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JUDICIAL CENTRE
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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 FOURTEENTH REPORT JUNE 28, 2019**

ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING DOCUMENT

RECEIVER
Grant Thornton Limited
Suite 1100, 332 - 6 Avenue SW
Calgary, AB T2P 082

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
Telephone: 1 (403) 232-9774
Facsimile: 1 (403) 266-1395
Email: rgurofsky@blg.com

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Introduction

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

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

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

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

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

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

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

3. The Receiver has issued thirteen previous reports and their supplements between March 30, 2017 and March 22, 2019 (collectively the "**Prior Reports**"). The Prior Reports should be read in conjunction with this Fourteenth Report.

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

   a) the Receiver's application for court approval of a Purchase and Sale Agreement ("**CRC PSA**") executed by the Receiver and Caledonian Royalty Corporation ("**CRC**") for the sale of Lexin's interests in fee simple mineral titles (the "**1059 Lands**") formerly owned by 1059032 BC Ltd. ("**1059**") that were returned to Lexin in November 2018 as part of the Settlement Agreement outlined in the Receiver's Ninth Report;

   b) the Receiver's application for court approval of a Purchase and Sale Agreement ("**LTAM Vulcan PSA**") executed by the Receiver and Long Term Asset Management Inc. ("**LTAM**") for the sale of Lexin's interests in certain Vulcan oil and gas assets (the "**Vulcan Oil and Gas Assets**");

c) the Receiver's application for court approval of a Purchase and Sale Agreement ("**HESC PSA**") executed by the Receiver and HESC Energy Corporation ("**HESC**") for the sale of Lexin's interests in certain Crossfield oil and gas assets (the "**Crossfield Oil and Gas Assets**");

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

e) the Receiver's application for distribution of the remaining funds in the receivership estate, after providing for a sufficient holdback for future costs of administration, to the AER;

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

g) the Receiver's application for Court approval of the professional fees and disbursements incurred by the Receiver and its legal counsel, since last approved, inclusive of a projected cost to complete the administration of the receivership estate; and

h) the Receiver's application for its discharge following the completion of the above activities and other necessary administrative matters with respect to the receivership estate.

5. Unless otherwise stated, all monetary amounts noted herein are expressed in Canadian dollars. Capitalized terms not otherwise defined herein shall adopt the meaning as defined in the Receivership Order and the Receiver's Prior Reports.

Limitations of Report

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

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

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

Background

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

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

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

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

Brief Summary of Activities

13. Since filing the Thirteenth Report, the Receiver has taken a number of steps, which fall into the following categories:

    a) Environmental and Safety Issues;

    b) Asset Preservation and Protection Issues;

    c) Creditor/Stakeholder Issues; and

d) Sales Process Issues.

Each of these categories are discussed further below.

Environmental and Safety Issues

14. The Receiver has continued to work with stakeholders, including the AER, OWA and Working Interest Partners ("**WIP**"), to address environmental and safety matters. In addition, the Receiver continues to be in communication with the OWA regarding the abandonment by the OWA of various Lexin and LR licensed pipelines, including the sour gas pipelines, which are of greater environmental and safety concern.

15. In May 2019, the Receiver transferred responsibility for storage of the records for all of Lexin and LR's unsold AER-licensed wells, facilities and pipelines located at the Calgary Archives storage facility to the OWA in anticipation of these assets becoming orphans.

Asset Preservation, Protection and Realization Issues

16. The Receiver has continued to conduct investigations and make inquiries with respect to potential realizable assets, although these efforts are now effectively concluded as outlined further herein. All current realizations are reflected in this Fourteenth Report under the Estate Financial Position section, below.

17. On April 4, 2019, the Receiver transferred the funds collected from Cargill Limited in the approximate amount of $60,000 from its restricted account to the general trust account held for the benefit of the Lexin Group estate, pursuant to the order of Justice Romaine dated April 2, 2019 (the "**April 2 Order**").

18. Further, the Receiver has invoiced Midstream Canada Ltd. ("**Midstream**") for Midstream's share of surface and mineral leases associated with the Lexin-operated joint venture wells that were included in the sale of certain High River properties to LTAM that closed on January 31, 2019. The $61,388 gross invoice was issued to Midstream net of $13,880 that Lexin owed to Midstream for joint venture properties operated by Midstream that were included in the sale to LTAM, for a net billing of $47,508 ("**Midstream invoice**"). Midstream have identified approximately $14,000 in downward adjustments to the Midstream invoice, approximately $10,000 of which the Receiver disputes. The Receiver will weigh the merits of continuing its collection efforts versus assigning the Midstream invoice to the AER in conjunction with the Receiver's post-discharge responsibilities and distribution of residual estate funds as outlined herein.

Creditor/Stakeholder Issues

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

CRA

20. The Lexin Group estate is currently in a refund position with respect to its GST filings for the post-receivership period, in the aggregate amount of approximately $140,000. However, due to the Lexin Group's income tax matters, the CRA is withholding the GST refunds. The Receiver is considering its options, including filing certain income tax returns, if the Receiver can obtain sufficient financial information to do so. The Receiver will pursue this matter, post-discharge.

21. Additionally, the Receiver has recently responded to information requests from CRA related to a GST audit letter received for the November 1, 2018 to March 31, 2019 period.

Surface and Mineral Lessors

22. The Receiver has successfully worked with the SRB and the applicable surface lessors to reinstate all but two of the terminated surface leases related to the sale of the High River properties to LTAM as referenced in the Twelfth Report. The two remaining leases are expected to be reinstated shortly. The Receiver has paid all amounts owing, net of adjustments, to the surface and mineral lessors contained in the listing appended to the Twelfth Report, as required pursuant to the Distribution Order granted by Justice Horner on February 26, 2019. In addition, the Receiver has resolved all matters with freehold lessors as referenced in the Thirteenth Report.

Crown Royalties

23. In the Twelfth Report, the Receiver reported that a portion of the distribution to Alberta Energy ("**AE**") in respect of crown royalties would be held back, by agreement of AE, pending the Receiver's investigation of AE's disallowance of gas cost allowance ("**GCA**") claims filed by Lexin prior to its receivership. This holdback was arranged to allow the Receiver a period of time to investigate whether the distribution to AE in respect of crown royalties should be reduced.

24. After conducting preliminary investigations, the Receiver decided in May, 2019 that it would not undertake any further work in respect of this investigation, due to the complexity of the work required, the projected costs involved, the poor condition of Lexin's records, the absence of

incumbent Lexin staff to assist with the investigation and the limitations issues potentially involved in disputing the claims.

25. As a result and in accordance with the agreement with AE as outlined in the Twelfth Report, in June 2019 the Receiver issued a payment to AE in the amount of $1.6 million to satisfy outstanding crown royalties owing on the High River properties.

*Ghost Pine Unit ("**GPU**") Stakeholders*

26. As outlined in Prior Reports, the Receiver was holding approximately $62,000 in restricted trust (the "**GPU Funds**") from the GPU sale pending the Receiver finalizing the final statement of adjustments in respect of that sale ("**FSOA**"). A resolution of the GCA issue discussed earlier has since allowed the Receiver to finalize the FSOA. As a result, the GPU Funds were transferred to the unrestricted account and cheques were issued to the applicable parties, including AE, GORR holders, Pine Cliff Energy, and Davilin Energy Corp., the purchaser of the GPU.

Non-operated Joint Venture Partners / Trustees

27. As outlined in the Notice of Renunciation discussed in the Thirteenth Report, the Receiver has renounced all of its remaining non-operated interests in unsold oil and gas assets. This includes any properties that were being held in trust for Lexin.

LR Creditors

28. Young Energy Services Inc. ("**YES**"), a lien claimant in the LR estate, filed a notice of application seeking declaratory relief in respect of its lien claims as against the MFC Power assets. The application scheduled for March 27, 2019, more particularly described in the Thirteenth Report, was adjourned to June 25, 2019.

29. On June 25, 2019, YES advised that it would be withdrawing its application in the within receivership proceeding and would instead pursue its relief in a lien action it filed in April, 2019. As a result of this and the fact that the Receiver has renounced any interest in the MFC Power assets, the Receiver does not view this relief as having any impact on the receivership estate.

Secured Creditors

30. As outlined in the Thirteenth Report, residual funds in the Lexin estate are available to satisfy secured or priority claims which have been asserted by two parties, being:

a) the AER, both for the special lien applicable on their unpaid administrative fees and orphan well fund levies and for an "end of life obligations" priority arising from the Supreme Court of Canada ruling on the *Redwater* case; and

b) CRC, in respect of gross overriding royalties ("**GORR**") secured by a general security agreement (the "**CRC GSA**") registered against Lexin.

31. Since the Thirteenth Report, the Receiver has worked with both of these parties with respect to their claims and summarizes these efforts as follows:

a) AER – pursuant to the Supreme Court of Canada's decision in *Redwater*, as previously outlined in the Thirteenth Report, the Lexin Group is responsible to the AER for the end of life obligations for all of its discharged assets (which aggregate over $120 million), before other claims are satisfied, including the AER's special lien for unpaid administration fees and orphan well fund levies totalling approximately $2.5 million.

b) CRC – the Receiver has worked with CRC to quantify the amount of unpaid GORR owed to CRC secured by the CRC GSA. CRC's claim in this regard was comprised of two components, the first being for the period when Lexin was reporting on Petrinex (i.e. prior to the July 2016 production month) and the second being for the period during which Lexin ceased reporting on Petrinex. Based on calculations made by the Receiver using data including market factors, Lexin's gas marketing contracts and the collapse of Lexin's infrastructure in mid-2016, the Receiver has calculated CRC's total GORR claim in the amount of $484,783 (the "**CRC Secured Claim**"). After reviewing the Receiver's calculations, CRC has accepted the Receiver's assessment of the CRC Secured Claim.

<u>Sales Process</u>

32. An update on the various sales process matters is as follows:

Seismic

34. On April 3, 2019, the Receiver closed the Seismic sale discussed in the Thirteenth Report, to Paramount.

35. As outlined in the Thirteenth Report, because trade seismic (which was excluded from the Paramount sale) was stored together with the proprietary data at the various third party storage locations, the Receiver engaged third party experts to review the seismic data, cull the trade data from the proprietary data and have the trade data destroyed. This process, approved pursuant to

the April 2 Order, was completed in May, 2019 for all but the Calgary Archives location, which location now contains only trade seismic. The Receiver is proposing to destroy the trade seismic at Calgary Archives as more particularly discussed below in the Records Destruction section of this report.

36. Paramount has recently advised the Receiver that it has been unable to locate certain of the proprietary seismic data identified by them during their due diligence and contained on the Paramount PSA schedules. This proprietary data was not found during the third party culling process. Through subsequent efforts, the Receiver has discovered an additional seismic company that was in possession of Lexin seismic data arising from activities conducted prior to Lexin's receivership. The Receiver is arranging for its expert to collect the data and cull it in accordance with the April 2 order. This discovery may resolve the issue of missing proprietary data identified by Paramount. Beyond this, the Receiver does not intend to spend additional resources, post-discharge, locating this data.

Vulcan Minerals

37. On April 3, 2019, the Receiver closed the sale of the Vulcan minerals outlined in the Thirteenth Report to Wilcox Energy Corp.

38. Concurrent with this closing and in accordance with the PSA terms, the Receiver paid AE the Crown mineral lease rental and royalty arrears owing on these mineral leases.

Fee Simple Lands

39. As outlined in the Thirteenth Report, the Receiver received multiple offers on the Fee Simple Lands. Because many of these lands were transferred out of Lexin prior to the receivership and returned to the Lexin estate pursuant to the Settlement Agreement, certain titles for the 1059 Lands representing undeveloped lands remain in the name of 1059, while others, primarily representing lands containing lease and unit agreements, remain in the name of Compton (Lexin's predecessor in interest).

40. After reviewing these offers, the Receiver determined that it was in the best interests of the estate to refrain from pursuing any offers that contained due diligence conditions, in part given the poor state of Lexin's records, the complexities associated with the lands and the historical registrations on title.

41. Further, a large number of offers were made on Fee Simple Lands with significant freehold mineral tax arrears.

42. To this end and in recognition of this economic reality, the Receiver restricted the sale of the fee simple lands to 47 titles, which presented none of the difficulties outlined above.

43. One title, in the name of Compton was sold by the Receiver pursuant to a PSA and a land transfer dated June 3, 2019 with Tempus Energy Ltd. at a sale price of $15,000. This sale amount is under the Court approval threshold of $50,000 for individual sales.

44. The remaining 46 titles, comprising the 1059 Lands, are subject to the CRC PSA. The CRC PSA, a copy of which is attached as **Appendix 3**, provides for the following:

    a) Assets – 46 fee simple mineral titles, presently in the name of 1059, but to be transferred directly to CRC pursuant to the terms of the Sale Approval and Vesting Order ("**SAVO**") being sought (and pursuant to the Settlement Agreement);

    b) Sale Price - $554,783;

    c) Consideration – payable as follows:

        i. $70,000 cash upon execution of the PSA, of which the Receiver confirms receipt;

        ii. $484,783 credited against the CRC Secured Claim. Although the priority of the CRC Secured Claim could be disputed by the AER, the Receiver understands that the AER does not object to a credit bid by CRC, due to the fact that there were no other attractive bids received specifically on the 1059 Lands and the use of this claim for the purposes of 'credit-bidding' presented no prejudice to the AER.

    d) Effective date – July 1, 2019;

    e) Closing date – July 31, 2019 or such other date as agreed to between the parties;

    f) Permitted Encumbrances – all encumbrances presently listed on titles, all of which are only royalty agreements, with no oil and gas development on these lands; and

    g) Conditional upon Court approval.

45. The Receiver considers the sales process for the 1059 Lands to be fair and reasonable given that:

    a) it was conducted by Sayer, an independent third party focused on providing oil and gas sales advisory services, to canvas a wide array of prospective bidders in the industry;

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

        i. Issuing the Mailer via mail and e-mail to over 2,500 parties;

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

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

    c) Sayer received responses from three parties on all or a portion of the Fee Simple Lands.

46. The Receiver considers the CRC PSA to be fair and reasonable given that:

    a) CRC's bid was the highest and best bid and only specific bid over the 1059 Lands received in the Sayer process;

    b) the CRC PSA was negotiated at arm's length and in good faith; and

    c) the purchase price obtained, in the Receiver's view, represents the highest price achievable in the circumstances.

47. For the above noted reasons, the Receiver views the sale of the 1059 Lands to CRC to be in the best interest of the Lexin Group's stakeholders. The Receiver supports and recommends the sale to CRC as being commercially reasonable in the circumstances.

Other Pending Offers Received on Oil and Gas Properties

48. As outlined in the Thirteenth Report, the Receiver excluded the Vulcan and Crossfield area assets from its Notice of Renunciation as it had received interest from two separate parties to purchase these assets.

Vulcan Oil and Gas Assets

49. After conducting negotiations with LTAM regarding the sale of the Vulcan Oil and Gas Assets, on June 12, 2019, the Receiver executed the LTAM Vulcan PSA. LTAM was the only bidder who submitted a specific bid on the Vulcan Oil and Gas Assets (as described below), and the Receiver is of the view that the LTAM Vulcan PSA is beneficial to the Lexin Group stakeholders.

50. The LTAM Vulcan PSA, a copy of which is attached as **Appendix 4**, provides for the following:

    a) Vulcan Oil and Gas Assets include:

        i. Three Crown mineral leases on three sections;

        ii. Ten freehold mineral leases on one section;

        iii. Five well licenses;

        iv. Five pipeline segment licenses; and

        v. Associated surface leases, equipment, easements and riser sites.

    b) Sale Price - $100,000;

    c) Deposit – $10,000 (the Receiver confirms receipt), refundable only if Court approval not obtained, or other Vendor related reasons for not closing;

    d) Vendor Costs reimbursement - $50,000, with $40,000 payable on PSA execution (the Receiver confirms receipt) and non-refundable, and $10,000 payable on Closing;

    e) Closing date – 10 days after Court approval or such other date as agreed to between the parties;

    f) Assumption of obligations – all mineral and surface lease arrears, royalty arrears, property tax arrears, ROFR provisions and registered liens assumed by LTAM; and

    g) Conditional upon Court approval.

51. The Receiver considers the sales process for the Vulcan Oil and Gas Assets, included in Sayer's marketing process in September 2017, to be fair and reasonable given that:

    a) it was previously approved by the Court;

b) it was conducted by Sayer;

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

   i. Issuing the Mailer via mail and e-mail to over 2,500 parties on September 1st and 5th, 2017;

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

   iii. Creating a VDR containing confidential information accessible to potential bidders who executed an NDA; and

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

52. The Receiver considers the LTAM Vulcan PSA to be fair and reasonable given that:

a) LTAM's bid was the highest and best bid, and in fact the only bid on these specific assets received during the sales process;

b) the LTAM Vulcan PSA was negotiated at arm's length and in good faith;

c) none of the surface or mineral leases require re-instatement;

d) LTAM is assuming all of the arrears obligations and conveyance work required to conclude the sale; and

e) the purchase price obtained, in the Receiver's view, represents the highest price achievable in the circumstances.

53. For the above noted reasons, the Receiver views the sale of Lexin's interests in the Vulcan Oil and Gas Assets to LTAM to be in the best interest of the Lexin Group's stakeholders. The Receiver supports and recommends the sale to LTAM as being commercially reasonable in the circumstances.

Crossfield Oil and Gas Assets

54. After conducting negotiations with HESC regarding the sale of the Crossfield Oil and Gas Assets, on June 26, 2019 the Receiver executed the HESC PSA. Notwithstanding that HESC was the

only bidder who submitted a specific bid on the Crossfield Oil and Gas Assets (as described below), the Receiver is of the view that the HESC PSA is beneficial to the Lexin Group stakeholders.

55. The HESC PSA, a copy of which is attached as **Appendix 5**, provides for the following:

    a) Crossfield Oil and Gas Assets include:

        i. Four Crown mineral leases on four sections;

        ii. One freehold mineral lease on one section;

        iii. Ten well licenses;

        iv. Three facility licenses;

        v. Seven pipeline segment licenses; and

        vi. Associated surface leases, equipment and easements, with the exception of one surface lease on section 33 that was terminated prior to the receivership, which is HESC's responsibility to acquire from the land owner prior to the associated well and facility license transfer requests being submitted.

    b) Sale Price - $130,000;

    c) Deposit – $13,000, refundable only if Court approval not obtained, or other Vendor related reasons for not closing;

    d) Vendor Costs reimbursement - $180,000, with $60,000 payable on PSA execution and non-refundable, $60,000 payable two days following Court approval and non-refundable and $60,000 payable on Closing;

    e) Closing date – 90 days after Court approval or such other date as agreed to between the parties with an outside date of October 31, 2019. During this time frame, HESC is to re-establish its eligibility to acquire additional sour gas licenses prior to any license transfer requests being submitted. If the AER ultimately determines that HESC is not eligible to acquire additional sour gas licenses, HESC will relinquish the Deposit as well as any of the Vendor Cost reimbursements paid to the Receiver;

f) Assumption of obligations – all mineral and surface lease arrears, royalty arrears, property tax arrears, ROFR provisions and registered liens assumed by HESC;

g) Conditional upon Court approval; and

h) Easements and Caveats – Over the course of the 90 days after Court approval period referenced above, HESC will be fully populating the easement and surface lease caveat sections of the SAVO appended to the Crossfield PSA, presently noted with a TBD, based upon its review of Lexin's contract files and other required efforts, actions that it has not had an opportunity to conduct to date. Thereafter, it will need to file an amended SAVO application on notice to the affected parties.

56. The Receiver considers the sales process for the Crossfield Oil and Gas Assets, included in Sayer's marketing process in September 2017, to be fair and reasonable given that:

a) it was previously approved by the Court;

b) it was conducted by Sayer;

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

i. Issuing the Mailer via mail and e-mail to over 2,500 parties on September 1st and 5th, 2017;

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

iii. Creating a VDR containing confidential information accessible to potential bidders who executed an NDA; and

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

57. The Receiver considers the HESC PSA to be fair and reasonable given that:

a) HESC's bid was the highest and best bid, and in fact the only bid on these specific assets received during the sales process;

b) the HESC PSA was negotiated at arm's length and in good faith;

c) none of the surface or mineral leases require re-instatement, with one pre-receivership terminated surface lease on section 33 being HESC's responsibility to re-secure;

d) HESC is assuming all of the arrears obligations and is funding the conveyance work required to conclude the sale as part of the Vendor Costs;

e) while there is closing risk given HESC's current status with the AER, the costs and deposit payable to the Receiver are not refundable if HESC does not obtain the required regulatory eligibility; and

f) the purchase price obtained, in the Receiver's view, represents the highest price achievable in the circumstances.

58. For the above noted reasons, the Receiver views the sale of Lexin's interests in the Crossfield Oil and Gas Assets to HESC to be in the best interest of the Lexin Group's stakeholders. The Receiver supports and recommends the sale to HESC as being commercially reasonable in the circumstances.

59. The Receiver is aware of certain landowners in the area who have previously expressed concerns about a sale of these sour gas assets and the potential reinstatement of sour gas operations in areas of current and future potential development in the MD of Rockyview, in close proximity to the City of Calgary. These parties are represented by legal counsel, who are listed on the Service List and who will have received notice of the proposed sale to HESC.

Notice of Renunciation

60. As outlined in the Thirteenth Report, there are numerous Lexin Group assets which have no future accretive realization potential. As there are hundreds, if not thousands of stakeholders associated with these assets, in April 2019 the Receiver issued the Notice of Renunciation pursuant to the April 2 Order and posted the notice to its website. The Notice of Renunciation was provided in part to allow these stakeholders an opportunity to take appropriate steps to pursue any rights they may have against these assets.

61. Due to the sheer volume of assets and stakeholders, it was not considered cost-effective or appropriate for the Receiver to provide a detailed listing of the renounced properties. Additionally, given the state of Lexin's records, there was a risk that a renounced asset listing would not be complete. As a result, the Notice of Renunciation provided that the Receiver was renouncing all of Lexin's assets with the exception of those Retained Assets as defined in the notice.

62. The Notice of Renunciation included as Retained Assets, certain crown mineral leases in which Lexin was listed as the designated representative of the lessee. The Notice of Renunciation further provided that if transfers of the designated representative status were not received by AE by June 30, 2019, the crown mineral leases in question would be deemed renounced by the Receiver.

63. After filing the Thirteenth Report, the Receiver was contacted by a number of parties requesting that the Receiver transfer designated representative status from Lexin to a third party. In each case, the Receiver initiated the transfer with AE. Pursuant to the terms of the Notice of Renunciation, after June 30, 2019, AE will be able to terminate all of the remaining mineral leases deemed to have been renounced by the Receiver.

64. Other than the crown mineral leases, the Retained Assets largely comprised assets which were subject to potential sales. In fact, the majority of the Retained Assets do form part of either of the CRC PSA, the LTAM PSA or the HESC PSA. However, there are a few facilities listed as Retained Assets in the Notice of Renunciation, which were not included in the PSAs ultimately negotiated by the Receiver. Given the conditional discharge sought as part of the within application, the Receiver does not intend to issue a further Notice of Renunciation and will respond to stakeholder requests in respect of these assets as they arise.

Distribution Matters

Distribution to AER

65. As outlined earlier in this report, there are two primary secured claimants in the Lexin Group estate, each of whom who could make claims to all or a portion of the residual funds in the estate.

66. In contemplation of this and as part of their bid on the 1059 Lands, CRC elected to supplement their cash portion of the bid on these assets with a credit bid comprising the entirety of the CRC Secured Claim. As outlined earlier, the use of this claim as a credit bid is not disputed by the AER.

67. If the credit bid by CRC for the 1059 Lands is approved, the only remaining secured or priority claimant, barring any other claims arising from the proposed sales, is the AER in respect of the Lexin Group's end of life obligations.

68. As a result, the Receiver is proposing to distribute the residual funds in the Lexin Group estate, less a holdback to satisfy future administration costs (the "**Holdback Funds**"), to the AER on

behalf of the Orphan Well Association to satisfy end of life obligations. Further, if there are any residual Holdback Funds once all of the administrative matters are addressed, the Receiver would disburse those funds to the AER as it is not anticipated that any amount recovered will be sufficient to fully satisfy the Lexin Group's end of life obligations.

Distribution of ELP Funds

69. Pursuant to the terms of the Settlement Agreement, ELP was required to sign bills of sale to the Receiver, transferring certain ELP equipment to the Receiver. While ELP was a signatory to the Settlement Agreement and agreed to comply with its obligations thereunder, it has been completely unresponsive to the Receiver's requests to execute the bills of sale.

70. Further, under the Settlement Agreement, ELP is entitled to receive $2,000 as a result of a sale of certain assets previously approved by the Court on December 19, 2018. However, ELP has not replied to the Receiver to date.

71. ELP is no longer represented by counsel and the only address for service on ELP is a Hong Kong address.

72. As a result, the Receiver proposes to issue one final communication to ELP advising of the requirement to execute the Bills of Sale and its entitlement to $2,000. In the event ELP does not respond by July 31, 2019, the Receiver proposes that the $2,000 payment be distributed to the AER as part of the residual funds in the receivership estate.

Discharge

73. Following completion of the various sales processes and other realization efforts outlined in this and Prior Reports, the Receiver has determined that no further sales efforts can be reasonably undertaken by the Receiver in a cost effective manner. As a result, the Receiver is seeking a discharge, conditional upon concluding its administration of the Lexin Group estate, including making the AER distribution proposed.

74. Given the various administrative matters that will require the Receiver's ongoing efforts over the coming months, the Receiver is proposing to maintain the Holdback Funds to cover the costs to complete its administration of the Lexin Group estate. This includes, but is not limited to the following:
    a) Addressing ongoing stakeholder enquiries;

b) Funding additional storage, software and licensing costs for a period of time, and records destruction costs, as outlined above;

c) Investigating and potentially filing tax returns to facilitate receipt of the GST refund;

d) Collecting the Midstream invoice outlined above, or assigning the receivable to the AER;

e) Addressing any closing or post-closing matters associated with the closed and proposed sales;

f) Awaiting the expiration of the Tolling Period provided for in the Settlement Agreement and working with any stakeholders who exercise their rights thereunder to take assignments of claims; and

g) Addressing distribution, banking, administration and bankruptcy reporting issues.

Destruction of Records

75. The storage of records, both paper and electronic, along with the software and systems required to access these records, represents a significant portion of the ongoing costs of the receivership. These costs have been in excess of $10,000 per month and as a result, the Receiver is taking the necessary steps to minimize these ongoing costs.

76. However, even if the discharge sought is granted, there will remain ongoing administrative issues that may require access to records, including any future filings by the Receiver to the CRA, as well as any stakeholders seeking to exercise assignment rights pursuant to section 38 of the *Bankruptcy and Insolvency Act* in respect of matters outlined in the Settlement Agreement.

77. To this end, the Receiver is proposing that it retain records until the expiry of the tolling period contained in the Settlement Agreement, which is November 27, 2019 (the "**Tolling Period**"). Should any party inform the Receiver that it intends to pursue section 38 rights preserved in the Settlement Agreement, the Receiver would arrange to transfer the costs to retain the relevant records thereafter to the section 38 assignee, in order to eliminate the cost to the estate.

78. Failing this, the Receiver is asking the Court for the authority to destroy the Lexin records, both paper and electronic, on or after December 16, 2019 and thereafter return the Lexin server to Deloitte, who as noted in Prior Reports, seized this server prior to the receivership. The Receiver has an agreement with Deloitte that it would return the server to Deloitte when it is no longer needed by the Receiver, after deleting of all the data thereon.

Estate Financial Position

79. The receipts and disbursements ("**R&D**") for the Lexin Group's unrestricted trust accounts as at June 20, 2019, are contained in **Appendix 6.** As at June 20, 2019, there is $1.5 million of unrestricted funds held in trust for the Lexin Group. In addition to the unrestricted funds, there are $82,000 in restricted trust account funds.

80. The restricted trust account contains:

    a) $70,000 from CRC pending approval of the CRC PSA;

    b) $10,000 from LTAM pending approval of the LTAM Vulcan PSA; and

    c) $2,000 for ELP as outlined in Prior Reports.

81. The projected R&D for the Lexin Group estate reflecting all of the realizations outlined above, as well as the estimated future costs of administration designed to be addressed through the Holdback Funds, are contained in **Appendix 7**.

82. Based upon the level of priority and secured claims referenced earlier in this report and discussed below, there will not be any realization for Lexin's unsecured creditors.

83. The Receiver is requesting approval of the fees and disbursements of the Receiver and its counsel of $131,296 and $27,963, respectively, incurred from March 2019 to May 2019, along with an estimated cost to complete of $200,000 and $75,000, respectively as per Appendix 7. The Receiver is of the opinion that the professional fees incurred to date and estimated to complete the administration of the file are reasonable in the circumstances and respectfully recommends that the Court approve the additional fees and disbursements. A summary of the accounts rendered by the Receiver and its legal counsel, including accounts previously approved by the Court, is included as **Appendix 8** to this report.

Recommendations

84. The Receiver respectfully recommends that this Honourable Court:

a) Approve the sale of the 1059 Lands to CRC;

b) Approve the sale of the Vulcan Oil and Gas Assets to LTAM;

c) Approve the sale of the Crossfield Oil and Gas Assets to HESC;

d) Approve the discharge of the Receiver, subject to completion of required administrative matters with respect to the Lexin Group estate;

e) Approve the Receiver's destruction of the Lexin records, both hard copy and electronic, following the completion of the Tolling Period referenced in the Settlement Agreement appended to the Ninth Report and a short grace period;

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

g) Approve the professional fees and disbursements incurred and projected to be incurred by the Receiver and its legal counsel as outlined in Appendix 8; and

h) Approve the distribution of the remaining funds in the Lexin Group estate to the AER, including the $2,000 payable to ELP, after July 31, 2019, if ELP does not respond and fulfill its requirements by then, with the exception of the Holdback Funds needed to conclude the Receiver's administration of the estate.

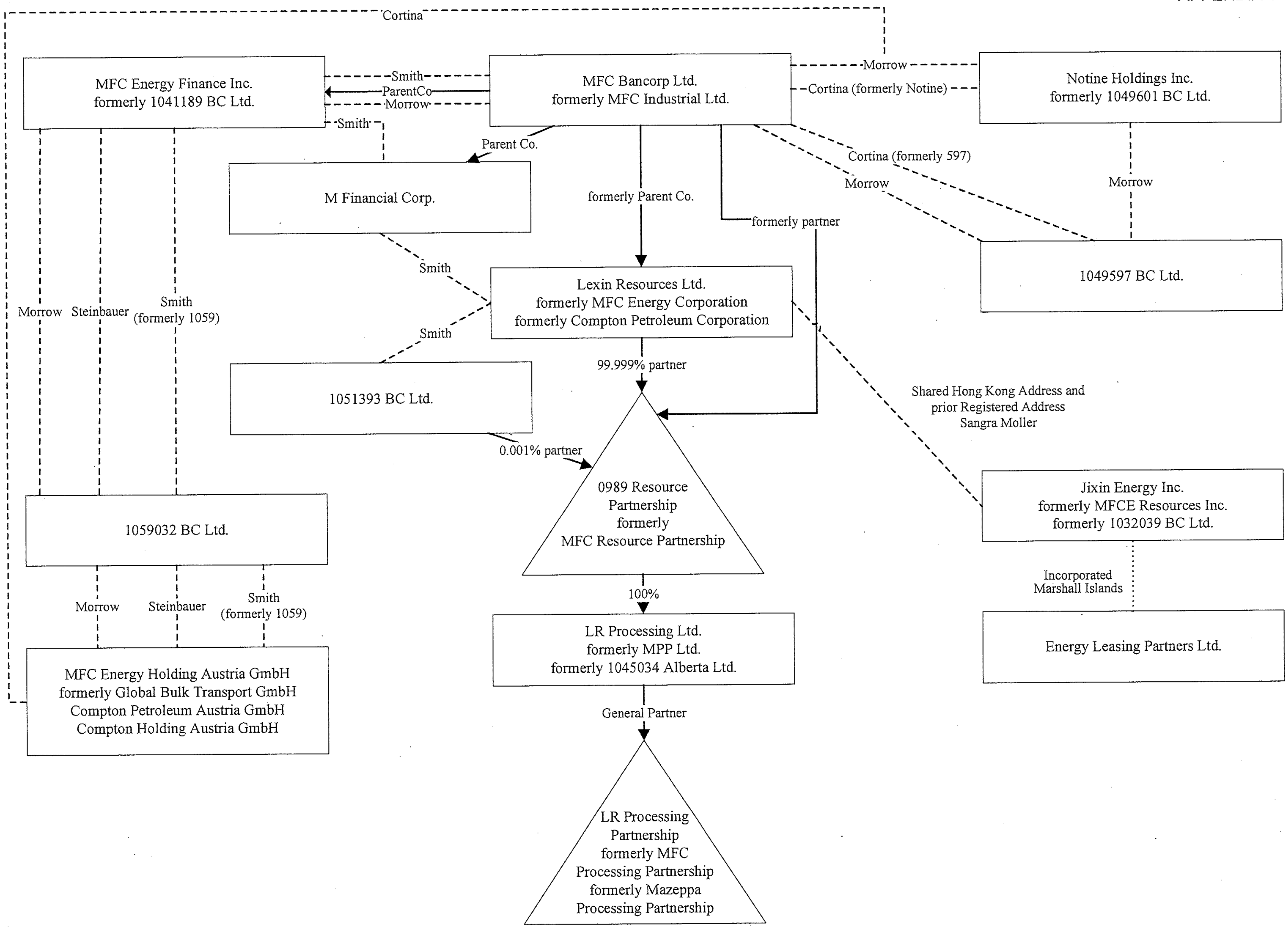
DATED at Calgary Alberta, the 28 day of June 2019.

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

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

Michael Costello, CPA, CA, CBV
Senior Manager

APPENDIX 1



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

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

Purchase & Sale Agreement

This Agreement made May 7, 2019 BETWEEN:

LEXIN RESOURCES LTD., by and through its court appointed receiver, GRANT THORNTON LIMITED, in its capacity as court appointed receiver of the assets, properties and undertaking of LEXIN RESOURCES LTD., and not in its personal capacity (hereinafter called the "Vendor" or the "Transferor")

- and –

CALEDONIAN ROYALTY CORPORATION, a body corporate, registered to carry on business in the Province of Alberta (hereinafter called the "Purchaser" or the "Transferee")

Whereas the Vendor wishes to sell and the Purchaser wishes to purchase the Assets, the Parties agree as follows:

1. **Definitions**

Each capitalized term used in this Head Agreement will have the meaning given to it in the Property Transfer Procedure. In addition:

(a) "Closing Date" means July 31, 2019 or such other time and date as may be agreed upon in writing by the Parties.

(b) "Effective Date" means July 1, 2019.

2. **Schedules**

The following Schedules are attached hereto and made part of this Agreement:

(a) Schedule "A", which is the Land Schedule and identifies, as applicable:

(i) the Lands;
(ii) the Leases;
(iii) any other agreements, documents or data that are to be excluded from the Miscellaneous Interests under that definition;
(iv) any encumbrances;
(v) Rights of First Refusal;
(vi) production sale agreements, other agreements or penalties required to be included in the Land Schedule under the definition of Permitted Encumbrances or the definition of Title and Operating Documents;
(vii) any Facilities required to be included in the Land Schedule under the definition of Facilities, any other Tangibles described in Paragraph (c) of the definition of Tangibles and any assets otherwise falling within the definition of Tangibles that are specifically excluded therefrom; and
(viii) the Wells.

(b) Schedule "B", which is the Elections and Modifications Form to the CAPL 2000 Property Transfer Procedure, including the Exhibit thereto that is the form of the General Conveyance; and

3. **Purchase and Sale**

The Purchaser agrees to purchase the Assets outlined on Schedule A from the Vendor and Vendor agrees to sell the Assets to the Purchaser on the terms and conditions set forth in this Agreement. Subject to the modifications that may be made under the Property Transfer Procedure, the consideration payable by the Purchaser to the Vendor for the Assets is $554,783 (Five hundred five four thousand seven hundred eight three dollars) allocated among the Assets as follows:

Petroleum and Natural Gas Rights	$554,773.00
Miscellaneous Interests	$ 10.00

Purchaser will pay the Purchase Price, subject to any adjustments pursuant to Clause 4.01 of the Property Transfer Procedure, to the Vendor as follows:

a. Cash - $70,000 (due upon signing of Purchase & Sale Agreement and refundable only if condition in paragraph 4 not fulfilled by July 31, 2019)

b. Set-off against Secured Indebtedness of Purchaser - $484,783 (at Closing)

4. **Condition**

Approval by the Court of Queen's Bench of Alberta by July 31, 2019.

5. **Jurisdiction**

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

5. **Amendment to the Property Transfer Procedure**

Clauses 4.02 and 4.03 of the Property Transfer Procedure are deleted. The Parties do agree that Vendor shall provide Purchaser with a statement indicating any adjustments for charges or costs incurred, pursuant to Clause 4.01, 2 business days prior to Closing.

6. **Counterpart Execution**

This Agreement may be executed in counterpart. All of those executed counterpart pages when taken together will constitute the Agreement.

In witness whereof the Parties have duly executed this Agreement.

Per:____________________________ **LEXIN RESOURCES LTD.**, by and through its court appointed receiver, GRANT THORNTON LIMITED, in its capacity as court appointed receiver of the assets, properties and undertaking of LEXIN RESOURCES LTD., and not in its personal capacity	Per:____________________________ Caledonian Royalty Corporation

This is the execution page to that certain Purchase and Sale Agreement dated May 7, 2019 between LEXIN RESOURCES LTD., by and through its court appointed receiver, GRANT THORNTON LIMITED, in its capacity as court appointed receiver of the assets, properties and undertaking of LEXIN RESOURCES LTD., and not in its personal capacity, as Transferor, and CALEDONIAN ROYALTY CORPORATION, as Transferee.

Schedule "A"

This is Schedule "A" to a Purchase and Sale Agreement dated May 7, 2019, between LEXIN RESOURCES LTD., by and through its court appointed receiver, GRANT THORNTON LIMITED, in its capacity as court appointed receiver of the assets, properties and undertaking of LEXIN RESOURCES LTD., and not in its personal capacity, as Transferor, and CALEDONIAN ROYALTY CORPORATION, as Transferee.

(i) Lands – see attached CS Explorer listing of lands and registrations (Schedule A (I))
(ii) Leases - NA
(iii) Excluded Agreements – NA
(iv) Registrations - assumption by Transferee of all registrations made against the lands
(v) ROFRs – NA
(vi) Penalties – NA
Production Sale Agreements – NA
Other Agreements – NA
(vii) Facilities – NA
(viii) Wells - NA

SCHEDULE A (i)

MFC RESOURCE PARTNERSHIP

Mineral Property Report

Generated by James Nixon on February 20, 2019 at 3:51:44 pm.

Selection

Admin Company:
Category:
Country:
Province:
Division:
Area(s):
Active / Inactive:
Status Types:
Lease Types:
Acreage Status:
Expiry Period:
Acreage Category:

EXPLORER Software Solutions Ltd.

CS*EXPLORER Version: 9.10.04

MFC RESOURCE PARTNERSHIP

Mineral Property Report

Print Options

Acres / Hectares:	Hectares		
Working Interest DOI:	Yes		
Other DOI:	Rental		
Related Contracts:	No	Related Units:	Yes
Royalty Information:	Yes	Expand:	No
Well Information:	No		
Remarks:	Yes		
Types:			
Acreage:	Producing / Non Producing Developed / Undeveloped Proven / Unproven		

Sort Options

Division:	No
Category:	Yes
Province:	No
Area:	No
Location:	No

CS*EXPLORER Version: 9.1004

Report Date: Feb 20, 2019
Page Number: 1
REPORTED IN HECTARES

MFC RESOURCE PARTNERSHIP
Mineral Property Report

Category: MINERAL

File Number / File Status / Mineral Int	Lse Type Lessor Type / Int Type / Lse No/Name / Operator / Payor		Exposure Gross Net	Oper.Cont. ROFR / Doi Partner(s)	DOI Code	Lease Description / Rights Held
M00132	FEE TITLE COMPTON	Eff: Apr 01, 1997	128.000		WI	Area : OKOTOKS
Sub: B	FEE	Exp:	128.000	1059032B C LTD	100.00000000	TWP 22 RGE 28 W4M S 18
T	COMPTON PETRO		0.000			ALL M&M EXCL ALL NG
	1059032B.C. LTD			Total Rental: 0.00		
100.00000000	1059032B.C. LTD					

Status		Hectares	Net		Hectares	Net
NON-PRODUCING	Prod:	0.000	0.000	NProd:	128.000	0.000
UNDEVELOPED	Dev:	0.000	0.000	Undev:	128.000	0.000
NONPROVEN	Prov:	0.000	0.000	NProv:	128.000	0.000

Royalty / Encumbrances

Royalty Type	Product Type	Sliding Scale	Convertible	% of Prod/Sales
HERITAGE GROSS OVERRIDING R	ALL PRODUCTS	N	N	100.00000000 % of PROD

Roy Percent: 5.00000000
Deduction: YES
Gas: Royalty: Min Pay: Prod/Sales:
S/S OIL: Min: Max: Div: Prod/Sales:
Other Percent: Min: Prod/Sales:

Remarks

Type	Date	Description
GEN	Mar 31, 2011	NG rights transferred to file M09939.
GEN	Dec 01, 2011	NATURAL GAS RIGHTS WERE SOLD TO ENCANA EFFECTIVE JAN 01/11. P00711. NATURAL GAS BELOW THE BASE OF THE MANNVILLE IS BEING HELD IN TRUST FOR COMPTON BY ENCANA (M09939). THIS FILE COVERS THE FEE LANDS FOR ALL M&M EXCLUDING NG.

