

AGENCY AGREEMENT

April 16, 2013

Bengal Energy Ltd.
1810, 801 - 6th Avenue S.W.
Calgary, Alberta
T2P 3W2

Attention: Chayan Chakrabarty, President and Chief Executive Officer

Dear Sir:

The undersigned, Toll Cross Securities Inc. ("**Toll Cross**") and National Bank Financial Inc. ("**NBF**") (collectively, the "**Agents**"), understand that Bengal Energy Ltd. (the "**Company**") proposes to issue and sell up to 8,333,334 common shares (the "**Offered Shares**") at a price of \$0.60 per Offered Share (the "**Subscription Price**") for gross proceeds of up to \$5,000,000.40 (the "**Initial Offering**").

As part of the Initial Offering, the Company may also issue Offered Shares to certain investors identified by the Company (the "**President's List Subscribers**") in an amount not to exceed, in aggregate, gross proceeds of \$1,000,000.

In consideration for the Agents acting as agents for the Initial Offering, the Company hereby grants to the Agents an option (the "**Agents' Option**" and together with the Initial Offering, the "**Offering**") to increase the number of Offered Shares pursuant to the Offering by up to an additional 1,250,000 common shares in the capital of the Company (the "**Option Shares**" and together with the Initial Offered Shares, the "**Offered Shares**"), on the same terms and conditions as the Initial Offered Shares and upon the terms and conditions set forth herein. The Agents' Option may be exercised, in whole or in part at any time prior to 24 hours prior to the Closing Date (as hereinafter defined), by Toll Cross, on behalf of the Agents, giving written notice of such exercise (including the number of Option Shares pursuant to which the Agents' Option is being exercised) to the Company.

Upon and subject to the terms and conditions set forth herein, the Agents hereby agree to act, and upon acceptance hereof, the Company hereby appoints the Agents, as the Company's exclusive agents, to offer for sale by way of private placement on a commercially reasonable "best efforts" basis, the Offered Shares to be issued and sold pursuant to exemptions under Securities Laws (as hereinafter defined) pursuant to the Offering and the Agents agree to arrange for purchasers of the Offered Shares in the Selling Jurisdictions (as hereinafter defined), including to Accredited Investors (as defined in Schedule "A" hereto) in the United States (as hereinafter defined) in accordance with the provisions hereto, including Schedule "A" hereto. It is understood and agreed by the Company and the Agents that the Agents shall act as agents only and are under no obligation to purchase any of the Offered Shares as principal.

In consideration of the services to be rendered by the Agents in connection with the Offering, the Company shall pay to the Agents at the Closing Time (as hereinafter defined) the Commission (as hereinafter defined) as set out in Section 12. The obligation of the Company to pay the

Commission shall arise at the Closing Time and the Commission shall be fully earned by the Agents upon the completion of the Offering.

DEFINITIONS

In this Agreement, in addition to the terms defined above, the following terms shall have the following meanings:

"**Act**" means the *Business Corporations Act* (Alberta);

"**Agents**" has the meaning ascribed to such term on the face page of this Agreement;

"**Agents' Option**" has the meaning ascribed to such term on the face page of this Agreement;

"**Agreement**" means this agreement, being the agreement resulting from the acceptance by the Company of the offer made by the Agents hereby;

"**Australian Licences**" means, collectively,

- (i) all petroleum prospecting and exploration licences and permits granted by the respective ministries representing the states and government of Australia to the Company and including, without limitation, the following grants:
 - (A) Exploration Permit AC/P47;
 - (B) Exploration Permit AC/P24;
 - (C) Petroleum Exploration Licence 113;
 - (D) Petroleum Exploration Licence 103A;
 - (E) Authority to Prospect 732P;
 - (F) Authority to Prospect 752P;
 - (G) Authority to Prospect 934P (awaiting Ministerial grant);and any extensions or grants related to the foregoing; and
- (ii) any pertinent joint operating agreements, farm-in agreements, farm-out agreements; participation agreements, transportation agreements, processing agreements, crude oil sale and purchase agreements, settlement agreements and any other material contracts related to said Australian Licences, all as set forth in the Public Disclosure Documents;

"**BC Interests**" means, collectively,

- (i) all beneficial interests in petroleum and natural gas rights obtained by the Company in the following parcels of land and assets:

- (A) 30-86-17W6M, to Base Charlie Lake;
 - (B) 30-86-17W6M, from Base Charlie Lake to Base Artex-Halfway-Doig;
 - (C) 31-86-17W6M, to Base Artex-Halfway-Doig;
 - (D) 20-87-17W6M, to Base Bluesky-Gething-Dunleavy;
 - (E) a certain gas compressor and related gas gathering system located at Oak, British Columbia; and
- (ii) any pertinent joint operating agreements, farm-in agreements, farm-out agreements, participation agreements, transportation agreements, processing agreements, construction, ownership and operation agreements and any other material contracts related to said BC Interests, all as set forth in the Public Disclosure Documents;

"Business Day" means a day other than a Saturday, Sunday or any other day on which the principal offices of Canadian Schedule I banks located in the City of Calgary, Alberta, are not open for business;

"Closing" means the completion of the purchase and sale of the Offered Shares as contemplated by this Agreement and the Subscription Agreements;

"Closing Date" means the day on which the Closing shall occur, being April 16, 2013 or such other date as the Agents and the Company may determine;

"Closing Time" means 9:00 a.m. (Calgary time) on the Closing Date or such other time on the Closing Date as the Company and the Agents may determine;

"Commission" has the meaning ascribed to such term in Section 12;

"Common Shares" means the common shares in the capital of the Company and, where appropriate in the context, includes the Offered Shares;

"Company" has the meaning ascribed to such term on the face page of this Agreement;

"Debt Instrument" means any note, loan, bond, debenture, indenture, promissory note or other instrument evidencing indebtedness (demand or otherwise) for borrowed money other than indebtedness between the Company and the Subsidiaries or between the Subsidiaries;

"DeGolyer" means DeGolyer and MacNaughton Canada Limited, independent qualified reserves evaluators;

"DeGolyer Report" means the report of DeGolyer dated May 8, 2012 evaluating the crude oil, natural gas liquids and natural gas reserves of the Company as at March 31, 2012;

"Environmental Laws" has the meaning ascribed to such term in Section 4.1.3(m);

"Environmental Permits" has the meaning ascribed to such term in Section 4.1.3(n);

"**GLJ**" means GLJ Petroleum Consultants Ltd., independent qualified reserves evaluators;

"**GLJ Report**" means the report of GLJ dated [September 30, 2012] evaluating the oil reserves within the boundaries of the Barta Sub-Block of the Company's Authority to Prospect 752P as at September 30, 2012;

"**Governmental Authority**" means, without limitation, any national, federal government, province, state, municipality or other political subdivision of any of the foregoing, any entity exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government and any corporation or other entity owned or controlled (through stock or capital ownership or otherwise) by any of the foregoing;

"**Hazardous Materials**" has the meaning ascribed to such term in Section 4.1.3(m);

"**including**" means including without limitation;

"**India Licences**" means, collectively,

- (i) all petroleum prospecting and exploration licences, permits and production sharing contracts granted by the respective ministries representing the states and government of India to the Company and including, without limitation, the following grants:
 - (A) CY-ONN-2005/1, and any extensions or grants related thereto;
 - (B) CY-OSN-2009/1, and any extensions or grants related thereto; and
- (ii) any pertinent joint operating agreement and any other material contracts related to said Indian Licences, all as set forth in the Public Disclosure Documents;

"**Initial Offering**" has the meaning ascribed to such term on the face page of this Agreement;

"**Leased Premises**" means the office premises which are material to the Company and which the Company occupies as a tenant;

"**Licences**" means collectively, the BC Interests, the Australian Licences and the Indian Licences, and "**Licence**" means any of them as the context dictates;

"**Material Agreement**" means any contract, commitment, agreement (written or oral), instrument, lease or other document (including option agreements), to which the Company is a party or otherwise bound and which is material to the Company;

"**misrepresentation**", "**material fact**", "**material change**", "**affiliate**", "**associate**", and "**distribution**" have the respective meanings ascribed thereto in the *Securities Act* (Alberta) in effect on the date hereof;

"**NI 45-106**" means National Instrument 45-106 – *Prospectus and Registration Exemptions*;

"**Northstar**" has the meaning ascribed thereto in Section 4.1.1(b);

"Offering" has the meaning ascribed to such term on the face page of this Agreement;

"Offered Shares" has the meaning ascribed to such term on the face page of this Agreement;

"Oil and Gas Properties" means collectively, any and all of the interests, assets, and or properties included in the BC Interests, the Australian Licenses, and the Indian Licenses (in each case, as more fully described in the Public Disclosure Documents);

"Option Shares" has the meaning ascribed to such term on the face page of this Agreement;

"Person" includes any individual (whether acting as an executor, trustee administrator, legal representative or otherwise), corporation, firm, partnership, sole proprietorship, syndicate, joint venture, trustee, trust, unincorporated organization or association, and pronouns have a similar extended meaning;

"President's List Subscribers" has the meaning ascribed to such term on the face page of this Agreement;

"Public Disclosure Documents" means, collectively, all of the documents which have been filed by or on behalf of the Company in the 24 months prior to the Closing Time with the relevant Securities Regulators in Canada pursuant to the requirements of applicable Securities Laws on SEDAR at www.sedar.com;

"Purchasers" means the persons who, as purchasers, acquire the Offered Shares pursuant to the Offering by duly completing, executing and delivering the applicable Subscription Agreements and any other required documentation;

"Securities Laws" means all applicable securities laws in each of the Selling Jurisdictions and the respective regulations made thereunder, together with applicable published fee schedules, prescribed forms, policy statements, national instruments, multi-lateral instruments, notices, orders, blanket rulings and other regulatory instruments of the securities regulatory authorities in such jurisdictions, and all rules and policies of the TSX and federal and state securities laws of the United States;

"Securities Regulators" means, collectively, the securities regulators or other securities regulatory authorities in the Selling Jurisdictions;

"Selling Jurisdictions" means each of the Provinces of Canada and such other jurisdictions outside Canada, including the United States (with respect to offers and sales made in the United States in accordance with Schedule "A" hereto) which are agreed to by the Company and the Agents and where Purchasers are resident or located, as applicable;

"Subscription Agreements" means the subscription agreements for the Offered Shares in the form agreed upon by the Agents and the Company pursuant to which Purchasers agree to subscribe for and purchase the Offered Shares pursuant to the Offering as herein contemplated and shall include, for greater certainty, all schedules thereto; and **"Subscription Agreement"** means any one of them, as the context requires;

"Subscription Price" has the meaning ascribed to such term on the face page of this Agreement;

"**subsidiary**" and "**subsidiaries**" shall have the meaning ascribed thereto in the Act;

"**Subsidiary**" shall have the meaning ascribed thereto in Section 4.1.1(b);

"**Swaps**" means any transaction which is a rate swap transaction, basis swap, forward rate transaction, commodity swap, commodity option, equity or equity index swap, equity or equity index option, bond option, interest rate option, foreign exchange transaction, cap transaction, floor transaction, collar transaction, currency swap transaction, crosscurrency rate swap transaction, currency option, forward sale, exchange traded futures contract or any other similar transaction (including any option with respect to any of these transactions or any combination of these transactions);

"**Transfer Agent**" means Valiant Trust Company in its capacity as transfer agent and registrar for the Common Shares;

"**TSX**" means the Toronto Stock Exchange;

"**United States**" means the United States of America, its territories and possessions, any state of the United States and the District of Columbia;

"**U.S. Exchange Act**" means the *United States Securities Exchange Act of 1934*, as amended, and the rules and regulations promulgated thereunder; and

"**U.S. Securities Act**" means the *United States Securities Act of 1933*, as amended, and the rules and regulations promulgated thereunder.

