AMENDED AND RESTATED SHARE PURCHASE AGREEMENT

THIS AMENDED AND RESTATED SHARE PURCHASE AGREEMENT is made as of the 8th day of October, 2012.

BETWEEN:

(1) **YA GLOBAL MASTER SPV LTD.**, an Exempted Company incorporated in the Cayman Islands with Limited Liability (the "**Investor**"); and

(2) **TRANSEURO ENERGY CORP.**, a corporation incorporated pursuant to the laws of British Columbia (the "**Corporation**").

RECITALS

WHEREAS:

A. The Corporation and the Investor entered into a share purchase agreement dated May 16, 2012 (the "**Original Agreement**"), whereby subject to the terms and conditions therein, the Investor irrevocably agreed to purchase from the Corporation up to an aggregate amount of NOK 100,000,000 worth of common shares in the capital of the Corporation (the "**Subscription Shares**") from time-to-time in connection with Draw Downs (as hereinafter defined) to be requested at the sole discretion of the Corporation;

B. The Investor and the Corporation have agreed to enter into the Original Agreement in order to set forth the terms and conditions relating to the Corporation's right to request Draw Downs and the issuance of the Subscription Shares upon the completion of Draw Downs; and

C. The Investor and the Corporation desire to amend and restate the terms of the Original Agreement as provided herein.

NOW THEREFORE, in consideration of the mutual covenants and agreements herein set forth, and other good and valuable consideration (the receipt and sufficiency of which are hereby acknowledged), the parties hereto hereby agree as follows:

ARTICLE I – DEFINITIONS

1.1 Certain Definitions

Unless expressly provided otherwise, where used in this Agreement or any schedule hereto, the following terms shall have the following meanings, respectively:

"**1933 Act**" means the United States *Securities Act of 1933*, as amended, and "**1933 Act Regulations**" mean the rules and regulations of the United States Securities and Exchange Commission thereunder;

"**1934 Act**" means the United States *Securities Exchange Act of 1934*, as amended, and "**1934 Act Regulations**" means the rules and regulations of the United States Securities and Exchange Commission thereunder;

"**affiliate**" shall have the meaning ascribed to such term in the *British Columbia Business Corporations Act*;

"**Agreement**" means this share purchase agreement between the Investor and the Corporation dated the date hereof and all schedules attached hereto, as same may be amended from time-to-time;

"**associate**" has the meaning ascribed to such term in the *Securities Act* (British Columbia);

"**ASC**" means the Alberta Securities Commission;

"**ASC Decision Document**" means the ASC decision document in respect of the Final Prospectus and any Renewal Prospectus, as applicable in the context, issued by the ASC on its own behalf and on behalf of the other Securities Commissions in accordance with National Policy 11-202 - *Process for Prospectus Reviews in Multiple Jurisdictions* and Multilateral Instrument 11-102 – *Passport System*;

"**ASC Relief**" means the ASC's decision document to be issued on its own behalf and on behalf of the Securities Commissions granting the Corporation and the Investor relief, as applicable, from certain registration and prospectus requirements under the Securities Laws so as to permit the "equity line of credit" financing contemplated by this Agreement, including in particular, granting the Investor relief from the registration requirements pursuant to National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations* or otherwise under the Securities Laws substantially as set out in Schedule "E";

"**Average Daily Price**" means the VWAP for the applicable day;

"**Commitment Amount**" shall have the meaning ascribed thereto in Section 2.1 hereof;

"**Commitment Period**" means the term of this Agreement as set forth in Section 10.1 hereof;

"**Common Shares**" means common shares in the capital of the Corporation;

"**Condition Satisfaction Date**" shall have the meaning ascribed thereto in Section 6.1 hereof;

"**Consolidation Event**" means any merger or consolidation of the Corporation with or into, or a transfer of all or substantially all of the assets of the Corporation to, another entity;

"**Convertible Securities**" means securities of the Corporation or any other issuer that are convertible into or exchangeable for or otherwise carry the right to acquire Common Shares and "**Convertible Security**" means any one of them;

"**Corporation's Information Record**" means any statement contained in any material change report, financial statement, annual information form or other document of the Corporation which has been or is filed and/or publicly disseminated by or on behalf of the Corporation pursuant to applicable Securities Laws or otherwise as of the date hereof, including the Final Prospectus;

"**Daily Share Amount**" shall have the meaning ascribed thereto in Section 7.1(f) hereof;

"**Daily Value Traded**" in respect of a particular Trading Day means the product obtained by multiplying the daily trading volume of the Common Shares on the Oslo Exchange as reported by Bloomberg Financial, L.P. (during normal trading hours) for that day by the VWAP for such day.

"**Designated Provinces**" means, collectively, the Provinces of Ontario, Alberta and British Columbia in which the Corporation maintains reporting issuer status;

"**Directors**" means the board of directors of the Corporation for the time being and reference without more to action by the Directors shall mean action by the Directors as a board or by any authorized committee thereof;

"**Discounted Market Price**" means the last closing price of the Common Shares on the TSXV on the Trading Day immediately prior to a Draw Down Notice, less the maximum discount permissible under the policies of the TSXV (and subject, notwithstanding the application of any such maximum discount, to a minimum price per share of $0.05);

"**Draw Down**" shall have the meaning ascribed thereto in Section 7.1(a) hereof;

"**Draw Down Notice**" shall have the meaning ascribed thereto in Section 7.1(a) hereof;

"**Draw Down Reduction** means in relation to each Draw Down, a reduction of such Draw Down (i) by up to twenty percent (20%) of the Draw Down amount for each Trading Day during the Draw Down Pricing Period for which the Average Daily Price is below the Minimum Price; (ii) by such amount to ensure that the Investor does not hold more than 4.99% of the Corporation's issued and outstanding common shares at any time; and (iii) unless the Investor has waived the condition in Section 6.1(h), by such amount to ensure that the number of Subscription Shares to be issued pursuant to the relevant Draw Down Notice will not trigger an obligation for the Corporation to prepare an EEA-Prospectus.

"**due inquiry**", when used in relation to the Corporation, means after inquiries have been made to the appropriate directors, officers and employees of the Corporation who may have some knowledge with respect to the fact in question;

"**EEA-Prospectus**" shall mean a prospectus prepared, approved and published in accordance with the Norwegian Securities Trading Act sections 7 2 and/or 7-3 and related secondary legislation, which implement the Prospectus Directive (EC/2003/71), including the EC Commission Regulation EC/809/2004, into Norwegian law, or as implemented into another European Union's member state's law and validly passported to the Norwegian jurisdiction;

"**Exchange Letter**" shall have the meaning ascribed thereto in Section 3.1(i) hereof;

"**Excluded Taxes**" means taxes, levies, imposts, deductions, charges or withholdings, including interest, penalties or additions thereto, and all related liabilities, imposed on or measured by net income or net profits of the Investor or its partners, capital taxes, franchise taxes and any branch profits taxes;

"**First Purchasers**" shall have the meaning ascribed thereto in Section 8.1 hereof;

"**GAAP**" means generally accepted accounting principles in Canada in effect at the applicable time, and for greater certainty includes IFRS, on or after January 1, 2011,;

"**Governmental Authority**" means any nation or government, any state, province, municipality, region or other political subdivision thereof, any central bank (or similar monetary or regulatory authority) thereof, any entity exercising executive, legislative, judicial, regulatory, or administrative functions of or pertaining to government, any corporation or other entity owned or controlled, through stock or capital ownership or otherwise, by any of the foregoing and any department, agency, board, commission, tribunal, committee or instrumentality of any of the foregoing having jurisdiction over the Corporation or its activities;

"**Gross Proceeds**" means the Investment Amount less adjustments made pursuant to this Agreement;

"**IFRS**" means International Financial Reporting Standards, as issued by the International Accounting Standards Board, as amended from time to time and as adopted in Canada;

"**Implementation Fee**" means the implementation fee in the aggregate amount of 3% of the Commitment Amount payable in Common Shares by the Corporation to the Investor in accordance with Section 12.1 hereof;

"**Implementation Share Value**" means the lower of: (i) the number of Common Shares received by the Investor pursuant to the Implementation Fee multiplied by the Average Daily Price on the date immediately prior to a given Advance Notice; and (ii) the number of freely tradable Common Shares on the Oslo Exchange and the TSXV held by the Investor on such date, including any Common Shares borrowed by the Investor pursuant to a share loan;

"**including**" means including without limitation and shall not be construed to limit any general statement which it follows to the specific or similar items or matters immediately following it;

"**Indebtedness**" means (i) any liabilities for borrowed money or amounts owed in excess of C$500,000 (other than trade accounts payable incurred in the ordinary course of business), (ii) all guarantees, endorsements and contingent obligations in respect of Indebtedness of others, whether or not the same are or should be reflected in the Corporation's balance sheet (or the notes thereto), except guarantees by endorsement of negotiable instruments for deposit or collection or similar transactions in the ordinary course of business, and (iii) the present value of any lease payments aggregating in excess of C$500,000 due under leases required to be capitalized in accordance with GAAP;

"**Indemnified Party**" shall have the meaning ascribed thereto in Section 11.2 hereof;

"**insider**" shall have the meaning ascribed to such term in the *Securities Act* (British Columbia);

"**Investment Amount**" shall have the meaning ascribed thereto in Section 7.1(a) hereof;

"**Investor's Group**" means collectively, the Investor, its affiliates, associates, partners and insiders;

"**Licenses**" shall have the meaning ascribed thereto in Section 3.1(s) hereof;

"**Loan Note**" means the loan note agreement to be entered into by the Corporation and the Investor on or about the date hereof;

"**Material Adverse Effect**" means, with respect to a party, any effect on the business, operations, assets, liabilities, financial condition, ownership or capital of such party that is material and adverse to such party and its subsidiaries, taken as a whole and/or any condition, circumstance or situation that would prohibit or otherwise materially interfere with the ability of such party to perform any of its material obligations under any material agreement;

"**Minimum Price**" means the minimum price below which the Corporation will not issue Subscription Shares and determined by the higher of (a) the price determined by the Corporation and set forth in the applicable Draw Down Notice; or (b) the Discounted Market Price, provided that the Corporation and the Investor may mutually agree in writing to amend the Minimum Price during the applicable Pricing Period in accordance with Section 7.1(h);

"**NFSA**" means the Financial Supervisory Authority of Norway;

"**Norwegian Securities Trading Act**" means the Norwegian Securities Trading Act of 29 June 2007 number 75;

"**Non-arm's Length Party**" means any officer or director of the Corporation and that person's associates, or any beneficial owner of securities carrying more than 10% of the voting rights attaching to all outstanding voting securities of the Corporation and that party's associates, affiliates and insiders;

"**Oslo Exchange**" means the Oslo Axess, a regulated market operated by the Oslo Stock Exchange, or if the Common Shares are not then listed on such exchange, such other stock exchange or over-the-counter market on or through which the Common Shares are then principally traded;

"**person**" includes any individual, corporation, limited partnership, general partnership, joint stock company or association, joint venture association, company, trust, bank, trust company, land trust, investment trust society or other entity, organization, syndicate, whether incorporated or not, trustee, executor or other legal personal representative, and governments and agencies and political subdivisions thereof;

"**Pricing Commencement Date**" means the Trading Day immediately following the receipt by the Investor of the Draw Down Notice if same is received on or prior to 5:00 p.m. (New York City time); or the second Trading Day immediately following the receipt of the Draw Down Notice if same is received after 5:00 p.m. (New York City time), or such other Trading Day as may be required by the Oslo Exchange, provided, however, the Pricing Commencement Date shall not occur before the day on which the Draw Down Notice is tendered to the Investor;

"**Pricing Period**" shall mean a period during the Commitment Period of five (5) consecutive Trading Days beginning on each Pricing Commencement Date;

"**Prospectus**" means, collectively, the preliminary base shelf prospectus of the Corporation (the "**Preliminary Prospectus**"), the (final) base shelf prospectus of the Corporation and each shelf prospectus supplement of the Corporation (the "**Final Prospectus**"), filed from time-to-time in each of the Designated Provinces relating to the distribution to the Investor (and, in certain circumstances, to the First Purchasers) of the Subscription Shares during the Commitment Period and, unless the context otherwise requires, includes all amendments or supplements thereto;

"**Purchase Price**" means, in relation to a Draw Down and with respect to Shares purchased, 95% of the relevant Average Daily Price of the Shares for each Trading Day during the Draw Down Pricing Period;

"**Reduction Day**" means any Trading Day during a Pricing Period where any of the events described in relation to a Draw Down Reduction takes place.

"**Regulation S**" means Regulation S under the 1933 Act;

"**Renewal Prospectus**" means each of the (final) base shelf prospectuses of the Corporation to be filed in each of the Designated Provinces relating to the distribution to the Investor (and, in certain circumstances, to the First Purchasers) of the Subscription Shares during the remaining period of the Commitment Period (up to a maximum of 25 months) following the initial 25 months of the Commitment Period and, unless the context otherwise requires, includes all amendments or supplements thereto, and collectively, the "**Renewal Prospectuses**";

"**Securities Commissions**" means, collectively, the securities commissions or other securities regulatory authorities in each of the Designated Provinces, and "**Securities Commission**" means any one of the Securities Commissions;

"**Securities Laws**" means, collectively, the applicable securities laws of Norway and each of the Designated Provinces and the respective regulations and rules made and forms prescribed thereunder, together with all applicable published policy statements, blanket orders and rulings of the Securities Commissions, together with applicable published policy statements of the Canadian Securities Administrators, and the by-laws, regulations and rules of the Oslo Exchange and the TSXV including, for avoidance of doubt, the Uniform Market Integrity Rules;

"**Settlement Date**" means the date that is two (2) Trading Days from the date on which a Settlement Document, as applicable, is received by the Corporation;

"**Settlement Document**" shall have the meaning set forth in Section 7.1(e) hereof;

"**Subscription Shares**" means the Common Shares issuable pursuant to a duly completed Draw Down;

"**Subsidiaries**" means a body corporate which is (a) controlled by (i) the Corporation; (ii) the Corporation and one or more bodies corporate each of which is controlled by the Corporation; or (iii) two or more bodies corporate each of which is controlled by the Corporation or (b) a subsidiary of the Corporation and "**Subsidiary**" means any one of them;

"**Taxes**" means all taxes, levies, imposts, deductions, charges or withholdings and all related liabilities;

"**Trading Day**" means any day on which the Oslo Exchange is open for business;

"**TSXV**" means the TSX Venture Exchange;

"**U.S. Person**" has the meaning ascribed thereto in Rule 902(k) to Regulation S;

"**U.S. Securities Laws**" means all of the applicable federal securities laws and regulations of the United States, including without limitation the 1933 Act, the 1933 Act Regulations, the 1934 Act and the 1934 Act Regulations;

"**VWAP**" means the daily volume-weighted average price per Common Share on the Oslo Exchange as reported by Bloomberg Financial, L.P. (during regular trading hours); and

"**VPS**" means the Norwegian Central Securities Depository.

