assets, inclusive of any unsold Gladys equipment, will be left for the bankruptcy trustee and/or, as applicable, the OWA and WIPs to address following the Receiver's discharge over these assets.

LR Farmlands

66. Following the June 7 Order, the Receiver engaged Remax Southern Realty ("**Remax**") to list the NE quarter section of farm land located directly south of the Mazeppa Gas Plant (the "**Farmlands**"), registered in the name of LR Processing.

67. In July 2018, the Farmlands were listed by Remax at a price of $452,000, or $4,000 per farmable acre, based on the advice of Remax and a review of the appraisal. Although the NE quarter section is approximately 151 acres in size, due to the configuration of the property and the storage yard, rail spur and access requirements of the Mazeppa Gas Plant located on the quarter section to the north, only 113 acres of this quarter section is farmable.

68. During the listing period, Remax received numerous offers at or in excess of the listing price per farmable acre, but only one of which did not require the sub-division of this quarter section to include only that portion not affected by the Mazeppa Gas Plant. The prospect of such a sub-division was determined by the Receiver to be uneconomic based on the costs involved and the timing and circumstances of the receivership.

69. As a result, the Receiver and Remax negotiated with the one offeror who did not require a sub-division. The Receiver engaged its legal counsel to draft a lease and easement arrangement to allow for the use of the rail spur, storage yard and access roads by the Mazeppa Gas Plant to the north.

70. Following a due diligence period on the proposed terms of the lease and easement, the prospective purchaser elected not to proceed with their offer due to the environmental risks associated with being located adjacent to a former sour gas processing plant and with no long-term tenant counter-party to help share that risk.

71. The listing agreement has expired and the Receiver is considering its options on this matter. If these considerations do not result in a decision by the Receiver to retain the Farmlands, these assets will be left for the bankruptcy trustee to address following the Receiver's discharge over these assets.

Discharge Issues

72. As outlined throughout this report, it is apparent that only a relatively small portion of Lexin's assets are saleable or have offers that are accretive to the estate. Following the approval and closing of the LTAM sale, which sale will provide for the primary share of realizations by the Lexin estate, the Receiver will be in a better position to assess, along with the AER, the merits of continuing the sales process in respect of offers that may be restructured to be accretive to the estate.

73. As soon as reasonably practical thereafter, in order to obviate ongoing costs to the estate, the Receiver intends to seek its discharge over all assets which are not accretive to the estate. This process will also serve to allow the numerous stakeholders involved with these assets, including surface lessors, mineral lessors, municipalities, operating and non-operating WIPs and others, to deal with these matters in the ordinary course, without the Stay impacting on their rights.

Estate Financial Position

74. The Receiver has issued $2,291,600 in Receiver's Certificates to the lender, AER, which is $308,400 under the $2,600,000 maximum borrowing level permitted by the Receivership Order (as amended by the December 4, 2017 Order).

75. The receipts and disbursements ("**R&D**") for the Lexin Group's unrestricted trust accounts as at November 15, 2018, are contained in **Appendix 8.** As at November 15, 2018, there is $51,880 of unrestricted funds held in trust for the Lexin Group. The Receiver does not foresee the need to seek an increase in Borrowing Powers at this time, given the level of funds contained in the unrestricted trust accounts and, if approved, an anticipated closing of the LTAM sale in January 2019. Repayment of Receiver's Certificates will be addressed in a distribution application following closing of the proposed LTAM sale.

76. The restricted funds trust account contains:

   a) Approximately $62,000 related to the draft final statement of adjustments with Davilin Energy Corp. ("**Davilin**"), the purchaser of the Ghost Pine Unit. These funds will be paid to satisfy applicable post-effective date crown royalties, gross overriding royalty interests and operational costs, all of which still require finalization, with the residual payable to Davilin;

   b) Approximately $60,000 received from Cargill post-receivership in respect of gas sold, which funds were otherwise destined for MFC Austria pursuant to their pre-receivership Direction to Pay arrangements with Lexin and Cargill as outlined in Prior Reports; and

   c) Approximately $13,000 received for Lexin's non-operated interest in a seismic sale conducted through Pulse Seismic by the operator.

   Interest is being earned on the amounts above. As there are various potential claimants to these funds, they have been retained in the restricted trust account. If the Settlement Agreement is approved by the Court, the Receiver will transfer the $13,000 in respect of the seismic sale, from the restricted account to the unrestricted account.

77. The Receiver is requesting approval of the fees and disbursements of the Receiver and its counsel of $440,200 and $116,479, respectively, incurred from May 2018 to September, 2018. The Receiver is of the opinion that the professional fees incurred to date are reasonable in the circumstances and respectfully recommends that the Court approve the additional fees and disbursements. A summary of the accounts rendered by the Receiver and its legal counsel, including accounts previously approved by the Court and the additional accounts rendered above, is included as **Appendix 9** to this report.

78. The factors that have contributed to the professional costs incurred to date were discussed in the Sixth Report and continue to apply to the present situation, although with the Settlement Agreement now part of a pending Court application and many of the Sales Process issues now nearing a resolution as discussed above, the level of future professional fees is expected to decrease following the conclusion of these events, assuming no other increase in receivership activities arises.

Recommendations

79. The Receiver respectfully recommends that this Honourable Court:

a) Approve the sale of the High River properties to LTAM;

b) Approve the Receiver's activities and conduct to date as outlined in this Tenth Report; and

c) Approve the professional fees and disbursements incurred by the Receiver and its legal counsel as outlined in Appendix 9.

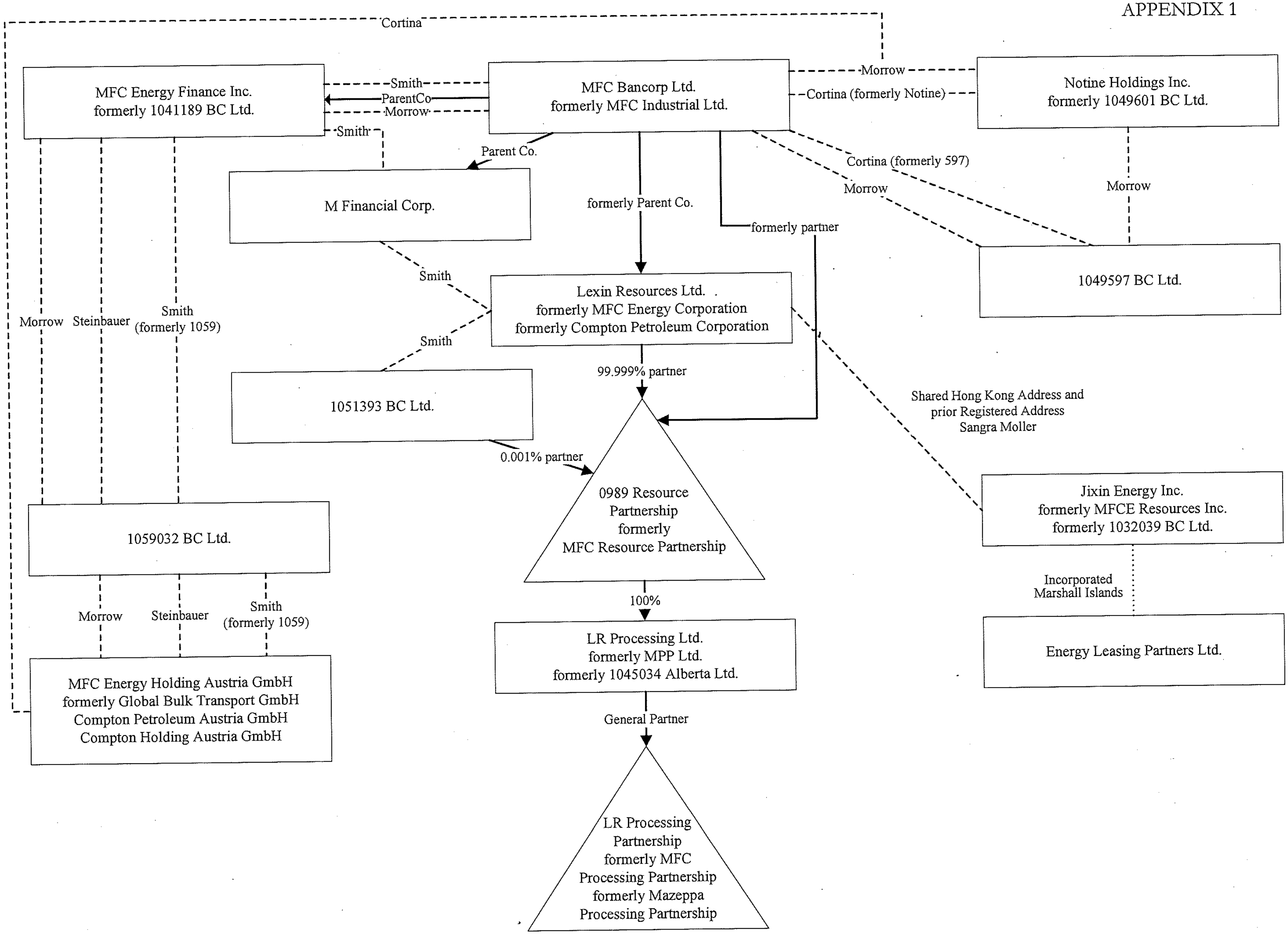
DATED at Calgary Alberta, the 19th day of November 2018.

Grant Thornton Limited,
in its capacity as receiver of
Lexin Resources Ltd., 1051393 BC Ltd., 0989 Resource Partnership, LR Processing Ltd. and LR Processing Partnership
and not in its personal capacity

Andrew Basi, CPA, CA, CIRP, LIT
Senior Vice President

Michael Costello, CPA, CA, CBV
Senior Consultant

APPENDIX 1



Cortina
MFC Energy Finance Inc.
formerly 1041189 BC Ltd.
Smith
ParentCo
Morrow
Smith
MFC Bancorp Ltd.
formerly MFC Industrial Ltd.
Morrow
Cortina (formerly Notine)
Notine Holdings Inc.
formerly 1049601 BC Ltd.
Parent Co.
M Financial Corp.
formerly Parent Co.
formerly partner
Cortina (formerly 597)
Morrow
Morrow
1049597 BC Ltd.
Smith
Lexin Resources Ltd.
formerly MFC Energy Corporation
formerly Compton Petroleum Corporation
Morrow
Steinbauer
Smith
(formerly 1059)
Smith
1051393 BC Ltd.
99.999% partner
Shared Hong Kong Address and
prior Registered Address
Sangra Moller
0.001% partner
0989 Resource
Partnership
formerly
MFC Resource Partnership
Jixin Energy Inc.
formerly MFCE Resources Inc.
formerly 1032039 BC Ltd.
1059032 BC Ltd.
Incorporated
Marshall Islands
100%
Morrow
Steinbauer
Smith
(formerly 1059)
LR Processing Ltd.
formerly MPP Ltd.
formerly 1045034 Alberta Ltd.
Energy Leasing Partners Ltd.
MFC Energy Holding Austria GmbH
formerly Global Bulk Transport GmbH
Compton Petroleum Austria GmbH
Compton Holding Austria GmbH
General Partner
LR Processing
Partnership
formerly MFC
Processing Partnership
formerly Mazeppa
Processing Partnership

	Current Name of Entity	Predecessor Name of Entity (prior to name change)	Defined Term hereafter
a	Lexin Resources Ltd.	MFC Energy Corporation Compton Petroleum Corporation	**"Lexin"**
b	0989 Resource Partnership	MFC Resource Partnership Compton Resource Partnership	**"0989"**
c	1051393 BC Ltd.	n/a	**"105"**
d	LR Processing Ltd.	MPP Ltd. 1045034 Alberta Ltd.	**"LR Ltd."**
e	LR Processing Partnership	MFC Processing Partnership Mazeppa Processing Partnership	**"LR Processing"**
f	1049597 BC Ltd.	n/a	**"597"**
g	MFC Energy Finance Inc.	1041189 BC Ltd.	**"Finance"**
h	1059032 BC Ltd.	n/a	**"1059"**
i	Notine Holdings Inc.	1049601 BC Ltd.	**"Notine"**
j	MFC Energy Holding Austria GmbH	Global Bulk Transport GmbH Compton Petroleum Austria GmbH Compton Holding Austria GmbH	**"MFC Austria"**
k	Jixin Energy Inc.	MFCE Resources Ltd. 1032039 B.C. Ltd.	**"Jixin"**
l	MFC Bancorp Ltd.	MFC Industrial Ltd.	**"Bancorp"**
m	M Financial Corp.	Unknown	**"M Financial"**
n	Energy Leasing Partners Ltd.	Unknown	**"ELP"**
o	MFC Power Limited Partnership	n/a	**"MFC Power"**

CONFIDENTIAL APPENDIX 3

ASSET PURCHASE AGREEMENT

THIS AGREEMENT made as of November 16, 2018.

BETWEEN:

GRANT THORNTON LIMITED, solely in its capacity as the court appointed receiver and manager of the assets, undertaking and property of each of **LEXIN RESOURCES LTD., 1051393 B.C. Ltd., 0989 RESOURCE PARTNERSHIP, LR PROCESSING LTD.** and **LR PROCESSING PARTNERSHIP**, and not in its personal capacity (hereinafter referred to as "**Vendor**")

- and -

LONG TERM ASSET MANAGEMENT INC., a corporation incorporated under the laws of the Province of Alberta (hereinafter referred to as "**Purchaser**")

WHEREAS pursuant to an order of the Honourable Justice P.R. Jeffrey of the Alberta Court of Queen's Bench (the "**Court**") dated March 20, 2017 under Court Action Number 1701-03460 as expanded on June 13, 2017 (the "**Appointment Order**"), Grant Thornton Limited (the "**Receiver**") was appointed receiver and manager of Lexin Resources Ltd., 1051393 B.C. Ltd., 0989 Resource Partnership, LR Processing Ltd. and LR Processing Partnership (collectively "**Lexin**");

AND WHEREAS Vendor wishes to sell, and Purchaser wishes to purchase, all of the interest of Lexin in and to the Assets, subject to and in accordance with the terms and conditions hereof;

NOW THEREFORE, THIS AGREEMENT WITNESSETH that in consideration of the premises and the mutual covenants and agreements hereinafter set forth, the Parties have agreed as follows:

ARTICLE 1
INTERPRETATION

1.1 Definitions

In this Agreement, unless the context otherwise requires:

(a) "**Abandonment and Reclamation Obligations**" means, with respect to the Assets, all past, present and future obligations and liabilities to:

(i) abandon, shut-down, close, decommission, dismantle and remove any and all Wells and Tangibles, including all structures, foundations, buildings, pipelines, equipment and other Facilities located on the Lands or lands pooled or unitized therewith; and

(ii) restore, remediate and reclaim the surface and subsurface locations of the Wells, the Tangibles, the Lands, lands pooled or unitized therewith, and any lands used to gain access thereto, including such obligations relating to Wells, Pipelines and Facilities which were abandoned or decommissioned prior to the Closing Date that were located on the Lands, including the remediation, restoration and reclamation of any other surface and sub-surface lands affected by any environmental damage, contamination or other environmental issues emanating from or relating to the sites for the Wells or the Tangibles;

(b) "**AER Applications**" means, collectively, the Bulletin 2016-21 Discretionary Request Form dated October 25, 2018, and the Plant License application dated November 13, 2018;

(c) "**Affiliate**" means, with respect to any Person, any other Person or group of Persons acting in concert, directly or indirectly, that controls, is controlled by or is under common control with such Person. The term "**control**" as used in the preceding sentence means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of a Person whether through ownership or more than 50% of the voting securities of such Person, by contract or otherwise;

(d) "**Agreement**" means this Asset Purchase Agreement between Vendor and Purchaser, including all recitals and schedules attached hereto, and "**this Agreement**", "**herein**", "**hereto**", "**hereof**" and similar expressions mean and refer to this Agreement;

(e) "**Applicable Law**" means, in relation to any Person, property or circumstance, all laws, statutes, rules, regulations, official directives and orders of Governmental Authorities (whether administrative, legislative, executive or otherwise), including judgments, orders and decrees of courts, commissions or bodies exercising similar functions, as amended, and includes the provisions and conditions of any permit, licence or other governmental or regulatory authorization, that are in effect as at the relevant time and are applicable to such person, property or circumstance;

(f) "**Appointment Order**" has the meaning set out in the recitals;

(g) "**Assets**" means the Petroleum and Natural Gas Rights, the Tangibles, and the Miscellaneous Interests, but excludes the Excluded Assets;

(h) "**Business Day**" means a day other than a Saturday, a Sunday or a statutory holiday in Calgary, Alberta;

(i) "**Claim**" means any claim, demand, lawsuit, proceeding or arbitration, or any investigation by a Governmental Authority, pertaining to the Assets, in each case whether asserted, threatened, pending or existing;

(j) "**Closing**" means the transfer of possession, legal and beneficial ownership and risks of the Assets from Vendor to Purchaser and payment of the Purchase Price by Purchaser to Vendor, and all other items and considerations required to be delivered on the Closing Date pursuant hereto, including delivery of the Specific Conveyances if applicable;

(k) "**Closing Date**" means the later of:

(i) 10 days following the later of: (A) the grant of the Court Order; and (B) the expiration, waiver or exercise of all Preferential Purchase Rights; or

(ii) or another date agreed upon in writing by the Parties,

but in any event, shall be no later than the Outside Date;

(l) "**Closing Place**" means the office of the Vendor or its solicitors, or such other place as may be agreed upon in writing by the Parties;

(m) "**Confidential Report**" has the meaning set out in Section 11.13;

(n) "**Court**" has the meaning set out in the recitals;

(o) "**Court Order**" means an order to be granted by the Court substantially in the form of Schedule "F" which authorizes, approves and confirms this Agreement and the sale of the Assets by Vendor to Purchaser in accordance with the terms and conditions contained herein, and vests legal and beneficial title to the Assets in Purchaser free and clear of all encumbrances, liens, security interests or Claims, other than Permitted Encumbrances;

(p) "**Curative Costs**" means all costs and expenses required to reinstate and bring into good standing any of the Title Documents which are not in good standing, and any and all municipal property taxes, surface lease rentals or other payment related to any contract or agreement forming part of the Miscellaneous Interests which are payable as of the Closing Date but for certainty, excluding any costs and expenses associated with the Excluded Contracts, and excluding any associated out-of-pocket or overhead costs of the Purchaser;

(q) "**Data Room Information**" means all information provided or made available to Purchaser by Vendor in hard copy or electronic form in relation to Lexin and/or the Assets;

(r) "**Date of Appointment**" means March 20, 2017;

(s) "**Deposit**" has the meaning as defined in Section 2.8;

(t) "**Effective Date**" means the Closing Date;

(u) "**Effective Time**" means 12:01 a.m. on the Effective Date;

(v) "**Environment**" means the components of the earth and includes ambient air, land, surface and subsurface strata, groundwater, surface water, all layers of the atmosphere, all organic and inorganic matter and living organisms, and the interacting natural systems that include such components, and any derivative thereof shall have a corresponding meaning;

(w) "**Environmental Liabilities**" means all past, present and future liabilities, obligations, and expenses in respect of the Environment which relate to the Assets (or lands pooled or unitized with Lands which may form part of the Assets), or which arise in connection with the ownership thereof or operations pertaining thereto, including liabilities, obligations and expenses related to or arising from:

(i) transportation, storage, use or disposal of toxic or hazardous substances;

(ii) release, spill, escape, emission, leak, discharge, migration or dispersal of toxic or hazardous substances; or

(iii) pollution or contamination of or damage to the Environment;

(iv) Abandonment and Reclamation Obligations;

including liabilities and obligations to compensate Third Parties for damages and Losses resulting from the items described in items (i), (ii) and (iii) above (including damage to property, personal injury and death) and obligations to take action to prevent or rectify damage to or otherwise protect the Environment;

(x) "**Excluded Assets**" means:

(i) any item or thing owned by Third Parties and licenced to Vendor or Lexin with restrictions on deliverability or disclosure by Vendor or Lexin that prevent the conveyance of such item or thing to Purchaser;

(ii) advances and deposits for operations payable to Governmental Authorities or other Persons prior to the Effective Time to secure obligations or as prepayment of costs or expenses;

(iii) legal and title opinions;

(iv) documents, other than Title Documents, prepared by or on behalf of Vendor or Lexin in contemplation of litigation and any other documents within the possession of Vendor or Lexin which are subject to legal privilege under the laws of the Province of Alberta or any other jurisdiction;

(v) records, policies, manuals and other proprietary, confidential business or technical information not used exclusively in the operation of the Assets;

(vi) cash and securities of Lexin or any other corporation or entity;

(vii) accounts receivable of Lexin;

(viii) Lexin's choses in action;

(ix) except as otherwise specifically provided for herein, any computer software, computer networks and other technology systems of Lexin;

(x) agreements, documents or data to the extent that:

(A) they pertain to Lexin's proprietary technology;

(B) they pertain to seismic data;

(C) they pertain to any intellectual property owned by a Third Party;

(D) they comprise Vendor's and Lexin's tax and financial records, and economic evaluations;

(xi) Excluded Licences;

(xii) Excluded Contracts; and

(xiii) any other assets specifically described in Schedule "I"

but "Excluded Assets" shall not include any property, rights or interests specifically described as Miscellaneous Interests;

(y) "**Excluded Contracts**" means those contracts listed in Schedule "I"

(z) "**Excluded Licences**" means the licences listed in Schedule "H";

(aa) "**Facilities**" means all field facilities (including all unit facilities under any unit agreement applicable to the Leased Substances) solely located on or under the surface of the Lands (or lands with which the Lands are pooled or unitized) and that are, or have been, used for production, gathering, treatment, compression, transportation, injection, water disposal, measurement, processing, storage, handling or other operations respecting the Leased Substances, including any applicable Pipelines, battery, separator, compressor station, gathering system, production storage facility or warehouse, and including those field facilities specifically identified in Schedule "B";

(bb) "**Final Statement of Adjustments**" has the meaning set forth in Section 7.2(b);

(cc) "**General Conveyance**" means the general conveyance in the form attached as Schedule "D";

(dd) "**Governmental Authority**" means any federal, national, provincial, territorial, municipal or other government, any political subdivision thereof, and any ministry, sub-ministry, agency or sub-agency, court, board, bureau, office, commission or department, as well as any government-owned entity, any regulatory authority (including the Regulator) and any public authority or any public utility, having jurisdiction over a Party, the Assets or the Transaction;

(ee) "**GST**" means the goods and services tax payable pursuant to the GST Legislation;

(ff) "**GST Legislation**" means Part IX of the *Excise Tax Act*, R.S.C. 1985, c. E-15, as amended, and the regulations promulgated thereunder, all as amended from time to time;

(gg) "**Lands**" means the lands set forth and described in Schedule "A", and any lands pooled or unitized therewith, and includes unless the context otherwise requires, the Petroleum Substances within, upon or under such lands or any lands pooled or unitized therewith (subject to the restrictions and exclusions identified in Schedule "A" and in the Title Documents as to Petroleum Substances and geological formations);

(hh) "**Leased Substances**" means all Petroleum Substances, rights to or in respect of which are granted, reserved or otherwise conferred by or under the Title Documents (but only to the extent that the Title Documents pertain to the Lands);

(ii) "**Lexin**" has the meaning set out in the recitals;

(jj) "**Licences**" means any permits, approvals, licences and authorizations granted by any applicable Governmental Authority;

(kk) "**Licence Transfers**" means the transfer of Licences;

(ll) "**Losses**" means all actions, causes of action, losses, costs, Claims, damages, penalties, assessments, charges, expenses, and other liabilities and obligations which a Person suffers, sustains, pays or incurs, including reasonable legal fees and other professional fees and disbursements on a full-indemnity basis, but notwithstanding the foregoing shall not include any liability for indirect or consequential damages including business loss, loss of profit, economic loss, punitive damages or income tax liabilities;

(mm) "**Miscellaneous Interests**" means, subject to any and all limitations and exclusions provided for in this definition, all property, interests and rights pertaining to the Petroleum and Natural Gas Rights and the Tangibles (other than the Petroleum and Natural Gas Rights and the Tangibles or either of them) but only to the extent that such property, interests and rights pertain to the Petroleum and Natural Gas Rights and the Tangibles or either of them, including any and all of the following:

(i) all contracts and agreements relating to the Petroleum and Natural Gas Rights and the Tangibles, or either of them (including the Title Documents);

(ii) all subsisting rights to carry out operations relating to the Lands or the Tangibles, and without limitation, all easements and other Licences pertaining to the Tangibles;

(iii) rights to enter upon, use, occupy and enjoy the surface of any lands which are used or may be used to gain access to or otherwise use the Petroleum and

Natural Gas Rights and the Tangibles, or either of them, and all contracts and agreements related thereto;

(iv) all records, books, documents, Licences, reports and data (but excluding seismic data) which relate to the Petroleum and Natural Gas Rights and the Tangibles; and

(v) the Wells, including the wellbores thereof and all casing, tubing and packers therein;

but specifically excluding the Excluded Assets;

(nn) "**Outside Date**" means ninety (90) days following the issuance of the Court Order, or such later date as the Parties may otherwise agree;

(oo) "**Party**" means a party to this Agreement;

(pp) "**Permitted Encumbrances**" means:

(i) all encumbrances, liens, adverse claims, penalties, conversions, overriding royalties and other royalties, net profits interests and other burdens identified in Schedule "A";

(ii) any Preferential Purchase Rights or any similar restriction applicable to any of the Assets;

(iii) the terms and conditions of the Title Documents, including the requirement to pay any rentals or royalties (including reassessments) to the grantor thereof to maintain the Title Documents in good standing and any royalty or other burden reserved to the grantor thereof or any gross royalty trusts applicable to the grantor's interest in any of the Title Documents;

(iv) the right reserved to or vested in any grantor or Governmental Authority by the terms of any Title Document, lease, license, franchise, grant or permit or by Applicable Law to terminate any Title Document, lease, license, franchise, grant or permit or to require annual or other periodic payments as a condition of the continuance thereof;

(v) easements, rights of way, servitudes, permits, licenses or other similar rights in land, including rights of way and servitudes for highways and other roads, railways, sewers, drains, gas and oil pipelines, gas and water mains, electric light, power, telephone or cable television conduits, poles, wires or cables;

(vi) taxes on Petroleum Substances or the income or revenue from the Petroleum Substances and requirements imposed by Applicable Law or Governmental Authorities concerning rates of production from the Wells or from operations on any of the Lands, or otherwise affecting recoverability of Petroleum Substances from the Lands, which taxes or requirements are generally applicable to the oil and gas industry in the jurisdiction in which the Assets are located;

(vii) agreements for the sale, processing, transmission or transportation of Petroleum Substances, which are terminable on not more than 30 days' notice (without an early termination penalty or other like cost);

(viii) any obligation of Lexin or Vendor to hold any right or interest in and to any of the Assets in trust for Third Parties;

(ix) the right reserved to or vested in any Governmental Authority to control or regulate any of the Assets in any manner, including any directives or notices received from any Governmental Authority pertaining to the Assets;

(x) liens incurred or created in the ordinary course of business as security in favour of any Person with respect to the development or operation of any of the Assets, as regards Vendor's or Lexin's share of the costs and expenses thereof;

(xi) the express or implied reservations, limitations, provisos and conditions in any grants or transfers from the Crown of any of the Lands or interests therein, and statutory exceptions to title;

(xii) agreements and plans relating to pooling or unitization of any of the Petroleum and Natural Gas Rights;

(xiii) agreements respecting the operation of Wells by contract field operators;

(xiv) provisions for penalties and forfeitures under agreements as a consequence of non-participation in operations; and

(xv) liens created in the ordinary course of business in favour of any Governmental Authority with respect to operations pertaining to any of the Assets;

(qq) "**Person**" means any individual, corporation, limited or unlimited liability company, joint venture, partnership (limited or general), trust, trustee, executor, Governmental Authority or other entity;

(rr) "**Petroleum and Natural Gas Rights**" means the Leased Substances and the Title Documents (but only to the extent that the Title Documents pertain to the Lands), including the interests set out and described in Schedule "A", subject in all events to the Permitted Encumbrances;

(ss) "**Petroleum Substances**" means any of crude oil, crude bitumen and products derived therefrom, synthetic crude oil, petroleum, natural gas, natural gas liquids, and any and all other substances related to any of the foregoing, whether liquid, solid or gaseous, and whether hydrocarbons or not, including sulphur;

(tt) "**Pipelines**" means the pipelines described in Schedule "B";

(uu) "**Preferential Purchase Right**" means any preferential, pre-emptive or first purchase right or agreement that enables any Person to purchase or acquire any Asset or any interest therein or portion thereof as a result of or in connection with the execution or delivery of this Agreement or the consummation of the Transaction, as are set out in Schedule "C".

