ARRANGEMENT AGREEMENT

between

PETROMANAS ENERGY INC.

- and -

GALLIC ENERGY LTD.

October 1, 2012

SCHEDULES

THIS ARRANGEMENT AGREEMENT (the "**Agreement**") is made on October 1, 2012

BETWEEN:

PETROMANAS ENERGY INC., a corporation existing under the laws of the Province of Alberta ("**Petromanas**")

– and –

GALLIC ENERGY LTD., a corporation existing under the laws of the Province of Alberta ("**Gallic**")

RECITALS:

A. Petromanas wishes to acquire all of the outstanding Class A shares in the capital of Gallic.

B. The parties hereto intend to carry out the transactions contemplated herein by way of an arrangement involving Gallic, its shareholders and warrantholders, Petromanas and a wholly-owned subsidiary of Petromanas under the provisions of the *Business Corporations Act* (Alberta).

C. The parties hereto have entered into this Agreement to provide for the matters referred to in the foregoing recitals and for other matters relating to such arrangement.

THEREFORE in consideration of the respective covenants and agreements hereinafter set forth and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by each Party, the Parties hereby agree as follows.

ARTICLE 1
DEFINITIONS AND PRINCIPLES OF INTERPRETATION

1.1 Definitions

Whenever used in this Agreement, unless there is something in the subject matter or context inconsistent therewith, the following words and terms have the following respective meanings:

"**ABCA**" means the *Business Corporations Act* (Alberta), R.S.A. 2000, c. B-9;

"**AcquisitionCo**" means Petromanas Acquisitions Ltd., a company incorporated under the ABCA and a wholly-owned subsidiary of Petromanas;

"**Acquisition Proposal**" means any inquiry or the making of any proposal to Gallic or the Gallic Shareholders from any Person or group of Persons "acting jointly or in concert" (within the meaning of Multilateral Instrument 62-104 – *Take-Over Bids and Issuer Bids*) which constitutes, or may reasonably be expected to lead to (in either case whether in one transaction or a series of transactions): (a) an acquisition from Gallic of 20% or more of the voting securities of Gallic; (b) any acquisition of a substantial amount of assets (or any lease, long term supply agreement or other arrangement having the same economic effect as a purchase or sale of a substantial amount of assets) of Gallic and its subsidiaries taken as a whole; (c) an amalgamation, arrangement, merger, or consolidation involving Gallic or its subsidiaries; (d) any take-over bid, issuer bid, exchange offer, recapitalization, liquidation, dissolution, reorganization or similar transaction involving Gallic or its subsidiaries; or (e) any other transaction, the consummation of which could reasonably be expected to impede, interfere with, prevent or delay the transactions contemplated by this Agreement or the Arrangement or which would or could reasonably be expected to reduce the benefits to Petromanas under this Agreement or the Arrangement; except that for the purpose of the definition of "**Superior Proposal**", the references in this definition of "**Acquisition Proposal**" to "20% or more of the voting securities" shall be deemed to be references to "50% or more of the voting securities", and the references to "a substantial amount of assets" shall be deemed to be references to "all or substantially all of the assets";

"**Affiliate**" has the meaning ascribed thereto in section 1.3 of National Instrument 45–106 – *Prospectus and Registration Exemptions* as in effect on the date hereof, provided that, for greater certainty, Petromanas and Gallic are not Affiliates;

"**Agreement**" means this Arrangement Agreement, including all Schedules and all amendments or restatements as permitted, and references to "**Article**" or "**Section**" mean the specified Article or Section of this Agreement;

"**arm's length**" has the meaning ascribed to it in the Tax Act;

"**Arrangement**" means the arrangement involving Gallic, Gallic Shareholders, Gallic Warrantholders, Petromanas and AcquisitionCo pursuant to section 193 of the ABCA set forth in the Plan of Arrangement;

"**Articles of Arrangement**" means the articles of arrangement in respect of the Arrangement required under subsection 193(10) of the ABCA to be sent to the Registrar after the Final Order has been granted, giving effect to the Arrangement;

"**Benefit Plans**" includes all employee benefit plans, all loans to employees, all stock option, RSUs, stock purchase, phantom stock, stock appreciation right, supplemental retirement benefits, severance, sabbatical, medical, dental, prescription, vision care, disability, employee relocation, life insurance or accident insurance, health, welfare, legal, education, sick leave, bonus, hospitalization insurance, supplemental unemployment benefit, salary continuation, individual or group retirement savings (both registered and non registered), pension, profit sharing, savings, deferred compensation or incentive plans, programs or arrangements, other fringe or employee benefit plans that apply to employees or former employees of Petromanas or Gallic, as the case may be, and executive compensation or severance agreements for the benefit of, or relating to, any present or former employee, consultant, officer or director of Petromanas or Gallic, as the case may be;

"**Business Day**" means any day which is not a Saturday, Sunday or statutory holiday in the Province of Alberta on which the principal commercial banks in downtown Calgary are generally open for the transaction of commercial banking business during regular business hours;

"**Canadian Securities Laws**" means the securities legislation or ordinance and regulations thereunder of each province and territory of Canada and the rules, instruments, policies and orders of each Canadian Securities Regulatory Authority made thereunder;

"**Canadian Securities Regulatory Authority**" means the applicable Canadian provincial and territorial securities commissions and regulatory authorities;

"**Claim**" means any claim, demand, complaint, action, suit, cause of action, assessment or reassessment, charge, judgment, debt, liability, expense, cost, damage or loss, contingent or otherwise (including legal fees on a solicitor and his or her own client basis and other professional fees and all costs incurred in investigating or pursuing any of the foregoing or any proceeding);

"**Closing**" means the completion of the Arrangement and the transactions contemplated to be completed herein;

"**Commissioner**" means the Commissioner of Competition appointed under subsection 7(1) of the *Competition Act*, or her designee;

"**Competition Act**" means the *Competition Act,* R.S.C. 1985, c. C-34, as amended;

"**Competition Tribunal**" means the Competition Tribunal as established by subsection 3(1) of the *Competition Tribunal Act*, R.S.C. 1985, c.19, as amended;

"**Confidentiality Agreement**" means the mutual confidentiality agreement dated April 5, 2011 as such agreement may be amended from time to time in accordance with its terms, between Petromanas and Gallic relating to certain confidential information;

"**Contract**" means a contract, lease, instrument, note, bond, debenture, mortgage, agreement, arrangement, obligation or understanding to which a Party or any subsidiary is a party or under which a Party or any subsidiary is bound, has unfulfilled obligations or contingent liabilities or is owed unfulfilled obligations, whether known or unknown, whether asserted or not;

"**Court**" means the Court of Queen's Bench of Alberta;

"**Depositary**" means Valiant Trust Company or such other Person that may be appointed by Petromanas for the purpose of receiving deposits of certificates formerly representing Gallic Shares;

"**Dissenting Gallic Shareholder**" means a registered Gallic Shareholder who, in connection with the Gallic Arrangement Resolution, has validly exercised the right to dissent pursuant to section 191 of the ABCA in strict compliance with the provisions thereof and thereby becomes entitled to receive the fair value of his or her Gallic Shares in cash determined as of the close of business on the last Business Day before the date of the adoption of the Gallic Arrangement Resolution and has not withdrawn or been deemed to have withdrawn such exercise of dissent rights, but only in respect of Gallic Shares in respect of which dissent rights are validly exercised by such holder;

"**Documents of Title**" means: (i) the Leases; (ii) all agreements relating to the ownership or operation of the Properties entered into in the normal course of business, including: operating procedures; unit agreements and unit operating agreements; agreements for the construction, ownership and operation of gas plants, pipelines, gas gathering systems and similar facilities; pooling agreements, royalty agreements, farmin agreements, farmout agreements and participation agreements; trust agreements; agreements respecting the gathering, measurement, processing, compression or transportation of Petroleum Substances; seismic data; licensing agreements; well operating contracts; and surface leases, pipeline easements, road use agreements and other contracts granting the Surface Rights; and (iii) all permits, licenses and approvals issued or granted by any Governmental Authority pertaining to the ownership or operation of the Properties or the gathering, processing, treatment, storage, measurement, transportation or sale of the production of Petroleum Substances from the Properties;

"**Effective Date**" means the date the Arrangement becomes effective under the ABCA, which is scheduled to occur on November 30, 2012, or such other date as the Parties may agree in writing;

"**Effective Time**" means the time on which the Arrangement becomes effective on the Effective Date in accordance with the ABCA;

"**Encumbrances**" means pledges, liens, charges, security interests, leases, title retention agreements, mortgages, restrictions, development or similar agreements, easements, rights-of-way, title defects, options, rights of first offer or rights of first refusal, areas of mutual interest, adverse claims or encumbrances of any kind or character whatsoever;

"**Environmental Laws**" means any applicable federal, provincial, municipal or local laws, regulations, orders, government decrees, ordinances or regulatory approvals with respect to environmental, health or safety matters;

"**Exchange Ratio**" means 0.3736 of a Petromanas Share issuable for each Gallic Share in accordance with the Plan of Arrangement;

"**Final Order**" means the order of the Court approving the Arrangement pursuant to subsection 193(9) of the ABCA, as such order may be affirmed, amended or modified by any court of competent jurisdiction;

"**GAAP**" means generally accepted accounting principles as defined from time to time by the Accounting Standards Board of the Canadian Institute of Chartered Accountants in the Handbook of the Canadian Institute of Chartered Accountants and which incorporates International Financial Reporting Standards as adopted by the Canadian Accounting Standards Board for periods beginning on or after January 1, 2011;

"**Gallic Arrangement Resolution**" means the special resolution of Gallic Shareholders and Gallic Warrantholders, voting together as a single class, to be considered at the Gallic Meeting approving the Arrangement;

"**Gallic Board**" means the board of directors of Gallic;

"**Gallic Class B Shares**" means the Class B Shares in the share capital of Gallic;

"**Gallic Class C Shares**" means the Class C Shares in the share capital of Gallic;

"**Gallic Employee Obligations**" means any obligations or liabilities of Gallic to pay any amount to or on behalf of its officers, directors, consultants or employees, other than for salary, bonuses under their existing bonus arrangements, vacation pay and directors' fees in the ordinary course, in each case in amounts consistent with historic practices, and, without limiting the generality of the foregoing, Gallic Employee Obligations shall include the obligations of Gallic to directors, officers or employees: (i) for severance or termination payments on the change of control of Gallic pursuant to any voluntary or involuntary executive severance and termination agreements in the case of officers, pursuant to a resolution of the board of directors of Gallic, or pursuant to Gallic's severance policy in the case of officers and employees; (ii) for retention bonus payments pursuant to any retention bonus program or executive employment agreement; and (iii) for payments with respect to any share appreciation rights, participating performance units or similar plans, if any;

"**Gallic Fairness Opinion**" means the opinion of Macquarie Capital Markets Canada Ltd. that, subject to its review of the final form of the documentation effecting the Arrangement, the consideration to be received by Gallic Shareholders, pursuant to the Arrangement is fair, from a financial point of view, to the Gallic Shareholders;

"**Gallic Financial Statements**" means, collectively:

(a) the audited financial statements of Gallic as at and for the year ended December 31, 2011, including the notes to such statements and the auditor's report thereon; and

(b) the unaudited condensed interim financial statements of Gallic as at and for the six months ended June 30, 2012, including the notes to such statements;

"**Gallic Information**" means the information describing Gallic and its business, operations and affairs specifically provided by Gallic for inclusion in the Information Circular;

"**Gallic Meeting**" means the special meeting of Gallic Shareholders and Gallic Warrantholders (including any adjournment or postponement thereof permitted under this Agreement) that is to be convened to consider and, if deemed advisable, to approve the Gallic Arrangement Resolution and related matters;

"**Gallic Options**" means the options to purchase Gallic Shares outstanding and unexercised, whether vested or not vested, at any given date and granted under any stock option plans or stock option agreements of Gallic, including the Gallic Stock Option Plan;

"**Gallic Optionholders**" means the holders of Gallic Options from time to time;

"Gallic Preferred Shares" means the preferred shares, issuable in series, in the share capital of Gallic;

"**Gallic Remaining Working Capital**" means an amount equal to the aggregate of the current assets of Gallic (on a consolidated basis) (excluding, for greater certainty, the value of any lands or interests therein held by Gallic but including the book value of the 5.5" casing located in France) less all of Gallic's current liabilities (on a consolidated basis), in each case as at the Effective Date, provided that such amount shall be: (a) increased by any amounts paid, payable or accrued in respect of: (i) legal, financial advisory, accounting fees, printing costs and TSXV fees pertaining directly to the Arrangement; and (ii) severance and termination costs and change of control payments as a result of the Arrangement; and (b) decreased by any amounts received or receivable in respect of the exercise of any convertible securities of Gallic, including Gallic Options, Gallic Warrants and Gallic RSUs;

"**Gallic Reserves Engineers**" means GLJ Petroleum Consultants Ltd.;

"**Gallic Resources Report**" means the independent resource evaluation report prepared by the Gallic Reserves Engineers, dated effective September 30, 2011;

"**Gallic RSUs**" means the restricted stock units granted by Gallic;

"**Gallic Shareholders**" means, collectively, the registered and beneficial holders of the issued and outstanding Gallic Shares;

"**Gallic Shares**" means the Class A Shares in the share capital of Gallic;

"**Gallic Stock Option Plan**" means the stock option plan of Gallic approved by the Gallic Shareholders effective December 16, 2011, as may be amended from time to time;

"**Gallic Support Agreements**" means the support agreements pursuant to which the Gallic Supporting Securityholders in their capacities as holders of Gallic Shares and Gallic Warrants have agreed to vote the Gallic Shares and Gallic Warrants held by them in favour of the Gallic Arrangement Resolution and to otherwise support the Arrangement;

"**Gallic Supporting Securityholders**" means each of the directors and officers of Gallic and any other Persons who execute and deliver the Gallic Support Agreements;

"**Gallic Warrantholders**" means, collectively, the registered and beneficial holders of the issued and outstanding Gallic Warrants;

"**Gallic Warrants**" means the issued and outstanding warrants of Gallic entitling the holder thereof to purchase Gallic Shares;

"**Gallic Working Capital Statement**" means the statement prepared by Gallic as at the Effective Date for the purpose of calculating the Gallic Remaining Working Capital;

"**Governmental Authority**" means any:

(a) multinational, federal, provincial, state, regional, municipal, local or other government, governmental or public department, central bank, court, tribunal, arbitral body, commission, board, bureau or agency, domestic or foreign;

(b) Canadian Securities Regulatory Authority, self-regulatory organization or stock exchange;

(c) subdivision, agent, commission, board, or authority of any of the foregoing; or

(d) quasi-governmental or private body exercising any regulatory, expropriation or taxing authority under or for the account of any of the foregoing;

"**Interim Order**" means an interim order of the Court concerning the Arrangement under subsection 193(4) of the ABCA, containing declarations and directions with respect to the Arrangement and the holding of the Gallic Meeting, as such order may be affirmed, amended or modified by any court of competent jurisdiction;

"**Information Circular**" means the notice of the Gallic Meeting to be sent to Gallic Shareholders and Gallic Warrantholders and the information circular to be prepared in connection with the Gallic Meeting, together with any amendments thereto or supplements thereof, and any other registration statement, information circular or proxy statement which may be prepared in connection with the Gallic Meeting;

"**Lands**" means: (a) with respect to Petromanas, the lands as described in a schedule provided to Gallic and, except as otherwise expressly noted in that schedule, includes the Petroleum Substances within, upon or under those lands, together with the right to explore for and recover the Petroleum Substances, to the extent those rights are granted by the Leases; and (b) with respect to Gallic, the lands set forth and described in a schedule provided to Petromanas and, except as otherwise noted, includes the Petroleum Substances within, upon or under those lands, together with the right to explore for and recover the Petroleum Substances, to the extent those rights are granted by the Leases;

"**Laws**" means all laws (including common law and civil law), by-laws, statutes, rules, regulations, orders, ordinances, judgments, decrees or other requirements, having the force of law whether domestic or foreign, and the terms and conditions of any grant of approval, permission, authority, permit, membership, contract with, or license of, in each case of any Governmental Authority;

"**Leases**" means, collectively, the various leases, reservations, permits, licences, certificates and other documents of title by virtue of which the holder is entitled to explore for, drill for, recover, remove or dispose of Petroleum Substances forming part of the Lands, being: (a) with respect to Petromanas, the leases, reservations, permits, licenses and other Documents of Title as described in a schedule dated as of the date of this Agreement and provided to Gallic; and (b) with respect to Gallic, the leases, reservations, permits, licenses, and other Documents of Title as described in the Schedules dated as of the date of this Agreement and provided to Petromanas;

"**Letter of Transmittal**" means the letter of transmittal for use by Gallic Shareholders to be delivered in connection with the Arrangement;

"**Liabilities**" means all liabilities and obligations, whether under common law, in equity, under Laws, under contract or otherwise, whether tortious, contractual, statutory or otherwise, whether absolute or contingent and whether based on fault, strict liability or otherwise;

"**Material Adverse Change**" means with respect to any Person, any fact or state of facts, circumstance, change, effect, occurrence, matter, action or event which: (a) either individually is or in the aggregate are, or individually or in the aggregate would reasonably be expected to be, material and adverse to the business, operations, results of operations, properties, assets, liabilities, obligations (whether absolute, accrued, conditional or otherwise) or condition (financial or otherwise) of such Person and its subsidiaries, on a consolidated basis, except to the extent of any fact or state of facts, circumstance, change, effect, occurrence or event resulting from or arising in connection with: (i) any change in GAAP or changes in regulatory accounting requirements applicable to the oil and gas, oil sands and oil shale exploration, development and production businesses, the petrochemicals industry, and the business of refining, marketing and distributing petroleum products (the "**O&G Business**"); (ii) any change in global, national or regional political conditions (including the outbreak of war or acts of terrorism) or in general economic, business, regulatory, or market conditions or in national or global financial or capital markets; (iii) any change generally affecting the O&G Business; (iv) any natural disaster; (v) any decline in crude oil or natural gas prices on a current or forward basis; (vi) any actions taken (or omitted to be taken) at the written request of the other Party hereto; or (vii) any action taken by the Person or any of its subsidiaries that is required, contemplated or permitted pursuant to this Agreement (excluding any obligation to act in the ordinary course of business, but including any steps taken pursuant to this Agreement to obtain any required regulatory approvals); *provided*, however, that with respect to clauses (i), (ii), (iii) and (iv) such matter does not have a materially disproportionate effect on the Person and its subsidiaries, taken as a whole, relative to comparable entities operating in the O&G Business, and references in certain sections of this Agreement to dollar amounts are not intended to be, and shall not be deemed to be, illustrative or interpretative for purposes of determining whether a "Material Adverse Change" or a "Material Adverse Effect" has occurred; or (b) either individually or in the aggregate prevents, or individually or in the aggregate would reasonably be expected to prevent, the Person from performing its material obligations under this Agreement in any material respect;

"**Material Adverse Effect**" means any effect resulting from a Material Adverse Change;

"**Miscellaneous Interests**" means all right, title, estate and interest of Petromanas or Gallic, as the case may be, in all property, assets and rights, other than the Petroleum and Natural Gas Rights, the Surface Rights or the Tangibles, pertaining to either the Petroleum and Natural Gas Rights, the Surface Rights or the Tangibles, including the interests to which Petromanas or Gallic, as the case may be, is entitled at the Effective Date in:

(a) all contracts and agreements relating to the Petroleum and Natural Gas Rights, the Leases, the Lands, the Surface Rights or the Tangibles, or any rights in relation to them;

(b) all well, pipeline and other permits, licences and authorizations relating to the Petroleum and Natural Gas Rights or the Tangibles;

(c) all Petroleum Substances produced from the Lands except those that are beyond the wellhead at the Effective Time;

(d) all Wells including the wellbores thereof; and

(e) all books, records, documents and geological, engineering and production data relating to the Properties;

"**Outside Date**" means December 31, 2012, or such other date as the Parties may agree;

"**Parties**" means Petromanas and Gallic, and "**Party**" means any one of them;

"**Permitted Encumbrances**" means:

(a) the terms and conditions of the Documents of Title, including the following:

(i) any existing potential alteration of the Petroleum and Natural Gas Rights because of a payout conversion or farm-in, farm-out or other such agreement, and

(ii) any penalty or forfeiture that applies to the Petroleum and Natural Gas Rights at the date hereof because of Petromanas' or Gallic's, as the case may be, election not to participate in a particular operation;

(b) easements, rights of way, servitudes or other similar rights, including, without limitation, rights of way for highways, railways, sewers, drains, gas or oil pipelines, gas or water mains, electric light, power, telephone or cable television towers, poles, and wires;

(c) the regulations and any rights reserved to or vested in any municipality or governmental, statutory or public authority to levy taxes or to control or regulate any of Petromanas' or Gallic's, as the case may be, assets in any manner, including, without limitation, the right to control or regulate production rates and the conduct of operations;

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

(e) undetermined or inchoate liens incurred or created in the ordinary course of business as security for Petromanas' or Gallic's, as the case may be, share of the costs and expenses of the development or operation of any of its assets, which costs and expenses are not delinquent as of the Effective Time;

(f) undetermined or inchoate mechanics' liens and similar liens for which payment for services rendered or goods supplied is not delinquent as of the Effective Time; and

(g) liens granted in the ordinary course of business to a public entity, municipality or Governmental Authority respecting operations pertaining to any of Petromanas' or Gallic's, as the case may be, assets;

"**Person**" includes an individual, sole proprietorship, partnership, firm, entity, association, corporation, company, limited liability company, unincorporated association, unincorporated syndicate or organization, trust, body corporate, joint venture, business organization, trustee, executor, administrator, legal representative, government (including any Governmental Authority) or any other entity, whether or not having legal status;

"**Petroleum and Natural Gas Rights**" means the entire right, title, estate and interest of Petromanas or Gallic, as the case may be, in and to the Lands, including:

(a) rights (whether fee simple interests, leasehold interests or other interests) to drill for and produce, save and market Petroleum Substances from the Lands, and to the Leases to the extent they apply to the Lands;

(b) royalties, net profits interests and similar interests entitling the holder thereof to a share of the Petroleum Substances produced from the Lands or lands pooled or unitized therewith or to a payment calculated by reference to the quantity of such production, the proceeds from the sale thereof or the profits therefrom; and

(c) rights to acquire the foregoing;

"**Petroleum Substances**" means petroleum, natural gas and all related hydrocarbons, whether gaseous, liquid or solid, and any and all other substances that may be produced in association with them, whether hydrocarbons or not;

"**Petromanas Board**" means the board of directors of Petromanas;

"**Petromanas Escrow Agreement**" means the escrow agreement among Petromanas, Computershare Investor Services Inc. and DWM Petroleum AG;

"**Petromanas Fairness Opinion**" means the opinion of Raymond James Ltd. that the consideration to be paid pursuant to the Arrangement is fair, from a financial point of view, to the Petromanas Shareholders;

"**Petromanas Financial Statements**" means, collectively:

(a) the audited consolidated financial statements of Petromanas as at and for the year ended December 31, 2011, including the notes to such statements and the auditor's report thereon; and

(b) the unaudited condensed consolidated interim financial statements of Petromanas as at and for the six months ended June 30, 2012, including the notes to such statements;

"**Petromanas Preferred Shares**" means the preferred shares, issuable in series, in the share capital of Petromanas;

"**Petromanas First Series Warrants**" means the issued and outstanding first series warrants of Petromanas entitling the holder thereof to purchase one Petromanas Share at a price of $0.45 until February 23, 2015;

"**Petromanas Information**" means the information describing Petromanas and its business, operations and affairs specifically provided by Petromanas for inclusion in the Information Circular;

"**Petromanas Options**" means the options to purchase Petromanas Shares outstanding and unexercised, whether vested or not vested, at any given date and granted under any stock option plans or stock option agreements of Petromanas, including the Petromanas Stock Option Plan;

"**Petromanas Performance Shares**" means the additional 50,000,000 Petromanas Shares which are required to be issued to the holders thereof upon the achievement of certain goals on or before February 24, 2020;

"**Petromanas Replacement Warrants**" means the warrants of Petromanas issuable pursuant to the Arrangement in exchange for the Gallic Warrants entitling the holder thereof to purchase Petromanas Shares;

"**Petromanas Reserves Engineers**" means GLJ Petroleum Consultants Ltd.;

"**Petromanas Resources Report**" means the independent engineering evaluation prepared by the Petromanas Reserves Engineers, dated July 31, 2011 and effective July 31, 2011;

"**Petromanas Shareholders**" means, collectively, the registered or beneficial holders of the issued and outstanding Petromanas Shares, from time to time;

"**Petromanas Shares**" means the common shares in the share capital of Petromanas;

"**Petromanas Stock Option Plan**" means the stock option plan of Petromanas;

"**Petromanas Third Series Warrants**" means the issued and outstanding first series warrants of Petromanas entitling the holder thereof to purchase one Petromanas Share at a price of $0.26 until January 18, 2013;

"**Plan of Arrangement**" means the plan of arrangement substantially in the form set out in Schedule "A" hereto, as may be amended or supplemented from time to time in accordance with this Agreement;

"**Properties**" means the Petroleum and Natural Gas Rights, the Tangibles, the Surface Rights and the Miscellaneous Interests of Petromanas or Gallic, as the case may be;

"**Registrar**" means the Registrar of Corporations for the Province of Alberta appointed under section 263 of the ABCA acting under the ABCA;

"**Regulations**" means all statutes, laws, rules, orders and regulations in effect from time to time and made by any Governmental Authority;

