

BACKSTOP AGREEMENT
BETWEEN
GMT CAPITAL CORP.
- and -
PIPESTONE ENERGY CORP.
August 4, 2020

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BACKSTOP AGREEMENT

THIS BACKSTOP AGREEMENT dated August 4, 2020 (the “**Agreement**”)

BETWEEN:

GMT CAPITAL CORP., a corporation existing under the laws of the State of Georgia,
 (“**GMT Capital**”)

- and -

PIPESTONE ENERGY CORP., a corporation governed by the laws of the Province of
 Alberta (the “**Corporation**” or “**Pipestone**”)

(collectively, the “**Parties**” and each of them a “**Party**”)

RECITALS:

- A. The Corporation has agreed to offer for purchase, on a private placement basis, up to 70,000 Preferred Shares (as defined below), with an initial liquidation preference per Preferred Share of \$1,000 (the “**Offering**”).
- B. Pursuant to a term sheet dated effective July 17, 2020, GMT Capital agreed to subscribe for a minimum of 7,670 Preferred Shares and a maximum of 11,540 Preferred Shares in order to permit the Corporation to offer non-insider investors up to 23,500 Preferred Shares.
- C. GMT Capital has agreed to backstop the Offering to the extent of 3,870 Preferred Shares on the terms and conditions set out herein.
- D. As of the date of this agreement, no non-insider investors have agreed to purchase the 23,500 Preferred Shares.

NOW THEREFORE, in consideration of the mutual covenants in this Agreement and for other consideration (the receipt and sufficiency of which are acknowledged), the Parties agree as follows:

ARTICLE 1 INTERPRETATION

1.1 Definitions

Whenever used in this Agreement, the following words and terms have the following meanings:

“**ABCA**” means the *Business Corporations Act* (Alberta);

“**Affiliate**” means a Person that directly, or indirectly through one or more intermediaries, controls or is controlled by, or is under common control with, another Person. For the purposes of this definition, “control” when used with respect to any Person, means the possession, direct or

indirect, of the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of voting securities, by contract, or otherwise; provided for greater certainty, that Corporation and GMT Capital shall not be considered Affiliates for the purposes of this Agreement;

“**Agreement**” has the meaning set forth in the preamble;

“**Applicable Laws**” means, in relation to any Person, property, transaction or event, all applicable provisions of (a) any federal, provincial, state or local laws, statutes, rules and regulations, and (b) orders, judgments, decisions and official directives of Governmental Entities to which the Person is a party or by which it is bound or having application to the property, transaction or event, as the case may be;

“**Applicable Securities Laws**” means, collectively, and as the context may require, the securities legislation of each of the provinces of Canada, and the federal and any applicable state securities laws of the United States, including the rules and regulations made or promulgated thereunder and the rules and policies of the TSXV;

“**Backstopped Shares**” has the meaning set forth in Section 2.1(a);

“**Backstoppers**” means GMT Capital, Riverstone and GMT-E;

“**Board**” means the board of directors of the Corporation;

“**Business Day**” means any day other than a Saturday, Sunday or a holiday on which banks in Calgary, Alberta, New York, New York or Atlanta, Georgia are closed for commercial business during regular banking hours;

“**Change of Control**” shall mean either of the following events:

(a) any arrangement, amalgamation or other business combination, or the acquisition by any person or entity, including any syndicate or group, of beneficial ownership, directly or indirectly, through a purchase, merger or other acquisition transaction or series of purchases, mergers or other acquisition transactions, of equity securities of the Corporation following which the previously existing shareholders of the Corporation are entitled to exercise less than 50% of the total voting power of all of the surviving entity’s outstanding equity securities generally entitled to vote (except that such person or entity will be deemed to have beneficial ownership of all securities that such person or entity has the right to acquire, whether such right is currently exercisable or is exercisable only upon the occurrence of a subsequent condition); or

(b) any sale, lease or other transfer in one transaction or a series of related transactions of all or substantially all of the consolidated assets of the Corporation and its subsidiaries, taken as a whole, to any person or entity other than a wholly-owned subsidiary of the Corporation;

“**Clearance Certificate**” has the meaning set forth in Section 2.4.

“**Closing**” has the meaning set forth in Section 4.1(a).

“Closing Date” means a date reasonably promptly following the satisfaction or waiver of the conditions set forth in Section 4.1, or such other date may be agreed by the Corporation and GMT Capital;

“Common Shares” means the common shares in the capital of the Corporation;

“Competition Act” means the *Competition Act* (Canada);

“Competition Act Clearance” means the occurrence of one or more of the following, in respect of the transactions contemplated by this Agreement:

(a) the Commissioner of Competition (the **“Commissioner”**) shall have issued an advance ruling certificate (an **“ARC”**) pursuant to section 102 of the Competition Act; or

(b) the Commissioner shall have issued a “no action letter” to the Purchaser indicating that he does not, at that time, intend to make an application under section 92 of the Competition Act, and either the waiting period has expired or been terminated by the Commissioner under subsections 123(1) or 123(2), respectively, of the Competition Act, or the obligation to provide a pre-merger notification in accordance with Part IX of the Competition Act has been waived by the Commissioner under subsection 113(c) thereof;

“Corporation” or **“Pipestone”** has the meaning set forth in the preamble;

“Credit Facility” means the reserve-based lending facility of the Corporation pursuant to the amended and restated credit agreement dated June 12, 2020 among the Corporation, the financial institutions a party thereto from time to time, as lenders, and National Bank of Canada, as administrative agent for the lenders, as conditionally amended and extended by a first amending agreement dated as of July 20, 2020 (the **“First Amending Agreement”**) and as it may be further amended, restated or supplemented from time to time;

“Dissent Rights” means the rights of dissent provided to Shareholders pursuant to section 191 of the ABCA;

“Fundamental Representations” mean the following representations or warranties of the Corporation contained in the GMT Capital Subscription Agreement: section 3(a) (*Corporate Existence*), section 3(b) (*Capitalization and Valid Issuance of Preferred Shares*), section 3(c) (*No Conflicts; Compliance with Laws*) and section 3(d) (*Authority; Enforceability*);

“GMT Capital Information” has the meaning set forth in Section 2.6;

“GMT Capital” has the meaning given to it in the Recitals;

“GMT Capital Subscription Agreement” means the subscription agreement between the Corporation and GMT Capital entered into as of the date of this Agreement;

“GMT-E” means GMT Exploration Company LLC, a limited liability company existing under the laws of the State of Delaware;

“Governmental Authority” means any (a) multinational, federal, national, provincial, state, regional, municipal, local or other government, governmental or public department, central bank, court, tribunal, arbitral body, commission, securities regulatory or regulatory authority, board, bureau, ministry or agency, domestic or foreign, (b) any subdivision, agent, commission, board, or authority of any of the foregoing; (c) any quasi-governmental or private body exercising any regulatory, expropriation or taxing authority under or for the account of any of the foregoing or (d) any stock exchange;

“Indemnified Parties” has the meaning set forth in Section 5.1(a);

“Information Circular” means the notice of the meeting and the management information circular to be prepared by the Corporation in connection with the Meeting, *inter alia*, to consider and if deemed advisable, approve the Special Resolution, together with any amendment thereto or supplements thereof;

“Issue Price” means, for each of the Preferred Shares, \$970;

“Losses” has the meaning set forth in Section 5.1(a);

“Material Adverse Effect” has the meaning given to such term in the GMT Capital Subscription Agreement;

“Meeting” means the annual and special meeting of Shareholders of the Corporation to be held on or before September 30, 2020;

“MI 61-101” means Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions*;

“New Securities” means, collectively, equity securities in the capital of the Corporation ranking senior to or on a parity with the Preferred Shares as to dividend rights or rights upon the liquidation, winding-up or dissolution of the Corporation, whether or not currently authorized, as well as rights, options or warrants to purchase such equity securities, or securities of any type that are, or may become, convertible into, or exercisable or exchangeable for, such equity securities;

“Nomination Rights Agreement” has the meaning set forth in Section 4.2(b)(vii)(F);

“Non-Recourse Party” has the meaning set forth in Section 6.5.

“Offer Notice” has the meaning set forth in Section 2.3;

“Offer Period” has the meaning set forth in Section 2.3;

“Offering” means the offering of Preferred Shares by the Corporation, as further described in the recitals;

“Outside Date” means November 2, 2020, or such other date as the Corporation and GMT Capital may agree;

“Party” or **“Parties”** has the meaning set forth in the recitals;

“Person” means an individual, firm, body corporate, partnership, Governmental Authority or any other form of entity or organization, as the case may be;

“Preferred Share Terms” shall mean the terms of the Preferred Shares in the form attached hereto as Schedule “A”;

“Preferred Shares” means the preferred shares in the capital of the Corporation;

“Registration Rights Agreement” has the meaning set forth in Section 4.2(b)(vii)(E);

“Riverstone” means Riverstone V EMEA Holdings Co-operatief U.A. , a cooperative association with limited liability existing under the laws of the Netherlands;

“Shareholder” means a holder of Common Shares;

“Special Committee” means the special committee of the Board formed for the purpose of, among other things, evaluating and making a recommendation to the Board with respect of the Offering;

“Special Resolution” means the special resolution of the Shareholders to be considered at the Meeting to approve the creation of the Preferred Shares and the Offering in accordance with Applicable Laws, including the ABCA and MI 61-101;

“Total Commitment Shares” means up to 23,500 Preferred Shares; and

“TSXV” means the TSX Venture Exchange.

