Grant Thornton

Clerk's Stamp

CLERK OF THE COURT
FILED
OCT 12 2017
JUDICIAL CENTRE
OF CALGARY

COURT FILE NUMBER:	**1701-03460**
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 FIFTH REPORT OCTOBER 12, 2017** Volume 2 of 2

ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING DOCUMENT

RECEIVER
Grant Thornton Limited
Suite 900, 833 – 4th Avenue SW
Calgary, AB T2P 3T5

Attention: Andrew Basi / Michael Costello
Telephone: 1 (403) 296-2992 / 1 (403) 296-3087
Facsimile: 1 (403) 260-2571
E-mail: Andrew.Basi@ca.gt.com / Michael.Costello@ca.gt.com

RECEIVER'S COUNSEL
Borden Ladner Gervais LLP
1900, 520-3rd Ave SW
Calgary, AB T2P 0R3

Attention: Robyn Gurofsky / Jessica L. Cameron
Telephone: 1 (403) 232-9774/ 1 (403) 232-9715
Facsimile: 1 (403) 266-1395
Email: rgurofsky@blg.com / jcameron@blg.com

TAB
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SHARE PURCHASE AGREEMENT

THIS AGREEMENT is dated for reference the 29th day of December, 2015.

BETWEEN:

MFC RESOURCE PARTNERSHIP, a partnership organized under the laws of British Columbia

(the "Vendor")

AND:

MFC ENERGY FINANCE INC., a corporation organized under the laws of British Columbia with an office at 400 Burrard Street, Suite 1860, Vancouver, British Columbia, V6C 3A6

(the "Purchaser")

WHEREAS:

A. The Vendor is the legal and beneficial owner of 14,093,001 class A voting common shares of 1049597 B.C. Ltd. (the "1049 Shares") and 4,768,374 class A voting common shares of 1059032 B.C. Ltd. (the "1059 Shares" and, together with the 1049 Shares, the "Purchased Shares"); and

B. The Purchaser wishes to purchase and the Vendor wishes to sell the Purchased Shares upon the terms and conditions herein.

NOW THEREFORE in consideration of the mutual premises, covenants and agreements in this Agreement, and for other good and valuable consideration (the receipt and sufficiency of which is hereby acknowledged by the Parties), the Parties agree as follows:

1. INTERPRETATION

1.1 Definitions

In this Agreement:

(a) "1049 Shares" has the meaning given to it in recital A to this Agreement;

(b) "1059 Shares" has the meaning given to it in recital A to this Agreement;

(c) "Agreement" means this agreement and any recitals to this agreement, as amended, supplemented or restated from time to time;

(d) "Closing Date" means the date set out in Section 5.1 of the Agreement;

(e) "$" or "Dollars" means the lawful currency of Canada unless otherwise stated;

(f) "Parties" means the parties to this Agreement and "Party" means any one of them;

(g) "Purchase Price" has the meaning given to it in Section 2.1 of this Agreement; and

(h) "Purchased Shares" has the meaning given to it in recital A to this Agreement.

1.2 Headings

The division of this Agreement into sections and the insertion of headings are for convenience only and do not form a part of this Agreement and will not be used to interpret, define or limit the scope, extent or intent of this Agreement.

1.3 Section References

Unless otherwise specified, references in this Agreement to "Section(s)" are to sections of this Agreement.

1.4 Number and Gender

Unless otherwise specified, words importing the singular include the plural and vice versa and words importing gender include all genders.

1.5 Governing Law

This Agreement is governed exclusively by, and is to be enforced, construed and interpreted exclusively in accordance with, the laws of the Province of British Columbia and the laws of Canada applicable therein, which will be deemed to be the proper law of the Agreement.

2. <u>PURCHASE AND SALE</u>

2.1 Purchase and Sale

Subject to and in accordance with the terms and conditions set forth in this Agreement, the Vendor hereby agrees to sell, assign and transfer the Purchased Shares to the Purchaser and the Purchaser hereby agrees to purchase the Purchased Shares in consideration for the payment of an aggregate purchase price of $18,861,375 (the "Purchase Price"), consisting of:

(a) $14,093,001 for the 1049 Shares; and

(b) $4,768,374 for the 1059 Shares;

subject to adjustment pursuant to Section 2.2 hereof. The Purchase Price for the Purchased Shares being purchased and sold pursuant to this Section 2.1 is the fair market value of such Purchased Shares as of the date hereof as determined by the Parties.

2.2 Purchase Price Adjustment

(a) In the event that the Minister of National Revenue for Canada or any other competent authority at any time hereafter proposes to issue or issues any assessment or assessments that impose or would impose any liability for any tax on either the

Vendor (or its nominee) or the Purchaser or on any other person on the basis that the fair market value of the Purchased Shares as of the date hereof is greater or less than the Purchase Price set out in Section 2.1 hereof, then the amount of the Purchase Price will be reviewed and the fair market value of such Purchased Shares will be deemed to be an amount determined as follows:

(i) if the authority in making or proposing such an assessment or assessments also makes a determination of the fair market value of the Purchased Shares as of the date hereof and both the Vendor and the Purchaser, either before or after objection or appeal or by agreement with such authority, accept the determination, then the fair market value so determined will be deemed to be the fair market value of such Purchased Shares for the purposes of the Purchase Price in Section 2.1 hereof, and

(ii) in any other case, the Parties will appoint a certified financial analyst in the Province of British Columbia to make a determination of the fair market value of the Purchased Shares, and the fair market value for purposes of the Purchase Price will be the amount agreed upon by both the Vendor and the Purchaser after first receiving and considering such determination or, if they cannot agree, then at the cost of Purchaser, the matter of such value will be referred to a single arbitrator appointed under the *Commercial Arbitration Act* (British Columbia) whose determination of such matters will be final.

(b) If the Purchase Price set out in Section 2.1 is reviewed and the fair market value of the Purchased Shares is deemed to be an amount determined pursuant to this Section 2.2, then the Purchase Price hereunder will be adjusted accordingly and retroactively, *nunc pro tunc*, to the date hereof.

(c) In the event that the Purchase Price is increased pursuant to this Section 2.2, then the Purchaser will forthwith pay to the Vendor (or its nominee) in cash the amount of any increase in the estimate of the Purchase Price pursuant to this Section 2.2.

(d) In the event that the Purchase Price is decreased pursuant to this Section 2.2, then the Vendor will remit, or cause to be remitted, to the Purchaser in cash the amount of the decrease in the estimate of the Purchase Price pursuant to this Section 2.2.

3. REPRESENTATIONS AND WARRANTIES

3.1 Vendor's Representations and Warranties

The Vendor represents and warrants to the Purchaser as follows and acknowledges that the Purchaser is relying on such representations and warranties in connection with its purchase of the Purchased Shares:

(a) Organization – the Vendor is a general partnership, duly organized and validly subsisting under the laws of British Columbia.

(b) Enforceable Agreement – this Agreement has been duly executed and delivered by the Vendor and constitutes a legal, valid and binding obligation of the Vendor, enforceable by the Purchaser against the Vendor in accordance with its terms, subject to the availability of equitable remedies and the enforcement of creditors' rights generally;

(c) Due Authorization - the execution and delivery of this Agreement and the consummation of the transactions contemplated hereunder have been authorized by all necessary action on the part of the Purchaser; and

(d) Title to Shares – the Vendor is the legal and beneficial owner of the Purchased Shares and such Purchased Shares will be transferred to the Purchaser free and clear of any mortgages, liens, charges, restrictions, security interests, adverse claims, pledges, encumbrances or demands whatsoever.

3.2 Purchaser's Representations and Warranties

The Purchaser represents and warrants to the Vendor as follows and acknowledges that the Vendor is relying on such representations and warranties in connection with the sale of the Purchased Shares:

(a) Organization and Power - the Purchaser is a corporation duly organized and validly existing under the laws of British Columbia and has the power, authority and capacity to enter into this Agreement on the terms and conditions herein set forth and to carry out the transactions contemplated by this Agreement;

(b) Due Authorization - the execution and delivery of this Agreement and the consummation of the transactions contemplated hereunder have been authorized by all necessary action on the part of the Purchaser; and

(c) Enforceable Agreement - this Agreement has been duly executed and delivered by the Purchaser and constitutes a legal, valid and binding obligation of the Purchaser, enforceable by the Vendor against the Purchaser in accordance with its terms, subject to the availability of equitable remedies and the enforcement of creditors' rights generally.

3.3 Limited Survival of Representations and Warranties

The representations and warranties of each of the Parties hereunder shall survive the completion of the transactions contemplated hereunder and remain in effect for a period of 30 days from the Closing Date, and thereafter they shall terminate and shall be null and void without further action of the Parties.

4. CONDITIONS

4.1 Conditions for the Benefit of the Vendor

The obligation of the Vendor to complete the sale of the Purchased Shares as contemplated by this Agreement is subject to the satisfaction of the condition that each of the representations and warranties of the Purchaser contained in this Agreement shall be true and correct in all material respects at the date hereof and at the Closing Date (as defined below) as if made at and as of each such date.

4.2 **Condition for the Benefit of the Purchaser**

The obligation of the Purchaser to complete the purchase of the Purchased Shares as contemplated by this Agreement is subject to the satisfaction of the condition that each of the representations and warranties of the Vendor contained in this Agreement shall be true and correct in all material respects at the date hereof and at the Closing Date as if made at and as of each such date.

5. CLOSING

5.1 **Closing Date**

The closing of the transaction herein provided for shall take place on the date hereof (the "**Closing Date**").

5.2 **Vendor's Closing Documents**

On the Closing Date the Vendor will deliver, or cause to be delivered, the following to the Purchaser:

(a) a share certificate representing the Purchased Shares duly endorsed for transfer to the Purchaser or a validly-executed instrument of transfer in place thereof; and

(b) such other documents as the Purchaser may reasonably require.

5.3 **Purchaser's Closing Documents**

On the Closing Date, the Purchaser will deliver the following to the Vendor:

(a) the payment of the Purchase to the Vendor; and

(b) such other documents as the Vendor may reasonably require.

6. GENERAL PROVISIONS

6.1 **Entire Agreement**

This Agreement constitutes the entire agreement between the Parties with respect to the subject matter of this Agreement and supersedes every previous agreement, communication, expectation, negotiation, representation or understanding, whether oral or written, express or implied, statutory or otherwise, among the Parties with respect to the subject matter of this Agreement except as specifically set out herein.

6.2 **Waiver and Consent**

No consent or waiver, express or implied, by any Party to or of any breach or default by another Party of any or all of its obligations under this Agreement will be valid unless it is in writing, nor will it eliminate or modify the need for a specific consent or waiver in any other or subsequent instance.

6.3 **Amendments**

This Agreement may not be amended except by written agreement among all the Parties.

6.4 Assignment

No Party may assign any right, benefit or interest in this Agreement without the written consent of the other Party, which consent may not be unreasonably withheld.

6.5 No Third Party Beneficiaries

This Agreement will enure to the benefit of and be binding upon the Parties and their respective successors and permitted assigns and nothing herein, express or implied, is intended to or shall confer upon any person any legal or equitable right, benefit or remedy of any nature whatsoever, under or by reason of this Agreement.

6.6 Further Assurances

Each Party will, at its own expense, execute and deliver all such further agreements and documents and do such further acts and things as may be reasonably required to give effect to this Agreement.

6.7 Time of Essence

Time is of the essence in the performance of this Agreement.

6.8 Notice

Any notice required or permitted to be given hereunder will be in writing and may be delivered in person or by registered mail addressed to the respective Parties at their address set forth on the first page to this Agreement or such changed address as may be given by a Party to the others by such written notice. Any such notice will be considered to have been given when delivered.

6.9 Severability

Should any part of this Agreement be declared or held invalid for any reason, that invalidity will not affect the ability of the remainder of this Agreement which will continue in force and effect and be construed as if this Agreement had been executed without the invalid portion and it is hereby declared the intention of the Parties that this Agreement would have been executed without reference to any portion which may, for any reason, be hereafter declared or held invalid.

6.10 Counterparts

This Agreement may be executed in any number of counterparts with the same effect as if all Parties had signed the same document. All counterparts will constitute one and the same agreement. This Agreement may be executed and transmitted by facsimile transmission and if so executed and transmitted this Agreement will be for all purposes as effective as if the Parties had delivered an executed original Agreement.

[*Signature page to follow.*]

IN WITNESS WHEREOF the Parties hereto have executed this Agreement as of the day and year first above written.

MFC RESOURCE PARTNERSHIP, by its authorized signatories for and on behalf of its Management Committee

Per:______________________________
Name: Michael Smith
Title: Member of Management Committee

Per:______________________________
Name: Rob Jennings
Title: Member of Management Committee

MFC ENERGY FINANCE INC.

Per:______________________________
Name:
Title:

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7

IN WITNESS WHEREOF the Parties hereto have executed this Agreement as of the day and year first above written.

MFC RESOURCE PARTNERSHIP, by its authorized signatories for and on behalf of its Management Committee

Per:___________________________________
Name: Michael Smith
Title: Member of Management Committee

Per:___________________________________
Name: Rob Jennings
Title: Member of Management Committee

MFC ENERGY FINANCE INC.

Per:___________________________________
Name:
Title:

{00155707.2}

IN WITNESS WHEREOF the Parties hereto have executed this Agreement as of the day and year first above written.

MFC RESOURCE PARTNERSHIP, by its authorized signatories for and on behalf of its Management Committee

Per:______________________________
Name: Michael Smith
Title: Member of Management Committee

Per:______________________________
Name: Rob Jennings
Title: Member of Management Committee

MFC ENERGY FINANCE INC.

Per:______________________________
Name: Samuel Morrow
Title: Director

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TAB

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PROMISSORY NOTE

PRINCIPAL AMOUNT: $13,049,719 DUE ON DEMAND

The undersigned (the "Payor") hereby promises to pay, ON DEMAND, to MFC ENERGY FINANCE INC., a British Columbia company having an office at 400 Burrard Street, Suite 1860, Vancouver, British Columbia V6C 3A6 (the "Payee"), the principal sum of THIRTEEN MILLION FORTY-NINE THOUSAND SEVEN HUNDRED AND NINETEEN DOLLARS in lawful money of Canada, at the above location or such other location as the Payee shall designate in writing. This promissory note shall bear interest in accordance with the terms of the Loan Agreement (as defined below).

This promissory note is a "Reduced MFCRP Note" referred to in a set-off agreement, dated as of the date hereof (the "**Set-Off Agreement**"), between the Payee and the Payor, and is subject to the terms and conditions of the loan agreement, dated as of the 30th day of June, 2015 (the "**Loan Agreement**"), between the Payee and the Payor. In the event of any conflict between this promissory note and the Loan Agreement, the Loan Agreement shall govern.

The Payor hereby waives diligence, presentment, demand, protest or notice of any kind in connection with this promissory note. ALL PAYMENTS UNDER THIS PROMISSORY NOTE SHALL BE MADE BY THE PAYOR WITHOUT ANY RIGHT OR DEFENCE OF SET-OFF, COUNTERCLAIM OR DEDUCTION OF ANY KIND, IN LAW OR IN EQUITY, whatsoever, howsoever existing or arising between the Payor or Payee or otherwise, including pursuant to the Loan Agreement. This promissory note shall be binding upon the Payor and its successors and assigns, and the terms and provisions of this promissory note shall inure to the benefit of the Payee and its successors and assigns, including subsequent holders hereof. The Payor's obligations under this promissory note may not be assigned without the prior written consent of the Payee. This promissory note is fully assignable by the Payee, in whole or in part, to any person at any time without notice to, or the consent of, the Payor.

This promissory note shall be governed by and construed in accordance with the laws of the Province of British Columbia and the laws of Canada applicable therein. The Payor and the Payee irrevocably attorn to the exclusive jurisdiction of the Courts of British Columbia located in Vancouver, British Columbia with respect to any matters arising out of this promissory note.

COPY

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DATED this 29th day of December, 2015.

MFC RESOURCE PARTNERSHIP, by its authorized signatories for and on behalf of its Management Committee

By: ______________________
Michael Smith
Member of Management Committee

By: ______________________
Rob Jennings
Member of Management Committee

DATED this 29th day of December, 2015.

MFC RESOURCE PARTNERSHIP, by its authorized signatories for and on behalf of its Management Committee

By:______________________________
Michael Smith
Member of Management Committee

By:______________________________
Rob Jennings
Member of Management Committee

TAB

16

CROSS RECEIPT
AMONG
MFC ENERGY FINANCE INC.
AND
MFC RESOURCE PARTNERSHIP

Reference is made to Share Purchase Agreement (the "**Agreement**") between MFC Resource Partnership ("**MFCRP**") and MFC Energy Finance Inc. ("**MFCEF**"), dated of even date herewith.

1. MFCEF hereby acknowledges receipt from MFCRP of 14,093,001 class A common shares of 1049597 B.C. Ltd. and 4,768,374 class A common shares of 1059032 B.C. Ltd.

2. MFCRP hereby acknowledges receipt of the Purchase Price under the Agreement from MFCEF.

Capitalized terms that are not otherwise defined herein shall have the meanings ascribed thereto in the Agreement.

(Signature pages follow)

Dated the 29th day of December, 2015.

MFC ENERGY FINANCE INC.

By: ____________________
Name: Samuel Morrow
Title: Director

MFC RESOURCE PARTNERSHIP, by its authorized signatories for and on behalf of its Management Committee

By: ____________________
Name: Michael Smith
Title: Member of Management Committee

By: ____________________
Name: Rob Jennings
Title: Member of Management Committee

{00155685.1}

[Signature Page to Cross-Receipt]

Dated the 29th day of December, 2015.

MFC ENERGY FINANCE INC.

By: ______________________
Name: Samuel Morrow
Title: Director

MFC RESOURCE PARTNERSHIP, by its authorized signatories for and on behalf of its Management Committee

By: ______________________
Name: Michael Smith
Title: Member of Management Committee

By: ______________________
Name: Rob Jennings
Title: Member of Management Committee

{00155685.1}

[Signature Page to Cross-Receipt]

Dated the 29th day of December, 2015.

MFC ENERGY FINANCE INC.

By: ____________________
Name: Samuel Morrow
Title: Director

MFC RESOURCE PARTNERSHIP, by its authorized signatories for and on behalf of its Management Committee

By: ____________________
Name: Michael Smith
Title: Member of Management Committee

By: ____________________
Name: Rob Jennings
Title: Member of Management Committee

{00155685.1}

[Signature Page to Cross-Receipt]

TAB

17

BILL OF SALE

THIS BILL OF SALE is made the 8th day of February, 2017.

BETWEEN:

MFC ENERGY FINANCE INC., a company organized under the laws of the Province of British Columbia with an office at 400 Burrard Street, Suite 1860, Vancouver, British Columbia, V6C 3A6

(the "**Purchaser**")

AND:

0989 RESOURCE PARTNERSHIP, a general partnership existing under the laws of the Province of British Columbia with an office at 404 6 Avenue S.W., Suite 300, Calgary, Alberta, T2P 0R9

(the "**Vendor**")

WHEREAS:

A. The Vendor is the owner of all 3D seismic data, including 3D seismic surveys and including all permanent records or bin locations, bin fold, static corrections, surface elevations and any other relevant information relating to the seismic lines set forth and described in Schedule "A" hereto (the "**Seismic Data**"), which, for clarity, includes all such Seismic Data acquired by the Vendor pursuant to the contribution agreement dated August 16, 2013 among the Vendor, Lexin Resources Ltd. and MFC Bancorp Ltd.; and

B. The Vendor wishes to sell, convey, assign and transfer all of its right, title and interest, including trading rights in and to all proprietary Seismic Data owned by it and relating to the seismic lines set forth at Schedule "A" hereto, but in all cases, excluding any such data which cannot be transferred by the Vendor without obtaining the consent of any third party or if the transfer of which would result in a transfer fee payable to any third party (the "**Purchased Assets**") to the Purchaser, and the Purchaser wishes to purchase and accept the conveyance, assignment and transfer of the Purchased Assets, on the terms and subject to the conditions set out herein.

NOW THEREFORE THIS BILL OF SALE WITNESSES that in consideration of and for the sum of eight hundred ninety thousand dollars of lawful money of Canada ($890,000) (the "**Purchase Price**") and other good and valuable consideration to be paid by the Purchaser to the Vendor, the Vendor hereby sells, assigns, transfers, and sets over the Purchased Assets and all the right, title, interest, property, claim, and demand of the Vendor thereto and therein, unto the Purchaser, to and for its sole and only use forever. The Vendor and the Purchaser acknowledge, declare, covenant and agree as follows:

1. The Vendor has good and marketable title to the Purchased Assets and such Purchased Assets are free and clear of all liens, mortgages, security interests, encumbrances and restrictions of any kind whatsoever.

2. The Purchaser acknowledges that it had an opportunity to examine the Purchased Assets, is acquiring the Purchased Assets on an "as is, where is" basis and that the Vendor makes no representations or warranties whatsoever in connection therewith, including as to the accuracy or completeness of such Purchased Assets.

3. The Vendor will indemnify and save harmless the Purchaser from any and all charges and encumbrances related to the Purchased Assets.

4. Each of the parties shall and may from time to time, and at all times hereafter, upon every reasonable request of the other party, but at the expense of such other party, make do and execute, or cause or procure to be made, done and executed, all such further acts, deeds and assurances for the more effectual assignment and assurance of the Purchased Assets unto the Purchaser, in the manner aforesaid, and according to the true intent and meaning of this Bill of Sale, as will be reasonably required by each of the parties.

5. The Purchase Price is exclusive of any sales taxes including Goods and Services Tax, provincial sales tax or any similar tax arising as a result of or in connection with the transaction ("**Transaction Taxes**"). The Vendor may charge and the Purchaser will pay applicable Transaction Taxes that the Vendor is legally obligated to charge and pass to authorities, provided such Vendor issues an invoice in a manner that provides the information required to enable the Purchaser to claim an input tax credit or refund for any tax charged. Subject to the foregoing, each party is responsible for its own taxes (including interest or penalties) or fees arising from transaction and the documentation of transactions under this agreement.

6. In the event that the Minister of National Revenue, the Minister of Finance for the Province of British Columbia, their authorized representatives, or any similar authority at any time hereafter proposes to issue or issues any assessment or assessments that impose or would impose any liability for any tax on the Vendor or the Purchaser or on any other Person on the basis that the fair market value of the Purchased Assets as of the date hereof is greater or less than the Purchase Price set out in this Bill of Sale, then the amount of the Purchase Price will be reviewed and the fair market value of the Purchased Assets will be deemed to be an amount determined as follows:

   (a) if the authority in making or proposing such an assessment or assessments also makes a determination of the fair market value of the Purchased Assets as of the date hereof and both the Vendor and the Purchaser, either before or after objection or appeal or by agreement with such authority, accept the determination, then the fair market value so determined will be deemed to be the fair market value of such Purchased Assets for the purposes of the Purchase Price set out in this Bill of Sale; and

   (b) in any other case, the parties will appoint a firm of chartered accountants in the Province of British Columbia to make or obtain a second determination of the fair market value of the Purchased Assets, and the fair market value for purposes of the Purchase Price will be the amount agreed upon by both the Vendor and the Purchaser after first receiving and considering such second determination or, if they cannot agree, the matter of such value will be referred to a single arbitrator appointed under the *Arbitration Act* (British Columbia) whose determination of such matters will be final.

7. If the Purchase Price set out in this Bill of Sale is reviewed and the fair market value of the Purchased Assets is deemed to be an amount determined pursuant to Section 6 hereof, then the Purchase Price hereunder will be adjusted accordingly and retroactively, *nunc pro tunc*, to the date of this Bill of Sale.

8. The Purchaser and the Vendor agree to attribute the amount of any increase or decrease in the estimate of the Purchase Price pursuant to Sections 6 and 7 hereof to the Purchased Assets, as agreed between the Parties, which attribution shall be confirmed by resolution of the directors of the Purchaser; or if the attribution is not confirmed by resolution of the directors of the Purchaser within 180 days of the final determination of the adjustment pursuant to Sections 6 and 7 hereof, then by payment in cash of the amount of the increase or decrease in the Purchase Price by the appropriate party.

9. The Purchaser hereby represents and warrants to the Vendor and acknowledges and agrees that it had the opportunity to seek and was not prevented nor discouraged by the Vendor from seeking independent legal advice prior to the execution and delivery of this Bill of Sale and that, in the event that it did not avail itself of that opportunity prior to signing this Bill of Sale, it did so voluntarily without any undue pressure and agrees that its failure to obtain independent legal advice shall not be used by it as defence to the enforcement of its obligations under this Bill of Sale.

10. This Bill of Sale shall be governed by and construed in accordance with the laws of the Province of British Columbia and the laws of Canada applicable therein.

11. This Bill of Sale may be executed in several counterparts and evidenced by a facsimile copy of an original execution page bearing the signature of each party hereto, each of which when so executed shall be deemed to be an original, and such counterparts or facsimile copies thereof together shall comprise one and the same instrument and, notwithstanding their date of execution, shall be deemed to bear the date as of the date above written.

All grants, covenants, provisos, agreements, rights, powers, privileges, and liabilities contained in this Bill of Sale will be read and held as made by and with, granted to and imposed upon the parties hereto, and their respective heirs, executors, administrators, successors and assigns; and wherever the singular or the masculine is used, it will be construed as meaning the plural or the feminine or the body politic or corporate where the context or the parties hereto so require; and where a party is more than one person, all covenants of that party will be deemed to be joint and several.

[*Signature page follows.*]

IN WITNESS WHEREOF the parties hereto have executed this Bill of Sale with effect as of the day and year first above written.

MFC ENERGY FINANCE INC.

Per:________________________
Authorized Signatory

0989 RESOURCE PARTNERSHIP, by its authorized signatories for and on behalf of its Management Committee

Per:________________________
Name: Michael Smith
Title: Member of the Management Committee

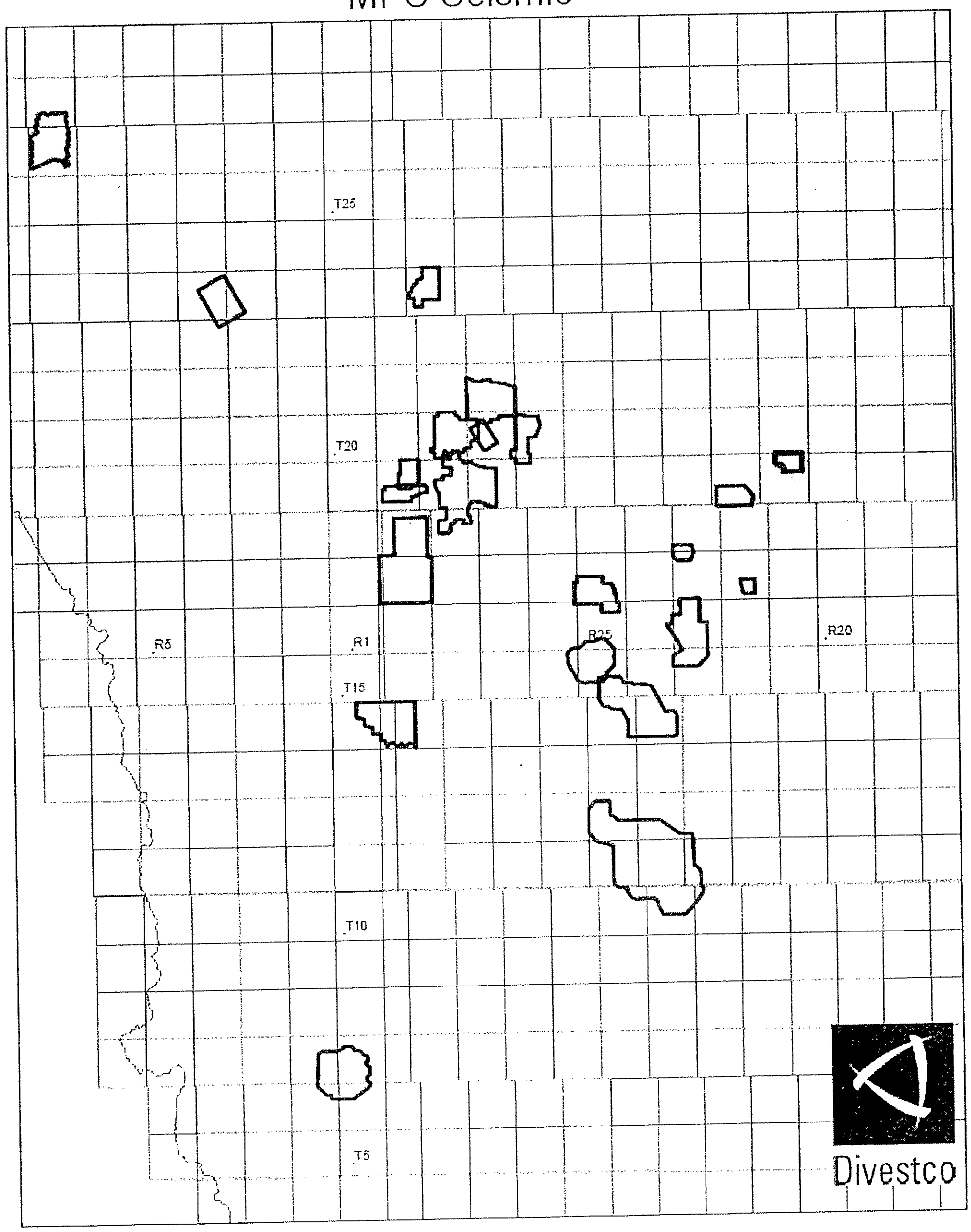
Per: Jasmina Cezek
Name: Jasmina Cezek
Title: Member of the Management Committee

{00198212.2}

Schedule A

Seismic Data

MFC Seismic



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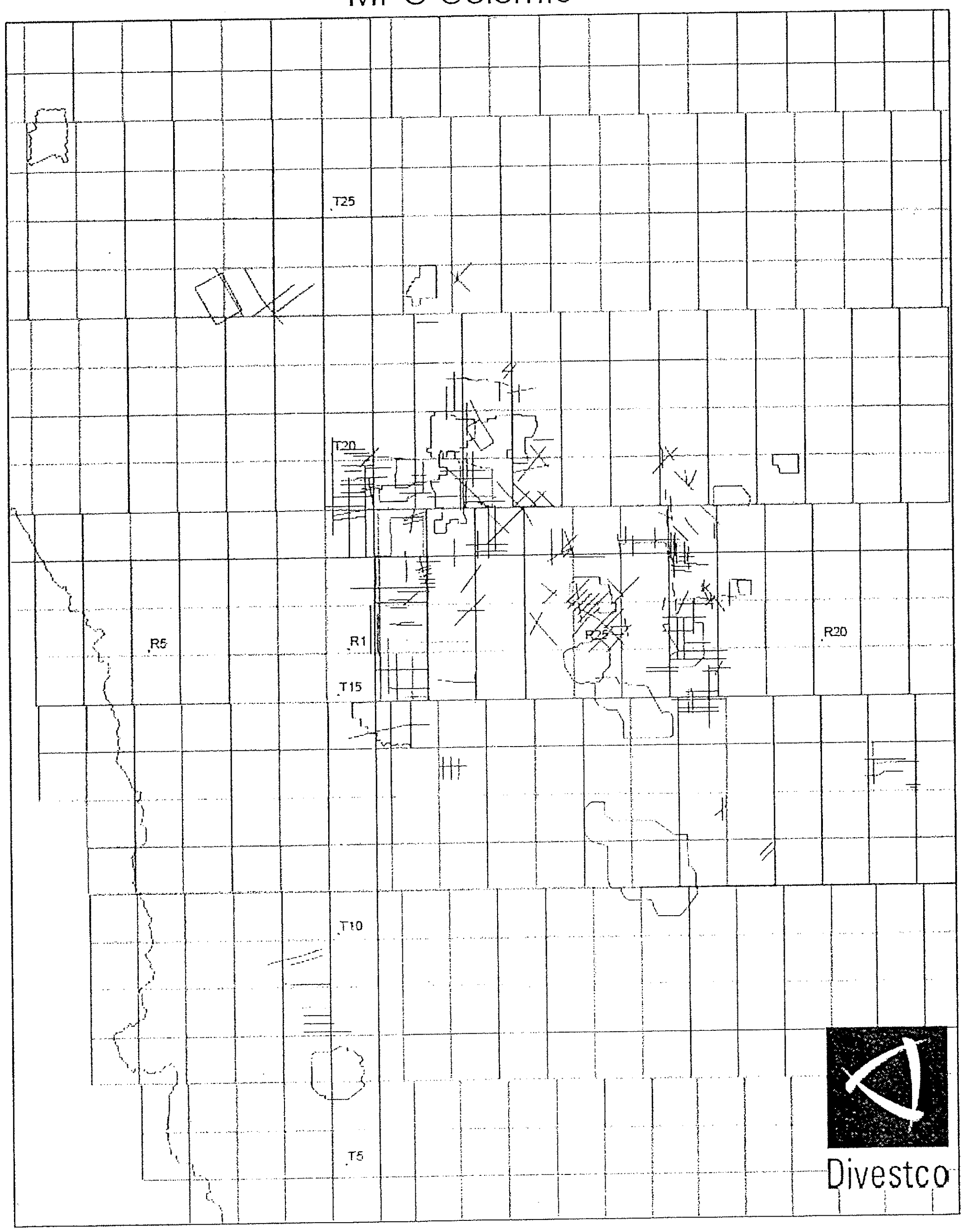
MFC Seismic



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3D Dataset — Lern

OBJECTID	SEIS_LINE_	LINE_MANAG	LINE_OWN_1	LSP	LINE_LENGT	LINE_LEN_1	YEAR	DIMENSION	PROSPECT	SEIS_LINE1
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7354	418641796	COMPTON PETROLEUM CORPORATION*	1001276243		13.00000000 KM	24.42000000		3D OUTLINE	HIGH RIVER WEST 3D	SWA-2002-3D2
7373	418644722	COMPTON PETROLEUM CORPORATION*	1001276243		24.00000000 KM	62.39000000		3D OUTLINE	MEDALLION	SWA-2006-MED-3D
7382	418645066	COMPTON PETROLEUM CORPORATION*	1001276243		8.00000000 KM	21.42000000		3D OUTLINE	FARROW TONGUECR 3D	F-97-3D3
7383	418645084	COMPTON PETROLEUM CORPORATION*	1001276243		34.00000000 KM	84.74000000		3D OUTLINE	S.W. ALBERTA (APHRODI	SWA-2002-3D1
7368	418644555	COMPTON PETROLEUM CORPORATION*	1001276243		26.00000000 KM	121.06000000		3D OUTLINE	CHAMPION	CHAMPION 05 3D
7370	418644621	COMPTON PETROLEUM CORPORATION*	1001276243		26.00000000 KM	96.17000000		3D OUTLINE	COWLEY	COWLEY 3D
178	105160955	COMPTOM PETROLEUM CORPORATION*	1001276243		201.00000000 KM	17.66000000	2002	3D OUTLINE	QUEENSTOWN	QUEENSTOWN.3D
7360	418641648	COMPTON PETROLEUM CORPORATION*	1001276243		17.00000000 KM	31.64000000		3D OUTLINE	CHESTERMERE 3D	CHESTERMERE 3D
7361	418641675	COMPTON PETROLEUM CORPORATION*	1001276243		5.00000000 KM	17.20000000		3D OUTLINE	FARROW(GLADY) 3D	F-95-3D1
7380	418645011	COMPTON PETROLEUM CORPORATION*	1001276243		17.00000000 KM	48.39000000		3D OUTLINE	VULCAN 99 3D2	V-99-2-3D
7372	418644674	COMPTON PETROLEUM CORPORATION*	1001276243		39.00000000 KM	309.91000000	2006	3D OUTLINE	MONARCH	MONARCH 2006 3D
7363	418641764	COMPTON PETROLEUM CORPORATION*	1001276243		9.00000000 KM	152.49000000		3D OUTLINE	HIGH RIVER 3D	SWA-2001-3D1
7374	418644755	COMPTON PETROLEUM CORPORATION*	1001276243		27.00000000 KM	73.57000000		3D OUTLINE	THRID LAKE	SWA-2006-THIRD L
7377	418644885	COMPTON PETROLEUM CORPORATION*	1001276243		38.00000000 KM	63.93000000		3D OUTLINE	VULCAN	VULCAN 2005 3D
7381	418645038	COMPTON PETROLEUM CORPORATION*	1001276243		18.00000000 KM	35.07000000		3D OUTLINE	FARROW3D	F-97-3D2
					Total	1188.76000000				

2D [illegible] Lexin

OBJECTID	SEIS_LINE_	LINE_MAN_1	LINE_OWN_1	LSP	LINE_LENGT	LINE_LEN_1	DIMENSION	PROSPECT	SEIS_LINE1
349584	415610827	COMPTON PETROLEUM CORPORATION*	1001276243	369.00000000	KM	4.02000000	2D	LONG COULEE	99HP1-03
360010	418641349	COMPTON PETROLEUM CORPORATION*	1001276243	526.00000000	KM	10.62000000	2D	TSUU TINA	SWA-2000-03
360025	418641538	COMPTON PETROLEUM CORPORATION*	1001276243	341.00000000	KM	3.60000000	2D	MEDALLION PHASE II 2D	SWA-ENI01-MED-22
360030	418641599	COMPTON PETROLEUM CORPORATION*	1001276243	341.00000000	KM	3.60000000	2D	MEDALLION PHASE II 2D	SWA-ENI01-MED-28
360039	418642089	COMPTON PETROLEUM CORPORATION*	1001276243	761.00000000	KM	5.53000000	2D	COWLEY 2D	COW05-1
360075	418642533	COMPTON PETROLEUM CORPORATION*	1001276243	461.00000000	KM	5.40000000	2D	STAVELY	S-97-113
360099	418642822	COMPTON PETROLEUM CORPORATION*	1001276243	665.00000000	KM	11.28000000	2D	LONG COULEE	SWA-05-LC-12
360100	418642834	COMPTON PETROLEUM CORPORATION*	1001276243	505.00000000	KM	8.08000000	2D	LONG COULEE	SWA-05-LC-13
360103	418642870	COMPTON PETROLEUM CORPORATION*	1001276243	420.00000000	KM	6.38000000	2D	LONG COULEE	SWA-05-LC-16
360117	418643043	COMPTON PETROLEUM CORPORATION*	1001276243	3445.00000000	KM	6.87000000	2D	MEDALLION	SWA-2002-103
360119	418643070	COMPTON PETROLEUM CORPORATION*	1001276243	5673.00000000	KM	11.43000000	2D	MEDALLION	SWA-2002-105
360127	418643170	COMPTON PETROLEUM CORPORATION*	1001276243	629.00000000	KM	10.56000000	2D	GLADYS 2D	SWA-2004-903
360133	418643244	COMPTON PETROLEUM CORPORATION*	1001276243	701.00000000	KM	11.99000000	2D	BRANT	SWA-2005-001
360140	418643331	COMPTON PETROLEUM CORPORATION*	1001276243	372.00000000	KM	5.44000000	2D	BRANT	SWA-2005-103
360159	418643568	COMPTON PETROLEUM CORPORATION*	1001276243	1657.00000000	KM	19.41000000	2D	HARTEL	SWA-2005-321
360165	418643642	COMPTON PETROLEUM CORPORATION*	1001276243	777.00000000	KM	8.46000000	2D	HOOKER SOUTH	SWA-2007-007
360172	418643732	COMPTON PETROLEUM CORPORATION*	1001276243	425.00000000	KM	4.85000000	2D	EASTMONT 2D	SWA-2007-101
360176	418643777	COMPTON PETROLEUM CORPORATION*	1001276243	477.00000000	KM	5.64000000	2D	VULCAN AREA 2D	SWA-ENI01-VUL-101
360184	418643877	COMPTON PETROLEUM CORPORATION*	1001276243	313.00000000	KM	3.18000000	2D	MEDALLION	SWA-ENI02-MED-64
360197	418644035	COMPTON PETROLEUM CORPORATION*	1001276243	269.00000000	KM	2.52000000	2D	VULCAN	SWA-ENI03-VUL-303
360204	418644123	COMPTON PETROLEUM CORPORATION*	1001276243	749.00000000	KM	9.71000000	2D	COWLEY 2D	TOD05-3
360207	418644198	COMPTON PETROLEUM CORPORATION*	1001276243	509.00000000	KM	6.12000000	2D	VULCAN	V-98-105
360211	418644246	COMPTON PETROLEUM CORPORATION*	1001276243	266.00000000	KM	2.46000000	2D	VULCAN	V-98-109
360213	418644270	COMPTON PETROLEUM CORPORATION*	1001276243	434.00000000	KM	4.99000000	2D	VULCAN	V-98-111
360220	418644361	COMPTON PETROLEUM CORPORATION*	1001276243	305.00000000	KM	4.08000000	2D	VULCAN	V-99-207
360014	418641398	COMPTON PETROLEUM CORPORATION*	1001276243	621.00000000	KM	6.50000000	2D	TONGUE CREEK	SWA-2001-2
360016	418641423	COMPTON PETROLEUM CORPORATION*	1001276243	577.00000000	KM	5.95000000	2D	TONGUE CREEK	SWA-2001-4
360029	418641587	COMPTON PETROLEUM CORPORATION*	1001276243	413.00000000	KM	4.68000000	2D	MEDALLION PHASE II 2D	SWA-ENI01-MED-27
360047	418642186	COMPTON PETROLEUM CORPORATION*	1001276243	336.00000000	KM	3.51000000	2D	FARROW	F-97-103
360059	418642337	COMPTON PETROLEUM CORPORATION*	1001276243	101.00000000	KM	4.87000000	2D	FARROW	F-99-102
360072	418642497	COMPTON PETROLEUM CORPORATION*	1001276243	451.00000000	KM	5.25000000	2D	STAVELY	S-97-110
360074	418642521	COMPTON PETROLEUM CORPORATION*	1001276243	561.00000000	KM	6.90000000	2D	STAVELY	S-97-112
360077	418642558	COMPTON PETROLEUM CORPORATION*	1001276243	136.00000000	KM	4.80000000	2D	STAVELY	S-98-1
360081	418642606	COMPTON PETROLEUM CORPORATION*	1001276243	301.00000000	KM	3.00000000	2D	STAVELY	S-98-3
360085	418642654	COMPTON PETROLEUM CORPORATION*	1001276243	101.00000000	KM	7.19000000	2D	STAVELY	S-98-7
360111	418642966	COMPTON PETROLEUM CORPORATION*	1001276243	421.00000000	KM	6.40000000	2D	LONG COULEE	SWA-05-LC-8
360137	418643292	COMPTON PETROLEUM CORPORATION*	1001276243	445.00000000	KM	6.47000000	2D	BRANT	SWA-2005-007
360141	418643343	COMPTON PETROLEUM CORPORATION*	1001276243	637.00000000	KM	10.71000000	2D	BRANT	SWA-2005-104
360150	418643452	COMPTON PETROLEUM CORPORATION*	1001276243	493.00000000	KM	4.88000000	2D	HARTEL	SWA-2005-301
360151	418643464	COMPTON PETROLEUM CORPORATION*	1001276243	625.00000000	KM	6.71000000	2D	HARTEL	SWA-2005-303
360156	418643531	COMPTON PETROLEUM CORPORATION*	1001276243	753.00000000	KM	8.13000000	2D	HARTEL	SWA-2005-308
360158	418643556	COMPTON PETROLEUM CORPORATION*	1001276243	621.00000000	KM	6.39000000	2D	HARTEL	SWA-2005-316
360168	418643680	COMPTON PETROLEUM CORPORATION*	1001276243	893.00000000	KM	9.68000000	2D	HOOKER SOUTH	SWA-2007-010
360169	418643695	COMPTON PETROLEUM CORPORATION*	1001276243	881.00000000	KM	8.86000000	2D	HOOKER SOUTH	SWA-2007-011
360179	418643816	COMPTON PETROLEUM CORPORATION*	1001276243	377.00000000	KM	4.14000000	2D	MEDALLION	SWA-ENI02-MED-51
360195	418644011	COMPTON PETROLEUM CORPORATION*	1001276243	277.00000000	KM	2.64000000	2D	VULCAN	SWA-ENI03-VUL-301
360199	418644059	COMPTON PETROLEUM CORPORATION*	1001276243	601.00000000	KM	9.99000000	2D	LONG COULEE 2D	SWA-LC-002
360200	418644071	COMPTON PETROLEUM CORPORATION*	1001276243	669.00000000	KM	11.35000000	2D	LONG COULEE 2D	SWA-LC-003
360201	418644083	COMPTON PETROLEUM CORPORATION*	1001276243	457.00000000	KM	5.34000000	2D	MILO	SWA-MILO-02-02
360215	418644295	COMPTON PETROLEUM CORPORATION*	1001276243	469.00000000	KM	7.36000000	2D	VULCAN	V-99-202

360013	418641386	COMPTON PETROLEUM CORPORATION*	1001276243	585.00000000	KM	9.65000000	2D	HOOKER WEST	SWA-2001-104
360015	418641411	COMPTON PETROLEUM CORPORATION*	1001276243	617.00000000	KM	6.48000000	2D	TONGUE CREEK	SWA-2001-3
360C32	418641623	COMPTON PETROLEUM CORPORATION*	1001276243	365.00000000	KM	3.95000000	2D	MEDALLION PHASE III	SWA-ENI02-MED-31
360C38	418642077	COMPTON PETROLEUM CORPORATION*	1001276243	417.00000000	KM	4.68000000	2D	CHESTERMERE 99-100	C-99-1
360C54	418642274	COMPTON PETROLEUM CORPORATION*	1001276243	425.00000000	KM	6.45000000	2D	FARROW	F-97-117
360084	418642642	COMPTON PETROLEUM CORPORATION*	1001276243	101.00000000	KM	3.00000000	2D	STAVELY	S-98-6
360088	418642690	COMPTON PETROLEUM CORPORATION*	1001276243	106.00000000	KM	4.64000000	2D	STAVELY	S-99-102
360090	418642714	COMPTON PETROLEUM CORPORATION*	1001276243	51.00000000	KM	4.95000000	2D	STAVELY	S-99-104
360091	418642726	COMPTON PETROLEUM CORPORATION*	1001276243	426.00000000	KM	4.87000000	2D	STAVELY	S-99-105
360094	418642762	COMPTON PETROLEUM CORPORATION*	1001276243	641.00000000	KM	8.10000000	2D	STAVELY	S-99-708
360105	418642894	COMPTON PETROLEUM CORPORATION*	1001276243	465.00000000	KM	8.91000000	2D	LONG COULEE	SWA-05-LC-18
360110	418642954	COMPTON PETROLEUM CORPORATION*	1001276243	359.00000000	KM	5.15000000	2D	LONG COULEE	SWA-05-LC-7
360120	418643084	COMPTON PETROLEUM CORPORATION*	1001276243	329.00000000	KM	4.56000000	2D	BRANT	SWA-2004-001
360123	418643120	COMPTON PETROLEUM CORPORATION*	1001276243	329.00000000	KM	4.56000000	2D	BRANT	SWA-2004-004
360129	418643196	COMPTON PETROLEUM CORPORATION*	1001276243	469.00000000	KM	7.36000000	2D	GLADYS 2D	SWA-2004-905
360136	418643280	COMPTON PETROLEUM CORPORATION*	1001276243	305.00000000	KM	4.08000000	2D	BRANT	SWA-2005-004
360143	418643368	COMPTON PETROLEUM CORPORATION*	1001276243	361.00000000	KM	5.20000000	2D	BRANT	SWA-2005-106
360154	418643507	COMPTON PETROLEUM CORPORATION*	1001276243	477.00000000	KM	4.70000000	2D	HARTEL	SWA-2005-306
360175	418643765	COMPTON PETROLEUM CORPORATION*	1001276243	329.00000000	KM	3.42000000	2D	VULCAN AREA 2D	SWA-ENI01-VUL-100
360178	418643804	COMPTON PETROLEUM CORPORATION*	1001276243	377.00000000	KM	4.14000000	2D	MEDALLION	SWA-ENI02-MED-50
360187	418643915	COMPTON PETROLEUM CORPORATION*	1001276243	321.00000000	KM	3.30000000	2D	MEDALLION	SWA-ENI02-MED-69
360188	418643927	COMPTON PETROLEUM CORPORATION*	1001276243	281.00000000	KM	2.70000000	2D	VULCAN	SWA-ENI02-VUL-200
360189	418643939	COMPTON PETROLEUM CORPORATION*	1001276243	333.00000000	KM	3.48000000	2D	VULCAN	SWA-ENI02-VUL-201
360217	418644322	COMPTON PETROLEUM CORPORATION*	1001276243	221.00000000	KM	2.40000000	2D	VULCAN	V-99-204
564640	431530281	MFC ENERGY CORPORATION	1001276243	557.00000000	KM	6.85000000	2D	VULCAN	V-98-102
564641	431530740	MFC ENERGY CORPORATION	1001276243	482.00000000	KM	5.71000000	2D	VULCAN	V-98-103
359983	418641021	COMPTON PETROLEUM CORPORATION*	1001276243	397.00000000	KM	4.44000000	2D	CHESTERMERE	C-98-6
360020	418641476	COMPTON PETROLEUM CORPORATION*	1001276243	313.00000000	KM	3.18000000	2D	MEDALLION	SWA-ENI01-MED-11
360022	418641500	COMPTON PETROLEUM CORPORATION*	1001276243	317.00000000	KM	3.24000000	2D	MEDALLION	SWA-ENI01-MED-14
360024	418641525	COMPTON PETROLEUM CORPORATION*	1001276243	397.00000000	KM	4.44000000	2D	MEDALLION PHASE II 2D	SWA-ENI01-MED-21
360027	418641563	COMPTON PETROLEUM CORPORATION*	1001276243	369.00000000	KM	4.02000000	2D	MEDALLION PHASE II 2D	SWA-ENI01-MED-25
360040	418642101	COMPTON PETROLEUM CORPORATION*	1001276243	751.00000000	KM	9.77000000	2D	COWLEY 2D	COW05-2
360042	418642125	COMPTON PETROLEUM CORPORATION*	1001276243	823.00000000	KM	6.31000000	2D	COWLEY 2D	COW05-6
360048	418642198	COMPTON PETROLEUM CORPORATION*	1001276243	506.00000000	KM	6.12000000	2D	FARROW	F-97-104
360050	418642222	COMPTON PETROLEUM CORPORATION*	1001276243	101.00000000	KM	5.70000000	2D	FARROW	F-97-108
360066	418642423	COMPTON PETROLEUM CORPORATION*	1001276243	325.00000000	KM	4.45000000	2D	SW ALBERTA (KEHO)	K-97-002
360070	418642471	COMPTON PETROLEUM CORPORATION*	1001276243	957.00000000	KM	17.06000000	2D	WILLOW CREEK	S-2000-003
360079	418642582	COMPTON PETROLEUM CORPORATION*	1001276243	101.00000000	KM	4.35000000	2D	STAVELY	S-98-11
360098	418642810	COMPTON PETROLEUM CORPORATION*	1001276243	408.00000000	KM	6.12000000	2D	LONG COULEE	SWA-05-LC-11
360107	418642918	COMPTON PETROLEUM CORPORATION*	1001276243	525.00000000	KM	8.48000000	2D	LONG COULEE	SWA-05-LC-3
360112	418642978	COMPTON PETROLEUM CORPORATION*	1001276243	344.00000000	KM	4.86000000	2D	LONG COULEE	SWA-05-LC-9
360114	418643002	COMPTON PETROLEUM CORPORATION*	1001276243	467.00000000	KM	7.32000000	2D	BRANT 2001-1	SWA-2001-201
360125	418643144	COMPTON PETROLEUM CORPORATION*	1001276243	305.00000000	KM	4.08000000	2D	GLADYS 2D	SWA-2004-901
360138	418643304	COMPTON PETROLEUM CORPORATION*	1001276243	401.00000000	KM	6.00000000	2D	BRANT	SWA-2005-101
360146	418643404	COMPTON PETROLEUM CORPORATION*	1001276243	981.00000000	KM	8.80000000	2D	OKOTOKS	SWA-2005-202
360152	418643480	COMPTON PETROLEUM CORPORATION*	1001276243	361.00000000	KM	3.24000000	2D	HARTEL	SWA-2005-304
360155	418643519	COMPTON PETROLEUM CORPORATION*	1001276243	753.00000000	KM	8.14000000	2D	HARTEL	SWA-2005-307
360157	418643543	COMPTON PETROLEUM CORPORATION*	1001276243	753.00000000	KM	8.15000000	2D	HARTEL	SWA-2005-315
360162	418643606	COMPTON PETROLEUM CORPORATION*	1001276243	621.00000000	KM	6.48000000	2D	HARTEL	SWA-2005-325
360170	418643707	COMPTON PETROLEUM CORPORATION*	1001276243	1193.00000000	KM	13.61000000	2D	HOOKER SOUTH	SWA-2007-012
360185	418643889	COMPTON PETROLEUM CORPORATION*	1001276243	581.00000000	KM	7.20000000	2D	MEDALLION	SWA-ENI02-MED-67

360191	418643963	COMPTON PETROLEUM CORPORATION*	1001276243	289.00000000 KM	2.82000000 2D	MEDALLION	SWA-ENI03-MED-72
360194	418643999	COMPTON PETROLEUM CORPORATION*	1001276243	333.00000000 KM	3.49000000 2D	MEDALLION	SWA-ENI03-MED-75
360202	418644096	COMPTON PETROLEUM CORPORATION*	1001276243	889.00000000 KM	11.75000000 2D	COWLEY 2D	TOD05-1
360206	418644186	COMPTON PETROLEUM CORPORATION*	1001276243	440.00000000 KM	5.08000000 2D	VULCAN	V-98-104
360209	418644222	COMPTON PETROLEUM CORPORATION*	1001276243	635.00000000 KM	8.01000000 2D	VULCAN	V-98-107
360008	418641325	COMPTON PETROLEUM CORPORATION*	1001276243	1469.00000000 KM	17.18000000 2D	STAVELY	S-2000-002
360012	418641374	COMPTON PETROLEUM CORPORATION*	1001276243	357.00000000 KM	3.28000000 2D	TONGUE CREEK	SWA-2001-1
360045	418642161	COMPTON PETROLEUM CORPORATION*	1001276243	681.00000000 KM	8.73000000 2D	FARROW	F-97-101
360051	418642234	COMPTON PETROLEUM CORPORATION*	1001276243	141.00000000 KM	4.65000000 2D	FARROW	F-97-109
360052	418642246	COMPTON PETROLEUM CORPORATION*	1001276243	360.00000000 KM	5.17000000 2D	FARROW	F-97-115
360063	418642385	COMPTON PETROLEUM CORPORATION*	1001276243	366.00000000 KM	3.90000000 2D	FARROW	F-99-106
360067	418642434	COMPTON PETROLEUM CORPORATION*	1001276243	284.00000000 KM	3.66000000 2D	KEHO LAKE	K-97-003
360071	418642485	COMPTON PETROLEUM CORPORATION*	1001276243	641.00000000 KM	8.10000000 2D	STAVELY	S-2000-01
360076	418642545	COMPTON PETROLEUM CORPORATION*	1001276243	676.00000000 KM	8.62000000 2D	STAVELY	S-97-114
360078	418642570	COMPTON PETROLEUM CORPORATION*	1001276243	351.00000000 KM	3.83000000 2D	STAVELY	S-98-10
360082	418642618	COMPTON PETROLEUM CORPORATION*	1001276243	101.00000000 KM	2.70000000 2D	STAVELY	S-98-4
360087	418642678	COMPTON PETROLEUM CORPORATION*	1001276243	101.00000000 KM	4.20000000 2D	STAVELY	S-98-9
360089	418642702	COMPTON PETROLEUM CORPORATION*	1001276243	381.00000000 KM	4.96000000 2D	STAVELY	S-99-103
360093	418642750	COMPTON PETROLEUM CORPORATION*	1001276243	313.00000000 KM	5.30000000 2D	STAVELY	S-99-111
360096	418642786	COMPTON PETROLEUM CORPORATION*	1001276243	589.00000000 KM	9.77000000 2D	STAVELY	S-99-NAN-001
360102	418642858	COMPTON PETROLEUM CORPORATION*	1001276243	741.00000000 KM	12.78000000 2D	LONG COULEE	SWA-05-LC-15
360108	418642930	COMPTON PETROLEUM CORPORATION*	1001276243	505.00000000 KM	8.08000000 2D	LONG COULEE	SWA-05-LC-4
360116	418643031	COMPTON PETROLEUM CORPORATION*	1001276243	2465.00000000 KM	7.28000000 2D	MEDALLION	SWA-2002-102
360118	418643058	COMPTON PETROLEUM CORPORATION*	1001276243	4445.00000000 KM	6.87000000 2D	MEDALLION	SWA-2002-104
360122	418643108	COMPTON PETROLEUM CORPORATION*	1001276243	444.00000000 KM	6.86000000 2D	BRANT	SWA-2004-003
360124	418643132	COMPTON PETROLEUM CORPORATION*	1001276243	328.00000000 KM	4.54000000 2D	BRANT	SWA-2004-005
360128	418643182	COMPTON PETROLEUM CORPORATION*	1001276243	549.00000000 KM	8.98000000 2D	GLADYS 2D	SWA-2004-904
360134	418643256	COMPTON PETROLEUM CORPORATION*	1001276243	701.00000000 KM	12.00000000 2D	BRANT	SWA-2005-002
360163	418643618	COMPTON PETROLEUM CORPORATION*	1001276243	973.00000000 KM	10.80000000 2D	HOOKER SOUTH	SWA-2007-004
360177	418643789	COMPTON PETROLEUM CORPORATION*	1001276243	609.00000000 KM	7.61000000 2D	VULCAN AREA 2D	SWA-ENI01-VUL-102
360180	418643828	COMPTON PETROLEUM CORPORATION*	1001276243	301.00000000 KM	3.00000000 2D	MEDALLION	SWA-ENI02-MED-60
360196	418644023	COMPTON PETROLEUM CORPORATION*	1001276243	337.00000000 KM	3.54000000 2D	VULCAN	SWA-ENI03-VUL-302
360218	418644334	COMPTON PETROLEUM CORPORATION*	1001276243	685.00000000 KM	11.67000000 2D	VULCAN	V-99-205
360219	418644349	COMPTON PETROLEUM CORPORATION*	1001276243	481.00000000 KM	7.60000000 2D	VULCAN	V-99-206
361867	419060463	SIGMA*	1001276243	427.00000000 KM	6.52000000 2D		KKI1-001
123145	107349140	PULSE DATA INC.*	1001276243	2.00000000 KM	8.94000000 2D	RETLAW	RH-1
123149	107349175	PULSE DATA INC.*	1001276243	2.00000000 KM	1.95000000 2D	RETLAW	RH-6
360011	418641361	COMPTON PETROLEUM CORPORATION*	1001276243	707.00000000 KM	13.44000000 2D	TSUU TINA	SWA-2000-07
360019	418641461	COMPTON PETROLEUM CORPORATION*	1001276243	441.00000000 KM	5.16000000 2D	MEDALLION	SWA-ENI01-MED-10
360026	418641551	COMPTON PETROLEUM CORPORATION*	1001276243	397.00000000 KM	4.44000000 2D	MEDALLION PHASE II 2D	SWA-ENI01-MED-24
360041	418642113	COMPTON PETROLEUM CORPORATION*	1001276243	836.00000000 KM	6.51000000 2D	COWLEY 2D	COW05-5
360043	418642137	COMPTON PETROLEUM CORPORATION*	1001276243	101.00000000 KM	4.74000000 2D	FARROW	F-96-01
360044	418642149	COMPTON PETROLEUM CORPORATION*	1001276243	606.00000000 KM	7.57000000 2D	FARROW	F-97-100
360049	418642210	COMPTON PETROLEUM CORPORATION*	1001276243	351.00000000 KM	3.81000000 2D	FARROW	F-97-105
360055	418642286	COMPTON PETROLEUM CORPORATION*	1001276243	401.00000000 KM	5.96000000 2D	FARROW	F-97-118
360056	418642301	COMPTON PETROLEUM CORPORATION*	1001276243	290.00000000 KM	2.84000000 2D	FARROW	F-98-101
360057	418642313	COMPTON PETROLEUM CORPORATION*	1001276243	344.00000000 KM	3.64000000 2D	FARROW	F-98-102
360060	418642349	COMPTON PETROLEUM CORPORATION*	1001276243	466.00000000 KM	5.47000000 2D	FARROW	F-99-103
360064	418642397	COMPTON PETROLEUM CORPORATION*	1001276243	1021.00000000 KM	13.82000000 2D	FARROW	F-99-702
360065	418642411	COMPTON PETROLEUM CORPORATION*	1001276243	274.00000000 KM	3.43000000 2D	SW ALBERTA (KEHO)	K-97-001
360080	418642594	COMPTON PETROLEUM CORPORATION*	1001276243	101.00000000 KM	3.00000000 2D	STAVELY	S-98-2