"**Regulatory Approvals**" means those sanctions, rulings, waivers, consents, orders, exemptions, permits, licences, authorizations and other approvals (including the lapse, without objection, of a prescribed time or waiting period under a statute or regulation that states that a transaction may only be implemented if a prescribed time lapses following the giving of notice without an objection or an opposition being filed, made or initiated) of any Governmental Authority;

"**Representatives**" means the directors, officers, employees, financial advisors, legal counsel, accountants and other agents and representatives of a Party;

"**Reviewing Party**" has the meaning ascribed to it in Section 6.5;

"**subsidiary**" means, with respect to a specified body corporate, any body corporate of which more than 50% of the outstanding shares ordinarily entitled to elect a majority of the board of directors thereof (whether or not shares of any other class or classes shall or might be entitled to vote upon the happening of a certain event or contingency) are at the time owned directly or indirectly by such specified body corporate, and shall include any body corporate, partnership, joint venture or other entity over which it exercises direction or control or which is in a like relation to a subsidiary;

"**Superior Proposal**" has the meaning ascribed thereto in Section 8.1(b);

"**Surface Rights**" means all rights of Petromanas or Gallic, as the case may be, to enter upon, use or occupy the surface of lands (including the Lands) which are used or held for use in connection with the Petroleum and Natural Gas Rights or the Tangibles, including fee simple title and all rights to enter upon, use and occupy the surface of lands on which the Tangibles and the Wells are located or any lands with which the same have been pooled or unitized and rights to use the surface of lands to gain access thereto;

"**Tangibles**" means all right, title, estate and interest of Petromanas or Gallic, as the case may be, in any and all tangible depreciable property or assets located within, on or about the Lands or governed under an agreement for operation of the Lands or any lands that are pooled or unitized therewith, that are used or useful in connection with production, gathering, treatment, storage, compression, processing, transportation, injection, removal or other operations relating to the Petroleum and Natural Gas Rights, and includes all tangible depreciable property and assets that form part of or are used in connection with them (including pipelines that have been abandoned but not removed);

"**Tax Act**" means the *Income Tax Act* (Canada), R.S.C. 1985, c.1 (5th Supp.) and the regulations promulgated thereunder, each as amended from time to time;

"**Tax Returns**" includes all returns, reports, declarations, elections, notices, filings, forms, statements and other documents (whether intangible, electronic or other form), including any amendments, schedules, attachments, supplements, appendices and exhibits thereto, made, prepared, filed or required to be made, prepared or filed by Law in respect of Taxes;

"**Taxes**" includes any taxes, duties, fees, premiums, assessments, imposts, levies and other charges of any kind whatsoever imposed by any Governmental Authority, including all interest, penalties, fines, additions to tax or other additional amounts imposed by any Governmental Authority in respect thereof, and including those levied on, or measured by, or referred to as, income, gross receipts, profits, capital, transfer, land transfer, sales, goods and services, harmonized sales, use, value-added, excise, stamp, withholding, business, franchising, property, development, occupancy, employer health, payroll, employment, health, social services, education and social security taxes, all surtaxes, all customs duties and import and export taxes, countervail and anti-dumping, all licence, franchise and registration fees and all employment insurance, health insurance and Canada, Québec and other government pension plan premiums or contributions;

"**Third Party Beneficiaries**" has the meaning ascribed to it in Section 6.9;

"**Transferred Information**" means the personal information (namely, information about an identifiable individual other than their business contact information, when used or disclosed for the purpose of contacting such individual in that individual's capacity as an employee or an official of an organization and for no other purpose) to be disclosed or conveyed to a Party or any of its Representatives by or on behalf of the other Party as a result of or in conjunction with the transactions contemplated herein, and includes all such personal information disclosed to a Party prior to the execution of this Agreement;

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

"**U.S. Exchange Act**" means the *United States Securities Exchange Act of 1934*, as amended;

"**U.S. Securities Act**" means the *United States Securities Act of 1933*, as amended;

"**U.S. Securities Laws**" means the federal and state securities legislation of the United States and all rules, regulations and orders promulgated thereunder; and

"**Wells**" means: (a) with respect to Petromanas, all producing, shut-in, water source, observation, disposal, injection, abandoned, suspended and other wells located on the Lands or lands pooled or unitized therewith or directly relating to the operation of the Lands, as described in a schedule dated as of the date of this Agreement and provided to Gallic; and (b) with respect to Gallic, all producing, shut-in, water source, observation, disposal, injection, abandoned, suspended and other wells located on the Lands or Lands pooled or unitized therewith or directly relating to the operation of the Lands, as described in a schedule dated as of the date of this Agreement and provided to Petromanas.

1.2 Certain Rules of Interpretation

In this Agreement:

(a) **Consent** – Whenever a provision of this Agreement requires an approval or consent and such approval or consent is not delivered within the applicable time limit, then, unless otherwise specified, the Party whose consent or approval is required shall be conclusively deemed to have withheld its approval or consent.

(b) **Currency** – Unless otherwise specified, all references to money amounts are to the lawful currency of Canada.

(c) **Governing Law** – This Agreement is a contract made under and shall be governed by and construed in accordance with the Laws of the Province of Alberta and the federal Laws of Canada applicable in the Province of Alberta. The Parties irrevocably submit to the exclusive jurisdiction of the courts of the competent jurisdiction in the Province of Alberta in respect of any action or proceeding relating in any way to this Agreement or the subject matter hereof.

(d) **Injunctive Relief** – The Parties agree that the remedy at Law for any breach of the provisions of this Agreement will be inadequate and that the Party that is not in breach, on any application to a court, shall be entitled to temporary and permanent injunctive relief, specific performance and any other equitable relief against the Party or Parties in breach of the provisions of this Agreement.

(e) **Headings** – Headings of Articles, Sections and Schedules are inserted for convenience of reference only and shall not affect the construction or interpretation of this Agreement.

(f) **Including** – Where the word "including" or "includes" is used in this Agreement, it means "including (or includes) without limitation".

(g) **No Strict Construction** – The language used in this Agreement is the language chosen by the Parties to express their mutual intent, and no rule of strict construction shall be applied against any Party.

(h) **Number and Gender** – Unless the context otherwise requires, words importing the singular include the plural and vice versa and words importing gender include all genders.

(i) **Severability** – If, in any jurisdiction, any provision of this Agreement or its application to any Party or circumstance is restricted, prohibited or unenforceable, such provision shall, as to such jurisdiction, be ineffective only to the extent of such restriction, prohibition or unenforceability without invalidating the remaining provisions of this Agreement and without affecting the validity or enforceability of such provision in any other jurisdiction or without affecting its application to other Persons or circumstances.

(j) **Statutory References** – A reference to a statute includes all rules and Regulations made pursuant to such statute and, unless otherwise specified, the provisions of any statute or regulation or rule which amends, supplements or supersedes any such statute or any such regulation or rule.

(k) **Time** – Time is of the essence in the performance of the Parties' respective obligations.

(l) **Time Periods** – Unless otherwise specified, time periods within or following which any payment is to be made or act is to be done shall be calculated by excluding the day on which the period commences and including the day on which the period ends and by extending the period to the next Business Day following if the last day of the period is not a Business Day.

(m) **Subsidiaries** – To the extent any representations, warranties, covenants or agreements contained herein relate, directly or indirectly, to a subsidiary of Petromanas or Gallic, as the case may be, each such provision shall be construed as a covenant by such Party to cause (to the fullest extent to which it is legally capable) such subsidiary to perform the required action.

1.3 Entire Agreement

This Agreement, together with the agreements and other documents required to be delivered pursuant to this Agreement and the Confidentiality Agreement, constitutes the entire agreement between the Parties and sets out all the covenants, promises, warranties, representations, conditions, understandings and agreements between the Parties pertaining to the subject matter of this Agreement and supersedes all prior agreements, understandings, negotiations and discussions, whether oral or written (including the confidential and non-binding preliminary term sheet dated August 31, 2012, as amended). No reliance has been made upon, and there are no covenants, promises, warranties, representations, conditions, understandings or other agreements, oral or written, between the Parties in connection with the subject matter of this Agreement except as specifically set forth in this Agreement, the Confidentiality Agreement and any document required to be delivered pursuant to this Agreement.

1.4 Schedules

The schedules to this Agreement, as listed below, are an integral part of this Agreement:

Schedule	Description
A	Plan of Arrangement
B	Representations and Warranties of Gallic
C	Representations and Warranties of Petromanas
D	Form of Support Agreement for Directors and Officers of Gallic

1.5 Knowledge

Any reference to the knowledge of a Party shall mean, unless otherwise specified, to the best of the knowledge, information and belief of such Party's directors and officers after reviewing all relevant records and making all reasonable inquiries, including of their respective direct reports, such knowledge consisting of actual knowledge and not any constructive, implied or imported knowledge.

ARTICLE 2
THE ARRANGEMENT

2.1 Plan of Arrangement

(a) Gallic shall, as soon as is reasonably practicable following the date hereof and with the assistance of Petromanas, apply to the Court for the Interim Order pursuant to section 193 of the ABCA to be heard on or about October 29, 2012 and Gallic shall:

(i) file, proceed with and diligently prosecute the application for the Interim Order providing for, among other things, the calling and holding of the Gallic Meeting for the purpose of, among other things, considering and, if deemed advisable, approving the Gallic Arrangement Resolution; and

(ii) subject to obtaining the approvals as contemplated in the Interim Order and as may be directed by the Court, and as provided in this Agreement, take all steps necessary or desirable to submit the Arrangement to the Court and apply for the Final Order as soon as reasonably practicable.

(b) Provided all necessary approvals for the Arrangement are received and subject to the terms and conditions in this Agreement, Petromanas on the one hand and Gallic on the other hand shall execute and deliver such closing documents and instruments and Gallic shall, as soon as reasonably practicable, forthwith proceed to file the Articles of Arrangement, the Final Order and such other documents as may be required to give effect to the Arrangement with the Registrar pursuant to subsection 193(9) of the ABCA, whereupon the transactions comprising the Arrangement shall occur and shall be deemed to have occurred in the order set out therein without any further act or formality.

(c) Petromanas and Gallic agree that the Arrangement shall be structured such that, assuming the Court approves the Arrangement as provided herein, the issuance of Petromanas Shares to holders of Gallic Shares as provided in the Plan of Arrangement will not require registration under the U.S. Securities Act, in reliance on section 3(a)(10) of the U.S. Securities Act.

2.2 Interim Order

The Interim Order sought by Gallic shall provide, among other things:

(a) that the securities of Gallic for which holders shall be entitled to vote on the Gallic Arrangement Resolution at the Gallic Meeting shall be the Gallic Shares and Gallic Warrants, voting together as a single class;

(b) that the Gallic Shareholders and Gallic Warrantholders shall be entitled to vote on the Gallic Arrangement Resolution, voting together as a single class, with the Gallic Shareholders being entitled to one vote for each Gallic Share held, and the Gallic Warrantholders being entitled to one vote for each Gallic Share issuable pursuant to each such Gallic Warrant held;

(c) that the requisite majority for the approval of the Gallic Arrangement Resolution shall be two thirds of the votes cast by the Gallic Shareholders and Gallic Warrants, present in person or by proxy at the Gallic Meeting, voting together as a single class, and, if required, a majority of the votes cast by the Gallic Shareholders present in person or by proxy at the Gallic Meeting, excluding those votes in respect of Gallic Shares which are required to be excluded pursuant to Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions*;

(d) that, in all other respects, the terms, restrictions and conditions of Gallic's articles and by-laws, including quorum requirements and all other matters, shall apply in respect of the Gallic Meeting;

(e) for the grant of rights of dissent to registered holders of Gallic Shares in respect of the Arrangement as set forth in the Plan of Arrangement; and

(f) for the notice requirements with respect to the application to the Court for the Final Order.

2.3 Petromanas Approval

Petromanas represents and warrants to Gallic that the Petromanas Board:

(a) has unanimously determined that:

(i) based on the verbal opinion of Raymond James Ltd. referred to in Section 2.3(b), the consideration to be paid by Petromanas pursuant to the Arrangement is fair to the Petromanas Shareholders; and

(ii) the participation of Petromanas in the Arrangement and entry into this Agreement are in the best interests of Petromanas;

(b) has received the verbal opinion from Raymond James Ltd., the financial advisors to Petromanas, that, as of September 27, 2012, the consideration to be paid by Petromanas pursuant to the Arrangement is fair, from a financial point of view, to the Petromanas Shareholders and has received confirmation from such advisor that a written opinion to that effect will be delivered to Petromanas.

2.4 Gallic Approval

Gallic represents and warrants to Petromanas that the Gallic Board:

(a) has unanimously determined that:

(i) based on the verbal opinion from Macquarie Capital Markets Canada Ltd. referred to in Section 2.4(b), the Arrangement is fair to the Gallic Shareholders;

(ii) it will unanimously recommend that the Gallic Shareholders and Gallic Warrantholders vote in favour of the Gallic Arrangement Resolution; and

(iii) the Arrangement and entry into this Agreement are in the best interests of Gallic; and

(b) has received the verbal opinion from Macquarie Capital Markets Canada Ltd. that, as of September 27, 2012, subject to its review of the final form of the documentation effecting the Arrangement, the consideration to be received by Gallic Shareholders pursuant to the Arrangement is fair from a financial point of view, to the Gallic Shareholders, and has received confirmation that a written opinion to that effect will be delivered for inclusion in the Information Circular; and

(c) has been advised that the directors and officers and other Gallic Supporting Securityholders holding an aggregate of 16,802,150 Gallic Shares and 5,940,000 Gallic Warrants (representing approximately 10.06% of the currently issued and outstanding Gallic Shares, and 8.33% Gallic Warrants) intend to vote such securities in favour of the Gallic Arrangement Resolution and will so represent in the Information Circular.

2.5 Obligations of Petromanas

Subject to the terms and conditions of this Agreement, in order to facilitate the Arrangement, Petromanas shall take all action necessary in accordance with all Laws, to:

(a) assist Gallic with the application to the Court for the Interim Order in respect of the Arrangement;

(b) assist Gallic in submitting the Arrangement to the Court and applying for the Final Order; and

(c) do all things necessary or desirable to give effect to the Arrangement, including making and actively prosecuting applications for all applicable required regulatory consents, approvals and permissions as provided for herein.

Petromanas shall use its reasonable commercial efforts to obtain and furnish to Gallic the Petromanas Information required on its behalf to be included in the Information Circular. Petromanas shall use its reasonable commercial efforts to prepare with Gallic and mail to the Gallic Shareholders and the Gallic Warrantholders the Information Circular.

As of the date the Information Circular is first mailed to the Gallic Shareholders and the Gallic Warrantholders and the date of the Gallic Meeting, the Petromanas Information for use in the Information Circular shall be complete and correct in all material respects, shall not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances in which they are made, not misleading and shall comply in all material respects with all applicable Laws. As may be required by applicable Laws, Petromanas agrees to promptly correct any such information provided by it for use in the Information Circular which shall have become false or misleading at any time prior to the Gallic Meeting.

2.6 Obligations of Gallic

Subject to the terms and conditions of this Agreement, in order to facilitate the Arrangement, Gallic shall take all action necessary in accordance with all Laws, to:

(a) make and diligently prosecute an application to the Court for the Interim Order in respect of the Arrangement;

(b) in accordance with the terms of and the procedures contained in the Interim Order, duly call, give notice of, convene and hold the Gallic Meeting on or about November 29, 2012, for the purposes of approving the Arrangement and any other matters as may be properly brought before the meeting;

(c) solicit proxies of Gallic Shareholders and Gallic Warrantholders in favour of the Gallic Arrangement Resolution; provided that Gallic may, but shall not be required to, engage a proxy solicitation agent for such purpose;

(d) subject to obtaining the approvals as contemplated in the Interim Order and as may be directed by the Court in the Interim Order, take all steps necessary or desirable to submit the Arrangement to the Court and apply for the Final Order;

(e) deliver the Articles of Arrangement to the Registrar upon satisfaction or waiver of the conditions set forth in Article 7;

(f) cause the Gallic Supporting Securityholders to deliver the Gallic Support Agreements to Petromanas; and

(g) do all things necessary or desirable to give effect to the Arrangement, including making and actively prosecuting applications for all applicable required regulatory consents, approvals and permissions as provided for herein.

Gallic shall use its reasonable commercial efforts to prepare with Petromanas and mail to the Gallic Shareholders and Gallic Warrantholders the Information Circular.

As of the date the Information Circular is first mailed to the Gallic Shareholders and Gallic Warrantholders and the date of the Gallic Meeting, the Gallic Information for use in the Information Circular shall be complete and correct in all material respects, shall not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances in which they are made, not misleading and shall comply in all material respects with all applicable Laws. As may be required by applicable Laws, Gallic agrees to promptly correct any such information provided by it for use in the Information Circular which shall have become false or misleading at any time prior to the Gallic Meeting. Without limiting the generality of the foregoing, Gallic shall ensure that the Information Circular provides Gallic Shareholders and Gallic Warrantholders with information in sufficient detail to permit them to form a reasoned judgment concerning the matters to be placed before them at the Gallic Meeting.

2.7 Conduct of Gallic Meeting

(a) Subject to the terms of this Agreement and the Interim Order, Gallic agrees to convene and conduct the Gallic Meeting in accordance with its constating documents and Laws and agrees not to propose to adjourn or postpone its meeting without the prior consent of Petromanas:

(i) except as required for quorum purposes (in which case the meeting shall be adjourned and not cancelled) or by applicable Laws or by a Governmental Authority; or

(ii) except for an adjournment for the purpose of attempting to obtain the requisite approval of the Gallic Arrangement Resolution.

(b) Upon the request of Petromanas, Gallic shall adjourn or postpone its meeting to a date specified by Petromanas, provided that such meeting, as so adjourned or postponed, shall occur not later than 10 Business Days after the date on which such meeting was originally scheduled to occur and in any event shall occur not later than the date that is five Business Days prior to the Outside Date.

2.8 Effective Date

The Arrangement shall become effective at the Effective Time on the Effective Date. The Parties shall use their reasonable commercial efforts to cause the Effective Date to occur on or about November 30, 2012 or as soon thereafter as reasonably practicable and in any event by the Outside Date.

2.9 Exercise or Cancellation and Termination of Gallic Options and Gallic RSUs

(a) Gallic agrees and represents to Petromanas that Gallic's Board has:

(i) directed Gallic to use its reasonable efforts to ensure all Persons holding Gallic Options and Gallic RSUs either:

(A) exercise those Gallic Options and Gallic RSUs; or

(B) terminate or otherwise surrender their rights to exercise any of those Gallic Options and Gallic RSUs;

at the Closing and prior to the Effective Time; and

(ii) authorized and directed Gallic to:

(A) cause the vesting of entitlements in respect of all Gallic Options and Gallic RSUs, such that all outstanding Gallic Options and Gallic RSUs shall be exercisable and fully vested prior to the Effective Date; and

(B) satisfy all other obligations of Gallic under the Gallic Options and Gallic RSUs referred to above or, upon the Arrangement becoming effective, to cause all entitlements under such Gallic Options and Gallic RSUs to terminate;

and Gallic agrees to apply for all consents and authorizations required in connection with the foregoing, including any exemptions or consents required from any Canadian Securities Regulatory Authority in connection with any amendments to the Gallic Stock Option Plan or the Gallic RSUs required in connection with the foregoing and that all proceeds from the exercise of Gallic Options and Gallic RSUs shall be retained by Gallic.

(b) Gallic hereby covenants and agrees in favour of Petromanas that on or prior to the Effective Date, it shall use its commercially reasonable efforts to obtain termination agreements, which shall be reasonably satisfactory to Petromanas, from each holder of Gallic Options pursuant to which such holder surrenders and cancels his, her, or its "out-of-the-money" Gallic Options in consideration of payment from Gallic of $0.0001 per "out-of-the-money" Gallic Option.

(c) Nothing in this Agreement shall prohibit the holders of vested Gallic Options and Gallic RSUs from exercising such Gallic Options and Gallic RSUs in accordance with the terms thereof prior to the Effective Time.

2.10 Treatment of Gallic Warrants

(a) Following approval of the Gallic Arrangement Resolution and prior to the Effective Date, each of Gallic and Petromanas shall take all steps necessary to exercise any discretion provided under, or to the extent required, to provide that pursuant to the Plan of Arrangement, each Gallic Warrant outstanding at the Effective Time shall be exchanged with Petromanas for a Petromanas Replacement Warrant to purchase that number of Petromanas Shares equal to the product of the Exchange Ratio multiplied by the number of Gallic Shares subject to such Gallic Warrant and at an exercise price per Petromanas Share equal to the exercise price per Gallic Share subject to such Gallic Warrant immediately prior to the Effective Time divided by the Exchange Ratio, rounded up to the nearest penny. If the foregoing calculation results in a Petromanas Replacement Warrant being exercisable for a fraction of an Petromanas Share, then the number of Petromanas Shares subject to such Petromanas Replacement Warrant shall be rounded down to the next whole number of Petromanas Shares and the total exercise price for the Petromanas Replacement Warrant will be reduced by the exercise price of the fractional Petromanas Share. The term to expiry, conditions to and manner of exercising, vesting schedule, and all other terms and conditions of such Petromanas Replacement Warrant shall be the same as the Gallic Warrant for which it was exchanged, as adjusted to take into account the Arrangement.

2.11 Withholding Taxes

Gallic shall be withhold and remit all Taxes applicable to the exercise and/or surrender of Gallic Options and Gallic RSUs. The income tax withholding and remittance obligations shall be satisfied by way of either (a) the holder of Gallic Options or Gallic RSUs remitting to Gallic, in addition to any applicable exercise price, cash in an amount equal to the amount of any Taxes required to be remitted by Gallic in connection with such exercise or surrender; or (b) the withholding by Gallic from the Gallic Shares otherwise deliverable the holder of such Gallic Options or Gallic RSUs of such number of Gallic Shares as may be determined by Gallic, in its sole discretion, to be necessary to satisfy the income tax remittance obligation. Gallic, Petromanas and/or the Depositary may sell such withheld Gallic Shares, as trustee for the former holder of Gallic Options and/or Gallic RSUs, to satisfy the remittance obligation and, in connection with such exercise or surrender, the holder of Gallic Options and/or Gallic RSUs shall consent to the sale and grant to Gallic, Petromanas and the Depositary, as trustee for the holder of Gallic Options and/or Gallic RSUs an irrevocable power of attorney to effect the sale of such Gallic Shares. Any Gallic Shares withheld by Gallic shall be sold through the facilities of the TSXV and the funds used to satisfy the remittance obligation.

2.12 Gallic Change of Control Payments

(a) Petromanas acknowledges that the Arrangement will result in a "change of control" pursuant to the executive employment agreements between Gallic and the officers of Gallic.

(b) Gallic agrees to use reasonable commercial efforts to obtain written waivers from (i) those officers who will remain officers of Gallic, and (ii) those employees of Gallic who will remain employees of Gallic following closing of the Arrangement to preclude any change of control, severance or termination payments becoming payable by Gallic to such officers or employees.

(c) Gallic covenants and agrees that the aggregate amount payable to: (i) Gallic officers as a result of the Arrangement pursuant to the executive employment agreements, and (ii) all employees of Gallic terminated following the Effective Date, shall not exceed $1,000,000.

2.13 Resignations and Releases

Gallic shall use its reasonable commercial efforts to arrange for the resignation of, and use its reasonable commercial efforts to obtain mutual releases in a form acceptable to Petromanas, acting reasonably, from all the directors and officers of Gallic effective as of the Effective Date.

2.14 Filing of Articles of Arrangement

Upon the satisfaction or waiver of the conditions set forth in Article 7 and provided that this Agreement is not otherwise terminated in accordance with its terms, the Articles of Arrangement and such other documents as may be required under the ABCA to give effect to the Arrangement shall be filed with the Registrar.

ARTICLE 3
PUBLICITY AND SOLICITATION

3.1 Publicity

Each of Petromanas and Gallic shall advise, consult and co-operate with each other prior to issuing, or permitting any of its subsidiaries, directors, officers, employees, agents or advisors to issue, any press release or other statement to the press with respect to this Agreement or the Arrangement. Petromanas and Gallic shall not issue any such press release or make any such public statement prior to such consultation; provided that, Petromanas and Gallic may issue a press release or other written statement without the consent of Gallic or Petromanas, as the case may be, on the advice of counsel that such action is required by applicable Laws or the TSXV, as the case may be.

ARTICLE 4
REPRESENTATIONS AND WARRANTIES OF GALLIC

4.1 Representations and Warranties of Gallic

Gallic represents and warrants to Petromanas the matters set out on Schedule "B" and acknowledges that Petromanas is relying upon these representations and warranties in connection with the entering into of this Agreement.

4.2 Survival of Representations and Warranties of Gallic

The representations and warranties of Gallic contained in this Agreement shall not survive the completion of the Arrangement and shall expire and be terminated on the earlier of the Effective Date and the date on which this Agreement is terminated in accordance with its terms.

ARTICLE 5
REPRESENTATIONS AND WARRANTIES OF PETROMANAS

5.1 Representations and Warranties of Petromanas

Petromanas hereby represents and warrants to Gallic the matters set out on Schedule "C" and acknowledges that Gallic is relying upon these representations and warranties in connection with the entering into of this Agreement.

5.2 Survival of Representations and Warranties of Petromanas

The representations and warranties of Petromanas contained in this Agreement shall not survive the completion of the Arrangement and shall expire and be terminated on the earlier of the Effective Time and the date on which this Agreement is terminated in accordance with its terms.