TERMS AND CONDITIONS

1. (a) Sale on Exempt Basis. The Agents shall offer for sale and sell the Offered Shares pursuant to the Offering in the Selling Jurisdictions on a private placement basis in compliance with all applicable Securities Laws such that the offer and sale of the Offered Shares does not obligate the Company to file a prospectus, a registration statement or other offering document or deliver an offering memorandum or other offering document, or become subject to continuous disclosure filing obligations in any jurisdictions other than those jurisdictions where it is currently subject to such obligations under applicable Securities Laws. The Agents covenant with the Company that they will: (i) conduct all activities in connection with the Offering in compliance with Securities Laws and all other laws applicable to the Agents; (ii) obtain from each Purchaser a completed and duly executed Subscription Agreement (including all certifications, forms and other documentation contemplated thereby or as may be required by applicable securities regulatory authorities) in a form acceptable to the Company and the Agents; (iii) require any selling group member retained by it to agree, for the benefit of the Company, to comply with and shall use commercially reasonable efforts to ensure that such selling group member complies with, the same provisions of this Section 1(a) as apply to the Agents as if such provisions applied to such selling group member; (iv) not take any action that would prevent the Company from relying on the exemptions from prospectus requirements of applicable Securities Laws as contemplated by the Subscription Agreement; (v) provide to the Company all necessary information in respect of the Agents to allow the Company to file, with the Securities Regulators, if required, reports relating to the issuance of the Offered Shares pursuant to the Offering in accordance with the applicable Securities Laws; (vi) not solicit subscriptions for Offered Shares

except in accordance with the terms and conditions of this Agreement and the Subscription Agreements; and (vii) execute and deliver to the Company, subject to the terms and conditions of this Agreement, any certificate required to be executed by them under applicable Securities Laws in connection with the Offering provided that the Agents are satisfied, acting reasonably, that it is appropriate and responsible to do so. The Agents represent and warrant that they are (and any selling agent appointed by the Agents in connection with the Offering shall be) Accredited Investors, as such term is defined in NI 45-106, by virtue of the fact that each of them is registered as a dealer under applicable Securities Laws of Canada. The Company shall have the right to accept, reject, or accept in part only, subscriptions received.

(b) **Filings.** The Company undertakes to use commercially reasonable efforts to file, or cause to be filed, all forms or undertakings required to be filed by the Company in connection with the issue and sale of the Offered Shares so that the distribution of the Offered Shares may lawfully occur without the necessity of filing a prospectus, a registration statement or an offering memorandum under applicable Securities Laws of Canada. The Agents undertake to use commercially reasonable efforts to cause Purchasers to complete (and it shall be a condition of Closing in favour of the Company that the Purchasers complete and deliver to the Company) any forms required by Securities Laws, including so that the distribution of the Offered Shares may lawfully occur without the necessity of filing a prospectus, a registration statement or an offering memorandum under applicable Securities Laws. All fees payable in connection with such filings shall be at the expense of the Company.

(c) **No Offering Memorandum.** Neither the Company nor the Agents shall: (i) provide to prospective purchasers of the Offered Shares any document or other material that would constitute an offering memorandum or future oriented financial information within the meaning of Securities Laws in Canada; or (ii) engage in any form of general solicitation or general advertising in connection with the offer and sale of the Offered Shares, including but not limited to, causing the sale of the Offered Shares to be advertised in any newspaper, magazine, printed public media, printed media or similar medium of general and regular paid circulation, broadcast over radio, television or telecommunications, including electronic display, or conduct any seminar or meeting relating to the offer and sale of the Offered Shares whose attendees have been invited by general solicitation or advertising. Notwithstanding the foregoing the parties hereto agree that prospective purchasers may be provided with the corporate presentation dated March 2013.

(d) **Compliance with United States Securities Laws.** The Agents shall not offer or sell any Offered Shares to, or for the benefit of, persons in the United States. All offers and sales of Offered Shares shall be made in accordance with this Agreement, including Schedule "A" hereto, which forms a part of this Agreement, and the Company and the Agents (on their own behalf and on behalf of their U.S. registered broker-dealer affiliates), severally but not jointly, agree to comply with the terms and conditions set forth therein with respect to the Offering. Notwithstanding the foregoing, an Agent will not be liable to the Company under this Section or Schedule "A" hereto with respect to a violation by another Agent or its U.S. registered broker-dealer affiliate(s) of the provisions of this Section or Schedule "A" if the former Agent or its U.S. registered broker-dealer affiliate, as applicable, is not itself also in violation.

2. (a) **Covenants.** The Company hereby covenants to the Agents and to the Purchasers, (and acknowledges that each of them is relying on such covenants in connection with the purchase of the Offered Shares), that the Company will:

- (i) use commercially reasonable efforts to maintain its status as a "reporting issuer" (or the equivalent thereof) not in default of the requirements of the Securities Laws in each of the Provinces of Canada other than Quebec, until at least December 31, 2013, provided that this covenant shall not prevent the Company from completing any transaction which would result in the Company ceasing to be a "reporting issuer" or in any way prevent the directors of the Company from satisfying their respective obligations to the Company pursuant to applicable corporate laws;
- (ii) use the first \$5,000,000 of the net proceeds of the Offering received by the Company for exploration and development of the Company's oil and gas properties or general corporate purposes. For greater certainty no portion of the first \$5,000,000 of net proceeds of the Offering received by the Company may be used for payments to any officer, director or other related party of the Company, including pursuant to any indebtedness owing to such parties;
- (iii) allow the Agents and their representatives the opportunity to conduct all due diligence which the Agents may reasonably require to be conducted prior to the Closing Date;
- (iv) subject to the Company's right to reject a subscription in whole or in part, duly execute and deliver the Subscription Agreements at the Closing Time, and comply with and satisfy all terms, conditions and covenants therein contained to be complied with or satisfied by the Company;
- (v) fulfill or cause to be fulfilled, at or prior to the Closing Date, each of the conditions set out in Section 6, other than Subsection 6(j) and, as it relates to the execution of the Subscription Agreements by the parties thereto other than the Company, Subsection 6(h);
- (vi) ensure that the Offered Shares upon issuance, shall be duly issued as fully paid and non-assessable Common Shares, and shall have the attributes corresponding in all material respects to the description thereof set forth in this Agreement and the Subscription Agreements;
- (vii) use its commercially reasonable efforts to ensure that the Offering is conditionally accepted by the TSX on or prior to the Closing Date;
- (viii) execute and file with the Securities Regulators in Canada and the TSX all forms, notices and certificates required to be filed by the Company pursuant to the Securities Laws and the policies of the TSX in the time required by the applicable Securities Laws and the policies of the TSX, including a Form 45-106F1 – *Report of Exempt Distribution* and any other forms, notices and certificates identified as being required to be filed by the Company pursuant to Securities Laws of Canada in the opinions delivered to the Agents pursuant to the closing conditions set forth in Section 6; and

- (ix) until 120 days after the Closing Date, the Company agrees not to, and agrees to use its commercially reasonable efforts to cause its management not to (as applicable), without the prior written consent of the Agents, such consent not to be unreasonably withheld or delayed, authorize, sell or issue or announce its intention to authorize, sell or issue or negotiate or enter into an agreement to sell or issue any securities of the Company (including those that are convertible or exchangeable into securities of the Company) other than (i) pursuant to the Offering; (ii) upon the exercise of convertible securities, options or warrants of the Company outstanding as of the date hereof; or (iii) pursuant to the Company's stock option plan.

3. (a) Material Changes During Distribution. During the period from the date hereof to the Closing Date, the Company shall promptly notify the Agents (and, if requested by the Agents, confirm such notification in writing) of any material change (actual, anticipated, contemplated or threatened, financial or otherwise) in the business, affairs, operations, assets, liabilities (contingent or otherwise) or capital of the Company, on a consolidated basis.

During the period from the date hereof to the Closing Date, the Company shall promptly, and in any event, within any applicable time limitation, comply with all applicable filing and other requirements under Securities Laws as a result of such change. During such period the Company shall in good faith discuss with the Agents any fact or change in circumstances (actual, anticipated, contemplated or threatened, financial or otherwise) which is of such a nature that there is reasonable doubt as to whether notice in writing need be given to the Agents pursuant to subsection 3(a).

(b) Press Releases. The Company agrees that it shall obtain the prior approval of the Agents as to the content and form of any press release relating to the Offering issued by the Company on or after the date hereof, such approval not to be unreasonably withheld, and that such press release will include a reference to the Agents acting as agents for the Offering and shall include language that restricts the dissemination and distribution of any such press releases to jurisdictions outside the United States.

4. (a) Representations and Warranties of the Company. The Company represents and warrants to the Agents and the Purchasers (and acknowledges that each of them is relying upon such representations and warranties in connection with the completion of the Offering and that such representations and warranties have been incorporated by reference in the Subscription Agreements for the benefit of the applicable Purchasers), that:

4.1.1 General Matters

- (a) the Company and each of the Subsidiaries is a corporation duly incorporated, continued or amalgamated, as the case may be, and validly existing and in good standing under the laws of the jurisdiction in which it was incorporated, continued or amalgamated, as the case may be, has all requisite corporate power, authority and capacity to own, lease or operate its properties and assets (including the Oil and Gas Properties) and no steps or proceedings have been taken by any person, voluntary or otherwise, requiring or authorizing its dissolution or winding up, and

the Company has all requisite corporate power and authority to enter into this Agreement and to carry out its obligations hereunder;

- (b) the Company is the registered and beneficial holder of (i) 100% of the issued and outstanding securities of Bengal Energy (Australia) Pty Ltd.; (ii) 87.7% of the issued and outstanding securities of Northstar Energy Pty Ltd. ("**Northstar**"); and (iii) 100% of the issued and outstanding securities of Bengal Energy International Inc. (individually, each a "**Subsidiary**" and collectively the "**Subsidiaries**"), in each case, free and clear of all mortgages, charges, pledges, security interests, encumbrances, claims or demands whatsoever and no person or other entity has any agreement, option, right or privilege (whether pre-emptive or contractual) to purchase or receive (or capable of becoming an agreement or a right to purchase or receive) from the Company or the Subsidiaries any issued or unissued securities of the Subsidiaries;
- (c) the 12.3% of the issued and outstanding shares of Northstar not owned by the Company are owned by a director of Bengal Energy (Australia) Pty Ltd. or such director's associates (as such term is defined in the Act), and neither the Company nor, to its knowledge, any of the shareholders of Northstar is a party to any unanimous shareholders agreement, pooling agreement, voting trust or other similar type of arrangement in respect of outstanding securities of Northstar;
- (d) there are no restrictions in the articles or by-laws of Northstar or in any other agreement or document with respect to Northstar that affects the Company's ability to elect the board of directors of Northstar as the majority shareholder of Northstar;
- (e) other than the Subsidiaries, the Company has no investment in any person which is material to the business and affairs of the Company;
- (f) no proceedings have been taken, instituted or, to the knowledge of the Company, are pending for the dissolution or liquidation of the Company or its Subsidiaries;
- (g) the Company and each Subsidiary is, in all material respects, conducting its business in compliance with all applicable laws, rules and regulations (including all material applicable federal, provincial, municipal, and local laws, regulations and other lawful requirements of any governmental or regulatory body) of each jurisdiction in which its business is carried on and is licensed, registered or qualified in all jurisdictions in which it owns, leases or operates its property or carries on business to enable its business to be carried on as now conducted and its property and assets to be owned or leased and operated and all such licences, registrations and qualifications are valid, subsisting and in good standing and it has not received a notice of non-compliance, nor knows of, nor has reasonable grounds to know of, any facts that could give rise to a notice of non-compliance with any such laws, regulations or permits which would reasonably be expected to result in an adverse material change in respect of the Company and its Subsidiaries, taken as a whole;