(vv) "**Prime Rate**" means the rate of interest, expressed as a rate per annum, designated by the main branch in Calgary of the National Bank as the reference rate used by it to determine rates of interest charged by it on Canadian dollar commercial loans made in Canada and which is announced by such bank, from time to time, as its prime rate, provided that whenever such bank announces a change in such reference rate the "Prime Rate" shall correspondingly change effective on the date the change in such reference rate is effective;

(ww) "**Proposal**" has the meeting set out in Section 8.3;

(xx) "**Purchase Price**" has the meaning set out in Section 2.2;

(yy) "**Receiver**" has the meaning set out in the recitals;

(zz) "**Regulator**" means the Alberta Energy Regulator;

(aaa) "**Representative**" means, with, respect to any Party, its Affiliates, and its and their respective directors, officers, servants, agents, advisors, employees and consultants;

(bbb) "**Sales Taxes**" means all transfer, sales, excise, stamp, licence, production, value-added and other like taxes, assessments, charges, duties, fees, levies or other charges of a Governmental Authority (including additions by way of penalties, interest and other amounts relating to late filings or payments) with respect to the transfer and conveyance to Purchaser of the Assets or the transfer or registration of the Specific Conveyances, but excludes GST, and any income taxes and penalties and interest related thereto;

(ccc) "**Specific Conveyances**" means all conveyances, assignments, transfers, novations, bills of sale, trust agreements and declarations, subleases and such other documents or instruments as are reasonably required or desirable to convey, assign and transfer the Assets to Purchaser and to novate Purchaser in the place and stead of Lexin with respect to the Assets;

(ddd) "**Tangibles**" means:

(i) any and all tangible depreciable property, equipment and other assets located within or upon the Lands or lands that are pooled or unitized therewith that are used or are intended to be used to produce, process, gather, treat, measure, make marketable or inject the Leased Substances or any of them;

(ii) the Pipelines; and

(iii) the Facilities.

(eee) "**Third Party**" means any Person other than Receiver, Lexin, Vendor and Purchaser, including any partnership, corporation, trust, unincorporated organization, union, Governmental Authority and any department and agency thereof and any heir, executor, administrator or other legal representative of an individual;

(fff) "**Title Documents**" means, collectively, any and all certificates of title, leases, reservations, Licences, assignments, trust declarations, operating agreements, royalty agreements, gross overriding royalty agreements, participation agreements, farm-in agreements, sale and purchase agreements, pooling and unit agreements and any other documents and agreements granting, reserving or otherwise conferring rights to: (i) explore for, drill for, produce, take, use or market Petroleum Substances; (ii) share in the production of Petroleum Substances; (iii) share in the proceeds from, or measured or calculated by reference to the value or quantity of, Petroleum Substances which are produced; and (iv) rights to acquire any of the rights described in items (i) to (iii) of this definition; but only if the foregoing pertain in whole or in part to Petroleum Substances within, upon or under the Lands and this definition shall include, where applicable, those documents set out in Schedule "A";

(ggg) "**Transaction**" means the transaction for the purchase and sale of the Assets contemplated by this Agreement; and

(hhh) "**Wells**" means the wells (including producing, shut-in, suspended, capped, injection and disposal wells) listed on Schedule "B".

1.2 Headings

The words "Article", "Section", "subsection" and "Schedule" followed by a number or letter or combination thereof mean and refer to the specified Article, Section, subsection and Schedule of or to this Agreement.

1.3 Interpretation Not Affected by Headings

The division of this Agreement into Articles, Sections and subsections and the provision of headings for all or any thereof are for convenience and reference only and shall not affect the construction or interpretation of this Agreement.

1.4 Plurals and Gender

When the context reasonably permits, words suggesting the singular shall be construed as suggesting the plural and *vice versa*, and words suggesting gender or gender neutrality shall be construed as suggesting the masculine, feminine and neutral genders.

1.5 Schedules

There are appended to this Agreement the following Schedules pertaining to the following matters:

Schedule "A"	Lands, Petroleum and Natural Gas Rights, Title Documents, Royalties and Permitted Encumbrances
Schedule "B"	Wells, Pipelines and Facilities
Schedule "C"	Preferential Purchase Rights
Schedule "D"	General Conveyance
Schedule "E"	Form of Officer's Certificate
Schedule "F"	Form of Court Order
Schedule "G"	Outstanding AFE's
Schedule "H"	Excluded Licences
Schedule "I"	Excluded Assets and Excluded Contracts

Such Schedules are incorporated herein by reference as though contained in the body hereof. Wherever any term or condition of such Schedules conflicts or is at variance with any term or condition in the body of this Agreement, such term or condition in the body of this Agreement shall prevail.

1.6 Damages

All Losses, costs, Claims, damages, expenses and liabilities in respect of which a Party has a claim pursuant to this Agreement shall include reasonable legal fees and disbursements on a full indemnity basis.

1.7 Derivatives

Where a term is defined in the body of this Agreement, a capitalized derivative of such term shall have a corresponding meaning unless the context otherwise requires. The word "include" and derivatives thereof shall be read as if followed by the phrase "without limitation".

1.8 Interpretation if Closing Does Not Occur

In the event that Closing does not occur, each provision of this Agreement which presumes that Purchaser has acquired the Assets hereunder shall be construed as having been contingent upon Closing having occurred.

1.9 Conflicts

If there is any conflict or inconsistency between a provision of the body of this Agreement and that of a schedule or a Specific Conveyance, the provision of the body of this Agreement shall prevail. If any term or condition of this Agreement conflicts with a term or condition of a Title Document or any Applicable Law, the term or condition of such Title Document or the Applicable Law shall prevail, and this Agreement shall be deemed to be amended to the extent required to eliminate any such conflict.

1.10 Currency

All dollar ($) amounts referenced in this Agreement are expressed in the lawful currency of Canada.

ARTICLE 2
PURCHASE AND SALE AND CLOSING

2.1 Purchase and Sale

Vendor, exercising the powers of sale granted pursuant to the Appointment Order and in its sole capacity as receiver and manager of Lexin and not in its personal or corporate capacity, hereby agrees to sell, assign, transfer, convey and set over to Purchaser, and Purchaser hereby agrees to purchase from Vendor acting in such capacity, all right, title, estate and interest of Lexin (whether absolute or contingent, legal or beneficial) in and to the Assets, subject to and in accordance with the terms and conditions of this Agreement and the Court Order.

2.2 Purchase Price

The aggregate consideration to be paid by Purchaser to Vendor for the Assets shall be **XXXXXXXXXXXXXXXXXXXXXXXXXXX** (the "**Purchase Price**") plus applicable GST and Sales Taxes, plus or minus (as applicable) the net amount of the adjustments made pursuant to ARTICLE 7, to be satisfied by Purchaser (or Vendor, to the extent applicable) as follows:

(a) payment of the Deposit paid by Purchaser to the Vendor, in accordance with Section 2.8;

(b) payment in the amount of XXXXXXXXXXXXXXXXX, adjusted pursuant to Section 7.2(a), payable by Purchaser to Vendor at Closing; and

(c) any payments between the Parties arising from adjustments set forth in the Final Statement of Adjustments, paid in accordance with Section 7.2(b).

The Parties hereby acknowledge and agree that the Purchase Price set forth in this Section 2.2 accurately reflects and takes into proper account both the positive value of all of the Assets as well as the offsetting reductions in value for the Curative Costs, Environmental Liabilities and Abandonment and Reclamation Obligations associated therewith and the absolute release of Lexin and Vendor of all and any responsibility or liability therefor.

Each Party acknowledges that the other Party is relying on the representations and warranties of the other Party in order to enter into this Agreement.

2.3 Allocation of Purchase Price

The Parties shall allocate the Purchase Price as follows:

Petroleum and Natural Gas Rights (subject to adjustment)	$XXXXXXXX	
Tangibles	$XXXXXXXX	
Miscellaneous Interests	$XXXXXXXX	
Total	$XXXXXXXX	

2.4 Closing

Closing shall take place at the Closing Place on the Closing Date if there has been satisfaction or waiver of the conditions of Closing herein contained. Subject to all other provisions of this Agreement, possession, risk, legal and beneficial ownership of Lexin's interest in and to the Assets shall pass from Lexin to Purchaser on the Closing Date.

(a) On the Closing Date, Vendor shall deliver to Purchaser:

(i) the General Conveyance in the form attached as Schedule "D", duly executed by Vendor;

(ii) the Officer's Certificate substantially in the form attached as Schedule "E", duly executed by Vendor;

(iii) a receipt for the Purchase Price as adjusted herein plus applicable GST and/or Sales Taxes;

(iv) the tax election as contemplated by this Agreement, duly executed by Vendor;

(v) a certified copy of the Court Order;

(vi) the Specific Conveyances, duly executed by Vendor, to the extent prepared on or before the Closing Date; and

(vii) such other documents as may be specifically required hereunder or as may be reasonably requested by Purchaser upon reasonable notice to Vendor.

(b) On the Closing Date, Purchaser shall deliver to Vendor:

(i) the balance owing on the Purchase Price as adjusted herein, plus applicable GST and Sales Taxes;

(ii) the tax election as contemplated by this Agreement, duly executed by Purchaser;

(iii) the General Conveyance in the form attached as Schedule "D", duly executed by Purchaser;

(iv) the Officer's Certificate substantially in the form attached as Schedule "E", duly executed by Purchaser;

(v) where required, the Specific Conveyances, duly executed by Purchaser; and

(vi) such other documents as may be specifically required hereunder or as may be reasonably requested by Vendor upon reasonable notice to Purchaser.

2.5 Specific Conveyances

The Parties shall cooperate in the preparation of the Specific Conveyances. At a reasonable time prior to Closing, Vendor shall use reasonable efforts to prepare and provide to Purchaser for Purchaser's review all Specific Conveyances at Vendor's sole cost and expense as soon as reasonably practicable. The Parties shall execute such Specific Conveyances before or at Closing. None of the Specific Conveyances shall confer or impose upon either Party any greater right or obligation than as contemplated in this Agreement. Promptly after Closing, Purchaser shall register and/or distribute (as applicable) all such Specific Conveyances, and Purchaser shall bear all costs incurred therewith and in preparing and registering any further assurances required to convey the Assets to Purchaser.

2.6 Title Documents and Miscellaneous Interests

As soon as practicable following Closing, Vendor shall deliver to Purchaser paper originals, paper photocopies where originals are not available, or electronic copies where neither paper originals or photocopies are available, of the Title Documents and any other agreements, files and documents to which the Assets are subject, and such contracts, agreements, records, books, documents, licences, reports and data as comprise the Miscellaneous Interests and which are now in the possession of Lexin, Vendor or both. Notwithstanding the foregoing, if and to the extent such Title Documents and other agreements, files, documents, contracts, agreements, records, books, documents, licenses, reports, data and records also pertain to interests other than the Assets, at the Vendor's expense, photocopies or other copies may be provided to the Purchaser in lieu of originals.

2.7 Form of Payment

All payments to be made pursuant to this Agreement shall be in Canadian funds. All payments to be made pursuant to this Agreement shall be made by certified cheque, bank draft or wire transfer.

2.8 Deposit

The Parties acknowledge that a deposit in the amount of XXXXXXXXXXXX, representing 20% of the Purchase Price, before adjustments, has been delivered by Purchaser to the Vendor, to be held and released only in accordance with the provisions of this Section 2.8 (the "**Deposit**").

The Deposit shall be held by Vendor in a non-interest bearing account until one of the following events occurs:

(a) if Closing occurs, the Deposit shall be released to and retained by the Vendor at Closing for Vendor's own account absolutely and be applied as partial payment of the Purchase Price;

(b) if Closing does not occur due to: (i) a failure to fulfill the conditions set forth in Section 3.2; or (ii) a material breach of a material term of this Agreement by Vendor or by failure of Vendor to fulfill the conditions set forth in Section 3.3, the Deposit shall be returned to Purchaser by the Vendor for the account of Purchaser absolutely within fourteen (14) days of the Closing Date; and

(c) if Closing does not occur due to any reason other than as addressed by Section 2.8(b) (including the failure by Purchaser to comply with its obligations under Section 11.12, or the refusal of the Regulator to approve the transfer of any Assets to the Purchaser for any reason except as contemplated in the AER Applications and the letter dated November 9, 2018 from the Regulator to the Purchaser, the Deposit shall be forfeited to Vendor for the account of Vendor absolutely.

In the event that this Agreement is terminated as a result of the events described in Section 2.8(b) or 2.8(c), each Party shall be released from all obligations under or in connection with this

Agreement, other than the provisions with respect to confidentiality (Section 11.12) and the use of personal information Section (11.15).

2.9 Damages

The Parties agree that the amount of the Deposit constitutes their genuine estimate of all damages that will be suffered by Vendor as a result of Closing not occurring and if Vendor shall retain the Deposit pursuant to Section 2.8(c) the Deposit shall constitute liquidated damages to Vendor, and not a penalty of Closing not occurring as described in that subsection. Retention of the Deposit by Vendor pursuant to Section 2.8(c)above shall be Vendor's sole recourse for Closing not occurring and Vendor shall not otherwise be entitled to claim any damages against Purchaser.

2.10 Taxes

(a) GST

Each of Purchaser and Lexin is a registrant for GST purposes and will continue to be a registrant at the Closing Date in accordance with the provisions of the GST Legislation.

Their respective GST registration numbers are:

Lexin	135216679RT0002
Purchaser	81162 6845RT001

At Closing the Parties agree to make an election under subsection 167(1) of the GST Legislation in respect of the GST payable as a result of the transaction contemplated herein. Purchaser, acting reasonably, shall prepare, and each Party agrees to execute and file, such elections in the form and within the time periods prescribed or specified under Applicable Law.] Purchaser shall be responsible for the payment of any amount of GST payable in respect of its purchase of the Assets pursuant hereto and any interest and penalties payable in respect of such additional GST and shall indemnify and save harmless Vendor and Receiver in respect thereof. Purchaser's indemnity obligations set forth in this Section 2.10(a) shall survive the Closing Date indefinitely.

(b) Sales Taxes

The Parties acknowledge that the Purchase Price is exclusive of all Sales Taxes. Purchaser shall be solely responsible for the payment of all Sales Taxes which may be imposed by any Governmental Authority and which pertain to Purchaser's acquisition of the Assets or to the registration of any Specific Conveyances necessitated hereby. Except where Vendor is required under Applicable Law to collect or pay such Sales Taxes, Purchaser shall pay such Sales Taxes directly to the appropriate Governmental Authority within the required time period and shall file when due all necessary documentation with respect to such Sales Taxes. Vendor will do and cause to be done such things as are reasonably requested to enable Purchaser to comply with such obligation in a timely manner. If Vendor is required under Applicable Law to pay any such Sales Taxes, Purchaser shall promptly advance to Vendor, or if Vendor has already paid same, reimburse Vendor the full amount of such Sales Taxes upon delivery to Purchaser of copies of assessments or receipts, as applicable, showing assessment or payment, as applicable, of such Sales Taxes. Purchaser shall be responsible for the payment of any amount of Sales Taxes payable in respect of its purchase of the Assets pursuant hereto and any interest and penalties payable in respect thereto and shall indemnify and save harmless Vendor in respect thereof. Purchaser's indemnity obligations set forth in this Section 2.10(b) shall survive the Closing Date indefinitely.

2.11 Regulator

(a) Prior to Vendor obtaining the Court Order, upon the Vendor's request, Purchaser shall provide Vendor with the Purchaser's business associate codes for the Regulator.

(b) Prior to Vendor obtaining the Court Order, Purchaser shall provide to the Regulator the documentation, if any, required by such Regulator in order to facilitate a timely Closing.

(c) Between the signing of this Agreement and Closing, the Purchaser will not initiate any new operations or acquisitions that could reasonably be expected to materially adversely affect its Liability Management Rating.

(d) In the event the Regulator, following Closing, requires Purchaser or its nominee to make a deposit or furnish any other form of security to approve or give effect to a Licence Transfer, and the reason for the additional security being required arises from the acquisition of these Assets and not as a result of other transactions or operations undertaken by Purchaser or its nominee, Purchaser shall have the opportunity for a period of 180 days to continue to negotiate with the Regulator regarding the approval of the Licence Transfers, provided that during such 180 day period, the Purchaser does not initiate any new operations or acquisitions that would reasonably be expected to materially adversely affect the Purchaser's Liability Management Rating on the Closing Date. In the event the Licence Transfers are still not approved within such 180 day period, Purchaser shall immediately make such deposit or furnish such other form of security as is required.

2.12 Curative Costs

Vendor hereby covenants and agrees that a portion of the Purchase Price payable on Closing pursuant to Section 2.8 shall be applied to pay and discharge when due the Curative Costs.

ARTICLE 3
CONDITIONS OF CLOSING

3.1 Required Consents

(a) Before Closing, each of the Parties shall use all reasonable efforts to obtain any and all approvals required under Applicable Law to permit closing of the Transaction. The Parties acknowledge that, except for the Court Order, the acquisition of such consents shall not be a condition precedent to Closing. It shall be the sole obligation of Purchaser, at Purchaser's sole cost and expense, to provide any and all financial assurances, remedial work or other documentation required by Governmental Authorities to permit the transfer to Purchaser, and registration of Purchaser as owner and/or operator, of any of the Assets including, but not limited to, the Facilities and the Wells.

(b) Notwithstanding anything to the contrary herein, except for the Court Order, it is the sole obligation of Purchaser to obtain any Third Party consents, permissions or approvals that are required in connection with the assignment of Lexin's interest in any Miscellaneous Interests. Upon providing prior written notice and sufficient documentary support, all reasonable and necessary costs, fees, expenses, penalties or levies that are incurred by Vendor in order to effect the assignment of the Assets to Purchaser shall be the sole responsibility of Purchaser, and Purchaser agrees to pay on behalf of Vendor any such reasonable and necessary costs, fees, expenses, penalties or levies on a timely basis.

3.2 Mutual Conditions

The obligation of Purchaser to purchase Lexin's interest in and to the Assets, and of Vendor to sell Lexin's interest in and to the Assets to Purchaser, is subject to the following conditions precedent:

(a) the Court Order being obtained;

(b) the AER Applications shall have been approved by the Regulator; and

(c) no stay or appeal or application to vary the Court Order shall have been filed with the Court at any time by Vendor or any other Person on or before the Closing.

Unless otherwise agreed to by the Parties, if the conditions contained in this Section 3.2 have not been performed, satisfied or waived before the Outside Date, this Agreement and the obligations of Vendor and Purchaser under this Agreement shall automatically terminate without any further action on the part of either Vendor or Purchaser and Vendor and Purchaser shall be released and discharged from all obligations hereunder except as provided in Section 2.8, 11.12, and 11.15.

3.3 Purchaser's Conditions

The obligation of Purchaser to purchase Lexin's interest in and to the Assets is subject to the following conditions precedent having been met prior to or at Closing and which are inserted herein and made part hereof for the exclusive benefit of Purchaser and may be waived by Purchaser

(a) the representations and warranties of Vendor herein contained shall be true in all material respects when made and shall remain true as of the Closing Date;

(b) all obligations of Vendor contained in this Agreement to be performed shall have been timely performed in all material respects;

(c) Vendor shall have obtained through Court Order or otherwise, or will obtain as a result of the operation of the Court Order, a release of the Purchaser from any obligations to deliver the products produced from, delivered to or transported from the Assets or any reserves associated therewith to the Mazeppa Gas Plant as set out under Schedule "D" to that Farmout, Participation and Area of Mutual Interest Agreement, Mazeppa Area, Alberta made between Mobil Oil Canada and Compton Petroleum Corporation dated December 31, 1997;

If any one or more of the foregoing conditions precedent has or have not been satisfied, complied with, or waived by Purchaser, at or before the Closing Date, Purchaser may rescind this Agreement by written notice to Vendor. If Purchaser rescinds this Agreement, Vendor and Purchaser shall be released and discharged from all obligations hereunder except as provided in Sections 2.8, 11.12 and 11.15.

3.4 Vendor's Conditions

The obligation of Vendor to sell its interest in and to the Assets to Purchaser is subject to the following conditions precedent, which are inserted herein and made part hereof for the exclusive benefit of Vendor and may be waived by Vendor:

(a) the representations and warranties of Purchaser herein contained shall be true in all material respects when made and shall remain true as of the Closing Date;

(b) all obligations of Purchaser contained in this Agreement to be performed prior to or at Closing shall have been timely performed in all material respects;

(c) prior to Closing occurring (but subject to Purchaser being in full compliance with Section 2.11), the Regulator shall have provided positive indications of approval of the Licence Transfers by Vendor and Purchaser, as applicable;

(d) if prior to Closing the Regulator requires the Purchaser to post additional security related to its Liability Management Rating, as contemplated in Section 4 of the letter dated November 9, 2018 from the Regulator to the Purchaser, the Purchaser shall have posted such security; and

(e) all amounts to be paid by Purchaser to Vendor at Closing, including the Purchase Price, shall have been paid to Vendor in the form stipulated in this Agreement.

If any one or more of the foregoing conditions precedent has or have not been satisfied, complied with, or waived by Vendor, at or before the Closing Date, Vendor may rescind this Agreement by written notice to Purchaser. If Vendor rescinds this Agreement, Vendor and Purchaser shall be released and discharged from all obligations hereunder except as provided in Sections 2.8, 11.12 and 11.15.

3.5 Efforts to Fulfil Conditions Precedent

Purchaser and Vendor shall proceed diligently and in good faith and use all reasonable efforts to satisfy and comply with and assist in the satisfaction and compliance with the foregoing conditions precedent.

ARTICLE 4
REPRESENTATIONS AND WARRANTIES

4.1 Representations and Warranties of Vendor

Vendor makes only the following representations to Purchaser, which representations shall not survive Closing:

(a) Receiver has been appointed by the Court as receiver of Lexin and such appointment is valid and subsisting as of the Effective Date and has remained valid and subsisting up to and including the Closing Date;

(b) subject to obtaining the Court Order, Vendor has the right to enter into this Agreement and to complete this Transaction; and

(c) this Agreement is, and all documents executed and delivered pursuant to this Agreement will be, legal, valid and binding obligations of Vendor enforceable against it in accordance with their terms and free and clear of all liens, claims and security registrations, except for Permitted Encumbrances

4.2 Representations and Warranties of Purchaser

Purchaser makes the following representations and warranties to Vendor:

(a) Purchaser is duly organized, validly existing and in good standing under the laws of the jurisdiction of its organization. Purchaser is authorized to carry on business in the provinces in which the Lands are located;

(b) Purchaser has good right, full power and absolute authority to purchase and acquire the interest of Lexin in and to the Assets according to the true intent and meaning of this Agreement;

(c) the execution, delivery and performance of this Agreement has been duly and validly authorized by any and all requisite corporate, shareholders', directors' or equivalent actions and will not result in any violation of, be in conflict with, or constitute a default under, any articles, charter, bylaw or other governing document to which Purchaser is bound;

(d) the execution, delivery and performance of this Agreement will not result in any violation of, be in conflict with, or constitute a default under, any term or provision of any agreement or document to which Purchaser is party or by which Purchaser is bound, nor under any judgement, decree, order, statute, regulation, rule or licence applicable to Purchaser;

(e) this Agreement and any other agreements delivered in connection herewith constitute valid and binding obligations of Purchaser enforceable against Purchaser in accordance with their terms;

(f) no authorization or approval or other action by, and no notice to or filing with, any Governmental Authority or regulatory body exercising jurisdiction over the Assets is required for the due execution, delivery and performance by Purchaser of this Agreement, other than authorizations, approvals or exemptions from requirements previously obtained and currently in force or to be obtained prior to or after Closing;

(g) Purchaser has adequate funds available in an aggregate amount sufficient to pay: (i) all amounts required to be paid by Purchaser under this Agreement; and (ii) all expenses which have been or will be incurred by Purchaser in connection with this Agreement and the Transaction;

(h) Purchaser has not incurred any obligation or liability, contingent or otherwise, for brokers' or finders' fees in respect of this Agreement or the Transaction for which Vendor shall have any obligation or liability;

(i) Purchaser is acquiring the Assets in its capacity as principal and is not purchasing the Assets for the purpose of resale or distribution to a Third Party, and is dealing at arm's length with Vendor (as such term is interpreted by the Regulator);

(j) Purchaser holds, or is eligible to hold and at Closing will hold a business associate code from the Regulator making it eligible to hold the licences which are the subject of the Licence Transfers, if any, in the province in which they are situated;

(k) Purchaser is in compliance with all the requirements of all Governmental Authorities, including the Regulator;

(l) As of the date hereof, the Purchaser's Liability Management Rating with the Regulator is 1.91. The Purchaser does not expect material reductions in this Liability Management Rating between the date hereof and the Closing Date, except reductions which are contemplated in the letter dated November 9, 2018 from the Regulator to the Purchaser;

(m) Purchaser is not a non-resident of Canada within the *Income Tax Act* (Canada).

4.3 Limitation of Representations by Vendor

(a) Except as expressly contained in Section 4.1, Vendor expressly negates any representations or warranties, whether written or verbal, made by Vendor or its Representatives and in particular, without limiting the generality of the foregoing, Vendor disclaims all liability and responsibility for any such representation, warranty, statement or information made or communicated, whether verbal or in writing, to Purchaser or any of its Representatives. Lexin's interest in and to the Assets shall be purchased on a strictly "as is, where is" basis and there are no collateral agreements, conditions, representations or warranties of any nature whatsoever made by Vendor, express or implied, arising at law, by statute, in equity or otherwise, with respect to the Assets and in particular, without limiting the generality of the foregoing, there are no collateral agreements, conditions, representations or warranties made by Vendor, express or implied, arising at law, by statute, in equity or otherwise with respect to:

(i) any engineering, geological or other interpretation or economic evaluations respecting the Assets;

(ii) the quality, quantity or recoverability of Petroleum Substances within or under the Lands or any lands pooled or unitized therewith;

(iii) any estimates of the value of the Assets or the revenues or cash flows from future production from the Lands;

(iv) the rates of production of Petroleum Substances from the Lands;

(v) the quality, condition, fitness or merchantability of any tangible depreciable equipment or property interests which comprise the Assets (including the Tangibles and the Wells, including the wellbores thereof and all casing, tubing and packers therein);

(vi) the availability or continued availability of facilities, services or markets for the processing, transportation or sale of any Petroleum Substances;

(vii) the accuracy or completeness of the Data Room Information or any other data or materials, representations, warranties or statements made, direct or indirect, express or implied, other information relating to the Assets (whether supplied by the Vendor, its Representatives or otherwise);

(viii) the suitability of the Assets for any purpose;

(ix) compliance with Applicable Laws; or

(x) the title and interest of Lexin in and to the Assets.

(b) Without restricting the generality of the foregoing, Purchaser acknowledges that it has made its own independent investigation, analysis, evaluation and inspection of Lexin's interests in the Assets and the state and condition thereof and that it is satisfied with, and has relied solely on, such investigation, analysis, evaluation and inspection as to its assessment of the condition, quantum and value of the Assets.

(c) Except with respect to the representations and warranties in Section 4.1 or in the event of fraud, Purchaser forever releases and discharges Vendor and its Representatives from any Claims and all liability to Purchaser or Purchaser's Representatives, assigns and successors, as a result of the use or reliance upon advice, information or materials pertaining to the Assets which was delivered or made available to Purchaser by Vendor or its Representatives prior to or pursuant to this Agreement, including any evaluations, projections, reports, assessments and interpretive or non-factual materials prepared by or for Vendor, or otherwise in Vendor's possession.

ARTICLE 5
INDEMNITIES FOR REPRESENTATIONS AND WARRANTIES

5.1 Purchaser's Indemnities for Representations and Warranties

Purchaser shall be liable to Vendor for and shall, in addition, indemnify Vendor and Vendor's Representatives from and against, all Losses suffered, sustained, paid or incurred by Vendor or its Representatives which would not have been suffered, sustained, paid or incurred had all of the representations and warranties contained in Section 4.2 been accurate and truthful; provided, that nothing in this Section 5.1 shall be construed so as to cause Purchaser to be liable to or indemnify Vendor in connection with any representation or warranty contained in Section 4.2 if and to the extent that Vendor did not rely upon such representation or warranty.

5.2 Survival of Claim for Representations and Warranties

The representations and warranties in Section 4.2 shall be true as of the date hereof and shall remain true on the Closing Date, for the benefit of Vendor. In the absence of fraud, however, no Claim or action shall be commenced with respect to a breach of any such representation and warranty, unless, within the six month period following the Closing Date, written notice specifying such breach in reasonable detail is provided to Purchaser.

ARTICLE 6
INDEMNITIES

6.1 Post-Closing Date Indemnity

(a) Provided that Closing has occurred, Purchaser shall be solely liable and responsible for any and all Losses which Vendor may suffer, sustain, pay or incur; and shall indemnify, release and save harmless Vendor and its Representatives from any and all Losses, expenses, Claims, actions, proceedings and demands, whatsoever which may be brought against or suffered by Vendor or its Representatives or which any of them may sustain, pay or incur, as a result of any fact, matter or thing resulting from, attributable to or connected with the Assets and arising or accruing after the Closing Time.

(b) Provided that Closing has occurred, Purchaser shall be solely liable and responsible for any and all Losses which Vendor may suffer, sustain, pay or incur; and indemnify, release and save harmless Vendor and its Representatives from any and all Losses, expenses, Claims, actions, proceedings and demands, whatsoever which may be brought against or suffered by Vendor or its Representatives or which any of them may sustain, pay or incur, as a result of any fact, matter or thing resulting from, attributable to or connected with the Assets and arising or accruing before or after the Closing Time with respect to any reassessments of royalties for the period after the Effective Date.