ARTICLE 6
COVENANTS

6.1 Covenants of Petromanas

Petromanas hereby covenants and agrees in favour of Gallic that, from the date hereof until the earlier of: (i) the Effective Date; or (ii) the date this Agreement is terminated pursuant to its terms, Petromanas shall perform all obligations required to be performed by Petromanas under this Agreement and shall do all such other acts and things as may reasonably be necessary or advisable in order to consummate and make effective, as soon as reasonably practicable, the transactions contemplated hereby and, without limitation, Petromanas shall, subject to the terms hereof:

(a) use reasonable commercial efforts to: (i) defend all Claims to which it is a party challenging or affecting this Agreement, the Arrangement or the consummation of the transactions contemplated by this Agreement; and (ii) oppose and have lifted or rescinded any injunction or restraining order or other order relating to Petromanas challenging or affecting this Agreement, the Arrangement or the consummation of the transactions contemplated by this Agreement;

(b) use commercially reasonable efforts to comply promptly with all requirements which applicable Laws may impose on Petromanas with respect to the transactions contemplated hereby;

(c) use reasonable commercial efforts to satisfy the conditions to this Agreement, to the extent the same is within its control, and Petromanas shall take, or cause to be taken, all other commercially reasonable actions and shall do, or cause to be done, all other commercially reasonable things necessary, proper or advisable under all applicable Laws to support the Arrangement, including using its reasonable commercial efforts to:

(i) obtain all necessary consents, approvals and authorizations as are required to be obtained by it under any applicable Law; and

(ii) co-operate with Gallic in connection with the performance by it of its obligations hereunder;

(d) make or co-operate as necessary in the making of all necessary filings and applications under all applicable Laws required in connection with the transactions contemplated herein, including the listing of the Petromanas Shares issuable pursuant to the Arrangement on the TSXV, and take all reasonable commercial action necessary to be in compliance with such Laws;

(e) not enter into any transaction or perform any act which would: (i) interfere or be inconsistent with the successful completion of the Arrangement; (ii) render incorrect any of the representations and warranties set forth herein (other than any such representation or warranty that speaks as of a prior date) if such representations and warranties were made at a date subsequent to such transaction or act and all references to the date hereof were to such later date; or (iii) adversely affect Petromanas' ability to perform and comply with its covenants and agreements under this Agreement;

(f) promptly advise, first orally and then in writing, Gallic of: (i) any material change; or (ii) any fact, event or any change occurring after the date hereof that would or would be reasonably likely to: (A) render any representation or warranty of Petromanas contained in this Agreement (other than any such representation or warranty that speaks as of a prior date), if made on or as of the date of such fact, event or change, untrue or incorrect; or (B) result in a failure by Petromanas to comply with or satisfy any covenant, condition or agreement contained in this Agreement;

(g) maintain the listing of the Petromanas Shares on the TSXV;

(h) maintain its status as a "reporting issuer" not in default under the securities legislation in force in all provinces where it is a reporting issuer as of the date of this Agreement;

(i) use its reasonable commercial efforts to obtain the consent of its bankers, landlord and any other third party consents required for the transactions contemplated hereby and provide same to Gallic on or prior to the Effective Date;

(j) ensure that it has available funds to permit the payment of any amount payable pursuant to Article 8 hereof, and shall take all such actions as may be necessary to ensure that it maintains such availability to ensure that it is able to pay such amount when required;

(k) cause AcquisitionCo to take all steps to be taken by AcquisitionCo to effect the Arrangement; and

(l) issue the Petromanas Shares and Petromanas Replacement Warrants, in accordance with the terms of the Plan of Arrangement, to those Gallic Shareholders and Gallic Warrantholders who are entitled to receive Petromanas Shares and Petromanas Replacement Warrants, as the case may be, pursuant to the Arrangement, which Petromanas Shares and Petromanas Replacement Warrants shall be validly issued as fully paid and non-assessable securities.

6.2 Conduct of Business by Petromanas

Petromanas covenants and agrees that, prior to the Effective Time (unless the Agreement is terminated earlier), unless Gallic shall otherwise agree in writing (acting reasonably) or as otherwise expressly contemplated or permitted by this Agreement:

(a) Petromanas shall conduct its business only in the usual, ordinary and regular course of business, consistent with past practice (for greater certainty, where it is an operator of any property, it shall operate and maintain such property in a proper and prudent manner in accordance with good industry practice and the agreements governing the ownership and operations of such property) and in compliance with applicable Laws;

(b) Petromanas shall use its reasonable commercial efforts to cause its current insurance (or re-insurance) policies (including insurance policies, and coverage provided under policies, held for the benefit of Petromanas and any subsidiary) not to be cancelled or terminated or any of the coverage thereunder to lapse unless, simultaneously with such termination, cancellation or lapse, replacement policies underwritten by insurance and re-insurance companies of nationally recognized standing providing coverage equal to or greater than the coverage under the cancelled, terminated or lapsed policies for substantially similar premiums are in full force and effect;

(c) Petromanas shall use its reasonable commercial efforts to preserve intact its business organization, assets and goodwill; to maintain its real property interests in their current state; to keep available the services of its officers and employees as a group; not to take any action or omit to take any action which would render, or which reasonably would be expected to render, any representation or warranty made by it in this Agreement untrue at any time prior to the Effective Time if then made; and to promptly notify Gallic in writing of any event or occurrence that would reasonably be expected to have a Material Adverse Effect and of any governmental or third party complaints, investigations or hearings (or communications indicating that the same may be contemplated);

(d) Petromanas shall:

    (i) duly and timely file all Tax Returns required to be filed by it on or after the date hereof and ensure that all such Tax Returns are true, complete and correct in all material respects;

    (ii) timely pay all Taxes that are due and payable (other than those that are being contested in good faith and in respect of which reserves have been provided in the Petromanas Financial Statements);

    (iii) not make or rescind any election relating to Taxes;

    (iv) not make a request for a tax ruling or enter into any agreement with any taxing authorities;

    (v) not settle or compromise any material claim, action, suit, litigation, proceeding, arbitration, investigation, audit or controversy relating to Taxes; and

    (vi) not change in any material respect any of its methods of reporting income, deductions or accounting for income tax purposes from those employed in the preparation of its income Tax Return for the taxation year ending December 31, 2011, except as may be required by applicable Law;

(e) Petromanas shall continue to file all documents or information required to be filed by Petromanas under applicable Laws, in accordance with timelines prescribed under

Canadian Securities Laws, and all such documents or information, when filed, shall comply as to form and substance in all respects with the requirements of applicable Laws and shall not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading;

(f) Petromanas shall not make or permit to be made any change to any accounting method, policy or principle used by Petromanas, except as may be prescribed by the Canadian Institute of Chartered Accountants including any prescribed changes to GAAP; and

6.3 Covenants of Gallic

Gallic hereby covenants and agrees in favour of Petromanas that, from the date hereof until the earlier of: (i) the Effective Date; or (ii) the date this Agreement is terminated pursuant to its terms, Gallic shall perform all obligations required to be performed by Gallic under this Agreement and shall do all such other acts and things as may be reasonably necessary or advisable in order to consummate and make effective, as soon as reasonably practicable, the transactions contemplated hereby and, without limitation, Gallic shall, subject to the terms hereof:

(a) use reasonable commercial efforts to: (i) defend all Claims to which it is a party challenging or affecting this Agreement, the Arrangement or the consummation of the transactions contemplated by this Agreement; and (ii) oppose and have lifted or rescinded any injunction or restraining order or other order relating to Gallic challenging or affecting this Agreement, the Arrangement or the consummation of the transactions contemplated by this Agreement;

(b) use commercially reasonable efforts to comply promptly with all requirements which applicable Laws may impose on Gallic with respect to the transactions contemplated hereby;

(c) use reasonable commercial efforts to satisfy the conditions to this Agreement, to the extent the same is within its control, and Gallic shall take, or cause to be taken, all other commercially reasonable actions and shall do, or cause to be done, all other commercially reasonable things necessary, proper or advisable under all applicable Laws to support the Arrangement, including using its reasonable commercial efforts to:

    (i) obtain all necessary consents, approvals and authorizations as are required to be obtained by it under any applicable Law, including, without limitation, the approval of the French ministry in charge of mines and the approval of the Australian Foreign Investment Review Board; and

    (ii) co-operate with Petromanas in connection with the performance by it of its obligations hereunder;

(d) make or co-operate as necessary in the making of all necessary filings and applications under all applicable Laws required in connection with the transactions contemplated herein and take all reasonable commercial action necessary to be in compliance with such Laws;

(e) not enter into any transaction or perform any act which would: (i) interfere or be inconsistent with the successful completion of the Arrangement; (ii) render incorrect any of the representations and warranties set forth herein (other than any such representation or warranty that speaks as of a prior date) if such representations and warranties were made at a date subsequent to such transaction or act and all references to the date hereof were to such later date; or (iii) adversely affect Gallic's ability to perform and comply with its covenants and agreements under this Agreement;

(f) promptly advise, first orally and then in writing, Petromanas of: (i) any material change; or (ii) any fact, event or any change occurring after the date hereof that would or would be reasonably likely to: (A) render any representation or warranty of Gallic contained in this Agreement (other than any such representation or warranty that speaks as of a prior date), if made on or as of the date of such fact, event or change, untrue or incorrect; or (B) result in a failure by Gallic to comply with or satisfy any covenant, condition or agreement contained in this Agreement;

(g) promptly advise Petromanas of the number of Gallic Shares for which Gallic receives notices of dissent or written objections to the Arrangement and provide Petromanas with copies of such notices and written objections;

(h) use its reasonable commercial efforts to obtain the consent of its bankers, landlord and any other third party consents required for the transactions contemplated hereby and provide same to Petromanas on or prior to the Effective Date;

(i) ensure that it has available funds to permit the payment of any amount payable pursuant to Article 8 hereof having regard to its other liabilities and obligations, and shall take all such actions as may be necessary to ensure that it maintains such availability to ensure that it is able to pay such amount when required;

(j) use its commercially reasonable efforts to cause the resignation of all of the directors and officers of Gallic as of the Effective Time (and for mutual releases in form and substance satisfactory to Petromanas and Gallic, each acting reasonably, to be provided);

(k) use its commercially reasonable efforts to ensure that all outstanding Gallic Options and Gallic RSUs are either exercised, converted, terminated, expired or surrendered prior to the Effective Time; provided that Gallic shall not pay the holders any amount of consideration therefor other than as set out herein, nor shall Gallic make any amendment to outstanding Gallic Options, Gallic Warrants or Gallic RSUs without the prior written consent of Petromanas, except: (i) to permit the early vesting of Gallic Options and Gallic RSUs; and (ii) to permit the holder of Gallic Options or Gallic RSUs to exercise such Gallic Options or Gallic RSUs, as the case may be, in accordance with Section 2.9 hereof;

(l) carry out the terms of the Interim Order and the Final Order to the extent applicable to Gallic;

(m) maintain the listing of the Gallic Shares on the TSXV; and

(n) maintain its status as a "reporting issuer" not in default under the securities legislation in force in all provinces where it is a reporting issuer as of the date of this Agreement;

6.4 Conduct of Business by Gallic

Gallic covenants and agrees that, prior to the Effective Time (unless the Agreement is terminated earlier), unless Petromanas shall otherwise agree in writing (acting reasonably) or as otherwise expressly contemplated or permitted by this Agreement:

(a) Gallic shall conduct its business only in the usual, ordinary and regular course of business, consistent with past practice (for greater certainty, where it is an operator of any property, it shall operate and maintain such property in a proper and prudent manner in accordance with good industry practice and the agreements governing the ownership and operations of such property) and in compliance with applicable Laws;

(b) Gallic shall not directly or indirectly do or permit to occur any of the following:

(i) issue, grant, sell, hypothecate, pledge, lease, dispose of, encumber, exclusively license or agree to issue, grant, sell, hypothecate, pledge, lease, dispose of, encumber or exclusively license:

(A) any additional Gallic Shares, Gallic Class B Shares, Gallic Class C Shares, Gallic Preferred Shares, Gallic RSUs or any options, warrants, calls, puts, conversion privileges or rights of any kind to acquire any Gallic Shares, Gallic Class B Shares, Gallic Class C Shares, Gallic Preferred Shares, Gallic RSUs or other securities of Gallic (other than pursuant to the exercise of Gallic Options, Gallic Warrants or Gallic RSUs currently outstanding as of the date of this Agreement); or

(B) any assets of Gallic with a value in excess of $15,000;

(ii) amend or propose to amend the articles, by-laws or other constating documents of Gallic;

(iii) split, combine or reclassify any outstanding Gallic Shares, Gallic Class B Shares, Gallic Class C Shares or Gallic Preferred Shares;

(iv) redeem, purchase or offer to purchase any Gallic Shares, Gallic Class B Shares, Gallic Class C Shares, Gallic Preferred Shares or other securities of Gallic other than with respect to the cancellation of the Gallic Options, Gallic RSUs or Gallic Warrants pursuant to Section 2.9 and Section 2.10;

(v) declare, set aside or pay any dividend or other distribution payable in cash, stock, securities, property or otherwise with respect to the Gallic Shares, Gallic Class B Shares, Gallic Class C Shares or Gallic Preferred Shares;

(vi) reorganize, amalgamate or merge Gallic with any other Person;

(vii) reduce the stated capital of Gallic;

(viii) acquire or agree to acquire (by merger, amalgamation, acquisition of shares or assets, lease or otherwise) any Person or division or make any investment therein either by purchase of shares or securities, contributions of capital, property transfer or purchase of, any property or assets of any other Person;

(ix) incur or commit to incur any indebtedness for borrowed money of Gallic or any other material Liability or obligation, or issue any debt securities, or guarantee, endorse or otherwise as an accommodation become responsible for the obligations of any other Person or make any loans or advances;

(x) take any action or fail to take action that would accelerate or trigger defaults or repayments in respect of any obligation, Contract or material regulatory approval;

(xi) except: (A) as provided for in Gallic's 2012 annual capital expenditures budget; or (B) as previously approved by the Gallic Board, and in each case made available or disclosed in writing to Petromanas, make any capital expenditure or incur any obligations or Liabilities in connection therewith in excess of $15,000, without the prior consent of Petromanas, not to be unreasonably withheld;

(xii) enter into, amend or terminate any material Contract, or waive, release or assign any material rights or Claims;

(xiii) enter into or amend any Contract, covenant or transaction for hedges, swaps, forwards, financial derivatives, exchanges, options or sales, for any transportation, storage or other service relating to commodities or exchange of currencies or interest rates;

(xiv) conduct any business, incur any Liability or enter into any Contract other than in the ordinary course of business, consistent with past practice;

(xv) adopt a plan of liquidation or resolutions providing for the liquidation or dissolution of Gallic;

(xvi) pay, discharge or satisfy any material Claims, Liabilities or obligations other than the payment, discharge or satisfaction of Liabilities incurred in the usual, ordinary and regular course of business consistent with past practice, reflected or reserved against in the Financial Statements;

(xvii) commence or settle any litigation, proceeding, Claim, action, assessment or investigation involving Gallic before any Governmental Authority;

(xviii) publicly disclose any information regarding Gallic, its business, properties or operations other than as required by Law (in which event Petromanas will be provided with a reasonable opportunity to comment thereon) or otherwise with the prior written consent of Petromanas, provided that, for certainty, Gallic shall not be prohibited from disclosing information about its business, properties and operations to any Person in order to facilitate the conduct of its business in the ordinary course and consistent with past practice; or

(xix) authorize, recommend, propose or agree to any release, relinquishment or amendment of any material contractual right or other material right under any licence or permit;

(c) Gallic shall not enter into or modify any employment, severance, or similar agreements or arrangements with, or grant any shares, options, performance warrants, additional benefits, bonuses, salary increases, severance or termination pay to, any officers, directors, employees or former employees other than: (i) pursuant to binding commitments already entered into prior to the date hereof, the details of which have been disclosed to Petromanas in writing prior to the date hereof; or (ii) severance or termination payments to departing officers and employees and consultants in accordance with applicable Laws, the details of which have been disclosed to Petromanas in writing prior to the date hereof;

(d) other than as provided in this Agreement, Gallic shall not establish, adopt, enter into, amend or waive any performance or vesting criteria or accelerate vesting, exercisability or funding under any bonus, profit sharing, thrift, incentive, compensation, stock option, restricted stock, pension, retirement, deferred compensation, savings, welfare, employment, termination, severance or other Benefit Plan, agreement, trust, fund, policy or arrangement for the benefit or welfare of any directors, officers, current or former employees of, or consultants to, Gallic;

(e) Gallic shall not adopt or amend any Benefit Plans except as required by applicable Law other than with respect to the acceleration of the terms of vesting and cancellation of the Gallic Options, Gallic RSUs or Gallic Warrants pursuant to Section 2.9 and Section 2.10;

(f) Gallic shall use its reasonable commercial efforts to cause its current insurance (or re-insurance) policies (including insurance policies, and coverage provided under policies, held for the benefit of Gallic and any subsidiary) not to be cancelled or terminated or any of the coverage thereunder to lapse unless, simultaneously with such termination, cancellation or lapse, replacement policies underwritten by insurance and re-insurance companies of nationally recognized standing providing coverage equal to or greater than the coverage under the cancelled, terminated or lapsed policies for substantially similar premiums are in full force and effect;

(g) Gallic shall use its reasonable commercial efforts to preserve intact its business organization, assets and goodwill; to maintain its real property interests in their current state; to keep available the services of its officers and employees as a group; not to take any action or omit to take any action which would render, or which reasonably would be expected to render, any representation or warranty made by it in this Agreement untrue at any time prior to the Effective Time if then made; and to promptly notify Petromanas in writing of any event or occurrence that would reasonably be expected to have a Material Adverse Effect and of any governmental or third party complaints, investigations or hearings (or communications indicating that the same may be contemplated);

(h) Gallic shall:

(i) duly and timely file all Tax Returns required to be filed by it on or after the date hereof and ensure that all such Tax Returns are true, complete and correct in all material respects;

(ii) timely pay all Taxes that are due and payable (other than those that are being contested in good faith and in respect of which reserves have been provided in the Gallic Financial Statements);

(iii) not make or rescind any election relating to Taxes;

(iv) not make a request for a tax ruling or enter into any agreement with any taxing authorities;

(v) not settle or compromise any material claim, action, suit, litigation, proceeding, arbitration, investigation, audit or controversy relating to Taxes; and

(vi) not change in any material respect any of its methods of reporting income, deductions or accounting for income tax purposes from those employed in the preparation of its income Tax Return for the taxation year ending December 31, 2011, except as may be required by applicable Law;

(i) Gallic shall continue to file all documents or information required to be filed by Gallic under applicable Laws, in accordance with timelines prescribed under Canadian Securities Laws, and all such documents or information, when filed, shall comply as to form and substance in all respects with the requirements of applicable Laws and shall not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading;

(j) Gallic shall not make or permit to be made any change to any accounting method, policy or principle used by Gallic, except as may be prescribed by the Canadian Institute of Chartered Accountants including any prescribed changes to GAAP; and

(k) except as otherwise authorized in this Agreement, Gallic shall not authorize or propose, or enter into or modify any contract, agreement, commitment or arrangement, to do any of the matters prohibited by the other paragraphs of this Section 6.4.

6.5 Access to Information

Subject to the Confidentiality Agreement and applicable Law, upon reasonable notice, each Party shall give to the other (a "**Reviewing Party**") and the Reviewing Party's Representatives access from the date hereof and until the earlier of the Effective Time or the termination of this Agreement, to its properties, books, Contracts and records as well as to its management personnel, as the Reviewing Party may reasonably require. During such period, a Party shall promptly provide the Reviewing Party with all information concerning such Party's businesses, properties and personnel as the Reviewing Party or the Reviewing Party's Representatives may reasonably request. Nothing in the foregoing shall require a Party to disclose information subject to a confidentiality agreement with a third party where such disclosure would be in violation of the terms of that agreement.

6.6 Shareholder Claims

Neither Gallic nor Petromanas shall settle or compromise any Claim brought by any present, former or purported holder of any securities of Gallic or Petromanas, as the case may be, in connection with the transactions contemplated by this Agreement prior to the Effective Time without the prior written consent of the other Party, which shall not be unreasonably withheld.

6.7 Directors' and Officers' Insurance; Other Indemnities

Petromanas agrees that, prior to and for a period of five years after the Effective Time, Gallic shall be entitled to, and Petromanas will permit Gallic or any successor to Gallic (including any successor resulting from the winding up or liquidation or dissolution of Gallic) to, maintain Gallic's current directors' and officers' insurance policy or an equivalent policy underwritten by insurance or re-insurance companies of nationally recognized standing on a five year "trailing" or "run-off" basis subject in either case to terms and conditions no less advantageous to the directors and officers of Gallic than those contained in the policy in effect on the date hereof, for all present and former directors and officers of Gallic, covering claims made prior to or within five years after the Effective Time, and Petromanas agrees not to take any action to terminate or adversely affect such insurance. Petromanas shall, and shall cause Gallic or any successor to Gallic to, indemnify the directors and officers of Gallic to the fullest extent to which Gallic and Petromanas, as the case may be, are permitted to indemnify such officers and directors under their respective charter, by-laws, Laws and contracts of indemnity.

6.8 Fiduciary Obligations

It is acknowledged that the Gallic Supporting Securityholders have entered (or will enter) into the Gallic Support Agreements in their capacity as shareholders and that having done so does not derogate from the discharging of their duties as directors and/or officers of Gallic, as the case may be. It is further acknowledged that nothing contained herein or in the Gallic Support Agreements shall prevent any director or officer of Gallic from discharging his or her legal or fiduciary obligations as a director or officer, subject to compliance with this Agreement.

6.9 Third Party Beneficiaries

The provisions of Sections 6.7 and 6.8 are: (i) intended for the benefit of the employees of Petromanas and Gallic and all present and former directors and officers of Petromanas and Gallic, as and to the extent applicable in accordance with their terms, and shall be enforceable by each of such Persons and his or her heirs, executors administrators and other legal representatives (collectively, the "**Third Party Beneficiaries**") and Petromanas and Gallic shall hold the rights and benefits of Sections 6.7 and 6.8 in trust for and on behalf of the Third Party Beneficiaries and Petromanas and Gallic hereby accept such trust and agree to hold the benefit of and enforce performance of such covenants on behalf of the Third Party Beneficiaries, and (ii) in addition to, and not in substitution for, any other rights that the Third Party Beneficiaries may have by contract or otherwise.

6.10 Additional Agreements

Subject to the terms and conditions herein provided and to fiduciary obligations under applicable Law as advised by counsel in writing, each of the Parties hereto agrees to use all commercially reasonable efforts to take, or cause to be taken, all action and to do, or cause to be done, all things necessary, proper or advisable to consummate and make effective as promptly as practicable the transactions contemplated by this Agreement and to co-operate with each other in connection with the foregoing, including using commercially reasonable efforts: (i) to obtain all necessary waivers, consents and approvals from other parties to material agreements, leases and other contracts; (ii) to obtain all necessary consents, approvals and authorizations as are required to be obtained under any federal, provincial or foreign Law or Regulations; (iii) to defend all lawsuits or other legal proceedings challenging this Agreement or the consummation of the transactions contemplated hereby; (iv) to cause to be lifted or rescinded any injunction or restraining order or other order adversely affecting the ability of the Parties to consummate the transactions contemplated hereby; (v) to effect all necessary registrations and other filings and submissions of information requested by governmental authorities; and (vi) to fulfill all conditions and satisfy all provisions of this Agreement. For purposes of the foregoing, the obligation to use "commercially reasonable efforts" to obtain waivers, consents and approvals to loan agreements, leases and other contracts shall not include any obligation to agree to a materially adverse modification of the terms of such documents or to prepay or incur additional material obligations to such other parties.

6.11 Competition Act Approvals

(a) The Parties shall use their commercially reasonable efforts to take such action as may be required to secure the approvals set forth in Section 7.1(e) with respect to the Competition Act. Notwithstanding any other provision herein, in no event will Petromanas or any of its affiliates be required hereunder or otherwise to agree to any hold-separate, divestiture or other order, decree or restriction on the businesses of Petromanas or its respective affiliates, or any other business, the conduct thereof or future transactions. Petromanas shall have primary responsibility for the preparation and submission of all applications and filings under this clause 6.11(a) in respect of the Competition Act.

(b) The Parties shall coordinate and cooperate in exchanging information and supplying assistance that is reasonably requested in connection with Section 6.11(a) above including providing each other with advanced copies and reasonable opportunity to comment on all notices and information supplied to or filed with any Governmental Authority with respect to any filings under the Competition Act (except for notices and information which Petromanas or Gallic, in each case acting reasonably, considers highly confidential and sensitive which may be provided on a confidential and privileged basis to outside counsel of the other Party), and all notices and correspondence received from any Governmental Authority with respect to any filings under the Competition Act.