1.2 Time of the Essence

Time shall be of the essence of each provision of this Agreement. Any extension, waiver or variation of any provision of this Agreement shall not be deemed to affect this provision and there shall be no implied waiver of this provision.

1.3 Calculation of Time

Unless otherwise specified, time periods within or following which any act is to be done shall be calculated by excluding the day on which the period commences and including the day on which the period ends.

1.4 Business Days

Whenever any action to be taken pursuant to this Agreement would otherwise be required to be taken or made on a day that is not a Business Day, such action shall be taken on the first Business Day following such day.

1.5 Headings

The descriptive headings preceding Articles and Sections of this Agreement are inserted solely for convenience of reference and are not intended as complete or accurate descriptions of the content

of such Articles or Sections. The division of this Agreement into Articles and Sections shall not affect the interpretation of this Agreement.

1.6 Plurals and Gender

Words in the singular include the plural and vice versa and words in one gender include all genders.

1.7 Statutory References

Any reference to a statute or regulation shall mean the statute or regulation in force as at the date of this Agreement (together with all regulations promulgated under such statute) as the same may be amended, re-enacted, consolidated or replaced from time to time, and any successor statute or regulation thereto, unless otherwise stated.

1.8 Other References

“Include”, “includes” and “including” shall be deemed to be followed by “without limitation” whether or not they are in fact followed by such words or words of like import.

1.9 Currency

All monetary amounts in this Agreement are denominated in Canadian dollars unless otherwise stated.

ARTICLE 2 COVENANTS AND AGREEMENTS OF THE PARTIES

2.1 Covenants and Agreements of GMT Capital

- (a) Subject to and in accordance with the terms and conditions of this Agreement and Applicable Securities Laws, GMT Capital agrees to purchase, and the Corporation agrees to sell, 16.49% of the Total Commitment Shares (the “**Backstopped Shares**”), which amount is included in the number of Preferred Shares referenced in the GMT Capital Subscription Agreement delivered in connection with this Agreement. For the avoidance of doubt, in no event will GMT Capital be obligated to purchase under this Agreement and the GMT Capital Subscription Agreement more than 11,540 Preferred Shares in the aggregate.

2.2 Covenants and Agreements of the Corporation

Subject to and in accordance with the terms and conditions of this Agreement, the Corporation undertakes and agrees with and in favour of GMT Capital that:

- (a) the Corporation will undertake the Offering substantially as contemplated in this Agreement and the GMT Capital Subscription Agreement; *provided* that the Corporation shall not offer or sell more than 70,000 Preferred Shares in the Offering without the prior written consent of GMT Capital;

- (b) from the date of this Agreement, the Corporation will use commercially reasonable efforts to enforce any other subscription agreements entered into concurrently with this Agreement;
- (c) the Corporation will use commercially reasonable efforts to obtain all necessary consents, approvals or exemptions for the creation, offering and issuance of the Preferred Shares and the entering into and performance by the Corporation of this Agreement and the transactions contemplated herein;
- (d) the Corporation shall take all action as may be required and appropriate so that the Common Shares issuable upon conversion of the Preferred Shares are approved for listing on the TSXV as of the Closing Date, subject to receipt of customary final documentation;
- (e) the proceeds from the sale of the Preferred Shares (net of the expenses related thereto) shall be used by the Corporation to fund the Corporation's expanded capital expenditure program; *provided*, that initially and temporarily such proceeds may be used to repay amounts outstanding under the Credit Facility; and
- (f) between the date of this Agreement and the earlier of Closing or termination of this Agreement pursuant to Article 6, unless GMT Capital shall otherwise agree in writing or as contemplated by this Agreement, the Corporation shall not do or propose to do, directly or indirectly (including by merger, amalgamation or otherwise), any of the following:
 - (i) amend or otherwise change its certificate of amalgamation or bylaws or equivalent organizational documents;
 - (ii) issue, sell, pledge, transfer, dispose of, or otherwise create any encumbrance on, any shares of the Corporation, or any options, warrants, convertible securities or other rights of any kind to acquire any such shares, or any other equity or ownership interest in the Corporation, other than (A) as contemplated by this Agreement and the GMT Capital Subscription Agreement or (B) pursuant to the terms of stock options, warrants or restricted share units outstanding as of the date of this Agreement;
 - (iii) declare, set aside, make or pay any dividend or other distribution on or with respect to any of its shares or other equity or ownership interests;
 - (iv) effect or consummate a Change of Control, or enter into any agreement or otherwise commit to effect or consummate a Change of Control;
 - (v) allow the Common Shares to cease to be listed or quoted on the TSXV;
 - (vi) amend, waive or terminate any of the agreements referenced in Section 3.2(f);
 - (vii) otherwise take or cause to be taken any action that, had such action or event occurred following the Closing, would require or result in an adjustment to

the conversion price of the Preferred Shares, as set forth in the Preferred Share Terms.

- 2.3 Pre-Emptive Right.** For so long as GMT Capital holds any Preferred Shares, subject to the terms and conditions of this Section 2.3 and Applicable Securities Laws, if the Corporation proposes to offer or sell any New Securities, the Corporation shall first offer a portion of such New Securities to GMT Capital as provided in this Section 2.3. The Corporation shall give notice (the “**Offer Notice**”) to GMT Capital stating in reasonable detail (a) its bona fide intention to offer such New Securities, (b) the number of such New Securities to be offered and (c) the price, terms and conditions upon which it proposes to offer such New Securities. By notification to the Corporation within 20 days after the Offer Notice is given (the “**Offer Period**”), GMT Capital may elect to purchase or otherwise acquire, at the price and on the terms and conditions specified in the Offer Notice, up to that portion of such New Securities that equals the proportion that the Preferred Shares then held by GMT Capital and its Affiliates bears to the total number of Preferred Shares then outstanding; *provided*, if GMT Capital or GMT-E does not elect to purchase all of the New Securities that each is entitled to purchase during the Offer Period, the Corporation shall notify GMT Capital of such information within five days after the termination of the Offer Period, and then GMT Capital shall have the additional right to purchase such unsubscribed portion of the New Securities by notification to the Corporation within five days of receipt of such notice. The Corporation may, during the 90-day period following the expiration of the Offer Period, offer and sell the remaining unsubscribed portion of such New Securities to any Person or Persons at the same price and upon the same terms and conditions as specified in the Offer Notice. If the Corporation does not sell the New Securities within such period, the right provided hereunder shall be deemed to be revived and such New Securities shall not be offered or sold unless first reoffered to GMT Capital in accordance with this Section 2.3.
- 2.4 Information Right.** For so long as GMT Capital holds any Preferred Shares, the Corporation shall provide to GMT Capital any information regarding the Corporation or its subsidiaries that it reasonably requests in connection with the preparation and filing of any tax returns or forms, or the payment of any taxes, by or with respect to GMT Capital or its affiliates or direct or indirect owners.
- 2.5 Competition Act Approval.** Riverstone shall file with the Commissioner a request for an ARC pursuant to section 102 of the Competition Act and, in lieu thereof, request a ‘no-action letter’ in furtherance of obtaining the Competition Act Clearance. The Corporation shall be responsible for payment of the filing fee payable in respect of obtaining the Competition Act Clearance.
- 2.6 Information Circular.** The Corporation shall prepare the Information Circular and related materials as soon as practicable following the date of this Agreement, and shall print and mail, directly and indirectly, the Information Circular to the Shareholders within 20 days following the execution of this Agreement. The Corporation shall give GMT Capital and its legal counsel a reasonable opportunity to review and comment on the drafts of the Information Circular and other related documents, and shall give reasonable consideration to any comments made by GMT Capital and its legal counsel relating to the disclosure contained therein, and agrees that all information included in the Information Circular

relating to GMT Capital (“**GMT Capital Information**”) must be satisfactory to GMT Capital, in its sole discretion. As of the date the Information Circular is first mailed to the Shareholders and the date of the Meeting, the Information Circular shall (a) be complete and correct in all material respects and not contain any misrepresentations, (b) contain the unanimous recommendation of the Special Committee and the Board that the Shareholders vote in favour of the Special Resolution, and (c) comply in all material respects with Applicable Laws. The Corporation agrees to promptly correct any information (other than the GMT Capital Information) in the Information Circular which shall have become false or misleading at any time prior to the Meeting. Without limiting the generality of the foregoing, the Corporation shall ensure that the Information Circular provides the Shareholders with information in sufficient detail to permit them to form a reasoned judgment concerning the matters to be placed before them at the Meeting, including the unanimous recommendation of the Special Committee and the Board that the Shareholders vote in favour of the Special Resolution.

ARTICLE 3 REPRESENTATIONS AND WARRANTIES

3.1 Representations and Warranties of GMT Capital

GMT Capital hereby represents and warrants to the Corporation (and acknowledges that the Corporation is relying upon such representations and warranties) that as of the date hereof and as of the Closing Date:

- (a) it is duly organized, validly existing and in good standing under the laws of its jurisdiction of organization and has all requisite power and authority to execute and deliver this Agreement;
- (b) this Agreement has been duly executed and delivered by GMT Capital;
- (c) this Agreement constitutes a valid and binding obligation of GMT Capital, enforceable against GMT Capital in accordance with its terms, except as may be limited by bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium, and similar laws relating to or affecting creditors’ rights generally and general equitable principles (whether considered in a proceeding in equity or at law), in each case now or hereafter in effect;
- (d) the representations and warranties made by GMT Capital in section 4 of the GMT Capital Subscription Agreement are true, correct and complete in all material respects as of the date hereof and as of the Closing Date; and
- (e) on the Closing Date, GMT Capital will have the financial ability and sufficient funds to make and complete the payment for all of the Backstopped Shares that it has committed to purchase pursuant to this Agreement.