1.2 Schedules

The following are the schedules attached to this Agreement, which schedules are deemed to be a part hereof and are hereby incorporated by reference herein:

Schedule "A" - Form of Draw Down Notice

Schedule "B" - Form of Officers' Certificate

Schedule "C" - Form of Opinion of the Corporation's Norwegian Counsel

Schedule "D" - Form of Opinion of the Corporation's Canadian Counsel

Schedule "E" - Form of ASC Decision Document

Schedule "F" - Form of Settlement Document

ARTICLE II - COMMITMENT TO PURCHASE SUBSCRIPTION SHARES

2.1 Commitment for the Purchase and Sale of Subscription Shares

Subject to the terms and conditions set forth herein, the Corporation may from time-to-time during the Commitment Period issue and sell to the Investor, and the Investor shall acquire from the Corporation, for a maximum aggregate consideration of NOK 100,000,000 (the "**Commitment Amount**"), Subscription Shares based on Draw Downs hereunder.

ARTICLE III - REPRESENTATIONS AND WARRANTIES OF THE CORPORATION

3.1 Representations and Warranties of the Corporation

The Corporation hereby represents and warrants to the Investor, as of the date of this Agreement, as follows and acknowledges that the Investor is relying upon the following representations and warranties in connection with its purchase of Subscription Shares hereunder:

(a) Good Standing. The Corporation is a corporation duly incorporated under the laws of British Columbia with full power and authority to conduct its activities and to enter into this agreement and will at all times during the Commitment Period remain as such and has all requisite corporate power, authority and capacity to carry on its business as now conducted and to own, lease or operate its property and assets and to enter into, execute, deliver and perform its obligations under this Agreement pursuant to its terms. The Corporation and each Subsidiary are conducting their respective businesses in compliance in all material respects with all applicable laws, rules and regulations of each jurisdiction in which their respective businesses are carried on, and all licenses, registrations and qualifications of the Corporation and each Subsidiary are valid, subsisting and in good standing, except in respect of matters which do not and will not result in a Material Adverse Effect on the Corporation, and except for the failure to be so qualified or the absence of any such license, registration or qualification which does not and will not have a Material Adverse Effect on the Corporation;

(b) Authorization, Enforcement. (i) The execution and delivery of this Agreement by the Corporation and the consummation by it of the transactions contemplated hereby and thereby have been duly authorized by all necessary corporate and shareholder action and no further consent or authorization of the Corporation, its Directors or its shareholders is required, and (ii) this Agreement has been duly executed and delivered by the Corporation and is a valid and binding obligation of the Corporation enforceable against the Corporation in accordance with its terms, except as such enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium, liquidation, receivership or similar laws relating to, or affecting generally the enforcement of, creditors' rights and remedies or by other equitable principles of general application;

(c) Subsidiaries. Each Subsidiary is, directly or indirectly, a wholly owned subsidiary of the Corporation (other than as described in the Corporation's annual information form dated August 5, 2011 and as disclosed in writing to the Investor) and is validly existing under the laws of its jurisdiction of incorporation, is duly qualified to carry on its business and is in good standing in each jurisdiction in which the conduct of its business or the ownership, leasing or operation of its property and assets requires such qualification, and has all requisite corporate power, authority and capacity to carry on its business as now conducted and to own, lease or operate its property and assets and the Corporation does not hold any other shares or securities in any other entity;

(d) Authorized and Issued Capital of the Corporation. The authorized capital of the Corporation consists of an unlimited number of Common Shares, of which there are outstanding 316,702,258 Common Shares, all of which have been duly and validly authorized and are issued as fully paid and non-assessable;

(e) Securities. Other than as set forth in the Final Prospectus and any Renewal Prospectus, the Corporation's Information Record and in this Agreement, no person or other entity has any written or oral agreement, right, option, warrant or privilege (whether by law, pre-emptive or contractual) capable of becoming an agreement for or the right to purchase any of the issued or unissued securities of the Corporation or any Subsidiary;

(f) Reporting Issuer Status. The Corporation is a "reporting issuer", within the meaning of the applicable Securities Laws, not in default of any requirement under applicable Securities Laws, in each of the Designated Provinces and will at all times be a "reporting issuer" not in default, in at least one of the Designated Provinces;

(g) Trading of Common Shares. The issued and outstanding Common Shares are listed and posted for trading on the Oslo Exchange and the TSXV and no order ceasing or suspending trading in any securities of the Corporation or prohibiting the sale of the Subscription Shares pursuant to Draw Downs hereunder or the trading of any of the Corporation's issued securities has been issued and no proceedings for such purpose are pending or, to the Corporation's knowledge, information and belief, after due inquiry, threatened. Other than as disclosed to the Investor in writing, the Corporation has not received any notice from the Oslo Exchange or the TSXV questioning or threatening the continued listing of its Common Shares on the Oslo Exchange or the TSXV and the Corporation is not in default of any rules, regulations or policies of the Oslo Exchange or the TSXV except those defaults which, whether individually or taken together, would not have a Material Adverse Effect on the Corporation.

The Corporation has not issued any Common Shares in reliance on the exemption from the obligation to prepare, have approved and publish a prospectus under the Norwegian Securities Trading Act section 7-5 first paragraph number 1, which would reduce the number of Common Shares issuable in reliance on the aforementioned exemption to less than 9.99 % of the Common Shares in the same share class already admitted to listing;

(h) Issuance of Subscription Shares. All necessary corporate action has been taken by and on behalf of the Corporation to authorize the issuance and sale of the Subscription Shares and to reserve for issuance and once paid to issue the Subscription Shares and such Subscription Shares shall, when issued and once paid for in accordance with the terms of this Agreement, be validly issued as fully paid and non-assessable;

(i) Listing of Subscription Shares. The TSXV will have conditionally approved the listing of the Subscription Shares upon the completion of Draw Downs as contemplated hereunder and, except as noted in any of the TSXV's conditional listing approval letters (collectively, the "**Exchange Letter**"), no other stock exchange approvals will be required prior to the issuance of the Subscription Shares;

(j) No Bankruptcy. Neither the Corporation nor any Subsidiary has committed an act of bankruptcy or sought protection from its creditors from any court or pursuant to any legislation, proposed a compromise or arrangement to its creditors generally, taken any proceeding with respect to a compromise or arrangement, taken any proceeding to have itself declared bankrupt or wound up, as the case may be, taken any proceeding to have a receiver appointed over any part of its assets, had any encumbrancer or receiver take possession of any of its property, had an execution or distress become enforceable or levied upon any portion of its property or had any petition for a receiving order in bankruptcy filed against it, and as of the date hereof, neither the Corporation nor any Subsidiary is an insolvent person (as that term is defined in the *Bankruptcy and Insolvency Act* (Canada));

(k) No Shareholder or Voting Trust Agreements. To the Corporation's knowledge, information and belief, after due inquiry, no agreement exists among any of the shareholders of the Corporation in respect of the Corporation except as disclosed to the Investor;

(l) No Conflicts. The execution, delivery and performance of this Agreement by the Corporation and the consummation by the Corporation of the transactions contemplated herein do not and will not (i) violate any term or provision of the articles, by-laws, any constating documents or resolutions of the Corporation or any Subsidiary, (ii) conflict with, or constitute a default (or an event which with notice or lapse of time or both would become a default) under, or give to others any rights of termination, amendment, acceleration or cancellation of, any agreement, mortgage, deed of trust, indenture, note, bond, license, lease agreement, instrument or obligation to which the Corporation or any Subsidiary is a party or is otherwise bound, (iii) create or impose a lien, charge or encumbrance on any property of the Corporation or each Subsidiary under any agreement or any commitment to which the Corporation or any Subsidiary is a party or by which the Corporation or any Subsidiary is bound or by which any of their respective properties or assets are otherwise bound, or (iv) result in a violation of any statute, rule, regulation, order, judgment or decree (including any Securities Laws) applicable to the Corporation, a Subsidiary or by which any property or asset of the Corporation or a Subsidiary is bound or affected, except, in all cases, for such conflicts, defaults, terminations, amendments, accelerations and cancellations as would not, individually or in the aggregate, have a Material Adverse Effect on the Corporation. The Corporation is not required under any law, rule or regulation to obtain any consent, authorization or order of, or make any filing or registration with, any court or governmental agency in order for it to execute, deliver or perform any of its obligations under this Agreement, or issue and sell the Subscription Shares pursuant to Draw Downs hereunder (other than the filing of the Final Prospectus, the Renewal Prospectus, the possible obligation to prepare, have approved and publish an EEA-Prospectus and all necessary related documents thereto in each of the Designated Provinces to qualify the distribution of the Subscription Shares in each of the Designated Provinces, obtaining the ASC Relief and the making or obtaining, as the case may be, of all other filings or approvals which are required to be made by the Corporation with the Securities Commissions, and with the Oslo Exchange and the TSXV incidental hereto or thereto), provided that, for purpose of the representation made in this sentence, the Corporation is assuming and relying upon the accuracy of the relevant representations, warranties and agreements of the Investor herein;

(m) No Material Adverse Effect. Since the date of the Corporation's most recent audited financial statements, no Material Adverse Effect has occurred or exists with respect to the Corporation or any Subsidiary, except as disclosed in the Final Prospectus, any Renewal Prospectus or the Corporation's Information Record;

(n) No Undisclosed Events or Circumstances. Since the date of the Corporation's most recent audited financial statements, no event or circumstance has occurred or exists with respect to the Corporation, each Subsidiary or their respective assets, liabilities, obligations (absolute, accrued, contingent or otherwise), business, prospects, condition (financial or otherwise) or results of operations, that, under applicable law, rule or regulation (including the Securities Laws), requires public disclosure or announcement by the Corporation but which has not been so publicly announced or disclosed in the Corporation's Information Record. The Corporation has delivered or made available on SEDAR or otherwise to the Investor true and complete copies of the Corporation's Information Record. The Corporation has not provided to the Investor any information which, according to applicable law, rule or regulation (including the Securities Laws), should have been disclosed publicly by the Corporation but which has not been so disclosed, other than with respect to the transactions contemplated by this Agreement. As of their respective filing dates, the Corporation's Information Record complied in all material respects with the requirements of applicable Securities Laws (or have been amended and re-filed to so comply), and, as of their respective filing dates, the Corporation's Information Record did not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading. The financial statements of the Corporation included in the Corporation's Information Record comply as to form in all material respects with applicable accounting requirements, Securities Laws or other applicable rules and regulations with respect thereto. The audited and unaudited financial statements of the Corporation and each Subsidiary have been prepared in accordance with GAAP, applied on a consistent basis during the periods covered thereby (except (i) as may be otherwise indicated in such financial statements or the notes thereto or (ii) in the case of unaudited interim statements, to the extent they may not include footnotes or may be condensed or summary statements), and present, in all material respects, fully, fairly and correctly the assets, liabilities and financial position of the Corporation and each Subsidiary as at the dates thereof and the results of their operations and cash flows for the periods then ended (subject, in the case of unaudited statements, to normal year-end audit adjustments);

(o) Actions Pending. There is no action, suit, claim, investigation or other proceeding pending or, to the Corporation's knowledge, information and belief, after due inquiry, threatened against the Corporation or any Subsidiary which questions the validity of this Agreement or the transactions contemplated hereby or any action taken or to be taken pursuant hereto, including any which would restrain or otherwise prevent, in any manner, the Corporation from effectually and legally issuing to the Investor the Subscription Shares pursuant to Draw Downs hereunder. Except as disclosed in the Corporation's Information Record, there is no action, suit, claim, investigation or proceeding pending or, to the Corporation's knowledge, information and belief, after due inquiry, threatened, against or involving the Corporation, any Subsidiary or any of their properties or assets, which action, suit, claim, investigation or proceeding would reasonably have a Material Adverse Effect on the Corporation. There are no outstanding orders, judgments, injunctions, awards or decrees of any court, arbitrator or governmental or regulatory body against the Corporation or any Subsidiary except those orders, judgments, injunctions, awards or decrees which, whether individually or taken together, would not have a Material Adverse Effect on the Corporation;

(p) No Undisclosed Liabilities. Except as disclosed in the Corporation's Information Record, neither the Corporation nor any Subsidiary has any liabilities, obligations, claims or losses (whether liquidated or unliquidated, secured or unsecured, absolute, accrued, contingent or otherwise) that would, individually or in the aggregate (on a consolidated basis), be required to be disclosed on a balance sheet of the Corporation or any Subsidiary (including the notes thereto) in conformity with GAAP, which are not disclosed in the Corporation's Information Record, other than those incurred in the ordinary course of business of the Corporation or each Subsidiary since such date and which, neither individually nor in the aggregate, has a Material Adverse Effect on the Corporation;

(q) Indebtedness. The Corporation's Information Record sets forth as of the date hereof, in all material respects, all outstanding secured and unsecured Indebtedness of the Corporation and each Subsidiary or for which the Corporation or each Subsidiary has commitments. To the Corporation's knowledge, information and belief, after due inquiry, neither the Corporation nor any Subsidiary is in default with respect to any Indebtedness except for such default that individually or in the aggregate would not have a Material Adverse Effect;

