TAMARACK VALLEY ENERGY LTD.

AND

NATIONAL BANK FINANCIAL INC., ON ITS OWN BEHALF AND ON BEHALF OF DUNDEE SECURITIES LTD., MACQUARIE CAPITAL MARKETS CANADA LTD., CIBC WORLD MARKETS INC., FIRSTENERGY CAPITAL CORP., PETERS & CO. LIMITED, DESJARDINS SECURITIES INC., ACUMEN CAPITAL FINANCE PARTNERS LIMITED AND ALTACORP CAPITAL INC.

AND

COMPUTERSHARE TRUST COMPANY OF CANADA

SUBSCRIPTION RECEIPT AGREEMENT

PROVIDING FOR THE ISSUE OF
SUBSCRIPTION RECEIPTS

DATED JULY 12, 2016

TABLE OF CONTENTS

ARTICLE 1 INTERPRETATION 2

1.1 Definitions 2
1.2 Headings 7
1.3 References 7
1.4 Certain Rules of Interpretation 7
1.5 Day Not a Business Day 7
1.6 Applicable Law 7
1.7 Conflict 7
1.8 Currency 8
1.9 Severability 8

ARTICLE 2 ISSUE OF SUBSCRIPTION RECEIPTS 8

2.1 Issue of Subscription Receipts 8
2.2 Payment Acknowledgement 8
2.3 Terms and Issue of Subscription Receipts 9
2.4 Fractional Subscription Receipts 9
2.5 Form of Subscription Receipts 9
2.6 Receiptholder not a Shareholder 10
2.7 Subscription Receipts to Rank *Pari Passu* 10
2.8 Signing of Subscription Receipt Certificates 10
2.9 Certification by the Subscription Receipt Agent 10
2.10 Issue in Substitution for Subscription Receipt Certificates Lost, etc. 11
2.11 Exchange of Subscription Receipt Certificates 11
2.12 Charges for Exchange 11
2.13 Transfer and Ownership of Subscription Receipts 11
2.14 Global Subscription Receipt 13
2.15 Escrowed Funds 14
2.16 U.S. Matters 14
2.17 Reliance by the Agent 14
2.18 Subscription Receipts and Trading 14
2.19 Right of Rescission 15

ARTICLE 3 SATISFACTION OF ISSUANCE RIGHT OR REFUND RIGHT 15

3.1 Satisfaction of the Escrow Release Condition 15
3.2 Delivery of Common Shares/Satisfaction of Issuance Right 15
3.3 Release of Escrowed Subscription Funds 16
3.4 Payment Pursuant to Refund Right 16
3.5 Fractional Common Shares 17
3.6 Withholding 17

ARTICLE 4 ESCROWED UNDERWRITERS' FEE 17

4.1 Escrowed Underwriters' Fee to be placed in Escrow 17
4.2 Release of Escrowed Underwriters' Fee 17

ARTICLE 5 ESCROWED FUNDS 17

5.1 Segregation of Escrowed Subscription Funds 17
5.2 Segregation of Escrowed Underwriters' Fee 18
5.3 Investment of Escrowed Funds 18
5.4 Interest and Income 19

ARTICLE 6 RIGHTS OF THE CORPORATION AND COVENANTS 19

6.1 Optional Purchases by the Corporation 19
6.2 General Covenants 19
6.3 Subscription Receipt Agent’s Remuneration and Expenses and Indemnification 20
6.4 Performance of Covenants by Subscription Receipt Agent 20
6.5 Accounting 21
6.6 Payments by Subscription Receipt Agent 21

ARTICLE 7 ENFORCEMENT 21

7.1 Suits by Receiptholders 21
7.2 Immunity of Shareholders, etc. 21

ARTICLE 8 MEETINGS OF RECEIPTHOLDERS 21

8.1 Right to Convene Meetings 21
8.2 Notice of Meetings 22
8.3 Chair 22
8.4 Quorum 22
8.5 Power to Adjourn 22
8.6 Show of Hands 22
8.7 Poll 22
8.8 Voting 23
8.9 Regulations 23
8.10 Persons Entitled to Attend Meetings 23
8.11 Powers Exercisable by Extraordinary Resolution 24
8.12 Meaning of Extraordinary Resolution 24
8.13 Powers Cumulative 25
8.14 Minutes 25
8.15 Instruments in Writing 26
8.16 Binding Effect of Resolutions 26
8.17 Evidence of Rights of Receiptholders 26
8.18 Holdings by Corporation Disregarded 26

ARTICLE 9 SUPPLEMENTAL AGREEMENTS 26

9.1 Provision for Supplemental Agreements for Certain Purposes 26

ARTICLE 10 CONCERNING THE SUBSCRIPTION RECEIPT AGENT 27

10.1 Applicable Legislation 27
10.2 Rights and Duties of Subscription Receipt Agent 27
10.3 Evidence, Experts and Advisers 28
10.4 Documents, Monies, etc. Held by Subscription Receipt Agent 29
10.5 Actions by Subscription Receipt Agent to Protect Interest 29
10.6 Subscription Receipt Agent not Required to Give Security 29
10.7 Protection of Subscription Receipt Agent 29
10.8 Replacement of Subscription Receipt Agent; Successor by Merger 30
10.9 Conflict of Interest 30
10.10 Acceptance of Appointment 31
10.11 Subscription Receipt Agent Not to be Appointed Receiver 31
10.12 Anti-Money Laundering Legislation 31
10.13 Third Party Interests 31
10.14 Privacy Laws 31

ARTICLE 11 GENERAL 32

11.1 Notice to the Corporation, Underwriters and the Subscription Receipt Agent 32
11.2 Notice to Receiptholders 33
11.3 Ownership and Transfer of Subscription Receipts 33
11.4 Satisfaction and Discharge of Agreement 34
11.5 Provisions of Agreement and Subscription Receipts for the Sole Benefit of Parties and Receiptholders 34
11.6 Subscription Receipts Owned by the Corporation or its Subsidiaries – Certificate to be Provided 34
11.7 Effect of Execution 34
11.8 Time of Essence 34
11.9 Amendment 35
11.10 Further Assurances 35
11.11 Counterparts 35
11.12 Language 35

SUBSCRIPTION RECEIPT AGREEMENT

THIS AGREEMENT made as of July 12, 2016.

AMONG: **TAMARACK VALLEY ENERGY LTD.**, a corporation existing pursuant to the laws of the Province of Alberta (the "**Corporation**")

– and –

NATIONAL BANK FINANCIAL INC. (the "**Lead Underwriter**"), on its own behalf and on behalf of **DUNDEE SECURITIES LTD., MACQUARIE CAPITAL MARKETS CANADA LTD., CIBC WORLD MARKETS INC., FIRSTENERGY CAPITAL CORP., PETERS & CO. LIMITED, DESJARDINS SECURITIES INC., ACUMEN CAPITAL FINANCE PARTNERS LIMITED AND ALTACORP CAPITAL INC.** (collectively, the "**Underwriters**")

– and –

COMPUTERSHARE TRUST COMPANY OF CANADA, a trust company existing under the laws of Canada, having an office in the City of Calgary (the "**Subscription Receipt Agent**")

RECITALS:

A. The Corporation is proposing to create, issue and sell Subscription Receipts, each Subscription Receipt representing the right to receive one Common Share upon closing of the first completed Acquisition (as defined herein).

B. The Corporation, and the Lead Underwriter, on behalf of the Underwriters, have agreed, subject to the terms and conditions hereof, that:

(i) pending the release in accordance with the terms and conditions of this Agreement, the Escrowed Funds are to be delivered to the Subscription Receipt Agent and held by the Subscription Receipt Agent as agent for and on behalf of the Corporation, the Underwriters or the Receiptholders, as the case may be, and invested for and on behalf of the Corporation, the Underwriters or the Receiptholders, as the case may be, in the manner set forth herein;

(ii) if the Escrow Release Condition is satisfied and the Acquisition Notice and the Irrevocable Direction are delivered to the Subscription Receipt Agent on or before the Termination Time, each holder of Subscription Receipts shall automatically acquire, or be deemed to have acquired, pursuant to the Issuance Rights evidenced thereby, without payment of any additional consideration or further action on the part of the Receiptholder, one Common Share for each Subscription Receipt held at the Acquisition Time; and

(iii) upon the occurrence of a Termination Event, the subscription for Common Shares represented by each Subscription Receipt shall be automatically terminated and cancelled and the holders of Subscription Receipts will be entitled to receive an amount equal to the Issue Price in respect of each Subscription Receipt held, together with such holders' pro rata share of the Earned Interest thereon (less any applicable withholding taxes), which shall be paid out of the Escrowed Funds, subject to the terms set forth herein.

C. All things necessary have been done and performed to make the Subscription Receipts, when certified by the Subscription Receipt Agent and issued as provided in this Agreement, legal, valid and binding obligations of the Corporation with the benefits and subject to the terms of this Agreement.

WHEREAS the foregoing recitals are by the Corporation and the Lead Underwriter, on behalf of the Underwriters, as the context provides, and not by the Subscription Receipt Agent;

NOW THEREFORE THIS AGREEMENT WITNESSES that for good and valuable consideration mutually given and received, the receipt and sufficiency of which is hereby acknowledged, **IT IS HEREBY AGREED AND DECLARED AS FOLLOWS**:

ARTICLE 1
INTERPRETATION

1.1 Definitions

In this Agreement and the recitals the following terms have the meanings ascribed thereto:

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

(b) "**Acquired Assets**" means collectively, the Redwater Acquired Assets and the Penny Acquired Assets;

(c) "**Acquisitions**" means collectively, the Redwater Acquisition and the Penny Acquisition and "**Acquisition**" means either one of them;

(d) "**Acquisition Agreements**" means collectively, the Redwater Acquisition Agreement and the Penny Acquisition Agreement and "**Acquisition Agreement**" means either one of them;

(e) "**Acquisition Date**" means the date upon which the closing of the Redwater Acquisition or Penny Acquisition, whichever occurs first, in accordance with the terms and conditions of the applicable Acquisition Agreement, occurs;

(f) "**Acquisition Notice**" means a notice substantially in the form set forth in Schedule "B" hereto, executed by the Corporation and the Lead Underwriter certifying that the Escrow Release Condition has been satisfied;

(g) "**Acquisition Time**" means the time on the Acquisition Date at which the closing of the first Acquisition takes place;

(h) "**Agreement**" means this agreement, as amended, supplemented or otherwise modified from time to time in accordance with the provisions hereof;

(i) "**Approved Bank**" has the meaning ascribed thereto in Section 5.3;

(j) "**Book-Entry System**" means the book-based securities transfer system administered by CDS in accordance with its operating rules and procedures in force from time to time;

(k) "**Business Day**" means any day other than a Saturday, Sunday or any other day that the Subscription Receipt Agent in the City of Calgary, Alberta is not generally open for business;

(l) "**CDS**" means CDS Clearing and Depositary Services Inc. and its successors in interest;

(m) "**Closing**" means the closing of the offering of Subscription Receipts pursuant to the Prospectus;

(n) "**Closing Time**" means 6:00 a.m. (Calgary time) on the day the Closing occurs or such other time as agreed to in writing by the Corporation and the Lead Underwriter;

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

(p) "**Corporation**" means Tamarack Valley Energy Ltd.;

(q) "**Corporation's Released Amount**" has the meaning ascribed thereto in Section 3.3;

(r) "**Counsel**" means a legal counsel or law firm, who may be counsel for the Corporation, acceptable to the Subscription Receipt Agent acting reasonably;

(s) "**Designated Office**" means the principal offices of the Subscription Receipt Agent from time to time in the cities of Calgary, Alberta and Toronto, Ontario;

(t) "**Earned Interest**" means the interest or other income actually earned on the investment of the Escrowed Funds, or the relevant portion thereof, between the date on which the Subscription Receipts are issued and the date on which funds are released by the Subscription Receipt Agent in connection with the Acquisition Date or the Termination Date;

(u) "**Escrow Arrangement**" has the meaning ascribed thereto in Section 3.3(b)(i);

(v) "**Escrow Arrangement Agent**" has the meaning ascribed thereto in Section 3.3(b)(i);

(w) "**Escrow Release Condition**" means that:

(i) all conditions precedent to the completion of either the Redwater Acquisition or the Penny Acquisition (but for the payment of the purchase price of the Redwater Acquisition or the Penny Acquisition, as applicable, to be satisfied in part by the release of the Escrowed Subscription Funds pursuant to the terms hereof) have been satisfied in accordance with the terms of the applicable Acquisition Agreement governing such Acquisition or waived (any such waiver to be consented to by the Lead Underwriter in writing, acting reasonably); and

(ii) the Corporation has received all necessary regulatory and other approvals regarding the Offering and the Acquisition referred to in clause (i) above;

(x) "**Escrowed Funds**" means, collectively, the Escrowed Subscription Funds and the Escrowed Underwriters' Fee;

(y) "**Escrowed Subscription Funds**" means an amount equal to the aggregate Issue Price for the Subscription Receipts issued at Closing, less the Escrowed Underwriters' Fee, and includes, if the Over-Allotment Option is exercised, the Option Escrowed Subscription Funds;

(z) "**Escrowed Underwriters' Fee**" means an aggregate amount of $0.08235 per Subscription Receipt multiplied by the number of Subscription Receipts issued, representing the portion of the Underwriters' Fee payable upon closing of the first completed Acquisition, and includes, if the Over-Allotment Option is exercised, the Option Escrowed Underwriters' Fee;

(aa) "**Extraordinary Resolution**" has the meaning ascribed thereto in Section 8.12;

(bb) "**Global Subscription Receipt**" means a Subscription Receipt Certificate that is issued to and registered in the name of CDS or its nominee pursuant to Section 2.14;

(cc) "**Irrevocable Direction**" means the written irrevocable direction and undertaking executed by the Corporation and the Lead Underwriter, on their own behalf and on behalf of the other Underwriters, to be delivered to the Subscription Receipt Agent pursuant to Section 3.1 herein, substantially in the form set forth in Schedule "C" hereto;

(dd) "**Issuance Right**" means, with respect to each Subscription Receipt, the right of a Receiptholder to receive, without payment of additional consideration or further action on the part of the holder, one

Common Share for each Subscription Receipt held, all as more particularly provided in this Agreement, if the Escrow Release Condition has been satisfied on or before the Termination Time;

(ee) "**Issue Price**" means the amount of $3.66 per Subscription Receipt multiplied by the number of Subscription Receipts issued to such holder;

(ff) "**Lead Underwriter**" means National Bank Financial Inc.;

(gg) "**NCI**" means non-certificated inventory through the non-certificated inventory system of CDS;

(hh) "**Option Closing**" means, the closing of the offering of Subscription Receipts pursuant to the exercise of the Over-Allotment Option;

(ii) "**Option Escrowed Subscription Funds**" means an amount equal to the aggregate Issue Price for the Subscription Receipts issued pursuant to the exercise of the Over-Allotment Option, less the Option Escrowed Underwriters' Fee;

(jj) "**Option Escrowed Underwriters' Fee**" means the portion of the Option Underwriters' Fee payable upon closing of the Acquisition;

(kk) "**Option Underwriters' Fee**" means an amount of $0.1647 per Subscription Receipt purchased pursuant to the exercise of the Over-Allotment Option, representing the total fee to be paid to the Underwriters pursuant to the Underwriting Agreement upon exercise of the Over-Allotment Option, 50% of which is payable upon the Option Closing and the other 50% upon closing of the first completed Acquisition (and if the closing of such Acquisition occurs prior to the Option Closing, then 100% is payable upon the Option Closing);