3.2 Representations and Warranties of the Corporation

The Corporation hereby represents and warrants to GMT Capital (and the Corporation acknowledges that GMT Capital is relying upon such representations and warranties) that as of the date hereof and as of the Closing Date:

- (a) the Corporation is duly amalgamated, validly existing and in good standing under the laws of Alberta and has all requisite corporate power and authority to execute and deliver this Agreement;
- (b) this Agreement has been duly executed and delivered by the Corporation;
- (c) this Agreement constitutes a valid and binding obligation of the Corporation, enforceable against the Corporation in accordance with its terms, except as may be limited by bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium, and similar laws relating to or affecting creditors' rights generally and general equitable principles (whether considered in a proceeding in equity or at law), in each case now or hereafter in effect;
- (d) the actions contemplated by Article 2 of this Agreement have been duly and validly authorized by all necessary corporate action and expressly approved by the Board;
- (e) the representations and warranties of the Corporation set forth in Section 3 of the GMT Capital Subscription Agreement are true and correct in all respects as of the date of this Agreement;
- (f) the Corporation has provided GMT Capital with true and accurate copies of the following agreements:
 - (i) the engagement letter with Peters & Co. Limited; and
 - (ii) the First Amending Agreement; and
- (g) the fees to be paid by the Company to Peters & Co. Limited, Bank of Montreal, National Bank Financial Inc. and AltaCorp Capital Inc. in connection with the Offering shall not exceed [redacted].

ARTICLE 4 CLOSING AND CLOSING CONDITIONS

4.1 Closing

- (a) Subject to the terms and conditions of this Agreement, the consummation of the issuance by the Corporation, and the purchase by GMT Capital, of the Preferred Shares as contemplated herein and under the GMT Capital Subscription Agreement (the "**Closing**") shall be completed at the offices of Osler, Hoskin & Harcourt LLP in Calgary, Alberta, at 10:00 a.m. Calgary time) on the Closing Date or at such other time and/or on such other date and/or at such other place as the Corporation and GMT Capital may mutually agree upon in writing following the delivery,

satisfaction or, to the extent permitted, waiver by GMT Capital or the Corporation, as applicable, of each of the conditions set forth in Section 4.2.

- (b) Subject to and in accordance with the terms and conditions of this Agreement, on the Closing Date, (i) GMT Capital will deliver by wire transfer, to an account designated by the Corporation, cash in an amount equal to the Issue Price multiplied by the number of Preferred Shares it is required to purchase herein and (ii) the Corporation shall deliver the Preferred Shares paid for by GMT Capital in accordance with the instructions provided by GMT Capital in the GMT Capital Subscription Agreement. The Corporation shall also deliver or cause to be delivered the documents referenced in Section 4.2(b)(vii).

4.2 Closing Conditions

- (a) The respective obligations of each of the Corporation and GMT Capital to complete the transactions contemplated hereby are subject to the following conditions being satisfied in full on or before the Closing Date:
 - (i) the Shareholders shall have approved the Special Resolution (including the majority of the minority vote required under MI 61-101);
 - (ii) the TSXV shall have approved, subject to only customary conditions which do not alter or affect the attributes of the Preferred Shares as reflected in the Schedule “A” attached hereto, the listing and issuance of all of the Common Shares issuable pursuant to the conversion or redemption of the Preferred Shares on the TSXV on terms and conditions satisfactory to the Parties, each acting reasonably;
 - (iii) Competition Act Clearance shall have been received on terms and conditions reasonably acceptable to GMT Capital;
 - (iv) no statute, rule, order, decree or regulation shall have been enacted or promulgated, and no action shall have been taken, by any Governmental Authority that temporarily, preliminarily or permanently restrains, precludes, enjoins or otherwise prohibits the consummation of the transactions contemplated by this Agreement and the GMT Capital Subscription Agreement or makes such transactions illegal; and
 - (v) there shall not be any active, pending or threatened suit, action or proceeding by any Person seeking to restrain, preclude, enjoin or prohibit the transactions contemplated by this Agreement.
- (b) The obligations of GMT Capital to consummate the purchase of the Preferred Shares contemplated herein and pursuant to the GMT Capital Subscription Agreement on the Closing Date shall be subject to the satisfaction (or waiver by GMT Capital) on or prior to the Closing Date of each of the following conditions:

- (i) the representations and warranties of the Corporation set forth in Section 3 of the GMT Capital Subscription Agreement:
 - (A) which are not Fundamental Representations, are true and correct as of the date of this Agreement and as of the Closing Date as though made on and as of such date (except to the extent that such representation or warranty speaks to an earlier date, in which case, as of such earlier date) except where the failure of such representations and warranties to be so true and correct would not, individually or in the aggregate, have a Material Adverse Effect; and
 - (B) which are Fundamental Representations shall be true in all material respects (other than Fundamental Representations and warranties that are qualified by materiality or Material Adverse Effect, which, in each case, shall be true and correct in all respects) as of the date of this Agreement and as of the Closing Date as though made on and as of such date (except to the extent that such representation or warranty speaks to an earlier date, in which case, as of such earlier date);
- (ii) the Corporation shall have performed and complied, in all material respects, with all of the covenants and agreements required to be performed and complied with by it hereunder on or prior to the Closing Date;
- (iii) the Corporation has filed articles of amendment with the Alberta Registrar of Corporations to create the Preferred Shares;
- (iv) the consummation of the issuance by the Corporation, and the purchase by the other Backstoppers, of Preferred Shares shall occur simultaneously with the Closing, such that an aggregate of 70,000 Preferred Shares shall be issued by the Corporation on the Closing Date;
- (v) holders of less than 2% of the Common Shares shall have validly exercised Dissent Rights in respect of the Special Resolution that have not been withdrawn as of the Closing Date;
- (vi) the Corporation shall have amended the Credit Facility on terms reasonably satisfactory to GMT Capital (including no negative material changes to the Credit Facility availability or key terms);
- (vii) The Corporation shall have delivered, or caused to be delivered, to GMT Capital:
 - (A) a filed copy of the Corporation's articles of amendment evidencing the creation of the Preferred Shares and a filed copy of the Corporation's certificate of amendment;

- (B) a certificate from a duly authorized officer of the Corporation certifying:
 - (I) the articles of the Corporation;
 - (II) the incumbency of certain officers of the Corporation; and
 - (III) the resolutions of the Board approving this Agreement, the GMT Capital Subscription Agreement, the Registration Rights Agreement and the Nomination Rights Agreement;
 - (C) a certificate from a duly authorized officer of the Corporation certifying that the conditions set out in Section 4.2(b)(i) and Section 4.2(b)(ii) have been satisfied;
 - (D) share certificates or DRS advice statements representing the Preferred Shares purchased by GMT Capital pursuant to the GMT Capital Subscription Agreement;
 - (E) the Registration Rights Agreement substantially in the form attached hereto as Schedule “B”, duly executed and delivered by the Corporation (the “**Registration Rights Agreement**”);
 - (F) the Nomination Rights Agreement substantially in the form attached hereto as Schedule “C”, duly executed and delivered by the Corporation (the “**Nomination Rights Agreement**”); and
 - (G) an opinion of Osler, Hoskin & Harcourt LLP, counsel to the Corporation, substantially in the form attached hereto as Schedule “D”, duly executed and delivered by such firm.
- (c) The Corporation and GMT Capital each agree to use commercially reasonable efforts to cause the conditions set forth in Section 4.2 to be satisfied on or before the Closing Date to the extent that such conditions relate to acts to be performed or caused to be performed by such Party.

ARTICLE 5 INDEMNIFICATION

5.1 Indemnification by Corporation

- (a) The Corporation covenants and agrees to protect, indemnify and hold harmless GMT Capital and each of its Affiliates and its and their respective directors, officers, equityholders, partners, employees, advisors and agents (collectively, the “**Indemnified Parties**”) from and against any and all direct and indirect losses, claims, actions, suits, proceedings, damages, liabilities, costs or expenses of any kind or nature whatsoever (including the reasonable fees and expenses of legal counsel) (collectively, “**Losses**”) which any of them may be subject to or suffer or incur by reason of, or in any way arising out of or related to, directly or indirectly:

- (i) the non-compliance or alleged non-compliance by the Corporation with any requirement of Applicable Securities Laws or any other Applicable Laws in connection with the Offering; and/or
 - (ii) any breach or default of or under any representation, warranty, covenant or obligation of the Corporation contained herein.
- (b) The indemnification by the Corporation contained in Section 5.1(a) will not apply in respect of any Losses caused or incurred by reason of or arising out of any misrepresentation, order, inquiry, investigation or other matter or thing referred to herein which is based upon or results directly from any information relating solely to GMT Capital that GMT Capital provided in writing to the Corporation expressly for inclusion in the Information Circular prepared for the Meeting.
- (c) In the event that any claim, action, suit or proceeding, including, without limitation, any inquiry or investigation (whether formal or informal), is brought or instituted against any of the Indemnified Parties, such Indemnified Party shall promptly notify the Corporation and the Corporation shall promptly retain counsel who shall be reasonably satisfactory to such Indemnified Party to represent such Indemnified Party in such claim, action, suit or proceeding, and the Corporation shall pay all of the reasonable fees and disbursements of such counsel relating to such claim, action, suit or proceeding; *provided*, that the failure by any Indemnified Party to so notify the Corporation shall not relieve it of any of its obligations except to the extent it is materially prejudiced by such failure.
- (d) In any such claim, action, suit or proceeding, the applicable Indemnified Party shall have the right to retain other counsel to act on such Indemnified Party's behalf and to participate in the defence of such claim, action, suit or proceeding, provided that all fees and disbursements of such other counsel shall be paid by such Indemnified Party unless:
 - (i) the Corporation and such Indemnified Party have mutually agreed to the retention of such other counsel;
 - (ii) the Corporation has not acknowledged in writing to such Indemnified Party its obligation to indemnify the Indemnified Party for all Losses suffered or incurred in connection with such claim, action, suit or proceeding;
 - (iii) the Corporation fails to promptly retain counsel in accordance with Section 5.1(c) or at any time ceases to pursue the defence diligently and in good faith; or
 - (iv) the named parties to any such claim, action, suit or proceeding (including any added, third or impleaded parties) include both the Corporation and such Indemnified Party and representation of both parties by the same counsel would be inappropriate due to actual or potential differing interests between them (such as the availability of different defences).