ARTICLE 7
CONDITIONS

7.1 Mutual Conditions Precedent

The obligations of the Parties to complete the transactions contemplated by this Agreement, and in particular the Arrangement, are subject to the fulfillment, on or before the Effective Time, of each of the following conditions precedent, each of which may only be waived with the mutual consent of the Parties:

(a) the Interim Order shall have been granted in form and substance satisfactory to each of the Parties, acting reasonably, and such order shall not have been set aside or modified in a manner unacceptable to either of the Parties, acting reasonably, on appeal or otherwise;

(b) the Gallic Arrangement Resolution shall have been passed by the Gallic Shareholders and Gallic Warrantholders in accordance with the Interim Order;

(c) the Final Order shall have been granted in form and substance satisfactory to the Parties, acting reasonably, and shall not have been set aside or modified in a manner unacceptable to either of the Parties, acting reasonably, on appeal or otherwise;

(d) the Articles of Arrangement to be filed with the Registrar in accordance with this Agreement shall be in form and substance satisfactory to each of the Parties, acting reasonably;

(e) either one or more of the following shall have occurred:

(i) an advance ruling certificate (an "**ARC**") pursuant to section 102 of the Competition Act shall have been issued by the Commissioner in respect of the transactions contemplated by this Agreement; or

(ii) the Commissioner shall have waived the obligation to notify and supply information under Part IX of the Competition Act pursuant to subsection 113(c) of the Competition Act and confirmed in writing that she has no intention to file an application under Part VIII of the Competition Act (a "**no-action letter**") in connection with the transactions contemplated by this Agreement, on terms satisfactory to Parties acting reasonably, and such no-action letter remains in full force and effect; or

(iii) the waiting period under section 123 of the Competition Act shall have expired or been terminated and the Commissioner shall have issued a no-action letter in connection with the transactions contemplated by this Agreement, on terms satisfactory to the Parties acting reasonably, and such no-action letter remains in full force and effect;

(f) in addition to the requirements under Section 7.1(e), all other domestic and foreign regulatory (including any Laws that regulate competition, antitrust, foreign investment or transportation), stock exchange, governmental and third party approvals and consents required to be obtained (including, without limitation, the approval of the French ministry in charge of mines and the approval of the Australian Foreign Investment Review Board), or that the Parties mutually agree in writing to obtain in respect of the completion of the Arrangement, and the expiry of applicable waiting periods necessary to complete the Arrangement, shall have occurred or been obtained on terms and conditions acceptable to the Parties, each acting reasonably, including conditional approval of the listing of the Petromanas Shares issuable pursuant to the Arrangement on the TSXV, and all applicable domestic and foreign statutory and regulatory waiting periods shall have expired or have been terminated and no unresolved material objection or opposition shall have been filed, initiated or made during any applicable statutory or regulatory period;

(g) no act, action, suit, proceeding, objection or opposition shall have been threatened or taken, entered or promulgated before or by any Governmental Authority or by any elected or appointed public official or private Person in Canada or elsewhere, whether or not having the force of Law, and no Law, regulation, policy, judgment, decision, order, ruling or directive (whether or not having the force of Law) shall have been proposed, enacted, promulgated, amended or applied:

(i) which has the effect or may have the effect of cease trading, enjoining, prohibiting or imposing material limitations or conditions on the Arrangement; or

(ii) which would have a Material Adverse Effect on the ability of the Parties to complete the Arrangement;

(h) the Effective Date shall have occurred not later than the Outside Date; and

(i) the mailing of the Information Circular shall occur not later than November 2, 2012.

7.2 Additional Conditions Precedent to the Obligations of Gallic

The obligations of Gallic to complete the transactions contemplated by this Agreement and in particular to complete the Arrangement shall also be subject to the fulfillment of each of the following conditions precedent (each of which is for the exclusive benefit of Gallic and may be waived by Gallic):

(a) all covenants of Petromanas under this Agreement to be performed on or before the Effective Time shall have been duly performed by Petromanas in all material respects, and Gallic shall have received a certificate of Petromanas addressed to Gallic and dated the Effective Date, signed on behalf of Petromanas by two of the senior executive officers of Petromanas (on Petromanas' behalf and without personal liability), confirming the same as of the Effective Date;

(b) the representations and warranties of Petromanas set forth in this Agreement shall be true and correct in all respects (except for representations and warranties containing qualifiers as to materiality, which shall be true and correct) as of the date hereof and as of the Effective Time, as though made on and as of the Effective Time (except for representations and warranties made as of a specified date, the accuracy of which shall be determined as of that specified date), except where the failure or failures of all such representations and warranties to be so true and correct in all respects would not reasonably be expected to have a Material Adverse Effect, and Gallic shall have received a certificate of Petromanas, addressed to Gallic and dated the Effective Date, signed on behalf of Petromanas by two of the senior executive officers of Petromanas (on Petromanas' behalf and without personal liability), confirming the same as of the Effective Date;

(c) since the date hereof, there shall not have been or occurred a Material Adverse Effect with respect to Petromanas;

(d) Gallic shall have determined in its discretion, acting reasonably, that there shall not be any pending or threatened suit, action or proceeding by any Person other than a Governmental Authority which has a reasonable likelihood of success, or by any Governmental Authority:

(i) seeking to prohibit, restrict or delay the consummation of the Arrangement or any of the material terms and conditions of the transaction contemplated herein or seeking to obtain from Gallic or Petromanas any material damages directly or indirectly in connection with the Arrangement;

(ii) seeking to prohibit or materially limit the ownership or operation by Petromanas, Gallic or any of their respective Affiliates or any material portion of the business or assets of Petromanas or any of its subsidiaries or to compel Gallic to dispose of or hold separate any material portion of the business or assets of Petromanas or any of its subsidiaries; or

(iii) which, if successful, in the judgement of Gallic is reasonably likely to have a Material Adverse Effect;

(e) the Petromanas Shares issuable pursuant to the Arrangement shall not be subject to any hold period, restricted period or seasoning period under Canadian Securities Laws that shall not have been satisfied on the Effective Date; and

(f) immediately prior to the Effective Time, there shall not be more than 635,000,000 Petromanas Shares (except for changes to such number resulting from exercises or conversions of Petromanas Options, Petromanas First Series Warrants or Petromanas Third Series Warrants and except for any Petromanas Performance Shares required to be issued).

7.3 Additional Conditions Precedent to the Obligations of Petromanas

The obligations of Petromanas to complete the transactions contemplated by this Agreement shall also be subject to the following conditions precedent (each of which is for the exclusive benefit of Petromanas and may be waived by Petromanas):

(a) all covenants of Gallic under this Agreement to be performed on or before the Effective Time shall have been duly performed by Gallic in all material respects, and Petromanas shall have received a certificate of Gallic, addressed to Petromanas and dated the Effective Date, signed on behalf of Gallic by two senior executive officers of Gallic (on Gallic's behalf and without personal liability), confirming the same as of the Effective Date;

(b) the representations and warranties of Gallic set forth in this Agreement shall be true and correct in all respects (except for representations and warranties containing qualifiers as to materiality, which shall be true and correct) as of the date hereof and as of the Effective Time, as though made on and as of the Effective Time (except for representations and warranties made as of a specified date, the accuracy of which shall be determined as of that specified date), except where the failure or failures of all such representations and warranties to be so true and correct in all respects would not reasonably be expected to have a Material Adverse Effect, and Petromanas shall have received a certificate of Gallic, addressed to Petromanas and dated the Effective Date, signed on behalf of Gallic by two senior executive officers of Gallic (on Gallic's behalf and without personal liability), confirming the same as of the Effective Date;

(c) since the date hereof, there shall not have been or occurred a Material Adverse Effect with respect to Gallic;

(d) Petromanas shall have determined in its discretion, acting reasonably, that there shall not be any pending or threatened suit, action or proceeding by any Person other than a Governmental Authority which has a reasonable likelihood of success, or by any Governmental Authority:

   (i) seeking to prohibit, restrict or delay the consummation of the Arrangement or any of the material terms and conditions of the transaction contemplated herein or seeking to obtain from Petromanas any material damages directly or indirectly in connection with the Arrangement;

   (ii) seeking to prohibit or materially limit the ownership or operation by Petromanas, Gallic or any of their respective Affiliates or any material portion of the business or assets of Petromanas or any of its subsidiaries or to compel Gallic to dispose of or hold separate any material portion of the business or assets of Petromanas or any of its subsidiaries;

   (iii) seeking to prohibit Petromanas from effectively controlling in any material respect the business or operations of Gallic or any of its subsidiaries; or

(iv) which, if successful, in the judgement of Petromanas is reasonably likely to have a Material Adverse Effect;

(e) immediately prior to the Effective Time, there shall not be more than 167,076,444 Gallic Shares (except for changes to such number resulting from exercises of Gallic Options, Gallic Warrants and Gallic RSUs in accordance with the terms hereof) and no other securities of Gallic outstanding (other than the Gallic Warrants to be exchanged for the Petromanas Replacement Warrants at the Effective Time), and all Gallic Options and Gallic RSUs and any other instruments convertible, exercisable or exchangeable for Gallic Shares (other than the Gallic Warrants) will have been exercised, terminated or cancelled in accordance with Section 2.9

(f) immediately prior to the Effective Time, Gallic shall have no cash commitments other than those cash commitments disclosed in writing to Petromanas as of the date hereof;

(g) Petromanas shall have received the Gallic Working Capital Statement from Gallic, which statement shall be acceptable to Petromanas acting reasonably and which shall provide that the Gallic Remaining Working Capital is not less than $2,600,000;

(h) all rights of first refusal or other similar contractual obligations granted by Gallic to any Person shall have expired, terminated or otherwise been waived in writing by such Person in whose favour such rights or other similar obligations were granted;

(i) the Gallic Employee Obligations and all financial advisory, legal, printing, accounting and all other similar costs of Gallic in connection with the Arrangement, as disclosed in writing to Petromanas prior to the Effective Date, do not exceed in the aggregate $1,300,000;

(j) each of the directors and officers of Gallic (other than those agreed to by Petromanas) shall have provided their resignation, together with mutual releases, effective as of the Effective Date, each in form and substance and on such terms as are satisfactory to Petromanas, acting reasonably; and

(k) the aggregate number of Gallic Shares held, directly or indirectly, by those Gallic Shareholders who have validly exercised rights of dissent and not withdrawn such exercise in connection with the Arrangement (or instituted proceedings to exercise such rights of dissent) shall not exceed 5% of the aggregate number of Gallic Shares outstanding as of the Effective Time.

7.4 Notice and Cure Provisions

Each of Petromanas, on the one hand, and Gallic on the other hand, will give prompt notice to the other of the occurrence, or failure to occur, at any time from the date hereof until the Effective Date, of any event or state of facts which occurrence or failure would, or would be likely to:

(a) constitute a material breach of any of its representations or warranties contained herein or which would cause such representations and warranties to be untrue or incorrect in any material respect on the Effective Date; or

(b) result in the failure to comply with or satisfy any covenant, condition or agreement to be complied with or satisfied by the other hereunder prior to the Effective Date.

If any of the conditions set forth in Sections 7.1, 7.2 and 7.3 hereof shall not be satisfied, complied with or waived by the Party for whose benefit such conditions are provided on or before the date required for the performance thereof, then a Party for whose benefit the condition precedent is provided may rescind and terminate this Agreement as provided in Section 9.1(d) hereof; provided that neither Petromanas nor Gallic may elect to rescind and terminate this Agreement pursuant to the conditions contained in

Sections 7.1, 7.2 and 7.3 or exercise any termination right arising therefrom if the Party intending to rely thereon had knowledge at the date of this Agreement of any breaches of covenants, inaccuracies of representations and warranties or other matters which the Party delivering a notice pursuant to this Section 7.4 is asserting as the basis for the non-fulfillment of the applicable condition or the availability of a termination right, as the case may be and unless forthwith, and in any event prior to the filing of the Articles of Arrangement, the Party intending to rely thereon has delivered a written notice to the other Party specifying in reasonable detail all breaches of covenants, inaccuracies of representations and warranties or other matters which the Party delivering such notice is asserting as the basis for the non-fulfillment of the applicable condition or the availability of a termination right, as the case may be.

If any such notice is delivered, provided that a Party is proceeding diligently to cure any such matter capable of cure, no Party may terminate this Agreement until the expiration of a period of 5 Business Days from the date of receipt of such notice. If such notice has been delivered prior to the date of the Gallic Meeting, Gallic may elect to postpone the Gallic Meeting until the expiry of such period.

7.5 Satisfaction of Conditions

The conditions precedent set out in this Article 7 shall be conclusively deemed to have been satisfied, waived or released when confirmation of filing the Articles of Arrangement has been issued by the Registrar in accordance with the terms of this Agreement.

ARTICLE 8
NON-SOLICITATION

8.1 Covenants Regarding Non-Solicitation

(a) Gallic shall immediately cease and cause to be terminated all existing discussions and negotiations (including through any advisors or other parties on its behalf), if any, with any parties conducted before the date of this Agreement with respect to any Acquisition Proposal in respect of Gallic (other than in respect of Gallic's marketing of its Australian assets, which may be carried out subject to the prior written consent of Petromanas) and shall immediately request the return or destruction of all information respecting Gallic provided to any third parties who have entered into a confidentiality agreement with Gallic relating to an Acquisition Proposal in respect of Gallic and shall use all commercial efforts to ensure that such requests are honoured. Gallic undertakes to enforce all standstill, non-disturbance, non-solicitation and similar covenants that it has entered into prior to the date hereof.

(b) Gallic shall not, directly or indirectly, do or authorize or permit any of its Representatives to do, any of the following:

   (i) solicit, assist, initiate, encourage or in any way knowingly facilitate any Acquisition Proposal in respect of Gallic;

   (ii) enter into or participate in any discussions or negotiations regarding an Acquisition Proposal, or furnish to any other Person any information with respect to its businesses, properties, operations, prospects or conditions (financial or otherwise) in connection with an Acquisition Proposal or otherwise cooperate in any way with, or assist or participate in, facilitate or encourage, any effort or attempt of any other Person to do or seek to do any of the foregoing;

   (iii) waive, modify or release any third party from, or otherwise forbear in the enforcement of, or enter into or participate in any discussions, negotiations or agreements to waive, modify or release any third party from, or otherwise forbear in respect of, any rights or other benefits under confidential information agreements, including without limitation any "standstill provisions" thereunder; or

(iv) accept, recommend, approve, agree to, endorse or propose publicly to accept, recommend, approve, agree to, or endorse or enter into an agreement to implement an Acquisition Proposal;

provided, however, that notwithstanding any other provision hereof, Gallic and its officers, directors and advisers may prior to the approval of the Gallic Arrangement Resolution at the Gallic Meeting:

(v) enter into or participate in any discussions or negotiations with a third party who, without any solicitation, initiation or encouragement, directly or indirectly, after the date of this Agreement, by Gallic or any of its Representatives, seeks to initiate such discussions or negotiations and, subject to execution of a confidentiality and standstill agreement in favour of Gallic substantially similar to the Confidentiality Agreement (provided that such confidentiality agreement shall provide for disclosure thereof (along with all information provided thereunder) to Petromanas as set out below), may furnish to such third party information concerning Gallic and its business, properties and assets, in each case if, and only to the extent that:

(A) the third party has first made a written *bona fide* Acquisition Proposal which the Gallic Board determines in good faith: (1) did not result from a breach of this Agreement or any other agreement between the third party making such Acquisition Proposal and Gallic; (2) complies with all applicable Laws; (3) in respect of which any financing, funds or other consideration necessary to complete the Acquisition Proposal have been demonstrated to the satisfaction of the Gallic Board (after receiving advice from its financial advisor(s) and outside legal counsel), to have been obtained or are reasonably likely to be obtained (as evidenced by a written financing commitment from one or more financially sound financial institutions of national reputation) to fund completion of the Acquisition Proposal at the time and on the basis set out therein; (4) after consultation with its financial advisor(s), would or would be reasonably likely to, if consummated in accordance with its terms, result in a transaction financially superior for the Gallic Shareholders compared to the transaction contemplated by this Agreement; (5) after consultation with its financial advisor(s) and outside legal counsel, is reasonably likely to be consummated without undue delay within the time and on the terms proposed, taking into account all legal, financial, regulatory and other aspects of such Acquisition Proposal; (6) is not subject to any due diligence or access condition, other than to permit access to the books, records or personnel of Gallic which is not more extensive than that which would be customarily provided for confirmatory due diligence purposes and which access shall not extend beyond the fifth calendar day after which such access is first afforded to the Person making the Acquisition Proposal; and (7) after receiving the advice of outside legal counsel, as reflected in minutes of a meeting of the Gallic Board, that the taking of such action is necessary for the Gallic Board to act in a manner consistent with its fiduciary duties under applicable Laws (a "**Superior Proposal**"); and

(B) prior to furnishing such information to or entering into or participating in any such discussions or negotiations with such third party, Gallic shall: (1) provide prompt notice to Petromanas to the effect that it is furnishing information to or entering into or participating in discussions or negotiations with such third party, together with a copy of the confidentiality and standstill agreement referenced above and, if not previously provided to Petromanas, copies of all information provided to such third party concurrently with the provision of such information to such third party; (2) notify Petromanas orally and in writing of any inquiries, offers or proposals with respect to an actual or contemplated Superior Proposal (which written notice shall include a copy of any such proposal (and any amendments or supplements thereto), the identity of the Person making it, if not previously provided to Petromanas and copies of all information provided to the third party), within 24 hours of the receipt thereof; and (3) keep Petromanas informed of the status and details of any such inquiry, offer or proposal and answer the reasonable questions of Petromanas with respect thereto;

(vi) comply with Multilateral Instrument 62-104 – *Take-Over Bids and Issuer Bids* and similar provisions under Canadian Securities Laws and U.S. Securities Laws relating to the provision of directors' circulars and make appropriate disclosure with respect thereto to its securityholders; and

(vii) accept, recommend, approve or enter into an agreement to implement a Superior Proposal from a third party, but only if prior to such acceptance, recommendation, approval or implementation: (i) the Gallic Board concludes in good faith, after considering all proposals to adjust the terms and conditions of this Agreement as contemplated by Section 8.1(c) and after receiving the advice of outside counsel as reflected in minutes of a meeting of the Gallic Board, that the taking of such action is necessary for the Gallic Board to act in a manner consistent with its fiduciary duties under applicable Laws; (ii) Gallic complies with its obligations set forth in Section 8.1(c); and (iii) Gallic terminates this Agreement in accordance with Section 9.1(f), and concurrently therewith pays the amount required by Section 8.2 to Petromanas.

(c) Following receipt of a Superior Proposal, Gallic shall give Petromanas, orally and in writing, at least 72 hours advance notice of any decision by the Gallic Board to accept, recommend, approve or enter into an agreement to implement a Superior Proposal, which notice shall (i) confirm that the Gallic Board has determined that such Acquisition Proposal constitutes a Superior Proposal, (ii) identify the third party making the Superior Proposal, (iii) provide a true and complete copy thereof, including all financing documents, and any amendments thereto, and (iv) confirm that the Gallic Board will accept, recommend, approve or enter into an agreement to implement the Superior Proposal following the expiry of such 72 hour period if Petromanas and its financial and legal advisors have not made such adjustments in the terms and conditions of this Agreement and the Arrangement as would enable Gallic to proceed with the Arrangement as amended, rather than the Superior Proposal.

During such 72 hour period, Gallic agrees not to accept, recommend, approve or enter into any agreement to implement such Superior Proposal and not to release the party making the Superior Proposal from any standstill provisions and shall not withdraw, redefine, modify or change its recommendation in respect of the Arrangement. In addition, during such 72 hour period, Gallic shall, and shall cause its financial and legal advisors to, negotiate in good faith with Petromanas and its financial and legal advisors to make such adjustments in the terms and conditions of this Agreement and the Arrangement as would enable Gallic to proceed with the Arrangement as amended rather than the Superior Proposal. In the event Petromanas proposes to amend this Agreement and the Arrangement on a basis such that the Gallic Board determines that the proposed transaction is no longer a Superior Proposal and so advises the Gallic Board prior to the expiry of such period, the Gallic Board shall not accept, recommend, approve or enter into any agreement to implement such Acquisition Proposal and shall not release the party making the Acquisition Proposal from any standstill provisions and shall not withdraw, redefine, modify or change its recommendation in respect of the Arrangement and the Parties will enter into an agreement to reflect such proposed amendments.

In the event that Gallic provides the notice contemplated by this Section 8.1(c) on a date which is less than 72 hours prior to the Gallic Meeting, Petromanas shall be entitled to require Gallic to adjourn or postpone the Gallic Meeting to a date that is not more than ten Business Days after the date of such notice.

(d) Nothing contained in this Agreement shall prohibit the Gallic Board from withdrawing, modifying, qualifying or changing its recommendation to the Gallic Shareholders and Gallic Warrantholders in respect of the transactions contemplated hereby prior to the receipt of the requisite approval by such securityholders, if the Gallic Board determines, in good faith (after consultation with its financial advisor(s) and after receiving written advice of outside counsel), that such withdrawal, modification, qualification or change is necessary for the Gallic Board to act in a manner consistent with its fiduciary duties under applicable Laws; provided that: (a) not less than 5 days before the Gallic Board considers any Acquisition Proposal in respect of any such withdrawal, modification, qualification or change, Gallic shall give Petromanas written notice of such proposal and promptly advise Petromanas of the proposed consideration of such proposal; and (b) the foregoing shall not relieve Gallic from its obligation to proceed to call and hold the Gallic Meeting and to hold the vote on the Gallic Arrangement Resolution (provided that, except as required under applicable Laws, Gallic shall be relieved from its obligations to actively solicit proxies in favour of the Arrangement in such circumstances), except in circumstances where this Agreement is terminated in accordance with the terms hereof.

(e) Notwithstanding any other provision hereof, promptly, and in any event within one Business Day after the receipt by Gallic or by its Representatives of any Acquisition Proposal, or any material amendments to such Acquisition Proposal, or any request for non-public information relating to Gallic, Gallic shall notify Petromanas at first orally and then in writing, and such written notification shall include a copy of any Acquisition Proposal or material amendments to such Acquisition Proposal.

(f) Gallic shall ensure that its Representatives are aware of the provisions of this Section 8.1 applicable to Gallic. Gallic shall be responsible for any breach of this Section 8.1 by its Representatives.

8.2 Agreement as to Damages

If at any time after the execution of this Agreement:

(a) the Gallic Board has withdrawn, modified, qualified or changed any of its recommendations or determinations referred to in Section 2.3 (including, for greater certainty, in the circumstances contemplated by Section 8.1(d)) in a manner adverse to Petromanas or shall have resolved to do so prior to the Effective Date, or has failed to publicly reconfirm any such recommendation upon the request of Petromanas prior to the earlier of five days following such request or 72 hours prior to the Gallic Meeting (unless Petromanas is then in material breach of its obligations hereunder and such withdrawal, change or failure relates to such breach);

(b) a *bona fide* Acquisition Proposal is publicly announced, proposed, offered or made to the Gallic Shareholders or any Person shall have publicly announced an intention to make a *bona fide* Acquisition Proposal in respect of Gallic and, after such Acquisition Proposal shall have been made known, made or announced, Gallic Shareholders and Gallic Warrantholders do not approve the Arrangement or the Gallic Arrangement Resolution and such Acquisition Proposal or an amended version thereof relating to Gallic is consummated or effected as applicable within twelve months of the date the first Acquisition Proposal is publicly announced, proposed, offered or made;

(c) the Gallic Board accepts, recommends, approves or enters into an agreement to implement a Superior Proposal; or

(d) Gallic is in breach of or non-compliance with any of its covenants made in this Agreement, which breach or non-compliance individually or in the aggregate causes or would reasonably be expected to cause a Material Adverse Change with respect to Gallic or materially impedes or would reasonably be expected to materially impede the completion of the Arrangement, and Gallic fails to cure such breach within 5 Business Days after receipt of written notice thereof from Petromanas;

(each of the above being a "**Damages Event**") then in the event of the termination of this Agreement pursuant to Section 9.1 as a result thereof Gallic shall pay to Petromanas, within two Business Days of the first to occur of the foregoing, a fee in the amount of $350,860 as liquidated damages in immediately available funds to an account designated by Petromanas, and after such event but prior to payment of such amount, Gallic shall be deemed to hold such funds in trust for Petromanas; provided that in the case of a Damages Event pursuant to Section 8.2(c) such payment shall be made by Gallic to Petromanas concurrently with the acceptance, recommending, approving or entering into of the Superior Proposal by Gallic. Gallic shall only be obligated to pay a maximum of $350,860 pursuant to this Section 8.2.

8.3 Fees and Expenses

(a) Subject to Sections 8.3(b) and 8.3(c), each Party shall pay all fees, costs and expenses incurred by such Party in connection with this Agreement and the Arrangement. Notwithstanding the foregoing Petromanas and Gallic shall share equally any filing fees and applicable Taxes payable for or in respect of any application, notification or other filing made under the Competition Act.

(b) If: (i) this Agreement is terminated because of the failure of the condition in Section 7.3(b); or (ii) this Agreement is terminated by Petromanas pursuant to Section 9.1(c) and at the time of such termination there is a state of facts or circumstances that would cause the conditions set forth in Section 7.3(b) not to be satisfied, notwithstanding the availability of any cure period, Gallic shall pay Petromanas an amount equal to $250,000 as reimbursement to Petromanas for its out-of-pocket expenses incurred in connection with the Arrangement, provided that if Petromanas is in material breach of its obligations hereunder at the time of the termination of the Agreement such amount will not be payable.

(c) If: (i) this Agreement is terminated because of the failure of the condition in Section 7.2(b); or (ii) this Agreement is terminated by Gallic pursuant to Section 9.1(c) and at the time of such termination there is a state of facts or circumstances that would cause the conditions set forth in Section 7.2(b) not to be satisfied, notwithstanding the availability of any cure period, Petromanas shall pay Gallic an amount equal to $250,000 as reimbursement to Gallic for its out-of-pocket expenses incurred in connection with the Arrangement, provided that if Gallic is in material breach of its obligations hereunder at the time of the termination of the Agreement such amount will not be payable.

(d) No fee shall be payable by Gallic under Section 8.3(b) if Gallic has paid a fee under Section 8.2.