(ll) "**Over-Allotment Option**" means the option granted to the Underwriters pursuant to the Underwriting Agreement to purchase, *inter alia*, a maximum of 2,623,050 additional Subscription Receipts at the Issue Price to cover over-allotments, if any, and for market stabilization purposes;

(mm) "**Penny Acquired Assets**" means the light oil pool and related assets and interests to be indirectly acquired by the Corporation, through TAC, pursuant to the Penny Acquisition Agreement;

(nn) "**Penny Acquisition**" means the acquisition by the Purchaser of the Penny Acquired Assets from an arm's length industry participant pursuant to the Penny Acquisition Agreement;

(oo) "**Penny Acquisition Agreement**" means the purchase and sale agreement respecting the Penny Acquired Assets dated June 20, 2016 between the Penny Vendor and the Purchaser;

(pp) "**pro rata**" means, in respect of the share or entitlement of a Receiptholder in an amount, the proportion of that amount that the number of Subscription Receipts held by such Receiptholder immediately before the earlier of the Acquisition Time or the Refund Time, is of the aggregate number of Subscription Receipts outstanding at such time;

(qq) "**Prospectus**" means the English and French language versions (unless the context indicates otherwise) of the (final) short form prospectus of the Corporation dated July 5, 2016 filed in all provinces of Canada and qualifying the distribution of the Subscription Receipts and underlying Common Shares issuable pursuant to the Subscription Receipts pursuant to the Underwriting Agreement, and unless the context otherwise requires, includes all documents incorporated by reference therein and any amendments thereto;

(rr) "**Qualified Investment**" means a qualified investment under the Tax Act for trusts governed by registered retirement savings plans, registered retirement income funds, registered education savings plans, deferred profit sharing plans, registered disability savings plans and tax-free savings accounts;

(ss) "**Receiptholders**", or "**holders**" without reference to Common Shares, means the persons who are registered owners of Subscription Receipts;

(tt) "**Receiptholders' Request**" means an instrument, signed in one or more counterparts by Receiptholders holding, in aggregate, not less than 25% of all Subscription Receipts then outstanding, requesting the Subscription Receipt Agent to take some action or proceeding specified therein;

(uu) "**Redwater Acquired Assets**" means the petroleum and natural gas properties and related assets and infrastructure and interests to be indirectly acquired by the Corporation, through TAC, pursuant to the Redwater Acquisition Agreement;

(vv) "**Redwater Acquisition**" means the acquisition by the Purchaser of the Redwater Acquired Assets from an arm's length industry participant pursuant to the Redwater Acquisition Agreement;

(ww) "**Redwater Acquisition Agreement**" means the purchase and sale agreement respecting the Redwater Acquired Assets, dated June 20, 2016 between the Redwater Vendor and the Purchaser;

(xx) "**Refund Date**" means the third Business Day following the date of occurrence of a Termination Event on which Receiptholders are refunded in accordance with their Refund Right;

(yy) "**Refund Right**" means, with respect to each Subscription Receipt, the right of a Receiptholder to be paid the Issue Price together with the Earned Interest thereon as provided in Section 3.4;

(zz) "**Refund Time**" means 5:00 p.m. (Calgary time) on the Refund Date;

(aaa) "**Register**" has the meaning ascribed thereto in Section 2.13(a);

(bbb) "**Regulation S**" means Regulation S adopted by the SEC under the U.S. Securities Act;

(ccc) "**SEC**" means the United States Securities and Exchange Commission;

(ddd) "**Securities**" means collectively, the Subscription Receipts and the underlying Common Shares issuable pursuant to the Subscription Receipts;

(eee) "**Shareholder**" means a holder of record of Common Shares;

(fff) "**Subscription Receipt Agent**" means Computershare Trust Company of Canada or its successors from time to time under this Agreement;

(ggg) "**Subscription Receipt Certificate**" means a certificate or NCI evidencing Subscription Receipts substantially in the form attached as Schedule "A" hereto with such appropriate insertions, deletions, substitutions and variations as may be required or permitted by the terms of this Agreement or as may be required to comply with any law or the rules of any securities exchange or as may be not inconsistent with the terms of this Agreement and as the Corporation may deem necessary or desirable;

(hhh) "**Subscription Receipts**" means the subscription receipts issued and countersigned hereunder, if applicable and from time to time outstanding, each such Subscription Receipt evidencing the Issuance Right, the Refund Right and the other rights provided in this Agreement;

(iii) "**Subsidiary of the Corporation**" or "**Subsidiary**" means any corporation, commercial trust or other entity of which more than 50% of the outstanding Voting Shares are owned, directly or indirectly, by or for the Corporation, provided that the ownership of such shares or securities confers the right to elect at least a majority of the board of directors or trustees, as the case may be, of such corporation, commercial trust or other entity and includes any corporation, commercial trust or other entity in like relation to a subsidiary;

(jjj) "**TAC**" means Tamarack Acquisition Corp., a wholly-owned subsidiary of Tamarack;

(kkk) "**Tax Act**" means the *Income Tax Act* (Canada) and the regulations thereunder;

(lll) "**Termination Date**" means the date on which a Termination Event occurs;

(mmm) "**Termination Event**" has the meaning ascribed thereto in Section 3.4(a);

(nnn) "**Termination Time**" means 5:00 p.m. (Calgary time) on September 30, 2016;

(ooo) "**this Agreement**", "**herein**", "**hereby**" and similar expressions mean and refer to this Subscription Receipt Agreement and any agreement or instrument supplemental hereto;

(ppp) "**TSX**" means the Toronto Stock Exchange;

(qqq) "**Undertaking**" has the meaning ascribed thereto in Section 3.3(b)(ii);

(rrr) "**Underwriters**" means, collectively, the Lead Underwriter, Dundee Securities Ltd., Macquarie Capital Markets Canada Ltd., CIBC World Markets Inc., FirstEnergy Capital Corp., Peters & Co. Limited, Desjardins Securities Inc., Acumen Capital Finance Partners Limited and AltaCorp Capital Inc.;

(sss) "**Underwriters' Fee**" means an amount of $0.1647 per Subscription Receipt purchased excluding Subscription Receipts purchased under the president's list (being an aggregate amount of $557,235), representing the total fee to be paid to the Underwriters in connection with the issue and sale of Subscription Receipts pursuant to the Underwriting Agreement, 50% of which is payable upon Closing and the other 50% upon closing of the first completed Acquisition;

(ttt) "**Underwriting Agreement**" means the agreement dated effective as of June 20, 2016 among the Corporation and the Underwriters relating to the distribution of the Subscription Receipts;

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

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

(www) "**Vendors**" means collectively, the vendor under the Redwater Acquisition and the vendor under the Penny Acquisition and "**Vendor**" means either one of them;

(xxx) "**Voting Shares**" means shares of the capital stock of any class of any corporation or securities which represent a beneficial interest in a commercial trust or other entity carrying voting rights under all circumstances, provided that, for the purposes of such definition, shares or securities which only carry the right to vote conditionally on the happening of an event shall not be considered Voting Shares, whether or not such event shall have occurred, nor shall any shares or securities be deemed to cease to be Voting Shares solely by reason of a right to vote accruing to shares or securities of another class or classes by reason of the happening of any such event; and

(yyy) "**written request of the Corporation**" and "**certificate of the Corporation**" mean, respectively, a written request and certificate signed in the name of the Corporation and may consist of one or more instruments so executed.

1.2 Headings

The headings, the table of contents and the division of this Agreement into Articles and Sections are for convenience of reference only and shall not affect the interpretation of this Agreement.

1.3 References

Unless otherwise specified in this Agreement:

(a) references to Articles, Sections and Schedules are to Articles, Sections and Schedules in this Agreement; and

(b) references to Sections are references to Sections of the Section in which the reference appears; and "**hereto**", "**herein**", "**hereby**", "**hereunder**", "**hereof**" and similar expressions, without reference to a particular provision, refer to this Agreement.

1.4 Certain Rules of Interpretation

Unless otherwise specified in this Agreement:

(a) the singular includes the plural and vice versa;

(b) gender references shall be read with such changes as may be required by the context;

(c) a derivative of any defined word or phrase has the meaning appropriate to the derivation of the word or phrase;

(d) "**person**" includes any individual, firm, partnership, company, corporation, trust, trustee, government, governmental body, agency, instrumentality, unincorporated body of persons or association;

(e) "**in writing**" or "**written**" includes printing, typewriting or any electronic means of communication capable of being visibly reproduced at the point of reception, including telecopy and e-mail;

(f) "**including**" and "**in particular**" are used for illustration or emphasis only and not to limit the generality of any preceding words, whether or not non-limiting language (such as "**without limitation**", "**but not limited to**" and similar expressions) is used with reference thereto; and

(g) reference to any law, statute, regulation or bylaw includes amendments, consolidations, re-enactments and replacements thereof and instruments and legislation thereunder.

1.5 Day Not a Business Day

In the event that any day on or before which any action is required to be taken hereunder is not a Business Day, then such action shall be required to be taken at or before the requisite time on the next succeeding day that is a Business Day.

1.6 Applicable Law

This Agreement, the Subscription Receipts and the Subscription Receipt Certificate(s) shall be governed by and construed in accordance with the laws of the Province of Alberta and the laws of Canada applicable therein.

1.7 Conflict

In the event of a conflict or inconsistency between a provision in this Agreement and in any Subscription Receipt Certificate issued hereunder, the provision in this Agreement shall prevail to the extent of the inconsistency.

1.8 Currency

All dollars amounts expressed in this Agreement and in the Subscription Receipt Certificate are in lawful money of Canada and all payments required to be made hereunder or thereunder shall be made in Canadian dollars.

1.9 Severability

Each of the provisions of this Agreement is distinct and severable and a declaration of invalidity or unenforceability of any such provision or part thereof by a court of competent jurisdiction shall not affect the validity or enforceability of any of the other provisions hereof.

ARTICLE 2
ISSUE OF SUBSCRIPTION RECEIPTS

2.1 Issue of Subscription Receipts

(a) A maximum of 20,110,050 Subscription Receipts (which amount includes the maximum amount of Subscription Receipts, if any, to be issued upon exercise of the Over-Allotment Option) evidencing Issuance Rights, Refund Rights and the other rights established pursuant to this Agreement are hereby created and authorized to be issued at a price of $3.66 per Subscription Receipt. The Subscription Receipt Agent is hereby appointed registrar and transfer agent for the Subscription Receipts.

(b) Upon receipt by the Subscription Receipt Agent of the Escrowed Subscription Funds and the Escrowed Underwriters' Fee, at the direction of the Corporation, the Subscription Receipt Agent shall execute, issue and deliver to the Lead Underwriter, on behalf of the Underwriters, Subscription Receipts by way of electronic deposit through the facilities of CDS or in the form of a Global Subscription Receipt.

2.2 Payment Acknowledgement

(a) The Subscription Receipt Agent acknowledges, by separate receipt from National Bank Financial Inc., on behalf of the Underwriters, and the Corporation on behalf of certain Receiptholders who are subscribing under the president's list, of funds by wire transfer or certified cheque or bank draft, in the aggregate amount of $64,002,420, representing the aggregate proceeds from the issue and sale of 17,487,000 Subscription Receipts and confirms that:

   (i) the Escrowed Subscription Funds have been deposited in a segregated account in the name of the Corporation designated as the "Tamarack Valley Energy Ltd. – Subscription Receipts" or as otherwise directed by the Corporation and the Lead Underwriter, on behalf of the Underwriters;

   (ii) the Escrowed Underwriters' Fee has been deposited in a segregated account in the name of "National Bank Financial Inc." or as otherwise directed by the Corporation and the Lead Underwriter, on behalf of the Underwriters; and

   (iii) such funds will be held and invested in accordance with Article 5 hereof and paid in accordance with Article 3 hereof.

(b) The Corporation hereby:

   (i) acknowledges that the amounts received by the Subscription Receipt Agent pursuant to Section 2.2(a)(i) in accordance with the Corporation's direction to the Lead Underwriter on behalf of the Underwriters, represents payment in full by the Underwriters of the Issue Price for 17,487,000 Subscription Receipts;

(ii) irrevocably directs the Subscription Receipt Agent to retain the amounts referred to in Section 2.2(a) in accordance with the terms of this Agreement pending payment of such amounts in accordance with the terms of this Agreement; and

(iii) irrevocably directs the Subscription Receipt Agent, immediately following the execution and delivery of this Agreement, to issue and deliver to the Lead Underwriter, on behalf of the Underwriters, in accordance with written directions of the Corporation, by way of electronic deposit through the facilities of CDS, 17,487,000 Subscription Receipts registered in the names as set forth in such written direction of the Corporation.

(c) The Lead Underwriter on behalf of the Underwriters:

(i) irrevocably direct the Subscription Receipt Agent to retain the Escrowed Underwriters' Fee, on behalf of the Underwriters or the Receiptholders, as applicable, in accordance with the terms of this Agreement pending payment of such amounts in accordance with the terms of this Agreement; and

(ii) acknowledge receipt of delivery of 17,487,000 Subscription Receipts through the facilities of CDS representing an aggregate of 17,487,000 Subscription Receipts registered in the names as set forth in the written direction of the Corporation provided to the Subscription Receipt Agent pursuant to Section 2.2(b)(iii).

(d) The provisions set forth in this Section 2.2 shall apply *mutatis mutandis* upon issuance of the Subscription Receipts pursuant to the exercise of the Over-Allotment Option.

2.3 Terms and Issue of Subscription Receipts

Each Subscription Receipt shall evidence the right of the holder to receive: (i) if the closing of the Redwater Acquisition or the Penny Acquisition, whichever occurs first, occurs on or prior to the Termination Time, one fully paid and non-assessable Common Share without additional consideration or further action; or (ii) if the Escrow Release Condition is not satisfied on or prior to the Termination Time, an amount equal to the Issue Price together with a pro rata share of Earned Interest, less applicable withholding taxes.

2.4 Fractional Subscription Receipts

No fractional Subscription Receipts shall be issued or otherwise provided for hereunder.

2.5 Form of Subscription Receipts

(a) Subscription Receipts may be issued in one or more physical Subscription Receipt Certificates, deposited through the NCI system of CDS or through the Book – Entry System subject to Section 2.14. The Subscription Receipt Certificate(s) (including all replacements issued in accordance with this Agreement) shall be substantially in the form set out in Schedule “A” attached hereto, shall bear the applicable legend set forth in Schedule “A” and any other legend required pursuant hereto, shall bear such distinguishing letters and numbers as the Corporation may, with the approval of the Subscription Receipt Agent and CDS, if applicable, prescribe, and shall be issuable in any denomination excluding fractions.