- (e) The obligations of the Corporation under this Article 5 shall survive completion of the Offering described herein and the termination of this Agreement. The Corporation shall not, except with written consent of the Indemnified Party, in the defence of any such claim or litigation, consent to entry of any judgment or enter into any settlement which does not include as an unconditional term thereof the giving by the claimant or plaintiff to such Indemnified Party of a complete and final release from all liability in respect to such claim or litigation without any admission of guilt or wrongdoing and provides only for the payment of monetary damages for which the Indemnified Party will be indemnified hereunder.

ARTICLE 6 TERMINATION

6.1 GMT Capital Termination Events

This Agreement may be terminated by the delivery of a written notice to the Corporation by GMT Capital, in accordance with Section 7.2 upon the occurrence and continuation of any of the following events:

- (a) if there have been one or more inaccuracies in one or more representations or warranties made by the Corporation in this Agreement such that the conditions in Section 4.2(b)(i) would not be satisfied and which have not been cured by the Corporation within five (5) Business Days after receipt by the Corporation of written notice of such failure, or such other date as the Corporation and GMT Capital may agree;
- (b) any of the conditions to GMT Capital's obligations set out in Article 4 have not been satisfied or waived, or at any time become incapable of being satisfied, by the Outside Date, or if the Closing has not otherwise occurred by the Outside Date other than on account of GMT Capital's failure to perform any of its obligations hereunder; and
- (c) failure of the Corporation to comply in all material respects with, or default by it in the performance or observance of, any covenant set forth in this Agreement, which, if capable of being cured, is not cured within five (5) Business Days after the receipt of written notice of such failure or default, or such other date as the Corporation and GMT Capital may agree.

6.2 Corporation Termination Events

This Agreement may be terminated by the delivery to GMT Capital by the Corporation of a written notice in accordance with Section 7.2 upon the occurrence and continuation of any of the following events:

- (a) if any representation or warranty of GMT Capital made in this Agreement shall prove untrue in any material respect as of the date when made;

- (b) any of the conditions to the Corporation's obligations set out in Article 4 have not been satisfied or waived, or at any time become incapable of being satisfied, by the Outside Date, or if the Closing has not otherwise occurred by the Outside Date other than on account of the Corporation's failure to perform any of its obligations hereunder;
- (c) failure by GMT Capital to comply in all material respects with, or default by GMT Capital in the performance or observance of, any material term, condition, covenant or agreement set forth in this Agreement which, if capable of being cured, is not cured within five (5) Business Days after the receipt of written notice of such failure or default, or such other date as the Corporation and GMT Capital may agree.

6.3 Mutual Termination

This Agreement, and the obligations of all Parties hereunder, may be terminated by mutual agreement between the Corporation and GMT Capital or by either the Corporation or GMT Capital if the Shareholders have not approved the Special Resolution (including majority of the minority vote under Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions* and corresponding TSXV policy) upon a vote held at the Meeting, or at any adjournment or postponement thereof.

6.4 Effect of Termination

Subject to Section 7.3, if this Agreement is terminated by either the Corporation or GMT Capital as provided in this Article 6, this Agreement shall become null and void and have no further force or effect, but the Parties shall not be released from (a) any liability arising from or in connection with any breach hereof occurring prior to such termination and (b) any fraud or intentional or willful breach of this Agreement.

6.5 Non-Recourse

This Agreement and the GMT Capital Subscription Agreement may only be enforced against, and any claims or causes of action that may be based upon, arise out of or relate to this Agreement or the GMT Capital Subscription Agreement, or the negotiation, execution or performance of this Agreement or the GMT Capital Subscription Agreement, may only be made against the entities that are expressly identified as parties hereto, and no former, current or future equityholders, controlling Persons, directors, officers, employees, agents or Affiliates of any party hereto or any former, current or future equityholder, controlling Person, director, officer, employee, general or limited partner, member, manager, agent or Affiliate of any of the foregoing (each, a “**Non-Recourse Party**”) shall have any liability for any obligations or liabilities of the parties to this Agreement or for any claim (whether in tort, contract or otherwise) based on, in respect of, or by reason of, the transactions contemplated hereby or in respect of any representations made or alleged to be made in connection herewith. Without limiting the rights of any party against the other parties hereto, in no event shall any party or any of its Affiliates seek to enforce this Agreement or the GMT Capital Subscription Agreement against, make any claims for breach of this Agreement or the GMT Capital Subscription Agreement against, or seek to recover monetary damages from, any Non-Recourse Party.

**ARTICLE 7
MISCELLANEOUS**

7.1 Amendment

This Agreement may be modified, amended or supplemented as to any matter by an instrument in writing signed by the Corporation and GMT Capital.

7.2 Notices

All notices, consents and other communications which may be or are required to be given pursuant to any provision of this Agreement shall be given or made in writing and shall be deemed to be validly given if (i) served personally, (ii) by registered or certified mail, return receipt requested, or air courier guaranteeing overnight delivery, or (iii) by PDF/email transmission, in each case addressed to the particular Party:

(a) If to the Corporation, at:

Pipestone Energy Corp.
888 – 3rd Street S.W., Suite 3700
Calgary, Alberta T2P 5C5

Attention: [redacted]
E-mail: [redacted]

With a required copy (which shall not be deemed notice) to:

Osler, Hoskin & Harcourt LLP
Suite 2500, TransCanada Tower
450 – 1st Street SW
Calgary, AB T2P 5H1

Attention: [redacted]
E-mail: [redacted]

(b) If to GMT Capital, at:

2300 Windy Ridge Parkway
Suite 550 South
Atlanta, Georgia 30339

Attention: [redacted]
E-mail: [redacted]

With a required copy (which shall not be deemed notice) to:

2300 Windy Ridge Parkway
Suite 550 South
Atlanta, Georgia 30339

Attention: [redacted]
E-mail: [redacted]

or at such other address of which any Party may, from time to time, advise the other Parties by notice in writing given in accordance with the foregoing. The date of receipt of any such notice shall be deemed to be: (x) at the time delivered by hand, if personally delivered; (y) upon actual receipt, if sent by certified or registered mail, return receipt requested, or by air courier guaranteeing overnight delivery; and (z) when receipt is acknowledged, if sent via PDF/e-mail transmission.

7.3 Assignment and Enurement

Neither this Agreement nor any benefits or duties accruing under this Agreement shall be assignable by any Party except GMT Capital may assign its rights, interests and obligations under this Agreement, in whole or in part, to one or more Affiliates; *provided*, that in order for such assignment to be effective, the assignee shall agree in writing to be bound by the provisions of this Agreement; *provided further*, that no such assignment will relieve GMT Capital of its obligations hereunder prior to the Closing. Subject to the foregoing, this Agreement shall enure to the benefit of and be binding upon the Parties and their respective successors and permitted assigns.

7.4 Entire Agreement

This Agreement and the GMT Capital Subscription Agreement, constitute the entire agreement between the Parties with respect to the matters herein and supersede all prior agreements, understandings, negotiations and discussions relating to the subject matter hereof. There are no other covenants, agreements, representations, warranties, conditions, whether direct or collateral, express or implied, that form part of or affect this Agreement except as otherwise provided for in this Agreement.

7.5 Waiver

Except as otherwise expressly set out herein, no waiver of any provision of this Agreement shall be binding unless it is in writing. No indulgence or forbearance by a Party shall constitute a waiver of such Party's right to insist on performance in full and in a timely manner of all covenants in this Agreement. Waiver of any provision shall not be deemed to waive the same provision thereafter, or any other provision of this Agreement, at any other time.

7.6 Severability

If, in any jurisdiction, any provision of this Agreement or portion thereof or the application thereof to any Person or circumstance shall to any extent be restricted, invalid or unenforceable, the Parties will negotiate in good faith to amend this Agreement to implement the intentions set forth herein. Each provision of this Agreement shall be valid and enforceable to the fullest extent permitted by law.