8.4 Liquidated Damages

Each Party acknowledges that all of the payment amounts set out in this Article 8 are payments of liquidated damages which are a genuine pre-estimate of the damages which Petromanas or Gallic will suffer or incur as a result of the event giving rise to such damages and resultant termination of this Agreement and are not penalties. Each Party irrevocably waives any right it may have to raise as a defence that any such liquidated damages are excessive or punitive. For greater certainty, the Parties agree that the payment of any amounts pursuant to this Article 8 is the sole monetary remedy of Petromanas and Gallic; provided, however, that this limitation shall not apply in the event of fraud or wilful breach of this Agreement by a Party.

ARTICLE 9
TERMINATION, AMENDMENT AND WAIVER

9.1 Termination

This Agreement may be terminated at any time prior to the Effective Date:

(a) by mutual written consent of Petromanas and Gallic;

(b) by either Petromanas or Gallic if: (i) the Gallic Arrangement Resolution shall have failed to receive the requisite vote of the appropriate securityholders for approval at the Gallic Meeting (including any adjournment or postponement thereof) in accordance with the Interim Order; or (ii) approval of the Final Order from the Court is not obtained, or if issued, has been set aside or modified in a manner unacceptable to Petromanas or Gallic, acting reasonably, on appeal or otherwise;

(c) by either Petromanas or Gallic if the Effective Time shall not have occurred on or prior to the Outside Date, except that the right to terminate this Agreement under this Section 9.1(c) shall not be available to any Party whose failure to fulfill any of its obligations has been the cause of, or resulted in, the failure of the Effective Time to occur by such date;

(d) as provided in Section 7.4; provided that the Party seeking termination is not then in breach of this Agreement so as to cause any of the conditions set forth in Section 7.1 or Sections 7.2 or 7.3, as applicable, not to be satisfied;

(e) by Petromanas upon the occurrence of a Damages Event as provided in Section 8.2; or

(f) by either Petromanas or Gallic upon a decision by the Gallic Board to accept, recommend, approve or enter into an agreement to implement a Superior Proposal in accordance with Section 8.1(b)(vii), provided that, in the event of termination by Gallic under this Section 9.1(f), Gallic: (i) has complied with its obligations set forth in Section 8.1; and (ii) concurrently pays to Petromanas the amount required pursuant to Section 8.2.

9.2 Effect of Termination

In the event of the termination of this Agreement in the circumstances set out in paragraphs (a) through (f) of Section 9.1, this Agreement shall forthwith become void and neither Party shall have any liability or further obligation to the other Party hereunder, except with respect to the obligations set forth in Sections 8.2, 8.3 and 8.4, where applicable. Nothing contained in this Section shall relieve any Party from liability for any breach of any provision of this Agreement. No termination of this Agreement shall affect the obligations of the Parties pursuant to the Confidentiality Agreements, except to the extent specified therein.

9.3 Amendment and Waiver

This Agreement and the Plan of Arrangement may, at any time and from time to time before or after the holding of the Gallic Meeting but not later than the Effective Time, be amended by mutual written agreement of the Parties, subject to the Interim Order, the Final Order and applicable Laws.

Either Party may:

(a) waive any inaccuracies or modify any representation or warranty contained herein or in any document delivered pursuant hereto;

(b) waive compliance with or modify any of the covenants herein contained and waive or modify performance of any of the obligations of the Parties; and

(c) waive compliance with or modify any conditions precedent herein contained,

provided however that any such extension or waiver shall be valid only if set forth in an instrument in writing signed on behalf of such Party and such waiver shall apply only to the specific matters identified in such instrument.

ARTICLE 10
GENERAL

10.1 Notices

Any notice, consent or approval required or permitted to be given in connection with this Agreement (referred to in this Section as a "**Notice**") shall be in writing and shall be sufficiently given if delivered (whether in person, by courier service or other personal method of delivery), or if transmitted by facsimile or e-mail:

(a) If to Gallic at:

Gallic Energy Ltd.
Suite 1000, 205 – 5th Avenue S.W.
Calgary, Alberta T2P 2V7
Attention Jason Bednar, Chairman
Fax: (403) 930-7595
Email: [Email address redacted]

with a copy to:

Davis LLP
Suite 1000, 250 – 2nd Street S.W.
Calgary, AB T2P 0C1
Attention: Trevor Wong-Chor
Fax: (403) 296-4474
Email: twong-chor@davis.ca

(b) If to Petromanas at:

Petromanas Energy Inc.
1720, 734 – 7th Avenue S.W.
Calgary, Alberta T2P 3P8
Attention: Glen McNamara, Chief Executive Officer
Fax: (403) 457-4480
Email: gmcnamara@petromanas.com

with a copy to:

Norton Rose Canada LLP
3700, 400 3rd Ave SW
Calgary, AB T2P 4H2
Attention: Chris Wolfenberg
Fax: (403) 264-5973
Email: chris.wolfenberg@nortonrose.com

Any Notice delivered or transmitted to a Party as provided above shall be deemed to have been given and received on the day it is delivered or transmitted, provided that it is delivered or transmitted on a Business Day prior to 5:00 p.m. local time in the place of delivery or receipt. However, if the Notice is delivered or transmitted after 5:00 p.m. local time or if such day is not a Business Day then the Notice shall be deemed to have been given and received on the next Business Day.

Any Party may, from time to time, change its address by giving Notice to the other Parties in accordance with the provisions of this Section.

10.2 Assignment

Neither this Agreement nor any rights or obligations under this Agreement shall be assignable by operation of law, amalgamation or otherwise by any Party without the prior written consent of the other Party. Subject thereto, this Agreement shall enure to the benefit of and be binding upon the Parties and their respective successors and permitted assigns. No third party shall have any rights hereunder unless expressly stated to the contrary.

10.3 Further Assurances

The Parties shall with reasonable diligence do all such things and provide all such reasonable assurances as may be required to consummate the transaction contemplated by this Agreement, and each Party shall provide such further documents or instruments required by any other Party as may be reasonably necessary or desirable to effect the purpose of this Agreement and carry out its provisions.

10.4 Expenses

Subject to Sections 8.2 and 8.3, the Parties agree that all costs and expenses of the Parties relating to the Agreement and the transactions contemplated hereby, including legal fees, accounting fees, financial advisory fees, regulatory filing fees, all disbursements of advisors and printing and mailing costs, shall be paid by the Party incurring such expenses.

10.5 Execution and Delivery

This Agreement may be executed by the Parties in counterparts and may be executed and delivered by facsimile or functionally equivalent electronic means and all such counterparts shall together constitute one and the same agreement.

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

PETROMANAS ENERGY INC.

By: (Signed) *Glen McNamara*
Name: Glen McNamara
Title: Chief Executive Officer

GALLIC ENERGY LTD.

By: (Signed) *Jason Bednar*
Name: Jason Bednar
Title: Director

SCHEDULE A

PLAN OF ARRANGEMENT UNDER SECTION 193
OF THE *BUSINESS CORPORATIONS ACT* (ALBERTA)

ARTICLE 1
INTERPRETATION

1.1 In this Plan of Arrangement, the following terms shall have the respective meanings set out below and grammatical variations of such terms shall have corresponding meanings:

"**ABCA**" means the *Business Corporations Act* (Alberta), R.S.A. 2000, c. B-9, as amended, including the regulations promulgated thereunder;

"**AcquisitionCo**" means Petromanas Acquisitions Ltd., a corporation incorporated under the ABCA;

"**AcquisitionCo Shares**" means the common shares of AcquisitionCo;

"**AmalCo**" means the corporation resulting from the amalgamation of AcquisitionCo and Gallic pursuant to Section 3.1(c) hereof;

"**Arrangement**", "**herein**", "**hereof**", "**hereunder**" and similar expressions mean and refer to the arrangement involving Petromanas, Gallic, AcquisitionCo, the Gallic Shareholders and the Gallic Warrantholders pursuant to section 193 of the ABCA, on the terms and conditions set forth in this Plan of Arrangement as supplemented, modified or amended, and not to any particular article, section or other portion hereof;

"**Arrangement Agreement**" means the arrangement agreement dated October 1, 2012 between Petromanas and Gallic with respect to the Arrangement, and all amendments thereto;

"**Articles of Arrangement**" means the articles of arrangement in respect of the Arrangement required under the ABCA to be filed with the Registrar after the Final Order has been made;

"**Business Day**" means any day which is not a Saturday, Sunday or statutory holiday in the Province of Alberta on which the principal commercial banks in downtown Calgary are generally open for the transaction of commercial banking business during regular business hours;

"**Certificate**" means the certificate of arrangement or amalgamation, as the case may be, giving effect to the Arrangement, issued pursuant to subsection 193(11) of the ABCA after the Articles of Arrangement have been filed;

"**Court**" means the Court of Queen's Bench of Alberta;

"**Depositary**" means Valiant Trust Company (or such other depositary as agreed to by Gallic and Petromanas) at its offices referred to in the Letter of Transmittal;

"**Dissent Rights**" means the right of a registered Gallic Shareholder to dissent to the resolution approving the Arrangement and to be paid the fair value of the Gallic Shares in respect of which the holder dissents, all in accordance with section 191 of the ABCA, the Interim Order and Article 5 hereof;

"**Dissenting Shareholders**" means the registered Gallic Shareholders that validly exercise the Dissent Rights and "**Dissenting Shareholder**" means any one of them;

"**Effective Date**" means the date the Arrangement becomes effective under the ABCA;

"**Effective Time**" means the time at which the Arrangement becomes effective on the Effective Date in accordance with the ABCA;

"**Exchanging Gallic Shareholders**" means Gallic Shareholders who elect to exchange their Gallic Shares for Petromanas Shares;

"**Final Order**" means the final order of the Court approving the Arrangement pursuant to subsection 193(9) of the ABCA in respect of Gallic, as such order may be affirmed, amended or modified by any court of competent jurisdiction;

"**Gallic**" means Gallic Energy Ltd., a corporation existing under the ABCA;

"**Gallic Meeting**" means the special meeting of Gallic Shareholders and Gallic Warrantholders to be held to consider, and if deemed advisable, to authorize and approve the Arrangement and related matters, in accordance with the Interim Order, and any adjournments thereof;

"**Gallic Options**" means the options to purchase Gallic Shares outstanding and unexercised, whether vested or not vested, at any given date and granted under any stock option plans or stock option agreements of Gallic, and "**Gallic Optionholders**" means the holders of Gallic Options from time to time;

"**Gallic Remaining Working Capital**" means an amount equal to the aggregate of the current assets of Gallic (on a consolidated basis) (excluding, for greater certainty, the value of any lands or interests therein held by Gallic but including the book value of the 5.5" casing located in France) less all of Gallic's current liabilities (on a consolidated basis), in each case as at the Effective Date, provided that such amount shall be: (a) increased by any amounts paid, payable or accrued in respect of: (i) legal, financial advisory, accounting fees, printing costs and TSX Venture Exchange fees pertaining directly to the Arrangement; and (ii) severance and termination costs and change of control payments as a result of the Arrangement; and (b) decreased by any amounts received or receivable in respect of the exercise of any convertible securities of Gallic, including Gallic Options, Gallic Warrants and Gallic RSUs;

"**Gallic RSUs**" means the restricted stock units granted by Gallic;

"**Gallic Shares**" means the Class A Shares in the capital of Gallic as constituted on the date hereof, and "**Gallic Shareholders**" means the holders from time to time of Gallic Shares;

"**Gallic Warrants**" means the issued and outstanding warrants of Gallic entitling the holder thereof to purchase Gallic Shares, and "**Gallic Warrantholders**" means the holders from time to time of Gallic Warrants;

"**Gallic Working Capital Statement**" means the statement prepared by Gallic as at the Effective Date for the purpose of calculating the Gallic Remaining Working Capital;

"**Interim Order**" means an interim order of the Court concerning the Arrangement pursuant to subsection 193(4) of the ABCA in respect of Gallic, the Gallic Shareholders and the Gallic Warrantholders, containing declarations and directions with respect to the Arrangement and the holding of the Gallic Meeting, as such order may be affirmed, amended or modified by any court of competent jurisdiction;

"**Letter of Transmittal**" means the Letter of Transmittal for use by Gallic Shareholders and Gallic Warrantholders to be delivered in connection with the Arrangement;

"**Person**" includes an individual, sole proprietorship, partnership, firm, entity, association, corporation, company, limited liability company, unincorporated association, unincorporated syndicate or organization, trust, body corporate, joint venture, business organization, trustee, executor, administrator, legal representative, government or any other entity, whether or not having legal status;

"**Petromanas**" means Petromanas Energy Inc., a corporation existing under the ABCA;

"**Petromanas Replacement Warrant**" means a warrant or right to purchase Petromanas Shares granted in replacement of Gallic Warrants on the basis set forth herein;

"**Petromanas Shares**" means common shares in the capital of Petromanas constituted on the date hereof, and "**Petromanas Shareholder**" means holders from time to time of Petromanas Shares;

"**Plan**" or "**Plan of Arrangement**" means this plan of arrangement as amended or supplemented from time to time in accordance with the terms hereof and Section 9.3 of the Arrangement Agreement;

"**Registrar**" means the Registrar duly appointed under section 263 of the ABCA; and

"**Tax Act**" means the *Income Tax Act* (Canada), R.S.C. 1985, c.I. (5th Supp), as amended, including the regulations promulgated thereunder.

1.2 The division of this Plan of Arrangement into articles and sections and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Plan of Arrangement.

1.3 Unless reference is specifically made to some other document or instrument, all references herein to articles, sections, subsections and subparagraphs are to articles, sections, subsections and subparagraphs of this Plan of Arrangement.

1.4 Unless the context otherwise requires, words importing the singular number shall include the plural and vice versa; words importing any gender shall include all genders; and words importing persons shall include individuals, partnerships, associations, corporations, funds, unincorporated organizations, governments, regulatory authorities, and other entities.

1.5 In the event that the date on which any action is required to be taken hereunder by any of the parties hereto is not a Business Day in the place where the action is required to be taken, such action shall be required to be taken on the next succeeding day which is a Business Day in such place.

1.6 References in this Plan of Arrangement to any statute or sections thereof shall include such statute as amended or substituted and any regulations promulgated thereunder from time to time in effect.

ARTICLE 2
ARRANGEMENT AGREEMENT

2.1 This Plan of Arrangement is made pursuant and subject to the provisions of, and forms part of, the Arrangement Agreement.

2.2 This Plan of Arrangement, upon the filing of the Articles of Arrangement and the issuance of the Certificate, will become effective on, and be binding on and after, the Effective Time on: (a) the Gallic Shareholders; (b) Gallic Warrantholders; (c) Gallic; (d) Petromanas; and (e) AcquisitionCo.

2.3 Gallic shall prepare and deliver to Petromanas the Gallic Working Capital Statement by the close of business on the Business Day immediately preceding the date scheduled to be the Effective Date. The Articles of Arrangement will not be filed, and the Plan of Arrangement will not become effective, until Petromanas confirms in writing, acting reasonably, that it accepts the Gallic Working Capital Statement.

2.4 The Articles of Arrangement and Certificate shall be filed and issued, respectively, with respect to this Arrangement in its entirety. The Certificate shall be conclusive evidence that the Arrangement has become effective and that each of the provisions of Article 3 has become effective in the sequence and at the times set out therein.

ARTICLE 3
ARRANGEMENT

3.1 Commencing at the Effective Time, each of the events set out below shall occur and shall be deemed to occur in the following order without any further act or formality except as otherwise expressly provided herein:

(a) the Gallic Shares held by Dissenting Shareholders who have exercised Dissent Rights which remain valid immediately prior to the Effective Time shall, as of the Effective Time, be deemed to have been transferred to Petromanas and as of the Effective Time, such Dissenting Shareholders shall cease to have any rights as Gallic Shareholders, other than the right to be paid by Petromanas the fair value of their Gallic Shares in accordance with the Dissent Rights;

(b) the Gallic Shares held by Exchanging Gallic Shareholders shall be transferred to Petromanas (free of any claims) in exchange for Petromanas Shares, and each Gallic Shareholder (other than Dissenting Shareholders) shall receive for each Gallic Share registered in the Gallic Shareholder's name immediately prior to the Effective Time, 0.3736 of a Petromanas Share for each Gallic Share so transferred;

(c) AcquisitionCo and Gallic shall be amalgamated and continued as one corporation under the ABCA to form AmalCo in accordance with the following:

(i) *Name*. The name of AmalCo shall be Petromanas Acquisitions Ltd.;

(ii) *Registered Office*. The registered office of AmalCo shall be the registered office of AcquisitionCo;

(iii) *Share Provisions*. AmalCo shall be authorized to issue an unlimited number of common shares of AmalCo;

(iv) *Restrictions on Transfer*. No shares of AmalCo shall be transferred to any person without the approval of the Board of Directors of AmalCo by resolution;

(v) Directors and Officers.

(A) Minimum and Maximum. The directors of AmalCo shall, until otherwise changed in accordance with the ABCA, consist of a minimum number of one director and a maximum number of ten directors;

(B) Initial Directors. The initial directors of AmalCo shall be the directors of AcquisitionCo; and

(C) Initial Officers. The initial officers of AmalCo shall be the officers of AcquisitionCo;

(vi) *Business and Powers*. There shall be no restrictions on the business AmalCo may carry on or on the powers it may exercise;

(vii) *Stated Capital*. The aggregate stated capital of AmalCo will be an amount equal to the aggregate of the paid-up capital for the purposes of the Tax Act of the AcquisitionCo Shares and the Gallic Shares immediately before the amalgamation;

(viii) *By-laws*. The by-laws of AmalCo shall be the by-laws of AcquisitionCo, mutatis mutandis;

(ix) *Effect of Amalgamation*. The provisions of subsections 186(b), (c), (d), (e) and (f) of the ABCA shall apply to the amalgamation with the result that:

(A) all of the property of each of AcquisitionCo and Gallic shall continue to be the property of AmalCo;

(B) AmalCo shall continue to be liable for all of the obligations of each of AcquisitionCo and Gallic;

(C) any existing cause of action, claim or liability to prosecution of AcquisitionCo or Gallic shall be unaffected;

(D) any civil, criminal or administrative action or proceeding pending by or against AcquisitionCo or Gallic may be continued to be prosecuted by or against AmalCo; and

(E) a conviction against, or ruling, order or judgment in favour of or against, AcquisitionCo or Gallic may be enforced by or against AmalCo;

(x) *Articles*. The Articles of Arrangement filed shall be deemed to be the articles of amalgamation of AmalCo and the Certificate issued in respect of such Articles of Arrangement by the Registrar under the ABCA which gives effect to the Arrangement shall be deemed to be the certificate of amalgamation of AmalCo;

(xi) *Inconsistency with Laws*. To the extent any of the provisions of this Plan of Arrangement is deemed to be inconsistent with applicable laws, this Plan of Arrangement shall be automatically adjusted to remove such inconsistency; and

(xii) Exchange and Cancellation of Gallic Shares. On the amalgamation:

(A) each issued and outstanding Gallic Share (other than Gallic Shares held by Petromanas) shall be cancelled and such holder's name shall be removed from the register of holders of Gallic Shares as of the Effective Date, and in consideration therefor, the holder thereof shall receive 0.3736 of a Petromanas Share for each Gallic Share so cancelled, and the Petromanas Shares held by such holder shall be added to the register of holders of Petromanas Shares as of the Effective Date;

(B) the issued and outstanding AcquisitionCo Shares shall survive and continue to be shares of AmalCo without amendment;

(C) the issued and outstanding Gallic Shares held by Petromanas shall be cancelled and in exchange Petromanas shall receive an equal number of common shares of AmalCo and the common shares of AmalCo held by Petromanas shall be added to the register of holders of common shares of AmalCo as of the Effective Date.

(xiii) Exchange and Cancellation of Gallic Warrants. On the amalgamation:

(A) each Gallic Warrant outstanding at the Effective Time shall be exchanged with Petromanas for a Petromanas Replacement Warrant to purchase that number of Petromanas Shares equal to the product of 0.3736 multiplied by the number of Gallic Shares subject to such Gallic Warrant and at an exercise price per Petromanas Share equal to the exercise price per Gallic Share subject to such Gallic Warrant immediately prior to the Effective Time divided by 0.3736, rounded up to the nearest penny. If the foregoing calculation results in a Petromanas Replacement Warrant being exercisable for a fraction of an Petromanas Share, then the number of Petromanas Shares subject to such Petromanas Replacement Warrant shall be rounded down to the next whole number of Petromanas Shares and the total exercise price for the Petromanas Replacement Warrant will be reduced by the exercise price of the fractional Petromanas Share. The term to expiry, conditions to and manner of exercising, vesting schedule, and all other terms and conditions of such Petromanas Replacement Warrant shall be the same as the Gallic Warrant for which it was exchanged, as adjusted to take into account the Arrangement.

3.2 Petromanas, Gallic, AcquisitionCo and AmalCo shall make the appropriate entries in their respective securities registers to reflect the matters referred to in Section 3.1.

3.3 With respect to each Exchanging Gallic Shareholder at the Effective Time, upon the transfer of each Gallic Share pursuant to Section 3.1(b):

(a) each holder of a Gallic Share shall cease to be a holder of the Gallic Shares so transferred and the name of such holder shall be removed from the register of holders of Gallic Shares as it relates to the Gallic Shares so transferred; and

(b) Petromanas shall allot and issue to such holder the number of Petromanas Shares issuable to such holder on the basis set forth in Section 3.1(b), and the name of such holder shall be added to the register of holders of Petromanas Shares.

3.4 With respect to each Gallic Shareholder (other than Dissenting Shareholders and Exchanging Gallic Shareholders) at the Effective Time, upon the cancellation of each Gallic Share pursuant to subparagraph 3.1(c)(xii)(A):

(a) each holder of a Gallic Share shall cease to be a holder of the Gallic Shares so cancelled and the name of such holder shall be removed from the register of holders of Gallic Shares as it relates to the Gallic Shares so cancelled; and

(b) Petromanas shall allot and issue to such holder the number of Petromanas Shares issuable to such holder on the basis set forth in subparagraph 3.1(c)(xii)(A), and the name of such holder shall be added to the register of holders of Petromanas Shares.

3.5 With respect to each Gallic Warrantholder at the Effective Time, upon the exchange of each Gallic Warrant pursuant to subparagraph 3.1(c)(xiii)(A):

(a) each holder of a Gallic Warrant shall cease to be a holder of the Gallic Warrants so exchanged and the name of such holder shall be removed from the register of holders of Gallic Warrants as it relates to the Gallic Warrants so exchanged; and

(b) Petromanas shall allot and issue to such holder the number of Petromanas Replacement Warrants issuable to such holder on the basis set forth in subparagraph 3.1(c)(xiii)(A), and the name of such holder shall be added to the register of holders of Petromanas Replacement Warrants.

3.6 Petromanas, Gallic and the Depositary shall be entitled to deduct and withhold from any consideration otherwise payable to any Gallic Shareholder or Gallic Warrantholder under this Plan of Arrangement (including, without limitation, any amounts payable pursuant to Section 5.1 hereof), such amounts as Petromanas, Gallic or the Depositary determines, acting reasonably, are required or reasonably believes to be required to be deducted and withheld from such consideration in accordance with the Tax Act, the United States Internal Revenue Code of 1986 or any provision of any other applicable law. To the extent that amounts are so withheld, such withheld amounts shall be treated for all purposes hereof as having been paid to the Person in respect of which such withholding was made, provided that such deducted and withheld amounts are remitted to the appropriate taxing authority.

3.7 An Exchanging Gallic Shareholder shall be entitled to make an income tax election, pursuant to subsection 85(1) or 85(2) of the Tax Act, as applicable (and the analogous provisions of provincial or territorial income tax law) with respect to the transfer by the Exchanging Gallic Shareholder of Gallic Shares to Petromanas by providing two signed copies of the necessary election forms to Petromanas within 90 days following the Effective Date, duly completed with the details of the number of Gallic Shares transferred and the applicable agreed amount or amounts for the purposes of such election. Thereafter, subject to the election forms complying with the provisions of the Tax Act (or applicable provincial or territorial income tax law), the forms will be signed by Petromanas and returned to such Exchanging Gallic Shareholder within 30 days after the receipt thereof by Petromanas for filing with the Canada Revenue Agency (or the applicable provincial or territorial taxing authority). Petromanas will not be responsible for the proper completion of any election form and, except for the obligation of Petromanas to so sign and return duly completed election forms which are received by Petromanas within 90 days of the Effective Date, Petromanas will not be responsible for any taxes, interest or penalties resulting from the failure by an Exchanging Gallic Shareholder to properly complete or file the election forms in the form and manner and within the time prescribed by the Tax Act (or any applicable provincial or territorial legislation). In its sole discretion, Petromanas may choose to sign and return an election form received by it more than 90 days following the Effective Date, but Petromanas will have no obligation to do so.

ARTICLE 4
OUTSTANDING CERTIFICATES AND FRACTIONAL SECURITIES

4.1 From and after the Effective Time, certificates formerly representing Gallic Shares and Gallic Warrants shall represent only the right to receive the consideration to which the holders are entitled under the Arrangement, or as to those held by Dissenting Shareholders, to receive the fair value of the Gallic Shares represented by such certificates.

4.2 Petromanas, as soon as practicable following the later of the Effective Date and the date of deposit by a former holder of Gallic Shares or Gallic Warrants of a duly completed Letter of Transmittal and the certificates representing such Gallic Shares or Gallic Warrants, as the case may be, either will:

(a) forward or cause to be forwarded by first class mail (postage prepaid) to such former holder at the address specified in the Letter of Transmittal; or

(b) if requested by such holder in the Letter of Transmittal, make available or cause to be made available at the Depositary for pickup by such holder;

certificates representing the number of Petromanas Shares or Petromanas Replacement Warrants, as the case may be, issued to such holder under the Arrangement.