360083	418642630	COMPTON PETROLEUM CORPORATION*	1001276243	301.00000000 KM	3.00000000 2D	STAVELY	S-98-5
360086	418642666	COMPTON PETROLEUM CORPORATION*	1001276243	381.00000000 KM	4.20000000 2D	STAVELY	S-98-8
360092	418642738	COMPTON PETROLEUM CORPORATION*	1001276243	293.00000000 KM	4.80000000 2D	STAVELY	S-99-110
360095	418642774	COMPTON PETROLEUM CORPORATION*	1001276243	533.00000000 KM	6.48000000 2D	STAVELY	S-99-709
360097	418642798	COMPTON PETROLEUM CORPORATION*	1001276243	344.00000000 KM	4.84000000 2D	LONG COULEE	SWA-05-LC-10
360104	418642882	COMPTON PETROLEUM CORPORATION*	1001276243	424.00000000 KM	6.44000000 2D	LONG COULEE	SWA-05-LC-17
360130	418643208	COMPTON PETROLEUM CORPORATION*	1001276243	413.00000000 KM	4.16000000 2D	GLADYS 2D	SWA-2004-906
360139	418643319	COMPTON PETROLEUM CORPORATION*	1001276243	363.00000000 KM	5.24000000 2D	BRANT	SWA-2005-102
360145	418643392	COMPTON PETROLEUM CORPORATION*	1001276243	589.00000000 KM	4.84000000 2D	OKOTOKS	SWA-2005-201
360153	418643492	COMPTON PETROLEUM CORPORATION*	1001276243	561.00000000 KM	5.71000000 2D	HARTEL	SWA-2005-305
360160	418643582	COMPTON PETROLEUM CORPORATION*	1001276243	1397.00000000 KM	16.16000000 2D	HARTEL	SWA-2005-322
360161	418643594	COMPTON PETROLEUM CORPORATION*	1001276243	1921.00000000 KM	18.78000000 2D	HARTEL	SWA-2005-323
360164	418643630	COMPTON PETROLEUM CORPORATION*	1001276243	873.00000000 KM	9.68000000 2D	HOOKER SOUTH	SWA-2007-005
360182	418643852	COMPTON PETROLEUM CORPORATION*	1001276243	281.00000000 KM	2.70000000 2D	MEDALLION	SWA-ENI02-MED-62
360186	418643903	COMPTON PETROLEUM CORPORATION*	1001276243	393.00000000 KM	4.38000000 2D	MEDALLION	SWA-ENI02-MED-68
360193	418643987	COMPTON PETROLEUM CORPORATION*	1001276243	365.00000000 KM	3.96000000 2D	MEDALLION	SWA-ENI03-MED-74
360205	418644137	COMPTON PETROLEUM CORPORATION*	1001276243	302.00000000 KM	5.00000000 2D	VULCAN	V-94-01
360210	418644234	COMPTON PETROLEUM CORPORATION*	1001276243	485.00000000 KM	5.76000000 2D	VULCAN	V-98-108
360221	418644373	COMPTON PETROLEUM CORPORATION*	1001276243	289.00000000 KM	3.75000000 2D	VULCAN	V-99-208
564639	431529711	MFC ENERGY CORPORATION	1001276243	668.00000000 KM	8.51000000 2D	VULCAN	V-98-101
123147	107349147	PULSE DATA INC.*	1001276243	4.00000000 KM	8.42000000 2D	RETLAW	RH-4
123148	107349157	PULSE DATA INC.*	1001276243	2.00000000 KM	2.76000000 2D	RETLAW	RH-5
349582	415610806	COMPTON PETROLEUM CORPORATION*	1001276243	329.00000000 KM	3.42000000 2D	LONG COULEE	99HP1-01
360018	418641448	COMPTON PETROLEUM CORPORATION*	1001276243	529.00000000 KM	6.42000000 2D	PARKLAND	SWA-2003-602
360021	418641488	COMPTON PETROLEUM CORPORATION*	1001276243	317.00000000 KM	3.18000000 2D	MEDALLION	SWA-ENI01-MED-12
360023	418641512	COMPTON PETROLEUM CORPORATION*	1001276243	473.00000000 KM	5.58000000 2D	MEDALLION PHASE II 2D	SWA-ENI01-MED-20
360035	418642015	COMPTON PETROLEUM CORPORATION*	1001276243	251.00000000 KM	2.25000000 2D	CHESTERMERE	C-98-101
360037	418642041	COMPTON PETROLEUM CORPORATION*	1001276243	479.00000000 KM	5.67000000 2D	CHESTERMERE	C-98-103
360046	418642173	COMPTON PETROLEUM CORPORATION*	1001276243	501.00000000 KM	6.00000000 2D	FARROW	F-97-102
360053	418642258	COMPTON PETROLEUM CORPORATION*	1001276243	617.00000000 KM	10.30000000 2D	FARROW	F-97-116
360058	418642325	COMPTON PETROLEUM CORPORATION*	1001276243	263.00000000 KM	2.43000000 2D	FARROW	F-98-103
360062	418642373	COMPTON PETROLEUM CORPORATION*	1001276243	456.00000000 KM	5.32000000 2D	FARROW	F-99-105
360068	418642446	COMPTON PETROLEUM CORPORATION*	1001276243	293.00000000 KM	3.84000000 2D	KEHO LAKE	K-97-004
360069	418642459	COMPTON PETROLEUM CORPORATION*	1001276243	281.00000000 KM	2.70000000 2D	LONG COULEE	LC98-101
360121	418643096	COMPTON PETROLEUM CORPORATION*	1001276243	508.00000000 KM	8.14000000 2D	BRANT	SWA-2004-002
360131	418643220	COMPTON PETROLEUM CORPORATION*	1001276243	521.00000000 KM	3.92000000 2D	GLADYS 2D	SWA-2004-907
360132	418643232	COMPTON PETROLEUM CORPORATION*	1001276243	393.00000000 KM	5.84000000 2D	GLADYS 2D	SWA-2004-908
360149	418643440	COMPTON PETROLEUM CORPORATION*	1001276243	653.00000000 KM	5.44000000 2D	OKOTOKS	SWA-2005-205
360171	418643721	COMPTON PETROLEUM CORPORATION*	1001276243	453.00000000 KM	4.84000000 2D	EASTMONT 2D	SWA-2007-100
360181	418643840	COMPTON PETROLEUM CORPORATION*	1001276243	381.00000000 KM	4.20000000 2D	MEDALLION	SWA-ENI02-MED-61
360192	418643975	COMPTON PETROLEUM CORPORATION*	1001276243	381.00000000 KM	4.20000000 2D	MEDALLION	SWA-ENI03-MED-73
360198	418644047	COMPTON PETROLEUM CORPORATION*	1001276243	345.00000000 KM	4.88000000 2D	LONG COULEE 2D	SWA-LC-001
360212	418644258	COMPTON PETROLEUM CORPORATION*	1001276243	290.00000000 KM	2.83000000 2D	VULCAN	V-98-110
123146	107349143	PULSE DATA INC.*	1001276243	2.00000000 KM	9.18000000 2D	RETLAW	RH-3
123150	107349181	PULSE DATA INC.*	1001276243	2.00000000 KM	8.47000000 2D	RETLAW	RH-7
308167	406031852	SIGMA*	1001276243	421.00000000 KM	6.40000000 2D		IAT1-005
349583	415610816	COMPTON PETROLEUM CORPORATION*	1001276243	317.00000000 KM	3.24000000 2D	LONG COULEE	99HP1-02
360009	418641337	COMPTON PETROLEUM CORPORATION*	1001276243	533.00000000 KM	10.79000000 2D	TSUU TINA	SWA-2000-02
360017	418641435	COMPTON PETROLEUM CORPORATION*	1001276243	641.00000000 KM	8.10000000 2D	PARKLAND	SWA-2003-601
360028	418641575	COMPTON PETROLEUM CORPORATION*	1001276243	405.00000000 KM	4.56000000 2D	MEDALLION PHASE II 2D	SWA-ENI01-MED-26
360031	418641611	COMPTON PETROLEUM CORPORATION*	1001276243	273.00000000 KM	2.57000000 2D	MEDALLION PHASE III	SWA-ENI02-MED-30

360036	418642028	COMPTON PETROLEUM CORPORATION*	1001276243	449.00000000	KM	5.22000000	2D	CHESTERMERE	C-98-102
360061	418642361	COMPTON PETROLEUM CORPORATION*	1001276243	351.00000000	KM	3.74000000	2D	FARROW	F-99-104
360073	418642509	COMPTON PETROLEUM CORPORATION*	1001276243	676.00000000	KM	8.93000000	2D	STAVELY	S-97-111
360101	418642846	COMPTON PETROLEUM CORPORATION*	1001276243	505.00000000	KM	8.08000000	2D	LONG COULEE	SWA-05-LC-14
360106	418642906	COMPTON PETROLEUM CORPORATION*	1001276243	425.00000000	KM	6.46000000	2D	LONG COULEE	SWA-05-LC-2
360109	418642942	COMPTON PETROLEUM CORPORATION*	1001276243	504.00000000	KM	7.26000000	2D	LONG COULEE	SWA-05-LC-6
360113	418642990	COMPTON PETROLEUM CORPORATION*	1001276243	545.00000000	KM	11.09000000	2D	TSUU TINA	SWA-2000-08
360115	418643014	COMPTON PETROLEUM CORPORATION*	1001276243	1673.00000000	KM	11.52000000	2D	MEDALLION	SWA-2002-101
360126	418643156	COMPTON PETROLEUM CORPORATION*	1001276243	377.00000000	KM	5.65000000	2D	GLADYS 2D	SWA-2004-902
360135	418643268	COMPTON PETROLEUM CORPORATION*	1001276243	385.00000000	KM	5.68000000	2D	BRANT	SWA-2005-003
360142	418643355	COMPTON PETROLEUM CORPORATION*	1001276243	717.00000000	KM	12.32000000	2D	BRANT	SWA-2005-105
360144	418643380	COMPTON PETROLEUM CORPORATION*	1001276243	549.00000000	KM	8.96000000	2D	BRANT	SWA-2005-107
360147	418643416	COMPTON PETROLEUM CORPORATION*	1001276243	749.00000000	KM	6.48000000	2D	OKOTOKS	SWA-2005-203
360148	418643428	COMPTON PETROLEUM CORPORATION*	1001276243	905.00000000	KM	8.04000000	2D	OKOTOKS	SWA-2005-204
360166	418643656	COMPTON PETROLEUM CORPORATION*	1001276243	509.00000000	KM	5.15000000	2D	HOOKER SOUTH	SWA-2007-008
360167	418643668	COMPTON PETROLEUM CORPORATION*	1001276243	1005.00000000	KM	11.31000000	2D	HOOKER SOUTH	SWA-2007-009
360173	418643743	COMPTON PETROLEUM CORPORATION*	1001276243	405.00000000	KM	4.55000000	2D	EASTMONT 2D	SWA-2007-102
360174	418643754	COMPTON PETROLEUM CORPORATION*	1001276243	501.00000000	KM	5.98000000	2D	EASTMONT 2D	SWA-2007-104
360183	418643864	COMPTON PETROLEUM CORPORATION*	1001276243	425.00000000	KM	4.86000000	2D	MEDALLION	SWA-ENI02-MED-63
360190	418643951	COMPTON PETROLEUM CORPORATION*	1001276243	233.00000000	KM	1.98000000	2D	MEDALLION	SWA-ENI03-MED-71
360203	418644110	COMPTON PETROLEUM CORPORATION*	1001276243	551.00000000	KM	6.73000000	2D	COWLEY 2D	TOD05-2
360208	418644210	COMPTON PETROLEUM CORPORATION*	1001276243	713.00000000	KM	9.18000000	2D	VULCAN	V-98-106
360214	418644282	COMPTON PETROLEUM CORPORATION*	1001276243	513.00000000	KM	8.24000000	2D	VULCAN	V-99-201
360216	418644309	COMPTON PETROLEUM CORPORATION*	1001276243	481.00000000	KM	7.60000000	2D	VULCAN	V-99-203
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TAB

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SET-OFF AGREEMENT

THIS AGREEMENT made effective as of the 8th day of February, 2017 (the "**Effective Date**"),

BETWEEN:

0989 RESOURCE PARTNERSHIP, a general partnership organized under the laws of British Columbia with an office at 404 6 Avenue S.W., Suite 300, Calgary, Alberta, T2P 0R9

("**0989**")

AND:

MFC ENERGY FINANCE INC., a corporation organized under the laws of British Columbia with an office at 400 Burrard Street, Suite 1860, Vancouver, British Columbia V6C 3A6

("**MFCEF**")

WITNESSES THAT WHEREAS:

A. As of the date hereof, MFCEF is indebted to 0989 in the aggregate amount of $890,000 (the "**MFCEF Indebtedness**") for the payment of the purchase price owing by MFCEF to 0989 pursuant to a bill of sale respecting the purchase and sale of certain seismic data between MFCEF and 0989, dated of even date herewith (the "**Purchase Price**");

B. 0989 is indebted to MFCEF (the "**0989 Indebtedness**") pursuant to a loan agreement between MFCEF and 0989, dated June 30, 2015 (the "**Loan Agreement**"), including a promissory note issued to MFCEF by 0989 in connection with the Loan Agreement, with a face value of $15,948,1143.08 (the "**Note**"); and

C. MFCEF and 0989 wish to enter into this Agreement to effect and acknowledge a set-off of the MFCEF Indebtedness against the 0989 Indebtedness, which will result in the full repayment, satisfaction and discharge of the MFCEF Indebtedness and the set-off of a portion of the 0989 Indebtedness against the MFCEF Indebtedness.

NOW THEREFORE, in consideration of the covenants, representations, warranties and agreements contained herein and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties hereto acknowledge, declare, covenant and agree as follows:

ARTICLE 1
INTERPRETATION

1.1 Definitions

Unless otherwise specifically provided or the context otherwise requires, where used in this Agreement, including the recitals to this Agreement, the following terms shall have the meanings set forth or as referenced below:

"**0989 Indebtedness**" has the meaning ascribed thereto in Recital B of this Agreement;

"**Agreement**" means this Set-Off Agreement;

"**MFCEF Indebtedness**" has the meaning ascribed thereto in Recital A of this Agreement;

"**Note**" means the promissory note issued by 0989 to MFCEF dated October 12, 2016 in the amount of the 0989 Indebtedness;

"**Parties**" means 0989 and MFCEF;

"**Purchase Price**" has the meaning ascribed thereto in Recital A of this Agreement;

"**Reduced Note**" means a promissory note in the amount of the Remaining 0989 Indebtedness in the form attached as Schedule "A" hereto;

"**Remaining 0989 Indebtedness**" has the meaning ascribed thereto in Section 2.1 of this Agreement;

1.2 Headings, etc.

The division of this Agreement into Articles and Sections and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Agreement.

1.3 Gender and Number

Words imparting the singular number include the plural and vice-versa and words imparting gender include the masculine, feminine and gender neutral as the context requires.

1.4 Currency

All references to amounts of money mean lawful currency of Canada.

ARTICLE 2
PARTIAL SETTLEMENT OF INDEBTEDNESS

2.1 Set-Off

MFCEF and 0989 each covenant and agree that, the MFCEF Indebtedness is hereby set-off in full against the 0989 Indebtedness, and that the 0989 Indebtedness is hereby set-off in part against the MFCEF Indebtedness, and as a result thereof, the balance of 0989's indebtedness to MFCEF pursuant to the 0989 Indebtedness shall be reduced by the Purchase Price of $890,000 (the "**Remaining 0989 Indebtedness**"). MFCEF and 0989 hereby agree that as a result of the set-off set forth in this Section 2.1: (a) the Purchase Price is hereby deemed satisfied and paid in full; and (b) as soon as reasonably practicable after the date hereof, MFCEF will surrender the Note for cancellation and against delivery thereof, 0989 shall issue and deliver to MFCEF a non-interest bearing promissory note in the principal amount of the Remaining 0989 Indebtedness in favour of MFCEF (the "**Reduced Note**").

2.2 MFCEF Acknowledgement of Payment

MFCEF irrevocably acknowledges and agrees that, as a result of the set-off set forth in Section 2.1 hereto, as of the Effective Date, the 0989 Indebtedness is hereby reduced to the Remaining 0989 Indebtedness.

2.3 0989 Acknowledgment of Payment

0989 irrevocably acknowledges and agrees that, as a result of the set-off set forth in Section 2.1 hereto, as of the Effective Date, the MFCEF Indebtedness is hereby satisfied and paid in full, and the Purchase Price is hereby deemed satisfied and paid in full.

2.4 MFCEF Representations, Warranties and Covenants

MFCEF covenants, represents and warrants to 0989 as follows:

(a) it is duly organized and validly existing under the laws of British Columbia;

(b) this Agreement has been duly executed and delivered by MFCEF and constitutes a valid and binding obligation enforceable against MFCEF in accordance with its terms; and

(c) MFCEF shall execute and deliver all such documents and do all such acts and things as in the opinion of 0989, acting reasonably, may be necessary or desirable in connection with this Agreement.

2.5 0989 Representations, Warranties and Covenants

0989 covenants, represents and warrants to MFCEF as follows:

(a) It is a general partnership, duly organized and validly subsisting under the laws of British Columbia;

(b) this Agreement has been duly executed and delivered by 0989 and constitutes a valid and binding obligation enforceable against 0989 in accordance with its terms; and

(c) 0989 shall execute and deliver all such documents and do all such acts and things as in the opinion of MFCEF, acting reasonably, may be necessary or desirable in connection with this Agreement.

ARTICLE 3
MISCELLANEOUS

3.1 Governing Law

This Agreement shall be governed by, and construed in accordance with, the laws of the Province of British Columbia and shall be treated in all respects as a British Columbia contract without giving effect to applicable principles of conflicts of law to the extent that the application of the laws of another jurisdiction would be required thereby. The parties hereto irrevocably submit and attorn to the exclusive jurisdiction of any court of competent jurisdiction sitting in Vancouver, British Columbia in any action or proceeding arising out of or relating to this Agreement.

3.2 Successors and Assigns/Enurement

This Agreement shall become effective when it is executed by the Parties and thereafter shall be binding upon and enure to the benefit of the Parties hereto and their successors and assigns.

3.3 Further Assurances

Each Party agrees that it will execute all documents and do all acts and things as the other Party may reasonably request and as may be lawful and within its respective power to do, to carry out and/or implement the provisions or intent of this Agreement including all acts and things as may be necessary or desirable to more fully effect or complete the assignment or transfer of any right or interest hereunder.

3.4 Entire Agreement

This Agreement constitutes the entire agreement between the parties with respect to the subject matter of this Agreement and supersedes every previous agreement, communication, expectation, negotiation, representation or understanding, whether oral or written, express or implied, statutory or otherwise, among the parties with respect to the subject matter of this Agreement except as specifically set out herein.

3.5 No Third-Party Beneficiaries

This Agreement is for the sole benefit of the Parties hereto and their respective successors and permitted assigns and nothing herein, express or implied, is intended to or shall confer upon any other person any legal or equitable right, benefit or remedy of any nature whatsoever, under or by reason of this Agreement.

3.6 Counterparts and Facsimile

This Agreement may be executed in several counterparts and evidenced by a facsimile copy of an original execution page bearing the signature of each party hereto, each of which when so executed shall be deemed to be an original, and such counterparts or facsimile copies thereof together shall comprise one and the same instrument and, notwithstanding their date of execution, shall be deemed to bear the date as of the date above written.

[*Signature page to follow.*]

IN WITNESS WHEREOF the Parties hereto have executed this Agreement at the date first above written.

MFC ENERGY FINANCE INC.

By:________________________________
Name: Samuel Morrow
Title: Director

0989 RESOURCE PARTNERSHIP, by its authorized signatories for and on behalf of its Management Committee

By:________________________________
Michael Smith
Member of Management Committee

By:________________________________
Jasmina Cezek
Member of Management Committee

IN WITNESS WHEREOF the Parties hereto have executed this Agreement at the date first above written.

MFC ENERGY FINANCE INC.

By:______________________________
Name: Samuel Morrow
Title: Director

0989 RESOURCE PARTNERSHIP, by its authorized signatories for and on behalf of its Management Committee

By:______________________________
Michael Smith
Member of Management Committee

By:______________________________
Jasmina Cezek
Member of Management Committee

IN WITNESS WHEREOF the Parties hereto have executed this Agreement at the date first above written.

MFC ENERGY FINANCE INC.

By:______________________________
Name: Samuel Morrow
Title: Director

0989 RESOURCE PARTNERSHIP, by its authorized signatories for and on behalf of its Management Committee

By:______________________________
Michael Smith
Member of Management Committee

By: Jasmina Čežeu
Jasmina Cezek
Member of Management Committee

{00201069.1}

SCHEDULE "A"

REDUCED NOTE

{00201069.1}

TAB

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Robyn Gurofsky
T (403) 232-9774
F (403) 266-1395
rgurofsky@blg.com

Borden Ladner Gervais LLP
Centennial Place, East Tower
1900, 520 - 3rd Ave SW
Calgary, AB, Canada T2P 0R3
T 403.232.9500
F 403.266.1395
blg.com

Borden Ladner Gervais

File No. 547730/000021

September 14, 2017

Delivered by Email (hsangra@sangramoller.com)

Sangra Moller LLP
1000 Cathedral Place
925 W Georgia St
Vancouver, BC V6C 3L2

Attention: Harjit Sangra

Dear Mr. Sangra:

Re: In the Matter of the Receivership of Lexin Resources Ltd. ("Lexin") Alberta Court of Queen's Bench Action No. 1701-03460

Thank you for your correspondence dated September 7, 2017 in which you express concerns that, upon a preliminary review of the Sales Materials, your client, MFC Energy Finance Inc. ("**MFC**") believes the Sales Materials to contain materially inaccurate and misleading information. In particular, we understand that your client believes the materially inaccurate and misleading information relates to the allegation that certain equipment, land and other assets represented as being owned by Lexin and offered for sale in the sales process, are actually owned by related parties 1049597 B.C. Ltd. and 1059032 B.C. Ltd. (the "**Related Parties**"). If there are additional facts that I am missing, please do not hesitate to let me know.

As you can imagine, the statement that the Sales Materials are materially inaccurate and misleading causes great concern to the Receiver whose job it is to oversee the sales process and ensure it is conducted with integrity and in a manner that is commercially reasonable. We recall, however, that the issue of including property, such as equipment, potentially owned by Related Parties was discussed at a meeting between yourself, our office and the Alberta Energy Regulator and we had understood your advice on behalf of the Related Parties to be that the Related Parties did not oppose having the property in question included in the sales process, subject to values being allocated to that property in the purchase and sale agreements. Further, upon confirmation of ownership by the Related Parties of the property in question, any net sale proceeds and distributions therefrom would be made to the Related Parties based on the values allocated in the purchase and sale agreements. You had enquired during that call about the nature of the allocation and we had advised that the proposed purchaser would allocate a value in the purchase and sale agreement. Following up that discussion, we provided you with the relevant section of the template purchase and sale agreement often used in receivership sales demonstrating the manner in which values are allocated in the template purchase and sale agreement.

On that basis, we had understood you were comfortable proceeding with the sales process. Apparently, we misunderstood your position. In that regard, we thank you for offering to meet with the Receiver in your September 7 correspondence and suggest that a meeting is appropriate as this issue clearly needs resolution.

Having said that, we understand that ownership by the Related Parties of the property in question is directly tied to the loan MFC states that it made to 0989 Resource Partnership ("**0989**") in the amount of $37,570,500 ("**MFC Loan**") as the purchase price by the Related Parties was set off against the MFC Loan and treated as a reduction of that loan. As a result, we believe the issue of the MFC Loan must also be resolved as part of this process. We have discussed the MFC Loan with you on several occasions and have indicated that the Receiver requires proof that the MFC Loan was in fact advanced to 0989. We received a PDF document from your office indicating confirmation of execution from Raiffeisen Bank International ("**RBI**") of what appears to be a transfer from M Financial Corporation to MFC Resource Partnership (the predecessor to 0989), subject to cancellation of remitter. The Receiver's concern is that this document does not confirm the transfer as it is subject to cancellation. This document does, however, provide us with some assistance in understanding the timing of the transfer (June 30, 2015) as well as the account in which the loan funds should have been transferred, being 0989's RBI account - Bank Account No. 0071 5429 7734 (the "**0989 Account**").

As indicated to you last week, the Receiver has been attempting to locate bank records for 0989 and Lexin Resources Ltd. ("**Lexin**") to obtain confirmation that the funds were received. In respect of those efforts, I can advise as follows:

<u>Banking Information</u>

1. The Receiver has not yet been provided with 0989's banking records directly from RBI in Austria, despite complying with RBI's request to i) authenticate the receivership order by an apostille and ii) provide a power of attorney confirming Borden Ladner Gervais LLP's authority to act on behalf of the Receiver. We have engaged legal counsel in Austria to assist us in obtaining these documents. Given that your client is related to 0989, any assistance they can provide to the Receiver in obtaining information from RBI would be helpful and very much appreciated in the circumstances.

2. The Receiver has conducted a review of the electronic file servers through a word search, including a search for "Banking", "RBI" and "Raiffeisen". The only search result related to RBI was a 2014 folder labelled "RBI" under banking and accounting subfolders. The 2014 folder contained various PDFs of RBI documents from August 2014 showing the 0989 Account (*see enclosed Exhibit 1*). There does not appear to be any RBI banking related information for the years 2015-2017 contained on the electronic file servers.

3. The electronic file servers contained a folder for banking information at Toronto Dominion Bank ("**TD**"), with folders for 2015 and 2016. Each of these folders contained various PDFs of TD bank statements for 2015 and 2016, none of which revealed any evidence to the Receiver of the MFC Loan.

4. There are no RBI bank statements contained in the 2015 banking boxes stored at Calgary Archives. The 2015 bank reconciliations were, however, located for Lexin and 0989's bank accounts at TD and RBI. None of the bank reconciliations reviewed from the months May to July of 2015 contain information supporting receipt by 0989 or Lexin of the MFC Loan (*see enclosed Exhibit 2*).

5. Although 0989 is not audited for its own account, we understand that its accounts are included within the consolidated accounts of MFC Bancorp Ltd., the NYSE-traded public company that indirectly owns 0989 via Lexin. As a result, the Receiver is attempting to obtain whatever information MFC Bancorp Ltd.'s auditors can provide relating to the MFC Loan.

6. In summary, there is nothing contained in the 0989 banking information currently available to the Receiver that would demonstrate the MFC Loan having been received by 0989 between June, 2015 and December, 2015. If your client has any suggestions of other documentation or locations to search, we would be happy to consider such information.

Accounting Information

7. The Receiver has gained electronic access to the accounting system used by the Lexin group. From this system, the Receiver obtained a copy of the 2015 "Multi-Month Trial Balance" for 0989 (*see enclosed Exhibit 3*). On this document, the Receiver has highlighted three accounts including the amounts applicable for June, 2015: (i) RBI CAD Bank Account 0071 5429 7734, (ii) AP (accounts payable) to M Financial, and (iii) Share Capital. According to the Multi-Month Trial Balance, the Receiver notes the following:

    a. The RBI CAD Bank Account increased by the amount of $438.70 during June, 2015.

    b. AP to M Financial increased by $37,564,500 during June, 2015.

    c. The Share Capital account decreased by $37,570,500 during June, 2015.

8. To obtain additional information with respect to each of the transactions underlying the account changes noted above, the Receiver obtained journal entry batch information showing the detailed accounting transactions for these accounts during the month of June, 2015. The Receiver notes the following from the journal entries:

    a. Journal entry batch 731371 (*see enclosed Exhibit 4*) records $55.05 of bank charges to the RBI CAD Bank Account.

b. Journal entry batch 731537 (*see enclosed Exhibit 5*) records: $546.82 of interest income and $18.72 of bank charges to the RBI CAD Bank Account; and

c. Journal entry batch 731541 (*see enclosed Exhibit 6*) records, amongst other offsetting or immaterial items, a $37,570,500 increase to the AP to M Financial and a corresponding $37,570,500 decrease to the Share Capital account.

d. Journal entry batch 731550 (*see enclosed Exhibit 7*) records a $6,000 reduction in the AP to M Financial account and a corresponding increase to the AP to MFC Industrial (now Bancorp) account, comprised of one $4,000 entry and one $2,000 entry.

9. The Receiver has canvassed two former employees on Lexin's accounting team about the accounting entries noted above, seeking any information regarding receipt of the MFC Loan within 0989's banking records. In one case, the information from the accounting team member does not contradict the above noted observations and in particular, the former employee has indicated that they had no information regarding banking transactions in Austria. In the other case, the Receiver has received no reply from the former employee.

10. In summary, while the accounting records reference an amount that mirrors the amount of the MFC Loan, this amount was entered as a reduction of share capital, not a receipt of cash. Nothing in the accounting records, nor any information from former employees to date demonstrates receipt of the MFC Loan by 0989.

Given the above information, the Receiver remains unable to confirm receipt by 0989 of the MFC Loan. However, it continues to review other avenues to seek this information, including the provision of information from auditors and obtaining assistance in Austria to retrieve 0989's banking records directly from RBI. We reiterate, however, that to the extent MFC is able to assist the Receiver in locating additional information or seeking the release of banking information from RBI to support receipt by 0989 of the MFC Loan, such assistance would be welcome. We direct your attention to section 135 of the *Bankruptcy and Insolvency Act* which provides, in the context of a bankruptcy, that the trustee review evidence to support a claim and further provides that the trustee may require additional evidence to support a debt as valid. In that case, the onus is on the claimant to demonstrate that its claim is valid. Recourse may be sought to the Courts if a claim cannot be proved to the satisfaction of the trustee. In the present circumstances, if we are unable to locate sufficient information to support receipt of the MFC Loan funds, the Receiver will consider bringing an application for advice and direction so that MFC's claim may be properly adjudicated. Of course this route is not ideal as it erodes value that would otherwise be available to stakeholders, including potentially MFC.

MFC has indicated to the Receiver that as of March 31, 2017, the amount owing under the MFC Loan was $15,058,114 ("**Loan Balance**"). The Receiver had previously asked Lerners LLP and your office to provide it with a reconciliation of the transactions resulting in the Loan Balance, however, we have not yet received that reconciliation. As a result, and based upon the initial MFC Loan recorded via reduction in share capital referenced above, the Receiver has gone through the transactions for which it is aware and notes the following based upon its review of Lexin's accounting records (for items 1 and 2 below), and based upon information provided by MFC's legal counsel (for items 1 to 3 below):

1. 0989 sold equipment to one of the Related Parties (1049597 B.C. Ltd. "**597**") for $14,093,000, which amount was set off against the MFC Loan. The Receiver obtained, among other things, a bill of sale from December, 2015 with a schedule of 0989 equipment sold to 597.

2. 0989 received shares in one of the Related Parties (1059032 B.C. Ltd. "**1059**") and, based on the December 18, 2015 incorporation date of 1059 and the date of the above referenced accounting entry, the shares appear to have been immediately transferred to MFC and the MFC Loan balance reduced by $4,768,374. Based on discussions with MFC's consultant, Bob Chenery, who was also Lexin's chief operating officer until late 2015, the Receiver understands that 1059 is a company that holds various undeveloped fee-simple, freehold mineral rights and lands previously owned by 0989 or Lexin. The Receiver, however, has not located or received any documentation to support the sale of lands by 0989 or Lexin to 1059 (and is not in a position to confirm whether any of the lands subject to the Lexin sales process form part of the 1059 lands).

3. 0989 sold seismic data to MFC for $890,000 in February, 2017. It would appear that the consideration received by 0989 was a reduction to the MFC Loan of $890,000.

4. Based upon the balance of $15,058,114 stated by MFC to be the Loan Balance, there remains $2,761,012 for which the Receiver is unable to account. The Receiver will require an explanation from MFC of the additional transactions that would explain the unaccounted amount of $2,761,012.

As you can see, the Receiver is taking significant steps to understand the nature and validity of the MFC Loan and the Loan Balance. To the extent your client is able to assist the Receiver through the production of records or the explanation of certain transactions, or is able to consent to the release of banking information by RBI (as and if required from RBI), such assistance or consent would be welcome and appreciated and may obviate the need for an application for advice and direction to Court. While a meeting between us to discuss the sale process may be premature, we would be happy to meet with you and your client on the assumption that such meeting will be fruitful and provide additional information to assist the Receiver in undertaking its duties for the benefit of all stakeholders. Such meeting may also provide certainty regarding your client's position on the sale process, while resolving the outstanding issues noted above.

Borden Ladner Gervais

We look forward to hearing from you in respect of a meeting. In the interim, should we obtain any additional information from the sources noted above or otherwise regarding the MFC Loan, we will let you know.

Yours truly,

Borden Ladner Gervais LLP

Robyn Gurofsky

c.c K. Cameron (ABR) – via email

encl.

EXHIBIT 1

Raiffeisen Bank International

Value dated balances

Selection Criteria			
Date	Number of days	Currency	Factor
08/29/2014	5		Exact
1. Group criteria	2. Group criteria	3. Group criteria	Preposted Items
Account Currency	(No group)	(No group)	Yes

Account Currency CAD

Account Holder Bank Code / Account Number	08/29/2014	09/01/2014	09/02/2014	Today	09/04/2014	Following
MFC Energy Corporation RZBAATWW / AT733100007154272331	82,354.91	82,354.91	82,354.91	82,354.91	82,354.91	82,354.91
MFC Resource Partnership RZBAATWW / AT793100007154297734	315,003.92	315,003.92	315,003.92	315,003.92	315,003.92	315,003.92
MFC Resource Partnership RZBAATWW / AT183100016054297734						
∑ CAD	397,358.83	397,358.83	397,358.83	397,358.83	397,358.83	397,358.83

Account Currency EUR

Account Holder Bank Code / Account Number	08/29/2014	09/01/2014	09/02/2014	Today	09/04/2014	Following
MFC Resource Partnership RZBAATWW / AT063100000154297734	154.56	154.56	154.56	154.56	154.56	154.56
MFC Energy Corporation RZBAATWW / AT973100000154272331	7.26	7.26	7.26	7.26	7.26	7.26
∑ EUR	161.82	161.82	161.82	161.82	161.82	161.82

Account Currency USD

Account Holder Bank Code / Account Number	08/29/2014	09/01/2014	09/02/2014	Today	09/04/2014	Following
MFC Resource Partnership RZBAATWW / AT353100007054297734	432.87	432.87	432.87	432.87	432.87	432.87
MFC Energy Corporation RZBAATWW / AT293100007054272331	461.41	461.41	461.41	461.41	461.41	461.41
∑ USD	894.28	894.28	894.28	894.28	894.28	894.28

EXHIBIT 2

MFC Resource Partnership

Bank:	RBI International
Bank Account #	0071-5429-7734
Company	060
Envision acct #	1064
Currency	CAD
Period	31-May-15

Balance per Bank Statement		$	635,580.67
Less: Oustanding Cheques	n/a		-
Book Balance		**$**	**635,580.67**
G/L Balance		$	635,580.67
Amount to reconcile:			-
Reconciling Items:			
Total Reconciling items			-
Unreconciled difference			-

Notes

Prepared by: Lauren Vandorpe — Date: June 1, 2015

Reviewed by: Sarah Haughey — Date: June 1, 2015

Approved by: Patrick Amantea — Date: June 5/15

Raiffeisen Bank International

Transactions

AT793100007154297734 / RZBAATWW

BIC-Code	Account Holder
RZBAATWW	MFC Resource Partnership
Account Number / IBAN	Account Currency
AT793100007154297734	CAD
Date from / to	Preposted Items
05/01/2015 / 06/01/2015	No

Opening Balance	635,634.86	Sum Debit	-54.19
Closing Balance	635,580.67	Sum Credit	0.00

Value Date	Transaction	Details	Booking Text	Amount	CCY
05/29/2015	05/29/2015	AB 28.05.15 GELTEN NEUE KON DITIONEN 1,725 SOLLZI NSEN Cheque No.	AB 28 05.15 GELT	0.00	CAD
05/29/2015	05/29/2015	AB 28.05.15 GELTEN NEUE KON DITIONEN 0,660 HABENZ INSEN Cheque No.	AB 28.05.15 GELT	0.00	CAD
05/29/2015	05/29/2015	AB 28.05.15 GELTEN NEUE KON DITIONEN 0,000 UEBERS .ZINSEN Cheque No.	AB 28.05.15 GELT	0.00	CAD
05/28/2015	05/28/2015	AB 27.05.15 GELTEN NEUE KON DITIONEN 1,675 SOLLZI NSEN Cheque No.	AB 27.05.15 GELT	0.00	CAD
05/28/2015	05/28/2015	AB 27.05.15 GELTEN NEUE KON DITIONEN 0,610 HABENZ INSEN Cheque No.	AB 27.05.15 GELT	0.00	CAD
05/28/2015	05/28/2015	AB 27.05.15 GELTEN NEUE KON DITIONEN 0,000 UEBERS .ZINSEN Cheque No.	AB 27.05.15 GELT	0.00	CAD
05/27/2015	05/27/2015	AB 26.05.15 GELTEN NEUE KON DITIONEN 1,625 SOLLZI NSEN Cheque No.	AB 26.05.15 GELT	0.00	CAD

GLS-251 /1.5 JOB # 394062
Report Version: 7.000/ 1 Site Id: TEY

060 MFC RESOURCE PARTNERSHIP
G/L CURRENT PERIOD DETAIL TRIAL BALANCE
FOR THE PERIOD ENDING 31 MAY-15 PERIOD 2015/ 5

Run Time: 10:33:26 Run Date: 2015/06/01 Page 3

NIT = amount Not in Total

LINKED ENTITY	AFE_NUMBER INVOICE	JVB_SEQ	SRC	CO	BATCH NUMBER	PER	TRAN DATE	PROD MONTH	REFERENCE	DESCRIPTION/ SUPPLIER	QUANTITY	AMOUNT	
10 61	CRP CANADIAN BANK ACCOUNT #08060	5384452							ACCOUNT OPENING BALANCE			2,913,426.35	***
			BC	060	156564	5	15/05/31		B156564	CHEQUE SUMMARY		80.00	
			BC	060	156565	5	15/05/31		B156565	GENERAL BATCH		84,961.07-	
			BC	060	156566	5	15/05/31		B156566	GENERAL BATCH		1,000.00-	
			BC	060	156567	5	15/05/31		B156567	GENERAL BATCH		110,984.42-	
			BC	060	156568	5	15/05/31		B156568	GENERAL BATCH		507,339.33-	
			BC	060	156569	5	15/05/31		B156569	CHEQUE SUMMARY		5,220.04	
			BC	060	156570	5	15/05/31		B156570	GENERAL BATCH		45,806.00-	
			BC	060	156571	5	15/05/31		B156571	GENERAL BATCH		1,647,738.87-	
			BC	060	156572	5	15/05/31		B156572	GENERAL BATCH		258,131.55-	
			JV	060	731079	5	15/05/31		MPP PMT 201404	INTERCO PMT		889,809.44-	
			JV	060	731080	5	15/05/31		CASH XFER 201405	CASH TRANSFER		500,000.00	
			JV	060	731138	5	15/05/31		MAY BANK PMTS	CIPS INTEREST		370.52	
			JV	060	731138	5	15/05/31		MAY BANK PMTS	ENMAX PAYMENT		76,149.43-	
			JV	060	731138	5	15/05/31		MAY BANK PMTS	APR VISA PAYME		10,615.31-	
			JV	060	731138	5	15/05/31		MAY BANK PMTS	RENTPARKING PM		66,534.95-	
			JV	060	731138	5	15/05/31		MAY BANK PMTS	ELEMENT FLEET		31,114.62-	
			JV	060	731147	5	15/05/31		731147-001			32.00	
			JV	060	731199	5	15/05/31		731199-001	EFT RETURN JOH		20.00	
			JV	060	731233	5	15/05/31		1061 FEES MAY	BANK CHARGES -		632.67-	
			JV	060	731233	5	15/05/31		1061 FEES MAY	BANK CHARGES -		253.30-	
			JV	060	731263	5	15/05/31		INTERCO_PMT201505	INTERCO PMT TO		30,319.21-	
			JV	060	731266	5	15/05/31		MAY BANK ITEMS	CORRECT USD CH	ACCT	500.00-	
									TOTAL CURRENT PERIOD			3,239,448.25	*
									ACCOUNT CLOSING BALANCE			326,021.90-	***
10 62	CRP US BANK ACCOUNT #08060	7346261							ACCOUNT OPENING BALANCE			36,102.94	***
			JV	060	731266	5	15/05/31		MAY BANK ITEMS	CORRECT USD CH	ACCT	500.00	
									TOTAL CURRENT PERIOD			500.00	*
									ACCOUNT CLOSING BALANCE			36,602.94	***
10 64	RBI CAD BANK ACCOUNT #0071 5429	7734							ACCOUNT OPENING BALANCE			635,634.86	***
			JV	060	731139	5	15/05/31		RBI 201505	CASH MGMT FEE		54.19-	
									TOTAL CURRENT PERIOD			54.19-	*
									ACCOUNT CLOSING BALANCE			635,580.67	***
10									TOTAL CURRENT PERIOD			3,749,685.74-	*
									CLOSING BALANCE			569,379.31	***

MFC Resource Partnership

Bank:	**RBI International**
Bank Account #	**0071-5429-7734**
Company	**060**
Envision acct #	**1064**
Currency	**CAD**
Period	**30-Jun-15**

Balance per Bank Statement		$	636,019.37
Less: Oustanding Cheques	n/a		-
Book Balance		**$**	**636,019.37**
G/L Balance		$	636,019.37
Amount to reconcile:			-
Reconciling Items:			
Total Reconciling items			-
Unreconciled difference			-

Notes

SHaughey
Prepared by: Sarah Haughey — Date: July 8/15

Patrick Amantea
Reviewed by: Patrick Amantea — Date: July 8/15

Acct 1064
3537

Kontoauszugsdetailliste

Kontocode	IBAN:	WHG	Kontowortlaut:	Datum:	Auszugsnummer:
MFC Res.Partnership RBI CAD	AT79 3100 0071 5429 7734	CAD	MFC Resource Partnership	01.07.2015	201500056

Buchung	Buchungstext	Valuta	Betrag
01.07.2015	POSTAGE PER 30.06.2015 Kontoführ.geb.	30.06.2015	-18,72
01.07.2015	CREDIT INT PER 30.06.2015 Au ZA OL P Cutf Vb	30.06.2015	546,82

alter Kontostand:	Summe Belastungen:	Summe Gutschriften:	neuer Kontostand:	Gegenwert in EUR:	aktueller Disposaldo:
635.491,27	-18,72	546,82	636.019,37	459.352,43	636.019,37

Mitteilungstext:
IBAN: AT7931000071542977734 BIC/SWIFTADRESSE: RZBAATWW AB 30.06.15 GELTEN NEUE K
ONDITIONEN 1,525 SOLLZINSEN

AB 30.06.15 GELTEN NEUE KONDITIONEN 0,460 HABENZINSEN

AB 30.06.15 GELTEN NEUE KONDITIONEN 0,000 UEBERS.ZINSEN

CLS-753 /1.5 JOB # 396442 060 MFC RESOURCE PARTNERSHIP Page 2
Report Version: [illegible] Site Id: TEY G/L CURRENT PERIOD DETAIL TRIAL BALANCE Run Time: 15:01:54 Run Date: 2015/07/08
FOR THE PERIOD ENDING 30-JUN-15 PERIOD 2015/ 6
NIT = amount Not in Total

LINKED ENTITY	AFE_NUMBER	INVOICE	JVB_SEQ	SRC	CO	BATCH NUMBER	PER	TRAN DATE	PROD MONTH	REFERENCE	DESCRIPTION/ SUPPLIER	QUANTITY	AMOUNT	
10 64	RBI CAD BANK ACCOUNT #0071 5429 7734										ACCOUNT OPENING BALANCE		635,580.67	***
				JV	060	731371	6	15/06/30		RBI 201506	CASH MGMT FEE		55.05-	
				JV	060	731537	6	15/06/30		1506_1064 BANKING(A)	POSTAGE FEE (J		18.72-	
				JV	060	731537	6	15/06/30		1506_1064 BANKING(A)	CREDIT INTERES		546.82	
				JV	060	731541	6	15/06/30		1506_1041-1067 BANK	BANK CHARGES (		34.35-	
											TOTAL CURRENT PERIOD		438.70	*
											ACCOUNT CLOSING BALANCE		636,019.37	***
10											TOTAL CURRENT PERIOD		438.70	*
											CLOSING BALANCE		636,019.37	***

MFC Resource Partnership

Bank:	**RBI International**
Bank Account #	**0071-5429-7734**
Company	**060**
Envision acct #	**1064**
Currency	**CAD**
Period	~~30-Jun-15~~ 31-July-15

Balance per Bank Statement		$	635,940.50
Less: Oustanding Cheques	n/a		-
Book Balance		**$**	**635,940.50**
G/L Balance		$	635,940.50
Amount to reconcile:			-
Reconciling Items:			
Total Reconciling items			-
Unreconciled difference			-

Notes

S Haughey
Prepared by: Sarah Haughey — Date: Aug 11/15

Reviewed by: Patrick Amantea — Date: Aug 11/15

Raiffeisen Bank International

Statement

AT793100007154297734 / RZBAATWW

Bank	**Account Holder**
RZBAATWW	MFC Resource Partnership
Account	**Class**
7154297734	0
IBAN	**Statement Currency**
AT793100007154297734	CAD

Statement Number		**Statement Date**		**Opening Balance**
70		07/30/2015		635,940.50
Value Date	**Transaction**	**Details**	**Booking Text**	**Amount**
07/30/2015	07/30/2015	FROM 29.07.15 NEW CONDITION S DO APPLY 1,275 DEBI T INT **Cheque No.**	FROM 29.07.15 NE	0.00
07/30/2015	07/30/2015	FROM 29.07.15 NEW CONDITION S DO APPLY 0,210 CRED IT INT **Cheque No.**	FROM 29.07.15 NE	0.00
07/30/2015	07/30/2015	FROM 29.07.15 NEW CONDITION S DO APPLY 0 000 OVER DRAFT INT **Cheque No.**	FROM 29.07.15 NE	0.00
		Sum Debit 0.00	**Sum Credit** 0.00	**Closing Balance** 635,940.50 **Value dated balance** 635,940 50

GLS-251 /1.5 JOB # 398547
Report Version: 7.000/ 1 Site Id: TEY

060 MFC RESOURCE PARTNERSHIP
G/L CURRENT PERIOD DETAIL TRIAL BALANCE
FOR THE PERIOD ENDING 31 JUL-15

PERIOD 2015/ 7 Run Time: 09:49:57 Run Date: 2015/08/11 Page 2

NiT - amount Not in Total

LINKED ENTITY	AFE_NUMBER INVOICE	JVB_SEQ	SRC	CO	BATCH NUMBER	PER	TRAN DATE	PROD MONTH	REFERENCE	DESCRIPTION/ SUPPLIER	QUANTITY	AMOUNT	
10 64	RBI CAD BANK ACCOUNT #0071 5429 7734									ACCOUNT OPENING BALANCE		636,019.37	***
			JV	060	731838	7	15/07/31	1507	1064 BANKING(A)	CASH MGMT FEE		78.87-	
										TOTAL CURRENT PERIOD		78.87-	*
										ACCOUNT CLOSING BALANCE		635,940.50	***
10										TOTAL CURRENT PERIOD		78.87-	*
										CLOSING BALANCE		635,940.50	***

EXHIBIT 3

MULTI MONTH TRIAL BALANCE
060 - 0989 RESOURCES PARTNERSHIP
AS OF 2015/12/31
CURRENCY: OPERATING

REPORT NAME: RENFS220
RUN DATE: 08/31/17 RUN TIME: 10.39.47
RUN BY: LBERGEN
PAGE: 1

ACCT		CLOSING BAL. AT 201412	201501	201502	201503	201504	201505	201506	201507	201508	201509	201510	201511	201512	CLOSING BAL. AT 201512
1010	CPC CANADIAN BANK ACCOUNT #5363528	459,590.77	17,703.97	85,453.26	38,866.62	22,605.32	-444,437.56	4,439.12	437,724.40	-523,572.39	74,706.20	179,773.65	-307,289.60	157,194.79	202,758.55
1015	CPC US$ ACCOUNTT #7344218	4,277.39	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	-4,282.36	4.97	.00
1016	US$ CONVERSION ACCOUNT	7,258.60	3,965.14	-7,063.62	6,946.10	-2,476.22	1,528.71	-10,158.71	.00	.00	.00	.00	.00	-20.42	-20.42
1030	CPC ERSTE EUR 600-1223-2800	20.80	.00	125.00	-53.14	.00	.00	.00	.00	-47.70	-47.70	100.00	.00	-50.44	46.82
1031	CPC ERSTE CAD 600-1223-2802	5,492.63	.00	-289.72	-65.83	.00	.00	.00	.00	-64.40	-71.20	-151.75	.00	-74.51	4,775.22
1035	CPC ERSTE USD 600-1223-2801	244.60	.00	.00	-52.38	.00	.00	.00	.00	-54.64	-54.69	.00	.00	-53.13	29.76
1041	CPC RBI CAD 0071-5427-2331	91,658.91	-198.68	-57.12	1.73	-53.23	-54.19	33.14	-67.60	-58.01	-90,059.73	90,077.72	-57.35	-60.41	91,105.18
1061	CRP CANADIAN BANK ACCOUNT #08060 5384452	6,772,614.23	475,489.53	-5,178,378.55	2,801,341.50	-1,957,640.36	612,732.63	-966,889.52	552,869.91	786,562.15	-3,543,204.41	5,198,145.34	-4,117,469.48	-824,804.54	611,368.43
1062	CRP US BANK ACCOUNT #08060 7346261	40,763.43	-4,009.49	.00	.00	-651.00	500.00	-10,171.00	.00	.00	-63.25	.00	4,277.36	.00	30,646.05
1064	RBI CAD BANK ACCOUNT #0071 5429 7734	35,882.85	-251.91	-49.98	-77.87	600,131.77	-54.19	438.70	-78.87	600,126.99	-1,235,007.58	946,719.63	3,881,400.26	-4,426,881.79	402,298.01
1069	MFCPP EURO BANK UNREALIZED F/X	.00	00	.00	.00	.00	.00	.00	.00	-40.51	-47.62	46.63	.00	-25.37	-66.87
1211	INVESTMENT IN CPF (FINANCE)	20,898,761.17	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	20,898,761.17
1212	INVESTEMENT IN WIN ENERGY (MONTANA) INC.	1,664,396.37	00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	1,664,396.37
1270	REDWOOD INVESTMENT	831,898.21	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	831,898.21
1405	ACCOUNTS RECEIVABLE - ACCRUAL	9,400,899.16	-1,824,607.53	-1,864,025.80	163,014.75	-475,251.78	424,026.72	-1,233,955.85	202,619.65	1,421,838.07	-1,149,153.27	-1,491,355.38	-490,970.98	-453,283.81	2,629,793.93
1410	ACCOUNTS RECEIVABLE - REVENUE	-1,244,301.74	-1,556,756.75	2,276,798.24	-1,214,419.86	71,137.73	-13,501.75	642,473.30	-154,736.53	-857,523.78	997,195.11	-162,208.28	95,450.56	470,033.86	-650,359.89
1420	ACCOUNTS RECEIVABLE - JOINT VENTURE	3,155,693.65	907,001.93	-199,137.35	-356,692.86	192,139.99	-513,648.95	841,582.54	-251,083.05	-420,921.44	403,853.43	-348,963.54	330,480.10	-15,350.76	3,724,953.69
1426	OPERATING ADVANCES - NON-OPERATED	11,588,876.30	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	-11,588,876.30	.00
1430	ACCOUNTS RECEIVABLE - OTHER	300,270.04	-298,907.44	-1,362.60	67,607.33	-44,741.08	6,911.75	1,623,179.98	-640,281.21	-559,956.02	-439,314.06	-31,876.92	24,495.38	-6,025.15	.00
1432	INTERCO - MFC RP AND MFC PP	1,191,268.64	-679,223.36	1,403,112.35	-1,443,277.30	-167,380.34	-82,552.05	-113,206.86	59,889.66	166,926.84	167,281.01	624,536.25	1,485,088.41	12,614,155.35	15,226,618.60
1433	INTERCO - MFC ACQUISITION	-338.58	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	-338.58
1434	INTERCO - MFC ENERGY (MONTANA)	1,037,556.39	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	1,037,556.39
1435	INTERCO - MFC RP AND PWR PLANT	.00	.00	.00	.00	.00	.00	.00	325,889.80	167,681.97	162,174.65	103,731.51	111,946.73	-871,424.66	.00
1439	ACCOUNTS RECEIVABLE - G & A	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	497,233.26	497,233.26
1440	ROYALTY INCOME RECEIVABLE	-6,280.47	-1,575.07	4,579.39	3,036.89	233.83	-165.07	170.50	-24.38	-102,907.30	22,904.03	8,914.22	70,865.46	112.52	-135.45
1450	ACCOUNTS RECEIVABLE - LAND	69,101.72	8,843.10	-7,660.20	-17,622.79	6,203.78	-20,003.55	-4,563.58	-8,098.23	-2,261.00	-4,315.50	4,024.11	1,218.00	5,864.71	30,730.57
1470	ALLOWANCE FOR BAD DEBTS	-511,216.62	.00	-.10	.00	.00	.00	-45.03	.00	.00	2,933.08	.00	.54	-97.40	-508,425.53
1471	AR FROM MFC INDUSTRIAL LTD.	.00	.00	.00	.00	3,014.00	9,900.00	-12,914.00	3,950.00	-3,950.00	7,200.00	-7,200.00	.00	.00	.00
1477	INTERCO - MFC RP AND MFC ENERGY	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	69,413,486.00	69,413,486.00
1478	INTERCO - MFC RP AND WABUSH	491,240.18	.00	5,672.57	239,934.18	1,052.80	.00	1,240.25	.00	.00	.00	.00	.00	.00	739,139.98
1485	JOINT VENTURE UNBILLED	.00	.00	.00	.00	.00	171.50	.00	2,061.06	-2,232.56	.00	.00	.00	.00	.00
2210	PHYSICAL INVENTORY	462,523.27	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	462,523.27
2220	GULF MIDSTREAM INVENTORY	-25,794.73	77,999.59	-75,394.09	-204,888.91	94,134.99	-14,092.66	-19,966.36	1,513.95	213,882.10	-30,950.41	-283,495.92	-41,245.45	83,085.93	-225,211.97
2320	PREPAID EXPENDITURES	1,082,938.72	-71,450.52	115,408.90	403,058.44	95,076.87	781,672.10	-742,720.36	39,698.17	26,503.67	-623,697.79	-697,125.00	168,197.44	-584,535.64	-6,975.00
2340	ACCOUNTS PAYABLE - SUSPENSE	.00	.00	5,503.06	-5,503.06	10,000.00	-422.31	.00	.00	.00	.00	107,896.08	-107,896.08	986.49	10,564.18
2410	DEPOSIT ON PURCHASES	60,036.17	3,500.00	.00	15,000.00	.00	.00	-15,000.00	.00	.00	.00	2,500.00	.00	.00	66,036.17
2430	CROWN DEPOSIT	964,543.21	.00	.00	.00	.00	.00	-350,140.29	.00	.00	.00	.00	.00	.00	614,402.92
2435	CROWN PROVISIONAL ASSESSMENTS	22,301.57	-22,301.57	.00	.00	.00	.00	91,246.09	-91,246.09	.00	.00	.00	.00	.00	.00
2510	ASSETS HELD FOR SALE - NITON	120,251,285.82	.00	.00	-1,127,516.00	.00	.00	-1,838,954.60	.00	.00	1,823,355.63	.00	.00	-119,108,170.85	.00
2515	IMPAIRMENT - ASSETS HELD FOR SALE	-3,522,583.00	.00	.00	.00	.00	.00	.00	.00	.00	-47,671,984.00	.00	.00	51,194,567.00	.00
2705	UNREALIZED RISK MANAGEMENT - CURRENT	.00	.00	104,500.00	116,000.00	770,500.00	124,000.00	51,000.00	-1,166,000.00	823,125.00	-823,125.00	.00	.00	.00	.00
2710	UNREALIZED HEDGING ASSET	.00	.00	.00	.00	.00	61,500.00	-61,500.00	.00	217,600.00	-217,600.00	.00	.00	.00	.00
2715	FUTURE INCOME TAX ASSET - CURRENT	46,819,020.13	.00	.00	-903,628.00	.00	.00	4,871,601.00	.00	.00	.00	.00	.00	-50,786,993.13	.00
3005	LAND PURCHASES - E&E	33,240,125.64	.00	-1,800.00	-329,104.00	.00	.00	1,384.04	.00	.00	-29,047.20	.00	.00	.00	32,881,558.48
3010	E&E DRILLING COSTS	-7,477.80	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	-7,477.80
3015	IMPAIRMENT - E&E LAND	-3,706,079.61	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	-3,706,079.61
3030	E&E PROBABLES	55,451,207.74	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	55,451,207.74
3050	E&E PRELIMINARY DRILLING	7,670.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	7,670.00
3099	IMPAIRMENT EXPENSE - E&E	-7,191,136.20	.00	.00	.00	.00	.00	.00	.00	.00	-16,107,501.20	.00	.00	.00	-23,298,637.40
3110	ACQUISITIONS - PRODUCING LAND	27,767,044.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	27,767,044.00
3120	LEASE RENTALS - NO AFE	540,067.17	100,968.52	73.52	30,923.41	15,657.50	14,446.27	6,616.54	17,178.33	14,021.08	12,767.07	506.32	-352.80	101,377.81	854,250.74
3130	DISPOSITIONS - LAND	30,495.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	30,495.00
3131	DISPOSITIONS - E&E NON PRODUCING LANDS	-1,003,803.50	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	-4,662,985.13	-5,666,788.63
3155	MISC LAND COSTS - NO AFE	84,162.79	.00	.00	.00	.00	6,104.39	-6,104.39	4,423.20	3,784.08	536.00	.00	.00	.00	92,906.07
3220	GEOLOGICAL & GEOPHYSICAL - DEVELOPMENT	.00	.00	.00	.00	.00	.00	.00	.00	.00	615.00	.00	.00	.00	615.00
3230	G & G EXPENSE - NO AFE	601,601.97	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	601,601.97
3301	OPENING INTANGIBLE COSTS	1,002,413.19	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	1,002,413.19
3302	INTANGIBLE ACQUISITIONS	3,731,000.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	3,731,000.00
3304	OPENING INTANGIBLE COSTS BY AREA	115,076,866.74	.00	.00	.00	.00	.00	420,761.83	.00	.00	.00	.00	.00	-23,069.89	115,474,558.68
3305	PRELIMINARY DRILLING COSTS	18,687.18	.00	2,707.30	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	21,394.48
3306	PRELIM DRILLING FROM E&E (ACCTG ONLY)	3,326.30	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	3,326.30
3310	INTANGIBLE DRILLING COSTS	191,121.03	.00	.00	4,508.79	.12	.00	6.30	.00	2,668.00	33.75	7,755.75	.00	.00	206,093.74
3311	DRILLING COSTS FROM E&E (ACCTG ONLY)	166.32	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	166.32
3320	COMPLETION COSTS	588,453.31	.00	.00	4,356.88	-1,650.48	.00	.00	.00	5,669.25	.00	7,478.84	.00	.00	604,307.80
3330	RECOMPLETION COSTS	248,308.58	1,884.52	.00	6.62	.00	.00	.00	.00	.00	.00	.00	.00	.00	250,199.72
3340	WORKOVERS COSTS	1,665,817.01	28,043.77	6,855.82	7,538.93	265.72	1,128.00	8,776.74	10,086.64	304.37	211.15	9,528.89	-3,059.05	497,707.76	2,233,205.75
3345	ABANDONMENT COSTS	.00	33,636.09	4,027.84	-37,663.93	1,241.42	15,127.22	130,954.57	5,803.40	4,268.34	27,525.54	-326.49	7,408.83	-38,142.45	153,860.38
3350	WELL SUSPENSION COSTS	.00	32,072.02	4,574.15	-36,646.17	23,472.27	26,196.47	-49,668.74	13,114.60	630.54	24,796.86	52,556.50	73,839.37	-164,937.87	.00
3360	PIPELINE INTANGIBLE COSTS	6,875.87	.00	.00	.00	.00	.00	1,204.93	.00	152.92	159.40	610.00	.00	.00	9,003.12
3370	FACILITY INTANGIBLE COSTS	5,978,278.71	424,292.46	46,316.67	-144,231.09	168,575.29	40,909.31	-1,709.35	5,836.91	3,360.28	541.09	10,233.50	107.68	344.92	6,532,856.38
3380	RECLAMATION AND SUSPENSION (AFE)	.00	80,240.80	11,625.79	-91,866.59	20,941.79	14,420.18	-30,331.27	59,457.43	17,558.83	-55,145.19	128,813.26	4,049.53	-127,381.28	32,383.28
3385	RECLAMATION AND SUSPENSION (FA)	.00	37,146.62	.00	-37,146.62	2,975.09	.00	-2,975.09	1,876.48	899.37	-2,775.85	.00	.00	.00	.00
3399	IMPAIRMENT - DEVELOPMENT	-25,243,878.68	.00	.00	.00	.00	.00	.00	.00	.00	-46,715,402.82	.00	.00	.00	-71,959,281.50
3520	BATTERY / FACILITY EQUIPMENT	46,119,598.36	-170,968.59	-42,612.63	209,458.35	28,362.19	776.42	-460,670.45	5,519.61	5,009.53	.00	164.48	96.26	-10,243,000.00	35,451,733.53
3530	PIPELINES & GATHERING SYSTEMS	88,568,466.39	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	88,568,466.39