(r) Title to Assets. The Corporation and each Subsidiary have good and marketable title to all of their real and personal property reflected in the Corporation's Information Record, free of any mortgages, pledges, charges, liens, security interests or other encumbrances whatsoever, except as otherwise indicated in the Corporation's Information Record or such that do not cause a Material Adverse Effect on the Corporation's financial condition or operating results. To the Corporation's knowledge, information and belief, after due inquiry, all leases of the Corporation and each Subsidiary are valid and subsisting and in full force and effect and the Corporation and the Subsidiaries have not received notice of any material claim of any sort that has been asserted by anyone adverse to the rights of the Corporation and the Subsidiaries to the continued possession of the leased or subleased properties, and the Corporation and the Subsidiaries own or lease all such properties as are necessary to their business as currently conducted;

(s) Licences. Each of the Corporation and the Subsidiaries has conducted and is conducting its business in compliance with good oil and gas industry practices and all laws of each jurisdiction in which it carries on business (except where non-compliance with such laws, rules or regulations would not have a Material Adverse Effect), and holds all necessary licenses, permits registrations and qualifications (the "**Licences**") which are material to the Corporation and the Subsidiaries, taken as a whole, in all jurisdictions in which they carry on business and the Licenses are in good standing, are not subject to any lien and there is no event that constitutes, or with the giving of notice, the lapse of time or the happening of any other event or condition will constitute, a default under the Licenses or will or could result in the rescission, termination or nullification of the Licences and the Licences are in full force and effect, and have not been rescinded, terminated or otherwise nullified;

(t) Operation of Business. The Corporation and each Subsidiary own or possess all patents, trademarks, service marks, trade names, copyrights, licenses and authorizations as set forth in the Corporation's Information Record, and all other rights which are necessary for the conduct of their respective businesses as now conducted or as are reflected in the Corporation's Information Record as being contemplated;

(u) Taxes. The Corporation and each Subsidiary have filed all tax and information returns that are required to be filed or have requested extensions thereof (except in any case in which the failure to so file would not have a Material Adverse Effect on the Corporation) and the information contained in such returns is correct and complete and reflects accurately all liabilities for Taxes for the period covered in all material respects. The Corporation and each Subsidiary have paid all Taxes, interest and penalties required to be paid by them to the extent that any of the foregoing is due and payable as of the date hereof, except for any such assessment, fine or penalty that is currently being contested in good faith and by appropriate proceedings where adequate reserves have been established in accordance with GAAP. The Corporation and each Subsidiary have withheld from each payment made to any of their past or present employees, officers or directors, the amount of all Taxes and other deductions required to be withheld therefrom and have paid the same to the proper tax or other receiving officers within the time required under the applicable legislation.

The Corporation and each Subsidiary, on a consolidated basis, have established on their books and records reserves that are adequate for the payment of all Taxes not yet due and payable. There are no liens for Taxes on the assets of the Corporation or any Subsidiary. As of the date hereof there are no current audits or, to the Corporation's knowledge, information and belief, after due inquiry, audits pending, of the tax or information returns of the Corporation or any Subsidiary. To the Corporation's knowledge, information and belief, after due inquiry, there are no claims which have been or may be asserted relating to any such tax returns, which audits and claims, if determined adversely, would result in the imposition by any governmental agency of Taxes, interest or penalties or the assertion of any deficiency that would have a Material Adverse Effect on the Corporation. To the Corporation's knowledge, information and belief, after due inquiry, no taxation authority has asserted or threatened to assert any assessment, claim or liability for Taxes due or to become due in connection with any review or examination of the tax returns of the Corporation or each Subsidiary filed for any year which would have a Material Adverse Effect on the Corporation (in Canada or elsewhere).

(v) Certain Fees. Except for the fee referred to in Section , no brokers, finders or financial advisory fees or commissions will be payable by the Corporation with respect to the transactions contemplated by this Agreement;

(w) Disclosure. To the Corporation's knowledge, information and belief, after due inquiry, neither this Agreement nor any other documents, certificates or instruments furnished to the Investor by or on behalf of the Corporation or each Subsidiary in connection with the transactions contemplated by this Agreement contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements made herein or therein, in the light of the circumstances under which they were made herein or therein, not misleading;

(x) Books and Records. To the Corporation's knowledge, information and belief, after due inquiry, the records and documents of the Corporation and each Subsidiary accurately reflect, in all material respects, the information relating to the businesses of the Corporation and each Subsidiary, the location and collection of their assets, and the nature of all transactions giving rise to the obligations or accounts receivable of the Corporation and each Subsidiary;

(y) Insurance. The Corporation and each Subsidiary carry or will have the benefit of insurance provided by insurers of recognized financial responsibility in such amounts and covering such insurable hazards or risks as is adequate for the conduct of their respective businesses and the value of their respective properties and as is customary for companies engaging in similar businesses and similar industries. Neither the Corporation nor any Subsidiary have made any material claim on any policy of insurance or been refused any insurance coverage sought or applied for. Neither the Corporation nor any Subsidiary has any reason to believe that it will not be able to renew its existing insurance coverage as and when such coverage expires or to obtain similar coverage from similar insurers as may be necessary to continue their respective businesses at a cost that would not be reasonably expected to have a Material Adverse Effect on the Corporation;

(z) Material Agreements. Except as disclosed in the Corporation's Information Record, neither the Corporation nor any Subsidiary is a party to or bound by any presently existing oral or written contract or commitment which is material. Except as previously disclosed in the Corporation's Information Record, to the Corporation's knowledge, information and belief, after due inquiry, the Corporation and each Subsidiary have in all material respects performed all contractual obligations required to be performed by them to date, have received no notice of default and are not in default under any contract now in effect, the result of which could cause a Material Adverse Effect on the Corporation. No written or oral contract, instrument, agreement, commitment, obligation, plan or arrangement of the Corporation or each Subsidiary limits or shall limit the payment of dividends on the Common Shares;

(aa) Interests of Insiders. Other than as described in Corporation's Information Record, no insider of the Corporation or any associate or affiliate of any insider of the Corporation has any material interest, direct or indirect, in any material transaction or any proposed material transaction which, as the case may be, materially affected, is material to or will materially affect the Corporation;

(bb) Employees. Neither the Corporation nor any Subsidiary has any collective bargaining arrangements or similar agreements covering any of its employees. Neither the Corporation nor any Subsidiary is in breach of any employment contract, agreement regarding proprietary information, non-competition agreement, non-solicitation agreement, confidentiality agreement, or any other similar contract or restrictive covenant, relating to the right of any officer, to be employed or engaged by the Corporation or each Subsidiary and which breach would have a Material Adverse Effect on the Corporation. Since the date of the Corporation's most recent audited financial statements, no officer, consultant or key employee of the Corporation or each Subsidiary whose termination, either individually or in the aggregate, would have a Material Adverse Effect on the Corporation, has terminated or, to the knowledge, information or belief of the Corporation, after due inquiry, has any present intention of terminating his or her employment or engagement with the Corporation or any Subsidiary;

(cc) Acknowledgment Regarding Investor's Purchase of Securities. The Corporation acknowledges that the Investor is acting solely in the capacity of an arm's length purchaser with respect to this Agreement and the transactions contemplated hereunder. The Corporation further acknowledges that the Investor is not acting as a financial advisor or fiduciary of the Corporation (or in any other similar capacity) with respect to this Agreement and the transactions contemplated hereunder and any advice given by the Investor or any of its representatives or agents in connection with this Agreement and the transactions contemplated hereunder is merely incidental to purchase of the Subscription Shares by the Investor. The Corporation further acknowledges that the Corporation's decision to enter into this Agreement has been based solely on an independent evaluation by it;

(dd) Resale. Except as may be noted in the Exchange Letter and the ASC Relief, no documents are required to be filed in connection with the resale of the Subscription Shares in the Designated Provinces under applicable Securities Laws, provided the resale is not a control distribution as defined under applicable Securities Laws;

(ee) Attributes of Securities. The attributes of the Subscription Shares conform in all material respects with the description thereof in this Agreement and with the disclosure that will appear in the Final Prospectus;

(ff) Due Diligence. Any minute books and corporate records of the Corporation and each Subsidiary made or to be made available to the Investor or its counsel in connection with its due diligence investigations of the Corporation and each Subsidiary for the period from their respective dates of incorporation to the dates of examination thereof, are the original minute books and records of the Corporation and each Subsidiary or true copies thereof and contain copies of all proceedings (or certified copies thereof) of the shareholders, the board of directors and all committees of the board of directors of the Corporation or each Subsidiary and there have been no other proceedings of the shareholders, board of directors or any committee of the board of directors of the Corporation or each Subsidiary to the date of review of such corporate records and minute books not reflected in such minute books and corporate and other records other than those which have been disclosed to the Investor in writing or those which are not material in the context of the Corporation, as a whole;

(gg) Final Prospectus and Renewal Prospectuses. All information and statements contained in the Final Prospectus and any Renewal Prospectus will be, as of each Condition Satisfaction Date, as the case may be, true and correct in all material respects and will contain no misrepresentation, and will constitute full, true and plain disclosure of all material facts relating to the Corporation and each Subsidiary and will not omit to state a material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it is made;

(hh) Foreign Issuer Status. The Corporation is a "Foreign Issuer" within the meaning of Regulation S;

(ii) No General Solicitation. Neither the Corporation, nor any of its affiliates, nor any person acting on its or their behalf, has engaged in any form of general solicitation or general advertising (within the meaning of Regulation D under the 1933 Act) in connection with the offer or sale of the shares of Subscription Shares offered hereby; and

(jj) Compliance with Laws and Regulations. Other than as disclosed to the Investor in writing, the Corporation is in compliance with all laws, regulations and governmental requirements and contractual obligations, including the Norwegian Securities Trading Act with associated regulations and the Oslo Axess continuing regulations for listed companies.

ARTICLE IV – REPRESENTATIONS AND WARRANTIES OF THE INVESTOR

4.1 The Investor hereby represents and warrants to the Corporation, as of the date of this Agreement, as follows and acknowledges that the Corporation is relying upon the following representations and warranties in connection with the issuance of the Subscription Shares:

(a) Organization, Residency, and Standing of the Investor. The Investor is an Exempted Company incorporated in the Cayman Islands with Limited Liability validly existing and in good standing under the laws of the Cayman Islands;

(b) Authorization and Power. The Investor has the corporate power and capacity to enter into, and to perform its obligations under this Agreement. This Agreement has been duly authorized, executed and delivered by the Investor and is a valid and binding obligation of the Investor enforceable against it in accordance with its terms, except as such enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium, liquidation, receivership or similar laws relating to, or affecting generally the enforcement of, creditors' rights and remedies or by other equitable principles of general application;

(c) No Conflicts. The execution, delivery and performance of this Agreement by the Investor and the consummation by the Investor of the transactions contemplated herein do not and will not (i) violate any term or provision of the constating documents of the Investor, (ii) conflict with, or constitute a default (or an event which with notice or lapse of time or both would become a default) under, or give to others any rights of termination, amendment, acceleration or cancellation of any agreement, mortgage, deed of trust, indenture, note, bond, license, lease agreement, instrument or obligation to which the Investor is a party or is otherwise bound, (iii) create or impose a lien, charge or encumbrance on any property of the Investor under any agreement or any commitment to which the Investor is a party or by which the Investor is bound or by which any of its properties or assets are otherwise bound, or (iv) result in a violation of any federal, provincial, local or foreign statute, rule, regulation, order, judgment or decree (including any Securities Laws) applicable to the Investor or by which any property or asset of the Investor is bound or affected, except, in all cases, for such conflicts, defaults, terminations, amendments, accelerations and cancellations as would not, individually or in the aggregate, have a Material Adverse Effect on the Investor. The Investor is not required to obtain any consent, authorization or order of, or make any filing or registration with, any court or governmental agency (other than the ASC Relief and the making of all other filings which are required to be made by the Investor incidental thereto) in order for it to execute, deliver or perform any of its obligations under this Agreement or to purchase the Subscription Shares provided that for the purposes of the representation made in this sentence, the Investor is assuming and relying upon the accuracy of the relevant representations, warranties and agreements of the Corporation herein;

(d) Financial Risks. The Investor understands, and represents and warrants that it is able to bear, the financial risks associated with an investment in the Subscription Shares issuable pursuant to Draw Downs hereunder. The Investor is capable of evaluating the risks and merits of an investment in the Subscription Shares by virtue of its experience as an investor and its knowledge, experience, and sophistication in financial and business matters and the Investor is capable of bearing the entire loss of its investment in same;

(e) Non US Person. The Investor is a discretionary or similar account (other than an estate or trust) that is excluded from the definition of U.S. Person pursuant to Rule 902(k)(i) of Regulation S and is held on behalf of a person that is not a U.S. Person by Yorkville Advisors, LLC as investment manager;

(f) Financial Resources. The Investor has, and shall continue to have, the financial resources and/or funding capability necessary to complete its obligations under this Agreement;

(g) Purchase as Principal. The Subscription Shares will be purchased by the Investor as principal for its own account and not for the benefit of any other party;

(h) Directed Selling Efforts. Neither the Investor nor any of its affiliates, nor any person acting on its or their behalf has engaged in or will engage in any form of general solicitation or general advertising with respect to offers or sales of the Common Shares (including the Subscription Shares), including advertisements, articles, notices or other communications published in any newspaper, magazine or similar media, or broadcast over radio, or television, or any seminar or meeting whose attendees have been invited by general solicitation or general advertising;

(i) Obligation to Purchase. The Investor acknowledges that it is irrevocably committed to purchase the Subscription Shares pursuant to duly and validly delivered Draw Down Notices on the terms and conditions set forth herein notwithstanding any change in circumstances or other factors affecting the Corporation, subject only to the conditions set forth in Section hereof;

(j) No Registration Under U.S. Securities Laws. The Investor understands, recognizes and acknowledges that the Subscription Shares have not and will not be registered under U.S. Securities Laws and that the sale contemplated hereby is being made in reliance on a private placement exemption from registration under U.S. Securities Laws; and

(k) Foreign Issuer Resale Restrictions. The Investor acknowledges and understands that the Subscription Shares may be transferred only: (A) to the Corporation, (B) outside the United States in accordance with Regulation S and pursuant to Securities Laws, Exchange policy, and the terms of this Agreement, (C) within the United States in accordance with the exemption from registration under the 1933 Act provided by Rule 144 thereunder, if available, and in compliance with any applicable state securities laws, or (D) in a transaction that does not require registration under the 1933 Act or any applicable United States state laws and regulations governing the offer and sale of securities if, prior to completing such transaction, the Investor has furnished to the Corporation an opinion of counsel of recognized standing reasonably satisfactory to the Corporation.