7.7 Counterparts; Facsimile and Electronic Signatures

This Agreement may be signed in one or more counterparts, each of which once signed shall be deemed to be an original. All such counterparts together shall constitute one and the same instrument. Notwithstanding the date of execution of any counterpart, each counterpart shall be deemed to bear the effective date first written above. This Agreement, any and all agreements and instruments executed and delivered in accordance herewith, along with any amendments hereto or thereto, to the extent signed and delivered by means of a facsimile machine, scanned email or internet transmission copy or other means of electronic transmission, shall be treated in all manner and respects and for all purposes as an original signature, agreement or instrument and shall be considered to have the same binding legal effect as if it were the original signed version thereof delivered in person.

7.8 Governing Law and Jurisdiction for Disputes

This Agreement shall be governed by and construed in accordance with the laws of the Province of Alberta and the federal laws of Canada applicable therein and shall be treated, in all respects, as an Alberta contract. The Parties irrevocably submit to the exclusive jurisdiction of the courts of the Province of Alberta.

7.9 Third Party Beneficiaries

The terms and provisions of this Agreement are intended solely for the benefit of the Parties and their respective successors and permitted assigns, and it is not the intention of the Parties to confer any third party beneficiary rights and this Agreement does not confer any such rights, upon any Person.

7.10 Remedies

Each Party agrees that an award of monetary damages would not be an adequate remedy for any loss incurred by reason of any breach of this Agreement and that, in the event of any breach or threatened breach of this Agreement by a Party, the other Parties will be entitled to seek equitable relief, including injunctive relief and specific performance, without the necessity of posting bond or other undertaking. Such remedies will not be the exclusive remedies for any breach or threatened breach of this Agreement but will be in addition to all other remedies available at law or in equity.

[Signature pages follow]

PIPESTONE ENERGY CORP.

By: (signed) “Paul Wanklyn”
Paul Wanklyn
President and Chief Executive Officer

GMT CAPITAL CORP.

By: (signed)

SCHEDULE “A”

PREFERRED SHARE TERMS

(see attached)

SCHEDULE TO
ARTICLES OF AMENDMENT
OF
PIPESTONE ENERGY CORP.
(the “Corporation”)

The Articles of the Corporation be amended as follows:

A. Authorized and Issued Capital

- (a) to create an unlimited number of Preferred Shares;
- (b) to remove the rights, privileges, restrictions and conditions attaching to the Common Shares; and
- (c) to add the rights, privileges, restrictions and conditions attaching to the Common Shares and the Preferred Shares as set out in the attached SCHEDULE I,

with the result that upon the issuance of a Certificate of Amendment effecting the foregoing, the authorized capital of the Corporation shall consist of: (i) an unlimited number of Common Shares; and (ii) an unlimited number of Preferred Shares.

SCHEDULE I

Upon the issuance of a Certificate of Amendment effecting the amendments set forth above, the total number of shares of all classes of shares that Pipestone Energy Corp. (the “**Corporation**”) shall have authority to issue is (i) an unlimited number of common shares (the “**Common Shares**”) and (ii) an unlimited number of preferred shares (the “**Preferred Shares**”, and collectively with the Common Shares, the “**Shares**”).

The following is a statement of the rights, privileges, restrictions and conditions of each class and series of shares in the capital of the Corporation.

A. COMMON SHARES

1. General. The voting, dividend and liquidation rights of the holders of the Common Shares are subject to and qualified by the rights, privileges, restrictions and conditions of any class of shares in the capital of the Corporation designated to be senior to the Common Shares, including the Preferred Shares.

2. Voting. Each holder of Common Shares is entitled to one vote for each Common Share held at all meetings of shareholders; to receive notice of and to attend all meetings of shareholders of the Corporation, except meetings at which only the holders of a specified class of shares (other than the Common Shares) are entitled to attend; and to vote on all matters submitted to a vote or consent of shareholders of the Corporation, except matters upon which only the holders of a specified class of shares (other than the Common Shares) are entitled to vote.

3. Dividends. The holders of Common Shares are entitled, subject to the rights, privileges, restrictions and conditions attaching to any other class or series of shares in the capital of the Corporation, including the rights of the Preferred Shares, to receive dividends if, as and when declared by the Board of Directors of the Corporation (the “**Board**”) on the Common Shares.

4. Liquidation, Dissolution or Winding-up. The holders of the Common Shares are entitled, subject to the rights, privileges, restrictions and conditions attaching to any other class or series of shares in the capital of the Corporation, including the right of the Preferred Shares to receive the Liquidation Distribution (as defined below), to receive the remaining property of the Corporation on a liquidation, dissolution or winding-up of the Corporation, whether voluntary or involuntary, or any other distribution of the assets of the Corporation among its shareholders for the purpose of winding up its affairs.

B. PREFERRED SHARES

Unless otherwise indicated, references to “Sections” in this Part B of this Schedule refer to the Sections of Part B of this Schedule.

1. Definitions. For purposes of this Part B, the following definitions shall apply:

1.1 “**ABCA**” means the *Business Corporations Act* (Alberta);

1.2 “**Affiliate**” means a Person that directly, or indirectly through one or more intermediaries, controls or is controlled by, or is under common control with, the Person specified. For the purposes of this definition, “control” when used with respect to any Person, means the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of Person, whether through the ownership of voting securities, by contract, or otherwise; provided, however, that the Corporation and Riverstone shall not be considered Affiliates;

1.3 “**Articles**” shall mean the Articles of Amalgamation of the Corporation, as the same may be amended and restated from time to time;

1.4 “**Board**” shall mean the board of directors of the Corporation;

1.5 “**Business Day**” means any day, other than a Saturday or Sunday, on which banks in Calgary, Alberta and New York, New York are open for commercial banking business during normal banking hours;

1.6 “**Capital Reorganization**” shall have the meaning set forth in Section 5.6.3;

1.7 “**Change of Control**” shall mean either of the following events:

1.7.1 any arrangement, amalgamation or other business combination, or the acquisition by any Person, including any syndicate or group, of beneficial ownership, directly or indirectly, through a purchase, merger or other acquisition transaction or series of purchases, mergers or other acquisition transactions, of equity securities of the Corporation following which the previously existing shareholders of the Corporation are entitled to exercise less than 50% of the total voting power of all of the surviving entity’s outstanding equity securities generally entitled to vote (except that such Person will be deemed to have beneficial ownership of all securities that such Person has the right to acquire, whether such right is currently exercisable or is exercisable only upon the occurrence of a subsequent condition); or

1.7.2 any sale, lease or other transfer in one transaction or a series of related transactions of all or substantially all of the consolidated assets of the Corporation and its subsidiaries, taken as a whole, to any Person other than a wholly-owned subsidiary of the Corporation;

1.8 “**Clearance Certificate**” shall have the meaning set forth in Section 10.8;

1.9 “**Closing Sale Price**” means, with respect to the Common Shares, on any applicable Trading Day, the closing price per Common Share (or if no closing price is reported, the average of the closing bid and ask prices or, if more than one in either case, the average of the average closing bid and the average closing ask prices) on such date as reported on

the principal Securities Exchange on which the Common Shares are traded or, if the Common Shares are not traded on a Securities Exchange, then a United States or Canadian national or regional securities exchange on which the Common Shares are traded, or, if the Common Shares are not so traded, then in the over-the-counter market as reported by OTC Markets Group Inc. or a similar organization. In the absence of such a quotation, the Closing Sale Price shall be an amount determined by the Board to be the fair market value of a Common Share;

1.10 “**Common Shares**” shall mean the common shares in the capital of the Corporation;

1.11 “**Conversion Date**” shall mean either the Optional Conversion Date or the Mandatory Conversion Date, as applicable;

1.12 “**Conversion Price**” means the price at which the Preferred Shares shall convert into Common Shares, except as otherwise set out herein, which shall initially be \$0.85 per Common Share and which may be adjusted as set out herein;

1.13 “**Conversion Ratio**” shall have the meaning set forth in Section 5.1;

1.14 “**Corporation**” means Pipestone Energy Corp.;

1.15 “**Dividend Payment Date**” shall mean the date that is ten (10) days after the end of each fiscal quarter of the Corporation, commencing on [●], 2020¹; provided that if such date is not a Business Day, then the next subsequent Business Day;

1.16 “**Dividend Rate**” shall mean the rate of 6.5% per annum;

1.17 “**Dividend Record Date**” shall mean March 31, June 30, September 30 and December 31, as the case may be, immediately preceding such Dividend Payment Date; provided that if such date is not a Business Day, then the next subsequent Business Day;

1.18 “**Holder**” and, unless the context requires, “**holder**” shall each mean a holder of record of one or more Preferred Shares;

1.19 “**Issue Date**” shall mean the original date of issuance of the Preferred Shares;

1.20 “**Junior Shares**” shall mean the Common Shares and each other class of shares in the capital of the Corporation established after the Issue Date by the Board, the terms of which do not expressly provide that such class or series ranks senior to or on a parity with the Preferred Shares as to dividend rights or rights upon the liquidation, winding-up or dissolution of the Corporation;

1.21 “**Liquidation**” shall have the meaning set forth in Section 4.1;

¹ ¹ Note to Draft: This should be first fiscal quarter ended after the Issue Date.