M00134 FEE TITLE FH Eff: Apr 01, 1997 63.968 WI Area : OKOTOKS

MFC RESOURCE PARTNERSHIP
Mineral Property Report

Category: MINERAL

REPORTED IN HECTARES

File Number / File Status / Mineral Int	Lse Type / Int Type / Lse No/Name / Operator / Payor	Lessor Type	Exposure Gross / Net	Oper.Cont. / Dol Partner(s)	ROFR	DOI Code	Lease Description / Rights Held
(cont'd)							
M00134 Sub: A T 37.50000000	FEE COMPTON PETRO 1059032B C. LTD 1059032B C. LTD	Exp:	23.988 0.000	1059032B.C. LTD Total Rental 0.00		100.00000000	TWP 20 RGE 28 W4M PTN SW 18 (UNDIVIDED 3/8 INTEREST) ALL M&M FROM TOP SURFACE TO BASE BASEMENT

Status		Hectares	Net		Hectares	Net
NON-PRODUCING	Prod:	0.000	0.000	NProd:	23.988	0.000
UNDEVELOPED	Dev:	0.000	0.000	Undev:	23.988	0.000
NONPROVEN	Prov:	0.000	0.000	NProv:	23 988	0.000

Royalty / Encumbrances

Royalty Type	Product Type	Sliding Scale	Convertible	% of Prod/Sales
GROSS OVERRIDING ROYALTY	ALL PRODUCTS	N	N	100.00000000 % of PROD

Roy Percent: 12.50000000
Deduction: UNKNOWN
Gas: Royalty: Min Pay: Prod/Sales:
S/S OIL: Min: Max: Div: Prod/Sales:
Other Percent: Min: Prod/Sales:

Royalty Type	Product Type	Sliding Scale	Convertible	% of Prod/Sales
HERITAGE GROSS OVERRIDING R	ALL PRODUCTS	N	N	100.00000000 % of PROD

Roy Percent: 5.00000000
Deduction: YES
Gas: Royalty: Min Pay: Prod/Sales:
S/S OIL: Min: Max: Div: Prod/Sales:
Other Percent: Min: Prod/Sales:

Remarks

Type	Date	Description
COAL OWNER	Jul 22, 2005	LESSOR

REPORTED IN HECTARES

MFC RESOURCE PARTNERSHIP
Mineral Property Report

Category: MINERAL

File Number / File Status / Mineral Int	Lse Type Lessor Type / Int Type / Lse No/Name / Operator / Payor	Exposure Gross Net	Oper.Cont. ROFR / Doi Partner(s)	DOI Code	Lease Description / Rights Held
M00135	FEE TITLE COMPTONEff: Apr 01, 1997	16.000		WI	Area : OKOTOKS
Sub: A	FEE Exp:	12.000	1059032B.C. LTD	100.00000000	TWP 20 RGE 29 W4M LSD 6 OF 27
T	COMPTON PETRO	0.000			(UNDIVIDED 3/4 INTEREST)
	1059032B.C. LTD		Total Rental: 0.00		ALL PNG
75.00000000	1059032B.C. LTD				

Status		Hectares	Net		Hectares	Net
NON-PRODUCING	Prod:	0.000	0.000	NProd:	12.000	0.000
UNDEVELOPED	Dev:	0.000	0.000	Undev:	12.000	0.000
NONPROVEN	Prov:	0.000	0.000	NProv:	12.000	0.000

Royalty / Encumbrances

Royalty Type	Product Type	Sliding Scale	Convertible	% of Prod/Sales
GROSS OVERRIDING ROYALTY	ALL PRODUCTS	N	N	100.00000000 % of PROD

Roy Percent: 12.50000000
Deduction: UNKNOWN
Gas: Royalty: Min Pay: Prod/Sales:
S/S OIL: Min: Max: Div: Prod/Sales:
Other Percent: Min: Prod/Sales:

Royalty Type	Product Type	Sliding Scale	Convertible	% of Prod/Sales
HERITAGE GROSS OVERRIDING R	ALL PRODUCTS	N	N	100 00000000 % of PROD

Roy Percent: 5 00000000
Deduction: YES
Gas: Royalty: Min Pay: Prod/Sales:
S/S OIL: Min: Max: Div: Prod/Sales:
Other Percent: Min: Prod/Sales:

Remarks

Type	Date	Description
COAL OWNER	Aug 03, 2005	CROWN

MFC RESOURCE PARTNERSHIP
Mineral Property Report

Category: MINERAL

File Number File Status Mineral Int	Lse Type Lessor Type Int Type / Lse No/Name Operator / Payor	Exposure Gross Net	Oper.Cont. ROFR Doi Partner(s)	DOI Code	Lease Description / Rights Held

(cont'd)

M00135 A

Remarks

Type	Date	Description
TRANS	Feb 22, 2016	MFC ENERGY CORPORATION TO 1059032 B.C. LTD.

M00136 FEE TITLE COMPTOI Eff: Apr 01, 1997 64 000
Sub: A FEE Exp: 64.000 1059032B.C. LTD WI 100.00000000
T COMPTON PETRO 0 000
1059032B.C. LTD Total Rental: 0 00
100.00000000 1059032B.C. LTD

Area : OKOTOKS
TWP 20 RGE 28 W4M NW 28
ALL PNG

Status		Hectares	Net		Hectares	Net
NON-PRODUCING	Prod:	0.000	0.000	NProd:	64.000	0.000
UNDEVELOPED	Dev:	0.000	0.000	Undev:	64 000	0 000
NONPROVEN	Prov:	0.000	0.000	NProv:	64.000	0.000

Royalty / Encumbrances

Royalty Type	Product Type	Sliding Scale	Convertible	% of Prod/Sales
HERITAGE GROSS OVERRIDING	RALL PRODUCTS	N	N	100.00000000 % of PROD

Roy Percent: 5.00000000
Deduction: YES
Gas: Royalty: Min Pay: Prod/Sales:
S/S OIL: Min: Max: Div: Prod/Sales:
Other Percent: Min: Prod/Sales:

Remarks

Type	Date	Description
DETAILS		(CDNOXY) COMPTON POOLED CROSSFIELD NG UNDER C00034 AND

REPORTED IN HECTARES

MFC RESOURCE PARTNERSHIP
Mineral Property Report

Category: MINERAL

File Number / File Status / Mineral Int	Lse Type / Lessor Type / Int Type / Lse No/Name / Operator / Payor	Exposure / Gross / Net	Oper.Cont. / ROFR / Doi Partner(s)	DOI Code	Lease Description / Rights Held

(cont'd)

M00136 A

Remarks

Type	Date	Description
		ISSUED 5YR LEASE TO CZAR COMMENCING MAR 1/85 (M00143) - LEASE CONTINUES UNTIL CROWN LEASE 0477100054 (M00142) EXPIRES.
COAL OWNER	Jul 22, 2005	FH OWNER OTHER THAN PNG OWNER

M00149	FEE TITLE COMPTON Eff: Apr 01, 1997	80.388		WI	Area : OKOTOKS
Sub: A	FEE Exp:	80.388	1059032B.C. LTD	100.00000000	TWP 22 RGE 28 W4M PTN N 7
T	COMPTON PETRO	0.000			ALL M&M
	1059032B.C. LTD		Total Rental: 0.00		
100.00000000	1059032B.C. LTD				

Status		Hectares	Net		Hectares	Net
NON-PRODUCING	Prod:	0.000	0.000	NProd:	80.388	0.000
UNDEVELOPED	Dev:	0.000	0.000	Undev:	80.388	0.000
NONPROVEN	Prov:	0.000	0.000	NProv:	80.388	0.000

Royalty / Encumbrances

Royalty Type	Product Type	Sliding Scale	Convertible	% of Prod/Sales
HERITAGE GROSS OVERRIDING	ALL PRODUCTS	N	N	100.00000000 % of PROD

Roy Percent: 5.00000000
Deduction: YES
Gas: Royalty: Min Pay: Prod/Sales:
S/S OIL: Min: Max: Div: Prod/Sales:
Other Percent: Min: Prod/Sales:

MFC RESOURCE PARTNERSHIP
Mineral Property Report

Category: MINERAL

REPORTED IN HECTARES

File Number / File Status / Mineral Int	Lse Type / Lessor Type / Int Type / Lse No/Name / Operator / Payor	Exposure / Gross / Net	Oper.Cont. / ROFR / DOI Code / Doi Partner(s)	Lease Description / Rights Held

(cont'd)

M00149 A

Remarks

Type	Date	Description
COAL OWNER	May 20, 2005	COMPTON PETROLEUM CORP (FH LESSOR)
TRANS	Feb 22, 2016	MFC ENERGY CORORATION TO 1059032 B.C. LTD.

M00150 FEE TITLE COMPTON Eff: Apr 01, 1997 255.528 WI Area OKOTOKS
Sub: A FEE Exp: 255.528 1059032B.C. LTD 100 00000000 TWP 22 RGE 29 W4M 36
T COMPTON PETRO 0 000 ALL M&M
1059032B.C. LTD Total Rental: 0.00
100 00000000 1059032B.C. LTD

Status		Hectares	Net		Hectares	Net
NON-PRODUCING	Prod:	0 000	0 000	NProd:	255 528	0 000
UNDEVELOPED	Dev:	0.000	0.000	Undev:	255 528	0.000
NONPROVEN	Prov:	0.000	0 000	NProv:	255.528	0 000

Royalty / Encumbrances

Royalty Type	Product Type	Sliding Scale	Convertible	% of Prod/Sales
HERITAGE GROSS OVERRIDING	RALL PRODUCTS	N	N	100.00000000 % of PROD

Roy Percent: 5.00000000
Deduction: YES
Gas: Royalty: Min Pay: Prod/Sales:
S/S OIL: Min: Max: Div: Prod/Sales:
Other Percent: Min: Prod/Sales:

Remarks

Type	Date	Description
TRANS	Feb 22, 2016	MFC ENERGY CORORATION TO 1059032 B C. LTD.

MFC RESOURCE PARTNERSHIP
Mineral Property Report

Category: MINERAL

File Number File Status Mineral Int	Lse Type Lessor Type Int Type / Lse No/Name Operator / Payor		Exposure Gross Net	Oper.Cont. ROFR Doi Partner(s)	DOI Code	Lease Description / Rights Held
M00151 Sub: A T 100.00000000	FEE TITLE COMPTON FEE COMPTON PETRO 0989 RESOURCE P 1059032B.C. LTD	Eff: Apr 01, 1997 Exp:	256.000 256 000 0.000	 1059032B.C. LTD Total Rental: 0.00	WI 100.00000000	Area : OKOTOKS TWP 22 RGE 29 W4M 25 ALL M&M

Status		Hectares	Net		Hectares	Net
NON-PRODUCING	Prod:	0.000	0.000	NProd:	256.000	0 000
UNDEVELOPED	Dev:	0.000	0.000	Undev:	256.000	0 000
NONPROVEN	Prov:	0.000	0.000	NProv:	256.000	0 000

Royalty / Encumbrances

Royalty Type	Product Type	Sliding Scale	Convertible	% of Prod/Sales
HERITAGE GROSS OVERRIDING R	ALL PRODUCTS	N	N	100.00000000 % of PROD

Roy Percent: 5.00000000
Deduction: YES
Gas: Royalty: Min Pay: Prod/Sales:
S/S OIL: Min: Max: Div: Prod/Sales:
Other Percent: Min: Prod/Sales:

Remarks

Type	Date	Description
TRANS	Feb 22, 2016	MFC ENERGY CORPORATION TO 1059032 B.C. LTD.

M00152 Sub: A T	FEE TITLE COMPTON FEE COMPTON PETRO 1059032B.C LTD	Eff: Apr 01, 1997 Exp:	256 000 256.000 0 000	 1059032B.C. LTD Total Rental: 0.00	WI 100.00000000	Area : OKOTOKS TWP 22 RGE 29 W4M 23 ALL M&M

MFC RESOURCE PARTNERSHIP
Mineral Property Report

Category: MINERAL

REPORTED IN HECTARES

File Number / File Status / Mineral Int	Lse Type Lessor Type / Int Type / Lse No/Name / Operator / Payor	Exposure / Gross / Net	Oper.Cont. ROFR / Doi Partner(s)	DOI Code	Lease Description / Rights Held

(cont'd)

M00152
Sub: A
100.00000000 1059032B.C. LTD

Status		Hectares	Net		Hectares	Net
NON-PRODUCING	Prod:	0.000	0.000	NProd:	256.000	0.000
UNDEVELOPED	Dev:	0.000	0.000	Undev:	256.000	0.000
NONPROVEN	Prov:	0.000	0.000	NProv:	256.000	0.000

Royalty / Encumbrances

Royalty Type	Product Type	Sliding Scale	Convertible	% of Prod/Sales
HERITAGE GROSS OVERRIDING	RALL PRODUCTS	N	N	100.00000000 % of PROD

Roy Percent: 5.00000000
Deduction: YES
Gas: Royalty: Min Pay: Prod/Sales:
S/S OIL: Min: Max: Div: Prod/Sales:
Other Percent: Min: Prod/Sales:

File	Lease	Dates	Exposure	Partner	WI	Lease Description / Rights Held
M00153	FEE TITLE COMPTO	Eff: Apr 01, 1997	121.000			Area : OKOTOKS
Sub: A	FEE	Exp:	121.000	1059032B.C. LTD	100.00000000	TWP 22 RGE 29 W4M PTN N 11,
T	COMPTON PETRO		0.000			PTN SW 11
	1059032B.C. LTD			Total Rental: 0.00		ALL M&M
100.00000000	1059032B.C. LTD					

Status		Hectares	Net		Hectares	Net
NON-PRODUCING	Prod:	0.000	0.000	NProd:	121.000	0.000
UNDEVELOPED	Dev:	0.000	0.000	Undev:	121.000	0.000

MFC RESOURCE PARTNERSHIP
Mineral Property Report

Category: MINERAL

File Number / File Status / Mineral Int	Lse Type Lessor Type / Int Type / Lse No/Name / Operator / Payor	Exposure / Gross / Net	Oper.Cont. ROFR / Doi Partner(s)	DOI Code	Lease Description / Rights Held

(cont'd)

M00153 Sub: A	NONPROVEN	Prov:	0.000	0.000	NProv:	121.000	0.000

Royalty / Encumbrances

Royalty Type	Product Type	Sliding Scale	Convertible	% of Prod/Sales
HERITAGE GROSS OVERRIDING	ALL PRODUCTS	N	N	100.00000000 % of PROD

Roy Percent: 5.00000000
Deduction: YES
Gas: Royalty: Min Pay: Prod/Sales:
S/S OIL: Min: Max: Div: Prod/Sales:
Other Percent: Min: Prod/Sales:

Remarks

Type	Date	Description
TRANS	Feb 22, 2016	MFC ENERGY CORPORATION TO 1059032 B.C. LTD.

M00154 FEE TITLE COMPTONEff: Apr 01, 1997 254.800 WI
Sub: A FEE Exp: 254.800 1059032B.C. LTD 100.00000000
T COMPTON PETRO 0.000 Total Rental: 0.00
1059032B.C. LTD
100.00000000 1059032B.C. LTD

Area : OKOTOKS
TWP 22 RGE 28 W4M 31
ALL M&M EXCLUDING ALL NG

Status		Hectares	Net		Hectares	Net
NON-PRODUCING	Prod:	0.000	0.000	NProd:	254.800	0.000
UNDEVELOPED	Dev:	0.000	0.000	Undev:	254.800	0.000
NONPROVEN	Prov:	0.000	0.000	NProv:	254.800	0.000

MFC RESOURCE PARTNERSHIP
Mineral Property Report

Category: MINERAL

File Number / File Status / Mineral Int	Lse Type Lessor Type / Int Type / Lse No/Name / Operator / Payor	Exposure Gross / Net	Oper.Cont. ROFR / Doi Partner(s)	DOI Code	Lease Description / Rights Held

(cont'd)

M00154 A

Royalty / Encumbrances

Royalty Type	Product Type	Sliding Scale	Convertible	% of Prod/Sales
HERITAGE GROSS OVERRIDING	RALL PRODUCTS	N	N	100.00000000 % of PROD

Roy Percent: 5.00000000
Deduction: YES
Gas: Royalty: Min Pay: Prod/Sales:
S/S OIL: Min: Max: Div: Prod/Sales:
Other Percent: Min: Prod/Sales:

Remarks

Type	Date	Description
COAL OWNER	May 20, 2005	COMPTON PETROLEUM LIMITED.
GEN	Jan 01, 2007	EFFECTIVE JAN 1/07 COMPTON PETROLEUM CORPORATOIN TRANSFERRED ITS ENTIRE INTEREST TO COMPTON PARTNERSHIP IN. 22-28-W4;31 BY VIRTUE OF DRILLING 100/15-31-022-28-W4/00.
NOA	Mar 31, 2011	Compton Petroleum partnership dissolved effective Dec 31. 2010 and its assets were assigned to Comptroleum Petroleum Corporation.
TRANS	Feb 22, 2016	MFC ENERGY CORPORATION TO 1059032 B.C. LTD.

M00155 FEE TITLE COMPTOI Eff: Apr 01, 1997 128.000 WI
Sub: A FEE Exp: 128.000 1059032B.C. LTD 100.00000000
T COMPTON PETRO 0.000
1059032B C. LTD Total Rental. 0.00
100.00000000 1059032B.C. LTD

Area . OKOTOKS
TWP 22 RGE 28 W4M N 30
ALL M&M EXCLUDING ALL NG

Status	Hectares	Net	Hectares	Net

MFC RESOURCE PARTNERSHIP
Mineral Property Report

Category: MINERAL

File Number / File Status / Mineral Int	Lse Type / Int Type / Operator / Payor	Lessor Type / Lse No/Name	Exposure / Gross / Net	Oper.Cont. / Doi Partner(s)	ROFR	DOI Code		Lease Description / Rights Held
(cont'd)								
M00155 Sub: A	NON-PRODUCING	Prod:	0.000	0.000	NProd:	128.000	0.000	
	UNDEVELOPED	Dev:	0.000	0.000	Undev:	128.000	0.000	
	NONPROVEN	Prov:	0.000	0.000	NProv:	128.000	0.000	

Royalty / Encumbrances

Royalty Type	Product Type	Sliding Scale	Convertible	% of Prod/Sales
HERITAGE GROSS OVERRIDING	ALL PRODUCTS	N	N	100.00000000 % of PROD

Roy Percent: 5.00000000
Deduction: YES
Gas: Royalty: Min Pay: Prod/Sales:
S/S OIL: Min: Max: Div: Prod/Sales:
Other Percent: Min: Prod/Sales:

Remarks

Type	Date	Description
COAL OWNER	May 20, 2005	COMPTON PETROLEUM CORP
TRANS	Feb 22, 2016	MFC ENERGY CORPORATION TO 1059032 B.C. LTD.

M00157 FEE TITLE COMPTON Eff: Apr 01, 1997 256.000 WI
Sub: A FEE Exp: 256.000 1059032B.C. LTD 100.00000000
T COMPTON PETRO 0.000
1059032B.C. LTD Total Rental: 0.00
100.00000000 1059032B.C. LTD

Area OKOTOKS
TWP 22 RGE 28 W4M 17
ALL M&M EXCL ALL NG

Status		Hectares	Net		Hectares	Net
NON-PRODUCING	Prod:	0.000	0.000	NProd:	256.000	0.000

MFC RESOURCE PARTNERSHIP
Mineral Property Report

Category: MINERAL

REPORTED IN HECTARES

File Number File Status Mineral Int	Lse Type Lessor Type Int Type / Lse No/Name Operator / Payor	Exposure Gross Net	Oper.Cont. ROFR Doi Partner(s)	DOI Code	Lease Description / Rights Held

(cont'd)

M00157
Sub: A

UNDEVELOPED	Dev:	0.000	0.000	Undev:	256.000	0.000
NONPROVEN	Prov:	0.000	0.000	NProv:	256.000	0.000

Royalty / Encumbrances

Royalty Type	Product Type	Sliding Scale	Convertible	% of Prod/Sales
HERITAGE GROSS OVERRIDING	RALL PRODUCTS	N	N	100 00000000 % of PROD

Roy Percent: 5.00000000
Deduction: YES
Gas: Royalty: Min Pay: Prod/Sales:
S/S OIL: Min: Max: Div: Prod/Sales:
Other Percent: Min: Prod/Sales:

Remarks

Type	Date	Description
TRANS	Feb 22, 2016	MFC ENERGY CORPORATION TO 1059032 B.C. LTD.

M00280 FEE TITLE COMPTON Eff: Apr 01, 1997 64.000
Sub: A FEE Exp: 21.332 1059032B C. LTD WI 100 00000000
T COMPTON PETRO 0 000
1059032B.C. LTD Total Rental: 0.00
33.33330000 1059032B.C. LTD

Area: OKOTOKS
TWP 19 RGE 1 W5M SE 25
(UND 1/3 INT)
ALL M&M

Status		Hectares	Net		Hectares	Net
NON-PRODUCING	Prod:	0.000	0.000	NProd:	21.332	0.000
UNDEVELOPED	Dev:	0 000	0.000	Undev:	21 332	0.000
NONPROVEN	Prov:	0.000	0.000	NProv:	21.332	0 000

REPORTED IN HECTARES

MFC RESOURCE PARTNERSHIP
Mineral Property Report

Category: MINERAL

File Number / File Status / Mineral Int	Lse Type / Int Type / Operator / Payor	Lessor Type / Lse No/Name	Exposure Gross / Net	Oper.Cont. / Doi Partner(s)	ROFR	DOI Code	Lease Description / Rights Held

(cont'd)

M00280 A

Royalty / Encumbrances

Royalty Type	Product Type	Sliding Scale	Convertible	% of Prod/Sales
HERITAGE GROSS OVERRIDING	RALL PRODUCTS	N	N	100.00000000 % of PROD

Roy Percent: 5.00000000
Deduction: YES
Gas: Royalty: Min Pay: Prod/Sales:
S/S OIL: Min: Max: Div: Prod/Sales:
Other Percent: Min: Prod/Sales:

Remarks

Type	Date	Description
RELCON		TERMINATED CONTRACTS: P00011 A
COAL OWNER	Aug 26, 2005	FH LESSOR

M00798 FEE TITLE COMPTON Eff: Apr 14, 1999 128.800 — WI
Sub: A FEE Exp: 128.800 1059032B.C. LTD 100.00000000
T COMPTON PETRO 0.000
1059032B.C. LTD Total Rental. 0.00
100.00000000 1059032B C. LTD

Area : VULCAN
TWP 15 RGE 25 W4M W 23
ALL M&M
EXCL COAL
EXCL PETROLEUM

Status		Hectares	Net		Hectares	Net
NON-PRODUCING	Prod:	0.000	0.000	NProd:	128.800	0.000
UNDEVELOPED	Dev:	0.000	0.000	Undev:	128.800	0.000
NONPROVEN	Prov:	0.000	0.000	NProv:	128.800	0.000

Royalty / Encumbrances

MFC RESOURCE PARTNERSHIP
Mineral Property Report

Category: MINERAL

File Number File Status Mineral Int	Lse Type Lessor Type Int Type / Lse No/Name Operator / Payor	Exposure Gross Net	Oper.Cont. ROFR Doi Partner(s)	DOI Code	Lease Description / Rights Held

(cont'd)

Royalty Type	Product Type	Sliding Scale	Convertible	% of Prod/Sales
HERITAGE GROSS OVERRIDING	RALL PRODUCTS	N	N	100.00000000 % of PROD

M00798 A

Roy Percent: 5.00000000
Deduction: YES
Gas: Royalty: — Min Pay: — Prod/Sales:
S/S OIL: Min: — Max: — Div: — Prod/Sales:
Other Percent: — Min: — Prod/Sales:

Remarks

Type	Date	Description
TRANS	Feb 22, 2016	MFC ENERGY CORPORATION TO 1059032 B.C. LTD.

M00874 Sub: A T 9.37500000	FEE TITLE COMPTON FEE COMPTON PETRO 1059032B.C. LTD 1059032B.C. LTD	Eff: Mar 27, 1998 Exp:	96.000 9 000 0.000	1059032B.C. LTD Total Rental: 0.00	WI 100 00000000

Area : OKOTOKS
TWP 20 RGE 29 W4M LSDS 2, 3, 5, 6, 7, 8 OF 1
(AS TO AN UND 9.375% INT)
ALL PNG

Status		Hectares	Net		Hectares	Net
NON-PRODUCING	Prod:	0.000	0.000	NProd:	9.000	0.000
UNDEVELOPED	Dev:	0 000	0.000	Undev:	9.000	0.000
NONPROVEN	Prov:	0.000	0.000	NProv:	9 000	0 000

Royalty / Encumbrances

Royalty Type	Product Type	Sliding Scale	Convertible	% of Prod/Sales
HERITAGE GROSS OVERRIDING	RALL PRODUCTS	N	N	100.00000000 % of PROD

Roy Percent: 5.00000000
Deduction: YES

MFC RESOURCE PARTNERSHIP
Mineral Property Report

Category: MINERAL

File Number / File Status / Mineral Int	Lse Type / Int Type / Lse No/Name / Operator / Payor	Lessor Type	Exposure / Gross / Net	Oper.Cont. ROFR / Doi Partner(s)	DOI Code	Lease Description / Rights Held

(cont'd)
M00874 A

Gas: Royalty:	Max:	Min Pay:	Prod/Sales:
S/S OIL: Min:		Div:	Prod/Sales:
Other Percent:		Min:	Prod/Sales:

Remarks

Type	Date	Description
GEN		COMPTON PURCHASED DENNIS DOROSZ'S 9.375% FEE SIMPLE INTEREST IN THESE LANDS
COAL OWNER	Aug 03, 2005	CROWN
TRANS	Feb 23, 2016	MFC ENERGY CORPORATION TO 1059032 B.C. LTD

M00875 — FEE TITLE COMPTON Eff: Mar 27, 1998 — 64.000
Sub: A — FEE — Exp: — 16.320 — 1059032B.C. LTD — WI 100.00000000
T — COMPTON PETRO — 0.000
1059032B.C. LTD — Total Rental: 0.00
25.50000000 — 1059032B.C. LTD

Area : OKOTOKS
TWP 20 RGE 29 W4M NW 1
(AS TO AN UND 25.5% INT)
ALL PNG

Status		Hectares	Net		Hectares	Net
NON-PRODUCING	Prod:	0.000	0.000	NProd:	16.320	0.000
UNDEVELOPED	Dev:	0.000	0.000	Undev:	16.320	0.000
NONPROVEN	Prov:	0.000	0.000	NProv:	16.320	0.000

Royalty / Encumbrances

Royalty Type	Product Type	Sliding Scale	Convertible	% of Prod/Sales
HERITAGE GROSS OVERRIDING	ALL PRODUCTS	N	N	100.00000000 % of PROD

Roy Percent: 5.00000000
Deduction: YES
Gas: Royalty: — Min Pay: — Prod/Sales:
S/S OIL: Min:

MFC RESOURCE PARTNERSHIP
Mineral Property Report

Category: MINERAL

File Number / File Status / Mineral Int	Lse Type / Lessor Type / Int Type / Lse No/Name / Operator / Payor	Exposure / Gross / Net	Oper.Cont. ROFR / DOI Partner(s)	DOI Code	Lease Description / Rights Held

(cont'd)

Other Percent: Max: Div: Prod/Sales:
Min: Prod/Sales:

Remarks

Type	Date	Description
GEN		COMPTON PURCHASED DENNIS DOROSZ'S 25.5% FEE SIMPLE INTEREST IN TWO LEASES (24% IN M00249 AND 1.5% IN M00250). THESE INTERESTS WERE ADDED TOGETHER FOR THIS FILE. MICHAEL DOROSZ RETAINED HIS 25.5% IN BOTH FILES
COAL OWNER	Aug 03, 2005	CROWN

M01014 FEE TITLE COMPTON Eff: Nov 01, 1997 32.000 WI
Sub: A FEE Exp: 32.000 1059032B.C. LTD 100.00000000
T COMPTON PETRO 0.000
1059032B C. LTD Total Rental: 0.00
100.00000000 1059032B C. LTD

Area: OKOTOKS
TWP 19 RGE 1 W5M LSD 3,4 OF 25
ALL PNG

Status		Hectares	Net		Hectares	Net
NON-PRODUCING	Prod:	0.000	0.000	NProd:	32.000	0.000
UNDEVELOPED	Dev:	0.000	0.000	Undev:	32.000	0.000
NONPROVEN	Prov:	0.000	0.000	NProv:	32.000	0.000

Royalty / Encumbrances

Royalty Type	Product Type	Sliding Scale	Convertible	% of Prod/Sales
GROSS ROYALTY TRUST	ALL PRODUCTS	N	N	100.00000000 % of PROD

Roy Percent: 12.50000000
Deduction: YES
Gas: Royalty: Min Pay: Prod/Sales:
S/S OIL: Min:

MFC RESOURCE PARTNERSHIP
Mineral Property Report

Category: MINERAL

File Number / File Status / Mineral Int	Lse Type Lessor Type / Int Type / Lse No/Name / Operator / Payor	Exposure Gross / Net	Oper.Cont. ROFR / Doi Partner(s)	DOI Code	Lease Description / Rights Held

(cont'd)

Other Percent: Max: Div: Prod/Sales:
Min: Prod/Sales:

M01014 A

Royalty / Encumbrances

Royalty Type	Product Type	Sliding Scale	Convertible	% of Prod/Sales
HERITAGE GROSS OVERRIDING	RALL PRODUCTS	N	N	100.00000000 % of PROD

Roy Percent: 5.00000000
Deduction: YES
Gas: Royalty: Min Pay: Prod/Sales:
S/S OIL: Min: Max: Div: Prod/Sales:
Other Percent: Min: Prod/Sales:

Remarks

Type	Date	Description
COAL OWNER	Aug 03, 2005	CROWN

M01444 FEE TITLE COMPTOIEff: Jun 08, 2000 192.000 WI
Sub: A FEE Exp: 89.588 1059032B.C. LTD 100.00000000
T COMPTON PETRO 0.000 —
1059032B.C. LTD Total Rental: 0.00
46.66000000 1059032B.C. LTD

Area : HARTELL
TWP 18 RGE 2 W5M S & NW 26
(UND 46 2/3 INT)
ALL M&M

Status		Hectares	Net		Hectares	Net
NON-PRODUCING	Prod:	0.000	0.000	NProd:	89.588	0.000
UNDEVELOPED	Dev:	0.000	0.000	Undev:	89.588	0.000
NONPROVEN	Prov:	0.000	0.000	NProv:	89.588	0.000

Royalty / Encumbrances

MFC RESOURCE PARTNERSHIP
Mineral Property Report

Category: MINERAL

REPORTED IN HECTARES

File Number / File Status / Mineral Int	Lse Type / Lessor Type / Int Type / Lse No/Name / Operator / Payor	Exposure / Gross / Net	Oper.Cont. / ROFR / Doi Partner(s)	DOI Code	Lease Description / Rights Held

(cont'd)

Royalty Type	Product Type	Sliding Scale	Convertible	% of Prod/Sales
HERITAGE GROSS OVERRIDING R	ALL PRODUCTS	N	N	100 00000000 % of PROD

M01444 A

- Roy Percent: 5.00000000
- Deduction: YES
- Gas: Royalty: Min Pay: Prod/Sales:
- S/S OIL: Min: Max: Div: Prod/Sales:
- Other Percent: Min: Prod/Sales:

M01927	FEE TITLE COMPTON Eff: Apr 22, 2002	256 000	C00100-1 D Not Applicable WI	Area CENTRON
Sub: A	FEE Exp:	256.000	0989 RESOURCE P 100 00000000	TWP 23 RGE 27 W4M 9
T	COMPTON PETRO	256.000	Total Rental: 0 00	ALL M&M EXCL NG
	1059032B.C. LTD			
100.00000000	1059032B.C. LTD			

Status		Hectares	Net		Hectares	Net
NON-PRODUCING	Prod:	0.000	0.000	NProd:	256.000	256.000
UNDEVELOPED	Dev:	0.000	0.000	Undev:	256.000	256.000
NONPROVEN	Prov:	0.000	0.000	NProv:	256 000	256.000

Royalty / Encumbrances

Royalty Type	Product Type	Sliding Scale	Convertible	% of Prod/Sales
GROSS OVERRIDING ROYALTY	ALL PRODUCTS	N	N	46 46250000 % of PROD

- Roy Percent: 12.00000000
- Deduction: NO
- Gas: Royalty: Min Pay: Prod/Sales:
- S/S OIL: Min: Max: Div: Prod/Sales:
- Other Percent: Min: Prod/Sales:

MFC RESOURCE PARTNERSHIP
Mineral Property Report

Category: MINERAL

File Number / File Status / Mineral Int	Lse Type Lessor Type / Int Type / Lse No/Name / Operator / Payor	Exposure Gross / Net	Oper.Cont. ROFR / Doi Partner(s)	DOI Code	Lease Description / Rights Held

(cont'd)

M01927 A

Royalty / Encumbrances

Royalty Type	Product Type	Sliding Scale	Convertible	% of Prod/Sales
HERITAGE GROSS OVERRIDING	RALL PRODUCTS	N	N	100.00000000 % of PROD

Roy Percent: 5.00000000
Deduction: YES
Gas: Royalty: Min Pay: Prod/Sales:
S/S OIL: Min: Max: Div: Prod/Sales:
Other Percent: Min: Prod/Sales:

Remarks

Type	Date	Description
GEN	Jun 30, 1999	PANCANADIAN'S LEASE THAT THEY TOOK OUT ON THESE LANDS EXPIRED IN JUNE 1999.
TRANS	Feb 22, 2016	MFC ENERGY CORPORATION TO 1059032 B.C. LTD.

M02842 FEE TITLE COMPTON Eff: Jan 01, 1998 0.160 WI
Sub: A FEE Exp: 0.112 1059032B.C. LTD 100.00000000
T COMPTON PETRO 0.000
1059032B.C. LTD Total Rental: 0.00
70.00000000 1059032B.C. LTD

Area : LEDUC-WOODBEND
TWP 49 RGE 25 W4M PTN NW 26
(UNDIVIDED 70% INTEREST)
ALL M&M

Status		Hectares	Net		Hectares	Net
NON-PRODUCING	Prod:	0.000	0.000	NProd:	0.112	0.000
UNDEVELOPED	Dev:	0.000	0.000	Undev:	0.112	0.000
NONPROVEN	Prov:	0.000	0.000	NProv:	0.112	0.000

MFC RESOURCE PARTNERSHIP
Mineral Property Report

Category: MINERAL

File Number / File Status / Mineral Int	Lse Type Lessor Type / Int Type / Lse No/Name / Operator / Payor	Exposure Gross / Net	Oper.Cont. ROFR / Doi Partner(s)	DOI Code	Lease Description / Rights Held

(cont'd)

M02842 A

Royalty / Encumbrances

Royalty Type	Product Type	Sliding Scale	Convertible	% of Prod/Sales
HERITAGE GROSS OVERRIDING RALL PRODUCTS		N	N	100.00000000 % of PROD

Roy Percent: 5.00000000
Deduction: YES
Gas: Royalty: Min Pay: Prod/Sales:
S/S OIL: Min: Max: Div: Prod/Sales:
Other Percent: Min: Prod/Sales:

M03529 FEE TITLE COMPTON Eff: Mar 01, 2002 255.600 WI
Sub: A FEE Exp: 12.780 1059032B.C. LTD 100.00000000
T COMPTON PETRO 0.000
1059032B.C. LTD Total Rental: 0.00
5.00000000 1059032B.C. LTD

Area . OKOTOKS
TWP 21 RGE 28 W4M S & NE 23
PTN NW 23
(UNDIVIDED 1/20 INTEREST)
ALL M&M

Status		Hectares	Net		Hectares	Net
NON-PRODUCING	Prod:	0.000	0.000	NProd:	12.780	0.000
UNDEVELOPED	Dev:	0.000	0.000	Undev:	12.780	0.000
NONPROVEN	Prov:	0.000	0.000	NProv:	12.780	0.000

Royalty / Encumbrances

Royalty Type	Product Type	Sliding Scale	Convertible	% of Prod/Sales
HERITAGE GROSS OVERRIDING RALL PRODUCTS		N	N	100.00000000 % of PROD

Roy Percent: 5.00000000
Deduction: YES

REPORTED IN HECTARES

MFC RESOURCE PARTNERSHIP
Mineral Property Report

Category: MINERAL

File Number / File Status / Mineral Int	Lse Type / Int Type / Operator	Lessor Type / Lse No/Name / Payor	Exposure / Gross / Net	Oper.Cont. / Doi Partner(s)	ROFR	DOI Code	Lease Description / Rights Held

(cont'd)
M03529 A

Gas: Royalty:		Min Pay:		Prod/Sales:	
S/S OIL: Min:	Max:	Div:		Prod/Sales:	
Other Percent:		Min:		Prod/Sales:	

Remarks

Type	Date	Description
COAL OWNER	Aug 23, 2005	FH LESSOR

M03530 FEE TITLE COMPTOEff: Mar 01, 2002 255.600 WI
Sub: A FEE Exp: 12.780 1059032B.C. LTD 100.00000000
T COMPTON PETRO 0.000
1059032B.C. LTD Total Rental: 0.00
5.00000000 1059032B.C. LTD

Area OKOTOKS
TWP 21 RGE 28 W4M S & NE 23,
PTN NW 23
(UNDIVIDED 1/20 INTEREST)
ALL M&M

Status		Hectares	Net		Hectares	Net
NON-PRODUCING	Prod:	0.000	0.000	NProd:	12.780	0.000
UNDEVELOPED	Dev:	0.000	0.000	Undev:	12.780	0.000
NONPROVEN	Prov:	0.000	0.000	NProv:	12.780	0.000

Royalty / Encumbrances

Royalty Type	Product Type	Sliding Scale	Convertible	% of Prod/Sales
HERITAGE GROSS OVERRIDING	ALL PRODUCTS	N	N	100 00000000 % of PROD

Roy Percent: 5.00000000
Deduction: YES

Gas: Royalty:		Min Pay:	Prod/Sales:	
S/S OIL: Min:	Max:	Div:	Prod/Sales:	
Other Percent:		Min:	Prod/Sales:	

MFC RESOURCE PARTNERSHIP
Mineral Property Report

Category: MINERAL

REPORTED IN HECTARES

File Number / File Status / Mineral Int	Lse Type Lessor Type / Int Type / Lse No/Name / Operator / Payor	Exposure Gross / Net	Oper.Cont. ROFR / Doi Partner(s)	DOI Code	Lease Description / Rights Held

(cont'd)

M03530 A

Remarks

Type	Date	Description
COAL OWNER	Aug 23, 2005	FH LESSOR

M03537	FEE TITLE COMPTON Eff: Mar 01, 2002	196.904		WI	Area : OKOTOKS
Sub: A	FEE Exp:	9.845	1059032B.C. LTD	100.00000000	TWP 21 RGE 28 W4M SW 25, PTN N 25, PTN SE 25
T	COMPTON PETRO	0.000			(UNDIVIDED 1/20 INTEREST)
	1059032B.C. LTD		Total Rental: 0.00		ALL M&M
5.00000000	1059032B.C. LTD				

Status		Hectares	Net		Hectares	Net
NON-PRODUCING	Prod:	0.000	0.000	NProd:	9.845	0.000
UNDEVELOPED	Dev:	0.000	0.000	Undev:	9.845	0.000
NONPROVEN	Prov:	0.000	0.000	NProv:	9.845	0.000

Royalty / Encumbrances

Royalty Type	Product Type	Sliding Scale	Convertible	% of Prod/Sales
HERITAGE GROSS OVERRIDING	RALL PRODUCTS	N	N	100.00000000 % of PROD

Roy Percent: 5.00000000
Deduction: YES
Gas: Royalty: Min Pay: Prod/Sales:
S/S OIL: Min: Max: Div: Prod/Sales:
Other Percent: Min: Prod/Sales:

Remarks

Type	Date	Description
COAL OWNER	Aug 23, 2005	FH LESSOR

REPORTED IN HECTARES

MFC RESOURCE PARTNERSHIP
Mineral Property Report

Category: MINERAL

File Number / File Status / Mineral Int	Lse Type Lessor Type / Int Type / Lse No/Name / Operator / Payor	Exposure Gross / Net	Oper.Cont. ROFR / Doi Partner(s)	DOI Code	Lease Description / Rights Held
M03538 Sub: A T 5.00000000	FEE TITLE COMPTONEff: Mar 01, 2002 FEE Exp: COMPTON PETRO 1059032B.C. LTD 1059032B.C. LTD	196.904 9.845 0.000	1059032B.C. LTD Total Rental: 0.00	WI 100.00000000	Area : OKOTOKS TWP 21 RGE 28 W4M SW25. PTN N 25. PTN SE 25 (UNDIVIDED 1/20 INTEREST) ALL M&M

Status		Hectares	Net		Hectares	Net
NON-PRODUCING	Prod:	0.000	0.000	NProd:	9.845	0.000
UNDEVELOPED	Dev:	0.000	0.000	Undev:	9.845	0.000
NONPROVEN	Prov:	0 000	0 000	NProv:	9.845	0.000

Royalty / Encumbrances

Royalty Type	Product Type	Sliding Scale	Convertible	% of Prod/Sales
HERITAGE GROSS OVERRIDING R	ALL PRODUCTS	N	N	100 00000000 % of PROD

Roy Percent: 5 00000000
Deduction: YES
Gas: Royalty: Min Pay: Prod/Sales:
S/S OIL: Min: Max: Div: Prod/Sales:
Other Percent: Min: Prod/Sales:

Remarks

Type	Date	Description
COAL OWNER	Aug 23, 2005	FH LESSOR

File Number / File Status / Mineral Int	Lse Type Lessor Type / Int Type / Lse No/Name / Operator / Payor	Exposure Gross / Net	Oper.Cont. ROFR / Doi Partner(s)	DOI Code	Lease Description / Rights Held
M03669 Sub: A T	FEE TITLE COMPTONEff: Sep 26, 2002 FEE Exp: COMPTON PETRO 1059032B.C. LTD	64.000 21.332 0.000	1059032B.C. LTD Total Rental: 0.00	WI 100 00000000	Area : OKOTOKS TWP 19 RGE 1 W5M SE 25 (UNDIVIDED 1/3 INTEREST) ALL M&M

MFC RESOURCE PARTNERSHIP
Mineral Property Report

Category: MINERAL

REPORTED IN HECTARES

File Number File Status Mineral Int	Lse Type Lessor Type Int Type / Lse No/Name Operator / Payor	Exposure Gross Net	Oper.Cont. ROFR Doi Partner(s)	DOI Code	Lease Description / Rights Held

(cont'd)

M03669
Sub: A
33.33300000 1059032B C. LTD

Status		Hectares	Net		Hectares	Net
NON-PRODUCING	Prod:	0.000	0.000	NProd:	21.332	0.000
UNDEVELOPED	Dev:	0.000	0.000	Undev:	21.332	0.000
NONPROVEN	Prov:	0.000	0.000	NProv:	21.332	0.000

Royalty / Encumbrances

Royalty Type	Product Type	Sliding Scale	Convertible	% of Prod/Sales
HERITAGE GROSS OVERRIDING	RALL PRODUCTS	N	N	100.00000000 % of PROD

Roy Percent: 5.00000000
Deduction: YES
Gas: Royalty: Min Pay: Prod/Sales:
S/S OIL: Min: Max: Div: Prod/Sales:
Other Percent: Min: Prod/Sales:

Remarks

Type	Date	Description
COAL OWNER	Aug 26, 2005	FH LESSOR
TRANS	Feb 22, 2016	MFC ENERGY CORPORATION TO 1059032 B C. LTD.