ARTICLE V - COVENANTS

5.1 Covenants of the Corporation

The Corporation covenants with the Investor as follows:

(a) Securities and Exchange Compliance. The Corporation shall take or use its commercially reasonable efforts to cause to be taken all necessary action and proceedings as may be required and permitted by applicable law, rule and regulation for the legal and valid creation and issuance of the Subscription Shares to the Investor. The Corporation will use its commercially reasonable efforts to arrange for the listing and posting for trading of the Subscription Shares on the Oslo Exchange and the TSXV as soon as possible following their issue and in any event, no later than four (4) Trading Days following each Pricing Period.

The Corporation shall use its commercially reasonable efforts to prepare and file the Final Prospectus with the each of the Securities Commissions to enable the ASC Decision Document in respect of the Final Prospectus to be issued in accordance with applicable Securities Laws on or before the date which is two months from the date of this Agreement. The Corporation shall deliver a copy of the Final Prospectus and the ASC Decision Document in respect of the Final Prospectus to the Investor on the first Trading Day following the date of the ASC Decision Document in respect of the Final Prospectus.

The Corporation shall use its commercially reasonable efforts to prepare and file each Renewal Prospectus with each of the Securities Commissions to enable the ASC Decision Document in respect of the Renewal Prospectus to be issued in accordance with applicable Securities Laws on or before the date that is 25 months from the date of the Final Prospectus, or the date of the immediately preceding Renewal Prospectus, qualifying the distribution of Subscription Shares pursuant to Draw Downs hereunder during the subsequent 25 month period of the Commitment Period.

On or prior to the time of filing the Final Prospectus with the Securities Commissions, this Agreement may be amended, by mutual agreement of each of the parties, to enable the Corporation to issue Subscription Shares hereunder which are fully fungible.

As soon as practicable following execution of this Agreement, and in any event within two (2) months of the date hereof, the Corporation will use its best efforts to obtain the ASC Relief.

At the respective times of filing and at all times subsequent to the filing thereof during the distribution of the Subscription Shares, each of the Final Prospectus and each of the Renewal Prospectuses will comply with the requirements of the Securities Laws pursuant to which it has been filed and pursuant to the ASC Relief and will provide full, true and plain disclosure of all material facts relating to the Corporation, the Subscription Shares issuable pursuant to Draw Downs hereunder as required by the Securities Laws, and each of the Final Prospectus and each of the Renewal Prospectuses will not contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements made therein, in the light of the circumstances under which they were made, not misleading.

In accordance with the ASC Relief, in connection with each Draw Down hereunder, the Corporation shall prepare and file a new or amended Final Prospectus or Renewal Prospectus, as applicable, and shall comply with all other applicable filing and other requirements under the Securities Laws in connection therewith, on or prior to each Settlement Date, such that the Final Prospectus or Renewal Prospectus, as applicable, is current at the date of each such Prospectus in accordance with Securities Laws and the ASC Relief (qualifying, to the extent required, the distribution of the Subscription Shares issuable on such Draw Down). In connection with this Agreement and the transactions contemplated hereby, the Corporation shall comply with all requirements of the ASC Relief and the Securities Laws.

If, at any time during the Commitment Period, any Common Shares issuable in connection with Draw Downs required to make three (3) consecutive payments in accordance with the repayment schedule of the Loan Note would not be instantly tradable on the Oslo Exchange upon issue and delivery of such Common Shares in the VPS, the Corporation shall forthwith take such action (including the preparation, approval and publishing of a prospectus in accordance with Norwegian law) as shall be necessary to permit any Subscription Shares issued by the Corporation to be fully fungible for trading on the Oslo Exchange.

(b) Use of Proceeds. The Corporation will use the proceeds received from the Investor in connection each Draw Down for general corporate purposes, provided, however, that if any amounts are outstanding under the terms of the Loan Agreement following the dates on which the same are to be repaid in accordance with the repayment schedule, the Corporation will first pay such amounts in full, unless otherwise agreed by the Investor in writing.

(c) Default under Loan Note. If, at any time during the Commitment Period, a Repayment Default (as such term is defined in the Loan Note) has occurred, the Corporation shall be obligated to exercise a Draw Down, in accordance with the terms of this Agreement no later than 3 days following such Repayment Default, and the Investment Amount in connection with such Draw Down shall be sufficient to repay all amounts then outstanding under the terms of the Loan Note. Any amounts remaining outstanding under the Loan Note following completion of such Draw Down shall remain due and owing to the Investor in accordance with the terms of the Loan Note.

(d) The Subscription Shares. As of each applicable Settlement Date, the Corporation will have authorized and reserved, free of pre-emptive rights, a sufficient number of authorized but unissued Common Shares to cover the Common Shares issuable to the Investor in connection with the applicable Draw Down. The Subscription Shares issued upon any Draw Down, when paid for and issued in accordance with the terms hereof, shall be duly and validly issued and outstanding as fully paid and non-assessable, and the Investor shall be entitled to all rights accorded to a holder of Common Shares in respect of same;

(e) Notice in Certain Events. The Corporation will immediately notify the Investor upon the occurrence of any of the following events in respect of the Final Prospectus or Renewal Prospectus, as applicable, or the Common Shares: (i) any amendment to the Final Prospectus or any Renewal Prospectus; (ii) the issuance by any of the Securities Commissions, the NFSA or the Oslo Exchange of an order ceasing the trading of the Common Shares or the initiation of proceedings for that purpose; (iii) delivery of a notice by the NFSA, the Oslo Exchange or the TSXV of the intention to suspend from trading or delisting of the outstanding Common Shares on the Oslo Exchange; and (iv) any filing by the Corporation for protection from creditors under any applicable law. The Corporation shall not deliver a Draw Down Notice during the continuation of any of the foregoing events;

(f) Listing of Common Shares. During the Commitment Period and for a period of at least six (6) months thereafter, the Corporation shall take all commercially reasonable steps necessary to continue the listing and trading of its Common Shares (including the Subscription Shares) on the Oslo Exchange or another stock exchange or over-the-counter market acceptable to the Investor as freely tradable Common Shares and shall comply in all respects with its reporting, filing and other obligations under the by-laws, rules and policies of such exchange or market.

Furthermore, during the Commitment Period, the Corporation undertakes not to issue more than 13,000,000 Common Shares in reliance on the exemption from the obligation to prepare, have approved and publish a prospectus under the Norwegian Securities Trading Act section 7-5 first paragraph number 1 without the Investor's prior written consent. Prior to the Investor advancing instalments in excess of CAD$1,000,000 under the Loan Note, the Investor and the Corporation agree to amend the foregoing limit, taking into account the Average Daily Price and the number of Common Shares issued in the twelve months preceding such date.

(g) Other Agreements. The Corporation shall not enter into any agreement, the terms or result of which would restrict or impair the ability of the Corporation to perform its obligations under this Agreement;

(h) Consolidation; Merger. The Corporation shall not, at any time after the date hereof while the Corporation has actual or contingent obligations under this Agreement, effect any merger or consolidation of the Corporation with or into, or a transfer of all or substantially all of the assets of the Corporation to, another entity (a "**Consolidation Event**") without the consent of the Investor, not to be unreasonably withheld (for the avoidance of doubt, no contingent obligations of the Corporation shall exist unless a Draw Down Notice has been issued by the Corporation in accordance with the provisions of Section hereof);

(i) Compliance with Laws. The Corporation shall comply with all applicable laws, rules, regulations and orders, non-compliance with which could have a Material Adverse Effect on the Corporation;

(j) Reporting Issuer Status. During the Commitment Period and for a period of at least six (6) months thereafter, the Corporation shall use its commercially reasonable efforts to maintain its status as a reporting issuer, within the meaning of the Securities Laws, not in default of any requirement under the Securities Laws;

(k) Keeping of Records and Books of Account. The Corporation shall keep adequate records and books of account, in which complete entries will be made in accordance with GAAP, consistently applied, reflecting all financial transactions of the Corporation which are required to be reflected in accordance with GAAP, and in which, for each fiscal year, all proper reserves for depreciation, depletion, obsolescence, amortization, Taxes, bad debts and other purposes in connection with its business shall be made;

(l) Issuance of Securities during Pricing Period. The Corporation agrees that, except as required pursuant to the terms of any previously issued Convertible Securities or pursuant to the terms of any previously issued stock options in accordance with the terms and conditions of the Corporation's stock option plan, it will not issue any Common Shares or any other securities of the Corporation during any Pricing Period and for the five (5) consecutive Trading Days immediately preceding and immediately following such Pricing Period;

(m) Share Consolidation. The Corporation agrees that, at the next annual general meeting of shareholders of the Corporation following the date of this Agreement, it shall use reasonable commercial efforts to obtain the consent of a majority of its shareholders to consolidate the Common Shares, at a time and at a ratio to be determined by the Directors, and the Corporation shall effect such consolidation if, at any time following such annual general meeting of shareholders, the Average Daily Price over ten (10) consecutive Trading Days (for which there is an Average Daily Price) falls below CAD$0.07 (or the equivalent thereof);

(n) Stock Exchange and Securities Commission Requirements. The Corporation shall provide the Oslo Exchange, the TSXV and the Securities Commissions with such information, undertakings, assurances and documentation as may be stipulated in the Exchange Letter or the Securities Commissions in the ASC Relief, respectively, or otherwise in connection with the transactions contemplated herein;

(o) Due Diligence Access. Subject to Section hereof, during normal business hours, the Corporation and each Subsidiary shall provide the Investor and its representatives access to the minute books, material contracts, corporate records and any other document or information reasonably requested by the Investor in connection with the conduct of the Investor's due diligence investigations with respect to any Draw Down, Preliminary Prospectus, Final Prospectus or Renewal Prospectuses;

(p) Material Non-Public Information. Notwithstanding any other provision of this Agreement, the Corporation shall not deliver a Draw Down Notice during the period beginning ten (10) Trading Days before the Corporation's next subsequent annual financial statements or quarterly financial statements are to be publicly released and ending two (2) Trading Days after such report is released, or during any period in which the Corporation is in possession of material non-public information;

(q) Non-Exchange Quotation or Listing. If the Corporation takes any action to have any of its marketable securities listed or posted for trading, or takes any action to be listed, on any stock exchange or other financial market in addition to the Oslo Exchange and the TSXV, the Corporation has delivered to the Investor a legal opinion in form satisfactory to the Investor duly executed by the Corporation's legal counsel in the relevant jurisdiction or jurisdictions and dated the date of the Settlement Date that the issuance of the Subscription Shares does not contravene any:

(i) provision of any agreement created by the Corporation;

(ii) provision of any applicable law of the relevant jurisdiction or jurisdictions;

(iii) provision of any applicable rule of the relevant stock exchange(s) or financial market(s);

(iv) judicial order; or

(v) provision of any corporate consent, contractual consent or government consent relating to the Corporation or the issue of the Subscription Shares; and

(r) Qualification for Distribution. The Corporation will file the Prospectus with each of the Securities Commissions in conformity with the requirements of all Securities Laws and the ASC Relief and, in the case of the Final Prospectus, will use commercially reasonable efforts to obtain the ASC Decision Document therefor, qualifying the sale of those Subscription Shares issuable during the Commitment Period in the Designated Provinces as contemplated herein and in the ASC Relief. Other than as may be required by the ASC Relief or the Exchange Letter (including the filing of the Renewal Prospectus and receiving the ASC Decision Document therefor), all necessary documents will be filed and requisite proceedings will be taken and all other approvals, permits, consents, orders, authorizations or legal requirements will be made, taken or obtained under the Securities Laws of each of the Designated Provinces to permit the issuance of the Subscription Shares pursuant to Draw Downs hereunder.

5.2 Non-Public Information

(a) Prohibition. The Corporation must not directly or indirectly at any time from the date of this Agreement, without the prior consent of the Investor, disclose non-public information to the Investor.

(b) Review Procedure. If the Corporation wants to disclose non-public information to the Investor with the prior consent of the Investor, the Corporation must identify such information as being non-public information and provide the Investor with the opportunity to accept or refuse to accept such non-public information for review.