1.22 “**Liquidation Preference**” shall initially mean, with respect to each Preferred Share, \$1,000.00, as may be subsequently varied by any PIK Accruals or payments of PIK Accruals as further set out herein;

1.23 “**Mandatory Premium Conversion**” shall have the meaning set forth in Section 5.2.1;

1.24 “**Mandatory Maturity Conversion**” shall have the meaning set forth in Section 5.2.2;

1.25 “**Mandatory Conversion**” shall have the meaning set forth in Section 5.2.2;

1.26 “**Maturity Date**” shall mean [●], 2025²;

1.27 “**Maturity Redemption Notice**” shall have the meaning set forth in Section 6.2;

1.28 “**Maturity Redemption Price**” shall have the meaning set forth in Section 6.1;

1.29 “**Optional Conversion Date**” shall have the meaning set forth in Section 5.1;

1.30 “**Optional Conversion Notice**” shall have the meaning set forth in Section 5.1;

1.31 “**Optional Conversion Notice Date**” shall have the meaning set forth in Section 5.1;

1.32 “**Person**” shall mean any individual, corporation, general partnership, limited partnership, limited liability partnership, joint venture, association, trust, limited liability company, unincorporated organization or government or any agency or political subdivision thereof;

1.33 “**PIK Accrual**” shall have the meaning set forth in Section 2.1;

1.34 “**Reference Property**” shall have the meaning set forth in Section 5.6.3;

1.35 “**Riverstone**” means [Riverstone entity];

1.36 “**Securities Exchange**” shall mean the TSX Venture Exchange, the Toronto Stock Exchange, an exchange registered with the Securities and Exchange Commission

² Note to Draft: This should be 5 years from the Issue Date.

under Section 6(a) of the Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder (or any successors thereto);

1.37 “**Tax Act**” means the *Income Tax Act* (Canada);

1.38 “**Trading Day**” shall mean a day during which trading in securities generally occurs on the principal Securities Exchange on which the Common Shares are traded or, if the Common Shares are not traded on a Securities Exchange, then a United States or Canadian national or regional securities exchange on which the Common Shares are traded. If the Common Shares are not so traded, “**Trading Day**” shall mean a Business Day;

1.39 “**Transfer Agent**” shall mean Computershare Investor Services Inc. or any other Person appointed to serve as transfer agent, registrar and dividend disbursing agent by the Corporation with respect to the Preferred Shares from time to time; and

1.40 “**VWAP**” means the volume-weighted average price of the Common Shares as displayed on Bloomberg in respect of the period from 9:30 a.m. to 4:00 p.m., Toronto time, on such Trading Day; or, if such price is not available, the market value per share of Common Shares on such Trading Day as determined using a volume-weighted average method by a nationally recognized independent investment banking firm retained by the Corporation for this purpose.

2. Dividends.

2.1 Holders shall be entitled to receive, with respect to each Preferred Share prior to any distributions made in respect of any Junior Shares, dividends on the Liquidation Preference in effect immediately after the last day of the immediately prior fiscal quarter (or if there has been no prior full fiscal quarter, the Issue Date), computed on the basis of a 360-day year consisting of twelve 30-day months, at the applicable Dividend Rate. Dividends shall compound quarterly and be payable in arrears on each Dividend Payment Date for the fiscal quarter ending immediately prior to such Dividend Payment Date (or with respect to the first Dividend Payment Date, for the period commencing on the Issue Date and ending on the last day of the fiscal quarter following the Issue Date). On any Dividend Payment Date that occurs at least two (2) years after the Issue Date, dividends may be paid in cash. Any dividends that are paid in cash shall be paid to the Holders as they appear on the books of the Transfer Agent at the close of business on the relevant Dividend Record Date. If any dividends are not paid in cash on the Dividend Payment Date, then the amount of such dividend shall automatically accrue and be added to the then applicable Liquidation Preference as of such Dividend Payment Date (in such case, a “**PIK Accrual**”). On any Dividend Payment Date that occurs at least two (2) years after the Issue Date, the Corporation, at its sole option, and in addition to any dividends payable pursuant to the preceding provisions of this Section 2.1, may elect to pay all or any portion of the aggregate PIK Accrual(s) that have accrued and been added to the Liquidation Preference (and not previously repaid pursuant to this sentence) up to such Dividend Payment Date, and the Liquidation Preference will be correspondingly decreased to reflect such cash payment.

2.2 Notwithstanding anything to the contrary herein, if any Preferred Shares are converted into Common Shares pursuant to Section 5 or are redeemed by the

Corporation pursuant to Section 6, accrued but unpaid dividends on such Preferred Shares will be calculated based on the number of whole days between the last Dividend Payment Date and the effective date of the applicable redemption, conversion, liquidation or Change of Control, and such accrued dividends shall be considered a PIK Accrual.

2.3 The Corporation shall not declare, pay or set aside any dividends on the Common Shares unless the holders of the Preferred Shares then outstanding shall first receive, or simultaneously receive, a dividend on each outstanding Preferred Share in an amount at least equal to the product of: (i) the dividend payable per Common Share and (ii) the Conversion Ratio, which dividend shall be in addition to any quarterly dividends required to be paid pursuant to Section 2.1. For greater certainty, the foregoing limitation shall not apply to dividends on Common Shares payable in Common Shares in respect of which any adjustment to the Conversion Price is made pursuant to Section 5.6.

2.4 The Corporation shall not declare, pay or set aside any dividends on the Common Shares if, immediately following the payment of such dividend, the Corporation would be unable to satisfy the Liquidation Preference.

3. Voting and Protective Provisions.

3.1 The holders of Preferred Shares shall be entitled to receive notice of, to attend and to vote, in person or by proxy, at all meetings of shareholders of the Corporation and shall vote with the Common Shares at any such meeting (or in respect of any written consent in lieu thereof) as a single class as if all Preferred Shares had converted into Common Shares in accordance with Section 5 as of the record date for determining shareholders entitled to vote on such matter or, if no such record date is established, the date such vote is taken or any written consent of shareholders is solicited. In addition, holders of the Preferred Shares shall be entitled to vote separately as a class as contemplated by Section 176 of the ABCA and where otherwise required by applicable law. If a separate class vote is required by law in respect of the Preferred Shares, each holder of Preferred Shares shall be entitled to one vote for each Preferred Share at any such meeting (or in respect of a written consent in lieu thereof).

3.2 At any time when Preferred Shares are outstanding, the Corporation shall not, either directly or indirectly by amendment, merger, amalgamation or otherwise, do any of the following without (in addition to any vote required by law or the Articles of the Corporation) the written consent or affirmative vote of the holders of a majority of the Preferred Shares then issued and outstanding, given in writing or by vote at a meeting, consenting or voting (as the case may be) separately as a class, and any such act or transaction entered into without such consent or vote shall be null and void *ab initio*, and of no force or effect:

3.2.1 amend, alter or repeal any provision of the Articles or by-laws of the Corporation in a manner adversely affecting the rights or privileges of the Preferred Shares; or

3.2.2 enter into a Change of Control transaction if each Common Share is valued at less than the then applicable Conversion Price in such transaction.

4. Liquidation Rights.

4.1 In the event of any liquidation, winding-up or dissolution of the Corporation, whether voluntary or involuntary (a “**Liquidation**”), the Holders of the Preferred Shares then outstanding shall be entitled to be paid a liquidating distribution (the “**Liquidation Distribution**”) out of the assets of the Corporation available for distribution to its shareholders before any payment shall be made to the holders of Junior Shares by reason of their ownership thereof, an amount per Preferred Share equal to the greater of (i) the Liquidation Preference and (ii) the amount such Preferred Share would have been entitled to receive had it been converted into Common Shares at the then applicable Conversion Ratio pursuant to Section 5 immediately prior to such Liquidation. If upon any such Liquidation, the assets of the Corporation available for distribution to its shareholders shall be insufficient to pay the holders of Preferred Shares the full amount to which they shall be entitled under this Section 4.1, the holders of Junior Shares shall not be entitled to receive any distributions and the holders of Preferred Shares shall share ratably in any of the assets available for distribution in proportion to the respective amounts that would otherwise be payable in respect of the Preferred Shares held by them upon such distribution if the Liquidation Distribution were paid in full.

4.2 In the event of any Liquidation, after the payment of the Liquidation Distribution with respect to all outstanding Preferred Shares, the remaining assets of the Corporation shall be distributed ratably among the holders of Common Shares.

5. Conversion.

5.1 The Holders shall have the right, at any time, to convert their Preferred Shares, in whole or in part, into that number of Common Shares for each Preferred Shares equal to the quotient of (i) the Liquidation Preference then in effect divided by (ii) the Conversion Price then in effect (such quotient, the “**Conversion Ratio**”). To convert Preferred Shares into Common Shares pursuant to this Section 5.1, such Holder shall give written notice (the “**Optional Conversion Notice**”) to the Corporation, which Optional Conversion Notice shall be irrevocable once delivered and shall be signed by such Holder or its duly authorized attorney or agent, stating that such Holder elects to so convert Preferred Shares. The Optional Conversion Notice shall state therein: (A) the number of Preferred Shares to be converted, (B) the name or names and address(es) in which such Holder wishes the Common Shares to be registered and delivered, (C) the Holder’s computation of the number of Common Shares to be received by such Holder, (D) the conversion date (the “**Optional Conversion Date**”), being a Business Day not less than two (2) nor, unless such conversion is contingent in accordance with clause (F) below, more than five (5) Business Days after the date upon which the Optional Conversion Notice is received by the Corporation (the “**Optional Conversion Notice Date**”), (E) the Conversion Price on the Optional Conversion Date and (F) whether the conversion is to be contingent (including as to timing) upon the closing of an underwritten offering of Common Shares for which the Preferred Shares will be converted or the closing of an announced arrangement, amalgamation, consolidation or other transaction or event to which the Corporation is a party in which the Common Shares would be exchanged or converted or become exchangeable for or convertible into cash or other securities or property. If no Optional Conversion Date is specified in the Optional Conversion Notice, the Optional Conversion Date shall be deemed to be the fifth Business Day after the Optional Conversion Notice Date. If a Holder

validly delivers the Optional Conversion Notice in accordance with this Section 5.1, the Corporation shall deliver the Common Shares on the Optional Conversion Date.