- (h) all necessary corporate action has been taken or will have been taken prior to the Closing Time by the Company so as to validly issue the Offered Shares as fully paid and non-assessable Common Shares at the Closing Time;
- (i) each of the execution and delivery of this Agreement and the Subscription Agreements, and the performance of the transactions contemplated hereby and thereby have been authorized by all necessary corporate action of the Company and upon the execution and delivery thereof, this Agreement and the Subscription Agreements shall constitute valid and binding obligations of the Company, enforceable against the Company in accordance with their respective terms, provided that enforcement thereof may be limited by laws affecting creditors' rights generally, that specific performance and other equitable remedies may only be granted in the discretion of a court of competent jurisdiction, that the provisions relating to indemnity, contribution and waiver of contribution may be unenforceable and that enforceability is subject to the provisions of the *Limitations Act* (Alberta);
- (j) at the Closing Time, all consents, approvals, permits, authorizations or filings as may be required under Securities Laws necessary for the execution and delivery of this Agreement and the Subscription Agreements and the consummation of the transactions contemplated hereby and thereby shall have been made or obtained, as applicable, other than filings required to be submitted following the Closing pursuant to applicable Securities Laws and the final acceptance of the TSX in connection with the Offering;
- (k) the execution and delivery of this Agreement and the Subscription Agreements by the Company, the performance by the Company of its obligations hereunder or thereunder (including the issue and sale of the Offered Shares) and the consummation of the transactions contemplated hereby and thereby do not and will not conflict with or result in a breach or violation of any of the terms of or provisions of, or constitute a default under (whether after notice or lapse of time or both), (A) any statute, rule or regulation applicable to the Company or the Subsidiaries; (B) the constating documents or resolutions of the directors or shareholders of the Company or the Subsidiaries which are in effect at the date of hereof; (C) any Debt Instrument or Material Agreement; or (D) any judgment, decree or order binding the Company, except where such breach, violation or default would not reasonably be expected to result in an adverse material change in respect of the Company and its Subsidiaries, taken as a whole;
- (l) the authorized capital of the Company consists of an unlimited number of Common Shares and an unlimited number of preferred shares, of which as of the close of business on April 15, 2013, 52,110,177 Common Shares were outstanding as fully paid and non-assessable and no preferred shares were outstanding;
- (m) the Company is not aware, without specific inquiry, of any legislation, or proposed legislation published by a legislative body, which it anticipates will materially and adversely affect the business, affairs, operations, assets, liabilities (contingent or otherwise) or prospects of the Company, taken as a whole;

- (n) the currently issued and outstanding Common Shares are listed and posted for trading on the TSX and no order ceasing or suspending trading in any securities of the Company or prohibiting the sale of the Offered Shares or the trading of any of the Company's issued securities has been issued and, to the knowledge of the Company, no proceedings for such purpose have been threatened or are pending;
- (o) the Company has not taken any action which would be reasonably expected to result in the delisting or suspension of the Common Shares on or from the TSX and the Company is currently in compliance, in all material respects, with the rules and regulations of the TSX;
- (p) except as disclosed in the Public Disclosure Documents or documents otherwise made available to the Agents, no person now has any agreement or option or right or privilege (whether at law, pre-emptive or contractual) capable of becoming an agreement for the purchase, subscription or issuance of, or conversion into, any unissued shares, securities, warrants or convertible obligations of any nature of the Company or its Subsidiaries and as at the date hereof an aggregate of 7,310,741 Common Shares were reserved for issue pursuant to outstanding options, warrants, share incentive plans, Debt Instruments, convertible, exercisable and exchangeable securities and other rights to acquire Common Shares as of the date of this Agreement (assuming, for the purpose of the outstanding convertible notes that the full number of Common Shares are issued and using the floor price after giving effect to the Offering);
- (q) since December 31, 2012, except as disclosed in the Public Disclosure Documents:
 - (i) there has not been any material change in the assets, liabilities, obligations (absolute, accrued, contingent or otherwise), business, condition (financial or otherwise) or results of operations of the Company;
 - (ii) there has not been any material change in the capital stock or long-term debt of the Company; and
 - (iii) the Company has carried on its business in the ordinary course;
- (r) the audited consolidated financial statements of the Company for the fiscal year ended March 31, 2012 and the unaudited consolidated interim financial statements for the three and nine month periods ended December 31, 2012, present fairly, in all material respects, the financial condition of the Company, on a consolidated basis, for the periods then ended and have been prepared in accordance with international financial reporting standards and present fully, fairly and correctly in all material respects, the consolidated financial condition of the Company and the Subsidiaries as at the dates thereof and the consolidated results of the operations and the changes in the financial position of the Company and the Subsidiaries for the periods then ended and contain and reflect adequate provisions or allowance for all reasonably anticipated liabilities, expenses and losses of the Company, as applicable, and there has been no material change in

accounting policies or practices of the Company since March 31, 2012, except as has been disclosed in the Public Disclosure Documents;

- (s) there are no actions, proceedings or investigations (whether or not purportedly by or on behalf of the Company) commenced or, to the knowledge of the Company, threatened or pending against the Company or its Subsidiaries at law or in equity (whether in any court, arbitration or similar tribunal) or before or by any federal, provincial, state, municipal or other governmental department, commission, board or agency, domestic or foreign, that would reasonably be expected to result in an adverse material change in respect of the Company and its Subsidiaries, taken as a whole;
- (t) the Company is, and will at the Closing Time be, a "reporting issuer", not included in a list of defaulting reporting issuers maintained by the Securities Regulators in each of the Provinces of Canada, other than Quebec, and, without limiting the foregoing, the Company has at all times complied, in all material respects, with its obligations to make timely disclosure of all material changes relating to it and there is no material change relating to the Company which has occurred and with respect to which the requisite news release has not been disseminated or material change report has not been filed with such Securities Regulators (except the material change report in respect of the Offering);
- (u) all material filings and fees required to be made and paid by the Company pursuant to applicable Securities Laws and general corporate law have been made and paid and the information and statements set forth in the Public Disclosure Documents (as they relate to the Company) were accurate in all material respects and did not contain any misrepresentation as of the date of such information or statement, and the Company has not filed any confidential material change report with any Securities Regulators that is still maintained on a confidential basis;
- (v) to the knowledge of the Company, the auditors of the Company are independent public accountants as required by the Securities Laws;
- (w) there has not been any "reportable event" (within the meaning of National Instrument 51-102 – *Continuous Disclosure Obligations*) with the present or, to the knowledge of the Company, any former auditor of the Company;
- (x) the Company maintains a system of internal accounting controls sufficient to provide reasonable assurances that (i) transactions are executed in accordance with management's general or specific authorization, and (ii) transactions are recorded as necessary to permit preparation of financial statements in conformity with international financial reporting standards and to maintain accountability for assets;
- (y) the Company is not party to or bound or affected by any commitment, agreement or document containing any covenant which expressly limits the freedom of the Company to compete in any line of business, transfer or move any of its assets or operations or which materially or adversely affects the business practices, operations or condition of the Company, taken as a whole;

- (z) other than the Company or as otherwise contemplated herein, there is no person that is or will be entitled to the proceeds of the Offering under the terms of any Debt Instrument, Material Agreement, or other instrument or document (written or unwritten);
- (aa) the Company is not party to any agreement, nor is the Company aware of any agreement, which in any manner affects the voting control of any of the securities of the Company;
- (bb) all taxes (including income tax, capital tax, payroll taxes, employer health tax, workers' compensation payments, property taxes, custom and land transfer taxes), duties, royalties, levies, imposts, assessments, deductions, charges or withholdings and all liabilities with respect thereto, including any penalty and interest payable with respect thereto (collectively, "**Taxes**") due and payable by the Company and its Subsidiaries, have been paid, except where the failure to pay Taxes would not constitute an adverse material fact or have an adverse material effect on the Company (taken as a whole). All tax returns, declarations, remittances and filings required to be filed by the Company and its Subsidiaries have been filed with all appropriate governmental authorities and all such returns, declarations, remittances and filings did not contain a misrepresentation as at the respective dates thereof except where the failure to file such documents or such misrepresentation would not reasonably be expected to result in an adverse material change in respect of the Company and its Subsidiaries, taken as a whole. To the knowledge of the Company, no examination of any tax return of the Company or its Subsidiaries is currently in progress and there are no issues or disputes outstanding with any Governmental Authority respecting any Taxes that have been paid, or may be payable, by the Company or its Subsidiaries, in any case, except where such examinations, issues or disputes would not constitute an adverse material fact or have an adverse material effect on the Company (taken as a whole);
- (cc) except for the items disclosed in writing to the Agents or their legal counsel, none of the Company or its Subsidiaries, nor, to the Company's knowledge, any counterparty, is in default in any material respect in the observance or performance of any term, covenant or obligation to be performed by the Company or a Subsidiary or such counterparty under any Debt Instrument or Material Agreement, and no event has occurred which with notice or lapse of time or both would constitute such a default by the Company or a Subsidiary or, to the Company's knowledge, any other party;
- (dd) the Transfer Agent at its principal transfer office in the City of Calgary, Alberta has been duly appointed as the registrar and transfer agent in Canada in respect of the Common Shares;
- (ee) except as disclosed in the Public Disclosure Documents, none of the directors, officers or employees of the Company, any known holder of more than 10% of any class of shares of the Company, or any known associate or affiliate of any of the foregoing persons or companies, has had any material interest, direct or indirect, in any material transaction within the previous two years or any proposed

material transaction with the Company which, as the case may be, materially affected, is material to or will materially affect the Company;

- (ff) other than the Agents (or any members of its selling group) pursuant to this Agreement or as otherwise contemplated herein, there is no person acting or purporting to act at the request of the Company who is entitled to any brokerage, agency or other fiscal advisory or similar fee in connection with the Offering or transactions contemplated herein;
- (gg) except as disclosed in the Public Disclosure Documents, none of the Company or its Subsidiaries have any material loans or other material indebtedness outstanding which has been made to any of its shareholders, officers, directors or employees, past or present, or any person not dealing at arm's length with them other than for the reimbursement of ordinary course business expenses;
- (hh) the assets of the Company and its Subsidiaries and their respective businesses and operations are insured against loss or damage with responsible insurers on a basis consistent with insurance obtained by reasonably prudent participants in comparable businesses, and such coverage is in full force and effect, and the Company has not failed to promptly give any notice or present any material claim thereunder;
- (ii) with respect to each of the Leased Premises, the Company or a Subsidiary, as applicable, occupies the Leased Premises and has the right to occupy and use the Leased Premises, subject to the terms of the respective leases, and each of the leases pursuant to which the Company or a Subsidiary, as applicable, occupies the Leased Premises is in good standing and in full force and effect; and
- (jj) all information that has been prepared by the Company relating to the Company and its business, property and liabilities and provided to the Agents, including all financial, marketing, technical and operational information provided to the Agents was, as of the date of such information, true and correct in all material respects, and no fact or facts have been omitted therefrom which would make such information misleading in any material respect;
- (kk) except as disclosed to the Agents or their legal counsel, the Company is not a party to or bound by any agreement of guarantee, indemnification (other than an indemnification of directors and officers in accordance with the by-laws of the Company and applicable laws) or any other like commitment of the obligations, liabilities (contingent or otherwise) of indebtedness of any other person (other than between the Company and a Subsidiary of the Company);
- (ll) except as provided to the Agents or their legal counsel and other than this Agreement, there are no material contracts or agreements to which the Company or its Subsidiaries are a party or by which they are bound. For the purposes of this subparagraph, any contract or agreement pursuant to which the Company or its Subsidiaries is, or may reasonably be expected to result in, a requirement of the Company or its Subsidiaries to expend more than an aggregate of \$300,000, or receive or be entitled to receive revenue of more than \$300,000 in either case in

the next 12 months, or is out of the ordinary course of business of the Company and its Subsidiaries, shall be considered to be material;