5.3 Covenants of the Investor

The Investor covenants with the Corporation as follows:

(a) Non-arm's Length Party. The Investor will not enter into an agreement or arrangement of any kind, written or otherwise with a Non-arm's Length Party, to sell any Subscription Shares to such Non-arm's Length Party;

(b) Compliance with Law. The trading activities of the Investor with respect to Common Shares will be in compliance with the Securities Laws and U.S. Securities Laws, the ASC Relief, the Exchange Letter and the by-laws, rules and policies of the Oslo Exchange and the TSXV;

(c) No Voting Trust Agreement. The Investor shall not enter into any agreement or arrangement with the Corporation regarding the voting of any outstanding securities of the Corporation beneficially owned by the Investor, directly or indirectly;

(d) Securities Commission Requirements. The Investor shall provide the Securities Commissions, the Oslo Exchange and the TSXV with such information, undertakings, assurances and documentation as may be stipulated in the ASC Relief and the Exchange Letter in connection with the transactions contemplated herein;

(e) Short Selling and Other Selling Restrictions. The Investor agrees that it will not and will not cause its Affiliates to engage in any short sales of the Common Shares. The Investor may, however, sell Common Shares to hedge its obligation to purchase Subscription Shares provided that the Investor complies with Section and provided the Investor does not sell Common Shares during any Pricing Period for gross proceeds that, in aggregate, would exceed the Investment Amount specified in the applicable Draw Down Notice;

(f) Limit of ownership. The Investor shall not, directly or indirectly, together with any member of the Investor's Group, purchase Common Shares that would result in the Investor's Group owning Common Shares representing at any time more than 4.99% of all issued and outstanding Common Shares;

(g) Restrictions on Resales. In effecting any resales of Subscription Shares, the Investor will not engage in any sales, marketing or solicitation activities of the type undertaken by underwriters in the context of a public offering. Specifically, the Investor will not:

(i) advertise or otherwise hold itself out as a dealer;

(ii) purchase or sell securities as principal from or to customers;

(iii) carry a dealer inventory in securities;

(iv) quote a market in securities;

(v) extend or arrange for the extension of credit in connection with securities transactions;

(vi) run a book of repurchase and reverse repurchase agreements;

(vii) use a carrying broker for securities transactions;

(viii) lend securities to customers;

(ix) guarantee contract performance or indemnify the Corporation for any loss or liability from the failure of the transaction to be successfully consummated;

(x) participate in a selling group; or

(xi) during a Pricing Period, together with any affiliate, associate and subsidiaries, sell Common Shares for gross proceeds in aggregate exceeding the Investment Amount;

(h) Unaffiliated Dealer. Neither the Investor nor any affiliate will solicit offers to purchase Common Shares and will effect all sales of Common Shares through a dealer unaffiliated with the Investor and the Corporation and appropriately registered under applicable Securities Laws;

(i) United States Resale Restrictions. The Investor will not transfer the Subscription Shares other than (A) to the Corporation, (B) outside the United States in accordance with Regulation S and pursuant to Securities Laws, Exchange policy, and the terms of this Agreement, (C) within the United States in accordance with the exemption from registration under the 1933 Act provided by Rule 144 thereunder, if available, and in compliance with any applicable state securities laws, or (D) in a transaction that does not require registration under the 1933 Act or any applicable United States state laws and regulations governing the offer and sale of securities if, prior to completing such transaction, the Investor has furnished to the Corporation an opinion of counsel of recognized standing reasonably satisfactory to the Corporation;

(j) Not an Affiliate. The Investor is not an officer, director or a person that directly, or indirectly through one or more intermediaries, controls or is controlled by, or is under common control with the Corporation or any "Affiliate" of the Corporation (as that term is defined in Rule 405 of the 1933 Act);

(k) Investment Purpose. The Subscription Shares are being purchased by the Investor for its own account, and for investment purposes. The Investor agrees not to assign or in any way transfer the Investor's rights to the Subscription Shares or any interest therein and acknowledges that the Corporation will not recognize any purported assignment or transfer except in accordance with applicable U.S. Securities Laws. No other person has or will have a direct or indirect beneficial interest in the Subscription Shares.

The Investor agrees not to sell, hypothecate or otherwise transfer the Subscription Shares unless the Subscription Shares are registered under U.S. Securities Laws or unless an exemption from such laws is available;

(l) Accredited Investor. The Investor is an "Accredited Investor" as that term is defined in Rule 501(a)(3) of Regulation D of the 1933 Act;

(m) Information. The Investor has been furnished with all materials relating to the business, finances and operations of the Corporation and information it deemed material to making an informed investment decision. The Investor has been afforded the opportunity to ask questions of the Corporation and its management. Neither such inquiries nor any other due diligence investigations conducted by the Investor shall modify, amend or affect the Investor's right to rely on the Corporation's representations and warranties contained in this Agreement. The Investor understands that its investment involves a high degree of risk. The Investor is in a position regarding the Corporation, which, enabled and enables such Investor to obtain information from the Corporation in order to evaluate the merits and risks of this investment. The Investor has sought such accounting, legal and tax advice, as it has considered necessary to make an informed investment decision with respect to this transaction.

ARTICLE VI - CONDITIONS TO DRAW DOWNS

6.1 Conditions to Draw Downs

The right of the Corporation to deliver a Draw Down Notice and the obligation of the Investor to accept a Draw Down Notice and to acquire and pay for the Subscription Shares to the extent of such Draw Down will be subject to the satisfaction, both on the date of the applicable Draw Down Notice and of the applicable Settlement Date (each a "**Condition Satisfaction Date**") (unless otherwise set forth below), of each of the conditions set forth below. These conditions are for the Investor's sole benefit and may be waived, in whole or in part, by the Investor at any time in its sole discretion.

(a) Accuracy of the Corporation's Representation and Warranties. Each of the representations and warranties of the Corporation shall be true and correct in all material respects as of the date when made and as of the applicable Condition Satisfaction Date as though made at that time, except for the representations and warranties that speak as of a particular date;

(b) Performance by the Corporation. The Corporation shall have performed, satisfied and complied in all material respects with all covenants, agreements and conditions required by this Agreement to be performed, satisfied or complied with by the Corporation at or prior to each Condition Satisfaction Date;

(c) No Suspension. Trading in the Common Shares shall not have been suspended by any of the Securities Commissions or the Oslo Exchange (except for any suspension of trading of limited duration agreed to by the Corporation, which suspension shall have been terminated prior to the delivery of such Draw Down Notice), and, at any time prior to such Draw Down Notice, trading in securities generally as reported on the Oslo

Exchange shall not have been suspended or limited, or minimum prices shall not have been established on securities whose trades are reported on the Oslo Exchange unless the general suspension or limitation shall have been terminated prior to the delivery of such Draw Down Notice;

(d) No Proceedings or Litigation. No action, suit or proceeding before any court, arbitrator or any governmental authority shall have been commenced, and no investigation by any governmental authority shall have been threatened, against the Investor, the Corporation or any Subsidiary or any of their respective officers, directors or affiliates seeking to restrain, prevent or change the transactions contemplated by this Agreement, or seeking damages in connection with such transactions;

(e) No Injunction. No statute, rule, regulation, executive order, decree, ruling or injunction shall have been enacted, entered, promulgated or endorsed by any court or governmental authority of competent jurisdiction which prohibits the consummation of any of the transactions contemplated by this Agreement;

(f) No Material Adverse Effect or Consolidation Event. No Material Adverse Effect shall have occurred with respect to the Corporation, no Consolidation Event where the successor entity has not agreed to perform the Corporation's obligations hereunder shall have occurred and no Consolidation Event resulting in a reduction of more than 25% of the issued and outstanding Common Shares not held by Non-arm's Length Parties shall have occurred whether or not the resulting successor or acquiring entity (if not the Corporation) assumes by written instrument or by operation of law the obligations of the Corporation pursuant to this Agreement;

(g) Prospectus. The Corporation shall have received the applicable ASC Decision Document.

(h) EEA-Prospectus Exemption Availability. The number of Subscription Shares to be issued pursuant to the Draw Down Notice shall not exceed the number of Common Shares issuable in reliance on the exemption from the obligation to prepare, have approved and publish a prospectus under the Norwegian Securities Trading Act section 7-5 first paragraph number 1;

(i) Draw Down Notice. The Corporation shall have duly delivered to the Investor, the Oslo Exchange and the TSXV, a Draw Down Notice pursuant to Section hereof;

(j) Press Release. The Corporation shall have issued a press release in accordance with Section hereof announcing the issuance of a Draw Down Notice by the Corporation, unless such information is not deemed material non-public information and such press release is not required in the reasonable opinion of the Corporation's counsel and in accordance with Securities Laws, the ASC Relief, and the rules and regulations of the Oslo Exchange and the TSXV;

(k) Approvals. The ASC Relief, the ASC Decision Document respecting the Final Prospectus and any applicable Renewal Prospectuses and all stock exchange, regulatory, corporate and shareholder approvals or consents required to be obtained in respect of the subject issuance shall have been obtained and shall be in full force and effect;

(l) Directors' Approval. The Directors shall have authorized and approved this Agreement and any other agreements pursuant to which the Subscription Shares are to be issued, the issuance of the Subscription Shares (with respect to the issuance of the Subscription Shares, as fully paid and non-assessable Common Shares), and all matters relating to the foregoing;

(m) Officer's Certificate. The Corporation shall have delivered an executed officer's certificate addressed to the Investor and the Investor's counsel, dated the date of the ASC Decision Document, substantially in the form of Schedule "B" hereto;

(n) Opinions of Counsel. The Investor shall have received favourable Canadian and Norwegian legal opinions from the Corporation's counsel, as appropriate, addressed to the Investor and the Investor's counsel, dated the date of the ASC Decision Document, covering, in aggregate, the matters set out in Schedules "C" and "D" hereto. In giving such opinions, counsel to the Corporation shall be entitled to rely, to the extent appropriate in the circumstances, upon local counsel and shall be entitled as to matters of fact not within their knowledge to rely upon a certificate of fact from responsible persons in a position to have knowledge of such facts and their accuracy;

(o) Fees. The Corporation shall have paid to the Investor an amount of £27,500 to cover the Investor's due diligence expenses and legal fees (which the Investor acknowledge as having been received) related to this Agreement as provided in Section hereof. In addition, the Corporation shall have paid to the Investor the Implementation Fee and that the Common Shares issuable pursuant thereto shall be freely tradable on the TSXV and the Oslo Exchange;

(p) Fungible Shares. The Investor shall be holding freely tradable Common Shares in the same class (on the same ISIN/QSIP) as the Common Shares currently listed on the Oslo Exchange; and

(q) Other. The Investor shall have received such other certificates, statutory declarations, opinions, agreements and documents, in form and substance satisfactory to the Investor, acting reasonably, as the Investor may reasonably request.

ARTICLE VII - DRAW DOWN TERMS

7.1 Draw Down Terms

Subject to the satisfaction of the conditions and subject to the limitations set forth in this Agreement:

(a) At any time during the Commitment Period, subject to the satisfaction of the conditions set forth in Section hereof, the Corporation may, in its sole discretion, exercise a draw down (a "**Draw Down**") and issue a draw down notice, in the form of Schedule "A" hereto (a "**Draw Down Notice**"), which Draw Down the Investor will be obligated to accept, provided, however, that the Corporation may not issue more than one Draw Down Notice while another Pricing Period is ongoing. Each Draw Down Notice shall set forth the amount of the Draw Down requested in Norwegian Kroner (the "**Investment Amount**"), the Minimum Price, and be signed by an authorized representative of the Corporation. Each Draw Down Notice shall be delivered to the Investor in accordance with the delivery instructions set forth at the bottom of Schedule "A." Unless otherwise agreed in writing by the Investor, in its sole discretion, the maximum Investment Amount for any Draw Down shall be the lesser of: (i) NOK 10,000,000; (ii) 100% or 200%, at the Investor's election, of the average of the Daily Value Traded during the five (5) Trading Days immediately prior to the date the Draw Down Notice is submitted; (iii) 130% of the Implementation Share Value; (iv) such amount as would result in the Investor holding more than 4.99% of the total number of Common Shares issued and outstanding; and (v) the remaining portion of the Commitment Amount;

(b) After the Corporation exercises a Draw Down hereunder, the Investor is under no obligation to accept additional Draw Down Notices until the Investor has confirmed the receipt of the full amount of the Subscription Shares in relation to the most recent Draw Down exercised hereunder and any previous Draw Down and all such Subscription Shares have been admitted to trading on the Oslo Exchange;

(c) Upon delivery of a Draw Down Notice to the Investor, the Corporation shall promptly, and in any event within 24 hours of delivery of a Draw Down Notice, inform the Market Surveillance division of Investment Industry Regulatory Organization of Canada, the Oslo Exchange, the TSXV and, if requested to do so, one or more of the Securities Commissions, of a Draw Down by delivering the Draw Down Notice, via facsimile or other electronic transmission with receipt confirmed, as to the Investment Amount the Corporation wishes to exercise. A Draw Down Notice shall be deemed delivered on (i) the Trading Day it is received by facsimile or otherwise by the Investor if such notice is received prior to 5:00 pm Eastern Time, or (ii) the immediately succeeding Trading Day if it is received by facsimile or otherwise after 5:00 pm Eastern Time on a Trading Day or at any time on a day which is not a Trading Day;

(d) Upon receipt of a valid Draw Down Notice, the Investor shall be irrevocably bound to purchase the Subscription Shares pursuant to such Draw Down Notice and the Corporation shall be irrevocably bound to issue and sell the Subscription Shares pursuant to such Draw Down in accordance with the terms and conditions of this Agreement;

(e) The Investment Amount with respect to each Draw Down shall be deemed to be automatically reduced to the extent necessary to ensure that the total number of Subscription Shares issuable to the Investor does not result in the Investor holding greater than or equal to 4.99% of the total outstanding Common Shares;

(f) The number of Shares to be purchased by the Investor with respect to each Trading Day during the Draw Down Pricing Period shall be determined by dividing the numerator (being 20% of the Investment Amount, less any applicable Draw Down Reduction) by the denominator (being the Purchase Price on the relevant Trading Day) (each a "**Daily Share Amount**"). During the Pricing Period for which the conditions set forth in Section 6.1 have been satisfied, the Investor and the Corporation shall have an unconditional contract for the purchase and sale of the relevant Daily Share Amount pursuant to this Agreement with delivery of such Daily Share Amount to take place on the relevant Settlement Date. The aggregate number of Subscription Shares issued and sold by the Corporation and purchased by the Investor on each Settlement Date shall be equal to the sum of all of the Daily Share Amount during the Pricing Period. The Gross Proceeds received by the Corporation in connection with the issuance of the Subscription Shares with respect to each Draw Down shall be settled against delivery of the Subscription Shares on the 6th Trading Day after such Draw Down Pricing Period commences and in accordance with paragraph 9.1(i) below (such settlement periods and such settlement dates are referred to as a "**Settlement Period**" and a "**Settlement Date**", respectively);