4.3 If any certificate which immediately prior to the Effective Time represented an interest in outstanding Gallic Shares or Gallic Warrants that were transferred or cancelled pursuant to Section 3.1 has been lost, stolen or destroyed, upon the making of an affidavit of that fact by the person claiming such certificate to have been lost, stolen or destroyed, the Depositary will issue and deliver in exchange for such lost, stolen or destroyed certificate the consideration to which the holder is entitled pursuant to the Arrangement (and any dividends or distributions with respect thereto) as determined in accordance with the Arrangement. Unless otherwise agreed to by Petromanas, the person who is entitled to receive such consideration shall, as a condition precedent to the receipt thereof, give a bond to Petromanas and its transfer agent, which bond is in form and substance satisfactory to Petromanas and its transfer agent, or shall otherwise indemnify Petromanas and its transfer agent against any claim that may be made against any of them with respect to the certificate alleged to have been lost, stolen or destroyed.

4.4 All dividends and distributions made with respect to any Petromanas Shares allotted and issued pursuant to this Arrangement but for which a certificate has not been issued shall be paid or delivered to the Depositary to be held by the Depositary in trust for the registered holder thereof. All monies received by the Depositary shall be invested by it in interest-bearing trust accounts upon such terms as the Depositary may reasonably deem appropriate. Subject to Section 4.5, the Depositary shall pay and deliver to any such registered holder, as soon as reasonably practicable after application therefor is made by the registered holder to the Depositary in such form as the Depositary may reasonably require, such distributions and any interest thereon to which such holder, is entitled, net of any applicable withholding and other taxes.

4.5 Subject to any applicable laws relating to unclaimed property, any certificate formerly representing Gallic Shares or Gallic Warrants that is not deposited with all other documents as required by this Plan of Arrangement on or before the sixth anniversary of the Effective Date shall cease to represent a right or claim of any kind or nature and, for greater certainty, the right of the holder of such Gallic Shares or Gallic Warrants to receive certificates representing Petromanas Shares or Petromanas Replacement Warrants, respectively, shall be deemed to be surrendered to Petromanas together with all dividends, distributions or cash payments thereon held for such holder.

4.6 No fractional Petromanas Shares will be issued. In the event that a holder of Gallic Shares would otherwise be entitled to a fractional Petromanas Share hereunder, the number of Petromanas Shares issued to such holder of Gallic Shares shall be rounded up to the next greater whole number of Petromanas Shares if the fractional entitlement is equal to or greater than 0.5 and shall, without any additional compensation, be rounded down to the next lesser whole number of Petromanas Shares if the fractional entitlement is less than 0.5. In calculating such fractional interests, all Gallic Shares registered in the name of or beneficially held by such holder of Gallic Shares or their nominee shall be aggregated.

ARTICLE 5
DISSENTING SHAREHOLDERS

5.1 Each registered holder of Gallic Shares shall have the right to dissent with respect to the Arrangement in accordance with the Interim Order. A Dissenting Shareholder shall, at the Effective Time, cease to have any rights as a holder of Gallic Shares and shall only be entitled to be paid by Petromanas the fair value of the holder's Gallic Shares. A Dissenting Shareholder who is paid the fair value of the holder's Gallic Shares shall be deemed to have transferred the holder's Gallic Shares to Petromanas at the Effective Time, notwithstanding the provisions of section 191 of the ABCA. A Dissenting Shareholder who, for any reason is not entitled to be paid the fair value of the holder's Gallic Shares, shall be treated as if the holder had participated in the Arrangement on the same basis as a non-dissenting holder of Gallic Shares that is not an Exchanging Gallic Shareholder, notwithstanding the provisions of section 191 of the ABCA. The fair value of the Gallic Shares shall be determined as of the close of business on the last Business Day before the day on which the Arrangement is approved by the holders of Gallic

Shares and Gallic Warrants, voting together as a single class, at the Gallic Meeting or, if not the same day, the day the last approval is obtained; but in no event shall Gallic be required to recognize such Dissenting Shareholder as shareholders of Gallic after the Effective Time and the names of such holders shall be removed from the applicable Gallic register of shareholders as at the Effective Time. For greater certainty, in addition to any other restrictions in section 191 of the ABCA, no person who has voted in favour of the Arrangement shall be entitled to dissent with respect to the Arrangement.

ARTICLE 6
AMENDMENTS

6.1 Gallic and Petromanas may amend, modify and/or supplement this Plan of Arrangement at any time and from time to time prior to the Effective Time, provided that each such amendment, modification and/or supplement must be: (a) set out in writing; (b) filed with the Court and, if made following the Gallic Meeting, approved by the Court; and (c) communicated to Gallic Shareholders and Gallic Warrantholders if and as required by the Court.

6.2 Any amendment, modification or supplement to this Plan of Arrangement may be proposed by Gallic and Petromanas at any time prior to or at the Gallic Meeting with or without any other prior notice or communication, and if so proposed and accepted by the persons voting at the Gallic Meeting (other than as may be required under the Interim Order), shall become part of this Plan of Arrangement for all purposes.

6.3 Any amendment, modification or supplement to this Plan of Arrangement that is approved by the Court following the Gallic Meeting shall be effective only if: (a) it is consented to by each of Gallic and Petromanas; and (b) if required by the Court or applicable law, it is consented to by Gallic Shareholders and Gallic Warrantholders.

6.4 Any amendment, modification or supplement to this Plan of Arrangement may be made following the Effective Time but shall only be effective if it is consented to by each of Petromanas and Gallic, provided that such amendment, modification or supplement concerns a matter which, in the reasonable opinion of Petromanas and Gallic, is of an administrative nature required to better give effect to the implementation of this Plan of Arrangement and is not adverse to the financial or economic interests of Petromanas and Gallic or any former Gallic Shareholder or former Gallic Warrantholder.

SCHEDULE B

REPRESENTATIONS AND WARRANTIES OF GALLIC

1. Organization and Qualification of Gallic

Each of Gallic and its subsidiaries is a corporation duly incorporated or organized and validly existing under the Laws of the jurisdiction of its incorporation or organization, as the case may be, and has the requisite corporate power and authority to own its properties and conduct its business as now owned and conducted. Each of Gallic and its subsidiaries is duly registered to do business and is in good standing in each jurisdiction in which the character of its properties, owned or leased, or the nature of its activities make such registration necessary, except where the failure to be so registered or in good standing would not have a Material Adverse Effect.

2. Authority Relative to this Agreement

Gallic has the requisite corporate authority to enter into this Agreement and to carry out its obligations hereunder. The execution and delivery of this Agreement and the consummation of the transactions contemplated hereby have been duly authorized by the Gallic Board, and no other corporate proceedings on the part of Gallic are necessary to authorize this Agreement and the transactions contemplated hereby (except for obtaining approval of the Gallic Arrangement Resolution). This Agreement has been duly executed and delivered by Gallic and constitutes a legal, valid and binding obligation of Gallic enforceable against Gallic in accordance with its terms, subject to bankruptcy, insolvency, fraudulent transfer, reorganization, moratorium and other Laws relating to or affecting creditors' rights generally, and to general principles of equity.

3. Subsidiaries

Gallic has no direct or indirect subsidiaries or any interest in any partnership, corporation or other business organization, other than Exceed Energy (Australia) Pty. Ltd., Gallic Lux 1, Exceed Investments Inc., Gallic Lux 2, and Exceed Energy (France) S.A.S. Gallic is the beneficial direct or indirect owner of all of the outstanding shares and partnership interests and other ownership interests of Gallic's subsidiaries with good title thereto free and clear of any and all Encumbrances, except for security interests in such securities for the interests of the lenders under Gallic's credit facility. There are no options, warrants or other rights, plans, agreements or commitments of any character whatsoever requiring the issuance, sale or transfer by any of Gallic's subsidiaries of any securities of Gallic's subsidiaries or any securities convertible into, or exchangeable or exercisable for, or otherwise evidencing a right to acquire, any securities of any of Gallic's subsidiaries. All outstanding securities of Gallic's subsidiaries have been duly authorized and validly issued, are fully paid and non-assessable and are not subject to, nor where they issued in violation of, any pre-emptive right.

4. No Violations

(a) None of the execution and delivery of this Agreement by Gallic, the consummation of the transactions contemplated hereby or the compliance by Gallic with any of the provisions hereof will: (i) violate, conflict with, or result in breach of any provision of, require any consent, approval or notice under, or constitute a default (or an event which, with notice or lapse of time or both, would constitute a default) or result in a right of termination or acceleration under, or result in a creation of any lien, security interest, charge or encumbrance upon any of the properties or assets of Gallic or its subsidiaries under, any of the terms, conditions or provisions of: (A) the certificate and articles of amalgamation and by-laws of Gallic, as amended; or (B) any note, bond, mortgage, indenture, loan agreement, deed of trust, agreement, lien, contract or other material instrument or obligation to which Gallic or its subsidiaries is a party or to which any of them, or any of their respective properties or assets, may be subject or by which Gallic is bound; (ii) violate any judgement, ruling, order, writ, injunction, determination, award, decree, statute, ordinance, rule or regulation applicable to Gallic (except, in the case of each of clauses (i) and (ii) for such violations, conflicts, breaches, defaults or terminations which, or any consents, approvals or notices which if not given or received, would not have a Material Adverse Effect or prevent, materially restrict or materially delay the consummation of the Arrangement or the other transactions contemplated hereby); or (iii) cause the suspension or revocation of any authorization, consent, approval or licence currently in effect which would have a Material Adverse Effect or prevent, materially restrict or materially delay the consummation of the Arrangement or the other transactions contemplated hereby.

(b) Other than in connection with or in compliance with the provisions of Canadian Securities Laws: (i) there is no legal impediment to Gallic's consummation of the transactions contemplated by this Agreement; and (ii) no filing or registration with, or authorization, consent or approval of, any domestic or foreign public body or authority is necessary by Gallic or its subsidiaries in connection with the making or the consummation by Gallic of the Arrangement, except for such filings or registrations which, if not made, or for such authorizations, consents or approvals, which, if not received, would not have a Material Adverse Effect or prevent, materially restrict or materially delay the consummation of the Arrangement or the other transactions contemplated hereby.

(c) There is no non-competition, exclusivity or other similar agreement, commitment or understanding in place, whether written or oral, to which Gallic or its subsidiaries, or, to the knowledge of Gallic, any director, officer, employee or consultant or any Affiliate of such Persons is a party or is otherwise bound that would now or hereafter: (i) limit in any material respect either the type of business in which Gallic or its subsidiaries may engage or the manner or locations in which any of them may so engage in any business; (ii) could require the disposition of any material assets or line of business of Gallic or its subsidiaries; (iii) grant "most favoured nation" status; or (iv) prohibits or limits the right of Gallic or its subsidiaries to make, sell or distribute any products or services or use, transfer, license, distribute or enforce any of their respective intellectual property rights.

(d) The execution, delivery and performance of this Agreement does not and will not result in the restriction of Gallic from engaging in its business or from competing with any Person or in any geographical area.

5. Capitalization of Gallic

(a) The authorized share capital of Gallic consists of an unlimited number of Gallic Shares, an unlimited number of Gallic Class B Shares, an unlimited number of Gallic Class C Shares and an unlimited number of Gallic Preferred Shares, issuable in series. As of the date hereof, 167,076,444 Gallic Shares, no Gallic Class B Shares, no Gallic Class C Shares and no Gallic Preferred Shares are issued and outstanding. As of the date hereof, up to 9,020,000 (8,420,000 as of October 15, 20120) Gallic Shares are issuable pursuant to the exercise of outstanding Gallic Options, 71,350,000 Gallic Shares are issuable pursuant to the exercise of outstanding Gallic Warrants and 625,000 Gallic Shares are issuable pursuant to the exercise of outstanding Gallic RSUs. Except as set forth in the immediately preceding sentence, there are no options, puts, calls, warrants or other rights, agreements or commitments of any character whatsoever requiring the issuance, sale or transfer by Gallic of any securities of Gallic (including Gallic Shares) or any securities convertible into, or exchangeable or exercisable for, or otherwise evidencing a right to acquire, any securities of Gallic (including Gallic Shares), nor are there any outstanding stock appreciation rights, phantom equity or similar rights, agreements, arrangements or commitments based upon the book value, income or other attributes of Gallic. All outstanding Gallic Shares have been duly authorized and validly issued, are fully paid and non-assessable and are not subject to, nor were they issued in violation of, any pre-emptive rights.

(b) Gallic has disclosed in writing to Petromanas prior to the execution of this Agreement the particulars of all grants and issuances of Gallic Options, Gallic Warrants and Gallic RSUs, including the exercise prices, grant dates and expiry dates.

6. No Material Adverse Effect

Since December 31, 2011, there has not been any Material Adverse Effect with respect to Gallic.

7. Information

All material data and information provided by Gallic to Petromanas and its Representatives does not, to the knowledge of Gallic, contain a misrepresentation.

8. No Undisclosed Material Liabilities

Other than as disclosed in writing to Petromanas, except: (a) as disclosed or reflected in the Gallic Financial Statements; and (b) for liabilities and obligations: (i) incurred in the ordinary course of business and consistent with past practice; or (ii) pursuant to the terms of this Agreement, Gallic has not incurred any material Liabilities of any nature, whether accrued, contingent or otherwise or which would be required by GAAP to be reflected on a consolidated balance sheet of Gallic as of the date hereof.

9. Impairment

Neither the making nor the completion of the Arrangement will result in a Material Adverse Effect in respect of Gallic.

10. Financial Commitments

Except for the fees payable to Macquarie Capital Markets Canada Ltd. and advisory fees related to the Arrangement, Gallic has no individual outstanding financial commitments not made in accordance with the 2012 Gallic budget or pursuant to the termination and change of control costs as specifically communicated in writing to Petromanas.

11. Employee Obligations and Transaction Costs

(a) Gallic has disclosed in writing to Petromanas prior to the execution of this Agreement the details of the Gallic Employee Obligations and an estimate of all financial advisory, legal, printing, accounting and all other similar costs of Gallic in connection with the Arrangement.

(b) The Gallic Employee Obligations and all financial advisory, legal, printing, accounting and all other similar costs of Gallic in connection with the Arrangement do not exceed in the aggregate $1,300,000.

12. Brokerage Fees

Gallic has not retained nor will it retain any financial advisor, broker, agent or finder or paid or agreed to pay any financial advisor, broker, agent or finder on account of this Agreement, any transaction contemplated hereby or any transaction presently ongoing or contemplated, except that Macquarie Capital Markets Canada Ltd. has been retained to provide the Gallic Fairness Opinion. Gallic has delivered to Petromanas a true and complete copy of its agreements with Macquarie Capital Markets Canada Ltd. and Gallic hereby agrees not to amend such agreements without Petromanas' consent, not to be unreasonably withheld. There are no fees payable to such advisors other than those disclosed in such agreements.

13. Conduct of Business

Since December 31, 2011 and except as contemplated herein, each of Gallic and its subsidiaries has conducted and is conducting its business substantially in accordance with good oilfield and environmental practices and in compliance in all material respects with all applicable Laws, rules and regulations and, in particular, all applicable licensing, Regulatory Approvals and environmental legislation, regulations or by-laws or other requirements of any governmental or regulatory bodies applicable to Gallic and its subsidiaries in each jurisdiction in which they carry on business and hold licences, Regulatory Approvals, registrations and qualifications material to their business and assets in all jurisdictions in which they carry on business which are necessary or desirable to carry on the business of Gallic and its subsidiaries, as now conducted, and where the failure to so conduct business or be in such compliance would have a Material Adverse Effect and none of such licences, registrations or qualifications contains any burdensome term, provision, condition or limitation which has or is likely to have any Material Adverse Effect.

14. Books and Records

The corporate records and minute books of Gallic have been maintained in accordance with all applicable statutory requirements and are complete and accurate in all material respects.

15. Litigation, etc.

There is no Claim, action, proceeding, inquiry or investigation pending or, to the knowledge of Gallic, threatened against or relating to Gallic or its subsidiaries or affecting any of their properties or assets before any court or Governmental Authority or body that, if adversely determined, is likely to have a Material Adverse Effect on Gallic or prevent or materially delay consummation of the transactions contemplated by this Agreement nor is Gallic aware of any basis for any such Claim, action, proceeding or investigation. Gallic is not subject to any outstanding order, writ, injunction or decree that has had or is reasonably likely to have a Material Adverse Effect on Gallic or its subsidiaries or prevent or materially delay consummation of the transactions contemplated by this Agreement.

16. Environmental

(a) Neither Gallic nor its subsidiaries has received any notice, claim or demand from any Governmental Authority, that it is in violation of any Environmental Laws;

(b) to the knowledge of Gallic, Gallic and its subsidiaries has operated its business at all times and has generated, received, handled, used, stored, treated, shipped, recycled and disposed of all contaminants in material compliance with Environmental Laws;

(c) to the knowledge of Gallic, there have been no material spills, releases, deposits or discharges of hazardous or toxic substances, contaminants or wastes when Gallic or any of its subsidiaries was the operator and within Gallic's or its subsidiaries' ownership, possession or control, other than those which have been or are in the process of being rectified, on any of the real property owned or leased by Gallic or its subsidiaries;

(d) to the knowledge of Gallic, there have been no material releases, deposits or discharges, in violation of Environmental Laws, of any hazardous or toxic substances, contaminants or wastes, within Gallic's or its subsidiaries' ownership, possession or control, into the earth, air or into any body of water or any municipal or other sewer or drain water systems by Gallic or its subsidiaries;

(e) no orders, directions or notices have been issued and remain outstanding and to the knowledge of Gallic, no orders, directions or notices have been threatened pursuant to any Environmental Laws relating to the business or assets of Gallic or its subsidiaries other than abandonment and reclamation orders, directions or notices issued in connection with the normal course of business; and

(f) as of the date hereof, where Gallic or any of its subsidiaries is the operator, each of Gallic and its subsidiaries holds all licences, permits and regulatory approvals required under any Environmental Laws in connection with the operation of their respective business and the ownership and use of their assets and all such licences, permits and regulatory approvals are in full force and effect.

17. Insurance

To the knowledge of Gallic, policies of insurance in force as of the date hereof naming Gallic and its directors and officers as an insured provide terms and coverage comparable to those that are customarily carried and insured against by owners of comparable business, properties and assets. All such policies of insurance shall remain in force and effect and shall not be cancelled or otherwise terminated as a result of the transactions contemplated hereby or by the Arrangement.

18. Tax Matters

(a) **Returns Filed and Taxes Paid.** All Tax Returns required to be filed or made by or on behalf of Gallic or any of the subsidiaries have been duly filed or made on a timely basis and such Tax Returns are, to the knowledge of Gallic, true, complete and correct in all material respects. All Taxes shown to be payable on the Tax Returns or on subsequent assessments with respect thereto have been paid in full on a timely basis or have been accrued for on Gallic's financial statements, and no other Taxes are payable by Gallic or any of the subsidiaries with respect to items or periods covered by such Tax Returns.

(b) **Tax Reserves.** For the year ended December 31, 2011, Gallic and each of its subsidiaries has paid all applicable Taxes or Gallic has provided adequate accruals in the Gallic Financial Statements for all such unpaid Taxes. The audited financial statements for the year ended December 31, 2011 disclose all future income taxes in conformity with GAAP.

(c) **Tax Returns Furnished.** For all periods ending on and after December 31, 2011, Petromanas has been furnished by Gallic with true and complete copies of: (i) relevant portions of income tax audit reports, statements of deficiencies, or agreements relating to Taxes of Gallic and each of its subsidiaries; and (ii) all separate federal, provincial, state, local or foreign income or franchise Tax Returns for Gallic and each of its subsidiaries.

(d) **Tax Deficiencies, Audits, Statutes of Limitations.** No material deficiencies exist or have been asserted with respect to Taxes of Gallic or each of its subsidiaries. Neither Gallic nor any of its subsidiaries are party to any action or proceeding for assessment or collection of Taxes, nor has such event been asserted or threatened against Gallic, any of its subsidiaries or their assets. No waiver or extension of any statute of limitations is in effect with respect to Taxes or Tax Returns of Gallic or any of its subsidiaries. The Tax Returns of Gallic and each of its subsidiaries have never been audited by a government or taxing authority, nor is any such audit in process, pending or threatened.

(e) **Withholding Taxes.** Gallic and each of its subsidiaries have duly and timely withheld, or caused to be withheld, all Taxes required or permitted by applicable Laws to be withheld by it (including Taxes and other amounts required or permitted to be withheld by it in respect of any amount paid or credited or deemed to be paid or credited by it to or for the account of any Person, including any present or former employees, officers or directors and any Persons who are non-residents of the particular jurisdiction) and duly and timely remitted, or caused to be remitted, to the appropriate Tax authority such Taxes required by applicable Laws to be remitted by it.

(f) **Indemnification obligations.** Neither Gallic nor any of its subsidiaries are party to any indemnification, allocation or sharing agreement with respect to Taxes that could give rise to a payment or indemnification obligation in respect of Taxes of any other Person.

19. Gallic Financial Statements

The Gallic Financial Statements fairly present, in accordance with GAAP, consistently applied, the financial position and condition of Gallic at the dates thereof and the results of the operations of Gallic for the periods then ended and reflect in accordance with GAAP, consistently applied, all material assets, liabilities or obligations (absolute, accrued, contingent or otherwise) of Gallic as at the dates thereof.

20. Employee Benefit Plans

Except as disclosed in writing to Petromanas, Gallic:

(a) has no retirement savings plans (either registered or unregistered) or other employee benefit plans, other than the employee stock savings plan, and has not made any promises with respect to increased benefits under such plans;

(b) has provided adequate accruals in the Gallic Financial Statements (or such amounts are fully funded) for all pension or other employee benefit obligations of Gallic arising under or relating to each of the pension or retirement income plans or other employee benefit plans or agreements or policies maintained by or binding on Gallic as well as for any other payment required to be made by Gallic in connection with the termination of employment or retirement of any employee of Gallic in respect of the fiscal period ended December 31, 2011; and

(c) has no stock option plans or arrangements other than the Gallic Stock Option Plan, the Gallic RSUs and the Gallic Warrants and, except as otherwise disclosed herein, is not otherwise a party to any agreement to provide any Gallic Shares or other Gallic securities (including any securities convertible into or exchangeable or exercisable for, or otherwise evidencing a right to acquire Gallic Shares) or to provide any options to acquire Gallic Shares or any other Gallic securities convertible into or exchangeable or exercisable for, or otherwise evidencing a right to acquire, Gallic Shares to any Person other than pursuant to the Gallic Stock Option Plan, the Gallic RSUs and the Gallic Warrants.

21. Employment Agreements

Other than as disclosed in writing to Petromanas, Gallic is not a party to any written employment agreement. Except as disclosed to Petromanas in writing, Gallic is not a party to any written or oral policy, agreement, obligation or understanding or any amendment thereto which contains any specific agreement as to notice of termination or severance pay in lieu thereof or which cannot be terminated without cause on giving reasonable notice as may be implied by law.

22. Engineering Reports

Gallic has made available to the Gallic Reserves Engineers prior to the issuance of the Gallic Resources Report, for the purpose of preparing such report, all information requested by the Gallic Reserves Engineers, which information did not, at the time such information was provided, contain any material misrepresentation. Gallic has no knowledge of any Material Adverse Change to the oil and gas reserves of Gallic from that disclosed in the Gallic Resources Report.

23. Title

Although Gallic does not warrant title to its Petroleum and Natural Gas Rights, except for Permitted Encumbrances, its Petroleum and Natural Gas Rights are free and clear of all liens, adverse claims, charges and encumbrances created by, through or under Gallic or its Affiliates.

24. Quiet Possession

Except as disclosed in writing to Petromanas, to the knowledge of Gallic and subject to the rents, covenants and conditions of the Leases to be paid, performed and observed by the lessee, Gallic may hold the Petroleum and Natural Gas Rights for the remainder of the terms of the Leases, and all renewals or extensions of them, for its own benefit without interruption by any Person claiming by, through or under Gallic.

25. No Net Profits or Other Interests

No officer, director, employee or any other Person not dealing at arm's length with Gallic or, to the knowledge of Gallic, any associate or Affiliate of any such Person, owns, has or is entitled to any royalty, net profits interest, carried interest or any other Encumbrances or Claims of any nature whatsoever which are based on production from the Properties or any revenue or rights attributed thereto.

26. Production Allowables and Production Penalties

(a) During the period of time in which Gallic was the operator of such Wells, none of the Wells has been produced in excess of applicable production allowables imposed by any applicable Law or any Governmental Authority and Gallic does not have any knowledge of any impending change in production allowables imposed by any applicable Law or any Governmental Authority that may be applicable to any of the Wells, other than changes of general application in the jurisdiction in which the Wells are situate.

(b) Gallic has not received notice of any production penalty or similar production restriction of any nature imposed or to be imposed by any Governmental Authority, including gas-oil ratio, off-target and overproduction penalties, and, to Gallic's knowledge, none of the Wells is subject to any such penalty or restriction.

27. No Reduction of Interests

None of the Petroleum and Natural Gas Rights are subject to reduction by reference to payout of or production penalty on Gallic's working interest in any Well or otherwise or to change to an interest of any other size or nature by virtue of or through any right or interest granted by, through or under Gallic.

28. Royalties, Rentals and Taxes Paid

To the knowledge of Gallic, all royalties and rentals payable on or before the date hereof under the Documents of Title and similar arrangements based upon or measured by the ownership of such assets or the production of Petroleum Substances derived therefrom or allocated thereto or the proceeds of sales thereof payable on or before the date hereof have been properly paid in full and in a timely manner or accrued in the Gallic Financial Statements.