6.2 Environmental Matters and Abandonment and Reclamation Obligations

Purchaser acknowledges that Purchaser is acquiring the Assets pursuant hereto on an "as is, where is" basis. Purchaser acknowledges that it is familiar and satisfied with the condition of the Assets, including the past and present use of the Lands, the Tangibles and the Wells (including the wellbores thereof and all casing, tubing and packers therein) that Vendor has provided Purchaser with a reasonable opportunity to inspect the Assets at the sole cost, risk and expense of Purchaser (insofar as Vendor could reasonably provide such access) and that Purchaser is not relying upon any representation or warranty of Vendor as to the Environmental condition of the Assets, or as to any Environmental Liabilities or Abandonment and Reclamation Obligations. Provided that Closing has occurred, Purchaser shall:

(a) be solely liable and responsible for any and all Losses which Vendor or its Representatives may suffer, sustain, pay or incur; and

(b) indemnify, release and save harmless Vendor and its Representatives from any and all Losses, actions, proceedings and demands, whatsoever which may be brought against or suffered by Vendor or its Representatives or which any of them may sustain, pay or incur,

as a result of any matter or thing arising out of, resulting from, attributable to or connected with any Environmental Liabilities or any Abandonment and Reclamation Obligations. Once Closing has occurred, Purchaser shall be solely responsible for all Environmental Liabilities and all Abandonment and Reclamation Obligations both to Third Parties and as between Vendor and Purchaser (whether such Environmental Liabilities and Abandonment and Reclamation Obligations occur or accrue prior to, on or after the Closing Time), and hereby releases Vendor from any Claims Purchaser may have against Vendor with respect to all such liabilities and responsibilities. Without restricting the generality of the foregoing, Purchaser shall be responsible for all Environmental Liabilities and Abandonment and Reclamation Obligations (whether such Environmental Liabilities and all Abandonment and Reclamation Obligations occur or accrue prior to, on or after the Closing Time) in respect of the Lands, Wells and Facilities and shall ensure that all Abandonment and Reclamation Obligations are conducted in accordance with generally accepted oil and gas industry practices and in compliance with all Applicable Laws and the Title Documents. This assumption of liability and indemnity by Purchaser shall apply without limit and without regard to cause or causes, including the negligence (whether sole, concurrent, gross, active, passive, primary or secondary) or the wilful or wanton misconduct or recklessness of any or all of Vendor, its Representatives and their respective successors and assigns or any other Person or otherwise. Purchaser further acknowledges and agrees that it shall not be entitled to any rights or remedies as against Vendor or its Representatives, or their respective successors and assigns under the common law or statute pertaining to any Environmental Liabilities and Abandonment and Reclamation Obligations, including the right to name any or all of Vendor, its Representatives, and their respective successors and assigns as a 'third party' to any action commenced by any Person against Purchaser. Purchaser's assumption of liability and the indemnity obligations set forth in this Section 6.2 shall survive the Closing Date indefinitely.

6.3 Third Party Claims

The following procedures shall be applicable to any Claim by Vendor or a Vendor's Representative (the "**Indemnitee**") for indemnification pursuant to this Agreement from Purchaser in respect of any Losses in relation to a Third Party (a "**Third Party Claim**"):

(a) upon the Third Party Claim being made against or commenced against the Indemnitee, the Indemnitee shall within 30 Business Days of notice thereof provide written notice thereof to the Purchaser. The notice shall describe the Third Party Claim in reasonable detail and indicate the estimated amount, if practicable, of the indemnifiable Losses that have been or may be sustained by the Indemnitee in respect thereof. If the Indemnitee does not provide notice to the Purchaser within such 30 Business Day period, then such failure shall only lessen or limit the Indemnitee's rights to indemnity hereunder to the extent that the defence of the Third Party Claim was prejudiced by such lack of timely notice;

(b) if the Purchaser acknowledges to the Indemnitee in writing that the Purchaser is responsible to indemnify the Indemnitee in respect of the Third Party Claim pursuant hereto, the Purchaser shall have the right to take either or both of the following actions:

(i) assume carriage of the defence of the Third Party Claim using legal counsel of its choice and at its sole cost; and/or

(ii) settle the Third Party Claim, provided the Purchaser pays the full monetary amount of the settlement and the settlement does not impose any restrictions or obligations on the Indemnitee, and provided a full and final unconditional release in favour of Vendor and its Representatives is obtained in form and substance satisfactory to Vendor;

(c) if the Purchaser acknowledges to the Indemnitee in writing that the Purchaser is responsible to indemnify the Indemnitee in respect of a Third Party Claim pursuant hereto, the Indemnitee shall not enter into any settlement, consent order or other compromise with respect to the Third Party Claim without the prior written consent of the Purchaser (which consent shall not be unreasonably withheld, conditioned or delayed), unless the Indemnitee waives its rights to indemnification in respect of the Third Party Claim;

(d) each Party shall co-operate with the other Party in the defence of the Third Party Claim, including making available such of its personnel to the other Party and its Representatives whose assistance, testimony or presence is of material assistance in evaluating and defending the Third Party Claim;

(e) upon payment of the Third Party Claim, the Purchaser shall be subrogated to all Claims the Indemnitee may have relating thereto. The Indemnitee shall give such further assurances and do such things to co-operate with the Purchaser to permit the Purchaser to pursue such subrogated Claims as reasonably requested from it; and

(f) if the Purchaser has paid an amount pursuant to the indemnification obligations herein and the Indemnitee shall subsequently be reimbursed from any source in respect of the Third Party Claim from any Third Party which results in the Indemnitee receiving, in the aggregate, more than the amount of the Third Party Claim, the Indemnitee shall promptly pay the amount of the reimbursement (including interest actually received) in excess of the Third Party Claim to the Purchaser, net of taxes required to be paid by the Indemnitee as a result of any such receipt.

ARTICLE 7
ADJUSTMENTS

7.1 Costs and Revenues to be Apportioned

(a) Subject to Sections 7.1(b) and 7.1(c), below and except as otherwise provided in this Agreement, all costs and expenses relating to the Assets (including maintenance, development, capital and operating costs) and all revenues relating to the Assets (including proceeds from the sale of production and fees from processing, treating or transporting Petroleum Substances on behalf of Third Parties) shall be apportioned as of the Effective Time between Vendor and Purchaser on an accrual basis in accordance with generally accepted accounting principles, provided that:

(i) deposits or advances made by Vendor or Lexin after the Effective Date in respect of the costs of operations on Lands (or lands pooled or unitized therewith) or the Wells, Pipelines or Facilities included in the Assets, which advances have not been applied to the payment of costs prior to the Closing Date and still stand to the credit of Lexin or Vendor as at the Closing Date, shall be transferred to Purchaser at Closing and an adjustment will be made in favour of Vendor equal to the amount of such transferred advance;

(ii) deposits or advances made by Lexin or Vendor prior to the Effective Date relative to operations on the Lands shall be returned to Vendor;

(iii) costs and expenses of work done, services provided and goods supplied shall be deemed to accrue for the purposes of this Article when the work is done or the goods or services are provided, regardless of when such costs and expenses become payable;

(iv) no adjustments shall be made in respect of Lexin's or Vendor's income taxes;

(v) revenues from the sale of Petroleum Substances will be deemed to accrue when the Petroleum Substances are produced;

(vi) Petroleum Substances that were produced beyond the wellhead, but not sold, as of the Effective Time shall be credited to Vendor and will be deemed to be sold on a first-in-first-out basis; and

(vii) all rentals and similar payments in respect of the Leased Substances or surface rights comprised in the Assets and all taxes (other than income taxes) levied with respect to the Assets or operations in respect thereof shall be apportioned between Vendor and Purchaser on a per diem basis as of the Closing Date.

(b) Vendor and its Representatives shall not be liable to make any adjustment in favour of, or make any payment to, Purchaser pursuant hereto in respect of any liability, cost or expense which relates to the period which arose prior to the later of the Date of Appointment and the Effective Date, and which cost or expense will not constitute a liability of Purchaser.

(c) Vendor and its Representatives shall not be liable to make any adjustment in favour of, or make any payment to, Purchaser pursuant hereto in respect of any cost or expense which relates to any reassessment of royalties arising or accruing before or after the Closing Time.

7.2 Adjustments to Account

(a) An interim accounting of the adjustments pursuant to Section 7.1 shall be made at Closing, based on Vendor's good faith estimate of the costs and expenses paid by Vendor prior to Closing and the revenues received by Vendor prior to Closing. Vendor and Purchaser shall cooperate in preparing such interim accounting and Vendor shall provide an interim statement of adjustment setting forth the adjustments to be made at Closing not later than three Business Days prior to Closing and shall assist Purchaser in verifying the amounts set forth in such statement.

(b) A final accounting of the adjustments pursuant to Section 7.1 shall be conducted within 90 days following the Closing Date (the "**Final Statement of Adjustments**") by Vendor, and no further or other adjustments whatsoever will be made thereafter. All adjustments after Closing shall be settled by payment by the Party required to make payment to the other Party hereunder within 15 Business Days of being notified of the determination of the amount owing.

(c) All adjustments provided for in this Article shall be adjustments to the Purchase Price and shall be allocated to the Petroleum and Natural Gas Rights.

ARTICLE 8
MAINTENANCE OF ASSETS

8.1 Maintenance of Assets

From the date hereof until the Closing Date, Vendor shall use reasonable commercial efforts, to the extent that the nature of the Receiver's obligations and Lexin's interest permits, and subject to the Appointment Order, Title Documents and any other agreements and documents to which the Assets are subject:

(a) maintain the Assets in a proper and prudent manner in material compliance with all Applicable Laws and directions of Governmental Authorities; and

(b) pay or cause to be paid all costs and expenses relating to the Assets which become due from the date hereof to the Closing Date,

provided that nothing contained in the foregoing or elsewhere in this Agreement shall obligate Vendor to post security, make any other financial contribution or file any undertaking with the Regulator with respect to the Licensee Liability Rating Program or any like program.

8.2 Consent of Purchaser

Notwithstanding Section 8.1, Vendor shall not from the date hereof to the Closing Date, without the written consent of Purchaser, which consent shall not be unreasonably withheld, conditioned or delayed:

(a) make any commitment or propose, initiate or authorize any capital expenditure with respect to the Assets of which Lexin's or Vendor's share is in excess of $50,000, except: (i) in case of an emergency; (ii) as may be reasonably necessary to protect or ensure life and safety; (iii) to preserve the Assets or title to the Assets; or (iv) in respect of amounts which Vendor may be committed to expend or be deemed to authorize for expenditure without its consent; provided, however, that should Purchaser withhold its consent or fail to provide its consent in a timely manner and a reduction in the value of the Assets results, there shall be no abatement or reduction in the Purchase Price;

(b) surrender or abandon any of the Assets, unless an expenditure of money is required to avoid the surrender or abandonment and Purchaser does not provide same to Vendor in a timely fashion, in which event the Assets in question shall be surrendered or abandoned without abatement or reduction in the Purchase Price;

(c) other than in ordinary course of business, materially amend or terminate any Title Document or enter into any new material agreement or commitment relating to the Assets; or

(d) sell, encumber or otherwise dispose of any of the Assets or any part or portion thereof excepting: pursuant to Preferential Purchase Rights; sales of non-material obsolete or surplus equipment; or sales of the Leased Substances in the normal course of business.

8.3 Proposed Actions

If an operation or the exercise of any right or option respecting the Assets is proposed in circumstances in which such operation or the exercise of such right or option would result in Purchaser incurring an obligation pursuant to Section 8.2, the following shall apply to such operation or the exercise of such right or option (hereinafter referred to as the "**Proposal**"):

(a) Vendor shall promptly give Purchaser notice of the Proposal, describing the particulars in reasonable detail;

(b) Purchaser shall, not later than 48 hours prior to the time Vendor is required to make its election with respect to the Proposal, advise Vendor, by notice, whether Purchaser wishes Vendor to exercise Vendor's rights with respect to the Proposal on Purchaser's behalf, provided that Purchaser's failure to make such election within such period shall be deemed to be Purchaser's election to participate in the Proposal;

(c) Vendor shall make the election authorized (or deemed to be authorized) by Purchaser with respect to the Proposal within the period during which Vendor may respond to the Proposal; and

(d) Purchaser's election (including its deemed election) to not participate in any Proposal required to preserve the existence of any of the Assets shall not entitle Purchaser to any reduction of the Purchase Price if Lexin's interest therein is terminated as a result of such election and such termination shall not constitute a failure of Vendor's representations and warranties relating to such Assets.

8.4 Post-Closing Transition

Following Closing and to the extent to which Purchaser must be novated into operating agreements and other agreements or documents to which the Assets are subject, until the novation has been effected:

(a) Vendor shall not initiate any operation with respect to the Assets, except upon receiving Purchaser's written instructions, or if Vendor reasonably determines that such operation is required for the protection of life or property, in which case Vendor may take such actions as it reasonably determines are required, without Purchaser's written instructions, and shall promptly notify Purchaser of such intention or actions and of Vendor's estimate of the costs and expenses therewith associated;

(b) Vendor shall forthwith deliver, or cause to be delivered, to Purchaser all revenues, proceeds and other benefits received by Vendor with respect to the Assets, provided that Vendor shall be permitted to deduct from such revenues, proceeds and other benefits, any other costs and expenses which it incurs as a result of such delivery to Purchaser;

(c) Vendor shall, in a timely manner, deliver to Purchaser all Third Party notices and communications, including authorizations for expenditures and mail ballots and all notices and communications received in respect of the Assets or events and occurrences affecting the Assets, and Vendor shall respond to such notices pursuant to Purchaser's written instructions, if received on a timely basis, provided that Vendor may refuse to follow any instructions which it reasonably believes to be unlawful, unethical or in conflict with any applicable agreement or contract, and provided that nothing shall preclude Vendor from taking such actions as Vendor reasonably determines are necessary for the protection of life or property, or as are required by all Applicable Laws, rules, regulations, orders and directions of Governmental Authorities and other competent authorities; and

(d) Vendor shall, in a timely manner, deliver to Third Parties all such notices and communications which Purchaser may reasonably request and all such monies and other items as Purchaser may reasonably provide in respect of the Assets, provided that Vendor may (but shall not be obligated to) refuse to follow instructions which it reasonably believes to be unlawful, unethical or in conflict with any applicable agreement or contract.

8.5 Licence Transfers

(a) Subject to the provisions of Section 8.7 hereof, to the extent applicable, within two Business Days following Closing, Purchaser shall prepare and, where applicable, electronically submit, to the applicable Governmental Authorities the Licence Transfers (other than in respect of the Excluded Licences), if any, and Vendor or its nominee shall, where applicable, electronically ratify and concur to such Licence Transfers.

(b) If a Governmental Authority denies a Licence Transfer because of misdescription or other minor deficiencies in the application, Purchaser shall, as soon as practicable, correct the application and amend and re-submit the Licence Transfer application. Vendor or its nominee shall, where applicable, electronically ratify and concur to such Licence Transfer.

(c) If for any reason, a Governmental Authority requires a Party or its nominee:

(i) Subject to section 2.11(d), to make a deposit or furnish any other form of security to approve or give effect to a Licence Transfer; or

(ii) undertake any corrective action or remedial work, including inspections, tests or engineering assessments,

Purchaser shall make such deposit or furnish such other form of security as is required, or undertake such corrective or remedial work as may be required, at Purchaser's sole expense. All Licence Transfer processing fees (including any fees required to be paid for expedited service) shall be for Purchaser's account.

8.6 Vendor Deemed Purchaser's Agent

(a) Insofar as Vendor maintains the Assets and takes actions in relation thereto on Purchaser's behalf pursuant to this ARTICLE 8, Vendor shall be deemed to have been Purchaser's agent hereunder. Purchaser ratifies all actions taken by Vendor or refrained from being taken by Vendor pursuant to this ARTICLE 8 in such capacity during such period, with the intention that all such actions shall be deemed to be Purchaser's actions.

(b) Insofar as Vendor participates in either operations or the exercise of rights or options as Purchaser's agent pursuant to this ARTICLE 8, Vendor may require Purchaser to secure costs to be incurred by Vendor on Purchaser's behalf pursuant to such election in such manner as may be reasonably appropriate in the circumstances.

(c) Purchaser shall indemnify Vendor and its Representatives against all Losses which Vendor or its Representatives may suffer or incur as a result of Vendor maintaining the Assets as Purchaser's agent pursuant to this ARTICLE 8, insofar as such Losses are not a direct result of the gross negligence or wilful misconduct of Vendor or its Representatives. An action or omission of Vendor or of its Representatives or of Lexin or its Representatives shall not be regarded as gross negligence or wilful misconduct to the extent to which it was done or omitted from being done in accordance with Purchaser's instruction (including any election deemed to be made pursuant to Section 8.3(b)) or concurrence, or otherwise in accordance with this Agreement. Purchaser's indemnity obligations set forth in this Section 8.6(c) shall survive the Closing Date indefinitely.

8.7 Transfer of Operatorship

Insofar as Vendor operates any of the Assets, Purchaser acknowledges that Vendor is not able to transfer operatorship of some or all of such Assets to Purchaser at or after Closing. Should a Third Party take over operatorship of some or all of the Assets whether after receiving change of operatorship notices from Vendor of the sale of its interest, or otherwise, Purchaser acknowledges that all Licences associated with operatorship (including without limitation the Excluded Licences) will be transferred to the successor operator at or following Closing and that Purchaser shall not contest any such succession of operatorship or transfer of Licences except as otherwise provided in the applicable operating agreements after Closing and such succession and transfer. Notwithstanding the foregoing, Vendor agrees to provide such reasonable assistance as may be requested by Purchaser to facilitate the transfer of operatorship to Purchaser.

ARTICLE 9
PREFERENTIAL PURCHASE RIGHTS

9.1 Preferential Purchase Rights

(a) Schedule “C” provides a description of which, if any, of the Assets are subject to Preferential Purchase Rights.

(b) Purchaser shall, promptly following execution of this Agreement, provide its good faith estimate of the value of the applicable Asset(s) to Vendor, and such value shall be set forth in the notices issued pursuant to Section 9.1(c).

(c) Vendor shall, within two Business Days following receipt of the good faith estimates described in Section 9.1(b), serve all notices as are required in conjunction with any Preferential Purchase Rights. Notwithstanding the foregoing, to the extent that Purchaser holds or is a beneficiary of any Preferential Purchase Rights with respect to the Assets, Purchaser, on behalf of itself and any Third Party having or claiming any beneficial or undisclosed interest by through or under Purchaser, hereby waives any notice required pursuant to, and any preferential, pre-emptive or similar right to purchase any of the Assets granted under such Preferential Purchase Rights, and grants any prior consent that may be required, in respect of the Transaction.

(d) Purchaser shall be liable to Vendor and Lexin for, and shall, in addition, save and hold harmless and indemnify Vendor and Lexin from and against, all Losses that may be brought against, suffered, sustained, paid or incurred by Vendor or Lexin in connection with or that relate in any way directly or indirectly to the use of Purchaser's allocation of value provided pursuant to Section 9.1(b)

(e) If a Preferential Purchase Right is exercised, the Assets that are subject thereto shall not be sold to Purchaser pursuant hereto but shall be deleted from and cease to be subject to this Agreement and the Purchase Price shall be reduced by the amount allocated to such Asset pursuant to Section 9.1(b). Purchaser shall nevertheless purchase the Assets that are not subject to exercised Preferential Purchase Rights and all applicable definitions contained in this Agreement in respect of the Assets that are subject to the Preferential Purchase Right and ultimately not sold to Purchaser hereunder shall be deemed to be amended to exclude such Assets.

ARTICLE 10
PURCHASER'S REVIEW AND ACCESS TO BOOKS AND RECORDS

10.1 Vendor to Provide Access

(a) Prior to Closing, Vendor shall, subject to all contractual and fiduciary obligations, provide reasonable access, at the Calgary offices of Vendor during normal business hours, to Purchaser, and its Representatives to Lexin's records, books, accounts, documents, files, reports, information, materials, filings, and data, to the extent they relate directly to the Assets and are in possession of the Vendor, as well as physical access to the Assets (insofar as Vendor can reasonably provide such access, with such access to be at Purchaser's sole risk, expense and liability) to facilitate Purchaser's review of the Assets and title thereto for the purpose of completing this Transaction.

(b) Except as a result of an exercise of a Preferential Purchase Right as contemplated in Section 9.1, notwithstanding anything to the contrary in this Agreement, the Purchaser acknowledges and agrees that it shall have no right or other entitlement to any abatement or reduction in the Purchase Price as a result of, arising from, or in connection with, any deficiency or allegation of deficiency in respect of the Assets, including, without limitation, any Environmental Liabilities or deficiency or title deficiency, whether identified in connection with the Purchaser's access to information as provided in Section 10.1(a) or otherwise.

10.2 Access to Information

After Closing and subject to contractual restrictions in favour of Third Parties relative to disclosure, Purchaser shall, on reasonable request from Vendor, provide reasonable access to Vendor or Vendor's Representative at Purchaser's offices, during its normal business hours, to the agreements and documents to which the Assets are subject and the contracts, agreements, records, books, documents, licences, reports and data included in the Miscellaneous Interests and the Title Documents which are then in the possession or control of Purchaser and to make copies thereof, as Vendor may reasonably require, including for purposes relating to:

(a) Lexin's or Vendor's ownership of the Assets (including taxation matters and liabilities and Claims that arise from or relate to acts, omissions, events, circumstances or operations on or before the Closing Date);

(b) enforcing its rights under this Agreement;

(c) compliance with Applicable Law; or

(d) any Claim commenced or threatened by any Third Party against Lexin or Vendor.

10.3 Maintenance of Information

All of the information, materials and other records delivered to Purchaser pursuant to the terms hereof shall be maintained in good order and good condition and kept in a reasonably accessible location by Purchaser for a period of two years from the Closing Date.

ARTICLE 11
GENERAL

11.1 Further Assurances

Each Party will, from time to time and at all times after Closing, without further consideration, do such further acts and deliver all such further assurances, deeds and documents as shall be reasonably required to fully perform and carry out the terms of this Agreement.

11.2 Receiver

Purchaser acknowledges that, in acting as the Vendor, Receiver is acting solely in its capacity as the Court-appointed receiver and manager of the assets, undertaking and property of Lexin, and not in its personal or corporate capacity. Under no circumstances shall Receiver or any of its Representatives have any liability pursuant to this Agreement, or in relation to the Transaction, whether such liability be in contract, tort or otherwise.

11.3 Entire Agreement

Except for the Appointment Order and the Court Order, the provisions contained in any and all documents and agreements collateral hereto shall at all times be read subject to the provisions of this Agreement and, in the event of conflict, except for the Appointment Order and the Court Order, the provisions of this Agreement shall prevail. In the event that Closing occurs, except for the Appointment Order and the Court Order, this Agreement supersedes all other agreements (other than the Confidentiality Agreement dated September 5,, 2017 between Vendor and Purchaser), documents, writings and verbal understandings between the Parties relating to the subject matter hereof and expresses the entire agreement of the Parties with respect to the Transaction herein.

11.4 Governing Law

This Agreement shall, in all respects, be subject to, interpreted, construed and enforced in accordance with and under the laws of the Province of Alberta and the laws of Canada applicable therein and shall, in every regard, be treated as a contract made in the Province of Alberta and all disputes shall be determined within the receivership proceedings bearing Alberta Court of Queen's Bench Court Action: 1701-03460. The Parties irrevocably attorn and submit to the jurisdiction of the courts of the Province of Alberta and courts of appeal therefrom in respect of all matters arising out of this Agreement.

11.5 Signs and Notifications

Within 60 days following Closing, Purchaser shall remove any signage which indicates Lexin's ownership or operation of the Assets. It shall be the responsibility of Purchaser to erect or install any signage required by applicable Governmental Authorities indicating Purchaser to be the owner or operator of the Assets.

11.6 Assignment and Enurement

This Agreement shall not be assigned by a Party without the prior written consent of the other Party, which consent may be unreasonably and arbitrarily withheld. This Agreement shall be binding upon and shall enure to the benefit of the Parties and their respective administrators, trustees, receivers, successors and permitted assigns.

11.7 Time of Essence

Time is of the essence in this Agreement.

11.8 Notices

The addresses and fax numbers of the Parties for delivery of notices hereunder shall be as follows:

Vendor - Grant Thornton Limited, as Court-appointed receiver of Lexin Resources Ltd., 1051393 B.C. Ltd., 0989 Resource Partnership, LR Processing Ltd. and LR Processing Partnership

Suite 1100, 332 – 6 Avenue SW
Calgary, AB T2P 0B2
Attention: Andrew Basi
Fax: (403) 403-260-2571
E-Mail: Andrew.basi@ca.gt.com

With a copy to (which does not constitute notice):

Borden Ladner Gervais LLP
1900, 520 3rd Avenue SW
Calgary, Alberta T2P 0R3
Attention: Robyn Gurofsky
Fax: 403-266-1395
E-Mail: rgurofsky@blg.com

Purchaser - Long Term Asset Management Inc.
925 Veterans Blvd.
Airdrie, Alberta T4A 2G6

Attention: Lawrence Walter, President & C.E.O.
Fax: (403) 269-8366
E-Mail: lwalter@ltam.ca

All notices, communications and statements required, permitted or contemplated hereunder shall be in writing, and shall be delivered as follows:

(a) by delivery to a Party between 8:00 a.m. and 4:00 p.m. on a Business Day at the address of such Party for notices, in which case, the notice shall be deemed to have been received by that Party when it is delivered;

(b) by facsimile to a Party to the facsimile number of such Party for notices, in which case, if the notice was faxed prior to 4:00 p.m. on a Business Day, the notice shall be deemed to have been received by that Party when it was faxed and if it is faxed on a day which is not a Business Day or is faxed after 4:00 p.m. on a Business Day, it shall be deemed to have been received on the next following Business Day; or

(c) except in the event of an actual or threatened postal strike or other labour disruption that may affect mail service, by first class registered postage prepaid mail to a Party at the address of such Party for notices, in which case, the notice shall be deemed to have been received by that Party on the fourth Business Day following the date of mailing.

A Party may from time to time change its address for service, facsimile number for service or designated representative by giving written notice of such change to the other Party.

11.9 Invalidity of Provisions

In case any of the provisions of this Agreement should be invalid, illegal or unenforceable in any respect, the validity, legality or enforceability of the remaining provisions contained herein shall not in any way be affected or impaired thereby.

11.10 Waiver

No failure on the part of any Party in exercising any right or remedy hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any such right or remedy preclude any other or further exercise thereof or the exercise of any right or remedy in law or in equity or by statute or otherwise conferred. No waiver by any Party of any breach (whether actual or anticipated) of any of the terms, conditions, representations or warranties contained herein shall take effect or be binding upon that Party unless the waiver is expressed in writing under the authority of that Party and made in accordance with the Agreement. Any waiver so given shall extend only to the particular breach so waived and shall not limit or affect any rights with respect to any other or future breach.

11.11 Amendment

This Agreement shall not be varied in its terms or amended by oral agreement or by representations or otherwise other than by an instrument in writing dated subsequent to the date hereof, executed by a duly authorized representative of each Party.

11.12 Confidentiality and Public Announcements

Until Closing has occurred, each Party shall keep confidential all information obtained from the other Party in connection with the Assets and this Agreement, and shall not release any information concerning this Agreement and the Transaction without the prior written consent of the other Party, which consent shall not be unreasonably withheld. Nothing contained herein shall prevent a Party at any time from furnishing information: (i) to any Governmental Authority or to the public if required by Applicable Law (provided the Purchaser shall advise the Vendor in advance of the content of any such public statement); (ii) in connection with obtaining the Court Order; or (iii) as required to Lexin's secured creditors.

11.13 Sealing Order

Vendor may, at its discretion, apply to the Court for a sealing order with respect to a report prepared by Vendor containing the financial and other confidential details of this Transaction, including all or part of this Agreement (the "**Confidential Report**"), such order sealing Vendor's Confidential Report and the confidential information contained therein from the public court file for the period directed by the Court. Pursuant to the terms of such sealing order applied for by Vendor, only the judge presiding over the receivership proceedings of Lexin, Vendor, Purchaser and their respective Representatives and the secured creditors of Lexin who have executed confidentiality agreements, and subject to the terms of those confidentiality agreements, shall have access to Vendor's Confidential Report and the confidential information contained therein.

11.14 Termination

This Agreement may be terminated at any time prior to Closing:

(a) by mutual written agreement of Vendor and Purchaser; or

(b) by either Vendor or Purchaser pursuant to the provisions of Sections 3.2, 3.3 or 3.4, as applicable.

In the event of Termination of this Agreement, the Deposit shall be addressed in accordance with Section 2.8.

11.15 Personal Information

Purchaser covenants and agrees to use and disclose any personal information contained in any of the books, records or flies transferred to Purchaser or otherwise obtained or reviewed by Purchaser in connection with the Transaction only for those purposes for which it was initially collected from or in respect of the individual to which such information relates, unless:

(a) Vendor or Purchaser has first notified such individual of such additional purpose, and where required by the Applicable Laws, obtained the consent of such individual to such additional purpose; or

(b) such use or disclosure is permitted or authorized by Applicable Laws, without notice to, or consent from, such individual.