(b) If directed by the Corporation pursuant to an election made pursuant to Section 2.14, with respect to Subscription Receipt Certificates to be held through CDS or issued in the name of CDS or its nominee, the Subscription Receipt Certificates will bear the following legends:

“UNLESS THIS CERTIFICATE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF CDS CLEARING AND DEPOSITORY SERVICES INC. ("CDS") TO TAMARACK VALLEY ENERGY LTD. (THE "ISSUER") OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE OR PAYMENT, AND ANY CERTIFICATE ISSUED IN RESPECT

THEREOF IS REGISTERED IN THE NAME OF CDS & CO., OR IN SUCH OTHER NAME AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF CDS (AND ANY PAYMENT IS MADE TO CDS & CO. OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF CDS), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL SINCE THE REGISTERED HOLDER HEREOF, CDS & CO., HAS A PROPERTY INTEREST IN THE SECURITIES REPRESENTED BY THIS CERTIFICATE HEREIN AND IT IS A VIOLATION OF ITS RIGHTS FOR ANOTHER PERSON TO HOLD, TRANSFER OR DEAL WITH THIS CERTIFICATE."

2.6 Receiptholder not a Shareholder

Nothing in this Agreement or in the holding of a Subscription Receipt evidenced by a Subscription Receipt Certificate or otherwise shall confer or be construed as conferring upon a Receiptholder any right or interest whatsoever as a Shareholder, including, but not limited to, the right to vote at, to receive notice of, or to attend, meetings of Shareholders or any other proceedings of the Corporation, or the right to receive dividends or any continuous disclosure materials of the Corporation. Receiptholders are entitled to exercise the rights expressly provided for in the Subscription Receipts or Subscription Receipt Certificates and this Agreement on the terms and conditions set forth herein.

2.7 Subscription Receipts to Rank *Pari Passu*

All Subscription Receipts shall rank *pari passu* with all other issued and outstanding Subscription Receipts, whatever may be the actual date of issue of the Subscription Receipt.

2.8 Signing of Subscription Receipt Certificates

Physical Subscription Receipt Certificates, if any, shall be signed by any director or officer of the Corporation on behalf of the Corporation. The signature of such director or officer of the Corporation may be mechanically reproduced in facsimile (or other electronic copy) and Subscription Receipt Certificates bearing such facsimile (or other electronic copy) signatures shall, subject to Section 2.9, be binding upon the Corporation as if they had been manually signed by such persons. Notwithstanding that any of the persons whose manual or facsimile (or other electronic copy) signature appears on any Subscription Receipt Certificate, as officer or director of the Corporation, may no longer hold such position at the date of such Subscription Receipt Certificate or at the date of certification or delivery thereof, any Subscription Receipt Certificate signed as aforesaid shall, subject to Section 2.9, be valid and binding upon the Corporation and the holder thereof shall be entitled to the benefits of this Agreement.

2.9 Certification by the Subscription Receipt Agent

(a) No Subscription Receipt Certificate shall be issued or, if issued, shall be valid for any purpose or entitle the holder to the benefit hereof until it has been certified by manual signature by or on behalf of the Subscription Receipt Agent, and such certification by the Subscription Receipt Agent upon any Subscription Receipt Certificate shall be conclusive evidence as against the Corporation that the Subscription Receipt Certificate so certified has been duly issued hereunder and that the holder is entitled to the benefits hereof.

(b) The certification of the Subscription Receipt Agent on any Subscription Receipt Certificate issued hereunder shall not be construed as a representation or warranty by the Subscription Receipt Agent as to the validity of this Agreement or the Subscription Receipt Certificates (except the due certification thereof) and the Subscription Receipt Agent shall in no respect be liable or answerable for the use made of the Subscription Receipt Certificate or any of them or of the consideration therefor except as otherwise specified herein.

(c) The certification by or on behalf of the Subscription Receipt Agent on Subscription Receipt Certificates shall constitute a representation and warranty by the Subscription Receipt Agent that the said Subscription Receipt Certificates have been duly certified by or on behalf of the Subscription Receipt Agent pursuant to the provisions of this Agreement.

2.10 Issue in Substitution for Subscription Receipt Certificates Lost, etc.

(a) In case any of the Subscription Receipt Certificates shall become mutilated or be lost, destroyed or stolen, the Corporation, subject to applicable law and compliance with Section 2.10(b) below, shall issue and thereupon the Subscription Receipt Agent shall certify and deliver, a new Subscription Receipt Certificate of like tenor as the one mutilated, lost, destroyed or stolen in exchange for and in place of and upon cancellation of such mutilated Subscription Receipt Certificate, or in lieu of and in substitution for such lost, destroyed or stolen Subscription Receipt Certificate, and the substituted Subscription Receipt Certificate shall be in a form approved by the Subscription Receipt Agent and shall be entitled to the benefits hereof and shall rank equally in accordance with its terms with all other Subscription Receipt Certificates issued or to be issued hereunder. When a new Subscription Receipt Certificate has been issued in substitution for a Subscription Receipt Certificate which has been lost, stolen or destroyed, only one of such certificates shall be counted for the purpose of determining the number of Subscription Receipts outstanding.

(b) The applicant for the issue of a new Subscription Receipt Certificate pursuant to this Section 2.10 shall bear the cost of the issue thereof and in case of loss, destruction or theft shall, as a condition precedent to the issue thereof, furnish to the Corporation and to the Subscription Receipt Agent such evidence of ownership and of the loss, destruction or theft of the Subscription Receipt Certificate so lost, destroyed or stolen as shall be satisfactory to the Corporation and to the Subscription Receipt Agent in their sole discretion, acting reasonably, and such applicant may also be required to furnish an indemnity and security bond or other security in amount and form satisfactory to the Corporation and the Subscription Receipt Agent in their discretion, acting reasonably, and shall pay the reasonable charges of the Corporation and the Subscription Receipt Agent in connection therewith.

2.11 Exchange of Subscription Receipt Certificates

Subject to Section 2.14:

(a) Subscription Receipt Certificates representing Subscription Receipts may, upon compliance with the reasonable requirements of the Subscription Receipt Agent, be exchanged for another Subscription Receipt Certificate or Subscription Receipt Certificates of like tenor entitling the holder to the same number of Subscription Receipts in the aggregate as represented by the Subscription Receipt Certificates so exchanged.

(b) Subscription Receipt Certificates may be surrendered for exchange only at the Designated Office or at any other place that is designated by the Corporation with the approval of the Subscription Receipt Agent, during regular business hours of the Subscription Receipt Agent.

2.12 Charges for Exchange

Except as otherwise provided herein, the Subscription Receipt Agent may charge to the Receiptholder requesting an exchange, a reasonable sum for each new Subscription Receipt Certificate issued in exchange for Subscription Receipt Certificate(s). Payment of such charges and reimbursement of the Subscription Receipt Agent or the Corporation for any and all stamp taxes or governmental or other charges required to be paid shall be made by such holder as a condition precedent to such exchange.

2.13 Transfer and Ownership of Subscription Receipts

(a) The Corporation hereby appoints the Subscription Receipt Agent as registrar of the Subscription Receipts and the Corporation will cause the Subscription Receipt Agent to keep at its Designated Office a register: (i) in which will be entered and recorded the names and addresses of Receiptholders and particulars of the Subscription Receipts held by them; and (ii) in which all transfers of Subscription Receipts and the date and other particulars of each transfer will be entered (the "**Register**"). This Register will at all reasonable times during regular business hours of the Subscription Receipt Agent on a Business Day be open for inspection by the Corporation, Subscription Receipt Agent or any Receiptholder. The Subscription Receipt Agent shall, from time to time when requested so to do by the Corporation, furnish the Corporation with a list of the names and addresses of Receiptholders entered in the Register kept by the Subscription Receipt Agent and showing the number of Common Shares that might then be acquired upon the exchange of the Subscription Receipts held by each such holder.

(b) Subject to Section 2.13(d), the Subscription Receipts may only be transferred on the Register by the holder or the holder's legal representatives or attorney duly appointed by an instrument in writing. Upon surrender for registration of transfer of Subscription Receipts and a duly completed and executed transfer form attached to the Subscription Receipt Certificate as Schedule "D" at the Designated Office of the Subscription Receipt Agent, the Corporation shall issue and thereupon the Subscription Receipt Agent shall certify and deliver a new Subscription Receipt Certificate of like tenor in the name of the designated transferee. If less than all the Subscription Receipts evidenced by the Subscription Receipt Certificate(s) so surrendered are transferred, the transferor shall be entitled to receive, in the same manner, a new Subscription Receipt Certificate registered in his name evidencing the Subscription Receipts not transferred. However, notwithstanding the foregoing, Subscription Receipts shall only be transferred upon:

(i) payment to the Subscription Receipt Agent of a reasonable sum for each new Subscription Receipt Certificate issued upon such transfer, and reimbursement of the Subscription Receipt Agent or the Corporation for any and all stamp taxes or governmental or other charges required to be paid in respect of such transfer;

(ii) compliance with all requirements of any legends affixed and a Subscription Receipt Certificate; and

(iii) such reasonable requirements as the Subscription Receipt Agent may prescribe,

and all such transfers shall be duly noted in such Register by the Subscription Receipt Agent.

(c) Except as it relates to the registration of ownership of Subscription Receipts registered in the name of CDS or its nominee in the Book-Entry System as set forth in Sections 2.14 and 3.2, the Corporation and the Subscription Receipt Agent will deem and treat the registered owner of any Subscription Receipt as the beneficial owner thereof for all purposes and neither the Corporation nor the Subscription Receipt Agent shall be affected by any notice to the contrary.

(d) Subject to the provisions of this Agreement and applicable law, a Receiptholder shall be entitled to the rights and privileges attaching to the Subscription Receipts. Either the issue and delivery of Common Shares, as provided in Section 3.2, or the refund of the Issue Price and the holder's pro rata share of the Earned Interest, less applicable withholding taxes, as provided in Section 3.4, all in accordance with the terms and conditions herein contained, shall discharge all responsibilities of the Corporation and the Subscription Receipt Agent with respect to such Subscription Receipts and neither the Corporation nor the Subscription Receipt Agent shall be bound to inquire into the title of a Receiptholder or a transferee of Subscription Receipts who surrenders a Subscription Receipt Certificate.

(e) The Register shall be closed at 5:00 p.m. (Calgary time) at the Designated Office on the earlier to occur of the Acquisition Date and the date of any Termination Event (subject to settlement). Trades settling after the Acquisition Date or the date of any Termination Event, as the case may be, will be completed by the delivery of Common Shares (together with any amounts payable pursuant to Section 3.2) or the amounts payable pursuant to the Refund Right, as the case may be.

(f) The Subscription Receipt Agent shall promptly advise the Corporation of any requested transfer of Subscription Receipts. The Corporation shall be entitled, and may direct the Subscription Receipt Agent, to refuse to recognize any transfer, or enter the name of any transferee, of any Subscription Receipts on the registers referred to in this Article, if such transfer would constitute a violation of the securities laws of any jurisdiction or the rules, regulations or policies of any regulatory authority having jurisdiction.

2.14 Global Subscription Receipt

(a) Unless the Book-Entry System is terminated, Subscription Receipts Certificates may, at the election of the Corporation and the Lead Underwriter, on behalf of the Underwriters, be issued in the form of one or more Global Subscription Receipt certificates which will be registered in the name of and deposited with CDS or its nominee.

(b) If Subscription Receipts are issued in the form of one or more Global Subscription Receipt certificates, then owners of the beneficial interests in the Subscription Receipts represented by a Global Subscription Receipt, unless the Book-Entry System is terminated or required to do so by required law, shall not be entitled to have Subscription Receipts registered in their names, shall not receive or be entitled to receive Subscription Receipt Certificates in definitive form and shall not be considered owners or holders thereof under this Agreement or any supplemental agreement except in circumstances where: (i) the Book-Entry System ceases to exist, (ii) the Corporation determines to terminate the Book-Entry System in respect of the Subscription Receipts, or (iii) the Corporation or CDS advises the Subscription Receipt Agent that CDS is no longer willing or able to properly discharge its responsibilities as depositary with respect to the Subscription Receipts and the Corporation is unable to locate a qualified successor. Beneficial interests in the Global Subscription Receipt will be represented only through the Book-Entry System. Transfers of Subscription Receipts between CDS participants shall occur in accordance with CDS rules and procedures. Neither the Corporation nor the Subscription Receipt Agent nor any agent thereof shall have any responsibility or liability for: (i) any aspects of the records relating to or payments made by CDS, or its nominee, on account of the beneficial interests in the Subscription Receipts; (ii) maintaining, supervising or reviewing any records relating to the Subscriptions Receipts held through CDS or its nominee; or (iii) any advice or representation made by or with respect to CDS relating to the rules governing CDS or any action to be taken by CDS or at the direction of a CDS participant. Nothing herein shall prevent the owners of beneficial interests in Subscription Receipts presented by a Global Subscription Receipt from voting such Subscription Receipts using duly executed proxies.

(c) All references herein to actions by, notices given or payments made to Receiptholders shall, where Subscription Receipts are held through CDS, refer to actions taken by, or notices given or payments made to, CDS upon instruction from the CDS participants in accordance with its rules and procedures. For the purposes of any provision hereof requiring or permitting actions with the consent of or at the direction of Receiptholders evidencing a specified percentage of the aggregate Subscription Receipts outstanding, such direction or consent may be given by holders of Subscription Receipts acting through CDS and the CDS participants owning Subscription Receipts evidencing the requisite percentage of the Subscription Receipts. The rights of a Receiptholder whose Subscription Receipts are held through CDS shall be exercised only through CDS and the CDS participants and shall be limited to those established by law and agreements between such holders and CDS and/or the CDS participants upon instructions from the CDS participants. Each of the Subscription Receipt Agent and the Corporation may deal with CDS for all purposes (including the making of payments) as the authorized representative of the respective Receiptholders and such dealing with CDS shall constitute satisfaction or performance, as applicable, of their respective obligations hereunder.

(d) For so long as Subscription Receipts are held through CDS, if any notice or other communication is required to be given to Receiptholders, the Subscription Receipt Agent will give such notices and communications to CDS.

(e) Upon the termination of the Book-Entry System on the occurrence of one of the conditions specified in Section 2.14(b) with respect to the Subscription Receipts, the Subscription Receipt Agent shall notify all applicable owners of beneficial interests in the Subscription Receipts (through CDS if available) of the availability of definitive Subscription Receipt Certificates. Upon surrender by CDS of the certificate(s) representing the Global Subscription Receipts and receipt of new registration instructions from CDS, the Corporation shall issue and the Subscription Receipt Agent shall certify and deliver the aggregate number of Subscription Receipts then outstanding in the form of definitive Subscription Receipt Certificates to the holders thereof in accordance with the new registration instructions and thereafter, the registration and transfer of such Subscription Receipts will be governed by the remaining Sections of this Agreement.

(f) Subject to Section 2.14(a) and Section 2.14(e), a Subscription Receipt Certificate that is not a Global Subscription Receipt Certificate may be surrendered at CDS for cancellation by the Subscription Receipt Agent and the registration of new beneficial interest in such Subscription Receipts may be represented by a Global Subscription Receipt Certificate, which shall be increased by the number of Subscription Receipts surrendered.

2.15 Escrowed Funds

The Escrowed Funds shall, at the Closing and, if applicable, at the Option Closing, be delivered to the Subscription Receipt Agent to be held and invested as provided in Article 5 hereof pending the satisfaction of the Escrow Release Condition or the occurrence of a Termination Event.

The Corporation represents to the Subscription Receipt Agent that any account to be opened by the Subscription Receipt Agent in connection with this Agreement, for or to the credit of the Corporation, is not intended to be used by or on behalf of a party other than the Corporation except in the circumstances where a Termination Event has occurred and the Escrowed Funds are released in accordance with this Agreement. The Lead Underwriter, on behalf of the Underwriters, represent to the Subscription Receipt Agent that any account to be opened by the Subscription Receipt Agent in connection with this Agreement, for or to the credit of the Underwriters, is not to be used by or on behalf of a party other than the Underwriters except in the circumstances where a Termination Event has occurred and the Escrowed Funds are released in accordance with this Agreement.