(g) The Investor shall not be required to purchase any Subscription Shares at a Purchase Price based on an Average Daily Price lower than the Minimum Price, provided that if the Investor decides, in its sole discretion, to purchase Subscription Shares for a Trading Day during which the Average Daily Price is below the Minimum Price, the Average Daily Price for such Trading Day shall be deemed to be the Minimum Price;

(h) The Corporation and the Investor may mutually agree in writing to amend the Minimum Price during the applicable Pricing Period; notwithstanding the foregoing, the Purchase Price per Common Share may not be lower than the Discounted Market Price;

(i) On or prior to 12:00 pm (New York City time) on the Trading Day immediately following the last Trading Day of each Pricing Period, the Investor shall deliver to the Corporation a settlement document in the form of Schedule "F" hereto (the "**Settlement Document**") setting forth the aggregate number of Subscription Shares to be sold by the Corporation and purchased by the Investor pursuant to the Draw Down Notice in which a Pricing Period has been elected. Upon receipt of the Settlement Document and, provided the Settlement Document is received by the Corporation on or before 4:00 p.m., Oslo time on a Trading Day, on the same day as such receipt (and, if the Settlement Document is received by the Corporation after 4:00 p.m., Oslo time on a Trading Day, or on a day this is not a Trading Day, then on the next Trading Day), the Corporation shall review and confirm the Settlement Document, and send a signed version back to the Investor. As soon as practicable following approval of the Settlement Document, and in any event not later than the Settlement Date, the

Corporation shall obtain all written approvals from the Oslo Exchange, the TSXV and the Securities Commissions, and issue and deliver to the Investor or its agent the Subscription Shares through the facilities of VPS. The Investor shall deliver to the Corporation the Gross Proceeds upon the Investor's confirmation of delivery by the Corporation to the Investor or its agent of the Subscription Shares to VPS; and

(j) If the Corporation fails to deliver any portion of the Subscription Shares to the Investor on a Settlement Date and the Investor purchases, in an open market transaction or otherwise, Common Shares necessary to make delivery of Common Shares which would have been delivered if the full amount of the Subscription Shares to be delivered to the Investor by the Corporation on that Settlement Date were so delivered (the "**Open Market Share Purchase**"), the Corporation shall pay to the Investor, in addition to any other amounts due to Investor, and not in lieu thereof, the Open Market Adjustment Amount (as defined below). The "**Open Market Adjustment Amount**" is the amount equal to the excess, in any, of (x) the Investor's total purchase price (including brokerage commissions, if any) for the Open Market Share Purchase minus (y) the net proceeds (after brokerage commissions, if any) received by the Investor from the sale of the Subscription Shares due. The Corporation shall pay the Open Market Adjustment Amount to the Investor in immediately available funds within five (5) business days of written demand by the Investor. By way of illustration and not in limitation of the foregoing, if the Investor purchases Common Shares having a total purchase price (including brokerage commissions) of NOK 11,000 to cover an Open Market Purchase with respect to Common Shares it sold for net proceeds of NOK 10,000, the Open Market Purchase Adjustment Amount which the Corporation will be required to pay to the Investor will be NOK 1,000.

7.2 Issuance of Press Release Upon Draw Down Notice and on Settlement Date

If required by the terms of the ASC Relief, immediately following each of the issuance of a Draw Down Notice by the Corporation and of the closing of the purchase and sale of Subscription Shares on the Settlement Date of each Pricing Period, the Corporation shall forthwith issue a press release in the form submitted to and approved by the Securities Commissions. Such initial press releases will announce the delivery of the Draw Down Notice, the amount of the Draw Down, the maximum number of Common Shares to be issued and the Minimum. Such closing press releases will: (i) announce the closing of the Draw Down; (ii) state that the Final Prospectus or Renewal Prospectus, as applicable, relating to the Draw Down is available on the SEDAR website; and (iii) state that the First Purchasers of such Subscription Shares under the Final Prospectus or Renewal Prospectus, as applicable, prior to the expiration of the date that is forty (40) days from the respective Settlement Dates of the Investor's purchases of Subscription Shares pursuant to the applicable Draw Down have certain statutory rights described in the Final Prospectus or Renewal Prospectus, as applicable.

7.3 Fractional Shares

In connection with any Draw Down hereunder, the Corporation shall not be required to issue fractions of Common Shares. With respect to any fraction of an Common Share called for in connection with any Draw Down hereunder, the number of Common Shares shall be rounded down to the nearest whole share.

ARTICLE VIII - RESALES OF SUBSCRIPTION SHARES AND RIGHTS OF FIRST PURCHASERS

8.1 Resales of Subscription Shares within 40 Days of a Settlement Date

If the Investor, within forty (40) days of a Settlement Date (or such other period as may be specified in the ASC Relief with respect this requirement):

(a) resells any of the Subscription Shares acquired by it pursuant to a Draw Down hereunder through the TSXV or otherwise into the secondary market in Canada; or

(b) directly or indirectly, hedges the investment risk associated with the acquisition of any of the Subscription Shares by means of short sales or similar strategies involving the sale of Subscription Shares (or securities convertible into, exchangeable for or economically equivalent to Common Shares) through the TSXV or otherwise into the secondary market in Canada,

the Corporation shall recognize such transactions as being in the course of or incidental to a distribution, will recognize the first purchasers thereof (the "**First Purchasers**") as having purchased pursuant to such distribution and under the Final Prospectus or Renewal Prospectus, as applicable, and shall provide each First Purchaser with "constructive delivery" of the Final Prospectus or Renewal Prospectus, as applicable, pursuant to the terms of the ASC Relief.

8.2 Rights of a First Purchaser

In accordance with Section and the ASC Relief, each First Purchaser will be entitled to certain statutory rights pursuant to applicable Securities Laws in the event there is a misrepresentation in the Final Prospectus or Renewal Prospectus, as applicable, as at the date of the Final Prospectus or Renewal Prospectus, which rights will be in accordance with the ASC Relief and shall be described in the Final Prospectus or Renewal Prospectus.

ARTICLE IX - TAX MATTERS

9.1 Gross-Up for Withholding Tax

All payments of fees to the Investor (whether in cash, through the issuance of shares or otherwise) by the Corporation under this Agreement and the issuance of Subscription Shares to the Investor (or any successor or assignee thereof) by the Corporation under this Agreement, shall be made free and clear of and without deduction or withholding for any and all Taxes (other than Excluded Taxes), unless required by law. If the Corporation shall be required by law or the interpretation thereof by the relevant Governmental Authority to deduct or withhold any such Taxes from or in respect of any sum payable under this Agreement, (i) the amount payable shall be increased by such additional amount as may be necessary so that after making all required deductions or withholdings (including, without limitation, deductions or withholdings applicable to additional amounts paid under this Section), the Investor receives a net amount equal to the full amount it would have received if no deduction or withholding had been made; (ii) the Corporation shall make such required deductions or withholdings; (iii) the Corporation shall immediately pay the full amount deducted or withheld to the relevant Governmental Authority in accordance with applicable law; and (iv) the Corporation shall deliver to the Investor as soon as practicable after it has made such payment to the applicable Governmental Authority (x) a copy of any receipt issued by such Governmental Authority evidencing the payment of all amounts required to be deducted or withheld from the sum payable hereunder; or (y) if such a receipt is not available from such Governmental Authority, notice of the payment of such amount deducted or withheld.

If an amount becomes payable under this Section , the Investor shall provide the Corporation with a list of the jurisdictions in which its partners are resident and the combined proportionate interests in the Investor of all partners resident in such jurisdictions, and shall provide any other information requested by the Corporation that is reasonably necessary to enable the Corporation to determine the applicable rate or rates of deductions or withholdings.

9.2 Tax Refund

If, following the imposition of any Taxes on any payment by the Corporation in consequence of which the Corporation pays an additional amount under Section , the Investor, in its sole opinion (acting in good faith) is entitled to claim an income tax credit in any jurisdiction in which it is required to file income tax returns, the Investor shall, to the extent of such income tax credit claimed and subject to the Corporation's obligation to repay promptly on demand by the Investor the relevant amount to the Investor if the income tax credit is subsequently disallowed by the relevant Governmental Authority, reimburse the Corporation for such payment promptly after the filing of an income tax return in which such income tax credit is claimed. Nothing contained in this Section shall require the Investor to disclose to the Corporation any income tax returns or any other confidential information relating to the organization of its affairs. For purposes of the preceding portion of this Section , a reference to the Investor shall include a reference to each partner of the Investor from time-to-time, as applicable. If the Corporation pays any amount referred to in the first sentence of this Section , the Investor shall provide to the Corporation at least annually on June 30 in each year, and at any other time upon reasonable request of the Corporation, a certificate containing reasonable detail as to the amount of income tax credits claimed and disallowed, and the amount of any reimbursement due to the Corporation under this Section , which shall be conclusive evidence, absent manifest error, of the amount, if any, due from the Investor to the Corporation. The Corporation shall be entitled to deduct the amount of any reimbursement due to the Corporation under this Section from any other payment due to be paid by the Corporation to the Investor.

9.3 Survival

Without prejudice to the survival of any other provision of this Agreement, the agreements and obligations contained in this shall survive the Commitment Period and the termination of this Agreement.

ARTICLE X - TERMINATION

10.1 Commitment Period

The term of this Agreement shall be thirty-six (36) months (the "**Commitment Period**") commencing on the date hereof, unless earlier terminated as set forth in this Article.

10.2 Other Termination

(a) This Agreement shall terminate on receipt by the Corporation of the Commitment Amount in respect of the purchase of Subscription Shares pursuant to the terms hereof.

(b) The Investor may terminate this Agreement upon one Trading Day's notice if:

(i) any order to cease or suspend trading in the Common Shares is made by the Oslo Exchange, the TSXV, any other stock exchange, the NFSA, Securities Commission or other regulatory authority, for a duration exceeding ten (10) consecutive Trading Days, or fifteen (15) Trading Days in any twelve month period, and such order has not been rescinded, revoked or withdrawn;

(ii) the Common Shares no longer trade on the Oslo Exchange and the TSXV;

(iii) an event resulting in a Material Adverse Effect on the Corporation has occurred and has not been cured by the Corporation for a period of ten (10) Trading Days after having received written notice thereof from the Investor;

(iv) a receiver is appointed over, or possession is taken by any secured party of, any asset of the Corporation or any Subsidiary and is not dismissed or terminated within thirty (30) days from commencement of such proceeding;

(v) the Corporation or any Subsidiary files for protection from its creditors under any applicable law;

(vi) any legal action is commenced, judicial order is made or resolution passed for the liquidation of the Corporation or any Subsidiary (except, with respect to any Subsidiary in the context of an internal reorganization) and is not dismissed or terminated within thirty (30) days from commencement of such proceeding;

(vii) the Corporation or any Subsidiary enters into any debt arrangement with its creditors generally or any class of creditors having, individually or in the aggregate, a Material Adverse Effect on the Corporation or any Subsidiary; or

(viii) the Corporation or any Subsidiary ceases or proposes to cease to do business generally.

10.3 Termination by the Corporation

The Corporation may, without payment of any fee or penalty, save and except for the full payment of the Commitment Fee and the settlement of any outstanding Draw Down, terminate this Agreement at any time providing there is no unsettled Draw Down Notice issued and provided that all amounts outstanding under the Loan Note have been repaid in full, upon five (5) Trading Day's notice.

10.4 Effect of Termination

In the event of the termination of this Agreement by the Corporation or the Investor, written notice thereof shall forthwith be given to the other party and the transactions contemplated by this Agreement shall be terminated without further action by the parties. If this Agreement is terminated as provided in Sections , , or herein, this Agreement shall become null and void and of no further force and effect, except for Article XI herein and Section . Nothing in this section shall be deemed to release the Corporation or the Investor from any liability for any breach under this Agreement, or to impair the rights of the Corporation or the Investor to compel specific performance by the other party of its obligations under this Agreement subsequent to termination except that in connection with any breach thereof by the Corporation at a time when no Draw Down Notice has been issued and is still in effect and the Investor does not own any Common Shares, the Investor's sole remedy will be to elect to terminate this Agreement without further obligation on either party.

ARTICLE XI - INDEMNIFICATION AND SURVIVAL OF REPRESENTATIONS, WARRANTIES AND COVENANTS

11.1 General Indemnity

(a) The Corporation agrees to indemnify and hold harmless the Investor and its general partner, limited partners, directors, officers, employees, affiliates, agents, successors and assigns (and all employees, agents or representatives of its general partner) from and against any and all direct losses, liabilities, deficiencies, costs, claims, actions, damages and expenses (including, without limitation, reimbursement of the aggregate amount paid in settlement of any actions, suits, proceedings or claims and the reasonable fees and expenses of counsel that may be incurred in advising with respect to and/or defending any claim to which any such indemnified party may become subject or otherwise involved in any capacity under any statute or common law or otherwise) incurred by such parties as a result or by reason of:

(i) any statement contained in the Prospectus or any Renewal Prospectus (other than a statement relating to the Investor and provided to the Corporation in writing for inclusion in the Prospectus or Renewal Prospectus by or on behalf of the Investor) which constitutes or is alleged to constitute a misrepresentation;

(ii) any statement contained in the Corporation's Information Record which, at the time and in the light of the circumstances under which it was made, contains or is alleged to contain a misrepresentation;

(iii) the omission or alleged omission to state in the Prospectus or any Renewal Prospectus or any certificate of the Corporation delivered hereunder or pursuant hereto any material fact required to be stated therein or necessary to make any statement therein not misleading in light of the circumstances under which it was made;

(iv) any order made or inquiry, investigation or proceeding commenced or threatened by any securities commission or other competent authority based upon any misrepresentation or alleged misrepresentation in the Prospectus or Renewal Prospectus (other than a statement relating to the Investor and provided to the Corporation in writing for inclusion in the Prospectus or Renewal Prospectus by or on behalf of the Investor) which prevents or restricts the trading in or the distribution or distribution to the public, as the case may be, of the Subscription Shares in any of the Designated Provinces;

(v) any inaccuracy in or breach of the representations, warranties or covenants made by the Corporation herein or any other document delivered to the Investor in accordance with this Agreement; or

(vi) the Oslo Exchange and the TSXV not approving of the issuance or listing of the Subscription Shares or delivery of the Subscription Shares not being effected on the Settlement Date except where this is the result of a breach by the Investor of any representation or covenant herein. For the avoidance of doubt, such loss shall include any loss directly or indirectly incurred by the Investor resulting from:

(A) the Investor being unable to complete the sale of any Common Shares;

(B) the Investor, in its absolute and unfettered discretion, purchasing Common Shares in the market so as to enable the Investor to complete the sale of any Common Shares; and

(C) the Investor, in its absolute and unfettered discretion, rescinding or terminating the sale of any Common Shares,

which the Investor made in expectation of delivery of the Subscription Shares on the Settlement Date.