- (mm) except as disclosed to the Agents or their legal counsel, neither the Company nor its Subsidiaries is a party to any written consulting contracts or written contracts of employment which may not be terminated on one month's, or less, notice or which provide for payments occurring on a change of control of the Company;
- (nn) neither the Company nor its Subsidiaries has a Swap outstanding and no Swaps will be entered into by the Company or any of its Subsidiaries prior to the Closing Time;
- (oo) no officer, director, employee or any other person not dealing at arm's length with the Company or its Subsidiaries or, to the knowledge of the Company, any associate or affiliate of any such person, owns, has or is entitled to any royalty, net profits interest, carried interest or any other encumbrances or claims of any nature whatsoever which are based on production from the Company's and its Subsidiaries' on a consolidated basis (taken as a whole), properties or assets (including but not limited to the Oil and Gas Properties) or any revenue or rights attributed thereto;
- (pp) there is not now, and there has never been, any employment by the Company of an individual who was, at such time, a governmental or political official in any country in the world. Neither the Company nor, to the knowledge of the Company, any director, officer, employee or other person acting on behalf of the Company has (i) used any corporate funds for any unlawful contribution, gift, entertainment or other unlawful expense relating to political activity; (ii) made any direct or indirect unlawful payment to any foreign or domestic government official or employee from corporate funds; (iii) violated or is in violation of any provision of any applicable laws relating to the bribery or corruption of governmental authorities, representatives of governmental authorities or other public officials, including but not limited to the *United States Foreign Corrupt Practices Act of 1977*, as amended, and the *Corruption of Foreign Public Officials Act (Canada)* and similar laws of other jurisdictions; or (iv) made any unlawful bribe, rebate, payoff, influence payment, kickback or other unlawful payment;
- (qq) the operations of the Company and its Subsidiaries are and have been conducted at all times in compliance, in all material respects, with applicable financial recordkeeping and reporting requirements and money laundering statutes and the rules and regulations thereunder and any related or similar rules, regulations or guidelines, issued, administered or enforced by any governmental agency (collectively, the "**Money Laundering Laws**") and no action, suit or proceeding by or before any court or governmental agency, authority or body or any arbitrator involving the Company with respect to the Money Laundering Laws is pending or, to the knowledge of the Company, threatened; and

- (rr) none of the Company nor any of its Subsidiaries is currently subject to any sanctions administered by the Office of Foreign Assets Control of the U.S. Department of Treasury.

4.1.2 Due Diligence Matters

- (a) the minute books and records of the Company which the Company has made available to the Agents and their counsel Fogler, Rubinoff LLP or any local counsel retained by Fogler, Rubinoff LLP in connection with their due diligence investigation of the Company for the period from inception to the date of examination thereof are all of the minute books of the Company, contain copies of all constating documents, including all amendments thereto, and all material proceedings of securityholders and directors (and committees thereof) and are complete in all material respects.

4.1.3 Properties and Environmental Matters

- (a) any and all of the agreements and other documents and instruments, including the Licences, pursuant to which the Company and the Subsidiaries hold property and assets thereof (including any interest in, or right to earn an interest in, any property (including the Oil and Gas Properties)) are valid and subsisting agreements, documents or instruments in full force and effect, enforceable in accordance with their terms; except for the items disclosed in writing to the Agents or their legal counsel, neither the Company nor its Subsidiaries, as applicable, is in default and to the Company's knowledge none of the other parties thereto are in default, of any of the provisions of any such agreements, documents or instruments, except where such default would not result in an adverse material change in respect of the Company and its Subsidiaries, taken as a whole, nor to the Company's knowledge has any such default been alleged, and such properties and assets are in good standing under the applicable statutes and regulations of the jurisdictions in which they are situated; all material leases, licenses, concessions, claims or other property rights pursuant to which the Company derives the interests thereof in such property and assets are in good standing and there has been no default by the Company or its Subsidiaries under any such lease, license concession, claim or property right, except where such default would not result in an adverse material change in respect of the Company and its Subsidiaries, taken as a whole. Except as disclosed in the Public Disclosure Documents, to the knowledge of the Company, the Oil and Gas Properties (including any interest, or right to earn an interest, therein) are not subject to any right of first refusal or purchase or acquisition right other than those negotiated in the normal course of business or mandated by the applicable Governmental Authority in the jurisdictions in which the Oil and Gas Properties are located;
- (b) except as disclosed in the Public Disclosure Documents, all leases, licenses, including the Licenses, concessions, claims or other property rights through which the Company and the Subsidiaries hold an interest (including any interest in, or right to earn an interest in, any property (including the Oil and Gas Properties)) have been validly recorded in accordance with all applicable laws and are valid and subsisting; and such leases, concessions, claims or other property rights are

sufficient to permit the holder thereof to explore for, to produce and sell the petroleum, natural gas and related hydrocarbons relating thereto, free and clear of any liens, charges or encumbrances and no material commission, royalty, license fee or similar payment is payable to any person in connection therewith, except as disclosed in the Public Disclosure Documents;

- (c) the Public Disclosure Documents contain a full, complete and accurate description of all property rights held by the Company and the Subsidiaries (including in respect of the Oil and Gas Properties and all agreements related thereto), and no other property or assets are necessary for the conduct of the business of the Company and the Subsidiaries as currently conducted, and the Company does not know of any claim or the basis for any claim that might or could materially and adversely affect the right thereof to use, transfer or otherwise explore for and produce and sell the petroleum, natural gas and related hydrocarbons in respect of such properties;
- (d) the Company made available to DeGolyer, prior to the issuance of the DeGolyer Report and for the purpose of preparing such report, all information reasonably requested by DeGolyer, which information did not contain any material misrepresentation at the time such information was so provided. The Company has no knowledge of a material adverse change in any information provided to DeGolyer since that date. The DeGolyer Report fully complies with the requirements of National Instrument 51-101 as at the date thereof and the DeGolyer Report reasonably presents the Company's proved and probable reserves as at the date stated therein, based upon information available at the time the DeGolyer Report was prepared;
- (e) the DeGolyer Report accurately and completely sets forth all material facts relating to the properties that are the subject of the DeGolyer Report and, since the date of preparation of the DeGolyer Report, there has been no change of which the Company is aware that would render the DeGolyer Report to be incorrect in any material respect;
- (f) except in respect of the properties addressed in the GLJ Report, neither DeGolyer nor any other independent evaluator or consultant engaged by the Company has updated the DeGolyer Report or independently evaluated the proved or probable reserves or other resources attributable to the properties evaluated therein (or any part thereof) or the resources attributable to any other properties in which the Company has an interest;
- (g) DeGolyer is an independent qualified reserves evaluator pursuant to National Instrument 51-101;
- (h) the Company made available to GLJ, prior to the issuance of the GLJ Report and for the purpose of preparing such report, all information reasonably requested by GLJ, which information did not contain any material misrepresentation at the time such information was so provided. The Company has no knowledge of a material adverse change in any information provided to GLJ since that date. The GLJ Report fully complies with the requirements of National Instrument 51-101 as at

the date thereof and the GLJ Report reasonably presents the Company's proved, probable and possible reserves attributable to the properties evaluated therein, as applicable, as at the date stated therein, based upon information available at the time the GLJ Report was prepared;

- (i) the GLJ Report accurately and completely sets forth all material facts relating to the properties that are the subject of the GLJ Report and, since the date of preparation of the GLJ Report, there has been no change of which the Company is aware that would render the GLJ Report to be incorrect in any material respect;
- (j) neither GLJ nor any other independent evaluator or consultant engaged by the Company has updated the GLJ Report or independently evaluated the proved, probable or possible reserves or other resources attributable to the properties evaluated therein (or any part thereof) or the resources attributable to any other properties in which the Company has an interest;
- (k) GLJ is an independent qualified reserves evaluator pursuant to National Instrument 51-101;
- (l) to the knowledge of the Company, there are no claims with respect to indigenous rights currently outstanding or threatened with respect to any of the Oil and Gas Properties;
- (m) neither the Company nor any Subsidiary has been nor is in violation of, in connection with the ownership, use, maintenance or operations of its property and assets (including the Oil and Gas Properties), any federal, provincial, state, local, municipal or foreign statute, law, rule, regulation, ordinance, code, policy or any judicial or administrative interpretation thereof, including any judicial or administrative order, consent decree or judgment, relating to pollution or protection of human health, the environment (including ambient air, surface water, groundwater, land surface or subsurface strata) or wildlife, including laws and regulations relating to the release or threatened release of chemicals, pollutants, contaminants, wastes, toxic substances, hazardous substances, petroleum or petroleum products (collectively, "**Hazardous Materials**") or to the manufacture, processing, distribution, use, treatment, storage, disposal, transport or handling of Hazardous Materials (collectively, "**Environmental Laws**"), except as would not result in an adverse material change in respect of the Company and its Subsidiaries, taken as a whole, (ii) there are no pending or, to the knowledge of the Company, threatened administrative, regulatory or judicial actions, suits, demands, demand letters, claims, liens, notices of non-compliance or violation, investigation or proceedings relating to any Environmental Laws against the Company or any Subsidiary, which if determined adversely, would result in an adverse material change in respect of the Company and its Subsidiaries, taken as a whole;
- (n) the Company has obtained all material licences, permits, approvals, consents, certificates, registrations and other authorizations under all applicable Environmental Laws (the "**Environmental Permits**") necessary as at the date hereof for the operation of the business carried by the Company or a Subsidiary,

and each Environmental Permit is valid, subsisting and in good standing and none of the Company nor any Subsidiary is in default or breach of any Environmental Permit in any material respect and no proceeding is outstanding or, to the knowledge of the Company, has been threatened or is pending to revoke or limit any Environmental Permit;

- (o) neither the Company nor any Subsidiary has used, except in compliance with all Environmental Laws and Environmental Permits, any property or facility which it owns or leases or previously owned or leased, to generate, manufacture, process, distribute, use, treat, store, dispose of, transport or handle any hazardous substance;
- (p) neither the Company nor any Subsidiary has received any notice of, or been prosecuted for, an offence alleging, non-compliance in any material respect with any Environmental Laws, and neither the Company nor any Subsidiary has settled any allegation of material non-compliance short of prosecution. To the knowledge of the Company there are no orders or directions issued against the Company or any Subsidiary under Environmental Laws requiring any material work, repairs, construction or capital expenditures to be made with respect to any of the assets of the Company or a Subsidiary, nor has the Company or a Subsidiary received notice of any of the same;
- (q) there are no past unresolved or, to the Company's knowledge, threatened or pending claims, complaints, notices or requests for information received by the Company or a Subsidiary with respect to any alleged violation of any Environmental Laws which would reasonably be expected to result in an adverse material change in respect of the Company and its Subsidiaries, taken as a whole; and to the knowledge of the Company, no conditions exist at, on or under any property now or previously owned, operated, optioned or leased by the Company or a Subsidiary, or in respect of which the Company or a Subsidiary has an interest, which, with the passage of time, or the giving of notice or both, would give rise to liability under Environmental Laws that, individually or in the aggregate, would reasonably be expected to result in an adverse material change in respect of the Company and its Subsidiaries, taken as a whole;
- (r) to the Company's knowledge, there are no material environmental audits, evaluations, assessments, studies or tests relating to the Company or a Subsidiary except for ongoing assessments conducted by or on behalf of the Company or a Subsidiary in the ordinary course;
- (s) although it does not warrant title, the Company does not have any reason to believe that the Company and its Subsidiaries do not have good and marketable title to or the irrevocable right to explore for, produce and sell their respective petroleum, natural gas and related hydrocarbons including by or through the Licences (for the purposes of this subsection, the foregoing are referred to as the "**Interests**"), and the Company represents and warrants that the Interests are free and clear of all liens, charges, encumbrances, restrictions or adverse claims created by, through or under the Company or its Subsidiaries except those arising in the ordinary course of business (including encumbrances ordinary considered

to be "permitted encumbrances" in connection with oil and gas purchase and sale transactions in the jurisdictions where the Company or its Subsidiaries operate);