APPENDIX 19

MULTI MONTH TRIAL BALANCE
060 - 0989 RESOURCES PARTNERSHIP
AS OF 2015/12/31
CURRENCY: OPERATING

REPORT NAME: RENFS220
RUN DATE: 08/31/17 RUN TIME: 10.39.47
RUN BY: LBERGEN
PAGE: 2

ACCT		CLOSING BAL. AT 201412	201501	201502	201503	201504	201505	201506	201507	201508	201509	201510	201511	201512	CLOSING BAL. AT 201512
3550	TANGIBLE DISPOSITION COSTS	-2,301.56	-15,000.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	-17,301.56
3560	PLANT TURNAROUND/COMPRESSOR OVERHAULS	11,537,116.45	61,502.09	-46,004.06	30,426.72	-5,071.89	6,852.21	-87,204.17	-48,772.52	-5,089.38	5,174.95	.00	.00	.00	11,448,930.40
3605	LONG LIVED ASSET	52,156,059.65	.00	.00	-7,498,343.00	.00	.00	-6,747,537.00	.00	.00	13,193,773.68	.00	.00	-78,778.77	51,025,174.56
3810	CAPEX - WELLS - (SUS/SI)	124.64	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	124.64
3820	CAPEX - WELLS - DA	-1,231.34	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	-1,231.34
3999	GAAP TRANSFERS FROM PP&E	-30,694,340.85	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	-30,694,340.85
4810	OFFICE FURNITURE & FIXTURES	851,872.34	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	851,872.34
4811	OFFICE FURNITURE & FIXTURE (NO AFE)	979.52	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	979.52
4820	COMPUTER EQUIPMENT	152,053.77	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	152,053.77
4821	COMPUTER EQUIPMENT (NO AFE)	380,825.10	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	380,825.10
4830	COMPUTER SOFTWARE	62,655.45	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	62,655.45
4831	COMPUTER SOFTWARE (NO AFE)	199,300.50	.00	.00	.00	.00	.00	.00	.00	.00	840.00	.00	.00	.00	200,140.50
4840	LEASEHOLD IMPROVEMENTS	84.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	84.00
4841	LEASEHOLD IMPROVEMENTS (NO AFE)	80,504.10	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	80,504.10
4860	VEHICLE (NO AFE)	40,166.39	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	40,166.39
5520	ACCUM DEPRECIATION - PLANTS	-.01	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	-.01
5535	SITE RESTORATION LIABILITY USE 8250	500,782.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	500,782.00
5550	ACCUMULATED DEPRECIATION	-3,675,023.06	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	-3,675,023.06
5560	ACCUMULATED DEPLETION	-80,966,958.59	-1,137,069.39	-1,137,069.39	-1,137,069.39	-896,309.09	-896,309.09	-3,389,043.00	-1,258,146.63	-1,258,146.64	-1,417,533.27	.00	.00	-1,505,790.69	-94,999,445.17
5570	ACCUMULATED AMORTIZATION	-5,476,954.12	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	-5,476,954.12
5810	ACCUM DEPRECIATION - FURNITURE & FIXTURE	-335,067.25	-14,214.20	-14,214.20	-14,214.19	-14,214.20	-14,214.20	-14,214.19	-14,214.20	-14,214.19	-14,214.20	.00	.00	-42,642.59	-505,637.61
5820	ACCUM DEPRECIATION - COMPUTER EQUIPMENT	-191,117.36	-8,881.31	-8,881.32	-8,881.31	-8,881.31	-8,881.31	-8,881.32	-8,881.31	-8,881.32	-8,881.31	.00	.00	-26,643.94	-297,693.12
5830	ACCUM DEPRECIATION - COMPUTER SOFTWARE	-168,228.23	-7,276.55	-7,276.56	-7,276.55	-7,276.55	-7,276.55	-7,276.56	-7,276.55	-7,276.56	-7,346.55	.00	.00	-21,899.66	-255,686.87
5840	ACCUM DEPREC - LEASEHOLD IMPROVEMENTS	-26,382.29	-1,343.14	-1,343.13	-1,343.14	-1,343.13	-1,343.13	-1,343.15	-1,343.14	-1,343.13	-1,343.14	.00	.00	-4,029.41	-42,499.93
5850	ACCUM DEPRECIATION - VEHICLES	-15,253.31	-669.44	-669.44	-669.44	-669.44	-669.44	-669.44	-669.44	-669.44	-669.44	.00	.00	-2,008.32	-23,286.59
6215	ACCOUNTS PAYABLE - G & A	-240,412.33	326,969.80	192,027.92	-443,548.08	-173,220.65	97,790.83	70,145.14	72,436.56	21,250.05	-36,786.02	27,575.60	-79,677.78	-249,492.26	-414,941.22
6220	ACCOUNTS PAYABLE - JOINT VENTURE	-1,365,976.53	750,387.91	354,214.79	-314,196.04	-180,423.28	-192,652.06	367,623.68	18,764.12	-451,577.34	-525,385.09	562,614.64	-232,237.85	20,337.95	-1,188,505.10
6230	ACCOUNTS PAYABLE - ROYALTIES	-679,338.50	135,516.66	-145,023.49	187,336.81	35,722.93	-45,491.19	-256,528.88	284,452.75	-18,370.65	-55,058.63	-14,015.76	-111,570.62	-212,629.02	-894,997.59
6235	ACCOUNTS PAYABLE - LAND RENTALS	-130,466.81	93,985.43	6,223.61	6,933.06	-1,637.26	1,216.83	-14,923.32	12,922.00	-218,605.37	-590,891.66	960.90	4,890.00	-377,922.65	-1,207,315.24
6255	ACCOUNTS PAYABLE - OPERATING / CAPITAL	-857,662.33	-1,829,662.24	2,144,470.92	-529,311.93	397,197.78	71,364.40	-149,022.74	323,439.49	-82,179.00	-960,539.03	-1,049,739.82	-1,829,984.55	-265,825.11	-4,617,454.16
6265	ACCOUNTS PAYABLE FOR US$	.00	.00	.00	.00	.00	-400.00	400.00	.00	-63.25	63.25	.00	.00	.00	.00
6270	ACCRUED LIABILITIES	-14,614,363.18	3,024,545.77	781,857.01	-814,753.11	516,630.38	-1,092,620.14	4,460,454.01	917,365.24	-377,378.58	466,031.69	2,286,106.87	-12,296.37	-159,911.97	-4,618,332.38
6286	INTERCO - MFC RP AND MFC PP	-4,477,258.55	298,075.73	36,040.26	311,640.26	102,852.27	-151,453.42	67,666.91	-587,671.77	-39,676.55	-1,053,622.19	827,047.23	364,564.76	-17,651,767.23	-21,953,562.29
6287	INTERCO - MFC ACQUISITION	-108,938,071.64	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	-108,938,071.64
6289	INTERCO - MFC RP AND PWR PLANT	.00	.00	.00	.00	.00	.00	.00	.00	-153,931.40	-75,804.36	.00	.00	229,735.76	.00
6290	GST - COLLECTIBLE	324,259.11	-274,205.28	-103,691.56	19,582.50	-11,320.24	-37,632.66	7,605.56	-2,899.81	25,253.08	-56,166.84	93,637.27	-52,207.15	40,875.02	-26,911.00
6292	INTERCO - MFC RP AND WABUSH	-16,885,255.69	.00	.00	.00	-600,185.00	.00	.00	.00	-600,200.00	.00	.00	.00	.00	-18,085,640.69
6294	INTERCO - MFC RP AND MFC ENERGY	-30,887.20	.00	.00	.00	.00	.00	.00	-11,495.53	.00	.00	.00	.00	.00	-42,382.73
6295	AP TO MFC INDUSTRIAL LTD.	.00	.00	.00	.00	.00	.00	.00	.00	.00	-192,264.70	.00	.00	192,264.70	.00
6320	AP TO M FINANCIAL	.00	.00	.00	.00	.00	.00	-37,564,500.00	2,000.00	-4,000.00	7,534,000.00	-7,530,000.00	4,000.00	37,558,500.00	.00
6410	UNREALIZED HEDGING LIABILITY	.00	.00	.00	.00	.00	.00	.00	-12,375.00	12,375.00	.00	.00	.00	.00	.00
6415	FUTURE INCOME TAX LIABILITY - CURRENT	2,130,731.69	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	2,130,731.69
6420	ASSET RETIREMENT OBLIGATION	.00	.00	.00	258,215.40	.00	.00	187,394.05	.00	.00	192,444.82	.00	.00	163,814.22	801,868.49
6425	DECOMMISSIONING LIABILITY	-135,737,934.00	-101,536.67	-101,536.67	7,718,210.34	-101,536.87	-37,873.31	6,595,825.18	-97,040.67	-97,040.66	-13,095,188.35	-31,831.87	-31,831.87	186,553.81	-134,932,761.61
6426	DECOMMISSIONING LIABILITY AHFS	-17,802,765.00	-15,707.67	-15,707.66	861,713.03	-15,707.61	-15,707.62	1,408,864.25	-18,180.00	-18,180.00	-2,282,226.10	.00	.00	17,913,604.38	.00
6430	MPP TERM FINANCING - CURRENT PORTION	31,165,134.53	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	31,165,134.53
6520	DEFERRED OFFICE LEASE INDUCEMENTS	-192,223.95	4,035.85	4,035.85	4,035.85	4,035.85	4,035.85	4,035.85	4,035.85	4,035.85	4,035.85	4,035.85	4,035.85	4,035.85	-143,793.75
6540	INTERCOMPANY - MPP/COMPTON LONG TERM	-2,962,714.00	.00	.00	.00	366,114.00	.00	.00	.00	.00	.00	.00	.00	2,596,600.00	.00
6611	LONG TERM DEBT	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	-18,709,126.00	-18,709,126.00
6650	UNREALIZED HEDGING LIABILITY - LONG TERM	.00	.00	.00	.00	.00	.00	-186,650.00	-140,100.00	326,750.00	.00	.00	.00	.00	.00
6710	FUTURE INCOME TAXES	154,430,611.24	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	154,430,611.24
6806	MPP - DISTRIBUTION TO PARTNERS	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	-3,850,000.00	-3,850,000.00
6810	PARTNERSHIP CONTRIBUTIONS - COMPTON	-2,270,600.02	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	-2,270,600.02
6815	SHARE CAPITAL	-375,335,313.96	.00	.00	.00	.00	.00	37,570,500.00	.00	.00	.00	.00	.00	.00	-337,764,813.96
6825	ACCUMULATED OCI	-35,261.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	-35,261.00
6850	SHARE CAPITAL - SHARE ISSUE COSTS	30,173,636.12	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	30,173,636.12
6890	CONTRIBUTED SURPLUS	-1,112,994.49	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	-1,112,994.49
6910	RETAINED EARNINGS	-45,133,816.73	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	-45,133,816.73
7099	IMPAIRMENT EXPENSE - E&E	.00	.00	.00	329,104.00	.00	.00	27,840.00	.00	.00	16,649,188.40	.00	.00	.00	17,006,132.40
7399	IMPAIRMENT EXPENSE - D&P	.00	.00	.00	.00	.00	.00	.00	.00	.00	94,387,386.82	.00	.00	.00	94,387,386.82
7710	SALES - OIL	.00	-336,196.11	-281,039.12	-283,220.47	-186,500.77	-654,143.86	-275,105.03	-345,254.48	-344,685.84	-224,476.84	-352,866.45	-54,483.32	-112,406.95	-3,450,379.24
7711	ROYALTY - OIL - CALEDONIAN ONLY	.00	7,008.50	17,277.86	14,939.27	7,029.19	37,557.60	107,512.24	37,142.97	18,082.82	11,214.66	17,920.07	110.04	8,912.48	284,707.70
7720	SALES - GAS	.00	-3,395,737.66	-3,136,106.56	-3,166,249.38	-3,175,598.37	-2,992,626.20	-5,430,157.82	-4,086,821.80	-3,350,333.97	-2,694,452.38	-2,169,669.62	-1,691,835.02	-1,850,346.37	-37,139,935.15
7721	ROYALTY - GAS - CALEDONIAN ONLY	.00	171,645.48	159,659.97	166,616.68	158,257.02	149,044.48	148,813.77	129,216.06	188,736.67	136,096.10	109,378.82	86,321.79	97,449.07	1,701,235.91
7730	SALES - LIQUIDS	.00	-532,769.15	-755,185.97	-585,552.07	-510,746.00	-348,288.68	-375,995.16	-460,142.67	-263,899.32	-359,683.09	-108,774.23	-302,336.00	-121,939.47	-4,725,311.81
7731	ROYALTY - LIQUIDS - CALEDONIAN ONLY	.00	25,197.19	44,484.68	54,871.70	35,563.95	18,254.84	50,630.41	31,037.04	22,129.30	47,666.53	14,928.49	20,521.39	13,538.31	378,823.83
7735	SALES - SULPHUR	.00	-638,825.79	-315,882.47	-615,896.05	-317,465.97	-519,464.99	-380,299.04	-279,307.34	-402,849.52	-429,985.84	246,932.15	6,663.11	421,145.26	-3,225,236.49
7736	ROYALTY - SULPHUR - CALEDONIAN ONLY	.00	44,846.36	33,436.32	49,831.67	32,177.16	48,921.00	45,087.15	25,766.31	-8,386.45	77,827.62	-19,689.95	.77	1.48	329,819.44
7750	PROCESSING REVENUE	.00	-401,087.81	-346,723.29	-332,932.71	-304,125.98	-306,669.12	-324,792.21	-395,431.53	-248,085.11	-370,556.52	-250,968.75	-336,407.41	-281,452.32	-3,899,232.76
7815	PRODUCT HEDGING - GAS	.00	.00	.00	.00	.00	.00	.00	.00	2,640.00	7.85	.00	.00	.00	2,647.85
7825	OTHER REALIZED RISK MANAGEMENT	.00	.00	.00	.00	.00	.00	.00	.00	119,200.00	169,100.00	.00	.00	.00	288,300.00
7840	RISK MANAGEMENT - P&L	.00	.00	-104,500.00	-116,000.00	-770,500.00	-185,500.00	197,150.00	1,318,475.00	-1,379,850.00	1,040,725.00	.00	.00	.00	.00
7910	OPERATING - OVERHEAD RECOVERY	.00	-261,157.06	-296,232.86	-263,023.41	-276,332.80	-271,203.04	-267,277.52	-252,363.13	-252,403.31	-252,058.49	-274,371.69	-259,816.50	-249,619.55	-3,175,859.36
7911	MAZEPPA MANAGEMENT FEES	.00	-145,000.00	-145,000.00	-145,000.00	-145,000.00	-145,000.00	-145,000.00	-145,000.00	-145,000.00	-145,000.00	-145,000.00	-145,000.00	-145,000.00	-1,740,000.00
7915	CAPITAL - OVERHEAD RECOVERY	.00	-41,557.60	4,117.39	-18,723.66	8.07	-8,490.53	2,328.51	-11,964.12	4,332.90	-12,174.41	-5,727.23	-1,141.96	-2,942.31	-91,934.95

APPENDIX 19

MULTI MONTH TRIAL BALANCE
060 - 0989 RESOURCES PARTNERSHIP
AS OF 2015/12/31
CURRENCY: OPERATING

REPORT NAME: RENFS220
RUN DATE: 08/31/17 RUN TIME: 10.39.47
RUN BY: LBERGEN
PAGE: 3

ACCT		CLOSING BAL. AT 201412	201501	201502	201503	201504	201505	201506
8110	STRATEGIC REVIEW COSTS	.00	.00	570.00	.00	80,915.30	.00	.00
8210	ADMINISTRATIVE EXPENSES	.00	176,985.27	140,769.20	172,541.33	243,031.11	136,299.65	116,414.81
8211	G&A DIRECT PERSONNEL COSTS	.00	646,159.87	607,261.69	684,919.38	653,889.83	705,199.72	168,919.71
8217	G&A INFORMATION TECHNOLOGY	.00	47,281.61	42,144.21	347,271.55	239,793.14	135,466.50	49,223.35
8220	INTEREST EXPENSE	.00	-628.75	8,647.14	840.48	-1,350.83	5,123.65	11,948.17
8230	BAD DEBT EXPENSE	.00	.00	.00	.00	.00	.00	.00
8250	ASSET RETIREMENT EXPENSE	.00	.00	14,588.25	86,545.66	14,090.81	13,997.13	13,211.94
8260	DEPLETION EXPENSE	.00	1,137,069.39	1,137,069.39	1,137,069.39	896,309.09	896,309.09	3,389,043.00
8285	DEPRECIATION-OFFICE FURNITURE/FIXTURES	.00	14,214.20	14,214.20	14,214.19	14,214.20	14,214.20	14,214.19
8286	DEPRECIATION-COMPUTER HARDWARE	.00	8,881.31	8,881.32	8,881.31	8,881.31	8,881.31	8,881.32
8287	DEPRECIATION-COMPUTER SOFTWARE	.00	7,276.55	7,276.56	7,276.55	7,276.55	7,276.55	7,276.56
8288	DEPRECIATION-LEASEHOLD IMPROVEMENTS	.00	1,343.14	1,343.13	1,343.14	1,343.13	1,343.13	1,343.15
8289	DEPRECIATION- VEHICLE	.00	669.44	669.44	669.44	669.44	669.44	669.44
8290	GAIN/LOSS DISPOSAL FIXED ASSETS	.00	.00	.00	-60,046.59	-50,195.00	-7,860.00	-944,460.00
8295	ACCRETION / SITE RESTORATION EXPENSE	.00	117,244.34	117,244.33	117,244.33	117,244.48	53,580.93	174,836.59
8310	UNREALIZED FOREIGN EXCHANGE (GAIN)/LOSS	.00	11,387.36	7,116.43	-6,979.40	2,476.22	-1,528.71	10,158.71
8420	FUTURE TAX	.00	.00	.00	903,628.00	.00	.00	-4,871,601.00
8810	OPERATING EXPENSES - WELLS	.00	3,238,032.29	3,295,932.54	3,568,705.75	3,410,570.11	3,512,858.83	2,755,790.05
8815	OPEX - SHUT IN & DRY AND ABANDONED (FA)	.00	403,423.56	261,500.95	288,026.60	252,151.76	306,601.46	394,132.96
8820	OPERATING EXPENSES - PLANTS & FACILITIES	.00	794,503.20	689,576.71	664,101.23	681,076.61	482,866.05	367,466.63
8830	SURFACE EXPENSES - AFE	.00	5,562.93	129,650.78	185,106.54	-10,754.94	163,043.98	-148,164.38
8850	DOWNHOLE EXPENSES - AFE	.00	2,237.44	282.80	243.64	8,967.51	11,410.20	21,774.52
TOTAL		.00	.00	.00	.00	.00	.00	.00

ACCT	201507	201508	201509	201510	201511	201512	CLOSING BAL. AT 201512
8110	.00	.00	.00	.00	.00	.00	81,485.30
8210	112,395.25	94,607.02	214,588.63	161,779.76	132,020.57	-81,399.72	1,620,032.88
8211	581,261.31	1,168,431.34	845,270.79	527,592.42	617,383.82	222,625.88	7,428,915.76
8217	183,407.79	58,969.09	119,942.75	30,465.61	21,009.67	102,500.77	1,377,476.04
8220	-34,598.35	2,587.91	2,467.64	-5,370.70	46,754.34	119,622.47	156,043.17
8230	.00	.00	.00	.00	.00	1,901.13	1,901.13
8250	10,318.06	82,615.22	13,416.12	10,608.85	9,975.25	9,127.57	278,494.86
8260	1,258,146.63	1,258,146.64	1,417,533.27	.00	.00	1,505,790.69	14,032,486.58
8285	14,214.20	14,214.19	14,214.20	.00	.00	42,642.59	170,570.36
8286	8,881.31	8,881.32	8,881.31	.00	.00	26,643.94	106,575.76
8287	7,276.55	7,276.56	7,346.55	.00	.00	21,899.66	87,458.64
8288	1,343.14	1,343.13	1,343.14	.00	.00	4,029.41	16,117.64
8289	669.44	669.44	669.44	.00	.00	2,008.32	8,033.28
8290	42,600.00	.00	.00	.00	-71,053.21	-63,521.77	-1,154,536.57
8295	115,220.67	115,220.66	-134,945.33	31,831.87	31,831.87	98,745.39	955,300.13
8310	.00	.00	.00	.00	.00	.00	22,630.61
8420	.00	.00	.00	.00	.00	50,786,993.13	46,819,020.13
8810	2,538,037.30	3,458,326.14	2,492,239.89	1,498,326.02	1,789,454.69	1,938,909.13	33,497,182.74
8815	281,564.82	282,866.90	274,164.58	274,251.38	280,996.13	233,090.97	3,532,772.07
8820	429,754.10	443,619.65	679,371.40	742,685.42	590,356.38	383,752.86	6,949,130.24
8830	19,908.79	750.14	.00	3,791.96	9,943.32	9,533.44	368,372.56
8850	.00	22.33	6.32	24,145.49	4,747.10	.00	73,837.35
TOTAL	.00	.00	.00	.00	.00	.00	.00

EXHIBIT 4

BROWSE A BATCH
CO: 060 MFC RESOURCE PARTNERSHIP

CURRENCY: OPERATING

REPORT NAME: RENGL120
RUN DATE: 09/08/17 RUN TIME: 12.26.14
PAGE: 1

BATCH# 731371
CALENDAR PERIOD: 201506
SOURCE: JV

CREATED: 2015/06/01
CREATED BY: LAUREN VANDORPE

APPROVED: 2015/06/15
APPROVED BY: SARAH HAUGHEY

POSTED: YES
LAST UPDATED BY:

BATCH DESCRIPTION: RBI 201506

CO	Acct	SF	Description	Facility	AFE	Supp or Cust No	Name	Invoice / Reference	DOI Used	Acct Period	Prod Period	Gross Amount	Net Amount	Gross Quantity	Net Quantity
060	1041		CPC RBI CAD 0071-5427-2331					RBI 201506		201506	000000	-55.05	-55.05	.00	.00
060	8220	873	BANK/SERVICE CHARGES					RBI 201506		201506	000000	55.05	55.05	.00	.00
060	1064		RBI CAD BANK ACCOUNT #0071 5429 7734					RBI 201506		201506	000000	-55.05	-55.05	.00	.00
060	8220	873	BANK/SERVICE CHARGES					RBI 201506		201506	000000	55.05	55.05	.00	.00
*TOTAL BATCH			731371									.00	.00	.00	.00

EXHIBIT 5

BROWSE A BATCH
CO: 060 MFC RESOURCE PARTNERSHIP

CURRENCY: OPERATING

REPORT NAME: RENGL120
RUN DATE: 09/08/17 RUN TIME: 12.25.24
PAGE: 1

BATCH# 731537
CALENDAR PERIOD: 201506
SOURCE: JV

CREATED: 2015/06/01
CREATED BY: JACLYN FAUVILLE

APPROVED: 2015/07/08
APPROVED BY: SARAH HAUGHEY

POSTED: YES
LAST UPDATED BY:

BATCH DESCRIPTION: 1506_1064 BANKING

CO	Acct	SF	Description	Facility	AFE	Supp or Cust No	Name	Invoice / Reference	DOI Used	Acct Period	Prod Period	Gross Amount	Net Amount	Gross Quantity	Net Quantity
060	1064		RBI CAD BANK ACCOUNT #0071 5429 7734					1506_1064 BANKING(A)		201506	000000	-18.72	-18.72	.00	.00
060	8210	854	CORPORATE	CO9980002				1506_1064 BANKING(A)		201506	201506	18.72	18.72	.00	.00
060	1064		RBI CAD BANK ACCOUNT #0071 5429 7734					1506_1064 BANKING(A)		201506	000000	546.82	546.82	.00	.00
060	8220	893	INTEREST REVENUE					1506_1064 BANKING(A)		201506	000000	-546.82	-546.82	.00	.00
*TOTAL BATCH			731537									.00	.00	.00	.00

EXHIBIT 6

BROWSE A BATCH
CO: 060 MFC RESOURCE PARTNERSHIP

CURRENCY: OPERATING

REPORT NAME: RENGL120
RUN DATE: 09/06/17 RUN TIME: 12.30.21
PAGE: 1

BATCH# 731541
CALENDAR PERIOD: 201506
SOURCE: JV

CREATED: 2015/06/01
CREATED BY: JACLYN FAUVILLE

APPROVED: 2015/07/08
APPROVED BY: SARAH HAUGHEY

POSTED: YES
LAST UPDATED BY:

BATCH DESCRIPTION: 1506_1041-1067 BANKING

CO	Acct	SF	Description	Facility	AFE	Supp or Cust No	Name	Invoice / Reference	DOI Used	Acct Period	Prod Period	Gross Amount	Net Amount	Gross Quantity	Net Quantity
060	1041		CPC RBI CAD 0071-5427-2331					1506_1041-1067 BANK		201506	000000	-24,916,755.60	-24,916,755.60	.00	.00
060	6815		SHARE CAPITAL					1506_1041-1067 BANK		201506	000000	24,916,755.60	24,916,755.60	.00	.00
060	1041		CPC RBI CAD 0071-5427-2331					1506_1041-1067 BANK		201506	000000	-16.38	-16.38	.00	.00
060	8210	854	CORPORATE	CO9980002				1506_1041-1067 BANK		201506	201506	16.38	16.38	.00	.00
060	1041		CPC RBI CAD 0071-5427-2331					1506_1041-1067 BANK		201506	000000	104.57	104.57	.00	.00
060	8220	893	INTEREST REVENUE					1506_1041-1067 BANK		201506	000000	-104.57	-104.57	.00	.00
060	1064		RBI CAD BANK ACCOUNT #0071 5429 7734					1506_1041-1067 BANK		201506	000000	-34.35	-34.35	.00	.00
060	8220	873	BANK/SERVICE CHARGES					1506_1041-1067 BANK		201506	000000	34.35	34.35	.00	.00
060	6815		SHARE CAPITAL					1506_1041-1067 BANK		201506	000000	12,653,744.40	12,653,744.40	.00	.00
060	1041		CPC RBI CAD 0071-5427-2331					1506_1041-1067 BANK		201506	000000	24,916,755.60	24,916,755.60	.00	.00
060	6320		AP TO M FINANCIAL					1506_1041-1067 BANK		201506	000000	-37,570,500.00	-37,570,500.00	.00	.00
*TOTAL BATCH			731541									.00	.00	.00	.00

EXHIBIT 7

BROWSE A BATCH
CO: 060 MFC RESOURCE PARTNERSHIP

CURRENCY: OPERATING

REPORT NAME: RENGL120
RUN DATE: 09/08/17 RUN TIME: 11.14.36
PAGE: 1

BATCH# 731550
CALENDAR PERIOD: 201506
SOURCE: JV

CREATED: 2015/06/01
CREATED BY: JACLYN FAUVILLE

APPROVED: 2015/07/08
APPROVED BY: SARAH HAUGHEY

POSTED: YES
LAST UPDATED BY:

BATCH DESCRIPTION: 1471 CLEARING 1506GL

CO	Acct	SF	Description	Facility	AFE	Supp or Cust No	Name	Invoice / Reference	DOI Used	Acct Period	Prod Period	Gross Amount	Net Amount	Gross Quantity	Net Quantity
060	1471		AR FROM MFC INDUSTRIAL LTD.					1471 CLEARING1506GL		201506	000000	-2,000.00	-2,000.00	.00	.00
060	1471		AR FROM MFC INDUSTRIAL LTD.					1471 CLEARING1506GL		201506	000000	-2,000.00	-2,000.00	.00	.00
060	6320		AP TO M FINANCIAL					1471 CLEARING1506GL		201506	000000	4,000.00	4,000.00	.00	.00
060	1471		AR FROM MFC INDUSTRIAL LTD.					1471 CLEARING1506GL		201506	000000	-3,950.00	-3,950.00	.00	.00
060	1471		AR FROM MFC INDUSTRIAL LTD.					1471 CLEARING1506GL		201506	000000	-3,950.00	-3,950.00	.00	.00
060	8211	855	CORPORATE	CO9980002				1471 CLEARING1506GL		201506	201505	3,950.00	3,950.00	.00	.00
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*TOTAL BATCH			731550									.00	.00	.00	.00

TAB

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SANGRA MOLLER LLP

Barristers & Solicitors

1000 Cathedral Place
925 West Georgia Street
Vancouver, British Columbia
Canada V6C 3L2

Telephone: (604) 662-8808
Facsimile: (604) 669-8803
www.sangramoller.com

Reply Attention of:
H.S. Sangra
Our File No:
6963002
Direct Line:
(604) 692-3022
Email:
hsangra@sangramoller.com

September 21, 2017

VIA EMAIL

Borden Ladner Gervais
Centennial Place, East Tower
1900, 520 – 3rd Ave SW
Calgary, AB, Canada T2P 0R3

Attention: Robyn Gurofsky

Dear Robyn:

Re: In the Matter of the Receivership of Lexin Resources Ltd. et al ("Lexin")

Further to our respective letters of September 14 and 15, 2017, while our client has no access to the financial or other records of Lexin, with respect to the secured debt owed to MFC Energy Finance Inc. ("**MFC Energy**") we had understood that all of the relevant supporting agreements had been previously provided to you by Lerners LLP. However, to the extent the following was not so provided to you, we advise as follows:

1. Pursuant to a purchase, sale and conveyance agreement between 0989 Resource Partnership ("**0989**") and 1059032 B.C. Ltd. ("**105**") dated December 29, 2015, a copy of which is enclosed herewith, 0989 conveyed certain undeveloped lands to 105 in exchange for common shares of 105. As set forth in your letter, the common shares of 105 were sold by 0989 to MFC Energy pursuant to a share purchase agreement between 0989 and MFC Energy dated December 29, 2016 (the "**SPA**").

2. Pursuant to a letter agreement between 0989, 1049597 B.C. Ltd. ("**104**") and MFC Energy dated September 30, 2016, a copy of which is enclosed herewith, the parties acknowledged repayments aggregating to $2,385,000 from 0989 to MFC Energy under the Loan Agreement between 0989 and MFCEF dated June 30, 2015 and related promissory note (the "**Loan Agreement**") and the adjustment of the purchase price under the Bill of Sale between 0989 and 104 dated December 29, 2015 (the "**Bill of Sale**") to $13,279,000.

3. Pursuant to a letter agreement between 0989, Lexin Resources Ltd. and MFC Energy dated January 5, 2016, a copy of which is enclosed herewith, 0989 sold to MFC Energy all of the shares of MFC Energy (Montana) Inc. in consideration for $790,000, which was satisfied by set-off against amounts owed to MFC Energy under the Loan Agreement.

We have been advised by Lerners LLP that you have already been provided with the SPA, the Loan Agreement and the Bill of Sale.

Yours truly,

SANGRA MOLLER LLP

Per:
H.S. Sangra

HSS/cl
cc. Alberta Energy Regulator
Attention: Keely Cameron

Borden Ladner Gervais
Attention: Jessica Cameron

Burnet Duckworth & Palmer LLP
Attention: Michael Donaldson, David de Groot

Rod Talaifar

PURCHASE, SALE AND CONVEYANCE AGREEMENT

THIS AGREEMENT made as of the 29th day of December, 2015.

BETWEEN:

MFC Resource Partnership, a general partnership formed under the laws of British Columbia ("**Vendor**")

- and -

1059032 B.C. LTD., a corporation organized under the laws of the Province of British Columbia ("**Purchaser**")

WHEREAS:

A. Vendor owns the Assets;

B. Vendor desires to sell and convey the Assets to Purchaser and Purchaser desires to purchase and receive Assets from Vendor under and pursuant to the terms of this Agreement; and

C. The Parties intend that, at the option of the Vendor, subsection 85(2) of the *Income Tax Act* (and any comparable provisions of the laws of a province having jurisdiction to levy tax on the purchase and sale of the Assets) will apply to the purchase and sale of the Assets. In that regard, at the option of the Vendor, for income tax purposes the Parties will elect that, pursuant to subsection 85(2) of the *Income Tax Act* (and any similar provision of any applicable provincial law), the Assets will be transferred to the Purchaser at an amount equal to the elected amount determined by the Vendor in accordance with the prescribed limits set out in the *Income Tax Act* (and any applicable provincial law).

NOW THEREFORE in consideration of the premises hereto and of the covenants, warranties, representations, agreements and payments herein set forth and provided for, the Parties covenant and agree as follows:

ARTICLE 1
INTERPRETATION

1.1 Definitions

In this Agreement (including the recitals hereto, this Section and the Schedule) the words and phrases set forth below shall have the meaning ascribed thereto below, namely:

(a) "**Applicable Law**" means all applicable statutes, laws, rules, orders, regulations, judgments, injunctions, directives or other instruments (and all applicable requirements thereunder) of any governmental authority having jurisdiction over the Parties or the Assets as the same are in effect from time to time;

(b) "**Assets**" means the Fee Title Lands;

(c) "**Claim**" means any claim, demand, lawsuit, arbitration or regulatory proceeding;

(d) "**Closing**" means the transfer by Vendor to Purchaser of the Assets and the delivery by Purchaser to Vendor of the Purchase Price and the completion of all matters incidental thereto;

(e) "**Consideration Shares**" has the meaning set forth in Section 2.2(c);

(f) "**Effective Time**" means 8:00 a.m. (Calgary time) on the date of Closing;

(g) **"Environment"** means the atmosphere, the surface and sub-surface of the earth, groundwater and surface water (including lakes, streams, rivers, oceans and aquifers) and plants and animals (including human beings) and **"Environmental"** means relating to or in respect of the Environment;

(h) **"Environmental Liabilities"** means all past, present and future liabilities, losses, claims, obligations or commitments of any nature whatsoever, asserted or unasserted, known or unknown, absolute or contingent, accrued or unaccrued, matured or unmatured or otherwise, whether arising under contract, Applicable Law or otherwise, arising from or relating to the Environment or the protection or remediation thereof that relate to the Assets or that have arisen or hereafter arise from or in respect of past, present or future operations on or related to the Fee Title Lands;

(i) **"Fee Title Lands"** means those lands described in Part I of Schedule "A";

(j) **"ITA"** means the *Income Tax Act* (Canada) R.S.C. 1985, c. 1 (5th Supplement), as amended, and all regulations enacted in respect thereof, or the act of any province of Canada imposing a tax on income or profits;

(k) **"Liabilities"** means any and all liabilities and obligations, whether under common law, in equity, under Applicable Law or otherwise, whether tortious, contractual, vicarious, statutory or otherwise, whether absolute or contingent, and whether based on fault, strict liability or otherwise, but excluding Environmental Liabilities;

(l) **"Losses"** means, in respect of a Person and in relation to a matter, any and all losses, damages, costs, expenses, charges (including all penalties, assessments and fines) which such Person suffers, sustains, pays or incurs in connection with such matter and includes taxes, reasonable costs of legal counsel (on a solicitor and client basis) and other professional advisors and consultants and reasonable costs of investigating and defending Claims arising from the matter, regardless of whether such Claims are sustained;

(m) **"Parties"** means the parties to this Agreement and **"Party"** means either one of them;

(n) **"Permitted Encumbrances"** means any of the following:

(i) Security Interests for taxes, assessments or governmental charges which are not due or delinquent, or the validity of which Vendor shall be contesting in good faith if such contest will involve no risk of loss of any material part of the Assets;

(ii) the Security Interests of any judgment rendered, or Claim filed, against Vendor which Vendor shall be contesting in good faith if such contest will involve no risk of loss of any material part of the Assets;

(iii) Security Interests imposed or permitted by law such as carriers' liens, builders' liens, materialmen's liens and other liens, privileges or other charges of a similar nature which relate to obligations not due or delinquent or if due or delinquent, any lien, privilege or charge which Vendor shall be contesting in good faith if such contest will involve no risk of loss of any of the Assets;

(iv) Security Interests arising in the ordinary course of and incidental to construction or current operations which have not been filed pursuant to law against Vendor or in respect of which no steps or proceedings to enforce such lien have been initiated or which relate to obligations which are not due or delinquent or if due or delinquent, any lien which Vendor shall be contesting in good faith if such contest will involve no risk of loss of the Assets;

(v) Security Interests incurred or created in the ordinary course of business and in accordance with sound oil and gas industry practice in Alberta in respect of the joint operation of oil and gas properties or related production or processing facilities as security in favour of any other Person conducting the development or operation of the property to which such liens relate, for Vendor's portion of the costs and expenses of such development or operation provided that such costs or expenses are not due or delinquent or if due or delinquent, any Security Interests which Vendor shall be contesting in good faith if such contest will involve no material risk of loss of the Assets; and

(vi) farmout interests, overriding royalty interests, net profit interests, reversionary interests and carried interests in respect of Vendor's oil and gas properties that are entered into with or granted to arm's length third parties in the ordinary course of business and in accordance with sound oil and gas industry practice;

(o) **"Person"** means an individual, a partnership, a corporation, a limited or unlimited liability company, a trust, an unincorporated organization, a union, a government or any department or agency thereof and the heirs, executors, administrators or other legal representatives of an individual;

(p) **"Purchase Price"** has the meaning set forth in Section 2.2(a);

(q) **"Security Interest"** means any assignment, mortgage, charge, pledge, lien, encumbrance, title retention agreement or any security interest whatsoever, howsoever created or arising, whether absolute or contingent, fixed or floating, legal or equitable, perfected or not.

1.2 **Interpretation**

(a) The words "hereof", "herein" and "hereunder" and other words of similar import used in this Agreement refer to this Agreement as a whole and not to any particular part of this Agreement.

(b) The words "including" and "includes" means "including, without limitation" and "includes without limitation", respectively.

(c) The word "costs" shall include legal fees on a solicitor and client basis.

(d) The headings of Sections of this Agreement and the table of contents are inserted for ease of reference only and shall not in any way affect the interpretation of this Agreement.

(e) Where the context so requires, in this Agreement words importing the singular only shall also include the plural and vice versa. If a term is defined in this Agreement, a derivative of that term shall have a corresponding meaning.

(f) Reference herein to "written" and "in writing" includes telexed and telecopied communications.

(g) Reference herein to any applicable law or any document, instrument or agreement means such applicable law or such document, instrument or agreement as originally implemented or executed, as modified, amended or supplemented from time to time. References herein to any Party shall include its permitted successors and assigns.

(h) All references herein to dollar amounts or sums of money are to lawful funds of Canada.

(i) Unless otherwise specifically stated, reference herein to any recital, Section or Schedule is a reference to such recital, Section or Schedule to or of this Agreement.

1.3 **Schedule**

The following Schedule is attached hereto, incorporated into and made a part of this Agreement:

Schedule A Fee Title Lands

ARTICLE 2
CONVEYANCE

2.1 Conveyance

Vendor hereby assigns, transfers, conveys and sets over its entire right, title, estate and interest in and to the Assets to Purchaser on the terms and conditions set forth in this Agreement effective as of the Effective Time and Purchaser hereby accepts from Vendor, the Assets, to have and to hold the same together with all benefits and advantages to be derived therefrom absolutely, subject to Permitted Encumbrances.

2.2 Payment of Purchase Price

(a) The purchase price payable for the Assets is $4,768,373 (the "**Purchase Price**"), which amount represents the Parties' best estimate of the fair market value of the Assets as of the Effective Time, subject to adjustment, if required, pursuant to Section 2.6.

(b) Except as contemplated by Section 2.6, there shall be no other adjustments to the Purchase Price. All benefits and obligations of every kind and nature accruing, paid or payable and received or receivable in respect of the Assets, have been taken into account in the calculation of the Purchase Price.

(c) Subject to adjustment pursuant to Section 2.6, the Purchase Price shall be paid by Purchaser issuing to Vendor 4,768,373 common shares in the capital of Purchaser (the "**Consideration Shares**").

2.3 Effective Time

The transfer and assignment of the Assets from Vendor to Purchaser shall be effective as of the Effective Time.

2.4 Section 85 Election

At the option of the Vendor, the Purchaser agrees that it will make a joint election with the Vendor pursuant to subsection 85(2) of the Income Tax Act, in the prescribed form and within the time stipulated by subsection 85(6) of the ITA, in respect of the Assets which qualify. The Parties agree that any penalties arising from a late election referred to in this Section 2.4 shall be paid by the Vendor. The Purchaser further agrees that the Vendor is authorized to determine the elected amount for the Assets which are subject to the election referred to in this Section 2.4 subject to the limitations contained in subsection 85(2) of the ITA.

2.5 Fair Market Value Price

In the event that the Minister of National Revenue, the Minister of Finance for the Province of Alberta, their authorized representatives, or any similar authority at any time hereafter proposes to issue or issues any assessment or assessments that impose or would impose any liability for any tax on the Vendor or the Purchaser or on any other Person on the basis that the fair market value of the Assets as of the date hereof is greater or less than the Purchase Price set out in Section 2.2 hereof, then the amount of the Purchase Price will be reviewed and the fair market value of the Assets will be deemed to be an amount determined as follows:

(a) if the authority in making or proposing such an assessment or assessments also makes a determination of the fair market value of the Assets as of the date hereof and both the Vendor and the Purchaser, either before or after objection or appeal or by agreement with such authority, accept the determination, then the fair market value so determined will be deemed to be the fair market value of such Assets for the purposes of the Purchase Price in Section 2.2 hereof; and

(b) in any other case, the parties will appoint a firm of chartered accountants in the Province of Alberta to make or obtain a second determination of the fair market value of the Assets, and the fair market value for the purposes of the Purchase Price will be the amount agreed upon by both the Vendor and the Purchaser after first receiving and considering such second determination or, if they cannot agree, the matter of such value will be referred to a single arbitrator appointed under the *Arbitration Act* (Alberta) whose determination of such matters will be final.

2.6 Price Adjustment

If the Purchase Price set out in Section 2.2 hereof is reviewed and the fair market value of the Assets is deemed to be an amount determined pursuant to Section 2.5 hereof, then the Purchase Price hereunder will be adjusted accordingly and retroactively, *nunc pro tunc*, to the Effective Time.

2.7 Increase or Decrease in Purchase Price

The Purchaser and the Vendor agree to attribute the amount of any increase or decrease in the estimate of the Purchase Price pursuant to Sections 2.5 and 2.6 hereof to the Assets, as agreed between the Parties, which attribution shall be confirmed by resolution of the directors of the Purchaser; or if the attribution is not confirmed by resolution of the directors of the Purchaser within 180 days of the final determination of the adjustment pursuant to Sections 2.6 and 2.7 hereof, then by payment in cash of the amount of the increase or decrease in the Purchase Price by the appropriate Party.

ARTICLE 3
REPRESENTATIONS AND WARRANTIES

3.1 Vendor's Representations and Warranties

Vendor hereby represents, warrants and covenants to and with Purchaser that:

(a) Vendor is a general partnership and subsisting under the laws of its jurisdiction of formation;

(b) Vendor has all requisite power and authority to enter into this Agreement and to convey the Assets on the terms described herein and to perform its other obligations under this Agreement;

(c) the execution and delivery of this Agreement and each and every agreement or document to be executed and delivered hereunder and the consummation of the transactions contemplated herein will not violate, nor be in conflict with, any provision of any agreement or instrument to which Vendor is a party or is bound, or any judgment, decree, order, statute, rule or regulation applicable to Vendor or of the constating documents of Vendor;

(d) this Agreement has been duly executed and delivered by Vendor and all documents required hereunder to be executed and delivered by Vendor have been duly executed and delivered and this Agreement and such documents constitute legal, valid and binding obligations of Vendor enforceable in accordance with their respective terms;

(e) Vendor is a Canadian partnership for the purposes of the ITA;

(f) The Assets are free and clear of all Security Interests or other encumbrances other than Permitted Encumbrances.

(g) Vendor has not received notice of any Claim, and to the Vendor's knowledge, there are no unsatisfied judgments, Claims or threatened Claims, against the Vendor in respect of or in connection with the Assets or the operation thereof;

(h) Vendor has not received written notice of any breach or purported breach of any Applicable Law pertaining to the Assets or the ownership or operation thereof that remains outstanding in any material respect or that has not been remedied in all material respects;

(i) None of the Assets are subject to any rights of first refusal in favour of any third parties;

(j) the Assets have been operated in accordance with good oil and gas field practices and the requirements of Applicable Law;

(k) after Closing, Purchaser shall be entitled to hold and enjoy the Assets without any lawful interruption by the Vendor or any Person claiming by, through or under it;

(l) Vendor has not received notice of default and is not, to the Vendor's knowledge, in any default under any obligation, agreement, document, order, writ, injunction or decree of any court or of any Government Authority or administrative agency, which might result in impairment or loss of the interest of the Vendor in and to the Assets or which might otherwise materially adversely affect the Assets;

(m) Vendor is not a non-resident of Canada within the meaning of the ITA; and

(n) Vendor is registered for the purposes of the goods and services tax pursuant to Part IX of the Excise Tax Act and has been assigned GST registration number 846956431 RT0001.

3.2 **Purchaser's Representations and Warranties**

Purchaser hereby represents, warrants and covenants to and with Vendor that:

(a) Purchaser is a corporation duly formed and subsisting under the laws of its jurisdiction of formation;

(b) Purchaser has all requisite power and authority to enter into this Agreement and to accept the Assets on the terms described herein and to perform its other obligations under this Agreement;

(c) the execution and delivery of this Agreement and each and every agreement or document to be executed and delivered hereunder and the consummation of the transactions contemplated herein will not violate, nor be in conflict with, any provision of any agreement or instrument to which Purchaser is a party or is bound, or any judgment, decree, order, statute, rule or regulation applicable to Purchaser or of the constating documents of Purchaser;

(d) this Agreement has been duly executed and delivered by Purchaser and all documents required hereunder to be executed and delivered by Purchaser have been duly executed and delivered and this Agreement and such documents constitute legal, valid and binding obligations of Purchaser enforceable in accordance with their respective terms;

(e) Purchaser is not a non-resident of Canada within the meaning of the ITA;

(f) Purchaser is registered for the purposes of the goods and services tax pursuant to Part IX of the Excise Tax Act and has been assigned GST registration number 792038929 RT0001; and

(g) the Consideration Shares shall be issued free and clear of any encumbrances or rights of third parties, voting trusts, proxies and other interests, claims or demands of every kind or nature whatsoever other than such as may be created by, through or under Vendor) and good title to the Consideration Shares will vest in Vendor.

3.3 Survival

Notwithstanding anything to the contrary contained herein, the representations and warranties set forth in Sections 3.1 and 3.2 shall survive Closing for the benefit of the Parties for a period of 12 months following the Closing.

3.4 No Merger

The covenants, representations and warranties set forth in Sections 3.1 and 3.2 shall be deemed to apply to all assignments, conveyances, transfers and documents conveying any of the Assets from Vendor to Purchaser and there shall not be any merger of any covenant, representation or warranty in such assignments, transfers or documents notwithstanding any rule of law, equity or statute to the contrary and all such rules are hereby waived.

ARTICLE 4
REGISTERED TITLE AND SPECIFIC CONVEYANCE

4.1 Specific Conveyances and Holding Title in Trust

To the extent registered title to all or any portion of the Assets is held in the name of Vendor, Vendor shall continue to hold registered title to such Assets in trust, as nominee and bare trustee, for Purchaser. Upon request of Purchaser, Vendor shall, provide to Purchaser such transfers, assignments, notices of assignment, novation agreements and other conveyances which are necessary or appropriate to transfer the title to the Assets currently held in the name of Vendor to Purchaser or as Purchaser otherwise directs. Purchaser shall be responsible at its cost for circulating and registering such conveyances and paying all transfer, registration, sales tax and other charges incurred in connection therewith.

ARTICLE 5
ACKNOWLEDGEMENT OF LIABILITIES AND INDEMNITIES

5.1 Acknowledged Liabilities

Purchaser hereby acknowledges and agrees to duly and punctually perform, pay and discharge;

(a) all obligations related to the Assets under Applicable Law other than those that were required to be performed or observed, or otherwise related to periods, prior to the Effective Time; and

(b) all obligations and Liabilities relating to the Assets that arise from or relate to acts, omissions, events or circumstances occurring after the Effective Time, including Losses, Liabilities and Claims arising from operations relating to the Assets conducted after the Effective Time.

5.2 Vendor's Liability and Indemnity Obligations

Vendor shall:

(a) be liable to Purchaser for all Losses and Liabilities Purchaser may suffer, sustain, pay or incur; and

(b) as a separate and independent covenant, indemnify and save Purchaser harmless from and against all Claims made against Purchaser,

as a direct result of any act, omission, fact or circumstance which constitutes a breach of the representations and warranties of Vendor in Section 3.1 or a breach of any covenant or agreement of Vendor contained in this Agreement.

5.3 Purchaser's Liability and Indemnity Obligations

Purchaser shall:

(a) be liable to Vendor for all Losses and Liabilities Vendor may suffer, sustain, pay or incur; and

(b) as a separate and independent covenant, indemnify and save harmless Vendor from and against all Claims made against Vendor,

(i) as a direct result of any act, omission, fact or circumstance which constitutes a breach of the representations and warranties of Purchaser in Section 3.2 or a breach of any covenant or agreement of Purchaser contained in this Agreement; or (ii) connected with or relating to the Liabilities acknowledged by Purchaser in Section 5.1.

5.4 **Limitations on Liabilities and Indemnities**

(a) A Party shall not be liable to, or required to indemnify and save harmless, the other Party pursuant to this Article 5 in respect of Losses, Liabilities or Claims to the extent they are:

(i) reimbursed or reimbursable to the other Party by insurance, or

(ii) caused by or result from the negligence or wilful misconduct of the other Party after the date hereof.

(b) No Claim in respect of a breach of a representation, warranty or covenant by a Party, shall be made or be enforceable by the other Party, whether by legal proceedings or otherwise, unless written notice of such Claim, with reasonable particulars, is given by such Party to the Party against whom such Claim is made within a period of 12 months from the date hereof.

(c) No Claim shall be made by a Party in respect of a breach of the representations, warranties and covenants made by the other Party in this Agreement except pursuant to this Article 5.

(d) The Parties acknowledge and agree that the limitations of liability and the remedies provided in this Article 5 are reasonable and represent the agreed upon allocation between the Parties of all risks and liabilities, whether known or unknown, actual or contingent, pertaining to the conveyance of the Assets from Vendor to Purchaser pursuant to this Agreement.

5.5 **Environmental Obligations**

The Purchaser acknowledges that from and after the Effective Time, the Purchaser shall become responsible for payment, performance and discharge of all Environmental Liabilities.

ARTICLE 6
MISCELLANEOUS

6.1 **Further Assurances**

At Closing and thereafter as may be necessary or desirable, and without further consideration, the Parties shall execute, acknowledge and deliver such other instruments and shall take such other action as may be necessary to carry out their respective obligations under this Agreement.

6.2 **Governing Law**

This Agreement shall, in all respects, be subject to and be interpreted, construed and enforced in accordance with the laws in effect in the Province of Alberta. Each Party accepts the exclusive jurisdiction of the courts of the Province of Alberta and all courts of appeal therefrom.

6.3 **Time**

Time shall be of the essence of this Agreement.

6.4 **Notice**

The address for notices of each of the Parties shall be as follows:

(a) Vendor:

MFC Resource Partnership
1035 7th Avenue SW, Suite 400
Calgary, Alberta
T2P 3E9
Facsimile: (403) 237-9410

Attention: Management Committee

(b) Purchaser:

1059032 B.C. Ltd.
1860 – 400 Burrard Street
Vancouver, British Columbia V6C 3A6

Attention: President

Either of the Parties may from time to time change its address for service herein by giving written notice to the other Party. Any notice may be served by personal service upon an officer of a Party or by mailing the same by prepaid post in a properly addressed envelope addressed to the Party at its address for service hereunder. Any notice given by service upon an officer of a Party shall be deemed to be given on the date of such service and any notice given by mail shall be deemed to be given to and received by the addressee on the fifth day (except Saturdays, Sundays, statutory holidays and days upon which postal service in Canada is interrupted) after the mailing thereof.

6.5 Superseding

This Agreement shall supersede and replace any and all prior agreements between the Parties relating to the sale and purchase of the Assets, and may be amended only by written instrument signed by all Parties.

6.6 Entire Agreement

This Agreement states the entire agreement between the Parties.

6.7 Enurement

This Agreement shall be binding upon and shall enure to the benefit of the Parties and their respective successors, receivers, receiver-managers, trustees and permitted assigns.

The remainder of this page is intentionally left blank.

10

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

MFC RESOURCE PARTNERSHIP by its authorized signatories for and on behalf of its Management Committee

Per: ______________________________
Name: Michael Smith
Title: Member of Management Committee

Per: ______________________________
Name: Robert Jennings
Title: Member of Management Committee

1059032 B.C. LTD.

Per: ______________________________
Name: Samuel Morrow
Title: Director

This is the execution page to the Purchase, Sale and Conveyance Agreement made as of the 15th day of December, 2015 between MFC Resource Partnership and 1059032 B.C. Ltd.

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

MFC RESOURCE PARTNERSHIP by its authorized signatories for and on behalf of its Management Committee

Per: ______________________________
Name: Michael Smith
Title: Member of Management Committee

Per: ______________________________
Name: Robert Jennings
Title: Member of Management Committee

1059032 B.C. LTD.

Per: ______________________________
Name: Samuel Morrow
Title: Director

This is the execution page to the Purchase, Sale and Conveyance Agreement made as of the 21 day of December, 2015 between MFC Resource Partnership and 1059032 B.C. Ltd.

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

MFC RESOURCE PARTNERSHIP by its authorized signatories for and on behalf of its Management Committee

Per: ____________________________
Name: Michael Smith
Title: Member of Management Committee

Per: ____________________________
Name: Robert Jennings
Title: Member of Management Committee

1059032 B.C. LTD.

Per: ____________________________
Name: Samuel Morrow
Title: Director

This is the execution page to the Purchase, Sale and Conveyance Agreement made as of the 21st day of December, 2015 between MFC Resource Partnership and 1059032 B.C. Ltd.

SCHEDULE A to the Purchase, Sale and Conveyance Agreement made as of the 29th day of December, 2015 between MFC Resource Partnership and 1059032 B.C. Ltd.

Fee Title Lands

See attached

MFC Resource Partnership

Mineral Schedule "A" Report - MFCRP FH Minerals Rev

Report Id: RP-0053

File Number	Title Information	Lands	Seller's Interests	Encumbrances	Operating Contract	Wells
M07503 A	LSE TYPE: COMPTON FE LSE DATE: 2007 Jan 04 EFF DATE: 2007 Jan 04 EXP DATE: NIL MNRL INT: 16.67 GROSS ACRES: 53.330 NET ACRES: 53.330 COUNT ACREAGE: Y	TWP 14 RGE 23 W4M W23 (UNDIVIDED 1/6 INTEREST) ALL M&M EXCL COAL EXCL PET	CUR INT: WI MFC RESOUR 100.0%	NONCONV HGORR ALL 5.0% BASED ON 100.0% PDBY MFC RESOUR 100.0%	ROYALTY LINKS C02881 A General 0000 No ROFR Applies	
M00798 A	LSE TYPE: COMPTON FE LSE DATE: 1999 Apr 14 EFF DATE: 1999 Apr 14 EXP DATE: NIL MNRL INT: 100.0 GROSS ACRES: 322.000 NET ACRES: 322.000 COUNT ACREAGE: Y	TWP 15 RGE 25 W4M W 23 ALL M&M EXCL COAL EXCL PETROLEUM	CUR INT: WI MFC RESOUR 100.0%	NONCONV HGORR ALL 5.0% BASED ON 100.0% PDBY MFC RESOUR 100.0%	ROYALTY LINKS C02881 A General 0000 No ROFR Applies	
M09301 A	LSE TYPE: COMPTON FE LSE DATE: 2003 Aug 18 EFF DATE: 2003 Aug 18 EXP DATE: NIL MNRL INT: 100.0 GROSS ACRES: 1.021 NET ACRES: 1.021 COUNT ACREAGE: Y	TWP 18 RGE 29 W4M FR SW 36 ALL M&M	CUR INT: WI MFC RESOUR 100.0%	NONCONV HGORR ALL 5.0% BASED ON 100.0% PDBY MFC RESOUR 100.0%	ROYALTY LINKS C02881 A General 0000 No ROFR Applies	
M09303 A	LSE TYPE: COMPTON FE LSE DATE: 2008 Jan 15 EFF DATE: 2008 Jan 15 EXP DATE: NIL MNRL INT: 0.0 GROSS ACRES: 267.330 NET ACRES: 267.330 COUNT ACREAGE: Y	TWP 18 RGE 29 W4M PTN N 36 ALL M&M	CUR INT: WI MFC RESOUR 100.0%	NONCONV HGORR ALL 5.0% BASED ON 100.0% PDBY MFC RESOUR 100.0%	ROYALTY LINKS C02881 A General 0000 No ROFR Applies	

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M03979 A	LSE TYPE: COMPTON FE LSE DATE: 2002 Oct 07 EFF DATE: 2002 Oct 07 EXP DATE: NIL MNRL INT: 100.0 GROSS ACRES: 160.000 NET ACRES: 160.000 COUNT ACREAGE: Y	TWP 20 RGE 23 W4M NW 15 ALL M&M EXCL COAL	CUR INT: WI MFC RESOUR 100.0%	NONCONV HGORR ALL 5.0% BASED ON 100.0% PDBY MFC RESOUR 100.0%	ROYALTY LINKS C02881 A General 0000 No ROFR Applies	
M03980 A	LSE TYPE: COMPTON FE LSE DATE: 2002 Oct 07 EFF DATE: 2002 Oct 07 EXP DATE: NIL MNRL INT: 100.0 GROSS ACRES: 160.000 NET ACRES: 160.000 COUNT ACREAGE: Y	TWP 20 RGE 23 W4M NE 16 ALL M&M EXCL COAL	CUR INT: WI MFC RESOUR 100.0%	NONCONV HGORR ALL 5.0% BASED ON 100.0% PDBY MFC RESOUR 100.0%	ROYALTY LINKS C02881 A General 0000 No ROFR Applies	
M03981 A	LSE TYPE: COMPTON FE LSE DATE: 2002 Oct 07 EFF DATE: 2002 Oct 07 EXP DATE: NIL MNRL INT: 100.0 GROSS ACRES: 160.000 NET ACRES: 160.000 COUNT ACREAGE: Y	TWP 20 RGE 23 W4M SW 21 ALL M&M EXCL COAL	CUR INT: WI MFC RESOUR 100.0%	NONCONV HGORR ALL 5.0% BASED ON 100.0% PDBY MFC RESOUR 100.0%	ROYALTY LINKS C02881 A General 0000 No ROFR Applies	
M03978 A	LSE TYPE: COMPTON FE LSE DATE: 2002 Oct 07 EFF DATE: 2002 Oct 07 EXP DATE: NIL MNRL INT: 100.0 GROSS ACRES: 160.000 NET ACRES: 160.000	TWP 20 RGE 23 W4M SE 22 ALL M&M EXCL COAL	CUR INT: WI MFC RESOUR 100.0%	NONCONV HGORR ALL 5.0% BASED ON 100.0% PDBY MFC RESOUR 100.0%	ROYALTY LINKS C02881 A General 0000 No ROFR Applies	

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	COUNT ACREAGE: Y					
M06161 A	LSE TYPE: COMPTON FE LSE DATE: 1997 Apr 01 EFF DATE: 1997 Apr 01 EXP DATE: NIL MNRL INT: 37.5 GROSS ACRES: 70.568 NET ACRES: 70.568 COUNT ACREAGE: Y	TWP 20 RGE 28 W4M PTN NW 7, PTN NE 7 (UNDIVIDED 37.5% INTEREST) ALL M&M EXCL COAL	CUR INT: WI MFC RESOUR 100.0%	NONCONV GOR ALL 12.5% BASED ON 100.0% PDBY MFC RESOUR 100.0% NONCONV HGORR ALL 5.0% BASED ON 100.0% PDBY MFC RESOUR 100.0%	ROYALTY LINKS C01285 A General 0000 ROFR NotApplicable C02881 A General 0000 No ROFR Applies	
M05409 A	LSE TYPE: COMPTON FE LSE DATE: 2004 Dec 31 EFF DATE: 2004 Dec 31 EXP DATE: NIL MNRL INT: 50.0 GROSS ACRES: 160.000 NET ACRES: 160.000 COUNT ACREAGE: Y	TWP 20 RGE 28 W4M S 10 (UNDIVIDED 1/2 INTEREST) ALL PNG	CUR INT: WI MFC RESOUR 100.0%	NONCONV HGORR ALL 5.0% BASED ON 100.0% PDBY MFC RESOUR 100.0%	ROYALTY LINKS C02881 A General 0000 No ROFR Applies	
M07912 A	LSE TYPE: COMPTON FE LSE DATE: 2007 Jun 27 EFF DATE: 2007 Jun 27 EXP DATE: NIL MNRL INT: 50.0 GROSS ACRES: 160.000 NET ACRES: 160.000 COUNT ACREAGE: Y	TWP 20 RGE 28 W4M S 10 (UNDIVIDED 1/2 INTEREST) ALL PNG	CUR INT: WI MFC RESOUR 100.0%	NONCONV HGORR ALL 5.0% BASED ON 100.0% PDBY MFC RESOUR 100.0%	ROYALTY LINKS C02881 A General 0000 No ROFR Applies	
M00134 A	LSE TYPE: COMPTON FE LSE DATE: 1997 Apr 01 EFF DATE: 1997 Apr 01 EXP DATE: NIL MNRL INT: 37.5	TWP 20 RGE 28 W4M PTN SW 16 (UNDIVIDED 3/8 INTEREST) ALL M&M FROM TOP SURFACE TO BASE BASEMENT	CUR INT: WI MFC RESOUR 100.0%	NONCONV GOR ALL 12.5% BASED ON 100.0% PDBY MFC RESOUR 100.0%	ROYALTY LINKS C01285 B General 0000 ROFR NotApplicable	

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	GROSS ACRES: 59.970 NET ACRES: 59.970 COUNTACREAGE: Y			NONCONV HGORR ALL 5.0% BASED ON 100.0% PDBY MFC RESOUR 100.0%	C02881 AA General 0000 No ROFR Applies	
M00134 B	LSE TYPE: COMPTON FE LSE DATE: 1997 Apr 01 EFF DATE: 1997 Apr 01 EXP DATE: NIL MNRL INT: 37.5 GROSS ACRES: 60.000 NET ACRES: 60.000 COUNTACREAGE: Y	TWP 20 RGE 28 W4M SE18 (UNDIVIDED 3/8 INTEREST) ALL M&M EXCL PNG	CUR INT: WI MFC RESOUR 100.0%	NONCONV GOR ALL 12.5% BASED ON 100.0% PDBY MFC RESOUR 100.0% NONCONV HGORR ALL 5.0% BASED ON 100.0% PDBY MFC RESOUR 100.0%	ROYALTY LINKS C01285 C General 0000 ROFR NotApplicable C02881 AA General 0000 No ROFR Applies	
M05517 A	LSE TYPE: COMPTON FE LSE DATE: 2008 Jan 25 EFF DATE: 2008 Jan 25 EXP DATE: NIL MNRL INT: 6.25 GROSS ACRES: 10.000 NET ACRES: 10.000 COUNTACREAGE: Y	TWP 20 RGE 28 W4M NE 27 (UNDIVIDED 2/32 INTEREST) ALL M&M EXCL COAL	CUR INT: WI MFC RESOUR 100.0%	NONCONV HGORR ALL 5.0% BASED ON 100.0% PDBY MFC RESOUR 100.0%	ROYALTY LINKS C02881 A General 0000 No ROFR Applies	
M06934 A	LSE TYPE: COMPTON FE LSE DATE: 2007 Sep 08 EFF DATE: 2007 Sep 08 EXP DATE: NIL MNRL INT: 6.25 GROSS ACRES: 10.000 NET ACRES: 10.000 COUNTACREAGE: Y	TWP 20 RGE 28 W4M NE 27 (UNDIVIDED 1/16 INTEREST) ALL M&M	CUR INT: WI MFC RESOUR 100.0%	NONCONV HGORR ALL 5.0% BASED ON 100.0% PDBY MFC RESOUR 100.0%	ROYALTY LINKS C02881 A General 0000 No ROFR Applies	
M00136 A	LSE TYPE: COMPTON FE LSE DATE: 1997 Apr 01	TWP 20 RGE 28 W4M NW 28 ALL PNG	CUR INT: WI MFC RESOUR 100.0%	NONCONV HGORR ALL 5.0%	ROYALTY LINKS	

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	EFF DATE: 1997 Apr 01 EXP DATE: NIL MNRL INT: 100.0 GROSS ACRES: 160.000 NET ACRES: 160.000 COUNT ACREAGE: Y			BASED ON 100.0% PDBY MFC RESOUR 100.0%	C02881 AA General 0000 No ROFR Applies	
M00875 A	LSE TYPE: COMPTON FE LSE DATE: 1998 Mar 27 EFF DATE: 1998 Mar 27 EXP DATE: NIL MNRL INT: 25.5 GROSS ACRES: 40.800 NET ACRES: 40.800 COUNT ACREAGE: Y	TWP 20 RGE 28 W4M NW 1 (AS TO AN UND 25.5% INT) ALL PNG	CUR INT: WI MFC RESOUR 100.0%	NONCONV HGORR ALL 5.0% BASED ON 100.0% PDBY MFC RESOUR 100.0%	ROYALTY LINKS C02881 AA General 0000 No ROFR Applies	
M00874 A	LSE TYPE: COMPTON FE LSE DATE: 1998 Mar 27 EFF DATE: 1998 Mar 27 EXP DATE: NIL MNRL INT: 9.375 GROSS ACRES: 22.500 NET ACRES: 22.500 COUNT ACREAGE: Y	TWP 20 RGE 28 W4M LSD'S 2, 3, 5, 6, 7, 8 OF 1 (AS TO AN UND 9.375% INT) ALL PNG	CUR INT: WI MFC RESOUR 100.0%	NONCONV HGORR ALL 5.0% BASED ON 100.0% PDBY MFC RESOUR 100.0%	ROYALTY LINKS C02881 AA General 0000 No ROFR Applies	
M00135 A	LSE TYPE: COMPTON FE LSE DATE: 1997 Apr 01 EFF DATE: 1997 Apr 01 EXP DATE: NIL MNRL INT: 75.0 GROSS ACRES: 30.000 NET ACRES: 30.000 COUNT ACREAGE: Y	TWP 20 RGE 28 W4M LSD 6 OF 27 (UNDIVIDED 3/4 INTEREST) ALL PNG	CUR INT: WI MFC RESOUR 100.0%	NONCONV GOR ALL 12.5% BASED ON 100.0% PDBY MFC RESOUR 100.0% NONCONV HGORR ALL 5.0% BASED ON 100.0% PDBY MFC RESOUR 100.0%	ROYALTY LINKS C02881 AA General 0000 No ROFR Applies	