Notwithstanding anything to the contrary contained herein, the indemnity provided in this Section 11.1(a) shall not apply to the extent that a court of competent jurisdiction in a final judgment, or an arbitrator or regulator in a final decision or order, that has become non-appealable shall determine that:

(A) the Investor has been negligent or has committed any fraudulent or illegal act or an act of willful misconduct in the course of the performance of any act or thing to be performed or done by the Investor (or its general partner, limited partners, directors, officers, employees, affiliates or agents) in connection with performance by the Investor of the terms of this Agreement; and

(B) the expenses, losses, claims, damages or liabilities, as to which indemnification is claimed, were directly caused by the negligence, illegality, willful misconduct or fraud referred to in (A);

(b) The Investor agrees to indemnify and hold harmless the Corporation and its directors, officers, employees, affiliates, agents, successors and assigns from and against any and all direct losses, liabilities, deficiencies, costs, claims, actions, damages and expenses (including, without limitation, reimbursement of the aggregate amount paid in settlement of any actions, suits, proceedings or claims and the reasonable fees and expenses of counsel that may be incurred in advising with respect to and/or defending any claim to which any such indemnified party may become subject or otherwise involved in any capacity under any statute or common law or otherwise) incurred by such parties as result of any inaccuracy in or breach of the representations, warranties or covenants made by the Investor herein or in any document delivered to the Corporation in accordance with this Agreement.

11.2 Indemnification Procedure

Any party entitled to indemnification under this Article (an "**Indemnified Party**") shall within five (5) business days give written notice to the indemnifying party of any matters giving rise to a claim for indemnification; provided, that the failure of any party entitled to indemnification hereunder to give notice as provided herein shall not relieve the indemnifying party of its obligations under this Article except to the extent that the indemnifying party is actually prejudiced by such failure to give notice. In case any action, proceeding or claim is brought against an Indemnified Party in respect of which indemnification is sought hereunder, the indemnifying party shall be entitled to participate in and, unless in the reasonable judgment of counsel to the Indemnified Party a conflict of interest between it and the indemnifying party may exist with respect of such action, proceeding or claim, to assume the defence thereof with legal counsel reasonably satisfactory to the Indemnified Party. In the event that the indemnifying party advises an Indemnified Party that it will contest such a claim for indemnification hereunder, or fails, within thirty (30) days of receipt of any indemnification notice to notify, in writing, such person of its election to defend, settle or compromise, at its sole cost and expense, any action, proceeding or claim (or discontinues its defence at any time after it commences such defence), then the Indemnified Party may, at its option, defend, settle or otherwise compromise or pay such action or claim. In any event, unless and until the indemnifying party elects in writing to assume and does so assume the defence of any such claim, proceeding or action, the Indemnified Party's costs and expenses arising out of the defence, settlement or compromise of any such action, claim or proceeding shall be losses subject to indemnification hereunder. The Indemnified Party shall cooperate fully with the indemnifying party in connection with any settlement negotiations or defence of any such action or claim by the indemnifying party and shall furnish to the indemnifying party all information reasonably available to the Indemnified Party which relates to such action or claim. The indemnifying party shall keep the Indemnified Party fully appraised at all times as to the status of the defence or any settlement negotiations with respect thereto. If the indemnifying party elects to defend any such action or claim, then the Indemnified Party shall be entitled to participate in such defence with legal counsel of its choice at its sole cost and expense. The indemnifying party shall not be liable for any settlement of any action, claim or proceeding effected without its prior written consent, which shall not be unreasonably withheld. Notwithstanding anything in this Article to the contrary, the indemnifying party shall not, without the Indemnified Party's prior written consent, settle or compromise any claim or consent to entry of any judgment in respect thereof which imposes any future obligation on the Indemnified Party or which does not include, as an unconditional term thereof, the giving by the claimant or the plaintiff to the Indemnified Party of a release from all liability in respect of such claim. The indemnification required by this Article shall be made by periodic payments of the amount thereof during the course of investigation or defence, as and when bills are received or expense, loss, damage or liability is incurred, within ten (10) days of written notice thereof to the indemnifying party so long as the Indemnified Party irrevocably agrees to refund such moneys if it is ultimately determined by a court of competent jurisdiction that such party was not entitled to indemnification. The indemnity agreements contained herein shall be in addition to (a) any cause of action or similar rights of the Indemnified Party against the indemnifying party or others, and (b) any liabilities the indemnifying party may be subject to.

11.3 Survival of Representations, Warranties and Covenants

To the extent that they have not been fully performed at or prior to the date hereof, the covenants, representations and warranties contained in this Agreement, including in any schedule hereto, and in any agreement, instrument, certificate or other document to be executed and delivered pursuant to this Agreement and in any documents executed and delivered in connection with the completion of the transactions contemplated herein shall survive the closing on each Settlement Date pursuant hereto and, notwithstanding the closing on each such Settlement Date, shall continue in full force and effect for a period of two (2) years from the applicable Settlement Date for the benefit of the Corporation or the Investor, as the case may be.

ARTICLE XII - MISCELLANEOUS

12.1 Fees and Expenses

The Corporation shall pay the following amounts to the Investor (or its designee):

(a) The Implementation Fee, which shall be paid in Common Shares (using the Average Daily Price on the Trading Day prior to the date of payment) on the date of the receipt of the Final Prospectus or earlier at the Investor's request, provided that if the Corporation is in a blackout period or otherwise unable to issues Common Shares at the time of such request, the Corporation may satisfy its payment obligations by issuing such Common Shares as soon as it is legally able to do so, and the Corporation shall use its reasonable commercial efforts to ensure that such Common Shares will be freely tradable on the TSXV and the Oslo Exchange as soon as possible following such issuance;

(b) an allowance of £27,500, in aggregate, for the fees and expenses incurred by the Investor in relation to the transactions contemplated by or incidental to this Agreement, including legal and due diligence fees and expenses incurred in connection with the preparation, negotiation, execution and delivery of this Agreement and the transactions contemplated hereunder, which amount is exclusive of all applicable Taxes. For the avoidance of doubt, the Corporation has extinguished its obligation pursuant to this Section by payment made on April 17, 2012 and May 2, 2012; and

(c) a commission equal to 2.0% of the Investment Amount in respect of each Draw Down, which shall be payable in cash on the Settlement Date in respect of such Draw Down and which shall be payable by the Investor (on behalf of the Corporation) to Fondsfinans.

In addition, the Corporation shall be responsible for all reasonable fees and expenses incurred by the Investor in connection with any subsequent amendments, modifications or waivers of this Agreement, the Final Prospectus, the Renewal Prospectuses or the EEA-Prospectus requested by the Corporation or incurred in connection with the enforcement of this Agreement including, without limitation, reasonable legal fees and disbursements agreed upon in advance by the Corporation and the Investor.

The Corporation may, at its election, increase the Implementation Fee in order to increase the Implementation Share Value.

12.2 Specific Enforcement

The Corporation and the Investor acknowledge and agree that each of the parties would not have an adequate remedy at law and irreparable damage would occur in the event that any of the provisions of this Agreement were not performed in accordance with their specific terms or were otherwise breached. It is accordingly agreed that the parties shall be entitled to an injunction or injunctions to prevent or cure breaches of the provisions of this Agreement and to enforce specifically the terms and provisions hereof or thereof, this being in addition to any other remedy to which any of them may be entitled by law.

12.3 Entire Agreement; Amendment

This Agreement contains the entire understanding of the parties with respect to the matters covered hereby and supersedes all prior agreements between the Corporation and the Investor with respect to their respective rights and obligations hereunder, including the indicative term sheet used in connection herewith and, except as specifically set forth herein, neither the Corporation nor the Investor make any representation, warranty, covenant or undertaking with respect to such matters. No provision of this Agreement may be waived or amended other than by a written instrument signed by the party against whom enforcement of any such amendment or waiver is sought. The parties hereto may not amend this Agreement or any rights or obligations hereunder without the prior written consent of the Corporation, the Exchange, if required, and the Investor.

12.4 Notices

Any notice, demand, request, waiver or other communication required or permitted to be given hereunder (collectively, a "**Communication**"), except for a Draw Down Notice, shall be in writing and shall be delivered by facsimile and electronic delivery at the electronic address and facsimile number designated below. A Draw Down Notice shall be delivered in accordance with the instructions on Schedule A. Delivery of a Communication shall be effective: (a) upon the date of delivery, if delivered on a business day during normal business hours where such Communication is to be received, or (b) the first business day following such delivery, if delivered other than on a business day during normal business hours where such Communication is to be received. The addresses and facsimile numbers for a Communication shall be as follows:

If to the Corporation:

Transeuro Energy Corp.
350 7th Ave. SW
Suite 2800
Calgary, AB
Canada T2P 3N9

Attention:	David Worrall
Facsimile:	(403) 705 1921
E-mail:	dworrall@transeuroenergy.com

with a copy to:

MOI Solicitors LLP
2600 Oceanic Plaza
1066 West Hastings Street
Vancouver, BC
Canada V6E 3X1

Attention:	David Gunasekera
Facsimile:	(604) 646-3325
E-mail:	dgunasekera@moisolicitors.com

If to the Investor:

YA Global Master SPV Ltd.
101 Hudson Street, Suite 3700
Jersey City, NJ 07302
United States of America

Attention:	Jerry Eicke/David Gonzalez
Facsimile:	(201) 985-8117
Email:	jeicke@yorkvilleadvisors.com/ dgonazlez@yorkvilleadvisors.com

with a copy to:

Stikeman Elliott London LLP
Dauntsey House
4B Frederick's Place
London EC2R 8 AB UK

Attention:	Derek Linfield
Facsimile:	+44 20 7367 0185
E-mail:	dlinfield@stikeman.com

Any party may, at any time, give notice in writing to the others in the manner provided for above of any change of address or facsimile number.

12.5 Waivers

No waiver by either party of any default with respect to any provision, condition or requirement of this Agreement shall be deemed to be effective unless in writing or to be a continuing waiver in the future or a waiver of any other provision, condition or requirement hereof, nor shall any delay or omission of any party to exercise any right hereunder in any manner impair the exercise of any such right accruing to it thereafter.

12.6 Headings

The division of this Agreement into articles, sections, subsections, paragraphs and other subdivisions and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Agreement. Unless something in the subject matter or context is inconsistent therewith, references herein to articles, sections, subsections, paragraphs and other subdivisions are to articles, sections, subsections, paragraphs and other subdivisions of this Agreement.

12.7 Successors and Assigns

No party hereto may assign this Agreement, any part hereof or its rights hereunder without the prior written consent of the other party. This Agreement shall enure to the benefit of and be binding upon the parties hereto and their respective successors and permitted assigns.

12.8 Governing Law/Consent to Jurisdiction

This Agreement shall be governed by and construed in accordance with the laws of the Province of British Columbia and the federal laws of Canada applicable therein. Subject to Section hereof, the parties hereto hereby irrevocably attorn to the non-exclusive jurisdiction of the courts of the Province of British Columbia.

12.9 Third party beneficiaries

Except where specifically indicated, nothing in this Agreement is intended or by implication to, or shall, confer upon any person (other than the parties hereto) any rights or remedies of any kind.

12.10 Arbitration

In the event that any dispute shall occur or any question shall arise between the parties hereto as to the interpretation of any of the provisions hereof which cannot be resolved by their agreement, then the determination of such dispute shall be resolved by arbitration pursuant to the *Arbitration Act* (Ontario) and as provided in this Section and the decision shall be final and binding as between the parties and shall not be subject to appeal. Submission to arbitration pursuant to the provisions of this Section shall be a condition precedent to the bringing of any action with respect to this Agreement (other than an application for injunctive relief from an actual or threatened breach of the covenants herein) unless such condition is waived by each of the parties in writing. Any arbitration to be carried out under this Section shall be subject to the following provisions:

(a) the party desiring arbitration shall nominate an arbitrator and shall notify the other party of such nomination. The notice shall set forth a brief description of the matter submitted for arbitration and, if appropriate, the section or clause hereof pursuant to which such matter is so submitted. The other party shall, within ten (10) days after receiving such notice, nominate an arbitrator and the two arbitrators shall select a third arbitrator who will act as chairman of the arbitral tribunal. If the said two arbitrators shall be unable to agree on the selection of such third arbitrator, such third arbitrator shall be designated by a Judge of the applicable court in the Province of Ontario upon an application by either party. The arbitration shall take place in the English language in the City of Toronto, Ontario and the chairman shall fix the time and place within the City of Toronto, Ontario for the purpose of hearing such evidence and representations as the parties may present and subject to the provisions hereof, the decision of any two of the three arbitrators in writing shall be binding upon the parties both in respect of procedure and the conduct of the parties during the procedure and the final determination of the issues therein. The arbitrators shall be instructed that time is of the essence in proceeding with their determination of the issue or issues at hand. The arbitrators shall, after hearing any evidence and representations that the parties may submit, render a decision and reduce the same to writing and deliver one copy thereof to each party. The majority of the arbitrators may determine any matters of procedure for the arbitration not specified herein;

(b) if a party receiving notice of the nomination of an arbitrator by the party desiring arbitration fails within the said ten (10) days to nominate an arbitrator, the arbitrator nominated by the party desiring arbitration may proceed alone to determine the dispute in such manner and at such time as he or she shall think fit and his or her decision shall, subject to the provisions hereof, be binding upon the parties;

(c) notwithstanding the foregoing, any arbitration may be carried out by a single arbitrator if the parties so agree; and

(d) the cost of the arbitration and the cost of counsel and expenses of each party shall be borne by the parties as the arbitral tribunal or the single arbitrator, as the case may be, shall determine and shall not be limited by the *Arbitration Act* (Ontario).