29. Outstanding Authorizations for Expenditure

Other than as disclosed to Petromanas in writing, there are no outstanding authorizations for expenditure pertaining to any of the Properties or any other commitments, approvals or authorizations approved by Gallic or received by Gallic for approval, pursuant to which an expenditure may be required to be made in respect of the Properties after the date of the most recent Gallic Financial Statements.

30. Hedging

Gallic is not a party to, or bound by any currently outstanding interest rate swaps, foreign exchange swaps, commodity price hedging contracts and similar derivative contracts.

31. Areas of Mutual Interest

There are no active areas of mutual interest provisions or areas of exclusion in any of the material agreements or title and operating documents to which the Petroleum and Natural Gas Rights are subject.

32. Off-Set Obligation

As of the date hereof, Gallic has not received any written notice that the Leases in respect of the Petroleum and Natural Gas Rights are subject to any accrued drilling or off-set obligations which have not been satisfied or permanently waived.

33. Take or Pay Obligations

Gallic does not have any take or pay obligations of any kind or nature whatsoever.

34. Operation and Condition of Wells

(a) All the Wells:

(i) for which Gallic was or is operator, during the applicable time, were or have been drilled and, if and as applicable, completed, operated and abandoned in accordance with good and prudent oil and gas industry practices in Canada and in material compliance with all applicable Law; and

(ii) for which Gallic was not or is not operator, to Gallic's knowledge, were or have been drilled and, if and as applicable, completed, operated and abandoned in accordance with good and prudent oil and gas industry practices in Canada and in material compliance with all applicable Law.

(b) Gallic has disclosed in writing to Petromanas prior to the execution of this Agreement a complete and accurate description of the wells, facilities and lands of Gallic and its subsidiaries as at the date hereof.

35. Operation and Condition of Tangibles

The Tangibles used or intended for use in connection with the Properties for which Gallic has been operator, were or have been constructed, operated and maintained in accordance with good and prudent oil and gas industry practices in Canada and in material compliance with all applicable Law during all periods in which Gallic was operator thereof.

36. Notice of Disputes

Gallic has not received notice of, and does not have knowledge of, any dispute or Claim, potential or otherwise, involving any Governmental Authority or other Person, including without limitation aboriginal groups, which Gallic reasonably believes would have a Material Adverse Effect on any oil and gas exploration, development or production operations of Gallic or its subsidiaries.

37. Processing and Transportation Commitments

Gallic does not have any third party processing or transportation agreements or any obligations to deliver sales volumes to any other Person that have not been entered into with arm's length third parties and in the ordinary course of business of Gallic. Gallic has provided to Petromanas a complete list of all such processing and transportation agreements and obligations to deliver sales volumes.

38. Flow-Through Obligations

Gallic has not entered into any agreements or made any covenants with any parties with respect to the issuance of "flow-through" shares or the incurring and renunciation of Canadian exploration expense or Canadian development expense.

39. No Default Under Lending Agreements

No event of default or event that, with the passage of time or the giving of notice would be an event of default or other breach of any covenant has occurred and is continuing under Gallic's existing banking and lending agreements.

40. Tax Pools

Gallic's estimated aggregate tax pools are not less than $8.7 million. For the purposes of this provision, "aggregate tax pools" means, in respect of Gallic directly, the total of the following balances for its taxation year ended December 31, 2011: undepreciated capital cost of all classes of depreciable property, cumulative Canadian exploration expense balance, cumulative Canadian development expense balance, cumulative oil and gas property expense balance, previously undeducted non-capital loss carry-forward balances for each year, cumulative eligible capital balance and previously undeducted financing expense balance for the purpose of paragraph 20(1)(e) of the Tax Act, as all such terms are defined for the purpose of the Tax Act and the *Alberta Corporate Tax Act*, R.S.A. 2000, c. A-15.

41. Compliance with Law

Gallic has complied with and is in compliance with all Laws and regulations applicable to the operation of its business, except where such non-compliance would not, considered individually or in the aggregate, have a Material Adverse Effect or materially effect the ability of Gallic to consummate the transactions contemplated hereby.

42. U.S. Matters

No class of securities of Gallic is registered or required to be registered pursuant to section 12 of the U.S. Exchange Act, nor does Gallic or any of its subsidiaries have a reporting obligation pursuant to section 15(d) of the U.S. Exchange Act.

Gallic, including all entities "controlled by" Gallic for purposes of the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, does not and prior to completion of the Arrangement will not, hold assets located in the United States with a fair market value in excess of U.S.$68.2 million in the aggregate. During the 12-month period ended December 31, 2011, Gallic did not make sales in or into the United States in excess of U.S. $68.2 million in the aggregate.

Gallic is a "foreign private issuer" as defined in Rule 3b-4 under the U.S. Exchange Act. The principal offices of Gallic are not located within the United States. Gallic is not registered or required to be registered as an "investment company" within the meaning of the United States Investment Company Act of 1940, as amended.

43. Restrictions on Business Activities

There is no agreement, judgement, injunction, order, decree, understanding or other restriction with any Person binding upon Gallic which has or could have the effect of materially restricting, prohibiting or impairing:

(a) any current or currently proposed business practice of Gallic;

(b) Gallic from carrying on its business with any customer or within any geographic region;

(c) any acquisition of property by Gallic; or

(d) the conduct of business by Gallic as currently conducted or as currently proposed to be conducted by Gallic.

44. Confidentiality Agreements

Gallic has not waived or released the applicability of any "standstill" or other provisions of any confidentiality agreements entered into by Gallic.

45. Fairness Opinion

Gallic has received a verbal fairness opinion from its financial advisor stating that, as of the date hereof, the consideration to be received by Gallic Shareholders pursuant to the Arrangement is fair, from a financial point of view, to the Gallic Shareholders, which Gallic Fairness Opinion shall be included in the Information Circular.

46. Interested Party Transactions

Gallic is not indebted to or otherwise obligated to:

(a) the Gallic Supporting Securityholders or any subsidiary or entity controlled by them; or

(b) any director, officer, employee of, or any Person not dealing at arm's length with, Gallic, including without limitation the Gallic Supporting Securityholders.

No director, officer, employee or agent of, or any other Person not dealing at arm's length with Gallic has any indebtedness, Liability or obligation to Gallic or is a party to any contract, arrangement or understanding or other transactions required to be disclosed pursuant to applicable Laws.

47. Material Agreements

Except for Documents of Title, this Agreement and the material agreements made available to Petromanas, there are no contracts or agreements to which Gallic is a party or by which Gallic is bound, which is material to Gallic. All agreements, permits, licences, regulatory approvals, plans, certificates and other rights and authorizations held by Gallic as operator which are material to the conduct of the business of Gallic are valid and subsisting and Gallic is not in material default under any such agreements, permits, licences, Regulatory Approvals, plans, certificates and other rights and authorizations.

48. Transferred Information

Gallic: (i) has provided all necessary notices to and has obtained all necessary consents from each individual to which the Transferred Information relates for the collection, use and disclosure of such information for the purposes for which such information is currently and was historically collected, used and disclosed by Gallic and for the completion of the transactions contemplated herein; and (ii) has not received notice, or has reason to believe, that any such consent has been withdrawn or varied. The Transferred Information is necessary for, and solely relates to, the completion of the transactions as contemplated herein, including the determination to complete such transactions.

49. Disclosure

Gallic has not withheld from Petromanas any material information or documents concerning Gallic or its assets or liabilities during the course of Petromanas' review of Gallic and its assets. No representation or warranty contained herein and no statement contained in any schedule or other disclosure document provided or to be provided to Petromanas by Gallic pursuant hereto contains or will contain any untrue statement of a material fact or omits to state a material fact which is necessary in order to make the statements herein or therein not misleading.

50. Debt and Working Capital

Gallic has no long term debt and the working capital of Gallic is not less than $3,944,000 as of June 30, 2012. The Gallic Remaining Working Capital forecast provided in writing by Gallic to Petromanas as of the date of this Agreement is a true and complete estimate, as of the date hereof, of the Gallic Remaining Working Capital as of November 30, 2012.

51. Compliance With Securities Laws

No securities commission, stock exchange or similar regulatory authority in Canada or the United States has issued any order which is currently outstanding preventing or suspending trading in any securities of Gallic, no such proceeding is, to the knowledge of Gallic, pending, contemplated or threatened and Gallic is not, to its knowledge, in default of any requirement of any Canadian Securities Laws, rules or policies applicable to Gallic or its securities. Gallic is a reporting issuer (where such concept exists) in the provinces of British Columbia and Alberta and is in material compliance with all Canadian Securities Laws therein and the Gallic Shares are listed and posted for trading on the TSXV and Gallic is in material compliance with the rules of the TSXV.

52. Payments

Since January 1, 2012, neither Gallic nor any of its subsidiaries has (i) declared, set aside or paid any dividend in respect of its outstanding shares; (ii) made any payment to directors, officers and employees of Gallic other than in the ordinary course of business; or (iii) except as disclosed in writing to Petromanas by Gallic, redeemed, purchased or otherwise acquired any of its outstanding shares or other securities.

53. No Shareholder Rights Plan

Gallic is not a party to and, prior to the Effective Date, Gallic will not implement, a shareholder rights plan or any other form of plan, agreement, contract or instrument that will trigger any rights to acquire Gallic Shares or other securities of Gallic or rights, entitlements or privileges in favour of any Person upon the entering into of this Agreement or the Arrangement

54. No Escrow

Other than the Gallic Support Agreements, none of the Gallic Shares are the subject of any escrow, voting trust or other similar agreement.

55. Accounts Receivable

To the knowledge of Gallic, all accounts receivable in any material amount of Gallic are collectible.

56. Indemnification

Gallic is not bound by any agreement of guarantee, indemnification (other than an indemnification of directors and officers in accordance with the by-laws of Gallic or applicable Laws and other than standard indemnity agreements in underwriting and agency agreements and in the ordinary course provided to its lenders and to service providers and in title documentation applicable to its assets) or any like commitment in respect of the obligations, liabilities (contingent or otherwise) or indebtedness of any other Person.

57. Foreign Corrupt Practices

Neither Gallic nor any of its subsidiaries nor any director, officer, agent, employee or other person acting on behalf of Gallic or any of its subsidiaries has offered or given, and Gallic does not have any knowledge of any person that has offered or given on its behalf, anything of value to: (i) any official of a Governmental Authority, any political party or official thereof or any candidate for political office; (ii) any customer or member of any Governmental Authority; or (iii) any other person, in any such case while knowing or having reason to know that all or a portion of such money or thing of value may be offered, given or promised, directly or indirectly, to any customer or member of any Governmental Authority or any candidate for political office for the purpose of the following: (i) influencing any action or decision of such person, in such person's official capacity, including a decision to fail to perform such person’s official function; (ii) inducing such person to use such person's influence with any Governmental Authority to affect or influence any act or decision of such Governmental Authority to assist Gallic or any of its subsidiaries in obtaining or retaining business for, with, or directing business to, any person; or (iii) where such payment would constitute a bribe, rebate, payoff, influence payment, kickback or illegal or improper payment to assist Gallic or any of its subsidiaries in obtaining or retaining business for, with, or directing business to, any person.

SCHEDULE C

REPRESENTATIONS AND WARRANTIES OF PETROMANAS

1. Organization and Qualification

Each of Petromanas and its subsidiaries is a corporation duly incorporated and organized or formed, as the case may be, and validly existing under the Laws of the jurisdiction of its incorporation or organization, as the case may be, and has the requisite corporate power and authority to own its properties and conduct its business as now owned and conducted. Each of Petromanas and its subsidiaries is duly registered to do business and is in good standing in each jurisdiction in which the character of its properties, owned or leased, or the nature of its activities make such registration necessary, except where the failure to be so registered or in good standing would not have a Material Adverse Effect. Since incorporation, AcquisitionCo has not carried on any business.

2. Authority Relative to this Agreement

Petromanas has the requisite corporate authority to enter into this Agreement and to carry out its obligations hereunder. The execution and delivery of this Agreement and the consummation of the transactions contemplated hereby have been duly authorized by the Petromanas Board, and no other corporate proceedings on the part of Petromanas are necessary to authorize this Agreement and the Arrangement. This Agreement has been duly executed and delivered by Petromanas and constitutes a legal, valid and binding obligation of Petromanas enforceable against Petromanas in accordance with its terms, subject to bankruptcy, insolvency, fraudulent transfer, reorganization, moratorium and other Laws relating to or affecting creditors' rights generally, and to general principles of equity.

3. Subsidiaries

Other than Petromanas Albania GmbH and AcquisitionCo, Petromanas does not have any subsidiaries nor does it have any interest in any partnership, corporation or other business organization.

4. No Violations

(a) None of the execution and delivery of this Agreement by Petromanas, the consummation of the transactions contemplated hereby or the compliance by Petromanas with any of the provisions hereof will: (i) violate, conflict with, or result in breach of any provision of, require any consent, approval or notice under, or constitute a default (or an event which, with notice or lapse of time or both, would constitute a default) or result in a right of termination or acceleration under, or result in a creation of any lien, security interest, charge or encumbrance upon any of the properties or assets of Petromanas or any of its subsidiaries under, any of the terms, conditions or provisions of: (A) the certificate and articles of incorporation and by-laws of Petromanas, as amended; or (B) any note, bond, mortgage, indenture, loan agreement, deed of trust, agreement, lien, contract or other material instrument or obligation to which Petromanas or any of its subsidiaries is a party or to which any of them, or any of their respective properties or assets, may be subject or by which Petromanas or any of its subsidiaries is bound; (ii) violate any judgement, ruling, order, writ, injunction, determination, award, decree, statute, ordinance, rule or regulation applicable to Petromanas or any of its subsidiaries (except, in the case of each of clauses (i) and (ii) for such violations, conflicts, breaches, defaults or terminations which, or any consents, approvals or notices which if not given or received, would not have a Material Adverse Effect or prevent, materially restrict or materially delay the consummation of the Arrangement or the other transactions contemplated hereby); or (iii) cause the suspension or revocation of any authorization, consent, approval or licence currently in effect which would have a Material Adverse Effect or prevent, materially restrict or materially delay the consummation of the Arrangement or the other transactions contemplated hereby.

(b) Other than in connection with or in compliance with the provisions of Canadian Securities Laws: (i) there is no legal impediment to Petromanas' consummation of the Arrangement; and (ii) no filing or registration with, or authorization, consent or approval of, any domestic or foreign public body or authority is necessary by Petromanas in connection with the making or the consummation by Petromanas of the Arrangement, except for the approval of the TSXV for the issuance of Petromanas Shares pursuant thereto, any necessary approvals under the Competition Act and such filings or registrations which, if not made, or for such authorizations, consents or approvals, which, if not received, would not have a Material Adverse Effect or prevent, materially restrict or materially delay the consummation of the Arrangement or the other transactions contemplated hereby.

(c) There is no non-competition, exclusivity or other similar agreement, commitment or understanding in place, whether written or oral, to which Petromanas or any of its subsidiaries, or, to the knowledge of Petromanas, any director, officer, employee or consultant or any Affiliate of such Persons is a party or is otherwise bound that would now or hereafter: (i) limit in any material respect either the type of business in which Petromanas or any of its subsidiaries may engage or the manner or locations in which any of them may so engage in any business; (ii) could require the disposition of any material assets or line of business of Petromanas or any of its subsidiaries; (iii) grant "most favoured nation" status; or (iv) prohibits or limits the right of Petromanas or any of its subsidiaries to make, sell or distribute any products or services or use, transfer, license, distribute or enforce any of their respective intellectual property rights.

(d) The execution, delivery and performance of this Agreement does not and will not result in the restriction of Petromanas from engaging in its business or from competing with any Person or in any geographical area.

5. Capitalization of Petromanas

(a) The authorized share capital of Petromanas consists of an unlimited number of Petromanas Shares and an unlimited number of Petromanas Preferred Shares. As of the date hereof, 631,041,466 Petromanas Shares are issued and outstanding and no Petromanas Preferred Shares are issued and outstanding. As of the date hereof, 43,590,000 Petromanas Shares are issuable pursuant to the exercise of outstanding Petromanas Options and 107,990,000 Petromanas Shares are issuable pursuant to the exercise of outstanding Petromanas First Series Warrants and Petromanas Third Series Warrants. As of the date hereof, 50,000,000 Petromanas Shares are issuable pursuant to the Petromanas Performance Shares. Except as set forth in the immediately preceding sentence, there are no options, puts, calls, warrants or other rights, agreements or commitments of any character whatsoever requiring the issuance, sale or transfer by Petromanas of any shares of Petromanas (including Petromanas Shares) or any securities convertible into, or exchangeable or exercisable for, or otherwise evidencing a right to acquire, any shares of Petromanas (including Petromanas Shares), nor are there any outstanding stock appreciation rights, phantom equity or similar rights, agreements, arrangements or commitments based upon the book value, income or other attribute of Petromanas. All outstanding Petromanas Shares have been duly authorized and validly issued, are fully paid and non-assessable and are not subject to, nor were they issued in violation of, any pre-emptive rights.

(b) Petromanas has disclosed in writing to Gallic prior to the execution of this Agreement the particulars of all grants and issuances of Petromanas Options, including the exercise prices, grant dates and expiry dates.

6. No Material Adverse Effect

Since December 31, 2011, there has not been any Material Adverse Effect with respect to Petromanas.

7. Information

All material data and information provided by Petromanas to Gallic and its Representatives does not, to the knowledge of Petromanas, contain a misrepresentation.

8. No Undisclosed Material Liabilities

Except: (a) as disclosed or reflected in the Petromanas Financial Statements or otherwise publicly disclosed; and (b) for liabilities and obligations: (i) incurred in the ordinary course of business and consistent with past practice; or (ii) pursuant to the terms of this Agreement, Petromanas has not incurred any material Liabilities of any nature, whether accrued, contingent or otherwise or which would be required by GAAP to be reflected on a consolidated balance sheet of Petromanas as of the date hereof.

9. Impairment

Neither the making nor the completion of the Arrangement will result in a Material Adverse Effect in respect of Petromanas.

10. Financial Commitments

Except for the fees payable to Black Spruce Merchant Capital Corp., Raymond James Ltd. and National Bank Financial Inc. and advisory fees related to the Arrangement, Petromanas has no material individual outstanding financial commitments not made in accordance with the 2012 Petromanas budget.

11. Brokerage Fees

Petromanas has not retained nor will it retain any financial advisor, broker, agent or finder or paid or agreed to pay any financial advisor, broker, agent or finder on account of this Agreement, except that: (a) Black Spruce Merchant Capital Corp. and Raymond James Ltd. have been retained as financial advisors of Petromanas; and (b) National Bank Financial Inc. has been retained as strategic financial advisor of Petromanas in connection with certain matters including the transactions contemplated hereby. Petromanas has delivered to Gallic a true and complete copy of its agreements with Black Spruce Merchant Capital Corp., Raymond James Ltd. and National Bank Financial Inc. and Petromanas hereby agrees not to amend such agreements without Gallic's consent, not to be unreasonably withheld. There are no fees payable to such advisors other than those disclosed in such agreements.

12. Conduct of Business

Since December 31, 2011 and except as contemplated herein, Petromanas has conducted and is conducting its business substantially in accordance with good oilfield and environmental practices and in compliance in all material respects with all applicable Laws, rules and regulations and, in particular, all applicable licensing, Regulatory Approvals and environmental legislation, regulations or by-laws or other requirements of any governmental or regulatory bodies applicable to Petromanas in each jurisdiction in which it carries on business and holds licences, Regulatory Approvals, registrations and qualifications material to its business and assets in all jurisdictions in which it carries on business which are necessary or desirable to carry on the business of Petromanas, as now conducted, and where the failure to so conduct business or be in such compliance would have a Material Adverse Effect and none of such licences, registrations or qualifications contains any burdensome term, provision, condition or limitation which has or is likely to have any Material Adverse Effect.

13. Books and Records

The corporate records and minute books of Petromanas have been maintained in accordance with all applicable statutory requirements and are complete and accurate in all material respects.

14. Litigation, etc.

Except as has been disclosed in writing to Gallic prior to the date hereof, there is no Claim, action, proceeding, inquiry or investigation pending or, to the knowledge of Petromanas, threatened against or relating to Petromanas or any of its subsidiaries or affecting any of their properties or assets before any court or Governmental Authority or body that, if adversely determined, is likely to have a Material Adverse Effect on Petromanas or prevent or materially delay consummation of the transactions contemplated by this Agreement nor is Petromanas aware of any basis for any such Claim, action, proceeding or investigation. Neither Petromanas nor any of its subsidiaries is subject to any outstanding order, writ, injunction or decree that has had or is reasonably likely to have a Material Adverse Effect on Petromanas or prevent or materially delay consummation of the transactions contemplated by this Agreement.

15. Environmental

(a) Neither Petromanas nor its subsidiaries has received any notice, claim or demand from any Governmental Authority, that it is in violation of any Environmental Laws;

(b) to the knowledge of Petromanas, each of Petromanas and its subsidiaries has operated its business at all times and has generated, received, handled, used, stored, treated, shipped, recycled and disposed of all contaminants in material compliance with Environmental Laws;

(c) to the knowledge of Petromanas, there have been no material spills, releases, deposits or discharges of hazardous or toxic substances, contaminants or wastes when Petromanas or its subsidiaries were the operator and within Petromanas' or its subsidiaries' ownership, possession or control, other than those which have been or are in the process of being rectified, on any of the real property owned or leased by Petromanas or any of its subsidiaries;

(d) to the knowledge of Petromanas, there have been no material releases, deposits or discharges, in violation of Environmental Laws, of any hazardous or toxic substances, contaminants or wastes, within Petromanas' or its subsidiaries' ownership, possession or control, into the earth, air or into any body of water or any municipal or other sewer or drain water systems by Petromanas or its subsidiaries;

(e) no orders, directions or notices have been issued and remain outstanding and to the knowledge of Petromanas, no orders, directions or notices have been threatened, pursuant to any Environmental Laws relating to the business or assets of Petromanas or its subsidiaries other than abandonment and reclamation orders, directions or notices issued in connection with the normal course of business; and

(f) as of the date hereof, where Petromanas or any of its subsidiaries is the operator, to its knowledge, holds all licences, permits and regulatory approvals required under any Environmental Laws in connection with the operation of its respective business and the ownership and use of its assets and all such licences, permits and regulatory approvals are in full force and effect.

16. Insurance

To the knowledge of Petromanas, policies of insurance in force as of the date hereof naming Petromanas and its directors and officers as an insured provide terms and coverage comparable to those that are customarily carried and insured against by owners of comparable business, properties and assets. All such policies of insurance shall remain in force and effect and shall not be cancelled or otherwise terminated as a result of the transactions contemplated hereby or by the Arrangement.

17. Tax Matters

(a) **Returns Filed and Taxes Paid**. All Tax Returns required to be filed or made by or on behalf of Petromanas or any of its subsidiaries have been duly filed or made on a timely basis and such Tax Returns are, to the knowledge of Petromanas, true, complete and correct in all material respects. All Taxes shown to be payable on the Tax Returns or on subsequent assessments with respect thereto have been paid in full on a timely basis or have been accrued for on Petromanas' financial statements, and no other Taxes are payable by Petromanas or any of the subsidiaries with respect to items or periods covered by such Tax Returns.

(b) **Tax Reserves**. For the year ended December 31, 2011, Petromanas and each of its subsidiaries have paid all applicable Taxes or Petromanas has provided adequate accruals in the Petromanas Financial Statements for all such unpaid Taxes. The audited financial statements for the year ended December 31, 2011 disclose all future income taxes in conformity with GAAP.

(c) **Tax Returns Furnished**. For all periods ending on and after December 31, 2011, Gallic has been furnished by Petromanas with true and complete copies of: (i) relevant portions of income tax audit reports, statements of deficiencies, or agreements relating to Taxes; and (ii) all separate federal, provincial, state, local or foreign income or franchise Tax Returns for Petromanas.

(d) **Tax Deficiencies, Audits, Statutes of Limitations**. No material deficiencies exist or have been asserted with respect to Taxes of Petromanas. Petromanas is not party to any action or proceeding for assessment or collection of Taxes, nor has such event been asserted or threatened against Petromanas or its assets. No waiver or extension of any statute of limitations is in effect with respect to Taxes or Tax Returns of Petromanas. The Tax Returns of Petromanas have never been audited by a government or taxing authority, nor is any such audit in process, pending or threatened.

18. Petromanas Financial Statements

The Petromanas Financial Statements fairly present, in accordance with GAAP, consistently applied, the financial position and condition of Petromanas at the dates thereof and the results of the operations of Petromanas for the periods then ended and reflect in accordance with GAAP, consistently applied, all material assets, liabilities or obligations (absolute, accrued, contingent or otherwise) of Petromanas as at the dates thereof.

19. Employee Benefit Plans

Petromanas:

(a) has no retirement savings plans (either registered or unregistered) or other employee benefit plans, and has not made any promises with respect to increased benefits under such plans;

(b) has provided adequate accruals in the Petromanas Financial Statements (or such amounts are fully funded) for all pension or other employee benefit obligations of Petromanas arising under or relating to each of the pension or retirement income plans or other employee benefit plans or agreements or policies maintained by or binding on Petromanas as well as for any other payment required to be made by Petromanas in connection with the termination of employment or retirement of any employee of Petromanas in respect of the fiscal period ended December 31, 2011; and

(c) has no stock option plans or arrangements other than the Petromanas Stock Option Plan and, except as otherwise disclosed herein, is not otherwise a party to any agreement to provide any Petromanas Shares or other Petromanas securities (including any securities convertible into or exchangeable or exercisable for, or otherwise evidencing a right to acquire Petromanas Shares) or to provide any options to acquire Petromanas Shares or any other Petromanas securities convertible into or exchangeable or exercisable for, or otherwise evidencing a right to acquire, Petromanas Shares to any Person, other than pursuant to the Petromanas Stock Option Plan, the Petromanas First Series Warrants, the Petromanas Third Series Warrants and the Petromanas Performance Shares.