M03789 FEE TITLE COMPTOI Eff: Nov 19, 2002 128.000 WI Area : APHRODITES
Sub: A FEE Exp: 128.000 1059032B C. LTD 100.00000000 TWP 14 RGE 2 W5M E 21
T COMPTON PETRO 0.000 ALL M&M
1059032B C. LTD Total Rental: 0.00 EXCL COAL

MFC RESOURCE PARTNERSHIP
Mineral Property Report

Category: MINERAL

File Number / File Status / Mineral Int	Lse Type Lessor Type / Int Type / Lse No/Name / Operator / Payor	Exposure Gross / Net	Oper.Cont. ROFR / Doi Partner(s)	DOI Code	Lease Description / Rights Held

(cont'd)

M03789
Sub: A
100.00000000 1059032B.C. LTD

Status		Hectares	Net		Hectares	Net
NON-PRODUCING	Prod:	0.000	0.000	NProd:	128.000	0.000
UNDEVELOPED	Dev:	0.000	0.000	Undev:	128.000	0.000
NONPROVEN	Prov:	0.000	0.000	NProv:	128 000	0.000

Royalty / Encumbrances

Royalty Type	Product Type	Sliding Scale	Convertible	% of Prod/Sales
HERITAGE GROSS OVERRIDING	RALL PRODUCTS	N	N	100.00000000 % of PROD

Roy Percent: 5.00000000
Deduction: YES
Gas: Royalty: Min Pay: Prod/Sales:
S/S OIL: Min: Max: Div: Prod/Sales:
Other Percent: Min: Prod/Sales:

Remarks

Type	Date	Description
TRANS	Feb 22, 2016	MFC ENERGY CORPORATION TO 1059032 B C. LTD.

M03978	FEE TITLE COMPTON Eff: Oct 07, 2002	64.000		WI	Area : SHOULDICE
Sub: A	FEE Exp:	64.000	1059032B.C. LTD	100 00000000	TWP 20 RGE 23 W4M SE 22
T	COMPTON PETRO	0.000			ALL M&M EXCL COAL
	1059032B.C. LTD		Total Rental: 0.00		
100.00000000	1059032B.C. LTD				

REPORTED IN HECTARES

MFC RESOURCE PARTNERSHIP
Mineral Property Report

Category: MINERAL

File Number	Lse Type Lessor Type	Exposure	Oper.Cont. ROFR	DOI Code	Lease Description / Rights Held
File Status	Int Type / Lse No/Name	Gross			
Mineral Int	Operator / Payor	Net	Doi Partner(s)		

(cont'd)

M03978
Sub: A

Status		Hectares	Net		Hectares	Net
NON-PRODUCING	Prod:	0.000	0.000	NProd:	64.000	0.000
UNDEVELOPED	Dev:	0.000	0.000	Undev:	64.000	0.000
NONPROVEN	Prov:	0.000	0.000	NProv:	64.000	0.000

Royalty / Encumbrances

Royalty Type	Product Type	Sliding Scale	Convertible	% of Prod/Sales
HERITAGE GROSS OVERRIDING	RALL PRODUCTS	N	N	100.00000000 % of PROD

Roy Percent: 5.00000000
Deduction: YES
Gas: Royalty: Min Pay: Prod/Sales:
S/S OIL: Min: Max: Div: Prod/Sales:
Other Percent: Min: Prod/Sales:

Remarks

Type	Date	Description
ACQUIS	Jan 09, 2003	Compton acquired this land from Mary Collen Switzer, Executrix for John Christopher Switzer
TRANS	Feb 22, 2016	MFC ENERGY CORPORATION TO 1059032 B.C. LTD

M03979 FEE TITLE COMPTON Eff: Oct 07, 2002 64.000 WI Area : SHOULDICE
Sub: A FEE Exp: 64.000 1059032B.C. LTD 100.00000000 TWP 20 RGE 23 W4M NW 15
T COMPTON PETRO 0.000 ALL M&M EXCL COAL
1059032B.C. LTD Total Rental: 0.00
100.00000000 1059032B.C. LTD

MFC RESOURCE PARTNERSHIP
Mineral Property Report

Category: MINERAL

File Number / File Status / Mineral Int	Lse Type Lessor Type / Int Type / Lse No/Name / Operator / Payor	Exposure Gross / Net	Oper.Cont. ROFR / Doi Partner(s)	DOI Code	Lease Description / Rights Held

(cont'd)

M03979
Sub: A

Status		Hectares	Net		Hectares	Net
NON-PRODUCING	Prod:	0.000	0.000	NProd:	64.000	0.000
UNDEVELOPED	Dev:	0.000	0.000	Undev:	64.000	0.000
NONPROVEN	Prov:	0.000	0.000	NProv:	64.000	0.000

Royalty / Encumbrances

Royalty Type	Product Type	Sliding Scale	Convertible	% of Prod/Sales
HERITAGE GROSS OVERRIDING	RALL PRODUCTS	N	N	100.00000000 % of PROD

Roy Percent: 5.00000000
Deduction: YES
Gas: Royalty: Min Pay: Prod/Sales:
S/S OIL: Min: Max: Div: Prod/Sales:
Other Percent: Min: Prod/Sales:

Remarks

Type	Date	Description
ACQUIS	Jan 09, 2003	Compton acquired this land from Mary Collen Switzer, Executrix for John Christopher Switzer

M03980	FEE TITLE COMPTON Eff: Oct 07, 2002	64.000		WI	Area : SHOULDICE
Sub: A	FEE Exp:	64.000	1059032B.C. LTD	100.00000000	TWP 20 RGE 23 W4M NE 16
T	COMPTON PETRO	0.000			ALL M&M EXCL COAL
	0989 RESOURCE P		Total Rental: 0.00		
100.00000000	1059032B.C. LTD				

Status	Hectares	Net	Hectares	Net

MFC RESOURCE PARTNERSHIP
Mineral Property Report

Category: MINERAL

File Number / File Status / Mineral Int	Lse Type Lessor Type / Int Type / Lse No/Name / Operator / Payor	Exposure Gross / Net	Oper.Cont. .ROFR / Doi Partner(s)		DOI Code		Lease Description / Rights Held
(cont'd)							
M03980							
Sub: A	NON-PRODUCING Prod:	0.000	0.000	NProd:	64 000	0.000	
	UNDEVELOPED Dev:	0.000	0.000	Undev:	64.000	0.000	
	NONPROVEN Prov:	0.000	0.000	NProv:	64.000	0.000	

Royalty / Encumbrances

Royalty Type	Product Type	Sliding Scale	Convertible	% of Prod/Sales
HERITAGE GROSS OVERRIDING	RALL PRODUCTS	N	N	100 00000000 % of PROD

Roy Percent: 5.00000000
Deduction: YES
Gas: Royalty: Min Pay: Prod/Sales:
S/S OIL: Min: Max: Div: Prod/Sales:
Other Percent: Min: Prod/Sales:

Remarks

Type	Date	Description
ACQUIS	Jan 09, 2003	Compton acquired this land from Mary Collen Switzer, Executrix for John Christopher Switzer
TRANS	Feb 22, 2016	MFC ENERGY CORPORATION TO 1059032 B C. LTD.

M03981	FEE TITLE COMPTON Eff: Oct 07, 2002	64,000		WI		Area SHOULDICE
Sub: A	FEE Exp:	64.000	1059032B.C. LTD	100.00000000		TWP 20 RGE 23 W4M SW 21
T	COMPTON PETRO	0.000				ALL M&M EXCL COAL
	1059032B.C. LTD		Total Rental: 0 00			
100.00000000	1059032B.C. LTD					
	Status	Hectares	Net	Hectares	Net	

MFC RESOURCE PARTNERSHIP
Mineral Property Report

Category: MINERAL

File Number / File Status / Mineral Int	Lse Type Lessor Type / Int Type / Lse No/Name / Operator / Payor	Exposure Gross / Net	Oper.Cont. ROFR / Doi Partner(s)	DOI Code			Lease Description / Rights Held
(cont'd)							
M03981 Sub: A	NON-PRODUCING Prod:	0.000	0.000	NProd:	64 000	0.000	
	UNDEVELOPED Dev:	0.000	0.000	Undev:	64.000	0.000	
	NONPROVEN Prov:	0.000	0.000	NProv:	64.000	0.000	

Royalty / Encumbrances

Royalty Type	Product Type	Sliding Scale	Convertible	% of Prod/Sales
HERITAGE GROSS OVERRIDING	RALL PRODUCTS	N	N	100.00000000 % of PROD

Roy Percent: 5.00000000
Deduction: YES
Gas: Royalty: Min Pay: Prod/Sales:
S/S OIL: Min: Max: Div: Prod/Sales:
Other Percent: Min: Prod/Sales:

Remarks

Type	Date	Description
ACQUIS	Jan 09, 2003	Compton acquired this land from Mary Collen Switzer, Executrix for John Christopher Switzer
TRANS	Feb 22, 2016	MFC ENERGY CORPORATION TO 1059032 B.C. LTD.

M03995	FEE TITLE COMPTON Eff: Dec 27, 2002	116.868		WI		Area OKOTOKS
Sub: A	FEE Exp:	116.868	1059032B.C. LTD	100 00000000		TWP 22 RGE 28 W4M PTN N 7, PTN
T	COMPTON PETRO	0.000				SW 7, PTN LSD 7,8 OF 7
	1059032B.C. LTD		Total Rental: 0.00			ALL M&M EXCL COAL
100.00000000	1059032B.C. LTD					
	Status	Hectares	Net	Hectares	Net	

MFC RESOURCE PARTNERSHIP
Mineral Property Report

Category: MINERAL

File Number / File Status / Mineral Int	Lse Type Lessor Type / Int Type / Lse No/Name / Operator / Payor	Exposure Gross Net	Oper.Cont. ROFR / Doi Partner(s)	DOI Code		Lease Description / Rights Held

(cont'd)

M03995
Sub: A

Status		Gross	Net		Hectares	Net
NON-PRODUCING	Prod:	0.000	0.000	NProd:	116.868	0.000
UNDEVELOPED	Dev:	0.000	0.000	Undev:	116.868	0 000
NONPROVEN	Prov:	0.000	0.000	NProv:	116.868	0 000

Royalty / Encumbrances

Royalty Type	Product Type	Sliding Scale	Convertible	% of Prod/Sales
HERITAGE GROSS OVERRIDING	RALL PRODUCTS	N	N	100 00000000 % of PROD

Roy Percent: 5.00000000
Deduction: YES
Gas: Royalty: Min Pay: Prod/Sales:
S/S OIL: Min: Max: Div: Prod/Sales:
Other Percent: Min: Prod/Sales:

Remarks

Type	Date	Description
COAL OWNER	May 20, 2005	ALBERTA CROWN

M04502 FEE TITLE COMPTON Eff: May 01, 2003 0 400 WI
Sub: A FEE Exp: 0.400 1059032B.C. LTD 100 00000000
T COMPTON PETRO 0.000
1059032B.C. LTD Total Rental: 0 00
100 00000000 1059032B.C. LTD

Area OKOTOKS
TWP 20 RGE 1 W5M PTN NE 13
ALL M&M EXCL COAL

Status		Hectares	Net		Hectares	Net
NON-PRODUCING	Prod:	0.000	0.000	NProd:	0 400	0.000
UNDEVELOPED	Dev:	0 000	0.000	Undev:	0.400	0.000

MFC RESOURCE PARTNERSHIP
Mineral Property Report

Category: MINERAL

File Number / File Status / Mineral Int	Lse Type Lessor Type / Int Type / Lse No/Name / Operator / Payor	Exposure Oper.Cont. ROFR / Gross / Net Doi Partner(s)	DOI Code	Lease Description / Rights Held

(cont'd)

M04502 Sub: A	NONPROVEN	Prov:	0.000	0.000	NProv:	0.400	0 000

Royalty / Encumbrances

Royalty Type	Product Type	Sliding Scale	Convertible	% of Prod/Sales
HERITAGE GROSS OVERRIDING RALL PRODUCTS		N	N	100.00000000 % of PROD

Roy Percent: 5.00000000
Deduction: YES
Gas: Royalty: Min Pay: Prod/Sales:
S/S OIL: Min: Max: Div: Prod/Sales:
Other Percent: Min: Prod/Sales:

Remarks

Type	Date	Description
GEN	Oct 09, 2003	COMPTON PURCHASED THIS FEE TITLE FROM ATCO GAS.
COAL OWNER	Aug 26, 2005	ALBERTA CROWN
TRANS	Feb 22, 2016	MFC ENERGY CORPORATION TO 1059032 B.C. LTD.

M05409	FEE TITLE COMPTONEff: Dec 31, 2004	128.000		WI	Area : OKOTOKS
Sub: A	FEE Exp:	64.000	1059032B.C. LTD	100 00000000	TWP 20 RGE 28 W4M S 10
T	COMPTON PETRO	0.000			(UNDIVIDED 1/2 INTEREST)
	1059032B.C. LTD		Total Rental: 0.00		ALL PNG
50.00000000	1059032B.C. LTD				

Status		Hectares	Net		Hectares	Net
NON-PRODUCING	Prod:	0 000	0.000	NProd:	64 000	0.000
UNDEVELOPED	Dev:	0 000	0.000	Undev:	64.000	0.000

REPORTED IN HECTARES

MFC RESOURCE PARTNERSHIP
Mineral Property Report

Category: MINERAL

File Number / File Status / Mineral Int	Lse Type / Lessor Type / Int Type / Lse No/Name / Operator / Payor	Exposure / Gross / Net	Oper.Cont. ROFR / Doi Partner(s)	DOI Code	Lease Description / Rights Held

(cont'd)

M05409
Sub: A

NONPROVEN	Prov:	0.000	0.000	NProv:	64.000	0.000

Royalty / Encumbrances

Royalty Type	Product Type	Sliding Scale	Convertible	% of Prod/Sales
HERITAGE GROSS OVERRIDING	RALL PRODUCTS	N	N	100.00000000 % of PROD

Roy Percent: 5.00000000
Deduction: YES
Gas: Royalty: Min Pay: Prod/Sales:
S/S OIL: Min: Max: Div: Prod/Sales:
Other Percent: Min: Prod/Sales:

Remarks

Type	Date	Description
COAL OWNER	Jul 22, 2005	SW 1/4 FREEHOLD OWNER OTHER THAN PNG OWNER SE1/4, WESTWELL OIL & GAS LTD.
TRANS	Feb 22, 2016	MFC ENERGY CORPORATION TO 1059032 B.C. LTD.

M05517 FEE TITLE COMPTONEff: Jan 25, 2008 64.000 WI
Sub: A FEE Exp: 4.000 1059032B.C. LTD 100.00000000
T COMPTON PETRO 0.000
1059032B.C. LTD Total Rental: 0.00
6.25000000 1059032B.C. LTD

Area OKOTOKS
TWP 20 RGE 28 W4M NE 27
(UNDIVIDED 2/32 INTEREST)
ALL M&M EXCL COAL

Status		Hectares	Net		Hectares	Net
NON-PRODUCING	Prod:	0.000	0.000	NProd:	4.000	0.000
UNDEVELOPED	Dev:	0.000	0.000	Undev:	4.000	0.000

MFC RESOURCE PARTNERSHIP
Mineral Property Report

Category: MINERAL

File Number / File Status / Mineral Int	Lse Type Lessor Type / Int Type / Lse No/Name / Operator / Payor	Exposure Gross / Net	Oper.Cont. ROFR / Doi Partner(s)	DOI Code	Lease Description / Rights Held

(cont'd)

M05517 Sub: A	NONPROVEN	Prov:	0.000	0.000	NProv:	4.000	0.000

Royalty / Encumbrances

Royalty Type	Product Type	Sliding Scale	Convertible	% of Prod/Sales
HERITAGE GROSS OVERRIDING	ALL PRODUCTS	N	N	100.00000000 % of PROD

Roy Percent: 5.00000000
Deduction: YES
Gas: Royalty: Min Pay: Prod/Sales:
S/S OIL: Min: Max: Div: Prod/Sales:
Other Percent: Min: Prod/Sales:

Remarks

Type	Date	Description
GEN	Mar 16, 2005	TITLE PURCHASED FROM MICHAEL C. NELSON.
GEN	Mar 16, 2005	COMPTON AND KATHERINE A. NELSON ARE BOTH CURRENTLY LISTED ON TITLE. WE HAVE ASKED BRETT KAY AT MAVERICK TO SPLIT THE TITLE.
COAL OWNER	Jul 22, 2005	CROWN
GEN	Feb 11, 2008	LAND WAS PURCHASED FROM KATHERINCE ANNE NELSON
GEN	Feb 11, 2008	PREVIOUS TITLE 051 070 051 (EFFECTIVE DATE: MAY 1, 2005) HAS BEEN CANCELLED AND BOTH 1/32 INTERESTS CONSOLIDATED ON THE NEWLY ISSUED TITLE 081 035 823 (EFFECTIVE DATE: JAN 25, 2008).
TRANS	Feb 23, 2016	MFC ENERGY CORPORATION TO 1059032 B.C. LTD.

M06181	FEE TITLE COMPTONEff:	Apr 01, 1997	75.272	WI	Area OKOTOKS

REPORTED IN HECTARES

MFC RESOURCE PARTNERSHIP
Mineral Property Report

Category: MINERAL

File Number / File Status / Mineral Int	Lse Type / Int Type / Operator / Payor	Lessor Type / Lse No/Name	Exposure Gross / Net	Oper.Cont. / Doi Partner(s)	ROFR	DOI Code	Lease Description / Rights Held
(cont'd)							
M06181 Sub: A T 37.50000000	FEE COMPTON PETRO 1059032B C. LTD 1059032B.C. LTD	Exp:	28.227 0.000	1059032B.C. LTD Total Rental: 0.00		100.00000000	TWP 20 RGE 28 W4M PTN NW 7, PTN NE 7 (UNDIVIDED 3/8 INTEREST) ALL M&M EXCL COAL

Status		Hectares	Net		Hectares	Net
NON-PRODUCING	Prod:	0.000	0.000	NProd:	28.227	0.000
UNDEVELOPED	Dev:	0.000	0.000	Undev:	28.227	0.000
NONPROVEN	Prov:	0.000	0.000	NProv:	28.227	0.000

Royalty / Encumbrances

Royalty Type	Product Type	Sliding Scale	Convertible	% of Prod/Sales
GROSS OVERRIDING ROYALTY	ALL PRODUCTS	N	N	100.00000000 % of PROD

Roy Percent: 12.50000000
Deduction: UNKNOWN
Gas: Royalty: Min Pay: Prod/Sales:
S/S OIL: Min: Max: Div: Prod/Sales:
Other Percent: Min: Prod/Sales:

Royalty Type	Product Type	Sliding Scale	Convertible	% of Prod/Sales
HERITAGE GROSS OVERRIDING R	ALL PRODUCTS	N	N	100.00000000 % of PROD

Roy Percent: 5.00000000
Deduction: YES
Gas: Royalty: Min Pay: Prod/Sales:
S/S OIL: Min: Max: Div: Prod/Sales:
Other Percent: Min: Prod/Sales:

Remarks

Type	Date	Description
RELCON	Dec 04, 2009	ILANDS DEDICATED TO GAS PURCHASE CONTRACT. PAN-ALBERTA

REPORTED IN HECTARES

MFC RESOURCE PARTNERSHIP
Mineral Property Report

Category: MINERAL

File Number File Status Mineral Int	Lse Type Lessor Type Int Type / Lse No/Name Operator / Payor	Exposure Gross Net	Oper.Cont. ROFR Doi Partner(s)	DOI Code	Lease Description / Rights Held

(cont'd)

M06181 A

Remarks

Type	Date	Description
TRANS	Feb 22, 2016	CONTRACT #2025; TRADE #102391. EXPIRES OC 31, 2012 MFC ENERGY CORPORATION TO 1059032 B.C. LTD.

M06188
Sub: A
T
100.00000000

FEE TITLE COMPTOI Eff: May 01, 2003
FEE Exp:
COMPTON PETRO
1059032B.C. LTD
1059032B.C LTD

0.400
0.400 1059032B.C LTD — WI 100 00000000
0 000

Total Rental: 0 00

Area : OKOTOKS
TWP 20 RGE 1 W5M PTN NW 13
ALL M&M EXCL COAL

Status		Hectares	Net		Hectares	Net
NON-PRODUCING	Prod:	0.000	0.000	NProd:	0.400	0.000
UNDEVELOPED	Dev:	0.000	0.000	Undev:	0.400	0.000
NONPROVEN	Prov:	0.000	0.000	NProv:	0.400	0.000

Royalty / Encumbrances

Royalty Type	Product Type	Sliding Scale	Convertible	% of Prod/Sales
HERITAGE GROSS OVERRIDING	RALL PRODUCTS	N	N	100.00000000 % of PROD

Roy Percent: 5.00000000
Deduction: YES
Gas: Royalty: Min Pay: Prod/Sales:
S/S OIL: Min: Max: Div: Prod/Sales:
Other Percent: Min: Prod/Sales:

Remarks

Type	Date	Description
GEN	Oct 13, 2005	COMPTON PURCHASED THE TITLE FROM ATCO GAS.

MFC RESOURCE PARTNERSHIP
Mineral Property Report

Category: MINERAL

File Number / File Status / Mineral Int	Lse Type Lessor Type / Int Type / Lse No/Name / Operator / Payor	Exposure Gross / Net	Oper.Cont. ROFR / Doi Partner(s)	DOI Code	Lease Description / Rights Held

(cont'd)

M06188 A

Remarks

Type	Date	Description
COAL OWNER	Oct 13, 2005	ALBERTA CROWN
TRANS	Feb 22, 2016	MFC ENERGY CORPORATION TO 1059032 B.C. LTD.

M07230	FEE TITLE COMPTON Eff: Sep 13, 2006	32.544		WI	Area : TURNER VALLEY
Sub: A	FEE Exp:	32.544	1059032B C. LTD	100 00000000	TWP 20 RGE 2 W5M PTN SE 17
T	COMPTON PETRO	0 000			ALL M&M
	1059032B.C. LTD		Total Rental: 0 00		EXCL COAL
100 00000000	1059032B C. LTD				EXCL PET

Status		Hectares	Net		Hectares	Net
NON-PRODUCING	Prod:	0.000	0.000	NProd:	32 544	0.000
UNDEVELOPED	Dev:	0.000	0 000	Undev:	32 544	0.000
NONPROVEN	Prov:	0.000	0.000	NProv:	32 544	0.000

Royalty / Encumbrances

Royalty Type	Product Type	Sliding Scale	Convertible	% of Prod/Sales
HERITAGE GROSS OVERRIDING	RALL PRODUCTS	N	N	100.00000000 % of PROD

Roy Percent: 5.00000000
Deduction: YES
Gas: Royalty: Min Pay: Prod/Sales:
S/S OIL: Min: Max: Div: Prod/Sales:
Other Percent: Min: Prod/Sales:

Remarks

Type	Date	Description
TRANS	Feb 22, 2016	MFC ENERGY CORPORATION TO 1059032 B.C. LTD

REPORTED IN HECTARES

MFC RESOURCE PARTNERSHIP
Mineral Property Report

Category: MINERAL

File Number / File Status / Mineral Int	Lse Type / Lessor Type / Int Type / Lse No/Name / Operator / Payor		Exposure Gross / Net	Oper.Cont. ROFR / Doi Partner(s)	DOI Code	Lease Description / Rights Held
M07231	FEE TITLE COMPTONEff:	Sep 13, 2006	128.000		WI	Area : TURNER VALLEY
Sub: A	FEE	Exp:	128.000	1059032B.C. LTD	100.00000000	TWP 20 RGE 2 W5M NW & SE 17
T	COMPTON PETRO		0.000			ALL COAL
	1059032B.C. LTD			Total Rental: 0.00		
100.00000000	1059032B.C. LTD					

Status		Hectares	Net		Hectares	Net
NON-PRODUCING	Prod:	0.000	0.000	NProd:	128.000	0.000
UNDEVELOPED	Dev:	0.000	0.000	Undev:	128.000	0.000
NONPROVEN	Prov:	0.000	0.000	NProv:	128.000	0.000

Royalty / Encumbrances

Royalty Type	Product Type	Sliding Scale	Convertible	% of Prod/Sales
HERITAGE GROSS OVERRIDING	RALL PRODUCTS	N	N	100.00000000 % of PROD

Roy Percent: 5.00000000
Deduction: YES
Gas: Royalty: Min Pay: Prod/Sales:
S/S OIL: Min: Max: Div: Prod/Sales:
Other Percent: Min: Prod/Sales:

Remarks

Type	Date	Description
TRANS	Feb 22, 2016	MFC ENERGY CORPORATION TO 1059032 B.C. LTD.

M07232	FEE TITLE COMPTONEff:	Sep 13, 2006	64.000		WI	Area : TURNER VALLEY
Sub: A	FEE	Exp:	32.000	1059032B.C. LTD	100.00000000	TWP 20 RGE 2 W5M NE 9
T	COMPTON PETRO		0.000			(UNDIVIDED 1/2 INTEREST)
	1059032B.C. LTD			Total Rental: 0.00		ALL PNG

MFC RESOURCE PARTNERSHIP
Mineral Property Report

Category: MINERAL

REPORTED IN HECTARES

File Number / File Status / Mineral Int	Lse Type Lessor Type / Int Type / Lse No/Name / Operator / Payor	Exposure Gross / Net	Oper.Cont. ROFR / Doi Partner(s)	DOI Code	Lease Description / Rights Held

(cont'd)

M07232
Sub: A
50.00000000 1059032B.C. LTD

Status		Hectares	Net		Hectares	Net
NON-PRODUCING	Prod:	0.000	0.000	NProd:	32.000	0.000
UNDEVELOPED	Dev:	0.000	0.000	Undev:	32.000	0.000
NONPROVEN	Prov:	0.000	0.000	NProv:	32.000	0.000

Royalty / Encumbrances

Royalty Type	Product Type	Sliding Scale	Convertible	% of Prod/Sales
HERITAGE GROSS OVERRIDING	RALL PRODUCTS	N	N	100.00000000 % of PROD

Roy Percent: 5.00000000
Deduction: YES
Gas: Royalty: Min Pay: Prod/Sales:
S/S OIL: Min: Max: Div: Prod/Sales:
Other Percent: Min: Prod/Sales:

M07233 FEE TITLE COMPTON Eff: Sep 13, 2006 128.000 WI
Sub: A FEE Exp: 64.000 1059032B C. LTD 100.00000000
T COMPTON PETRO 0.000
1059032B.C. LTD Total Rental: 0.00
50.00000000 1059032B.C. LTD

Area: TURNER VALLEY
TWP 20 RGE 2 W5M N 17
(UNDIVIDED 1/2 INTEREST)
ALL PNG

Status		Hectares	Net		Hectares	Net
NON-PRODUCING	Prod:	0.000	0.000	NProd:	64.000	0.000
UNDEVELOPED	Dev:	0.000	0.000	Undev:	64.000	0.000

MFC RESOURCE PARTNERSHIP
Mineral Property Report

Category: MINERAL

File Number / File Status / Mineral Int	Lse Type / Int Type / Operator	Lessor Type / Lse No/Name / Payor	Exposure / Gross / Net	Oper.Cont. / Dol Partner(s)	ROFR	DOI Code		Lease Description / Rights Held

(cont'd)

M07233
Sub: A

NONPROVEN	Prov:	0.000	0.000	NProv:	64.000	0.000

Royalty / Encumbrances

Royalty Type	Product Type	Sliding Scale	Convertible	% of Prod/Sales
HERITAGE GROSS OVERRIDING	RALL PRODUCTS	N	N	100.00000000 % of PROD

Roy Percent: 5.00000000
Deduction: YES
Gas: Royalty: Min Pay: Prod/Sales:
S/S OIL: Min: Max: Div: Prod/Sales:
Other Percent: Min: Prod/Sales:

M07234 FEE TITLE COMPTON Eff: Sep 13, 2006 128.000 WI
Sub: A FEE Exp: 64.000 1059032B.C. LTD 100.00000000
T COMPTON PETRO 0.000
1059032B.C. LTD Total Rental: 0.00
50.00000000 1059032B.C. LTD

Area : TURNER VALLEY
TWP 20 RGE 2 W5M E 19
(UNDIVIDED 1/2 INTEREST)
ALL PNG

Status		Hectares	Net		Hectares	Net
NON-PRODUCING	Prod:	0.000	0.000	NProd:	64.000	0.000
UNDEVELOPED	Dev:	0.000	0.000	Undev:	64.000	0.000
NONPROVEN	Prov:	0.000	0.000	NProv:	64.000	0.000

Royalty / Encumbrances

Royalty Type	Product Type	Sliding Scale	Convertible	% of Prod/Sales

MFC RESOURCE PARTNERSHIP
Mineral-Property Report

Category: MINERAL

File Number / File Status / Mineral Int — Lse Type, Lessor Type / Int Type / Lse No/Name / Operator / Payor — Exposure, Gross, Net — Oper.Cont. ROFR, Doi Partner(s) — DOI Code — Lease Description / Rights Held

(cont'd)

HERITAGE GROSS OVERRIDING RALL PRODUCTS N N 100.00000000 % of PROD
Roy Percent: 5.00000000
Deduction: YES

M07234 A
Gas: Royalty: Min Pay: Prod/Sales:
S/S OIL: Min: Max: Div: Prod/Sales:
Other Percent: Min: Prod/Sales:

Remarks

Type	Date	Description
TRANS	Feb 22, 2016	MFC ENERGY CORPORATION TO 1059032 B.C. LTD.

M07503 FEE TITLE COMPTON Eff: Jan 04, 2007 128.000 WI
Sub: A FEE Exp: 21.332 1059032B C. LTD 100.00000000
T COMPTON PETRO 0.000
1059032B C. LTD Total Rental: 0.00
16.67000000 1059032B C. LTD

Area : LONG COULEE
TWP 14 RGE 23 W4M W23
(UNDIVIDED 1/6 INTEREST)
ALL M&M
EXCL COAL
EXCL PET

Status		Hectares	Net		Hectares	Net
NON-PRODUCING	Prod:	0.000	0.000	NProd:	21.332	0.000
UNDEVELOPED	Dev:	0.000	0.000	Undev:	21.332	0.000
NONPROVEN	Prov:	0.000	0.000	NProv:	21.332	0.000

Royalty / Encumbrances

Royalty Type	Product Type	Sliding Scale	Convertible	% of Prod/Sales
HERITAGE GROSS OVERRIDING	RALL PRODUCTS	N	N	100.00000000 % of PROD

Roy Percent: 5.00000000
Deduction: YES
Gas: Royalty: Min Pay: Prod/Sales:
S/S OIL: Min:

REPORTED IN HECTARES

MFC RESOURCE PARTNERSHIP
Mineral Property Report

Category: MINERAL

File Number / File Status / Mineral Int	Lse Type Lessor Type / Int Type / Lse No/Name / Operator / Payor	Exposure Gross / Net	Oper.Cont. ROFR / Doi Partner(s)	DOI Code	Lease Description / Rights Held
(cont'd)	Other Percent:	Max:	Div: / Min:	Prod/Sales: / Prod/Sales:	
M07848 Sub: A T 100.00000000	FEE TITLE COMPTON Eff: May 01, 2007 FEE Exp: COMPTON PETRO 1059032B.C. LTD 1059032B.C. LTD	32.400 32.400 0.000	1059032B.C. LTD Total Rental: 0.00	WI 100.00000000	Area : OKOTOKS TWP 22 RGE 28 W4M PTN SW 7, LSD 1,2 OF 7 ALL M&M EXCL COAL

Status		Hectares	Net		Hectares	Net
NON-PRODUCING	Prod:	0.000	0.000	NProd:	32.400	0.000
UNDEVELOPED	Dev:	0.000	0.000	Undev:	32.400	0.000
NONPROVEN	Prov:	0.000	0.000	NProv:	32.400	0.000

Royalty / Encumbrances

Royalty Type	Product Type	Sliding Scale	Convertible	% of Prod/Sales
HERITAGE GROSS OVERRIDING	RALL PRODUCTS	N	N	100.00000000 % of PROD

Roy Percent: 5.00000000
Deduction: YES
Gas: Royalty: Min Pay: Prod/Sales:
S/S OIL: Min: Max: Div: Prod/Sales:
Other Percent: Min: Prod/Sales:

Remarks

Type	Date	Description
COAL OWNER	May 25, 2007	ALBERTA CROWN

REPORTED IN HECTARES

MFC RESOURCE PARTNERSHIP
Mineral Property Report

Category: MINERAL

File Number / File Status / Mineral Int	Lse Type Lessor Type / Int Type / Lse No/Name / Operator / Payor	Exposure Gross / Net	Oper.Cont. ROFR / Doi Partner(s)	DOI Code	Lease Description / Rights Held
M07912 Sub: A T 50.00000000	FEE TITLE COMPTONEff: Jun 27, 2007 FEE Exp: COMPTON PETRO 1059032B.C. LTD 1059032B.C. LTD	128.000 64.000 0.000	1059032B C. LTD Total Rental 0.00	WI 100.00000000	Area OKOTOKS TWP 20 RGE 28 W4M S 10 (UNDIVIDED 1/2 INTEREST) ALL PNG

Status		Hectares	Net		Hectares	Net
NON-PRODUCING	Prod:	0.000	0.000	NProd:	64 000	0 000
UNDEVELOPED	Dev:	0.000	0.000	Undev:	64 000	0 000
NONPROVEN	Prov:	0.000	0.000	NProv:	64 000	0 000

Royalty / Encumbrances

Royalty Type	Product Type	Sliding Scale	Convertible	% of Prod/Sales
HERITAGE GROSS OVERRIDING	RALL PRODUCTS	N	N	100.00000000 % of PROD

Roy Percent: 5.00000000
Deduction: YES
Gas: Royalty: Min Pay: Prod/Sales:
S/S OIL: Min: Max: Div: Prod/Sales:
Other Percent: Min: Prod/Sales:

Remarks

Type	Date	Description
GEN	Jul 16, 2007	LAND WAS PURCHASED FROM PAUL BERNARD COUGHLAN

File Number	Lse Type	Exposure	Doi Partner(s)	DOI Code	Lease Description / Rights Held
M08034 Sub: A T	FEE TITLE COMPTONEff: Sep 08, 2007 FEE Exp: COMPTON PETRO 1059032B.C LTD	64 000 4 000 0 000	1059032B.C. LTD Total Rental: 0.00	WI 100 00000000	Area OKOTOKS TWP 20 RGE 28 W4M NE 27 (UNDIVIDED 1/16 INTEREST) ALL M&M

MFC RESOURCE PARTNERSHIP
Mineral Property Report

Category: MINERAL

File Number File Status Mineral Int	Lse Type Lessor Type Int Type / Lse No/Name Operator / Payor	Exposure Gross Net	Oper.Cont. ROFR Doi Partner(s)	DOI Code	Lease Description / Rights Held

(cont'd)

M08034
Sub: A
6.25000000 1059032B.C. LTD

Status		Hectares	Net		Hectares	Net
NON-PRODUCING	Prod:	0.000	0.000	NProd:	4.000	0.000
UNDEVELOPED	Dev:	0.000	0.000	Undev:	4.000	0.000
NONPROVEN	Prov:	0.000	0 000	NProv:	4.000	0.000

Royalty / Encumbrances

Royalty Type	Product Type	Sliding Scale	Convertible	% of Prod/Sales
HERITAGE GROSS OVERRIDING	RALL PRODUCTS	N	N	100.00000000 % of PROD

Roy Percent: 5.00000000
Deduction: YES
Gas: Royalty: Min Pay: Prod/Sales:
S/S OIL: Min: Max: Div: Prod/Sales:
Other Percent: Min: Prod/Sales:

Remarks

Type	Date	Description
GEN	Sep 14, 2007	LAND WAS PURCHASED FROM DEANNA HART, ADMINISTRATOR FOR MARY MONICA SUITOR.

M09301 Sub: A T	FEE TITLE COMPTONEff: Aug 18, 2003 FEE Exp: COMPTON PETRO 1059032B.C. LTD	0.413 0.413 0.000	1059032B.C. LTD Total Rental: 0.00	WI 100 00000000	Area : HIGH RIVER TWP 18 RGE 29 W4M FR SW 36 ALL M&M

MFC RESOURCE PARTNERSHIP
Mineral Property Report

Category: MINERAL

File Number / File Status / Mineral Int	Lse Type / Int Type / Operator	Lessor Type / Lse No/Name / Payor	Exposure / Gross / Net	Oper.Cont. / Doi Partner(s)	ROFR	DOI Code	Lease Description / Rights Held

(cont'd)

M09301
Sub: A
100.00000000 1059032B.C. LTD

Status		Hectares	Net		Hectares	Net
NON-PRODUCING	Prod:	0.000	0.000	NProd:	0.413	0.000
UNDEVELOPED	Dev:	0.000	0.000	Undev:	0.413	0.000
NONPROVEN	Prov:	0.000	0.000	NProv:	0.413	0.000

Royalty / Encumbrances

Royalty Type	Product Type	Sliding Scale	Convertible	% of Prod/Sales
HERITAGE GROSS OVERRIDING	ALL PRODUCTS	N	N	100.00000000 % of PROD

Roy Percent: 5.00000000
Deduction: YES
Gas: Royalty: Min Pay: Prod/Sales:
S/S OIL: Min: Max: Div: Prod/Sales:
Other Percent: Min: Prod/Sales:

Remarks

Type	Date	Description
P & S		PURCHASED FROM PENGROWTH EFFECTIVE MAY 1,2007 SEE P&S AGREEMENT P00543.
GEN		PURCHASED FROM PENGROWTH/ESPRIT OLD C OF T NO. 031 320 557 EFFECT DATE SEP 18,2003
GEN		FEE TITLE LANDS SOLD TO 1059032 B.C LTD

M09303 FEE TITLE COMPTONEff: Jan 15, 2008 106 932 WI Area . HIGH RIVER

REPORTED IN HECTARES

MFC RESOURCE PARTNERSHIP
Mineral Property Report

Category: MINERAL

File Number / File Status / Mineral Int	Lse Type Lessor Type / Int Type / Lse No/Name / Operator / Payor		Exposure Gross / Net	Oper.Cont. ROFR / DoI Partner(s)	DOI Code	Lease Description / Rights Held
(cont'd)						
M09303						
Sub: A	FEE	Exp:	106.932	1059032B.C. LTD	100.00000000	TWP 18 RGE 29 W4M PTN N 36
T	COMPTON PETRO		0.000			ALL M&M
	1059032B.C. LTD			Total Rental: 0.00		
	1059032B.C. LTD					

Status		Hectares	Net		Hectares	Net
NON-PRODUCING	Prod:	0.000	0.000	NProd:	106.932	0.000
UNDEVELOPED	Dev:	0.000	0.000	Undev:	106.932	0.000
NONPROVEN	Prov:	0.000	0.000	NProv:	106.932	0.000

Royalty / Encumbrances

Royalty Type	Product Type	Sliding Scale	Convertible	% of Prod/Sales
HERITAGE GROSS OVERRIDING	RALL PRODUCTS	N	N	100.00000000 % of PROD

Roy Percent: 5.00000000
Deduction: YES
Gas: Royalty: Min Pay: Prod/Sales:
S/S OIL: Min: Max: Div: Prod/Sales:
Other Percent: Min: Prod/Sales:

Remarks

Type	Date	Description
P & S		PURCHASED FROM PENGROWTH EFFECTIVE MAY 1,2007 SEE P&S AGREEMENT P00543
GEN		PURCHASED FROM PENGROWTH/ESPRIT OLD C OF T NO. 081 019 773 EFFECT JUN 13,2005.
GEN		FEE TITLE LANDS SOLD TO 1059032 B.C LTD.