Purchaser's obligations set forth in this Section 11.15 shall survive the Closing Date indefinitely.

11.16 No Merger

The covenants, representations, warranties and indemnities contained in this Agreement shall be deemed to be restated in any and all assignments, conveyances, transfers and other documents conveying the interests of Lexin, in and to the Assets to Purchaser, subject to any and all time and other limitations contained in this Agreement. There shall not be any merger of any covenant, representation, warranty or indemnity in such assignments, conveyances, transfers and other documents notwithstanding any rule of law, equity or statute to the contrary and such rules are hereby waived.

(Remainder of page intentionally left blank)

11.17 Counterpart Execution

This Agreement may be executed and delivered in counterpart and transmitted by facsimile or other electronic means and all such executed counterparts, including electronically transmitted copies of such counterparts, shall together constitute one and the same agreement.

IN WITNESS WHEREOF the Parties have executed this Agreement as of the date first above written.

GRANT THORNTON LIMITED, solely in its capacity as the receiver and manager of the assets, undertaking and property of **LEXIN RESOURCES LTD., 1051393 B.C. LTD., 0989 RESOURCE PARTNERSHIP, LR PROCESSING LTD. AND LR PROCESSING PARTNERSHIP**, and not in its personal capacity

Per: ____________________
Name: **Andrew Basi**
Title: Senior-Vice-President

LONG TERM ASSET MANAGEMENT INC.

Per: ____________________
Name: **Lawrence Walter**
Title: President & C.E.O.

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Per: ______________________________
Name: **Andrew Basi**
Title: Senior-Vice-President

LONG TERM ASSET MANAGEMENT INC.

Per: ______________________________
Name: **Lawrence Walter**
Title: President & C.E.O.

THE FOLLOWING COMPRISES SCHEDULE "A" ATTACHED TO AND FORMING PART OF AN ASSET PURCHASE AGREEMENT DATED NOVEMBER 16, 2018 BETWEEN GRANT THORNTON LIMITED, solely in its capacity as receiver of LEXIN RESOURCES LTD., 1051393 B.C. LTD., 0989 RESOURCE PARTNERSHIP, LR PROCESSING LTD. AND LR PROCESSING PARTNERSHIP, and not in its personal capacity, and LONG TERM ASSET MANAGEMENT INC.

Lands, Petroleum and Natural Gas Rights, Title Documents, Royalties and Permitted Encumbrances

SCHEDULE "A" TO AN ASSET PURCHASE AGREEMENT DATED NOVEMBER 16, 2018
MADE BETWEEN GRANT THORNTON LIMITED, SOLELY IN ITS CAPACITY AS THE COURT APPOINTED RECEIVER
AND MANAGER OF THE ASSETS, UNDERTAKING AND PROPERTY OF EACH OF LEXIN RESOURCES LTD., 1051393 B.C. LTD.,
0989 RESOURCE PARTNERSHIP, LR PROCESSING LTD. AND LR PROCESSING PARTNERSHIP, AS VENDOR
AND LONG TERM ASSET MANAGEMENT INC., AS PURCHASER

LANDS, PETROLEUM AND NATURAL GAS RIGHTS, TITLE DOCUMENTS, ROYALTIES AND PERMITTED ENCUMBRANCES

File	Lexin WI%	Mineral Agreement	Date	Lands	Lessee	Rights	ROFR	Royalty	Wells
M04782D	100%	CR 0499020025	February 4, 1999	16-28W4M: S 18	Lexin Resources Ltd.	P&NG TB Mannville	No	CSS 5% Caledonian Royalty Corp.	100/05-18-016-28W4/0
M04782C	80%	CR 0499020025	February 4, 1999	16-28W4M: N18	Lexin Resources Ltd.	P&NG TB Mannville, excl. 100/13-18-016-28W4/0 Wellbore	No	CSS 5% Caledonian Royalty Corp.	
M00326E	100	CR 5396070071	July 25, 1996	16-28W4M: 30	Lexin Resources Ltd.	P&NG TB Mannville	No	CSS 5% Caledonian Royalty Corp. 12% NCGOR on all products to EMC on 50% of production (Min. $4.00 e3m3 on 100% of production not TIK) (C01126)	100/14-30-016-28W4/0
M01246H	100%	ExxonMobil Resources Ltd.	January 5, 2000	16-28W4M: 31	Deemed Lease Lexin Resources Ltd.	P&NG TB Cutbank_Sandstone, excl 11-31-16-28W4 wellbore	No	15% Lessor payable to ExxonMobil Resources Ltd. 5% Caledonian Royalty Corp. 12.5% NCGOR on all products to EMC on 50% of production (Min. $4.00 e3m3 on 100% of production not TIK) (C01340)	100/03-31-016-28W4/0
M01246C	100% BPEN 50% APEN	ExxonMobil Resources Ltd.	January 5, 2000	16-28W4M: 31	Deemed Lease Mobil Oil Canada Ltd. and Compton Petroleum Corporation	P&NG TB Cutbank_Sandstone	Yes	15% FH Lessor Royalty (paid by Lexin 100% BPEN) 5% Caledonian Royalty Corp.	100/11-31-016-28W4/0
M01246I	50%	ExxonMobil Resources Ltd.	January 5, 2000	16-28W4M: 31	Deemed Lease Mobil Oil Canada Ltd. and Compton Petroleum Corporation	P&NG BB Cutbank_Sandstone	Yes	15% FH Lessor Royalty 5% Caledonian Royalty Corp.	

File	Lexin WI%	Mineral Agreement	Date	Lands	Lessee	Rights	ROFR	Royalty	Wells
M00326F	100	CR 5396070071	July 25, 1996	16-29W4M: 24	Lexin Resources Ltd.	P&NG TB Mannville	No	CSS 5% Caledonian Royalty Corp. 12% NCGOR EMC on 50% of production (C01127)	100/01-24-016-29W4/0 100/09-24-016-29W4/0
M01246J	100	ExxonMobil Resources Ltd.	January 5, 2000	16-29W4M: 25	Deemed Lease Lexin 100%	P&NG TB Cutbank_Sandstone	No	15% FH Lessor Royalty paid by Lexin 100% 5% Caledonian Royalty Corp. 12% NCGOR EMC on 50% of production	100/01-25-016-29W4/0
M01246D	50	ExxonMobil Resources Ltd.	January 5, 2000	16-29W4M: 25	Deemed Lease Mobil Oil Canada Ltd. and Compton Petroleum Corporation	P&NG TB Cutbank_Sandstone	Yes	15% FH Lessor Royalty (paid on 100% of production paid by Lexin 50% and EMC 50%) 5% Caledonian Royalty Corp.	100/10-25-016-29W4/0
M01246E	50	ExxonMobil Resources Ltd.	January 5, 2000	16-29W4M: 25	Deemed Lease Mobil Oil Canada Ltd. and Compton Petroleum Corporation	P&NG BB Cutbank_Sandstone	Yes	15% FH Lessor Royalty (paid on 100% of production paid by Lexin 50% and EMC 50%) 5% Caledonian Royalty Corp.	
M00498A	100	CR 5397100182	October 30, 1997	16-29W4M: 29	Lexin Resources Ltd.	P&NG TB Mannville	No	CSS 5% Caledonian Royalty Corp.	100/07-29-016-29W4/0 100/16-29-016-29W4/0
M02783A	100% BPEN 50% APEN	ExxonMobil Resources Ltd.	March 21, 1994	16-29W4M: 31	Deemed Lease Mobil Oil Canada Ltd. Ltd and Compton Petroleum Corporation	P&NG TB Jurrasic	Yes	15% FH Lessor Royalty 5% Caledonian Royalty Corp.	100/09-31-016-29W4/0
M00294A	50	CR 0494030514	March 24, 1994	16-29W4M: 32	Lexin Resources Ltd.	P&NG TB Kootenay/Fernie, excl. P&NG in Sawtooth	Yes	CSS 5% Caledonian Royalty Corp.	100/02-32-016-29W4/0 100/11-32-016-29W4/0
M01248C	100	ExxonMobil Resources Ltd.	December 25, 2000	16-29W4M: 33	Mobil Oil Canada Ltd. Ltd and Compton Petroleum Corporation	All P&NG in Belly River All P&NG in Cutbank_Sandstone All P&NG in Turner Valley	No	15% FH Lessor Royalty (paid on 100% of production paid by Lexin 50% and EMC 50%) 5% Caledonian Royalty Corp.	100/04-33-016-29W4/0 100/12-33-016-29W4/0

File	Lexin WI%	Mineral Agreement	Date	Lands	Lessee	Rights	ROFR	Royalty	Wells
M01248A	50	ExxonMobil Resources Ltd.	December 25, 2000	16-29W4M: 33	Mobil Oil Canada Ltd. Ltd and Compton Petroleum Corporation	P&NG in Bow Island P&NG in Mount Head	Yes	15% FH Lessor Royalty 5% Caledonian Royalty Corp.	
M01248B	50	ExxonMobil Resources Ltd.	December 25, 2000	16-29W4M: 33	Mobil Oil Canada Ltd. Ltd and Compton Petroleum Corporation	P&NG TB Turner Valley, excl Belly River, Bow Island, Cutbank & Sawtooth	Yes	15% FH Lessor Royalty 5% Caledonian Royalty Corp.	
M06897A	100	CR 0498020046	February 5, 1998	17-28W4M: 6	Lexin Resources Ltd.	P&NG TB Mannville	No	CSS 15% NCGOR to EMC payable on 60% of production (Min. $4.00 e3m3 on 100% of production) (C01454) 5% Caledonian Royalty Corp.	100/07-06-017-28W4/0 100/15-06-017-28W4/0
M03198A	100	ExxonMobil Resources Ltd.	October 16, 2000	17-28W4M: 7	Mobil Oil Canada Ltd. and Compton Petroleum Corporation	P&NG TB Cutbank_Sandstone	No	15% Lessor 5% Caledonian Royalty Corp. 15% NCGOR on all products to EMC on 50% of production (Min. $4.00 e3m3 on 100% of production not TIK) (C01252)	100/02-07-017-28W4/0 100/05-07-017-28W4/0
M07120A	100	CR 0406080411	August 24, 2006	17-28W4M: 18	Lexin Resources Ltd.	P&NG Below Base Milk River TB Mannville	No	CSS 5% Caledonian Royalty Corp.	100/04-18-017-28W4/0
M01254A	50	ExxonMobil Resources Ltd.	October 16, 2000	17-29W4M: 1	Mobil Oil Canada Ltd. and Compton Petroleum Corporation	P&NG in Cutbank_Sandstone P&NG in Glauconitic_Sandstone	Yes	15% FH Lessor Royalty 5% Caledonian Royalty Corp.	100/16-01-017-29W4/0
M00632C	100	CR 0498030110	March 5, 1998	17-29W4M: 4	Lexin Resources Ltd.	P&NG TB Mannville	No	CSS 5% Caledonian Royalty Corp.	100/06-04-017-29W4/0 100/11-04-017-29W4/0

File	Lexin WI%	Mineral Agreement	Date	Lands	Lessee	Rights	ROFR	Royalty	Wells
M09291A	100	Estate of Gordon S. Clarke (2/9)	August 10, 1996	17-29W4M: 8	Lexin Resources Ltd. 100%	All P&NG	No	15% Lessor 5% Caledonian Royalty Corp.	100/08-08-017-28W4/0 100/15-08-017-28W4/0
M09292A	100	Susan Dell (1/9) and Michael Brook (1/9)	August 10, 1996	17-29W4M: 8	Lexin Resources Ltd. 100%	All P&NG	No	15% Lessor 5% Caledonian Royalty Corp.	100/08-08-017-29W4/0 100/15-08-017-29W4/0
M09293A	100	Leanne Drumheller (2/9)	August 7, 1996	17-29W4M: 8	Lexin Resources Ltd. 100%	All P&NG	No	15% Lessor 5% Caledonian Royalty Corp.	100/08-08-017-29W4/0 100/15-08-017-29W4/0
M09294A	100	Nicholas Charles Phillip Christison Ridley (3/9)	September 18, 1996	17-29W4M: 8	Lexin Resources Ltd. 100%	All P&NG	No	15% Lessor 5% Caledonian Royalty Corp.	100/08-08-017-29W4/0 100/15-08-017-29W4/0
M09309A	100	David Feighner (Public Trustee)	March 23, 1999	17-29W4M: Ptn 8 (1 acre)	Lexin Resources Ltd. 100%	All P&NG	No	18% Lessor 5% Caledonian Royalty Corp.	100/08-08-017-29W4/0 100/15-08-017-29W4/0
M00632F	75	CR 0498030110	March 5, 1998	17-29W4M: S 9	Lexin Resources Ltd. 100%	Natural Gas TB Mannville, excl. CBM	Yes	CSS paid on 100% of production by Lexin 100% 5% Caledonian Royalty Corp.	100/04-09-017-29W4/0
M00632E	100	CR 0498030110	March 5, 1998	17-29W4M: S 9	Lexin Resources Ltd. 100%	Petroleum TB Mannville	No	CSS on 100% of production paid by Lexin 100% 5% Caledonian Royalty Corp.	
M02762F	75	ExxonMobil Resources Ltd.	December 25, 2000	17-29W4M: N 9	Lexin 50% Mobil Oil Canada Ltd. 50%	Natural Gas TB Cutbank_Sandstone, excl. CBM	Yes	15% Lessor paid on 50% of production paid by Lexin 50% and Midstream 50% 5% Caledonian Royalty Corp.	100/04-09-017-29W4/0
M02762C	50	ExxonMobil Resources Ltd.	December 25, 2000	17-29W4M: N 9	Lexin 50% Mobil Oil Canada Ltd. 50%	Petroleum TB Cutbank_Sandstone	No	15% Lessor on 100% of production paid by Lexin 50% and Midstream 50% 5% Caledonian Royalty Corp.	
M09314A	40	CR 5396070072	July 25, 1996	17-29W4M: 10	Midstream Canada Ltd. 100%	P&NG TB Mannville	Yes	CSS 5% Caledonian Royalty Corp.	100/13-10-017-29W4/0

File	Lexin WI%	Mineral Agreement	Date	Lands	Lessee	Rights	ROFR	Royalty	Wells
M09314D	33.33	CR 5396070072	July 25, 1996	17-29W4M: 12	Midstream Canada Ltd. 100%	P&NG in Cutbank_Sandstone	Yes	CSS NCGOR S/S (4%-16%) on oil and 16% on natural gas payable on 10% of production paid 100% to Lexin payable by Lexin 33.333% and Midstream 66.6667% (C2165) 5% Caledonian Royalty Corp.	100/06-12-017-29W4/0
M09314E	100	CR 5396070072	July 25, 1996	17-29W4M: 12	Midstream Canada Ltd. 100%	P&NG TB Mannville, excl 6-12	No	CSS 10% NCGOR on 66.667% of production paid 100% to Midstream payable by Lexin 100% (C2169) 5% Caledonian Royalty Corp.	100/12-12-017-29W4/0
M09314F	33.33	CR 5396070072	July 25, 1996	17-29W4M: 14	Midstream Canada Ltd. 100%	P&NG TB Mannville	Yes	CSS NCGOR S/S (4%-16%) on oil and 16% on natural gas payable on 10% of production paid 100% to Lexin payable by Lexin 33.333% and Midstream 66.6667% (C2165) 5% Caledonian Royalty Corp.	100/11-14-17-29W4/0
M03201A	50	ExxonMobil Resources Ltd.	December 25, 2000	17-29W4M: 15	Mobil Oil Canada Ltd. and Compton Petroleum Corporation	P&NG TB Cutbank_Sandstone, excl 11-15	Yes	15% FH Lessor Royalty (paid to EMC on 100% of production paid by Lexin 50% and EMC 50%) 5% Caledonian Royalty Corp.	100/05-15-017-29W4/0
M03201B	50	ExxonMobil Resources Ltd.	December 25, 2000	17-29W4M: 15	Mobil Oil Canada Ltd. and Compton Petroleum Corporation	P&NG TB Cutbank_Sandstone	Yes	15% FH Lessor Royalty (paid to EMC on 100% of production paid by Lexin 50% and EMC 50%) 5% Caledonian Royalty Corp.	100/11-15-017-29W4/0
M00633B	100	CR 0498030111	March 5, 1998	17-29W4M: 16	Lexin Resources Ltd.	P&NG TB Mannville	No	CSS 5% Caledonian Royalty Corp.	100/03-16-017-29W4/0 100/12-16-017-29W4/0 100/15-16-017-29W4/0

File	Lexin WI%	Mineral Agreement	Date	Lands	Lessee	Rights	ROFR	Royalty	Wells
M01256A	100	ExxonMobil Resources Ltd.	December 25, 2000	17-29W4M: 17	Mobil Oil Canada Ltd. and Compton Petroleum Corporation	P&NG in Cutbank_Sandstone	No	15% FH Lessor Royalty 12% NCGOR to EMC on 100% 5% Caledonian Royalty Corp.	100/07-17-017-29W4/0 100/10-17-017-29W4M
M01256B	50	ExxonMobil Resources Ltd.	December 25, 2000	17-29W4M: 17	Mobil Oil Canada Ltd. and Compton Petroleum Corporation	P&NG TB Cutbank_Sandstone,excl P&NG In Cutbank_Sandstone	Yes	15% FH Lessor Royalty 5% Caledonian Royalty Corp.	
M00637B	100	CR 5398030002	March 5, 1998	17-29W4M: 18	Lexin Resources Ltd.	P&NG TB Mannville	No	CSS 5% Caledonian Royalty Corp.	100/02-18-017-29W4/0 100/09-18-017-29W4/0
M00637A	100	CR 5398030002	March 5, 1998	17-29W4M: 20	Lexin Resources Ltd.	P&NG TB Mannville	No	CSS 5% Caledonian Royalty Corp.	100/02-20-017-29W4/0 100/10-20-017-29W4/0
M01433A	50	CNRL Fee	January 29, 1999	17-29W4M: 21	Lexin Resources Ltd.	NG TB Cutbank Sandstone Excluding CBM	Yes	20% Lessor Royalty - payment is on NG and byproducts 5% Caledonian Royalty Corp. 5% NCGOR to Lexin on 100% of production (paid by Lexin 50% and EMC 50)(C00246)	100/08-21-017-29W4/0 100/10-21-017-29W4/0
M00634B	100	CR 0498030112	March 5, 1998	17-29W4M: 22	Lexin Resources Ltd.	P&NG TB Mannville	No	CSS 5% Caledonian Royalty Corp.	100/06-22-017-29W4/0 100/12-22-017-29W4/0
M02474A	50	ExxonMobil Resources Ltd.	December 25, 2000	17-29W4M: N 27	Mobil Oil Canada Ltd. and Compton Petroleum Corporation	P&NG To Base Cutbank_Sandstone, excl. P&NG in Cutbank_Sandstone	Yes	15% FH Lessor Royalty 5% Caledonian Royalty Corp.	
M02474C	50	ExxonMobil Resources Ltd.	December 25, 2000	17-29W4M: N 27	Mobil Oil Canada Ltd. and Compton Petroleum Corporation	P&NG in Cutbank_Sandstone	Yes	15% FH Lessor Royalty 5% Caledonian Royalty Corp.	100/11-27-017-29W4/0

File	Lexin WI%	Mineral Agreement	Date	Lands	Lessee	Rights	ROFR	Royalty	Wells
M02474B	50	ExxonMobil Resources Ltd.	December 25, 2000	17-29W4M: S 27	Mobil Oil Canada Ltd. and Compton Petroleum Corporation	P&NG To Base Cutbank_Sandstone	Yes	15% FH Lessor Royalty 5% Caledonian Royalty Corp.	100/04-27-017-29W4/0
M00645A	100	CR 5398030102	March 19, 1998	17-29W4M: 28	Lexin Resources Ltd.	P&NG TB Mannville	No	CSS 5% Caledonian Royalty Corp.	100/11-28-017-29W4/0 100/16-28-017-29W4/0
M00645A	100	CR 5398030102	March 19, 1998	17-29W4M: 32	Lexin Resources Ltd.	P&NG TB Mannville	No	CSS 5% Caledonian Royalty Corp.	100/10-32-017-29W4/0
M01442A	50	ExxonMobil Resources Ltd.	December 25, 2000	17-29W4M: 33	Mobil Oil Canada Ltd. and Compton Petroleum Corporation	P&NG TB Cutbank_Sandstone	Yes	15% FH Lessor Royalty 5% Caledonian Royalty Corp.	100/06-33-017-29W4/0 100/14-33-017-29W4/0
M3528B	40	CR 0499020029	February 4, 1999	17-29W4M: 34	Midstream 60% Lexin 40%	P&NG from Base Belly River TB Mannville	Yes	CSS 5% Caledonian Royalty Corp.	100/04-34-017-29W4/0 100/11-34-017-29W4/0
M3528C	100	CR 0499020029	February 4, 1999	17-29W4M: 34	Midstream 60% Lexin 40%	P&NG TB Belly River	No	CSS 5% Caledonian Royalty Corp.	
M2376C	50	CR 0400090223	September 21, 2000	18-29W4M: 4	Lexin Resources Ltd.	P&NG from Base Belly River TB Mannville	Yes	CSS 5% Caledonian Royalty Corp.	100/10-04-018-29W4/0
M02475A	50	ExxonMobil Resources Ltd.	December 25, 2000	18-29W4M: 5	Mobil Oil Canada Ltd. and Compton Petroleum Corporation	P&NG to Base Cutbank_ Sandstone	Yes	15% FH Lessor Royalty (paid to EMC on 100% of production paid by Lexin 50% and EMC 50%) 5% Caledonian Royalty Corp.	100/01-05-018-29W4/0 100/09-05-018-29W4/0
M03333A	100	John Michael Braid, Patrick Michael Hare and Christopher Peter Hare, each as to an undivided 1/3 interest	July 2, 2002	18-29W4M: 8	MFC Energy Corporation	All P&NG	No	17.5% Lessor 5% Caledonian Royalty Corp.	100/08-08-018-29W4/0 100/16-08-018-29W4/0
M02378A	50	CR 0400090227	September 21, 2000	18-29W4M: 22	Lexin Resources Ltd.	P&NG TB Mannville	Yes	CSS 5% Caledonian Royalty Corp.	100/05-22-018-29W4/0 100/12-22-018029W4/0

File	Lexin WI%	Mineral Agreement	Date	Lands	Lessee	Rights	ROFR	Royalty	Wells
M04762A	68.42	CR 0499030367 (E/2 Only)	March 18, 1999	18-29W4M: E 28	Midstream Canada 100%	All P&NG TB Mannville, excl. 100/09-28-018-29W4/0 Penalty Well	Yes	CSS 5% Caledonian Royalty Corp. 15% NCGOR on 5% of production paid by Lexin 68.42% and EMC 31.58% and paid to Lexin 100% (C1134)	100/08-28-018-29W4/0
M03409A	68.42	Margaret Ellen Douglas Roderick Anthony Pooley	October 19, 2001	18-29W4M: W 28	Lexin 100%	P&NG TB Jurassic, excl. 100/09-28-018-29W4/0 Penalty Well	Yes	18% FH Lessor (Split 50%/50%) 5% Caledonian Royalty Corp. 15% NCGOR on 5% of production paid by Lexin 68.42% and EMC 31.58% and paid to Lexin 100% (C1134)	100/08-28-018-29W4/0
M04762C	100% BPEN/68.42 APEN	CR 0499030367 (E/2 Only)	March 18, 1999	18-29W4M: E 28	Midstream Canada 100%	All P&NG TB Mannville (100/09-28-018-29W4/0 Penalty Wellbore and Associated Production)	Yes	CSS 5% Caledonian Royalty Corp. 15% NCGOR on 5% of production (C1134) All paid by Lexin 100% BPEN and Lexin 68.42% and EMC 31.58% APEN	100/09-28-018-29W4/0
M03409C	100% BPEN/68.42 APEN	Margaret Ellen Douglas Roderick Anthony Pooley	October 19, 2001	18-29W4M: W 28	Lexin 100%	P&NG TB Jurassic (100/09-28-018-29W4/0 Penalty Wellbore and Associated Production)	Yes	18% FH Lessor (Split 50%/50%) 5% Caledonian Royalty Corp. 15% NCGOR on 5% of production (C1134) All paid by Lexin 100% BPEN and Lexin 68.42% and EMC 31.58% APEN	100/09-28-018-29W4/0
M05198A	12.5	ExxonMobil Resources Ltd.	October 1, 2004	18-29W4M: N & SE 33	Deemed Lease Lexin 100%	All P&NG TB Cutbank_Sandstone Excl CBM	No	17% Lessor 5% Caledonian Royalty Corp.	100/02-33-018-29W4/0
M02731A	12.5	CR 0401040295	April 19, 2001	18-29W4M: SW 33	Midstream 50% Lexin 50%	All P&NG TB Cutbank_Sandstone Excl CBM	No	CSS 5% Caledonian Royalty Corp.	100/02-33-018-29W4/0
M00932A	93.0645	CR 0499030368	March 18, 1999	18-29W4M: S 34 (320 acres)	Lexin Resources Ltd. 100%	NG TB Mannville, excl CBM	Yes	CSS on 50% of production paid by Lexin 100% 5% Caledonian Royalty Corp.	100/01-34-018-29W4/0 100/12-34-018-29W4/0

File	Lexin WI%	Mineral Agreement	Date	Lands	Lessee	Rights	ROFR	Royalty	Wells
M00932B	100	CR 0499030368	March 18, 1999	18-29W4M: S 34 (320 acres)	Lexin Resources Ltd. 100%	All Petroleum TB Mannville	No	CSS on 50% of production paid by Lexin 100% 5% Caledonian Royalty Corp.	100/01-34-018-29W4/0 100/12-34-018-29W4/0
M02323A	93.0645	FH - John Malcolm Lyle	July 26, 2000	18-29W4M: NW 34 (1/2 interest in 120 acres)	Prepool Lexin 100%	NG TB Rierdon Excl CBM	Yes	18% Lessor paid by Lexin 100% 5% Caledonian Royalty Corp.	100/01-34-018-29W4/0 100/12-34-018-29W4/0
M02323B	100.00%	FH - John Malcolm Lyle	July 26, 2000	18-29W4M: NW 34 (1/2 interest in 120 acres)	Lexin 100%	Petroleum TB Rierdon	Yes	18% Lessor paid by Lexin 100% 5% Caledonian Royalty Corp.	
M04072A	93.0645	Fee Land - Compton Petroleum Corporation 100%	N/A	18-29W4M: PTN NW 34 (1/2 interest in 120 acres)	Prepool Lexin 100%	NG TB Rierdon Excl CBM	Yes		100/01-34-018-29W4/0 100/12-34-018-29W4/0
M04072-01	93.0645	Lexin Resources Inc. (Leased Fee Lands)	January 30, 2003	18-29W4M: PTN NW 34 (1/2 interest in 120 acres)	Prepool Lexin 100%	NG TB Rierdon Excl CBM	Yes		100/01-34-018-29W4/0 100/12-34-018-29W4/0
M04072B	100	Fee Land - Compton Petroleum Corporation 100%		18-29W4M: PTN NW 34 (1/2 interest in 120 acres)	Lexin 100%	All Mines and Minerals Excl NG TB Rierdon	No		
M01468A	93.0645	FH - Lyle Braunwarth	June 30, 2000	18-29W4M: NW 34 (100% in 40 acres)	Prepool Lexin 100%	NG TB Rierdon Excl CBM	Yes	18% Lessor paid by Lexin 100% 5% Caledonian Royalty Corp.	100/01-34-018-29W4/0 100/12-34-018-29W4/0
M01468B	100	FH - Lyle Braunwarth	June 30, 2000	18-29W4M: NW 34 (100% in 40 acres)	Lexin 100%	Petroleum TB Rierdon; All P&NG BB Rierdon	No	18% Lessor paid by Lexin 100% 5% Caledonian Royalty Corp.	