2.16 U.S. Matters

The Subscription Receipt Agent acknowledges that the Subscription Receipts and the Common Shares issuable pursuant to the Subscription Receipts have not been registered under the U.S. Securities Act or under applicable state securities laws and that Subscription Receipts and Common Shares offered and sold in the United States may be offered, sold, pledged or otherwise transferred by the holders thereof only (a) to the Corporation, or (b) outside the United States in accordance with Rule 904 of Regulation S.

2.17 Reliance by the Agent

The Subscription Receipt Agent shall have no obligation to ensure or verify compliance with any applicable laws or regulatory requirements on the issue, exercise or transfer of any Subscription Receipts (or the Issuance Right comprising part thereof) or any Common Shares issuable upon the exercise thereof provided such issue, exercise or transfer, as the case may be, is effected in accordance with the terms of this Agreement. The Subscription Receipt Agent shall be entitled to process all proffered transfers and exercises of Subscription Receipts upon the presumption that such transfers or exercises are permissible pursuant to all applicable laws and regulatory requirements.

The Subscription Receipt Agent may assume for the purposes of this Agreement that any address on the Register is the holder’s actual address and is also determinative as to residency and that the address of any transferee to whom any Common Shares are to be registered, as shown on the transfer document, is the transferee’s residency. The Subscription Receipt Agent shall have no obligation to ensure that legends appearing on the Subscription Receipts Certificates or Common Shares comply with regulatory requirements or securities laws of any applicable jurisdiction.

2.18 Subscription Receipts and Trading

(a) The Corporation confirms that the Subscription Receipts have been conditionally approved for listing on the TSX and, subject to satisfaction of certain conditions, will be listed for trading on the TSX;

(b) Notwithstanding any provision of this Agreement, including but not limited to Article 3, in order to comply with the policies of the TSX, the Corporation agrees to the following:

(i) when the Corporation reasonably expects the Redwarer Acquisition or the Penny Acquisition, whichever will occur first, to close, the Corporation will, without delay, provide the TSX with written notice to that effect specifying the expected Acquisition Date. At the Acquisition Time, the Subscription Receipts will automatically convert into Common Shares on a one for one basis, subject to adjustments; and

(ii) in the event of a Termination Event, the Corporation will, on the Termination Date, give notice to the TSX and Receiptholders on such date that they will be paid the amounts set forth in Section 3.4 of this Agreement on the third Business Day following such date.

2.19 Right of Rescission

(a) If the Prospectus, together with any amendment thereto, contains a misrepresentation (as such term is defined in the *Securities Act* (Alberta)) and it was a misrepresentation on the date hereof, purchasers of Subscription Receipts to whom the Prospectus was sent or delivered and who were the original purchasers of the Subscription Receipts (the "**Original Purchasers**") shall have a right of action against the Corporation for rescission to receive the Issue Price exercisable on notice given to the Corporation not more than 180 days subsequent to the date hereof. The right of action for rescission is only available to an Original Purchaser either while he or she is a holder of the Subscription Receipts purchased or while he or she is a holder of the Common Shares issuable upon surrender of such Subscription Receipts.

(b) In no event shall the Corporation be liable under this Section 2.19 if the Original Purchaser purchased the Subscription Receipts with knowledge of the misrepresentation.

ARTICLE 3
SATISFACTION OF ISSUANCE RIGHT OR REFUND RIGHT

3.1 Satisfaction of the Escrow Release Condition

If the Escrow Release Condition is satisfied at or prior to the Termination Time, the Corporation and the Lead Underwriter shall forthwith cause the Acquisition Notice to be delivered to the Subscription Receipt Agent and the Corporation and the Lead Underwriter, on its own behalf and on behalf of the other Underwriters, shall concurrently deliver to the Subscription Receipt Agent the Irrevocable Direction.

3.2 Delivery of Common Shares/Satisfaction of Issuance Right

(a) If the Escrow Release Condition is satisfied and the Acquisition Notice and the Irrevocable Direction are delivered to the Subscription Receipt Agent at or prior to the Termination Time, the holders of Subscription Receipts shall automatically acquire, or be deemed to have acquired, pursuant to the Issuance Rights evidenced thereby, without payment of any additional consideration or any further action on the part of the Receiptholder, one Common Share for each Subscription Receipt held and the Common Shares issuable pursuant to the Issuance Right shall be deemed to be issued at the Acquisition Time, notwithstanding that a Book-Entry System customer confirmation in a holder's account may not yet have been so entered, and the persons to whom such Common Shares are to be issued shall be deemed to have become the holders of record of such Common Shares at the Acquisition Time.

(b) As applicable, upon the issuance or deemed issuance of the Common Shares pursuant to the Subscription Receipts, the Corporation shall direct CDS to cause to be entered to the person or persons in whose name or names the Common Shares have been issued, a Book-Entry System customer confirmation.

(c) If any of the Common Shares issuable as contemplated in Section 3.2(a) are to be issued to a person or persons other than the Receiptholder, the Receiptholder shall comply with such reasonable requirements as the Subscription Receipt Agent or the Corporation may prescribe and pay to the Corporation or the Subscription Receipt Agent on behalf of the Corporation all applicable transfer or similar taxes or fees and the Corporation shall not be required to issue or deliver certificates representing such Common Shares unless such Receiptholder has paid the amount of such tax or fee or has established to the satisfaction of the Corporation that such fee or tax has been paid or that no fee or tax is due.

(d) Effective immediately after the Common Shares have been, or have been deemed to be, issued as contemplated in Section 3.2(a) and 3.2(b), the Subscription Receipts relating thereto shall be void and of no value or effect.

3.3 Release of Escrowed Subscription Funds

(a) If the Escrow Release Condition is satisfied at or prior to the Termination Time, the Subscription Receipt Agent shall release to the Corporation, subject to Section 3.5, the full amount of the Escrowed Subscription Funds together with such portion of the Earned Interest attributable thereon as is not payable to Receiptholders (the "**Corporation's Released Amount**"), upon receipt by the Subscription Receipt Agent of the Irrevocable Direction and the Acquisition Notice pursuant to Section 3.1.

(b) In addition, the Corporation shall be entitled to receive from the Subscription Receipt Agent, the Corporation's Released Amount, prior to the satisfaction of the Escrow Release Condition upon the Subscription Receipt Agent receiving the following documents at or before the Termination Time:

(i) a notice in writing (the "**Joint Notice**") signed by the Corporation and the Lead Underwriter, on behalf of the Underwriters, (i) confirming that the Corporation wishes to deposit the Corporation's Released Amount, into an escrow arrangement (the "**Escrow Arrangement**") with any one or both of the Corporation's or applicable Vendor's counsel, or such other Subscription Receipt Agent satisfactory to the Corporation and the Lead Underwriter, acting reasonably, (the "**Escrow Arrangement Agent**") for purposes of closing the Redwater Acquisition or the Penny Acquisition, whichever is to occur first, and such Escrow Arrangement shall provide for the funds to be delivered to the applicable Vendor if the Acquisition Time occurs by the Termination Time and to be returned to the Subscription Receipt Agent if the Acquisition Time does not occur by the Termination Time or upon the occurrence of a Termination Event, and (ii) directing the Subscription Receipt Agent to deliver the Corporation's Released Amount, to the Escrow Arrangement Agent; and

(ii) an undertaking (the "**Undertaking**") signed by the Corporation that the Corporation's Released Amount is being delivered to the Escrow Arrangement Agent for deposit pursuant to the terms of the Escrow Arrangement for purposes of closing the Acquisition as described in the Joint Notice and that if the Acquisition Time does not occur by the Termination Time or upon the occurrence of a Termination Event such amount will be immediately returned to the Subscription Receipt Agent to be released or returned pursuant to the terms of this Agreement.

(c) Upon receipt of such Joint Notice and Undertaking, the Subscription Receipt Agent shall promptly deliver the Corporation's Released Amount to the Escrow Arrangement Agent.

3.4 Payment Pursuant to Refund Right

(a) If: (i) the Escrow Release Condition is not satisfied at or prior to the Termination Time; (ii) the closing of neither of the Acquisitions has occurred by 5:00 p.m. (Calgary time) on or before September 30, 2016; (iii) both of the Acquisitions are terminated in accordance with the respective terms of the Acquisition Agreements at any earlier time; or (iv) the Corporation advises the Underwriters or the public that it does not intend to proceed with both of the Acquisitions (each a "**Termination Event**"), the Corporation shall forthwith notify the Lead Underwriter and the Subscription Receipt Agent thereof and shall issue a press release setting forth the Refund Date. At the Refund Time, the Receiptholders shall cease to be entitled to all rights attaching thereto with the exception of Refund Rights.

(b) Upon the occurrence of a Termination Event, each Receiptholder shall be entitled to receive, as of the Refund Time, in satisfaction of the Receiptholder's Refund Right, subject to Section 3.6, a payment equal to the Issue Price and the Earned Interest thereon, provided that any amount payable to a Receiptholder pursuant to the Refund Right that is not satisfied by the Escrowed Funds and the Earned Interest thereon shall be satisfied by the Corporation. The Subscription Receipt Agent shall make such payment, on the Refund Date, by sending a cheque to, or making a wire transfer in favour of, each registered holder of Subscription Receipts.

(c) Upon the mailing or delivery of any cheque or wire transfer as provided in Section 3.4(b) (and provided such cheque has been honoured for payment, if presented for payment within six months of the date thereof) all rights evidenced by the Subscription Receipts relating thereto shall be satisfied and such Subscription Receipts shall be void and of no value or effect.

3.5 Fractional Common Shares

Notwithstanding anything herein contained, the Corporation shall not be required, upon the exchange or deemed exchange of the Subscription Receipt to issue fractions of Common Shares.

3.6 Withholding

The Subscription Receipt Agent shall be entitled to deduct and withhold from any amount released pursuant to this Agreement all taxes which may be required to be deducted or withheld under any provision of applicable tax law. All such withheld amounts will be treated as having been delivered to the party entitled to the amount released in respect of which such tax has been deducted or withheld and remitted to the appropriate taxing authority.

ARTICLE 4
ESCROWED UNDERWRITERS' FEE

4.1 Escrowed Underwriters' Fee to be placed in Escrow

At the Closing or the Option Closing, as the case may be, the Escrowed Underwriters' Fee shall be delivered to the Subscription Receipt Agent to be held pursuant to the terms hereof. The Subscription Receipt Agent hereby agrees to hold the same as agent for and on behalf of the Underwriters and the Receiptholders, as the case may be, and to disburse and deal with the same as provided herein.

4.2 Release of Escrowed Underwriters' Fee

If the Escrow Release Condition is satisfied and the Acquisition Notice and the Irrevocable Direction are delivered to the Subscription Receipt Agent on or before the Termination Time, the Subscription Receipt Agent shall deliver a certified cheque or complete a wire transfer payable to National Bank Financial Inc., on behalf of the Underwriters, in the full amount of the Escrowed Underwriters' Fee, plus Earned Interest attributable thereon. If a Termination Event occurs, then the Subscription Receipt Agent shall use the full amount of the Escrowed Underwriters' Fee, plus Earned Interest thereon, to satisfy a portion of the Refund Right of the Receiptholders.

ARTICLE 5
ESCROWED FUNDS

5.1 Segregation of Escrowed Subscription Funds

The Escrowed Subscription Funds received by the Subscription Receipt Agent, together with Earned Interest thereon, and any securities or other instruments received by the Subscription Receipt Agent upon the investment or reinvestment of such Escrowed Subscription Funds, shall be received as agent for, and shall be segregated and kept apart by the Subscription Receipt Agent as agent for, the Corporation and the Receiptholders, as the case may be, subject to the conditions herein.

5.2 Segregation of Escrowed Underwriters' Fee

The Escrowed Underwriters' Fee received by the Subscription Receipt Agent, together with Earned Interest thereon, and any securities or other instruments received by the Subscription Receipt Agent upon the investment or reinvestment of such Escrowed Underwriters' Fee, shall be received as agent for, and shall be segregated and kept apart by the Subscription Receipt Agent as agent for, the Underwriters and the Receiptholders, as the case may be, subject to the conditions herein.

5.3 Investment of Escrowed Funds

(a) Until released in accordance with this Agreement, the Escrowed Subscription Funds and Escrowed Underwriters' Fee shall be kept segregated in the records of the Subscription Receipt Agent and shall be deposited in one or more interest-bearing trust accounts to be maintained by the Subscription Receipt Agent in the name of the Subscription Receipt Agent at one or more banks listed in Schedule "E" to this Agreement (each such bank, an "**Approved Bank**"). Interest earned on the Escrowed Funds shall be credited to, and form a part of, the Escrowed Funds at an annual rate which is equal to 2.25 percent less than the prime rate of interest announced from time to time by the Bank of Nova Scotia on Canadian dollar loans made to its most credit worthy customers in Canada. The Subscription Receipt Agent may receive investment earnings in excess of or less than the interest creditable to the Escrowed Funds pursuant to this Section, such earnings being for the Subscription Receipt Agent's benefit or at its risk, as applicable.

(b) All amounts held by the Subscription Receipt Agent pursuant to this Agreement shall be held by the Subscription Receipt Agent for the benefit of the Receiptholders and the Corporation and the delivery of the Escrowed Funds to the Subscription Receipt Agent shall not give rise to a debtor-creditor or other similar relationship. Subject to Section 6.3, the amounts held by the Subscription Receipt Agent pursuant to this Agreement are at the sole risk of the Corporation and, without limiting the generality of the foregoing, the Subscription Receipt Agent shall have no responsibility or liability for any diminution of the Escrowed Funds which may result from any deposit made with an Approved Bank pursuant to this Section 5.3, including any losses resulting from a default by the Approved Bank or other credit losses (whether or not resulting from such a default) and any credit or other losses on any deposit liquidated or sold prior to maturity. The parties hereto acknowledge and agree that the Subscription Receipt Agent will have acted prudently in depositing the Escrowed Funds at any Approved Bank, and that the Subscription Receipt Agent is not required to make any further inquiries in respect of any such bank.

(c) At any time and from time to time, the Corporation and the Lead Underwriter shall be entitled to direct the Subscription Receipt Agent by joint written notice (a) not to deposit any new amounts in any Approved Bank specified in the notice and/or (b) to withdraw all or any of the Escrowed Funds that may then be deposited with any Approved Bank specified in the notice and re-deposit such amount with one or more of such other Approved Banks as specified in the notice. With respect to any withdrawal notice, the Subscription Receipt Agent will endeavour to withdraw such amount specified in the notice as soon as reasonably practicable and the Corporation acknowledges and agrees that such specified amount remains at the sole risk of the Corporation prior to and after such withdrawal.

(d) The Subscription Receipt Agent shall not be permitted to invest or reinvest the Escrowed Funds in Authorized Investments if interest on such Authorized Investment would be considered "participating debt interest" for purposes of the Tax Act and the Corporation and the Lead Underwriter covenant not to provide the Subscription Receipt Agent with any instructions to invest or reinvest in any such investments and the Subscription Receipt Agent can rely on any such joint written instructions provided by the Corporation and the Lead Underwriter by its receipt thereof that the Authorized Investments contemplated would not be considered "participating debt interest" for purposes of the Tax Act.