REPORTED IN HECTARES

MFC RESOURCE PARTNERSHIP
Mineral Property Report

Category: MINERAL

File Number / File Status / Mineral Int	Lse Type / Int Type / Operator	Lessor Type / Lse No/Name / Payor		Exposure Gross Net	Oper.Cont. ROFR / Doi Partner(s)		DOI Code		Lease Description / Rights Held	
Category Total:	Total Gross:		3,602.954		Total Net:	256.000				
	Prod Gross:		0.000		Prod Net:	0.000	NProd Gross:	3,602.954	NProd Net:	256.000
	Dev Gross:		0.000		Dev Net:	0.000	Undev Gross :	3,602.954	Undev Net :	256.000
	Prov Gross:		0.000		Prov Net:	0.000	NProv Gross:	3,602.954	NProv Net:	256.000
Report Total:	Total Gross:		3,602.954		Total Net:	256.000				
	Prod Gross:		0.000		Prod Net:	0.000	NProd Gross:	3,602.954	NProd Net:	256.000
	Dev Gross:		0.000		Dev Net:	0.000	Undev Gross :	3,602.954	Undev Net :	256.000
	Prov Gross:		0.000		Prov Net:	0.000	NProv Gross:	3,602.954	NProv Net:	256.000

** End of Report **

Schedule "B"

This is Schedule "B" to a Purchase and Sale Agreement dated May 7, 2019, between LEXIN RESOURCES LTD., by and through its court appointed receiver, GRANT THORNTON LIMITED, in its capacity as court appointed receiver of the assets, properties and undertaking of LEXIN RESOURCES LTD., and not in its personal capacity, as Transferor, and CALEDONIAN ROYALTY CORPORATION, as Transferee.

CAPL 2000 Property Transfer Procedure
Elections and Modifications Form

1. GST (Subclause 2.03A): (i) GST Election: Alternate 1
   (ii) GST Business #: **Transferor – NA**
   Transferee – NA

2. Interest Accrual (Clause 2.04): Alternate _____/ Neither 1 nor 2 X apply.

3. Place of Closing (Clause 3.01): Office of: **by email and courier**

4. Access to Transferee's Files (Subclause 3.04B): **12 months**

5. Distribution of Specific Conveyances (Clause 3.05): Alternate 1

6. Final Statement of Adjustments (Paragraph 4.02A(b)) 0 day period (i.e. on closing).

7. Treatment of Income During Interim Period (Clause 4.03): Alternate NA
   Income Tax Adjustment if Alternate 1 applies: 0%
   Exception to 4.03A if Alt. 1 applies (Subclause 4.03B): will____/ will not X apply

8. Transferor's Representations and Warranties (Clause 6.02). Those representations and warranties in that Clause that apply are indicated by a Y below.

_Y_ (a) Residency for Tax Purposes
___ (b) Lawsuits and Claims
___ (c) No Default Notices
___ (d) Compliance with Leases
___ (e) Payment of Royalties
___ (f) Encumbrances
___ (g) No Reduction
___ (h) Sale Agreements
___ (i) Provision of Documents
___ (j) Authorized Expenditures
___ (k) Environmental Matters
___ (l) Condition of Wells
___ (m) Abandonment of Wells
___ (n) Condition of Tangibles
___ (o) Well/Tangibles Lic. Transfers
___ (p) Reg. Production Penalties
___ (q) Reg. Production Allowables
___ (r) Area of Mutual Interest
___ (s) No Offset Obligation
___ (t) Commitment to Deliver
___ (u) ARTC
___ (v) Quiet Enjoyment
___ (w) Additional Representations

9. Survival of Representations and Warranties (Clause 6.04) NA months.

10. Option to Terminate Re ROFR Exercises (Subclause 7.01D): will ___/ will not X apply.

11. Delivery of Title Defects Notice (Subclause 8.02A): 2 Business Days.

12. Title Defects Mechanism (Subclause 8.02B): Alternate: 1
    If Alternate 2 applies (i) $ Value threshold (Subclause 8.02B): ________
    (ii) Transferor's termination threshold (Paragraph 8.02B(c))): %
    (iii) Transferee's termination threshold (Paragraph 8.02B(d)): %

13. Responsibility of Transferor (Clause 13.01): (i) Subclause 13.01A: Alternate NA
    (ii) Subclause 13.01B: NA months

14. Limit of Transferor's Responsibility (Subclause 13.03A): will ___/ will not X apply.

15. Minimum Claim Threshold (Subclause 13.03B): will ____ / will not X apply.
$ Threshold if Subclause B applies: $____NA_______.

16. Address for Service (Clause 15.02):

Transferor: Grant Thornton Limited, in its capacity as court appointed receiver of the assets, properties and undertaking of LEXIN RESOURCES LTD., and not in its personal capacity 1100-332 6th Avenue SW Calgary, AB T2P 0B2 Attention: Andrew Basi Email: Andrew.Basi@ca.gt.com
Transferee: Caledonian Royalty Corporation Suite 2200, 300 - 5th Avenue S.W. Calgary Alberta T2P 3C4 Attention: Charles Selby Email: cselby@selbypro.com

ASSET PURCHASE AGREEMENT

THIS AGREEMENT made as of June 12, 2019.

BETWEEN:

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

- and -

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

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

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

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

ARTICLE 1
INTERPRETATION

1.1 Definitions

In this Agreement, unless the context otherwise requires:

(a) "**Abandonment and Reclamation Obligations**" means with respect to the Wells listed on Schedule "B" to this Agreement only, all past, present and future obligations and liabilities to:

(i) abandon, shut-down, close, decommission, dismantle and remove any and all Wells and Tangibles, including all structures, foundations, buildings, pipelines, equipment and other Facilities located on the Lands or used or previously used in respect of Petroleum Substances produced or previously produced from the Lands or lands pooled or unitized therewith; and

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

all in accordance with generally accepted oil and gas industry practices and in compliance with all Applicable Laws and the Title Documents;

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

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

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

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

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

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

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

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

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

(i) 10 days following the grant of the Court Order; or

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

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

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

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

(m) "**Court Order**" means an order to be granted by the Court substantially in the form of Schedule "E" which authorizes, approves and confirms this Agreement and the sale of the

Assets by Vendor to Purchaser in accordance with the terms and conditions contained herein, and vests legal and beneficial title to the Assets in Purchaser free and clear of all encumbrances, liens, security interests or Claims, other than Permitted Encumbrances;

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

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

(p) "**Deposit**" has the meaning as defined in Section 2.9;

(q) "**Effective Date**" means July 1, 2019;

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

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

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

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

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

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

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

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

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

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

(iii) legal and title opinions;

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

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

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

(vii) accounts receivable of Lexin, subject to the adjustments set forth in ARTICLE 7;

(viii) Lexin's choses in action, subject to the adjustments set forth in ARTICLE 7;

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

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

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

(B) they pertain to seismic data;

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

(C) they are owned or licensed by Third Parties with restrictions on their deliverability or disclosure by Lexin to an assignee;

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

(xi) any other assets specifically described in Schedule "F"

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

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

(w) "**Final Statement of Adjustments**" has the meaning set forth in Section 7.3(b);

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

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

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

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

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

(cc) "**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);

(dd) "**Lexin**" means Lexin Resources Ltd., 1051393 B.C. Ltd., 0989 Resource Partnership, LR Processing Ltd. and LR Processing Partnership, either individually or collectively as the context requires;

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

(ff) "**Licence Transfers**" means, in relation to the Assets, the transfer of applicable Licences, subject to the provisions of Sections 8.5 and 8.7 hereof;

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

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

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

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

(iii) rights to enter upon, use, occupy and enjoy the surface of any lands which are used or may be used to gain access to or otherwise use the Petroleum and Natural Gas Rights and the Tangibles, or either of them, and all contracts and agreements related thereto;

(iv) all records, books, documents, Licences (subject to Section 8.7 hereof), reports and data (but excluding seismic data) which relate to the Petroleum and Natural Gas Rights and the Tangibles; and

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

but specifically excluding the Excluded Assets;

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

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

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

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

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

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

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

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

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

(vii) agreements for the sale, processing, transmission or transportation of Petroleum Substances, which are terminable on not more than 60 days' notice (without an early termination penalty or other like cost);

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(ww) "**ROFR**" means right of first refusal;

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

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

(zz) "**Tangibles**" means:

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

(ii) the Pipelines; and

(iii) the Facilities;

(aaa) "**Third Party**" means any Person other than Receiver, Lexin, Vendor and Purchaser, including 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;

(bbb) "**Title Documents**" means, collectively, any and all certificates of title, leases, reservations, Licences (subject to Section 8.7 hereof), assignments, trust declarations, operating agreements, royalty agreements, gross overriding royalty agreements, participation agreements, farm-in agreements, sale and purchase agreements, pooling and unit agreements and any other documents and agreements granting, reserving or otherwise conferring rights to: (i) explore for, drill for, produce, take, use or market Petroleum Substances; (ii) share in the production of Petroleum Substances; (iii) share in the proceeds from, or measured or calculated by reference to the value or quantity of, Petroleum Substances which are produced; and (iv) rights to acquire any of the rights described in items (i) to (iii) of this definition; but only if the foregoing pertain in whole or in part to Petroleum Substances within, upon or under the Lands and this definition shall include, where applicable, those documents set out in Schedule "A";

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

(ddd) "**Vendor's Costs**" means all Vendor's fees and costs associated with the Transaction, including brokers' and finders' fees, Receiver's and outside counsel fees and partial reimbursement of the preservation costs associated with the cathodic protection and other asset preservation related utility charges maintained at the Facilities by the Receiver since the Date of Appointment;

(eee) "**Wells**" means Lexin's entire interest in and to the wells (including producing, shut-in, suspended, and capped wells) listed on Schedule "B".

1.2 Headings

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

1.3 Interpretation Not Affected by Headings

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

1.4 Plurals and Gender

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

1.5 Schedules

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

Schedule "A"	Lands, Petroleum and Natural Gas Rights, Title Documents, Royalties and Permitted Encumbrances
Schedule "B"	Wells, Pipelines and Facilities
Schedule "C"	General Conveyance
Schedule "D"	Form of Officer's Certificate
Schedule "E"	Form of Court Order
Schedule "F"	Excluded Assets

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

1.6 Damages

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

1.7 Derivatives

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

1.8 Interpretation if Closing Does Not Occur

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

1.9 Conflicts

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

1.10 Currency

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

ARTICLE 2
PURCHASE AND SALE AND CLOSING

2.1 Purchase and Sale

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

2.2 Purchase Price

The aggregate consideration to be paid by Purchaser to Vendor for the Assets shall be $100,000.00 (the "**Purchase Price**") plus applicable GST and Sales Taxes, satisfied by Purchaser by the Purchaser paying the Deposit to the Vendor, to be paid out pursuant to Section 2.9, with the balance payable at Closing;

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

2.3 Allocation of Purchase Price

The Parties shall allocate the Purchase Price as follows:

Petroleum and Natural Gas Rights, Surface Rights and Well, Facility and Pipeline Licenses	$79,999.00
Tangibles	$20,000.00
Miscellaneous Interests	$1.00
Total	**$100,000.00**

2.4 Vendor's Costs

(a) The Purchaser shall be responsible for the Vendor's Costs for the Transaction, which have been agreed to by the Parties at a fixed amount of $50,000.00;

(b) Upon execution of this Agreement, the Purchaser will pay $40,000.00 to the Vendor in respect of the Vendor's Costs, which amount is non-refundable; and

(c) At Closing, the Purchaser will pay $10,000.00 to the Vendor in respect of the balance of the agreed upon Vendor's Costs.

2.5 Closing

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

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

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

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

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

(iv) a copy of the Court Order;

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

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

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

(i) the balance owing on the Purchase Price, as adjusted herein plus applicable GST and Sales Taxes, plus the $10,000.00 balance payable on account of the Vendor's Costs

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

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

(iv) where required, the Specific Conveyances, duly executed by Purchaser, to the extent such Specific Conveyances were provided to Purchaser no later than one Business Day prior to the Closing Date; and

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

2.6 Specific Conveyances

The Parties shall cooperate in the preparation of the Specific Conveyances. At a reasonable time prior to Closing, Purchaser shall use reasonable efforts to prepare and provide to Vendor for Vendor's review all Specific Conveyances at Purchaser's sole cost and expense as soon as reasonably practicable. The Parties shall execute such Specific Conveyances before or at Closing. None of the Specific

Conveyances shall confer or impose upon either Party any greater right or obligation than as contemplated in this Agreement. Promptly after Closing, Purchaser shall register and/or distribute (as applicable) all such Specific Conveyances, and Purchaser shall bear all costs incurred therewith and in preparing and registering any further assurances required to convey the Assets to Purchaser.

2.7 Title Documents and Miscellaneous Interests

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

2.8 Form of Payment

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

2.9 Deposit

The Parties acknowledge that a deposit in the amount of $10,000.00 will be delivered by Purchaser to the Vendor (the "**Deposit**") upon execution of this agreement. The Parties agree that the amount of the Deposit constitutes their genuine estimate of all damages that will be suffered by Vendor as a result of Closing not occurring and the retention of the Deposit shall constitute liquidated damages to Vendor and not a penalty of Closing not occurring.

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

(a) if Closing occurs, subject to Section 9.1 (f) the Deposit shall be released to and retained by the Vendor at Closing for Vendor's own account absolutely and be applied as partial payment of the Purchase Price (subject only to adjustments thereto);

(b) if Closing does not occur due to a failure of (i) either or both of the Section 3.2 conditions or (ii) either or both of the Section 3.3 conditions before the Outside Date, the Deposit shall be returned to Purchaser by the Vendor for the account of Purchaser absolutely within fourteen (14) days of the Closing Date; and

(c) if Closing does not occur due to any reason other than as addressed by Section 2.9(b), the Deposit shall be forfeited to Vendor for the account of Vendor absolutely.

In the event that this Agreement is terminated as a result of the application of Section 2.9(b) or 2.9(c), each Party shall be released from all obligations under or in connection with this Agreement, other than the provisions with respect to confidentiality (Section 11.12) and the use of personal information (Section 11.14).

2.10 Taxes

(a) GST

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

Their respective GST registration numbers are:

Lexin	135216679RT0002
Purchaser	811626845RT0001

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

(c) Sales Taxes

The Parties acknowledge that the Purchase Price is exclusive of all Sales Taxes. Purchaser shall be solely responsible for the payment of all Sales Taxes which may be imposed by any Governmental Authority and which pertain to Purchaser's acquisition of the Assets or to the registration of any Specific Conveyances necessitated hereby. Except where Vendor is required under Applicable Law to collect or pay such Sales Taxes, Purchaser shall pay such Sales Taxes directly to the appropriate Governmental Authority within the required time period and shall file when due all necessary documentation with respect to such Sales Taxes. Vendor will do and cause to be done such things as are reasonably requested to enable Purchaser to comply with such obligation in a timely manner. If Vendor is required under Applicable Law to pay any such Sales Taxes, Purchaser shall promptly advance to Vendor, or if Vendor has already paid same, reimburse Vendor the full amount of such Sales Taxes upon delivery to Purchaser of copies of assessments or receipts, as applicable, showing assessment or payment, as applicable, of such Sales Taxes. Purchaser shall be responsible for the payment of any amount of Sales Taxes payable in respect of its purchase of the Assets pursuant hereto and any interest and penalties payable in respect thereto and shall indemnify and save harmless Vendor in respect thereof. Purchaser's indemnity obligations set forth in this Section 2.9(b) shall survive the Closing Date indefinitely.

2.11 Regulator

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

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

2.12 Court Order

(a) Vendor will use reasonable commercial efforts to obtain the Court Order on or before June 30, 2019, including the filing of all necessary documents required to obtain the Court Order.

ARTICLE 3
CONDITIONS OF CLOSING

3.1 Required Consents

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

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

3.2 Mutual Conditions

The obligation of Purchaser to purchase the Assets, and of Vendor to sell the Assets to Purchaser, is subject to the following conditions:

(a) the Court Order being obtained; and

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

Unless otherwise agreed to by the Parties, if the conditions contained in this Section 3.2 have not been performed, satisfied or waived before the Outside Date, this Agreement and the obligations of Vendor and Purchaser under this Agreement shall automatically terminate without any further action on the part of either Vendor or Purchaser and Vendor shall forthwith return the Deposit to the Purchaser and Vendor and Purchaser shall be released and discharged from all obligations hereunder except as provided in Section 11.12, and 11.14.

3.3 Purchaser's Conditions

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

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

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

If any one or more of the foregoing conditions has or have not been satisfied, complied with, or waived by Purchaser, at or before the Closing Date, Purchaser may rescind this Agreement by written notice to Vendor. If Purchaser rescinds this Agreement, Vendor shall forthwith return the Deposit to the Purchaser and Vendor and Purchaser shall be released and discharged from all obligations hereunder except as provided in Sections 2.8, 11.12 and 11.14.

3.4 Vendor's Conditions

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

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

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

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

If any one or more of the foregoing conditions has or have not been satisfied, complied with, or waived by Vendor, at or before the Closing Date, Vendor may rescind this Agreement by written notice to Purchaser. If Vendor rescinds this Agreement, Vendor and Purchaser shall be released and discharged from all obligations hereunder except as provided in Sections 2.9, 11.12 and 11.14.

3.5 Efforts to Fulfil Conditions

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

ARTICLE 4
REPRESENTATIONS AND WARRANTIES

4.1 Representations and Warranties of Vendor

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

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

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

(c) this Agreement is, and all documents executed and delivered pursuant to this Agreement will be, legal, valid and binding obligations of Vendor enforceable against it in accordance with their terms.

4.2 Representations and Warranties of Purchaser

Purchaser makes the following representations and warranties to Vendor:

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

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

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

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

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

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

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

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

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

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

(k) Purchaser will have at Closing, if required, a sufficient Liability Management Rating (or similar rating) with the Regulator in order to comply with the applicable Governmental Authority Licensee Liability Management Program. Purchaser is not aware of any fact or circumstance that could prevent or delay the transfer of any permits or licenses relating to or forming part of the Assets as contemplated in this Agreement;

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

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

(n) Purchaser is not a non-Canadian person for the purposes of the *Investment Canada Act*.

4.3 Limitation of Representations by Vendor

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

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

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

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

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

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

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

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

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

(ix) compliance with Applicable Laws; or

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

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

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

ARTICLE 5
INDEMNITIES FOR REPRESENTATIONS AND WARRANTIES

5.1 Purchaser's Indemnities for Representations and Warranties

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

5.2 Survival of Claim for Representations and Warranties

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

ARTICLE 6
INDEMNITIES

6.1 Post-Closing Date Indemnity

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

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

6.2 Environmental Matters and Abandonment and Reclamation Obligations

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

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

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

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

6.3 Third Party Claims

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

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

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

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

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

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

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

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

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

Third Party Claim to the Purchaser, net of taxes required to be paid by the Indemnitee as a result of any such receipt.

ARTICLE 7
ADJUSTMENTS AND ASSUMPTION OF OBLIGATIONS

7.1 Assumption of Obligations

Provided Closing has occurred, the Purchaser confirms that it has assumed the following obligations of the Vendor or Lexin as applicable, including the payment of any amounts in respect thereof and all applicable interest and penalties, whensoever and howsoever the following obligations arose (including after the Appointment Date):

(a) Property taxes, including any municipal property taxes;

(b) Mineral lease royalties and rentals;

(c) Surface lease rentals; and

(d) any other obligation related to the Assets or arising from ownership of the Assets which is adjusted for in accordance with this ARTICLE 7.

The Purchaser agrees to pay the required amounts either directly to the applicable Person or to the Receiver if the Receiver is required to make the payment, and in such a case, the Receiver will thereafter ensure that such amounts are paid to the applicable Person.

7.2 Other Costs and Revenues to be Apportioned

(a) Except as set out in Section 7.1 and subject to Sections 7.2(b) and 7.2(c) below, all other costs and expenses relating to the Assets (including maintenance, development, capital and operating costs) and all revenues relating to the Assets (including proceeds from the sale of production and fees from processing, treating or transporting Petroleum Substances on behalf of Third Parties) shall be apportioned as of the Effective Time between Vendor and Purchaser on an accrual basis in accordance with generally accepted accounting principles, provided that:

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

(ii) deposits placed with respect to the Assets made by Lexin or Vendor relative to operations on the Lands that have not been applied by the operator to the payment of costs prior to the Closing Date and still stand to the credit of Lexin or Vendor as at the Closing Date shall be returned to Vendor;

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

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

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

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

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

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

7.3 Adjustments to Account

(a) An interim accounting of the adjustments pursuant to Section 7.1 shall be made at Closing, based on Vendor's good faith estimate of the costs and expenses paid by Vendor prior to Closing and the revenues received by Vendor prior to Closing. Vendor and Purchaser shall cooperate in preparing such interim accounting and Vendor shall provide an interim statement of adjustment setting forth the adjustments to be made at Closing not later than five (5) Business Days prior to Closing and shall assist Purchaser in verifying the amounts set forth in such statement.

(b) A final accounting of the adjustments pursuant to Section 7.1 shall be conducted within 30 days following the Closing Date (the "**Final Statement of Adjustments**") by Vendor and Purchaser, and no further or other adjustments whatsoever will be made thereafter. All adjustments after Closing shall be settled by payment by the Party required to make payment to the other Party hereunder within 15 Business Days of being notified of the determination of the amount owing.

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

ARTICLE 8
MAINTENANCE OF ASSETS

8.1 Maintenance of Assets

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

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

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

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

8.2 Consent of Purchaser

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

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

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

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

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

8.3 Proposed Actions

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

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

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

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

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

8.4 Post-Closing Transition

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

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

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

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

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

8.5 Licence Transfers

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

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

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

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

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

Purchaser shall make such deposit or furnish such other form of security as is required, in accordance with this Section and Section 2.11 or undertake such corrective or remedial work as may be required, at Purchaser's sole expense. All Licence Transfer processing fees (including any fees required to be paid for expedited service) shall be for Purchaser's account.

(d) If a Governmental Authority denies any or all Licence Transfers, it will not derogate in any way from Purchaser's obligation to pay the full Purchase Price to Vendor.

8.6 Vendor Deemed Purchaser's Agent

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

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

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

8.7 Transfer of Operatorship

Insofar as Vendor operates any of the Assets, Purchaser acknowledges that Vendor is not able to transfer operatorship of some or all of such Assets to Purchaser at or after Closing. Should a Third Party take over operatorship of some or all of the Assets whether after receiving change of operatorship notices from Vendor of the sale of its interest, or otherwise, Purchaser acknowledges that such Licences will be transferred to the successor operator at or following Closing and that Purchaser shall not contest any such succession of operatorship or transfer of Licences except as otherwise provided in the applicable operating agreements after Closing and such succession and transfer.

ARTICLE 9
PREFERENTIAL PURCHASE RIGHTS

9.1 Preferential Purchase Rights

(a) It shall be the Purchaser's responsibility to identify any Preferential Purchase Rights affecting the Assets.

(b) For the twenty (20) Business Days following the granting of the Court Order, the Vendor will use commercially reasonable efforts to provide the Purchaser with access to the books and records of Lexin affecting the Assets, so the Purchaser can identify the Preferential Purchase Rights.

(c) Purchaser shall, within five (5) Business Days of the expiry of such twenty (20) Business Day period:

(i) Provide the Vendor with its proposed list of Preferential Purchase Rights affecting the Assets; and

(ii) provide its good faith estimate of the value of the applicable Asset(s) to Vendor, and such value shall be set forth in the notices.

(d) Purchaser shall be responsible for preparing drafts of all notices required in conjunction with the Preferential Purchase Rights, to be approved by Vendor. Upon Vendor approving, it shall, within two Business Days serve all notices as are required in conjunction with any Preferential Purchase Rights.

(e) Purchaser shall be liable to Vendor and Lexin for, and shall, in addition, save and hold harmless and indemnify Vendor and Lexin from and against, all Losses that may be brought against, suffered, sustained, paid or incurred by Vendor or Lexin in connection with or that relate in any way directly or indirectly to the use of Purchaser's allocation of value, or failure of the Purchaser to identify the existence of any Preferential Purchase Rights.

(f) If a Preferential Purchase Right is exercised, the Assets that are subject thereto shall not be sold to Purchaser pursuant hereto but shall be deleted from and cease to be subject to this Agreement and the Purchase Price shall be reduced by the amount allocated to such Asset. Purchaser shall nevertheless purchase the Assets that are not subject to exercised Preferential Purchase Rights.

(g) All costs borne by the Vendor to comply with its obligations associated with Preferential Purchase Rights shall be for the account of the Purchaser.

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

10.1 Vendor to Provide Access

(a) From and after the payment of the Deposit outlined in Section 2.8, Vendor shall, subject to all contractual and fiduciary obligations, provide reasonable access, at the Calgary offices of Vendor and at the locations of the respective Assets, during normal business hours, to Purchaser, and its Representatives to Lexin's records, books, accounts, documents, files, reports, information, materials, filings, and data, to the extent they relate directly to the Assets and are in possession of the Vendor, as well as physical access to the Assets (insofar as Vendor can reasonably provide such access, with such access to be at Purchaser's sole risk, expense and liability) to facilitate Purchaser's review of the Assets, including the physical and current operating condition thereof for the purpose of completing this Transaction.

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

10.2 Access to Information

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

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

(b) enforcing its rights under this Agreement;

(c) compliance with Applicable Law; or

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

10.3 Maintenance of Information

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

ARTICLE 11
GENERAL

11.1 Further Assurances

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

11.2 Receiver

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

11.3 Entire Agreement

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

11.4 Governing Law

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

11.5 Signs and Notifications

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

11.6 Assignment and Enurement

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

11.7 Time of Essence

Time is of the essence in this Agreement.

11.8 Notices

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

Vendor - Grant Thornton Limited
As Court-appointed receiver of Lexin Resources Ltd., 1051393 B.C. Ltd., 0989 Resource Partnership, LR Processing Ltd. and LR Processing Partnership
Suite 1100, 332 – 6 Avenue SW, Calgary, AB T2P 0B2
Attention: Andrew Basi
E-Mail: Andrew.basi@ca.gt.com

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

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

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

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

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

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

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

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

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

11.9 Invalidity of Provisions

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

11.10 Waiver

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

11.11 Amendment

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

11.12 Confidentiality and Public Announcements

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

11.13 Termination

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

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

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

In the event of Termination of this Agreement, the Deposit shall be addressed in accordance with Section 2.9.

11.14 Personal Information

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

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

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

Purchaser's obligations set forth in this Section 11.14 shall survive the Closing Date indefinitely.

11.15 No Merger

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

(Remainder of page intentionally left blank)

11.16 Counterpart Execution

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

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

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

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

LONG TERM ASSET MANAGEMENT INC.

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

THE FOLLOWING COMPRISES SCHEDULE "A" ATTACHED TO AND FORMING PART OF AN ASSET PURCHASE AGREEMENT DATED JUNE 12, 2019 BETWEEN GRANT THORNTON LIMITED, solely in its capacity as receiver of LEXIN RESOURCES LTD., 1051393 B.C. LTD., 0989 RESOURCE PARTNERSHIP, LR PROCESSING LTD. AND LR PROCESSING PARTNERSHIP, and not in its personal capacity, and LONG TERM ASSET MANAGMENT INC.

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

Vendor File #	Title Document	Legal Description	Zones	Vendor Interest	Encumbrances
M08853	Crown P&NG 0400050044 dated May 4, 2000	Twp 15 Rge 25 W4M: Section 28, excluding the 100/04-28-015-25W4/00 oil well	All P&NG to Base Mannville	50%	CSS NCGOR to ExxonMobil Canada Energy (Sliding Scale 5% on oil and 10% on natural gas paid on 100% of production and paid by 6058931 Canada Ltd. 50% and Lexin Resources Ltd. 50%) NCGOR 5% Caledonian Royalty Corporation paid on Lexin's working interest share of production and paid by Lexin 100%
M06861	Freehold Natural Gas Lease - Mary Ann Grinde, Donald J. Hoye, Thomas M. Hoye (as to an undivided 1/5 interest)	Twp 15 Rge 25 W4M: Section 33	NG to Base Mannville	72.0001%	15% LESSOR paid on 100% of production to MaryAnne Grinde 33.34%, Heidi H. Toale 33.33% and Thomas M. Hoye 33.33% and paid by 6058931 Canada Ltd. 30% and Lexin Resources Ltd. 70% NCGOR 5% Caledonian Royalty Corporation paid on Lexin's working interest share of production and paid by Lexin 100%
M06862	Freehold Natural Gas Lease - Lawrence Kramer (as to an undivided 3/10 interest)	Twp 15 Rge 25 W4M: Section 33	NG to Base Mannville	72.0001%	15% LESSOR paid on 100% of production to Lawrence Kramer 100% and paid by 6058931 Canada Ltd. 30% and Lexin Resources Ltd. 70% NCGOR 5% Caledonian Royalty Corporation paid on Lexin's working interest share of production and paid by Lexin 100%
M06863	Freehold Natural Gas Lease - Margaret Wendt (as to an undivided 1/15 interest)	Twp 15 Rge 25 W4M: Section 33	NG to Base Mannville	72.0001%	15% LESSOR paid on 100% of production to AJJ Investments 100% and paid by 6058931 Canada Ltd. 30% and Lexin Resources Ltd. 70% NCGOR 5% Caledonian Royalty Corporation paid on Lexin's working interest share of production and paid by Lexin 100%

M06864	Freehold Natural Gas Lease - Donna Greenig (as to an undivided 1/15 interest)	Twp 15 Rge 25 W4M: Section 33	NG to Base Mannville	72.0001%	15% LESSOR paid on 100% of production to Donna Greenig 50% and Dody Arrendale 50% and paid by 6058931 Canada Ltd. 30% and Lexin Resources Ltd. 70% NCGOR 5% Caledonian Royalty Corporation paid on Lexin's working interest share of production and paid by Lexin 100%
M06866	Freehold Natural Gas Lease -P & M Kidder (as to an undivided 1/15 interest)	Twp 15 Rge 25 W4M: Section 33	NG to Base Mannville	72.0001%	15% LESSOR paid on 100% of production to P&M Kidder 100% and paid by 6058931 Canada Ltd. 30% and Lexin Resources Ltd. 70% NCGOR 5% Caledonian Royalty Corporation paid on Lexin's working interest share of production and paid by Lexin 100%
M06848	Freehold Natural Gas Lease -V.A. Petersen (as to an undivided 1/15 interest)	Twp 15 Rge 25 W4M: Section 33	NG to Base Mannville	72.0001%	15% LESSOR paid on 100% of production to Petersen et al 100% and paid by 6058931 Canada Ltd. 30% and Lexin Resources Ltd. 70% NCGOR 5% Caledonian Royalty Corporation paid on Lexin's working interest share of production and paid by Lexin 100%
M06855	Freehold Natural Gas Lease -J & M Kidder (as to an undivided 1/15 interest)	Twp 15 Rge 25 W4M: Section 33	NG to Base Mannville	72.0001%	15% LESSOR paid on 100% of production to J&M Kidder 100% and paid by 6058931 Canada Ltd. 30% and Lexin Resources Ltd. 70% NCGOR 5% Caledonian Royalty Corporation paid on Lexin's working interest share of production and paid by Lexin 100%
M06865	Freehold Natural Gas Lease - Christobel Rhoads (as to an undivided 1/10 interest)	Twp 15 Rge 25 W4M: Section 33	NG to Base Mannville	72.0001%	15% LESSOR paid on 100% of production to Christobel Rhoads 100% and paid by 6058931 Canada Ltd. 30% and Lexin Resources Ltd. 70% NCGOR 5% Caledonian Royalty Corporation paid on Lexin's working interest share of production and paid by Lexin 100%
M06369	Freehold Natural Gas Lease -Guy Macomber (as to an undivided 1/15 interest)	Twp 15 Rge 25 W4M: Section 33	NG to Base Mannville	72.0001%	17% LESSOR paid on 100% of production to Guy D. Macomber 100% and paid by 6058931 Canada Ltd. 30% and Lexin Resources Ltd. 70% NCGOR 5% Caledonian Royalty Corporation paid on Lexin's working interest

					share of production and paid by Lexin 100%
M06369	Freehold Natural Gas Lease -Guy Macomber (as to an undivided 1/15 interest)	Twp 15 Rge 25 W4M: Section 33	NG Below Base Mannville	100%	17% LESSOR paid on 100% of production to Guy D. Macomber 100% and paid by 6058931 Canada Ltd. 30% and Lexin Resources Ltd. 70% NCGOR 5% Caledonian Royalty Corporation paid on Lexin's working interest share of production and paid by Lexin 100%
M08855	Crown P&NG 0400050048 dated May 4, 2000	Twp 15 Rge 25 W4M: Section 34	All P&NG to Base Mannville	50%	CSS NCGOR to ExxonMobil Canada Energy (Sliding Scale 5% on oil and 10% on natural gas paid on 100% of production and paid by 6058931 Canada Ltd. 50% and Lexin Resources Ltd. 50%) NCGOR 5% Caledonian Royalty Corporation paid on Lexin's working interest share of production and paid by Lexin 100%
M08864	Crown P&NG 0405120388 dated December 14, 2005	Twp 16 Rge 25 W4M: Section 6	All P&NG to Base Mannville	50%	CSS NCGOR 5% Caledonian Royalty Corporation paid on Lexin's working interest share of production and paid by Lexin Resources Ltd. 100%

THE FOLLOWING COMPRISES SCHEDULE "B" ATTACHED TO AND FORMING PART OF AN ASSET PURCHASE AGREEMENT DATED JUNE 12, 2019 BETWEEN GRANT THORNTON LIMITED, solely in its capacity as receiver of LEXIN RESOURCES LTD., 1051393 B.C. LTD., 0989 RESOURCE PARTNERSHIP, LR PROCESSING LTD. AND LR PROCESSING PARTNERSHIP, and not in its personal capacity, and LONG TERM ASSET MANAGMENT INC.

Wells, Pipelines and Facilities

Wells

WELLS	LICENCE	SURFACE LOCATION	STATUS	LEXIN WI
100 / 14-28-015-25 W4 / 0	0335770	14-28-015-25W4M	GAS FLOW	50%
102 / 14-28-015-25 W4 / 0	0348415	14-28-015-25W4M	DRL&C	50%
100 / 10-33-015-25 W4 / 0	0358667	10-33-015-25W4M	GAS FLOW	72.0001% Pooled
100 / 06-34-015-25 W4 / 0	0337243	06-34-015-25W4M	GAS FLOW	50%
100/05-06-016-25W4/0	351489	05-06-16-25W4M	GAS FLOW	50%

Pipelines & Riser Sites

LICENSE #46043	FROM	TO
Line 1	9-29-015-25W4	11-01-015-25W4
Line 3	14-28-015-25W4	09-29-015-25W4
Line 4	05-06-16-25W4	04-06-016-25W4
Line 5	10-33-015-25W4	14-28-015-25W4
Line 8	06-34-015-25W4	14-28-015-25W4
Riser Site	04-06-016-25W4M	

Facilities

NONE

THE FOLLOWING COMPRISES SCHEDULE "C" ATTACHED TO AND FORMING PART OF AN ASSET PURCHASE AGREEMENT DATED JUNE 12, 2019 BETWEEN GRANT THORNTON LIMITED, solely in its capacity as receiver of LEXIN RESOURCES LTD., 1051393 B.C. LTD., 0989 RESOURCE PARTNERSHIP, LR PROCESSING LTD. AND LR PROCESSING PARTNERSHIP, and not in its personal capacity, and LONG TERM ASSET MANAGMENT INC.

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

BETWEEN:

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

- and -

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

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

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

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

1. Definitions

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

"**Purchase Agreement**" means that Asset Purchase Agreement dated June 12, 2019 between Grant Thornton Limited, solely in its capacity as the receiver and manager of the assets, undertaking and property of LEXIN RESOURCES LTD., 1051393 B.C. Ltd., 0989 RESOURCE PARTNERSHIP, LR PROCESSING LTD. and LR PROCESSING PARTNERSHIP, and not in its personal capacity, as Vendor, and LONG TERM ASSET MANAGMENT INC., as Purchaser.

2. Conveyance

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

3. Subordinate Document

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

4. No Merger

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

5. Governing Law

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

6. Enurement

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

7. Further Assurances

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

8. Counterpart Execution

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

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

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

Per: ______________________________
Name:
Title:

LONG TERM ASSET MANAGMENT INC.

Per: ______________________________
Name:
Title:

THE FOLLOWING COMPRISES SCHEDULE "D" ATTACHED TO AND FORMING PART OF AN ASSET PURCHASE AGREEMENT DATED JUNE 12, 2019 BETWEEN GRANT THORNTON LIMITED, solely in its capacity as receiver of LEXIN RESOURCES LTD., 1051393 B.C. LTD., 0989 RESOURCE PARTNERSHIP, LR PROCESSING LTD. AND LR PROCESSING PARTNERSHIP, and not in its personal capacity, and LONG TERM ASSET MANAGMENT INC.

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

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

RE: Asset Purchase Agreement dated June 12, 2019 between Vendor and Purchaser (the "Agreement")

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

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

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

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

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

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

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

[Name of Vendor/Purchaser]

Per: ______________________________
Name:
Title:

THE FOLLOWING COMPRISES SCHEDULE "E" ATTACHED TO AND FORMING PART OF AN ASSET PURCHASE AGREEMENT DATED JUNE 12, 2019 BETWEEN GRANT THORNTON LIMITED, solely in its capacity as receiver of LEXIN RESOURCES LTD., 1051393 B.C. LTD., 0989 RESOURCE PARTNERSHIP, LR PROCESSING LTD. AND LR PROCESSING PARTNERSHIP, and not in its personal capacity, and LONG TERM ASSET MANAGMENT INC.

COURT ORDER

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

DATE ON WHICH ORDER WAS PRONOUNCED: ____________________

LOCATION WHERE ORDER WAS PRONOUNCED: CALGARY, ALBERTA

NAME OF JUSTICE WHO MADE THIS ORDER: The Honourable Justice ____________________

UPON THE APPLICATION by Grant Thornton Limited in its capacity as the Court-appointed receiver (the "**Receiver**") of the undertaking, property and assets of Lexin Resources Ltd., 1051393 B.C. Ltd., 0989 Resource Partnership, LR Processing Ltd. and LR Processing Partnership (collectively, the "**Debtor**") for an order approving the sale transaction (the "**Transaction**") contemplated by an agreement of purchase and sale (the "**Sale Agreement**") between the Receiver and LONG TERM ASSET MANAGMENT INC. (the "**Purchaser**") dated May _, 2019 and appended to the _________ Report of the Receiver dated _____ 2019 (the "**Report**"), and vesting in the Purchaser (or its nominee) the Debtor's right, title and interest in and to the assets described in the Sale Agreement (the "**Purchased Assets**");

AND UPON HAVING READ the Receivership Order dated March 20, 2017 (the "**Receivership Order**"), the Report and the Affidavit of Service; **AND UPON HEARING** the submissions of counsel for the Receiver, the Purchaser and any other counsel or party appearing at the hearing of this Application;

IT IS HEREBY ORDERED AND DECLARED THAT:

SERVICE

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

APPROVAL OF TRANSACTIONS

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

VESTING OF PROPERTY

3. Upon the delivery of a Receiver's certificate to the Purchaser (or its nominee) substantially in the form set out in Schedule "A" hereto (the "**Receiver's Certificate**"), all of the Debtor's right, title and interest in and to the Purchased Assets described in the Sale Agreement and listed on Schedule "B" hereto shall vest absolutely in the name of the Purchaser (or its nominee), free and clear of and from any and all security interests (whether contractual, statutory, or otherwise), hypothecs, caveats, interests, mortgages, trusts or deemed trusts (whether contractual, statutory, or otherwise), liens (whether contractual, statutory, or otherwise), encumbrances, executions, levies, charges, or other financial or monetary claims, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise (collectively, the "**Claims**") including, without limiting the generality of the foregoing:

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

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

c. all liens and claims of lien under the *Builders' Lien Act* (Alberta); and

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

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

4. Upon the delivery of the Receiver's Certificate, and upon the filing of a certified copy of this Order, together with any applicable registration fees, subject only to approval of the transfer of applicable licences, permits and approvals by the Alberta Energy Regulator (the "**AER**") pursuant to legislation administered by the AER, the appropriate government authorities are hereby authorized, requested and directed to accept delivery of such Receiver's Certificate and certified copy of this Order as though they were originals and to register such transfers, interest authorizations, discharges, discharge statements of conveyances, as may be required to convey clear title to the Purchased Assets to the Purchaser subject only to the Permitted Encumbrances. Without limiting the foregoing,

   a. the Registrar of Land Titles of Alberta (the "**AB Registrar**") shall and is hereby authorized, requested and directed to:

      i. cancel the existing Certificates of Title listed pursuant to the Land Schedule, attached as Schedule "D" to this Order, and to issue new Certificates of Title in the name of the Purchaser (or its nominee),

      ii. transfer the existing Instruments listed on the Caveats and Easements Schedule, attached hereto as Schedule "E" to this Order, and to issue new caveats, utility right of ways, or such other easements reflected by the Instruments listed on Schedule "E", in the name of the Purchaser (or its nominee), and

      iii. discharge and expunge the non-permitted Encumbrances listed in Schedule "C" hereto,

   and to register such transfers, discharges, and discharge' statements of conveyances, as may be required to convey clear title to the Purchased Assets located in the Province of Alberta to the Purchaser (or its nominee), subject only to the Permitted Encumbrances;

   b. Alberta Energy (the "**AB Ministry**") shall and is hereby authorized, requested and directed to:

i. cancel and discharge those Claims and Encumbrances, if any, other than Permitted Encumbrances, registered against the estate or interest of the Debtor in and to the Purchased Assets located in the Province of Alberta; and

ii. transfer the Crown leases in the name of the Debtor listed in Schedule "F" into the name of the Purchaser (or its nominee) free and clear of all Claims and Encumbrances and subject only to the Permitted Encumbrances,

c. the Registrar of the Personal Property Registry (Alberta) (the "**AB PPR Registrar**") shall and is hereby directed to cancel and discharge those Claims and Encumbrances, if any, other than the Permitted Encumbrances, registered against the estate or interest of the Debtor in and to the Purchased Assets located in the Province of Alberta, as applicable.