File	Lexin WI%	Mineral Agreement	Date	Lands	Lessee	Rights	ROFR	Royalty	Wells
M03388A	93.0645	FH: 1/6 - Erla Dawn McIntosh 1/6 Margery Joy Collery 1/6 Wyatt Lee Brocklebank	August 22, 2000	18-29W4M: NE 34 (1/2 interest in 160 acres)	Prepool Lexin 72.5% EMC 27.50%	NG TB Rierdon Excl CBM	Yes	16% Lessor paid by Lexin 72.5% and Midstream 27.5% and paid to Erla Dawn McIntosh, Margery Joy Collery and Wyatt Lee Brocklebank (1/3 each) 3% NCGOR to Carol Miles on 100% of production payable by Midstream 27.5% and Lexin 72.5% 5% Caledonian Royalty Corp.	100/01-34-018-29W4/0 100/12-34-018-29W4/0
M03388C	72.50%	FH: 1/6 - Erla Dawn McIntosh 1/6 Margery Joy Collery 1/6 Wyatt Lee Brocklebank	August 22, 2000	18-29W4M: NE 34 (1/2 interest in 160 acres)	Prepool Lexin 72.5% EMC 27.50%	Petroleum TB Rierdon	No	16% Lessor paid by Lexin 72.5% and Midstream 27.5% and paid to Erla Dawn McIntosh, Margery Joy Collery and Wyatt Lee Brocklebank (1/3 each) 3% NCGOR to Carol Miles on 100% of production payable by Midstream 27.5% and Lexin 72.5% 5% Caledonian Royalty Corp.	
M03385A	93.0645	FH - Carol Lem Kiss (1/4 interest)	August 22, 2000	18-29W4M: NE 34 (1/4 interest in 160 acres)	Prepool Lexin 72.5% EMC 27.50%	NG TB Rierdon Excl CBM	Yes	16% Lessor paid by Lexin 27.5% and Midstream 72.5% 3% NCGOR to Carol Miles on 100% of production payable by Midstream 27.5% and Lexin 72.5% 5% Caledonian Royalty Corp.	100/01-34-018-29W4/0 100/12-34-018-29W4/0
M03385C	72.50%	FH - Carol Lem Kiss (1/4 interest)	August 22, 2000	18-29W4M: NE 34 (1/4 interest in 160 acres)	Prepool Lexin 72.5% EMC 27.50%	Petroleum TB Rierdon	No	16% Lessor paid by Lexin 27.5% and Midstream 72.5% 3% NCGOR to Carol Miles on 100% of production payable by Midstream 27.5% and Lexin 72.5% 5% Caledonian Royalty Corp.	

File	Lexin WI%	Mineral Agreement	Date	Lands	Lessee	Rights	ROFR	Royalty	Wells
M03386A	93.0645	FH - Ken Lem (1/4 interest)	August 8, 2000	18-29W4M: NE 34 (1/4 interest in 160 acres)	Prepool Lexin 72.5% EMC 27.50%	NG TB Rierdon Excl CBM	Yes	16% Lessor paid by Lexin 72.5% and Midstream 27.5% 3% NCGOR to Carol Miles on 100% of proudction payable by Midstream 27.5% and Lexin 72.5% 5% Caledonian Royalty Corp.	100/01-34-018-29W4/0 100/12-34-018-29W4/0
M03386C	72.5%	FH - Ken Lem (1/4 interest)	August 8, 2000	18-29W4M: NE 34 (1/4 interest in 160 acres)	Prepool Lexin 72.5% EMC 27.50%	Petroleum TB Rierdon	No	16% Lessor paid by Lexin 72.5% and Midstream 27.5% 3% NCGOR to Carol Miles on 100% of proudction payable by Midstream 27.5% and Lexin 72.5% 5% Caledonian Royalty Corp.	

FILES	MISC. AGREEMENTS	LAND	NOTES
S01389	Road Use Agreement with MD of Foothills	17-29W4M SE 28 (Lsd 1)	Access to 1-28, 6-22, 8-21, 12-4, 11-27 (17-29)

THE FOLLOWING COMPRISES SCHEDULE "B" ATTACHED TO AND FORMING PART OF AN ASSET PURCHASE AGREEMENT DATED NOVEMBER 16, 2018 BETWEEN GRANT THORNTON LIMITED, solely in its capacity as receiver of LEXIN RESOURCES LTD., 1051393 B.C. LTD., 0989 RESOURCE PARTNERSHIP, LR PROCESSING LTD. AND LR PROCESSING PARTNERSHIP, and not in its personal capacity, and **LONG TERM ASSET MANAGEMENT INC.**

Wells, Pipelines and Facilities

Wells

SCHEDULE "B" TO AN ASSET PURCHASE AGREEMENT DATED NOVEMBER 16, 2018
MADE BETWEEN GRANT THORNTON LIMITED, SOLELY IN ITS CAPACITY AS THE COURT APPOINTED RECEIVER
AND MANAGER OF THE ASSETS, UNDERTAKING AND PROPERTY OF EACH OF LEXIN RESOURCES LTD., 1051393 B.C. LTD.,
0989 RESOURCE PARTNERSHIP, LR PROCESSING LTD. AND LR PROCESSING PARTNERSHIP, AS VENDOR
AND LONG TERM ASSET MANAGEMENT INC., AS PURCHASER

	WELLS			
WELL NAME	**LEXIN WORKING INTEREST**	**UWI**	**CURRENT LICENSEE**	**License Number**
COMPTON SILVER 5-18-16-28	100%	1W40162818050000	LEXIN RESOURCES LTD.	0303432
COMPTON SILVER 14-30-16-28	100%	1W40162830140000	LEXIN RESOURCES LTD.	0290453
COMPTON HIR 3-31-16-28	100%	1W40162831030000	LEXIN RESOURCES LTD.	0323867
CPC SILVER 11-31-16-28	100% BPEN 50% APEN	1W40162831110000	LEXIN RESOURCES LTD.	0284480
COMPTON HIR 1-24-16-29	100%	1W40162924010000	LEXIN RESOURCES LTD.	0318286
COMPTON HIR 9-24-16-29	100%	1W40162924090000	LEXIN RESOURCES LTD.	0294814
COMPTON HIR 1-25-16-29	100%	1W40162925010000	LEXIN RESOURCES LTD.	0318986
COMPTON HIGH RIVER 10-25-16-29	50%	1W40162925100000	LEXIN RESOURCES LTD.	0294076
COMPTON HOOKER 7-29-16-29	100%	1W40162929070000	LEXIN RESOURCES LTD.	0223115
COMPTON HIR 16-29-16-29	100%	1W40162929160000	LEXIN RESOURCES LTD.	0306332
COMPTON HIR 9-31-16-29	100% BPEN 50% APEN	1W40162931090000	LEXIN RESOURCES LTD.	0357033
COMPTON HIGH RIVER 2-32-16-29	50%	1W40162932020000	EXXONMOBIL CANADA LTD.	0269651
EMC HOOKER 11-32-16-29	50%	1W40162932110000	EXXONMOBIL CANADA LTD.	0250253
COMPTON HIR 4-33-16-29	100%	1W40162933040000	LEXIN RESOURCES LTD.	0335825
COMPTON HOOKER 12-33-16-29	100%	1W40162933120000	LEXIN RESOURCES LTD.	0238564
COMPTON ET AL HIR 7-6-17-28	100%	1W40172806070000	LEXIN RESOURCES LTD.	0371460
COMPTON HIR 15-6-17-28	100%	1W40172806150000	LEXIN RESOURCES LTD.	0354742
COMPTON SILVER 2-7-17-28	100%	1W40172807020000	LEXIN RESOURCES LTD.	0332670
COMPTON SILVER 5-7-17-28	100%	1W40172807050000	LEXIN RESOURCES LTD.	0310373
COMPTON SILVER 4-18-17-28	100%	1W40172818040000	LEXIN RESOURCES LTD.	0373888
MOBIL COMPTON HIGH RIVER 16-1-17-29	50%	1W40172901160002	EXXONMOBIL CANADA LTD.	0228772
COMPTON HIGH RIVER 6-4-17-29	100%	1W40172904060000	LEXIN RESOURCES LTD.	0225060
COMPTON HIGH RIVER 11-4-17-29	100%	1W40172904110000	LEXIN RESOURCES LTD.	0286257
EMC HIR 1-5-17-29	50%	1W40172905010000	EXXONMOBIL CANADA LTD.	0257349
MOBIL COMPTON HIGH RIVER 9-5-17-29	50%	1W40172905090002	EXXONMOBIL CANADA LTD.	0233291
COMPTON HIR 8-8-17-29	100%	1W40172908080000	LEXIN RESOURCES LTD.	0308439
COMPTON HIR 15-8-17-29	100%	1W40172908150000	LEXIN RESOURCES LTD.	0257389
COMPTON HIGH RIVER 4-9-17-29	75%	1W40172909040000	LEXIN RESOURCES LTD.	0234834
EMC ET AL HIGH RIVER 13-10-17-29	40%	1W40172910130000	EXXONMOBIL CANADA LTD.	0268677
COMPTON HIR 14-11-17-29	100%	1W40172911140000	LEXIN RESOURCES LTD.	0330474
COMPTON HIR 16-11-17-29	100%	1W40172911160000	LEXIN RESOURCES LTD.	0328737
EMC ET AL HIGH RIVER 6-12-17-29	33.33%	1W40172912060000	EXXONMOBIL CANADA LTD.	0270059
COMPTON HIR 12-12-17-29	100%	1W40172912120000	LEXIN RESOURCES LTD.	0315508
EMC HIGH RIVER 11-14-17-29	33.33%	1W40172914110000	EXXONMOBIL CANADA LTD.	0271850
EMC HIR 5-15-17-29	50%	1W40172915050000	EXXONMOBIL CANADA LTD.	0239521
COMPTON HIGH RIVER 11-15-17-29	50%	1W40172915110000	LEXIN RESOURCES LTD.	0270487
COMPTON HIGH RIVER 3-16-17-29	100%	1W40172916030000	LEXIN RESOURCES LTD.	0239224
COMPTON HIGH RIVER 12-16-17-29	100%	1W40172916120000	LEXIN RESOURCES LTD.	0260729
COMPTON HIR 15-16-17-29	100%	1W40172916150000	LEXIN RESOURCES LTD.	0318002
COMPTON HIGH RIVER 7-17-17-29	100%	1W40172917070000	LEXIN RESOURCES LTD.	0239507
COMPTON HZ HIR 10-17-17-29	100%	1W40172917100000	LEXIN RESOURCES LTD.	0387153
COMPTON HZ HIR 11-18-17-29 **(2-18)**	100%	1W40172918020002	LEXIN RESOURCES LTD.	0396652
COMPTON HIR 9-18-17-29	100%	1W40172918090000	LEXIN RESOURCES LTD.	0345198
COMPTON HIGH RIVER 2-20-17-29	100%	1W40172920020000	LEXIN RESOURCES LTD.	0233619
COMPTON HIGH RIVER 10-20-17-29	100%	1W40172920100000	LEXIN RESOURCES LTD.	0260263
EMC HIR 8-21-17-29	50%	1W40172921080000	EXXONMOBIL CANADA LTD.	0243235
EMC HIR 10-21-17-29	50%	1W40172921100000	EXXONMOBIL CANADA LTD.	0271813
COMPTON HIGH RIVER 6-22-17-29	100%	1W40172922060000	LEXIN RESOURCES LTD.	0243231
COMPTON HIGH RIVER 12-22-17-29	100%	1W40172922120000	LEXIN RESOURCES LTD.	0272327

WELL NAME	LEXIN WORKING INTEREST	UWI	CURRENT LICENSEE	License Number
EMC HIR 4-27-17-29	40%	1W40172927040000	EXXONMOBIL CANADA LTD.	0314751
EMC HIR 11-27-17-29	50%	1W40172927110000	EXXONMOBIL CANADA LTD.	0242543
COMPTON HIGH RIVER 11-28-17-29	100%	1W40172928110000	LEXIN RESOURCES LTD.	0271607
COMPTON HIGH RIVER 16-28-17-29	100%	1W40172928160000	LEXIN RESOURCES LTD.	0260935
COMPTON HIGH RIVER 10-32-17-29	100%	1W40172932100000	LEXIN RESOURCES LTD.	0259281
COMPTON HIGH RIVER 6-33-17-29	50%	1W40172933060000	EXXONMOBIL CANADA LTD.	0274422
EMC HIR 14-33-17-29	50%	1W40172933140000	EXXONMOBIL CANADA LTD.	0254547
ESPRIT EMC HIR 4-34-17-29	40%	1W40172934040000	EXXONMOBIL CANADA LTD.	0306036
EMC ETAL HIGH RIVER 11-34-17-29	40%	1W40172934110000	EXXONMOBIL CANADA LTD.	0267871
COMPTON HIGH RIVER 10-4-18-29	50%	1W40182904100000	LEXIN RESOURCES LTD.	0254548
COMPTON HIR 1-5-18-29	50%	1W40182905010000	LEXIN RESOURCES LTD.	0319901
COMPTON HIGH RIVER 9-5-18-29	50%	1W40182905090000	LEXIN RESOURCES LTD.	0258779
COMPTON HIR 8-8-18-29	100%	1W40182908080000	LEXIN RESOURCES LTD.	0334391
COMPTON HIGH RIVER 16-8-18-29	100%	1W40182908160000	LEXIN RESOURCES LTD.	0273830
COMPTON HIR 5-22-18-29	50%	1W40182922050000	LEXIN RESOURCES LTD.	0337236
COMPTON HIGH RIVER 12-22-18-29	50%	1W40182922120000	LEXIN RESOURCES LTD.	0269126
COMPTON HIR 8-28-18-29	68.42%	1W40182928080000	LEXIN RESOURCES LTD.	0310910
COMPTON HIR 9-28-18-29	100% BPEN 68.42% APEN	1W40182928090000	LEXIN RESOURCES LTD.	0338742
EMC HIR 2-33-18-29	12.%	1W40182933020000	EXXONMOBIL CANADA LTD.	0316339
COMPTON HIR 1-34-18-29	93.0645%	1W40182934010000	LEXIN RESOURCES LTD.	0293084
COMPTON HZ HIR 12-34-18-29	93.0645%	1W40182934120002	LEXIN RESOURCES LTD.	0395794
COMPTON HUBER OKOTOKS 14-16-20-28	100%	1W42028161400002	LEXIN RESOURCES LTD.	0090635

Pipelines

SCHEDULE "B" TO AN ASSET PURCHASE AGREEMENT DATED NOVEMBER 16, 2018
MADE BETWEEN GRANT THORNTON LIMITED, SOLELY IN ITS CAPACITY AS THE COURT APPOINTED RECEIVER
AND MANAGER OF THE ASSETS, UNDERTAKING AND PROPERTY OF EACH OF LEXIN RESOURCES LTD., 1051393 B.C. LTD.,
0989 RESOURCE PARTNERSHIP, LR PROCESSING LTD. AND LR PROCESSING PARTNERSHIP, AS VENDOR
AND LONG TERM ASSET MANAGEMENT INC., AS PURCHASER

PIPELINES

License Number	*Line Number*	*Licensee Name*	*Operator Name*	*Working Interest*	*Substance*	*Length (km)*	*From Location*	*To Location*	*From Facility*	*To Facility*	*Status*	*License Approval Date*
33200	1	LEXIN RESOURCES LTD.	LEXIN RESOURCES LTD.	75	Sour Natural Gas	4.800	10-20-016-29W4	02-04-017-29W4	Well	Pipeline	Operating	March 1, 2000
33200	2	LEXIN RESOURCES LTD.	LEXIN RESOURCES LTD.	75	Sour Natural Gas	4.800	02-04-017-29W4	03-14-017-28W4	Well	Pipeline	Operating	March 1, 2000
33282	1	LEXIN RESOURCES LTD.	LEXIN RESOURCES LTD.	100	Natural Gas	0.650	07-29-016-29W4	09-29-016-29W4	Well	Pipeline	Operating	April 5, 2000
33656	1	LEXIN RESOURCES LTD.	LEXIN RESOURCES LTD.	100	Sour Natural Gas	0.730	06-04-017-29W4	02-04-017-29W4	Well	Compressor station	Operating	May 25, 2000
34436	1	LEXIN RESOURCES LTD.	LEXIN RESOURCES LTD.	75	Sour Natural Gas	1.980	09-05-017-29W4	02-04-017-29W4	Well	Compressor station	Operating	November 17, 2000
34483	2	LEXIN RESOURCES LTD.	LEXIN RESOURCES LTD.	100	Natural Gas	0.910	16-29-016-29W4	09-29-016-29W4	Well	Pipeline	Operating	June 10, 2005
34551	1	LEXIN RESOURCES LTD.	LEXIN RESOURCES LTD.	75	Natural Gas	0.970	04-09-017-29W4	09-05-017-29W4	Well	Pipeline	Operating	November 30, 2000
34551	4	LEXIN RESOURCES LTD.	LEXIN RESOURCES LTD.	75	Natural Gas	1.570	05-15-017-29W4	03-16-017-29W4	Well	Pipeline	Operating	March 12, 2001
34551	5	LEXIN RESOURCES LTD.	LEXIN RESOURCES LTD.	100	Natural Gas	0.550	07-17-017-29W4	07-17-017-29W4	Well	Pipeline	Operating	March 14, 2001
34551	6	LEXIN RESOURCES LTD.	LEXIN RESOURCES LTD.	75	Natural Gas	1.530	03-16-017-29W4	07-17-017-29W4	Well	Pipeline	Operating	March 14, 2001
34551	7	LEXIN RESOURCES LTD.	LEXIN RESOURCES LTD.	50	Natural Gas	0.920	05-33-016-29W4	04-33-016-29W4	Well	Pipeline	Operating	May 22, 2001
34551	10	LEXIN RESOURCES LTD.	LEXIN RESOURCES LTD.	100	Natural Gas	0.470	06-22-017-29W4	11-22-017-29W4	Well	Pipeline	Operating	December 14, 2000
34551	11	LEXIN RESOURCES LTD.	LEXIN RESOURCES LTD.	75	Natural Gas	1.080	05-21-017-29W4	02-20-017-29W4	Pipeline	Pipeline	Operating	December 14, 2000
34551	13	LEXIN RESOURCES LTD.	LEXIN RESOURCES LTD.	75	Natural Gas	1.780	11-27-017-29W4	12-22-017-29W4	Well	Pipeline	Operating	
34551	25	LEXIN RESOURCES LTD.	LEXIN RESOURCES LTD.	100	Natural Gas	2.800	08-29-017-29W4	02-20-017-29W4	Well	Pipeline	Operating	June 5, 2002
34551	26	LEXIN RESOURCES LTD.	LEXIN RESOURCES LTD.	100	Natural Gas	1.630	16-28-017-29W4	11-27-017-29W4	Well	Pipeline	Operating	June 6, 2002
34551	27	LEXIN RESOURCES LTD.	LEXIN RESOURCES LTD.	100	Natural Gas	0.960	12-16-017-29W4	03-16-017-29W4	Well	Pipeline	Operating	June 19, 2002
34551	31	LEXIN RESOURCES LTD.	LEXIN RESOURCES LTD.	50	Natural Gas	0.710	11-15-017-29W4	05-15-017-29W4	Well	Pipeline	Operating	August 29, 2002
34551	32	LEXIN RESOURCES LTD.	LEXIN RESOURCES LTD.	100	Natural Gas	0.990	11-28-017-29W4	08-29-017-29W4	Well	Pipeline-	Operating	March 3, 2003
34551	33	LEXIN RESOURCES LTD.	LEXIN RESOURCES LTD.	100	Natural Gas	0.240	12-22-017-29W4	12-22-017-29W4	Well	Pipeline	Operating	March 24, 2003
34551	34	LEXIN RESOURCES LTD.	LEXIN RESOURCES LTD.	100	Natural Gas	0.240	12-22-017-29W4	12-22-017-29W4	Pipeline	Pipeline	Operating	March 24, 2003
34551	35	LEXIN RESOURCES LTD.	LEXIN RESOURCES LTD.	75	Natural Gas	2.090	12-22-017-29W4	05-21-017-29W4	Pipeline	Pipeline	Operating	
34551	40	LEXIN RESOURCES LTD.	LEXIN RESOURCES LTD.	50	Natural Gas	0.800	06-33-017-29W4	14-33-017-29W4	Well	Pipeline	Operating	December 29, 2003
34551	41	LEXIN RESOURCES LTD.	LEXIN RESOURCES LTD.	100	Natural Gas	8.900	01-12-017-29W4	03-14-017-28W4	Pipeline	Pipeline	Operating	March 8, 2004
34551	43	LEXIN RESOURCES LTD.	LEXIN RESOURCES LTD.	45.1178	Natural Gas	0.780	01-12-017-29W4	03-12-017-29W4	Pipeline	Pipeline	Operating	April 5, 2004
34551	44	LEXIN RESOURCES LTD.	LEXIN RESOURCES LTD.	100	Natural Gas	0.780	01-12-017-29W4	03-12-017-29W4	Pipeline	Pipeline	Operating	
34551	45	LEXIN RESOURCES LTD.	LEXIN RESOURCES LTD.	100	Natural Gas	0.780	03-12-017-29W4	01-12-017-29W4	Pipeline	Pipeline	Operating	
34551	46	LEXIN RESOURCES LTD.	LEXIN RESOURCES LTD.	100	Natural Gas	5.260	02-04-017-29W4	03-12-017-29W4	Compressor station	Pipeline	Operating	May 31, 2004
34551	47	LEXIN RESOURCES LTD.	LEXIN RESOURCES LTD.	100	Natural Gas	5.260	02-04-017-29W4	03-12-017-29W4	Compressor station	Pipeline	Operating	May 31, 2004
34551	48	LEXIN RESOURCES LTD.	LEXIN RESOURCES LTD.	100	Natural Gas	0.610	11-04-017-29W4	06-04-017-29W4	Well	Pipeline	Operating	June 28, 2004
34551	49	LEXIN RESOURCES LTD.	LEXIN RESOURCES LTD.	100	Natural Gas	2.660	11-31-016-28W4	01-12-017-29W4	Well	Pipeline	Operating	November 12, 2004
34551	50	LEXIN RESOURCES LTD.	LEXIN RESOURCES LTD.	100	Natural Gas	1.160	14-30-016-28W4	11-31-016-28W4	Well	Pipeline	Operating	November 12, 2004
34551	52	LEXIN RESOURCES LTD.	LEXIN RESOURCES LTD.	50	Natural Gas	1.400	10-25-016-29W4	14-30-016-28W4	Well	Pipeline	Operating	November 29, 2004
34551	54	LEXIN RESOURCES LTD.	LEXIN RESOURCES LTD.	100	Natural Gas	1.390	09-24-016-29W4	10-25-016-29W4	Well	Pipeline	Operating	December 6, 2004
34551	56	LEXIN RESOURCES LTD.	LEXIN RESOURCES LTD.	100	Natural Gas	2.630	05-18-016-28W4	09-24-016-29W4	Well	Pipeline	Operating	July 28, 2005
34551	57	LEXIN RESOURCES LTD.	LEXIN RESOURCES LTD.	100	Natural Gas	0.890	05-07-017-28W4	01-12-017-29W4	Well	Pipeline	Operating	November 7, 2005
34551	58	LEXIN RESOURCES LTD.	LEXIN RESOURCES LTD.	100	Natural Gas	0.830	15-16-017-29W4	12-16-017-29W4	Well	Pipeline	Operating	November 8, 2005
34551	62	LEXIN RESOURCES LTD.	LEXIN RESOURCES LTD.	100	Natural Gas	0.150	01-24-016-29W4	01-24-016-29W4	Well	Pipeline	Operating	December 8, 2005
34551	63	LEXIN RESOURCES LTD.	LEXIN RESOURCES LTD.	100	Natural Gas	0.380	08-25-016-29W4	10-25-016-29W4	Well	Pipeline	Operating	January 26, 2006
34551	64	LEXIN RESOURCES LTD.	LEXIN RESOURCES LTD.	100	Natural Gas	0.300	03-31-016-28W4	03-31-016-28W4	Well	Pipeline	Operating	February 13, 2006
34551	66	LEXIN RESOURCES LTD.	LEXIN RESOURCES LTD.	50	Natural Gas	0.590	01-05-018-29W4	09-05-018-29W4	Well	Pipeline	Operating	March 2, 2006
34551	68	LEXIN RESOURCES LTD.	LEXIN RESOURCES LTD.	100	Natural Gas	2.790	01-12-017-29W4	11-31-016-28W4	Pipeline	Compressor station	Operating	April 27, 2006
34551	70	LEXIN RESOURCES LTD.	LEXIN RESOURCES LTD.	100	Natural Gas	0.410	06-07-017-28W4	05-07-017-28W4	Well	Pipeline	Operating	August 10, 2006
34551	76	LEXIN RESOURCES LTD.	LEXIN RESOURCES LTD.	100	Natural Gas	0.160	04-33-016-29W4	04-33-016-29W4	Well	Pipeline	Operating	October 23, 2006
34551	81	LEXIN RESOURCES LTD.	LEXIN RESOURCES LTD.	100	Natural Gas	0.510	05-17-017-29W4	07-17-017-29W4	Well	Pipeline	Operating	February 20, 2007