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M03529 A	LSE TYPE: COMPTON FE LSE DATE: 2002 Mar 01 EFF DATE: 2002 Mar 01 EXP DATE: NIL MNRL INT: 5.0 GROSS ACRES: 31.950 NET ACRES: 31.950 COUNT ACREAGE: Y	TWP 21 RGE 28 W4M S & NE 23, PTN NW 23 (UNDIVIDED 1/20 INTEREST) ALL M&M	CUR INT: WI MFC RESOUR 100.0%	NONCONV HGORR ALL 5.0% BASED ON 100.0% PDBY MFC RESOUR 100.0%	ROYALTY LINKS C02881 A General 0000 No ROFR Applies	
M03530 A	LSE TYPE: COMPTON FE LSE DATE: 2002 Mar 01 EFF DATE: 2002 Mar 01 EXP DATE: NIL MNRL INT: 5.0 GROSS ACRES: 31.950 NET ACRES: 31.950 COUNT ACREAGE: Y	TWP 21 RGE 28 W4M S & NE 23, PTN NW 23 (UNDIVIDED 1/20 INTEREST) ALL M&M	CUR INT: WI MFC RESOUR 100.0%	NONCONV HGORR ALL 5.0% BASED ON 100.0% PDBY MFC RESOUR 100.0%	ROYALTY LINKS C02881 A General 0000 No ROFR Applies.	
M03537 A	LSE TYPE: COMPTON FE LSE DATE: 2002 Mar 01 EFF DATE: 2002 Mar 01 EXP DATE: NIL MNRL INT: 5.0 GROSS ACRES: 24.613 NET ACRES: 24.613 COUNT ACREAGE: Y	TWP 21 RGE 28 W4M SW 25, PTN N 25, PTN SE 25 (UNDIVIDED 1/20 INTEREST) ALL M&M	CUR INT: WI MFC RESOUR 100.0%	NONCONV HGORR ALL 5.0% BASED ON 100.0% PDBY MFC RESOUR 100.0%	ROYALTY LINKS C02881 A General 0000 No ROFR Applies	
M03538 A	LSE TYPE: COMPTON FE LSE DATE: 2002 Mar 01 EFF DATE: 2002 Mar 01 EXP DATE: NIL MNRL INT: 5.0 GROSS ACRES: 24.613 NET ACRES: 24.613 COUNT ACREAGE: Y	TWP 21 RGE 28 W4M SW25, PTN N 25, PTN SE 25 (UNDIVIDED 1/20 INTEREST) ALL M&M	CUR INT: WI MFC RESOUR 100.0%	NONCONV HGORR ALL 5.0% BASED ON 100.0% PDBY MFC RESOUR 100.0%	ROYALTY LINKS C02881 A General 0000 No ROFR Applies	

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File Number	Title Information	Lands	Seller's Interests	Encumbrances	Operating Contract	Wells
M00149 A	LSE TYPE: COMPTON FE LSE DATE: 1997 Apr 01 EFF DATE: 1997 Apr 01 EXP DATE: NIL MNRL INT: 100.0 GROSS ACRES: 200.970 NET ACRES: 200.970 COUNT ACREAGE: Y	TWP 22 RGE 28 W4M PTN N 7 ALL M&M	CUR INT: WI MFC RESOUR 100.0%	NONCONV HGORR ALL 5.0% BASED ON 100.0% PDBY MFC RESOUR 100.0%	ROYALTY LINKS C02881 AA General 0000 No ROFR Applies	
M03995 A	LSE TYPE: COMPTON FE LSE DATE: 2002 Dec 27 EFF DATE: 2002 Dec 27 EXP DATE: NIL MNRL INT: 100.0 GROSS ACRES: 292.170 NET ACRES: 292.170 COUNT ACREAGE: Y	TWP 22 RGE 28 W4M PTN N 7, PTN SW 7, PTN LSD 7,8 OF 7 ALL M&M EXCL COAL	CUR INT: WI MFC RESOUR 100.0%	NONCONV HGORR ALL 5.0% BASED ON 100.0% PDBY MFC RESOUR 100.0%	ROYALTY LINKS C02881 A General 0000 No ROFR Applies	
M07848 A	LSE TYPE: COMPTON FE LSE DATE: 2007 May 01 EFF DATE: 2007 May 01 EXP DATE: NIL MNRL INT: 100.0 GROSS ACRES: 81.000 NET ACRES: 81.000 COUNT ACREAGE: Y	TWP 22 RGE 28 W4M PTN SW 7, LSD 1,2 OF 7 ALL M&M EXCL COAL	CUR INT: WI MFC RESOUR 100.0%	NONCONV HGORR ALL 5.0% BASED ON 100.0% PDBY MFC RESOUR 100.0%	ROYALTY LINKS C02881 A General 0000 No ROFR Applies	
M00157 A	LSE TYPE: COMPTON FE LSE DATE: 1997 Apr 01 EFF DATE: 1997 Apr 01 EXP DATE: NIL MNRL INT: 100.0 GROSS ACRES: 640.000 NET ACRES: 640.000	TWP 22 RGE 28 W4M 17 ALL M&M EXCL ALL NG	CUR INT: WI MFC RESOUR 100.0%	NONCONV HGORR ALL 5.0% BASED ON 100.0% PDBY MFC RESOUR 100.0%	ROYALTY LINKS C02881 AA General 0000 No ROFR Applies	

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	COUNT ACREAGE: Y					
M00132 B	LSE TYPE: COMPTON FE LSE DATE: 1997 Apr 01 EFF DATE: 1997 Apr 01 EXP DATE: NIL MNRL INT: 100.0 GROSS ACRES: 320.000 NET ACRES: 320.000 COUNT ACREAGE: Y	TWP 22 RGE 28 W4M S 18 ALL M&M EXCL ALL NG	CUR INT WI MFC RESOUR 100.0%	NONCONV HGORR ALL 5.0% BASED ON 100.0% PDBY MFC RESOUR 100.0%	ROYALTY LINKS C02881 AA General 0000 No ROFR Applies	
M00155 A	LSE TYPE: COMPTON FE LSE DATE: 1997 Apr 01 EFF DATE: 1997 Apr 01 EXP DATE: NIL MNRL INT: 100.0 GROSS ACRES: 320.000 NET ACRES: 320.000 COUNT ACREAGE: Y	TWP 22 RGE 28 W4M N 30 ALL M&M EXCLUDING ALL NG	CUR INT WI MFC RESOUR 100.0%	NONCONV HGORR ALL 5.0% BASED ON 100.0% PDBY MFC RESOUR 100.0%	ROYALTY LINKS C02881 AA General 0000 No ROFR Applies	
M00154 A	LSE TYPE: COMPTON FE LSE DATE: 1997 Apr 01 EFF DATE: 1997 Apr 01 EXP DATE: NIL MNRL INT: 100.0 GROSS ACRES: 637.000 NET ACRES: 637.000 COUNT ACREAGE: Y	TWP 22 RGE 28 W4M 31 ALL M&M EXCLUDING ALL NG	CUR INT WI MFC RESOUR 100.0%	NONCONV HGORR ALL 5.0% BASED ON 100.0% PDBY MFC RESOUR 100.0%	ROYALTY LINKS C02881 AA General 0000 No ROFR Applies	
M00153 A	LSE TYPE: COMPTON FE LSE DATE: 1997 Apr 01 EFF DATE: 1997 Apr 01 EXP DATE: NIL MNRL INT: 100.0 GROSS ACRES: 302.500	TWP 22 RGE 28 W4M PTN N 11, PTN SW 11 ALL M&M	CUR INT WI MFC RESOUR 100.0%	NONCONV HGORR ALL 5.0% BASED ON 100.0% PDBY MFC RESOUR 100.0%	ROYALTY LINKS C02881 AA General 0000 No ROFR Applies	

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	NET ACRES: 302.500 COUNT ACREAGE: Y					
M00152 A	LSE TYPE: COMPTON FE LSE DATE: 1997 Apr 01 EFF DATE: 1997 Apr 01 EXP DATE: NIL MNRL INT: 100.0 GROSS ACRES: 640.000 NET ACRES: 640.000 COUNT ACREAGE: Y	TWP 22 RGE 29 W4M 23 ALL M&M	CUR INT WI MFC RESOUR 100.0%	NONCONV HGORR ALL 5.0% BASED ON 100.0% PDBY MFC RESOUR 100.0%	ROYALTY LINKS C02881 AA General 0000 No ROFR Applies	
M00151 A	LSE TYPE: COMPTON FE LSE DATE: 1997 Apr 01 EFF DATE: 1997 Apr 01 EXP DATE: NIL MNRL INT: 100.0 GROSS ACRES: 640.000 NET ACRES: 640.000 COUNT ACREAGE: Y	TWP 22 RGE 29 W4M 25 ALL M&M	CUR INT WI MFC RESOUR 100.0%	NONCONV HGORR ALL 5.0% BASED ON 100.0% PDBY MFC RESOUR 100.0%	ROYALTY LINKS C02881 AA General 0000 No ROFR Applies	
M00150 A	LSE TYPE: COMPTON FE LSE DATE: 1997 Apr 01 EFF DATE: 1997 Apr 01 EXP DATE: NIL MNRL INT: 100.0 GROSS ACRES: 638.820 NET ACRES: 638.820 COUNT ACREAGE: Y	TWP 22 RGE 29 W4M 36 ALL M&M	CUR INT WI MFC RESOUR 100.0%	NONCONV HGORR ALL 5.0% BASED ON 100.0% PDBY MFC RESOUR 100.0%	ROYALTY LINKS C02881 AA General 0000 No ROFR Applies	
M01927 A	LSE TYPE: COMPTON FE LSE DATE: 2002 Apr 22 EFF DATE: 2002 Apr 22 EXP DATE: NIL MNRL INT: 100.0	TWP 23 RGE 27 W4M 9 ALL M&M EXCL NG	CUR INT WI MFC RESOUR 100.0%	NONCONV GOR ALL 12.0% BASED ON 48.4825% PDBY MFC RESOUR 100.0%	CUR INT OPER CONT C00100-1 D General 0000 ROFR NotApplicable OPER: MFC RESOUR	

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	GROSS ACRES: 640.000 NET ACRES: 640.000 COUNT ACREAGE: Y			NONCONV HGORR ALL 5.0% BASED ON 100.0% PDBY MFC RESOUR 100.0%	ROYALTY LINKS C00100-1 B General 0000 ROFR Not Applicable C02881 A General 0000 No ROFR Applies	
M06165 A	LSE TYPE: COMPTON FE LSE DATE: 1998 Jan 01 EFF DATE: 1998 Jan 01 EXP DATE: NIL MNRL INT: 70.0 GROSS ACRES: 224.000 NET ACRES: 224.000 COUNT ACREAGE: Y	TWP 48 RGE 26 W4M N 8 (UNDIVIDED 70% INTEREST) ALL M&M	CUR INT: WI MFC RESOUR 100.0%	NONCONV GRT ALL 12.5% BASED ON 100.0% PDBY MFC RESOUR 100.0% NONCONV HGORR ALL 5.0% BASED ON 100.0% PDBY MFC RESOUR 100.0%	ROYALTY LINKS C02881 A General 0000 No ROFR Applies	
M02842 A	LSE TYPE: COMPTON FE LSE DATE: 1998 Jan 01 EFF DATE: 1998 Jan 01 EXP DATE: NIL MNRL INT: 70.0 GROSS ACRES: 0.279 NET ACRES: 0.279 COUNT ACREAGE: Y	TWP 49 RGE 25 W4M PTN NW 26 (UNDIVIDED 70% INTEREST) ALL M&M	CUR INT: WI MFC RESOUR 100.0%	NONCONV HGORR ALL 5.0% BASED ON 100.0% PDBY MFC RESOUR 100.0%	ROYALTY LINKS C02881 A General 0000 No ROFR Applies	
M02841 A	LSE TYPE: COMPTON FE LSE DATE: 1998 Jan 01 EFF DATE: 1998 Jan 01 EXP DATE: NIL MNRL INT: 70.0 GROSS ACRES: 0.569 NET ACRES: 0.569	TWP 49 RGE 27 W4M PTN NE 25 (UNDIVIDED 70% INTEREST) ALL M&M EXCL COAL	CUR INT: WI MFC RESOUR 100.0%	NONCONV HGORR ALL 5.0% BASED ON 100.0% PDBY MFC RESOUR 100.0%	ROYALTY LINKS C02881 A General 0000 No ROFR Applies	

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	COUNT ACREAGE: Y					
M03789 A	LSE TYPE: COMPTON FE LSE DATE: 2002 Nov 19 EFF DATE: 2002 Nov 19 EXP DATE: NIL MNRL INT: 100.0 GROSS ACRES: 320.000 NET ACRES: 320.000 COUNT ACREAGE: Y	TWP 14 RGE 2 W5M E 21 ALL M&M EXCL COAL	CUR INT: WI MFC RESOUR 100.0%	NONCONV HGORR ALL 5.0% BASED ON 100.0% PDBY MFC RESOUR 100.0%	 ROYALTY LINKS C02881 A General 0000 No ROFR Applies	
M01444 A	LSE TYPE: COMPTON FE LSE DATE: 2000 Jun 08 EFF DATE: 2000 Jun 08 EXP DATE: NIL MNRL INT: 46.66 GROSS ACRES: 223.970 NET ACRES: 223.970 COUNT ACREAGE: Y	TWP 18 RGE 2 W5M S & NW 26 (UND 46 2/3 INT) ALL M&M	CUR INT: WI MFC RESOUR 100.0%	NONCONV HGORR ALL 5.0% BASED ON 100.0% PDBY MFC RESOUR 100.0%	 ROYALTY LINKS C02881 A General 0000 No ROFR Applies	
M00280 A	LSE TYPE: COMPTON FE LSE DATE: 1997 Apr 01 EFF DATE: 1997 Apr 01 EXP DATE: NIL MNRL INT: 33.3333 GROSS ACRES: 53.330 NET ACRES: 53.330 COUNT ACREAGE: Y	TWP 19 RGE 1 W5M SE 25 (UND 1/3 INT) ALL M&M	CUR INT: WI MFC RESOUR 100.0%	NONCONV HGORR ALL 5.0% BASED ON 100.0% PDBY MFC RESOUR 100.0%	 ROYALTY LINKS C02881 AA General 0000 No ROFR Applies	
M03669 A	LSE TYPE: COMPTON FE LSE DATE: 2002 Sep 26 EFF DATE: 2002 Sep 26 EXP DATE: NIL MNRL INT: 33.333 GROSS ACRES: 53.330	TWP 19 RGE 1 W5M SE 25 (UNDIVIDED 1/3 INTEREST) ALL M&M	CUR INT: WI MFC RESOUR 100.0%	NONCONV HGORR ALL 5.0% BASED ON 100.0% PDBY MFC RESOUR 100.0%	 ROYALTY LINKS C02881 A General 0000 No ROFR Applies	

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	NET ACRES: 53.330 COUNT ACREAGE: Y					
M01014 A	LSE TYPE: COMPTON FE LSE DATE: 1997 Nov 01 EFF DATE: 1997 Nov 01 EXP DATE: NIL MNRL INT: 100.0 GROSS ACRES: 80.000 NET ACRES: 80.000 COUNT ACREAGE: Y	TWP 19 RGE 1 W5M LSD 3,4 OF 25 ALL PNG	CUR INT WI MFC RESOUR 100.0%	NONCONV GRT ALL 12.5% BASED ON 100.0% PDBY MFC RESOUR 100.0% NONCONV HGORR ALL 5.0% BASED ON 100.0% PDBY MFC RESOUR 100.0%	ROYALTY LINKS C02881 AA General 0000 No ROFR Applies	
M04502 A	LSE TYPE: COMPTON FE LSE DATE: 2003 May 01 EFF DATE: 2003 May 01 EXP DATE: NIL MNRL INT: 100.0 GROSS ACRES: 1.000 NET ACRES: 1.000 COUNT ACREAGE: Y	TWP 20 RGE 1 W5M PTN NE 13 ALL M&M EXCL COAL	CUR INT WI MFC RESOUR 100.0%	NONCONV HGORR ALL 5.0% BASED ON 100.0% PDBY MFC RESOUR 100.0%	ROYALTY LINKS C02881 A General 0000 No ROFR Applies	
M06188 A	LSE TYPE: COMPTON FE LSE DATE: 2003 May 01 EFF DATE: 2003 May 01 EXP DATE: NIL MNRL INT: 100.0 GROSS ACRES: 1.000 NET ACRES: 1.000 COUNT ACREAGE: Y	TWP 20 RGE 1 W5M PTN NW 13 ALL M&M EXCL COAL	CUR INT WI MFC RESOUR 100.0%	NONCONV HGORR ALL 5.0% BASED ON 100.0% PDBY MFC RESOUR 100.0%	ROYALTY LINKS C02881 A General 0000 No ROFR Applies	
M07232 A	LSE TYPE: COMPTON FE LSE DATE: 2006 Sep 13 EFF DATE: 2006 Sep 13 EXP DATE: NIL	TWP 20 RGE 2 W5M NE 9 (UNDIVIDED 1/2 INTEREST) ALL PNG	CUR INT WI MFC RESOUR 100.0%	NONCONV HGORR ALL 5.0% BASED ON 100.0% PDBY MFC RESOUR 100.0%	ROYALTY LINKS C02881 A General 0000	

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	MNRL INT: 50.0 GROSS ACRES: 80.000 NET ACRES: 80.000 COUNT ACREAGE: Y				No ROFR Applies	
M07230 A	LSE TYPE: COMPTON FE LSE DATE: 2006 Sep 13 EFF DATE: 2006 Sep 13 EXP DATE: NIL MNRL INT: 100.0 GROSS ACRES: 81.360 NET ACRES: 81.360 COUNT ACREAGE: Y	TWP 20 RGE 2 W5M PTN SE 17 ALL M&M EXCL COAL EXCL PET	CUR INT: WI MFC RESOUR 100.0%	NONCONV HGORR ALL 5.0% BASED ON 100.0% PDBY MFC RESOUR 100.0%	ROYALTY LINKS C02881 A General 0000 No ROFR Applies	
M07231 A	LSE TYPE: COMPTON FE LSE DATE: 2006 Sep 13 EFF DATE: 2006 Sep 13 EXP DATE: NIL MNRL INT: 100.0 GROSS ACRES: 320.000 NET ACRES: 320.000 COUNT ACREAGE: Y	TWP 20 RGE 2 W5M NW & SE 17 ALL COAL	CUR INT: WI MFC RESOUR 100.0%	NONCONV HGORR ALL 5.0% BASED ON 100.0% PDBY MFC RESOUR 100.0%	ROYALTY LINKS C02881 A General 0000 No ROFR Applies	
M07233 A	LSE TYPE: COMPTON FE LSE DATE: 2006 Sep 13 EFF DATE: 2006 Sep 13 EXP DATE: NIL MNRL INT: 50.0 GROSS ACRES: 160.000 NET ACRES: 160.000 COUNT ACREAGE: Y	TWP 20 RGE 2 W5M N 17 (UNDIVIDED 1/2 INTEREST) ALL PNG	CUR INT: WI MFC RESOUR 100.0%	NONCONV HGORR ALL 5.0% BASED ON 100.0% PDBY MFC RESOUR 100.0%	ROYALTY LINKS C02881 A General 0000 No ROFR Applies	
M07234 A	LSE TYPE: COMPTON FE LSE DATE: 2006 Sep 13 EFF DATE: 2006 Sep 13	TWP 20 RGE 2 W5M E 19 (UNDIVIDED 1/2 INTEREST) ALL PNG	CUR INT: WI MFC RESOUR 100.0%	NONCONV HGORR ALL 5.0% BASED ON 100.0%	ROYALTY LINKS C02881 A	

MFC Resource Partnership
Mineral Schedule "A" Report - MFCRP FH Minerals Rev

Report Id: RP-0053

File Number	Title Information	Lands	Seller's Interests	Encumbrances	Operating Contract	Wells
	EXP DATE: NIL MNRL INT: 50.0 GROSS ACRES: 160.000 NET ACRES: 160.000 COUNT ACREAGE: Y			PDBY MFC RESOUR 100.0%	General 0000 No ROFR Applies	

MFC ENERGY FINANCE INC.
400 Burrard Street, Suite 1860
Vancouver, British Columbia
V6C 3A6

September 30, 2016

0989 Resource Partnership
300 – 1207 11th Avenue SW
Calgary, Alberta
T3C 0M5

1049597 B.C. Ltd.
1860 – 400 Burrard Street
Vancouver, British Columbia
V6C 3A6

Dear Sirs/Mesdames:

Re: Bill of Sale between 0989 Resource Partnership ("0989") and 1049597 B.C. Ltd. ("597"), dated December 29, 2015 (the "Bill of Sale") and 0989 Resource Partnership's Indebtedness to MFC Energy Finance Inc. ("MFCEF") Pursuant to the Loan Agreement dated June 30, 2015 between 0989 and MFCEF (as amended) (the "Loan Agreement")

We write in connection with: (i) the Bill of Sale; and (ii) the existing promissory note issued by 0989 to MFCEF pursuant to the Loan Agreement (the "**Promissory Note**").

The Purchase Price (as defined in the Bill of Sale) was intended by the parties to be equal to the fair market value of the Assets (as defined in the Bill of Sale) being conveyed from 0989 to 597. As it has come to the attention of the parties that the values of certain Assets (as defined in the Bill of Sale) set forth at Schedule "A" of the Bill of Sale were incorrect, they wish to amend the Bill of Sale to correct the same and to adjust the amount outstanding under the Promissory Note by a corresponding amount to reflect the same and the following repayments made by 0989 thereunder (the "**Repayments**"):

a) a repayment of $1,795,000 made on February 8, 2016; and

b) a repayment of $590,000 made on May 3, 2016.

In connection with the foregoing, the parties hereto hereby agree as follows:

1. The Bill of Sale is hereby amended such that the Purchase Price (as defined therein) is reduced by $814,000 to $13,279,000 and the market value of the Assets at Schedule "A" thereto is amended to reflect the adjustments set forth at Schedule "A" hereto (the "**Adjusted Purchase Price**");

2. The parties acknowledge that the Purchase Price under the Bill of Sale was fully and finally satisfied by the issuance of 14,093,000 Class A Common Shares of 597 (the "597

Shares") by 597 to 0989, and the issue price of such shares is hereby agreed to be the Adjusted Purchase Price;

3. The share purchase agreement between 0989 and MFCEF, dated December 29, 2015 (the "**Share Purchase Agreement**") is hereby amended such that the Purchase Price (as defined therein) is reduced to $18,047,375, with the purchase price applied to the 1049 Shares (as defined therein) being $13,279,001;

4. The set-off agreement between MFCEF and 0989, dated December 29, 2015 (the "**Set-Off Agreement**"), is hereby amended to reduce the amount of the MFCEF Indebtedness (as defined therein) by $814,000 and increase the Remaining MFCRP Indebtedness (as defined therein) by such amount;

5. MFCEF acknowledges receipt of the Repayments;

6. As soon as reasonably practicable after the date hereof, MFCEF will surrender the Promissory Note for cancellation and against delivery thereof, 0989 shall issue and deliver to MFCEF a new promissory note reflecting the adjustments set out in Paragraphs 1, 2, 3 and 4 hereof, and the Repayments; and

7. Each party will, at its own expense, execute and deliver all such further agreements and documents and do such further acts and things as may be reasonably required to give effect to this Agreement.

The Bill of Sale and Share Purchase Agreement (collectively, the "**Agreements**"), as amended by this Letter Agreement, shall hereafter each be respectively read and construed together with this Letter Agreement and in the event of any conflict or inconsistency between the provisions of this Letter Agreement with the provisions of the Agreements, the provisions of this Letter Agreement shall prevail and govern the interpretation thereof.

This Letter Agreement shall be governed by, and construed in accordance with the laws of the Province of British Columbia and the federal laws of Canada applicable therein. If any term of this Letter Agreement or the application thereof to any person or circumstances shall be invalid and unenforceable, the remaining provisions of this Letter Agreement shall remain in full force and effect.

[Remainder of this page intentionally left blank.]

This Letter Agreement may be executed in counterparts and may be delivered by facsimile or email transmission, each of which so executed shall constitute an original and all of which together shall constitute one and the same document. This Letter Agreement shall be binding upon and enure to the benefit of the parties hereto and, as applicable, their heirs, executors, administrators, successors and assigns.

Yours truly,

MFC ENERGY FINANCE INC.

Per:____________________
Name: Michael Smith
Title: Director

The terms and conditions set forth in this letter are hereby accepted and agreed to by the undersigned as of the date first written above.

0989 RESOURCE PARTNERSHIP, by its authorized signatories for and on behalf of its Management Committee

Per: Yasmina Čežek
Name: Jasmina Cezek
Title: Member of Management Committee

Per:____________________
Name: Rob Jennings
Title: Member of Management Committee

1049597 B.C. LTD.

Per:____________________
Name: Samuel Morrow
Title: Director

This Letter Agreement may be executed in counterparts and may be delivered by facsimile or email transmission, each of which so executed shall constitute an original and all of which together shall constitute one and the same document. This Letter Agreement shall be binding upon and enure to the benefit of the parties hereto and, as applicable, their heirs, executors, administrators, successors and assigns.

Yours truly,

MFC ENERGY FINANCE INC.

Per: ______________________
Name: Michael Smith
Title: Director

The terms and conditions set forth in this letter are hereby accepted and agreed to by the undersigned as of the date first written above.

0989 RESOURCE PARTNERSHIP, by its authorized signatories for and on behalf of its Management Committee

Per: ______________________
Name: Jasmina Cezek
Title: Member of Management Committee

Per: ______________________
Name: Rob Jennings
Title: Member of Management Committee

1049597 B.C. LTD.

Per: ______________________
Name: Samuel Morrow
Title: Director

3

This Letter Agreement may be executed in counterparts and may be delivered by facsimile or email transmission, each of which so executed shall constitute an original and all of which together shall constitute one and the same document. This Letter Agreement shall be binding upon and enure to the benefit of the parties hereto and, as applicable, their heirs, executors, administrators, successors and assigns.

Yours truly,

MFC ENERGY FINANCE INC.

Per: ____________________
Name: Michael Smith
Title: Director

The terms and conditions set forth in this letter are hereby accepted and agreed to by the undersigned as of the date first written above.

0989 RESOURCE PARTNERSHIP, by its authorized signatories for and on behalf of its Management Committee

Per: ____________________
Name: Jasmina Cezek
Title: Member of Management Committee

Per: ____________________
Name: Rob Jennings
Title: Member of Management Committee

1049597 B.C. LTD.

Per: ____________________
Name: Samuel Morrow
Title: Director

Schedule "A"

Surface Location	Manufacturer	Model	Serial #	HP	Compressor Manufacturer	Compressor Model Name	Compressor Serial #	Status	Value in Bill of Sale	Adjusted Value	Difference
Mazeppa Bone Yard	Cummins	GTA.5.9	45758181	116			203090	Inactive	$300,000	$29,000	$271,000
100/11-31-016-28W4M	Caterpillar	3304	37Y04331	95	Hydrovane	025CK07-108	025009930809	Active	$578,000	$35,000	$543,000
									$878,000		$814,000

MFC RESOURCE PARTNERSHIP

PRIVATE AND CONFIDENTIAL

Dated Effective January 5, 2016

MFC ENERGY FINANCE INC.

AND TO

MFC ENERGY CORPORATION

Re: MFC Energy (Montana) Inc., Share Transfer (the "Letter Agreement")

This Letter Agreement confirms the agreement among MFC Energy Corporation (the "**Company**"), MFC Energy Finance Inc. ("**MFCEF**") and MFC Resource Partnership ("**MFCRP**") respecting the sale of all of the outstanding shares (the "**Shares**") of MFC Energy (Montana) Inc. to MFCEF on the following terms:

1. MFCE hereby sells, transfers and assigns the Shares to MFCRP, and MFCRP hereby agrees to purchase the Shares for consideration of $790,000 (the "**MFCE Share Transfer**"), payable by way of a partial repayment of a debt owing by MFCE to MFCRP, as more particularly set forth in Section 3 hereof; and

2. MFCRP hereby sells, transfers and assigns the Shares acquired under Section 1 hereof to MFCEF, and MFCEF hereby agrees to purchase the Shares for consideration of $790,000 (the "**MFCRP Share Transfer**"), payable by way of a partial repayment of a debt owing by MFCRP to MFCEF, as more particularly set forth in Section 4 hereof.

3. In consideration for the MFCE Share Transfer, the principal amount currently owing by MFCE to MFCRP under the promissory note issued by MFCE to MFCRP dated December 7, 2015 (the "**Original MFCE Promissory Note**"), being $14,414,036, is hereby reduced to $13,624,036.

4. In consideration for the MFCRP Share Transfer, the principal amount currently owing by MFCRP to MFCEF under the loan agreement dated June 30, 2015 between 1041189 B.C. Ltd. (now MFCEF) and MFCRP (the "**MFCRP Loan Agreement**"), and as reduced pursuant to the set-off agreement dated December 29, 2015 between MFCEF and MFCRP (the "**Set-Off Agreement**"), as evidenced by a reduced promissory note issued by MFCRP to MFCEF dated December 29, 2015 pursuant to the Set-Off Agreement (the "**MFCRP Promissory Note**"), being $13,049,719, is hereby reduced to $12,259,719.

5. The parties hereto agree to complete the transaction contemplated hereunder, immediately upon execution of this Letter Agreement, as follows:

Page 2

a. MFCRP shall deliver a direction to MFCE to deliver the Shares to MFCEF;

b. MFCE shall deliver to MFCEF a duly executed instrument of transfer, in a form satisfactory to MFCEF, representing the transfer of the Shares under Section 1 hereof;

c. MFCRP shall surrender the Original MFCE Promissory Note to MFCE for cancellation and MFCE shall issue to MFCRP a promissory note in the amount of $13,624,036, representing the partial repayment of the Original MFCE Promissory Note contemplated under Section 3 hereof; and

d. MFCEF shall surrender the MFCRP Promissory Note to MFCRP for cancellation and MFCRP shall issue to MFCEF a promissory note in the amount of $12,259,719, representing the partial repayment under the MFCRP Loan Agreement and MFCRP Promissory Note contemplated under Section 4 hereof.

6. This Letter Agreement constitutes the entire agreement between the parties hereto with respect to the subject matter of this Letter Agreement and supersedes every previous agreement, communication, expectation, negotiation, representation or understanding, whether oral or written, express or implied, statutory or otherwise, among the parties hereto with respect to the subject matter of this Letter Agreement except as specifically set out herein.

7. No consent or waiver, express or implied, by any party to or of any breach or default by another party of any or all of its obligations under this Letter Agreement will be valid unless it is in writing, nor will it eliminate or modify the need for a specific consent or waiver in any other or subsequent instance.

8. This Letter Agreement may not be amended except by written agreement among all the parties hereto.

9. No party hereto may assign any right, benefit or interest in this Letter Agreement without the written consent of the other party, which consent may not be unreasonably withheld.

10. This Letter Agreement will enure to the benefit of and be binding upon the parties hereto and their respective successors and permitted assigns and nothing herein, express or implied, is intended to or shall confer upon any person any legal or equitable right, benefit or remedy of any nature whatsoever, under or by reason of this Letter Agreement.

11. Each party hereto will, at its own expense, execute and deliver all such further agreements and documents and do such further acts and things as may be reasonably required to give effect to this Letter Agreement.

12. Time is of the essence in the performance of this Letter Agreement.

13. Any notice required or permitted to be given hereunder will be in writing and may be delivered in person or by registered mail addressed to the respective parties at their address set forth on the first page to this Agreement or such changed address as may be given by a party hereto to the others by such written notice. Any such notice will be considered to have been given when delivered.

14. Should any part of this Agreement be declared or held invalid for any reason, that invalidity will not affect the ability of the remainder of this Agreement which will continue in force and effect and be construed as if this Agreement had been executed without the invalid portion and it is hereby declared the intention of the parties hereto that this Agreement would have been executed without reference to any portion which may, for any reason, be hereafter declared or held invalid.

15. This Letter Agreement is to be construed in accordance with the laws of the Province of British Columbia and the federal laws of Canada applicable therein.

16. This Letter Agreement may be executed in counterparts and via facsimile or electronic transmission, with each counterpart being deemed to be an original and such counterparts together constituting one and the same instrument.

[*Signature Page to Follow.*]

Page 4

Sincerely,

MFC RESOURCE PARTNERSHIP, by its authorized signatories for and on behalf of its Management Committee

Per:____________________________
Name: Michael Smith
Title: Member of Management Committee

Per:____________________________
Name: Rob Jennings
Title: Member of Management Committee

The terms and conditions set forth in this Letter Agreement are hereby accepted and agreed to by each of the undersigned.

MFC ENERGY CORPORATION

Per:____________________________
Name: Michael Smith
Title: Director

MFC ENERGY FINANCE INC.

Per:____________________________
Name: Samuel Morrow
Title: Director

Page 4

Sincerely,

MFC RESOURCE PARTNERSHIP, by its authorized signatories for and on behalf of its Management Committee

Per:____________________________
Name: Michael Smith
Title: Member of Management Committee

Per:____________________________
Name: Rob Jennings
Title: Member of Management Committee

The terms and conditions set forth in this Letter Agreement are hereby accepted and agreed to by each of the undersigned.

MFC ENERGY CORPORATION

Per:____________________________
Name: Michael Smith
Title: Director

MFC ENERGY FINANCE INC.

Per:____________________________
Name: Samuel Morrow
Title: Director

TAB

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SANGRA MOLLER LLP

Barristers & Solicitors

1000 Cathedral Place
925 West Georgia Street
Vancouver, British Columbia
Canada V6C 3L2

Telephone: (604) 662-8808
Facsimile: (604) 669-8803
www.sangramoller.com

Reply Attention of:

H.S. Sangra
Our File No.:

6963002
Direct Line:

(604) 692-3022
Email:

hsangra@sangramoller.com

September 7, 2017

VIA EMAIL

Borden Ladner Gervais
Centennial Place, East Tower
1900, 520 – 3rd Ave SW
Calgary, AB, Canada T2P 0R3

Attention: Robyn Gurofsky

Dear Robyn:

Re: In the Matter of the Receivership of Lexin Resources Ltd. et al ("Lexin")
Alberta Court of Queen's Bench Action No. 1701-03460 (the "Receivership")

We have received: an email dated September 5, 2017 from Sayer Energy Advisors ("**Sayer**") (the sales advisor to Grant Thornton Limited (the "**Receiver**") in connection with the Receivership); (ii) an attached "sales teaser" with the letterhead of Sayer and the Receiver on the top; and (iii) an attached voluminous document entitled "Overview Information" (collectively the "**Sales Materials**").

We have now had a quick preliminary review of the Sales Materials and advise that the same is materially inaccurate and misleading.

The Sales Materials references equipment, land and other assets as being owned by Lexin and part of the proposed sale. As we have advised and as you and the Receiver are aware, there is a lot of equipment, land and other assets (the "**Third Party Assets**") that are not owned by Lexin and thus cannot be subject to any purported sale.

As you are aware, MFC Energy Finance Inc. and/or its affiliates, including 1049597 B.C. Ltd. and 1059032 B.C. Ltd. (the "**Owners**"), are the proper and legal beneficial owners of the Third Party Assets which, as a small example, includes (but is not limited to) inlet, separation and compression equipment at the Mazeppa plant, some fee simple mineral lands, compressors, the "sweet gas plant" and some freehold mineral rights. We are advised that backup supporting documentation for the foregoing has previously been provided to you by Angus McKinnon of the law firm of Lerners LLP.

The Owners are willing to work with the Receiver to facilitate an orderly sales process that will maximize the potential return and include the Third Party Assets. However, to do so, the parties need to come to a mutually satisfactory agreement which would include, among other things, an understanding of how the bid process would be reviewed, allocations of value and price, etc.

Failing such an agreement, we reiterate that the Sales Materials contain material misrepresentations and that the Receiver and Sayer are knowingly conducting a fundamentally flawed and misleading sales process.

In the event that the foregoing is not resolved, the Owners of the Third Party Assets reserve all of their rights, including seeking damages from the Receiver and/or its respective agents/advisors.

If the Receiver is interested in trying to find a mutually satisfactory agreement, we are available to meet.

We look forward to hearing from you at your earliest opportunity.

Yours truly,

SANGRA MOLLER LLP

Per:
H.S. Sangra

HSS/cl
cc. Alberta Energy Regulator
Attention: Keely Cameron

Sayer Energy Advisors
Attention: Alan Tombasso, Tom Pavic, Jill Switzer

Rod Talaifar

TAB

22

SANGRA MOLLER LLP

Barristers & Solicitors

1000 Cathedral Place
925 West Georgia Street
Vancouver, British Columbia
Canada V6C 3L2

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www.sangramoller.com

Reply Attention of:

H.S. Sangra
Our File No.:

6963002
Direct Line:

(604) 692-3022
Email:

hsangra@sangramoller.com

September 15, 2017

VIA EMAIL

Borden Ladner Gervais
Centennial Place, East Tower
1900, 520 – 3rd Ave SW
Calgary, AB, Canada T2P 0R3

Attention: Robyn Gurofsky

Dear Robyn:

**Re: In the Matter of the Receivership of Lexin Resources Ltd. et al ("Lexin")
Alberta Court of Queen's Bench Action No. 1701-03460 (the "Receivership")**

Thank you for your letter of September 14, 2017. In respect thereof, we advise as follows:

1. We are desirous of trying to find an amicable solution to the open issues/matters and believe a meeting with the Receiver and the Alberta Energy Regulator ("**AER**") may be helpful;

2. With respect to the Sales Process, our understanding with the AER, and our advice to you, has been that 1049597 B.C. Ltd. and 1059032 B.C. Ltd (the "**Owners**") are the owners of various assets (the "**Third Party Assets**") and would be prepared to have them sold in the Sales Process provided there was a mutually satisfactory agreement among the parties. At this stage, no such agreement exists. While we appreciate your sending us an excerpt from your draft purchase agreement, that is not a satisfactory solution for the Owners. In order for the Owners to permit the Third Party Assets to be sold as part of the Sales Process, they would require a written signed agreement which would include, among other things, their right to receive and review bids, require their prior consent for the sale of any Third Party Assets and otherwise to be properly informed of the process;

3. Failing a mutually satisfactory executed agreement among the parties, we reiterate that the Sales Materials are materially inaccurate and misleading and, as of the date hereof, the Owners have not consented to the Third Party Assets being included in the Sales Process. In the past, you have mentioned that the Receiver is an officer of the Court and, as such, we do not see how it could possibly endorse the Sales Materials. Further, the Owners reserve all of their rights regarding the foregoing;

4. With regard to MFC Energy Finance Inc. ("**MFC Energy**") being a secured creditor, you have advised that you received copies of all of the loan agreements, security agreements, etc. from Lerners LLP and that your office was satisfied as to such written agreements. You advised that the Receiver's issue was

with respect to the advance of funds. To this end, on behalf of the Receiver, you asked for some sort of bank confirmation. We were reluctant to have our side go through the work, time and expense of providing a bank confirmation as we expected that no matter what was produced you would find some reason to claim it was not sufficient. Notwithstanding this reluctance, our side did the work and provided you with a bank confirmation from Raiffeisen Bank International. The top of such bank confirmation states "**Confirmation of Execution**". It provides the particulars of the advance therein. Notwithstanding this, you have somehow ignored all of the confirmation wording to focus on the words "subject to cancellation". Clearly these words are meaningless as the advance was executed on June 30, 2015. No cancellation could occur now. Further, your statement that the funds were advanced to 0989 Resource Partnership ("**0989**") misses the point. As you will recall, Lexin was a general partner of 0989 and held almost all of the interests in 0989 and, as such, the advance was to Lexin; and

5. While we acknowledge receipt of a number of exhibits with your letter relating to various forms of financial records and will try to review the same to see if we can gain some understanding, we note that the Receiver has seized all of the records, computers, hard drives, etc. of Lexin/0989 and we have no access to the same.

MFC Energy continues to be very concerned with the actions of the Receiver and does not believe that the Receiver's actions are in the best interests of creditors of Lexin or other affected parties like the Owners.

I will call you on Monday to see if we can arrange a mutually satisfactory time to meet.

Yours truly,

SANGRA MOLLER LLP

Per:
H.S. Sangra

HSS/cl
cc. Alberta Energy Regulator
Attention: Keely Cameron

Borden Ladner Gervais
Attention: Jessica Cameron

Burnet Duckworth & Palmer LLP
Attention: Michael Donaldson, David de Groot

Rod Talaifar

TAB

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SANGRA MOLLER LLP

Barristers & Solicitors

1000 Cathedral Place
925 West Georgia Street
Vancouver, British Columbia
Canada V6C 3L2

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Reply Attention of:

H.S. Sangra
Our File No.:

6963002
Direct Line:
(604) 692-3022
Email:
hsangra@sangramoller.com

October 2, 2017

VIA EMAIL

Borden Ladner Gervais
Centennial Place, East Tower
1900, 520 – 3rd Ave SW
Calgary, AB, Canada T2P 0R3

Attention: Robyn Gurofsky

Dear Robyn:

Re: In the Matter of the Receivership of Lexin Resources Ltd. et al ("Lexin")

Further to our recent meeting of Thursday, September 28, 2017, we are writing to confirm the mutual agreement of the parties with the Receiver with respect to the Sales Process involving the assets of Lexin *et al*, pursuant to the Receivership Order, as follows:

1. any sale pursuant to the Sales Process will not include any assets of 1059032 B.C. Ltd. ("**105**") (being comprised of undeveloped lands), equipment owned by 1049597 B.C. Ltd. ("**104**"), shares or assets of MFC Energy Montana Inc. or seismic data without the express agreement of 105, 104 or the respective owner (as the case may be); and

2. representatives of 105 and 104 will be allowed to attend the bid process review which is currently planned for October 10, 2017, to review bids with respect to the respective assets owned by them to make a determination as to whether they wish the same sold pursuant to bids received pursuant to the Sales Process (or otherwise).

Could you please confirm that the foregoing accurately sets out the agreement between the parties by return email at your earliest opportunity. If you have any questions or comments, please telephone the writer.

Yours truly,

SANGRA MOLLER LLP

Per:
H.S. Sangra

HSS/flt

cc. Alberta Energy Regulator
Attention: Keely Cameron

Burnet Duckworth & Palmer LLP
Attention: Michael Donaldson, David de Groot

Rod Talaifar

TAB

24

Robyn Gurofsky
T (403) 232-9774
F (403) 266-1395
rgurofsky@blg.com

Borden Ladner Gervais LLP
Centennial Place, East Tower
1900, 520 - 3rd Ave SW
Calgary, AB, Canada T2P 0R3
T 403.232.9500
F 403.266.1395
blg.com

Borden Ladner Gervais

File No. 547730/000021

October 3, 2017

Delivered by Email (hsangra@sangramoller.com)

Sangra Moller LLP
1000 Cathedral Place
925 W Georgia St
Vancouver, BC V6C 3L2

Attention: Harjit Sangra

Dear Mr. Sangra:

Re: In the Matter of the Receivership of Lexin Resources Ltd. et al ("Lexin") Alberta Court of Queen's Bench Action No. 1701-03460

Thank you for your letter dated October 2, 2017 confirming the discussion between us on September 28, 2017. It would appear, however, that there is some misunderstanding regarding our intentions for the agreement. Our understanding is as follows:

1. The assets claimed to be owned by 1049597 B.C. Ltd. will be included in the sales process. The assets of 1059032 B.C. Ltd., comprised of the 14 page CS Explorer land listing appended to the December 29, 2015 PSA that you provided to us in your letter of September 21, 2017, have been re-confirmed by our client as not being included amongst the lands contained on the 5,744 page land listing that represents the foundational document for the sales process.

2. You and Mr. Chenery will be permitted to sit in on the bid review meeting with Sayer Energy Advisors Ltd. ("**Sayer**") and the Receiver, which is anticipated to occur on October 10, 2017, subject to execution of confidentiality agreements to be presented by the Receiver.

3. The bid review meeting will constitute a review of non-binding letters of intent ("**LOI**"), not formal purchase and sale agreements, with such LOIs containing an allocation of the offer price to tangibles (i.e. the assets that may be subject to 1049597 B.C. Ltd.'s ownership claim) and conditions of the LOI to be cleared before proceeding with a formal purchase and sale agreement. As such, Sayer and the Receiver will have further discussions with the bidders subsequent to this meeting.

4. The Receiver will take into consideration your respective clients' views of the sale and if, in the unlikely event, there is disagreement from your clients regarding the merits or value allocation associated with any of the bids, your clients will have an opportunity to dispute this at the Court approval application.

The September 28, 2017 meeting also involved a discussion regarding the Lexin compressor license over which Notine Holdings Inc. ("**Notine**") has requested a transfer. I have discussed the matter with the Receiver and we are prepared to seek the Court's authorization to allow the Receiver to initiate a license transfer request despite the fact that it does not have care or custody of the license within the terms of the existing Order, however, any order authorizing the Receiver to submit a transfer request will be without prejudice to any claims the Receiver wishes to bring challenging the validity of the overall transfer from Lexin/0989 to Notine in or around November, 2015. For clarity, Notine will not be able to rely upon any transfer request by the Receiver as a defence to any claim the Receiver may bring regarding the Notine transaction. In addition, we would ask the Court to condition any transfer with the proviso that Notine be enjoined from transferring the compressor and related license to any third party for a period of time, such that if the transaction is challenged, the compressor license will remain with Notine pending a determination by the Court in respect of that challenge. It is also important to note that the license transfer will be subject to the AER's license transfer approval process, a process over which the Receiver has no control.

I hope that clarifies matters. If you have any questions, don't hesitate to let me know.

Yours truly,

Borden Ladner Gervais LLP

Robyn Gurofsky

c.c. Keely Cameron, Alberta Energy Regulator (via email)
Jessica Cameron, Borden Ladner Gervais LLP (via email)

TAB

25

SANGRA MOLLER LLP

Barristers & Solicitors

1000 Cathedral Place
925 West Georgia Street
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Reply Attention of:
H.S. Sangra
Our File No.:
6963002
Direct Line:
(604) 692-3022
Email:
hsangra@sangramoller.com

October 4, 2017

VIA EMAIL

Borden Ladner Gervais
Centennial Place, East Tower
1900, 520 – 3rd Ave SW
Calgary, AB, Canada T2P 0R3

Attention: Robyn Gurofsky

Dear Robyn:

Re: In the Matter of the Receivership of Lexin Resources Ltd. et al ("Lexin")

We are in receipt of your letter dated October 3, 2017. In response thereto:

1. Your requirement that I, as a professional, execute a confidentiality agreement as a condition to reviewing bids is unusual and unacceptable.

2. We are surprised and very disappointed by item 4 of your letter. We have had many discussions to date on this point and we had understood that it was agreed that our clients would need to approve the price and terms of any sale of their assets. This can be done several ways through a fixed amount, a percentage of offers or numerous other methods, but carte blanche to the Receiver does not work at all.If the Receiver plans to sell our clients' assets without their prior agreement, our clients hereby withdraw their assets from the sales process and reserve the right to publicize the same and take other measures necessary to protect their assets.

3. The Receiver and Sayer Energy Advisors Ltd. should amend their marketing materials and inform all participants in the bidding process of our clients' aforementioned withdrawal. Otherwise, such marketing materials are willfully materially false and misleading.

4. Our clients have heard from potential bidders that were interested in making material offers. We doubt that such parties would be interested in proceeding upon discovering that the Receiver is attempting to sell assets not covered by the receivership order.

5. Any purported sale of our clients' assets without their agreement is improper. We are surprised that, as an officer of the Court, the Receiver is proceeding in such fashion. It does not appear to accomplish anything other than destroying value and being to the detriment of the estate of Lexin and its creditors and other stakeholders. Our clients reserve all of their rights to seek recourse and/or damages against the Receiver in connection therewith.

While our client has always tried to find a mutually satisfactory workable solution, your proposal is unacceptable.

If you have any questions or comments, please telephone the writer.

Yours truly,

SANGRA MOLLER LLP

Per:
H.S. Sangra

HSS/flt

cc. Alberta Energy Regulator
Attention: Keely Cameron

Burnet Duckworth & Palmer LLP
Attention: Michael Donaldson, David de Groot

Rod Talaifar

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Robyn Gurofsky
T (403) 232-9774
F (403) 266-1395
rgurofsky@blg.com

Borden Ladner Gervais LLP
Centennial Place, East Tower
1900, 520 - 3rd Ave SW
Calgary, AB, Canada T2P 0R3
T 403.232.9500
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blg.com

Borden Ladner Gervais

File No. 547730/000021

October 5, 2017

Delivered by Email (hsangra@sangramoller.com)

Sangra Moller LLP
1000 Cathedral Place
925 W Georgia St
Vancouver, BC V6C 3L2

Attention: Harjit Sangra

Dear Mr. Sangra:

Re: In the Matter of the Receivership of Lexin Resources Ltd. ("Lexin") Alberta Court of Queen's Bench Action No. 1701-03460

Thank you for your letter dated October 4, 2017. We note that you did not express any concerns at the September 28 meeting regarding the execution of a confidentiality agreement as a condition to attending a bid review meeting, which is standard from our perspective. If you are not prepared to execute such an agreement, we cannot allow you to attend the bid review meeting, which as we've previously indicated is anticipated to occur on October 10, 2017. As previously advised, we anticipate bringing an application for advice and direction on October 25, 2017, regarding, amongst other things, your clients' ownership claims and their impact upon the Receiver's sales process. We can advise that the Receiver does not intend to enter into any definitive purchase and sale agreements arising from the sales process prior to the application for advice and directions. Please feel free to raise any concerns at this application.

Yours truly,

Borden Ladner Gervais LLP

for

Robyn Gurofsky

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BALANCE SHEET - DETAIL AT 201606
060 MFC RESOURCE PARTNERSHIP
GL SORT: USER CODE 02
CURRENCY: OPERATING

REPORT NAME: RENFS110
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ASSETS

ACCT		BALANCE AT 201606	YEAR ENDING 201512
1010	CPC CANADIAN BANK ACCOUNT #5363528	242,655.08	202,758.55
1016	US$ CONVERSION ACCOUNT	(10,135.42)	(20.42)
1030	CPC ERSTE EUR 600-1223-2800	46.82	46.82
1031	CPC ERSTE CAD 600-1223-2802	4,775.22	4,775.22
1035	CPC ERSTE USD 600-1223-2801	29.76	29.76
1041	CPC RBI CAD 0071-5427-2331	1,220,429.25	91,105.18
1061	CRP CANADIAN BANK ACCOUNT #08060 5384452	(390,958.99)	611,368.43
1062	CRP US BANK ACCOUNT #08060 7346261	(.03)	30,646.05
1064	RBI CAD BANK ACCOUNT #0071 5429 7734	1,467,812.09	402,298.01
1069	MFCPP EURO BANK UNREALIZED F/X	(1,372.81)	(66.87)
1211	INVESTMENT IN CPF (FINANCE)	20,898,761.17	20,898,761.17
1212	INVESTEMENT IN WIN ENERGY (MONTANA) INC.	.00	1,664,396.37
1270	REDWOOD INVESTMENT	831,898.21	831,898.21
1405	ACCOUNTS RECEIVABLE - ACCRUAL	.00	2,629,793.93
1410	ACCOUNTS RECEIVABLE - REVENUE	(1,892,452.45)	(650,359.89)
1420	ACCOUNTS RECEIVABLE - JOINT VENTURE	3,148,396.80	3,724,953.69
1430	ACCOUNTS RECEIVABLE - OTHER	(5,197.71)	.00
1432	INTERCO - MFC RP AND MFC PP	22,919,265.23	15,226,618.60
1433	INTERCO - MFC ACQUISITION	.00	(338.58)
1434	INTERCO - MFC ENERGY (MONTANA)	.00	1,037,556.39
1435	INTERCO - MFC RP AND PWR PLANT	35,028.24	.00
1439	ACCOUNTS RECEIVABLE - G & A	39,717.12	497,233.26
1440	ROYALTY INCOME RECEIVABLE	(29.24)	(135.45)
1450	ACCOUNTS RECEIVABLE - LAND	20,346.66	30,730.57
1470	ALLOWANCE FOR BAD DEBTS	(508,425.53)	(508,425.53)
1477	INTERCO - MFC RP AND MFC ENERGY	68,581,103.27	69,413,486.00
1478	INTERCO - MFC RP AND WABUSH	.00	739,139.98
1485	JOINT VENTURE UNBILLED	28,559.32	.00
2210	PHYSICAL INVENTORY	462,523.27	462,523.27
2220	GULF MIDSTREAM INVENTORY	(513,912.26)	(225,211.97)
2320	PREPAID EXPENDITURES	272,258.24	(6,975.00)
2340	ACCOUNTS PAYABLE - SUSPENSE	9,682.68	10,564.18
2410	DEPOSIT ON PURCHASES	538,330.17	66,036.17
2430	CROWN DEPOSIT	225,473.12	614,402.92
3005	LAND PURCHASES - E&E	32,881,558.48	32,881,558.48
3010	E&E DRILLING COSTS	(7,477.80)	(7,477.80)
3015	IMPAIRMENT - E&E LAND	(3,706,079.61)	(3,706,079.61)
3030	E&E PROBABLES	55,451,207.74	55,451,207.74
3050	E&E PRELIMINARY DRILLING	7,670.00	7,670.00
3099	IMPAIRMENT EXPENSE - E&E	(23,298,637.40)	(23,298,637.40)
3110	ACQUISITIONS - PRODUCING LAND	27,767,044.00	27,767,044.00
3120	LEASE RENTALS - NO AFE	863,876.67	854,250.74
3130	DISPOSITIONS - LAND	30,495.00	30,495.00
3131	DISPOSITIONS - E&E NON PRODUCING LANDS	(5,666,788.63)	(5,666,788.63)
3155	MISC LAND COSTS - NO AFE	92,906.07	92,906.07
3220	GEOLOGICAL & GEOPHYSICAL - DEVELOPMENT	615.00	615.00
3230	G & G EXPENSE - NO AFE	601,601.97	601,601.97
3301	OPENING INTANGIBLE COSTS	1,002,413.19	1,002,413.19
3302	INTANGIBLE ACQUISITIONS	3,731,000.00	3,731,000.00
3304	OPENING INTANGIBLE COSTS BY AREA	115,474,558.68	115,474,558.68
3305	PRELIMINARY DRILLING COSTS	21,394.48	21,394.48
3306	PRELIM DRILLING FROM E&E (ACCTG ONLY)	3,326.30	3,326.30
3310	INTANGIBLE DRILLING COSTS	206,093.74	206,093.74
3311	DRILLING COSTS FROM E&E (ACCTG ONLY)	166.32	166.32
3320	COMPLETION COSTS	604,307.80	604,307.80
3330	RECOMPLETION COSTS	250,199.72	250,199.72
3340	WORKOVERS COSTS	2,120,018.24	2,233,205.75
3345	ABANDONMENT COSTS	157,058.23	153,860.38
3350	WELL SUSPENSION COSTS	34.34	.00
3360	PIPELINE INTANGIBLE COSTS	9,003.12	9,003.12
3370	FACILITY INTANGIBLE COSTS	6,535,761.02	6,532,856.38
3380	RECLAMATION AND SUSPENSION (AFE)	32,259.62	32,383.28
3399	IMPAIRMENT - DEVELOPMENT	(71,959,281.50)	(71,959,281.50)
3520	BATTERY / FACILITY EQUIPMENT	35,451,733.53	35,451,733.53
3530	PIPELINES & GATHERING SYSTEMS	88,568,466.39	88,568,466.39
3550	TANGIBLE DISPOSITION COSTS	(17,301.56)	(17,301.56)
3560	PLANT TURNAROUND/COMPRESSOR OVERHAULS	11,448,930.40	11,448,930.40
3605	LONG LIVED ASSET	49,770,838.56	51,025,174.56
3810	CAPEX - WELLS - (SUS/SI)	124.64	124.64
3820	CAPEX - WELLS - DA	(1,231.34)	(1,231.34)
3999	GAAP TRANSFERS FROM PP&E	(30,694,340.85)	(30,694,340.85)
4810	OFFICE FURNITURE & FIXTURES	851,872.34	851,872.34
4811	OFFICE FURNITURE & FIXTURE (NO AFE)	979.52	979.52
4820	COMPUTER EQUIPMENT	152,053.77	152,053.77
4821	COMPUTER EQUIPMENT (NO AFE)	380,825.10	380,825.10
4830	COMPUTER SOFTWARE	62,655.45	62,655.45
4831	COMPUTER SOFTWARE (NO AFE)	200,800.50	200,140.50
4840	LEASEHOLD IMPROVEMENTS	84.00	84.00
4841	LEASEHOLD IMPROVEMENTS (NO AFE)	80,504.10	80,504.10
4860	VEHICLE (NO AFE)	40,166.39	40,166.39
5520	ACCUM DEPRECIATION - PLANTS	(.01)	(.01)
5535	SITE RESTORATION LIABILITY USE 8250	500,782.00	500,782.00
5550	ACCUMULATED DEPRECIATION	(3,675,023.06)	(3,675,023.06)
5560	ACCUMULATED DEPLETION	(97,334,154.23)	(94,999,445.17)
5570	ACCUMULATED AMORTIZATION	(5,476,954.12)	(5,476,954.12)

BALANCE SHEET - DETAIL AT 201606
060 MFC RESOURCE PARTNERSHIP
GL SORT: USER CODE 02
CURRENCY: OPERATING

REPORT NAME: RENFS110
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	ACCT		BALANCE AT 201606	YEAR ENDING 201512
	5810	ACCUM DEPRECIATION - FURNITURE & FIXTURE	(548,280.20)	(505,637.61)
	5820	ACCUM DEPRECIATION - COMPUTER EQUIPMENT	(324,337.06)	(297,693.12)
	5830	ACCUM DEPRECIATION - COMPUTER SOFTWARE	(277,586.53)	(255,686.87)
	5840	ACCUM DEPREC. - LEASEHOLD IMPROVEMENTS	(46,529.34)	(42,499.93)
	5850	ACCUM DEPRECIATION - VEHICLES	(25,294.91)	(23,286.59)
	TOTAL		309,920,695.55	313,878,834.68
TOTAL			309,920,695.55	313,878,834.68
TOTAL ASSETS			309,920,695.55	313,878,834.68
LIABILITIES AND OWNERS EQUITY				
	6215	ACCOUNTS PAYABLE - G & A	(2,954,844.74)	414,941.22
	6220	ACCOUNTS PAYABLE - JOINT VENTURE	2,473,877.51	1,188,505.10
	6230	ACCOUNTS PAYABLE - ROYALTIES	1,228,786.03	894,997.59
	6235	ACCOUNTS PAYABLE - LAND RENTALS	4,526,000.40	1,207,315.24
	6255	ACCOUNTS PAYABLE - OPERATING / CAPITAL	5,791,847.76	4,617,454.16
	6270	ACCRUED LIABILITIES	837.45	4,618,332.38
	6283	INTERCO - MFC RP AND 1049601 BC LTD.	(20,923.40)	.00
	6286	INTERCO - MFC RP AND MFC PP	2,181,811.46	21,953,562.29
	6287	INTERCO - MFC ACQUISITION	108,938,410.22	108,938,071.64
	6290	GST - COLLECTIBLE	(44,667.77)	26,911.00
	6292	INTERCO - MFC RP AND WABUSH	17,346,500.71	18,085,640.69
	6294	INTERCO - MFC RP AND MFC ENERGY	.00	42,382.73
	6320	AP TO M FINANCIAL	(2,500.00)	.00
	6415	FUTURE INCOME TAX LIABILITY - CURRENT	(2,130,731.69)	(2,130,731.69)
	6420	ASSET RETIREMENT OBLIGATION	(840,616.71)	(801,868.49)
	6425	DECOMMISSIONING LIABILITY	133,828,994.34	134,932,761.61
	6426	DECOMMISSIONING LIABILITY AHFS	(4,513.71)	.00
	6430	MPP TERM FINANCING - CURRENT PORTION	.47	(31,165,134.53)
	6520	DEFERRED OFFICE LEASE INDUCEMENTS	127,650.35	143,793.75
	6611	LONG TERM DEBT	18,709,126.00	18,709,126.00
	6710	FUTURE INCOME TAXES	(154,430,611.24)	(154,430,611.24)
	6806	MPP - DISTRIBUTION TO PARTNERS	3,850,000.00	3,850,000.00
	6810	PARTNERSHIP CONTRIBUTIONS - COMPTON	2,270,600.02	2,270,600.02
	6815	SHARE CAPITAL	337,764,813.96	337,764,813.96
	6825	ACCUMULATED OCI	35,261.00	35,261.00
	6850	SHARE CAPITAL - SHARE ISSUE COSTS	(30,173,636.12)	(30,173,636.12)
	6890	CONTRIBUTED SURPLUS	(1,588,958.27)	1,112,994.49
	6910	RETAINED EARNINGS	(136,961,818.48)	(128,226,648.12)
	TOTAL		309,920,695.55	313,878,834.68
TOTAL			309,920,695.55	313,878,834.68
TOTAL LIABILITIES AND OWNERS EQUITY			309,920,695.55	313,878,834.68

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ASSET PURCHASE AGREEMENT

THIS AGREEMENT is made as of the 6th day of November, 2015.

AMONG:

MFC RESOURCE PARTNERSHIP, a general partnership organized under the laws of British Columbia with an office at 1035 7th Avenue SW, Suite 400, Calgary, Alberta, T2P 3E9

(the "**Vendor**")

AND:

1049601 B.C. Ltd., a corporation organized under the laws of the Province of British Columbia with an office at 2800-350 7th Avenue SW, Calgary, Alberta, T2P 3N9

(the "**Purchaser**")

AND (solely with respect to Section 5.2):

MFC ENERGY CORPORATION, a corporation organized under the laws of British Columbia with an office at 1035 7th Avenue SW, Suite 400, Calgary, Alberta, T2P 3E9

("**MFC Energy**")

WHEREAS:

A. The Vendor owns the Purchased Assets;

B. The Vendor has agreed to sell and the Purchaser has agreed to purchase the Purchased Assets on the terms and subject to the conditions provided in this Agreement;

C. The Parties intend that, at the option of the Vendor, subsection 85(2) of the Income Tax Act (and any comparable provisions of the laws of a province having jurisdiction to levy tax on the purchase and sale of the Purchased Assets) will apply to the purchase and sale of the Purchased Assets. In that regard, at the option of the Vendor, for income tax purposes the Parties will elect that, pursuant to subsection 85(2) of the Income Tax Act (and any similar provision of any applicable provincial law), the Purchased Assets will be transferred to the Purchaser at an amount equal to the elected amount determined by the Vendor in accordance with the prescribed limits set out in the Income Tax Act (and any applicable provincial law); and

D. The Parties intend that section 156 of the Excise Tax Act will apply to the purchase and sale of the personal property included in the Purchased Assets contemplated herein.

NOW, THEREFORE, in consideration of the covenants, representations, warranties and agreements contained herein, the Parties hereto covenant and agree as follows:

1. INTERPRETATION

1.1 Definitions

Unless otherwise specifically provided or the context otherwise requires, where used in this Agreement, including the recitals to this Agreement, the following terms shall have the meanings set forth or as referenced below:

"Abandonment and Reclamation Obligations" means all Losses and Liabilities and other duties and obligations, whether arising under contract, Applicable Law or otherwise, relating to:

(a) the abandonment of the Wells (and no other wells), and restoration and reclamation of the surface sites thereof and any other lands used to gain access thereto; and

(b) the closure, decommissioning, dismantling and removal of any structures, buildings, pipelines, facilities, equipment and other tangible depreciable property and assets comprising the Tangibles, together with the restoration and reclamation of the lands on or in which any of the foregoing are or were located and any other lands used to gain access thereto.