5.2 The Preferred Shares shall automatically convert as follows:

5.2.1 at any time after the second (2nd) anniversary of the Issue Date, in the event the Closing Sale Price is greater than 200% of the then-applicable Conversion Price for twenty (20) days over a thirty (30) day trading period (including the last Trading Day of such trading period) and the Corporation has an effective shelf prospectus covering resales of the underlying Common Shares to be received upon conversion of the Preferred Shares, all of the Preferred Shares that are outstanding at such time shall be automatically converted into Common Shares at the then applicable Conversion Ratio (the “**Mandatory Premium Conversion**”);

5.2.2 to the extent that the Common Shares are trading in excess of the then applicable Conversion Price on the date that is thirty (30) days prior to the Maturity Date, all of the Preferred Shares that are outstanding on the Maturity Date shall be automatically converted into that number of Common Shares at the then applicable Conversion Ratio (the “**Mandatory Maturity Conversion**”; and, together with the Mandatory Premium Conversion, the “**Mandatory Conversion**”) and Section 6.1 shall not apply;

5.3 The Corporation shall, within ten (10) days of the effective date of the Mandatory Conversion, give notice to each Holder stating that the Mandatory Conversion has been triggered, and shall state therein (A) the conversion date (the “**Mandatory Conversion Date**”), (B) the Conversion Ratio on the Mandatory Conversion Date, (C) the Corporation’s computation of the number of Common Shares to be received by the Holder, (D) the basis of satisfaction of the conditions for such Mandatory Conversion as set forth in Section 5.2 and (E) the surrender locations specified in Section 5.4 (if applicable). The Corporation shall deliver the Common Shares as soon as reasonably practicable, but not later than two Business Days after the Mandatory Conversion Date.

5.4 Upon conversion, each Holder shall surrender to the Corporation the certificates representing any Preferred Shares held in certificated form to be converted during usual business hours at its principal place of business or the offices of its duly appointed Transfer Agent maintained by it.

5.5 On the applicable Conversion Date, dividends shall cease to accrue on the Preferred Shares so converted and all other rights with respect to the Preferred Shares so converted, including the rights, if any, to receive notices, will terminate, except only the rights of Holders thereof to receive the number of Common Shares into which such Preferred Shares have been converted. As promptly as practical after the conversion of any Preferred Shares into Common Shares, the Corporation shall deliver or cause to be delivered to the applicable Holder a book-entry only statement evidencing the Common Shares to which such Holder is entitled. If less than all the Preferred Shares surrendered by a Holder pursuant to Section 5.3 are to be converted, the Holder shall be entitled to receive, at the expense of the Corporation, a new certificate or book-entry only statement evidencing the Preferred Shares that are not to be converted.

5.6 The Conversion Price shall be subject to the following adjustments:

5.6.1 If the Corporation pays a dividend (or other distribution) in Common Shares to all of the holders of the Common Shares, in their capacity as holders of Common Shares, then the Conversion Price in effect immediately following the record date for such dividend (or distribution) shall be adjusted in accordance with the following formula:

$$CP_1 = CP_0 \times \frac{OS_0}{OS_1}$$

where:

CP_0 = the Conversion Price in effect immediately prior to the opening of business on the record date for such dividend or distribution;

CP_1 = the Conversion Price in effect immediately after the open of business on record date for such dividend or distribution;

OS_0 = the number of Common Shares outstanding immediately prior to the record date for such dividend or distribution; and

OS_1 = the sum of (A) the number of Common Shares outstanding immediately prior to the record date for such dividend or distribution and (B) the total number of Common Shares constituting such dividend.

5.6.2 If the Corporation subdivides, combines or reclassifies the Common Shares into a greater or lesser number of Common Shares, then the Conversion Price in effect immediately following the effective date of such share subdivision, combination or reclassification shall be adjusted in accordance with the following formula:

$$CP_1 = CP_0 \times \frac{OS_0}{OS_1}$$

where:

CP_0 = the Conversion Price in effect immediately prior to the open of business on the effective date of such subdivision, combination or reclassification, as the case may be;

CP_1 = the Conversion Price in effect immediately after the open of business on the effective date of such subdivision, combination or reclassification, as the case may be;

OS_0 = the number of Common Shares outstanding immediately before giving effect to such subdivision, combination or reclassification; and

OS_1 = the number of Common Shares outstanding immediately after giving effect to such subdivision, combination or reclassification.

5.6.3 In the case of: (A) any recapitalization, reclassification or change of the Common Shares (other than changes resulting from a subdivision or combination), (B) any consolidation, merger, amalgamation or combination involving the Corporation, (C) any sale, lease or other transfer to a third party of the consolidated assets of the Corporation and its subsidiaries substantially as an entirety, or (D) any statutory share exchange, as a result of which the Common Shares are converted into, or exchanged for, shares, other securities, other property or assets (including cash or any combination thereof) (any such transaction or event, a “**Capital Reorganization**”), then, at and after the effective time of such Capital Reorganization, the right to exchange each Preferred Share shall be changed into a right to exchange such share into the kind and amount of shares, other securities or other property or assets (or any combination thereof) that a holder of a number of Common Shares equal to the Conversion Ratio immediately prior to such Capital Reorganization would have owned or been entitled to receive upon such Capital Reorganization (such shares, securities or other property or assets, the “**Reference Property**”). If the Capital Reorganization causes the Common Shares to be converted into, or exchanged for, the right to receive more than a single type of consideration (determined based in part upon any form of shareholder election), then the Reference Property into which the Preferred Shares will be exchangeable shall be deemed to be the weighted average of the types and amounts of consideration received by the holders of Common Shares that affirmatively make such an election. The Corporation shall notify Holders of such weighted average as soon as practicable after such determination is made. None of the foregoing provisions shall affect the right of a Holder of Preferred Shares to exercise its rights pursuant to Section 5.1 prior to the effective time of such Capital Reorganization. Notwithstanding Section 5.6.3 to 5.6.6, no adjustment to the Conversion Price shall be made for any Capital Reorganization to the extent shares, securities or other property or assets become the Reference Property receivable upon exchange of Preferred Shares.

The Corporation shall not enter into any agreement for a transaction constituting a Capital Reorganization unless (i) such agreement provides for or does not interfere with or prevent (as applicable) conversion of the Preferred Shares into the Reference Property in a manner that is consistent with and gives effect to this Section 5.6.3, and (ii) to the extent that the Corporation is not the surviving entity in such Capital Reorganization or will be dissolved in connection with such Capital Reorganization, proper provision shall be made in the agreements governing such Capital Reorganization for the conversion of the Preferred Shares into the Reference Property and, in the case of a Capital Reorganization constituting any sale, lease or other transfer to a third party of the consolidated assets of the Corporation and its subsidiaries substantially as an entirety, an exchange of Preferred Shares for the shares of the Person to whom the Corporation’s assets are conveyed or transferred, having voting powers, preferences, and other special rights as nearly equal as possible to those provided in these Articles.

5.6.4 In case the Corporation takes any action affecting the Preferred Shares or the Common Shares other than actions described in this Section 5.6, which in the opinion of the Board, would materially adversely affect the rights of the holders of the Preferred Shares (including their conversion rights), the Conversion Price will be adjusted in such manner and at such time, by action of the Board, subject to the prior written consent of the Securities Exchange on which the Common Shares are then listed if required, as the Board in its sole discretion may determine to be equitable in the circumstances.

5.6.5 Notwithstanding anything herein to the contrary, no adjustment under this Section 5.6 need be made to the Conversion Price unless such adjustment would require an increase or decrease of at least \$0.01. Any lesser adjustment shall be carried forward and shall be made at the time of and together with the next subsequent adjustment, if any, which, together with any adjustment or adjustments so carried forward, shall amount to an increase or decrease of at least \$0.01 of the Conversion Price.

5.6.6 Notwithstanding any other provisions of this Section 5.6, rights or warrants distributed by the Corporation to holders of Common Shares, in their capacity as holders of Common Shares, entitling the holders thereof to subscribe for or purchase shares in the capital of the Corporation (either initially or under certain circumstances), which rights or warrants, until the occurrence of a specified event or events ("**Trigger Event**"): (A) are deemed to be transferred with such Common Shares; (B) are not exercisable; and (C) are also issued in respect of future issuances of Common Shares, shall be deemed not to have been distributed for purposes of this Section 5.6 (and no adjustment to the Conversion Price under this Section 5.6 will be required) until the occurrence of the earliest Trigger Event, whereupon such rights and warrants shall be deemed to have been distributed and an appropriate adjustment (if any is required) to the Conversion Price shall be made under Section 5.6.1. In addition, in the event of any distribution (or deemed distribution) of rights or warrants, or any Trigger Event or other event with respect thereto that was counted for purposes of calculating a distribution amount for which an adjustment to an Conversion Price under this Section 5.6 was made, (1) in the case of any such rights or warrants that shall all have been redeemed or repurchased without exercise by any holders thereof, such Conversion Price shall be readjusted upon such final redemption or repurchase to give effect to such distribution or Trigger Event, as the case may be, as though it were a cash distribution, equal to the per share redemption or repurchase price received by a holder or holders of Common Shares with respect to such rights or warrants (assuming such holder had retained such rights or warrants), made to all holders of Common Shares as of the date of such redemption or repurchase, and (2) in the case of such rights or warrants that shall have expired or been terminated without exercise thereof, such Conversion Price shall be readjusted as if such expired or terminated rights and warrants had not been issued. To the extent that the Corporation has a rights plan or agreement in effect upon exchange of the Preferred Shares, which rights plan provides for rights or warrants of the type described in this clause, then upon exchange of Preferred Shares the Holder will receive, in addition to the Common Shares to which he is entitled, a corresponding number of rights in accordance with the rights plan, unless a Trigger Event has occurred and the adjustments to the Conversion Price with respect thereto have been made in accordance with the foregoing. In lieu of any such adjustment, the Corporation may amend such applicable stockholder rights plan or agreement to provide that upon exchange of the Preferred Shares the Holders will receive, in addition to the Common Shares issuable upon such exchange, the rights that would have attached to such Common Shares if the Trigger Event had not occurred under such applicable stockholder rights plan or agreement.