- (t) neither the Company nor its Subsidiaries have received notice of any proceedings relating to the revocation or modification of Licences or any related registrations, permits, authorities or qualifications which, if the subject of an unfavourable decision, ruling or finding, would result in an adverse material change in respect of the Company and its Subsidiaries, taken as a whole;
- (u) all filings by the Company or its Subsidiaries, pursuant to which the Company has received or is entitled to receive government incentives or rights to explore for and develop oil and natural gas, have been made in accordance, in all material respects, with all applicable legislation and contain no misrepresentations of material fact nor omit to state any material fact which would reasonably be expected to cause any amount previously paid to the Company or its Subsidiaries, or previously accrued on the accounts thereof to be recovered or disallowed;
- (v) any and all operations of the Company and its Subsidiaries and to the Company's knowledge, any and all operations by third parties, on or in respect of the assets and properties (including but not limited to the Oil and Gas Properties) of the Company and its Subsidiaries, have been conducted in accordance with good oil and gas industry practices applicable in the jurisdictions in which such Oil & Gas Properties are located and in material compliance with applicable laws, rules, regulations, orders and directions of applicable Governmental Authorities; and
- (w) the Company is in compliance, in all material respects, with the provisions of National Instrument 51-101 – *Standards of Disclosure for Oil and Gas Activities*, and has filed all reports required to be filed pursuant thereto prior to the date hereof.

4.1.4 *Employment Matters*

- (a) each material plan for retirement, bonus, stock purchase, profit sharing, stock option, deferred compensation, severance or termination pay, insurance, medical, hospital, dental, vision care, drug, sick leave, disability, salary continuation, legal benefits, unemployment benefits, vacation, incentive or otherwise contributed to or required to be contributed to, by the Company or a Subsidiary for the benefit of any current or former director, officer, employee or consultant of the Company or a Subsidiary (the "**Employee Plans**") has been maintained in material compliance with its terms and with the requirements prescribed by any and all statutes, orders, rules and regulations that are applicable to such Employee Plans, in each case in all material respects and has been publicly disclosed to the extent required by Securities Laws;
- (b) all material accruals for unpaid vacation pay, premiums for unemployment insurance, health premiums, federal or state pension plan premiums, accrued wages, salaries and commissions and employee benefit plan payments have been reflected in the books and records of the Company; and

- (c) there is not currently any labour disruption which is adversely affecting or would reasonably be expected to adversely affect, in a material manner, the carrying on of the business of the Company.

(b) **Representations and Warranties of the Agents.** Each Agent hereby, severally but not jointly, represents and warrants to the Company and acknowledges that the Company is relying upon such representations and warranties, that:

- (i) the Agent is a validly organized corporation or limited partnership, as the case may be, with an office at the address set out in Section 14 hereof;
- (ii) the Agent has good and sufficient right and authority to enter into this Agreement and to complete the transactions contemplated under this Agreement and any other documents in connection with the Offering to which it is a party;
- (iii) in respect of the offer and sale of the Offered Shares, the Agent will comply with all Securities Laws and the terms of this Agreement;
- (iv) the Agent and its representatives have not engaged in or authorized, and will not engage in or authorize, any form of general solicitation or general advertising in connection with or in respect of the Offered Shares in any newspaper, magazine, printed media of general and regular paid circulation or any similar medium, or broadcast over radio or television or otherwise or conducted any seminar or meeting concerning the offer or sale of the Offered Shares whose attendees have been invited by any general solicitation or general advertising;
- (v) the Agent will not solicit subscriptions for Offered Shares, trade in Offered Shares or otherwise do any act in furtherance of a trade of Offered Shares outside of the Selling Jurisdictions except in any other jurisdiction in compliance with the applicable Securities Laws thereof and provided that the Agents may with the Company's consent so solicit, trade or act within such jurisdiction only if such solicitation, trade or act is in compliance with applicable securities laws in such jurisdiction and does not: (i) obligate the Company to take any action to qualify or register any of its securities or any trade of any of its securities; (ii) obligate the Company to establish or maintain any office or director or officer in such jurisdiction; or (iii) subject the Company to any reporting or other requirement in such jurisdiction;
- (vi) the Agent will obtain from each Purchaser an executed Subscription Agreement and will use its commercially reasonable efforts to obtain all other applicable forms, reports, undertakings and documentation required under the Securities Laws, required by the TSX or required by the Company, acting reasonably;
- (vii) the Agent is duly registered as a dealer pursuant to the provisions of the Securities Laws, and is a member in good standing of the Investment Industry Regulatory Organization of Canada, and is duly registered or licensed as a dealer in those jurisdictions in Canada in which it is required to be so registered

or licensed in order to perform the services contemplated by this Agreement, or if or where not so registered or licensed, the Agent will act only through members of a selling group who are so registered or licensed; and

- (viii) the Agent shall at least two Business Days prior to the date scheduled for Closing, provide the Company with complete registration instructions for the Offered Shares.

5. Closing Deliveries. The purchase and sale of the Offered Shares shall be completed at the Closing Time at the offices of Burnet, Duckworth & Palmer LLP in Calgary, Alberta or at such other place as the Agents and the Company may agree upon in writing. At the Closing Time, the Company shall duly and validly deliver to the Agents certificates in definitive form representing the Offered Shares registered as directed by the Agents, against payment to the Company of the aggregate subscription price therefor, in lawful money of Canada by certified cheque, bank draft, wire transfer or other acceptable payment method agreed to by the Agents and the Company payable at par in the City of Calgary, Alberta. Notwithstanding anything else in this Agreement, the Parties hereto acknowledge and agree that an aggregate of 1,542,977 Offered Shares and the subscription proceeds therefore shall be held in escrow pursuant to the terms of an escrow agreement dated April 16, 2013 among the Company, Toll Cross, William Wheeler, Texada Capital Management Ltd. and Burnet, Duckworth & Palmer LLP. For greater certainty the Parties further agree that the Offered Shares held in escrow form a part of the President's list and no commission shall be payable on such shares

6. Closing Conditions. Each Purchaser's obligation to purchase the Offered Shares shall be conditional upon the fulfilment at or before the Closing Time of the following conditions:

- (a) the Agents shall have received a certificate, dated as of the Closing Date, signed by the Chief Executive Officer and the Chief Financial Officer of the Company, or such other officers of the Company as the Agents may agree, acting reasonably, certifying for and on behalf of the Company as such persons' capacities as officers of the Company and not in their personal capacities, after having made due inquiry, that:
 - (i) no order, ruling or determination having the effect of suspending the sale or ceasing the trading in any securities of the Company (including the Common Shares) has been issued by any regulatory authority and is continuing in effect and no proceedings for that purpose have been instituted or, to the knowledge of such officers, are pending, contemplated or threatened by any regulatory authority;
 - (ii) the Company has duly complied with all material terms, covenants and conditions of this Agreement on its part to be complied with up to the Closing Time, other than those which have been waived in writing by the Agents; and
 - (iii) the representations and warranties of the Company contained in this Agreement are true and correct in all material respects as of the Closing Time with the same force and effect as if made at and as of the Closing

Time (other than those which relate to a specific date) after giving effect to the transactions contemplated by this Agreement;

- (b) the Agents shall have received at the Closing Time on the Closing Date certificates dated the Closing Date, signed by appropriate officers of the Company addressed to the Agents with respect to the constating documents of the Company, all resolutions of the Company's board of directors relating to this Agreement and the transactions contemplated hereby, the incumbency and specimen signatures of signing officers in the form of a certificate of incumbency and such other matters as the Agents may reasonably request;
- (c) the Offering shall have been conditionally accepted by the TSX;
- (d) the Agents shall have received legal opinions in respect of corporate and securities law matters, addressed to the Agents and the Purchasers, in form and substance satisfactory to the Agents' counsel, acting reasonably, dated the Closing Date, from Burnet, Duckworth & Palmer LLP, counsel to the Company, and where appropriate, counsel in the other Selling Jurisdictions in other Canadian jurisdictions, which counsel in turn may rely, as to matters of fact, on certificates of auditors, public officials and officers of the Company;
- (e) if any Offered Shares are sold to U.S. Purchasers (as such term is defined in Schedule "A" hereto), the Agents shall have received an opinion from Carter, Ledyard & Milburn LLP, special United States counsel for the Company, dated as of the Closing Date, to the effect that the offer and sale of the Offered Shares in the United States pursuant to and in accordance with the terms of this Agreement, including Schedule "A" to this Agreement, will not require registration under the U.S. Securities Act, in form and substance satisfactory to the Agents and their counsel, each acting reasonably, which opinion may be subject to usual and customary qualifications for opinions of this type. In rendering such opinion, such counsel may rely, as to matters of fact, on the representations and other statements of the Company and the Agents contained herein and in certificates delivered in connection herewith.;
- (f) the Agents shall have received a legal opinion in respect of corporate law matters, addressed to the Agents and the Purchasers, in form and substance satisfactory to the Agents' counsel, acting reasonably, dated the Closing Date, in respect of the Subsidiaries;
- (g) the Agents shall have received a certificate of status (or equivalent) with respect to the Company and each Subsidiary;
- (h) the Subscription Agreements shall have been executed and delivered by the parties thereto in form and substance satisfactory to the Agents and their counsel, acting reasonably;
- (i) the Company shall have caused the Transfer Agent to deliver a certificate as to the issued and outstanding Common Shares as at the close of business on the day prior to the Closing Date; and

- (j) the Agents shall, in their sole discretion, and acting reasonably, be satisfied with their due diligence review with respect to the business, assets, financial condition, affairs and prospects of the Company.

7. Rights of Termination

(a) *Due Diligence Out.* In the event that the due diligence investigations performed by the Agents and/or their respective representatives reveal any material information or fact not generally known to the public which might, in the Agents' sole opinion, acting reasonably, adversely affect the market price of the Common Shares, quality of the investment or marketability of the Offering, the Agents shall be entitled, at their sole option and in accordance with subsection 7(h) of this Agreement, to terminate their obligations under this Agreement (and the obligations of the Purchasers arranged by them to purchase the Offered Shares) by notice to that effect given to the Company any time prior to the Closing Time on the Closing Date.

(b) *Regulatory/Litigation Out.* If any inquiry, action, suit, investigation or proceeding, whether formal or informal, is commenced, announced or threatened by any Securities Regulators, the TSX or any other competent authority having jurisdiction over the Company, in relation to the Company or any of the officers or directors of the Company unless based on the activities or alleged activities of the Agents or any agents of the Agents, which, in the sole opinion of the Agents, acting reasonably, materially adversely affects or may materially adversely affect the Company, on a consolidated basis, and/or its business, operations or affairs, the Agents shall be entitled, at their sole option, and in accordance with subsection 7(h) of this Agreement, to terminate their obligations under this Agreement (and the obligations of the Purchasers arranged by them to purchase the Offered Shares) by notice to that effect given to the Company any time prior to the Closing Time on the Closing Date.