5.4 Interest and Income

Earned Interest on the Escrowed Subscription Funds and Escrowed Underwriters' Fee shall accrue to the benefit of the Corporation, the Underwriters or the Receiptholders, as the case may be, respectively, and shall be disbursed by the Subscription Receipt Agent in accordance with the provisions of this Agreement to the Corporation, the Underwriters or the Receiptholders, as the case may be. To the extent that the Corporation, the Underwriters or the Receiptholders, as the case may be, receive a payment in respect of Earned Interest, the Corporation, the Underwriters or the Receiptholders, as the case may be, shall be deemed to have earned such Earned Interest for the purposes of the reporting or the withholding of taxes, if any, and the parties shall report the earning of such Earned Interest for income tax purposes in a manner consistent with the foregoing.

ARTICLE 6
RIGHTS OF THE CORPORATION AND COVENANTS

6.1 Optional Purchases by the Corporation

Subject to applicable law, the Corporation may from time to time purchase by tender or by private contract or otherwise any of the Subscription Receipts.

6.2 General Covenants

(a) The Corporation covenants with the Subscription Receipt Agent and the Lead Underwriter, on behalf of the Underwriters that, so long as any Subscription Receipts remain outstanding, the Corporation will:

   (i) use commercially reasonable efforts to maintain its existence as a corporation;

   (ii) make all requisite filings under applicable Canadian securities legislation, including those necessary to remain a reporting issuer not in default in each of the provinces of Canada in which it is presently a reporting issuer;

   (iii) with respect to any notices to be given or other acts to be performed or which may be given or performed by the Lead Underwriter and any other Underwriters under or pursuant to this Agreement (including the Acquisition Notice), provide to the Lead Underwriter, on behalf of the Underwriters in a timely manner all such information and documents as the Underwriters (or any of them) may reasonably request and which is within the knowledge or control of the Corporation in order to verify the factual circumstances relating to such notices or acts and, if requested, such information shall be certified correct by the Corporation;

   (iv) perform and carry out all of the acts or things to be done by it as provided in this Agreement;

   (v) use commercially reasonable efforts to ensure that until the earlier of the Acquisition Time and the Refund Time, the Subscription Receipts and upon the Acquisition Time, the Common Shares will be listed and posted for trading on the TSX;

   (vi) reserve and keep available a sufficient number of Common Shares for the purpose of enabling it to satisfy its obligations to issue Common Shares pursuant to the Subscription Receipts;

   (vii) cause the Common Shares and the certificates representing the Common Shares from time to time acquired pursuant to the Subscription Receipts to be duly issued and delivered in accordance with the Subscription Receipts and the terms hereof; and

(viii) all Common Shares which shall be issued in respect of Subscription Receipts shall be issued as fully paid and non-assessable.

(b) In addition, the Corporation covenants with the Subscription Receipt Agent and the Lead Underwriter, on behalf of the Underwriters, that, from the date hereof to the earlier of the Acquisition Date or Termination Date, without the prior consent of the Lead Underwriter, such consent not to be unreasonably withheld or delayed or withheld, it will not do any of the following:

(i) subdivide or redivide the outstanding Common Shares into a greater number of Common Shares;

(ii) reduce, combine or consolidate the outstanding Common Shares into a smaller number of Common Shares;

(iii) issue options, rights, warrants, or other securities to all or substantially all the holders of its outstanding Common Shares by way of a dividend or fix a record date for the making of such a dividend;

(iv) reclassify the Common Shares or undertake a reorganization of the Corporation or a consolidation, amalgamation, arrangement, merger or similar transaction of the Corporation with any other person or other entity or a sale or conveyance of the property and assets of the Corporation as an entirety or substantially as an entirety to any other person or entity; or

(v) liquidate, dissolve or wind-up the Corporation or any of its subsidiaries.

6.3 Subscription Receipt Agent’s Remuneration and Expenses and Indemnification

(a) The Corporation covenants that it will pay to the Subscription Receipt Agent from time to time reasonable remuneration for its services hereunder in accordance with the terms of the fee agreement between the Corporation and the Subscription Receipt Agent and will pay or reimburse the Subscription Receipt Agent upon its request for all reasonable expenses, disbursements and advances incurred or made by the Subscription Receipt Agent in the administration or execution of this Agreement (including the reasonable compensation and the disbursements of the Subscription Receipt Agent's counsel and all other advisers and assistants not regularly in its employ) both before any default hereunder and thereafter until all duties of the Subscription Receipt Agent hereunder shall be finally and fully performed, except any such expense, disbursement or advance as may arise out of or result from the Subscription Receipt Agent’s gross negligence, wilful misconduct, bad faith or fraud.

(b) The Corporation hereby indemnifies the Subscription Receipt Agent, its agents, employees, directors and officers and saves the Subscription Receipt Agent, its agents, employees, directors and officers harmless of and from any and all costs, suits, actions, demands, liabilities, and claims whatsoever arising from or out of the performance of its duties and obligations hereunder, save only in the event of gross negligence, wilful misconduct, bad faith or fraud on the part of the Subscription Receipt Agent. This indemnity shall survive the termination or discharge of this Agreement or the resignation or removal or replacement of the Subscription Receipt Agent.

6.4 Performance of Covenants by Subscription Receipt Agent

If the Corporation shall fail to perform any of its covenants contained in this Agreement and the Subscription Receipt Agent has notified the Corporation and such failure remains unremediated, the Subscription Receipt Agent may notify the Receiptholders and the Lead Underwriter, on behalf of the Underwriters, of such failure on the part of the Corporation or may itself perform any of the covenants capable of being performed by it, but shall be under no obligation to perform such covenants or to notify the Receiptholders of such performance by it. All sums expended or advanced by the Subscription Receipt Agent in so doing shall be repayable as provided in Section 6.3.

No such performance, expenditure or advance by the Subscription Receipt Agent shall relieve the Corporation of any default hereunder or of its continuing obligations under the covenants herein contained.

6.5 Accounting

The Subscription Receipt Agent shall maintain accurate books, records and accounts of the transactions effected or controlled by the Subscription Receipt Agent hereunder and the receipt, investment, reinvestment and disbursement of the Escrowed Funds and Earned Interest thereon, and shall provide to the Corporation and the Underwriters records and statements thereof periodically upon written request. The Corporation shall have the right, to audit such books, records, accounts and statements.

6.6 Payments by Subscription Receipt Agent

In the event that any funds to be disbursed by the Subscription Receipt Agent in accordance with this Agreement are received by the Subscription Receipt Agent in the form of an uncertified cheque or cheques, the Subscription Receipt Agent shall be entitled to delay the time for disbursement of such funds hereunder until such uncertified cheque or cheques have cleared in the ordinary course the financial institution upon which the same are drawn. The Subscription Receipt Agent will disburse monies according to this Agreement only to the extent that monies have been deposited with it by the Corporation or the Underwriters.

ARTICLE 7
ENFORCEMENT

7.1 Suits by Receiptholders

Subject to Section 8.11, all or any of the rights conferred upon any Receiptholder by any of the terms of the Subscription Receipt Certificates or of this Agreement, or of both, may be enforced by the Receiptholder by appropriate proceedings but without prejudice to the right which is hereby conferred upon the Subscription Receipt Agent to proceed in its own name to enforce each and all of the provisions herein contained for the benefit of the Receiptholders.

7.2 Immunity of Shareholders, etc.

The Subscription Receipt Agent and, by the acceptance of the Subscription Receipt Certificates and as part of the consideration for the issue of the Subscription Receipts, the Receiptholders hereby waive and release any right, cause of action or remedy now or hereafter existing in any jurisdiction against any past, present or future Shareholder, director, officer, employee or agent of the Corporation or any successor person for the issue of the Common Shares pursuant to any Subscription Receipt or on any covenant, agreement, representation or warranty by the Corporation contained herein or in the Subscription Receipt Certificates.

ARTICLE 8
MEETINGS OF RECEIPTHOLDERS

8.1 Right to Convene Meetings

The Subscription Receipt Agent or the Corporation may at any time and from time to time, and the Subscription Receipt Agent shall, on receipt of a written request of the Corporation or a written request signed by the holders of not less than 25% of the Subscription Receipts then outstanding and upon being indemnified, to the Subscription Receipt Agent's reasonable satisfaction by the Corporation or by the Receiptholders signing such request, against the costs which may be incurred in connection with the calling and holding of such meeting, convene a meeting of the Receiptholders. In the event the Subscription Receipt Agent fails within 10 days after receipt of any such written request of the Corporation or such Receiptholders request and such indemnity given as aforesaid, the Corporation or such Receiptholders, as the case may be, may convene such meeting. Every such meeting shall be held in the City of Calgary, Alberta or at such other place as may be determined by the Subscription Receipt Agent and approved by the Corporation.

8.2 Notice of Meetings

At least ten days prior notice of any meeting of Receiptholders shall be given to the Receiptholders in the manner provided in Section 11.2 and a copy of such notice shall be sent by mail to the Subscription Receipt Agent (unless the meeting has been called by the Subscription Receipt Agent), and to the Corporation (unless the meeting has been called by the Corporation). Such notice shall state the date (which must be a Business Day), the time when and the place where the meeting is to be held and shall state briefly the general nature of the business to be transacted at the meeting and shall contain such information as is reasonably necessary to enable the Receiptholders to make a reasoned decision in the matter but it shall not be necessary for any such notice to set out the terms of any resolution to be proposed or any of the provisions of this Article. The accidental omission to give notice of a meeting to any holder of Subscription Receipts shall not invalidate any resolution passed at any such meeting. A holder may waive notice of a meeting either before or after the meeting.

8.3 Chair

An individual who need not be a Receiptholder, designated in writing by the Subscription Receipt Agent shall be chair of the meeting and if no individual is so designated, or if the individual so designated is not present within 15 minutes from the time fixed for the holding of the meeting, a majority of the Receiptholders present in person or by proxy shall choose some individual present to be chair.

8.4 Quorum

Subject to the provisions of Section 8.12, at any meeting of the Receiptholders a quorum shall consist of not less than two Receiptholders present in person or by proxy and representing at least 25% of the outstanding Subscription Receipts. If a quorum of the Receiptholders shall not be present within 30 minutes from the time fixed for holding any meeting, the meeting, if summoned by the Receiptholders or pursuant to a request of the Receiptholders, shall be dissolved. In any other case, the meeting shall be adjourned to the same day in the next week (unless such day is not a Business Day in which case it shall be adjourned to the next following Business Day thereafter) at the same time and place and no notice shall be required to be given in respect of such adjourned meeting. At the adjourned meeting, the Receiptholders present in person or by proxy shall form a quorum and may transact the business for which the meeting was originally convened notwithstanding that they may not be at least two Receiptholders present in person or by proxy and representing at least 25% of the outstanding Subscription Receipts. Any business may be brought before or dealt with at an adjourned meeting which might have been brought before or dealt with at the original meeting in accordance with the notice calling the same. No business shall be transacted at any meeting unless the required quorum is present at the commencement of business.

8.5 Power to Adjourn

The chair of any meeting at which a quorum of the Receiptholders is present may, with the consent of the holders of a majority of the Subscription Receipts represented at the meeting, adjourn any such meeting and no notice of such adjournment need be given except such notice, if any, as the meeting may prescribe.

8.6 Show of Hands

Every question submitted to a meeting shall, subject to Section 8.7, be decided in the first place by a majority of the votes given on a show of hands. At any such meeting, unless a poll is duly demanded as herein provided, a declaration by the chair that a resolution has been carried or carried unanimously or by a particular majority or lost or not carried by a particular majority shall be conclusive evidence of the fact. The chair of any meeting shall be entitled, both on a show of hands and on a poll, to vote in respect of the Subscription Receipts, if any, held by him or her.

8.7 Poll

On every Extraordinary Resolution, and on any other question submitted to a meeting, and after a vote by show of hands when demanded by the chair or by one or more Receiptholders acting in person or by proxy and holding at least 5% of the then outstanding Subscription Receipts, a poll shall be taken in such manner as the chair shall direct. Questions other than those required to be determined by Extraordinary Resolutions shall, if a poll be taken, be decided by the votes of the holders of a majority of the Subscription Receipts represented at the meeting and voted on the poll.

8.8 Voting

On a show of hands every person who is present and entitled to vote, whether as a Receiptholder or as proxy for one or more absent Receiptholders or both, shall have one vote. On a poll each Receiptholder present in person or represented by a proxy duly appointed by an instrument in writing shall be entitled to one vote in respect of each Subscription Receipt of which he or she shall then be the holder. A proxy need not be a Receiptholder. In the case of joint holders of a Subscription Receipt, any one of them present in person or by proxy at the meeting may vote in the absence of the other or others but in case more than one of them shall be present in person or by proxy, they shall vote together in respect of the Subscription Receipts of which they are joint registered holders. The chair of any meeting shall be entitled, both on a show of hands and on a poll, to vote in respect of the Subscription Receipts, if any, held or represented by the chair.

8.9 Regulations

The Subscription Receipt Agent, or the Corporation with the approval of the Subscription Receipt Agent, may from time to time make, vary or revoke such regulations as it shall from time to time think fit providing for and governing:

(a) the setting of the record date for a meeting of Receiptholders for the purpose of determining Receiptholders entitled to receive notice of and vote at such meeting;

(b) the deposit of voting certificates and instruments appointing proxies at such place as the Subscription Receipt Agent, the Corporation or the Receiptholder convening the meeting, as the case may be, may, in the notice convening the meeting, direct and the time, if any, before the holding of the meeting or any adjournment thereof by which the instruments must be deposited;

(c) the deposit of voting certificates and instruments appointing proxies at some approved place or places other than the place at which the meeting is to be held and enabling particulars of such instruments appointing proxies to be mailed, faxed, emailed or otherwise sent electronically before the meeting to the Corporation or to the Subscription Receipt Agent at the place where the same is to be held or otherwise and for the voting of proxies so deposited as though the instruments themselves were produced at the meeting;

(d) the form of the instrument of proxy and the manner in which the instrument of proxy may be executed; and

(e) generally for the calling of meetings of Receiptholders and the conduct of business at such meetings.

Any regulations made pursuant to this Section 8.9 shall be binding and effective and the votes given in accordance therewith shall be valid and shall be counted. Save as such regulations may provide, the only persons who shall be recognized at any meeting as the holders of any Subscription Receipts, or as entitled to vote or be present at the meeting in respect thereof (subject to Section 8.10), shall be Receiptholders and/or their counsel and persons whom Receiptholders have by instrument in writing duly appointed as their proxies.

8.10 Persons Entitled to Attend Meetings

The Corporation, the Subscription Receipt Agent and any of the Underwriters, by their respective authorized agents, officers, trustees and directors, and the legal advisors of the Corporation, the Subscription Receipt Agent or any Underwriter may attend any meeting of the Receiptholders, but shall have no vote as such, unless in their capacity as Receiptholder or as proxy holder.