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License Number	Line Number	Licensee Name	Operator Name	Working Interest	Substance	Length (km)	From Location	To Location	From Facility	To Facility	Status	License Approval Date
34551	82	LEXIN RESOURCES LTD.	LEXIN RESOURCES LTD.	75	Natural Gas	5.200	07-17-017-29W4	02-04-017-29W4	Pipeline	Compressor station	Operating	February 20, 2007
34551	83	LEXIN RESOURCES LTD.	LEXIN RESOURCES LTD.	100	Natural Gas	0.940	15-06-017-28W4	06-07-017-28W4	Well	Pipeline	Operating	July 3, 2007
34551	84	LEXIN RESOURCES LTD.	LEXIN RESOURCES LTD.	75	Natural Gas	3.650	11-27-017-29W4	15-33-017-29W4	Pipeline	Pipeline	Operating	
34551	85	LEXIN RESOURCES LTD.	LEXIN RESOURCES LTD.	100	Natural Gas	0.620	09-18-017-29W4	05-17-017-29W4	Well	Pipeline	Operating	November 2, 2007
34551	87	LEXIN RESOURCES LTD.	LEXIN RESOURCES LTD.	75	Natural Gas	1.200	02-20-017-29W4	07-17-017-29W4	Well	Pipeline	Operating	January 18, 2008
34551	88	LEXIN RESOURCES LTD.	LEXIN RESOURCES LTD.	100	Natural Gas	0.680	12-32-016-29W4	11-32-016-29W4	Well	Pipeline	Operating	January 22, 2008
34551	98	LEXIN RESOURCES LTD.	LEXIN RESOURCES LTD.	100	Natural Gas	0.910	11-18-017-29W4	09-18-017-29W4	Well	Pipeline	Operating	December 31, 2008
34551	100	LEXIN RESOURCES LTD.	LEXIN RESOURCES LTD.	100	Natural Gas	0.750	16-18-017-29W4	09-18-017-29W4	Well	Pipeline	Operating	January 19, 2009
34551	101	LEXIN RESOURCES LTD.	LEXIN RESOURCES LTD.	100	Natural Gas	1.160	11-31-016-28W4	14-30-016-28W4	Compressor station	Battery	Operating	June 2, 2009
34551	102	LEXIN RESOURCES LTD.	LEXIN RESOURCES LTD.	100	Natural Gas	2.590	09-29-016-29W4	10-33-016-29W4	Compressor station	Battery	Operating	June 2, 2009
34765	1	LEXIN RESOURCES LTD.	LEXIN RESOURCES LTD.	75	Sour Natural Gas	3.780	07-17-017-29W4	09-05-017-29W4	Pipeline	Pipeline	Operating	January 8, 2001
34765	2	LEXIN RESOURCES LTD.	LEXIN RESOURCES LTD.	75	Sour Natural Gas	1.180	07-17-017-29W4	02-20-017-29W4	Pipeline	Pipeline	Operating	
37457	1	LEXIN RESOURCES LTD.	LEXIN RESOURCES LTD.	100	Natural Gas	1.290	15-08-017-29W4	07-17-017-29W4	Well	Pipeline	Operating	May 14, 2002
37457	4	LEXIN RESOURCES LTD.	LEXIN RESOURCES LTD.	100	Natural Gas	0.600	08-08-017-29W4	15-08-017-29W4	Well	Pipeline	Operating	October 12, 2005
37457	5	LEXIN RESOURCES LTD.	LEXIN RESOURCES LTD.	100	Natural Gas	0.880	12-12-017-29W4	06-12-017-29W4	Well	Pipeline	Operating	January 5, 2006
38743	1	LEXIN RESOURCES LTD.	LEXIN RESOURCES LTD.	75	Natural Gas	4.010	10-04-018-29W4	11-15-018-29W4	Well	Compressor station	Operating	January 20, 2003
38743	2	LEXIN RESOURCES LTD.	LEXIN RESOURCES LTD.	75	Natural Gas	2.190	12-22-018-29W4	11-15-018-29W4	Well	Compressor station	Operating	January 20, 2003
38743	4	LEXIN RESOURCES LTD.	LEXIN RESOURCES LTD.	75	Natural Gas	0.470	11-15-018-29W4	12-15-018-29W4	Compressor station	Pipeline	Operating	
38743	5	LEXIN RESOURCES LTD.	LEXIN RESOURCES LTD.	100	Natural Gas	1.400	16-08-018-29W4	10-09-018-29W4	Well	Pipeline	Operating	
38743	8	LEXIN RESOURCES LTD.	LEXIN RESOURCES LTD.	93.0645	Natural Gas	4.350	02-34-018-29W4	12-22-018-29W4	Well	Pipeline	Operating	April 7, 2005
38743	10	LEXIN RESOURCES LTD.	LEXIN RESOURCES LTD.	68.42	Natural Gas	0.510	08-28-018-29W4	01-28-018-29W4	Well	Pipeline	Operating	July 29, 2005
38743	13	LEXIN RESOURCES LTD.	LEXIN RESOURCES LTD.	100	Natural Gas	0.660	08-08-018-29W4	16-08-018-29W4	Well	Pipeline	Operating	September 6, 2006
38743	14	LEXIN RESOURCES LTD.	LEXIN RESOURCES LTD.	50	Natural Gas	0.430	05-22-018-29W4	12-22-018-29W4	Well	Pipeline	Operating	October 2, 2006
38743	15	LEXIN RESOURCES LTD.	LEXIN RESOURCES LTD.	100	Natural Gas	0.670	09-28-018-29W4	08-28-018-29W4	Well	Pipeline	Operating	November 27, 2006
38743	17	LEXIN RESOURCES LTD.	LEXIN RESOURCES LTD.	93.0645	Natural Gas	0.070	13-27-018-29W4	13-27-018-29W4	Well	Pipeline	Operating	April 14, 2009
39946	1	LEXIN RESOURCES LTD.	LEXIN RESOURCES LTD.	45.1178	Natural Gas	7.500	03-12-017-29W4	12-22-017-29W4	Well	Pipeline	Operating	February 23, 2004
39946	2	LEXIN RESOURCES LTD.	LEXIN RESOURCES LTD.	100	Natural Gas	1.300	16-12-017-29W4	11-12-017-29W4	Well	Pipeline	Operating	April 18, 2008
45872	1	LEXIN RESOURCES LTD.	LEXIN RESOURCES LTD.	100	Natural Gas	0.600	09-11-017-29W4	12-12-017-29W4	Well	Pipeline	Operating	August 10, 2006
45872	2	LEXIN RESOURCES LTD.	LEXIN RESOURCES LTD.	100	Natural Gas	1.190	14-11-017-29W4	09-11-017-29W4	Well	Pipeline	Operating	March 9, 2007
47899	2	LEXIN RESOURCES LTD.	LEXIN RESOURCES LTD.	75	Natural Gas	1.270	15-33-017-29W4	10-04-018-29W4	Pipeline	Well	Operating	
47899	4	LEXIN RESOURCES LTD.	LEXIN RESOURCES LTD.	100	Natural Gas	1.260	10-32-017-29W4	14-33-017-29W4	Well	Pipeline	Operating	
47899	5	LEXIN RESOURCES LTD.	LEXIN RESOURCES LTD.	50	Natural Gas	1.270	09-05-018-29W4	10-04-018-29W4	Well	Pipeline	Operating	
47899	9	LEXIN RESOURCES LTD.	LEXIN RESOURCES LTD.	50	Natural Gas	0.370	14-33-017-29W4	15-33-017-29W4	Well	Pipeline	Operating	November 30, 2009
35367	1	EXXONMOBIL CANADA LTD	EXXONMOBIL CANADA LT	50	Natural Gas	0.100	09-05-017-29W4	09-05-017-29W4	Blind end	Blind end	Discontinued	May 16, 2001
38661	1	EXXONMOBIL CANADA LTD	EXXONMOBIL CANADA LT	40	Natural Gas	0.470	04-15-017-29W4	05-15-017-29W4	Blind end	Blind end	Discontinued	December 27, 2002
38691	1	EXXONMOBIL CANADA LTD	EXXONMOBIL CANADA LT	40	Natural Gas	0.390	11-34-017-29W4	06-34-017-29W4	Well	Pipeline	Operating	January 6, 2003
38905	1	EXXONMOBIL CANADA LTD	EXXONMOBIL CANADA LT	50	Natural Gas	0.460	16-01-017-29W4	01-12-017-29W4	Blind end	Blind end	Discontinued	November 30, 2000
38905	2	EXXONMOBIL CANADA LTD	EXXONMOBIL CANADA LT	50	Natural Gas	2.070	16-19-016-29W4	10-20-016-29W4	Blind end	Blind end	Discontinued	December 7, 2000
38905	3	EXXONMOBIL CANADA LTD	EXXONMOBIL CANADA LT	50	Natural Gas	0.860	08-21-017-29W4	06-21-017-29W4	Well	Pipeline	Operating	December 14, 2000
38905	5	EXXONMOBIL CANADA LTD	EXXONMOBIL CANADA LT	50	Natural Gas	0.900	11-32-016-29W4	08-32-016-29W4	Blind end	Blind end	Discontinued	November 8, 2001
38905	6	EXXONMOBIL CANADA LTD	EXXONMOBIL CANADA LT	50	Natural Gas	0.990	01-05-017-29W4	09-05-017-29W4	Blind end	Blind end	Discontinued	May 27, 2002
39326	1	EXXONMOBIL CANADA LTD	EXXONMOBIL CANADA LT	33.33	Natural Gas	2.390	07-16-018-29W4	08-09-018-29W4	Blind end	Blind end	Discontinued	November 20, 32003
39326	5	EXXONMOBIL CANADA LTD	EXXONMOBIL CANADA LT	12.5	Natural Gas	1.110	16-28-018-29W4	08-28-018-29W4	Blind end	Blind end	Discontinued	May 1, 2006
39377	1	EXXONMOBIL CANADA LTD	EXXONMOBIL CANADA LT	50	Natural Gas	0.510	02-32-016-29W4	01-32-016-29W4	Blind end	Blind end	Discontinued	January 20, 2003
39838	1	EXXONMOBIL CANADA LTD	EXXONMOBIL CANADA LT	50	Natural Gas	0.090	10-21-017-29W4	09-21-017-29W4	Well	Pipeline	Operating	April 4, 2003
43699	1	EXXONMOBIL CANADA LTD	EXXONMOBIL CANADA LT	40	Natural Gas	1.060	04-34-017-29W4	11-34-017-29W4	Blind end	Blind end	Discontinued	August 29, 2005
45136	1	EXXONMOBIL CANADA LTD	EXXONMOBIL CANADA LT	50	Natural Gas	0.450	06-27-017-29W4	11-27-017-29W4	Blind end	Blind end	Discontinued	November 17, 2005

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Associated Valve and Riser Sites												
Valve Site	16	20	16	29	4							
Valve Site	9	29	16	29	4							
Valve Site	4	33	16	29	4							
Valve Site	6	4	17	29	4							
	9	5	17	29	4							
	4	11	17	29	4							
	1	12	17	29	4							
	7	17	17	29	4							
	2	20	17	29	4							
	15	33	17	29	4							

Facilities

SCHEDULE "B" TO AN ASSET PURCHASE AGREEMENT DATED NOVEMBER 16, 2018
MADE BETWEEN GRANT THORNTON LIMITED, SOLELY IN ITS CAPACITY AS THE COURT APPOINTED RECEIVER
AND MANAGER OF THE ASSETS, UNDERTAKING AND PROPERTY OF EACH OF LEXIN RESOURCES LTD., 1051393 B.C. LTD.,
0989 RESOURCE PARTNERSHIP, LR PROCESSING LTD. AND LR PROCESSING PARTNERSHIP, AS VENDOR
AND LONG TERM ASSET MANAGEMENT INC., AS PURCHASER

FACILITIES AND EQUIPMENT

FACILITIES

NONE

EQUIPMENT NOT LOCATED ON THE LANDS

KOOTENAY INDUSTRIES TEST SEPARATOR A#638345
SERIAL #K3-178VS

THE FOLLOWING COMPRISES SCHEDULE "C" ATTACHED TO AND FORMING PART OF AN ASSET PURCHASE AGREEMENT DATED NOVEMBER 16, 2018 BETWEEN GRANT THORNTON LIMITED, solely in its capacity as receiver of LEXIN RESOURCES LTD., 1051393 B.C. LTD., 0989 RESOURCE PARTNERSHIP, LR PROCESSING LTD. AND LR PROCESSING PARTNERSHIP, and not in its personal capacity, and LONG TERM ASSET MANAGEMENT INC.

Preferential Purchase Rights

SCHEDULE "C" TO AN ASSET PURCHASE AGREEMENT DATED NOVEMBER 16, 2018
MADE BETWEEN GRANT THORNTON LIMITED, SOLELY IN ITS CAPACITY AS THE COURT APPOINTED RECEIVER
AND MANAGER OF THE ASSETS, UNDERTAKING AND PROPERTY OF EACH OF LEXIN RESOURCES LTD., 1051393 B.C. LTD.,
0989 RESOURCE PARTNERSHIP, LR PROCESSING LTD. AND LR PROCESSING PARTNERSHIP, AS VENDOR
AND LONG TERM ASSET MANAGEMENT INC., AS PURCHASER

PREFERENTIAL PURCHASE RIGHTS

File	Lexin WI%	Mineral Agreement	Date	Lands	Lessee	Rights	ROFR	Royalty	Wells	Contract	ROFR Response Period
M01246C	100% BPEN 50% APEN	ExxonMobil Resources Ltd.	January 5, 2000	16-28W4M: 31	Deemed Lease Mobil Oil Canada Ltd. and Compton Petroleum Corporation	P&NG TB Cutbank_Sandstone	Yes	15% FH Lessor Royalty (paid by Lexin 100% BPEN) 5% Caledonian Royalty Corp.	100/11-31-016-28W4/0	C01006	1990 CAPL - 30 days
M01246I	50%	ExxonMobil Resources Ltd.	January 5, 2000	16-28W4M: 31	Deemed Lease Mobil Oil Canada Ltd. and Compton Petroleum Corporation	P&NG BB Cutbank_Sandstone	Yes	15% FH Lessor Royalty 5% Caledonian Royalty Corp.		C01006	1990 CAPL - 30 days
M01246D	50	ExxonMobil Resources Ltd.	January 5, 2000	16-29W4M: 25	Deemed Lease Mobil Oil Canada Ltd. and Compton Petroleum Corporation	P&NG TB Cutbank_Sandstone	Yes	15% FH Lessor Royalty (paid on 100% of production paid by Lexin 50% and EMC 50%) 5% Caledonian Royalty Corp.	100/10-25-016-29W4/0	C01006	1990 CAPL - 30 days
M01246E	50	ExxonMobil Resources Ltd.	January 5, 2000	16-29W4M: 25	Deemed Lease Mobil Oil Canada Ltd. and Compton Petroleum Corporation	P&NG BB Cutbank_Sandstone	Yes	15% FH Lessor Royalty (paid on 100% of production paid by Lexin 50% and EMC 50%) 5% Caledonian Royalty Corp.		C01006	1990 CAPL - 30 days
M02783A	100% BPEN 50% APEN	ExxonMobil Resources Ltd.	March 21, 1994	16-29W4M: 31	Deemed Lease Mobil Oil Canada Ltd. Ltd and Compton Petroleum Corporation	P&NG TB Jurrasic	Yes	15% FH Lessor Royalty 5% Caledonian Royalty Corp.	100/09-31-016-29W4/0	C01006	1990 CAPL - 30 days
M00294A	50	CR 0494030514	March 24, 1994	16-29W4M: 32	Lexin Resources Ltd.	P&NG TB Kootenay/Fernie, excl. P&NG in Sawtooth	Yes	CSS 5% Caledonian Royalty Corp.	100/02-32-016-29W4/0 100/11-32-016-29W4/0	C01006	1990 CAPL - 30 days

File	Lexin WI%	Mineral Agreement	Date	Lands	Lessee	Rights	ROFR	Royalty	Wells	Contract	ROFR Response Period
M01248A	50	ExxonMobil Resources Ltd.	December 25, 2000	16-29W4M: 33	Mobil Oil Canada Ltd. Ltd and Compton Petroleum Corporation	P&NG in Bow Island P&NG in Mount Head	Yes	15% FH Lessor Royalty 5% Caledonian Royalty Corp.		C01006	1990 CAPL - 30 days
M01248B	50	ExxonMobil Resources Ltd.	December 25, 2000	16-29W4M: 33	Mobil Oil Canada Ltd. Ltd and Compton Petroleum Corporation	P&NG TB Turner Valley, excl Belly River, Bow Island, Cutbank & Sawtooth	Yes	15% FH Lessor Royalty 5% Caledonian Royalty Corp.		C01006	1990 CAPL - 30 days
M01254A	50	ExxonMobil Resources Ltd.	October 16, 2000	17-29W4M: 1	Mobil Oil Canada Ltd. and Compton Petroleum Corporation	P&NG in Cutbank_Sandstone P&NG in Glauconitic_Sandstone	Yes	15% FH Lessor Royalty 5% Caledonian Royalty Corp.	100/16-01-017-29W4/0	C01006	1990 CAPL - 30 days
M1314A	50	ExxonMobil Resources Ltd.	14/02/1982 s/b 4/10/08	17-29W4M: 5	Mobil Oil Canada Ltd. and Compton Petroleum Corporation	P&NG TB Jurrassic, excl P&NG in Sawtooth	Yes	15% Lessor 5% Caledonian Royalty Corp.	100/01-05-017-29W4/0 100/09-05-017-29W4/0	C01006	1990 CAPL - 30 days
M00632F	75	CR 0498030110	March 5, 1998	17-29W4M: S 9	Lexin Resources Ltd.	Natural Gas TB Mannville, excl. CBM	Yes	CSS paid on 100% of production by Lexin 100% 5% Caledonian Royalty Corp.	100/04-09-017-29W4/0	C00227	1990 CAPL - 30 days
M02762F	75	ExxonMobil Resources Ltd.	December 25, 2000	17-29W4M: N 9	Lexin 50% Mobil Oil Canada Ltd. 50%	Natural Gas TB Cutbank_Sandstone, excl. CBM	Yes	15% Lessor paid on 50% of production paid by Lexin 50% and Midstream 50% 5% Caledonian Royalty Corp.	100/04-09-017-29W4/0	C0227	1990 CAPL - 30 days
M09314A	40	CR 5396070072	July 25, 1996	17-29W4M: 10	Midstream Canada Ltd. 100%	P&NG TB Mannville	Yes	CSS 5% Caledonian Royalty Corp.	100/13-10-017-29W4/0	C01456	1990 CAPL - 30 days
M09314D	33.33	CR 5396070072	July 25, 1996	17-29W4M: 12	Midstream Canada Ltd. 100%	P&NG in Cutbank_Sandstone	Yes	CSS NCGOR S/S (4%-16%) on oil and 16% on natural gas payable on 10% of production paid 100% to Lexin payable by Lexin 33.333% and Midstream 66.6667% (C2165) 5% Caledonian Royalty Corp.	100/06-12-017-29W4/0	C02165	1990 CAPL - 30 days

File	Lexin WI%	Mineral Agreement	Date	Lands	Lessee	Rights	ROFR	Royalty	Wells	Contract	ROFR Response Period
M09314F	33.33	CR 5396070072	July 25, 1996	17-29W4M: 14	Midstream Canada Ltd. 100%	P&NG TB Mannville	Yes	CSS NCGOR S/S (4%-16%) on oil and 16% on natural gas payable on 10% of production paid 100% to Lexin payable by Lexin 33.333% and Midstream 66.6667% (C2165) 5% Caledonian Royalty Corp.	100/11-14-17-29W4/0	C02165	1990 CAPL - 30 days
M03201A	50	ExxonMobil Resources Ltd.	December 25, 2000	17-29W4M: 15	Mobil Oil Canada Ltd. and Compton Petroleum Corporation	P&NG TB Cutbank_Sandstone, excl 11-15	Yes	15% FH Lessor Royalty (paid to EMC on 100% of production paid by Lexin 50% and EMC 50%) 5% Caledonian Royalty Corp.	100/05-15-017-29W4/0	C01006	1990 CAPL - 30 days
M03201B	50	ExxonMobil Resources Ltd.	December 25, 2000	17-29W4M: 15	Mobil Oil Canada Ltd. and Compton Petroleum Corporation	P&NG TB Cutbank_Sandstone	Yes	15% FH Lessor Royalty (paid to EMC on 100% of production paid by Lexin 50% and EMC 50%) 5% Caledonian Royalty Corp.	100/11-15-017-29W4/0	C01006	1990 CAPL - 30 days
M01256B	50	ExxonMobil Resources Ltd.	December 25, 2000	17-29W4M: 17	Mobil Oil Canada Ltd. and Compton Petroleum Corporation	P&NG TB Cutbank_Sandstone, excl P&NG In Cutbank_Sandstone	Yes	15% FH Lessor Royalty 5% Caledonian Royalty Corp.		C01006	1990 CAPL - 30 days
M01433A	50	CNRL Fee	January 29, 1999	17-29W4M: 21	Lexin Resources Ltd.	NG TB Cutbank Sandstone Excluding CBM	Yes	20% Lessor Royalty - payment is on NG and byproducts 5% Caledonian Royalty Corp. 5% NCGOR to Lexin on 100% of production (paid by Lexin 50% and EMC 50)(C00246)	100/08-21-017-29W4/0 100/10-21-017-29W4/0	C01006	1990 CAPL - 30 days
M02474A	50	ExxonMobil Resources Ltd.	December 25, 2000	17-29W4M: N 27	Mobil Oil Canada Ltd. and Compton Petroleum Corporation	P&NG To Base Cutbank_Sandstone, excl. P&NG in Glauconitic	Yes	15% FH Lessor Royalty 5% Caledonian Royalty Corp.		C01006	1990 CAPL - 30 days
M02474C	50	ExxonMobil Resources Ltd.	December 25, 2000	17-29W4M: N 27	Mobil Oil Canada Ltd. and Compton Petroleum Corporation	P&NG in Cutbank_Sandstone	Yes	15% FH Lessor Royalty 5% Caledonian Royalty Corp.	100/11-27-017-29W4/0	C01006	1990 CAPL - 30 days
M02474B	50	ExxonMobil Resources Ltd.	December 25, 2000	17-29W4M: S 27	Mobil Oil Canada Ltd. and Compton Petroleum Corporation	P&NG To Base Cutbank_Sandstone	Yes	15% FH Lessor Royalty 5% Caledonian Royalty Corp.	100/04-27-017-29W4/0	C01006	1990 CAPL - 30 days

File	Lexin WI%	Mineral Agreement	Date	Lands	Lessee	Rights	ROFR	Royalty	Wells	Contract	ROFR Response Period
M01442A	50	ExxonMobil Resources Ltd.	December 25, 2000	17-29W4M: 33	Mobil Oil Canada Ltd. and Compton Petroleum Corporation	P&NG TB Cutbank_Sandstone	Yes	15% FH Lessor Royalty 5% Caledonian Royalty Corp.	100/06-33-017-29W4/0 100/14-33-017-29W4/0	C01006	1990 CAPL - 30 days
M3528B	40	CR 0499020029	February 4, 1999	17-29W4M: 34	Midstream 60% Lexin 40%	P&NG from Base Belly River TB Mannville	Yes	CSS 5% Caledonian Royalty Corp.	100/04-34-017-29W4/0 100/11-34-017-29W4/0	C1456	1990 CAPL - 30 days
M2376C	50	CR 0400090223	September 21, 2000	18-29W4M: 4	Lexin Resources Ltd.	P&NG from Base Belly River TB Mannville	Yes	CSS 5% Caledonian Royalty Corp.	100/10-04-018-29W4/0	C01006	1990 CAPL - 30 days
M02475A	50	ExxonMobil Resources Ltd.	December 25, 2000	18-29W4M: 5	Mobil Oil Canada Ltd. and Compton Petroleum Corporation	P&NG to Base Cutbank _ Sandstone	Yes	15% FH Lessor Royalty (paid to EMC on 100% of production paid by Lexin 50% and EMC 50%) 5% Caledonian Royalty Corp.	100/01-05-018-29W4/0 100/09-05-018-29W4/0	C01006	1990 CAPL - 30 days
M02378A	50	CR 0400090227	September 21, 2000	18-29W4M: 22	Lexin Resources Ltd.	P&NG TB Mannville	Yes	CSS 5% Caledonian Royalty Corp.	100/05-22-018-29W4/0 100/12-22-018029W4/0	C01006	1990 CAPL - 30 days
M04762A	68.42	CR 0499030367 (E/2 Only)	March 18, 1999	18-29W4M: E 28	Midstream Canada 100%	All P&NG TB Mannville, excl. 100/09-28-018-29W4/0 Penalty Well	Yes	CSS 5% Caledonian Royalty Corp. 15% NCGOR on 5% of production paid by Lexin 68.42% and EMC 31.58% and paid to Lexin 100% (C1134)	100/08-28-018-29W4/0	C01456	1990 CAPL - 30 days
M03409A	68.42	Margaret Ellen Douglas Roderick Anthony Pooley	October 19, 2001	18-29W4M: W 28	Lexin 100%	P&NG TB Jurassic, excl. 100/09-28-018-29W4/0 Penalty Well	Yes	18% FH Lessor (Split 50%/50%) 5% Caledonian Royalty Corp. 15% NCGOR on 5% of production paid by Lexin 68.42% and EMC 31.58% and paid to Lexin 100% (C1134)	100/08-28-018-29W4/0	C01456	1990 CAPL - 30 days
M04762C	100% BPEN/68.42 APEN	CR 0499030367 (E/2 Only)	March 18, 1999	18-29W4M: E 28	Midstream Canada 100%	All P&NG TB Mannville (100/09-28-018-29W4/0 Penalty Wellbore and Associated Production)	Yes	CSS 5% Caledonian Royalty Corp. 15% NCGOR on 5% of production (C1134) All paid by Lexin 100% BPEN and Lexin 68.42% and EMC 31.58% APEN	100/09-28-018-29W4/0	C01456	1990 CAPL - 30 days

File	Lexin WI%	Mineral Agreement	Date	Lands	Lessee	Rights	ROFR	Royalty	Wells	Contract	ROFR Response Period
M03409C	100% BPEN/68.42 APEN	Margaret Ellen Douglas Roderick Anthony Pooley	October 19, 2001	18-29W4M: W 28	Lexin 100%	P&NG TB Jurassic (100/09-28-018-29W4/0 Penalty Wellbore and Associated Production)	Yes	18% FH Lessor (Split 50%/50%) 5% Caledonian Royalty Corp. 15% NCGOR on 5% of production (C1134) All paid by Lexin 100% BPEN and Lexin 68.42% and EMC 31.58% APEN	100/09-28-018-29W4/0	C01456	1990 CAPL - 30 days
M00932A	93.0645	CR 0499030368	March 18, 1999	18-29W4M: S 34 (320 acres)	Lexin Resources Ltd. 100%	NG TB Mannville, excl CBM	Yes	CSS on 50% of production paid by Lexin 100% 5% Caledonian Royalty Corp.	100/01-34-018-29W4/0 100/12-34-018-29W4/0	C00997	1990 CAPL - 30 days
M02323A	93.0645	FH - John Malcolm Lyle	July 26, 2000	18-29W4M: NW 34 (1/2 interest in 120 acres)	Prepool Lexin 100%	NG TB Rierdon Excl CBM	Yes	18% Lessor paid by Lexin 100% 5% Caledonian Royalty Corp.	100/01-34-018-29W4/0 100/12-34-018-29W4/0	C00997	1990 CAPL - 30 days
M02323B	100.00%	FH - John Malcolm Lyle	July 26, 2000	18-29W4M: NW 34 (1/2 interest in 120 acres)	Lexin 100%	Petroleum TB Rierdon	Yes	18% Lessor paid by Lexin 100% 5% Caledonian Royalty Corp.			
M04072A	93.0645	Fee Land - Compton Petroleum Corporation 100%	N/A	18-29W4M: PTN NW 34 (1/2 interest in 120 acres)	Prepool Lexin 100%	NG TB Rierdon Excl CBM	Yes		100/01-34-018-29W4/0 100/12-34-018-29W4/0	C00997	1990 CAPL - 30 days
M04072-01	93.0645	Lexin Resources Inc. (Leased Fee Lands)	January 30, 2003	18-29W4M: PTN NW 34 (1/2 interest in 120 acres)	Prepool Lexin 100%	NG TB Rierdon Excl CBM	Yes		100/01-34-018-29W4/0 100/12-34-018-29W4/0	C00997	1990 CAPL - 30 days
M01468A	93.0645	Lyle Braunwarth	June 30, 2000	18-29W4M: NW 34	Prepool Lexin	NG TB Rierdon Excl CBM	Yes	18% Lessor paid by Lexin 100%	100/01-34-018-29W4/0	C00997	1990 CAPL - 30 days
M03388A	93.0645	FH: 1/6 - Erla Dawn McIntosh 1/6 Margery Joy Collery 1/6 Wyatt Lee Brocklebank	August 22, 2000	18-29W4M: NE 34 (1/2 interest in 160 acres)	Prepool Lexin 72.5% EMC 27.50%	NG TB Rierdon Excl CBM	Yes	16% Lessor paid by Lexin 72.5% and Midstream 27.5% and paid to Erla Dawn McIntosh, Margery Joy Collery and Wyatt Lee Brocklebank (1/3 each) 3% NCGOR to Carol Miles on 100% of production payable by Midstream 27.5% and Lexin 72.5% 5% Caledonian Royalty Corp.	100/01-34-018-29W4/0 100/12-34-018-29W4/0	C00997	1990 CAPL - 30 days

File	Lexin WI%	Mineral Agreement	Date	Lands	Lessee	Rights	ROFR	Royalty	Wells	Contract	ROFR Response Period
M03385A	93.0645	FH - Carol Lem Kiss (1/4 interest)	August 22, 2000	18-29W4M: NE 34 (1/4 interest in 160 acres)	Prepool Lexin 72.5% EMC 27.50%	NG TB Rierdon Excl CBM	Yes	16% Lessor paid by Lexin 27.5% and Midstream 72.5% 3% NCGOR to Carol Miles on 100% of production payable by Midstream 27.5% and Lexin 72.5% 5% Caledonian Royalty Corp.	100/01-34-018-29W4/0 100/12-34-018-29W4/0	C00997	1990 CAPL - 30 days
M03386A	93.0645	FH - Ken Lem (1/4 interest)	August 8, 2000	18-29W4M: NE 34 (1/4 interest in 160 acres)	Prepool Lexin 72.5% EMC 27.50%	NG TB Rierdon Excl CBM	Yes	16% Lessor paid by Lexin 72.5% and Midstream 27.5% 3% NCGOR to Carol Miles on 100% of proudction payable by Midstream 27.5% and Lexin 72.5% 5% Caledonian Royalty Corp.	100/01-34-018-29W4/0 100/12-34-018-29W4/0	C00997	1990 CAPL - 30 days

THE FOLLOWING COMPRISES SCHEDULE "D" ATTACHED TO AND FORMING PART OF AN ASSET PURCHASE AGREEMENT DATED NOVEMBER 16, 2018 BETWEEN GRANT THORNTON LIMITED, solely in its capacity as receiver of LEXIN RESOURCES LTD., 1051393 B.C. LTD., 0989 RESOURCE PARTNERSHIP, LR PROCESSING LTD. AND LR PROCESSING PARTNERSHIP, and not in its personal capacity, and LONG TERM ASSET MANAGEMENT INC.

THIS GENERAL CONVEYANCE made as of this _____ day of _______________, 2019.

BETWEEN:

GRANT THORNTON LIMITED, in its capacity as the receiver of **LEXIN RESOURCES LTD., 1051393 B.C. LTD., 0989 RESOURCE PARTNERSHIP, LR PROCESSING LTD. AND LR PROCESSING PARTNERSHIP**, and not in its personal or corporate capacity (hereinafter referred to as "**Vendor**")

\- and -

LONG TERM ASSET MANAGEMENT INC., a corporation incorporated under the laws of Alberta (hereinafter referred to as "**Purchaser**")

WHEREAS pursuant to an order of the Honourable Justice P.R. Jeffrey of the Alberta Court of Queen's Bench dated March 20, 2017 under Court Action Number 1701-03460, Grant Thornton Limited was appointed as the receiver and manager of the assets, undertaking and property of LEXIN RESOURCES LTD., 1051393 B.C. Ltd., 0989 RESOURCE PARTNERSHIP, LR PROCESSING LTD. and LR PROCESSING PARTNERSHIP;

AND WHEREAS Vendor wishes to sell, and Purchaser wishes to purchase, the Assets subject to and in accordance with the terms and conditions contained herein;

NOW THEREFORE for the consideration provided in the Purchase Agreement and in consideration of the premises hereto and the covenants and agreements hereinafter set forth and contained, the Parties covenant and agree as follows:

1. Definitions

In this General Conveyance, including the recitals hereto, the definitions set forth in the Purchase Agreement are adopted herein by reference and, in addition:

"**Purchase Agreement**" means that Asset Purchase Agreement dated November 16, 2018 between Grant Thornton Limited, solely in its capacity as the receiver and manager of the assets, undertaking and property of LEXIN RESOURCES LTD., 1051393 B.C. Ltd., 0989 RESOURCE PARTNERSHIP, LR PROCESSING LTD. and LR PROCESSING PARTNERSHIP, and not in its personal capacity, as Vendor, and Long Term Asset Management Inc., as Purchaser.

2. Conveyance

Pursuant to and for the consideration provided for in the Purchase Agreement, Vendor hereby sells, assigns, transfers, conveys and sets over to Purchaser the entire right, title, estate and interest of Lexin in and to the Assets, to have and to hold the same absolutely, together with all benefit and advantage to be derived therefrom.

3. Subordinate Document

This General Conveyance is executed and delivered by the Parties pursuant to the Purchase Agreement and the provisions of the Purchase Agreement shall prevail in the event of a conflict between the provisions of the Purchase Agreement and the provisions of this General Conveyance.

4. No Merger

The covenants, representations, warranties and indemnities contained in the Purchase Agreement are incorporated herein as fully and effectively as if they were set out herein and there shall be no merger of any covenant, representation, warranty or indemnity contained in the Purchase Agreement by virtue of the execution and delivery hereof, any rule of law, equity or statute to the contrary notwithstanding.