(c) *Disaster Out.* In the event that prior to the Closing Time, there should develop, occur or come into effect any event of any nature of national or international consequence, including without limitation, terrorism, accident, a new or change in any governmental law or regulation, or other condition or major financial occurrence of national or international consequence, which, in the sole opinion of the Agents, acting reasonably, materially adversely affects, or may materially adversely affect, the financial markets generally or the business, affairs or operations of the Company and its Subsidiaries, taken as a whole, or the market price, value or marketability of the Common Shares, the Agents shall be entitled at their sole option, in accordance with subsection 7(h) of this Agreement, to terminate their obligations under this Agreement (and the obligations of the Purchasers arranged by them to purchase the Offered Shares) by written notice to that effect given to the Company prior to the Closing Time on the Closing Date.

(d) *Change in Material Fact.* In the event that prior to the Closing Time, the Agents or the Agents' representatives, through their due diligence investigations, or otherwise discover or there should occur a material change or a change in any material fact or a new or undisclosed material fact shall arise or be discovered, which, in the sole opinion of the Agents, acting reasonably, has or would reasonably be expected to have a material adverse change or material adverse effect on the business or affairs of the Company and its Subsidiaries, taken as a whole, or on the market price, value or marketability of the Common Shares, the Agents shall be entitled, at their sole option, in accordance with subsection 7(h), to terminate their obligations under this Agreement

(and the obligations of the Purchasers arranged by them to purchase the Offered Shares) by written notice to that effect given to the Company prior to the Closing Time on the Closing Date.

(e) *Profitably Marketed.* In the event that prior to the Closing Time, the state of the financial markets is such that, in the sole opinion of the Agents, acting reasonably, the Offered Shares cannot be profitably marketed, the Agents shall be entitled at their sole option, in accordance with subsection 7(h) of this Agreement, to terminate their obligations under this Agreement (and the obligations of the Purchasers arranged by them to purchase the Offered Shares) by written notice to that effect given to the Company prior to the Closing Time on the Closing Date.

(f) *Non-Compliance With Conditions.* If the Company is in breach of any material term, condition or covenant of this Agreement or any material representation or warranty given by the Company in this Agreement is or becomes false and cannot be corrected prior to Closing, the Agents shall be entitled at their sole option, in accordance with subsection 7(h), to terminate their obligations under this Agreement (and the obligations of the Purchasers arranged by them to purchase the Offered Shares) by notice to that effect given to the Company at or prior to the Closing Time. The Agents may waive, in whole or in part, or extend the time for compliance with, any terms and conditions without prejudice to their respective rights in respect of any other of such terms and conditions or any other or subsequent breach or non-compliance, provided that any such waiver or extension shall be binding upon the Agents only if the same is in writing and signed by them.

(g) *Cease Trade Order.* In the event that any order to cease trading in securities of the Company is made or threatened by a Securities Regulator, which, in the sole opinion of the Agents, acting reasonably, operates or would reasonably be expected to operate to prevent or restrict trading in or distribution of the Offered Shares in any of the Selling Jurisdictions, the Agents shall be entitled, at their option, in accordance with subsection 7(h) of this Agreement, to terminate their obligations under this Agreement (and the obligations of the Purchasers arranged by them to purchase the Offered Shares) by written notice to that effect given to the Company prior to the Closing Time.

(h) *Exercise of Termination Rights.* The rights of termination contained in subsections 7(a), (b), (c), (d), (e), (f) and (g) above may be exercised by the Agents and are in addition to any other rights or remedies the Agents may have in respect of any default, act or failure to act or non-compliance by the Company in respect of any of the matters contemplated by this Agreement or otherwise. In the event of any such termination by the Agents, subject to Section 8, there shall be no further liability on the part of the Agents to the Company or on the part of the Company to the Agents except in respect of any liability which may have arisen or may arise after such termination in respect of acts or omissions prior to such termination.

8. Expenses. Whether or not the sale of the Offered Shares is completed, the Company will pay all reasonable expenses and fees and all applicable taxes in connection with the Offering, including, without limitation, all expenses of or incidental to the issue, sale or distribution of the Offered Shares and all reasonable expenses of the Agents in connection with the Offering, including all reasonable fees and expenses of their legal counsel (not to exceed \$40,000 exclusive of taxes and disbursements). All such expenses of the Agents, plus any taxes thereon other than income taxes, shall be reimbursed by the Company on the Closing Date, if any, or at any time forthwith upon presentation by the Agents of a statement of account to the Company.

9. Survival of Representations and Warranties. All representations, warranties, covenants and agreements of the Company herein contained or contained in any documents submitted pursuant to this Agreement and in connection with the transactions herein contemplated shall survive the Closing and, notwithstanding such Closing or any investigation made by or on behalf of the Agents or the Purchasers with respect thereto, shall continue in full force and effect for the benefit of the Agents and the Purchasers for a period of two years following the Closing. The representations, warranties, covenants and agreements of the Agents herein contained and in connection with the transactions herein contemplated shall survive the Closing and, notwithstanding such Closing or any investigation made by or on behalf of the Company with respect thereto, shall continue in full force and effect for the benefit of the Company for a period of two years following the Closing.

10. Indemnity.

(a) The Company agrees to indemnify and hold harmless the Agents, and any of their respective affiliates and their respective directors, officers, employees, partners, agents, each other person, if any, controlling any of the Agents or any of their respective subsidiaries and each shareholder of the Agents (collectively, the "**Indemnified Parties**" and individually, an "**Indemnified Party**"), from and against any and all losses, expenses, claims (including shareholder actions, derivative or otherwise), actions, damages and liabilities, of whatever nature or kind, joint or several, including the aggregate amount paid in reasonable settlement of any actions, suits, proceedings, investigations or claims and the reasonable fees, expenses and taxes of their counsel that may be incurred in advising with respect to and/or defending any action, suit, proceeding, investigation or claim that may be made or threatened against any Indemnified Party or in enforcing this indemnity (collectively the "**Claims**") to which any Indemnified Party may become subject or otherwise involved in any capacity insofar as the Claims relate to, are caused by, result from, arise out of or are based upon, directly or indirectly, the Agents' engagement under this Agreement or the Agents' role in connection therewith, and to reimburse each Indemnified Party forthwith, upon demand, for any legal or other expenses reasonably incurred by such Indemnified Party in connection with any Claim.

(b) In case any action, suit, proceeding or claim is brought against an Indemnified Party or an Indemnified Party has received notice of the commencement of any investigation in respect of which indemnity may be sought against the Company, the Indemnified Party will give the Company prompt written notice of any such action, suit, proceeding, claim or investigation of which the Indemnified Party has knowledge and the Company will undertake the investigation and defence thereof on behalf of the Indemnified Party, including the prompt employment of counsel acceptable to the Indemnified Parties affected, acting reasonably, and the payment of all expenses. Failure by the Indemnified Party to so notify shall not relieve the Company of its obligation of indemnification hereunder unless (and only to the extent that) such failure prejudices the defence of such action, suit, proceeding, investigation or claim or results in any material increase in the liability which the Company has under this indemnity.

(c) Notwithstanding that the Company will undertake the investigation and defence of any Claim, an Indemnified Party will have the right to employ separate counsel with respect to any Claim and participate in the defence thereof, but the fees and expenses of such counsel will be at the expense of the Indemnified Party, unless:

- (a) employment of such counsel has been authorized in writing by the Company;
- (b) the Company has not assumed the defence of the action within a reasonable period of time after receiving notice of the Claim;
- (c) the named parties to any such claim include both the Company and the Indemnified Party and the Indemnified Party has obtained an opinion of counsel to the Indemnified Party that there may be a conflict of interest between the Company and the Indemnified Party; or
- (d) there are one or more defences available to the Indemnified Party which are different from or in addition to those available to the Company such that there may be a conflict of interest between the Company and the Indemnified Party;

in which case such reasonable fees and expenses of such counsel to the Indemnified Party will be for the Company's account; provided that the Company shall in no event be responsible for the fees and expenses of more than one separate counsel (but considering as one counsel more than one lawyer from the same firm) for all Indemnified Parties. The rights accorded to the Indemnified Parties hereunder shall be in addition to any rights an Indemnified Party may have at common law or otherwise.

(d) The Company also agrees that no Indemnified Party shall have any liability (whether direct or indirect, in contract or tort or otherwise) to the Company or any person asserting claims on behalf of or in right of the Company for or in connection with the Offering except to the extent any losses, expenses, claims, actions, damages or liabilities incurred by the Company are determined by a court of competent jurisdiction in a final judgment that has become non-appealable to have resulted from the negligence or wilful misconduct of such Indemnified Party. The Company will not, without Indemnified Party's prior written consent, settle, compromise, consent to the entry of any judgment in or otherwise seek to terminate any action, suit, proceeding, investigation or claim in respect of which indemnification may be sought hereunder (whether or not any Indemnified Party is a party thereto) unless such settlement, compromise, consent or termination includes a release of each Indemnified Party from any liabilities arising out of such action, suit, proceeding, investigation or claim.

(e) The foregoing indemnity shall not apply to the extent that a court of competent jurisdiction in a final judgment that has become non-appealable shall determine that Claims to which the Indemnified Party may be subject were solely caused by the negligence or wilful misconduct of the Indemnified Party.

(f) The Company agrees to waive any right the Company may have of first requiring the Indemnified Party to proceed against or enforce any right, power, remedy or security or claim payment from any other person before claiming under this Indemnity.

(g) If for any reason the foregoing indemnity is unavailable (other than in accordance with the terms hereof) to the Agents or any other Indemnified Party or is insufficient to hold the Agents or any other Indemnified Party harmless, the Company shall contribute to the amount paid or payable by the Agents or the other Indemnified Party as a result of such Claim in such proportion as is appropriate to reflect not only the relative benefits received by the Company on the one hand and the Agents or any other Indemnified Party on the other hand but also the

relative fault of the Company, the Agents or any other Indemnified Party as well as any relevant equitable considerations, provided that the Company shall in any event contribute to the amount paid or payable by the Agents or any other Indemnified Party as a result of such Claim any excess of such amount over the amount of the fees actually received by the Agents under this Agreement.

(h) The Company agrees to reimburse the Agents for the time spent by their respective personnel in connection with any Claim at their normal per diem rates. The Company also agrees that if any action, suit, proceeding or claim shall be brought against, or an investigation commenced in respect of the Company or the Company and the Agents and personnel of the Agents shall be required to testify, participate or respond in respect of or in connection with the Offering, the Agents shall have the right to employ their own counsel in connection therewith and the Company will reimburse the Agents monthly for such disbursements and reasonable out-of-pocket expenses as may be incurred, including fees and disbursements of the Agents' counsel.

(i) The obligations of the Company hereunder are in addition to any liabilities, which the Company may otherwise have to the Agents or any other Indemnified Party.

(j) To the extent that any party entitled to be indemnified hereunder is not a party to this Agreement, the Agents shall obtain and hold the rights and benefits in this Section 10 of this Agreement in trust for and on behalf of such party.

11. Advertisements. The Company acknowledges that the Agents shall have the right, following closing of the Offering and subject always to clauses 1(a) and (c), 2(b) and 4(b)(iii), (iv) and (v) of this Agreement, at their own expense, to place such advertisement or advertisements relating to the sale of the Offered Shares contemplated herein as the Agents may consider desirable or appropriate and as may be permitted by applicable law, including Securities Laws. The Company and the Agents each agree that they will not make or publish any advertisement in any media whatsoever relating to, or otherwise publicize, the transaction provided for herein so as to result in any exemption from the prospectus and registration requirements of applicable securities legislation in any of the provinces of Canada or other jurisdictions in which the Offered Shares shall be offered or sold not being available (it being understood and agreed that no such advertisement or other publication or announcement shall be made in any newspaper, magazine, printed public media, printed media or similar medium, or radio, television or other telecommunication in the United States).