"AFEs" means authorities for expenditure, cash calls, operations notices, amounts budgeted pursuant to joint operating agreements, unit agreements, mail ballots and similar notices and calls for funds.

"affiliate" means, with respect to a particular Person, another Person that controls, is controlled by, or is under common control with that particular Person. For the purposes of this definition, a Person "controls" another Person (other than an individual) if the first Person:

(a) holds more than 50% of the voting securities of such other Person; or

(b) has power to appoint a majority of the board of directors or comparable body of such other Person; or

(c) is entitled to more than 50% of the profits of such other Person or, in the event of a dissolution, to more than 50% of the assets of such other Person;

or otherwise has the power to direct or cause the direction of management or policies of such other Person, in each case, regardless of whether such right or power is held or exercisable directly or through intermediaries or whether such right or power is held beneficially or as a trustee, guardian or similar capacity. In addition, if such other Person is a partnership and all of the partners therein would be considered "affiliates" of each other as provided above in this definition, such partnership shall be deemed to be an affiliate of each such partner and each other Person that is or would be deemed to be an affiliate of each such partner.

"Agreement" means this agreement and the recitals to this Agreement, in each case, as they may be amended or supplemented from time to time in accordance with this Agreement, and the expressions "hereof", "herein", "hereto", "hereunder", "hereby", and similar expressions, when used in this Agreement, refer to this Agreement as a whole and not to any particular provision of this Agreement.

"Applicable Law" means, in relation to any Person, property or circumstance, all laws and statutes, including regulations, rules, by-laws, ordinances and other statutory instruments enacted thereunder; all judgments, decrees, rulings and orders of courts, tribunals, commissions and other similar bodies of competent jurisdiction; all orders, rules, directives, policies and guidelines having force of law issued by any Governmental Authority and all terms and conditions of any Permits; that are in effect as of the relevant time and are applicable to such Person, property or circumstance.

"Business Day" means a day that is not a Saturday, Sunday or statutory holiday in Calgary, Alberta.

"Claim" means any claim, demand, lawsuit, notice, action, proceeding, notice of non-compliance or violation, order or direction, arbitration or governmental proceeding or investigation.

"Closing" means the completion of the purchase and sale of the Purchased Assets.

"Closing Time" means 8:00 a.m. Calgary time, on the date hereof, or such other time as the Parties may agree.

"**Effective Time**" means 8:00 a.m. Calgary time, on November 1, 2015.

"**Encumbrance**" means a Security Interest, an option to purchase, a right of first refusal, right of first offer or other pre-emptive or preferential right to purchase, a farm-out agreement under which earning has not occurred, a royalty, a net profits interest, a carried working interest, a right to convert a royalty to a working interest on payout of a well, a penalty or forfeiture arising as a result of non-participation in a drilling or other operation and any other adverse claim or encumbrance, whether similar or dissimilar to the foregoing.

"**Environment**" means the components of the earth and includes ambient air, land, surface and sub-surface 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.

"**Environmental Liabilities**" means all Losses and Liabilities, Claims and other duties and obligations, whether arising under contract, Applicable Law or otherwise, arising from or associated with:

(a) all Abandonment and Reclamation Obligations;

(b) any damage, contamination or other adverse situations pertaining to the Environment howsoever and by whomsoever caused and regardless of whether such damage, contamination or other adverse situations occur or arise in whole or in part prior to, at or subsequent to the date of this Agreement;

(c) the storage, use, holding, collection, accumulation, assessment, generation, manufacture, processing, treatment, stabilization, disposition, handling, transportation, release, emission or discharge of Petroleum Substances, oilfield wastes, water, hazardous substances, environmental contaminants and all other substances and materials regulated under any Applicable Law, including any forms of energy;

(d) compliance with or the consequences of any non-compliance with, or violation or breach of, any Applicable Law pertaining to the Environment or to the protection of the Environment;

(e) sampling, monitoring or assessing the Environment or any potential impacts thereon from any past, present or future activities or operations; or

(f) the protection, reclamation, remediation or restoration of the Environment;

that relate to or arise by virtue of the Purchased Assets or the ownership thereof or any past, present or future operations and activities conducted in connection with the Purchased Assets or on or in respect of the Lands or any lands pooled or unitized therewith but excluding, for greater certainty, any Losses, Liabilities or Claims to the extent they are related to or arising from the Excluded Assets.

"**Excise Tax Act**" means the *Excise Tax Act* (Canada) and the regulations thereto, as amended from time to time.

"**Excluded Assets**" means those assets set forth in Schedule A.

"**General Conveyance**" means the general conveyance in the form set forth in Schedule B.

"**Governmental Authority**" means any:

(a) governmental entity or authority of any nature, including any governmental ministry, agency, branch, department or official, and any court, regulatory board or other tribunal; or

(b) individual or body exercising, or entitled to exercise, any administrative, executive, judicial, legislative, regulatory or taxing authority or power of any nature;

having jurisdiction or power over any Person, property, operation, transaction or other matter or circumstance.

"**IFRS**" means International Financial Reporting Standards as adopted by the International Accounting Standards Board.

"**Included Seismic Data**" means all of the Vendor's right, title and interest, including trading rights, in and to:

(a) all proprietary Seismic Data owned by the Vendor and relating to the seismic lines set forth and described in Part I of Schedule C; and

(b) all Third Party, partner or joint Seismic Data owned by the Vendor and relating to the seismic lines set forth and described in Part II of Schedule C, but excluding any such data which cannot be transferred by the Vendor to the Purchaser due to the occurrence of one or both of the following:

(i) the consent of a Third Party is not obtained; or

(ii) a transfer fee is payable to any Third Party and the Purchaser has not agreed in writing to be liable for such fee.

"**Income Tax Act**" means the *Income Tax Act* (Canada) and the regulations thereto, as amended from time to time.

"**Lands**" means all lands within the White Map Area, including the lands identified in Part I of Schedule D and, subject to any limitations identified or set forth in Part I of Schedule D or in any applicable Title and Operating Documents, the Petroleum Substances, within, upon or under such lands, including any fee simple interests falling within the White Map Area or owned in relation to a facility.

"**Leases**" means all leases, licences, permits and other documents of title set forth and described in Part I of Schedule D, by virtue of which the holder thereof is entitled to drill for, win, take, own or remove the Petroleum Substances within, upon or under the Lands or lands with which the Lands are pooled or unitized, or by virtue of which the holder thereof is deemed to be entitled to a share of Petroleum Substances removed from the Lands or lands with which the Lands are pooled or unitized, including, if applicable, all renewals and extensions of such documents and all documents issued in substitution therefor but only insofar as the same relate to the Lands.

"**Losses and Liabilities**" means all losses, costs, expenses, interest, charges, assessments, damages, liabilities, fines and penalties, including all reasonable costs incurred in investigating, defending or negotiating the settlement or resolution of any Claim or threatened Claim, and specifically including reasonable legal and other professional fees and expenses on a "solicitor and his own client" or comparable basis, regardless of whether the foregoing arise under or by virtue of common law, in equity, under Applicable Law, under contract, negligence, strict liability, breach of duty or otherwise.

"**Major Facilities**" means the plant, machinery, equipment, facilities and other tangible depreciable property and assets identified or described in Schedule E under the heading "Major Facilities."

"**Material Contracts**" means those agreements and other arrangements identified in Schedule F.

"**Miscellaneous Interests**" means, subject to the limitations and exclusions below in this definition, all of the Vendor's right, title and interest in and to all property and rights that pertain directly to the

Petroleum and Natural Gas Rights or the Tangibles (excluding the Petroleum and Natural Gas Rights or the Tangibles themselves), including:

(a) the Title and Operating Documents and all other contracts and agreements and all rights in relation thereto, including the Material Contracts;

(b) Surface Rights;

(c) the Wells, including the well bores and down-hole casing for the Wells;

(d) Permits;

(e) records, files, reports, data, correspondence and other information, including lease, contract, well, production and facilities files and records;

(f) all extensions, renewals, replacements, substitutions or amendments of or to any of the agreements and instruments described in paragraphs (a), (b), (c) and (d) above;

(g) any facility or area specific emergency response plans pertaining to the Purchased Assets;

(h) the Included Seismic Data;

however, the Miscellaneous Interests do not include any of the foregoing property or rights to the extent that they:

(i) include or pertain to any seismic data other than the Included Seismic Data; or

(ii) are owned or licensed by Third Parties with restrictions that prohibit the sale, transfer or disclosure thereof to the Purchaser, other than the Included Seismic Data.

"**Parties**" means the Purchaser and the Vendor, and "**Party**" means any one of them as the context requires.

"**Permits**" means all licences, permits, approvals and authorizations granted or issued by any Governmental Authorities and relating to the construction, ownership, use or operation of the Purchased Assets.

"**Permitted Encumbrances**" means:

(a) liens for taxes, assessments and governmental charges that are not due and payable or delinquent or the validity of which is being contested in good faith;

(b) liens incurred or created in the ordinary course of business as security in favour of a Person that is conducting the development or operation of the property to which such liens relate;

(c) mechanics', builders' and materialmen's liens in respect of services rendered or goods supplied for which payment is not yet due and payable or delinquent or the validity of which is being contested in good faith;

(d) easements, rights of way, servitudes and 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, telegraph and cable television conduits, poles, wires and cables;

(e) the right reserved to or vested in any municipality or Governmental Authority by the terms of any lease, licence, franchise, grant or permit or by any statutory provision, to terminate any such lease, licence, franchise, grant or permit or to require annual or other periodic payments as a condition of the continuance thereof;

(f) rights of general application reserved to or vested in any Governmental Authority to levy taxes on Petroleum Substances or any of them or the income therefrom, or to control, limit or regulate production rates or the operation or use of any property;

(g) statutory exceptions to title and the reservations, limitations, provisos and conditions in any original grants from the Crown of any mines and minerals;

(h) the terms and conditions of the Title and Operating Documents, provided that, in the case of the Purchased Assets relating to those Lands listed in Part I of Schedule D, any Encumbrance created under or pursuant to any such Title and Operating Documents prior to the date of this Agreement will be a Permitted Encumbrance only if set out and described in Schedule D;

(i) any Security Interest held by any Third Party affecting the Vendor's Interest in and to the Purchased Assets in respect of which the Vendor delivers a release, discharge or no-interest letter to the Purchaser at or prior to Closing;

(j) contracts for the purchase, processing, transportation or storage of Petroleum Substances or for the contract operation of any of the Purchased Assets that are terminable without penalty on 31 days or less notice;

(k) all ROFRs arising under or pursuant to any of the Title and Operating Documents;

(l) all royalty burdens, liens, adverse claims, penalties, reductions in interests and other encumbrances set out in Schedule A;

(m) all Encumbrances pursuant to the Material Contracts; and

(n) any Security Interest held by any Third Party encumbering any Third Party interest in and to the Purchased Assets or any part or portion thereof.

"**Person**" means any individual, corporation, partnership, limited partnership, limited liability company, joint venture, association, joint-stock company, trust, society, incorporated organization or any other similar entity.

"**Petroleum and Natural Gas Rights**" means all of the Vendor's right, title and interest in and to:

(a) rights in, or rights to drill for and to produce, save and market, Petroleum Substances;

(b) fee simple interests and other estates in Petroleum Substances, *in situ*;

(c) royalty interests, net profit interests and similar interests in Petroleum Substances or the proceeds of the sale of Petroleum Substances or to payments calculated by reference thereto; and

(d) rights to acquire any of the foregoing in paragraphs (a), (b) and (c) above,

insofar as the foregoing relate to the Lands or the White Map Area or any lands pooled or unitized therewith, whether or not described in Part I of Schedule D.

"**Petroleum Substances**" means crude oil, natural gas, natural gas liquids and other related hydrocarbons and all other substances related to any of the foregoing, whether liquid, solid or gaseous, and whether hydrocarbons or not, including sulphur.

"**Purchase Price**" has the meaning ascribed thereto in Section 2.4.

"**Purchased Assets**" means the Petroleum and Natural Gas Rights, the Tangibles and the Miscellaneous Interests and, to the extent applicable, the entire interest of the Vendor and its affiliates, including MFC Energy, in and to any Unscheduled Assets, but notwithstanding anything to the contrary herein, excludes the Excluded Assets.

"**Related Persons**" means, in respect to a Party, that Party's affiliates, together with that Party's and its affiliates' directors, officers, employees and other personnel and agents.

"**ROFR**" means a right of first refusal, pre-emptive right of purchase or similar right to acquire the Purchased Assets or certain of them that may become operative by virtue of this Agreement or the completion of the transaction contemplated herein.

"**Security Interest**" means a pledge, lien, charge, mortgage, assignment by way of security, conditional sale, title retention arrangement or other security interest.

"**Seismic Data**" means any and all interpretive geophysical or seismic data whatsoever including all 2D seismic lines and 3D seismic surveys and including with respect to such seismic data:

(a) all permanent records of basic field data including, but not limited to, any and all microfilm or paper copies of seismic driller's reports, monitor records, observer's reports and survey notes and any and all copies of magnetic field tapes of raw field seismic data or conversions thereof, all SEG-P1 Survey data, any and all stacked migrated and structure SEG-Y seismic data or conversions thereof; and

(b) in the case of 3D seismic data, in addition to the foregoing, all permanent records or bin locations, bin fold, static corrections, surface elevations and any other relevant information.

"**Share Certificate**" has the meaning ascribed thereto in Section 2.5.

"**Specific Conveyances**" means all conveyances, assignments, transfers, novations, trust declarations and other documents or instruments that are reasonably required or desirable, in accordance with normal oil and gas industry practices, to convey, assign and transfer the Purchased Assets to the Purchaser and to make the Purchaser a party to, and to novate the Purchaser into, the Title and Operating Documents in the place and stead of the Vendor with respect to the Purchased Assets.

"**Surface Rights**" means all rights to occupy, cross or otherwise use or enjoy the surface of the Lands and any lands pooled or unitized therewith or any other lands: (1) upon which the Tangibles are situate, (2) used in connection with the ownership or operation of the Petroleum and Natural Gas Rights, the Tangibles or the Wells, or (3) used to gain access to any of the Lands (or any lands pooled or unitized therewith), the Tangibles or the Wells, including without limitation any fee simple interests.

"**Take or Pay Obligations**" means obligations to sell or deliver Petroleum Substances or any of them without being entitled in due course to receive and retain full payment for such Petroleum Substances.

"**Tangibles**" means all of the Vendor's right, title and interest in and to:

(a) the Major Facilities; and

(b) all tangible depreciable property, apparatus, plant, equipment, machinery, field inventory and facilities used or intended for use in, or otherwise useful in exploiting any Petroleum

Substances from or within the Lands (whether the Petroleum and Natural Gas Rights to which such Petroleum Substances are allocated are owned by the Vendor or by others or both) and located within, upon or in the vicinity of the Lands (or any lands pooled or unitized therewith), including all gas plants, oil batteries, buildings, production equipment, pipelines, pipeline connections, meters, generators, motors, compressors, treaters, dehydrators, separators, pumps, tanks, boilers, communication equipment, all salvageable equipment pertaining to any Wells listed in Part II of Schedule D, including any surplus equipment located in the White Map Area or otherwise set forth and described in Schedule G.

"Taxes" means all taxes, charges, fees, levies, imposts and other assessments, including all income, sales, use, goods and services, value added, capital, capital gains, alternative, net worth, transfer, profits, withholding, payroll, employer health, excise, franchise, mining, mining land, real property and personal property taxes, and any other taxes, customs duties, fees, assessments or similar charges in the nature of a tax including Canada Pension Plan contributions, employment insurance payments and workers' compensation premiums, government health plan contributions, together with any installments with respect thereto, and any interest, fines and penalties imposed by any governmental authority (including federal, state, provincial, municipal and foreign governmental authorities), and whether disputed or not.

.**"Third Party"** means any Person other than the Vendor or the Purchaser.

"Title and Operating Documents" means:

(a) all leases, subleases, permits and licences (and any replacements, renewals or extensions thereof or leases or other instruments derived therefrom) pertaining to the Lands by virtue of which the holder thereof is granted certain rights with respect to Petroleum Substances within, upon or under the Lands or any lands pooled or unitized therewith or by virtue of which the holder thereof is deemed to be entitled to a share of Petroleum Substances removed from the Lands or any lands pooled or unitized therewith, including, the Leases; and

(b) agreements relating to the acquisition, ownership, operation or exploitation of the Petroleum and Natural Gas Rights, Tangibles, the Included Seismic Data or the Wells, including:

(i) operating agreements, royalty agreements, farm-out or farm-in agreements, option agreements, participation agreements, pooling agreements, unit agreements, unit operating agreements, sale and purchase agreements and asset exchange agreements;

(ii) agreements for the sale of Petroleum Substances;

(iii) agreements pertaining to the Surface Rights;

(iv) agreements for the construction, ownership and operation of gas plants, gathering systems and other tangible depreciable property and assets;

(v) service agreements for the treating, gathering, storage, transportation or processing of Petroleum Substances or other Petroleum Substances, the injection or subsurface disposal of substances, the use of well bores or the operation of any Tangibles or Wells by a Third Party; and

(vi) Permits and other approvals, authorizations or licences required under Applicable Law.

"Transferring Employees" means those employees and consultants of the Vendor designated by the Vendor and the Purchaser pursuant to Section 10.5(a).

"**Transition Services Agreement**" means the transition services agreement in the form set forth in Schedule L.

"**Unscheduled Assets**" has the meaning ascribed thereto in Section 2.3(a).

"**Wells**" means all producing, shut-in, water source, observation, disposal, injection, abandoned, suspended and similar wells located on or within the Lands or any lands pooled or unitized therewith, whether or not completed, including the wells identified or described in Part II of Schedule D, together with all well licenses relating thereto, but notwithstanding the foregoing in this definition, excluding thereout:

(a) reclamation certified abandoned wells; and

(b) any abandoned wells on expired mineral rights which are not set forth and described in Part II of Schedule D.

"**White Map Area**" means the area set forth and described in Schedule H.

1.2 Accounting Terms

All accounting terms not specifically defined in this Agreement are to be interpreted in accordance with IFRS.

1.3 Gender and Number

Words and defined terms importing the singular shall include and have a comparable meaning when used in the plural, and vice versa, and words importing gender include all genders.

1.4 Currency

All references to currency shall mean Canadian Dollars unless otherwise expressly provided.

1.5 Section Headings and References

All Section headings contained in this Agreement are for reference purposes only and shall not in any way affect the meaning or interpretation of this Agreement. Unless otherwise indicated, references to Articles or Sections are to Articles or Sections in the main body of this Agreement.

1.6 Time of Essence

Time is of the essence of this Agreement.

1.7 Certain Phrases, etc.

In this Agreement (i) the words "including", "includes" and "include" mean "including (or includes or include) without limitation", and (ii) the phrase "the aggregate of", "the total of", "the sum of", or a phrase of similar meaning means "the aggregate (or total or sum), without duplication, of". In the computation of periods of time from a specified date to a later specified date, unless otherwise expressly stated, the word "from" means "from and including" and the words "to" and "until" each mean "to but excluding".

1.8 Statutes

Except as otherwise provided in this Agreement, any reference in this Agreement to a statute refers to such statute and all rules and regulations made under it, as it or they may have been or may from time to time be amended or re-enacted.

1.9 Use of Industry Terms

Terms and expression that are not specifically defined in this Agreement, but which have generally accepted meanings in the custom and usage of the petroleum and natural gas industry in Western Canada as of the date of this Agreement, shall have such generally accepted meanings when used in this Agreement unless the contrary is specified or provided for elsewhere in this Agreement.

1.10 Schedules

The following schedules form part of this Agreement:

Schedule A	Excluded Assets
Schedule B	Form of General Conveyance
Schedule C	Seismic Lines
Schedule D	Lands, Petroleum and Natural Gas Rights
Schedule E	Major Facilities
Schedule F	Material Contracts
Schedule G	Surplus Equipment
Schedule H	White Map Area
Schedule I	Outstanding AFEs and Notices
Schedule J	Areas of Mutual Interest
Schedule K	Leased Vehicles and Equipment
Schedule L	Transition Services Agreement
Schedule M	Take or Pay Obligations
Schedule N	Purchase Price Allocation

2. PURCHASE AND SALE OF ASSETS

2.1 Purchase and Sale of Assets

Upon and subject to the terms and conditions of this Agreement, the Vendor agrees to sell and transfer to the Purchaser, and the Purchaser agrees to purchase and acquire from the Vendor all of the Vendor's right, title and interest in and to the Purchased Assets free and clear of all liens, mortgages, encumbrances and other burdens other than the Permitted Encumbrances, but excluding the Excluded Assets.

2.2 Effective Date of Transfer

For accounting, title and tax purposes, the transfer and assignment of the Purchased Assets from the Vendor to the Purchaser shall be effective as of the Effective Time, provided Closing occurs. However, as between the Parties, possession of the Purchased Assets shall not pass to the Purchaser until Closing.

2.3 White Map Area

(a) The Parties acknowledge that although the Vendor has prepared, and the Purchaser has reviewed, the Schedules attached hereto diligently and with good faith, they recognize that there may be unintended omissions or misdescriptions. As such, the Parties acknowledge and agree that it is their intention that, in addition to those Purchased Assets included and specified in the Schedules hereto, the Purchased Assets shall include the Vendor's entire interest in and to all Petroleum and Natural Gas Rights, Tangibles and Miscellaneous Interests (as those terms are defined herein) which fall within the White Map Area, any of such additional unscheduled Assets, if any, being the "Unscheduled Assets", and that the Purchase Price includes consideration for such Unscheduled Assets.

(b) To the extent that any Unscheduled Assets are identified by either Party after the Closing Date, the Parties shall use all reasonable efforts to replace the affected Schedules attached hereto with corrected Schedules, which corrected Schedules shall be deemed to be the applicable Schedule as of the date hereof, and to take such additional steps as are necessary to specifically convey the Vendor's interest in such Unscheduled Assets to the Purchaser.

2.4 Purchase Price

Subject to Sections 2.9 and 2.10 hereof, the consideration (the "**Purchase Price**") payable by the Purchaser to the Vendor for the Purchased Assets is $50,000,000 payable by delivery of 50,000,000 Class A Voting Common Shares of the Purchaser having a deemed value of $1 per share. The Purchase Price shall be allocated among the Purchased Assets as agreed upon by the Parties. The Parties agree that the Purchase Price shall be allocated among the Purchased Assets for all Tax purposes in a manner entirely consistent with the allocation schedule attached as Schedule N to this Agreement.

2.5 Payment

The Purchaser shall at the Closing Time, pay the Purchase Price relating to the Purchased Assets by delivery of a certificate (the "**Share Certificate**") registered in the name of the Vendor representing 50,000,000 Class A Voting Common Shares of the Purchaser having a deemed value of $1 per common share.

2.6 Income Tax Act Election

At the option of the Vendor, the Purchaser agrees that it will make a joint election with the Vendor pursuant to subsection 85(2) of the Income Tax Act, in the prescribed form and within the time stipulated by subsection 85(6) of the Income Tax Act, in respect of the Purchased Assets which qualify. The Parties agree that any penalties arising from a late election referred to in this Section 2.6 shall be paid by the Vendor. The Purchaser further agrees that the Vendor is authorized to determine the elected amount for the Purchased Assets which are subject to the election referred to in this Section 2.6 subject to the limitations contained in subsection 85(2) of the Income Tax Act.

2.7 Excise Tax Act Election

At the option of the Purchaser, the Vendor and the Purchaser shall jointly execute in the prescribed form an election under section 156 of the Excise Tax to deem the supply of any personal property and services between them to be made for no consideration for the purposes of the Excise Tax Act.

2.8 Fair Market Value Price

In the event that the Minister of National Revenue, the Minister of Finance for the Province of Alberta, their authorized representatives, or any similar authority at any time hereafter proposes to issue or issues any assessment or assessments that impose or would impose any liability for any tax on the Vendor or the Purchaser or on any other Person on the basis that the fair market value of the Purchased Assets as of the date hereof is greater or less than the Purchase Price set out in Section 2.4 hereof, then the amount of the Purchase Price will be reviewed and the fair market value of the Purchased Assets will be deemed to be an amount determined as follows:

(a) if the authority in making or proposing such an assessment or assessments also makes a determination of the fair market value of the Purchased Assets as of the date hereof and both the Vendor and the Purchaser, either before or after objection or appeal or by agreement with such authority, accept the determination, then the fair market value so determined will be deemed to be the fair market value of such Purchased Assets for the purposes of the Purchase Price in Section 2.4 hereof; and

(b) in any other case, the parties will appoint a firm of chartered accountants in the Province of Alberta to make or obtain a second determination of the fair market value of the Purchased Assets, and the fair market value for the purposes of the Purchase Price will be the amount agreed upon by both the Vendor and the Purchaser after first receiving and considering such second determination or, if they cannot agree, the matter of such value will be referred to a single arbitrator appointed under the *Arbitration Act* (Alberta) whose determination of such matters will be final.

2.9 Price Adjustment

If the Purchase Price set out in Section 2.4 hereof is reviewed and the fair market value of the Purchased Assets is deemed to be an amount determined pursuant to Section 2.8 hereof, then the Purchase Price hereunder will be adjusted accordingly and retroactively, *nunc pro tunc*, to the Effective Time.

2.10 Increase or Decrease in Purchase Price

The Purchaser and the Vendor agree to attribute the amount of any increase or decrease in the estimate of the Purchase Price pursuant to Sections 2.8 and 2.9 hereof to the Purchased Assets, as agreed between the Parties, which attribution shall be confirmed by resolution of the directors of the Purchaser; or if the attribution is not confirmed by resolution of the directors of the Purchaser within 180 days of the final determination of the adjustment pursuant to Sections 2.8 and 2.9 hereof, then by payment in cash of the amount of the increase or decrease in the Purchase Price by the appropriate Party.

2.11 Benefits and Obligations to be Apportioned

Except as otherwise provided herein, the Parties will apportion all benefits and obligations of every kind and nature relating to the Purchased Assets, including, without limitation, capital expenditures, maintenance costs, development costs, operating costs, royalties, property taxes, proceeds from the sale of production, accounts receivable, gas cost allowances (or similar cost allowances) and incentives accruing to operations under Applicable Law. The Parties will make that apportionment on an accrual basis as of the Effective Time. Notwithstanding the generality of the foregoing, the following principles will apply to adjustments made under this Article 2:

(a) all costs incurred in connection with work performed or goods or services provided in respect of the Purchased Assets will be deemed to have accrued as of the date the work was performed or the goods or services provided, regardless of the time those costs became payable;

(b) advances, cash calls and deposits by the Vendor for operations pertaining to the Purchased Assets will be adjusted under this Article 2, and will be transferred to, and be for the benefit of, the Purchaser;

(c) surface and mineral lease rentals and any similar payments made by the Vendor to preserve any of the rights in the Purchased Assets will be apportioned on a per diem basis as of the Effective Time;

(d) all Taxes, other than income taxes and any taxes based on the volume of production will be apportioned on a per diem basis as of the Effective Time;

(e) all Petroleum Substances which were produced and in storage beyond the wellhead as of the Effective Time with respect to the Purchased Assets, but not delivered to the purchaser of such production, will not comprise part of the Purchased Assets and remain the property of the Vendor, and the proceeds from the sale thereof will accrue to the Vendor, with sales of such production deemed to occur on a "first in, first out" basis; and

(f) there will be no adjustments for royalty tax credits or similar incentives that accrue to a Party because of financial or organizational attributes specific to it, other than gas cost allowances (or similar cost allowances).

2.12 Adjustments

Not later than the last day of the first month following the month of the Closing Time, the Vendor will prepare, on the basis of information available at that time and with input from the Purchaser, a written final statement of all adjustments and payments to be made under this Article 2, with the net amount thereof to be remitted by the Purchaser within thirty (30) days of receipt of that statement, which amount, if any, may be satisfied by the Purchaser in cash or through the issuance of additional Class A Voting Common Shares of the Purchaser.

The Purchaser shall have the right, within six (6) months following the distribution of the final statement of adjustments by the Vendor under this Section 2.12 to examine, copy and audit the records of the Vendor relative to the Purchased Assets for the purpose of effecting or verifying adjustments required under this Section 2.12. The Purchaser will, upon reasonable notice, conduct that audit at its sole expense during normal business hours at the offices of the Vendor, or at such other premises where those records are maintained. Any claims of discrepancies disclosed by that audit will be made in writing to the Vendor within two (2) months following the completion of the audit. The Vendor will respond in writing to any such claims within six (6) months of the receipt of notice of those claims.

3. REPRESENTATIONS AND WARRANTIES

3.1 Representations and Warranties of the Vendor

The Vendor represents and warrants as follows to the Purchaser as of the date hereof and the Closing Time, with the understanding that such representations and warranties shall be the exclusive source of warranties or of similar rights for the benefit of the Purchaser, and acknowledge that the Purchaser is relying upon the representations and warranties in connection with its purchase of the Purchased Assets:

(a) The Vendor is a general partnership, duly formed and validly existing under the laws of the Province of British Columbia and MFC Energy is a corporation duly organized and validly existing under the laws of the Province of British Columbia.

(b) The Vendor has the requisite power and authority to execute this Agreement and any other agreements and documents required to be delivered hereby and to perform the obligations to which it thereby becomes subject.

(c) The Vendor has taken all necessary corporate and partnership actions to authorize the execution, delivery and performance of this Agreement. This Agreement has been duly executed and delivered by the Vendor and this Agreement and all other documents executed and delivered on behalf of the Vendor hereunder shall constitute valid and binding obligations of the Vendor enforceable in accordance with their respective terms and conditions, subject to the qualification that such enforceability may be subject to (i) bankruptcy, insolvency, fraudulent preference, reorganization or other laws affecting creditors' rights generally, and (ii) general principles of equity (regardless of whether such enforceability is considered in a proceeding at equity or law).

(d) The execution and delivery of this Agreement and the conveyance of the Purchased Assets to the Purchaser in accordance with the terms of this Agreement are not in violation or breach of, or in conflict with and do not require any consent, authorization or approval under:

(i) any term or provision of the constating documents of the Vendor;

(ii) any agreement, instrument, permit or authority to which the Vendor is a party or by which the Vendor is bound, including the Material Contracts; or

(iii) any Applicable Law or any judicial order, award, judgment or decree applicable to the Vendor.

(e) The Vendor is a Canadian partnership for the purposes of the Income Tax Act.

(f) The Vendor is not a non-resident of Canada for the purposes of Section 116 of the Income Tax Act.

(g) Vendor does not warrant title to the Purchased Assets but Vendor does warrant that, except for Permitted Encumbrances, Vendor's interest in the Purchased Assets is free and clear of all liens, mortgages, encumbrances and other burdens created by through or under Vendor or any affiliate of Vendor or which Vendor is aware. Except for or pursuant to any Permitted Encumbrances: (i) the Vendor has not alienated or encumbered the Purchased Assets or any part or portion thereof; and (iii) the Vendor has done no act or thing whereby any of the Purchased Assets may be reduced, cancelled or determined.

(h) The Vendor is a registrant for the purposes of the goods and services tax pursuant to Part IX of the Excise Tax Act having a GST registration number of 846956431.

(i) Vendor has not received notice of any Claim, and to the Vendor's knowledge, there are no unsatisfied judgments, Claims or threatened Claims, against the Vendor in respect of or in connection with the Purchased Assets or the operation thereof.

(j) To the extent pertaining to the Purchased Assets and to the Vendor's knowledge (i) all Crown and lessor royalties and lease rentals; (ii) all ad valorem and property taxes, and (iii) all production, severance and similar taxes, charges and assessments based upon or measured by the ownership or production of Petroleum Substances or any of them or the receipt of proceeds from the sale thereof; that became due and payable to Third Parties on or prior to the date of this Agreement have been fully paid, except, in each case, for amounts that are being disputed in good faith.

(k) Except for the Material Contracts, the Vendor is not a party to and the Vendor's interest in and to the Purchased Assets is not otherwise bound or affected by any (i) production sales contracts pertaining to the Purchased Assets or any of them that cannot be terminated on notice of 31 days or less (without an early termination penalty or other cost), (ii) gas balancing or similar agreements pertaining to the Purchased Assets or any of them, (iii) agreements for the transportation, processing or disposal of the Purchased Assets or any of them or substances produced in connection with the Purchased Assets or any of them, (iv) agreements for the contract operation by a Third Party of the Purchased Assets or any of them, and (v) agreements to provide transportation, processing or disposal capacity or service to any Third Party.

(l) There are no Take or Pay Obligations pertaining to the Purchased Assets other than as set forth at Schedule M.

(m) The Vendor has not received written notice of any default or purported default under any of the Title and Operating Documents included in the Miscellaneous Interests that remains outstanding in any material respect or that has not been remedied in all material respects.

(n) The Vendor has not received written notice of any breach or purported breach of any Applicable Law pertaining to the Purchased Assets or the ownership or operation thereof (excluding any Applicable Law relating to the Environment) that remains outstanding in any material respect or that has not been remedied in all material respects.

(o) Except in connection with the AFEs listed in Schedule I, and excluding operating expenses incurred in the normal conduct of operations of the Purchased Assets, as of the Closing Time, there are no AFEs or other financial commitments pertaining to the Purchased Assets under which individual expenditures in excess of $25,000 are or may be required to be made by the Purchaser by virtue of Closing.

(p) Other than as disclosed in Schedule F, the Purchased Assets are not bound by any contract or other arrangement for the sale, gathering, processing, storage, compression, transmission, fractionation of, or the provision of any similar services in respect of, any Petroleum Substances, and the Vendor is not a party to any such contract or arrangement for which the Purchaser will become liable as a consequence of Closing, except for, in each case, contracts or arrangements which are terminable without penalty on 31 days or less notice.

(q) The Vendor has not received and to the Vendor's knowledge: (i) there are no orders or directives from Governmental Authorities that are specific to the Purchased Assets or any portion thereof, relate to Environmental Liabilities and require any work, repairs, construction or capital expenditures with respect to the Purchased Assets which have not been complied with in all material respects as of the date of this Agreement; and (ii) there are no demands or notices issued by any Governmental Authority with respect to the breach of any Applicable Law relating to the Environment that are specifically applicable to the Purchased Assets or any portion thereof which remain outstanding in any material respect on the date of this Agreement.

(r) To the Vendor's knowledge the Vendor has not received notice from Governmental Authorities to plug and abandon any Well which has not been plugged and abandoned in accordance with Applicable Law.

(s) Each Well listed in Part II of Schedule D for which the Vendor is operator has been, and, to the Vendor's knowledge, each Well listed in Part II of Schedule D for which it is not operator has been, operated in accordance with good oil and gas field practices and the requirements of Applicable Law.

(t) The Tangibles for which the Vendor is operator have been, and, to the Vendor's knowledge, the Tangibles for which it is not operator have been, operated in accordance with good oil and gas field practices and the requirements of Applicable Law.

(u) The Purchased Assets are not subject to any ROFRs.

(v) Except as may be identified in Schedule J, to the Vendor's knowledge there are no active area of mutual interest provisions in any of the Title and Operating Documents or other agreements or documents to which the Purchased Assets are subject.

(w) Subject to the Permitted Encumbrances, after Closing, the Purchaser shall be entitled to hold and enjoy the Purchased Assets without any lawful interruption by the Vendor or any Person claiming by, through or under it.

(x) The Vendor has not received notice of default and is not, to the Vendor's knowledge, in any default under any obligation, agreement, document, order, writ, injunction or decree of any court or of any Government Authority or administrative agency, which might result in impairment or loss of the interest of the Vendor in and to the Purchased Assets or which might otherwise materially adversely affect the Purchased Assets.

(y) Excepting production limits of general application in the oil and gas industry, the Wells are not subject to production or other penalties imposed by any Applicable Laws.

(z) Except as set forth in Schedule I, as at the date hereof the Vendor has not received any written notice that any of the Leases are subject to any accrued drilling or offset obligations which have not been satisfied or permanently waived.

(aa) The Vendor has paid or caused to be paid all relevant Crown royalties, freehold deposits and rentals and freehold and overriding royalties in respect to the Purchased Assets which have become due and payable prior to the date hereof which it is directly obligated to pay.

(bb) Except as set forth in Part I of Schedule D, the Wells are not subject to a production or similar penalty arising under a contract as a result of an election by it not to participate in a drilling or other operation.

(cc) Except as set forth in Schedule K, none of the Tangibles are leased or rented.

3.2 Representations and Warranties of the Purchaser

The Purchaser represents and warrants as follows to the Vendor as of the date hereof and the Closing Time and acknowledges and confirms that the Vendor is relying on such representations and warranties in connection with the sale by the Vendor of the Purchased Assets:

(a) The Purchaser is a corporation, duly organized and validly existing under the laws of the jurisdiction of its incorporation.

(b) The Purchaser has the requisite corporate capacity, power and authority to execute this Agreement, and any other agreements and documents required to be delivered hereby and to perform the obligations to which it thereby becomes subject.

(c) The Purchaser has taken all necessary corporate actions to authorize the execution, delivery and performance of this Agreement. This Agreement has been duly executed and delivered by the Purchaser, and this Agreement and all other documents executed and delivered on behalf of the Purchaser hereunder shall constitute legal, valid and binding obligations of the Purchaser enforceable in accordance with their respective terms and conditions, subject to the qualification that such enforceability may be subject to (i) bankruptcy, insolvency, fraudulent preference, reorganization or other laws affecting creditors' rights generally, and (ii) general principles of equity (regardless of whether such enforceability is considered in a proceeding at equity or law).

(d) The execution and delivery of this Agreement and the conveyance of the Purchased Assets to the Purchaser in accordance with the terms of this Agreement are not in violation or breach of, or in conflict with and do not require any consent, authorization or approval under:

   (i) any term or provision of the constating documents of the Purchaser;

   (ii) any agreement, instrument, permit or authority to which the Purchaser is a party or by which the Purchaser is bound; or

   (iii) any Applicable Law or any judicial order, award, judgment or decree applicable to the Purchaser.

(e) The Purchaser is a Canadian corporation for the purposes of the Income Tax Act.

(f) The Purchaser is not a non-resident for the purposes of Section 116 of the Income Tax Act.

(g) The Purchaser is a registrant for the purposes of the goods and services tax pursuant to Part IX of the Excise Tax Act having a GST registration number of 842281636.

3.3 Survival of Representations and Warranties

The respective representations and warranties set forth in Sections 3.1 and 3.2 shall survive Closing for a period of two years following Closing.

4. INDEMNITIES

4.1 Vendor's Indemnities

From and after Closing and subject to the limitations in Section 4.3, the Vendor (a) shall be liable for all Losses and Liabilities suffered, sustained, paid or incurred by the Purchaser or any of the Purchaser's Related Persons, and, in addition and as an independent covenant, (b) shall indemnify the Purchaser and each of the Purchaser's Related Persons from and against all Losses and Liabilities suffered, sustained, paid or incurred by them and all Claims made against them, in either case, as a direct consequence of any representations or warranties contained in Section 3.1 or otherwise under this Agreement being materially untrue or incorrect or of a material breach by the Vendor of any of its covenants contained in this Agreement.

4.2 Purchaser's Indemnities

From and after Closing and subject to Section 4.3, the Purchaser (a) shall be liable for all Losses and Liabilities suffered, sustained, paid or incurred by the Vendor or any of the Vendor's Related Persons, and, in addition and as an independent covenant, (b) shall indemnify the Vendor and each of the Vendor's Related Persons from and against all Losses and Liabilities suffered, sustained, paid or incurred by them and all Claims made against them, in either case, as a direct consequence of any representations or warranties contained in Section 3.2 being untrue or incorrect or of a breach by the Purchaser of any of its covenants contained in this Agreement.

4.3 Time Limit

Neither Party shall make any Claim under or in respect of Sections 4.1 and 4.2 after the expiry of the two-year period immediately following Closing, other than a Claim for a breach of the Purchaser's covenants under Section 5.5.

4.4 Consequential Damages

In no event shall a Party be liable for Losses and Liabilities in respect of the covenants, agreements, representations, warranties and indemnities contained in this Agreement or in any certification, agreement or other document furnished pursuant to this Agreement which are consequential, indirect or punitive damages or losses (including loss of profit, loss of revenue or loss of business opportunity or any special or incidental loss of any kind) suffered, sustained, paid or incurred by the other Party or its respective affiliates.

5. COVENANTS

5.1 Issuance of Common Shares

The Purchaser covenants with, and warrants to, the Vendor that the Class A Voting Common Shares of the Purchaser to be issued to the Vendor as contemplated by Section 2.4 will be duly authorized and validly issued on the Closing as fully paid shares of the Purchaser.

5.2 Requests for Consents

The Vendor and the Purchaser shall, both before and after the Closing, as applicable, use all reasonable commercial efforts to obtain any consents and deliver any notices required in order to assign the interest of the Vendor to the Purchaser in any of the Purchased Assets. The foregoing shall be in form and substance satisfactory to the Purchaser and the Vendor, acting reasonably. In the case of each Purchased Asset with respect to which the Vendor holds a beneficial interest and MFC Energy holds the related legal title immediately prior to the transfer of such Purchased Asset hereunder, the Vendor shall use all reasonable commercial efforts to cause legal title to such Purchased Assets to be transferred to the Purchaser in accordance with this Agreement and MFC Energy hereby agrees to take all such actions and do such things and, as the case may be, execute and deliver or furnish such additional agreements, documents and instruments as may, from time to time, be necessary or reasonably desirable to better effectuate the foregoing. MFC Energy acknowledges and agrees that it shall hold in trust for the benefit and the exclusive use of the Purchaser any Purchased Asset with respect to which it holds legal title from the time of transfer of a beneficial interest in such Purchased Asset in the manner contemplated by this Agreement until such time as such legal title has been so transferred. Each of the Vendor, the Purchaser and MFC Energy acknowledges and agrees that MFC Energy shall not incur any obligations or gain any rights under this Agreement except as set forth in this Section 5.2.

5.3 Conditions for Applications

The applications for consents shall be subject to the condition that the transfer, assignment or reissuance which is the subject of such consent will not become effective until the Closing, as applicable, except if any Governmental Authority or other Third Party declines to accept such condition. In any instance, the Vendor may withdraw the application for that consent and the Vendor and the Purchaser will cooperate and use all reasonable efforts to make alternate arrangements to obtain the consents in a manner that will permit the timely completion of the transactions contemplated by this Agreement without unreasonable risk to the Vendor or the Purchaser.

5.4 Delivery of Title and Operating Documents and Miscellaneous Interests

As soon as is practical, but in any event not later than ten (10) Business Days after Closing, or any other day as the Vendor and the Purchaser may agree, the Vendor shall deliver or cause to be delivered to the Purchaser the Title and Operating Documents and such other agreements and documents to which the Purchased Assets are subject and the original copies of those contracts, agreements, records, books, documents, licences, reports, files and data comprising Miscellaneous Interests which are in the possession and control of the Vendor. Notwithstanding the foregoing: (a) if and to the extent any such materials also pertain to assets or interests other than the Purchased Assets, photocopies or other copies of such materials may be provided to the Purchaser in lieu of original copies; and (b) to the extent that there are any pending or threatened Claims, audits or other matters involving or relating to the Purchased Assets that pertain to the period prior to the Closing Time, the Vendor, at its own cost, may make and retain copies of the relevant portions of such materials.

5.5 Environmental Liabilities

The Purchaser acknowledges that from and after the Closing, the Purchaser shall become responsible for payment, performance and discharge of all Environmental Liabilities.

6. RIGHTS OF FIRST REFUSAL

(a) The Parties believe contractual exceptions apply to each of the ROFRs that would otherwise be applicable to the transactions contemplated by this Agreement.

(b) Notwithstanding such belief, the Parties agree that if, contrary to their common understanding and belief, a Person is able to establish its entitlement to a ROFR with respect to any of the Purchased Assets, or any interest therein, as a result of the completion of the transactions provided for in this Agreement, and it is able to enforce the same, the Parties shall, acting reasonably, comply with such ROFR.

(c) In the event that such Person elects to exercise such ROFR, the Purchaser shall transfer the affected assets to such Person in accordance with the terms of the ROFR and shall be entitled to retain all proceeds of such disposition.

7. CONDITIONS OF CLOSING

7.1 Conditions for the Benefit of the Purchaser

The obligation of the Purchaser to complete the purchase of the Purchased Assets as contemplated by this Agreement is subject to the satisfaction of each of the following conditions by the dates set forth below, or if no date is set forth then by the Closing Time:

(i) *Representations and Warranties.* The representations and warranties of the Vendor contained in this Agreement shall be true and correct in all material respects at the date hereof and at the Closing Time (unless such representation and warranty is already subject to a materiality qualification, in which case it shall be true and correct in all respects at the date hereof and at the Closing Time) as if made at and as of each such date and time; and

(ii) *Covenants.* Each of the covenants and agreements of the Vendor to be performed prior to or at the Closing Time shall have been duly performed in all material respects.

The foregoing conditions are for the exclusive benefit of the Purchaser and may be waived, in writing, by the Purchaser, at or prior to the applicable time for satisfaction of such conditions and if they are not satisfied or waived at or prior to the applicable times, then this Agreement shall at such time cease to be of any force or effect.

7.2 Conditions for the Benefit of the Vendor

The obligation of the Vendor to complete the sale of the Purchased Assets as contemplated by this Agreement is subject to the satisfaction of each of the following conditions:

(i) *Representations and Warranties.* Each of the representations and warranties of the Purchaser contained in this Agreement shall be true and correct in all material respects at the date hereof and at the Closing Time (unless such representation and warranty is already subject to a materiality qualification, in which case it shall be true and correct in all respects at the date hereof and at the Closing Time) as if made at and as of each such date and time; and

(ii) *Covenants.* Each of the covenants and agreements of the Purchaser to be performed prior to or at the Closing Time shall have been duly performed in all material respects.

The foregoing conditions are for the exclusive benefit of the Vendor and may be waived, in writing, by the Vendor, at or prior to the applicable time set for the satisfaction of such conditions and if they are not satisfied or waived at or prior to the applicable times, then this Agreement shall at such time cease to be of any force or effect.

8. CLOSING MATTERS

8.1 Closing

The Closing of the sale and purchase of the Purchased Assets shall, subject to the satisfaction or waiver of the conditions set out in Article 7, take place at the offices of the Vendor at the Closing Time or at such other place, time and date as the Parties may agree.

8.2 **Sales and Transfer Taxes**

The Purchaser shall be responsible to pay when due any property transfer, sales, goods and services tax and similar Taxes, any Governmental Authority filing fees, and registration and transfer charges and fees payable in respect of the sale and transfer of the Purchased Assets, but excluding any income taxes which may be payable by the Vendor in connection with the transfer of the Purchased Assets to the Purchaser. The Purchaser shall pay directly to the appropriate Governmental Authority all such Taxes, charges and fees payable by it in respect of the purchase and sale of the Purchased Assets under this Agreement, including if applicable the goods and services tax, payable by it in respect of the purchase and sale of the Purchased Assets under this Agreement.

8.3 **Vendor's Closing Deliveries**

At the Closing Time, the Vendor shall deliver, or cause to be delivered, to the Purchaser:

(a) the General Conveyance duly executed by the Vendor and MFC Energy;

(b) the Specific Conveyances as contemplated in Section 8.7;

(c) the Transition Services Agreement, duly executed by the Vendor; and

(d) such other items as may be specifically required hereunder or as may be reasonably requested by the Purchaser.

8.4 **Purchaser's Closing Deliveries**

At the Closing Time, the Purchaser shall deliver, or cause to be delivered, to the Vendor:

(a) the Share Certificate;

(b) the General Conveyance duly executed by the Purchaser;

(c) the Transition Services Agreement, duly executed by the Purchaser; and

(d) such other items as may be specifically required hereunder or as may reasonably requested by the Vendor.

8.5 **Terms of Closing**

The Closing shall not occur, nor shall the documents tabled for delivery at the Closing be delivered, until all obligations of the Vendor and the Purchaser hereunder to be performed on or before Closing have been completed.

8.6 **Elections**

The Vendor and the Purchaser will complete, execute and file, within the prescribed time, all documents required to make any required (a) election under section 85 of the Income Tax Act with respect to the matters referred to in Section 2.6 of this Agreement and (b) election under section 156 of the Excise Tax Act with respect to the matters referred to in Section 2.7 of this Agreement.

8.7 **Specific Conveyances**

(a) The Vendor, at its own cost, shall use reasonable efforts to prepare the Specific Conveyances prior to the Closing Time and to deliver the Specific Conveyances to the Purchaser at Closing Time, provided that, if and to the extent that any Specific Conveyances are not delivered by the Vendor to the Purchaser at the Closing Time, the Vendor shall prepare and deliver to the Purchaser the remaining Specific Conveyances as soon as is reasonably practicable after Closing, with the intention that all Specific Conveyances shall be prepared and delivered within ten (10) Business Days following Closing.

(b) It shall not be necessary for any Specific Conveyances that are delivered by the Vendor at the Closing Time to have been executed prior to or at Closing by parties thereto other than the Vendor and the Vendor's affiliates.

(c) To the extent that the Purchaser is required to execute any Specific Conveyances, it shall do so promptly after the delivery of such Specific Conveyances whether at or after the Closing Time, as the case may be.

(d) In respect of any Specific Conveyances that require execution by Third Parties, promptly after Closing or the delivery of such Specific Conveyances after Closing, as the case may be, and, if necessary, the execution of such Specific Conveyances by the Purchaser, the Purchaser shall co-operate with the Vendor and provide all reasonable assistance that the Vendor may reasonably request in connection with the Vendor's procurement of the execution of such Specific Conveyances by the parties thereto other than the Vendor and the Purchaser.

(e) In respect of any Specific Conveyances that do not require execution by Third Parties, the Vendor shall deliver such Specific Conveyances to the appropriate recipients thereof promptly after Closing or the delivery of such Specific Conveyances after Closing, as the case may be, and, if necessary, execution by the Purchaser, including the registration with the appropriate Governmental Authorities of any such Specific Conveyances that require registration.

(f) The Purchaser shall bear all reasonable costs, fees and deposits of every nature and kind in distributing and registering any Specific Conveyances and in providing any assurances or security required to convey, transfer and assign the Purchased Assets to the Purchaser and to have the Purchaser recognized as the holder thereof.

9. RISK OF LOSS

9.1 Risk of Loss

Until the Closing Time, the Purchased Assets will be and remain at the sole risk of the Vendor.

10. POST-CLOSING MATTERS

10.1 Possession Following Closing

From and after the Closing, the Purchaser shall be entitled to take possession of and enjoy the Purchased Assets and the Purchased Assets shall be at the risk of the Purchaser.

10.2 Outstanding Consents

Where consent or approval of a Third Party is required to permit the assignment or transfer to the Purchaser of the interest of the Vendor in any of the Purchased Assets in the manner contemplated by this Agreement, any such assignment or transfer where the required consent has not been received on or before the Closing Time (a "retained asset") shall not be effective in each case until the applicable consent has been received and such retained asset shall be held by the Vendor following the Closing, in trust for the sole benefit and exclusive use of the Purchaser. The Vendor shall only make use of such retained asset in accordance with the directions of the Purchaser.

10.3 **Maintenance of Business**

From and after the Closing Time, to the extent, if any, that the Purchaser must be novated into operating agreements or other agreements governing any of the Purchased Assets, the Vendor shall continue to maintain the Purchased Assets in a proper and prudent manner in accordance with good oil and gas industry practice and Applicable Law until the novation has been effected, and the following provisions shall apply with respect to such Purchased Assets:

(a) the Vendor shall maintain the Purchased Assets on behalf of the Purchaser at the Purchaser's sole cost and expense, which may include a Vendor's administrative maintenance fee equivalent to that previously charged to the property. Such fee shall become effective the first month following the month of the Closing Time in respect of the Purchased Assets, and continue until such time as the Purchaser notifies the Vendor in writing that the Purchaser has become recognized and accepted by the operator of the Purchased Assets;

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

(c) the Vendor shall forthwith provide to the Purchaser all authorizations for expenditure, notices, specific information, and other documents the Vendor receives with respect to the Purchased Assets, and shall respond to such authorizations for expenditure, notices, specific information, and other documents pursuant to the written instruction of the Purchaser, if received on a timely basis, provided that the Vendor may (but shall not be obligated to) refuse to follow instructions which it reasonably believes to be unlawful, unethical, or in conflict with an applicable contract; and

(d) the Vendor shall forthwith deliver to the Purchaser all revenues, proceeds, and other benefits received by the Vendor with respect to the Purchased Assets, less the share of the applicable lessor royalties, operating costs, treating, processing and transportation expenses, and those other costs and expenses directly associated with the Purchased Assets.

The Parties covenant and agree that insofar as the Vendor shall maintain the Purchased Assets and take actions with respect thereto on behalf of the Purchaser pursuant to this Article, the Vendor is hereby deemed to be the agent of the Purchaser hereunder. The Purchaser ratifies all actions taken or not taken, and to be taken or refrained from being taken by the Vendor as authorized hereunder in such capacity during such period, with the intention that all such actions shall be deemed to be those of the Purchaser.

Notwithstanding the other clauses of this Article, the Parties agree that from and after the Closing Time up to and including the last day of the first month following the month of the Closing Time, where the Vendor is the registered payor in respect of any lease or other agreement related to one or more of the Purchased Assets, the Vendor shall continue to maintain such leases and agreements, and make all rentals and similar payments required to preserve any such leases and agreements which become due and owing during such period, and that upon the expiration of such period the Purchaser shall be solely responsible for the payment of all such rentals and all similar payments. All such rental and similar payments made by the Vendor shall be credited to the Vendor on the final accounting and adjustment as required pursuant to Section 2.12 hereof.

10.4 **Signs and Notifications**

After the Closing Time, the Vendor and the Purchaser will coordinate the removal of any signs that indicate the Vendor's ownership or operation of the Purchased Assets. It will be the Purchaser's responsibility to erect or install any signs that may be required by Applicable Law to indicate that the Purchaser is the owner or operator of the Purchased Assets. The Purchaser will complete any such replacement of signs within twelve (12) months of the Closing Time, and the Vendor may proceed with the replacement of those signs at the Purchaser's expense, insofar as they are not replaced by that time. It will also be the Purchaser's responsibility to notify suppliers, contractors, governmental agencies, gas transporters and other affected Third Parties of its interest in the Purchased Assets within twelve (12) months of the Closing Time.

10.5 Transferring Employees

(a) As soon as reasonably practicable after the date hereof and no later than five (5) Business Days after the Closing, the Parties shall, acting in good faith, identify and designate in writing the Transferring Employees, which shall consist of those employees or consultants of the Vendor whose employment is solely and directly related to the Purchased Assets.

(b) On or prior to the termination of the Transition Services Agreement, the Purchaser shall provide written offers of employment to the Transferring Employees, such employment to commence effective on or prior to termination of the Transition Services Agreement on substantially the same terms with respect to salary, benefits, duties, responsibilities and reporting structure as each Transferring Employee enjoyed with the Vendor as of the Closing Time.

11. MISCELLANEOUS

11.1 Amendment and Modification; Waiver

This Agreement may only be amended or modified in writing, signed by all of the Parties. No waiver in writing of any provision of this Agreement shall constitute a waiver of any other provision nor shall any waiver of any provision of this Agreement constitute a continuing waiver unless otherwise expressly provided.

11.2 Entire Agreement

This Agreement (including without limitation, the agreements and documents in writing contemplated to be delivered hereunder or herewith as of the date of this Agreement) contains the entire agreement between the Parties with respect to the subject matter hereof and supersedes all prior agreements and understandings, oral or written, with respect to such matters.

11.3 Parties in Interest

This Agreement shall enure to the benefit of and be binding upon the Parties and their respective successors and permitted assigns and, to the extent Third Parties are named as beneficiaries of a release, indemnity or other covenant hereunder or under any document or instrument delivered pursuant hereto, such Third Parties shall be entitled to enforce such provisions even though they are not a party hereto and any Party hereto may, with the consent of such Third Party, enforce such provisions on their behalf. Except as expressly provided in this Section 11.3, no Third Parties shall be beneficiaries of or have any interest in this Agreement.

11.4 Notices

Every notice, request, demand or communication required or permitted to be given under this Agreement shall be in writing and delivered by hand or facsimile transmission to the Party which it is to be given as follows:

To the Vendor:

MFC Resource Partnership
1035 7th Avenue SW, Suite 400
Calgary, Alberta
T2P 3E9

Facsimile: (403) 237-9410

Attention: Management Committee

To the Purchaser:

1049601 B.C. Ltd.
2800-350 7th Avenue SW
Calgary, Alberta
T2P 3N9

Facsimile: (403) 261-2029

Attention: President

or to such other address or facsimile number as is specified by a Party by notice to the other Party given in accordance with this Section 11.4. Any such notice, demand, request or direction shall be deemed to have been given and received if delivered, on the next Business Day after the day of delivery, and if sent by facsimile transmission, on the first Business Day after the day of transmittal.

11.5 Assignment

Neither Party may assign any right, benefit or interest in this Agreement without the written consent of the other.

11.6 Further Assurances

Prior to, on and following the date hereof, each of the Parties agrees that it shall act in good faith with respect to the satisfaction of its obligations under this Agreement, and, at the reasonable request of the other Party, shall, at its own (unless otherwise provided in this Agreement) expense, take such actions and do such things and, as the case may be, execute and deliver or furnish such additional agreements, documents and instruments as may, from time to time, be necessary or reasonably desirable to better effectuate the transactions contemplated by this Agreement.

11.7 Severability

If any provision of this Agreement is determined to be illegal, invalid or unenforceable by an arbitrator or any court of competent jurisdiction, that provision will be severed from this Agreement and the remaining provisions will remain in full force and effect.

11.8 Governing Law and Court Jurisdiction

This Agreement shall be governed by, and construed in accordance with, the laws of the Province of Alberta and the laws of Canada applicable therein and the parties attorn to the exclusive jurisdiction of the Court of Queen's Bench of that Province in relation to any matter relating to this Agreement.

11.9 Counterparts

This Agreement and any amendments hereto may be executed in counterparts, each of which shall be deemed to be an original and all of which together shall be considered one and the same agreement. A signed facsimile, telecopied or electronic copy (including Portable Document Format) of this Agreement shall be effectual and valid proof of execution and delivery.

[INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, this Agreement has been signed on behalf of each of the Parties as of the date first written above.

MFC RESOURCE PARTNERSHIP,
by its authorized signatories for and on behalf of its management committee

By: ______________________
Name: Robert Chenery
Title: Member of Management Committee

By: ______________________
Name:
Title: Member of Management Committee

1049601 B.C. LTD.

By: ______________________
Name:
Title:

ACKNOWLEDGED AND AGREED
WITH RESPECT TO SECTION 5.2 ONLY:

MFC ENERGY CORPORATION

By: ______________________
Name:
Title:

IN WITNESS WHEREOF, this Agreement has been signed on behalf of each of the Parties as of the date first written above.

MFC RESOURCE PARTNERSHIP,
by its authorized signatories for and on behalf of its management committee

By: ______________________________
Name:
Title: Member of Management Committee

By: ______________________________
Name:
Title: Member of Management Committee

Rob Jennings
Chief Operating Officer
MFC Resource Partnership

1049601 B.C. LTD.

By: ______________________________
Name:
Title:

ACKNOWLEDGED AND AGREED
WITH RESPECT TO SECTION 5.2 ONLY:

MFC ENERGY CORPORATION

By: ______________________________
Name:
Title:

IN WITNESS WHEREOF, this Agreement has been signed on behalf of each of the Parties as of the date first written above.

MFC RESOURCE PARTNERSHIP,
by its authorized signatories for and on behalf of its management committee

By: ____________________________
Name:
Title: Member of Management Committee

By: ____________________________
Name:
Title: Member of Management Committee

1049601 B.C. LTD.

By: ____________________________
Name: Samuel Morrow
Title: Director

ACKNOWLEDGED AND AGREED
WITH RESPECT TO SECTION 5.2 ONLY:

MFC ENERGY CORPORATION

By: ____________________________
Name:
Title:

IN WITNESS WHEREOF, this Agreement has been signed on behalf of each of the Parties as of the date first written above.

MFC RESOURCE PARTNERSHIP,
by its authorized signatories for and on behalf of its management committee

By: ______________________
Name:
Title: Member of Management Committee

By: ______________________
Name:
Title: Member of Management Committee

1049601 B.C. LTD.

By: ______________________
Name:
Title:

ACKNOWLEDGED AND AGREED
WITH RESPECT TO SECTION 5.2 ONLY:

MFC ENERGY CORPORATION

By: ______________________
Name: Michael Smith
Title: Director

SCHEDULE A

Excluded Assets

None.

TAB
29

RECEIPT

TO: **1049601 B.C. LTD.** (the "**Company**")

MFC RESOURCE PARTNERSHIP ("**MFCRP**") does hereby irrevocably acknowledge and accept receipt of a share certificate representing 50,000,000 Class A Voting Common Shares in the capital of the Company delivered pursuant to section 2.4 of the asset purchase agreement between the Company and MFCRP dated of even date herewith (the "**Agreement**"), in full and final satisfaction of the Purchase Price (as defined in the Agreement).

[*Signature Page Follows*]

DATED as of the 6th day of November, 2015.

MFC RESOURCE PARTNERSHIP, by its authorized signatories for and on behalf of its Management Committee

Per:
Name: Robert Chenery
Title: Member of Management Committee

Per:
Name:
Title:

{00151301.1}

DATED as of the 6th day of November, 2015.

MFC RESOURCE PARTNERSHIP, by its authorized signatories for and on behalf of its Management Committee

Per: ____________________________
Name:
Title:

Per: ____________________________
Name: Rob Jennings
Title: Chief Operating Officer
MFC Resource Partnership

{00151301.1}

TAB

30

Jessica L. Cameron
T (403) 232-9715
F (403) 266-1395
jcameron@blg.com
Robyn Gurofsky
T (403) 232-9774
F (403) 266-1395
rgurofsky@blg.com

Borden Ladner Gervais LLP
Centennial Place, East Tower
1900, 520 - 3rd Ave SW
Calgary, AB, Canada T2P 0R3
T 403.232.9500
F 403.266.1395
blg.com

Borden Ladner Gervais

File No. 547730/000021

August 16, 2017

Delivered by Email (info@energypartnersltd.com)

With a Copy Delivered by Facsimile +852 3012 1522

And by Courier

Energy Leasing Partners Ltd.
Room 1002, 10/F, Tai Yau Building
181 Johnston Road
Wanchai, Hong Kong

Dear Sirs:

Re: In the Matter of the Receivership of Lexin Resources Ltd., 1051393 B.C. Ltd., 0989 Resource Partnership, LR Processing Ltd. and LR Processing Partnership, Alberta Court of Queen's Bench Action No. 1701-03460

We write further to our letter dated June 26, 2017, a copy of which is enclosed for your reference. All capitalized terms used herein are as set out in our June 26, 2017 letter.

We have not received a reply to the request for information set-out in that correspondence. In order to assist the Receiver with its review of security interests against the Debtors, we reiterate the request for any and all documentation pertaining to Energy Partners' registration and security interest against the Cowley Facility, or that Energy Partners may otherwise have against any one of the Debtors, together with a statement of any balances owing related to this security, inclusive of transactions that have occurred since the stated balance owing of $1,128,000 as at the November 30, 2015 registration date.