8.11 Powers Exercisable by Extraordinary Resolution

In addition to the powers conferred upon them by any other provisions of this Agreement or by law, a meeting of the Receiptholders shall have the following powers exercisable from time to time by Extraordinary Resolution, subject to all applicable regulatory approvals, including the TSX, where applicable, to:

(a) agree to any modification, abrogation, alteration, compromise or arrangement of the rights of Receiptholders or the Subscription Receipt Agent (subject to the prior consent of the Subscription Receipt Agent not to be unreasonably withheld or delayed), against the Corporation or against its undertaking, property and assets or any part thereof whether such rights arise under this Agreement or the Subscription Receipts or otherwise;

(b) amend, alter or repeal any Extraordinary Resolution previously passed or sanctioned by the Receiptholders;

(c) direct or authorize the Subscription Receipt Agent to enforce any of the covenants on the part of the Corporation contained in this Agreement or the Subscription Receipt Certificates or to enforce any of the rights of the Receiptholders in any manner specified in such Extraordinary Resolution or to refrain from enforcing any such covenant or right;

(d) waive and direct the Subscription Receipt Agent to waive any default on the part of the Corporation in complying with any provisions of this Agreement or the Subscription Receipt Certificates either unconditionally or upon any conditions specified in such Extraordinary Resolution;

(e) restrain any Receiptholder from taking or instituting any suit, action or proceeding against the Corporation for the enforcement of any of the covenants on the part of the Corporation in this Agreement or the Subscription Receipt Certificates or to enforce any of the rights of the Receiptholders;

(f) direct any Receiptholder who, as such, has brought any suit, action or proceeding to stay or to discontinue or otherwise to deal with the same upon payment of the costs, charges and expenses reasonably and properly incurred by such Receiptholder in connection therewith;

(g) assent to any modification of, change in or omission from the provisions contained in the Subscription Receipt Certificates and this Agreement or any ancillary or supplemental instrument which may be agreed to by the Corporation, and to authorize the Subscription Receipt Agent to concur in and execute any ancillary or supplemental agreement embodying the change or omission;

(h) with the consent of the Corporation (such consent not to be unreasonably withheld), remove the Subscription Receipt Agent or its successor in office and to appoint a new Subscription Receipt Agent to take the place of the Subscription Receipt Agent so removed;

(i) assent to any compromise or arrangement with any creditor or creditors or any class or classes of creditors, whether secured or otherwise and with holders of any Common Shares or other securities of the Corporation; and

(j) assent to any modification of the articles of the Corporation in circumstances where, had the Common Shares then been outstanding, an Extraordinary Resolution of the holders of Common Shares would have been required.

8.12 Meaning of Extraordinary Resolution

(a) The expression “Extraordinary Resolution” when used in this Agreement means, subject as hereinafter in this Article provided, a resolution proposed to be passed as an Extraordinary Resolution at a meeting of Receiptholders (including an adjourned meeting) duly convened for the purpose and held in accordance with the provisions of this Article at which the two or more holders of not less than 25% of the Subscription Receipts then outstanding are present in person or by proxy and passed by the affirmative votes of the holders of not less than 66⅔% of the Subscription Receipts present or represented by proxy at the meeting and voted on a poll upon such resolution or by an instrument or instruments in writing signed by holders of not less than 66⅔% of the Subscription Receipts outstanding supporting the resolution proposed to be passed as an Extraordinary Resolution.

(b) Notwithstanding Sections 8.4 and 8.12(a), if, at any meeting called for the purpose of passing an Extraordinary Resolution, at least two holders of not less than 25% of the Subscription Receipts outstanding are not present in person or by proxy within 30 minutes after the time appointed for the meeting, then the meeting, if convened by or on the requisition of Receiptholders, shall be dissolved; but in any other case it shall stand adjourned to such date, being not less than 14 nor more than 60 days later, and to such place and time as may be appointed by the chair. Not less than seven days prior notice shall be given of the time and place of such adjourned meeting in the manner provided in Section 11.2. Such notice shall state that at the adjourned meeting the Receiptholders present in person or by proxy shall form a quorum, but it shall not be necessary to set forth the purpose for which the meeting was originally called or any other particulars. At the adjourned meeting:

(i) if the Extraordinary Resolution purports to exercise any of the powers conferred pursuant to Sections 8.11(a), 8.11(d), 8.11(g), 8.11(i) or 8.11(j) or purports to change the provisions of this Section 8.12 or of Section 8.15 or purports to amend, alter or repeal any Extraordinary Resolution previously passed or sanctioned by the Receiptholders in exercise of the powers referred to in this paragraph, a quorum for the transaction of business shall consist of two or more Receiptholders holding not less than 25% of the then outstanding Subscription Receipts present in person or by proxy; and

(ii) in any other case, a quorum for the transaction of business shall consist of such Receiptholders as are present in person or by proxy.

(c) At the adjourned meeting the Receiptholders present in person or by proxy shall form a quorum and may transact the business for which the meeting was originally convened and a resolution proposed at such adjourned meeting and passed by the requisite vote as provided in Section (a) of this Section shall be an Extraordinary Resolution within the meaning of this Agreement, notwithstanding that at least two or more holders of not less than 25% of the Subscription Receipts then outstanding are not present in person or by proxy at such adjourned meeting.

(d) Votes on an Extraordinary Resolution shall always be given on a poll and no demand for a poll on an Extraordinary Resolution shall be necessary.

8.13 Powers Cumulative

Any one or more of the powers or any combination of powers in this Agreement stated to be exercisable by the Receiptholders by Extraordinary Resolution or otherwise may be exercised from time to time and the exercise of any one or more of such powers or any combination of powers from time to time shall not be deemed to exhaust the rights of the Receiptholders to exercise the same or any other such power or powers or any combination of powers thereafter from time to time.

8.14 Minutes

Minutes of all resolutions and proceedings at every meeting as aforesaid shall be made and duly entered in books to be provided from time to time for that purpose by the Subscription Receipt Agent at the expense of the Corporation, and any such minutes as aforesaid, if signed by the chair or secretary of the meeting at which such resolutions were duly passed or proceedings had, or by the chair or secretary of the next succeeding meeting of the Receiptholders, shall be prima facie evidence of the matters therein stated and, until the contrary is proved, every such meeting, in respect of the proceedings of which minutes shall have been made, shall be deemed to have been duly held and convened, and all resolutions passed thereat or proceedings taken thereat to have been duly passed and taken.

8.15 Instruments in Writing

All actions which may be taken and all powers that may be exercised by the Receiptholders at a meeting held as provided in this Article may also be taken and exercised by an instrument in writing signed in one or more counterparts by such Receiptholders in person or by attorney duly appointed in writing by Receiptholders holding at least: (i) a majority of the then outstanding Subscription Receipts with respect to a resolution which is not an extraordinary resolution; and (ii) 66⅔% of the outstanding Subscription Receipts with respect to an "Extraordinary Resolution", and the expression "Extraordinary Resolution" when used in this Agreement shall include an instrument so signed by Receiptholders holding at least 66⅔% of the then outstanding Subscription Receipts.

8.16 Binding Effect of Resolutions

Every resolution and every Extraordinary Resolution passed in accordance with the provisions of this Article at a meeting of Receiptholders shall be binding upon all the Receiptholders, whether present at or absent from such meeting, and every instrument in writing signed by Receiptholders in accordance with Section 8.15 shall be binding upon all the Receiptholders, whether signatories thereto or not, and each and every Receiptholder and the Subscription Receipt Agent (subject to the provisions for its indemnity herein contained) shall be bound to give effect accordingly to every such resolution, Extraordinary Resolution and instrument in writing.

8.17 Evidence of Rights of Receiptholders

Any request, direction, notice, consent or other instrument which this Agreement may require or permit to be signed or executed by the Receiptholders, including a Receiptholders' Request, may be in any number of concurrent instruments of similar tenor and may be signed or executed by such Receiptholders in person or by attorney duly appointed in writing. Proof of the execution of any such request or other instrument or of a writing appointing any such attorney or (subject to the provisions of this Article with regard to voting at meetings of Receiptholders) of the holding by any person of Subscription Receipts shall be sufficient for any purpose of this Agreement if made in the following manner, namely, the fact and date of execution by any person of such request or other instrument or writing may be proved by the certificate of any notary public, or other officer authorized to take acknowledgements of deeds to be recorded at the place where such certificate is made, that the person signing such request or other instrument in writing acknowledged to him the execution thereof, or by an affidavit of a witness of such execution or in any other manner which the Subscription Receipt Agent may consider adequate.

The Subscription Receipt Agent may, nevertheless, in its discretion require further proof in cases where it deems further proof desirable or may accept such other proof as it shall consider proper.

8.18 Holdings by Corporation Disregarded

In determining whether Receiptholders are present at a meeting of Receiptholders for the purpose of determining a quorum or have concurred in any consent, waiver, Extraordinary Resolution, Receiptholders' Request or other action under this Agreement, Subscription Receipts owned legally or beneficially by the Corporation or any affiliated entity of the Corporation shall be disregarded in accordance with the provisions of Section 11.6.

ARTICLE 9
SUPPLEMENTAL AGREEMENTS

9.1 Provision for Supplemental Agreements for Certain Purposes

From time to time the Corporation, the Lead Underwriter, on behalf of the Underwriters, and the Subscription Receipt Agent may, subject to the provisions hereof and subject to applicable regulatory approval and exchange approval, and they shall, when so directed in accordance with the provisions hereof, execute and deliver by their proper officers, agreements supplemental hereto, which thereafter shall form part hereof, for any one or more or all of the following purposes:

(a) adding to the provisions hereof such additional covenants and enforcement and other provisions as, in the opinion of Counsel, are necessary or advisable, provided that the same are not in the opinion of the Subscription Receipt Agent, based upon the opinion of Counsel, prejudicial to the interests of the Receiptholders;

(b) giving effect to any Extraordinary Resolution passed as provided in Section 8.11 or 8.15;

(c) making such provisions not inconsistent with this Agreement as may be necessary or desirable with respect to matters or questions arising hereunder, provided that such provisions are not, in the opinion of the Subscription Receipt Agent, based upon the opinion of Counsel, prejudicial to the interests of the Receiptholders;

(d) adding to or altering the provisions hereof in respect of the transfer of Subscription Receipts, making provision for the exchange of Subscription Receipt Certificates, and making any modification in the form of the Subscription Receipt Certificates which does not affect the substance thereof;

(e) modifying any of the provisions of this Agreement, including relieving the Corporation from any of the obligations, conditions or restrictions herein contained, provided that such modification or relief shall be or become operative or effective only if, in the opinion of the Subscription Receipt Agent, based upon the opinion of Counsel, such modification or relief in no way prejudices any of the rights of the Receiptholders or of the Subscription Receipt Agent, and provided further that the Subscription Receipt Agent may in its sole discretion decline to enter into any such supplemental agreement which in its opinion may not afford adequate protection to the Subscription Receipt Agent when the same shall become operative;

(f) making any change necessary to make this Agreement consistent with the Prospectus; and

(g) for any other purpose not inconsistent with the terms of this Agreement, including the correction or rectification of any ambiguities, defective or inconsistent provisions, errors, mistakes or omissions herein, provided that in the opinion of the Subscription Receipt Agent, based upon the opinion of Counsel, the rights of the Subscription Receipt Agent and of the Receiptholders are in no way prejudiced thereby.

ARTICLE 10
CONCERNING THE SUBSCRIPTION RECEIPT AGENT

10.1 Applicable Legislation

(a) In regard to the Subscription Receipt Agent, if and to the extent that any provision of this Agreement limits, qualifies or conflicts with a mandatory requirement of any applicable legislation, such mandatory requirement shall prevail.

(b) The Corporation and the Subscription Receipt Agent agree that each will, at all times in relation to this Agreement and any action to be taken hereunder, observe and comply with and be entitled to the benefits of any applicable legislation.

10.2 Rights and Duties of Subscription Receipt Agent

(a) In the exercise of the rights and duties prescribed or conferred by the terms of this Agreement, the Subscription Receipt Agent shall exercise that degree of care, diligence and skill that a reasonably prudent Subscription Receipt Agent would exercise in comparable circumstances. No provision of this Agreement shall be construed to relieve the Subscription Receipt Agent from liability for its own gross negligent action, its own negligent failure to act, or its own wilful misconduct, bad faith or fraud.

(b) The obligation of the Subscription Receipt Agent to commence or continue any act, action or proceeding for the purpose of enforcing any rights of the Subscription Receipt Agent or the Receiptholders hereunder shall be conditional upon the Receiptholders furnishing, when required by notice from the Subscription Receipt Agent, sufficient funds to commence or to continue such act, action or proceeding and an indemnity reasonably satisfactory to the Subscription Receipt Agent to protect and to hold harmless the Subscription Receipt Agent against the costs, charges and expenses and liabilities to be incurred thereby and any loss and damage it may suffer by reason thereof. None of the provisions contained in this Agreement shall require the Subscription Receipt Agent to expend or to risk its own funds or otherwise to incur financial liability in the performance of any of its duties or in the exercise of any of its rights or powers unless indemnified as aforesaid.

(c) The Subscription Receipt Agent may, before commencing or at any time during the continuance of any such act, action or proceeding, require the Receiptholders at whose instance it is acting to deposit with the Subscription Receipt Agent the Subscription Receipts held by them, for which Subscription Receipts the Subscription Receipt Agent shall issue receipts.

(d) Every provision of this Agreement that by its terms relieves the Subscription Receipt Agent of liability or entitles it to act and rely upon any evidence submitted to it is subject to the provisions of this Section 10.2 and of Section 10.3.

(e) The Subscription Receipt Agent shall have no duties except those expressly set forth herein, and it shall not be bound by any notice of a claim or demand with respect to, or any waiver, modification, amendment, termination or rescission of, this Agreement, unless received by it in writing and signed by the other parties hereto and, if its duties herein are affected, unless it shall have given its prior written consent thereto.

(f) The Subscription Receipt Agent shall retain the right not to act and shall not be held liable for refusing to act unless it has received clear and reasonable documentation which complies with the terms of this Agreement, which documentation does not require the exercise of any discretion or independent judgment.

(g) The Subscription Receipt Agent shall incur no liability whatsoever with respect to the delivery or non-delivery of any certificates whether delivery by hand, mail or any other means.

(h) The Subscription Receipt Agent shall not be responsible or liable in any manner whatsoever for the deficiency, correctness, genuineness or validity of any securities deposited with it.

10.3 Evidence, Experts and Advisers

(a) In addition to the reports, certificates, opinions and other evidence required by this Agreement, the Corporation shall furnish to the Subscription Receipt Agent such additional evidence of compliance with any provision hereof, and in such form, as may be prescribed by applicable law or as the Subscription Receipt Agent may reasonably require by written notice to the Corporation.

(b) In the exercise of its rights and duties hereunder, the Subscription Receipt Agent may, if it is acting in good faith, rely as to the truth of the statements and the accuracy of the opinions expressed in statutory declarations, opinions, reports, written requests, consents, orders, certificates of the Corporation or other evidence furnished to the Subscription Receipt Agent pursuant to any provision hereof or of applicable law or pursuant to a request of the Subscription Receipt Agent.

(c) Whenever it is provided in this Agreement or under applicable law that the Corporation shall deposit with the Subscription Receipt Agent resolutions, certificates, reports, opinions, requests, orders or other documents, it is intended that the truth, accuracy and good faith on the effective date thereof and the facts and opinions stated in all such documents so deposited shall, in each and every such case, be conditions precedent to the right of the Corporation to have the Subscription Receipt Agent take the action to be based thereon.

(d) Proof of the execution of an instrument in writing, including a Receiptholders' Request, by any Receiptholder may be made by the certificate of a notary public, or other officer with similar powers, that the person signing such instrument acknowledged to the officer the execution thereof, or by an affidavit of a witness to such execution or in any other manner which the Subscription Receipt Agent may consider adequate.