5. Governing Law

This General Conveyance shall be subject to and interpreted, construed and enforced in accordance with the laws of the Province of Alberta and the laws of Canada applicable therein and shall, in every regard, be treated as a contract made in the Province of Alberta. The Parties irrevocably attorn and submit to the jurisdiction of the courts of the Province of Alberta and courts of appeal therefrom in respect of all matters arising out of this Agreement.

6. Enurement

This General Conveyance shall be binding upon and shall enure to the benefit of each of the Parties and their respective administrators, trustees, receivers, successors and assigns.

7. Further Assurances

Each Party will, from time to time and at all times hereafter, at the request of the other Party but without further consideration, do all such further acts and execute and deliver all such further documents as shall be reasonably required in order to fully perform and carry out the terms hereof.

8. **Counterpart Execution**

This Agreement may be executed in counterpart and by facsimile or other electronic means and all such executed counterparts together shall constitute one and the same agreement.

IN WITNESS WHEREOF the Parties have executed this General Conveyance on the date first above written.

GRANT THORNTON LIMITED, solely in its capacity as the receiver and manager of the assets, undertaking and property of **LEXIN RESOURCES LTD., 1051393 B.C. LTD., 0989 RESOURCE PARTNERSHIP, LR PROCESSING LTD. AND LR PROCESSING PARTNERSHIP**, and not in its personal capacity

Per: ________________________________
Name:
Title:

LONG TERM ASSET MANAGEMENT INC.

Per: ________________________________
Name: Lawrence Walter
Title: President & C.E.O.

THE FOLLOWING COMPRISES SCHEDULE "E" ATTACHED TO AND FORMING PART OF AN ASSET PURCHASE AGREEMENT DATED NOVEMBER 16, 2018 BETWEEN GRANT THORNTON LIMITED, solely in its capacity as receiver of LEXIN RESOURCES LTD., 1051393 B.C. LTD., 0989 RESOURCE PARTNERSHIP, LR PROCESSING LTD. AND LR PROCESSING PARTNERSHIP, and not in its personal capacity, and LONG TERM ASSET MANAGEMENT INC.

[VENDOR'S][PURCHASER'S] OFFICER'S CERTIFICATE

TO: [Name of Vendor/Purchaser] [(the "Vendor")] [(the "Purchaser")]

RE: Asset Purchase Agreement dated [agreement date] between Vendor and Purchaser (the "Agreement")

Unless otherwise defined herein, the definitions provided for in the Agreement are adopted in this certificate (the "Certificate").

I, [Name], [Position] of [Name of Vendor/Purchaser] [(the "Vendor")] [(the "Purchaser")] hereby certify that as of the date of this Certificate:

1. Each of the covenants, representations and warranties of the [Vendor][Purchaser] contained in Article 4 of the Agreement were true and correct in all material respects when made and remain true and correct in all material respects up to the Closing Time.

2. All obligations of [Vendor] [Purchaser] contained in the Agreement to be performed prior to or at Closing have been timely performed in all material respects.

3. This Certificate is made for and on behalf of the [Vendor] [Purchaser] and is binding upon it, and I am not incurring, and will not incur, any personal liability whatsoever with respect to it.

4. This Certificate is made with full knowledge that the [Vendor] [Purchaser] is relying on the same for the Closing of the Transaction.

IN WITNESS WHEREOF I have executed this Certificate this ___ day of ___________, 2019.

[Name of Vendor/Purchaser]

Per: ______________________________
Name:
Title:

THE FOLLOWING COMPRISES SCHEDULE "F" ATTACHED TO AND FORMING PART OF AN ASSET PURCHASE AGREEMENT DATED NOVEMBER 16, 2018 BETWEEN GRANT THORNTON LIMITED, solely in its capacity as receiver of LEXIN RESOURCES LTD., 1051393 B.C. LTD., 0989 RESOURCE PARTNERSHIP, LR PROCESSING LTD. AND LR PROCESSING PARTNERSHIP, and not in its personal capacity, and LONG TERM ASSET MANAGEMENT INC.

COURT ORDER

COURT FILE NUMBER	1701-03460	Clerk's Stamp
COURT	COURT OF QUEEN'S BENCH OF ALBERTA	
JUDICIAL CENTRE	CALGARY	
PLAINTIFF	**ALBERTA ENERGY REGULATOR**	
DEFENDANT	**LEXIN RESOURCES LTD. 1051393 B.C. LTD., 0989 RESOURCE PARTNERSHIP, LR PROCESSING LTD., and LR PROCESSING PARTNERSHIP**	
DOCUMENT	**APPROVAL AND VESTING ORDER (Sale by Receiver)**	
ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT	Robyn Gurofsky Borden Ladner Gervais LLP 1900, 520 3 Avenue SW Calgary, AB T2P 0R3 Telephone: (403) 232-9774 Facsimile: (403) 266-1395 Email: rgurofsky@blg.com File No.: 547730-000021	

DATE ON WHICH ORDER WAS PRONOUNCED: November 27, 2018

LOCATION WHERE ORDER WAS PRONOUNCED: Calgary, Alberta

NAME OF JUSTICE WHO MADE THIS ORDER: The Honourable Justice B.E.C. Romaine

UPON THE APPLICATION by Grant Thornton Limited in its capacity as the Court-appointed receiver and manager (the "**Receiver**") of the undertaking, property and assets of Lexin Resources Ltd., 1051393 B.C. Ltd., 0989 Resource Partnership, LR Processing Ltd. and LR Processing Partnership (collectively, the "**Debtor**") for an order approving the sale transaction (the "**Transaction**") contemplated by an agreement of purchase and sale (the "**Sale Agreement**") between the Receiver and Long Term Asset Management Inc. (the "**Purchaser**") dated **[Date]** and appended to the Tenth Report of the Receiver dated **[Date]** (the "**Tenth Report**"), and vesting in the Purchaser (or its nominee) the Debtor's right, title and interest in and to the assets described in the Sale Agreement (the "**Purchased Assets**");

AND UPON HAVING READ the Receivership Orders dated March 20, 2017 and June 13, 2017 (together, the "**Receivership Order**"), the Tenth Report and the Affidavit of Service of Stella Kim filed [**DATE**]; **AND UPON HEARING** the submissions of counsel for the Receiver, counsel for the Purchaser and any other counsel appearing at the application;

IT IS HEREBY ORDERED AND DECLARED THAT:

SERVICE

[1] Service of notice of this application and supporting materials is hereby declared to be good and sufficient, and no other person is required to have been served with notice of this application, and time for service of this application is abridged to that actually given.

APPROVAL OF TRANSACTIONS

[2] The Transaction is hereby approved, and the execution of the Sale Agreement by the Receiver is hereby authorized and approved, with such minor amendments as the Receiver may deem necessary. The Receiver is hereby authorized and directed to take such additional steps and execute such additional documents as may be necessary or desirable for the completion of the Transaction or for the conveyance of the Purchased Assets to the Purchaser (or its nominee), including but not limited to the authorization and empowerment to initiate the transfer of licenses subject to the Transaction on the Alberta Energy Regulator's Digital Data Submission system to the Purchaser (or its nominee).

AREA DEDICATION PLAN

[3] The disclaimer of the Mazeppa Dedicated Gas Contract attached as Schedule "D" to a Farmout, Participation and Area of Mutual Interest Agreement, Mazeppa Area, Alberta made between Mobil Oil Canada and Compton Petroleum Corporation dated December 31, 1997 (the "**Dedication Agreement**") is hereby accepted and the Purchased Assets shall vest in the Purchaser (or its nominee) free and clear of the Dedication Agreement. **[NTD: any others?]**

VESTING OF PROPERTY

[4] Upon the delivery of a Receiver's certificate to the Purchaser (or its nominee) substantially in the form set out in **Schedule "A"** hereto (the "**Receiver's Certificate**"), all of the Debtor's right, title and interest in and to the Purchased Assets described in the Sale Agreement and listed on

Schedule "B" hereto shall vest absolutely in the name of the Purchaser (or its nominee), free and clear of and from any and all security interests (whether contractual, statutory, or otherwise), hypothecs, caveats, mortgages, trusts or deemed trusts (whether contractual, statutory, or otherwise), liens, executions, levies, charges, or other financial or monetary claims, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise (collectively, the "**Claims**") including, without limiting the generality of the foregoing:

a. any encumbrances or charges created by the Receivership Order;

b. all charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* (Alberta) or any other personal property registry system;

c. those Claims listed on **Schedule "C"** hereto (all of which are collectively referred to as the "**Encumbrances**", which term shall not include the permitted encumbrances, caveats, easements and restrictive covenants listed on **Schedule "D"**); and

d. the Dedication Agreement;

and, for greater certainty, this Court orders that all of the Encumbrances affecting or relating to the Purchased Assets are hereby expunged and discharged as against the Purchased Assets.

[5]

Upon the delivery of the Receiver's Certificate, and upon the filing of a certified copy of this Order, together with any applicable registration fees, subject only to approval of the transfer of applicable licences, permits and approvals by the AER pursuant to legislation administered by the AER, the Registrar or Registrars under the *Land Titles Act* (Alberta) RSA 2000, c.L-7 (the "**LTA**"), the Department of Energy and the Minister of Energy of Alberta and all other government ministries and authorities in Alberta, respectively, exercising jurisdiction with respect to or over the Purchased Assets (collectively, the "**Governmental Authorities**"), as applicable, are hereby authorized, requested and directed to (in each case as applicable):

(i) enter the Purchaser (or its nominee) as the owner, lessee and/or licensee of the Purchased Assets;

(ii) cancel the existing Certificates of Title to the Assets and issue new Certificates of Title for the Purchased Assets, in the name of the Purchaser (or its nominee);

(iii) delete and expunge from the existing title documents concerning the Purchased Assets all applicable Claims including encumbrances; and

(iv) register such transfers, discharges, discharge statements or conveyances, as may be required to convey clear title to the Purchased Assets to the Purchaser (or its nominee), subject only to the Permitted Encumbrances.

[6] This Order shall be registered by the Registrar under the LTA notwithstanding the requirements of section 191(1) of the LTAand notwithstanding that the appeal period in respect of this Order has not elapsed, which appeal period is expressly waived.

[7] 7. As applicable, the Registrar under the LTA is hereby directed in accordance with section 162 of the of the LTA to accept all of the Affidavits of Corporate Signing Authority submitted by the Receiver, in its capacity as Receiver of the property, assets and undertaking of the Debtor and to register the transfers, assignments and conveyances contemplated by the Sale Agreement.

[8] For the purposes of determining the nature and priority of Claims, the net proceeds from the sale of the Purchased Assets (to be held in an interest bearing trust account by the Receiver) shall stand in the place and stead of the Purchased Assets, and from and after the delivery of the Receiver's Certificate all Claims and Encumbrances shall attach to the net proceeds from the sale of the Purchased Assets with the same priority as they had with respect to the Purchased Assets immediately prior to the sale, as if the Purchased Assets had not been sold and remained in the possession or control of the person having that possession or control immediately prior to the sale, and for clarity, the Curative Cost Fund, as such term is defined in the Tenth Report, shall be paid from the net proceeds from the sale of the Purchased Assets.

[9] The Purchaser (and its nominee, if any) shall, by virtue of the completion of the Transaction, have no liability of any kind whatsoever in respect of any Claims against the Debtor.

[10] The Debtor and all persons who claim by, through or under the Debtor in respect of the Purchased Assets, save and except for the persons entitled to the benefit of the Permitted Encumbrances, shall stand absolutely barred and foreclosed from all estate, right, title, interest, royalty, rental and equity of redemption of the Purchased Assets and, to the extent that any such persons remains in possession or control of any of the Purchased Assets, they shall forthwith deliver possession thereof to the Purchaser (or its nominee).

[11] The Purchaser (or its nominee) shall be entitled to enter into and upon, hold and enjoy the Purchased Assets for its own use and benefit without any interference of or by the Debtor, or any person claiming by or through or against the Debtor.

[12] Immediately after the closing of the Transaction, the holders of the Permitted Encumbrances shall have no claim whatsoever against the Receiver or the Debtor.

[13] The Receiver is to file with the Court a copy of the Receiver's Certificate, forthwith after delivery thereof to the Purchaser (or its nominee).

[14] Notwithstanding:

a) The pendency of these proceedings;

b) Any applications for a bankruptcy order now or hereafter issued pursuant to the *Bankruptcy and Insolvency Act* (Canada) in respect of the Debtor and any bankruptcy order issued pursuant to any such applications; and

c) Any assignment in bankruptcy made in respect of the Debtor

the vesting of the Purchased Assets in the Purchaser (or its nominee) pursuant to this Order shall be binding on any trustee in bankruptcy that may be appointed in respect of the Debtor and shall not be void or voidable by creditors of the Debtor, nor shall it constitute nor be deemed to be a settlement, fraudulent preference, assignment, fraudulent conveyance, transfer at undervalue, or other reviewable transaction under the *Bankruptcy and Insolvency Act* (Canada) or any other applicable federal or provincial legislation, nor shall it constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

[15] The Receiver, the Purchaser (or its nominee) and any other interested party, shall be at liberty to apply for further advice, assistance and directions as may be necessary in order to give full force and effect to the terms of this Order and to assist and aid the parties in closing the Transaction.

SEALING ORDER

[16] The Confidential Appendix to the Tenth Report shall be sealed on the Court file, kept confidential and not form part of the public record. The Clerk of the Court shall file the Confidential Appendix in a sealed envelop attached to a notice that sets out the style of cause of these proceedings and states that:

THIS ENVELOPE CONTAINS THE CONFIDENTIAL APPENDIX TO THE RECEIVER'S TENTH REPORT, DATED ______, FILED IN COURT FILE NO. 1701-03460, WHICH SHALL BE SEALED FOR A PERIOD OF THREE (3) MONTHS FOLLOWING THE DISCHARGE OF THE RECEIVER, PURSUANT TO AN ORDER ISSUED BY THE HONOURABLE JUSTICE B.E.C. ROMAINE ON NOVEMBER 27, 2018 AND IS NOT TO BE PLACED ON THE PUBLIC RECORD OR MADE PUBLICLY ACCESIBLE.

[17] The Receiver is empowered and authorized, but not directed, to provide the Confidential Appendix (or any portion thereof, or other information contained there) to any interested party, entity or person that the Receiver considers reasonable in the circumstances, subject to confidentiality arrangements satisfactory to the Receiver.

[18] Leave is granted to any person or party affected by this Order to apply to this Honourable Court for a further order modifying or varying the terms of this Order, with such Application to be brought on no less than 7 days' notice to the Receiver and any other affected party pursuant to the Alberta Rules of Court.

MISCELLANEOUS MATTERS

[19] This Court hereby requests the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States to give effect to this Order and to assist the Receiver and its agents in carrying out the terms of this Order. All courts, tribunals regulatory and administrative bodies are hereby respectfully requested to make such orders as to provide such assistance to the Receiver, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the Receiver and its agents in carrying out the terms of this Order.

[20] This Order must be served only upon those interested parties attending or represented at the within application and service may be effected by facsimile, electronic mail, personal delivery or courier. Service is deemed to be effected the next business day following the transmission or delivery of such documents.

[21] Service of this Order on any party not attending this application is hereby dispensed with.

____

J.C. C.Q.B.A.

Schedule "A"

Form of Receiver's Certificate

COURT FILE NUMBER	1701-03460	Clerk's Stamp
COURT	COURT OF QUEEN'S BENCH OF ALBERTA	
JUDICIAL CENTRE	CALGARY	
PLAINTIFF	ALBERTA ENERGY REGULATOR	
DEFENDANT	LEXIN RESOURCES LTD. 1051393 B.C. LTD., 0989 RESOURCE PARTNERSHIP, LR PROCESSING LTD., and LR PROCESSING PARTNERSHIP	
DOCUMENT	**RECEIVER'S CERTIFICATE**	
ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT	Robyn Gurofsky Borden Ladner Gervais LLP 1900, 520 3 Avenue SW Calgary, AB T2P 0R3 Telephone: (403) 232-9774 Facsimile: (403) 266-1395 Email: rgurofsky@blg.com File No.: 547730-000021	

RECITALS

A. Pursuant to an Order of the Honourable Justice P.R. Jeffrey of the Court of Queen's Bench of Alberta, Judicial District of Calgary (the "Court") dated March 20, 2017, Grant Thornton Limited was appointed as the receiver (the "Receiver") of the undertaking, property and assets of, *inter alia*, Lexin Resources Ltd. and 0989 Resource Partnership (the "Debtor").

B. Pursuant to an Order of the Court dated November 27, 2018, the Court approved the agreement of purchase and sale made as of **[Date of Agreement]** (the "Sale Agreement") between the Receiver and Long Term Asset Management Ltd. (the "Purchaser") and provided for the vesting in the Purchaser of the Debtor's right, title and interest in and to the Purchased Assets, which vesting is to be effective with respect to the Purchased Assets upon the delivery by the Receiver to the

Purchaser of a certificate confirming (i) the payment by the Purchaser of the Purchase Price for the Purchased Assets; (ii) that the conditions to Closing as set out in section * of the Sale Agreement have been satisfied or waived by the Receiver and the Purchaser; and (iii) the Transaction has been completed to the satisfaction of the Receiver.

C. Unless otherwise indicated herein, terms with initial capitals have the meanings set out in the Sale Agreement.

THE RECEIVER CERTIFIES the following:

1. The Purchaser (or its nominee) has paid and the Receiver has received the Purchase Price for the Purchased Assets payable on the Closing Date pursuant to the Sale Agreement;

2. The conditions to Closing as set out in section * of the Sale Agreement have been satisfied or waived by the Receiver and the Purchaser (or its nominee); and

3. The Transaction has been completed to the satisfaction of the Receiver.

4. This Certificate was delivered by the Receiver at **[Time]** on **[Date]**.

[Grant Thornton Limited, in its capacity as Receiver of the undertaking, property and assets of Lexin Resources Ltd. and 0989 Resource Partnership, and not in its personal capacity.

Per;____________________________

Name:

Title:

THE FOLLOWING COMPRISES SCHEDULE "G" ATTACHED TO AND FORMING PART OF AN ASSET PURCHASE AGREEMENT DATED NOVEMBER 16, 2018 BETWEEN GRANT THORNTON LIMITED, solely in its capacity as receiver of LEXIN RESOURCES LTD., 1051393 B.C. LTD., 0989 RESOURCE PARTNERSHIP, LR PROCESSING LTD. AND LR PROCESSING PARTNERSHIP, and not in its personal capacity, and LONG TERM ASSET MANAGEMENT INC.

OUTSTANDING AFE's

None

THE FOLLOWING COMPRISES SCHEDULE "H" ATTACHED TO AND FORMING PART OF AN ASSET PURCHASE AGREEMENT DATED NOVEMBER 16, 2018 BETWEEN GRANT THORNTON LIMITED, solely in its capacity as receiver of LEXIN RESOURCES LTD., 1051393 B.C. LTD., 0989 RESOURCE PARTNERSHIP, LR PROCESSING LTD. AND LR PROCESSING PARTNERSHIP, and not in its personal capacity, and LONG TERM ASSET MANAGEMENT INC.

EXCLUDED LICENCES

None

THE FOLLOWING COMPRISES SCHEDULE "I" ATTACHED TO AND FORMING PART OF AN ASSET PURCHASE AGREEMENT DATED NOVEMBER 16, 2018 BETWEEN GRANT THORNTON LIMITED, solely in its capacity as receiver of LEXIN RESOURCES LTD., 1051393 B.C. LTD., 0989 RESOURCE PARTNERSHIP, LR PROCESSING LTD. AND LR PROCESSING PARTNERSHIP, and not in its personal capacity, and LONG TERM ASSET MANAGEMENT INC.

EXCLUDED ASSETS

1. Compression and processing equipment at Compressor Station at 2-4-17-29W4M.

2. Compression and processing equipment at Compressor Station at 2-20-17-29W4M.

EXCLUDED CONTRACTS

1. Mazeppa Dedicated Gas Contract attached as Schedule "D" to a Farmout, Participation and Area of Mutual Interest Agreement, Mazeppa Area, Alberta made between Mobil Oil Canada and Compton Petroleum Corporation dated December 31, 1997.

2. Lease Agreement dated December 7, 2015 and made between MFC Processing Partnership, as Landlord and MPP Ltd. and MFC Power Limited Partnership, as Tenants.

3. Gas Purchase Agreement dated December 7, 2015 made between MFC Processing Partnership and MFC Power Limited Partnership.

4. Electricity Purchase Agreement dated December 7, 2015 made between MFC Processing Partnership and MFC Power Limited Partnership.

CONFIDENTIAL APPENDIX 5

Mazeppa Decommission and Equipment Salvage
SE 1/4-35-019-28 W4M

REQUEST FOR PROPOSAL

Prepared By:

MILLENIA ENGINEERING

On Behalf of

Grant Thornton

Court-Appointed Receiver for the Lexin Group

CALGARY, ALBERTA
September 4, 2018
RFP No: 18310-RFP-40-002 Rev 0

TABLE OF CONTENTS

PART 1 – Request for Proposal

1.1 Introduction

Grant Thornton Limited, solely in its capacity as the Receiver of Lexin Resources Ltd., 0989 Resource Partnership, 1051393 BC Ltd., LR Processing Ltd. and LR Processing Partnership (collectively the "**Lexin Group**") and not in its personal capacity ("**Grant Thornton**" or the "**Receiver**"), is soliciting interest to commence due diligence and submit a proposal or proposals for the purchase of equipment and materials in accordance with the terms and conditions of the Decommission and Equipment Salvage Request for Proposal (the "**RFP**").

This RFP document is intended to describe, in general, the equipment and material available and responsibilities of the Bidder in the removal of equipment and materials from the Mazeppa Gas Plant site (the "**Mazeppa Site**"). A full description of the Bidder's responsibilities and a detailed listing of the equipment and materials available, will be made available in a virtual data room (the "**VDR**"). The VDR will be accessible to potential Bidders who deliver an executed Non-Disclosure Agreement ("**NDA**") in the form attached at Part 5 of this RFP. Upon delivery by a Bidder of the executed NDA in the form attached hereto and acceptance of such NDA by the Receiver, the Receiver shall provide that Bidder with access to the VDR, together with such further information as the Receiver deems appropriate in the circumstances.

The Receiver makes no representation or warranty as to the information contained in the VDR except to the extent otherwise provided under any definitive sale agreement with a Successful Bidder, executed and delivered by the Receiver (a "**Definitive Document**").

1.2 RFP Documents

The RFP is comprised of the following documents:

Part 1	RFP
Part 2	Instructions to Bidders
Part 3	Facility Description
Part 4	Scope of Work
Part 5	Non-Disclosure Agreement
Part 6	Selected Site Photos

1.3 Bidder's Scope and the Agreement

Bidders shall be solely responsible for the removal of any purchased equipment and the removal of any ancillary materials required to access and remove the purchased equipment (as described in the Package) including but not limited to disconnection, blinding, demolition of pipe, buildings, structural steel, foundations and electrical, together with all costs associated therewith. The work may also require purging and cleaning of pipe and other equipment which work and associated costs shall be borne solely by the purchaser.

All Bidders must also be prepared to enter into a Definitive Document, a template for which shall be posted in the VDR, and comply with any and all provincial and federal codes, regulatory policies and practices regarding, safety, construction, risk management etc., prior to mobilizing to the worksite. Bidders shall be required to submit a Definitive Document blacklined against any changes made to the template posted in the VDR.

The Receiver shall have no responsibility or supervisory capacity in respect of the decommissioning, removal or salvage of any equipment or other structure or property located at the Mazeppa Site and all such steps shall be subject to the strict supervision and approval of the Alberta Energy Regulator or its nominee.

The Bidder is deemed to have satisfied itself as to the correctness and sufficiency of the due diligence documents for the purposes of preparing and submitting the Proposal.

Any Proposals which are accepted by the Receiver shall be subject to the approval of the Court of Queen's Bench of Alberta ("**Court**") and shall require as a pre-condition to the initiation of the above Court approval process, a non-refundable deposit representing 10% of the total consideration in the Proposal, which deposit shall be due and payable upon submissions of a Proposal. If the Proposal is not accepted by the Receiver, the deposit shall be returned to the Bidder promptly.

PART 2 – Instructions to Bidders

2.1 Timing and Receipt of Non-Disclosure Agreement

An emailed copy of the Bidders' executed NDA, indicating such Bidder's interest in completing due diligence and submitting a proposal, is due by **12:00 PM on September 14, 2018** (the "**NDA Deadline**"). The email attaching the executed NDA shall identify the project and should be addressed as follows:

Mazeppa Decommission and Equipment Salvage

c/o Millenia Engineering
Attention: Mark Ratte
Mazeppaequip@milleniaeng.com
Phone No.: (403) 571 -0510

2.2 Access to VDR and Site Visit

Upon receipt of the executed NDA by the NDA Deadline and acceptance by the Receiver, the Bidder will be granted access to the VDR which shall contain information and details pertaining to the equipment and materials, including PID's and existing plant drawings.

Further, the Bidder may then make arrangements to schedule a Mazeppa Site visit to by contacting the undersigned, who will provide the parameters upon which such site visits can take place. Any attendance at the Mazeppa Site without making prior arrangements with Millenia Engineering is strictly prohibited.

John Homer
Millenia Engineering
jhomer@milleniaeng.com
Phone No.: (403) 571 0510 (w)

Bidders shall be solely responsible for their due diligence and shall be responsible for satisfying themselves as to the fitness and condition of the equipment. The Receiver makes no representations or warranties as to the fitness or condition of the equipment, or otherwise, and the equipment is sold on an "as is where is" basis.

2.3 <u>Submission of Proposals</u>

Proposals shall be submitted no later than **12:00 pm (Calgary time) on October 26, 2018** or such other date as the Receiver may determine in its sole discretion.

Bidders shall submit their Proposals to:

Grant Thornton Limited, Receiver of the Lexin Group
c/o John Homer
Millenia Engineering
jhomer@milleniaeng.com
Phone No.: (403) 571 0510 (w)

2.4 <u>Amendments to RFP</u>

The Receiver is hereby authorized to extend any deadlines set out herein from time to time, in its sole discretion. Grant Thornton will provide written notice of any such extensions to Bidders as soon as is reasonably possible.

PART 3 – Facility Description

3.1 Location

The Mazeppa Gas Plant is located approximately 30 km south east of Calgary Alberta, at LSD 02-35-019-28 W4M.

3.2 Facility Description and History

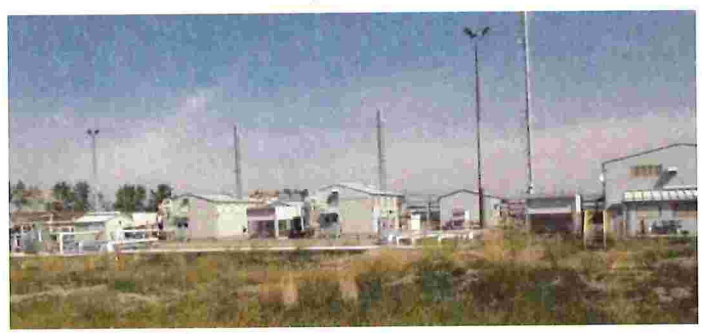
The Mazeppa Gas Plant was designed in 1984 by Monenco Engineers & Constructors for Canadian Occidental Petroleum and began operation in 1986. The original plant was built to produce sales gas and condensate from 1202 E3m3/day (42 MMSCFD) of sour gas feed. The acid gas content of the feed was 32% H_2S and 9% CO_2. This plant consisted of inlet separation and compression, gas treating (sulfinol), dehydration and dew point control, condensate stabilization, two sulphur recovery trains, liquid sulphur storage and loading, HC storage and loading, steam generation and utilities.

To handle new sour inlet volumes a number of modifications were made in 1990 which included a new Inlet Separator, Stabilizer Feed Drum, Sour Water Stripper, tray modifications in the High and Low Sulfinol Contactors with a new Gas to Gas Exchanger and Inline Separator to improve dewpoint control.

In 1998 a plant debottleneck was competed increasing the process capabilities to 2255 E3m3/day (80 MMSCFD) for an inlet acid gas composition of 14.6 % H_2S and 7 % CO_2. This involved the addition of High and Low Pressure Inlet Separators, new Sour Gas Separator, modification to the Sour Gas Coalescer, new Sulfinol Separator, new Sweet Gas Scrubber, contactor tray changes, and new Gas Chilling Train, Condensate Cooler and new above ground Flare Knock-out.

In 2002 further inlet changes were completed including a third Inlet Separator, Inlet Scrubber, compressor cylinder modifications, and Inlet Compressor Coalescer.

In 2004, in order to handle development of sweet gas reserves, a 1267 E3m3/day (45 MMSCFD) sweet gas plant addition was completed. This new facility included Inlet Separation, Refrigeration, Inlet Compression, Recycle Compression, LPG Storage and Loading, new flare header and Flare Knockout.



Finally in 2005 a Frac Oil Unit was installed including, Stabilizer, Stabilizer Feed Drum, Reboiler, Overhead Condenser, Overhead Separator, Overhead Compressor and Frac Oil Storage.