5. The AB Registrar, the AB Ministry and the AB PPR Registrar (collectively the "**Governmental Authorities**") are expressly authorized and directed to include in the discharges of the Encumbrances described above, all encumbrances registered after the date the Receivership Order was granted.

6. In order to effect the discharges and transfers described above, this Court directs the Governmental Authorities each to take such steps as are necessary to give effect to the terms of this Order and the Sale Agreement authorized herein. Presentment of this Order and the Receiver's Certificate shall be the sole and sufficient authority of the Governmental Authorities to make and register the said transfers and cancel and discharge the registrations of any Claims and Encumbrances against the Purchased Assets.

7. The Receiver is hereby authorized and directed to take all necessary steps and execute any and all documents to effect any and all discharges and the registrars and all other persons in control or otherwise supervising such offices of registration or recording shall forthwith remove and discharge all such registrations. For greater certainty, and without limiting the generality of the foregoing, the AB Registrar is hereby directed to accept all of the Affidavits of Corporate Signing Authority submitted by the Receiver, in its capacity as Receiver and Manager of the Debtor and not in its personal capacity, and to register the transfers, assignments and conveyances contemplated by the Sale Agreement immediately.

8. 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 Purchased Assets is required for the due execution, delivery and performance by the Receiver of the Sale Agreement, other than the authorizations, approvals or exemptions from requirements therefore previously obtained and currently in force, if any, and the authorization or approval of the Regulator referenced in paragraph 3 above.

9. This Order shall be registered by the Registrar notwithstanding the requirements of section 191(1) of the *Land Titles Act*, RSA 2000, c.L-7 and notwithstanding that the appeal period in respect of this Order has not elapsed, which appeal period is expressly waived.

10. For the purposes of determining the nature and priority of Claims, the net proceeds from the sale of the Purchased Assets (to be held in an interest bearing trust account by the Receiver) shall stand in the place and stead of the Purchased Assets, and from and after the delivery of the Receiver's Certificate all Claims and Encumbrances shall attach to the net proceeds from the sale of the Purchased Assets with the same priority as they had with respect to the Purchased Assets immediately prior to the sale, as if the Purchased Assets had not been sold and remained in the possession or control of the person having that possession or control immediately prior to the sale.

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

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

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

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

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

16. Notwithstanding:

    a. The pendency of these proceedings;

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

    c. Any assignment in bankruptcy made in respect of the Debtor,

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

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

MISCELLANEOUS MATTERS

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

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

20. Service of this Order on any party not attending this application is hereby dispensed with.

____

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

Schedule "A" to an Sale Approval and Vesting Order dated ***

Form of Receiver's Certificate

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

RECITALS

A. Pursuant to an Order of the Honourable Justice P. Jeffrey of the Court of Queen's Bench of Alberta, Judicial District of Calgary (the "Court") dated March 20, 2017, Grant Thornton Limited was appointed as the receiver (the "**Receiver**") of the undertaking, property and assets of Lexin Resources Ltd., 1051393 B.C. Ltd., 0989 Resource Partnership, LR Processing Ltd., and LR Processing Partnership (the "**Debtor**").

B. Pursuant to an Order of the Court dated [Date], the Court approved the agreement of purchase and sale made as of **[Date of Agreement]** (the "**Sale Agreement**") between the Receiver and LONG TERM ASSET MANAGMENT INC. (the "**Purchaser**") and provided for the vesting in the Purchaser of the Debtor's right, title and interest in and to the Purchased Assets, which vesting is to be effective with respect to the Purchased Assets upon the delivery by the Receiver to the Purchaser of a certificate confirming (i) the payment by the Purchaser of the Purchase Price for the Purchased Assets; (ii) that the conditions to Closing as set out in Article 3 of the Sale Agreement have been satisfied or waived by the Receiver and the Purchaser; and (iii) the Transaction has been completed to the satisfaction of the Receiver.

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

THE RECEIVER CERTIFIES the following:

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

2. The conditions to Closing as set out in Article 3 of the Sale Agreement have been satisfied or waived by the Receiver and the Purchaser (or its nominee); and

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

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

Grant Thornton Limited, in its capacity as Receiver of the undertaking, property and assets of Lexin Resources Ltd., 1051393 B.C. Ltd., 0989 Resource Partnership, LR Processing Ltd., and LR Processing Partnership, and not in its personal capacity.

Per;______________________________

Name:

Title:

Schedule "B" to an Sale Approval and Vesting Order dated ***

Purchased Assets

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

Vendor File #	Title Document	Legal Description	Zones	Vendor Interest	Encumbrances
M08853	Crown P&NG 0400050044 dated May 4, 2000	Twp 15 Rge 25 W4M: Section 28	All P&NG to Base Mannville	50%	CSS NCGOR to ExxonMobil Canada Energy (Sliding Scale 5% on oil and 10% on natural gas paid on 100% of production and paid by 6058931 Canada Ltd. 50% and Lexin Resources Ltd. 50%) NCGOR 5% Caledonian Royalty Corporation paid on Lexin's working interest share of production and paid by Lexin 100%
M06861	Freehold Natural Gas Lease - Mary Ann Grinde, Donald J. Hoye, Thomas M. Hoye (as to an undivided 1/5 interest)	Twp 15 Rge 25 W4M: Section 33	NG to Base Mannville	72.0001%	15% LESSOR paid on 100% of production to MaryAnne Grinde 33.34%, Heidi H. Toale 33.33% and Thomas M. Hoye 33.33% and paid by 6058931 Canada Ltd. 30% and Lexin Resources Ltd. 70% NCGOR 5% Caledonian Royalty Corporation paid on Lexin's working interest share of production and paid by Lexin 100%
M06862	Freehold Natural Gas Lease - Lawrence Kramer (as to an undivided 3/10 interest)	Twp 15 Rge 25 W4M: Section 33	NG to Base Mannville	72.0001%	15% LESSOR paid on 100% of production to Lawrence Kramer 100% and paid by 6058931 Canada Ltd. 30% and Lexin Resources Ltd. 70% NCGOR 5% Caledonian Royalty Corporation paid on Lexin's working interest share of production and paid by Lexin 100%
M06863	Freehold Natural Gas Lease -Margaret Wendt (as to an undivided 1/15 interest)	Twp 15 Rge 25 W4M: Section 33	NG to Base Mannville	72.0001%	15% LESSOR paid on 100% of production to AJJ Investments 100% and paid by 6058931 Canada Ltd. 30% and Lexin Resources Ltd. 70% NCGOR 5% Caledonian Royalty Corporation paid on Lexin's working interest share of

					production and paid by Lexin 100%
M06864	Freehold Natural Gas Lease -Donna Greenig (as to an undivided 1/15 interest)	Twp 15 Rge 25 W4M: Section 33	NG to Base Mannville	72.0001%	15% LESSOR paid on 100% of production to Donna Greenig 50% and Dody Arrendale 50% and paid by 6058931 Canada Ltd. 30% and Lexin Resources Ltd. 70% NCGOR 5% Caledonian Royalty Corporation paid on Lexin's working interest share of production and paid by Lexin 100%
M06866	Freehold Natural Gas Lease -P & M Kidder (as to an undivided 1/15 interest)	Twp 15 Rge 25 W4M: Section 33	NG to Base Mannville	72.0001%	15% LESSOR paid on 100% of production to P&M Kidder 100% and paid by 6058931 Canada Ltd. 30% and Lexin Resources Ltd. 70% NCGOR 5% Caledonian Royalty Corporation paid on Lexin's working interest share of production and paid by Lexin 100%
M06848	Freehold Natural Gas Lease -V.A. Petersen (as to an undivided 1/15 interest)	Twp 15 Rge 25 W4M: Section 33	NG to Base Mannville	72.0001%	15% LESSOR paid on 100% of production to Petersen et al 100% and paid by 6058931 Canada Ltd. 30% and Lexin Resources Ltd. 70% NCGOR 5% Caledonian Royalty Corporation paid on Lexin's working interest share of production and paid by Lexin 100%
M06855	Freehold Natural Gas Lease -J & M Kidder (as to an undivided 1/15 interest)	Twp 15 Rge 25 W4M: Section 33	NG to Base Mannville	72.0001%	15% LESSOR paid on 100% of production to J&M Kidder 100% and paid by 6058931 Canada Ltd. 30% and Lexin Resources Ltd. 70% NCGOR 5% Caledonian Royalty Corporation paid on Lexin's working interest share of production and paid by Lexin 100%

M06865	Freehold Natural Gas Lease -Christobel Rhoads (as to an undivided 1/10 interest)	Twp 15 Rge 25 W4M: Section 33	NG to Base Mannville	72.0001%	15% LESSOR paid on 100% of production to Christobel Rhoads 100% and paid by 6058931 Canada Ltd. 30% and Lexin Resources Ltd. 70% NCGOR 5% Caledonian Royalty Corporation paid on Lexin's working interest share of production and paid by Lexin 100%
M06369	Freehold Natural Gas Lease -Guy Macomber (as to an undivided 1/15 interest)	Twp 15 Rge 25 W4M: Section 33	NG to Base Mannville	72.0001%	17% LESSOR paid on 100% of production to Guy D. Macomber 100% and paid by 6058931 Canada Ltd. 30% and Lexin Resources Ltd. 70% NCGOR 5% Caledonian Royalty Corporation paid on Lexin's working interest share of production and paid by Lexin 100%
M06369	Freehold Natural Gas Lease -Guy Macomber (as to an undivided 1/15 interest)	Twp 15 Rge 25 W4M: Section 33	NG Below Base Mannville	100%	17% LESSOR paid on 100% of production to Guy D. Macomber 100% and paid by 6058931 Canada Ltd. 30% and Lexin Resources Ltd. 70% NCGOR 5% Caledonian Royalty Corporation paid on Lexin's working interest share of production and paid by Lexin 100%
M08855	Crown P&NG 0400050048 dated May 4, 2000	Twp 15 Rge 25 W4M: Section 34	All P&NG to Base Mannville	50%	CSS NCGOR to ExxonMobil Canada Energy (Sliding Scale 5% on oil and 10% on natural gas paid on 100% of production and paid by 6058931 Canada Ltd. 50% and Lexin Resources Ltd. 50%) NCGOR 5% Caledonian Royalty Corporation paid on Lexin's working interest share of production and paid by Lexin 100%
M08864	Crown P&NG 0405120388 dated December 15, 2005	Twp 16 Rge 25 W4M: Section 6	All P&NG to Base Mannville	50%	CSS NCGOR 5% Caledonian Royalty Corporation paid on Lexin's working interest share of production and paid by Lexin 100%

2. Wells, Pipelines and Facilities

WELLS	LICENCE	SURFACE LOCATION	STATUS	LEXIN WI
100 / 14-28-015-25 W4 / 0	0335770	14-28-015-25W4M	GAS FLOW	50%
102 / 14-28-015-25 W4 / 0	0348415	14-28-015-25W4M	DRL&C	50%
100 / 10-33-015-25 W4 / 0	0358667	10-33-015-25W4M	GAS FLOW	72.0001% Pooled
100 / 06-34-015-25 W4 / 0	0337243	06-34-015-25W4M	GAS FLOW	50%
100/05-06-016-25W4/0	351489	05-06-16-25W4M	GAS FLOW	50%

Pipelines & Riser Sites

LICENSE #46043	**FROM**	**TO**
Line 1	9-29-015-25W4	11-01-016-26W4
Line 3	14-28-015-25W4	09-29-015-25W4
Line 4	05-06-16-25W4	04-06-016-25W4
Line 5	10-33-015-25W4	14-28-015-25W4
Line 8	06-34-015-25W4	14-28-015-25W4
Riser Site	04-06-016-25W4M	

Facilities

NONE

Schedule "C" to an Sale Approval and Vesting Order dated ***

Encumbrances – Not Permitted

Nil

Schedule "D" to an Sale Approval and Vesting Order dated ***

CERTIFICATES OF TITLE

LAND TITLE CERTIFICATE NUMBER	LAND TITLES DESCRIPTION	REGISTRATION NUMBER	REGISTRATION DATE	PARTICULARS

Nil.

Schedule "E" to an Sale Approval and Vesting Order dated ***

Permitted Encumbrances, Caveats, Easements and Restrictive Covenants

UTILITY-RIGHT-OF-WAYS - EASEMENTS

To be transferred into the name of the Purchaser or its Nominee

COMPANY FILE NO.	LANDS	TITLE NO.	REGISTRATION NO.	REGISTRATION DATE
E06668	Twp 15 Rge 25 W4M: NE 29	101 054 138	061 245 885	20/06/2006
E06669	Twp 15 Rge 25 W4M: NW 29	151 245 246 +2	061 245 886	20/06/2006
E06670	Twp 15 Rge 25 W4M: NE 30	131 133 266	061 245 887	20/06/2006
E06671	Twp 15 Rge 25 W4M: N & S 31	851 148 834 (N31) 851 148 834 A (S31)	061 245 888	20/06/2006
E06672	Twp 16 Rge 25 W4M: SW 6	154H42	061 245 889	20/06/2006
E06673	Twp 16 Rge 26 W4M: NW & S 1	021 130 366 +2	061 245 890	20/06/2006
E06674	Twp 15 Rge 25 W4M: NW 28	081 227 006	061 245 891	20/06/2006
E06675	Twp 15 Rge 25 W4M: NE 29	101 054 138	061 245 892	20/06/2006
E06682	Twp 16 Rge 25 W4M: SW 6	154H42	061 245 889	20/06/2006
E06688	Twp 15 Rge 25 W4M: NE 28	011 354 596	061 482 399	20/11/2006
E06687	Twp 15 Rge 25 W4M: E 33	071 243 994 +5	061 482 398	20/11/2006
E06694	Twp 15 Rge 25 W4M: SW 34	111 151 736	071 360 314	18/07/2007
E06695	Twp 15 Rge 25 W4M: SE 33	071 243 994 +5	071 360 315	18/07/2007

E06696	Twp 15 Rge 25 W4M: NE 28	011 354 596	071 360 316	18/07/2007
E06697	Twp 15 Rge 25 W4M: NW 28	081 227 006	071 360 317	18/07/2007

SURFACE LEASE CAVEATS

To be transferred in to the name of the Purchaser or its Nominee

COMPANY FILE NO.	LANDS	TITLE NO.	REGISTRATION NO.	REGISTRATION DATE
S07153	Twp 15 Rge 25 W4M: NW 28	081 227 006	051 294 869	16/08/2005
S07167	Twp 15 Rge 25 W4M: NE 33	071 243 994 + 5	061 193 013	17/05/2006
S07155	Twp 15 Rge 25 W4M: SW 34	111 151 736	051 327 287	08/09/2005
S07163	Twp 16 Rge 25 W4M: SW 6	154H42	061 119 131	23/03/2006
S07168	Twp 16 Rge 25 W4M: SW 6 (Riser Site)	154H42	061 192 766	17/05/2006

SURFACE RIGHTS BOARD ORDERS – EASEMENTS

NIL

CAVEATS – EASEMENTS

NIL

Schedule "F" to an Sale Approval and Vesting Order dated ***

CROWN LEASES

COMPANY FILE NO.	AGREEMENT NUMBER	AGREEMENT TYPE	INTEREST DESCRIPTION	EFFECTIVE DATE
M08853	0400050044	Alberta Crown P&NG Mineral Lease	Twp 15 Rge 25 W4M: Section 28 All P&NG to Base Mannville	May 5, 2000
M08855	0400050048	Alberta Crown P&NG Mineral Lease	Twp 15 Rge 25 W4M: Section 34 All P&NG to Base Mannville	May 5, 2000
M08864	0405120388	Alberta Crown P&NG Mineral Lease	Twp 16 Rge 25 W4M: Section 6 All P&NG to Base Mannville	December 15, 2005

FREEHOLD MINERAL LEASES

COMPANY FILE NO.	LANDS	TITLE NO.	REGISTRATION NO.	REGISTRATION DATE
M06369	Twp 15 Rge 25 W4MM: Section 33	011 061 853	051 476 427 (Scott Land & Lease)	14/12/2005
M06861	Twp 15 Rge 25 W4M: Section 33	031 307 579 +2	041 053 109	05/02/2004
M06865	Twp 15 Rge 25 W4M: Section 33	841 067 423 I	041 012 192	10/01/2004
M06855	Twp 15 Rge 25 W4M: Section 33	941 293 532	041 056 746	09/02/2004

M06863	Twp 15 Rge 25 W4M: Section 33	161 075 870	041 013 996	12/01/2004
M06862	Twp 15 Rge 25 W4M: Section 33	121 065 821 +4	041 004 478	06/01/2004
	Twp 15 Rge 25 W4M: Section 33	121 065 842 +2	041 004 478	06/01/2004
M06848	Twp 15 Rge 25 W4M: Section 33	161 041 235 +3	041 018 892	14/01/2004
M06864	Twp 15 Rge 25 W4M: Section 33	181 048 559 +5	041 013 999	12/01/2004
M06866	Twp 15 Rge 25 W4M: Section 33	941 293 532 + 1	041 038 947	27/01/2004

THE FOLLOWING COMPRISES SCHEDULE "F" ATTACHED TO AND FORMING PART OF AN ASSET PURCHASE AGREEMENT DATED JUNE 12, 2019 BETWEEN GRANT THORNTON LIMITED, solely in its capacity as receiver of LEXIN RESOURCES LTD., 1051393 B.C. LTD., 0989 RESOURCE PARTNERSHIP, LR PROCESSING LTD. AND LR PROCESSING PARTNERSHIP, and not in its personal capacity, and LONG TERM ASSET MANAGMENT INC.

EXCLUDED ASSETS

NIL

ASSET PURCHASE AGREEMENT

THIS AGREEMENT made as of June 26, 2019.

BETWEEN:

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

- and -

HESC ENERGY CORPORATION, a corporation incorporated under the laws of the Province of Alberta (hereinafter referred to as "**Purchaser**")

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

AND WHEREAS Vendor wishes to sell, and Purchaser wishes to purchase Lexin's entire interest in 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 and liabilities to:

(i) abandon, shut-down, close, decommission, dismantle and remove any and all Wells and Tangibles, including all structures, foundations, buildings, pipelines, equipment and other Facilities located on the Lands or used or previously used in respect of Petroleum Substances produced or previously produced from the Lands or lands pooled or unitized therewith; and

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

all in accordance with generally accepted oil and gas industry practices and in compliance with all Applicable Laws and the Title Documents;

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

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

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

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

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

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

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

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

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

(i) 90 days following the grant of the Court Order; or

(ii) or another date agreed upon in writing by the Parties, but in any event, shall be no later than the Outside Date;

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

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

(m) "**Court Order**" means an order to be granted by the Court substantially in the form of Schedule "E";

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

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

(p) "**Deposit**" has the meaning as defined in Section 2.9;

(q) "**Effective Date**" means July 1, 2019;

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

(s) "**Elected Assets**" has the meaning defined in Section 2.1;

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

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

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

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

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

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

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

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

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

(iii) legal and title opinions;

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

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

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

(vii) accounts receivable of Lexin, subject to the adjustments set forth in ARTICLE 7;

(viii) Lexin's choses in action, subject to the adjustments set forth in ARTICLE 7;

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

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

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

(B) they pertain to seismic data;

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

(C) they are owned or licensed by Third Parties with restrictions on their deliverability or disclosure by Lexin to an assignee;

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

(xi) any other assets specifically described in Schedule "F"

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

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

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

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

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

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

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

(cc) "**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);

(dd) "**Lexin**" means Lexin Resources Ltd., 1051393 B.C. Ltd., 0989 Resource Partnership, LR Processing Ltd. and LR Processing Partnership, either individually or collectively as the context requires;

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

(ff) "**Licence Transfers**" means, in relation to the Assets, the transfer of applicable Licences, subject to the provisions of Sections 8.5 and 8.7 hereof;

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

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

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

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

(iii) rights to enter upon, use, occupy and enjoy the surface of any lands which are used or may be used to gain access to or otherwise use the Petroleum and Natural Gas Rights and the Tangibles, or either of them, and all contracts and agreements related thereto;

(iv) all records, books, documents, Licences (subject to Section 8.7 hereof), reports and data (but excluding seismic data) which relate to the Petroleum and Natural Gas Rights and the Tangibles; and

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

but specifically excluding the Excluded Assets;

(ii) "**Outside Date**" means October 31, 2019;

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

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

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

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

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

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

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

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

(vii) agreements for the sale, processing, transmission or transportation of Petroleum Substances, which are terminable on not more than 60 days' notice (without an early termination penalty or other like cost);

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(rr) "**Proposal**" has the meaning set out in Section 8.3;

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

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

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

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

(ww) "**ROFR**" means right of first refusal;

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

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

(zz) "**Tangibles**" means:

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

(ii) the Pipelines; and

(iii) the Facilities;

(aaa) "**Third Party**" means any Person other than Receiver, Lexin, Vendor and Purchaser, including 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;

(bbb) "**Title Documents**" means, collectively, any and all certificates of title, leases, reservations, Licences (subject to Section 8.7 hereof), assignments, trust declarations, operating agreements, royalty agreements, gross overriding royalty agreements, participation agreements, farm-in agreements, sale and purchase agreements, pooling and unit agreements and any other documents and agreements granting, reserving or otherwise conferring rights to: (i) explore for, drill for, produce, take, use or market Petroleum Substances; (ii) share in the production of Petroleum Substances; (iii) share in the proceeds from, or measured or calculated by reference to the value or quantity of, Petroleum Substances which are produced; and (iv) rights to acquire any of the rights described in items (i) to (iii) of this definition; but only if the foregoing pertain in whole or in part to Petroleum Substances within, upon or under the Lands and this definition shall include, where applicable, those documents set out in Schedule "A";

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

(ddd) "**Vendor's Costs**" means all fees and out of pocket costs associated with the Transaction, including Receiver's fees, brokers' and finders' fees, outside counsel fees and partial reimbursement of the asset preservation costs of the Receiver since the Date of Appointment; and

(eee) "**Wells**" means Lexin's entire interest in and to all wells including producing, shut-in, suspended, abandoned (including wells that have met all reclamation requirements and a reclamation certificate, certificate of recognition, surface release or other document has been issued by the applicable Governmental Authority), capped, injection and disposal wells, located on or within the Lands, or any lands pooled or unitized therewith, whether or not completed, including the wells listed in Schedule "B".

1.2 Headings

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

1.3 Interpretation Not Affected by Headings

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

1.4 Plurals and Gender

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

1.5 Schedules

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

Schedule "A"	Lands, Petroleum and Natural Gas Rights, Title Documents, Royalties and Permitted Encumbrances
Schedule "B"	Wells, Pipelines and Facilities
Schedule "C"	General Conveyance
Schedule "D"	Form of Officer's Certificate
Schedule "E"	Form of Court Order
Schedule "F"	Excluded Assets

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

1.6 Damages

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

1.7 Derivatives

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

1.8 Interpretation if Closing Does Not Occur

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

1.9 Conflicts

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

1.10 Currency

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

ARTICLE 2
PURCHASE AND SALE AND CLOSING

2.1 Purchase and Sale

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

(b) The Purchaser can elect not to take title to any portion of the Assets by providing written notice to the Vendor of its election not to receive a conveyance of that portion of the Assets (the "**Elected Assets**"), which notice must be given by no later than five (5) business days prior to the Closing Date. The Purchase Price shall not be reduced as a result of the removal from the Assets of the Elected Assets.

(c) Provided that Closing occurs, and subject to the terms and conditions of this Agreement, possession, risk and beneficial ownership of the Assets shall transfer from the Vendor to the Purchaser (or the Purchaser's nominee or assignee) on the Closing Date.

2.2 Purchase Price

The aggregate consideration to be paid by Purchaser to Vendor for the Assets shall be $130,000.00 (the "**Purchase Price**") plus applicable GST and Sales Taxes, satisfied by Purchaser by the Purchaser paying the Deposit to the Vendor, to be paid out pursuant to Section 2.9 with the balance payable, inclusive of GST at closing. The Parties hereby acknowledge and agree that the Purchase Price set forth in this Section 2.2 accurately reflects and takes into proper account both the positive value of all of the Assets as well as the offsetting reductions in value for the Environmental Liabilities and Abandonment and Reclamation Obligations associated therewith and the absolute release of Lexin and Vendor of all and any responsibility or liability therefor.

2.3 Allocation of Purchase Price

The Parties shall allocate the Purchase Price as follows:

Petroleum and Natural Gas Rights, Surface Rights and Well, Facility and Pipeline Licenses	$103,999.00
Tangibles	$26,000.00
Miscellaneous Interests	$1.00
Total	**$130,000.00**

2.4 Vendor's Costs

(a) The Purchaser shall be responsible for the Vendor's Costs for the Transaction, which have been agreed to by the Parties at a fixed amount of $180,000.00, payable as follows;

(b) Upon execution of this Agreement, the Purchaser will pay $60,000.00 to the Vendor in respect of one-third of the agreed upon Vendor's Costs, which amount is non-refundable;

(c) Two (2) days after the Court Order is granted, the Purchaser will pay $60,000.00 to the Vendor in respect of one third of the agreed upon Vendor's Costs, which amount is non-refundable; and

(d) At Closing, the Purchaser will pay $60,000.00 to the Vendor in respect of the one-third balance owing of the agreed upon Vendor's Costs.

2.5 Closing

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

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

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

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

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

(iv) a copy of the Court Order;

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

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

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

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

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

(iii) where required, the Specific Conveyances, duly executed by Purchaser, to the extent such Specific Conveyances were provided to Purchaser no later than one Business Day prior to the Closing Date; and

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

2.6 Specific Conveyances

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

2.7 Title Documents and Miscellaneous Interests

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

2.8 Form of Payment

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

2.9 Deposit

The Parties acknowledge that a deposit in the amount of $13,000.00 will be delivered by Purchaser to the Vendor (the "**Deposit**") on execution of this agreement. The Parties agree that the amount of the Deposit constitutes their genuine estimate of all damages that will be suffered by Vendor as a result of Closing not occurring and the retention of the Deposit shall constitute liquidated damages to Vendor and not a penalty of Closing not occurring.

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

(a) if Closing occurs, subject to Section 9.1(f) the Deposit shall be released to and retained by the Vendor at Closing for Vendor's own account absolutely and be applied as payment of the Purchase Price (subject only to adjustments thereto);

(b) if Closing does not occur due to a failure of either or both of the Section 3.2 conditions before the Outside Date, the Deposit shall be returned to Purchaser by Vendor for the account of Purchaser absolutely;

(c) if Closing does not occur due to a failure of either or both of the Section 3.3 conditions, the Deposit shall be returned to Purchaser by Vendor for the account of Purchaser absolutely; and

(d) if Closing does not occur due to any reason other than as addressed by Section 2.9(b) or Section 2.9(c), the Deposit shall be forfeited to Vendor for the account of Vendor absolutely.

In the event that this Agreement is terminated as a result of the application of Section 2.9(b), 2.9(c) or 2.9(d), each Party shall be released from all obligations under or in connection with this Agreement, other than the provisions with respect to confidentiality (Section 11.12) and the use of personal information (Section 11.14).

2.10 Taxes

(a) GST

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

(b) Sales Taxes

The Parties acknowledge that the Purchase Price is exclusive of all Sales Taxes. Purchaser shall be solely responsible for the payment of all Sales Taxes which may be imposed by any Governmental Authority and which pertain to Purchaser's acquisition of the Assets or to the registration of any Specific Conveyances necessitated hereby. Except where Vendor is required under Applicable Law to collect or pay such Sales Taxes, Purchaser shall pay such Sales Taxes directly to the appropriate Governmental Authority within the required time period and shall file when due all necessary documentation with respect to such Sales Taxes. Vendor will do and cause to be done such things as are reasonably requested to enable Purchaser to comply with such obligation in a timely manner. If Vendor is required under Applicable Law to pay any such Sales Taxes, Purchaser shall promptly advance to Vendor, or if Vendor has already paid same, reimburse Vendor the full amount of such Sales Taxes upon delivery to

Purchaser of copies of assessments or receipts, as applicable, showing assessment or payment, as applicable, of such Sales Taxes. Purchaser shall be responsible for the payment of any amount of Sales Taxes payable in respect of its purchase of the Assets pursuant hereto and any interest and penalties payable in respect thereto and shall indemnify and save harmless Vendor in respect thereof.

ARTICLE 3
CONDITIONS OF CLOSING

3.1 Required Consents

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

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

3.2 Mutual Conditions

The obligation of Purchaser to purchase the Assets, and of Vendor to sell the Assets to Purchaser, is subject to the following conditions:

(a) the Court Order being obtained; and

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

Unless otherwise agreed to by the Parties, if the conditions contained in this Section 3.2 have not been performed, satisfied or waived before the Outside Date, this Agreement and the obligations of Vendor and Purchaser under this Agreement shall automatically terminate without any further action on the part of either Vendor or Purchaser and Vendor and Purchaser shall be released and discharged from all obligations hereunder except as provided in Sections 11.12 and 11.14.

3.3 Purchaser's Conditions

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

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

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

If any one or more of the foregoing conditions has or have not been satisfied, complied with, or waived by Purchaser, at or before the Closing Date, Purchaser may rescind this Agreement by written notice to Vendor. If Purchaser rescinds this Agreement, Vendor and Purchaser shall be released and discharged from all obligations hereunder except as provided in Sections 2.9, 11.12 and 11.14.

3.4 Vendor's Conditions

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

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

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

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

If any one or more of the foregoing conditions has or have not been satisfied, complied with, or waived by Vendor, at or before the Closing Date, Vendor may rescind this Agreement by written notice to Purchaser. If Vendor rescinds this Agreement, Vendor and Purchaser shall be released and discharged from all obligations hereunder except as provided in Sections 2.9, 11.12 and 11.14.

3.5 Efforts to Fulfil Conditions

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

ARTICLE 4
REPRESENTATIONS AND WARRANTIES

4.1 Representations and Warranties of Vendor

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

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

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

(c) this Agreement is, and all documents executed and delivered pursuant to this Agreement will be, legal, valid and binding obligations of Vendor enforceable against it in accordance with their terms.

4.2 Representations and Warranties of Purchaser

Purchaser makes the following representations and warranties to Vendor:

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

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

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

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

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

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

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

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

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

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

(k) As of the date hereof, the Purchaser's Liability Management Rating with the Regulator is 1.96. Purchaser expects incremental increases in this Liability Management Rating between the date hereof and the Closing Date and in any event Purchaser will have at Closing, if required, a sufficient Liability Management Rating (or similar rating) with the Regulator in order to comply with the applicable Governmental Authority Licensee Liability Management Program;

(l) Purchaser will be at Closing in compliance with all material requirements of all Governmental Authorities, including the Regulator;

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

(n) Purchaser is not a non-Canadian person for the purposes of the *Investment Canada Act*.

4.3 Limitation of Representations by Vendor

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

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

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

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

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

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

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

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

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

(ix) compliance with Applicable Laws; or

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

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

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

ARTICLE 5
INDEMNITIES FOR REPRESENTATIONS AND WARRANTIES

5.1 Purchaser's Indemnities for Representations and Warranties

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

5.2 Survival of Claim for Representations and Warranties

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

ARTICLE 6
INDEMNITIES

6.1 Post-Closing Date Indemnity

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

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

6.2 Environmental Matters and Abandonment and Reclamation Obligations

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

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

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

as a result of any matter or thing arising out of, resulting from, attributable to or connected with any Environmental Liabilities or any Abandonment and Reclamation Obligations. Once Closing has occurred, Purchaser shall be solely responsible for all Environmental Liabilities and all Abandonment and Reclamation Obligations both to Third Parties and as between Vendor and Purchaser (whether such Environmental Liabilities and Abandonment and Reclamation Obligations occur or accrue prior to, on or after the Closing Time), and hereby releases Vendor from any Claims Purchaser may have against Vendor with respect to all such liabilities and responsibilities. Without restricting the generality of the foregoing, Purchaser shall be responsible for all Environmental Liabilities and Abandonment and Reclamation Obligations (whether such Environmental Liabilities and all Abandonment and Reclamation Obligations occur or accrue prior to, on or after the Closing Time) in respect of the Lands, Wells and

Facilities. This assumption of liability and indemnity by Purchaser shall apply without limit and without regard to cause or causes, including the negligence (whether sole, concurrent, gross, active, passive, primary or secondary) or the wilful or wanton misconduct or recklessness of any or all of Vendor, its Representatives and their respective successors and assigns or any other Person or otherwise. Purchaser further acknowledges and agrees that it shall not be entitled to any rights or remedies as against Vendor or its Representatives, or their respective successors and assigns under the common law or statute pertaining to any Environmental Liabilities and Abandonment and Reclamation Obligations, including the right to name any or all of Vendor, its Representatives, and their respective successors and assigns as a 'third party' to any action commenced by any Person against Purchaser. Purchaser's assumption of liability and the indemnity obligations set forth in this Section 6.2 shall survive the Closing Date indefinitely.

6.3 Third Party Claims

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

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

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

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

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

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

(d) each Party shall co-operate with the other Party in the defence of the Third Party Claim, including making available such of its personnel to the other Party and its

Representatives whose assistance, testimony or presence is of material assistance in evaluating and defending the Third Party Claim;

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

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

ARTICLE 7
ADJUSTMENTS AND ASSUMPTION OF OBLIGATIONS

7.1 Assumption of Obligations

Assuming Closing occurs, the Purchaser confirms that it has assumed the following obligations of the Vendor or Lexin as applicable, including the payment of any amounts in respect thereof and all applicable interest and penalties, whensoever and howsoever the following obligations arose (including after the Appointment Date):

(a) property taxes, including any municipal property taxes;

(b) mineral lease royalties and rentals;

(c) surface lease rentals; and

(d) any other obligation related to the Assets or arising from ownership of the Assets which has not been adjusted for as part of this ARTICLE 7.

7.2 Other Costs and Revenues to be Apportioned

(a) Except as set out in Section 7.1 and subject to Sections 7.2(b) and 7.2(c) below, all other costs and expenses relating to the Assets (including maintenance, development, capital and operating costs) and all revenues relating to the Assets (including proceeds from the sale of production and fees from processing, treating or transporting Petroleum Substances on behalf of Third Parties) shall be apportioned as of the Effective Time between Vendor and Purchaser on an accrual basis in accordance with generally accepted accounting principles, provided that:

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

(ii) deposits placed with respect to the Assets made by Lexin or Vendor relative to operations on the Lands that have not been applied by the operator to the payment of costs prior to the Closing Date and still stand to the credit of Lexin or Vendor as at the Closing Date shall be returned to Vendor;

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

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

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

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

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

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

ARTICLE 8
MAINTENANCE OF ASSETS

8.1 Maintenance of Assets

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

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

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

provided that nothing contained in the foregoing or elsewhere in this Agreement shall obligate Vendor to post security, make any other financial contribution or file any undertaking with the Regulator with respect to the Licensee Liability Rating Program or any like program. The Purchaser agrees to provide the Receiver with any additional necessary funding for the matters in this Section 8.1, and such amounts shall not be applied against the Retainer.

8.2 Consent of Purchaser

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

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

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

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

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

8.3 Proposed Actions

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

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

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

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

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

8.4 Post-Closing Transition

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

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

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

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

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

8.5 Licence Transfers

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

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

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

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

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

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

(d) If a Governmental Authority denies any or all Licence Transfers, it will not derogate in any way from Purchaser's obligation to pay the full Purchase Price to Vendor.

8.6 Vendor Deemed Purchaser's Agent

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

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

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

8.7 Transfer of Operatorship

Insofar as Vendor operates any of the Assets, Purchaser acknowledges that Vendor is not able to transfer operatorship of some or all of such Assets to Purchaser at or after Closing. Should a Third Party take over operatorship of some or all of the Assets whether after receiving change of operatorship notices from Vendor of the sale of its interest, or otherwise, Purchaser acknowledges that such Licences will be transferred to the successor operator at or following Closing and that Purchaser shall not contest any such succession of operatorship or transfer of Licences except as otherwise provided in the applicable operating agreements after Closing and such succession and transfer.

ARTICLE 9
PREFERENTIAL PURCHASE RIGHTS

9.1 Preferential Purchase Rights

(a) It shall be the Purchaser's responsibility to identify any Preferential Purchase Rights affecting the Assets.

(b) For the twenty (20) Business Days following the granting of the Court Order, the Vendor will use commercially reasonable efforts to provide the Purchaser with access to the books and records of Lexin affecting the Assets, so the Purchaser can identify the Preferential Purchase Rights.

(c) Purchaser shall, within five (5) Business Days of the expiry of such twenty (20) Business Day period, provide:

(i) the Vendor with its proposed list of Preferential Purchase Rights affecting the Assets; and

(ii) its good faith estimate of the value of the applicable Asset(s) to Vendor, and such value shall be set forth in the notices.

(d) Purchaser shall be responsible for preparing drafts of all notices required in conjunction with the Preferential Purchase Rights, to be approved by Vendor. Upon Vendor approving, it shall, within two Business Days serve all notices as are required in conjunction with any Preferential Purchase Rights.

(e) Purchaser shall be liable to Vendor and Lexin for, and shall, in addition, save and hold harmless and indemnify Vendor and Lexin from and against, all Losses that may be brought against, suffered, sustained, paid or incurred by Vendor or Lexin in connection with or that relate in any way directly or indirectly to the use of Purchaser's allocation of value, or failure of the Purchaser to identify the existence of any Preferential Purchase Rights.

(f) If a Preferential Purchase Right is exercised, the Assets that are subject thereto shall not be sold to Purchaser pursuant hereto but shall be deleted from and cease to be subject to this Agreement and the Purchase Price shall be reduced by the amount allocated to such Asset. Purchaser shall nevertheless purchase the Assets that are not subject to exercised Preferential Purchase Rights.

(g) All costs borne by the Vendor to comply with its obligations associated with Preferential Purchase Rights shall be for the account of the Purchaser.

ARTICLE 10
BOOKS AND RECORDS

10.1 Access to Information

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

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

(b) enforcing its rights under this Agreement;

(c) compliance with Applicable Law; or

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

10.2 Maintenance of Information

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

ARTICLE 11
GENERAL

11.1 Further Assurances

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

11.2 Receiver

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

11.3 Entire Agreement

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

11.4 Governing Law

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

11.5 Signs and Notifications

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

11.6 Assignment and Enurement

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

11.7 Time of Essence

Time is of the essence in this Agreement.

11.8 Notices

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

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

Suite 1100, 332 – 6 Avenue SW
Calgary, Alberta T2P 0B2

Attention: Andrew Basi

E-Mail: Andrew.basi@ca.gt.com

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

Borden Ladner Gervais LLP
1900, 520 3rd Avenue SW
Calgary, Alberta T2P 0R3

Attention: Robyn Gurofsky

E-Mail: rgurofsky@blg.com

Purchaser - HESC Energy Corporation
800, 903 – 8th Avenue S.W.
Calgary, Alberta T2P 0P7

Attention: Martin Robert

E-Mail: mrobert@hescenergy.com

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

Dentons Canada LLP
20th Floor
250 Howe Street
Vancouver, BC V6C 3R8

Attention: Michael A. Thackray, Q.C.

E-mail: michael.thackray@dentons.com

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

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

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

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

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

11.9 Invalidity of Provisions

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

11.10 Waiver

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

11.11 Amendment

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

11.12 Confidentiality and Public Announcements

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

11.13 Termination

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

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

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

In the event of Termination of this Agreement, the Deposit shall be addressed in accordance with Section 2.9.

11.14 Personal Information

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

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

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

Purchaser's obligations set forth in this Section 11.14 shall survive the Closing Date indefinitely.