(e) The Subscription Receipt Agent may employ or retain such Counsel, accountants, appraisers or other experts or advisers as it may reasonably require for the purpose of discharging its duties hereunder and may pay reasonable remuneration for all services so performed by any of them, without taxation of costs of any Counsel, and shall not be responsible for any misconduct or negligence on the part of any such experts or advisers who have been appointed with due care by the Subscription Receipt Agent.

10.4 Documents, Monies, etc. Held by Subscription Receipt Agent

Subject to Section 5.3, any securities, documents of title or other instruments that may at any time be held by the Subscription Receipt Agent pursuant to this Agreement may be placed in the deposit vaults of the Subscription Receipt Agent or of any Canadian chartered bank or deposited for safekeeping with any such bank. Unless herein otherwise expressly provided, any monies so held pending the application or withdrawal thereof under any provisions of this Agreement may be deposited in the name of the Subscription Receipt Agent in any Canadian chartered bank at the rate of interest (if any) then current on similar deposits or, with the consent of the Corporation and the Lead Underwriter, may be deposited in the deposit department of the Subscription Receipt Agent or any other loan or trust company authorized to accept deposits under the laws of Canada or a province thereof.

10.5 Actions by Subscription Receipt Agent to Protect Interest

The Subscription Receipt Agent shall have power to institute and to maintain such actions and proceedings as it may consider necessary or expedient to preserve, protect or enforce its interests and the interests of the Receiptholders.

10.6 Subscription Receipt Agent not Required to Give Security

The Subscription Receipt Agent shall not be required to give any bond or security in respect of the execution of this Agreement or otherwise in respect of the premises.

10.7 Protection of Subscription Receipt Agent

By way of supplement to the provisions of any law for the time being relating to escrow agents, it is expressly declared and agreed as follows:

(a) the Subscription Receipt Agent shall not be liable for or by reason of any statements of fact or recitals in this Agreement or in the Subscription Receipt Certificates (except the representation contained in Section 10.9 or in the certificate of the Subscription Receipt Agent on the Subscription Receipt Certificates) or be required to verify the same, but all such statements or recitals are and shall be deemed to be made by the Corporation and/or the Lead Underwriter, as the case may be;

(b) nothing herein contained shall impose any obligation on the Subscription Receipt Agent to see to or to require evidence of the registration or filing (or renewal thereof) of this Agreement or any instrument ancillary or supplemental hereto;

(c) the Subscription Receipt Agent shall not be bound to give notice to any person or persons of the execution hereof;

(d) the Subscription Receipt Agent shall not incur any liability or responsibility whatsoever or be in any way responsible for the consequence of any breach on the part of the Corporation of any of the covenants herein contained or of any acts of any directors, officers, employees, agents or servants of the Corporation; and

(e) the Subscription Receipt Agent shall not be personally liable to the other parties to this Agreement, or held in breach of this Agreement, if prevented, hindered, or delayed in the performance or observance of any provision contained herein by reason of act of God, riots, terrorism, acts of war, epidemics, governmental action or judicial order, earthquakes, economic sanctions or any other similar causes (including, but not limited to, mechanical, electronic or communication interruptions, disruptions or failures). Performance times under this Agreement shall be extended for a period of time equivalent to the time lost because of any delay that is excusable under this Section.

10.8 Replacement of Subscription Receipt Agent; Successor by Merger

(a) The Subscription Receipt Agent may resign its appointment and be discharged from all other duties and liabilities hereunder, subject to this Section 10.8, by giving to the Corporation and the Lead Underwriter not less than 60 days prior notice in writing or such shorter prior notice as the Corporation and the Lead Underwriter may accept as sufficient. The Receiptholders by Extraordinary Resolution shall have power at any time to remove the existing Subscription Receipt Agent and to appoint a new Subscription Receipt Agent. In the event of the Subscription Receipt Agent resigning or being removed as aforesaid or being dissolved, becoming bankrupt, going into liquidation or otherwise becoming incapable of acting hereunder, the Lead Underwriter, on behalf of the Underwriters, shall forthwith appoint a new Subscription Receipt Agent unless a new Subscription Receipt Agent has already been appointed by the Receiptholders; failing such appointment by the Lead Underwriter, on behalf of the Underwriters, the Corporation, the retiring Subscription Receipt Agent or any Receiptholder may apply to a justice of the Court of Queen's Bench (Alberta) on such notice as such justice may direct for the appointment of a new escrow agent; but any new Subscription Receipt Agent so appointed by the Lead Underwriter, on behalf of the Underwriters, or by the Court shall be subject to removal as aforesaid by the Receiptholders. Any new Subscription Receipt Agent appointed under any provision of this Section 10.8 shall be a corporation authorized to carry on the business of a trust company in the Province of Alberta and, if required by the applicable legislation for any other provinces, in such other provinces. On any such appointment the new Subscription Receipt Agent shall be vested with the same powers, rights, duties and responsibilities as if it had been originally named herein as Subscription Receipt Agent hereunder. At the request of the Corporation or the new Subscription Receipt Agent, the retiring Subscription Receipt Agent, upon payment of the amounts, if any, due to it pursuant to Section 6.3, shall duly assign, transfer and deliver to the new Subscription Receipt Agent all property and money held and all records kept by the retiring Subscription Receipt Agent hereunder or in connection herewith.

(b) Upon the appointment of a successor escrow agent, the Corporation shall promptly notify the Receiptholders thereof in the manner provided for in Section 11.2.

(c) Any corporation into or with which the Subscription Receipt Agent may be merged or consolidated or amalgamated, or any corporation resulting therefrom to which the Subscription Receipt Agent shall be a party, or any corporation succeeding to the corporate trust business of the Subscription Receipt Agent shall be the successor to the Subscription Receipt Agent hereunder without any further act on its part or any of the parties hereto, provided that such corporation would be eligible for appointment as a successor Subscription Receipt Agent under Section 10.8(a).

(d) Any Subscription Receipt Certificates certified but not delivered by a predecessor Subscription Receipt Agent may be certified by the successor Subscription Receipt Agent in the name of the predecessor or successor escrow agent.

10.9 Conflict of Interest

(a) The Subscription Receipt Agent represents to the Corporation and the Lead Underwriter, on behalf of the Underwriters, that at the time of execution and delivery hereof no material conflict of interest exists between its role as the Subscription Receipt Agent hereunder and its role in any other capacity and agrees that in the event of a material conflict of interest arising hereafter it will, within 30 days after ascertaining that it has such a material conflict of interest, either eliminate the same or assign its appointment as Subscription Receipt Agent hereunder to a successor Subscription Receipt Agent approved by the Corporation and meeting the requirements set forth in Section 10.8(a).

Notwithstanding the foregoing provisions of this Section 10.9(a), if any such material conflict of interest exists or hereafter shall exist, the validity and enforceability of this Agreement and the Subscription Receipt Certificates shall not be affected in any manner whatsoever by reason thereof.

(b) Subject to Section 10.9(a), the Subscription Receipt Agent, in its personal or any other capacity, may buy, lend upon and deal in securities of the Corporation and generally may contract and enter into financial transactions with the Corporation or any affiliated entity of the Corporation without being liable to account for any profit made thereby.

10.10 Acceptance of Appointment

The Subscription Receipt Agent hereby accepts the appointment as subscription receipt agent in this Agreement (and as registrar of the Subscription Receipts) and agrees to perform its duties hereunder upon the terms and conditions herein set forth.

10.11 Subscription Receipt Agent Not to be Appointed Receiver

The Subscription Receipt Agent and any person related to the Subscription Receipt Agent shall not be appointed a receiver, a receiver and manager or liquidator of all or any part of the assets or undertaking of the Corporation.

10.12 Anti-Money Laundering Legislation

The Subscription Receipt Agent shall retain the right not to act and shall not be liable for refusing to act if, due to a lack of information or for any other reason whatsoever, the Subscription Receipt Agent in its sole judgment, determines that such act might cause it to be in non-compliance with any applicable anti-money laundering or anti-terrorist legislation, regulation or guideline. Should the Subscription Receipt Agent in its sole discretion, determine at any time that its acting under this Agreement has resulted in its being in non-compliance with any applicable anti-money laundering or anti-terrorist legislation, regulation or guideline, then it shall have the right to resign on ten days written notice to the other parties to this Agreement, provided that (i) the Subscription Receipt Agent's written notice shall describe the circumstances of such non-compliance; and (ii) if such circumstances are rectified to the Subscription Receipt Agent's satisfaction within such ten day period, then such resignation shall not be effective.

10.13 Third Party Interests

Each party to this Agreement (in this Section referred to as a "**representing party**") hereby represents to the Subscription Receipt Agent that any account to be opened by, or interest to be held by, the Subscription Receipt Agent in connection with this Agreement, for or to the credit of such representing party, either (i) is not intended to be used by or on behalf of any third party; or (ii) is intended to be used by or on behalf of a third party, in which case such representing party hereby agrees to complete, execute and deliver forthwith to the Subscription Receipt Agent a declaration, in the Subscription Receipt Agent's prescribed form or in such other form as may be satisfactory to it, as to the particulars of such third party.

10.14 Privacy Laws

The Corporation acknowledges that the Subscription Receipt Agent may, in the course of providing services hereunder, collect or receive financial and other personal information about such parties and/or their representatives, as individuals, or about other individuals related to the subject matter hereof, and use such information for the following purposes:

(a) to provide the services required under this Agreement and other services that may be requested from time to time;

(b) to help the Subscription Receipt Agent manage its servicing relationships with such individuals;

(c) to meet the Subscription Receipt Agent's legal and regulatory requirements; and

(d) if Social Insurance Numbers are collected by the Subscription Receipt Agent, to perform tax reporting and to assist in verification of an individual's identity for security purposes.

The Corporation acknowledges and agrees that the Subscription Receipt Agent may receive, collect, use and disclose personal information provided to it or acquired by it in the course of its acting as agent hereunder for the purposes described above and, generally, in the manner and on the terms described in its Privacy Code, which the Subscription Receipt Agent shall make available on its website or upon request, including revisions thereto. Some of this personal information may be transferred to servicers in the United States for data processing and/or storage. Further, the Corporation agrees that it shall not provide or cause to be provided to the Trustee any personal information relating to an individual who is not a party to this Agreement unless the Corporation has assured itself that such individual understands and has consented to the aforementioned uses and disclosures.

ARTICLE 11
GENERAL

11.1 Notice to the Corporation, Underwriters and the Subscription Receipt Agent

(a) Unless herein otherwise expressly provided, any notice to be given hereunder to the Corporation, the Underwriters or the Subscription Receipt Agent shall be deemed to be validly given if delivered by courier or if transmitted by facsimile or other electronic transmission:

(i) if to the Corporation:

Tamarack Valley Energy Ltd.
Suite 600, 425 – 1st Street S.W.
Calgary, Alberta, T2P 3L8

Attention: Ron Hozjan, Vice President, Finance and Chief Financial Officer
Facsimile: (403) 263-5551

with a copy to:

Osler, Hoskin & Harcourt LLP
Suite 2500, TransCanada Tower
450 – 1st Street S.W.
Calgary, Alberta T2P 5H1

Attention: Rummy Basra
Facsimile: (403) 260-7068

(ii) if to the Lead Underwriter, on behalf of the Underwriters:

National Bank Financial Ltd.
18th Floor, 311 – 6th Avenue S.W.
Calgary, Alberta T2P 3H2

Attention: Chris Muldoon
Facsimile: (403) 265-0543

with a copy to:

McCarthy Tetrault LLP
Suite 4000, 421 – 7th Avenue S.W.
Calgary, Alberta T2P 4K9

Attention: Sony Gill
Facsimile: (403) 260-3501

(iii) if to the Subscription Receipt Agent:

Computershare Trust Company of Canada
Suite 600, 530 – 8th Avenue S.W.
Calgary, Alberta T2P 3S8

Attention: Manager, Corporate Trust
Facsimile: (403) 267 - 6598

and any such notice delivered in accordance with the foregoing shall be deemed to have been received on the date of delivery or, if telecopied, on the day of transmission or, if such day is not a Business Day, on the first Business Day immediately following the day of transmission.

(b) The Corporation, the Lead Underwriter, on behalf of the Underwriters, or the Subscription Receipt Agent, as the case may be, may from time to time notify the others in the manner provided in Section 11.1(a) of a change of address which, from the effective date of such notice and until changed by like notice, shall be the address of the Corporation, the Lead Underwriter, on behalf of the Underwriters, or the Subscription Receipt Agent, as the case may be, for all purposes of this Agreement.

11.2 Notice to Receiptholders

(a) Any notice to the Receiptholders under the provisions of this Agreement shall be valid and effective if sent by letter or circular through the ordinary post addressed to such holders at their post office addresses appearing on the Register and shall be deemed to have been effectively given on the date of delivery or, if mailed, five Business Days following actual posting of the notice.

(b) If, by reason of a strike, lockout or other work stoppage, actual or threatened, involving postal employees, any notice to be given to the Receiptholders hereunder could reasonably be considered unlikely to reach its destination, such notice shall be valid and effective only if it is delivered personally to such Receiptholders or if delivered to the address for such Receiptholders contained in the Register of Subscription Receipts maintained by the Subscription Receipt Agent.

(c) All notices to joint holders of any Subscription Receipt may be given to whichever one of the holders thereof is named first in the appropriate Register, and any notice so given shall be sufficient notice to all such joint holders of the Subscription Receipt.

11.3 Ownership and Transfer of Subscription Receipts

The Corporation and the Subscription Receipt Agent may deem and treat the registered owner of any Subscription Receipt or, in the case of a transferee who has surrendered a Subscription Receipt in accordance with this Agreement, such transferee, as the absolute owner of the Subscription Receipt represented thereby for all purposes, and the Corporation and the Subscription Receipt Agent shall not be affected by any notice or knowledge to the contrary except where the Corporation or the Subscription Receipt Agent is required to take notice by this Agreement, by statute or by order of a court of competent jurisdiction. A Receiptholder shall be entitled to the rights evidenced by such Subscription Receipts Certificate free from all equities or rights of set-off or counterclaim between the Corporation and the original or any intermediate holder thereof and all persons may act accordingly and the receipt of any such Receiptholder of Common Shares which may be acquired pursuant thereto shall be a good discharge to the Corporation and the Subscription Receipt Agent for the same and neither the Corporation nor the

Subscription Receipt Agent shall be bound to inquire into the title of any such holder except where the Corporation or the Subscription Receipt Agent is required to take notice by this Agreement, by statute or by order of a court of competent jurisdiction.

11.4 Satisfaction and Discharge of Agreement

Upon the earlier of:

(a) the issue of certificates or entering of a Book-Entry System customer confirmations representing Common Shares, the release to the Corporation of the Escrowed Subscription Funds and the Option Escrowed Subscription Funds, if any, together with any Earned Interest attributable thereon, pursuant to Section 3.3, and the release to the Underwriters of the Escrowed Underwriters' Fee and the Option Escrowed Underwriters' Fee, together with any Earned Interest attributable thereon, pursuant to Section 4.2; or

(b) in the event the Escrow Release Condition is not satisfied prior to the Termination Time, the payment of all monies required to satisfy Refund Rights pursuant to Section 3.4,

this Agreement shall cease to be of further effect and the Subscription Receipt Agent, on demand of and at the cost and expense of the Corporation and upon delivery to the Subscription Receipt Agent of a certificate of the Corporation stating that all conditions precedent to the satisfaction and discharge of this Agreement have been complied with, shall execute proper instruments acknowledging satisfaction of and discharging this Agreement. Notwithstanding the foregoing, the indemnities provided to the Subscription Receipt Agent by the Corporation hereunder shall remain in full force and effect and survive the termination of this Agreement.