<u>3.3 Facility Shutdown</u>

In December of 2012 the Sweet Gas Plant was shut down and inlet sweet gas was redirected to the sour facility to maintain plant loading. At that time the Sweet Plant, excluding the De-ethanizer, was drained, depressurized and purged with sweet gas. The De-ethanizer was kept on line. The facility was neither purged with nitrogen nor left with a nitrogen blanket.

In 2016 the Sour Facility and all Utilities were shut down. The equipment was drained, and depressurized. There was no nitrogen purge or nitrogen blanket installed.

3.4 Major Equipment

A complete list of major equipment, PFD's, PIDs and orthographics are part of the data package accessible through the VDR for review upon execution of the NDA.

Of note the Sweet Gas Facility includes:

- Two (2) 220 HP Dresser Rand Inlet Compressors
- Two (2) 107 ton Mycon Refrigeration Packages
- Inlet Separation and Stabilization with Overhead Compression
- Two (2) De-ethanizer and Glycol Regeneration Trains
- One (1) 455 HP Aerial JGJ4 Recycle Compressor
- One (1) 160 SCFM Rota Nova Instrument Air Package
- Two (2) 190 m3 NGL Storage Bullets
- Flare knock out and 620 mm x 72m flare stack
- Associated utilities

The Sour Facility includes:

- Two (2) 2145 HP Ingersol Rand Inlet Compressors
- One (1) Sulfinol Gas Sweetening Unit
- Two (2) Dehydration and Dew point Control Units
- Two (2) Propane Refrigeration Trains
- One (1) Startec Propane Refrigeration Package included above
- Two (2) Glycol Regeneration Trains
- One (1) Kvearner Glycol Regeneration Package included above
- One (1) Condensate Stabilisation Unit
- Two (2) Claus Sulphur Trains
- One (1) Sulphur Pit
- Liquid Sulphur Load Out Facilities
- Associated Steam Generation Unit and Utilities

3.5 Drawings and Documents

Associated Drawings and Documents will be located in the VDR and available for review on completion and acceptance of the NDA.

PART 4 – Scope of Work

4.1 Scope of Work

A Bidder shall include in its scope of work for purposes of review by the Alberta Energy Regulator, any and all costs associated with the safe removal of equipment. This will include, but not be limited to, the disconnection and or demolition of pipe, buildings, structural steel, foundations and electrical material that is directly associated with the equipment to be salvaged. For example, if the Bidder wishes to purchase the Inlet Compressor, the scope of work set out in the Bidder's Proposal shall include the demolition and removal from site, of the Inlet Compressor and associated building, pipe, pipe rack, cable and cable tray within that building, as well as all instrumentation, controls, structural steel, pilings and or foundations.

As indicated above, the Mazeppa Site has been de-energized, however the Bidder will be responsible for ensuring safe disconnection, demolition or salvage and shall be responsible for obtaining approval from the Alberta Energy Regulator regarding its disconnection, demolition or salvage plans.

No remediation of soil, sediments, water or ground water or reclamation is required in this scope of work. Any spills associated with the demolition and removal of equipment or materials shall be the responsibility of the Bidder.

This Work will occur in a shut-in, non-operating site. Power and utilities are not available.

4.2 Equipment Packages

Any Proposal submitted by a Bidder shall be based on equipment packages, as identified by structure within a plot plan that will be posted in the VDR. Preference will be given to Proposals that include an entire equipment package or packages over Proposals for the purchase of partial packages only and the Receiver shall have the sole discretion to determine whether Proposals for partial packages will be considered.

The equipment packages are made up of process units, and are generally located within individual buildings or structures. Individual pieces of equipment for each package or miscellaneous stand-alone equipment will be identified in the VDR in the associated facility equipment list, for specific buildings or process units. The individual pieces of equipment can be identified according to their designated equipment package based on their respective building number or associated equipment number. For example D<u>26</u>20 - Low Temperature Separator, is part of the Refrigeration Building SP <u>26</u>00. Building SP 2600 would be considered one package.

The Sweet Facility Packages will include:

- Inlet Compressor Building SP 2200
- Refrigeration Building SP 2600

- Refrigeration Building SP 3600
- Inlet Separator Stabilizer Building SP 2100
- Recycle Compressor Building SP 2700
- FKOD & Pump Building SP 2900
- IA Compressor Building SP 5400
- LPG bullets
- Miscellaneous Coolers / Other Major Equipment, see Plot Plan

The Sour Facility Packages are identified by area and or building numbers and include:

- Inlet Building 1101, Area 11 Inlet Separation and Compression
- Process Building 1201, Area 12, Process
- Refrigeration Building 1401, Area 14, Dehydration and Dew Point Control
- Sulphur Train 1700, Area 17
- Reaction Furnace Building 1701
- Sulphur Train 1800, Area 18
- Sulphur Loading Racks, Area 23
- Utility Building, Area 5001, Steam Generation
- FKO Building 5601 and Flare Stack, Area 56, FKO Knock Out
- Miscellaneous Coolers / Other Major Equipment, see Plot Plan

4.3 Dismantling

Potential Bidders must be aware that the following activities may be necessary for the removal of any equipment or materials and as outlined above, shall be solely responsible for the cost of such removal and compliance with the requirements of the Alberta Energy Regulator.

Dismantling may include

- Hazard assessment and disposal plan
- Purging and cleaning of all piping and equipment
- Disposing of liquids
- Remediation of spills created or caused during dismantling
- Identification and disposal of any asbestos
- NORM detection and remediation of any material and equipment affected by NORMs
- Building dismantling
- Pipe and pipe rack dismantling and removal
- Electrical and instrumentation dismantling and removal
- Structural steel dismantling and removal
- Concrete and rebar removal

Dismantling will not include

- Site ground remediation unless caused during dismantling.
- Sulphur pit remediation
- Rail spur removals
- Run off ponds remediation/removals
- Underground lines and utilities outside of buildings removal

4.4 Site Hazardous Assessment

As indicated above, the Bidder shall make itself aware of any special requirements and be responsible for all costs that may be incurred to handle any Hazardous Materials that may likely exist, as part of the dismantling or demolition work.

This may include:

- Identify and quantify hazardous materials existing on site.
- Plan and manage the safe removal and disposal of materials.
- Verify completion through testing, inspecting and monitoring.

Grant Thornton makes no representation or warranty as to the existence or extent of any Hazardous Materials on site. This information is provided to ensure the Bidder is aware of the possibility of such materials.

This site may contain, but not be limited to, the following Hazardous Materials:

- Asbestos Containing Materials, ACM's. This is anticipated to be limited to gaskets on the utility boilers. Pipe insulation is asbestos free.
- Lead
- Mercury
- Naturally Occurring Radioactive Materials (NORMs)
- Polychlorinated Biphenyls (PCB)
- Silica (pipe insulation)
- Synthetic Vitreous Fibres (SVF)
- Urea Formaldehyde Foam Insulation (UFFI)
- Ozone Depleting Substances, ODS's
- Microbial Contamination

The above referenced materials could be found in equipment located on site, including but not limited to:

- Instrument and gauges – mercury, glycol, mineral oils
- Electrical switches – mercury
- Fluorescent bulbs – mercury vapour and amalgam
- Lighting ballasts – PCB
- Transformers – PCB
- Batteries – Lead Acid , Ni Cad Mercury, Lithium
- Air conditioners – Halons
- Insulation – asbestos, silica, SVF
- Paint – Lead

PART 5 – Non-Disclosure Agreement

NON-DISCLOSURE AGREEMENT

Date: ______________________________

This Non-Disclosure Agreement (the "**Agreement**") is made and entered into by and between the "Receiving Party" indicated on the signature page hereof ("**Receiving Party**") and GRANT THORNTON LIMITED, solely in its capacity as the receiver of LEXIN RESOURCES LTD., 0989 RESOURCE PARTNERSHIP, 1051393 BC LTD., LR PROCESSING LTD. and LR PROCESSING PARTNERSHIP, and not in its personal capacity ("**Disclosing Party**"). The Receiving Party and the Disclosing Party are hereinafter collectively referred to as the "**Parties**" and each a "**Party**".

WHEREAS the Receiving Party has requested to view certain confidential information for the purposes of assessing whether or not to submit a bid for the decommission and salvage of equipment located at the Mazeppa Gas Plant as outlined briefly in the Request for Proposal document dated September 4, 2018;

AND WHEREAS the Parties recognize that, in order to complete such assessment, the Disclosing Party, its subsidiaries or affiliates, its directors, officers, employees, advisors, including without limitation, attorneys, accountants, consultants, bankers and financial advisors (collectively "**Disclosing Party Representatives**") will provide certain information relating to the Disclosing Party's business and operations that is deemed by the Disclosing Party to be confidential and proprietary;

AND WHEREAS the Disclosing Party desires to protect such information pursuant to the terms and conditions contained in this Agreement.

NOW, THEREFORE in consideration of the mutual covenants and agreements herein contained, and for such other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties, intending to be legally bound, hereby agree as follows.

1. All information (whether written or oral) of a technical, proprietary, corporate, marketing, business or financial nature and all contracts, agreements, documents, budgets, financial statements, accounting records, business plans, patents, policies and procedures, books and corporate records of whatsoever nature furnished before or after the date hereof by the Disclosing Party or the Disclosing Party Representatives to the Receiving Party, its subsidiaries or affiliates, or its directors, officers, employees, advisors (including without limitation, attorneys, accountants, consultants, bankers and financial advisors), potential sources of financing and other representatives (collectively, the "**Receiving Party Representatives**"), and all analyses, forecasts, studies or other documents prepared by the Receiving Party or the Receiving Party Representatives in connection with the Mazeppa Plant that are based on or contain or reflect any such information provided, is hereinafter referred to as the Disclosing Party's "**Confidential Information**". The term "Confidential Information" shall not, however, include information that:

    (i) is or becomes publicly available other than as a result of a breach of this Agreement by the Receiving Party or any of the Receiving Party Representatives;

(ii) was in the Receiving Party's or any of the Receiving Party Representatives' possession prior to disclosure by the Disclosing Party if the source of such information was not known by the Receiving Party to be bound by any contractual, fiduciary or other legal confidentiality obligation in respect of such information to the Disclosing Party; or

(iii) was or becomes available to the Receiving Party or any of the Receiving Party Representatives from a source other than the Disclosing Party or the Disclosing Party Representatives, provided that, the source of such information is not known by the Receiving Party to be bound by a confidentiality obligation (whether contractual, fiduciary or otherwise) to the Disclosing Party prohibiting the disclosure of such information to the Receiving Party or any of the Receiving Party Representatives;

(iv) is or was independently acquired or developed by the Receiving Party or the Receiving Party Representatives without violating the Receiving Party's or the Receiving Party Representatives' obligations under this Agreement; or

(v) is required to be disclosed pursuant to Section 4 below for the purpose of such disclosure.

2. The Receiving Party and the Receiving Party Representatives: (i) shall keep the Disclosing Party's Confidential Information strictly confidential and shall not, except as required by applicable law, regulation or legal, regulatory or judicial process (and only after compliance with Section 4 below), without the Disclosing Party's prior written consent, which consent may be arbitrarily withheld, disclose, divulge, publish, transcribe, transfer, assign, license, reverse or engineer any such Confidential Information, (ii) shall not use any such Confidential Information other than in connection with the Receiving Party's completion of the assessment, and (iii) shall not use the Disclosing Party's Confidential Information in any way that is, directly or indirectly, detrimental to the Disclosing Party; provided, however, that the Receiving Party may reveal the Disclosing Party's Confidential Information to those of the Receiving Party's Representatives who: (a) need to know such Confidential Information for the purpose of completing the assessment, (b) are informed by the Receiving Party of the strict confidential nature of such Confidential Information, (c) are directed to act in accordance with the terms of this Agreement and (d) agree in writing to be bound by the terms of this Agreement. Upon request, the Receiving Party shall provide the Disclosing Party with a list of the Receiving Party Representatives who have received Confidential Information.

3. Except as required by applicable law, regulation or legal, regulatory or judicial process (and only after compliance with Section 4 below), without the other Party's prior written consent, which consent may be arbitrarily withheld, each Party shall not, and shall direct their respective Disclosing Party Representatives or the Receiving Party Representatives, as the case may be, not to disclose to any person the fact that Confidential Information has been made available to the Receiving Party, or that such Party is completing the assessment, including, without limitation, the status thereof.

4. In the event that the Receiving Party, or any of the Receiving Party Representatives, are requested pursuant to, or required by, applicable law, regulation or legal, regulatory or judicial process to disclose any of the Disclosing Party's Confidential Information, the

Receiving Party will, to the extent legally permissible, notify the Disclosing Party in writing as promptly as practicable under the circumstances so that the Disclosing Party may seek a protective order or other appropriate remedy. In the event that no such protective order or other remedy is obtained, the Receiving Party shall furnish without any liability hereunder only that portion of the Disclosing Party's Confidential Information that the Receiving Party determines, based on advice of counsel, is legally required and will exercise commercially reasonable efforts to obtain reliable assurance that confidential treatment will be accorded such Confidential Information.

5. At any time upon the written request of the Disclosing Party, the Receiving Party shall, at the Receiving Party's sole discretion, either: (i) promptly destroy all copies of the Disclosing Party's Confidential Information in the Receiving Party's or the Receiving Party Representatives' possession (and, if so requested, confirm such destruction to the Disclosing Party) or (ii) promptly deliver to the Disclosing Party all copies of such Confidential Information; provided, however, that the Receiving Party and the Receiving Party Representatives shall not be obligated to return or destroy the Confidential Information if, and to the extent, otherwise required by any law, regulation, legal, regulatory or judicial process, rule or practice governing professionals or any internal compliance policy or procedure relating to the safeguarding or backup storage of data.

6. The Receiving Party agrees that it shall, within two business days, advise the Disclosing Party, in writing, of such breach and provide the details thereof.

7. Each Party agrees that there is no obligation on the part of the Disclosing Party to disclose or continue to disclose or make available its Confidential Information to the Receiving Party or the Receiving Party Representatives. The Receiving Party hereby acknowledges that the Disclosing Party does not make any express or implied representation or warranty, arising at law, by statute or in equity as to the accuracy, completeness, merchantability, condition or fitness of the Disclosing Party's Confidential Information or in respect of the assets or undertakings of the Disclosing Party to which such Confidential Information makes reference, and the Receiving Party agrees that no such person shall have any liability relating to the Disclosing Party's Confidential Information or for any errors therein or omissions therefrom. The Confidential Information shall at all times remain the property of the Disclosing Party.

8. The Receiving Party acknowledges and agrees that the Disclosing Party may not have an adequate remedy at law and may be irreparably harmed in the event that any of the provisions of this Agreement were not performed by the Receiving Party and the Receiving Party Representatives in accordance with their specific terms or were otherwise breached by the Receiving Party or the Receiving Party Representatives. Accordingly, the Receiving Party acknowledges and agrees that the Disclosing Party shall be entitled to injunctive relief to prevent breaches of this Agreement in addition to any other remedy to which the Disclosing Party may be entitled at law or in equity.

9. The Receiving Party acknowledges the competitive value of the Confidential Information. Accordingly, without limitation and in addition to any rights of the Disclosing Party against the Receiving Party arising by any breach hereof, the Receiving Party shall:

   (a) be liable to the Disclosing Party for all losses, costs, damages and expenses whatsoever which they may suffer, sustain, pay or incur; and in addition,

(b) indemnify the Disclosing Party against any and all actions, proceedings, claims, demands, losses, costs, damages and expenses whatsoever which may be brought against or suffered by the Disclosing Party or which the Disclosing Party may suffer, sustain, pay or incur;

resulting from disclosure by the Receiving Party or a Receiving Party Representative of all or any part or parts of the Confidential Information.

10. No failure or delay by either Party in exercising any right, power or privilege hereunder will 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.

11. This Agreement shall be governed by and construed in accordance with the laws of the Province of Alberta. Each Party irrevocably consents and submits to the non-exclusive jurisdiction of the courts of the Province of Alberta, situated in the Judicial District of Calgary, Alberta.

12. This Agreement contains the entire agreement between the Parties concerning the confidentiality of each Party's Confidential Information and the other matters provided for herein, and no modifications of this Agreement or waiver of the terms and conditions hereof will be binding, unless approved in writing by each of the Parties. In the event of any conflict between the terms of this Agreement and the terms of any user, click-through or other similar agreement with respect to any electronic, online or web-based data room established in connection with the Mazeppa Plant, the terms of this Agreement shall prevail.

13. This Agreement shall be binding upon and enure to the benefit of the Parties hereto and their respective successors and permitted assigns. Any purported assignment of this Agreement by a Party without the consent of the other Party shall be void.

14. Time is of the essence.

15. The invalidity or unenforceability of any provision of this Agreement (in whole or in part) does not affect the validity or enforceability of any other provision of this Agreement, which remains in full force and effect.

16. This Agreement may be executed in counterparts that together are deemed to constitute one valid and binding agreement and delivery of counterparts may be effected in original form or by means of email, facsimile transmission, or such other form of effective transmission, including but without limitation, portable document format.

IN WITNESS WHEREOF, the Receiving Party and the Disclosing Party have executed this Non-Disclosure Agreement.

COMPANY NAME

OFFICER'S SIGNATURE

OFFICER'S PRINTED NAME AND TITLE

☐ I certify that no changes have been made to this Non-Disclosure Agreement that have not been clearly marked and initialed.

CONFIDENTIAL INFORMATION DELIVERY OPTIONS: *(please check one)*

_____ **Electronic** *or* _____ **Hard copy (binder)**

NAME OF CONTACT PERSON TO FORWARD INFORMATION

CONTACT ADDRESS

TELEPHONE NUMBER

EMAIL ADDRESS

Option to attach Business Card Here:

Andrew Basi, CA, CPA, CIRP, LIT

Partner

Accepted by **GRANT THORNTON LIMITED**, solely in its capacity as receiver of LEXIN RESOURCES LTD., 0989 RESOURCE PARTNERSHIP, 1051393 BC LTD., LR PROCESSING LTD. and LR PROCESSING PARTNERSHIP, and not in its personal capacity this ____ day of __________, 2018

PART 6 – Attachments

Selected Site Photos

LPG Product Cooler E-3635

Glycol Reboiler E-3690 and Glycol Flash Tank D-3680

Refrigeration Compressor C-3660

Sweet FKO Drum D-2901

Sour FKO Drum D-5605

Recycle Compressor C-2705

Sweet Gas Compressor Coolers E2209-10 A/B

Sweet Gas Compressor C-2200 A

LPG Storage Bullets SV-2850 & SV 3860

Original Sulphur Train

Flare Stack FL -5601

From: Marlon Ellerby <marlonellerby@energyauctions.ca>
Date: August 17, 2018 at 11:15:26 AM MDT
To: marlonellerby@energyauctions.ca
Subject: NEW WEBSITE / Receivership Sale
Reply-To: marlonellerby@energyauctions.ca

EA Energy Auctions Inc.
Brokerage & Auctions

We have officially launched our new website!
www.energyauctions.ca

RECEIVERSHIP SALE STARTS MONDAY!

Grant Thornton Limited, in its capacity as the receiver of Lexin Resources Ltd., 1051393 BC Ltd., 0989 Resource Partnership, LR Processing Ltd. and LR Processing Partnership(the "Lexin Group") is seeking offers to purchase the sour gas extraction equipment situated at various sites located in the Gladys area ("Gladys Equipment") and has retained Energy Auctions Inc. as its exclusive Broker/Agent to assist in this process.

All equipment sales will be on an "as is, where is" basis and will be subject to approval of the Court of Queen's Bench of Alberta ("Court"). Offer proposals/bids are open from August 20 to September 14, Noon 2018. The Receiver reserves the right to accept or reject any of the bids submitted during this time frame. The approval of the Court for any sale is anticipated to be obtained within 30 days of the September 14, 2018 bid LEXIN LISTING DETAILS

The site map plus details on the bidding parameters are available by contacting Marlon @ 403 815 2016 or marlonellerby@energyauctions.ca

LACT UNIT
Micro Motion

Micro Motion Unit

1000bbl tank
2 x 1000bbl Tanks

Universal 1000bbl Tanks x 2

Cat/Ariel Compressor
1085hp Recip
Cat 3516 / Ariel Compressor

Saskatoon Boiler
2.5mmbtu

Saskatoon Boiler

We have 8 - Mobilight Hybrid 1200 Eco Diesel Light Towers. They are worth about 60,000.00 new. They had insulation kit, heater, upgraded batteries and upgrade light mast added. They all have less the 2000 hrs **Click here for details**

Check out our 'Featured Equipment' **Click here for listings!**

Energy Auctions Inc | 403.815.2016 | www.energyauctions.ca

Energy Auctions Inc | Suite 200, #14-900 Village Lane, Okotoks, Ab T1S 1Z6 Canada

Update Profile | About our service provider

Sent by marlonellerby@energyauctions.ca in collaboration with

Constant Contact

Grant Thornton via Energy Auctions Inc to sell Lexin Receivership Equipment

September 5, 2018 3:03 AM BOE Report Staff

Grant Thornton Limited, in its capacity as the receiver of Lexin Resources Ltd., 1051393 BC Ltd., 0989 Resource Partnership, LR Processing Ltd. and LR Processing Partnership (the "Lexin Group") is seeking offers to purchase the sour gas extraction equipment situated at various sites located in the Gladys area ("Gladys Equipment") and has retained Energy Auctions Inc. as its exclusive Broker/Agent to assist in this process.

All equipment sales will be on an "as is, where is" basis and will be subject to approval of the Court of Queen's Bench of Alberta ("Court"). Offer proposals/bids are open from August 24th to September 14, 2018. The Receiver reserves the right to accept or reject any of the bids submitted during this time frame. The approval of the Court for any sale is anticipated to be obtained within 30 days of the September 14, Noon, 2018 bid deadline. All items will be sold in packages according to 'LSD's'.

Further information is available from Energy Auctions at energyauctions.ca

Call Marlon at (403)815-2016 or click here to email him!

Click here to view more information and to see the list of equipment

District of Alberta
Division No. 02 - Calgary
Court No. 25-094769

In the Matter of the Receivership of Lexin Resources Ltd., 1051393 B.C. Ltd., 0989 Resource Partnership, LR Processing Ltd., & LR Processing Parntership
Interim Statement of Receipts and Disbursements
For the period to November 15, 2018

Unrestricted Trust Accounts

Receipts	
Receiver's borrowings	2,291,600
Sale of carbon credits	1,556,711
Oil & gas revenue	472,598
Sale of oil & gas properties	360,000
Sale of vehicles	114,770
GST collected	84,650
Equity of leased vehicles	40,410
Collection of AR & other revenue	7,588
Interest earned on cash held in trust	7,549
Cash held at receivership	3,636
Royalties Income	2,048
	4,941,561
Disbursements	
Receiver fees	1,796,248
Receiver's counsel fees and costs	880,557
Utilities and other services	588,694
Data Management Specialist	234,079
Commission expense	186,810
GST on disbursements	216,221
Contract services	143,325
Royalty Payments	145,714
Software licensing fees and services	117,937
Insurance	92,843
Storage costs	82,495
Repairs and maintenance	65,053
Server set-up & ongoing maintenance	65,962
Removal, indexing and review of Records	53,069
Funds transferred to bankruptcy estate	88,009
Surface lease rentals	23,495
Other consulting services	79,666
Miscellaneous other expenses	19,869
Costs related to sael of property	8,735
OSB filing & Ascend fees	900
	4,889,681
Cash in Unrestricted Trust Accounts	**51,880**

Restricted Trust Account

Receipts	
Funds retained for GPU FSOA	61,877
Funds received from Cargill, net of GST	60,350
Sale of seismic, net of GST	12,736
Interest earned on cash held in trust	885
	135,848
Disbursements	-
Cash in Restricted Trust Account	**135,848**
Total Cash in Trust	**187,728**

In the Matter of the Receivership of
Lexin Resources Ltd., 1051393 B.C. Ltd., 0989 Resource Partnership
LR Processing Ltd., and LR Processing Partnership

Summary of Professional Fees - March 20, 2017 to November 15, 2018

	Invoice	Fees	Disburse.	Sub-total	GST	Total
Professional Fees - Receiver						
Rendered, Paid and Approved by the Court						
to March 31, 2017	LABS-1812	140,529.79	-	140,529.79	7,026.49	147,556.28
to April 30, 2017	LABS-1813	164,423.69	3,118.70	167,542.39	8,377.12	175,919.51
to May 31, 2017	LABS-1833	90,949.46	-	90,949.46	4,547.47	95,496.93
to June 30, 2017	LABS-1848/1849	108,883.74	-	108,883.74	5,444.18	114,327.92
to July 31, 2017	LABS-1888/1886	72,061.83	65.87	72,127.70	3,606.38	75,734.08
to August 31, 2017	LABS-1906/1903	91,662.62	-	91,662.62	4,583.13	96,245.75
to September 30, 2017	LABS-1937	70,209.66	-	70,209.66	3,510.48	73,720.14
to October 31, 2017	LABS-1969/1966	124,986.16	-	124,986.16	6,249.31	131,235.47
to November 30, 2017	LABS-1982	87,324.30	1.81	87,326.11	4,366.31	91,692.42
to December 31, 2017	LABS-2012	65,666.97	-	65,666.97	3,283.35	68,950.32
to January 31, 2018	LABS-2049/2036	62,317.87	-	62,317.87	3,115.90	65,433.77
to February 28, 2018	LABS-2058	76,311.86	-	76,311.86	3,815.59	80,127.45
to March 31, 2018	LABS-2076	110,352.31	-	110,352.31	5,517.62	115,869.93
to April 30, 2018	LABS-2115	91,286.52	-	91,286.52	4,564.33	95,850.85
Sub-total		1,356,966.78	3,186.38	1,360,153.16	68,007.67	1,428,160.83
Additional Rendered and Paid						
to May 31, 2018	LABS-2137	2,237.91	26.33	2,264.24	113.22	2,377.46
to May 31, 2018	LABS-2139	122,137.56	7.00	122,144.56	6,107.23	128,251.79
to June 30, 2018	LABS-2163	2,899.70	-	2,899.70	144.98	3,044.68
to June 30, 2018	LABS-2171	85,859.48	-	85,859.48	4,292.97	90,152.45
to July 31, 2018	LABS-2188	79,373.67	632.24	80,005.91	4,000.29	84,006.20
to August 31, 2018	LABS-2212	81,928.56	-	81,928.56	4,096.43	86,024.99
to September 30, 2018	LABS-2239	64,844.14	253.19	65,097.33	3,254.87	68,352.20
Sub-total		439,281.02	918.76	440,199.78	22,009.99	462,209.77
Total Receiver Fees		**1,796,247.80**	**4,105.14**	**1,800,352.94**	**90,017.65**	**1,890,370.59**
Professional Fees - Receiver's legal counsel						
Rendered, Paid and Approved by the Court						
to March 28, 2017	697444871	56,047.00	1,449.05	57,496.05	2,874.31	60,370.36
to March 31, 2017	697450443	27,880.00	2,121.01	30,001.01	1,496.50	31,497.51
to April 30, 2017	697462348	83,181.50	3,285.45	86,466.95	4,323.01	90,789.96
to May 31, 2017	697472475	69,595.50	2,365.46	71,960.96	3,580.88	75,541.84
to June 30, 2017	697482372	26,625.50	2,506.46	29,131.96	1,395.55	30,527.51
to July 31, 2017	697488400	22,772.50	741.44	23,513.94	1,172.51	24,686.45
to August 31, 2017	697502069	13,978.00	261.96	14,239.96	712.00	14,951.96
to Sept 30, 2017	697511744	30,257.50	276.47	30,533.97	1,524.96	32,058.93
to Oct 31, 2017	697516831	90,752.50	5,784.40	96,536.90	4,823.11	101,360.01
to November 30, 2017	697541096	126,529.95	7,147.99	133,677.94	6,668.92	140,346.86
to December 31, 2017	697548751	97,809.15	13,875.17	111,684.32	5,581.45	117,265.77
to January 31, 2018	697553770	11,832.20	6,194.08	18,026.28	591.62	18,617.90
to February 28, 2018	697562634	15,332.40	305.07	15,637.47	781.88	16,419.35
to March 31, 2018	697570896	11,809.50	148.39	11,957.89	597.90	12,555.79
to April 30, 2018	697587208	32,300.00	912.35	33,212.35	1,658.12	34,870.47
Sub-total		716,703.20	47,374.75	764,077.95	37,782.72	801,860.67
Additional Rendered and Paid						
to May 31, 2018	697593544	28,221.80	226.23	28,448.03	1,422.41	29,870.44
to June 30, 2018	697599832	20,819.60	486.74	21,306.34	1,065.32	22,371.66
to August 31, 2018	697623173	55,127.70	647.81	55,775.51	2,787.29	58,562.80
to September 30, 2018	697636617	10,777.00	172.30	10,949.30	547.08	11,496.38
Sub-total		114,946.10	1,533.08	116,479.18	5,822.10	122,301.28
Total Legal Fees		**831,649.30**	**48,907.83**	**880,557.13**	**43,604.82**	**924,161.95**
Total Professional Fees		**$2,627,897.10**	**$ 53,012.97**	**$2,680,910.07**	**$ 133,622.47**	**$2,814,532.54**