11.15 No Merger

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

(Remainder of page intentionally left blank)

11.16 Counterpart Execution

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

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

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

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

HESC ENERGY CORPORATION

Per: ______________________
Name: **Graham Kwan**
Title: **President**

THE FOLLOWING COMPRISES SCHEDULE "A" ATTACHED TO AND FORMING PART OF AN ASSET PURCHASE AGREEMENT DATED June 26, 2019 BETWEEN GRANT THORNTON LIMITED, solely in its capacity as receiver of LEXIN RESOURCES LTD., 1051393 B.C. LTD., 0989 RESOURCE PARTNERSHIP, LR PROCESSING LTD. AND LR PROCESSING PARTNERSHIP, and not in its personal capacity, and HESC ENERGY CORPORATION

Report Date: Aug 16, 2017
Page Number: 4869
REPORTED IN HECTARES

MFC RESOURCE PARTNERSHIP
Mineral Property Report

Province: ALBERTA

File Number	Lse Type Lessor Type	Exposure	Oper.Cont. ROFR	DOI Code			
File Status	Int Type / Lse No/Name	Gross					
Mineral Int	Operator / Payor	Net	Doi Partner(s)	*	*		Lease Description / Rights Held

(cont'd)

~~M0271 A ONLY"~~

~~ROYALTY DEDUCTIONS -~~
~~CLAUSE 2.4 GRANTOR'S ALLOWED DEDUCTIONS~~
~~UNIQUE DEDUCTIONS PLEASE REFER TO CLAUSE 2.4 OF THE AGREEMENT AS STANDARD~~
~~DEDUCTIONS DO NOT APPLY.~~

~~Royalty Type Product Type Sliding Scale Convertible % of Prod/Sales~~
~~CROWN SLIDING SCALE ALL PRODUCTS Y N 100.00000000 % of PROD~~
~~Roy Percent:~~
~~Deduction: YES~~
~~Gas: Royalty: Min Pay: Prod/Sales:~~
~~S/S OIL: Min: Max: Div: Prod/Sales:~~
~~Other Percent: Min: Prod/Sales:~~

~~Paid to: LESSOR (M) Paid by: POOLED (M)~~
~~ADRD 100.00000000 0989 RESOURCE P 100.00000000~~

~~ROYALTY DEDUCTIONS - Dec 29, 2005~~
Deductions allowed as per Provincial Regulations.

M03042	PNG CR	Eff: Aug 03, 1978	246.220	C00832 A No	BPO	RENTAL	Area : CENTRON
Sub: A	WI	Exp: Aug 02, 1983	246.220	0989 RESOURCE P	67.14200000	33.57100000	TWP 23 RGE 28 W4M PTN N 14, S 14
A	0478080008	Ext: 15	165.317	HESCLIMITEDP	32.85800000	32.85800000	PET TO BASE BELLY_RIVER_GROUP
	ENCANA CORP			EMBER		33.57100000	
100.00000000	EMBER						

----------------- **Related Contracts** -----------------

CS*EXPLORER Version: 9.10.04

MFC RESOURCE PARTNERSHIP
Mineral Property Report

Province: ALBERTA

File Number	Lse Type Lessor Type	Exposure	Oper.Cont. ROFR	DOI Code		
File Status	Int Type / Lse No/Name	Gross				
Mineral Int	Operator / Payor	Net	Doi Partner(s)	*	*	Lease Description / Rights Held

(cont'd)

M03042
Sub: A

Total Rental: 861.77

Status		Hectares	Net		Hectares	Net
NON-PRODUCING	**Prod:**	0.000	0.000	**NProd:**	246.220	165.317
UNDEVELOPED	**Dev:**	0.000	0.000	**Undev:**	246.220	165.317
NONPROVEN	**Prov:**	0.000	0.000	**NProv:**	246.220	165.317

C00832 A	JOA	Aug 04, 1978
C00833 A	PURSAL	Aug 31, 2000 (I)
C02342 A	TRUST	Mar 31, 2011
P00349	PURSAL	Jul 13, 2001 (I)
P00467 A	PURSAL	Aug 31, 2000 (I)

Royalty / Encumbrances

Royalty Type	Product Type	Sliding Scale	Convertible	% of Prod/Sales
CROWN SLIDING SCALE	ALL PRODUCTS	Y	N	100.00000000 % of PROD

Roy Percent:
Deduction: YES
Gas: Royalty: **Min Pay:** **Prod/Sales:**
S/S OIL: Min: **Max:** **Div:** **Prod/Sales:**
Other Percent: **Min:** **Prod/Sales:**

Paid to: LESSOR (M)
ADRD 100.00000000

Paid by: BPO (C)
0989 RESOURCE P 67.14200000
HESCLIMITEDP 32.85800000

ROYALTY DEDUCTIONS - May 01, 2011
Deductions allowed as per Provincial Regulations

Royalty Type	Product Type	Sliding Scale	Convertible	% of Prod/Sales
GROSS OVERRIDING ROYALTY	ALL PRODUCTS	Y	Y	50.00000000 % of

Roy Percent:
Deduction: UNKNOWN
Gas: Royalty: 15.00000000 **Min Pay:** 0.08 **Prod/Sales:** PROD
S/S OIL: Min:

MFC RESOURCE PARTNERSHIP
Mineral Property Report

Province: ALBERTA

File Number / File Status / Mineral Int	Lse Type / Int Type / Operator / Payor	Lessor Type / Lse No/Name	Exposure / Gross / Net	Oper.Cont. ROFR / Doi Partner(s)	DOI Code *	*	Lease Description / Rights Held

(cont'd)

5.00000000 **Max:** 15.00000000 **Div:** 1/150 **Prod/Sales:** PROD
Other Percent: **Min:** **Prod/Sales:**

Paid to: PAIDTO (R)		**Paid by:** BPO (C)	
PENN WEST PETRO	50.00000000	0989 RESOURCE P	67.14200000
PARAMOUNT RE	50.00000000	HESCLIMITEDP	32.85800000

GENERAL REMARKS - Nov 25, 2005
DETAILS OF ROYALTY DEDUCTIONS NOT AVAILABLE, UNABLE TO LOCATE COPY OF THE AGREEMENT FROM WHICH ROYALTY IS DERIVED, IT MAYBE A PARTICIPATION AGREEMENT DATED JUNE 11, 1979

M03042	PNG	CR	**Eff:** Aug 03, 1978	246.220	C00832 B No	BPO	RENTAL	Area : CENTRON
Sub: B	WI		**Exp:** Aug 02, 1983	246.220	0989 RESOURCE P	100.00000000	50.00000000	TWP 23 RGE 28 W4M PTN N & S 14
A	0478080008		**Ext:** 15	246.220	EMBER		50.00000000	PNG IN CROSSFIELD_MEMBER
	ENCANA CORP							
100.00000000	EMBER		**Count Acreage =** No		Total Rental: 0.00			

Status		Hectares	Net		Hectares	Net
NON-PRODUCING	**Prod:**	0.000	0.000	**NProd:**	246.220	246.220
UNDEVELOPED	**Dev:**	0.000	0.000	**Undev:**	246.220	246.220
NONPROVEN	**Prov:**	0.000	0.000	**NProv:**	246.220	246.220

Related Contracts

C00832 B	JOA	Aug 04, 1978
C00833 A	PURSAL	Aug 31, 2000 (I)
C02342 B	TRUST	Mar 31, 2011
P00349 A	PURSAL	Jul 13, 2001 (I)
P00467 A	PURSAL	Aug 31, 2000 (I)

Royalty / Encumbrances

<Linked>	Royalty Type	Product Type	Sliding Scale	Convertible	% of Prod/Sales
C00832 B	GROSS OVERRIDING ROYALTY	ALL PRODUCTS	Y	Y	50.00000000 % of

Roy Percent:
Deduction: UNKNOWN

MFC RESOURCE PARTNERSHIP
Mineral Property Report

Province: ALBERTA

File Number / File Status / Mineral Int	Lse Type / Int Type / Operator	Lessor Type / Lse No/Name / Payor	Exposure / Gross / Net	Oper.Cont. ROFR / Doi Partner(s)	DOI Code	Lease Description / Rights Held
(cont'd) M03042	B					

Gas: Royalty: 15.00000000 **Min Pay:** 0.08 **Prod/Sales:** PROD
S/S OIL: Min: 5.00000000 **Max:** 15.00000000 **Div:** 1/150 **Prod/Sales:** PROD
Other Percent: **Min:** **Prod/Sales:**

Paid to: PAIDTO (R)		Paid by: BPO (C)	
HESCLIMITEDP	50.00000000	0989 RESOURCE P	100.00000000
PARAMOUNT RE	50.00000000		

GENERAL REMARKS - Nov 25, 2005
DETAILS OF ROYALTY DEDUCTIONS NOT AVAILABLE, UNABLE TO LOCATE COPY OF THE AGREEMENT FROM WHICH ROYALTY IS DERIVED, IT MAYBE A PARTICIPATION AGREEMENT DATED JUNE 11, 1979

Royalty / Encumbrances

Royalty Type	Product Type	Sliding Scale	Convertible	% of Prod/Sales
CROWN SLIDING SCALE	ALL PRODUCTS	Y	N	100.00000000 % of PROD

Roy Percent:
Deduction: YES
Gas: Royalty: **Min Pay:** **Prod/Sales:**
S/S OIL: Min: **Max:** **Div:** **Prod/Sales:**
Other Percent: **Min:** **Prod/Sales:**

Paid to: LESSOR (M)		Paid by: BPO (C)	
ADRD	100.00000000	0989 RESOURCE P	100.00000000

ROYALTY DEDUCTIONS - Jan 10, 2006
Deductions allowed as per Provincial Regulations.

REPORTED IN HECTARES

MFC RESOURCE PARTNERSHIP
Mineral Property Report

Province: ALBERTA

File Number / File Status / Mineral Int	Lse Type / Int Type / Lse No/Name / Operator / Payor	Lessor Type		Exposure Gross / Net	Oper.Cont. ROFR / Doi Partner(s)	DOI Code *	*	Lease Description / Rights Held
M03042	PNG	CR	**Eff:** Aug 03, 1978	246.220	C00832 D No	BPO	RENTAL	Area : CENTRON
Sub: C	WI		**Exp:** Aug 02, 1983	246.220	0989 RESOURCE P	67.14200000	33.57100000	TWP 23 RGE 28 W4M PTN N & S 14
A	0478080008		**Ext:** 15	165.317	HESCLIMITEDP	32.85800000	32.85800000	PNG BELOW BASE
	ENCANA CORP				EMBER		33.57100000	BELLY_RIVER_GROUP TO BASE
100.00000000	EMBER		**Count Acreage =** No					WABAMUN_GROUP
					Total Rental: 0.00			EXCL NG BELOW BASE
								BELLY_RIVER_GROUP TO BASE
								MANNVILLE_GROUP
								EXCL PNG IN CROSSFIELD_MEMBER

Status		Hectares	Net		Hectares	Net
NON-PRODUCING	**Prod:**	0.000	0.000	**NProd:**	246.220	165.317
UNDEVELOPED	**Dev:**	0.000	0.000	**Undev:**	246.220	165.317
NONPROVEN	**Prov:**	0.000	0.000	**NProv:**	246.220	165.317

Related Contracts

C00832 D	JOA	Aug 04, 1978
C00833 A	PURSAL	Aug 31, 2000 (I)
C02342 C	TRUST	Mar 31, 2011
P00467 A	PURSAL	Aug 31, 2000 (I)

Royalty / Encumbrances

<Linked>	Royalty Type	Product Type	Sliding Scale	Convertible	% of Prod/Sales	
C00832 D	GROSS OVERRIDING ROYALTY	ALL PRODUCTS	Y	Y	50.00000000	% of

Roy Percent:							
Deduction:	UNKNOWN						
Gas: Royalty:	15.00000000			**Min Pay:**	0.08	**Prod/Sales:**	PROD
S/S OIL: Min:	5.00000000	**Max:**	15.00000000	**Div:**	1/150	**Prod/Sales:**	PROD
Other Percent:				**Min:**		**Prod/Sales:**	

Paid to: PAIDTO (R)		**Paid by:** BPO (C)	
HESCLIMITEDP	50.00000000	0989 RESOURCE P	67.14200000
PARAMOUNT RE	50.00000000	HESCLIMITEDP	32.85800000

GENERAL REMARKS - Nov 25, 2005

DETAILS OF ROYALTY DEDUCTIONS NOT AVAILABLE, UNABLE TO LOCATE COPY OF THE AGREEMENT FROM WHICH ROYALTY IS DERIVED, IT MAYBE A PARTICIPATION AGREEMENT DATED JUNE 11, 1979

MFC RESOURCE PARTNERSHIP
Mineral Property Report

Province: ALBERTA

File Number File Status Mineral Int	Lse Type Lessor Type Int Type / Lse No/Name Operator / Payor	Exposure Gross Net	Oper.Cont. ROFR Doi Partner(s)	DOI Code * *	Lease Description / Rights Held

(cont'd)

M03042 C

Royalty / Encumbrances

Royalty Type	Product Type	Sliding Scale	Convertible	% of Prod/Sales
CROWN SLIDING SCALE	ALL PRODUCTS	Y	N	100.00000000 % of PROD

Roy Percent:
Deduction: YES
Gas: Royalty: **Min Pay:** **Prod/Sales:**
S/S OIL: Min: **Max:** **Div:** **Prod/Sales:**
Other Percent: **Min:** **Prod/Sales:**

Paid to: LESSOR (M)
ADRD 100.00000000

Paid by: BPO (C)
0989 RESOURCE P 67.14200000
HESCLIMITEDP 32.85800000

ROYALTY DEDUCTIONS - Jan 10, 2006
Deductions allowed as per Provincial Regulations.

M03043	PNG PC	**Eff:** Aug 30, 1978	4.892	C00832 C No	BPO	RENTAL	Area : CENTRON
Sub: A	WI	**Exp:** Aug 29, 1979	4.892	0989 RESOURCE P	67.14200000	33.57100000	TWP 23 RGE 28 W4M PTN NE 14
A	AB55-21635	**Ext:** PROD	3.285	HESCLIMITEDP	32.85800000	32.85800000	PET IN BELLY_RIVER_GROUP
	ENCANA CORP			EMBER		33.57100000	
100.00000000	EMBER						

Total Rental: 12.23

Status		Hectares	Net		Hectares	Net
NON-PRODUCING	**Prod:**	0.000	0.000	**NProd:**	4.892	3.285
UNDEVELOPED	**Dev:**	0.000	0.000	**Undev:**	4.892	3.285

---------------- Related Contracts ----------------

C00832 C	JOA	Aug 04, 1978
C00833 A	PURSAL	Aug 31, 2000 (I)
C02357 A	TRUST	Mar 31, 2011
P00349 A	PURSAL	Jul 13, 2001 (I)
P00467 A	PURSAL	Aug 31, 2000 (I)

MFC RESOURCE PARTNERSHIP
Mineral Property Report

Province: ALBERTA

File Number / File Status / Mineral Int	Lse Type Lessor Type / Int Type / Lse No/Name / Operator / Payor		Exposure / Gross / Net	Oper.Cont. ROFR / Doi Partner(s)	DOI Code *	*	Lease Description / Rights Held
(cont'd)							
M03043							
Sub: A	NONPROVEN	Prov:	0.000	0.000 NProv:	4.892	3.285	

Royalty / Encumbrances

Royalty Type		Product Type	Sliding Scale	Convertible	% of Prod/Sales
LESSOR ROYALTY		ALL PRODUCTS	N	N	100.00000000 % of PROD
Roy Percent:	30.00000000				
Deduction:	NO				
Gas: Royalty:			Min Pay:		Prod/Sales:
S/S OIL: Min:		Max:	Div:		Prod/Sales:
Other Percent:			Min:		Prod/Sales:

Paid to: LESSOR (M)		Paid by: BPO (C)	
PRAIRIESKYRO	100.00000000	0989 RESOURCE P	67.14200000
		HESCLIMITEDP	32.85800000

Royalty Type		Product Type	Sliding Scale	Convertible	% of Prod/Sales
GROSS OVERRIDING ROYALTY		ALL PRODUCTS	Y	Y	50.00000000 % of
Roy Percent:					
Deduction:	UNKNOWN				
Gas: Royalty:	15.00000000		Min Pay:	0.08	Prod/Sales: PROD
S/S OIL: Min:	5.00000000	Max: 15.00000000	Div:	1/150	Prod/Sales: PROD
Other Percent:			Min:		Prod/Sales:

Paid to: PAIDTO (R)		Paid by: BPO (C)	
PENN WEST PETRO	50.00000000	0989 RESOURCE P	67.14200000
PARAMOUNT RE	50.00000000	HESCLIMITEDP	32.85800000

MFC RESOURCE PARTNERSHIP
Mineral Property Report

Province: ALBERTA

File Number / File Status / Mineral Int	Lse Type / Int Type / Lse No/Name / Operator / Payor	Lessor Type		Exposure Gross / Net	Oper.Cont. ROFR / Doi Partner(s)	DOI Code	Lease Description / Rights Held
M03043	PNG	PC	**Eff:** Aug 30, 1978	4.892	C00832 E No	BPO	Area : CENTRON
Sub: C	WI		**Exp:** Aug 29, 1979	4.892	0989 RESOURCE P	67.14200000	TWP 23 RGE 28 W4M PTN NE 14
A	AB55-21635		**Ext:** PROD	3.285	HESCLIMITEDP	32.85800000	PET IN VIKING;
	ENCANA CORP						PET IN MANNVILLE_GROUP;
100.00000000	EMBER		**Count Acreage =** No		Total Rental: 0.00		PET IN GLAUCONITIC_SANDSTONE;
							PET IN BASAL_QUARTZ_SANDSTONE

Status		Hectares	Net		Hectares	Net
NON-PRODUCING	**Prod:**	0.000	0.000	**NProd:**	4.892	3.285
UNDEVELOPED	**Dev:**	0.000	0.000	**Undev:**	4.892	3.285
NONPROVEN	**Prov:**	0.000	0.000	**NProv:**	4.892	3.285

Related Contracts

C00832 E	JOA	Aug 04, 1978
C00833 A	PURSAL	Aug 31, 2000 (I)
C02357 A	TRUST	Mar 31, 2011
P00349	PURSAL	Jul 13, 2001 (I)
P00467 A	PURSAL	Aug 31, 2000 (I)

Royalty / Encumbrances

<Linked>	Royalty Type	Product Type	Sliding Scale	Convertible	% of Prod/Sales
C00832 E	GROSS OVERRIDING ROYALTY	ALL PRODUCTS	Y	Y	50.00000000 % of

Roy Percent:
Deduction: UNKNOWN
Gas: Royalty: 15.00000000 **Min Pay:** 0.08 **Prod/Sales:** PROD
S/S OIL: Min: 5.00000000 **Max:** 15.00000000 **Div:** 1/150 **Prod/Sales:** PROD
Other Percent: **Min:** **Prod/Sales:**

Paid to: PAIDTO (R)		**Paid by:** BPO (C)	
HESCLIMITEDP	50.00000000	0989 RESOURCE P	67.14200000
PARAMOUNT RE	50.00000000	HESCLIMITEDP	32.85800000

GENERAL REMARKS - Nov 25, 2005
DETAILS OF ROYALTY DEDUCTIONS NOT AVAILABLE, UNABLE TO LOCATE COPY OF THE AGREEMENT FROM WHICH ROYALTY IS DERIVED, IT MAYBE A PARTICIPATION AGREEMENT DATED JUNE 11, 1979

Royalty Type	Product Type	Sliding Scale	Convertible	% of Prod/Sales

MFC RESOURCE PARTNERSHIP
Mineral Property Report

Province: ALBERTA

File Number / File Status / Mineral Int	Lse Type / Int Type / Lse No/Name / Operator / Payor	Lessor Type	Exposure / Gross / Net	Oper.Cont. / Doi Partner(s)	ROFR / *	DOI Code / *	Lease Description / Rights Held

(cont'd)

LESSOR ROYALTY — ALL PRODUCTS — N — N — 100.00000000 % of PROD
Roy Percent: 30.00000000
Deduction: NO

M03043 C
Gas: Royalty: | **Min Pay:** | **Prod/Sales:**
S/S OIL: Min: | **Max:** | **Div:** | **Prod/Sales:**
Other Percent: | **Min:** | **Prod/Sales:**

Paid to: LESSOR (M)
PRAIRIESKYRO 100.00000000

Paid by: BPO (C)
0989 RESOURCE P 67.14200000
HESCLIMITEDP 32.85800000

M03044	PNG	PC	**Eff:** Aug 30, 1978	4.888	C00832 C No	BPO	RENTAL
Sub: A	WI		**Exp:** Aug 29, 1979	4.888	0989 RESOURCE P	67.14200000	33.57100000
A	AB55-21636		**Ext:** PROD	3.282	HESCLIMITEDP	32.85800000	32.85800000
	0989 RESOURCE P				EMBER		33.57100000
100.00000000	EMBER						

Area : CENTRON
TWP 23 RGE 28 W4M PTN NW 14
PET IN BELLY_RIVER_GROUP

Total Rental: 12.22

Status		Hectares	Net		Hectares	Net
NON-PRODUCING	**Prod:**	0.000	0.000	**NProd:**	4.888	3.282
UNDEVELOPED	**Dev:**	0.000	0.000	**Undev:**	4.888	3.282
NONPROVEN	**Prov:**	0.000	0.000	**NProv:**	4.888	3.282

Related Contracts

C00832 C	JOA	Aug 04, 1978
C00833 A	PURSAL	Aug 31, 2000 (I)
C02358 A	TRUST	Mar 31, 2011
P00349	PURSAL	Jul 13, 2001 (I)
P00467 A	PURSAL	Aug 31, 2000 (I)

Royalty / Encumbrances

Royalty Type	Product Type	Sliding Scale	Convertible	% of Prod/Sales
LESSOR ROYALTY	ALL PRODUCTS	N	N	100.00000000 % of PROD

Roy Percent: 30.00000000

MFC RESOURCE PARTNERSHIP
Mineral Property Report

Province: ALBERTA

File Number / File Status / Mineral Int	Lse Type / Int Type / Lse No/Name / Operator / Payor	Lessor Type	Exposure / Gross / Net	Oper.Cont. ROFR / Doi Partner(s) *	DOI Code *	Lease Description / Rights Held

(cont'd)

		Deduction: NO				
M03044	A	**Gas: Royalty:**		**Min Pay:**		**Prod/Sales:**
		S/S OIL: Min:	**Max:**	**Div:**		**Prod/Sales:**
		Other Percent:		**Min:**		**Prod/Sales:**

Paid to: LESSOR (M)		**Paid by:** BPO	(C)	
PRAIRIESKYRO	100.00000000	0989 RESOURCE P	67.14200000	
		HESCLIMITEDP	32.85800000	

Royalty / Encumbrances

Royalty Type	Product Type	Sliding Scale	Convertible	% of Prod/Sales
GROSS OVERRIDING ROYALTY	ALL PRODUCTS	Y	Y	50.00000000 % of

Roy Percent:					
Deduction:	UNKNOWN				
Gas: Royalty:	15.00000000		**Min Pay:** 0.08	**Prod/Sales:**	PROD
S/S OIL: Min:	5.00000000	**Max:** 15.00000000	**Div:** 1/150	**Prod/Sales:**	PROD
Other Percent:			**Min:**	**Prod/Sales:**	

Paid to: PAIDTO (R)		**Paid by:** BPO	(C)
PENN WEST PETRO	50.00000000	0989 RESOURCE P	67.14200000
PARAMOUNT RE	50.00000000	HESCLIMITEDP	32.85800000

M03044	PNG	PC	**Eff:** Aug 30, 1978	4.888	C00832 E No	BPO	Area : CENTRON
Sub: C	WI		**Exp:** Aug 29, 1979	4.888	0989 RESOURCE P	67.14200000	TWP 23 RGE 28 W4M PTN NW 14
A	AB55-21636		**Ext:** PROD	3.282	HESCLIMITEDP	32.85800000	PET IN VIKING;
	ENCANA CORP						PET IN MANNVILLE_GROUP;
100.00000000	EMBER		**Count Acreage =** No		Total Rental: 0.00		PET IN GLAUCONITIC_SANDSTONE;
							PET IN BASAL_QUARTZ_SANDSTONE

MFC RESOURCE PARTNERSHIP
Mineral Property Report

Province: ALBERTA

File Number	Lse Type Lessor Type	Exposure	Oper.Cont. ROFR	DOI Code		Lease Description / Rights Held
File Status	Int Type / Lse No/Name	Gross				
Mineral Int	Operator / Payor	Net	Doi Partner(s)	*	*	

(cont'd)

M03044
Sub: C

Status		Hectares	Net		Hectares	Net
NON-PRODUCING	**Prod:**	0.000	0.000	**NProd:**	4.888	3.282
DEVELOPED	**Dev:**	4.888	3.282	**Undev:**	0.000	0.000
NONPROVEN	**Prov:**	0.000	0.000	**NProv:**	4.888	3.282

------------------ Related Contracts ------------------

C00832 E	JOA	Aug 04, 1978
C00833 A	PURSAL	Aug 31, 2000 (I)
C02358 A	TRUST	Mar 31, 2011
P00349	PURSAL	Jul 13, 2001 (I)
P00467 A	PURSAL	Aug 31, 2000 (I)

Royalty / Encumbrances

<Linked>	Royalty Type	Product Type	Sliding Scale	Convertible	% of Prod/Sales
C00832 E	GROSS OVERRIDING ROYALTY	ALL PRODUCTS	Y	Y	50.00000000 % of

Roy Percent:
Deduction: UNKNOWN
Gas: Royalty: 15.00000000 **Min Pay:** 0.08 **Prod/Sales:** PROD
S/S OIL: Min: 5.00000000 **Max:** 15.00000000 **Div:** 1/150 **Prod/Sales:** PROD
Other Percent: **Min:** **Prod/Sales:**

Paid to: PAIDTO (R)		**Paid by:** BPO (C)	
HESCLIMITEDP	50.00000000	0989 RESOURCE P	67.14200000
PARAMOUNT RE	50.00000000	HESCLIMITEDP	32.85800000

GENERAL REMARKS - Nov 25, 2005
DETAILS OF ROYALTY DEDUCTIONS NOT AVAILABLE, UNABLE TO LOCATE COPY OF THE AGREEMENT FROM WHICH ROYALTY IS DERIVED, IT MAYBE A PARTICIPATION AGREEMENT DATED JUNE 11, 1979

Royalty Type	Product Type	Sliding Scale	Convertible	% of Prod/Sales
LESSOR ROYALTY	ALL PRODUCTS	N	N	100.00000000 % of PROD

Roy Percent: 30.00000000
Deduction: NO
Gas: Royalty: **Min Pay:** **Prod/Sales:**
S/S OIL: Min:

MFC RESOURCE PARTNERSHIP
Mineral Property Report

Province: ALBERTA

File Number / File Status / Mineral Int	Lse Type / Int Type / Lse No/Name / Operator / Payor	Lessor Type		Exposure / Gross / Net	Oper.Cont. ROFR / Doi Partner(s)	DOI Code *	*	Lease Description / Rights Held

(cont'd)

Other Percent: **Max:** **Div:** **Min:** **Prod/Sales:** **Prod/Sales:**

Paid to: LESSOR (M)
PRAIRIESKYRO 100.00000000

Paid by: BPO (C)
0989 RESOURCE P 67.14200000
HESCLIMITEDP 32.85800000

M02936	PNG	CR	**Eff:** Jun 08, 1995	182.268	C01092 A No	POOLED	PREPOOL	Area : CROSSFIELD
Sub: A	WI		**Exp:** Jun 07, 2000	182.268	0989 RESOURCE P	97.60000000	97.50000000	TWP 23 RGE 28 W4M NE 16, PTN S
A	0495060015		**Ext:** 15	177.894	INTERWEST	2.40000000	2.50000000	16
	0989 RESOURCE P							(LYING OUTSIDE ROW OF THE CPR,
100.00000000	0989 RESOURCE P				Total Rental: 637.94			AS SHOWN ON PLAN RY11)
								NG IN EDMONTON_GROUP

Status		Hectares	Net		Hectares	Net
PRODUCING	**Prod:**	182.268	177.894	**NProd:**	0.000	0.000
DEVELOPED	**Dev:**	182.268	177.894	**Undev:**	0.000	0.000
PROVEN	**Prov:**	182.268	177.894	**NProv:**	0.000	0.000

Related Contracts

C00768 A	JV	Aug 01, 1997 (I)
C00840 B	JOAROY	Dec 15, 1995
C01092 A	PO	Mar 01, 2005
C02256 B	ROYALT	Apr 04, 1995
C02269 B	ROYALT	Apr 04, 1995
C02881 A	ORR	Jun 24, 2010
P00349	PURSAL	Jul 13, 2001 (I)
P00520 A	PURSAL	Jun 01, 2006 (I)
P00682 A	PURSAL	Aug 13, 2007 (I)
P00692 A	PURSAL	Nov 02, 2007 (I)

Royalty / Encumbrances

<Linked>	Royalty Type	Product Type	Sliding Scale	Convertible	% of Prod/Sales
C02881 A	HERITAGE GROSS OVERRIDING R	ALL PRODUCTS	N	N	100.00000000 % of PROD

Roy Percent: 5.00000000
Deduction: YES
Gas: Royalty: **Min Pay:** **Prod/Sales:**
S/S OIL: Min: **Max:** **Div:** **Prod/Sales:**
Other Percent: **Min:** **Prod/Sales:**

Well U.W.I.	Status/Type
100/14-16-023-28-W4/04	P/GAS

MFC RESOURCE PARTNERSHIP
Mineral Property Report

File Number File Status Mineral Int	Lse Type Lessor Type Int Type / Lse No/Name Operator / Payor	Exposure Gross Net	Oper.Cont. ROFR Doi Partner(s)	DOI Code * *	Lease Description / Rights Held

(cont'd)

M02936 A **Paid to:** RECR (C) **Paid by:** PAYR (C)

CALEDONIAN	100.00000000	0989 RESOURCE P	100.00000000

GENERAL REMARKS -

*************************************IMPORTANT***

5% ROYALTY ON 100% PRODUCTION PERTAINS TO "COMPTON'S SHARE OF PRODUCTION ONLY"

****

ROYALTY DEDUCTIONS -

CLAUSE 2.4 - GRANTOR'S ALLOWED DEDUCTIONS
UNIQUE DEDUCTIONS PLEASE REFER TO CLAUSE 2.4 OF THE AGREEMENT AS STANDARD DEDUCTIONS DO NOT APPLY.

Royalty Type	Product Type	Sliding Scale	Convertible	% of Prod/Sales
CROWN SLIDING SCALE	ALL PRODUCTS	Y	N	100.00000000 % of PROD

Roy Percent:
Deduction: YES
Gas: Royalty: **Min Pay:** **Prod/Sales:**
S/S OIL: Min: **Max:** **Div:** **Prod/Sales:**
Other Percent: **Min:** **Prod/Sales:**

Paid to: LESSOR (M) **Paid by:** PREPOOL (C)

ADRD	100.00000000	0989 RESOURCE P	97.50000000
		INTERWEST	2.50000000

ROYALTY DEDUCTIONS - Jan 05, 2006

Deductions allowed as per Provincial Regulations.

MFC RESOURCE PARTNERSHIP
Mineral Property Report

Province: ALBERTA

File Number / File Status / Mineral Int	Lse Type / Int Type / Operator / Payor	Lessor Type / Lse No/Name		Exposure Gross / Net	Oper.Cont. ROFR / Doi Partner(s)	DOI Code *	*	Lease Description / Rights Held
M02936	PNG	CR	**Eff:** Jun 08, 1995	182.268	C00840 Q Yes	WI		Area : CROSSFIELD
Sub: B	WI		**Exp:** Jun 07, 2000	182.268	0989 RESOURCE P	97.50000000		TWP 23 RGE 28 W4M NE 16, PTN S
A	0495060015		**Ext:** 15	177.711	INTERWEST PET	2.50000000		16
	0989 RESOURCE P							(LYING OUTSIDE ROW OF THE
100.00000000	0989 RESOURCE P	**Count Acreage =** No			Total Rental: 0.00			CPR, AS SHOWN ON PLAN RY11)
								PNG BELOW BASE
								BELLY_RIVER_GROUP TO BASE
								TURNER_VALLEY

Status		Hectares	Net		Hectares	Net
NON-PRODUCING	**Prod:**	0.000	0.000	**NProd:**	182.268	177.711
UNDEVELOPED	**Dev:**	0.000	0.000	**Undev:**	182.268	177.711
NONPROVEN	**Prov:**	0.000	0.000	**NProv:**	182.268	177.711

Related Contracts

C00768 A	JV	Aug 01, 1997 (I)
C00840 Q	JOAROY	Dec 15, 1995
C02256 B	ROYALT	Apr 04, 1995
C02256 Q	ROYALT	Apr 04, 1995
C02269 B	ROYALT	Apr 04, 1995
C02269 Q	ROYALT	Apr 04, 1995
C02881 A	ORR	Jun 24, 2010
P00349	PURSAL	Jul 13, 2001 (I)
P00520 A	PURSAL	Jun 01, 2006 (I)
P00682 A	PURSAL	Aug 13, 2007 (I)
P00692 A	PURSAL	Nov 02, 2007 (I)

Royalty / Encumbrances

<Linked>	Royalty Type	Product Type	Sliding Scale	Convertible	% of Prod/Sales	
C02256 B	GROSS OVERRIDING ROYALTY	ALL PRODUCTS	N	N	5.00000000	% of PROD

Roy Percent: 2.00000000
Deduction: NO
Gas: Royalty: **Min Pay:** **Prod/Sales:**
S/S OIL: Min: **Max:** **Div:** **Prod/Sales:**
Other Percent: **Min:** **Prod/Sales:**

Paid to: PAIDTO (R)
WESTHILL PETRO 100.00000000

Paid by: PAIDBY (R)
0989 RESOURCE P 100.00000000

GENERAL REMARKS -
AGREEMENT GOVERNS ROYALTY ORIGINALLY PAYABLE TO WESTHILLS BY JAY-TWO. (NOW COMPTON)

<Linked>	Royalty Type	Product Type	Sliding Scale	Convertible	% of Prod/Sales	
C02256 Q	GROSS OVERRIDING ROYALTY	ALL PRODUCTS	N	N	5.00000000	% of PROD

Roy Percent: 2.00000000

MFC RESOURCE PARTNERSHIP
Mineral Property Report

Province: ALBERTA

File Number	Lse Type	Lessor Type	Exposure	Oper.Cont.	ROFR	DOI Code		
File Status		Int Type / Lse No/Name	Gross					
Mineral Int		Operator / Payor	Net	Doi Partner(s)	*	*		Lease Description / Rights Held

(cont'd)

M02936 B

Deduction: NO
Gas: Royalty: **Min Pay:** **Prod/Sales:**
S/S OIL: Min: **Max:** **Div:** **Prod/Sales:**
Other Percent: **Min:** **Prod/Sales:**

Paid to: PAIDTO (R)
WESTHILL PETRO 100.00000000

Paid by: PAIDBY (R)
0989 RESOURCE P 100.00000000

GENERAL REMARKS -
AGREEMENT GOVERNS ROYALTY ORIGINALLY PAYABLE TO WESTHILLS BY JAY-TWO. (NOW COMPTON)

Royalty / Encumbrances

<Linked>	Royalty Type	Product Type	Sliding Scale	Convertible	% of Prod/Sales
C02881 A	HERITAGE GROSS OVERRIDING R	ALL PRODUCTS	N	N	100.00000000 % of PROD

Roy Percent: 5.00000000
Deduction: YES
Gas: Royalty: **Min Pay:** **Prod/Sales:**
S/S OIL: Min: **Max:** **Div:** **Prod/Sales:**
Other Percent: **Min:** **Prod/Sales:**

Paid to: RECR (C)
CALEDONIAN 100.00000000

Paid by: PAYR (C)
0989 RESOURCE P 100.00000000

GENERAL REMARKS -
*************************************IMPORTANT**
5% ROYALTY ON 100% PRODUCTION PERTAINS TO "COMPTON'S SHARE OF PRODUCTION ONLY"
****

MFC RESOURCE PARTNERSHIP
Mineral Property Report

Province: ALBERTA

File Number File Status Mineral Int	Lse Type Lessor Type Int Type / Lse No/Name Operator / Payor	Exposure Gross Net	Oper.Cont. ROFR Doi Partner(s)	DOI Code * *	Lease Description / Rights Held

(cont'd)

M02936 B

ROYALTY DEDUCTIONS -
CLAUSE 2.4 - GRANTOR'S ALLOWED DEDUCTIONS
UNIQUE DEDUCTIONS PLEASE REFER TO CLAUSE 2.4 OF THE AGREEMENT AS STANDARD DEDUCTIONS DO NOT APPLY.

Royalty Type	Product Type	Sliding Scale	Convertible	% of Prod/Sales
CROWN SLIDING SCALE	ALL PRODUCTS	Y	N	100.00000000 % of PROD

Roy Percent:
Deduction: YES
Gas: Royalty: **Min Pay:** **Prod/Sales:**
S/S OIL: Min: **Max:** **Div:** **Prod/Sales:**
Other Percent: **Min:** **Prod/Sales:**

Paid to: LESSOR (M)		**Paid by:** WI	(C)
ADRD	100.00000000	0989 RESOURCE P	97.50000000
		INTERWEST PET	2.50000000

ROYALTY DEDUCTIONS - Jan 05, 2006
Deductions allowed as per Provincial Regulations.

M02936	PNG CR	**Eff:** Jun 08, 1995	182.268	C00840 Q Yes		WI	Area : CROSSFIELD
Sub: C	WI	**Exp:** Jun 07, 2000	182.268	0989 RESOURCE P		97.50000000	TWP 23 RGE 28 W4M NE 16, PTN S
A	0495060015	**Ext:** 15	177.711	INTERWEST PET		2.50000000	16
	0989 RESOURCE P						(LYING OUTSIDE ROW OF THE
100.00000000	0989 RESOURCE P	**Count Acreage =** No		Total Rental:	0.00		CPR, AS SHOWN ON PLAN RY11)
							PET IN EDMONTON_GROUP

MFC RESOURCE PARTNERSHIP
Mineral Property Report

Province: ALBERTA

File Number	Lse Type Lessor Type	Exposure Gross	Oper.Cont. ROFR	DOI Code		Lease Description / Rights Held
File Status	Int Type / Lse No/Name					
Mineral Int	Operator / Payor	Net	Doi Partner(s)	*	*	

(cont'd)

M02936
Sub: C

Status		Hectares	Net		Hectares	Net
NON-PRODUCING	Prod:	0.000	0.000	NProd:	182.268	177.711
UNDEVELOPED	Dev:	0.000	0.000	Undev:	182.268	177.711
NONPROVEN	Prov:	0.000	0.000	NProv:	182.268	177.711

---------------- Related Contracts ----------------

C00840 Q	JOAROY	Dec 15, 1995
C02256 Q	ROYALT	Apr 04, 1995
C02269 Q	ROYALT	Apr 04, 1995
C02881 A	ORR	Jun 24, 2010
P00520 A	PURSAL	Jun 01, 2006 (I)
P00682 A	PURSAL	Aug 13, 2007 (I)
P00692 A	PURSAL	Nov 02, 2007 (I)

Royalty / Encumbrances

<Linked>	Royalty Type	Product Type	Sliding Scale	Convertible	% of Prod/Sales
C02881 A	HERITAGE GROSS OVERRIDING R	ALL PRODUCTS	N	N	100.00000000 % of PROD

Roy Percent: 5.00000000
Deduction: YES
Gas: Royalty: **Min Pay:** **Prod/Sales:**
S/S OIL: Min: **Max:** **Div:** **Prod/Sales:**
Other Percent: **Min:** **Prod/Sales:**

Paid to: RECR (C)
CALEDONIAN 100.00000000

Paid by: PAYR (C)
0989 RESOURCE P 100.00000000

GENERAL REMARKS -

*************************************IMPORTANT***

5% ROYALTY ON 100% PRODUCTION PERTAINS TO "COMPTON'S SHARE OF PRODUCTION ONLY"

****

ROYALTY DEDUCTIONS -

CLAUSE 2.4 - GRANTOR'S ALLOWED DEDUCTIONS
UNIQUE DEDUCTIONS PLEASE REFER TO CLAUSE 2.4 OF THE AGREEMENT AS STANDARD DEDUCTIONS DO NOT APPLY.

MFC RESOURCE PARTNERSHIP
Mineral Property Report

Province: ALBERTA

File Number / File Status / Mineral Int	Lse Type / Int Type / Operator	Lessor Type / Lse No/Name / Payor	Exposure / Gross / Net	Oper.Cont. / Doi Partner(s)	ROFR / *	DOI Code / *	Lease Description / Rights Held

(cont'd)

M02936 C

Royalty Type	Product Type	Sliding Scale	Convertible	% of Prod/Sales
CROWN SLIDING SCALE	ALL PRODUCTS	Y	N	100.00000000 % of PROD

Roy Percent:
Deduction: YES
Gas: Royalty: Min Pay: Prod/Sales:
S/S OIL: Min: Max: Div: Prod/Sales:
Other Percent: Min: Prod/Sales:

Paid to: LESSOR (M)
ADRD 100.00000000

Paid by: WI (C)
0989 RESOURCE P 97.50000000
INTERWEST PET 2.50000000

ROYALTY DEDUCTIONS - Jan 05, 2006
Deductions allowed as per Provincial Regulations.