11.5 Provisions of Agreement and Subscription Receipts for the Sole Benefit of Parties and Receiptholders

Nothing in this Agreement or in the Subscription Receipt Certificates, expressed or implied, shall give or be construed to give to any person other than the parties hereto and the Receiptholders, as the case may be, any legal or equitable right, remedy or claim under this Agreement, or under any covenant or provision herein or therein contained, all such covenants and provisions being for the sole benefit of the parties hereto, the Receiptholders and such transferees.

11.6 Subscription Receipts Owned by the Corporation or its Subsidiaries – Certificate to be Provided

For the purpose of disregarding any Subscription Receipts owned legally or beneficially by the Corporation or any affiliated entity of the Corporation in Section 8.18, the Corporation shall provide to the Subscription Receipt Agent, from time to time, a certificate of the Corporation setting forth as at the date of such certificate, the number of Subscription Receipts owned legally or beneficially by the Corporation or any affiliated entity of the Corporation. The Subscription Receipt Agent shall be entitled to act and rely on such certificate without requiring further evidence thereof.

11.7 Effect of Execution

Notwithstanding any provision of this Agreement, should any Subscription Receipt Certificates be issued and certified in accordance with the terms hereof prior to the actual time of execution of this Agreement by the Corporation and the Subscription Receipt Agent, any such Subscription Receipt Certificates shall be void and of no value and effect until such actual execution.

11.8 Time of Essence

Time is and shall remain of the essence of this Agreement.

11.9 Amendment

No amendment, supplement, modification or waiver or termination of this Agreement and, unless otherwise specified, no consent or approval by an party, shall be binding unless executed in writing by the other parties.

11.10 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 transactions 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.

11.11 Counterparts

This Agreement may be executed and delivered by facsimile and in counterparts, each of which when so executed and delivered shall be deemed to be an original and such counterparts together shall constitute one and the same instrument and notwithstanding their date of execution they shall be deemed to be dated as of the date hereof.

11.12 Language

The parties confirm that it is their wish that this Agreement, as well as any other documents relating to this Agreement, including, certificates, notices, schedules and authorizations, have been and shall be drawn up in the English language only. *Les signataires confirment leur volonté que le présent document, de même que tous les documents s'y rattachant, y compris tout certificat, avis, annexe et autorisation, soient rédigés en anglais seulement.*

[The remainder of this page intentionally left blank.]

IN WITNESS WHEREOF the parties hereto have executed and delivered this Agreement with effect from the date first written above.

TAMARACK VALLEY ENERGY LTD.

By: (signed) "*Ron Hozjan*"

Name: Ron Hozjan

Title: Vice President, Finance and Chief Financial Officer

NATIONAL BANK FINANCIAL INC., ON ITS OWN BEHALF AND ON BEHALF OF THE OTHER UNDERWRITERS

By: (signed) "*Chris Muldoon*"

Name: Chris Muldoon

Title: Director

COMPUTERSHARE TRUST COMPANY OF CANADA

By: (signed) "*W. Anne Dewaele*"

Name: W. Anne Dewaele

Title: Corporate Trust Officer

By: (signed) "*Beatriz Fedozzi*"

Name: Beatriz Fedozzi

Title: Corporate Trust Officer

SCHEDULE "A"

FORM OF SUBSCRIPTION RECEIPT CERTIFICATE

FORM OF SUBSCRIPTION RECEIPT CERTIFICATE

[If issued and registered to CDS, insert the legend set forth in Sections 2.5(b)]

TAMARACK VALLEY ENERGY LTD.
(a corporation existing pursuant to the laws of the Province of Alberta)

Number: _______ **CUSIP: 87505Y144**
ISIN: CA 87505Y1447

THIS IS TO CERTIFY THAT ● (the "**holder**") is the registered holder of ● Subscription Receipts represented hereby.

The Subscription Receipts represented by this Subscription Receipt certificate (the "**Certificate**") are issued pursuant to a Subscription Receipt Agreement (the "**Agreement**") dated July 12, 2016, among Tamarack Valley Energy Ltd. (the "**Corporation**"), National Bank Financial Inc., on its own behalf and on behalf of Dundee Securities Ltd., Macquarie Capital Markets Canada Ltd., CIBC World Markets Inc., FirstEnergy Capital Corp., Peters & Co. Limited, Desjardins Securities Inc., Acumen Capital Finance Partners Limited and AltaCorp Capital Inc. (collectively, the "**Underwriters**") and Computershare Trust Company of Canada (the "**Subscription Receipt Agent**").

Capitalized terms not defined herein have the meaning ascribed to them in the Agreement.

Each Subscription Receipt entitles the holder:

(a) provided the Escrow Release Condition is satisfied and the Acquisition Notice and the Irrevocable Direction are delivered to the Subscription Receipt Agent at or prior to the Termination Time, to receive, for no additional consideration and without further action on the part of the holder, one (1) fully paid and non-assessable common share ("**Common Share**") of the Corporation; or

(b) in the event that the Escrow Release Condition is not satisfied on or before the Termination Time, the closing of neither of the Acquisitions has occurred by 5:00 p.m. (Calgary time) on or before September 30, 2016, both of the Acquisitions are terminated in accordance with the respective terms of the Acquisition Agreements at any earlier time, or the Corporation advises the Underwriters or the public that it does not intend to proceed with both of the Acquisitions, the subscription for Common Shares represented by each Subscription Receipt shall be automatically terminated and cancelled and each holder shall be entitled to receive an amount equal to the sum of the Issue Price together with such holder's pro rata share of the Earned Interest thereon, net of any applicable withholding tax all in the manner and on the terms and conditions set out in the Agreement (the "**Refund Right**").

Upon the deemed delivery to the holder of Common Shares or delivery of an amount equal to the sum of the Issue Price and such holder's *pro rata* portion of Earned Interest, if any, all rights evidenced by the Subscription Receipts shall be satisfied and such Subscription Receipts shall be void and of no value or effect.

The Subscription Receipts represented hereby are issued under and pursuant to the Agreement. Reference is hereby made to the Agreement and any and all other instruments supplemental or ancillary thereto for a full description of the rights of the holders of the Subscription Receipts and the terms and conditions upon which such Subscription Receipts are, or are to be, issued and held, all to the same effect as if the provisions of the Agreement and all instruments supplemental or ancillary thereto were herein set forth, and to all of which provisions the holder of these Subscription Receipts by acceptance hereof assents. In the event of a conflict or inconsistency between the terms of the Agreement and this Certificate, the terms of the Agreement shall prevail.

The holding of the Subscription Receipts evidenced by this Certificate shall not constitute the holder hereof a shareholder of the Corporation or entitle such holder to any right or interest in respect thereof except as herein and in the Agreement expressly provided.

The Agreement contains provisions making binding upon all holders of Subscription Receipts outstanding thereunder resolutions passed at meetings of such holders held in accordance with such provisions and by instruments in writing signed by the holders of a specified majority of the outstanding Subscription Receipts.

The Subscription Receipts evidenced by this Certificate may be transferred on the register kept at the principal office of the Subscription Receipt Agent from time to time in the Cities of Calgary and Toronto by the registered holder hereof or such holder’s legal representatives or attorney duly appointed by an instrument in writing in form and execution satisfactory to the Subscription Receipt Agent, only upon payment of the charges provided for in the Agreement and upon compliance with such reasonable requirements as the Subscription Receipt Agent may prescribe. The transfer register shall be closed at 5:00 p.m. (Calgary time) on the earlier to occur of the Acquisition Date and the date of any Termination Event.

This Certificate shall not be valid for any purpose whatever unless and until it has been countersigned by or on behalf of the Subscription Receipt Agent. Time shall be of the essence hereof. This Certificate is governed by the laws of Alberta and the laws of Canada applicable therein.

IN WITNESS WHEREOF the Corporation has caused this Certificate to be signed by a duly authorized representative as of July 12, 2016.

TAMARACK VALLEY ENERGY LTD.

By: ____
Name:
Title:

Countersigned by

COMPUTERSHARE TRUST COMPANY OF CANADA, AS SUBSCRIPTION RECEIPT AGENT

By: __________________________________
Name:
Title:

SCHEDULE "B"

ACQUISITION NOTICE

TO: Computershare Trust Company of Canada ("**Computershare**"), as registrar and transfer agent for the Common Shares of Tamarack Valley Energy Ltd. (the "**Corporation**") and as Subscription Receipt Agent for the Subscription Receipts

AND TO: National Bank Financial Inc., on its own behalf and on behalf of the other Underwriters

This Acquisition Notice is being provided pursuant to a Subscription Receipt Agreement (the "**Agreement**") dated July 12, 2016, among the Corporation, National Bank Financial Inc. (the "**Lead Underwriter**"), on its own behalf and on behalf of Dundee Securities Ltd., Macquarie Capital Markets Canada Ltd., CIBC World Markets Inc., FirstEnergy Capital Corp., Peters & Co. Limited, Desjardins Securities Inc., Acumen Capital Finance Partners Limited and AltaCorp Capital Inc. (collectively, the "**Underwriters**") and Computershare Trust Company (the "**Subscription Receipt Agent**").

Capitalized terms not defined herein have the meaning ascribed to them in the Agreement.

Computershare, as registrar and transfer agent for the Common Shares and as escrow agent for the Subscription Receipts, is hereby notified by the Corporation and by the Lead Underwriter, on its own behalf and on behalf of the other Underwriters, that the Escrow Release Condition has been satisfied, all in accordance with the provisions of the Agreement.

DATED__________________________, 2016.

TAMARACK VALLEY ENERGY LTD.

By: ______________________________

Name:

Title:

NATIONAL BANK FINANCIAL INC., ON ITS OWN BEHALF AND ON BEHALF OF THE OTHER UNDERWRITERS

By: ______________________________

Name:

Title:

SCHEDULE “C”

TAMARACK VALLEY ENERGY LTD.
(the “Corporation”)

IRREVOCABLE DIRECTION AND UNDERTAKING

TO: Computershare Trust Company of Canada (“Computershare”)
Suite 600, 530-8th Avenue S.W.
Calgary, Alberta T2P 3S8

This Irrevocable Direction and Undertaking is being provided to Computershare as registrar and transfer agent for the Common Shares and Subscription Receipt Agent for the Subscription Receipts pursuant to a Subscription Receipt Agreement (the “**Subscription Receipt Agreement**”) dated July 12, 2016, among National Bank Financial Inc., on its own behalf and on behalf of Dundee Securities Ltd., Macquarie Capital Markets Canada Ltd., CIBC World Markets Inc., FirstEnergy Capital Corp., Peters & Co. Limited, Desjardins Securities Inc., Acumen Capital Finance Partners Limited and AltaCorp Capital Inc. (collectively, the “**Underwriters**”), Computershare as the Subscription Receipt Agent and the Corporation.

Capitalized terms used but not defined herein have the meaning ascribed to them in the Subscription Receipt Agreement.

Computershare is hereby irrevocably directed and authorized as follows:

(a) in its capacity as registrar and transfer agent for the Common Shares, issue and countersign ● Common Shares registered in the name of “CDS & Co.” bearing CUSIP/ISIN ●/● and electronically deposit such Common Shares through the facilities of CDS Clearing and Depository Services Inc. upon the satisfaction of the Escrow Release Condition (which occurred on ___________________, 2016). Such Common Shares shall be delivered to the Receiptholders through CDS in accordance with the terms of the Subscription Receipt Agreement;

(b) in its capacity as registrar and transfer agent for the Common Shares, issue and countersign ● Common Shares registered in the names of the persons to whom such Common Shares are to be issued pursuant to the terms of the Subscription Receipt Agreement and the Subscription Receipt Certificates upon the satisfaction of the Escrow Release Condition (which occurred on ___________________, 2016);

(c) in its capacity as Subscription Receipt Agent for the Subscription Receipts, to release to the Corporation or as directed in writing by the Corporation the Corporation’s Released Amount in the amount of $●; and

(d) to release to National Bank Financial Inc., on behalf of the Underwriters, the amount of $●, representing the full amount of the Escrowed Underwriters’ Fee, together with any Earned Interest attributable thereon,

all in accordance with the provisions of the Subscription Receipt Certificate(s) and the Subscription Receipt Agreement.

The Subscription Receipts were issued at a price of $3.66 per Subscription Receipt with each Subscription Receipt entitling the holder thereof to receive, without payment of additional consideration or further action on the part of the holder thereof, one Common Share subject to the terms and conditions of the Subscription Receipt Agreement.

The undersigned officers of the Corporation hereby certify, solely in their capacity as officers of the Corporation, for and on behalf of the Corporation and without personal liability, that the Corporation received full payment for the Common Shares in accordance with the Subscription Receipt Agreement and the Common Shares are validly issued as fully paid and non-assessable.

The Corporation hereby undertakes that, upon release of the Corporation's Released Amount, it will apply such amount towards financing all or a portion of the purchase price of the ● Acquisition.

[Remainder of the page is intentionally left blank.]

DATED _______________, 2016.

TAMARACK VALLEY ENERGY LTD.

By: ______________________________

Name: Brian Schmidt

Title: President and Chief Executive Officer

By: ______________________________

Name: Ron Hozjan

Title: Vice President, Finance and Chief Financial Officer

Acknowledged and agreed to on _______________, 2016, by:

NATIONAL BANK FINANCIAL INC., ON ITS OWN BEHALF AND ON BEHALF OF THE OTHER UNDERWRITERS

By: ____

Name:

Title:

SCHEDULE "D"

TRANSFER FORM

TO: Tamarack Valley Energy Ltd. (the "**Corporation**"), c/o Computershare Trust Company of Canada ("**Computershare**"), as Subscription Receipt Agent ("**Subscription Receipt Agent**") for the Subscription Receipts

FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfers unto:

____
(name)

____
(address)

_________________________ Subscription Receipts registered in the name of the undersigned represented by the within certificate.

Dated______________________________

____
Signature of Transferor

____
Signature of Guarantor

Guaranteed by:

____
A Canadian Schedule I chartered bank or a member of the Securities Transfer Association Medallion Program (STAMP)

(Stamp or other identification of Guarantor)

Subscription Receipts shall only be transferable in accordance with the Subscription Receipt Agreement, applicable laws and the rules and policies of any applicable stock exchange.

SCHEDULE "E"

APPROVED BANKS

Bank	Relevant S&P Issuer Credit Rating (as at Jul 5, 2016)
ANZ Banking Group	AA-
Bank of America NA	A
Bank of Montreal	A+
Bank of Scotland	A
The Bank of Nova Scotia	A+
Bank of Tokyo-Mitsubishi UFJ	A+
Canadian Imperial Bank of Commerce	A+
Citibank NA	A
HSBC Bank of Canada	AA-
National Australia Bank Limited	AA-
National Bank of Canada	A
Royal Bank of Canada	AA-
Societe Generale (Canada Branch)	A
The Toronto-Dominion Bank	AA-
BNP Paribas	A