We look forward to the receipt of this information at your earliest convenience. Should you have any questions or concerns respecting this matter please do not hesitate to contact our office.

Yours truly,

Borden Ladner Gervais LLP

for Jessica L. Cameron

cc: Grant Thornton Limited, Receiver
Attention: Andrew Basi, Michael Costello & Breanne Scott (via email)

Jessica L. Cameron
T (403) 232-9715
F (403) 266-1395
jcameron@blg.com
Robyn Gurofsky
T (403) 232-9774
F (403) 266-1395
rgurofsky@blg.com

Borden Ladner Gervais LLP
Centennial Place, East Tower
1900, 520 - 3rd Ave SW
Calgary, AB, Canada T2P 0R3
T 403.232.9500
F 403.266.1395
blg.com

Borden Ladner Gervais

File No. 547730/000021

June 26, 2017

Delivered by Email (info@energypartnersltd.com)

With a Copy Delivered by Facsimile +852 3012 1522

Energy Leasing Partners Ltd.
Room 1002, 10/F, Tai Yau Building
181 Johnston Road
Wanchai, Hong Kong

Dear Sirs:

Re: In the Matter of the Receivership of Lexin Resources Ltd., 1051393 B.C. Ltd., 0989 Resource Partnership, LR Processing Ltd. and LR Processing Partnership, Alberta Court of Queen's Bench Action No. 1701-03460

We are counsel to Grant Thornton limited in its capacity as the court-appointed Receiver of all of Lexin Resources Ltd. ("**Lexin**"), 1051393 B.C. Ltd., 0989 Resource Partnership, LR Processing Ltd. and LR Processing Partnership (collectively with Lexin the "**Debtors**") pursuant to receivership orders granted by the Alberta Court of Queen's Bench on March 20, 2017 and June 13, 2017, respectively (the "**Receivership Orders**"). Copies of the Receivership Orders are available online at the Receiver's website at: www.grantthornton.ca/lexin.

Based upon a search of the Alberta Land Titles Registry, we understand that Energy Leasing Partners Ltd. ("**Energy Partners**") has registered a security interest against the Debtors' "Cowley" facility, pursuant to the enclosed registry search.

In order to assist the Receiver in its review of security interests against the Debtors and their Property (as defined in the Receivership Orders), we would kindly ask that you forward to the Receiver any and all documentation pertaining to Energy Partners' registration and security interest against the Cowley facility, or that Energy Partners may otherwise have against any one of the Debtors, together with a statement of any balances owing related to this security, inclusive of the transactions that have occurred since the stated balance owing of $1,128,000 as at the November 30, 2015 registration date.

We trust you will find the foregoing to be in order and look forward to the prompt delivery of the requested security documentation. Should you have any questions or concerns respecting this matter please do not hesitate to contact our office.

Borden Ladner Gervais

Yours Truly,

Borden Ladner Gervais LLP

Jessica L. Cameron

cc: Grant Thornton Limited, Receiver
Attention: Andrew Basi, Michael Costello & Breanne Scott (via email)

LAND TITLE CERTIFICATE

S

LINC	SHORT LEGAL	TITLE NUMBER
0026 996 314	5;2;8;34;NW	971 059 921

LEGAL DESCRIPTION

MERIDIAN 5 RANGE 2 TOWNSHIP 8
SECTION 34
QUARTER NORTH WEST
CONTAINING 64.7 HECTARES (160 ACRES) MORE OR LESS
EXCEPTING THEREOUT

PLAN	NUMBER	HECTARES	(ACRES)
ROAD	8910596	2.49	(6.15)

EXCEPTING THEREOUT ALL MINES AND MINERALS

ESTATE: FEE SIMPLE

MUNICIPALITY: MUNICIPAL DISTRICT OF PINCHER CREEK NO. 9

REFERENCE NUMBER: 971 053 041 +1

REGISTERED OWNER(S)

REGISTRATION	DATE(DMY)	DOCUMENT TYPE	VALUE	CONSIDERATION
971 059 921	03/03/1997	AMENDMENT-LEGAL DESCRIPTION		

OWNERS

W C RANCHING LTD.
OF BOX 2530
PINCHER CREEK
ALBERTA T0K 1W0

ENCUMBRANCES, LIENS & INTERESTS

REGISTRATION NUMBER	DATE (D/M/Y)	PARTICULARS
891 071 778	25/04/1989	UTILITY RIGHT OF WAY GRANTEE - CHIEF MOUNTAIN GAS CO-OP LTD. BOX 38 CARDSTON ALBERTA T0K0K0

(CONTINUED)

ENCUMBRANCES, LIENS & INTERESTS

PAGE 2
971 059 921

REGISTRATION NUMBER	DATE (D/M/Y)	PARTICULARS
		(DATA UPDATED BY: CHANGE OF NAME 951153912) (DATA UPDATED BY: CHANGE OF NAME 021072976)
061 039 408	25/01/2006	UTILITY RIGHT OF WAY GRANTEE - LEXIN RESOURCES LTD. PO BOX 6808, STATION D CALGARY ALBERTA T2P2E7 (DATA UPDATED BY: TRANSFER OF UTILITY RIGHT OF WAY 081132962) (DATA UPDATED BY: CHANGE OF NAME 141165664) (DATA UPDATED BY: CHANGE OF NAME 161088683)
061 244 162	19/06/2006	CAVEAT RE : UTILITY RIGHT OF WAY CAVEATOR - FORTISALBERTA INC. 320-17 AVE SW CALGARY ALBERTA T2S2V1 AGENT - JOANNE LAFEE
081 063 707	19/02/2008	CAVEAT RE : LEASE INTEREST UNDER 20 ACRES CAVEATOR - LEXIN RESOURCES LTD. PO BOX 6808, STATION D CALGARY ALBERTA T2P2E7 (DATA UPDATED BY: TRANSFER OF CAVEAT 081095089) (DATA UPDATED BY: CHANGE OF NAME 141198145) (DATA UPDATED BY: CHANGE OF NAME 161107005)
111 164 460	30/06/2011	MORTGAGE MORTGAGEE - CANADIAN IMPERIAL BANK OF COMMERCE. 701 - 4 AVENUE SOUTH BOX 1150 LETHBRIDGE ALBERTA T1J4A5 ORIGINAL PRINCIPAL AMOUNT: $8,000,000
151 311 322	30/11/2015	NOTICE OF SECURITY INTEREST RE : FIXTURES IN FAVOUR OF - ENERGY LEASING PARTNERS LTD. ROOM 1002, 10/F, TAI YAU BUILDING 181 JOHNSTON ROAD, WANCHAI, HONG KONG SAR CHINA DEBTOR - MFCE RESOURCES LTD. 2900, 350-7 AVE SW CALGARY ALBERTA T2P3N9

(CONTINUED)

ENCUMBRANCES, LIENS & INTERESTS

PAGE 3
971 059 921

REGISTRATION NUMBER	DATE (D/M/Y)	PARTICULARS
		AMOUNT: $1,128,000 EXPIRES: 2018/11/13
161 216 925	13/09/2016	MORTGAGE MORTGAGEE - CANADIAN IMPERIAL BANK OF COMMERCE. 701 - 4 AVENUE SOUTH, LETHBRIDGE ALBERTA T1J4A5 ORIGINAL PRINCIPAL AMOUNT: $18,000,000

TOTAL INSTRUMENTS: 007

THE REGISTRAR OF TITLES CERTIFIES THIS TO BE AN ACCURATE REPRODUCTION OF THE CERTIFICATE OF TITLE REPRESENTED HEREIN THIS 16 DAY OF JUNE, 2017 AT 01:53 P.M.

ORDER NUMBER: 33129338

CUSTOMER FILE NUMBER: S11085

END OF CERTIFICATE

THIS ELECTRONICALLY TRANSMITTED LAND TITLES PRODUCT IS INTENDED FOR THE SOLE USE OF THE ORIGINAL PURCHASER, AND NONE OTHER, SUBJECT TO WHAT IS SET OUT IN THE PARAGRAPH BELOW.

THE ABOVE PROVISIONS DO NOT PROHIBIT THE ORIGINAL PURCHASER FROM INCLUDING THIS UNMODIFIED PRODUCT IN ANY REPORT, OPINION, APPRAISAL OR OTHER ADVICE PREPARED BY THE ORIGINAL PURCHASER AS PART OF THE ORIGINAL PURCHASER APPLYING PROFESSIONAL, CONSULTING OR TECHNICAL EXPERTISE FOR THE BENEFIT OF CLIENT(S).

TAB
31

CASSELS BROCK
LAWYERS

September 12, 2017

BY E-MAIL

mbuttery@casselsbrock.com
tel: 604.691.6118
file # 50603-1

Borden Ladner Gervais LLP
Centennial Place, East Tower
1900, 520 – 3rd Avenue SW
Calgary, AB T2P 0R3

Attention: Jessica L. Cameron

Dear Ms. Cameron:

Re: In the Matter of the Receivership of Lexin Resources Ltd., 1051393 B.C. Ltd., 0989 Resource Partnership, LR Processing Ltd and LR Processing Partnership Alberta Court of Queen's Bench Action No. 1701-03460

Reference is made to your letter dated August 16, 2017, enclosing a previous letter to our client, Energy Leasing Partners Ltd. ("**ELP**"). We have now had an opportunity to review your correspondence with our client and are waiting to obtain the information requested therein.

In the interim, I can advise that 1032039 B.C. Ltd, renamed to MFCE Resources Ltd. ("**MFCE**"), and now Jixin Energy Inc. ("**Jixin**"), purchased certain wells, mineral rights, equipment and intangibles from Lexin Resources Ltd. in March 2015. In November 2015 ELP entered into a transaction with MFCE (now Jixin) which involved a sale and lease back of certain equipment, a list of which is attached hereto as Schedule A.

It is our understanding that some of the equipment is located at the Cowley facility as well as the following wells:

10-32-060-26w5	09-23-049-17w5
06-29-046-16w5	04-29-019-26w4
13-29-017-25w4	16-24-018-01w5
10-29-019-27w4	05-29-019-27w4
13-34-017-25w4	16-34-017-25w4
16-28-017-25w4	

Given that neither Jixin nor these wells are subject to the receivership order, the equipment listed on Schedule A should not be included in the sales process, and we ask that the Receiver ensure that it is not selling equipment it is not entitled to sell.

CASSELS BROCK
LAWYERS

We expect to be able to respond shortly with the information requested in your August correspondence. In the interim, if you have any questions, please don't hesitate to contact me.

Lastly, please add us to the service list for these proceedings.

Yours truly,

Cassels Brock & Blackwell LLP

Mary I.A. Buttery
Partner

MB/sd

Schedule A – Compressors and Pressure Vessels

SCHEDULE A - COMPRESSORS AND PRESSURE VESSELS (PART 1)

	Compression Node	Booster / Main	HP	Type	Comp. Company	Vendor Unit Number	Trailer / Skid	Construction Year	Compressor Serial No.	Driver Serial No.	Sweet/Sour	
	Brant Compressor Summary											
1026	08-26-019-27 W4M	Booster	400	Screw	Bidell Manufactured 2001	BE-2001-31	skid	2001	Sullair PDR25X SN: 006-01002070	CAT 3408TA 6NB02268	Sweet	
1015	15-34-018-27 W4M	Booster	530	Screw	Energy Industries Manufactured 2002	EI-S198	skid	2002	Frick TDSH 283L Rotary Screw TDSH283L1735HZ	Waukesha H24GL 1429/1	Sweet	
1028	09-17-019-27 W4M	Booster	860	Screw	Energy Industries		skid	2004	Frick TDSH 283L SN: TDSH283L1760HZ	CAT G3512TAW-AFR SN:7N01016	Sweet	Brant 9-17 Compressor
1027	09-17-019-27 W4M	Main	1478	2 Stage Recip	Energy Industries Manufactured 2003	EI-1008	skid	2003	Energy Industries Gemini E604-1/2 Serial No. E244	SN: C-14394/1 Waukesha L7042GSI	2% Sour	Brant 9-17 Compressor
1014	12-04-018-26 W4M	Booster	860	Screw	Energy Industries Manufactured 2004	S235	skid	2004	Frick TDSH 355S Serial No. TDSH355S0176L	CAT 3512TAW-AFR Serial No.7NJ00954	Sweet	
1060	16-05-018-25 W4M	Booster	860	Screw	Toromont Unit Manufactured 2006	12149	skid	2007	Frick TDSH 355S	Cat 3512TALE- AFRC	Sweet	
1022	16-30-018-26 W4M	Screw	810	Screw	Startec Unit Manufactured 2006	SGC-0603	skid	2006	Serial#SGC0603 Model WRVi321/194 Howden 321-193 Compressor MK6A/WRVI321193/313	SN 7NJ01330 CAT 35126E	Sweet	Brant 16-30 Compressor
1073	06-18-016-27 W4M	Main	95	3 Stage Recip	Compass Compression Manufactured 2010	C-510	Skid	2-Jan-07	Gemini H302-3 two throw, 3 stage Serial No. HSR-004952	CAT 3304NA 95hp Serial No. TBD	Sweet	
1071	102/06-14-019-28 W4M	Main	99	3 Stage Recip	Compass Compression Manufactured 2007	C368	Skid	15-Dec-07	Gemini H302 SN: 300014042	Cummins G8.3 SN: 46779222	Sweet	
	Callum Compressor Summary											
1,421	02-24-012-02 W5M	Main	530	Recip	Toromont		Skid	2006	Gemini A354-3 SN A223	Waukesha H24GL-LCR SN C-15364/1		Included in Callum Plant
1052	02-24-012-02 W5M	Generator	1478	Generator	EFX		Skid	before 2004	F-15600	C-134261/1	n/a	
	Cowley Compressor Summary											
1072	13-34-008-02 W5M	Main	1085	Recip	Toromont		Skid	2006	Caterpillar G3516TALE	Arial JGK/2 - 2 throw 2 stage (11.00" and 7.875")	Sweet	Included in Cowley Plant
	High River Compressor Summary											
1038	01-25-018-30 W4M	Main	95	Recip	Energy Industries		skid	before 2004	Ariel JGA/2 F-19006	Caterpillar G3304NA N4F00493	Sweet	

Schedule A - COMPRESSORS AND PRESSURE VESSELS (PART 2)

LOCATION	TAG #	REGULATORY ID	VESSEL TYPE	NAME	S/N	CRN	MANUFACTURER
BRANT							
100/06-34-018-25W4M		A0555561	Separator	Vertical Separator	06-2325	P6821.213	Petrofield
100/05-23-018-25W4M		A0555562	Separator	Separator	C6-2327	P6821.213	Petrofield
100/15-34-018-27W4M	CPC3163		Filter Unit	Fuel Gas Filter	STK370REF	H9603.1 & N4402.2	Energy Industries
100/15-34-018-27W4M		A0491603	Accumulator	Blowcase	S198-S4	R1260.2	Energy Industries Inc.
100/15-34-018-27W4M		A0478594	Separator	Inlet Separator	S198-S3	P9768.2	Energy Industries
100/15-34-018-27W4M		A0478600	Scrubber	Suction Scrubber	S198-S1	R1245.2	Energy Industries
100/15-34-018-27W4M		A0491601	Separator	Oil Separator	S198-S2	P9768.2	Energy Industries
100/15-34-018-27W4M	CPC0376		Cooler	Cooler	8087.4	P8794.21	Hemphill
100/15-34-018-27W4M		A0478595	Filter Unit	Oil Filter	OFS198	P9600.2	Energy Industries Inc.
100/15-34-018-27W4M			Exchanger	Plate Exchanger	P021113-101	P8896.2	API Schmidt
100/16-30-018-26W4M	CPC3422		Filter Unit	Lube Oil Filter	SPV0628E	M0937.23	Startec Refrigeration
100/16-30-018-26W4M	CPC3421		Filter Unit	Lube Oil Filter	SPV0628F	M0937.23	Startec Refrigeration
100/16-30-018-26W4M		A0560935	Exchanger	Plate Exchanger	271238.11	R5688.213	Viex Inc
100/16-30-018-26W4M	CPC3413		Reboiler	Glycol Reboiler	2006-7627-03A		Alco Oil and Gas
100/16-30-018-26W4M	CPC3418		Scrubber	Fuel Gas Scrubber	SPF0610A	0E4823.231	Startec Refrigeration
100/16-30-018-26W4M		A0554943	Scrubber	Inlet Suction Scrubber	SPV0621	T7116.2	Startec Refrigeration
100/16-30-018-26W4M	CPC3413		Reboiler	Glycol Reboiler	2006-7627-03A		Alco Oil and Gas
100/16-30-018-26W4M		A0554912	Separator	Lube Oil Separator	SPV0616	P1061.2	Startec Refrigeration
100/16-30-018-26W4M			Cooler	Discharge Cooler	65824.3	T7034.2	Air-X-Changers
100/16-30-018-26W4M		A0554944	Filter Unit	Inlet Suction Filter	SPV0622	T7116.2	Startec Refrigeration
100/16-30-018-26W4M	CPC0707		Scrubber	Fuel Gas Scrubber	01.134FGS	L8912.2	Orban Industries Ltd.
100/16-30-018-26W4M		A0560189	Contactor	Glycol Contactor	2006-7627-01A	T7522.2	Alco Gas and Oil
100/16-30-018-26W4M		A0562169	Filter Unit	Inline Sales Gas Filter	3834.2	R3927.21	Moss Fabrication
100/16-30-018-26W4M		A0560309	Scrubber	Fuel Gas Scrubber	2005-7542-01B	R2294.213	Alco Gas & Oil Production Equipment Ltd.
100/16-30-018-26W4M		A0435691	Separator	Inlet Separator	4976	N7794.2	Bimac Industries
100/16-30-018-26W4M		A0454714	Separator	Separator	PE-6123	N4360.213	Penfabco
100/16-30-018-26W4M	CPC3413 COIL		Reboiler	Reboiler Coil			Alco Oil and Gas
100/07-35-018-25W4M		A0549122	Separator	Separator	25887	P7298.21	Panax Oil & Gas
100/09-17-019-27W4M	CPC0392		Scrubber	Fuel Gas Scrubber	C1873A.FP1478	P8706.123	Rushton
100/09-17-019-27W4M		A0479086	Tower	09-17 Dehy Tower Due 2004-12-31 per ABSA	C1413A.C	L8949.2	Rushton Gas & Oil Equipment LTD.
100/09-17-019-27W4M		A0562170	Filter Unit	Sales Gas Inline Filter	3834.3	R3927.21	Moss Fabrication
100/09-17-019-27W4M		A0566993	Air Receiver	Air Compressor	486281	C7728.1C	Steel Fab
100/09-17-019-27W4M	CPC5290		Dryer	Air Dryer	1195	0H5434.2	Airtec
100/09-17-019-27W4M	CPC5291		Dryer	Air Dryer	1196	0H5434.2	Airtec
100/09-17-019-27W4M		A0505733	Scrubber	Inlet Suction Scrubber	S236S1	R6525.2	Energy Industries INC.
100/09-17-019-27W4M		A0505735	Separator	Inlet Separator	S236S3	R6490.2	Energy Industries INC.
100/09-17-019-27W4M		A0577041	Separator	HORIZONTAL SEPARATOR	V-7769	R7143.2	Paintearth Energy
100/09-17-019-27W4M		A0423861	Cooler	Fin Fan Cooler	2002C-1562-A	P9590.23	Amercool Manufacturing INC.
100/09-17-019-27W4M		A0482268	Separator	Inlet Separator	1008S1	P9766.2	Energy Industries INC.
100/09-17-019-27W4M		A0482270	Exchanger	1st Stage Suction	1008S3	P9652.2	Energy Industries
100/09-17-019-27W4M		A0482272	Accumulator	1st Stage Pulsation Bottle	1008P1	P9655.2	Energy Industries INC.
100/09-17-019-27W4M		A0482273	Exchanger	1st Stage Discharge	1008P2	P9706.2	Energy Industries INC.
100/09-17-019-27W4M		A0482271	Scrubber	2nd Stage Suction Scrubber	1008S4	P9651.2	Energy Industries
100/09-17-019-27W4M		A0482274	Accumulator	2nd Stage Pulsation Bottle	1008P3	P9654.2	Energy Industries INC.
100/09-17-019-27W4M		A0482269	Accumulator	Blowcase	1008S2	P9807.2	Energy Industries INC.
100/09-17-019-27W4M	CPC2036		Filter Unit	Fuel Filter	STK369REF	H9603.1	Energy Industries
100/09-17-019-27W4M		A0505731	Filter Unit	Oil Filter	S236OF1	L6313.213	Energy Industries INC.
100/09-17-019-27W4M		A0505732	Filter Unit	Oil Filter	S236OF2	L6313.2	Energy Industries INC.
100/09-17-019-27W4M		A0505734	Separator	Oil Separator	S236S2	L9871.2	Energy Industries INC.
100/09-17-019-27W4M		A0507371	Exchanger	Plate Exchanger	270449-11	R5688.12	Viex Inc.
100/09-17-019-27W4M		A0507372	Cooler	Fin Fan Cooler	9461.4	R4937.2	Hemphill Corporation
100/09-17-019-27W4M		A0423859	Cooler	Fin Fan Cooler	2002C-1564-A	P9589.231	Amercool Manufacturing INC.
100/09-17-019-27W4M		A0423860	Cooler	Fin Fan Cooler	2002C-1563-A	P9593.231	Amercool Manufacturing INC.
100/09-17-019-27W4M		A0482275	Exchanger	2nd Stage Discharge	1008P4	P9707.2	Energy Industries INC.
100/09-17-019-27W4M	CPC2105		Filter Unit	Fuel Gas Filter	S236S4	H9603.1/N4402.23	Energy Industries
100/09-17-019-27W4M	CPC4656		Scrubber	FGS	FG-6143-001	M1256.213	Paintearth Energy
100/16-05-018-25W4M	CPC4611		Exchanger	Plate Exchanger	271075.12	R5688.213	Viex
100/16-05-018-25W4M		A0560914	Separator	Lube Oil Separator	C260058A-1	T4589.231	Henry
100/16-05-018-25W4M		A0560913	Scrubber	Inlet Suction Scrubber	C250778A-3	T4559.231	Henry
100/16-05-018-25W4M	CPC4604		Scrubber	Fuel Gas Scrubber	FG-6144-001	M1256.213	Paintearth Energy
100/16-05-018-25W4M	CPC4608		Scrubber	Fuel Gas Scrubber	2631A	T6556.213	ESS Corp.
100/16-05-018-25W4M		A0577055	Separator	Inlet Separator	V-7770	R7143.2	Paintearth Energy
100/16-05-018-25W4M	CPC4610		Filter Unit	Lube Oil Filter	803914-1A	R9886.213	Toromont
100/12-04-018-26W4M		A0494481	Cooler	Discharge Cooler	8994.4	R0738.2	Hemphill
100/12-04-018-26W4M	CPC2110		Scrubber	Fuel Gas Scrubber	STK415LEF	N4402.23	Toromont Energy Systems Inc.
100/12-04-018-26W4M		A0462888	Accumulator	Blowcase	S235S4	R1260.2	Energy Ind.
100/12-04-018-26W4M		A0499383	Separator	Oil Filter Separator	OF5DEGA	L6313.21	Energy Industries
100/12-04-018-26W4M		A0499384	Separator	Oil Filter Separator	OF5DEGB	L6313.21	Energy Ind
100/12-04-018-26W4M		A0499385	Separator	Oil Separator	S235S2	L9871.2	Energy Ind.
100/12-04-018-26W4M			Exchanger	Plate Exchanger	NP031021-101	P8896.2	Api Heat Transfer
100/12-04-018-26W4M		A0499443	Scrubber	Suction Scrubber	S235S1	R4591.2	Energy Ind
100/12-04-018-26W4M		A0462887	Separator	Inlet Separator	S235S3	R4597.2	Energy Ind.
100/01-15-020-26W4M		A0470472	Separator	Separator	113430	L4566.2	Bromley
100/01-27-020-26W4M		A0489278	Separator	Separator	215066	L4566.23	Bromley

100/16-03-021-26W4M		A0484265	Separator	Separator	5421	P3515.213	FloDrip
100/06-36-018-26W4M		A0539097	Separator	Vertical Separator	C6-2004	P6821.213	Petro Field Industries
100/06-36-018-26W4M		A0555585	Separator	Vertical Separator	C6-2434	P6821.213	Petrofield
100/06-36-018-26W4M		A0555583	Separator	Vertical Separator	06-2440	P6821.213	Petrofield
100/12-10-021-26W4M		A0412680	Separator	SEPARATOR	1270	L4250.231	FLODRIP
100/12-10-021-26W4M		A0491438	Bullet	METHANOL SPHERE	N/A	K2912.23	BROMLEY
100/08-22-020-26W4M		A0489277	Separator	Separator	215065	L4566.23	Bromley
100/08-26-019-27W4M		A0459794	Separator	Oil Separator	6078.508	P3024.23	Bidell Equipment
100/08-26-019-27W4M		A0459791	Separator	Inlet Separator	6078.507	P3366.231	Bidell Equipment
100/08-26-019-27W4M	CPC0702		Exchanger	Heat Exchanger	C200755A-1	P2214.2	Henry Technologies
100/08-26-019-27W4M	CPC0705		Cooler	Cooler	4342.3	M5857.213	Air-X-Changers
100/08-26-019-27W4M		A0473675	Accumulator	Blowcase	01.1027.531B	L9257.23	Bidell Equipment Inc.
100/08-26-019-27W4M			Scrubber	Fuel Gas Scrubber	8286-757	0H4081.21345	Lo Tech
100/12-30-017-21w4	CPC0734		COOLER	Gas Cooler - Tube	163281	P4940.2/K2362.1	GEA Engine Cooling
100/12-30-017-21w4	CPC0729		Exchanger	Heat Exchanger	C210537A-1	P2214.23	Henry Technologies
100/12-30-017-21w4		A0538165	Filter Unit	Inlet Filter	2036-531	R2414.23	BWS Fabrication
100/12-30-017-21w4	CPC4363		Scrubber	Fuel Gas Scrubber	1014.1316	OH2422.2134	Lo Tech
100/12-30-017-21w4	CPC4366		Scrubber	Fuel Gas Scrubber	122-69-00	OH1531.231	Mar-Quinn Industires
100/12-30-017-21w4	CPC0730		Scrubber	Fuel Gas Scrubber	01-117-530	OH3741.231	Bidell Equipment
100/12-30-017-21w4	CPC0732		Scrubber	Fuel Gas Scrubber	1014-183	OH2422.2134	Lo Tech
100/12-30-017-21w4		A0414684	Separator	Separator	122-73-00	K2542.213	Mar-Quinn Industires
100/12-30-017-21w4		A0528815	Separator	Separator	04-10-443	R4871.213	Universal Industries
100/12-30-017-21w4		A0473589	Separator	Inlet Separator	01-11-507	P3366.231	Bidell Equipment
100/12-30-017-21w4		A0473588	Separator	Oil Separator	01-117-508	P3024.23	Bidell Equipment

Other MISC Wells

100/07-29-017-23w4	CPC2014		Scrubber	Fuel Gas Scrubber	102-32-84	F1768.23	Mar-Quinn Industires
100/07-29-017-23w4	CPC0679		Scrubber	Fuel Gas Scrubber	S1534	M0231.2	Nusco
100/07-29-017-23w4	CPC0857		Scrubber	Fuel Gas Scrubber	C1213A.FP1082	D5783.123	Rushton gas & Oil
100/07-29-017-23w4			Scrubber	Fuel Gas Scrubber	91910272 V3	E7529.123	Black, Sivalls & Bryson Inc
100/07-29-017-23w4		A3174164	Separator	Vertical Separator	60075-200	K9874.213	Nusco
100/07-29-017-23w4		A0455052	Separator	Vertical Separator	C1213A.VS	L8766.2	Rushton gas & Oil
100/07-29-017-23w4		A0216204	Separator	Vertical Separator	102-64-85	9251.23	Mar-Quinn Industires

CALLUM/COWLEY

100/13-28-009-02W5M		A0541341	Separator	Separator	PE9154	P5433.213	Penfabco
100/13-28-009-02W5M	CPC4542		Scrubber	Fuel Gas Scrubber	1006.2722	0H7154.21345	Lo Tech
100/07-09-007-01W5M	CPC3472		Scrubber	Scrubber	250562	0H5737.213	Panax Oil & Gas Inc.
100/07-09-007-01W5M		A0560375	Separator	Separator	26155	P7298.21	Panax Oil & Gas Inc.
100/11-20-007-01W5M		A0550850	Separator	Separator	V4356-001	T0211.2	IPS
100/11-20-007-01W5M	CPC4536		Scrubber	Fuel Gas Scrubber	FG4353-001E	0H1357.213	IPS
100/10-17-007-01W5M		A0503023	Separator	Separator	PE9604	P5433.213	Penfabco
100/10-17-007-01W5M	CPC4525		Scrubber	Fuel Gas Scrubber	1006.2671	0H7154.21345	Lo Tech
100/03-03-010-03W5M	CPC4548		Scrubber	Fuel Gas Scrubber	06-337 FGS	L8912.213	Orban
100/03-03-010-03W5M		A0588025	Separator	Separator	V-9129	R6694.213	Paintearth
100/03-03-010-03W5M	CPC5161		Scrubber	Fuel Gas Scrubber	FG-9440E	0H1357.213	Paintearth
100/03-03-010-03W5M		A0569709	Separator	Separator	06-337VS	R9983.2	Orban
100/11-19-007-01W5M		A0493542	Separator	Vertical Separator	03-096VS	P0635.2	Orban Industries Ltd.
100/11-19-007-01W5M	CPC2011		Scrubber	Fuel Gas Scrubber	03-096FGS	L8912.213T	Orban
100/13-34-008-02W5M		A0546394	Separator	Inlet Separator	F2488	P1123.2	Flo Skid
100/13-34-008-02W5M		A0550627	Cooler	Chiller	8003168	T4393.2	Cimco
100/13-34-008-02W5M		A0550628	Scrubber	Propane Suction Scrubber	8003373	T4466.2	Cimco
100/13-34-008-02W5M		A0548559	Tower	De-Ethanizer Tower	11962402	T5319.2	Toromont
100/13-34-008-02W5M		A0550630	Exchanger	De-Ethanizer Heater	C250979A-1	T5301.2	Henry
100/13-34-008-02W5M		A0550636	Scrubber	Fuel Gas Scrubber	C250981A-1	T5086.2	Henry
100/13-34-008-02W5M		A0550629	Cooler	Propane Subcooler	8003169	T4418.2	Cimco
100/13-34-008-02W5M		A0543315	Separator	Low Temp Separator	11962401	T4504.2	Toromont
100/13-34-008-02W5M		A0550627	Cooler	Chiller	8003168	T4393.2	Cimco
100/13-34-008-02W5M		A0550626	Exchanger	Exchanger #2	803167	T4393.2	Cimco
100/13-34-008-02W5M		A0550625	Exchanger	Exchanger #1	8003166	T4393.2	Cimco
100/13-34-008-02W5M		A0550629	Cooler	Propane Subcooler	8003169	T4418.2	Cimco
100/13-34-008-02W5M		A0550633	Cooler	South Cooler	57123.2	R4937.2	AIR-X-CHANGERS
100/13-34-008-02W5M		A0550634	Air Receiver	Refrigerant Receiver	8003376	T4525.2	Cimco
100/13-34-008-02W5M		A0537444	Bullet	LPG Bullet	38967A	P9043.23	Maxfield
100/13-34-008-02W5M		A0537444	Bullet	LPG Bullet	38967A	P9043.23	Maxfield
100/13-34-008-02W5M		A0536842	Air Receiver	Air Compressor	391507	L4036.52	Steel Fab
100/13-34-008-02W5M	CPC4504		Air Receiver	Air Dryer #1	SF140004	R4360.2C	Steel Fab
100/13-34-008-02W5M	CPC4505		Air Receiver	Air Dryer #2	SF140000	R4360.2C	Steel Fab
100/13-34-008-02W5M		A0557656	Air Receiver	Instrument Air Receiver	416152	L4040.52	Steel Fab
100/13-34-008-02W5M	CPC4515		Filter Unit	Glycol Filter	93-2001F-2	F9527.21354	Petro Equipment
100/13-34-008-02W5M	CPC4517		Cooler	Lube Oil Cooler	153520	M1501.5C	York
100/13-34-008-02W5M	CPC4519		Filter Unit	Lube Oil Filter	153695	1516.9C	York
100/13-34-008-02W5M	CPC4518		Filter Unit	Lube Oil Filter	153694	1516.9C	York
100/13-34-008-02W5M		A0550632	Cooler	North Cooler	57123.1	R4937.2	AIR-X- HEMPHILL
100/13-34-008-02W5M		A0543315	Separator	Low Temp Separator	11962401	T4504.2	Toromont
100/13-34-008-02W5M		A0543315	Separator	Low Temp Separator	11962401	T4504.2	Toromont
100/13-34-008-02W5M		A0550628	Scrubber	Propane Suction Scrubber	8003373	T4466.2	Cimco
100/13-34-008-02W5M		A0550631	Separator	Lube Oil Separator	153452	K8606.52	York
100/13-34-008-02W5M		A0545226	Scrubber	2nd Stage Suction Scrubber	051152-02	T4792.2	EFX Compression
100/13-34-008-02W5M		A0545203	Scrubber	1st Stage Suction Scrubber	051152-01	T0261.21	EFX Compression
100/13-34-008-02W5M		A0545357	Cooler	1st Stage Cooler	055304.3-11044.3	T2203.21	AIR-X-CHANGERS
100/13-34-008-02W5M		A0545358	Cooler	2nd Stage Cooler	055304.4-11044.4	T2203.21	AIR-X-CHANGERS
100/13-34-008-02W5M		A0545184	Accumulator	2nd Stage Discharge Bottle	051152-06	T5048.2	EFX Compression
100/13-34-008-02W5M		A0545198	Accumulator	2nd Stage Suction Bottle	051152-05	T5047.2	EFX Compression
100/13-34-008-02W5M		A0545183	Accumulator	1st Stage Suction Bottle	051152-03	T4295.21	EFX Compression
100/13-34-008-02W5M		A0550635	Accumulator	Glycol Flash Tank	8003374	T4521.2	Cimco

100/13-34-008-02W5M		A0545197	Accumulator	1st Stage Discharge Bottle	051152-04	T5046.2	EFX Compression
100/06-33-009-02W5M		A0541342	Separator	Separator	PE9155	P5433.213	Penfabco
100/06-33-009-02W5M	CPC4545		Scrubber	Fuel Gas Scrubber	1006.272	0H7154.21345	Lo Tech
100/09-20-007-01W5M	CPC4533		Scrubber	Fuel Gas Scrubber	1006.2666	0H7154.21345	Lo Tech
100/09-20-007-01W5M		A0503022	Separator	Separator	PE9603	P5433.213	Penfabco
100/02-24-012-02W5M	CPC1689		Air Receiver	Air Receiver	239341	C6406.1C	Steel Fab
100/02-24-012-02W5M	CPC1693		Air Receiver	Air Dryer	SF-41659	F8539.234	Steel Fab
100/02-24-012-02W5M		A3061879	Accumulator	Recycle Discharge Bottle	94247-BC1	M7894.2	Propak
100/02-24-012-02W5M		A3061886	Accumulator	Recycle Discharge Bottle	94247-BC2	M7894.2	Propak Systems Inc.
100/02-24-012-02W5M	CPC1703		Cooler	Recycle Gas Cooler - Tube	95C429-AC	M8016.2	Amercool Mfg
100/02-24-012-02W5M		A3061477	Scrubber	Recycle Suction Scrubber	94247-BA	M7893.2	Propak Systems Inc.
100/02-24-012-02W5M		A2760768	Bullet	NGL Bullet	177932-01-1	M1023.2	Riley-Bealrd
100/02-24-012-02W5M	CPC1728		Filter Unit	Carbon Filter	00432-112	P0718.21	Propak Systems Inc.
100/02-24-012-02W5M	CPC1736		Exchanger	02-24 De-ethanizer O/H Heater	00432-106	N/A	Propak Systems Inc.
100/02-24-012-02W5M		A0460347	Cooler	Cooler - Tube	00432-201	L4973.2	Propak Systems Inc.
100/02-24-012-02W5M		A0460339	Exchanger	Gas/Gas Exchanger - Barrel "A" & "B"	00432-101	P0563.2	Propak Systems Inc.
100/02-24-012-02W5M		A0443481	Cooler	Cooler	56029.3	R1346.2	AXH Air-Coolers
100/02-24-012-02W5M		A0522452	Scrubber	1st Stage Suction Scrubber	31232S1	R8219.2/K52641	Toromont Energy Systems Inc.
100/02-24-012-02W5M		A0522453	Scrubber	2nd Stage Suction Scrubber	31232S2	R8221.2/K52651	Toromont Energy Systems Inc
100/02-24-012-02W5M		A0548542	Accumulator	1st Stage Suction Bottle	31232P1A	T5418.2	Toromont Energy Systems Inc
100/02-24-012-02W5M		A0548543	Accumulator	1st Stage Discharge Bottle	31232P2A	T5420.2	Toromont Energy Systems Inc
100/02-24-012-02W5M		A0443483	Cooler	Cooler	56029.5	R1506.21	AXH Air-Coolers
100/02-24-012-02W5M		A0443482	Cooler	Cooler	56029.4	R1346.2	AXH Air-Coolers
100/02-24-012-02W5M		A0522454	Scrubber	3rd Stage Suction Scrubber		R8223.2	Toromont Energy Services
100/02-24-012-02W5M	CPC1691		Air Receiver	Air Dryer	SF-35157	F8539.234	Steel Fab
100/02-24-012-02W5M	CPC1701		Accumulator	Recycle Suction Bottle	94247-BB2	M7895.2	Propak Systems Inc.
100/02-24-012-02W5M	CPC1702		Accumulator	Recycle Suction Bottle	94247-BB1	M7895.2	Propak Systems Inc.
100/02-24-012-02W5M		A0464691	Filter Unit	Inlet Filter	158R	L8798.2	Grand Valley
100/02-24-012-02W5M		A0460366	Separator	Separator	00204-201	P3176.2	Propak Systems Inc.
100/02-24-012-02W5M		A0464594	Filter Unit	Inlet Filter	158H	L8798.2	Grand Valley
100/02-24-012-02W5M		A0460359	Scrubber	Fuel Gas Scrubber	00204-210	P2963.2	Propak Systems Inc.
100/02-24-012-02W5M		A0460317	Exchanger	Gas Chiller - Exchanger	00432-102	P1350.2	Propak Systems Inc.
100/02-24-012-02W5M	CPC1712		Separator	Suction Strainer	00432-116	P0468.2	Propak Systems Inc.
100/02-24-012-02W5M	CPC1714		Reclaimer	Oil Reclaimer	00432-121	P3141.2	Propak
100/02-24-012-02W5M	V-620	A0460308	Separator	Low Temperature Separator	00432-103	P0546.2	Propak Systems Inc.
100/02-24-012-02W5M	CPC1722		Exchanger	Feed Bottom Exchanger	00432-120		Propak Systems Inc.
100/02-24-012-02W5M		A0460307	Exchanger	Gas/Liquids Exchanger	00432-104	P0892.2	Propak Systems Inc.
100/02-24-012-02W5M		A0460344	Tower	De-Ethanizer Tower	00432-111	P0500.2	Propak Systems Inc.
100/02-24-012-02W5M		A0460330	Accumulator	Refridgerant Accumulator	00432-107	P0466.2	Propak Systems Inc.
100/02-24-012-02W5M	CPC1731		Filter Unit	Lube Oil Filter	00432-115	P0508.2	Propak Systems Inc.
100/02-24-012-02W5M		A0460345	Accumulator	Glycol Flash Tank	00432-117	P0471.2	Propak Systems Inc.
100/02-24-012-02W5M		A0460331	Separator	Refrigerant Oil Separator	00432-109	P0545.2	Propak Systems Inc.
100/02-24-012-02W5M		A0460346	Exchanger	Refridgerant Condenser - Exchanger - Tube	00432-200	L4972.2	Propak Systems Inc.
100/02-24-012-02W5M		A0460316	Exchanger	Economizer	00432-108	P0467.2	Propak Systems Inc.
100/02-24-012-02W5M		A0460383	Filter Unit	Discharge Filter Coalescer	00204-301	P3315.2	Propak Systems Inc.
100/02-24-012-02W5M		A0460317	Exchanger	Gas Chiller - Exchanger	00432-102	P1350.2	Propak Systems Inc.
100/03-25-012-02W5M		A0483350	Separator	Separator	04-094-VS	L9930.2	Orban Industries LTD.
100/10-13-012-02W5M		A0555187	Separator	Group Test Separator	C6-2198	R1002.2	Petro Field
100/10-13-012-02W5M	CPC3175		Scrubber	Fuel Gas Scrubber	C6-2225	P1281.213	Petro Field
102/04-16-007-01W5M		A0501785	Separator	Vertical Separator	03-CA5962-001J	R5692.213	HANOVER MALONEY
102/04-16-007-01W5M	CPC0944		Scrubber	FGS	87-3521-92	F1365.2134	WELLS HALL
102/10-17-007-01W5M		A0454670	Separator	Separator	PE6203	L7280.2	Penfabco
100/11-01-008-02W5M		A0522954	Separator	Separator	3758-V7	P0994.213	Penfabco
100/11-01-008-02W5M	CPC4539		Scrubber	Fuel Gas Scrubber	3774-VS	0H4101.213	Plains Oil
100/10-05-007-01W5M		A3071656	Separator	Separator	NWP0142	M3915.2	NWP
100/10-05-007-01W5M	CPC4522		Scrubber	Fuel Gas Scrubber	NWP0097	M1256.2	NWP

MISCELLANEOUS WELLS

100/14-16-022-27W4M		A0541960 Rentals	Scrubber	1st Stage Suction Scrubber	06-006-5628	T3242.2	Pillar
100/14-16-022-27W4M		A0504766 Rentals	Scrubber	2nd Stage Suction Scrubber	06-006-5637	T1772.2	Pillar
100/14-16-022-27W4M		A0568761 Rentals	Cooler	1st Stage Cooler	56067.3	R6566.213	Air-X-Changers
100/14-16-022-27W4M		A0542081 Rentals	Scrubber	3rd Stage Suction Scrubber	06-006-5644	T1773.2	Pillar
100/14-16-022-27W4M		A0568762 Rentals	Cooler	2nd Stage Cooler	56067.4	T08153.213	Air-X-Changers
100/14-16-022-27W4M	CPC5099		Scrubber	Fuel Gas Scrubber	06-006-5727	N7389.2	Pillar
100/14-16-022-27W4M	CPC0866		Scrubber	Fuel Gas Scrubber	C999A-FP1014	D5783.123	Rushton
100/14-16-022-27W4M			Cooler	3rd Stage Cooler	56067.5	T1182.213	Air-X-Changers
100/14-16-022-27W4M		A0400388	Heating Coil	Line Heater - Downhole Loop	C999A.C8	N5882.2	Rushton
100/14-16-022-27W4M		A0400387	Exchanger	Line Heater - Shell	C992B-CB	M9118.2	Rushton
100/10-32-020-27W4M	CPC0669		Fuel Gas Scrub	Scrubber	C507B-FP619	N0660.213	Rushton
100/10-32-020-27W4M		A0431711	Line Heater - Sl	Exchanger	C508A-CB	M9118.2	Rushton
100/10-32-020-27W4M		A0431715	Separator	Separator	C507B-VS	H5596.12	Rushton
100/12-19-018-29W4	CPC0464		Exchanger	LINE HEATER	HC-1.25-4.8-2108-G	f3090.2	OPSCO
100/12-19-018-29W4	CPC0463		Scrubber	Fuel Gas Scrubber	FGS.8-1-1208.1	e2734.2	OPSCO
100/01-25-018-30W4M	CPC0454		Scrubber	Fuel Gas Scrubber	FG9960C	0H1357.213	Chadco
100/01-25-018-30W4M		A0499415	Scrubber	1st Stage Suction Scrubber	1079S1	M7158.2	Energy Industries Ltd.

100/01-25-018-30W4M		A0499416	Scrubber	2nd Stage Suction Scrubber	1079S2	L7918.2	Energy Industries Inc.
100/01-25-018-30W4M		A0499425	Accumulator	Blowcase	1079BC	R4910.2	Energy Industries
100/01-25-018-30W4M		A0423999	Cooler	2nd Stage Cooler	03468-3	N8129.2	Air Coold Exchangers
100/01-25-018-30W4M		A0418717	Separator	Separator	V98313	N0683.2	Chadco
100/01-25-018-30W4M	CPC0459			Gas Boot	3115		Priority Projects
100/01-25-018-30W4M	CPC0460		Drums - Flare K	Flare Knockout Drum	K0146		R. Pollitt
100/01-25-018-30W4M	CPC0461		Drums - Flare K	Flare Knockout Drum			Tornado Flare Systems
100/01-25-018-30W4M	CPC5299		Drums - Flare K	Flare Knockout Drum	11134		Tornado Flare Systems
100/01-25-018-30W4M	CPC0457		Filter Unit	Filter	RD-4683		Rosedale Products
100/01-25-018-30W4M	CPC0454		Scrubber	Fuel Gas Scrubber	FG9960C	OH1357.213	Chadco
15-01-016-21W4		A0497336	Separator	Vertical Separator	03.438VS	P0841.213	Orban
15-01-016-21W4	CPC4195		Scrubber	Fuel Gas Scrubber	OF1183.JC.200	OH2112.23	NATIONAL OILWELL
15-01-016-21W4	CPC4190		Scrubber	Fuel Gas Scrubber	03.423FGS	OG2606.5C	Orban
10-01-016-21W4		A0497336					
12-26-016-17W4	We lost the mineral rights so we are assigning the well over to Wolf Coulee	A0589428	Separator	Vertical Separator			
10-21-016-17W4		A0452147	Separator	Vertical Separator	00167-19	L0499.2	Petrofleld
08-11-019-23W4	CPC4756		Separator	Vertical Separator	FV-6-14-616-1	D159.2	OP

Schedule B – Tanks

Schedule B - Tanks

Site Name	TAG #	TYPE	SN	Capacity (m^3)	BBL's	Install Date
BRANT						
100/06-18-016-27w4		Produced Water	158	15.9	100 bbl	5/1/2008
100/08-26-019-27W4M		16-30 AST - Produced Water Tank	T-1219	15.9	100 bbl	7/10/2008
100/12-04-018-26W4M		Produced Water Tank		15.9	100 bbl	5/1/2008
100/12-04-018-26W4M		Production Water Tank	152	15.9	100 bbl	7/9/2010
100/12-30-017-21w4		Produced Water	04-10-18-13593	15.9	100 bbl	5/1/2008
100/15-34-018-27w4		Produced Water		15.9	100 bbl	
100/16-05-018-25W4M		16-05 AST - Produced Water Tank	4001155	63.59	400 bbl	5/1/2008
Other MISC Wells						
100/07-29-017-23w4		Produced Water	D-98-289-S1	63.6	400 bbl	5/1/2008
COWLEY						
100/13-34-008-02W5M		Methanol		63.59	400 bbl	
100/07-09-007-01w5 (bh 04-09)		Produced Oil/Water	10025	63.59	400 bbl	May-10
100/07-09-007-01w5 (bh 04-09)	ST1204	Produced Oil/Water	4001172	58.03	365 bbl	May-10
100/07-09-007-01w5 (bh 04-09)		Pop Oil		15.89	100 bbl	
100/11-01-008-02W5M	ST1463	Produced Water Tank	0564-033	31.79	200 bbl	1-May-08
100/11-19-007-01W5M	ST1594	Produced Water Tank		7.90	50 bbl	8-Aug-09
MISCELLANEOUS WELLS						
01-25-018-30W4	ST0229	Emulsion Sweet Tank	84322	63.6	400 bbl	
		High Pressure FKO Tank	K0146	7.9	50 bbl	
	ST0231	Produced Sour Water Tank #1	057	119.2	750 bbl	
	ST0230	Produced Sour Water Tank #2	065	119.2	750 bbl	
15-23-079-05W6		N/A				
10-01-016-21W4		Produced Water		63.6	400 bbl	
12-26-016-17W4		Produced Water Tank		63.6	400 bbl	
		Pop Tank		15.89	100 bbl	

Schedule C – Facility Description

Schedule C - Facility Description

(coloured items are included separately in compressor and pressure vessel and/or tank schedules)

Area	Facility	LSD	Component	Description
Callum	Gas Plant	01-24-012-02W5M	Inlet Separator	6' OD x 20' s/s, 4964 kPa mawp horizontal 3 phase separator
			Refridge Skid	30 mmscf/d 8962 kPa mawp w/
				24"OD x 50'h deethanizer tower
				Mycom P250 screw refrigerant compressor w/ Teco Westinghouse 540hp motor
				Aerial AC-635 refrigerant condenser
				Knox Western TP-145 122hp deethanizer OH compressor
				30"OD x 111" f/f glycol regenerator
				(2) Union SX-3 5hp glycol circ pumps
				Propak 1HH1 still column OH condenser skid
			Sales compressor	530hp Wauk H24GL Gemini A354-3 recip
			Generator	1478hp Wauk 7042GL 1000kW main
				60kW JD4056TF150 diesel black start
			Instrument Air	(2) Rota Nova 79m3/hr screw compressors w/ SCR8 15hp motors
				30"OD x 7' s/s wet air receiver
			Heat Medium Skid	72"OD x 30" s/s 732kW direct fired heater
				w/ (2) Dean RA-3000 950L/min circ pumps w/11.2kW motors
			Water/Condi Storage	400 Bbl double walled tank
			LPG Storage	12.5' OD x 114' s/s 433m3 capacity bullet
				w/ Corken 1000L/min transfer pump
			Flare Stack	8'OD x 16' s/s FKOT
				12"OD x 80' flare stack w/ electronic ignition
			MCC Bldg	12' x 28' 480v electrical switch gear
			Office	15' x 50' cw/ operators control center
			cw/ all associated interconnecting piping, valves, fittings and instrumentation.	
Cowley	Gas Plant	13-34-008-02W5M	Inlet Separator	78"OD x 192" s/s 9619 kPa mawp 3 phase horizontal separator
			Sales Compressor	1085hp Cat G3516 TALE Ariel JGK/2 recip
			Refridge Skid	10 mmscf/d 9756 mawp w/
				18"OD x 57'h deethanizer tower
				Frick TDSH-233L 425hp refrigerant compressor
				Air-X 10B-2ZF refrigerant condenser
				32"OD x 11' f/f 750MBTU/hr direct fired glycol regenerator
				(2) Union SX-3 glycol circ pumps w/ 3hp motors
			Instrument Air	(2) Rota Nova 121scfm screw compressors w/ westinghouse 30 hp motors
				240 gallon wet air receiver
			Water Storage	400 Bbl single wall cw/ 2ndry containment
			Condi Storage	400 Bbl single wall cw/ 2ndry containment
			LPG Storage	129:OD x 58' s/s 159m3 capacity
				w/ 15hp transfer pump

			MCC	480v electrical switch gear
			Office	12' x 40' cw/ operators control center
			Warehouse	26' x 24'
			Flare Stack	96"OD x 20' s/s UG dual wall FKOT
				12" x 120'h flare stack w/ electronic ignitor
			Incinerator	(2) 36"OD x 72" s/s incinerator KO drum
				28"OD x 17'h incinerator stack
			cw/ all associated interconnecting piping, valves, fittings and instrumentation.	
Brant	Compressor Station	16-30-018-26W4M	Inlet Separator	36"OD x 10'h 720psig mawp three phase vertical separator
			Dehydrator Skid	Alco 30"OD x 28'H 8 tray 1415 psig mawp glycol contactor
				Alco 30"OD x 8' f/f 300mbtu/hr reboiler
				(2) Kimray 21015 PV glycol circ pumps
				50 Bbl TankSafe still column OH condenser tank
			Booster Compressor	Startec 800hp Cat3512LES Howden WRVi 321/193
			Meter Skid	3" 600 ansi senior daniels meter run
			Water Storage	400 Bbl single wall tank w/ 2ndry containment
			Flare Stack	6"OD x 40'h w/ 24"OD x 78"h integral KO
			MCC Bldg	480v electrical switch gear
			Office Trailer	12' x 24'
			cw/ all associated interconnecting piping, valves, fittings and instrumentation.	
Brant	Compressor Station	09-17-019-27W4M	Inlet Separator	60"OD x 20' s/s 720 psig mawp 3 phase horizontal separator
				w/ (2) 5hp Gould 3196 Baldor 215T liquid pumps
			Dehydrator Skid	Rushton 30"OD x 32'h 1440 psig mawp 10 tray glycol contactor
				36"OD x 96" s/s 500mbtu/hr glycol regenerator
				(2) Kimray 45015PV glycol circ pumps
				50 Bbl TankeSafe still column OH condenser tank
			Booster Compressor	860hp Cat 3512 Frick TDSH 283L screw compressor
				w/ 30"OD x 120" s/s 350 psig mawp inlet separator
			Sales Compressor	1478hp Wauk 7042GSI Gemini E604 recip compressor
				w/ 48" x 168" s/s 525 psig mawp inlet separator
				and 24"OD x 120" s/s 1440 psig mawp blowcase
			Instrument Air Skid	(2) Mattei 313 scfm M80 compressors w/ WEG 7.5hp electric motors
				and 120 gallon wet air receiver
			Water Storage	400 Bbl single wall tank w/ 2ndry containment
			MCC Bldg	480v electrical switch gear
			Flare Stack	8"OD x 40'h flare stack w/ 30"OD x 72" s/s integral KO
				w/ auto ignitor
			cw/ all associated interconnecting piping, valves, fittings and instrumentation.	

TAB

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Jessica L. Cameron
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F (403) 266-1395
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Robyn Gurofsky
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F (403) 266-1395
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Borden Ladner Gervais LLP
Centennial Place, East Tower
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T 403.232.9500
F 403.266.1395
blg.com

Borden Ladner Gervais

File No. 547730/000021

September 18, 2017

Delivered by Email mbuttery@casselsbrock.com

Cassels Brock
Suite 2200, HSBC Building
885 West Georgia Street
Vancouver, BC V6C 3E8

Attention: Mary Buttery

Dear Ms. Buttery:

Re: In the Matter of the Receivership of Lexin Resources Ltd., 1051393 B.C. Ltd., 0989 Resource Partnership, LR Processing Ltd. and LR Processing Partnership, Alberta Court of Queen's Bench Action No. 1701-03460

We write further to your correspondence dated September 12, 2017, wherein you advised that your client, Energy Leasing Partners Ltd. ("**ELP**"), entered into a sale and lease back agreement with Jixin Energy Inc. (formerly MFCE Resources Ltd., which in turn was formerly 1032039 B.C. Ltd) ("**Jixin**") in or around November 2015, and that Jixin in turn had purchased the equipment subject to that arrangement from Lexin Resources Ltd. ("**Lexin**") in March 2015. Consequently, you have indicated that the Receiver has no ability to sell this equipment and have requested permission to remove it from the Lexin Cowley facility, and other specified wells.

In order to assess this request, the Receiver kindly requests your assistance in providing us with further details regarding your client's sale-leaseback arrangements. In addition to the information previously requested of ELP, which as of the date of this letter remains outstanding, the Receiver asks that you deliver to it all documentation pertaining to the sale-lease back arrangements. In addition, please provide the following financial information related to this arrangement:

1. Payment documentation for the equipment that was purchased from Lexin et al;
2. A listing of the lease payments made to ELP since this arrangement;
3. A listing of the funds received by ELP from the sale of any of the leased equipment contained in the sale-leaseback arrangement; and
4. A listing of any of the leased equipment that has been returned to ELP or which ELP has otherwise seized from their location.

In the interim, we would note that there is an order in place (the "**Equipment Order**") which prohibits the removal of equipment from Lexin sites without the prior written approval of the Alberta Energy Regulator (the "**AER**") or unless otherwise ordered by the Court. A copy of the Equipment Order is enclosed for your reference. The Equipment Order was granted in proceedings commenced by the AER against Lexin in Court of Queen's Bench Action No. 1701-02272. Paragraph 5 of the Receivership Order granted March 20, 2017, provides that the Receiver shall cooperate with the AER regarding any proposed removal of equipment. We have therefore copied the AER to this correspondence.

To the best of the Receiver's knowledge, the Receiver can advise that all of the equipment listed on Schedule "A" to your correspondence is or was located on Lexin licensed wells and facilities, and would thus be subject to the terms of the Equipment Order. The Receiver needs to review the requested documentation prior to making a determination as to whether this equipment may be removed, as well as whether any equipment located on the specified wells would also be subject to the Equipment Order (and whether it may be removed).

We trust you will find the foregoing to be in order and look forward to receipt of the requested information.

Yours truly,

Borden Ladner Gervais LLP

Jessica L. Cameron

cc: Grant Thornton Limited, Receiver
Attention: Andrew Basi, Michael Costello & Breanne Scott (via email)

Alberta Energy Regulator
Attention: Patricia Johnston, Q.C. and Keely Cameron (via email)

FILED
MAR 03 2017
JUDICIAL CENTRE OF CALGARY
CLERK OF THE COURT

COURT FILE NUMBER	1701-02272
COURT OF QUEEN'S BENCH OF ALBERTA	
JUDICIAL CENTRE	CALGARY
APPLICANT	ALBERTA ENERGY REGULATOR
RESPONDENT	LEXIN RESOURCES LTD.
DOCUMENT	**ORDER**
ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT	JENSEN SHAWA SOLOMON DUGUID HAWKES LLP Barristers 800, 304 - 8 Avenue SW Calgary, Alberta T2P 1C2 Christa Nicholson Phone: 403 571 1520 Fax: 403 571 1528 Email: nicholsonc@jssbarristers.ca File: 13817-001

I hereby certify this to be a true copy the original order
Dated this 03 day of March
for Clerk of the Court

DATE ON WHICH ORDER WAS PRONOUNCED:	March 3, 2017
LOCATION OF HEARING OR TRIAL:	Calgary Courts Centre
NAME OF JUDGE WHO MADE THIS ORDER:	Mr. Justice W.A. Tilleman

UPON THE APPLICATION of the Applicant, the Alberta Energy Regulator (the "AER"), brought by Originating Application filed February 14, 2017 returnable at 1:00 p.m. on February 14, 2017;

AND UPON NOTING the Interim Order granted by the Honourable Justice W. A. Tilleman on February 14, 2017, directing the parties to return to Court on February 17, 2017 to determine if there should be an extension of the Interim Order; **AND UPON NOTING** the Order granted by the Honourable Justice W.A. Tilleman on February 17, 2017, extending the Interim Order and directing the parties to return to Court on March 3, 2017 to argue the merits of the Originating Application; **AND UPON HAVING READ** the Affidavits filed by the AER, namely: (a) the Affidavit of Cory Schieman, sworn on February 14, 2017, including Exhibit "P" thereto which is closure/suspension order No. 2017-01 made by the AER on February 14, 2017 ("**Suspension Order**"), including a list of all of the sites for which Lexin is the licensee (the "**Sites**"), a copy of which is attached as Schedule "A"; Exhibit "W" thereto which is the Personal Property Security search results report conducted in respect of Lexin describing parties who, as at February 8, 2017, claim an interest or who have made registrations in respect of some or all of the Lexin's property including by virtue of security interests or writs of enforcement (the "**PPR Claimants**"); and Exhibit "X" thereto which is a list of all of working interest participants ("**WIPs**") in the Sites known to the AER (the "**Known WIPs**"); (b) the Supplemental Affidavit of Cory Schieman, sworn on February 15, 2017; (c) the Second Supplemental Affidavit of Cory Schieman, sworn on February 16, 2017; (d) the Affidavit of Jodi Halpin, sworn on February 16, 2017; (e) the Third Supplemental Affidavit of Cory Schieman, sworn on February 22, 2017; (f) the Supplemental Affidavit of Jodi Halpin, sworn February 23, 2017; and (g) the Affidavit of Helen Bowker, sworn March 2, 2017; **AND UPON HAVING READ** the Affidavits filed by the Respondent, Lexin Resources Ltd. ("**Lexin**"), namely: (a) the Affidavit of Tatsiana Okun, sworn February 16, 2017, and (b) the Affidavit of James Leeper, sworn February 23, 2017; **AND UPON HAVING READ** the Affidavit of Elaine Blais, filed on February 22, 2017, on behalf of the Department of Justice Canada; **AND UPON HAVING READ** the Transcript of Questioning of Cory Schieman, held February 24, 2017, and the answers to Undertakings of Cory Schieman from Questioning on February 24, 2017; **AND UPON HAVING READ** the Transcript of Questioning of Jodi Halpin, held February 24, 2017 and the answers to Undertakings of Jodi Halpin from Questioning on February 24, 2017; **AND UPON HAVING READ** the Transcript of Questioning of Tatsiana Okun, held February 27, 2017, and answers to Undertakings and Under Advisements of Tatsiana Okun from Questioning on February 27, 2017; **AND UPON HAVING READ** the Transcript of Questioning of James Leeper, held February 27, 2017; **AND UPON HAVING READ** the Brief of

Argument of the AER, filed March 1, 2017; **AND UPON HAVING READ** the Written Submissions of Lexin, filed March 1, 2017; **AND UPON NOTING** that equipment (the "**Equipment**") has been removed from the Sites without the AER's prior approval; **AND UPON NOTING** the AER's mandate is to provide for the efficient, safe, orderly and environmentally responsible development of energy resources in Alberta through the Regulator's regulatory activities; **AND UPON NOTING** that the Court has expressed concerns regarding the environment and safety arising from the removal of Equipment from the Sites; **AND UPON HEARING** oral submissions from counsel for the AER; counsel for the Department of Justice; counsel for Vulcan County; Counsel for the Orphan Well Association ("**OWA**"); and counsel for Lexin;

IT IS HEREBY ORDERED AND DECLARED THAT:

1. Pursuant to section 19(2) of the *Responsible Energy Development Act*, SA 2012, c R-17.3, all persons, including but not limited to Lexin and its directors, agents and employees as well as the Known WIPs, the PPR Claimants, and anyone claiming liens, charges, set-off rights, mortgages, and other security interests against Lexin, or affecting the Sites, and other persons are hereby ordered to refrain and are prohibited from removing Equipment from the Sites listed in the attached Closure Order (Schedule "A"), except:

   (a) with the written prior approval of the AER; or

   (b) if otherwise ordered by this Court on an application to this Court brought with not less than 7 days' notice to the AER.

2. The AER's application for an Order pursuant to section 19(3) of the *Responsible Energy Development Act* that, *inter alia*, Lexin, its Directors, agents and employees, comply with the Inspection Direction issued by the AER to Lexin on February 14, 2017, is adjourned *sine die*. This application may be brought back to this Court on 3 days' notice by the AER to Lexin.

3. The AER may serve this Order on any person without the attached Schedule "A", but if requested shall immediately serve that person with the attached Schedule "A".

{01430053 v5}

4. The AER shall immediately post this Order on the AER website and all other orders in these proceedings, and any reasons for decision given respecting this Order.

5. The AER shall serve the PPR Claimants with this Order (excluding Schedule "A") at the addresses set forth in the attached Schedule "B".

6. The AER shall serve the Known WIPs with this Order (excluding Schedule "A") at the addresses set forth in the attached Schedule "C".