Royalty Type	Product Type	Sliding Scale	Convertible	% of Prod/Sales
GROSS OVERRIDING ROYALTY	ALL PRODUCTS	N	N	5.00000000 % of PROD

Roy Percent: 2.00000000
Deduction: NO
Gas: Royalty: Min Pay: Prod/Sales:
S/S OIL: Min: Max: Div: Prod/Sales:
Other Percent: Min: Prod/Sales:

Paid to: PAIDTO (R)
WESTHILL PETRO 100.00000000

Paid by: PAIDBY (R)
0989 RESOURCE P 100.00000000

REPORTED IN HECTARES

MFC RESOURCE PARTNERSHIP
Mineral Property Report

Province: ALBERTA

File Number / File Status / Mineral Int	Lse Type / Int Type / Operator / Payor	Lessor Type / Lse No/Name	Exposure / Gross / Net	Oper.Cont. ROFR / Doi Partner(s)	DOI Code * *	Lease Description / Rights Held

(cont'd)

~~M02654 A ROYALTY DEDUCTIONS -~~
~~CLAUSE 2.4 - GRANTOR'S ALLOWED DEDUCTIONS~~
~~UNIQUE DEDUCTIONS PLEASE REFER TO CLAUSE 2.4 OF THE AGREEMENT AS STANDARD~~
~~DEDUCTIONS DO NOT APPLY.~~

Royalty Type	Product Type	Sliding Scale	Convertible	% of Prod/Sales
~~CROWN SLIDING SCALE~~	~~ALL PRODUCTS~~	~~Y~~	~~N~~	~~100.00000000 % of PROD~~

~~Roy Percent:~~
~~Deduction: YES~~
~~Gas: Royalty: Min Pay: Prod/Sales:~~
~~S/S OIL: Min: Max: Div: Prod/Sales:~~
~~Other Percent: Min: Prod/Sales:~~

~~Paid to: LESSOR (M) Paid by: WI (C)~~
~~ADRD 100.00000000 0989 RESOURCE P 100.00000000~~

~~ROYALTY DEDUCTIONS - Dec 19, 2005~~
~~Deductions allowed as per Provincial Regulations.~~

M02940	PNG	CR	Eff: Jun 18, 1959	192.000	C01115 A No	POOLED
Sub: A	WRR		Exp: Jun 17, 1980	192.000	0989 RESOURCE P	100.00000000
A	116502		Ext: 15	192.000		
	0989 RESOURCE P				Total Rental: 672.00	
100.00000000	BONAVISTA ENERG					

Area : CROSSFIELD
TWP 23 RGE 28 W4M N & SW 28
PNG TO BASE BELLY_RIVER_GROUP

Status		Hectares	Net		Hectares	Net
PRODUCING	Prod:	192.000	192.000	NProd:	0.000	0.000

---------------- Related Contracts ----------------

C00768 A	JV	Aug 01, 1997 (I)
C00841 A	FOP	Mar 10, 1998
C00845 A	PA	Apr 27, 1998 (I)

File Number / File Status / Mineral Int	Lse Type / Int Type / Operator / Payor	Lessor Type / Lse No/Name		Exposure / Gross	Net	Oper.Cont. / Doi Partner(s)	ROFR *	DOI Code *	Lease Description / Rights Held		
(cont'd)											
M02940											
Sub: A	DEVELOPED	Dev:		192.000	192.000	Undev:	0.000	0.000	C00846 A	PA	Apr 24, 1998 (I)
	PROVEN	Prov:		192.000	192.000	NProv:	0.000	0.000	C01115 A	PPAFO	Jan 09, 2004
									C02881 A	ORR	Jun 24, 2010
									P00349	PURSAL	Jul 13, 2001 (I)
									P00520 A	PURSAL	Jun 01, 2006 (I)
									P00682 A	PURSAL	Aug 13, 2007 (I)
									P00692 A	PURSAL	Nov 02, 2007 (I)

-------- Well U.W.I. Status/Type --------
102/10-28-023-28-W4/00 P/GAS

Royalty / Encumbrances

<Linked>	Royalty Type	Product Type	Sliding Scale	Convertible	% of Prod/Sales
C00841 A	GROSS OVERRIDING ROYALTY	ALL PRODUCTS	Y	N	75.00000000 % of

Roy Percent:
Deduction: YES
Gas: Royalty: 15.00000000 **Min Pay:** 6.32/MCM **Prod/Sales:** PROD
S/S OIL: Min: 5.00000000 **Max:** 15.00000000 **Div:** 23.8365 **Prod/Sales:** PROD
Other Percent: 15 **Min:** **Prod/Sales:**

Paid to: PAIDTO (R)		Paid by: PAIDBY (R)	
PRAIRIESKYRO	66.67000000	0989 RESOURCE P	100.00000000
FH ROYALTY	33.33000000		

ROYALTY DEDUCTIONS - Dec 03, 2003

crude oil & condensate - transportation costs to market connection, where sales not made f.o.b. the tanks serving the Royalty Lands, deductions not to reduce royalty to less than 50% of gross proceeds of sale

NG - gahtering, compressing, treating, processing and transportation costs, deductions not to exceed those permitted by Alberta GCA. Depreciation of the cost of gathering, compressing, treating, processing and transporting facilities owned and utilized by grantor shall be charged on a unit of throughput basis over the economic life of facilities, provided that Grantor's investment in such facilities, as depreciated, shall not exceed prime plus 1% of Grantor's bank., deductions not to reduce royalty to less than 50%

<Linked>	Royalty Type	Product Type	Sliding Scale	Convertible	% of Prod/Sales

File Number	Lse Type	Lessor Type	Exposure	Oper.Cont.	ROFR	DOI Code		
File Status	Int Type / Lse No/Name		Gross					
Mineral Int	Operator / Payor		Net	Doi Partner(s)	*	*		Lease Description / Rights Held

(cont'd)

C01115 A GROSS OVERRIDING ROYALTY ALL PRODUCTS Y N 25.00000000 % of PROD

		Roy Percent:						
		Deduction:	YES					
M02940	A	**Gas: Royalty:**	15.00000000			**Min Pay:**		**Prod/Sales:**
		S/S OIL: Min:	5.00000000	**Max:**	15.00000000	**Div:**	1/23.8365	**Prod/Sales:**
		Other Percent:	15			**Min:**		**Prod/Sales:**

Paid to: PAIDTO (R)		**Paid by:** PAIDBY (R)	
FH ROYALTY	100.00000000	0989 RESOURCE P	100.00000000

ROYALTY DEDUCTIONS - Oct 06, 2005

FREE OF ANY DEDUCTIONS FOR COSTS AND EXPENSES INCURRED BY ROYALTY PAYOR TO AND INCLUDING THE ROYALTY DETERMINATION POINT.
CRUDE OIL AND LIQUID PRODUCTS EXTRACTED FROM NG AT THE WELLHEAD - ANY ASSOCIATED FACILITY FEES AND ANY TRANSPORTATION COSTS TO TRANSPORT THOSE PETROLEUM SUBSTANCES FROM THE ROYALTY DETERMINATION POINT TO THE POINT OF SALE.
OTHER PETROLEUM SUBSTANCES - THE ASSOCIATED FACILITY FESS.
DEDUCTIONS MUST NOT EXCEED THOSE PERMITTED BY CROWN AND MUST NOT BE GREATER THAN 40% OF MARKET PRICE RECEIVED BY ROYALTY PAYOR FROM THE SALE OF THE ROYALTY OWNERS ORR SHARE OF THOSE PETROLEUM SUBSTANCES.

Royalty / Encumbrances

<Linked>	Royalty Type	Product Type	Sliding Scale	Convertible	% of Prod/Sales
C02881 A	HERITAGE GROSS OVERRIDING R	ALL PRODUCTS	N	N	100.00000000 % of PROD

Roy Percent:	5.00000000				
Deduction:	YES				
Gas: Royalty:			**Min Pay:**		**Prod/Sales:**
S/S OIL: Min:		**Max:**	**Div:**		**Prod/Sales:**
Other Percent:			**Min:**		**Prod/Sales:**

MFC RESOURCE PARTNERSHIP
Mineral Property Report

Province: ALBERTA

File Number	Lse Type Lessor Type	Exposure	Oper.Cont. ROFR	DOI Code		
File Status	Int Type / Lse No/Name	Gross				
Mineral Int	Operator / Payor	Net	Doi Partner(s)	*	*	Lease Description / Rights Held

(cont'd)

Paid to: RECR (C)
CALEDONIAN 100.00000000

Paid by: PAYR (C)
0989 RESOURCE P 100.00000000

GENERAL REMARKS -

*************************************IMPORTANT***

5% ROYALTY ON 100% PRODUCTION PERTAINS TO "COMPTON'S SHARE OF PRODUCTION ONLY"

****

ROYALTY DEDUCTIONS -

CLAUSE 2.4 - GRANTOR'S ALLOWED DEDUCTIONS
UNIQUE DEDUCTIONS PLEASE REFER TO CLAUSE 2.4 OF THE AGREEMENT AS STANDARD DEDUCTIONS DO NOT APPLY.

M02940 A

Royalty / Encumbrances

Royalty Type	Product Type	Sliding Scale	Convertible	% of Prod/Sales
CROWN SLIDING SCALE	ALL PRODUCTS	Y	N	100.00000000 % of PROD

Roy Percent:
Deduction: YES

Gas: Royalty:		**Min Pay:**	**Prod/Sales:**
S/S OIL: Min:	**Max:**	**Div:**	**Prod/Sales:**
Other Percent:		**Min:**	**Prod/Sales:**

Paid to: LESSOR (M)
ADRD 100.00000000

Paid by: POOLED (C)
0989 RESOURCE P 100.00000000

ROYALTY DEDUCTIONS - Jan 05, 2006

Deductions allowed as per Provincial Regulations.

REPORTED IN HECTARES

MFC RESOURCE PARTNERSHIP
Mineral Property Report

Province: ALBERTA

File Number / File Status / Mineral Int	Lse Type / Int Type / Operator	Lessor Type / Lse No/Name / Payor		Exposure Gross Net	Oper.Cont. ROFR / Doi Partner(s)	DOI Code	Lease Description / Rights Held
M02940	PNG	CR	**Eff:** Jun 18, 1959	64.000	C01115 A No	POOLED	Area : CROSSFIELD
Sub: B	WRR		**Exp:** Jun 17, 1980	64.000	0989 RESOURCE P	100.00000000	TWP 23 RGE 28 W4M SE 28
A	116502		**Ext:** 15	64.000			PNG TO BASE BELLY_RIVER_GROUP
	0989 RESOURCE P				Total Rental: 224.00		
100.00000000	BONAVISTA ENERG						

Status		Hectares	Net		Hectares	Net
PRODUCING	**Prod:**	64.000	64.000	**NProd:**	0.000	0.000
DEVELOPED	**Dev:**	64.000	64.000	**Undev:**	0.000	0.000
PROVEN	**Prov:**	64.000	64.000	**NProv:**	0.000	0.000

Related Contracts

C00768 A	JV	Aug 01, 1997 (I)
C00841 B	FOP	Mar 10, 1998
C00845 B	PA	Apr 27, 1998 (I)
C00846 A	PA	Apr 24, 1998 (I)
C01115 B	PPAFO	Jan 09, 2004
C02881 A	ORR	Jun 24, 2010
P00349	PURSAL	Jul 13, 2001 (I)
P00520 A	PURSAL	Jun 01, 2006 (I)
P00682 A	PURSAL	Aug 13, 2007 (I)
P00692 A	PURSAL	Nov 02, 2007 (I)
C01115 A	PPAFO	Jan 09, 2004

Well U.W.I.	Status/Type
102/10-28-023-28-W4/00	P/GAS

Royalty / Encumbrances

<Linked>	Royalty Type	Product Type	Sliding Scale	Convertible	% of Prod/Sales
C00841 B	GROSS OVERRIDING ROYALTY	ALL PRODUCTS	Y	N	75.00000000 % of

Roy Percent:
Deduction: YES

Gas: Royalty:	15.00000000			**Min Pay:**	6.32/MCM	**Prod/Sales:**	PROD
S/S OIL: Min:	5.00000000	**Max:**	15.00000000	**Div:**	23.8365	**Prod/Sales:**	PROD
Other Percent:	15			**Min:**		**Prod/Sales:**	

Paid to: PAIDTO (R)		**Paid by:** PAIDBY (R)	
PRAIRIESKYRO	66.67000000	0989 RESOURCE P	100.00000000
FH ROYALTY	33.33000000		

ROYALTY DEDUCTIONS - Dec 03, 2003

crude oil & condensate - transportation costs to market connection, where sales not made f.o.b. the tanks serving the Royalty Lands, deductions not to reduce royalty to less than 50% of gross proceeds of sale

NG - gahtering, compressing, treating, processing and transportation costs, deductions not to exceed those permitted by Alberta GCA. Depreciation of the cost of gathering, compressing,

MFC RESOURCE PARTNERSHIP
Mineral Property Report

Province: ALBERTA

File Number	Lse Type	Lessor Type	Exposure	Oper.Cont.	ROFR	DOI Code		
File Status	Int Type / Lse No/Name		Gross					
Mineral Int	Operator / Payor		Net	Doi Partner(s)	*	*		Lease Description / Rights Held

(cont'd)

M02940 B treating, processing and transporting facilities owned and utilized by grantor shall be charged on a unit of throughput basis over the economic life of facilities, provided that Grantor's investment in such facilities, as depreciated, shall not exceed prime plus 1% of Grantor's bank., deductions not to reduce royalty to less than 50%

<Linked>	Royalty Type	Product Type	Sliding Scale	Convertible	% of Prod/Sales
C01115 B	GROSS OVERRIDING ROYALTY	ALL PRODUCTS	Y	N	25.00000000 % of PROD

Roy Percent:
Deduction: YES
Gas: Royalty: 15.00000000 **Min Pay:** **Prod/Sales:**
S/S OIL: Min: 5.00000000 **Max:** 15.00000000 **Div:** 1/23.8365 **Prod/Sales:**
Other Percent: 15 **Min:** **Prod/Sales:**

Paid to: PAIDTO (R)		Paid by: PAIDBY (R)	
FH ROYALTY	100.00000000	0989 RESOURCE P	100.00000000

ROYALTY DEDUCTIONS - Oct 06, 2005

FREE OF ANY DEDUCTIONS FOR COSTS AND EXPENSES INCURRED BY ROYALTY PAYOR TO AND INCLUDING THE ROYALTY DETERMINATION POINT.
CRUDE OIL AND LIQUID PRODUCTS EXTRACTED FROM NG AT THE WELLHEAD - ANY ASSOCIATED FACILITY FEES AND ANY TRANSPORTATION COSTS TO TRANSPORT THOSE PETROLEUM SUBSTANCES FROM THE ROYALTY DETERMINATION POINT TO THE POINT OF SALE.
OTHER PETROLEUM SUBSTANCES - THE ASSOCIATED FACILITY FESS.
DEDUCTIONS MUST NOT EXCEED THOSE PERMITTED BY CROWN AND MUST NOT BE GREATER THAN 40% OF MARKET PRICE RECEIVED BY ROYALTY PAYOR FROM THE SALE OF THE ROYALTY OWNERS ORR SHARE OF THOSE PETROLEUM SUBSTANCES.

<Linked>	Royalty Type	Product Type	Sliding Scale	Convertible	% of Prod/Sales
C02881 A	HERITAGE GROSS OVERRIDING R	ALL PRODUCTS	N	N	100.00000000 % of PROD

Roy Percent: 5.00000000

MFC RESOURCE PARTNERSHIP
Mineral Property Report

Province: ALBERTA

File Number / File Status / Mineral Int	Lse Type / Int Type	Lessor Type / Lse No/Name / Operator / Payor	Exposure / Gross / Net	Oper.Cont. ROFR / Doi Partner(s)	*	DOI Code *	Lease Description / Rights Held

(cont'd)

M02940 B

Deduction: YES
Gas: Royalty: **Min Pay:** **Prod/Sales:**
S/S OIL: Min: **Max:** **Div:** **Prod/Sales:**
Other Percent: **Min:** **Prod/Sales:**

Paid to: RECR (C)
CALEDONIAN 100.00000000

Paid by: PAYR (C)
0989 RESOURCE P 100.00000000

GENERAL REMARKS -

*************************************IMPORTANT***

5% ROYALTY ON 100% PRODUCTION PERTAINS TO "COMPTON'S SHARE OF PRODUCTION ONLY"

****

ROYALTY DEDUCTIONS -

CLAUSE 2.4 - GRANTOR'S ALLOWED DEDUCTIONS
UNIQUE DEDUCTIONS PLEASE REFER TO CLAUSE 2.4 OF THE AGREEMENT AS STANDARD DEDUCTIONS DO NOT APPLY.

Royalty / Encumbrances

Royalty Type	Product Type	Sliding Scale	Convertible	% of Prod/Sales
CROWN SLIDING SCALE	ALL PRODUCTS	Y	N	100.00000000 % of PROD

Roy Percent:
Deduction: YES
Gas: Royalty: **Min Pay:** **Prod/Sales:**
S/S OIL: Min: **Max:** **Div:** **Prod/Sales:**
Other Percent: **Min:** **Prod/Sales:**

MFC RESOURCE PARTNERSHIP
Mineral Property Report

Province: ALBERTA

File Number / File Status / Mineral Int	Lse Type / Int Type / Lse No/Name / Operator / Payor	Lessor Type	Exposure / Gross / Net	Oper.Cont. ROFR / Doi Partner(s)	DOI Code	Lease Description / Rights Held

(cont'd)

M02940 B **Paid to:** LESSOR (M) ADRD 100.00000000 — **Paid by:** POOLED (C) 0989 RESOURCE P 100.00000000

ROYALTY DEDUCTIONS - Jan 05, 2006
Deductions allowed as per Provincial Regulations.

M02940	PNG	CR	**Eff:** Jun 18, 1959	192.000	C00841 C No	WI
Sub: C	WRR		**Exp:** Jun 17, 1980	192.000	0989 RESOURCE P	75.00000000
A	116502		**Ext:** 15	144.000	BONAVISTA ENERG	25.00000000
	0989 RESOURCE P					
100.00000000	BONAVISTA ENERG		**Count Acreage =** No		Total Rental: 0.00	

Area : CROSSFIELD
TWP 23 RGE 28 W4M N & SW 28
PNG BELOW BASE
BELLY_RIVER_GROUP TO BASE ELKTON
EXCL PNG IN
BASAL_QUARTZ_SANDSTONE

Status		Hectares	Net		Hectares	Net
NON-PRODUCING	**Prod:**	0.000	0.000	**NProd:**	192.000	144.000
UNDEVELOPED	**Dev:**	0.000	0.000	**Undev:**	192.000	144.000
NONPROVEN	**Prov:**	0.000	0.000	**NProv:**	192.000	144.000

---------------- Related Contracts ----------------

C00768 A	JV	Aug 01, 1997 (I)
C00841 A	FOP	Mar 10, 1998
C00841 C	FOP	Mar 10, 1998
C00845 C	PA	Apr 27, 1998 (I)
C00846 A	PA	Apr 24, 1998 (I)
C02881 A	ORR	Jun 24, 2010
P00349	PURSAL	Jul 13, 2001 (I)
P00520 A	PURSAL	Jun 01, 2006 (I)

Royalty / Encumbrances

<Linked>	Royalty Type	Product Type	Sliding Scale	Convertible	% of Prod/Sales	
C00841 C	GROSS OVERRIDING ROYALTY	ALL PRODUCTS	Y	N	75.00000000	% of

Roy Percent:							
Deduction:	YES						
Gas: Royalty:	15.00000000			**Min Pay:**	6.32/MCM	**Prod/Sales:**	PROD
S/S OIL: Min:	5.00000000	**Max:**	15.00000000	**Div:**	23.8365	**Prod/Sales:**	PROD
Other Percent:	15			**Min:**		**Prod/Sales:**	

MFC RESOURCE PARTNERSHIP
Mineral Property Report

File Number / File Status / Mineral Int	Lse Type / Int Type / Lse No/Name / Lessor Type / Operator / Payor	Exposure / Gross / Net	Oper.Cont. ROFR / Doi Partner(s) *	DOI Code *	Lease Description / Rights Held

(cont'd)

M02940 C **Paid to:** PAIDTO (R)
PRAIRIESKYRO 66.67000000
FH ROYALTY 33.33000000

Paid by: PAIDBY (R)
0989 RESOURCE P 100.00000000

ROYALTY DEDUCTIONS - Dec 03, 2003

crude oil & condensate - transportation costs to market connection, where sales not made f.o.b. the tanks serving the Royalty Lands, deductions not to reduce royalty to less than 50% of gross proceeds of sale
NG - gahtering, compressing, treating, processing and transportation costs, deductions not to exceed those permitted by Alberta GCA. Depreciation of the cost of gathering, compressing, treating, processing and transporting facilities owned and utilized by grantor shall be charged on a unit of throughput basis over the economic life of facilities, provided that Grantor's investment in such facilities, as depreciated, shall not exceed prime plus 1% of Grantor's bank., deductions not to reduce royalty to less than 50%

<Linked>	Royalty Type	Product Type	Sliding Scale	Convertible	% of Prod/Sales
C02881 A	HERITAGE GROSS OVERRIDING R	ALL PRODUCTS	N	N	100.00000000 % of PROD

Roy Percent: 5.00000000
Deduction: YES

Gas: Royalty:		**Min Pay:**	**Prod/Sales:**
S/S OIL: Min:	**Max:**	**Div:**	**Prod/Sales:**
Other Percent:		**Min:**	**Prod/Sales:**

Paid to: RECR (C)
CALEDONIAN 100.00000000

Paid by: PAYR (C)
0989 RESOURCE P 100.00000000

GENERAL REMARKS -

**************************************IMPORTANT**
5% ROYALTY ON 100% PRODUCTION PERTAINS TO "COMPTON'S SHARE OF PRODUCTION ONLY"
****

File Number / File Status / Mineral Int	Lse Type / Int Type / Lse No/Name / Operator / Payor	Lessor Type	Exposure / Gross / Net	Oper.Cont. ROFR / Doi Partner(s)	DOI Code *	*	Lease Description / Rights Held

(cont'd)

M02940 C

ROYALTY DEDUCTIONS -
CLAUSE 2.4 - GRANTOR'S ALLOWED DEDUCTIONS
UNIQUE DEDUCTIONS PLEASE REFER TO CLAUSE 2.4 OF THE AGREEMENT AS STANDARD DEDUCTIONS DO NOT APPLY.

Royalty Type	Product Type	Sliding Scale	Convertible	% of Prod/Sales
CROWN SLIDING SCALE	ALL PRODUCTS	Y	N	100.00000000 % of PROD

Roy Percent:
Deduction: YES
Gas: Royalty: **Min Pay:** **Prod/Sales:**
S/S OIL: Min: **Max:** **Div:** **Prod/Sales:**
Other Percent: **Min:** **Prod/Sales:**

Paid to: LESSOR (M)		**Paid by:** WI (C)	
ADRD	100.00000000	0989 RESOURCE P	75.00000000
		BONAVISTA ENERG	25.00000000

ROYALTY DEDUCTIONS - Jan 05, 2006
Deductions allowed as per Provincial Regulations.

M02940	PNG	CR	**Eff:** Jun 18, 1959	64.000	C00841 D No	WI	Area : CROSSFIELD
Sub: D	WRR		**Exp:** Jun 17, 1980	64.000	0989 RESOURCE P	75.00000000	TWP 23 RGE 28 W4M SE 28
A	116502		**Ext:** 15	48.000	BONAVISTA ENERG	25.00000000	PNG BELOW BASE
	0989 RESOURCE P						BELLY_RIVER_GROUP TO BASE ELKTON
100.00000000	BONAVISTA ENERG		**Count Acreage =** No		Total Rental: 0.00		EXCL PNG IN
							BASAL_QUARTZ_SANDSTONE

MFC RESOURCE PARTNERSHIP
Mineral Property Report

Province: ALBERTA

File Number	Lse Type Lessor Type	Exposure	Oper.Cont. ROFR	DOI Code		Lease Description / Rights Held
File Status	Int Type / Lse No/Name	Gross				
Mineral Int	Operator / Payor	Net	Doi Partner(s)	*	*	

(cont'd)

M02940
Sub: D

Status		Hectares	Net		Hectares	Net
PRODUCING	Prod:	64.000	48.000	NProd:	0.000	0.000
DEVELOPED	Dev:	64.000	48.000	Undev:	0.000	0.000
PROVEN	Prov:	64.000	48.000	NProv:	0.000	0.000

---------------- Related Contracts ----------------

C00768 A	JV	Aug 01, 1997 (I)
C00841 D	FOP	Mar 10, 1998
C00845 B	PA	Apr 27, 1998 (I)
C00846 A	PA	Apr 24, 1998 (I)
C02881 A	ORR	Jun 24, 2010
P00349	PURSAL	Jul 13, 2001 (I)
P00520 A	PURSAL	Jun 01, 2006 (I)

-------- Well U.W.I. Status/Type --------
100/02-28-023-28-W4/00 P/OIL

Royalty / Encumbrances

<Linked>	Royalty Type	Product Type	Sliding Scale	Convertible	% of Prod/Sales
C00841 D	GROSS OVERRIDING ROYALTY	ALL PRODUCTS	Y	N	75.00000000 % of

Roy Percent:
Deduction: YES
Gas: Royalty: 15.00000000 **Min Pay:** 6.32/MCM **Prod/Sales:** PROD
S/S OIL: Min: 5.00000000 **Max:** 15.00000000 **Div:** 23.8365 **Prod/Sales:** PROD
Other Percent: 15 **Min:** **Prod/Sales:**

Paid to: PAIDTO (R)		Paid by: PAIDBY (R)	
PRAIRIESKYRO	66.67000000	0989 RESOURCE P	100.00000000
FH ROYALTY	33.33000000		

ROYALTY DEDUCTIONS - Dec 03, 2003

crude oil & condensate - transportation costs to market connection, where sales not made f.o.b. the tanks serving the Royalty Lands, deductions not to reduce royalty to less than 50% of gross proceeds of sale

NG - gahtering, compressing, treating, processing and transportation costs, deductions not to exceed those permitted by Alberta GCA. Depreciation of the cost of gathering, compressing, treating, processing and transporting facilities owned and utilized by grantor shall be charged on a unit of throughput basis over the economic life of facilities, provided that Grantor's investment in such facilities, as depreciated, shall not exceed prime plus 1% of Grantor's bank., deductions not to reduce royalty to less than 50%

MFC RESOURCE PARTNERSHIP
Mineral Property Report

Province: ALBERTA

File Number	Lse Type Lessor Type	Exposure	Oper.Cont. ROFR	DOI Code		
File Status	Int Type / Lse No/Name	Gross				
Mineral Int	Operator / Payor	Net	Doi Partner(s)	*	*	Lease Description / Rights Held

(cont'd)

M02940 D

Royalty / Encumbrances

<Linked>	Royalty Type	Product Type	Sliding Scale	Convertible	% of Prod/Sales
C02881 A	HERITAGE GROSS OVERRIDING R	ALL PRODUCTS	N	N	100.00000000 % of PROD

Roy Percent: 5.00000000
Deduction: YES
Gas: Royalty: **Min Pay:** **Prod/Sales:**
S/S OIL: Min: **Max:** **Div:** **Prod/Sales:**
Other Percent: **Min:** **Prod/Sales:**

Paid to: RECR (C)
CALEDONIAN 100.00000000

Paid by: PAYR (C)
0989 RESOURCE P 100.00000000

GENERAL REMARKS -
************************************IMPORTANT**
5% ROYALTY ON 100% PRODUCTION PERTAINS TO "COMPTON'S SHARE OF PRODUCTION ONLY"
****

ROYALTY DEDUCTIONS -
CLAUSE 2.4 - GRANTOR'S ALLOWED DEDUCTIONS
UNIQUE DEDUCTIONS PLEASE REFER TO CLAUSE 2.4 OF THE AGREEMENT AS STANDARD DEDUCTIONS DO NOT APPLY.

Royalty Type	Product Type	Sliding Scale	Convertible	% of Prod/Sales
CROWN SLIDING SCALE	ALL PRODUCTS	Y	N	100.00000000 % of PROD

Roy Percent:
Deduction: YES

MFC RESOURCE PARTNERSHIP
Mineral Property Report

Province: ALBERTA

File Number / File Status / Mineral Int	Lse Type / Int Type / Lse No/Name / Operator / Payor	Lessor Type	Exposure / Gross / Net	Oper.Cont. ROFR / Doi Partner(s)	DOI Code *	*	Lease Description / Rights Held

(cont'd)
M02940 D

Gas: Royalty:			Min Pay:		Prod/Sales:
S/S OIL: Min:		Max:	Div:		Prod/Sales:
Other Percent:			Min:		Prod/Sales:

Paid to: LESSOR (M)		Paid by: WI	(C)	
ADRD	100.00000000	0989 RESOURCE P	75.00000000	
		BONAVISTA ENERG	25.00000000	

ROYALTY DEDUCTIONS - Jan 05, 2006
Deductions allowed as per Provincial Regulations.

M02940	PNG	CR	Eff: Jun 18, 1959	192.000	C00841 E No	WI	Area : CROSSFIELD
Sub: E	WRR		Exp: Jun 17, 1980	192.000	0989 RESOURCE P	75.00000000	TWP 23 RGE 28 W4M N & SW 28
A	116502		Ext: 15	144.000	BONAVISTA ENERG	25.00000000	PNG IN BASAL_QUARTZ_SANDSTONE
	0989 RESOURCE P						
100.00000000	BONAVISTA ENERG	Count Acreage = No			Total Rental: 0.00		

Status		Hectares	Net		Hectares	Net
NON-PRODUCING	Prod:	0.000	0.000	NProd:	192.000	144.000
UNDEVELOPED	Dev:	0.000	0.000	Undev:	192.000	144.000
NONPROVEN	Prov:	0.000	0.000	NProv:	192.000	144.000

----------------- Related Contracts -----------------

C00841 E	FOP	Mar 10, 1998
C00845 C	PA	Apr 27, 1998 (I)
C00846 A	PA	Apr 24, 1998 (I)
C02881 A	ORR	Jun 24, 2010
P00520 A	PURSAL	Jun 01, 2006 (I)

Royalty / Encumbrances

<Linked>	Royalty Type	Product Type	Sliding Scale	Convertible	% of Prod/Sales
C00841 E	GROSS OVERRIDING ROYALTY	ALL PRODUCTS	Y	N	75.00000000 % of

Roy Percent:
Deduction: YES

MFC RESOURCE PARTNERSHIP
Mineral Property Report

Province: ALBERTA

File Number / File Status / Mineral Int	Lse Type / Int Type / Operator	Lessor Type / Lse No/Name / Payor	Exposure / Gross / Net	Oper.Cont. / Doi Partner(s)	ROFR / *	DOI Code / *	Lease Description / Rights Held

(cont'd)
M02940 E

Gas: Royalty: 15.00000000 **Min Pay:** 6.32/MCM **Prod/Sales:** PROD
S/S OIL: Min: 5.00000000 **Max:** 15.00000000 **Div:** 23.8365 **Prod/Sales:** PROD
Other Percent: 15 **Min:** **Prod/Sales:**

Paid to: PAIDTO (R)

HARVEST	33.33500000
FH ROYALTY	33.33000000
BREEZE	33.33500000

Paid by: PAIDBY (R)
0989 RESOURCE P 100.00000000

ROYALTY DEDUCTIONS - Dec 03, 2003
crude oil & condensate - transportation costs to market connection, where sales not made f.o.b. the tanks serving the Royalty Lands, deductions not to reduce royalty to less than 50% of gross proceeds of sale
NG - gahtering, compressing, treating, processing and transportation costs, deductions not to exceed those permitted by Alberta GCA. Depreciation of the cost of gathering, compressing, treating, processing and transporting facilities owned and utilized by grantor shall be charged on a unit of throughput basis over the economic life of facilities, provided that Grantor's investment in such facilities, as depreciated, shall not exceed prime plus 1% of Grantor's bank., deductions not to reduce royalty to less than 50%

Royalty / Encumbrances

<Linked>	Royalty Type	Product Type	Sliding Scale	Convertible	% of Prod/Sales
C02881 A	HERITAGE GROSS OVERRIDING R	ALL PRODUCTS	N	N	100.00000000 % of PROD

Roy Percent: 5.00000000
Deduction: YES
Gas: Royalty: **Min Pay:** **Prod/Sales:**
S/S OIL: Min: **Max:** **Div:** **Prod/Sales:**
Other Percent: **Min:** **Prod/Sales:**

Paid to: RECR (C) **Paid by:** PAYR (C)

MFC RESOURCE PARTNERSHIP
Mineral Property Report

Province: ALBERTA

File Number / File Status / Mineral Int	Lse Type	Lessor Type / Int Type / Lse No/Name / Operator / Payor	Exposure / Gross / Net	Oper.Cont. ROFR / Doi Partner(s) *	DOI Code *	Lease Description / Rights Held
(cont'd)						
M02940	E	CALEDONIAN	100.00000000	0989 RESOURCE P	100.00000000	

GENERAL REMARKS -

************************************IMPORTANT***

5% ROYALTY ON 100% PRODUCTION PERTAINS TO "COMPTON'S SHARE OF PRODUCTION ONLY"

****

ROYALTY DEDUCTIONS -

CLAUSE 2.4 - GRANTOR'S ALLOWED DEDUCTIONS
UNIQUE DEDUCTIONS PLEASE REFER TO CLAUSE 2.4 OF THE AGREEMENT AS STANDARD DEDUCTIONS DO NOT APPLY.

Royalty Type	Product Type	Sliding Scale	Convertible	% of Prod/Sales
CROWN SLIDING SCALE	ALL PRODUCTS	Y	N	100.00000000 % of PROD

Roy Percent:
Deduction: YES
Gas: Royalty: **Min Pay:** **Prod/Sales:**
S/S OIL: Min: **Max:** **Div:** **Prod/Sales:**
Other Percent: **Min:** **Prod/Sales:**

Paid to: LESSOR (M)
ADRD 100.00000000

Paid by: WI (C)
0989 RESOURCE P 75.00000000
BONAVISTA ENERG 25.00000000

ROYALTY DEDUCTIONS - Jan 05, 2006

Deductions allowed as per Provincial Regulations.

MFC RESOURCE PARTNERSHIP
Mineral Property Report

Province: ALBERTA

File Number / File Status / Mineral Int	Lse Type / Int Type / Operator / Payor	Lessor Type / Lse No/Name		Exposure Gross / Net	Oper.Cont. ROFR / Doi Partner(s)	DOI Code	Lease Description / Rights Held
M02940	PNG	CR	**Eff:** Jun 18, 1959	64.000	C00841 F No	WI	Area : CROSSFIELD
Sub: F	WRR		**Exp:** Jun 17, 1980	64.000	0989 RESOURCE P	75.00000000	TWP 23 RGE 28 W4M SE28
A	116502		**Ext:** 15	48.000	BONAVISTA ENERG	25.00000000	PNG IN BASAL_QUARTZ_SANDSTONE
	0989 RESOURCE P						
100.00000000	BONAVISTA ENERG		**Count Acreage =** No		Total Rental: 0.00		

Status		Hectares	Net		Hectares	Net
NON-PRODUCING	**Prod:**	0.000	0.000	**NProd:**	64.000	48.000
UNDEVELOPED	**Dev:**	0.000	0.000	**Undev:**	64.000	48.000
NONPROVEN	**Prov:**	0.000	0.000	**NProv:**	64.000	48.000

---------------- Related Contracts ----------------

C00841 F	FOP	Mar 10, 1998
C00845 B	PA	Apr 27, 1998 (I)
C00846 A	PA	Apr 24, 1998 (I)
C02881 A	ORR	Jun 24, 2010
P00520 A	PURSAL	Jun 01, 2006 (I)

Royalty / Encumbrances

<Linked>	Royalty Type	Product Type	Sliding Scale	Convertible	% of Prod/Sales	
C00841 F	GROSS OVERRIDING ROYALTY	ALL PRODUCTS	Y	N	75.00000000	% of

Roy Percent:
Deduction: YES

Gas: Royalty:	15.00000000			**Min Pay:**	6.32/MCM	**Prod/Sales:**	PROD
S/S OIL: Min:	5.00000000	**Max:**	15.00000000	**Div:**	23.8365	**Prod/Sales:**	PROD
Other Percent:	15			**Min:**		**Prod/Sales:**	

Paid to: PAIDTO (R)		**Paid by:** PAIDBY (R)	
HARVEST	33.33500000	0989 RESOURCE P	100.00000000
FH ROYALTY	33.33000000		
BREEZE	33.33500000		

ROYALTY DEDUCTIONS - Dec 03, 2003

crude oil & condensate - transportation costs to market connection, where sales not made f.o.b. the tanks serving the Royalty Lands, deductions not to reduce royalty to less than 50% of gross proceeds of sale

NG - gahtering, compressing, treating, processing and transportation costs, deductions not to

File Number File Status Mineral Int	Lse Type Lessor Type Int Type / Lse No/Name Operator / Payor	Exposure Gross Net	Oper.Cont. ROFR Doi Partner(s)	DOI Code * *	Lease Description / Rights Held

(cont'd)

M02940 F

exceed those permitted by Alberta GCA. Depreciation of the cost of gathering, compressing, treating, processing and transporting facilities owned and utilized by grantor shall be charged on a unit of throughput basis over the economic life of facilities, provided that Grantor's investment in such facilities, as depreciated, shall not exceed prime plus 1% of Grantor's bank., deductions not to reduce royalty to less than 50%

<Linked>	Royalty Type	Product Type	Sliding Scale	Convertible	% of Prod/Sales
C02881 A	HERITAGE GROSS OVERRIDING R	ALL PRODUCTS	N	N	100.00000000 % of PROD

Roy Percent: 5.00000000
Deduction: YES
Gas: Royalty: **Min Pay:** **Prod/Sales:**
S/S OIL: Min: **Max:** **Div:** **Prod/Sales:**
Other Percent: **Min:** **Prod/Sales:**

Paid to: RECR (C)
CALEDONIAN 100.00000000

Paid by: PAYR (C)
0989 RESOURCE P 100.00000000

GENERAL REMARKS -
**************************************IMPORTANT***
5% ROYALTY ON 100% PRODUCTION PERTAINS TO "COMPTON'S SHARE OF PRODUCTION ONLY"
****

ROYALTY DEDUCTIONS -
CLAUSE 2.4 - GRANTOR'S ALLOWED DEDUCTIONS
UNIQUE DEDUCTIONS PLEASE REFER TO CLAUSE 2.4 OF THE AGREEMENT AS STANDARD DEDUCTIONS DO NOT APPLY.

Royalty Type	Product Type	Sliding Scale	Convertible	% of Prod/Sales

MFC RESOURCE PARTNERSHIP
Mineral Property Report

Province: ALBERTA

File Number / File Status / Mineral Int	Lse Type / Int Type / Operator	Lessor Type / Lse No/Name / Payor	Exposure / Gross / Net	Oper.Cont. / Doi Partner(s)	ROFR / *	DOI Code / *	Lease Description / Rights Held
(cont'd)							

CROWN SLIDING SCALE — ALL PRODUCTS — Y — N — 100.00000000 % of PROD

		Roy Percent:				
		Deduction: YES				
M02940	F	**Gas: Royalty:**		**Min Pay:**		**Prod/Sales:**
		S/S OIL: Min:	**Max:**	**Div:**		**Prod/Sales:**
		Other Percent:		**Min:**		**Prod/Sales:**

Paid to: LESSOR (M)		**Paid by:** WI (C)	
ADRD	100.00000000	0989 RESOURCE P	75.00000000
		BONAVISTA ENERG	25.00000000

ROYALTY DEDUCTIONS - Jan 05, 2006
Deductions allowed as per Provincial Regulations.