20. Employment Agreements

Other than as disclosed in writing to Gallic, Petromanas is not a party to any employment agreement. Except as disclosed in writing to Gallic, Petromanas is not a party to any written or oral policy, agreement, obligation or understanding or any amendment thereto which contains any specific agreement as to notice of termination or severance pay in lieu thereof or which cannot be terminated without cause on giving reasonable notice as may be implied by law.

21. Engineering Reports

Petromanas has made available to the Petromanas Reserves Engineers prior to the issuance of the Petromanas Resources Report, for the purpose of preparing such report, all information requested by the Petromanas Reserves Engineers, which information did not, at the time such information was provided, contain any material misrepresentation. Petromanas has no knowledge of any Material Adverse Change to the oil and gas reserves of Petromanas from that disclosed in the Petromanas Resources Report.

22. Title

Although Petromanas does not warrant title to its Petroleum and Natural Gas Rights, except for Permitted Encumbrances, its Petroleum and Natural Gas Rights are free and clear of all liens, adverse claims, charges and encumbrances created by, through or under Petromanas or its Affiliates other than security interests in favour of its bankers.

23. Quiet Possession

To the knowledge of Petromanas and subject to the rents, covenants and conditions of the Leases to be paid, performed and observed by the lessee, Petromanas may hold the Petroleum and Natural Gas Rights for the remainder of the terms of the Leases, and all renewals or extensions of them, for its own benefit without interruption by any Person claiming by, through or under Petromanas.

24. No Net Profits or Other Interests

No officer, director, employee or any other Person not dealing at arm's length with Petromanas or, to the knowledge of Petromanas, any associate or Affiliate of any such Person, owns, has or is entitled to any royalty, net profits interest, carried interest or any other Encumbrances or Claims of any nature whatsoever which are based on production from the Properties or any revenue or rights attributed thereto.

25. Production Allowables and Production Penalties

(a) During the period of time in which Petromanas or any of its subsidiaries were the operator of such Wells, none of the Wells has been produced in excess of applicable production allowables imposed by any applicable Law or any Governmental Authority and Petromanas does not have any knowledge of any impending change in production allowables imposed by any applicable Law or any Governmental Authority that may be applicable to any of the Wells, other than changes of general application in the jurisdiction in which the Wells are situate.

(b) Neither Petromanas nor any of its subsidiaries has received notice of any production penalty or similar production restriction of any nature imposed or to be imposed by any Governmental Authority, including gas-oil ratio, off-target and overproduction penalties, and, to Petromanas' knowledge, none of the Wells is subject to any such penalty or restriction.

26. No Reduction of Interests

Other than as publicly disclosed or as otherwise disclosed to Gallic, none of the Petroleum and Natural Gas Rights are subject to reduction by reference to payout of or production penalty applicable to Petromanas' or any of its subsidiaries' working interest in any Well or otherwise or to change to an interest of any other size or nature by virtue of or through any right or interest granted by, through or under Petromanas.

27. Royalties, Rentals and Taxes Paid

To the knowledge of Petromanas, all royalties and rentals payable on or before the date hereof under the Documents of Title and similar arrangements based upon or measured by the ownership of such assets or the production of Petroleum Substances derived therefrom or allocated thereto or the proceeds of sales thereof payable on or before the date hereof have been properly paid in full and in a timely manner or accrued in the Petromanas Financial Statements.

28. Outstanding Authorizations for Expenditure

Except as disclosed in writing to Gallic, there are no outstanding authorizations for expenditure pertaining to any of the Properties or any other commitments, approvals or authorizations approved by Petromanas or any of its subsidiaries or received by Petromanas or any of its subsidiaries for approval, pursuant to which an expenditure may be required to be made in respect of the Properties after the date of the most recent Petromanas Financial Statements.

29. Hedging

Other than as disclosed in writing to Gallic, neither Petromanas nor any of its subsidiaries is a party to, or bound by any currently outstanding interest rate swaps, foreign exchange swaps, commodity price hedging contracts and similar derivative contracts.

30. Areas of Mutual Interest

Other than as disclosed in writing to Gallic, there are no active areas of mutual interest provisions or areas of exclusion in any of the material agreements or title and operating documents to which the Petroleum and Natural Gas Rights are subject.

31. Off-Set Obligation

As of the date hereof, neither Petromanas nor any of its subsidiaries has received any written notice that the Leases in respect of the Petroleum and Natural Gas Rights are subject to any accrued drilling or off-set obligations which have not been satisfied or permanently waived.

32. Take or Pay Obligations

Neither Petromanas nor any of its subsidiaries has any take or pay obligations of any kind or nature whatsoever.

33. Operation and Condition of Wells

(a) All the Wells:

(i) for which Petromanas or any of its subsidiaries was or is operator, during the applicable time, were or have been drilled and, if and as applicable, completed, operated and abandoned in accordance with good and prudent oil and gas industry practices in Canada and in material compliance with all applicable Law; and

(ii) for which Petromanas or any of its subsidiaries was not or is not operator, to Petromanas' knowledge, were or have been drilled and, if and as applicable, completed, operated and abandoned in accordance with good and prudent oil and gas industry practices in Canada and in material compliance with all applicable Law.

(b) Petromanas has disclosed in writing to Gallic prior to the execution of this Agreement a complete and accurate description of the wells, facilities and lands of Petromanas and its subsidiaries as at the date hereof.

34. Operation and Condition of Tangibles

The Tangibles used or intended for use in connection with the Properties for which Petromanas or any of its subsidiaries has been operator, were or have been constructed, operated and maintained in accordance with good and prudent oil and gas industry practices in Canada and in material compliance with all applicable Law during all periods in which Petromanas or its subsidiaries was operator thereof.

35. Notice of Disputes

Petromanas has not received notice of, and does not have knowledge of, any dispute or Claim, potential or otherwise, involving any Governmental Authority or other Person, including without limitation aboriginal groups, which Petromanas reasonably believes would have a Material Adverse Effect on any oil and gas exploration, development or production operations of Petromanas.

36. Processing and Transportation Commitments

Other than as disclosed in writing to Gallic, neither Petromanas nor any of its subsidiaries has any third party processing or transportation agreements or any obligations to deliver sales volumes to any other Person that have not been entered into with arm's length third parties and in the ordinary course of business of Petromanas. Petromanas has provided to Gallic a complete list of all such processing and transportation agreements and obligations to deliver sales volumes.

37. No Default Under Lending Agreements

No event of default or event that, with the passage of time or the giving of notice would be an event of default or other breach of any covenant has occurred and is continuing under Petromanas' existing banking and lending agreements.

38. Flow-Through Obligations

Petromanas has not entered into any agreements or made any covenants with any parties with respect to the issuance of "flow-through" shares or the incurring and renunciation of Canadian exploration expense or Canadian development expense.

39. Tax Pools

Petromanas' estimated aggregate tax pools are not less than $7 million. For the purposes of this provision, "aggregate tax pools" means, in respect of Petromanas directly, the total of the following balances for its taxation year ended December 31, 2011: undepreciated capital cost of all classes of depreciable property, cumulative Canadian exploration expense balance, cumulative Canadian development expense balance, cumulative oil and gas property expense balance, previously undeducted non-capital loss carry-forward balances for each year, cumulative eligible capital balance and previously undeducted financing expense balance for the purpose of paragraph 20(1)(e) of the Tax Act, as all such terms are defined for the purpose of the Tax Act and the *Alberta Corporate Tax Act*, R.S.A. 2000, c. A-15.

40. U.S. Securities Law Matters

Petromanas is a "foreign private issuer" as defined in Rule 3b-4 under the U.S. Exchange Act. The Petromanas Shares are not registered and are not required to be registered under section 12 of the U.S. Exchange Act. Petromanas is not registered or required to be registered as an "investment company" within the meaning of the United States Investment Company Act of 1940, as amended. The principal offices of Petromanas are not located within the United States.

41. Compliance with Law

Each of Petromanas and its subsidiaries has complied with and is in compliance with all Laws and regulations applicable to the operation of its business, except where such non-compliance would not, considered individually or in the aggregate, have a Material Adverse Effect or materially effect the ability of Petromanas to consummate the transactions contemplated hereby.

42. Restrictions on Business Activities

There is no agreement, judgement, injunction, order, decree, understanding or other restriction with any Person binding upon Petromanas or any of its subsidiaries which has or could have the effect of materially restricting, prohibiting or impairing:

(a) any current or currently proposed business practice of Petromanas;

(b) Petromanas from carrying on its business with any customer or within any geographic region;

(c) any acquisition of property by Petromanas; or

(d) the conduct of business by Petromanas as currently conducted or as currently proposed to be conducted by Petromanas.

43. Confidentiality Agreements

Petromanas has not waived or released the applicability of any "standstill" or other provisions of any confidentiality agreements entered into by Petromanas.

44. Fairness Opinion

Petromanas has received a verbal fairness opinion from its financial advisor stating that, as of the date hereof, the consideration to be paid pursuant to the Arrangement is fair, from a financial point of view, to the Petromanas Shareholders.

45. Interested Party Transactions

Petromanas is not indebted to or otherwise obligated to any director, officer, employee of, or any Person not dealing at arm's length with, Petromanas.

No director, officer, employee or agent of, or any other Person not dealing at arm's length with Petromanas has any indebtedness, Liability or obligation to Petromanas or is a party to any contract, arrangement or understanding or other transactions required to be disclosed pursuant to applicable Laws.

46. Material Agreements

Except for Documents of Title, this Agreement and the material agreements made available to Gallic, there are no contracts or agreements to which Petromanas or any of its subsidiaries is a party or by which it or its subsidiaries is bound, which is material to Petromanas. All agreements, permits, licences, regulatory approvals, plans, certificates and other rights and authorizations held by Petromanas or its subsidiaries as operator which are material to the conduct of the business of Petromanas are valid and subsisting and neither Petromanas nor any of its subsidiaries is in material default under any such agreements, permits, licences, Regulatory Approvals, plans, certificates and other rights and authorizations.

47. Transferred Information

Petromanas: (i) has provided all necessary notices to and has obtained all necessary consents from each individual to which the Transferred Information relates for the collection, use and disclosure of such information for the purposes for which such information is currently and was historically collected, used and disclosed by Petromanas and for the completion of the transactions contemplated herein; and (ii) has not received notice, or has reason to believe, that any such consent has been withdrawn or varied. The Transferred Information is necessary for, and solely relates to, the completion of the transactions as contemplated herein, including the determination to complete such transactions.

48. Disclosure

Petromanas has not withheld from Gallic any material information or documents concerning Petromanas, its subsidiaries or its assets or liabilities during the course of Gallic's review of Petromanas and its assets. No representation or warranty contained herein and no statement contained in any schedule or other disclosure document provided or to be provided to Gallic by Petromanas pursuant hereto contains or will contain any untrue statement of a material fact or omits to state a material fact which is necessary in order to make the statements herein or therein not misleading.

49. Compliance With Securities Laws

No securities commission, stock exchange or similar regulatory authority in Canada or the United States has issued any order which is currently outstanding preventing or suspending trading in any securities of Petromanas, no such proceeding is, to the knowledge of Petromanas, pending, contemplated or threatened and Petromanas is not, to its knowledge, in default of any requirement of any Canadian Securities Laws, rules or policies applicable to Petromanas or its securities. Petromanas is a reporting issuer (where such concept exists) in the provinces of British Columbia and Alberta and is in material compliance with all Canadian Securities Laws therein and the Petromanas Shares are listed and posted for trading on the TSXV and Petromanas is in material compliance with the rules of the TSXV.

50. Payments

Since January 1, 2012, neither Petromanas nor any of its subsidiaries has (i) declared, set aside or paid any dividend in respect of its outstanding shares; (ii) made any payment to directors, officers and employees of Petromanas other than in the ordinary course of business; or (iii) except as disclosed in writing to Gallic by Petromanas, redeemed, purchased or otherwise acquired any of its outstanding shares or other securities.

51. No Shareholder Rights Plan

Petromanas is not a party to and, prior to the Effective Date, Petromanas will not implement, a shareholder rights plan or any other form of plan, agreement, contract or instrument that will trigger any rights to acquire Petromanas Shares or other securities of Petromanas or rights, entitlements or privileges in favour of any Person upon the entering into of this Agreement or the Arrangement

52. No Escrow

Other than the Petromanas Escrow Agreement, none of the Petromanas Shares are the subject of any escrow, voting trust or other similar agreement.

53. Accounts Receivable

To the knowledge of Petromanas, all accounts receivable in any material amount of Petromanas are collectible.

54. Indemnification

Neither Petromanas nor any of its subsidiaries is bound by any agreement of guarantee, indemnification (other than an indemnification of directors and officers in accordance with the by-laws of Petromanas or applicable Laws and other than standard indemnity agreements in underwriting and agency agreements and in the ordinary course provided to its lenders and to service providers and in title documentation applicable to its assets) or any like commitment in respect of the obligations, liabilities (contingent or otherwise) of indebtedness of any other Person.

55. Foreign Corrupt Practices

Neither Petromanas nor any of its subsidiaries nor any director, officer, agent, employee or other person acting on behalf of Petromanas or any of its subsidiaries has offered or given, and Petromanas does not have any knowledge of any person that has offered or given on its behalf, anything of value to: (i) any official of a Governmental Authority, any political party or official thereof or any candidate for political office; (ii) any customer or member of any Governmental Authority; or (iii) any other person, in any such case while knowing or having reason to know that all or a portion of such money or thing of value may be offered, given or promised, directly or indirectly, to any customer or member of any Governmental Authority or any candidate for political office for the purpose of the following: (i) influencing any action or decision of such person, in such person's official capacity, including a decision to fail to perform such person's official function; (ii) inducing such person to use such person's influence with any Governmental Authority to affect or influence any act or decision of such Governmental Authority to assist Petromanas or any of its subsidiaries in obtaining or retaining business for, with, or directing business to, any person; or (iii) where such payment would constitute a bribe, rebate, payoff, influence payment, kickback or illegal or improper payment to assist Petromanas or any of its subsidiaries in obtaining or retaining business for, with, or directing business to, any person.

SCHEDULE D

FORM OF SUPPORT AGREEMENT
FOR DIRECTORS AND OFFICERS OF GALLIC

SUPPORT AGREEMENT FOR DIRECTORS AND OFFICERS OF GALLIC

THIS AGREEMENT is dated as of October 1, 2012.

BETWEEN:

THE PERSON SET FORTH ON THE SIGNATURE PAGE OF THIS AGREEMENT AS SECURITYHOLDER

(the "**Securityholder**")

AND

PETROMANAS ENERGY INC., a corporation existing under the laws of Alberta

("**Petromanas**")

WHEREAS Gallic Energy Ltd. ("**Gallic**") and Petromanas Energy Inc. have entered into an agreement dated October 1, 2012 (the "**Arrangement Agreement**") providing for a plan of arrangement under the *Business Corporations Act* (Alberta) (the "**ABCA**"), pursuant to which, among other things, Gallic and Petromanas will combine their respective businesses as set out therein (the "**Arrangement**");

AND WHEREAS as of the date hereof, the Securityholder is the beneficial owner of the number of common shares of Gallic (the "**Gallic Shares**") and warrants of Gallic (the "**Gallic Warrants**") set forth on the signature page of this Agreement;

AND WHEREAS Petromanas has requested that the Securityholder enter into this Agreement with respect to the Gallic Shares and Gallic Warrants held by the Securityholder;

AND WHEREAS this Agreement sets out the terms and conditions of the agreement of the Securityholder to support the Arrangement and to vote the Gallic Shares, Gallic Warrants and New Gallic Shares (as defined herein), if any, in favour of the Arrangement;

NOW THEREFORE THIS AGREEMENT WITNESSES that in consideration of the sum of $1.00 paid by each of the parties hereto to the other, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree as follows.

1. **Representations of the Securityholder**. The Securityholder represents that, as of the date hereof:

    (a) it is the beneficial owner of the Gallic Shares and Gallic Warrants;

    (b) the Gallic Shares and Gallic Warrants are not subject to any voting agreement (other than this Agreement) or adverse claim; and

    (c) it has full power and authority to make, enter into and carry out the terms of this Agreement.

2. **Agreement to Vote Gallic Shares and Gallic Warrants.** From the date hereof until this Agreement is terminated in accordance with its terms, the Securityholder hereby agrees that, except for all such actions which are permitted pursuant to Section 3 hereof, at any meeting of the holders of Gallic Shares and Gallic Warrants, however called, for the purpose of approving the Arrangement, the Securityholder shall (or cause the holder of record to, if the Securityholder is the beneficial owner but not the holder of record of the Gallic Shares and Gallic Warrants):

(a) vote all of the Gallic Shares and Gallic Warrants, including the New Gallic Shares, if any, acquired by the Securityholder prior to such action, in favour of the Arrangement and any actions required in furtherance of the actions contemplated thereby; and

(b) vote all of the Gallic Shares and Gallic Warrants, including the New Gallic Shares, if any, acquired by the Securityholder prior to such action, to oppose any proposed action by Gallic or any other party the result of which could be reasonably expected to impede, interfere with or delay the completion of the Arrangement.

3. **No Limit on Fiduciary Duty**. Nothing contained in this Agreement will:

(a) restrict, limit or prohibit the Securityholder from exercising (in his capacity as a director or officer) his fiduciary duties to Gallic under applicable law; or

(b) require the Securityholder, in his capacity as an officer, if applicable, of Gallic to take any action in contravention of, or omit to take any action pursuant to, or otherwise take or refrain from taking any actions which are inconsistent with, instructions or directions of Gallic's board of directors undertaken in the exercise of their fiduciary duties;

provided that such action is not in contravention of Gallic's covenants regarding non-solicitation contained in the Arrangement Agreement and provided that nothing in this Section 3 will be deemed to relieve the Securityholder from his obligations under any other provision of this Agreement other than Sections 2 and 6 hereof as they relate to actions taken by the Securityholder solely in his capacity as a director or officer of Gallic.

4. **Control over Corporation or Trust**. If any of the Gallic Shares or Gallic Warrants, including the New Gallic Shares, if any, are held through a corporation or trust over which the Securityholder has control, as defined in the ABCA (either alone or in conjunction with any other person) ("**Control**"), the Securityholder shall act, vote and exercise its power and authority to ensure that this Agreement is complied with by such corporation or trust.

5. **No Voting Trusts**. The Securityholder will not, and will not permit any entity under the Securityholder's Control to, deposit any of the Gallic Shares, Gallic Warrants or New Gallic Shares, if any, in a voting trust or subject any of the Gallic Shares, Gallic Warrants or New Gallic Shares, if any, to any arrangement or agreement (other than the Gallic Escrow Agreements) with respect to the voting of such shares, other than agreements entered into with Petromanas.

6. **No Proxy Solicitations**. The Securityholder will not, and will not permit any entity under the Securityholder's Control to:

(a) solicit proxies or become a participant in a solicitation in opposition to or competition with Petromanas in connection with the Arrangement;

(b) solicit, initiate or encourage inquiries, submissions, proposals or offers from any other person relating to, or participate in any negotiations regarding, or furnish to any other person any information with respect to, or otherwise cooperate in any way with or assist or participate in or facilitate or encourage any effort or attempt with respect to an Acquisition Proposal (as defined in the Arrangement Agreement), subject to Section 3 hereof and except as otherwise permitted under the Arrangement Agreement;

(c) assist any person, entity or group in taking or planning any action that would compete with, restrain or otherwise serve to interfere with or inhibit the Arrangement; or

(d) act jointly or in concert with others with respect to voting securities of Gallic for the purpose of opposing or competing with Petromanas in connection with the Arrangement.

7. **Transfer and Encumbrance**. Petromanas and the Securityholder agree that except with the prior written consent of Petromanas, the Securityholder shall not be permitted to transfer, sell or offer to transfer or sell or otherwise dispose of or encumber any of the Gallic Shares, Gallic Warrants or New Gallic Shares, if any, prior to the earlier of the Effective Time (as defined in the Arrangement Agreement) and the termination of this Agreement.

8. **New Gallic Shares**. The Securityholder agrees that any shares of Gallic purchased or as to which the Securityholder acquires beneficial ownership after the execution of this Agreement, including, without limitation, any shares of Gallic acquired by the Securityholder as a consequence of the exercise or conversion of any other securities or compensation arrangement of Gallic prior to the Effective Time (the "**New Gallic Shares**") shall be subject to the terms of this Agreement.

9. **Covenants, Representations and Warranties of Petromanas**. Petromanas covenants to comply with all the terms of the Arrangement Agreement. Petromanas represents and warrants that it is duly authorized to execute and deliver this Agreement and this Agreement is a valid and binding agreement enforceable by the Securityholder in accordance with its terms, subject to the usual exceptions as to bankruptcy, insolvency, reorganization, moratorium and other laws relating to or affecting creditors' rights generally and the availability of equitable remedies. Petromanas further represents and warrants that the execution and delivery of this Agreement and the fulfilment of the terms hereof by Petromanas does not and will not result in a breach of any agreement or instrument to which it is a party or by which it is contractually bound.

10. **Termination**. Unless otherwise provided for herein, this Agreement shall terminate on the earlier of:

    (a) immediately upon Petromanas providing written notice of termination to the Securityholder;

    (b) the Effective Time; and

    (c) the date on which the Arrangement Agreement is terminated in accordance with its terms.

11. **Specific Performance**. The Securityholder acknowledges that it may not be possible to measure in money the damage to Petromanas if the Securityholder fails to comply with any of its obligations under this Agreement, that every such obligation is material and that, in the event of any such failure, Petromanas may not have an adequate remedy at law or in damages, and accordingly, the Securityholder agrees that the issuance of an injunction or other equitable remedy may be the appropriate remedy for any such failure.

12. **Successors and Assigns**. This Agreement and all obligations of the Securityholder hereunder shall be binding upon and shall enure to the benefit of the parties hereto and their respective successors and assigns.

13. **Entire Agreement**. This Agreement supersedes all prior agreements between the parties hereto with respect to the subject matter hereof and contains the entire agreement among the parties with respect to the subject matter hereof. This Agreement may not be modified or waived, except expressly by an instrument in writing signed by all the parties hereto. No waiver of any provision hereof by any party shall be deemed a waiver by any other party nor shall any such waiver be deemed a continuing wavier of any matter by such party.

14. **Notice**. Any notice or other communication required or contemplated under this Agreement to be given by one party to the other shall be delivered, telecopied or mailed by prepaid registered post to the party to receive same at the undernoted address, namely:

if to the Securityholder at the address set forth on the signature page of this Agreement; and

if to Petromanas: Petromanas Energy Inc.
1720, 734 – 7th Avenue S.W.
Calgary, Alberta T2P 3P8

Attention: President and Chief Executive Officer
Fax Number: (403) 457-4480

Any notice delivered or telecopied shall be deemed to have been given and received on the business day next following the date of delivery or telecopying, as the case may be. Any notice mailed as aforesaid shall be deemed to have been given and received on the third business day following the date it is posted, provided that if between the time of mailing and actual receipt of the notice there shall be a mail strike, slow-down or other labour dispute which might affect delivery of the notice by mail, then the notice shall be effective only if actually delivered.

15. **Further Assurances**. Each of the parties hereto agrees to execute such further and other deeds, documents and assurances and do such further and other acts as may be necessary to carry out the true intent and meaning of this Agreement fully and effectually.

16. **Severability**. Each of the covenants, provisions, sections, subsections and other subdivisions hereof is severable from every other covenant, provision, section, subsection and subdivision and the invalidity or unenforceability of any one or more covenants, provisions, sections, subsections and other subdivisions hereof shall not affect the validity or enforceability of the remaining covenants, provisions, sections, subsections or subdivisions hereof.

17. **Expenses**. The parties hereto agree to pay their own respective expenses incurred in connection with this Agreement. This section shall survive the termination of this Agreement pursuant to Section 10.

18. **Disclosure**.

(a) Prior to the first public disclosure of the existence and terms and conditions of this Agreement by Petromanas or Gallic, the Securityholder shall not disclose the existence of this Agreement or any details hereof or the possibility of the Arrangement being effected or any terms or conditions or other information concerning the Arrangement, to any person other than the Securityholder's advisors provided that the Securityholder's advisors shall be required to comply with the foregoing disclosure obligations and the Securityholder agrees to be responsible for any breach of such disclosure obligations by any of the Securityholder's advisors.

(b) The parties hereby consent to the disclosure of the substance of this Agreement in any press release required by applicable laws and in any circular relating to the meeting to approve the Arrangement and all related matters and to the filing of this Agreement as may be required pursuant to applicable laws.

19. **Miscellaneous**.

(a) This Agreement shall be construed in accordance with the laws of Alberta and the parties hereto agree to attorn to the jurisdiction of the courts thereof.

(b) This Agreement may be executed in one or more counterparts and delivered by facsimile, each of which shall be deemed to be an original but all of which together shall constitute one and the same instrument.

(c) All Section headings herein are for convenience of reference only and are not part of this Agreement and no construction or interference shall be derived there from.

(d) References to "he" and "they" shall be interpreted to include "her", "it" and other gender variations thereof.

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

______________________________ (Signature of Securityholder)	______________________________ (Signature of Witness)
______________________________ (Print Name of Securityholder)	
____________________ Gallic Shares	**PETROMANAS ENERGY INC.**
____________________ Gallic Warrants	Per: ______________________________

Address of Securityholder:

____

____

____