7. The AER may serve this Order upon any person it determines appropriate.

8. This Order does not make any determinations with respect to the property rights of any person regarding the Equipment, including the PPR Claimants or in respect of the lien claimed by the AER pursuant to sections 32 and 103 of the *Oil and Gas Conservation Act*, RSA 2000, c O-6; it is without prejudice to and does not derogate from any rights the AER or any person may have to assert a claim or lien respecting the Equipment.

9. Unless otherwise ordered or agreed to in writing, within 14 days of receipt of service of this Order, any interested party, including any Known WIPs and PPR Claimants, may apply to this Court to vary or amend this Order or seek any other relief it may deem appropriate on not less than 7 days' notice to the AER and to any other party likely to be affected by the Order sought, or upon such other notice, if any, as this Court may order.

Justice of the Court of Queen's Bench of Alberta

Schedule B

PPR Claimant	Claimed Interest	Address
Compass Compression Services Ltd.	Security Agreements Report of Seizure	1537, 9th Avenue SW Calgary, AB T2G 5N4
Summit Acceptance Corp.	Security Agreements	4620 Blackfoot Trail SE Calgary, AB T2G 4G2
MFC Energy Finance Inc.	Security Agreement Land Charge	Suite 1860, 400 Burrard Street Vancouver, BC V6C 3A6
Taqa North	Security Agreement	2100, 308 4th Avenue SW Calgary, AB T2P 0H7
Marquinn Industries Ltd.	Security Agreement	7115 Sparrow Drive Leduc, AB T9E 7L1
Baker Hughes Canada Company	Writ of Enforcement	c/o DLA Piper (Canada) LLP 1000, 250 2nd Street SW Calgary, AB T2P 0C1
Caledonian Royalty Corporation	Security Agreement Land Charge	2150, 300 5th Avenue SW Calgary, AB T2P 3C4
Her Majesty the Queen in Right of Alberta	Writs of Enforcement	c/o Service Alberta Crown Debt Collections 8th Floor John E. Brownlee Building Edmonton, AB T5J 3W7
Deloitte Management Services LP	Report of Seizure	c/o Miller Thomson LLP 2700 Commerce Place 10155 102 Street Edmonton, AB T5J 4G8
Municipal District of Ranchlands No. 66	Report of Seizure	PO Box 1060 Nanton, AB T0L 1R0

{01417344 v2}

Schedule C

inquiries 1-855-297-8311
24-hour emergency 1-800-222-6514

Delivered by courier:

President
Lexin Resources Ltd. (0CW8)
300, 404 – 6 Ave SW
Calgary, AB T2P 0R9

E-mail: tmccrary@lexin.ca

President
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c/o Bennett Jones LLP
4500, 855 - 2 St SW
Calgary, AB T2P 4K7

President
Bonavista Energy Corporation (A5RX)
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Calgary, AB T2P 1G1

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E-mail: mark@houstonoil.ca

President
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Calgary, AB T2P 2H7

President
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Stuart.widmer@sanlingenergy.com

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c/o Paramount Resources Ltd. (0AW4)
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Inquiries 1-855-297-8311
24-hour emergency 1-800-222-6514

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President
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President
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TAB

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CASSELS BROCK
LAWYERS

October 3, 2017

BY E-MAIL

mbuttery@casselsbrock.com
tel: 604.691.6118
file # 50603-1

Borden Ladner Gervais LLP
Centennial Place, East Tower
1900, 520 – 3rd Avenue SW
Calgary, AB T2P 0R3

Attention: Jessica L. Cameron

Dear Ms. Cameron:

Re: In the Matter of the Receivership of Lexin Resources Ltd., 1051393 B.C. Ltd., 0989 Resource Partnership, LR Processing Ltd and LR Processing Partnership Alberta Court of Queen's Bench Action No. 1701-03460

We write with reference to your request for various information related to the purchase by our client, Energy Leasing Partners Ltd. ("**ELP**") of certain equipment from Jixin Energy Inc. (formerly MFCE Resources Ltd., formerly 1032038 B.C. Ltd.).

Attached please find the following:

1. Agreement of Purchase and Sale dated March 30, 2015 among MFC Energy Corporation and MFC Resource Partnership as Vendor, and 1032039 B.C. Ltd. as Purchaser (body of agreement only – schedules will be provided upon request);

2. Bill of Sale made November 12, 2015 between MFCE Resources Ltd. as Vendor and Energy Leasing Partners Ltd. as Purchaser; and

3. A list of the equipment owned by ELP (which information was previously forwarded). Please note that we understand that 4 pieces of equipment on that list, being two fuel gas scrubbers and two separators located at 03-03-010-03W5M, are currently the subject of discussions as to ownership between ELP and Tamarack Resources Ltd.

As for information regarding lease payments, we are unsure why that is relevant or indeed, why the Receiver would be entitled to that information. We will not be providing that information at this time in any event. It is our understanding that no equipment has, to-date, been returned to, or seized by ELP.

We have asked for removal of the equipment that ELP owns from the various Lexin facilities at which it is situated. We have made a similar request to the AER. We gather this will not be a

CASSELS BROCK
LAWYERS

quick process. Accordingly, ELP is amenable to the equipment being sold as part of the overall sale of Lexin assets, provided that the proceeds of the sale are held in place of the equipment until the ownership issues are resolved, and provided that ELP reviews and approves the price and terms of the sale of that equipment prior to the sale completion.

Yours truly,

Cassels Brock & Blackwell LLP

Mary I.A. Buttery
Partner

MB/sd
Enclosures

cc: K. Cameron (AER)
P. Mittal (AGAB)

AGREEMENT OF PURCHASE AND SALE
(Callum and Brant Areas, Alberta)

DATED

March 30, 2015

AMONG

MFC ENERGY CORPORATION ("MFCE")

- AND -

MFC RESOURCE PARTNERSHIP ("MFCRP")

(COLLECTIVELY, "VENDOR")

- AND -

1032039 B.C. LTD.

("PURCHASER")

30366.123937.PMN.11272425.1

INDEX

AGREEMENT OF PURCHASE AND SALE
(Callum and Brant Areas, Alberta)

THIS AGREEMENT made as of March 30, 2015.

AMONG:

MFC ENERGY CORPORATION, a body corporate, with an office in the City of Calgary, in the Province of Alberta (hereinafter referred to as "**MFCE**")

- and -

MFC RESOURCE PARTNERSHIP, a general partnership, with an office in the City of Calgary, in the Province of Alberta (hereinafter referred to as "**MFCRP**")

(with MFCE and MFCRP hereinafter collectively referred to as "**Vendor**")

- and -

1032039 B.C. LTD., a body corporate, with an office in the City of Vancouver, in the Province of British Columbia (hereinafter referred to as "**Purchaser**")

WHEREAS Vendor wishes to sell and Purchaser wishes to purchase the interest of Vendor 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 all past, present and future obligations in respect of:

(i) the proper plugging and abandonment of Wells;

(ii) the closure, decommissioning, dismantling and removal of structures, foundations, buildings, pipelines and equipment pertaining to the Tangibles and Facilities; and

(iii) the abandonment, restoration, remediation, rehabilitation and reclamation of the surface and subsurface locations and lands used to gain access thereto, pertaining to any wells, facilities, pipelines and other sites located within, on or under the Lands and lands pooled or unitized therewith, or comprising all or part of the Assets, or that were used or previously used in respect of Leased Substances produced or previously produced from the Lands or lands pooled or unitized therewith;

all in accordance with generally accepted oil and gas industry practices in the jurisdiction where the Assets are located and in compliance with Regulations including such obligations relating to wells, structures, foundations, buildings, pipelines, equipment and other facilities which were abandoned or decommissioned prior to the date hereof that were located within, on or under the Lands or lands pooled or unitized therewith or that were located within, on or under other lands and were used in respect of Leased Substances produced or previously produced from the Lands or lands pooled or unitized therewith;

(b) "Adjustment Date" means the hour of 8:00 a.m., Calgary time, on April 1, 2015;

(c) "AER" means the Alberta Energy Regulator, or any successor thereto having jurisdiction over the Assets or certain of them and the operation thereof;

(d) "AFEs" means the authorities for expenditure, operations notices, amounts budgeted pursuant to mail ballots, if any, set out in Schedule "B" under the heading "AFEs";

(e) "Assets" means the Petroleum and Natural Gas Rights, the Tangibles and the Miscellaneous Interests;

(f) "Base Price" has the meaning as set forth and defined in section 2.4;

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

(h) "Closing" means the closing of the purchase and sale herein provided for;

(i) "Closing Place" means the offices of Vendor, or such other place as may be agreed upon in writing by Vendor and Purchaser;

(i) "Closing Time" means the hour of 4:00 pm. on March 30, 2015, or such other time and date as may be agreed upon in writing by Vendor and Purchaser;

(j) "CO&O Agreements" means the agreement or agreements for the construction, ownership or operation of any Tangibles or Surface Rights, if any, set out in Schedule "D" under the heading "CO&O Agreements";

(k) "Disclosed Environmental Liabilities" means the Environmental Liabilities set out and described in Schedule "G" under the heading "Disclosed Environmental Liabilities";

(l) "Environmental Liabilities" means the Disclosed Environmental Liabilities and any and all past, present or future environmental damage, contamination, or other environmental problems pertaining to the Lands or caused by the Assets or the Lands or operations thereon or related thereto, however and by whomsoever caused, and whether caused by a breach of the applicable Regulations or otherwise, which occur or arise in whole or in part prior to, at or subsequent to the Closing Time, and regardless of whether or not a reclamation certificate has been issued. Without limiting the generality of the foregoing, such environmental damage or contamination or other environmental problems shall include those arising from or related to (i) surface, underground, air, ground water, surface water or marine environment contamination; (ii) Abandonment and Reclamation Obligations; (iii) the restoration, cleanup or reclamation of or failure to restore, cleanup or reclaim any part of the Assets or the Lands; (iv) the removal of or failure to remove foundations, structures or equipment; (v) the release, spill, escape or emissions of toxic, hazardous or oilfield waste substances; (vi) compliance with past, present and future Regulations relating to the environment or the protection thereof and Regulations related to employee and public health and safety matters; and (vii) damages and losses suffered by Third Parties as a result of any of the occurrences in subclauses (i) through (vi) of this subsection;

(m) "Facilities" means the facility or facilities, if any, set out in Schedule "C" under the heading "Facilities";

(n) "General Conveyance" means the General Conveyance set out in Schedule "F";

(o) "GST" means the goods and services tax administered pursuant to the *Excise Tax Act* (Canada), as amended and the regulations thereunder or under any successor or parallel federal or provincial legislation that imposes a tax on the recipient of goods and services;

(p) "Joint Venture Contracts" means the agreement or agreements: (1) for the transportation, processing or disposal of the Leased Substances or any of them or substances produced in connection with the Leased Substances or any of them; (2) agreements for the contract operation by a Third Party of the Assets or any of them, and (3) agreements to provide transportation, processing or disposal capacity or service to any Third Party, if any, set out in Schedule "D" under the heading "Joint Venture Contracts"

(q) "Lands" means the lands areally described in Schedule "A";

(r) "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);

(s) "LTA" means the AER license transfer application;

(t) "Losses" means all actions, causes of action, losses, costs, claims, damages, penalties, fines, assessments, charges, expenses or other liabilities whatsoever, whether contractual or tortious, which are suffered, sustained, or incurred by a Party and includes, without limitation, reasonable legal fees on a solicitor and client basis 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, without limitation, business loss, loss of profit, economic loss, punitive damages, or income tax liabilities;

(u) "Miscellaneous Interests" means, subject to any and all limitations and exclusions provided for in this definition, all property, assets, interests and rights pertaining to the Petroleum and Natural Gas Rights and the Tangibles, or either of them, but only to the extent that such property, assets, interests and rights pertain to the Petroleum and Natural Gas Rights and the Tangibles, or either of them, including without limitation any and all of the following:

(i) contracts and agreements relating to the Petroleum and Natural Gas Rights and the Tangibles, or either of them, including without limitation gas purchase contracts, processing agreements, transportation agreements and agreements for the construction, ownership and operation of facilities and the agreements set out in Schedule "D";

(ii) fee simple mineral rights and fee simple surface rights to, and rights to enter upon, use or occupy, the surface of any lands which are or may be used to gain access to or otherwise use the Petroleum and Natural Gas Rights and the Tangibles, or either of them, including the Surface Rights;

(iii) all subsisting rights to carry out operations relating to the Lands or Tangibles, and without limitation, all easements and well, pipeline and other Permits, licenses and authorizations;

(iv) all records, books, documents, licenses, reports and data which relate to the Petroleum and Natural Gas Rights and the Tangibles, or either of them, including any of the foregoing that pertain to seismic, geological or geophysical matters;

(v) the Wells, including the wellbores and any and all casing;

(vi) any facility or area specific emergency response plans pertaining to the Assets; and

(vii) all non-interpretative technical data;

(v) "Party" means a party to this Agreement;

(w) "Permitted Encumbrances" means:

(i) liens for taxes, assessments and governmental charges which are not due or the validity of which is being diligently contested in good faith by or on behalf of Vendor;

(ii) liens incurred or created in the ordinary course of business as security in favour of the person who is conducting the development or operation of the property to which such liens relate for Vendor's proportionate share of the costs and expenses of such development or operation;

(iii) mechanics', builders' and materialmen's liens in respect of services rendered or goods supplied for which payment is not due;

(iv) easements, rights of way, servitudes and other similar rights in land (including without limitation 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, telegraph and cable television conduits, poles, wires and cables) which do not materially impair the use of the Assets affected thereby;

(v) the right reserved to or vested in any municipality or government or other public authority by the terms of any lease, license, franchise, grant or permit or by any statutory provision, to terminate any such lease, license, franchise, grant or permit or to require annual or other periodic payments as a condition of the continuance thereof;

(vi) rights of general application reserved to or vested in any governmental authority to levy taxes on the Leased Substances or any of them or the income therefrom, and governmental requirements and limitations of general application as to production rates on the operations of any property;

(vii) statutory exceptions to title and the reservations, limitations, provisos and conditions in any original grants from the Crown of any of the mines and minerals within, upon or under the Lands;

(viii) any security held by any Third Party encumbering Vendor's interest in and to the Assets or any part or portion thereof, in respect of which Vendor delivers a discharge in registrable form, a no interest letter with an undertaking to discharge the security interest or like document (in a form satisfactory to Purchaser) to Purchaser at or prior to Closing;

(ix) the Sale Contracts and agreement or agreements (if any) for the sale of Leased Substances that are terminable on not greater than 91 days notice (without an early termination penalty or other cost);

(x) all royalty burdens, liens, adverse claims, penalties, reductions in interests and other encumbrances set out in Schedule "A"; and

(xi) the terms, conditions and obligations arising under the Title Documents;

(x) "Petroleum and Natural Gas Rights" means all rights to and in respect of the Leased Substances and the Title Documents (but only to the extent that the Title Documents pertain to the Lands), including without limitation the interests set out in Schedule "A";

(y) "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 without limitation sulphur and coal bed methane;

(z) "Permits" means, all licenses, permits, approvals and authorizations granted or issued by any governmental authorities and relating to the construction, installation, ownership, use or operation of the Assets;

(aa) "Purchase Price" has the meaning as set forth and defined in section 2.4;

(bb) "Regulations" means all statutes, laws, rules, orders, judgements, writs, injunctions, decrees, regulations and directives of any judicial authorities, governmental and other competent authorities in effect from time to time and made by governments, governmental boards or agencies, tribunals, courts, commissions, administrative agencies, arbitrators or judicial authorities having jurisdiction over the Assets, the Parties or the transaction contemplated herein;

(cc) "Right of First Refusal" means a preferential, pre-emptive or first purchase right that becomes operative by virtue of this Agreement or the transaction to be effected by it;

(dd) "Sale Contracts" means the agreement or agreements for the sale of Leased Substances, if any, set out in Schedule "D" under the heading "Sale Contracts";

(ee) "Specific Conveyances" means all conveyances, assignments, transfers, novations and other documents or instruments that are reasonably required or desirable to convey, assign and transfer the interest of Vendor in and to the Assets to Purchaser and to novate Purchaser in the place and stead of Vendor with respect to the Assets;

(ff) "Surface Rights" means all rights to occupy, cross or otherwise use or enjoy the surface of the Lands and any lands pooled or unitized therewith or any other lands: (i) upon which the Tangibles are situate, (ii) used in connection with the ownership or operation of the Petroleum and Natural Gas Rights, the Tangibles or the Wells, or (iii) used to gain access to any of the Lands (or any lands pooled or unitized therewith), the Tangibles or the Wells;

(gg) "Tangibles" means the Facilities and any and all tangible depreciable property and assets other than the Facilities which are located within, upon or in the vicinity of the Lands and which 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 or in connection with water injection, water disposal or removal operations that pertain to the Petroleum and Natural Gas Rights, including without limitation any and all gas plants, oil batteries, buildings, production equipment, pipelines, pipeline connections, meters, generators, motors, compressors, treaters, dehydrators, scrubbers, separators, pumps, tanks, boilers and communication equipment (including any SCADA systems);

(hh) "Third Party" means any individual or entity other than Vendor and Purchaser, including without limitation any partnership, corporation, trust, unincorporated organization, union, government and any department and agency thereof and any heir, executor, administrator or other legal representative of an individual;

(ii) "this Agreement", "herein", "hereto", "hereof" and similar expressions mean and refer to this Agreement of Purchase and Sale;

(jj) "Title Documents" means, collectively, any and all certificates of title, leases, reservations, licenses, assignments, trust declarations, operating agreements, royalty agreements, gross overriding royalty agreements, participation agreements, farm-in agreements, sale and purchase agreements, pooling agreements, Permits, Surface Rights, Sale Contracts, Joint Venture Contracts, CO&O 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 (v) rights to acquire any of the rights described in items (i) to (iv) of this definition; but only if the foregoing pertain in whole or in part to Petroleum Substances within, upon or under the Lands including without limitation those, if any, set out in Schedule "A";

(kk) "Transitional Services Agreement" or "TSA" means the Transitional Services Agreement to be entered into by the Parties at Closing in accordance with this Agreement, and substantially in the form attached in Schedule "H"; and

(ll) "Wells" means all wells which have been, are or may be used in connection with the Petroleum and Natural Gas Rights, or which are situate on the Lands and pertain to Environmental Liabilities, including without limitation producing, shut-in, suspended, abandoned, abandoned and reclamation certified, abandoned and reclamation exempt, water source, water disposal and water injection wells and the wells set out in Schedule "E" under the heading "Wells".

1.2 Headings

The expressions "Article", "section", "subsection", "clause", "subclause", "paragraph" and "Schedule" followed by a number or letter or combination thereof mean and refer to the specified article, section, subsection, clause, subclause, paragraph and schedule of or to this Agreement.

1.3 Interpretation Not Affected by Headings

The division of this Agreement into Articles, sections, subsections, clauses, subclauses and paragraphs 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 Included Words

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 and Petroleum and Natural Gas Rights
Schedule "B" - AFEs
Schedule "C" - Facilities
Schedule "D" - Sale Contracts, Joint Venture Contracts and CO&O Agreements
Schedule "E" - Wells
Schedule "F" - General Conveyance
Schedule "G" - Lawsuits, Claims and Disclosed Environmental Liabilities
Schedule "H" - TSA
Schedule "I" - Rights of First Refusal

Schedule "B". "C", "D" and "E" are not complete as of the date hereof. The Parties agree to complete and verify such schedules no later than 60 days from the date hereof. Such final schedules will form part of this Agreement when attached hereto and will be effective as of the date hereof. Each such schedule shall include the notation *"This Schedule has been added to and forms part of this Agreement as of XXX, 2015"* and will be initialed by both Parties.

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 Knowledge

Where in this Agreement a representation or warranty is limited to the knowledge, information or belief of Vendor, such knowledge, information or belief consists of the actual knowledge of the current officers of Vendor whose normal responsibilities relate to the subject matter of the representation or warranty.

ARTICLE 2
PURCHASE AND SALE AND CLOSING

2.1 Purchase and Sale

Vendor hereby agrees to sell, assign, transfer, convey and set over to Purchaser, and Purchaser hereby agrees to purchase from Vendor, all of the right, title, estate and interest of Vendor (whether absolute or contingent, legal or beneficial) in and to the Assets subject to and in accordance with the terms of this Agreement.

2.2 Closing

(a) Closing shall take place at the Closing Place at the Closing Time if there has been satisfaction or waiver of the conditions of Closing herein contained.

(b) Subject to all other provisions of this Agreement, possession, risk and beneficial ownership of Vendor's interest in and to the Assets shall pass from Vendor to Purchaser at the Closing Time.

(c) The Parties shall execute and deliver the General Conveyance at Closing.

2.3 Form of Payment

All payments to be made pursuant to this Agreement shall be in Canadian funds. All payments to be made at Closing shall be made by cheque, bank draft or wire transfer to an account designated by MFCE, for and on behalf of Vendor, to Purchaser in writing prior to Closing.

2.4 Base Price and Purchase Price

The aggregate consideration to be paid by Purchaser to Vendor for Vendor's interest in and to the Assets shall be $1.00 (the "**Base Price**") as adjusted herein (the "**Purchase Price**"). The amount to be paid by Purchaser to Vendor at the Closing Time shall be $1.00.

2.5 Payment of Purchase Price and GST

(a) At Closing, Purchaser shall pay to MFCE, for and on behalf of Vendor, (i) the Purchase Price and (ii) the GST payable in respect of such of the Assets where the sale is subject to GST. Vendor shall remit the GST according to law.

(b) If the amount of GST paid pursuant to this clause is subject to audit by the relevant governmental authorities, and it is determined by those authorities that an additional amount of GST or interest or penalties should be assessed, Purchaser shall be responsible for the payment of such additional amounts.

2.6 Other Taxes

At Closing, Purchaser shall be solely responsible for all sales taxes, transfer taxes, fees, charges, levies or similar assessments which may be imposed by any governmental authority and pertaining to its acquisition of the Assets or to the circulation and registration of the Specific Conveyances and shall remit any such amounts to the applicable governmental authority according to law.

2.7 Allocation of Purchase Price

The Parties shall allocate the Purchase Price as follows:

Petroleum and Natural Gas Rights	85%
Tangibles	15% less $10.00
Miscellaneous Interests	10.00

2.8 No Interest

No interest will accrue on the Base Price from Closing Time to the Adjustment Date.

ARTICLE 3
CLOSING DELIVERIES, SPECIFIC CONVEYANCES
AND DELIVERY OF TITLE DOCUMENTS

3.1 Deliveries by Vendor at Closing

At the Closing Time, Vendor shall deliver, or cause to be delivered, to Purchaser:

(a) a General Conveyance duly executed by Vendor; and

(b) the TSA, duly executed by Vendor.

3.2 Deliveries by Purchaser at Closing

At the Closing Time, Purchaser shall pay or deliver, or cause to be paid or delivered, to Vendor:

(a) the Purchase Price and any applicable GST; and

(b) a General Conveyance duly executed by Purchaser.

3.3 Specific Conveyances

(a) Following Closing, Vendor shall prepare the Specific Conveyances as required, in accordance with the integrated license transfer application process set forth and described in AER Directive 006: Licensee Liability Rating Program and License Transfer Process, none of which shall confer or impose upon a Party any greater right or obligation than contemplated in this Agreement.

(b) Specific Conveyances shall be prepared and circulated by Vendor to Purchaser as soon as practicable after Closing and shall be executed and delivered by the Parties.

(c) Vendor shall circulate and register, as the case may be, all Specific Conveyances that by their nature may be circulated or registered, provided that Purchaser shall be responsible for all registration fees pertaining to same.

3.4 Delivery of Title Documents and Miscellaneous Interests

Within 10 Business Days of expiry or termination of the TSA of Closing, Vendor shall deliver to Purchaser at Closing the original copies of the Title Documents and any other agreements and documents to which the Assets are subject and the original copies of contracts, agreements, records, books, documents, licenses, reports and data comprising Miscellaneous Interests which are now in the possession of Vendor or of which it gains possession prior to Closing. Notwithstanding the foregoing, if and to the extent such Title Documents, contracts, agreements, records, books, documents, licenses, reports and data also pertain to interests other than the Assets, photocopies or other copies may be provided to Purchaser in lieu of original copies. Purchaser shall, upon request and after reasonable notice, provide reasonable access, at the offices of Purchaser and during its normal business hours, to such of the Title Documents and other contracts, agreements, records, books, documents, licenses, reports and data comprising Miscellaneous Interests delivered by Vendor pursuant hereto, as Vendor may require for purposes concerning the interests which Vendor held in the Assets prior to the Closing Time and the calculation of adjustments prior to the finalization of same, subject always to the requirement that all such information shall remain confidential.

ARTICLE 4
REPRESENTATIONS AND WARRANTIES

4.1 Representations and Warranties of Vendor

Purchaser acknowledges that it is purchasing the Assets on an "as is, where is" basis, without representation and warranty and without reliance on any information provided to or on behalf of Purchaser by Vendor or any Third Party, except that and subject in all instances to the Permitted Encumbrances, Rights of First Refusal, or any matter disclosed in any of the schedules hereto, Vendor makes the following representations and warranties to Purchaser:

(a) Standing: Vendor is duly organized and validly existing under the laws of the jurisdiction of Vendor and is authorized to carry on business in the Province in which the Lands are located;

(b) Requisite Authority: Vendor has good right, full power and absolute authority to sell, assign, transfer, convey and set over the interest of Vendor in and to the Assets according to the true intent and meaning of this Agreement;

(c) Execution: the execution, delivery and performance of this Agreement has been duly and validly authorized by any and all requisite 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 Vendor is bound;

(d) No Conflicts: 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 Vendor is party or by which Vendor is bound, nor under any Regulation applicable to Vendor;

(e) Enforceability: this Agreement and any other agreements delivered in connection herewith constitute valid and binding obligations of Vendor enforceable against Vendor in accordance with their terms, subject to the qualification that such enforceability may be subject to:

(i) bankruptcy, insolvency, fraudulent preference, reorganization or other laws affecting creditor's rights generally; and

(ii) general principles of equity (regardless of whether such enforceability is considered in a proceeding at equity or law);

(f) Regulatory Approval: 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 Vendor of this Agreement, other than authorizations, approvals or exemptions from requirement therefor, previously obtained and currently in force;

(g) No Lawsuits or Claims: except as may be identified in the Schedule "G" no suit, action, lawsuit, administrative proceeding or other proceeding before any court or governmental agency has been commenced against Vendor or, to the knowledge, information and belief of Vendor, has been threatened against Vendor or any Third Party, which might result in material impairment or loss of the interest of Vendor in and to the Assets or which might otherwise adversely affect the Assets or any rights to, and rights to enter upon, use or occupy the surface of any lands which are or may be used to gain access to or otherwise use the Petroleum and Natural Gas Rights and the Tangibles, or either of them;

(h) Schedules: to the knowledge, information and belief of Vendor, it has made reasonable inquiries and searches for material documents and information relating to the Schedules and has used reasonable prudence and care in compiling and completing same, all to ensure the Schedules are true and accurate as of the date hereof and as of the date such Schedules are completed and appended to this Agreement; and

(i) LMR: the licensee liability management rating, as set forth and described in AER *Directive 006: Licensee Liability Rating Program and License Transfer Process*, of Vendor equals or exceeds 1.0 and will not fall below 1.0 as a result of any license transfer application(s) submitted or to be submitted in respect of the Assets and the transaction effected hereby.

4.2 Limitation on Vendor's Representation and Warranties

Except and to the extent expressly stated in section 4.1, Vendor does not warrant title to the Assets or make any representations or warranties with respect to:

(a) any data or information, including any engineering, geological or other interpretations or evaluations supplied by Vendor in connection with the Assets;

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

(c) the value of the Assets or the future cash flow therefrom.

4.3 Acknowledgements

Without detracting from Purchaser's reliance on Vendor's representation and warranties in section 4.1, Purchaser acknowledges that as of the Closing Time:

(a) it will have made its own independent investigation, analysis, evaluation and inspection of Vendor's interest in the Assets, including a review of Vendor's title thereto and the state and condition thereof and will have relied on its own investigation, analysis, evaluation and inspection as to its assessment of the condition, quantum and value of the Assets and Vendor's title thereto; and

(b) it has been provided with the right and opportunity to conduct its own due diligence and site inspections of and in respect to Abandonment and Reclamation Obligations and Environmental Liabilities, if any, and will have relied on its own investigation, analysis, evaluation and inspection as to its assessment of the environmental condition of the Lands and Assets.

4.4 Representations and Warranties of Purchaser

Purchaser makes the following representations and warranties to Vendor:

(a) Standing: Purchaser is a corporation duly organized and validly existing under the laws of the jurisdiction of incorporation of Purchaser, is authorized to carry on business in the Province in which the Lands are located;

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

(c) Execution: the execution, delivery and performance of this Agreement has been duly and validly authorized by any and all requisite corporate, shareholders' and directors' 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) No Conflicts: 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 Regulation applicable to Purchaser;

(e) Enforceability: 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 subject to the qualification that such enforceability may be subject to:

  (i) bankruptcy, insolvency, fraudulent preference, reorganization or other laws affecting creditor's rights generally; and

  (ii) general principles of equity (regardless of whether such enforceability is considered in a proceeding at equity or law); and

(f) Regulatory Approval: 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 requirement therefor, previously obtained and currently in force.

ARTICLE 5
INDEMNITIES FOR REPRESENTATIONS AND WARRANTIES

5.1 Vendor's Indemnities for Representations and Warranties

For a period of 12 months after Closing, Vendor shall be liable to Purchaser for all Losses, suffered, sustained, paid or incurred by Purchaser, and, in addition and as an independent covenant, shall defend, indemnify and keep harmless Purchaser from and against all Losses, suffered, sustained, paid or incurred by Purchaser which would not have been suffered, sustained, paid or incurred had all of the representations and warranties contained in section 4.1 been accurate and truthful, provided however that nothing in this section 5.1 shall be construed so as to cause Vendor to be liable to or indemnify Purchaser in connection with any representation or warranty contained in section 4.1 if and to the extent that Purchaser did not rely upon such representation or warranty.

5.2 Purchaser's Indemnities for Representations and Warranties

For a period of 12 months after Closing, Purchaser shall be liable to Vendor for all Losses, suffered, sustained, paid or incurred by Vendor, and, in addition and as an independent covenant, shall defend, indemnify and keep harmless Vendor from and against all Losses, suffered, sustained, paid or incurred by Vendor which would not have been suffered, sustained, paid or incurred had all of the representations and warranties contained in section 4.4 been accurate and truthful, provided however that nothing in this section 5.2 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 4.4 if and to the extent that Vendor did not rely upon such representation or warranty.

ARTICLE 6
PURCHASER'S INDEMNITIES

6.1 General Indemnity

Purchaser shall be liable to Vendor for all Losses, suffered, sustained, paid or incurred by Vendor, and, in addition and as an independent covenant, shall defend, indemnify and keep harmless Vendor from and against all Losses, suffered, sustained, paid or incurred by Vendor which arise out of any matter or thing occurring or arising from and after the Closing Time and which relates to the Assets, provided however that Purchaser shall not be liable to nor be required to indemnify Vendor in respect of any Losses, suffered, sustained, paid or incurred by Vendor which arise out of acts or omissions of Vendor.

6.2 Abandonment and Reclamation

Purchaser shall see to the timely performance of all Abandonment and Reclamation Obligations pertaining to the Assets which in the absence of this Agreement would be the responsibility of Vendor. Purchaser shall be liable to Vendor for and shall, in addition, indemnify Vendor from and against all Losses, suffered, sustained, paid or incurred by Vendor should Purchaser fail to timely perform such obligations.

6.3 Environmental Liabilities

Purchaser shall be liable to Vendor for all Losses, suffered, sustained, paid or incurred by Vendor, and, in addition and as an independent covenant, shall defend, indemnify and keep harmless Vendor from and against all Losses, suffered, sustained, paid or incurred by Vendor which pertain to Environmental Liabilities, however and by whomsoever caused. Purchaser shall not be entitled to exercise and hereby waives any rights or remedies Purchaser may now or in the future have against Vendor in respect of Environmental Liabilities, whether such rights and remedies are pursuant to the common law, statute or Regulation or otherwise, including without limitation, the right to name Vendor as a third party to any action commenced by any Third Party against Purchaser. This assumption of liability and indemnity shall apply without limit and without regard to the negligence of Vendor. Purchaser hereby waives, and acknowledges and agrees that it shall not exercise, any right or remedy against Vendor in respect to any Environmental Liabilities that Purchaser may otherwise have under the Regulations, including any right to name Vendor as a party to any lawsuit or claim commenced by Purchaser or by any Third Party in which Purchaser is a party. Notwithstanding the foregoing in this section, nothing in this section shall be construed so as to require Purchaser to be liable for or to indemnify Vendor in connection with any such Losses to the extent arising from matters or things for which Purchaser is entitled to indemnification pursuant to section 5.1.

6.4 Limitation

Notwithstanding any other provision in this Agreement, Purchaser shall not be liable to nor be required to indemnify Vendor in respect of any Losses, suffered, sustained, paid or incurred by Vendor in respect of which Vendor is liable to and has indemnified Purchaser pursuant to section 5.1, and Vendor shall not be liable to nor be required to indemnify Purchaser in respect of any Losses, suffered, sustained, paid or incurred by Purchaser in respect of which Purchaser is liable to and has indemnified Vendor pursuant to section 5.2.

ARTICLE 7
OPERATING ADJUSTMENTS

7.1 Operating Adjustments

Subject to all other provisions of this Agreement, all benefits and obligations of any kind and nature relating to the operation of the Assets conveyed pursuant to this Agreement, excluding income taxes but otherwise including without limitation maintenance, development, operating and capital costs, government incentives and administration fees, royalties and other burdens, and proceeds from the sale of production whether accruing, payable or paid and received or receivable, shall be adjusted between the Parties as of the Adjustment Date in accordance with generally accepted accounting principles. For greater certainty, adjustments in respect of production (excluding tank bottoms), if any, shall be made in favour of Vendor in respect of production beyond the wellhead at the Adjustment Date and in favour of Purchaser in respect of all other production. Adjustments not settled or incorrectly settled prior to or at Closing shall be settled by payment to or by Vendor and Purchaser, as the case may be, as soon as practicable after Closing. The intention of the Parties is that final settlement shall occur within 180 days following the Closing Time, but it is recognized that adjustments may be made after that time. No adjustments shall be made after 1 year from the Closing Time unless written notice of the requested adjustment, with reasonable particulars, is given within 1 year from the Closing Time, provided however that adjustments arising as a consequence of Crown royalty audits, joint venture audits or thirteenth month adjustments for gas plant throughput and gas cost allowance for the Assets are not subject to the 1 year limit. Petroleum substances beyond wellhead at the Adjustment Date do not comprise part of the Assets.

7.2 Deposits, Cash Calls and Operating Funds

The Assets do not include deposits made by Vendor which relate to the Assets, Regulatory deposits, or cash call advances, operating fund payments or similar advances made by Vendor to an operator of the Assets. Such amount shall, at the option of Vendor, either be returned to Vendor and (if required) replaced by Purchaser or be transferred by Vendor to Purchaser, in which event Purchaser shall reimburse the amount thereof to Vendor.

ARTICLE 8
POST CLOSING MAINTENANCE OF ASSETS

8.1 Post-Closing Administration

(a) The TSA shall apply after Closing in accordance with its terms. All provisions of this Article are subject to the terms and conditions of the TSA. In the event of a conflict between the terms and conditions of this Article and the TSA, the TSA shall prevail.

(b) Following Closing, Vendor shall hold its title to the Assets for Purchaser until all necessary notifications, registrations and other steps required to transfer such title to Purchaser have been completed;

(c) Following Closing, Vendor shall represent Purchaser in all matters arising under the Title Documents until Purchaser is substituted as a party thereto in the place of Vendor, whether by novation, notice of assignment or otherwise and, in furtherance thereof:

(i) all payments relating to the Assets after the Closing Time received by Vendor pursuant to the Title Documents shall be received and held by Vendor for Purchaser and Vendor shall remit such amounts to Purchaser in due course immediately after receipt, subject only to reasonable deductions for amounts owing to Third Parties by Purchaser under the Title Documents;

(ii) Purchaser shall forward to Vendor, within the time frame required under the applicable Title Document, any cash call advances, operating fund payments or other advances required to be paid by Purchaser pursuant to the Title Documents which Vendor shall forward to the operator under the relevant Title Documents on behalf of Purchaser. Purchaser shall be responsible for the recoupment of any portion of such costs which are the responsibility of Third Parties under any Title Document;

(iii) Vendor shall forward all statements, notices and other information received by it pursuant to the Title Documents that pertain to the Assets to Purchaser following their receipt by Vendor; and

(iv) Vendor shall forward to Third Parties to the Title Documents such notices and elections pursuant to the Title Documents pertaining to the Assets as Purchaser may reasonably request;

(d) Following Closing, in any case where Purchaser must be novated into or recognized as a party to, the operating agreement or agreements governing any of the Assets, the following provisions shall apply with respect to those Assets until the novation has occurred:

(i) Vendor shall maintain the Assets (including the Title Documents) on behalf of Purchaser in accordance with the TSA;

(ii) Vendor shall not initiate any operation in respect of the Assets except upon the written instruction of the Purchaser; and

(iii) Vendor shall forthwith provide to Purchaser all authorizations for expenditure, notices, specific information and other documents in respect of the Assets which it receives and shall respond to such authorizations for expenditure, notices, information and other documents pursuant to the written instructions of the Purchaser, if received on a timely basis, provided that Vendor may (but shall not be obligated to) refuse to follow instructions which it reasonably believes to be unlawful or in conflict with an applicable contract;

(e) Purchaser shall indemnify and save harmless Vendor from and against all Losses arising as a consequence of Vendor's post-closing actions taken pursuant to this Article, except to the extent caused by the gross negligence or wilful misconduct of Vendor or its servants, agents or employees. Acts or omissions taken by Vendor or its servants or agents with the approval of Purchaser shall not constitute gross negligence or wilful misconduct for purposes of this subsection.

8.2 LTA Submission and Approval Process

(a) Vendor will submit the LTA as soon as practicable after Closing and Purchaser shall concur same within 2 Business Days thereafter.

(b) Vendor, at its sole discretion, acting reasonably, may withhold circulation of any and all Specific Conveyances until such time as the LTA is approved by the AER.

(c) If the AER closes the LTA (for non-payment of security deposit monies or otherwise), or declines of approve the transfer of any or all of the well, pipeline or facility licenses in the LTA, the Parties agree to meet in a timely and reasonable manner, in an attempt to resolve any such issues to the mutual satisfaction of the

Parties. In the event that a mutually satisfactory agreement cannot be reached, the following provisions shall apply:

(i) Vendor may elect, for and on behalf of Purchaser, to pay any required security deposit monies or conduct any remediation required by the AER such that the LTA will be approved by the AER;

(ii) Purchaser may pay any required security deposit monies or conduct any remediation required by the AER such that the LTA will be approved by the AER; or

(iii) Notwithstanding any other provision of this Agreement, Purchaser may, in addition to any other remedies which it may have available to it:

A. rescind this Agreement in its entirety; or

B. rescind this Agreement in part, as to those Assets directly related to the AER licenses that the AER has declined to approve under the LTA;

by written notice to Vendor. If Purchaser rescinds this Agreement, in whole or in part, the Parties shall cooperate to affect the re-conveyance of the applicable Assets to Vendor and the Parties shall be released and discharged from all obligations hereunder.

ARTICLE 9
RIGHTS OF FIRST REFUSAL

9.1 Rights of First Refusal

Vendor has advised Purchaser that the Assets are subject to certain Rights of First Refusal, as detailed in Schedule "I". As soon as practicable after Closing, Purchaser shall advise Vendor in writing of its bona fide allocations of value for Vendor's interest in and to such Assets. Provided Vendor is in agreement with Purchaser's bona fide allocations, Vendor shall comply with the applicable provisions of such rights and shall courier notices to the Third Parties (and Purchaser, if applicable) holding such rights no later than 3 Business Days after it receives the bona fide allocations of Purchaser, in a form that is acceptable to Purchaser acting reasonably, using the bona fide allocations of Purchaser.. Vendor shall notify Purchaser in writing forthwith upon each Third Party exercising or waiving such a right. If any such Third Party elects to exercise such a right, the definition of Assets shall be deemed to be amended to exclude those Assets in respect of which the right has been exercised, such Assets shall not be conveyed to Purchaser and the Purchase Price, the tax allocations and the Goods and Services Tax shall be reduced accordingly. For clarity, in the event the allocated ROFR value is greater than the Purchase Price, and such ROFR is exercised by a Third Party, such allocated ROFR value shall be a credit to Purchaser and Vendor shall pay such monies to Purchaser after the closing of the ROFR transaction. Purchaser shall indemnify and save Vendor harmless from and against any and all Losses arising out of the allocations provided by Purchaser in respect of the Right of First Refusal notices to be provided pursuant to this section 9.1.

9.2 Post-Closing Expiry of ROFR

(a) Closing shall not be delayed even though certain of the ROFRs are outstanding and capable of exercise by the holders thereof as of the Closing Time (such ROFRs being referred to as "**Outstanding ROFRs**"). In such case, the following procedures shall apply:

(i) the Parties shall proceed to Closing without any reduction in the Purchase Price for the Outstanding ROFRs;

(ii) the Parties will deposit into escrow with Vendor's solicitors (as "**Escrow Agent**"), that portion of the Purchase Price allocated to the Assets subject to the Outstanding ROFRS (the "**Escrow Assets**") and all closing documentation and Specific Conveyances required for the sale of all Escrow Assets by Vendor;

(iii) if an Outstanding ROFR is exercised by a Third Party, the Parties will promptly notify the Escrow Agent thereof in writing and:

A. the funds deposited with the Escrow Agent in respect of such Escrow Assets will be refunded by the Escrow Agent to Purchaser together with the interest earned thereon while held by the Escrow Agent; and

B. the closing documentation and Specific Conveyances related to such Escrow Assets deposited with the Escrow Agent will be of no force or effect;

(iv) if after Closing an Outstanding ROFR is extinguished by lapse of time, waiver or otherwise (other than as a result of being exercised), the Parties will promptly notify the escrow agent thereof in writing and:

A. the Escrow Agent will promptly pay the funds deposited with the Escrow Agent in respect of such Escrow Assets to Vendor together with the interest earned thereon while held by the Escrow Agent; and

B. the Escrow Agent will promptly deliver copies of the closing documentation and Specific Conveyances deposited with the Escrow Agent in relation to such Escrow Assets to each Party, such documentation shall be effective and the sale of such ROFR Assets to Purchaser pursuant hereto shall have closed.

(b) From and after Closing Purchaser shall comply with any ROFRs identified after Closing in accordance with the terms thereof. Purchaser shall be entitled to receive all proceeds payable by the holders of any such ROFRs exercised after Closing and there will be no adjustment to the Purchase Price as a consequence of the identification of any such ROFRs or the exercise thereof after Closing.

Purchaser shall be liable for all Losses and Liabilities suffered, sustained, paid or incurred by Vendor or any of the Vendor's Related Persons, and, in addition and as an independent covenant, shall indemnify Vendor and each of the Vendor's Related Persons from and against, all Losses and Liabilities suffered, sustained, paid or incurred by it and all Claims made against it, in either case, as a consequence of any allocation of value provided by Purchaser and used by Vendor in the issuance of a notice in respect of a Identified ROFR pursuant to Clause 7.1(a), any failure by Purchaser to comply with the terms of any ROFR identified after Closing and any allocation of value used by Purchaser in the issuance of a notice in respect of a ROFR identified after Closing.

ARTICLE 10
GENERAL

10.1 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 in order to fully perform and carry out the terms of this Agreement. Until Purchaser is novated, with respect to the interest of Vendor in and to the Assets, into the Title Documents and any other agreements and documents to which the Assets are subject, Vendor shall act as Purchaser's agent (including without limitation to serve operation notices and authorizations for expenditure) as Purchaser reasonably and lawfully directs. Purchaser shall be liable to Vendor and shall, in addition, indemnify Vendor from and against, all Losses, suffered, sustained, paid or incurred by Vendor arising in connection with all acts or omissions of Vendor in its capacity as agent of Purchaser to the extent such acts and omissions were expressly or impliedly authorized by Purchaser.

10.2 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 Vendor 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.

10.3 Entire Agreement

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, the provisions of this Agreement shall prevail. No amendments shall be made to this Agreement unless in writing, executed by the Parties. This Agreement supersedes all other agreements, documents, writings and verbal understandings among the Parties relating to the subject matter hereof and expresses the entire agreement of the Parties with respect to the subject matter hereof.

10.4 Subrogation

The assignment and conveyance to be effected by this Agreement is made with full right of substitution and subrogation of Purchaser in and to all covenants, representations, warranties and indemnities previously given or made by others in respect of the Assets or any part or portion thereof.

10.5 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 applicable laws of Canada and shall, in all respects, be treated as a contract made in the Province of Alberta. The Parties irrevocably attorn and submit to the exclusive jurisdiction of the courts of the Province of Alberta and courts of appeal therefrom in respect of all matters arising out of or in connection with this Agreement.

10.6 Enurement

This Agreement may 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. For clarity, such enurement shall apply immediate and without limitation to a purchaser of the shares of Purchaser.

10.7 Limit of Liability

In no event shall the liability of Vendor to Purchaser in respect of claims of Purchaser arising out of or in connection with this Agreement exceed, in the aggregate, the Purchase Price, taking into account any and all increases or decreases to the Purchase Price that occur by virtue of the terms of this Agreement.

10.8 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.

10.9 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 of any provision of this Agreement, including without limitation, this section, shall be effective otherwise than by an instrument in writing dated subsequent to the date hereof, executed by a duly authorized representative of the Party making such waiver.

10.10 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.

10.11 Agreement not Severable

This Agreement extends to the whole of the Assets and is not severable without Purchaser's express written consent or as otherwise herein provided.

10.12 Mazeppa Gas Plant Transportation and Processing Fee

After Closing, certain of the Wells will continue to transport and process production through Vendor operated Mazeppa gas plant. The Parties agree to meet in a timely and reasonable manner to enter into industry standard agreements and fees with respect to such production.

10.13 Joint and Several Liability

All provisions of this Agreement shall operate and be construed as if the Parties comprising Vendor had entered into a single agreement with Purchaser. Accordingly, all provisions of this Agreement are binding upon, refer to or affect, as the case may be, each Party comprising Vendor on a joint and several basis.

10.14 Confidentiality

Each of the Parties undertakes to the other Party to treat the transactions contemplated herein and knowledge which they have acquired about each other and the affiliates in connection with the negotiations and conclusion of this Agreement and also in connection with this Agreement as strictly confidential. The obligation to observe confidentiality in this respect shall not apply to a Party if:

(a) the disclosure obligation results from mandatory statutory provisions or any other enforceable judicial or administrative decision applicable to such Party; or

(b) a Party and its direct or indirect holding companies may make such disclosure as may be required by laws, rules and regulations applicable to it (or any of them) or as may be required by any government or regulatory authorities applicable to it (or any of them) in connection with matters as contemplated in this Agreement in compliance with the laws, rules and regulations applicable to it or as may be required by government or regulatory authorities applicable to it.

The Party that is obliged to make the disclosure shall inform the respective other Party or the Nominee thereof prior to such a disclosure.

10.15 Counterpart Execution

This Agreement may be executed in counterpart and by facsimile or other electronic means, no one copy of which need be executed by Vendor and Purchaser. A valid and binding contract shall arise if and when counterpart execution pages are executed and delivered by Vendor and Purchaser.

IN WITNESS WHEREOF the Parties have executed this Agreement as of the day and year first above written.

MFC ENERGY CORPORATION

Per: ______________________
Name:
Title:

Per: ______________________
Name:
Title:

MFC RESOURCE PARTNERSHIP
by its managing partner
MFC Energy Corporation

Per: ______________________
Name:
Title:

Per: ______________________
Name:
Title:

1032039 B.C. LTD.

Per: ______________________
Name:
Title:

Per: ______________________
Name:
Title:

BILL OF SALE

THIS AGREEMENT made the 12th day of November, 2015,

BY:

MFCE RESOURCES LTD., Calgary, #2900, 350 7th Avenue SW, AB T2P 3N9, in the Province of Alberta, ("**Vendor**")

IN FAVOUR OF:

ENERGY LEASING PARTNERS LTD., Room 1002, 10/F, Tai Yau Building, 181 Johnston Road, Wanchai, Hong Kong, SAR, China ("**Purchaser**")

IN CONSIDERATION of the sum of CAN$ 2,165,000 (Canadian dollars two million one hundred sixty five thousand), the parties hereto covenant and agree as follows:

1. The Vendor hereby sells, assigns, transfers and sets over to the Purchaser all of the right, title, interest, property and claim of the Vendor in and to the equipment (collectively referred to as the "**Equipment**") listed in:

Schedule A – Compressors and Pressure Vessels

Schedule B – Tanks

Schedule C – Facility Description (to the extent this Schedule C includes any item already listed in either of the schedules A – B such item is sold only once)

2. The Vendor covenants and agrees that it is rightfully and absolutely possessed of and entitled to the Equipment and that it has the right to assign, transfer and set over its interest in the Equipment to the Purchaser according to the true intent and meaning of these presents.

3. The Vendor further covenants and agrees that the Equipment is free and clear of all mortgages, charges, security interests and encumbrances of every nature and kind and that the Purchaser shall and may from time to time and at all times hereafter peaceably and quietly have, hold, possess and enjoy the Equipment to and for its own use and benefit without any manner of

hindrance, interruption, molestation, claim or demand whatsoever of, from or by the Vendor or any person or persons whomsoever.

4. The Vendor covenants and agrees to indemnify and save harmless the Purchaser from and against all former sales, grants, mortgages, charges, security interests and encumbrances in respect of the Equipment, including all costs incurred by the Purchaser (on a solicitor and own client basis) in defending its title to the Equipment.

5. The title to the Equipment shall pass to the Purchaser when the Purchaser delivers the aggregate purchase price hereinbefore provided.

6. Concurrently with the execution of this Agreement, the parties have entered into a Master Equipment Lease dated the date hereof and matters of risk, possession and liability for the Equipment shall be governed in accordance with the terms thereof.

7. The Vendor covenants and agrees that it shall from time to time at all times hereafter upon every reasonable request of the Purchaser make, do and execute, or cause or procure to be made, done and executed all such further acts, deeds and assurances that may be reasonably required to more effectively transfer to the Purchaser all the right, title and interest of the Vendor in and to the Equipment.

8. Wherever the singular and neuter gender are used in this agreement, the same shall be construed as meaning the plural or the masculine or feminine gender where the context or the parties hereto so require, and whenever more than one party has executed this agreement as Vendor, all covenants and agreements of the Vendor herein shall be deemed to be joint and several.

9. This agreement shall be construed and governed by and in accordance with the laws of Hong Kong.

10. This agreement shall enure to the benefit of the Purchaser and its successors and assigns, and shall enure to the benefit of and be binding upon the Vendor and the heirs, executors, administrators, successors and assigns of the Vendor.

IN WITNESS WHEREOF the Parties have executed these presents as of the day and year first above written.

MFCE RESOURCES LTD.

ENERGY LEASING PARTNERS LTD.

Schedule A – Compressors and Pressure Vessels

SCHEDULE A - COMPRESSORS AND PRESSURE VESSELS (PART 1)

	Compression Node	Booster / Main	HP	Type	Comp. Company	Vendor Unit Number	Trailer / Skid	Construction Year	Compressor Serial No.	Driver Serial No.	Sweet/Sour	
	Brant Compressor Summary											
1026	06-26-019-27 W4M	Booster	400	Screw	Bidell Manufactured 2001	BE-2001-31	skid	2001	Sullair PDR25X SN: 006-01002070	CAT 3408TA 6NB02268	Sweet	
1015	15-34-016-27 W4M	Booster	530	Screw	Energy Industries Manufactured 2002	EI-S198	skid	2002	Frick TDSH 283L Rotary Screw TDSH283L1735HZ	Waukesha H24GL 1429/1	Sweet	
1028	09-17-019-27 W4M	Booster	860	Screw	Energy Industries		skid	2004	Frick TDSH 283L SN: TDSH283L1760HZ	CAT G3512TAW-AFR SN:7N01016	Sweet	Brant 9-17 Compressor
1027	09-17-019-27 W4M	Main	1478	2 Stage Recip	Energy Industries Manufactured 2003	EI-1008	skid	2003	Energy Industries Gemini E604-1/2 Serial No. E244	SN: C-14394/1 Waukesha L7042GSI	2% Sour	Brant 9-17 Compressor
1014	12-04-018-26 W4M	Booster	860	Screw	Energy Industries Manufactured 2004	S235	skid	2004	Frick TDSH 355S Serial No. TDSH355S0176L	CAT 3512TAW-AFR Serial No.7NJ00954	Sweet	
1060	16-05-018-25 W4M	Booster	860	Screw	Toromont Unit Manufactured 2006	12149	skid	2007	Frick TDSH 355S	Cat 3512TALE- AFRC	Sweet	
1022	16-30-018-26 W4M	Screw	810	Screw	Startec Unit Manufactured 2005	SGC-0603	skid	2006	Serial#SGC0603 Model WRVi321/194 Howden 321-193 Compressor MK6A/WRVI321193/313	SN 7NJ01330 CAT 35126E	Sweet	Brant 16-30 Compressor
1073	06-18-016-27 W4M	Main	95	3 Stage Recip	Compass Compression Manufactured 2010	C-510	Skid	2-Jan-07	Gemini H302-3 two throw, 3 stage Serial No. HSR-004952	CAT 3304NA 95hp Serial No. TBD	Sweet	
1071	102/06-14-019-28 W4M	Main	99	3 Stage Recip	Compass Compression Manufactured 2007	C368	Skid	15-Dec-07	Gemini H302 SN: 300014042	Cummins G8.3 SN: 46779222	Sweet	
	Callum Compressor Summary											
1,421	02-24-012-02 W5M	Main	530	Recip	Toromont		Skid	2006	Gemini A354-3 SN A223	Waukesha H24GL-LCR SN C-15364/1		Included in Callum Plant
1052	02-24-012-02 W5M	Generator	1478	Generator	EFX		Skid	before 2004	F-15600	C-134261/1	n/a	
	Cowley Compressor Summary											
1072	13-34-008-02 W5M	Main	1085	Recip	Toromont		Skid	2006	Caterpillar G3516TALE	Arial JGK/2 - 2 throw 2 stage (11.00" and 7.875")	Sweet	Included in Cowley Plant
	High River Compressor Summary											
1038	01-25-018-30 W4M	Main	95	Recip	Energy Industries		skid	before 2004	Ariel JGA/2 F-19006	Caterpillar G3304NA N4F00493	Sweet	

Schedule A - COMPRESSORS AND PRESSURE VESSELS (PART 2)

LOCATION	TAG #	REGULATORY ID	VESSEL TYPE	NAME	S/N	CRN	MANUFACTURER
BRANT							
100/06-34-018-25W4M		A0555561	Separator	Vertical Separator	06-2325	P6821.213	Petrofield
100/05-23-018-25W4M		A0555562	Separator	Separator	C6-2327	P6821.213	Petrofield
100/15-34-018-27W4M	CPC3163		Filter Unit	Fuel Gas Filter	STK370REF	H9603.1 & N4402.2	Energy Industries
100/15-34-018-27W4M		A0491603	Accumulator	Blowcase	S198-S4	R1260.2	Energy Industries Inc.
100/15-34-018-27W4M		A0478594	Separator	Inlet Separator	S198-S3	P9768.2	Energy Industries
100/15-34-018-27W4M		A0478600	Scrubber	Suction Scrubber	S198-S1	R1245.2	Energy Industries
100/15-34-018-27W4M		A0491601	Separator	Oil Separator	S198-S2	P9768.2	Energy Industries
100/15-34-018-27W4M	CPC0376		Cooler	Cooler	8087.4	P8794.21	Hemphill
100/15-34-018-27W4M		A0478595	Filter Unit	Oil Filter	OFS198	P9600.2	Energy Industries Inc.
100/15-34-018-27W4M			Exchanger	Plate Exchanger	P021113-101	P8896.2	API Schmidt
100/16-30-018-26W4M	CPC3422		Filter Unit	Lube Oil Filter	SPV0628E	M0937.23	Startec Refrigeration
100/16-30-018-26W4M	CPC3421		Filter Unit	Lube Oil Filter	SPV0628F	M0937.23	Startec Refrigeration
100/16-30-018-26W4M		A0560935	Exchanger	Plate Exchanger	271238.11	R5688.213	Viex Inc
100/16-30-018-26W4M	CPC3413		Reboiler	Glycol Reboiler	2006-7627-03A		Alco Oil and Gas
100/16-30-018-26W4M	CPC3418		Scrubber	Fuel Gas Scrubber	SPF0610A	0E4823.231	Startec Refrigeration
100/16-30-018-26W4M		A0554943	Scrubber	Inlet Suction Scrubber	SPV0621	T7116.2	Startec Refrigeration
100/16-30-018-26W4M	CPC3413		Reboiler	Glycol Reboiler	2006-7627-03A		Alco Oil and Gas
100/16-30-018-26W4M		A0554912	Separator	Lube Oil Separator	SPV0616	P1061.2	Startec Refrigeration
100/16-30-018-26W4M			Cooler	Discharge Cooler	65824.3	T7034.2	Air-X-Changers
100/16-30-018-26W4M		A0554944	Filter Unit	Inlet Suction Filter	SPV0622	T7116.2	Startec Refrigeration
100/16-30-018-26W4M	CPC0707		Scrubber	Fuel Gas Scrubber	01.134FGS	L8912.2	Orban Industries Ltd.
100/16-30-018-26W4M		A0560189	Contactor	Glycol Contactor	2006-7627-01A	T7522.2	Alco Gas and Oil
100/16-30-018-26W4M		A0562169	Filter Unit	Inline Sales Gas Filter	3834.2	R3927.21	Moss Fabrication
100/16-30-018-26W4M		A0560309	Scrubber	Fuel Gas Scrubber	2005-7542-01B	R2294.213	Alco Gas & Oil Production Equipment Ltd.
100/16-30-018-26W4M		A0435691	Separator	Inlet Separator	4976	N7794.2	Bimac Industries
100/16-30-018-26W4M		A0454714	Separator	Separator	PE-6123	N4360.213	Penfabco
100/16-30-018-26W4M	CPC3413 COIL		Reboiler	Reboiler Coil			Alco Oil and Gas
100/07-35-018-25W4M		A0549122	Separator	Separator	25887	P7298.21	Panax Oil & Gas
100/09-17-019-27W4M	CPC0392		Scrubber	Fuel Gas Scrubber	C1873A.FP1478	P8706.123	Rushton
100/09-17-019-27W4M		A0479086	Tower	09-17 Dehy Tower Due 2004-12-31 per ABSA	C1413A.C	L8949.2	Rushton Gas & Oil Equipment LTD.
100/09-17-019-27W4M		A0562170	Filter Unit	Sales Gas Inline Filter	3834.3	R3927.21	Moss Fabrication
100/09-17-019-27W4M		A0566993	Air Receiver	Air Compressor	486281	C7728.1C	Steel Fab
100/09-17-019-27W4M	CPC5290		Dryer	Air Dryer	1195	0H5434.2	Airtec
100/09-17-019-27W4M	CPC5291		Dryer	Air Dryer	1196	0H5434.2	Airtec
100/09-17-019-27W4M		A0505733	Scrubber	Inlet Suction Scrubber	S236S1	R6525.2	Energy Industries INC.
100/09-17-019-27W4M		A0505735	Separator	Inlet Separator	S236S3	R6490.2	Energy Industries INC.
100/09-17-019-27W4M		A0577041	Separator	HORIZONTAL SEPARATOR	V-7769	R7143.2	Paintearth Energy
100/09-17-019-27W4M		A0423861	Cooler	Fin Fan Cooler	2002C-1562-A	P9590.23	Amercool Manufacturing INC.
100/09-17-019-27W4M		A0482268	Separator	Inlet Separator	1008S1	P9766.2	Energy Industries INC.
100/09-17-019-27W4M		A0482270	Exchanger	1st Stage Suction	1008S3	P9652.2	Energy Industries
100/09-17-019-27W4M		A0482272	Accumulator	1st Stage Pulsation Bottle	1008P1	P9655.2	Energy Industries INC.
100/09-17-019-27W4M		A0482273	Exchanger	1st Stage Discharge	1008P2	P9706.2	Energy Industries INC.
100/09-17-019-27W4M		A0482271	Scrubber	2nd Stage Suction Scrubber	1008S4	P9651.2	Energy Industries
100/09-17-019-27W4M		A0482274	Accumulator	2nd Stage Pulsation Bottle	1008P3	P9654.2	Energy Industries INC.
100/09-17-019-27W4M		A0482269	Accumulator	Blowcase	1008S2	P9807.2	Energy Industries INC.
100/09-17-019-27W4M	CPC2036		Filter Unit	Fuel Filter	STK369REF	H9603.1	Energy Industries
100/09-17-019-27W4M		A0505731	Filter Unit	Oil Filter	S236OF1	L6313.213	Energy Industries INC.
100/09-17-019-27W4M		A0505732	Filter Unit	Oil Filter	S236OF2	L6313.2	Energy Industries INC.
100/09-17-019-27W4M		A0505734	Separator	Oil Separator	S236S2	L9871.2	Energy Industries INC.
100/09-17-019-27W4M		A0507371	Exchanger	Plate Exchanger	270449-11	R5688.12	Viex Inc.
100/09-17-019-27W4M		A0507372	Cooler	Fin Fan Cooler	9461.4	R4937.2	Hemphill Corporation
100/09-17-019-27W4M		A0423859	Cooler	Fin Fan Cooler	2002C-1564-A	P9589.231	Amercool Manufacturing INC.
100/09-17-019-27W4M		A0423860	Cooler	Fin Fan Cooler	2002C-1563-A	P9593.231	Amercool Manufacturing INC.
100/09-17-019-27W4M		A0482275	Exchanger	2nd Stage Discharge	1008P4	P9707.2	Energy Industries INC.
100/09-17-019-27W4M	CPC2105		Filter Unit	Fuel Gas Filter	S236S4	H9603.1/N4402.23	Energy Industries
100/09-17-019-27W4M	CPC4656		Scrubber	FGS	FG-6143-001	M1256.213	Paintearth Energy
100/16-05-018-25W4M	CPC4611		Exchanger	Plate Exchanger	271075.12	R5688.213	Viex
100/16-05-018-25W4M		A0560914	Separator	Lube Oil Separator	C260058A-1	T4589.231	Henry
100/16-05-018-25W4M		A0560913	Scrubber	Inlet Suction Scrubber	C250778A-3	T4559.231	Henry
100/16-05-018-25W4M	CPC4604		Scrubber	Fuel Gas Scrubber	FG-6144-001	M1256.213	Paintearth Energy
100/16-05-018-25W4M	CPC4608		Scrubber	Fuel Gas Scrubber	2631A	T6556.213	ESS Corp.
100/16-05-018-25W4M		A0577055	Separator	Inlet Separator	V-7770	R7143.2	Paintearth Energy
100/16-05-018-25W4M	CPC4610		Filter Unit	Lube Oil Filter	803914-1A	R9886.213	Toromont
100/12-04-018-26W4M		A0494481	Cooler	Discharge Cooler	8994.4	R0738.2	Hemphill
100/12-04-018-26W4M	CPC2110		Scrubber	Fuel Gas Scrubber	STK415LEF	N4402.23	Toromont Energy Systems Inc.
100/12-04-018-26W4M		A0462888	Accumulator	Blowcase	S235S4	R1260.2	Energy Ind.
100/12-04-018-26W4M		A0499383	Separator	Oil Filter Separator	OF5DEGA	L6313.21	Energy Industries
100/12-04-018-26W4M		A0499384	Separator	Oil Filter Separator	OF5DEGB	L6313.21	Energy Ind
100/12-04-018-26W4M		A0499385	Separator	Oil Separator	S235S2	L9871.2	Energy Ind.
100/12-04-018-26W4M			Exchanger	Plate Exchanger	NP031021-101	P8896.2	Api Heat Transfer
100/12-04-018-26W4M		A0499443	Scrubber	Suction Scrubber	S235S1	R4591.2	Energy Ind
100/12-04-018-26W4M		A0462887	Separator	Inlet Separator	S235S3	R4597.2	Energy Ind.
100/01-15-020-26W4M		A0470472	Separator	Separator	113430	L4566.2	Bromley
100/01-27-020-26W4M		A0489278	Separator	Separator	215066	L4566.23	Bromley