12. Agents' Compensation. In consideration of the services to be rendered by the Agents in connection with the Offering, the Company shall, subject to the rules of the TSX, pay the Agents on Closing a cash commission equal to 6.0% of the gross proceeds realized by the Company in respect of the sale of the Offered Shares sold pursuant to the Offering (excluding those sold to the President's List Subscribers) (the "**Commission**"). For greater certainty, the fee payable to any selling agent appointed by the Agents in connection with the Offering shall be for the account of the Agents and shall not exceed the Commission payable to the Agents hereunder.

13. Confidentiality. The Agents shall keep confidential all information obtained by them from the Company in connection with the Offering. This confidentiality obligation shall not apply or extend to information now in the public domain, information which may subsequently become public other than through breach by the Agents of their obligations hereunder, information disclosed to the Agents by third parties in respect of which such third parties are not

under an obligation of confidentiality to the Company or information which is required by law, rule or regulation to be disclosed. The Agents and their respective representatives, including professional consultants, shall be made aware of and be bound by this provision. Notwithstanding anything to the contrary contained in this Agreement, in connection with the Offering, nothing in this Section 13 shall (i) prevent the Agents or any of their respective affiliates from complying with all applicable disclosure laws, rules, regulations and principles in connection with the Offering, (ii) restrict the ability of the Agents to consider information for due diligence purposes or share information with other agents, dealers or other parties participating in, or providing professional advice with respect to, such offering, (iii) prevent the Agents from retaining documents or other information in connection with due diligence or (iv) prevent the Agents from using any documents in investigating or defending itself against claims made, or threatened or which the Agents believe may be threatened by purchasers, regulatory authorities or others in connection with such offering or sale of Offered Shares.

14. Notices. Unless otherwise expressly provided in this Agreement, any notice or other communication to be given under this Agreement (a "**notice**") shall be in writing addressed as follows:

If to the Company, to it at:

Bengal Energy Ltd.
1810, 801 - 6th Avenue S.W.
Calgary, Alberta T2P 3W2

Attention: Chayan Chakrabarty, President and Chief Executive Officer
Facsimile Number: (403) 263-3168

with a copy to:

Burnet, Duckworth & Palmer LLP
2400, 525 - 8th Avenue S.W.
Calgary, Alberta T2P 1G1

Attention: R. Bruce Allford
Facsimile Number: (403) 260-0332

or if to the Agents:

Toll Cross Securities Inc.
Suite 200, 1 Toronto Street
Toronto, Ontario M5C 2V6

Attention: Randall Blom
Facsimile Number: (416) 365-1962

National Bank Financial Inc.
Suite 1800, 311 – 6 Avenue S.W.
Calgary, Alberta T2P 4M9

Attention: Jeff Reymmer
Facsimile Number: (403) 265-0543

with a copy to:

Fogler, Rubinoff LLP
77 King Street West, Suite 3000
Toronto Dominion Centre
Toronto, Ontario M5K 1G8

Attention: Eric Roblin
Facsimile Number: (416) 941-8852

or to such other address as any of the parties may designate by notice given to the others in accordance with the above.

Each notice shall be personally delivered to the addressee or sent by facsimile or email transmission to the addressee and (i) a notice which is personally delivered shall, if delivered on a Business Day, be deemed to be given and received on that day and, in any other case, be deemed to be given and received on the first Business Day following the day on which it is delivered; and (ii) a notice which is sent by facsimile or email transmission shall be deemed to be given and received on the first Business Day following the day on which it is confirmed to have been sent.

15. TMX Disclosure. National Bank Financial Inc., or an affiliate thereof, owns or controls an equity interest in TMX Group Limited ("**TMX Group**"). As such, such investment dealer may be considered to have an economic interest in the listing of securities on any exchange owned or operated by TMX Group, including the Exchange, the TSX Venture Exchange and the Alpha Exchange (each, a "**TMX Exchange**"). No person or company is required to obtain products or services from TMX Group or its affiliates as a condition of any such dealer supplying or continuing to supply a product or service. National Bank Financial Inc. does not require the Company to list securities on any TMX Exchange as a condition of supplying or continuing to supply agency and/or any other services.

16. Canadian Dollars. All references herein to dollar amounts are to lawful money of Canada.

17. Headings. The headings contained herein are for convenience only and shall not affect the meaning or interpretation hereof.

18. Singular and Plural, etc. Where the context so requires, words importing the singular number include the plural and vice versa, and words importing gender shall include the masculine, feminine and neuter genders.

19. Entire Agreement. This Agreement constitutes the only agreement between the parties with respect to the subject matter hereof and shall supersede any and all prior negotiations and understandings including, without limitation, the engagement letter between the Company and

the Agents dated as of March 26, 2013 in respect of the Offering. This Agreement may be amended or modified in any respect by written instrument only.

20. Severability. The invalidity or unenforceability of any particular provision of this Agreement shall not affect or limit the validity or enforceability of the remaining provisions of this Agreement.

21. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the Province of Alberta and the federal laws of Canada applicable therein and the parties hereto irrevocably attorn to the jurisdictions of the courts of the Province of Alberta.

22. Successors and Assigns. The terms and provisions of this Agreement shall be binding upon and enure to the benefit of the Company, the Agent and the Purchasers and their respective executors, heirs, successors and permitted assigns; provided that, except as provided herein or in the Subscription Agreements, this Agreement shall not be assignable by any party without the written consent of the others.

23. Time of the Essence. Time shall, in all respects, be of the essence hereof.

24. Further Assurances. Each of the parties hereto shall do or cause to be done all such acts and things and shall execute or cause to be executed all such documents, agreements and other instruments as may reasonably be necessary or desirable for the purpose of carrying out the provisions and intent of this Agreement.

25. Effective Date. This Agreement is intended to and shall take effect as of the date first set forth above, notwithstanding its actual date of execution or delivery.

26. Counterparts and Facsimile. This Agreement may be executed in any number of counterparts and by facsimile or other electronic transmission, each of which so executed shall constitute an original and all of which taken together shall form one and the same agreement.

27. Authority of Toll Cross. All actions which must or may be taken by the Agents in connection with this Agreement, including any agreement, waiver, order, notice (other than a notice pursuant to Section 7 or Section 10 of this Agreement), direction, receipt or other action to be made, given or taken by the Agents hereunder may be made, given or taken by Toll Cross on behalf of the Agents and the Company shall accept notification of any such actions from, and deliver the certificates representing the Offered Shares to be issued pursuant to the Offering to, or to the order of, Toll Cross. Toll Cross acknowledges that where practicable to do so it will discuss any action to be taken by it hereunder with the other Agents prior to taking such action, provided that the failure of Toll Cross to so discuss will not detract from the right of the Company to rely on the action of Toll Cross in accordance with the provisions of this Section.

If the Company is in agreement with the foregoing terms and conditions, please so indicate by executing a copy of this Agreement where indicated below and delivering the same to the Agents.

Yours very truly,

TOLL CROSS SECURITIES INC.

Per: (signed) "Rodger Gray"
Authorized Signatory

NATIONAL BANK FINANCIAL INC.

Per: (signed) "Jeff Reymer"
Authorized Signatory

The foregoing is hereby accepted on the terms and conditions therein set forth.

DATED as of this 16th day of April, 2013.

BENGAL ENERGY LTD.

Per: (signed) "Chayan Chakrabarty"
Authorized Signatory

SCHEDULE "A"

This is Schedule "A" to the agency agreement dated as of April 16, 2013 among Bengal Energy Ltd. and Toll Cross Securities Inc. and National Bank Financial Inc.

As used in this Schedule "A", capitalized terms used herein and not defined herein shall have the meanings ascribed thereto in the agency agreement to which this Schedule "A" is annexed and the following terms shall have the meanings indicated:

- (a) **"Accredited Investor"** means an "accredited investor" as such term is defined in Rule 501(a) of Regulation D;
- (b) **"Directed Selling Efforts"** means "directed selling efforts" as that term is defined Rule 902(c) of Regulation S. Without limiting the foregoing, but for greater clarity in this Schedule "A", it means, subject to the exclusions from the definition of directed selling efforts contained in Regulation S, any activity undertaken for the purpose of, or that could reasonably be expected to have the effect of, conditioning the market in the United States for any of the Offered Shares and includes the placement of any advertisement in a publication with a general circulation in the United States that refers to the offering of such securities;
- (c) **"FINRA"** means the Financial Industry Regulatory Authority, Inc.;
- (d) **"Foreign Issuer"** shall have the meaning ascribed thereto in Rule 902(e) of Regulation S. Without limiting the foregoing, but for greater clarity, it means any issuer which is (a) the government of any country other than the United States or of any political subdivision thereof or a national of any country other than the United States; or (b) a corporation or other organization incorporated or organized under the laws of any country other than the United States, except an issuer meeting the following conditions as of the last business day of its most recently completed second fiscal quarter: (1) more than 50 percent of the outstanding voting securities of such issuer are held of record either directly or indirectly by residents of the United States; and (2) any of the following: (i) the majority of the executive officers or directors of the issuer are United States citizens or residents, (ii) more than 50 percent of the assets of the issuer are located in the United States, or (iii) the business of the issuer is administered principally in the United States;
- (e) **"General Solicitation"** or **"General Advertising"** means "general solicitation" or "general advertising," respectively, as used in Rule 502(c) of Regulation D, including, but not limited to, advertisements, articles, notices or other communications published in any newspaper, magazine or similar media or on the Internet or broadcast over radio or television, or any seminar or meeting whose attendees had been invited by general solicitation or general advertising;
- (f) **"Offshore Transaction"** means "offshore transaction" as defined in Rule 902(h) of Regulation S;
- (g) **"Regulation D"** means Regulation D adopted by the SEC under the U.S. Securities Act;

- (h) “**Regulation M**” means Regulation M adopted by the SEC under the U.S. Securities Act;
- (i) “**Regulation S**” means Regulation S adopted by the SEC under the U.S. Securities Act;
- (j) “**SEC**” means the United States Securities and Exchange Commission;
- (k) “**Substantial U.S. Market Interest**” means “**substantial U.S. market interest**” as that term is defined in Rule 902(j) of Regulation S;
- (l) “**U.S. Affiliates**” means a duly registered broker-dealer affiliate of an Agent, registered under Section 15(b) of the U.S. Exchange Act and in each state in which offers or sales of Offered Shares were or will be made (unless exempted from the respective broker-dealer registration requirements) and a member in good standing with FINRA; and
- (m) “**U.S. Purchaser**” means any Purchaser of the Offered Shares that is (a) a person purchasing securities on behalf of any person in the United States, (b) a person that receives or received an offer of such securities while in the United States, or (c) any person that is in the United States at the time the Purchaser's buy order was made or the Subscription Agreement to subscribe for such securities was executed or delivered.

Representations, Warranties and Covenants of the Agents

Each Agent acknowledges that the Offered Shares have not been and will not be registered under the U.S. Securities Act or applicable state securities laws, and the Offered Shares may be offered and sold to U.S. Purchasers only in transactions exempt from or not subject to the registration requirements of the U.S. Securities Act and applicable state securities laws. Accordingly, each Agent (on its own behalf and on behalf of its U.S. Affiliate), severally but not jointly, represents, warrants and covenants to the Company that:

1. It has not offered or sold, and will not offer or sell, any Offered Shares except (a) outside the United States in an Offshore Transaction in accordance with Rule 903 of Regulation S or (b) in the United States or to, or for the account or benefit of, any person in the United States as provided in paragraphs 2 through 11 below. Accordingly, except as provided in paragraphs 2 through 11 below, none of the Agent, its affiliates, including its U.S. Affiliate, and any person acting on its or their behalf (i) has made or will make any offer to sell, or any solicitation of any offer to buy, any Offered Shares to any persons in the United States or any person purchasing such securities for the account or benefit of any person in the United States, (ii) has sold or will sell such securities unless, at the time the buy order was or will have been originated, either the Purchaser is outside the United States or the Agent, its affiliate, including its U.S. Affiliate, and any person acting on any of its or their behalf reasonably believe that the Purchaser is outside the United States, or (iii) has engaged or will engage in any Directed Selling Efforts.
2. It has not entered and will not enter into any contractual arrangement with respect to the distribution of the Offered Shares, except with its affiliates, without the prior written

consent of the Company. It shall require any selling group member retained by it to agree, for the benefit of the Company, to comply with and shall use commercially reasonable efforts to ensure that such selling group member complies with, the same provisions of this Schedule as apply to the Agents as if such provisions applied to such selling group member.