~~M05654 PNG PC **Eff:** Aug 01, 1976 256.000 WI Area : CROSSFIELD~~
~~**Sub:** A WI **Exp:** Jul 31, 1986 256.000 0989 RESOURCE P 100.00000000 TWP 23 RGE 28 W4M 33~~
~~A AB47 1260 **Ext:** MAND PROD 256.000 PNG IN TURNER_VALLEY~~
~~0989 RESOURCE P **Ext:** Aug 01, 2016 Total Rental: 640.00 EXCL CBM~~
~~100.00000000 0989 RESOURCE P~~

~~Related Contracts~~

Status		**Hectares**	**Net**		**Hectares**	**Net**			
PRODUCING	**Prod:**	64.000	64.000	**NProd:**	192.000	192.000	C01382 A	JOA	Jan 15, 1982 (I)
DEVELOPED	**Dev:**	64.000	64.000	**Undev:**	192.000	192.000	C02881 A	ORR	Jun 24, 2010
PROVEN	**Prov:**	64.000	64.000	**NProv:**	192.000	192.000	P00454 A	PURSAL	Jan 01, 2005 (I)
							P00475 A	PURSAL	Mar 15, 2005 (I)

~~Well U.W.I. Status/Type~~
~~100/07-33-023-28-W4/00 P/OIL~~

~~Royalty / Encumbrances~~

<Linked> Royalty Type | **Product Type** | **Sliding Scale** | **Convertible** | **% of Prod/Sales**

MFC RESOURCE PARTNERSHIP
Mineral Property Report

Province: ALBERTA

File Number / File Status / Mineral Int	Lse Type / Int Type / Lse No/Name / Operator / Payor	Lessor Type		Exposure / Gross / Net	Oper.Cont. / Doi Partner(s)	ROFR	DOI Code	Lease Description / Rights Held

(cont'd)

Other Percent: **Min:** **Prod/Sales:**

~~**Paid to:** LESSOR (M) **Paid by:** WI (M)~~
~~PRAIRIESKYRO 100.00000000 0989 RESOURCE P 100.00000000~~

~~**ROYALTY DEDUCTIONS - Jul 13, 2011**~~
~~ROYALTY IS EQUIVALENT TO CROWN SLIDING SCALE.~~
~~ROYALTY MUST BE PAID NO LATER THAN THE 28TH DAY OF THE MONTH FOLLOWING THE MONTH IN WHICH THE LESSEE HAS MARKETED THE SUBSTANCES. LESSOR HAS THE OPTION TO TAKE IN KIND IN LIEU OF ROYALTY PAYABLE THAT PORTION OF CRUDE OIL AND LIQUID HYDROCARBONS PRODUCED AND SAVED, CALCULATED IN ACCORDANCE WITH THE CROWN SLIDING SCALE. IF LESSOR EXERCISES TO TAKE IN KIND, LESSEE SHALL AT LESSEE'S COST, REMOVE BASIC SEDIMENT AND WATER FROM LESSOR'S SHARE IN ACCORDANCE WITH USUAL OIL FIELD PRACTICE TO THAT SUCH SHARE WILL MEET PIPELINE, REFINERY OR OTHER MARKET SPECIFICATIONS IN THAT RESPECT AND THE LESSEE SHALL PROVIDE AT LESSEE'S COST, STORAGE FACILITIES FOR AT LEAST 10 DAYS ACCUMULATION AND SHALL DELIVER SAME TO LESSOR OR LESSOR'S NOMINEE AT THE OUTLETS OF SUCH STORAGE FACILITIES IN ACCORDANCE WITH USUAL PIPELINE AND SHIPPING PRACTICES AND FREE AND CLEAR OF ALL CHARGES, LIENS AND ENCUMBRANCES. LESSEE SHALL BE SHALL BE ENTITLED TO USE, FREE OF ROYALTY, SUCH PART OF PRODUCTION FROM SAID LANDS REQUIRED AND USED BY LESSEE IN ITS OPERATIONS UNDER THIS LEASE.~~

M05652	PNG	CR	**Eff:** Jan 24, 1963	192.000	C01391 A Yes	WI	RENTAL	Area : CROSSFIELD
Sub: A	WI		**Exp:** Jan 23, 1984	192.000	0989 RESOURCE P	55.56000000	27.78000000	TWP 23 RGE 28 W4M N34, SE34
A	127056A		**Ext:** 15	106.675	TAQA	44.44000000	44.44000000	PNG TO BASE WABAMUN_GROUP EXCL
	TAQA				EMBER		27.78000000	NG TO BASE MANNVILLE_GROUP
100.00000000	TAQA							

Total Rental: 672.00

Related Contracts

C01391 A F&OP Jul 20, 1962

MFC RESOURCE PARTNERSHIP
Mineral Property Report

Province: ALBERTA

File Number File Status Mineral Int	Lse Type Lessor Type Int Type / Lse No/Name Operator / Payor	Exposure Gross Net	Oper.Cont. ROFR Doi Partner(s)	DOI Code * *	Lease Description / Rights Held

(cont'd)

M05652
Sub: A

Status		Hectares	Net		Hectares	Net			
NON-PRODUCING	Prod:	0.000	0.000	NProd:	192.000	106.675	C02347 A	TRUST	Mar 31, 2011
UNDEVELOPED	Dev:	0.000	0.000	Undev:	192.000	106.675	C02881 A	ORR	Jun 24, 2010
NONPROVEN	Prov:	0.000	0.000	NProv:	192.000	106.675	P00454 A	PURSAL	Jan 01, 2005 (I)

Royalty / Encumbrances

<Linked>	Royalty Type	Product Type	Sliding Scale	Convertible	% of Prod/Sales
C02881 A	HERITAGE GROSS OVERRIDING R	ALL PRODUCTS	N	N	100.00000000 % of PROD

Roy Percent: 5.00000000
Deduction: YES
Gas: Royalty: **Min Pay:** **Prod/Sales:**
S/S OIL: Min: **Max:** **Div:** **Prod/Sales:**
Other Percent: **Min:** **Prod/Sales:**

Paid to: RECR (C)
CALEDONIAN 100.00000000

Paid by: PAYR (C)
0989 RESOURCE P 100.00000000

GENERAL REMARKS -

************************************IMPORTANT**

5% ROYALTY ON 100% PRODUCTION PERTAINS TO "COMPTON'S SHARE OF PRODUCTION ONLY"

****

ROYALTY DEDUCTIONS -

CLAUSE 2.4 - GRANTOR'S ALLOWED DEDUCTIONS
UNIQUE DEDUCTIONS PLEASE REFER TO CLAUSE 2.4 OF THE AGREEMENT AS STANDARD DEDUCTIONS DO NOT APPLY.

MFC RESOURCE PARTNERSHIP
Mineral Property Report

Province: ALBERTA

File Number File Status Mineral Int	Lse Type Lessor Type Int Type / Lse No/Name Operator / Payor	Exposure Gross Net	Oper.Cont. ROFR Doi Partner(s)	DOI Code * *	Lease Description / Rights Held

(cont'd)

M05652 A

Royalty Type		Product Type	Sliding Scale	Convertible	% of Prod/Sales
CROWN SLIDING SCALE		ALL PRODUCTS	Y	N	100.00000000 % of PROD
Roy Percent:					
Deduction:	YES				
Gas: Royalty:			Min Pay:		Prod/Sales:
S/S OIL: Min:		Max:	Div:		Prod/Sales:
Other Percent:			Min:		Prod/Sales:

Paid to:	LESSOR (M)		Paid by:	WI (C)
ADRD		100.00000000	0989 RESOURCE P	55.56000000
			TAQA	44.44000000

ROYALTY DEDUCTIONS - Feb 15, 2006
Deductions allowed as per Provincial Regulations.

M05653	PNG	CR	**Eff:** Jan 24, 1963	64.000		WI	Area : CROSSFIELD
Sub: A	WI		**Exp:** Jan 23, 1984	64.000	0989 RESOURCE P	100.00000000	TWP 23 RGE 28 W4M SW 34
A	127056B		**Ext:** 15	64.000			PNG TO BASE WABAMUN_GROUP
	0989 RESOURCE P				Total Rental: 224.00		
100.00000000	0989 RESOURCE P						

Status		Hectares	Net		Hectares	Net
PRODUCING	**Prod:**	64.000	64.000	**NProd:**	0.000	0.000
DEVELOPED	**Dev:**	64.000	64.000	**Undev:**	0.000	0.000
PROVEN	**Prov:**	64.000	64.000	**NProv:**	0.000	0.000

---------------- **Related Contracts** ----------------

C02881 A	ORR	Jun 24, 2010
P00454 A	PURSAL	Jan 01, 2005 (I)

-------- **Well U.W.I.** **Status/Type** --------
100/05-34-023-28-W4/02 DRAIN/N/A
100/05-34-023-28-W4/03 P/OIL

MFC RESOURCE PARTNERSHIP
Mineral Property Report

File Number / File Status / Mineral Int	Lse Type / Int Type / Operator / Payor	Lessor Type / Lse No/Name	Exposure / Gross / Net	Oper.Cont. / Doi Partner(s)	ROFR	DOI Code	Lease Description / Rights Held
					*	*	

(cont'd)

M05653 A

100/06-34-023-28-W4/00 ABA/OIL

Royalty / Encumbrances

<Linked>	Royalty Type	Product Type	Sliding Scale	Convertible	% of Prod/Sales
C02881 A	HERITAGE GROSS OVERRIDING R(ALL PRODUCTS		N	N	100.00000000 % of PROD

Roy Percent: 5.00000000
Deduction: YES
Gas: Royalty: **Min Pay:** **Prod/Sales:**
S/S OIL: Min: **Max:** **Div:** **Prod/Sales:**
Other Percent: **Min:** **Prod/Sales:**

Paid to: RECR (C)
CALEDONIAN 100.00000000

Paid by: PAYR (C)
0989 RESOURCE P 100.00000000

GENERAL REMARKS -

*************************************IMPORTANT***

5% ROYALTY ON 100% PRODUCTION PERTAINS TO "COMPTON'S SHARE OF PRODUCTION ONLY"

****

ROYALTY DEDUCTIONS -

CLAUSE 2.4 - GRANTOR'S ALLOWED DEDUCTIONS
UNIQUE DEDUCTIONS PLEASE REFER TO CLAUSE 2.4 OF THE AGREEMENT AS STANDARD DEDUCTIONS DO NOT APPLY.

Royalty Type	Product Type	Sliding Scale	Convertible	% of Prod/Sales
CROWN SLIDING SCALE	ALL PRODUCTS	Y	N	100.00000000 % of PROD

Roy Percent:
Deduction: YES

MFC RESOURCE PARTNERSHIP
Mineral Property Report

Province: ALBERTA

File Number	Lse Type	Lessor Type	Exposure	Oper.Cont.	ROFR	DOI Code		
File Status	Int Type / Lse No/Name		Gross					
Mineral Int	Operator / Payor		Net	Doi Partner(s)	*	*		Lease Description / Rights Held

(cont'd)

M05653 A **Gas: Royalty:** **Min Pay:** **Prod/Sales:**
S/S OIL: Min: **Max:** **Div:** **Prod/Sales:**
Other Percent: **Min:** **Prod/Sales:**

Paid to: LESSOR (M) **Paid by:** WI (M)
ADRD 100.00000000 0989 RESOURCE P 100.00000000

ROYALTY DEDUCTIONS - Feb 15, 2006
Deductions allowed as per Provincial Regulations.

M01627 PNG CR **Eff:** Jan 12, 1979 256.000 C00432 A Yes WI Area : HEATHDALE
Sub: A WI **Exp:** Jan 11, 1984 256.000 0989 RESOURCEP 50.00000000 TWP 27 RGE 8 W4M 3
A 0479010161 **Ext:** 15 128.000 CANADIAN NATURA 50.00000000 PNG TO TOP MANNVILLE_GROUP
CANADIAN NATURA
100.00000000 CORINTHIANOI **Count Acreage =** No Total Rental: 0.00

---------------- **Related Contracts** ----------------
C00432 A FO Dec 18, 1978
C02881 A ORR Jun 24, 2010

Status		**Hectares**	**Net**		**Hectares**	**Net**
NON-PRODUCING	**Prod:**	0.000	0.000	**NProd:**	256.000	128.000
UNDEVELOPED	**Dev:**	0.000	0.000	**Undev:**	256.000	128.000
NONPROVEN	**Prov:**	0.000	0.000	**NProv:**	256.000	128.000

-------- **Well U.W.I.** **Status/Type** --------
100/07-03-027-08-W4/02 SUS/GAS

Royalty / Encumbrances

<Linked>	**Royalty Type**	**Product Type**	**Sliding Scale**	**Convertible**	**% of Prod/Sales**
C02881 A	HERITAGE GROSS OVERRIDING RAL	ALL PRODUCTS	N	N	100.00000000 % of PROD

Roy Percent: 5.00000000
Deduction: YES
Gas: Royalty: **Min Pay:** **Prod/Sales:**
S/S OIL: Min: **Max:** **Div:** **Prod/Sales:**

THE FOLLOWING COMPRISES SCHEDULE "B" ATTACHED TO AND FORMING PART OF AN ASSET PURCHASE AGREEMENT DATED JUNE 26, 2019 BETWEEN GRANT THORNTON LIMITED, solely in its capacity as receiver of LEXIN RESOURCES LTD., 1051393 B.C. LTD., 0989 RESOURCE PARTNERSHIP, LR PROCESSING LTD. AND LR PROCESSING PARTNERSHIP, and not in its personal capacity, and HESC ENERGY CORPORATION

Wells and Facilities

Wells

Location	Licence
00/04-10-023-28W4	0189985
00/04-21-023-28W4	0179609
00/07-21-023-28W4	0256890
00/10-21-023-28W4	0177460
02/10-21-023-28W4	0203704
00/12-21-023-28W4	0181274
00/02-28-023-28W4	0214266
00/07-33-023-28W4	0031415
02/10-28-023-28W4	0327717
00/05-34-023-28W4	0037686

Pipelines

From	To	Licence
6-34-23-28-W4M	7-33-23-28-W4M	28351
7-33-23-28-W4M	4-10-23-28-W4M	24493
7-33-23-28-W4M	10-21-23-28-W4M	28709
14-16-23-28-W4M	10-21-23-28-W4M	28709
11-28-23-28-W4M	10-21-23-28-W4M	46191
3-28-23-28-W4M	10-21-23-28-W4M	34879
10-21-23-28-W4M	6-29-22-28-W4M	34425

Facilities

Location	Type	Licence
7-33-23-28-W4M	Battery	F3379
10-21-23-28-W4M	Battery and Compressor Station	F3377
10-21-23-28-W4M	Battery	F3378

THE FOLLOWING COMPRISES SCHEDULE "C" ATTACHED TO AND FORMING PART OF AN ASSET PURCHASE AGREEMENT DATED June 26, 2019 BETWEEN GRANT THORNTON LIMITED, solely in its capacity as receiver of LEXIN RESOURCES LTD., 1051393 B.C. LTD., 0989 RESOURCE PARTNERSHIP, LR PROCESSING LTD. AND LR PROCESSING PARTNERSHIP, and not in its personal capacity, and HESC ENERGY CORPORATION

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

BETWEEN:

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

- and -

HESC ENERGY CORPORATION, a corporation incorporated under the laws of Alberta (hereinafter referred to as "**Purchaser**")

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

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

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

1. Definitions

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

"**Purchase Agreement**" means that Asset Purchase Agreement dated June 26, 2019 between Grant Thornton Limited, solely in its capacity as the receiver and manager of the assets, undertaking and property of LEXIN RESOURCES LTD., 1051393 B.C. LTD., 0989 RESOURCE PARTNERSHIP, LR PROCESSING LTD. and LR PROCESSING PARTNERSHIP, and not in its personal capacity, as Vendor, and HESC ENERGY CORPORATION, as Purchaser.

2. Conveyance

Pursuant to and for the consideration provided for in the Purchase Agreement, Vendor hereby sells, assigns, transfers, conveys and sets over to Purchaser the entire right, title, estate and interest of

Lexin in and to the Assets, to have and to hold the same absolutely, together with all benefit and advantage to be derived therefrom.

3. Subordinate Document

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

4. No Merger

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

5. Governing Law

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

6. Enurement

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

7. Further Assurances

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

8. Counterpart Execution

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

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

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

Per: ______________________________
Name:
Title:

HESC ENERGY CORPORATION

Per: ______________________________
Name:
Title:

THE FOLLOWING COMPRISES SCHEDULE "D" ATTACHED TO AND FORMING PART OF AN ASSET PURCHASE AGREEMENT DATED June 26, 2019 BETWEEN GRANT THORNTON LIMITED, solely in its capacity as receiver of LEXIN RESOURCES LTD., 1051393 B.C. LTD., 0989 RESOURCE PARTNERSHIP, LR PROCESSING LTD. AND LR PROCESSING PARTNERSHIP, and not in its personal capacity, and HESC ENERGY CORPORATION

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

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

RE: Asset Purchase Agreement dated June 26, 2019 between Vendor and Purchaser (the "Agreement")

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

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

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

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

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

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

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

[Name of Vendor/Purchaser]

Per: ______________________________
Name:
Title:

THE FOLLOWING COMPRISES SCHEDULE "E" ATTACHED TO AND FORMING PART OF AN ASSET PURCHASE AGREEMENT DATED JUNE 26, 2019 BETWEEN GRANT THORNTON LIMITED, solely in its capacity as receiver of LEXIN RESOURCES LTD., 1051393 B.C. LTD., 0989 RESOURCE PARTNERSHIP, LR PROCESSING LTD. AND LR PROCESSING PARTNERSHIP, and not in its personal capacity, and HESC ENERGY CORPORATION

COURT ORDER

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

DATE ON WHICH ORDER WAS PRONOUNCED: ________________________________

LOCATION WHERE ORDER WAS PRONOUNCED: CALGARY, ALBERTA

NAME OF JUSTICE WHO MADE THIS ORDER: The Honourable Justice ____________________

UPON THE APPLICATION by Grant Thornton Limited in its capacity as the Court-appointed receiver (the "**Receiver**") of the undertaking, property and assets of Lexin Resources Ltd., 1051393 B.C. Ltd., 0989 Resource Partnership, LR Processing Ltd. and LR Processing Partnership (collectively, the "**Debtor**") for an order approving the sale transaction (the "**Transaction**") contemplated by an agreement of purchase and sale (the "**Sale Agreement**") between the Receiver and HESC ENERGY CORPORATION (the "**Purchaser**") dated June 26, 2019 and appended to the _________ Report of the Receiver dated _____ 2019 (the "**Report**"), and vesting in the Purchaser (or its nominee) the Debtor's right, title and interest in and to the assets described in the Sale Agreement (the "**Purchased Assets**");

AND UPON HAVING READ the Receivership Order dated March 20, 2017 (the "**Receivership Order**"), the Report and the Affidavit of Service; **AND UPON HEARING** the submissions of counsel for the Receiver, the Purchaser and any other counsel or party appearing at the hearing of this Application;

IT IS HEREBY ORDERED AND DECLARED THAT:

SERVICE

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

APPROVAL OF TRANSACTIONS

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

VESTING OF PROPERTY

3. Upon the delivery of a Receiver's certificate to the Purchaser (or its nominee) substantially in the form set out in Schedule "A" hereto (the "**Receiver's Certificate**"), all of the Debtor's right, title and interest in and to the Purchased Assets described in the Sale Agreement and listed on Schedule "B" hereto shall vest absolutely in the name of the Purchaser (or its nominee), free and clear of and from any and all security interests (whether contractual, statutory, or otherwise), hypothecs, caveats, interests, mortgages, trusts or deemed trusts (whether contractual, statutory, or otherwise), liens (whether contractual, statutory, or otherwise), encumbrances, executions, levies, charges, or other financial or monetary claims, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise (collectively, the "**Claims**") including, without limiting the generality of the foregoing:

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

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

   c. all liens and claims of lien under the *Builders' Lien Act* (Alberta); and

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

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

4. Upon the delivery of the Receiver's Certificate, and upon the filing of a certified copy of this Order, together with any applicable registration fees, subject only to approval of the transfer of applicable licences, permits and approvals by the Alberta Energy Regulator (the "**AER**") pursuant to legislation administered by the AER, the appropriate government authorities are hereby authorized, requested and directed to accept delivery of such Receiver's Certificate and certified copy of this Order as though they were originals and to register such transfers, interest authorizations, discharges, discharge statements of conveyances, as may be required to convey clear title to the Purchased Assets to the Purchaser subject only to the Permitted Encumbrances. Without limiting the foregoing,

   a. the Registrar of Land Titles of Alberta (the "**AB Registrar**") shall and is hereby authorized, requested and directed to:

      i. cancel the existing Certificates of Title listed pursuant to the Land Schedule, attached as Schedule "D" to this Order, and to issue new Certificates of Title in the name of the Purchaser (or its nominee),

      ii. transfer the existing Instruments listed on the Caveats and Easements Schedule, attached hereto as Schedule "E" to this Order, and to issue new caveats, utility right of ways, or such other easements reflected by the Instruments listed on Schedule "E", in the name of the Purchaser (or its nominee), and

      iii. discharge and expunge the non-permitted Encumbrances listed in Schedule "C" hereto,

   and to register such transfers, discharges, and discharge' statements of conveyances, as may be required to convey clear title to the Purchased Assets located in the Province of Alberta to the Purchaser (or its nominee), subject only to the Permitted Encumbrances;

   b. Alberta Energy (the "**AB Ministry**") shall and is hereby authorized, requested and directed to:

      i. cancel and discharge those Claims and Encumbrances, if any, other than Permitted Encumbrances, registered against the estate or interest of the Debtor in and to the Purchased Assets located in the Province of Alberta; and

      ii. transfer the Crown leases in the name of the Debtor listed in Schedule "F" into the name of the Purchaser (or its nominee) free and clear of all Claims and Encumbrances and subject only to the Permitted Encumbrances,

   c. the Registrar of the Personal Property Registry (Alberta) (the "**AB PPR Registrar**") shall and is hereby directed to cancel and discharge those Claims and Encumbrances, if any, other than the Permitted Encumbrances, registered against the estate or interest of the Debtor in and to the Purchased Assets located in the Province of Alberta, as applicable.

5. The AB Registrar, the AB Ministry and the AB PPR Registrar (collectively the "**Governmental Authorities**") are expressly authorized and directed to include in the discharges of the Encumbrances described above, all encumbrances registered after the date the Receivership Order was granted.

6. In order to effect the discharges and transfers described above, this Court directs the Governmental Authorities each to take such steps as are necessary to give effect to the terms of this Order and the Sale Agreement authorized herein. Presentment of this Order and the Receiver's Certificate shall be the sole and sufficient authority of the Governmental Authorities to make and register the said transfers and cancel and discharge the registrations of any Claims and Encumbrances against the Purchased Assets.

7. The Receiver is hereby authorized and directed to take all necessary steps and execute any and all documents to effect any and all discharges and the registrars and all other persons in control or otherwise supervising such offices of registration or recording shall forthwith remove and discharge all such registrations. For greater certainty, and without limiting the generality of the foregoing, the AB Registrar is hereby directed to accept all of the Affidavits of Corporate Signing Authority submitted by the Receiver, in its capacity as Receiver and Manager of the Debtor and not in its personal capacity, and to register the transfers, assignments and conveyances contemplated by the Sale Agreement immediately.

8. 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 Purchased Assets is required for the due execution, delivery and performance by the Receiver of the Sale Agreement, other than the authorizations, approvals or exemptions from requirements therefore previously obtained and currently in force, if any, and the authorization or approval of the Regulator referenced in paragraph 3 above.

9. This Order shall be registered by the Registrar notwithstanding the requirements of section 191(1) of the *Land Titles Act*, RSA 2000, c.L-7 and notwithstanding that the appeal period in respect of this Order has not elapsed, which appeal period is expressly waived.

10. For the purposes of determining the nature and priority of Claims, the net proceeds from the sale of the Purchased Assets (to be held in an interest bearing trust account by the Receiver) shall stand in the place and stead of the Purchased Assets, and from and after the delivery of the Receiver's Certificate all Claims and Encumbrances shall attach to the net proceeds from the sale of the Purchased Assets with the same priority as they had with respect to the Purchased Assets immediately prior to the sale, as if the Purchased Assets had not been sold and remained in the possession or control of the person having that possession or control immediately prior to the sale.

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

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

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

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

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

16. Notwithstanding:

    a. The pendency of these proceedings;

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

    c. Any assignment in bankruptcy made in respect of the Debtor,

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

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

MISCELLANEOUS MATTERS

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

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

20. Service of this Order on any party not attending this application is hereby dispensed with.

____

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

Schedule "A" to an Sale Approval and Vesting Order dated ***

Form of Receiver's Certificate

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

RECITALS

A. Pursuant to an Order of the Honourable Justice P. Jeffrey of the Court of Queen's Bench of Alberta, Judicial District of Calgary (the "Court") dated March 20, 2017, Grant Thornton Limited was appointed as the receiver (the "**Receiver**") of the undertaking, property and assets of Lexin Resources Ltd., 1051393 B.C. Ltd., 0989 Resource Partnership, LR Processing Ltd., and LR Processing Partnership (the "**Debtor**").

B. Pursuant to an Order of the Court dated [Date], the Court approved the agreement of purchase and sale made as of June 26, 2019 (the "**Sale Agreement**") between the Receiver and HESC ENERGY CORPORATION (the "**Purchaser**") and provided for the vesting in the Purchaser of the Debtor's right, title and interest in and to the Purchased Assets, which vesting is to be effective with respect to the Purchased Assets upon the delivery by the Receiver to the Purchaser of a certificate confirming (i) the payment by the Purchaser of the Purchase Price for the Purchased Assets; (ii) that the conditions to Closing as set out in Article 3 of the Sale Agreement have been satisfied or waived by the Receiver and the Purchaser; and (iii) the Transaction has been completed to the satisfaction of the Receiver.

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

THE RECEIVER CERTIFIES the following:

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

2. The conditions to Closing as set out in Article 3 of the Sale Agreement have been satisfied or waived by the Receiver and the Purchaser (or its nominee); and

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

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

Grant Thornton Limited, in its capacity as Receiver of the undertaking, property and assets of Lexin Resources Ltd., 1051393 B.C. Ltd., 0989 Resource Partnership, LR Processing Ltd., and LR Processing Partnership, and not in its personal capacity.

Per; ______________________________
Name:
Title:

Schedule "B" to an Sale Approval and Vesting Order dated *

Purchased Assets

1. **<u>Lands, Petroleum and Natural Gas Rights, Title Documents, Royalties and Permitted Encumbrances</u>**

2. Wells, Pipelines and Facilities

Wells

Location	Licence
00/04-10-023-28W4	0189985
00/04-21-023-28W4	0179609
00/07-21-023-28W4	0256890
00/10-21-023-28W4	0177460
02/10-21-023-28W4	0203704
00/12-21-023-28W4	0181274
00/02-28-023-28W4	0214266
00/07-33-023-28W4	0031415
02/10-28-023-28W4	0327717
00/05-34-023-28W4	0037686

Pipelines

From	To	Licence
6-34-23-28-W4M	7-33-23-28-W4M	28351
7-33-23-28-W4M	4-10-23-28-W4M	24493
7-33-23-28-W4M	10-21-23-28-W4M	28709
14-16-23-28-W4M	10-21-23-28-W4M	28709
11-28-23-28-W4M	10-21-23-28-W4M	46191
3-28-23-28-W4M	10-21-23-28-W4M	34879
10-21-23-28-W4M	6-29-22-28-W4M	34425

Facilities

Location	Type	Licence
7-33-23-28-W4M	Battery	F3379
10-21-23-28-W4M	Battery and Compressor Station	F3377
10-21-23-28-W4M	Battery	F3378

Schedule "C" to an Sale Approval and Vesting Order dated ****

Encumbrances – Not Permitted

NIL

Schedule "D" to an Sale Approval and Vesting Order dated ***

CERTIFICATES OF TITLE

LAND TITLE CERTIFICATE NUMBER	LAND TITLES DESCRIPTION	REGISTRATION NUMBER	REGISTRATION DATE	PARTICULARS
		NIL		

Schedule "E" to an Sale Approval and Vesting Order dated ***

Permitted Encumbrances, Caveats, Easements and Restrictive Covenants

UTILITY-RIGHT-OF-WAYS - EASEMENTS

To be transferred into the name of the Purchaser or its Nominee

COMPANY FILE NO.	LANDS	TITLE NO.	REGISTRATION NO.	REGISTRATION DATE
TBD BASED ON ABOVE SCHEDULES				

SURFACE LEASE CAVEATS

To be transferred in to the name of the Purchaser or its Nominee

COMPANY FILE NO.	LANDS	TITLE NO.	REGISTRATION NO.	REGISTRATION DATE
TBD BASED ON ABOVE SCHEDULES (EXCLUDING THE SEC. 33-23-28 W4M SURFACE LEASES)				

SURFACE RIGHTS BOARD ORDERS – EASEMENTS

NIL

CAVEATS – EASEMENTS

NIL

Schedule "F" to an Sale Approval and Vesting Order dated ***

CROWN LEASES

Vendor File #	Title Document	Legal Description
M03042	Cr P&NG Lease 0478080008	23-28-W4M:Ptn. 14
M03042	Cr P&NG Lease 0478080008	23-28-W4M:Ptn. 14
M02936	Cr P&NG Lease 0495060015	23-28-W4M:NE & ptn S 16
M02936	Cr P&NG Lease 0495060015	23-28-W4M:NE & ptn S 16
M02936	Cr P&NG Lease 0495060015	23-28-W4M:NE & ptn S 16
M02940	Cr P&NG Lease 116502	23-28-W4M:28
M02940	Cr P&NG Lease 116502	23-28-W4M:28
M05652	Cr P&NG Lease 127056A	23-28-W4M:N&SE34
M05653	Cr P&NG Lease 127056B	23-28-W4M:SW34

FREEHOLD MINERAL LEASES

M03043	PrairieSky Lease dated August 29, 1978	23-28-W4M:Ptn. NE14
M03044	PrairieSky Lease dated August 29, 1978	23-28-W4M:Ptn. NW14

THE FOLLOWING COMPRISES SCHEDULE "F" ATTACHED TO AND FORMING PART OF AN ASSET PURCHASE AGREEMENT DATED JUNE 26, 2019 BETWEEN GRANT THORNTON LIMITED, solely in its capacity as receiver of LEXIN RESOURCES LTD., 1051393 B.C. LTD., 0989 RESOURCE PARTNERSHIP, LR PROCESSING LTD. AND LR PROCESSING PARTNERSHIP, and not in its personal capacity, and HESC ENERGY CORPORATION

EXCLUDED ASSETS

NIL

In the Matter of the Receivership of Lexin Resources Ltd., 1051393 B.C. Ltd., 0989 Resource Partnership, LR Processing Ltd., & LR Processing Partnership
Interim Statement of Receipts and Disbursements
For the period to June 20, 2019

Unrestricted Trust Accounts

Receipts	
Sale of oil & gas properties	7,979,000
Receiver Certificates	2,462,710
Sale of carbon credits	1,556,711
Oil & gas revenue	554,181
Sale of Seismic	517,736
Sale of equipment and vehicles	189,770
Vendor cost reimbursement	150,000
GST collected	114,350
Equity of leased vehicles	40,410
Interest earned	32,941
Other receipts	9,636
Cash held at receivership	3,636
	13,611,081
Disbursements	
Repayment of Receiver Certificates	2,462,710
Royalty Payments, including FMT	2,441,236
Receiver's fees	2,301,363
Receiver's counsel fees and costs	1,012,383
Surface lease rentals	636,603
Utilities and other services	619,990
Property taxes paid	531,739
Interest on Receiver's Certificates	319,109
Consulting and contract services	274,947
GST paid	261,047
Commission expense	236,761
Data Management Specialist	234,079
Storage, records and handling costs	178,043
Software licensing fees and services	165,075
Mineral Lease Payments	136,623
Insurance	93,082
Server set-up & ongoing maintenance	65,962
Repairs and maintenance	65,053
General and administrative	32,173
Funds transferred to bankruptcy estate	26,132
	12,094,108
Cash in Unrestricted Trust Accounts	**1,516,973**

Restricted Trust Account

Funds from sales deposits	80,000
Funds retained for priority creditor	2,000
	82,000
Cash in Restricted Trust Account	**82,000**
Total Cash in Trust	**1,598,973**

In the Matter of the Receivership of Lexin Resources Ltd., 1051393 B.C. Ltd., 0989 Resource Partnership, LR Processing Ltd., & LR Processing Partnership
Projected Statement of Receipts and Disbursements
For the period from June 20, 2019 to Completion

Unrestricted Trust Accounts	**Actual to 20-Jun-19**		**Projected to Complete**	**Projected Completion**
Receipts				
Sale of oil & gas properties	7,979,000	1,2	300,000	8,279,000
Receiver Certificates	2,462,710			2,462,710
Sale of carbon credits	1,556,711			1,556,711
Oil & gas revenue	554,181			554,181
Sale of seismic	517,736			517,736
Sale of equipment and vehicles	189,770			189,770
Vendor cost reimbursement	150,000	2	190,000	340,000
GST collected	114,350	2	2,300	116,650
Equity of leased vehicles	40,410			40,410
Interest earned	32,941			32,941
Other receipts	9,636	3,4	188,000	197,636
Cash held at receivership	3,636			3,636
	13,611,081		680,300	14,291,381
Disbursements				
Repayment of Receiver Certificates	2,462,710			2,462,710
Royalty Payments, including FMT	2,441,236			2,441,236
Receiver's fees	2,301,363	5	200,000	2,501,363
Receiver's counsel fees and costs	1,012,383	5	75,000	1,087,383
Surface lease rentals	636,603	5	10,000	646,603
Utilities and other services	619,990	5	5,000	624,990
Property taxes paid	531,739			531,739
Interest on Receiver's Certificates	319,109			319,109
Consulting and contract services	274,947	5	28,000	302,947
GST paid	261,047			261,047
Commission expense	236,761	5	31,000	267,761
Data Management Specialist	234,079			234,079
Storage, records and handling costs	178,043	5	84,000	262,043
Software licensing fees and services	165,075	5	64,000	229,075
Mineral Lease Payments	136,623			136,623
Insurance	93,082			93,082
Server set-up & ongoing maintenance	65,962			65,962
Repairs and maintenance	65,053			65,053
General and administrative	32,173	5,6	87,000	119,173
Funds transferred to bankruptcy estate	26,132	7	10,000	36,132
	12,094,108		594,000	12,688,108
Cash in Unrestricted Trust Accounts	**1,516,973**		**86,300**	**1,603,273**
Restricted Trust Account				
Funds from sales deposits	80,000	1	(80,000)	-
Funds retained for priority creditor	2,000	6	(2,000)	-
	82,000		(82,000)	-
Cash in Restricted Trust Account	**82,000**		**(82,000)**	**-**
Total Cash in Trust	**1,598,973**		**4,300**	**1,603,273**

In the Matter of the Receivership of Lexin Resources Ltd., 1051393 B.C. Ltd., 0989 Resource Partnership, LR Processing Ltd., & LR Processing Partnership
Projected Statement of Receipts and Disbursements
For the period from June 20, 2019 to Completion

Footnotes

		LTAM	HESC		
1	Deposits transferred to sales proceeds following Court approval			80,000	
2	Balance of consideration				
	> Sales	90,000	130,000	220,000	300,000
	> Vendor Costs	10,000	180,000		190,000
	> GST collected	1,000	1,300		2,300
3	Collection of Midstream invoice (rounded)		43,000		
4	Net GST refund projected				
	GST paid to date	261,047			
	GST collected to date + projected	(116,650)	144,397	(rounded)	188,000
5	Holdback Funds for Cost of Completion (rounded)				
a	Receiver Fees (June +)				200,000
b	Receiver's Counsel Fees (June +)				75,000
c	Surface lease (potential FSOA items with LTAM-High River)				10,000
d	Utilities (to transfer/cutoff date)				5,000
e	Consulting (land and seismic related matters)				28,000
f	Commission (Sayer success fee on remaning sales)				31,000
g	Storage, records and handling costs (3K*8 mos + arrears + 50K destruction est.)				84,000
h	Software and licensing (F12-6K;CGI-1K, P2-1K * 8 mos.)				64,000
i	Contingency (included in G&A)				85,000
					582,000
6	Funds paid to ELP, or remains for residual estate if not (incl. in G&A)				2,000
7	Assumed amount required to conclude bankruptcy matters				10,000

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

APPENDIX 8

Summary of Professional Fees - March 20, 2017 to June 20, 2019

Professional Fees - Receiver

Rendered, Paid and Approved by the Court

	Invoice	Fees	Disbursement	Sub-total	GST	Total
to March 31, 2017	LABS-1812	140,529.79	-	140,529.79	7,026.49	147,556.28
to April 30, 2017	LABS-1813	164,423.69	3,118.70	167,542.39	8,377.12	175,919.51
to May 31, 2017	LABS-1833	90,949.46	-	90,949.46	4,547.47	95,496.93
to June 30, 2017	LABS-1848/1849	108,883.74	-	108,883.74	5,444.18	114,327.92
to July 31, 2017	LABS-1888/1886	72,061.83	65.87	72,127.70	3,606.38	75,734.08
to August 31, 2017	LABS-1906/1903	91,662.62	-	91,662.62	4,583.13	96,245.75
to September 30, 2017	LABS-1937	70,209.66	-	70,209.66	3,510.48	73,720.14
to October 31, 2017	LABS-1969/1966	124,986.16	-	124,986.16	6,249.31	131,235.47
to November 30, 2017	LABS-1982	87,324.30	1.81	87,326.11	4,366.31	91,692.42
to December 31, 2017	LABS-2012	65,666.97	-	65,666.97	3,283.35	68,950.32
to January 31, 2018	LABS-2049/2036	62,317.87	-	62,317.87	3,115.90	65,433.77
to February 28, 2018	LABS-2058	76,311.86	-	76,311.86	3,815.59	80,127.45
to March 31, 2018	LABS-2076	110,352.31	-	110,352.31	5,517.62	115,869.93
to April 30, 2018	LABS-2115	91,286.52	-	91,286.52	4,564.33	95,850.85
to May 31, 2018	LABS-2137	2,237.91	26.33	2,264.24	113.22	2,377.46
to May 31, 2018	LABS-2139	122,137.56	7.00	122,144.56	6,107.23	128,251.79
to June 30, 2018	LABS-2163	2,899.70	-	2,899.70	144.98	3,044.68
to June 30, 2018	LABS-2171	85,859.48	-	85,859.48	4,292.97	90,152.45
to July 31, 2018	LABS-2188	79,373.67	632.24	80,005.91	4,000.29	84,006.20
to August 31, 2018	LABS-2212	81,928.56	-	81,928.56	4,096.43	86,024.99
to September 30, 2018	LABS-2239	64,844.14	253.19	65,097.33	3,254.87	68,352.20
to October 31, 2018	LABS-2268	79,226.81	170.00	79,396.81	3,969.84	83,366.65
to November 30, 2018	LABS-2294	78,168.85	-	78,168.85	3,908.44	82,077.29
to November 30, 2018	LABS-2293	1,233.18	-	1,233.18	61.66	1,294.84
to December 31, 2018	LABS-2332	61,167.89	1,684.74	62,852.63	3,142.64	65,995.27
to January 31, 2019	LABS-2342	83,082.82	30.00	83,112.82	4,155.64	87,268.46
to February 28, 2019	LABS-2354	70,939.66	20.00	70,959.66	3,547.98	74,507.64
Sub-total		2,170,067.01	6,009.88	2,176,076.89	108,803.85	2,284,880.74
Additional Rendered and Paid						
to March 31, 2019	LABS-2382	64,946.32	10.00	64,956.32	3,247.82	68,204.14
to April 30, 2019	LABS-2400	43,646.64	60.00	43,706.64	2,182.33	45,888.97
to May 31, 2019	LABS-2430	22,702.72	70.00	22,772.72	1,135.14	23,907.86
Sub-total		131,295.68	140.00	131,435.68	6,565.29	138,000.97
Total Receiver Fees		2,301,362.69	6,149.88	2,307,512.57	115,369.14	2,422,881.71

Professional Fees - Receiver's legal counsel

Rendered, Paid and Approved by the Court

	Invoice	Fees	Disbursement	Sub-total	GST	Total
to March 28, 2017	697444871	56,047.00	1,449.05	57,496.05	2,874.31	60,370.36
to March 31, 2017	697450443	27,880.00	2,121.01	30,001.01	1,496.50	31,497.51
to April 30, 2017	697462348	83,181.50	3,285.45	86,466.95	4,323.01	90,789.96
to May 31, 2017	697472475	69,595.50	2,365.46	71,960.96	3,580.88	75,541.84
to June 30, 2017	697482372	26,625.50	2,506.46	29,131.96	1,395.55	30,527.51
to July 31, 2017	697488400	22,772.50	741.44	23,513.94	1,172.51	24,686.45
to August 31, 2017	697502069	13,978.00	261.96	14,239.96	712.00	14,951.96
to Sept 30, 2017	697511744	30,257.50	276.47	30,533.97	1,524.96	32,058.93
to Oct 31, 2017	697516831	90,752.50	5,784.40	96,536.90	4,823.11	101,360.01
to November 30, 2017	697541096	126,529.95	7,147.99	133,677.94	6,668.92	140,346.86
to December 31, 2017	697548751	97,809.15	13,875.17	111,684.32	5,581.45	117,265.77
to January 31, 2018	697553770	11,832.20	6,194.08	18,026.28	591.62	18,617.90
to February 28, 2018	697562634	15,332.40	305.07	15,637.47	781.88	16,419.35
to March 31, 2018	697570896	11,809.50	148.39	11,957.89	597.90	12,555.79
to April 30, 2018	697587208	32,300.00	912.35	33,212.35	1,658.12	34,870.47
to May 31, 2018	697593544	28,221.80	226.23	28,448.03	1,422.41	29,870.44
to June 30, 2018	697599832	20,819.60	486.74	21,306.34	1,065.32	22,371.66
to August 31, 2018	697623173	55,127.70	647.81	55,775.51	2,787.29	58,562.80
to September 30, 2018	697636617	10,777.00	172.30	10,949.30	547.08	11,496.38
to October 31, 2018	697644099	7,557.00	101.87	7,658.87	382.94	8,041.81
to November 30, 2018	697654163	37,427.50	1,147.66	38,575.16	1,922.92	40,498.08
to December 31, 2018	697668116	26,190.50	705.10	26,895.60	1,342.29	28,237.89
to January 31, 2019	697680810	7,334.00	144.88	7,478.88	373.94	7,852.82
to February 28, 2019	697691801	22,182.50	1,071.86	23,254.36	1,156.48	24,410.84
Sub-total		932,340.80	52,079.20	984,420.00	48,783.39	1,033,203.39
Additional Rendered and Paid						
to March 31, 2019	697697637	19,889.20	302.82	20,192.02	1,008.61	21,200.63
to April 30, 2019	697710456	3,956.50	318.71	4,275.21	213.77	4,488.98
to May 31, 2019	697719617	3,140.25	355.25	3,495.50	174.78	3,670.28
Sub-total		26,985.95	976.78	27,962.73	1,397.16	29,359.89
Total Legal Fees		959,326.75	53,055.98	1,012,382.73	50,180.55	1,062,563.28
Total Professional Fees		$ 3,260,689.44	$ 59,205.86	$ 3,319,895.30	$ 165,549.69	$ 3,485,444.99