100/16-03-021-26W4M		A0484265	Separator	Separator	5421	P3515.213	FloDrip
100/06-36-018-26W4M		A0539097	Separator	Vertical Separator	C6-2004	P6821.213	Petro Field Industries
100/06-36-018-26W4M		A0555585	Separator	Vertical Separator	C6-2434	P6821.213	Petrofield
100/06-36-018-26W4M		A0555583	Separator	Vertical Separator	06-2440	P6821.213	Petrofield
100/12-10-021-26W4M		A0412680	Separator	SEPARATOR	1270	L4250.231	FLODRIP
100/12-10-021-26W4M		A0491438	Bullet	METHANOL SPHERE	N/A	K2912.23	BROMLEY
100/08-22-020-26W4M		A0489277	Separator	Separator	215065	L4566.23	Bromley
100/08-26-019-27W4M		A0459794	Separator	Oil Separator	6078.508	P3024.23	Bidell Equipment
100/08-26-019-27W4M		A0459791	Separator	Inlet Separator	6078.507	P3366.231	Bidell Equipment
100/08-26-019-27W4M	CPC0702		Exchanger	Heat Exchanger	C200755A-1	P2214.2	Henry Technologies
100/08-26-019-27W4M	CPC0705		Cooler	Cooler	4342.3	M5857.213	Air-X-Changers
100/08-26-019-27W4M		A0473675	Accumulator	Blowcase	01.1027.531B	L9257.23	Bidell Equipment Inc.
100/08-26-019-27W4M			Scrubber	Fuel Gas Scrubber	8286-757	0H4081.21345	Lo Tech
100/12-30-017-21w4	CPC0734		COOLER	Gas Cooler - Tube	163281	P4940.2/K2362.1	GEA Engine Cooling
100/12-30-017-21w4	CPC0729		Exchanger	Heat Exchanger	C210537A-1	P2214.23	Henry Technologies
100/12-30-017-21w4		A0538165	Filter Unit	Inlet Filter	2036-531	R2414.23	BWS Fabrication
100/12-30-017-21w4	CPC4363		Scrubber	Fuel Gas Scrubber	1014.1316	OH2422.2134	Lo Tech
100/12-30-017-21w4	CPC4366		Scrubber	Fuel Gas Scrubber	122-69-00	OH1531.231	Mar-Quinn Industires
100/12-30-017-21w4	CPC0730		Scrubber	Fuel Gas Scrubber	01-117-530	OH3741.231	Bidell Equipment
100/12-30-017-21w4	CPC0732		Scrubber	Fuel Gas Scrubber	1014-183	OH2422.2134	Lo Tech
100/12-30-017-21w4		A0414684	Separator	Separator	122-73-00	K2542.213	Mar-Quinn Industires
100/12-30-017-21w4		A0528815	Separator	Separator	04-10-443	R4871.213	Universal Industries
100/12-30-017-21w4		A0473589	Separator	Inlet Separator	01-11-507	P3366.231	Bidell Equipment
100/12-30-017-21w4		A0473588	Separator	Oil Separator	01-117-508	P3024.23	Bidell Equipment

Other MISC Wells

100/07-29-017-23w4	CPC2014		Scrubber	Fuel Gas Scrubber	102-32-84	F1768.23	Mar-Quinn Industires
100/07-29-017-23w4	CPC0679		Scrubber	Fuel Gas Scrubber	S1534	M0231.2	Nusco
100/07-29-017-23w4	CPC0857		Scrubber	Fuel Gas Scrubber	C1213A.FP1082	D5783.123	Rushton gas & Oil
100/07-29-017-23w4			Scrubber	Fuel Gas Scrubber	91910272 V3	E7529.123	Black, Sivalls & Bryson Inc
100/07-29-017-23w4		A3174164	Separator	Vertical Separator	60075-200	K9874.213	Nusco
100/07-29-017-23w4		A0455052	Separator	Vertical Separator	C1213A.VS	L8766.2	Rushton gas & Oil
100/07-29-017-23w4		A0216204	Separator	Vertical Separator	102-64-85	9251.23	Mar-Quinn Industires

CALLUM/COWLEY

100/13-28-009-02W5M		A0541341	Separator	Separator	PE9154	P5433.213	Penfabco
100/13-28-009-02W5M	CPC4542		Scrubber	Fuel Gas Scrubber	1006.2722	0H7154.21345	Lo Tech
100/07-09-007-01W5M	CPC3472		Scrubber	Scrubber	250562	0H5737.213	Panax Oil & Gas Inc.
100/07-09-007-01W5M		A0560375	Separator	Separator	26155	P7298.21	Panax Oil & Gas Inc.
100/11-20-007-01W5M		A0550850	Separator	Separator	V4356-001	T0211.2	IPS
100/11-20-007-01W5M	CPC4536		Scrubber	Fuel Gas Scrubber	FG4353-001E	0H1357.213	IPS
100/10-17-007-01W5M		A0503023	Separator	Separator	PE9604	P5433.213	Penfabco
100/10-17-007-01W5M	CPC4525		Scrubber	Fuel Gas Scrubber	1006.2671	0H7154.21345	Lo Tech
100/03-03-010-03W5M	CPC4548		Scrubber	Fuel Gas Scrubber	06-337 FGS	L8912.213	Orban
100/03-03-010-03W5M		A0588025	Separator	Separator	V-9129	R6694.213	Paintearth
100/03-03-010-03W5M	CPC5161		Scrubber	Fuel Gas Scrubber	FG-9440E	0H1357.213	Paintearth
100/03-03-010-03W5M		A0569709	Separator	Separator	06-337VS	R9983.2	Orban
100/11-19-007-01W5M		A0493542	Separator	Vertical Separator	03-096VS	P0635.2	Orban Industries Ltd.
100/11-19-007-01W5M	CPC2011		Scrubber	Fuel Gas Scrubber	03-096FGS	L8912.213T	Orban
100/13-34-008-02W5M		A0546394	Separator	Inlet Separator	F2488	P1123.2	Flo Skid
100/13-34-008-02W5M		A0550627	Cooler	Chiller	8003168	T4393.2	Cimco
100/13-34-008-02W5M		A0550628	Scrubber	Propane Suction Scrubber	8003373	T4466.2	Cimco
100/13-34-008-02W5M		A0548559	Tower	De-Ethanizer Tower	11962402	T5319.2	Toromont
100/13-34-008-02W5M		A0550630	Exchanger	De-Ethanizer Heater	C250979A-1	T5301.2	Henry
100/13-34-008-02W5M		A0550636	Scrubber	Fuel Gas Scrubber	C250981A-1	T5086.2	Henry
100/13-34-008-02W5M		A0550629	Cooler	Propane Subcooler	8003169	T4418.2	Cimco
100/13-34-008-02W5M		A0543315	Separator	Low Temp Separator	11962401	T4504.2	Toromont
100/13-34-008-02W5M		A0550627	Cooler	Chiller	8003168	T4393.2	Cimco
100/13-34-008-02W5M		A0550626	Exchanger	Exchanger #2	803167	T4393.2	Cimco
100/13-34-008-02W5M		A0550625	Exchanger	Exchanger #1	8003166	T4393.2	Cimco
100/13-34-008-02W5M		A0550629	Cooler	Propane Subcooler	8003169	T4418.2	Cimco
100/13-34-008-02W5M		A0550633	Cooler	South Cooler	57123.2	R4937.2	AIR-X-CHANGERS
100/13-34-008-02W5M		A0550634	Air Receiver	Refrigerant Receiver	8003376	T4525.2	Cimco
100/13-34-008-02W5M		A0537444	Bullet	LPG Bullet	38967A	P9043.23	Maxfield
100/13-34-008-02W5M		A0537444	Bullet	LPG Bullet	38967A	P9043.23	Maxfield
100/13-34-008-02W5M		A0536842	Air Receiver	Air Compressor	391507	L4036.52	Steel Fab
100/13-34-008-02W5M	CPC4504		Air Receiver	Air Dryer #1	SF140004	R4360.2C	Steel Fab
100/13-34-008-02W5M	CPC4505		Air Receiver	Air Dryer #2	SF140000	R4360.2C	Steel Fab
100/13-34-008-02W5M		A0557656	Air Receiver	Instrument Air Receiver	416152	L4040.52	Steel Fab
100/13-34-008-02W5M	CPC4515		Filter Unit	Glycol Filter	93-2001F-2	F9527.21354	Petro Equipment
100/13-34-008-02W5M	CPC4517		Cooler	Lube Oil Cooler	153520	M1501.5C	York
100/13-34-008-02W5M	CPC4519		Filter Unit	Lube Oil Filter	153695	1516.9C	York
100/13-34-008-02W5M	CPC4518		Filter Unit	Lube Oil Filter	153694	1516.9C	York
100/13-34-008-02W5M		A0550632	Cooler	North Cooler	57123.1	R4937.2	AIR-X- HEMPHILL
100/13-34-008-02W5M		A0543315	Separator	Low Temp Separator	11962401	T4504.2	Toromont
100/13-34-008-02W5M		A0543315	Separator	Low Temp Separator	11962401	T4504.2	Toromont
100/13-34-008-02W5M		A0550628	Scrubber	Propane Suction Scrubber	8003373	T4466.2	Cimco
100/13-34-008-02W5M		A0550631	Separator	Lube Oil Separator	153452	K8606.52	York
100/13-34-008-02W5M		A0545226	Scrubber	2nd Stage Suction Scrubber	051152-02	T4792.2	EFX Compression
100/13-34-008-02W5M		A0545203	Scrubber	1st Stage Suction Scrubber	051152-01	T0261.21	EFX Compression
100/13-34-008-02W5M		A0545357	Cooler	1st Stage Cooler	055304.3-11044.3	T2203.21	AIR-X-CHANGERS
100/13-34-008-02W5M		A0545358	Cooler	2nd Stage Cooler	055304.4-11044.4	T2203.21	AIR-X-CHANGERS
100/13-34-008-02W5M		A0545184	Accumulator	2nd Stage Discharge Bottle	051152-06	T5048.2	EFX Compression
100/13-34-008-02W5M		A0545198	Accumulator	2nd Stage Suction Bottle	051152-05	T5047.2	EFX Compression
100/13-34-008-02W5M		A0545183	Accumulator	1st Stage Suction Bottle	051152-03	T4295.21	EFX Compression
100/13-34-008-02W5M		A0550635	Accumulator	Glycol Flash Tank	8003374	T4521.2	Cimco

100/13-34-008-02W5M		A0545197	Accumulator	1st Stage Discharge Bottle	051152-04	T5046.2	EFX Compression
100/06-33-009-02W5M		A0541342	Separator	Separator	PE9155	P5433.213	Penfabco
100/06-33-009-02W5M	CPC4545		Scrubber	Fuel Gas Scrubber	1006.272	0H7154.21345	Lo Tech
100/09-20-007-01W5M	CPC4533		Scrubber	Fuel Gas Scrubber	1006.2666	0H7154.21345	Lo Tech
100/09-20-007-01W5M		A0503022	Separator	Separator	PE9603	P5433.213	Penfabco
100/02-24-012-02W5M	CPC1689		Air Receiver	Air Receiver	239341	C6406.1C	Steel Fab
100/02-24-012-02W5M	CPC1693		Air Receiver	Air Dryer	SF-41659	F8539.234	Steel Fab
100/02-24-012-02W5M		A3061879	Accumulator	Recycle Discharge Bottle	94247-BC1	M7894.2	Propak
100/02-24-012-02W5M		A3061886	Accumulator	Recycle Discharge Bottle	94247-BC2	M7894.2	Propak Systems Inc.
100/02-24-012-02W5M	CPC1703		Cooler	Recycle Gas Cooler - Tube	95C429-AC	M8016.2	Amercool Mfg
100/02-24-012-02W5M		A3061477	Scrubber	Recycle Suction Scrubber	94247-BA	M7893.2	Propak Systems Inc.
100/02-24-012-02W5M		A2760768	Bullet	NGL Bullet	177932-01-1	M1023.2	Riley-Beaird
100/02-24-012-02W5M	CPC1728		Filter Unit	Carbon Filter	00432-112	P0718.21	Propak Systems Inc.
100/02-24-012-02W5M	CPC1736		Exchanger	02-24 De-ethanizer O/H Heater	00432-106	N/A	Propak Systems Inc.
100/02-24-012-02W5M		A0460347	Cooler	Cooler - Tube	00432-201	L4973.2	Propak Systems Inc.
100/02-24-012-02W5M		A0460339	Exchanger	Gas/Gas Exchanger - Barrel "A" & "B"	00432-101	P0563.2	Propak Systems Inc.
100/02-24-012-02W5M		A0443481	Cooler	Cooler	56029.3	R1346.2	AXH Air-Coolers
100/02-24-012-02W5M		A0522452	Scrubber	1st Stage Suction Scrubber	31232S1	R8219.2/K52641	Toromont Energy Systems Inc.
100/02-24-012-02W5M		A0522453	Scrubber	2nd Stage Suction Scrubber	31232S2	R8221.2/K52651	Toromont Energy Systems Inc
100/02-24-012-02W5M		A0548542	Accumulator	1st Stage Suction Bottle	31232P1A	T5418.2	Toromont Energy Systems Inc
100/02-24-012-02W5M		A0548543	Accumulator	1st Stage Discharge Bottle	31232P2A	T5420.2	Toromont Energy Systems Inc
100/02-24-012-02W5M		A0443483	Cooler	Cooler	56029.5	R1506.21	AXH Air-Coolers
100/02-24-012-02W5M		A0443482	Cooler	Cooler	56029.4	R1346.2	AXH Air-Coolers
100/02-24-012-02W5M		A0522454	Scrubber	3rd Stage Suction Scrubber		R8223.2	Toromont Energy Services
100/02-24-012-02W5M	CPC1691		Air Receiver	Air Dryer	SF-35157	F8539.234	Steel Fab
100/02-24-012-02W5M	CPC1701		Accumulator	Recycle Suction Bottle	94247-BB2	M7895.2	Propak Systems Inc.
100/02-24-012-02W5M	CPC1702		Accumulator	Recycle Suction Bottle	94247-BB1	M7895.2	Propak Systems Inc.
100/02-24-012-02W5M		A0464691	Filter Unit	Inlet Filter	158R	L8798.2	Grand Valley
100/02-24-012-02W5M		A0460366	Separator	Separator	00204-201	P3176.2	Propak Systems Inc.
100/02-24-012-02W5M		A0464594	Filter Unit	Inlet Filter	158H	L8798.2	Grand Valley
100/02-24-012-02W5M		A0460359	Scrubber	Fuel Gas Scrubber	00204-210	P2963.2	Propak Systems Inc.
100/02-24-012-02W5M		A0460317	Exchanger	Gas Chiller - Exchanger	00432-102	P1350.2	Propak Systems Inc.
100/02-24-012-02W5M	CPC1712		Separator	Suction Strainer	00432-116	P0468.2	Propak Systems Inc.
100/02-24-012-02W5M	CPC1714		Reclaimer	Oil Reclaimer	00432-121	P3141.2	Propak
100/02-24-012-02W5M	V-620	A0460308	Separator	Low Temperature Separator	00432-103	P0546.2	Propak Systems Inc.
100/02-24-012-02W5M	CPC1722		Exchanger	Feed Bottom Exchanger	00432-120		Propak Systems Inc.
100/02-24-012-02W5M		A0460307	Exchanger	Gas/Liquids Exchanger	00432-104	P0892.2	Propak Systems Inc.
100/02-24-012-02W5M		A0460344	Tower	De-Ethanizer Tower	00432-111	P0500.2	Propak Systems Inc.
100/02-24-012-02W5M		A0460330	Accumulator	Refridgerant Accumulator	00432-107	P0466.2	Propak Systems Inc.
100/02-24-012-02W5M	CPC1731		Filter Unit	Lube Oil Filter	00432-115	P0508.2	Propak Systems Inc.
100/02-24-012-02W5M		A0460345	Accumulator	Glycol Flash Tank	00432-117	P0471.2	Propak Systems Inc.
100/02-24-012-02W5M		A0460331	Separator	Refrigerant Oil Separator	00432-109	P0545.2	Propak Systems Inc.
100/02-24-012-02W5M		A0460346	Exchanger	Refridgerant Condenser - Exchanger - Tube	00432-200	L4972.2	Propak Systems Inc.
100/02-24-012-02W5M		A0460316	Exchanger	Economizer	00432-108	P0467.2	Propak Systems Inc.
100/02-24-012-02W5M		A0460383	Filter Unit	Discharge Filter Coalescer	00204-301	P3315.2	Propak Systems Inc.
100/02-24-012-02W5M		A0460317	Exchanger	Gas Chiller - Exchanger	00432-102	P1350.2	Propak Systems Inc.
100/03-25-012-02W5M		A0483350	Separator	Separator	04-094-VS	L9930.2	Orban Industries LTD.
100/10-13-012-02W5M		A0555187	Separator	Group Test Separator	C6-2198	R1002.2	Petro Field
100/10-13-012-02W5M	CPC3175		Scrubber	Fuel Gas Scrubber	C6-2225	P1281.213	Petro Field
102/04-16-007-01W5M		A0501785	Separator	Vertical Separator	03-CA5962-001J	R5692.213	HANOVER MALONEY
102/04-16-007-01W5M	CPC0944		Scrubber	FGS	87-3521-92	F1365.2134	WELLS HALL
102/10-17-007-01W5M		A0454670	Separator	Separator	PE6203	L7280.2	Penfabco
100/11-01-008-02W5M		A0522954	Separator	Separator	3758-V7	P0994.213	Penfabco
100/11-01-008-02W5M	CPC4539		Scrubber	Fuel Gas Scrubber	3774-VS	0H4101.213	Plains Oil
100/10-05-007-01W5M		A3071656	Separator	Separator	NWP0142	M3915.2	NWP
100/10-05-007-01W5M	CPC4522		Scrubber	Fuel Gas Scrubber	NWP0097	M1256.2	NWP

MISCELLANEOUS WELLS

100/14-16-022-27W4M		A0541960 Rentals	Scrubber	1st Stage Suction Scrubber	06-006-5628	T3242.2	Pillar
100/14-16-022-27W4M		A0504766 Rentals	Scrubber	2nd Stage Suction Scrubber	06-006-5637	T1772.2	Pillar
100/14-16-022-27W4M		A0568761 Rentals	Cooler	1st Stage Cooler	56067.3	R6566.213	Air-X-Changers
100/14-16-022-27W4M		A0542081 Rentals	Scrubber	3rd Stage Suction Scrubber	06-006-5644	T1773.2	Pillar
100/14-16-022-27W4M		A0568762 Rentals	Cooler	2nd Stage Cooler	56067.4	T08153.213	Air-X-Changers
100/14-16-022-27W4M	CPC5099		Scrubber	Fuel Gas Scrubber	06-006-5727	N7389.2	Pillar
100/14-16-022-27W4M	CPC0866		Scrubber	Fuel Gas Scrubber	C999A-FP1014	D5783.123	Rushton
100/14-16-022-27W4M			Cooler	3rd Stage Cooler	56067.5	T1182.213	Air-X-Changers
100/14-16-022-27W4M		A0400388	Heating Coil	Line Heater - Downhole Loop	C999A.CB	N5882.2	Rushton
100/14-16-022-27W4M		A0400387	Exchanger	Line Heater - Shell	C992B-CB	M9118.2	Rushton
100/10-32-020-27W4M	CPC0669		Fuel Gas Scrub	Scrubber	C507B-FP619	N0660.213	Rushton
100/10-32-020-27W4M		A0431711	Line Heater - Sl	Exchanger	C508A-CB	M9118.2	Rushton
100/10-32-020-27W4M		A0431715	Separator	Separator	C507B-VS	H5596.12	Rushton
100/12-19-018-29W4	CPC0464		Exchanger	LINE HEATER	HC-1.25-4.8-2108-G	F3090.2	OPSCO
100/12-19-018-29W4	CPC0463		Scrubber	Fuel Gas Scrubber	FGS.8-1-1208.1	e2734.2	OPSCO
100/01-25-018-30W4M	CPC0454		Scrubber	Fuel Gas Scrubber	FG9960C	OH1357.213	Chadco
100/01-25-018-30W4M		A0499415	Scrubber	1st Stage Suction Scrubber	1079S1	M7158.2	Energy Industries Ltd.

100/01-25-018-30W4M		A0499416	Scrubber	2nd Stage Suction Scrubber	107952	L7918.2	Energy Industries Inc.
100/01-25-018-30W4M		A0499425	Accumulator	Blowcase	10798C	R4910.2	Energy Industries
100/01-25-018-30W4M		A0423999	Cooler	2nd Stage Cooler	03468-3	N8129.2	Air Coold Exchangers
100/01-25-018-30W4M		A0418717	Separator	Separator	V98313	N0683.2	Chadco
100/01-25-018-30W4M	CPC0459			Gas Boot	3115		Priority Projects
100/01-25-018-30W4M	CPC0460		Drums - Flare K	Flare Knockout Drum	K0146		R. Pollitt
100/01-25-018-30W4M	CPC0461		Drums - Flare K	Flare Knockout Drum			Tornado Flare Systems
100/01-25-018-30W4M	CPC5299		Drums - Flare K	Flare Knockout Drum	11134		Tornado Flare Systems
100/01-25-018-30W4M	CPC0457		Filter Unit	Filter	RD-4683		Rosedale Products
100/01-25-018-30W4M	CPC0454		Scrubber	Fuel Gas Scrubber	FG9960C	OH1357.213	Chadco
15-01-016-21W4		A0497336	Separator	Vertical Separator	03.438VS	P0841.213	Orban
15-01-016-21W4	CPC4195		Scrubber	Fuel Gas Scrubber	OF1183.JC.200	OH2112.23	NATIONAL OILWELL
15-01-016-21W4	CPC4190		Scrubber	Fuel Gas Scrubber	03.423FGS	OG2606.SC	Orban
10-01-016-21W4		A0497336					
12-26-016-17W4	We lost the mineral rights so we are assigning the well over to Wolf Coulee	A0589428	Separator	Vertical Separator			
10-21-016-17W4		A0452147	Separator	Vertical Separator	00167-19	L0499.2	Petrofield
08-11-019-23W4	CPC4756		Separator	Vertical Separator	FV-6-14-616-1	D159.2	OP

Schedule B – Tanks

Schedule B - Tanks

Site Name	TAG #	TYPE	SN	Capacity (m^3)	BBL's	Install Date
BRANT						
100/06-18-016-27w4		Produced Water	158	15.9	100 bbl	5/1/2008
100/08-26-019-27W4M		16-30 AST - Produced Water Tank	T-1219	15.9	100 bbl	7/10/2008
100/12-04-018-26W4M		Produced Water Tank		15.9	100 bbl	5/1/2008
100/12-04-018-26W4M		Production Water Tank	152	15.9	100 bbl	7/9/2010
100/12-30-017-21w4		Produced Water	04-10-18-13593	15.9	100 bbl	5/1/2008
100/15-34-018-27w4		Produced Water		15.9	100 bbl	
100/16-05-018-25W4M		16-05 AST - Produced Water Tank	4001155	63.59	400 bbl	5/1/2008
Other MISC Wells						
100/07-29-017-23w4		Produced Water	D-98-289-S1	63.6	400 bbl	5/1/2008
COWLEY						
100/13-34-008-02W5M		Methanol		63.59	400 bbl	
100/07-09-007-01w5 (bh 04-09)		Produced Oil/Water	10025	63.59	400 bbl	May-10
100/07-09-007-01w5 (bh 04-09)	ST1204	Produced Oil/Water	4001172	58.03	365 bbl	May-10
100/07-09-007-01w5 (bh 04-09)		Pop Oil		15.89	100 bbl	
100/11-01-008-02W5M	ST1463	Produced Water Tank	0564-033	31.79	200 bbl	1-May-08
100/11-19-007-01W5M	ST1594	Produced Water Tank		7.90	50 bbl	8-Aug-09
MISCELLANEOUS WELLS						
01-25-018-30W4	ST0229	Emulsion Sweet Tank	84322	63.6	400 bbl	
		High Pressure FKO Tank	K0146	7.9	50 bbl	
	ST0231	Produced Sour Water Tank #1	057	119.2	750 bbl	
	ST0230	Produced Sour Water Tank #2	065	119.2	750 bbl	
15-23-079-05W6		N/A				
10-01-016-21W4		Produced Water		63.6	400 bbl	
12-26-016-17W4		Produced Water Tank		63.6	400 bbl	
		Pop Tank		15.89	100 bbl	

Schedule C – Facility Description

Schedule C - Facility Description

(coloured items are included separately in compressor and pressure vessel and/or tank schedules)

Area	Facility	LSD	Component	Description
Callum	Gas Plant	01-24-012-02W5M	Inlet Separator	6' OD x 20' s/s, 4964 kPa mawp horizontal 3 phase separator
			Refridge Skid	30 mmscf/d 8962 kPa mawp w/
				24"OD x 50'h deethanizer tower
				Mycom P250 screw refrigerant compressor w/ Teco Westinghouse 540hp motor
				Aerial AC-635 refrigerant condenser
				Knox Western TP-145 122hp deethanizer OH compressor
				30"OD x 111" f/f glycol regenerator
				(2) Union SX-3 5hp glycol circ pumps
				Propak 1HH1 still column OH condenser skid
			Sales compressor	530hp Wauk H24GL Gemini A354-3 recip
			Generator	1478hp Wauk 7042G, 1000kW main
				60kW JD4056TF150 diesel black start
			Instrument Air	(2) Rota Nova 79m3/hr screw compressors w/ SCR8 15hp motors
				30"OD x 7' s/s wet air receiver
			Heat Medium Skid	72"OD x 30" s/s 732kW direct fired heater
				w/ (2) Dean RA-3000 950L/min circ pumps w/11.2kW motors
			Water/Condi Storage	400 Bbl double walled tank
			LPG Storage	12.5' OD x 114' s/s 433m3 capacity bullet
				w/ Corken 1000L/min transfer pump
			Flare Stack	8'OD x 16' s/s FKOT
				12"OD x 80' flare stack w/ electronic ignition
			MCC Bldg	12' x 28' 480v electrical switch gear
			Office	15' x 50' cw/ operators control center
			cw/ all associated interconnecting piping, valves, fittings and instrumentation.	
Cowley	Gas Plant	13-34-008-02W5M	Inlet Separator	78"OD x 192" s/s 9619 kPa mawp 3 phase horizontal separator
			Sales Compressor	1085hp Cat G3516 TALE Ariel JGK/2 recip
			Refridge Skid	10 mmscf/d 9756 mawp w/
				18"OD x 57'h deethanizer tower
				Frick TDSH-233L 425hp refrigerant compressor
				Air-X 10B-22F refrigerant condenser
				32"OD x 11' f/f 750MBTU/hr direct fired glycol regenerator
				(2) Union SX-3 glycol circ pumps w/ 3hp motors
			Instrument Air	(2) Rota Nova 121scfm screw compressors w/ westinghouse 30 hp motors
				240 gallon wet air receiver
			Water Storage	400 Bbl single wall cw/ 2ndry containment
			Condi Storage	400 Bbl single wall cw/ 2ndry containment
			LPG Storage	129:OD x 58' s/s 159m3 capacity
				w/ 15hp transfer pump

			MCC	480v electrical switch gear
			Office	12' x 40' cw/ operators control center
			Warehouse	26' x 24'
			Flare Stack	96"OD x 20' s/s UG dual wall FKOT
				12" x 120'h flare stack w/ electronic ignitor
			Incinerator	(2) 36"OD x 72" s/s incinerator KO drum
				28"OD x 17'h incinerator stack
			cw/ all associated interconnecting piping, valves, fittings and instrumentation.	
Brant	Compressor Station	16-30-018-26W4M	Inlet Separator	36"OD x 10'h 720psig mawp three phase vertical separator
			Dehydrator Skid	Alco 30"OD x 28'H 8 tray 1415 psig mawp glycol contactor
				Alco 30"OD x 8' f/f 300mbtu/hr reboiler
				(2) Kimray 21015 PV glycol circ pumps
				50 Bbl TankSafe still column OH condenser tank
			Booster Compressor	Startec 800hp Cat3512LES Howden WRVi 321/193
			Meter Skid	3" 600 ansi senior daniels meter run
			Water Storage	400 Bbl single wall tank w/ 2ndry containment
			Flare Stack	6"OD x 40'h w/ 24"OD x 78"h integral KO
			MCC Bldg	480v electrical switch gear
			Office Trailer	12' x 24'
			cw/ all associated interconnecting piping, valves, fittings and instrumentation.	
Brant	Compressor Station	09-17-019-27W4M	Inlet Separator	60"OD x 20' s/s 720 psig mawp 3 phase horizontal separator
				w/ (2) 5hp Gould 3195 Baldor 215T liquid pumps
			Dehydrator Skid	Rushton 30"OD x 32'h 1440 psig mawp 10 tray glycol contactor
				36"OD x 96" s/s 500mbtu/hr glycol regenerator
				(2) Kimray 45015PV glycol circ pumps
				50 Bbl TankeSafe still column OH condenser tank
			Booster Compressor	860hp Cat 3512 Frick TDSH 283L screw compressor
				w/ 30"OD x 120" s/s 350 psig mawp inlet separator
			Sales Compressor	1478hp Wauk 7042GSI Gemini E604 recip compressor
				w/ 48" x 168" s/s 525 psig mawp inlet separator
				and 24"OD x 120" s/s 1440 psig mawp blowcase
			Instrument Air Skid	(2) Mattei 313 scfm M80 compressors w/ WEG 7.5hp electric motors
				and 120 gallon wet air receiver
			Water Storage	400 Bbl single wall tank w/ 2ndry containment
			MCC Bldg	480v electrical switch gear
			Flare Stack	8"OD x 40'h flare stack w/ 30"OD x 72" s/s integral KO
				w/ auto ignitor
			cw/ all associated interconnecting piping, valves, fittings and instrumentation.	

APPENDIX 33

Location (LSD)	Ref or ID	AER License	Equipment Description	Type	Manufacturer	Compressor					Serial
						Vendor Unit Number	Trailer / Skid	Year	Compressor Serial No.	Driver Serial No.	
01-15-020-26W4M	A0470472		Separator	Separator	Bromley						113430
01-25-018-30 W4M	1038	F2420	Compressor Package	Recip	Energy Industries		skid	before 2004	Ariel JGA/2 F-19006	Caterpillar G3304NA N4F00493	
01-25-018-30W4			Emulsion Sweet Tank								84322
01-25-018-30W4			High Pressure FKO Tank								K0146
01-25-018-30W4			Produced Sour Water Tank #1								057
01-25-018-30W4			Produced Sour Water Tank #2								065
01-25-018-30W4/00		F2421	Enhanced Recovery Scheme. Tanks and pump								
01-25-018-30W4M			Fuel Gas Scrubber	Scrubber	Chadco						FG9960C
01-25-018-30W4M	A0499415		1st Stage Suction Scrubber	Scrubber	Energy Industries Ltd.						1079S1
01-25-018-30W4M	A0499416		2nd Stage Suction Scrubber	Scrubber	Energy Industries Inc.						1079S2
01-25-018-30W4M	A0499425		Blowcase	Accumulator	Energy Industries						1079BC
01-25-018-30W4M	A0423999		2nd Stage Cooler	Cooler	Air Coold Exchangers						03468-3
01-25-018-30W4M	A0418717		Separator	Separator	Chadco						V98313
01-25-018-30W4M			Gas Boot		Priority Projects						3115
01-25-018-30W4M			Flare Knockout Drum	Drums - Flare Knockout	R. Pollitt						K0146
01-25-018-30W4M			Flare Knockout Drum	Drums - Flare Knockout	Tornado Flare Systems						
01-25-018-30W4M			Flare Knockout Drum	Drums - Flare Knockout	Tornado Flare Systems						11134
01-25-018-30W4M			Filter	Filter Unit	Rosedale Products						RD-4683
01-25-018-30W4M			Fuel Gas Scrubber	Scrubber	Chadco						FG9960C
01-27-020-26W4M	A0489278		Separator	Separator	Bromley						215066
02-24-012-02 W5M	1421	F25302	Compressor Package	Recip	Toromont		Skid	2006	Gemini A354-3SN A223	Waukesha H24GL-LCR SN C-15364/1	
02-24-012-02 W5M	1052	F25302	Compressor Package	Generator	EFX		Skid	before 2004	F-15600	C-134261/1	
02-24-012-02W5		F25302	Battery/Plant - capacity 30 mmscf/d, dew point contol, NGL and stock tank codensate recovery.								
02-24-012-02W5M			Produced Water Tank								D-01-012-1
02-24-012-02W5M			NGL bullet								
02-24-012-02W5M			Air Receiver	Air Receiver	Steel Fab						239341
02-24-012-02W5M			Air Dryer	Air Receiver	Steel Fab						SF-41659
02-24-012-02W5M	A3061879		Recycle Discharge Bottle	Accumulator	Propak						94247-BC1
02-24-012-02W5M	A3061886		Recycle Discharge Bottle	Accumulator	Propak Systems Inc.						94247-BC2
02-24-012-02W5M			Recycle Gas Cooler - Tube	Cooler	Amercool Mfg						95C429-AC
02-24-012-02W5M	A3061477		Recycle Suction Scrubber	Scrubber	Propak Systems Inc.						94247-BA
02-24-012-02W5M	A2760768		NGL Bullet	Bullet	Riley-Beaird						177932-01-1
02-24-012-02W5M			Carbon Filter	Filter Unit	Propak Systems Inc.						00432-112
02-24-012-02W5M			02-24 De-ethanizer O/H Heater	Exchanger	Propak Systems Inc.						00432-106
02-24-012-02W5M	A0460347		Cooler - Tube	Cooler	Propak Systems Inc.						00432-201
02-24-012-02W5M	A0460339		Gas/Gas Exchanger - Barrel "A" & "B"	Exchanger	Propak Systems Inc.						00432-101
02-24-012-02W5M	A0443481		Cooler	Cooler	AXH Air-Coolers						56029.3
02-24-012-02W5M	A0522452		1st Stage Suction Scrubber	Scrubber	Toromont Energy Systems Inc.						31232S1
02-24-012-02W5M	A0522453		2nd Stage Suction Scrubber	Scrubber	Toromont Energy Systems Inc						31232S2
02-24-012-02W5M	A0548542		1st Stage Suction Bottle	Accumulator	Toromont Energy Systems Inc						31232P1A
02-24-012-02W5M	A0548543		1st Stage Discharge Bottle	Accumulator	Toromont Energy Systems Inc						31232P2A
02-24-012-02W5M	A0443483		Cooler	Cooler	AXH Air-Coolers						56029.5
02-24-012-02W5M	A0443482		Cooler	Cooler	AXH Air-Coolers						56029.4
02-24-012-02W5M	A0522454		3rd Stage Suction Scrubber	Scrubber	Toromont Energy Services						
02-24-012-02W5M			Air Dryer	Air Receiver	Steel Fab						SF-35157
02-24-012-02W5M			Recycle Suction Bottle	Accumulator	Propak Systems Inc.						94247-BB2
02-24-012-02W5M			Recycle Suction Bottle	Accumulator	Propak Systems Inc.						94247-BB1
02-24-012-02W5M	A0464691		Inlet Filter	Filter Unit	Grand Valley						158R
02-24-012-02W5M	A0460366		Separator	Separator	Propak Systems Inc.						00204-201
02-24-012-02W5M	A0464594		Inlet Filter	Filter Unit	Grand Valley						158H
02-24-012-02W5M	A0460359		Fuel Gas Scrubber	Scrubber	Propak Systems Inc.						00204-210
02-24-012-02W5M	A0460317		Gas Chiller - Exchanger	Exchanger	Propak Systems Inc.						00432-102
02-24-012-02W5M			Suction Strainer	Separator	Propak Systems Inc.						00432-116
02-24-012-02W5M			Oil Reclaimer	Reclaimer	Propak						00432-121
02-24-012-02W5M	A0460308		Low Temperature Separator	Separator	Propak Systems Inc.						00432-103
02-24-012-02W5M			Feed Bottom Exchanger	Exchanger	Propak Systems Inc.						00432-120
02-24-012-02W5M	A0460307		Gas/Liquids Exchanger	Exchanger	Propak Systems Inc.						00432-104
02-24-012-02W5M	A0460344		De-Ethanizer Tower	Tower	Propak Systems Inc.						00432-111
02-24-012-02W5M	A0460330		Refridgerant Accumulator	Accumulator	Propak Systems Inc.						00432-107
02-24-012-02W5M			Lube Oil Filter	Filter Unit	Propak Systems Inc.						00432-115
02-24-012-02W5M	A0460345		Glycol Flash Tank	Accumulator	Propak Systems Inc.						00432-117
02-24-012-02W5M	A0460331		Refrigerant Oil Separator	Separator	Propak Systems Inc.						00432-109
02-24-012-02W5M	A0460346		Refridgerant Condenser - Exchanger - Tube	Exchanger	Propak Systems Inc.						00432-200
02-24-012-02W5M	A0460316		Economizer	Exchanger	Propak Systems Inc.						00432-108
02-24-012-02W5M	A0460383		Discharge Filter Coalescer	Filter Unit	Propak Systems Inc.						00204-301
02-24-012-02W5M	A0460317		Gas Chiller - Exchanger	Exchanger	Propak Systems Inc.						00432-102
03-03-010-03W5M			Fuel Gas Scrubber	Scrubber	Orban						06-337 FGS
03-03-010-03W5M	A0588025		Separator	Separator	Paintearth						V-9129
03-03-010-03W5M			Fuel Gas Scrubber	Scrubber	Paintearth						FG-9440E
03-03-010-03W5M	A0569709		Separator	Separator	Orban						06-337VS
03-25-012-02W5/00		F31052	Battery - Multi-well pad, 1 meter building, separator building (w/5 meters), 1 3-phase separator								
03-25-012-02W5M	A0483350		Separator	Separator	Orban Industries LTD.						04-094-VS
04-16-007-01W5M	A0501785		Vertical Separator	Separator	HANOVER MALONEY						03-CA5962-001J
04-16-007-01W5M			FGS	Scrubber	WELLS HALL						87-3521-92
05-20-019-27W4/00		F31123	Wellhead								
05-23-018-25W4M	A0555562		Separator	Separator	Petrofield						C6-2327
06-07-055-13W5/00		F22113	Battery. Small dehydrator and 95 Hp recip compressor								
06-11-017-28W4/00		F25101	wellhead and electrical building								
06-14-019-28 W4M	1071		Compressor Package	3 Stage Recip	Compass Compression	C368	Skid	15-Dec-07	Gemini H302 SN: 300014042	Cummins G8.3 SN: 46779222	
06-18-016-27W4M	1073	F36233	Compressor Package	3 Stage Recip	Compass Compression	C-510	Skid	2-Jan-07	Gemini H302-3 two throw, 3 stage Serial No. HSR-004952	CAT 3304NA 95hp Serial No. TBD	
06-18-016-27W4M			Produced Water								158
06-33-009-02W5M	A0541342		Separator	Separator	Penfabco						PE9155
06-33-009-02W5M			Fuel Gas Scrubber	Scrubber	Lo Tech						1006.272
06-34-018-25W4M	A0555561		Vertical Separator	Separator	Petrofield						06-2325
06-36-018-26W4M	A0539097		Vertical Separator	Separator	Petro Field Industries						C6-2004
06-36-018-26W4M	A0555585		Vertical Separator	Separator	Petrofield						C6-2434
06-36-018-26W4M	A0555583		Vertical Separator	Separator	Petrofield						06-2440
07-09-007-01w5 (bh 04-09)			Produced Oil/Water								10025
07-09-007-01w5 (bh 04-09)			Produced Oil/Water								4001172
07-09-007-01w5 (bh 04-09)			Pop Oil								
07-09-007-01W5M			Scrubber	Scrubber	Panax Oil & Gas Inc.						250562
07-09-007-01W5M	A0560375		Separator	Separator	Panax Oil & Gas Inc.						26155
07-29-017-23w4			Produced Water								D-98-289-S1
07-29-017-23w4			Fuel Gas Scrubber	Scrubber	Mar-Quinn Industires						102-32-84
07-29-017-23w4			Fuel Gas Scrubber	Scrubber	Nusco						S1534
07-29-017-23w4			Fuel Gas Scrubber	Scrubber	Rushton gas & Oil						C1213A.FP1082
07-29-017-23w4			Fuel Gas Scrubber	Scrubber	Black, Sivalls & Bryson Inc						91910272 V3
07-29-017-23w4	A3174164		Vertical Separator	Separator	Nusco						60075-200
07-29-017-23w4	A0455052		Vertical Separator	Separator	Rushton gas & Oil						C1213A.VS

ENERGY LEASING PARTNERS Equipment List

Location (LSD)	Ref or ID	AER License	Equipment Description	Type	Manufacturer	Compressor					Serial
						Vendor Unit Number	Trailer / Skid	Year	Compressor Serial No.	Driver Serial No.	
07-29-017-23w4	A0216204		Vertical Separator	Separator	Mar-Quinn Industires						102-64-85
07-35-018-25W4M	A0549122		Separator	Separator	Panax Oil & Gas						25887
08-11-019-23W4			Vertical Separator	Separator	OP						FV-6-14-616-1
08-22-020-26W4M	A0480277		Separator	Separator	Bromley						215065
08-26-019-27W4M	1026		Compressor Package	Screw	Bidell Manufactured 2001	BE-2001-31	skid	2001	Sullair PDR25X SN: 006-01002070	CAT 3408TA 6N802268	
08-26-019-27W4M			16-30 AST - Produced Water Tank								T-1219
08-26-019-27W4M	A0459794		Oil Separator	Separator	Bidell Equipment						6078 508
08-26-019-27W4M	A0459791		Inlet Separator	Separator	Bidell Equipment						6078.507
08-26-019-27W4M			Heat Exchanger	Exchanger	Henry Technologies						C200755A-1
08-26-019-27W4M			Cooler	Cooler	Air-X-Changers						4342.3
08-26-019-27W4M	A0473675		Blowcase	Accumulator	Bidell Equipment Inc.						01.1027.5318
08-26-019-27W4M			Fuel Gas Scrubber	Scrubber	Lo Tech						8286-757
09-17-019-27W4M	1028	F29347	Compressor Package	Screw	Energy Industries		skid	2004	Frick TDSH 283L SN: TDSH283L1760HZ	CAT G3512TAW-AFR SN:7N01016	
09-17-019-27W4M	1027	F29347	Compressor Package	2 Stage Recip	Energy Industries	EI-1008	skid	2003	Energy Industries Gemini E604-1/2 Serial No. E244	SN: C-14394/1 Waukesha L7042GSI	
09-17-019-27W4M			Produced Water Tank								4001158
09-17-019-27W4M			PRODUCED WATER TANK								50A06DO31
09-17-019-27W4M			Fuel Gas Scrubber	Scrubber	Rushton						C1873A.FP1478
09-17-019-27W4M	A0479086		09-17 Dehy Tower Due 2004-12-31 per ABSA	Tower	Rushton Gas & Oil Equipment LTD.						C1413A.C
09-17-019-27W4M	A0562170		Sales Gas Inline Filter	Filter Unit	Moss Fabrication						3834.3
09-17-019-27W4M	A0566993		Air Compressor	Air Receiver	Steel Fab						486281
09-17-019-27W4M			Air Dryer	Dryer	Airtec						1195
09-17-019-27W4M			Air Dryer	Dryer	Airtec						1196
09-17-019-27W4M	A0505733		Inlet Suction Scrubber	Scrubber	Energy Industries INC.						S236S1
09-17-019-27W4M	A0505735		Inlet Separator	Separator	Energy Industries INC.						S236S3
09-17-019-27W4M	A0577041		HORIZONTAL SEPARATOR	Separator	Paintearth Energy						V-7769
09-17-019-27W4M	A0423861		Fin Fan Cooler	Cooler	Amercool Manufacturing INC.						2002C-1562-A
09-17-019-27W4M	A0482268		Inlet Separator	Separator	Energy Industries INC.						1008S1
09-17-019-27W4M	A0482270		1st Stage Suction	Exchanger	Energy Industries						1008S3
09-17-019-27W4M	A0482272		1st Stage Pulsation Bottle	Accumulator	Energy Industries INC.						1008P1
09-17-019-27W4M	A0482273		1st Stage Discharge	Exchanger	Energy Industries INC.						1008P2
09-17-019-27W4M	A0482271		2nd Stage Suction Scrubber	Scrubber	Energy Industries						1008S4
09-17-019-27W4M	A0482274		2nd Stage Pulsation Bottle	Accumulator	Energy Industries INC.						1008P3
09-17-019-27W4M	A0482269		Blowcase	Accumulator	Energy Industries INC.						1008S2
09-17-019-27W4M			Fuel Filter	Filter Unit	Energy Industries						STK369REF
09-17-019-27W4M	A0505731		Oil Filter	Filter Unit	Energy Industries INC.						S236OF1
09-17-019-27W4M	A0505732		Oil Filter	Filter Unit	Energy Industries INC.						S236OF2
09-17-019-27W4M	A0505734		Oil Separator	Separator	Energy Industries INC.						S236S2
09-17-019-27W4M	A0507371		Plate Exchanger	Exchanger	Viex Inc.						270449-11
09-17-019-27W4M	A0507372		Fin Fan Cooler	Cooler	Hemphill Corporation						9461.4
09-17-019-27W4M	A0423859		Fin Fan Cooler	Cooler	Amercool Manufacturing INC.						2002C-1564-A
09-17-019-27W4M	A0423860		Fin Fan Cooler	Cooler	Amercool Manufacturing INC.						2002C-1563-A
09-17-019-27W4M	A0482275		2nd Stage Discharge	Exchanger	Energy Industries INC.						1008P4
09-17-019-27W4M			Fuel Gas Filter	Filter Unit	Energy Industries						S236S4
09-17-019-27W4M			FGS	Scrubber	Paintearth Energy						FG-6143-001
09-20-007-01W5M			Fuel Gas Scrubber	Scrubber	Lo Tech						1006.2666
09-20-007-01W5M	A0503022		Separator	Separator	Penfabco						PE9603
10-01-016-21W4	A0497336										
10-01-016-21W4			Produced Water								
10-05-007-01W5M	A3071656		Separator	Separator	NWP						NWP0142
10-05-007-01W5M			Fuel Gas Scrubber	Scrubber	NWP						NWP0097
10-13-012-02W5/00		F32738	Battery, test separator building with 5 meter runs and 1 3-phase spearator								
10-13-012-02W5M	A0555187		Group Test Separator	Separator	Petro Field						C6-2198
10-13-012-02W5M			Fuel Gas Scrubber	Scrubber	Petro Field						C5-2225
10-17-007-01W5M	A0503023		Separator	Separator	Penfabco						PE9604
10-17-007-01W5M			Fuel Gas Scrubber	Scrubber	Lo Tech						1006.2671
10-17-007-01W5M	A0454670		Separator	Separator	Penfabco						PE6203
10-21-016-17W4	A0452147		Vertical Separator	Separator	Petrofield						00167-19
10-32-020-27W4/00		F20894	Line Heater and Separator								
10-32-020-27W4M			Scrubber	Fuel Gas Scrubber	Rushton						C507B-FP619
10-32-020-27W4M	A0431711		Exchanger	Line Heater - Shell	Rushton						C508A-CB
10-32-020-27W4M	A0431715		Separator	Separator	Rushton						C507B-VS
11-01-008-02W5M			Produced Water Tank								0564-033
11-01-008-02W5M	A0522954		Separator	Separator	Penfabco						3758-V7
11-01-008-02W5M			Fuel Gas Scrubber	Scrubber	Plains Oil						3774-V5
11-02-017-28W4/00		F20885	Battery site, wellhead meter run bldg and radio tower								
11-07-012-01W5/00		F36911	Two well heads, two meter run buildings								
11-19-007-01W5M			Produced Water Tank								
11-19-007-01W5M	A0493542		Vertical Separator	Separator	Orban Industries Ltd.						03-096VS
11-19-007-01W5M			Fuel Gas Scrubber	Scrubber	Orban						03-096FGS
11-20-007-01W5M	A0550850		Separator	Separator	IPS						V4356-001
11-20-007-01W5M			Fuel Gas Scrubber	Scrubber	IPS						FG4353-001E
12-04-018-26 W4M	1014	F30715	Compressor Package	Screw	Energy Industries	S235	skid	2004	Frick TDSH 355S Serial No. TDSH355S0176L	CAT 3512TAW-AFR Serial No.7NJ00954	
12-04-018-26W4M			Produced Water Tank								
12-04-018-26W4M			Production Water Tank								152
12-04-018-26W4M	A0494481		Discharge Cooler	Cooler	Hemphill						8994.4
12-04-018-26W4M			Fuel Gas Scrubber	Scrubber	Toromont Energy Systems Inc.						STK415LEF
12-04-018-26W4M	A0462888		Blowcase	Accumulator	Energy Ind.						S235S4
12-04-018-26W4M	A0499383		Oil Filter Separator	Separator	Energy Industries						OF5DEGA
12-04-018-26W4M	A0499384		Oil Filter Separator	Separator	Energy Ind						OF5DEGB
12-04-018-26W4M	A0499385		Oil Separator	Separator	Energy Ind.						S235S2
12-04-018-26W4M			Plate Exchanger	Exchanger	Api Heat Transfer						NP031021-101
12-04-018-26W4M	A0499443		Suction Scrubber	Scrubber	Energy Ind						S235S1
12-04-018-26W4M	A0462887		Inlet Separator	Separator	Energy Ind.						S235S3
12-10-021-26W4M	A0412680		SEPARATOR	Separator	FLODRIP						1270
12-10-021-26W4M	A0491438		METHANOL SPHERE	Bullet	BROMLEY						N/A
12-19-018-29W4			LINE HEATER	Exchanger	OPSCO						HC-1.25-4.8-2108-0
12-19-018-29W4			Fuel Gas Scrubber	Scrubber	OPSCO						FGS.8-1-1208.1
12-26-016-17W4			Produced Water Tank								
12-26-016-17W4			Pop Tank								
12-26-016-17W4/00		WC334748	Separator, tanks								
12-30-017-21w4			Produced Water								04-10-18-13593
12-30-017-21w4			Gas Cooler - Tube	COOLER	GEA Engine Cooling						163281
12-30-017-21w4			Heat Exchanger	Exchanger	Henry Technologies						C210537A-1
12-30-017-21w4	A0538165		Inlet Filter	Filter Unit	BWS Fabrication						2036-531
12-30-017-21w4			Fuel Gas Scrubber	Scrubber	Lo Tech						1014.1316
12-30-017-21w4			Fuel Gas Scrubber	Scrubber	Mar-Quinn Industires						122-69-00
12-30-017-21w4			Fuel Gas Scrubber	Scrubber	Bidell Equipment						01-117-530
12-30-017-21w4			Fuel Gas Scrubber	Scrubber	Lo Tech						1014-183
12-30-017-21w4	A0414684		Separator	Separator	Mar-Quinn Industires						122-73-00
12-30-017-21w4	A0528815		Separator	Separator	Universal Industries						04-10-443
12-30-017-21w4	A0473589		Inlet Separator	Separator	Bidell Equipment						01-11-507
12-30-017-21w4	A0473588		Oil Separator	Separator	Bidell Equipment						01-117-508
13-28-009-02W5M	A0541341		Separator	Separator	Penfabco						PE9154

ENERGY LEASING PARTNERS Equipment List

Location (LSD)	Ref or ID	AER License	Equipment Description	Type	Manufacturer	Compressor					Serial
						Vendor Unit Number	Trailer / Skid	Year	Compressor Serial No.	Driver Serial No.	
13-28-009-02W5M			Fuel Gas Scrubber	Scrubber	Lo Tech						1006.2722
13-34-008-02 W5M	1072	F31687	Compressor Package	Recip	Toromont		Skid	2006	Caterpillar G3516TALE	Arial JGK/2 - 2 throw 2 stage (11.00" and 7.875")	
13-34-008-02W5/00		F31687	Plant - capacity 20 mmscf/d, dew point contol, NGL and stock tank codensate recovery								
13-34-008-02W5M			Produced Water Tank								4001079
13-34-008-02W5M			Condensate								
13-34-008-02W5M			Methanol								
13-34-008-02W5M			NGL bullet								
13-34-008-02W5M	A0546394		Inlet Separator	Separator	Flo Skid						F2488
13-34-008-02W5M	A0550627		Chiller	Cooler	Cimco						8003168
13-34-008-02W5M	A0550628		Propane Suction Scrubber	Scrubber	Cimco						8003373
13-34-008-02W5M	A0548559		De-Ethanizer Tower	Tower	Toromont						11962402
13-34-008-02W5M	A0550630		De-Ethanizer Heater	Exchanger	Henry						C250979A-1
13-34-008-02W5M	A0550636		Fuel Gas Scrubber	Scrubber	Henry						C250981A-1
13-34-008-02W5M	A0550629		Propane Subcooler	Cooler	Cimco						8003169
13-34-008-02W5M	A0543315		Low Temp Separator	Separator	Toromont						11962401
13-34-008-02W5M	A0550627		Chiller	Cooler	Cimco						8003168
13-34-008-02W5M	A0550626		Exchanger #2	Exchanger	Cimco						803167
13-34-008-02W5M	A0550625		Exchanger #1	Exchanger	Cimco						8003166
13-34-008-02W5M	A0550629		Propane Subcooler	Cooler	Cimco						8003169
13-34-008-02W5M	A0550633		South Cooler	Cooler	AIR-X-CHANGERS						57123.2
13-34-008-02W5M	A0550634		Refrigerant Receiver	Air Receiver	Cimco						8003376
13-34-008-02W5M	A0537444		LPG Bullet	Bullet	Maxfield						38967A
13-34-008-02W5M	A0537444		LPG Bullet	Bullet	Maxfield						38967A
13-34-008-02W5M	A0536842		Air Compressor	Air Receiver	Steel Fab						391507
13-34-008-02W5M			Air Dryer #1	Air Receiver	Steel Fab						SF140004
13-34-008-02W5M			Air Dryer #2	Air Receiver	Steel Fab						SF140000
13-34-008-02W5M	A0557656		Instrument Air Receiver	Air Receiver	Steel Fab						416152
13-34-008-02W5M			Glycol Filter	Filter Unit	Petro Equipment						93-2001F-2
13-34-008-02W5M			Lube Oil Cooler	Cooler	York						153520
13-34-008-02W5M			Lube Oil Filter	Filter Unit	York						153695
13-34-008-02W5M			Lube Oil Filter	Filter Unit	York						153694
13-34-008-02W5M	A0550632		North Cooler	Cooler	AIR-X- HEMPHILL						57123.1
13-34-008-02W5M	A0543315		Low Temp Separator	Separator	Toromont						11962401
13-34-008-02W5M	A0543315		Low Temp Separator	Separator	Toromont						11962401
13-34-008-02W5M	A0550628		Propane Suction Scrubber	Scrubber	Cimco						8003373
13-34-008-02W5M	A0550631		Lube Oil Separator	Separator	York						153452
13-34-008-02W5M	A0545226		2nd Stage Suction Scrubber	Scrubber	EFX Compression						051152-02
13-34-008-02W5M	A0545203		1st Stage Suction Scrubber	Scrubber	EFX Compression						051152-01
13-34-008-02W5M	A0545357		1st Stage Cooler	Cooler	AIR-X-CHANGERS						055304.3-11044.3
13-34-008-02W5M	A0545358		2nd Stage Cooler	Cooler	AIR-X-CHANGERS						055304.4-11044.4
13-34-008-02W5M	A0545184		2nd Stage Discharge Bottle	Accumulator	EFX Compression						051152-06
13-34-008-02W5M	A0545198		2nd Stage Suction Bottle	Accumulator	EFX Compression						051152-05
13-34-008-02W5M	A0545183		1st Stage Suction Bottle	Accumulator	EFX Compression						051152-03
13-34-008-02W5M	A0550635		Glycol Flash Tank	Accumulator	Cimco						8003374
13-34-008-02W5M	A0545197		1st Stage Discharge Bottle	Accumulator	EFX Compression						051152-04
14-16-022-27W4M	A0541960 Rentals		1st Stage Suction Scrubber	Scrubber	Pillar						06-006-5628
14-16-022-27W4M	A0504766 Rentals		2nd Stage Suction Scrubber	Scrubber	Pillar						06-006-5637
14-16-022-27W4M	A0568761 Rentals		1st Stage Cooler	Cooler	Air-X-Changers						56067.3
14-16-022-27W4M	A0542081 Rentals		3rd Stage Suction Scrubber	Scrubber	Pillar						06-006-5644
14-16-022-27W4M	A0568762 Rentals		2nd Stage Cooler	Cooler	Air-X-Changers						56067.4
14-16-022-27W4M			Fuel Gas Scrubber	Scrubber	Pillar						06-006-5727
14-16-022-27W4M			Fuel Gas Scrubber	Scrubber	Rushton						C999A-FP1014
14-16-022-27W4M			3rd Stage Cooler	Cooler	Air-X-Changers						56067.5
14-16-022-27W4M	A0400388		Line Heater - Downhole Loop	Heating Coil	Rushton						C999A.CB
14-16-022-27W4M	A0400387		Line Heater - Shell	Exchanger	Rushton						C992B-CB
15-01-016-21W4	A0497336		Vertical Separator	Separator	Orban						03.438VS
15-01-016-21W4			Fuel Gas Scrubber	Scrubber	NATIONAL OILWELL						OF1183.JC.200
15-01-016-21W4			Fuel Gas Scrubber	Scrubber	Orban						03.423FGS
15-23-079-05W6			N/A								
15-34-018-27W4M	1015	F27689	Compressor Package	Screw	Energy Industries	EI-S198	skid	2002	Frick TDSH 283L Rotary Screw TDSH283L1735HZ	Waukesha H24GL 1429/1	
15-34-018-27w4m			Produced Water								
15-34-018-27W4M			Fuel Gas Filter	Filter Unit	Energy Industries						STK370REF
15-34-018-27W4M	A0491603		Blowcase	Accumulator	Energy Industries Inc.						S198-S4
15-34-018-27W4M	A0478594		Inlet Separator	Separator	Energy Industries						S198-S3
15-34-018-27W4M	A0478600		Suction Scrubber	Scrubber	Energy Industries						S198-S1
15-34-018-27W4M	A0491601		Oil Separator	Separator	Energy Industries						S198-S2
15-34-018-27W4M			Cooler	Cooler	Hemphill						8087.4
15-34-018-27W4M	A0478595		Oil Filter	Filter Unit	Energy Industries Inc.						OFS198
15-34-018-27W4M			Plate Exchanger	Exchanger	API Schmidt						P021113-101
16-03-021-26W4M	A0484265		Separator	Separator	FloDrip						5421
16-05-018-25 W4M	1060	F26087	Compressor Package	Screw	Toromont Unit	12149	skid	2007	Frick TDSH 355S	Cat 3512TALE- AFRC	
16-05-018-25W4M			16-05 AST - Produced Water Tank								4001155
16-05-018-25W4M			Plate Exchanger	Exchanger	Viex						271075.12
16-05-018-25W4M	A0560914		Lube Oil Separator	Separator	Henry						C260058A-1
16-05-018-25W4M	A0560913		Inlet Suction Scrubber	Scrubber	Henry						C250778A-3
16-05-018-25W4M			Fuel Gas Scrubber	Scrubber	Paintearth Energy						FG-6144-001
16-05-018-25W4M			Fuel Gas Scrubber	Scrubber	ESS Corp.						2631A
16-05-018-25W4M	A0577055		Inlet Separator	Separator	Painteath Energy						V-7770
16-05-018-25W4M			Lube Oil Filter	Filter Unit	Toromont						803914-1A
16-30-018-26 W4M	1022	F25067	Compressor Package	Screw	Startec Unit	SGC-0603	skid	2006	Serial#SGC0603Model WRVi321/194 Howden 321-193 Compressor MK6A/WRVI321193/313	SN 7NJ01330 CAT 35126E	
16-30-018-26W4M			PRODUCED WATER								163
16-30-018-26W4M			PRODUCED WATER								50A06D030
16-30-018-26W4M			Lube Oil Filter	Filter Unit	Startec Refrigeration						SPV0628E
16-30-018-26W4M			Lube Oil Filter	Filter Unit	Startec Refrigeration						SPV0628F
16-30-018-26W4M	A0560935		Plate Exchanger	Exchanger	Viex Inc						271238.11
16-30-018-26W4M			Glycol Reboiler	Reboiler	Alco Oil and Gas						2006-7627-03A
16-30-018-26W4M			Fuel Gas Scrubber	Scrubber	Startec Refrigeration						SPF0610A
16-30-018-26W4M	A0554943		Inlet Suction Scrubber	Scrubber	Startec Refrigeration						SPV0621
16-30-018-26W4M			Glycol Reboiler	Reboiler	Alco Oil and Gas						2006-7627-03A
16-30-018-26W4M	A0554912		Lube Oil Separator	Separator	Startec Refrigeration						SPV0616
16-30-018-26W4M			Discharge Cooler	Cooler	Air-X-Changers						65824.3
16-30-018-26W4M	A0551944		Inlet Suction Filter	Filter Unit	Startec Refrigeration						SPV0622
16-30-018-26W4M			Fuel Gas Scrubber	Scrubber	Orban Industries Ltd.						01.134FGS
16-30-018-26W4M	A0560189		Glycol Contactor	Contactor	Alco Gas and Oil						2006-7627-01A
16-30-018-26W4M	A0562169		Inline Sales Gas Filter	Filter Unit	Moss Fabrication						3834.2
16-30-018-26W4M	A0560309		Fuel Gas Scrubber	Scrubber	Alco Gas & Oil Production Equipment Ltd.						2005-7542-01B
16-30-018-26W4M	A0435691		Inlet Separator	Separator	Bimac Industries						4976
16-30-018-26W4M	A0454714		Separator	Separator	Penfabco						PE-6123
16-30-018-26W4M			Reboiler Coil	Reboiler	Alco Oil and Gas						

APPENDIX 33