3. All offers and sales of Offered Shares in the United States or, for the account or benefit of, any person in the United States shall be made through its U.S. Affiliate in compliance with all applicable U.S. federal and requirements governing the registration and conduct of broker-dealers. It shall cause the U.S. Affiliate to agree, for the benefit of the Company, to comply with the provisions of this Schedule "A" applicable to the Agent. The U.S. Affiliate is, on the date of each such offer and sale of such securities made by it was and shall be, and shall be on the date of each sale of such securities by the Company, duly registered as a broker or dealer pursuant to Section 15(b) of the U.S. Exchange Act, duly registered as a broker or dealer under the laws of each U.S. state in which it has offered and sold such securities (except where an exemption from a state's broker-dealer registration requirements is available), and a member of, and in good standing with, FINRA.
4. In connection with offers and sales of Offered Shares in the United States or to, or for the account or benefit of any persons in the United States, (i) no General Solicitation or General Advertising has been or shall be used by it, its representatives or its affiliates, including its U.S. Affiliate, or any person acting on its or their behalf and (ii) such offers and sales have not been and shall not be made in any manner involving a public offering within the meaning of Section 4(a)(2) of the U.S. Securities Act.
5. Any offer, sale or solicitation of an offer to buy Offered Shares that has been made or will be made in the United States or for the account or benefit of any person in the United States by the Agent, its U.S. Affiliate or any persons acting on its or their behalf was or will be made only to persons with which there was a pre-existing relationship and is reasonably believed to be Accredited Investors, purchasing for its own account or for the account of an Accredited Investor with respect to which it exercises sole investment discretion, that are offered the Offered Shares for sale in transactions in compliance with the exemptions from registration under the U.S. Securities Act pursuant to Section 4(a)(2) of the U.S. Securities Act and Rule 506 of Regulation D thereunder and in compliance with applicable U.S. state securities laws.
6. Prior to any sale by the Company of Offered Shares to a U.S. Purchaser, each Agent or its U.S. Affiliate, as applicable, shall cause each such U.S. Purchaser thereof to execute and deliver a Subscription Agreement prepared for use in connection with offers and sales of Offered Shares in the United States, in a form agreed upon by the Agents and the Company.
7. U.S. Purchasers of Offered Shares shall be provided by the Agent, through its U.S. Affiliate, with the same information about the Company and the Offered Shares as shall be provided to Purchasers in Canada, and no written material other than the Subscription Agreements have been or shall be used in connection with offers and sales of the Offered Shares.

8. None of the Agent, its affiliates, including its U.S. Affiliate, or any person acting on its or their behalf has taken or will take, directly or indirectly, any action in violation of Regulation M under the U.S. Exchange Act in connection with the offer and sale of the Offered Shares.
9. The Agent, together with its U.S. Affiliate, will inform all U.S. Purchasers that the Offered Shares have not been and will not be registered under the U.S. Securities Act (and may not be resold in the absence of an exemption from registration thereunder) and are being sold to them without registration under the U.S. Securities Act in reliance on Section 4(a)(2) of the U.S. Securities Act and Rule 506 of Regulation D thereunder.
10. At least one business day prior to the Closing Date, the Company or the Company's transfer agent shall be provided with a list of all U.S. Purchasers.
11. At the closing of the Offering, the Agent, together with its U.S. Affiliate, shall provide a certificate, substantially in the form of Appendix I to this Schedule "A", relating to the manner of the offer and sale of the Offered Shares in the United States and to, or for the account or benefit of, persons in the United States, or they will be deemed to have represented and warranted that they did not make any offers or sales of Offered Shares in the United States or to, for the account or benefit of, U.S. Persons or persons in the United States.

Representations, Warranties and Covenants of the Company

The Company represents, warrants, covenants and agrees that:

1. The Company is, and at the closing of the Offering will be, a Foreign Issuer and reasonably believes that there is, and as of the Closing Date there will be, no Substantial U.S. Market Interest in the Offered Shares or any other class of equity securities of the Company.
2. The Company is not, and as a result of the sale of the Offered Shares contemplated hereby will not be, registered or required to be registered as an "investment company", as such term is defined under the United States Investment Company Act of 1940, as amended, under such Act.
3. Except with respect to offers and sales of Offered Shares to Accredited Investors in reliance upon Section 4(a)(2) of the U.S. Securities Act and Rule 506 of Regulation D thereunder in the manner described in this Schedule "A", none of the Company, its affiliates or any person acting on its or their behalf (other than the Agents, their affiliates, including the U.S. Affiliates, or any person acting on its or their behalf, as to which no representation, warranty, covenant or agreement is made) has made or will make, in connection with offers and sales of the Offered Shares pursuant to this Agreement: (A) any offer to sell, or any solicitation of an offer to buy, any of such securities in the United States or to, or for the account or benefit of, any person in the United States; or (B) any sale of such securities unless, at the time the buy order was or will have been originated, either (i) the Purchaser is outside the United States and not purchasing for the account or benefit of any person in the United States or (ii) the Company, its affiliates, and any person

acting on their behalf reasonably believe that the Purchaser is outside the United States and not purchasing for the account or benefit of any person in the United States.

4. During the period in which the Offered Shares are offered for sale, none of the Company, its affiliates or any person acting on its or their behalf (other than the Agents, their affiliates, including the U.S. Affiliates, or any person acting on their behalf, as to which no representation, warranty, covenant or agreement is made), has made or will make any Directed Selling Efforts or has taken or will take any action that would cause the exemption from registration under the U.S. Securities Act available under Section 4(a)(2) of the U.S. Securities Act and Rule 506 of Regulation D thereunder or the exclusion from registration under the U.S. Securities Act available under Rule 903 of Regulation S, as applicable, to be unavailable for offers and sales of the Offered Shares pursuant to the agency agreement to which this Schedule "A" is annexed.
5. None of the Company, any of its affiliates, any person acting on its or their behalf (other than the Agents, their affiliates, including the U.S. Affiliates, or any person acting on their behalf, as to which no representation, warranty, covenant or agreement is made) has engaged or will engage in any form of General Solicitation or General Advertising or any manner involving a public offering within the meaning of Section 4(a)(2) of the U.S. Securities Act with respect to offers or sales of the Offered Shares in the United States or to, or for the account or benefit of, persons in the United States.
6. The Company has not offered or sold any securities during the six months prior to the commencement of the Offering, and will not for the six months following the Closing Date, that would be or will be, as applicable, "integrated" in the Offering under Rule 502(a) of Regulation D and would cause such sales of Offered Shares to be ineligible for the exemption from registration provided by Section 4(a)(2) of the U.S. Securities Act and Rule 506 of Regulation D thereunder.
7. None of the Company, its affiliates or any person acting on its or their behalf (other than the Agents, their affiliates, including the U.S. Affiliates, or any person acting on their behalf, as to which no representation, warranty, covenant or agreement is made) has taken or will take any action in violation of Regulation M under the U.S. Exchange Act in connection with the offer and sale of the Offered Shares.
8. None of the Company or any of its predecessors or affiliates has been subject to any order, judgment or decree of any court of competent jurisdiction temporarily, preliminarily or permanently enjoining such person for failure to comply with Rule 503 of Regulation D.
9. None of the Company or any of its predecessors or affiliates has had the registration of a class of securities under the U.S. Exchange Act revoked by the SEC pursuant to Section 12(j) of the U.S. Exchange Act and any rules or regulations promulgated thereunder.
10. The Company is not obligated to register any class of securities under the U.S. Exchange Act with the SEC.
11. The Company will, within the prescribed time periods, prepare and file any forms or notices required under the U.S. Securities Act or any applicable state securities laws in connection with the sale of the Offered Shares in the United States.

12. The Company acknowledges and agrees that it shall provide any information reasonably available to it and its affiliates which is requested in writing by a Purchaser of Offered Shares in order for such Purchaser to make required filings with applicable taxing authorities.

APPENDIX I
TO SCHEDULE "A"
AGENTS' CERTIFICATE

In connection with the private placement in the United States of the Offered Shares of Bengal Energy Ltd. (the "**Company**") pursuant to the agency agreement dated April 16, 2013 by and among the Company and the Agents named therein (the "**Agency Agreement**"), the undersigned Agent and its U.S. Affiliate do hereby certify as follows:

- (i) we have offered the Offered Shares in the United States or to, or for the benefit or account of, any person in the United States exclusively through the U.S. Affiliate, which is on the date hereof, and was at the time of each offer and sale of the Offered Shares made by it in the United States, duly registered as a broker or dealer pursuant to Section 15(b) of the U.S. Exchange Act, duly registered as a broker or dealer under the laws of each U.S. state in which it has offered and sold Offered Shares (except where an exemption from a state's broker-dealer registration requirements is available) and a member of, and in good standing with, FINRA;
- (ii) all offers and sales by us and sales by the Company of Offered Shares in the United States or to, or for the benefit or account of, persons in the United States have been effected in accordance with all applicable U.S. federal and state requirements governing the registration and conduct of broker-dealers;
- (iii) immediately prior to making any offer, sale or solicitation to an offeree in the United States or person purchasing for the benefit or account of any person in the United States, we had a pre-existing relationship with and reasonable grounds to believe and did believe that each offeree was an Accredited Investor and, on the date hereof, we continue to believe that each U.S. Purchaser that we have arranged to purchase Offered Shares from the Company, is an Accredited Investor;
- (iv) no form of General Solicitation or General Advertising was used by us in connection with the offer and sale of the Offered Shares in the United States or to, or for the benefit or account of, persons in the United States;
- (v) we have not made and will not make any Directed Selling Efforts in the United States with respect to the Offered Shares;
- (vi) prior to any Sale of Offered Shares by the Company to a U.S. Purchaser, we caused each such U.S. Purchaser to execute and deliver a Subscription Agreement prepared for use in connection with offers and sales of Offered Shares in the United States or to or for the benefit or account of persons in the United States, in the form agreed to by the Company and the Agents;
- (vii) U.S. Purchasers were provided by us with the same information about the Company and the Offered Shares as we provided to Purchasers in Canada, and other than the Subscription Agreements, we used no written material in connection with offers and sales of the Offered Shares;

- (viii) all U.S. Purchasers have been informed that the Offered Shares have not been and will not be registered under the U.S. Securities Act (and may not be resold absent an exemption from registration thereunder) and the Offered Shares are being offered and sold to such U.S. Purchasers in reliance on an exemption from the registration requirements of the U.S. Securities Act provided by Section 4(a)(2) of the U.S. Securities Act and Rule 506 of Regulation D thereunder and similar exemptions under applicable state securities laws;
- (ix) neither we nor any of our affiliates have taken or will take any action that would constitute a violation of Regulation M under the U.S. Exchange Act in connection with the offer or sale of the Offered Shares; and
- (x) the offering of the Offered Shares to, or for the account or benefit of, persons in the United States has been conducted by us in accordance with the terms of the Agency Agreement, including Schedule "A" thereto.

Capitalized terms used in this certificate have the meanings given to them in the Agency Agreement (including Schedule "A" thereto) unless otherwise defined herein.

Dated this ● day of April, 2013.

[INSERT AGENT]

[INSERT U.S. AFFILIATE]

By: _____
Name: _____
Title: _____

By: _____
Name: _____
Title: _____