12.11 Counterparts

This Agreement may be executed by facsimile or portable documents format (PDF) and in any number of counterparts, all of which taken together shall constitute one and the same instrument and an original copy hereof and shall become effective when counterparts have been signed by each party and delivered to the other parties hereto, it being understood that all parties need not sign the same counterpart.

12.12 Publicity

Unless otherwise provided for herein or pursuant to applicable law, neither the Corporation nor the Investor shall issue any press release or otherwise make any public statement or announcement with respect to this Agreement or the transactions contemplated hereby or the existence of this Agreement without the prior written consent of the other party. Notwithstanding the foregoing, forthwith upon execution of this Agreement, the

Corporation shall issue a press release or otherwise make a public statement or announcement with respect to this Agreement and the transactions contemplated hereby or the existence of this Agreement; provided, however, that prior to issuing such press release, making any such public statement or announcement, the Corporation obtains the prior consent of each of the Investor (which consent shall not be unreasonably withheld or delayed), the Market Surveillance division of IIROC and the Corporate Finance Services department of the TSXV.

12.13 Severability

The provisions of this Agreement are severable and, in the event that any court, arbitral tribunal or officials of any regulatory agency of competent jurisdiction shall determine that any one or more of the provisions or part of the provisions contained in this Agreement shall, for any reason, be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provision or part of a provision of this Agreement and this Agreement shall be reformed and construed as if such invalid or illegal or unenforceable provision, or part of such provision, had never been contained herein, so that such provisions would be valid, legal and enforceable to the maximum extent possible, so long as such construction does not materially adversely affect the economic rights of either party hereto.

12.14 Further Assurances

From and after the date of this Agreement, upon the request of the Investor or the Corporation, each of the Corporation and the Investor shall execute and deliver such instruments, documents and other writings as may be reasonably necessary or desirable to confirm and carry out and to effectuate fully the intent and purposes of this Agreement.

12.15 Time of Essence

Time shall be of the essence of this Agreement and of every part hereof and no extension or variation of this Agreement shall operate as a waiver of this provision.

12.16 Currency

Unless otherwise indicated, all amounts expressed herein in terms of money refer to Norwegian Kroner, the lawful currency of Norway and all payments to be made hereunder shall be made in such currency.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first above written.

YA GLOBAL MASTER SPV LTD. by its Investment Manager, YORKVILLE ADVISORS, LLC

By: ______________________

Name: David Gonzalez

Title: Managing Member

TRANSEURO ENERGY CORP.

By: ______________________

Name: Darren Moulds

Title: Chief Financial Officer

SCHEDULE "A"

FORM OF DRAW DOWN NOTICE

Please deliver this Draw Down Notice by mail, e-mail or facsimile with a follow-up phone call to:

Yorkville Advisors, LLC
101 Hudson Street
Suite 3700
Jersey City, NJ 07302
United States of America

Fax: (201) 946-0851
E-mail: trading@yorkvilleadvisors.com
Attention: Trading Department and Compliance Officer
Confirmation Telephone Number: (201) 985-8300 ext. 129

COPIES TO:

TSX Venture Exchange
10th Floor, 300-5th Avenue S.W.
Calgary, AB T2P 3C4
Canada

Attention: ●
Facsimile: ●
E-mail: ●

IIROC
P.O. Box 11580
Suite 2600, 650 West Georgia Street
Vancouver, BC V6B 4W8
Canada

Attention: Market Surveillance
Facsimile: (604) 643-6505

MOI Solicitors LLP
2600 Oceanic Plaza
1066 West Hastings Street
Vancouver, BC
Canada V6E 3X1

Attention: David Gunasekera
Facsimile: (604) 646-3325
E-mail: dgunasekera@moisolicitors.com

Stikeman Elliott LLP
Dauntsey House
4B Frederick's Place
London EC2R 8 AB UK

Attention: Derek Linfield
Facsimile: +44 20 7367 0185
E-mail: dlinfield@stikeman.com

FROM:

Transeuro Energy Corp.
350 7th Ave. SW
Suite 2800
Calgary, AB
Canada T2P 3N9

Attention: David Worrall
Facsimile: (403) 705 1921
E-mail: dworrall@transeuroenergy.com

Date:

DRAW DOWN NOTICE

made in relation to the Share Purchase Agreement between
Transeuro Energy Corp. and YA Global Master SPV Ltd.
dated ●, 2012
(the "**Agreement**")

Words and expressions defined in the Agreement shall bear the same meanings in this notice and the terms and conditions contained in the Agreement are hereby incorporated by reference into, and deemed to be a part of, this notice.

1. In accordance with the terms and conditions of the Agreement, the undersigned hereby notifies you that it wishes to make a Draw Down against the Commitment Amount and will require you to purchase Subscription Shares as follows:

(a)	**Investment Amount:**	NOK●
(c)	**Minimum Price:**	●

2. On the Settlement Date, we will deliver to the Investor a "bring-down" officers' certificate in accordance with the Agreement.

3. We acknowledge that our delivery of this notice is irrevocable. Failure to deliver copies of this notice to such parties indicated above shall not affect the validity of this notice.

4. We hereby confirm that the conditions required to issue this Draw Down Notice as set forth in the Agreement have been satisfied on or before the date of this notice or have been waived.

5. We confirm that this Draw Down should be processed on the basis set out in the Agreement.

TRANSEURO ENERGY CORP.

By: ______________________________

Name: ●

Title: ●

SCHEDULE "B"

FORM OF OFFICERS' CERTIFICATE

TO: **YA GLOBAL MASTER SPV LTD.**
(the "Investor")

AND TO: **TRANSEURO ENERGY CORP.**

RE: **Share Purchase Agreement (the "Agreement") dated ●, 2012 between the Investor and Transeuro Energy Corp. (the "Corporation")**

The undersigned, ______________________________, the __________________ of the Corporation and ____________________________, the __________________ of the Corporation hereby certify for and on behalf of the Corporation after having made due inquiry, but without personal liability, that:

1. the representations and warranties of the Corporation contained in the Agreement are true and correct in all material respects as if made on the date hereof, except to the extent that such representations and warranties speak as of an earlier date, in which event such representations and warranties were true and correct as of such earlier date; and

2. the conditions set forth in Section of the Agreement required to have been met by the Corporation on or before the date hereof have been satisfied or waived.

DATED this _____________day of ___________, 20___.

Per: ____________________________ Per:____________________________

Name Name:

Title: Title:

SCHEDULE "C"

FORM OF OPINION OF THE CORPORATION'S NORWEGIAN COUNSEL

NORWEGIAN COUNSEL

Words and expressions defined in the Agreement shall bear the same meanings in this form of opinion of the Corporation's Norwegian counsel and the terms and conditions contained in the Agreement are hereby incorporated by reference into, and deemed to be a part of, this form of opinion.

Subject to customary qualifications, the opinion of the Corporation's Norwegian counsel shall, in addition to such other matters as the Investor may reasonably request, state that:

1. The execution and delivery by the Corporation of the Share Purchase Agreement, the fulfilment of the terms thereof by the Corporation, and the issue, sale and delivery of the Subscription Shares to the Investor as contemplated therein, does not constitute or result in a breach of or a default under, and not creating a state of facts which, after notice or lapse of time or both, will constitute or result in a breach of, and will not conflict with, any of the terms, conditions or provisions of Norwegian law or the Oslo Stock Exchange's "Continuing Obligations of Stock Exchange Listed Companies" as in force on the date hereof, subject to the Corporation's fulfilment of applicable reporting and disclosure rules.

2. The execution and delivery by the Corporation of the Share Purchase Agreement, the fulfilment of the terms thereof by the Corporation, and the issue and sale and delivery of the Subscription Shares to the Investor as contemplated therein, does not require any approval, conditional or otherwise, from the Oslo Exchange or the NFSA.

3. Unless the Investor has waived the condition to draw downs listed under the Agreement's section 6.1 (h), the number of Subscription Shares to be issued pursuant to the relevant Draw Down Notice will not trigger an obligation for the Corporation to prepare an EEA-Prospectus.

SCHEDULE "D"

FORM OF OPINION OF THE CORPORATION'S CANADIAN COUNSEL

Subject to the usual qualifications, the opinion of the Corporation's Canadian counsel shall, in addition to such other matters as the Investor may reasonably request, state that:

4. The Corporation has been incorporated and is existing under the laws of the Province of British Columbia and has the corporate capacity and power to own and lease its properties and assets and to conduct its business.

5. The Corporation has the corporate power to execute and deliver the Share Purchase Agreement, and to carry out the transactions contemplated thereby, under the laws of the Province of British Columbia.

6. All necessary corporate actions have been taken by the Corporation to authorize the execution and delivery of the Share Purchase Agreement, and the performance of its obligations thereunder.

7. The Share Purchase Agreement has been duly executed and delivered by the Corporation and constitutes a legal, valid and binding obligation of, and being enforceable against, the Corporation in accordance with its terms (subject to bankruptcy, insolvency or other laws affecting the rights of creditors generally, general equitable principles including the availability of equitable remedies and the qualification that no opinion need be expressed as to rights to indemnity or contribution).

8. The execution and delivery by the Corporation of the Share Purchase Agreement, the fulfilment of the terms thereof by the Corporation, and the issue, sale and delivery of the Subscription Shares to the Investor as contemplated therein, does not constitute or result in a breach of or a default under, and not creating a state of facts which, after notice or lapse of time or both, will constitute or result in a breach of, and will not conflict with, any of the terms, conditions or provisions of the articles and by-laws of the Corporation or any applicable law of British Columbia, and the federal laws of Canada.

9. All necessary corporation actions having been taken by and on behalf of the Corporation to authorize the issuance and delivery of the Subscription Shares.

10. The Subscription Shares have been validly issued by the Corporation and upon receipt of full payment therefor shall be fully paid and non-assessable common shares in the capital of the Corporation.

11. The Corporation is a reporting issuer in each of the Designated Provinces and is not as of [**insert date**] included on a list of defaulting reporting issuers maintained by the securities regulatory authorities in the Designated Provinces.

12. The Subscription Shares have been conditionally approved for listing on the TSX Venture Exchange (the "**TSX-V**") subject only to satisfaction by the Corporation of all the requirements of the TSX-V as set out in the TSX-V Documents.

13. Other than as contemplated in the ASC Relief, all documents required to be filed by the Corporation and all proceedings required to be taken by the Corporation under Securities Laws have been filed and taken in order to qualify the distribution of the Subscription Shares for sale to the public in each of the Designated Provinces through investment dealers duly registered in the appropriate category under the applicable laws of the Designated Provinces and who have complied with the relevant provisions of such applicable laws and the terms of their registration.

14. Other than as contemplated in the ASC Relief, the first trade in any of the Designated Provinces of the Subscription Shares by or through dealers duly and properly registered under the Securities Laws who are in compliance therewith and who are registered in a category permitting them to trade such securities or in circumstances in which there is an exemption from the registration requirements of applicable Securities Laws, will not be subject to the prospectus requirements of the Securities Laws of any of the Designated Provinces and no approval, permit, consent or authorization of any of the securities regulatory authorities of any of the Designated Provinces will be required to be obtained by the Corporation under the Securities Laws of any of the Designated Provinces to permit such trade, provided that:

    a. such first trade is not a "control distribution" as that term is defined in National Instrument 45-102 — *Resale of Securities*;

    b. the Corporation is a "reporting issuer" (as defined under the applicable securities laws of the Designated Provinces) at the time of such first trade; and

    c. such trade is not part of a transaction or series of transactions involving purchases and sales or repurchases and resales in the course of or incidental to a "distribution" (as defined under Securities Laws).

SCHEDULE "E"

FORM OF ASC DECISION DOCUMENT

(● pages including this page)

SCHEDULE "F"

FORM OF SETTLEMENT DOCUMENT

Transeuro Energy Corp.
350 7th Ave. SW
Suite 2800
Calgary, AB
Canada T2P 3N9

Attention: David Worrall

Facsimile: (403) 705 1921

E-mail:dworrall@transeuroenergy.com

Below please find the settlement information with respect to the Draw Down Notice dated __________.

The Settlement Date for this Advance is:	__________
Investment Amount (as set forth in Draw Down Notice)	NOK __________
Minimum Price:	NOK

Trading Day	Daily Investment Amount (NOK)	Average Daily Price (VWAP) (NOK)	Applicable Percentage	Purchase Price (NOK)	Daily Share Amount (Rounded Down)
			95%		
			95%		
			95%		
			95%		
			95%		
Number of Reduction Days					
Additional Shares (if any)					
Gross Proceeds paid for Additional Shares					
Total Investment Amount				Average Purchase Price	Aggregate Subscription Shares
______NOK				____NOK	__________

The Corporation shall issue the Aggregate Subscription Shares to the account of the Investor as follows:

DTC/DWAC Instructions YA Global Master SPV, Ltd

The Investor shall deliver the Gross Proceeds to the Corporation by electronic transfer to the following account:

Name of Bank: Branch Swift Code: Account Name: Account Number: Other:

Sincerely,

YA GLOBAL MASTER SPV LTD.

Approved by Transeuro Energy Corp:

____
Name:

cc: VIA EMAIL

Sincerely,

YA GLOBAL MASTER SPV LTD.

Approved by Transeuro Energy Corp.:

____

Name:

cc: VIA EMAIL