5.6.7 The Corporation reserves the right to make such reductions in the Conversion Price in addition to those required in the foregoing provisions as it considers advisable in order that any event treated for federal income tax purposes as a dividend of shares or share rights will not be taxable to the recipients. In the event the Corporation elects to make such a reduction in the Conversion Price, the Corporation shall comply with the requirements of any

securities laws and regulations thereunder if and to the extent that such laws and regulations are applicable in connection with the reduction of the Conversion Price.

5.7 If the Corporation shall take a record of the holders of its Common Shares for the purpose of entitling them to receive a dividend or other distribution on the Common Shares, and shall thereafter (and before the dividend or distribution has been paid or delivered to shareholders) abandon its plan to pay or deliver such dividend or distribution, then thereafter no adjustment in any Conversion Price then in effect shall be required by reason of the taking of such record.

5.8 Upon any increase or decrease in the Conversion Price, then, and in each such case, the Corporation promptly shall deliver to each Holder a certificate signed by an officer of the Corporation, setting forth in reasonable detail the event requiring the adjustment and the method by which such adjustment was calculated and specifying the increased or decreased Conversion Price then in effect following such adjustment.

5.9 The delivery of book-entry only notices for Common Shares upon the conversion of Preferred Shares shall be made without charge to the Holder or recipient of Preferred Shares, and such notices shall be delivered in the respective names of, or in such names as may be directed by, the applicable Holder.

6. Mandatory Redemption on Maturity Date.

6.1 Unless the Preferred Shares are converted pursuant to Section 5.2, on the Maturity Date, the Corporation shall redeem the outstanding Preferred Shares by issuing, in respect of each Preferred Share, a number of Common Shares equal to the then applicable Liquidation Preference divided by the VWAP for the 20 Trading Days immediately preceding the Maturity Date multiplied by 95% (the “**Maturity Redemption Price**”).

6.2 The Corporation shall give notice of such redemption to the Holders as such Holders’ names appear (as of the close of business on the Business Day next preceding the day on which notice is given) on the books of the Transfer Agent at the address of such Holders shown therein no more than sixty (60) days and no less than thirty (30) days prior to the Maturity Date. Such notice (the “**Maturity Redemption Notice**”) shall state: (i) the Maturity Date, (ii) the formula for determining the Maturity Redemption Price and (iii) the place where any Preferred Shares in certificated form are to be redeemed and shall be presented and surrendered for payment of the Maturity Redemption Price therefor. For the avoidance of doubt, in the event the Corporation gives a Maturity Redemption Notice and the Mandatory Maturity Conversion is subsequently triggered, the Maturity Redemption Notice shall be of no further force and effect and there shall be no redemption of the Preferred Shares.

6.3 After the Corporation gives a Maturity Redemption Notice, the Corporation shall provide the Transfer Agent with a treasury direction instructing the Transfer Agent to issue such number of Common Shares to the holders as is necessary to satisfy the Maturity Redemption Price. Upon the issuance of Common Shares representing the aggregate Maturity Redemption Price, such Preferred Shares shall be deemed to be redeemed.

7. No Fractional Shares. No fractional Common Shares or securities representing fractional Common Shares shall be delivered upon the conversion of the Preferred Shares, whether voluntary or mandatory. Instead, the Corporation shall round up to the next whole share the number of Common Shares to be delivered to any particular Holder upon such conversion.

8. Change of Control.

8.1 The Corporation shall provide written notice to the Holders advising of the particulars of any proposed Change of Control. Such notice shall be delivered to Holders at least fifteen Business Days prior to the proposed closing date for such Change of Control. The written notice to Holders shall provide at least the same level and amount of disclosure as the Corporation provides to holders of the Common Shares.

8.2 In connection with a Change of Control, the holders of a majority of the Preferred Shares then issued and outstanding shall have the right to elect, on behalf of all of the holders of Preferred Shares, and by notice to the Corporation within 10 Business Days following receipt of notice from the Corporation required by Section 8.1, to:

8.2.1 convert all of the Preferred Shares into Common Shares based on the then applicable Conversion Ratio in accordance with Section 5;

8.2.2 if the shareholders of the Corporation will continue to own a majority of the total voting power of the surviving entity following such Change of Control, to retain their Preferred Shares in accordance with their terms; or

8.2.3 if the shareholders of the Corporation will not continue to own a majority of the total voting power of the surviving entity following such Change of Control, receive an equity security in the surviving entity that has substantially the same rights, preferences and privileges as the Preferred Shares;

provided that in the event of a Change of Control or other business combination transaction involving the Corporation and any other Person (i) that is a holder of Preferred Shares or an Affiliate of a holder of Preferred Shares, or (ii) of which a holder of Preferred Shares or an Affiliate of a holder of Preferred Shares (A) is a "related party" (as that term is defined under Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions*), (B) owns, or controls or directs, directly or indirectly, through any number of intermediaries, 20% or more of the aggregate principal amount of the Person's outstanding debt securities or (C) owns, or controls or directs, directly or indirectly, through any number of intermediaries, 10% or more of the Person's outstanding non-voting equity securities, then no such election shall be available or made and each holder of Preferred Shares shall be entitled to receive, pursuant to the Change of Control or other business combination transaction, proceeds or consideration equal in value to the greater of (a) the Liquidation Preference and (b) the amount such holder would have been entitled to had the holder converted its Preferred Shares into Common Shares at the Conversion Ratio immediately prior to the Change of Control or other business combination transaction.

8.3 If an election is made pursuant to Section 8.2.1 convert all of the Preferred Shares into Common Shares in connection with a Change of Control, the Conversion Ratio shall be determined immediately prior to the consummation of the Change of Control and the effective date of conversion shall be the date and time immediately prior to the consummation of the Change of Control. In the event such Change of Control is not consummated in accordance with its terms, such conversion shall be of no force and effect.

8.4 For greater certainty, this Section 8 shall not affect or derogate in any manner the rights of the holders of the Preferred Shares to consent to a Change of Control in the circumstances set out in Section 3.2.2.

9. Adjustments for Splits and Combinations of Preferred Shares. In the event that the Corporation at any time or from time to time after the Issue Date effects a stock split, subdivision, reverse stock split, recapitalization, combination or reclassification of the outstanding Preferred Shares, then references to the number of Preferred Shares held by a Holder and the Liquidation Preference shall be appropriately adjusted to reflect such split, subdivision, stock dividend or combination.

10. Miscellaneous.

10.1 With respect to any notice to a Holder required to be provided hereunder, neither failure to mail such notice, nor any defect therein or in the mailing thereof, to any particular Holder shall affect the sufficiency of the notice or the validity of the proceedings referred to in such notice with respect to the other Holders or affect the legality or validity of any vote upon any such action (assuming due and proper notice to such other Holders). Any notice which was mailed in the manner herein provided shall be conclusively presumed to have been duly given whether or not the Holder receives the notice.

10.2 Preferred Shares that have been issued and reacquired by the Corporation in any manner, including Preferred Shares purchased or redeemed or exchanged or converted, shall (upon compliance with any applicable provisions of the laws of the Province of Alberta) upon such reacquisition be automatically cancelled by the Corporation and shall not be reissued.

10.3 The Preferred Shares shall be issuable only in whole shares.

10.4 All Common Shares issued upon conversion of the Preferred Shares will, upon issuance by the Corporation, be duly and validly issued, as fully paid and non-assessable Common Shares.

10.5 All notice periods referred to herein shall commence: (i) when made, if made by hand delivery, and upon confirmation of receipt, if made by email or facsimile; (ii) one Business Day after being deposited with a nationally recognized next-day courier, postage prepaid; or (iii) three Business Days after being deposited in the mail by first-class mail, postage prepaid. Notice to any Holder shall be given to the registered address set forth in the Corporation's records for such Holder.

10.6 Any payments required to be made hereunder on any day that is not a Business Day shall be made on the next succeeding Business Day without interest or additional payment for such delay. All payments required hereunder shall be made by wire transfer of immediately available funds in Canadian Dollars to the Holders in accordance with the payment instructions as such Holders may deliver by written notice to the Corporation from time to time.

10.7 For the purposes of Section 191(4) of the Tax Act, the “specified amount” in respect of each Preferred Share shall be \$970.00.

10.8 The Corporation shall be entitled to deduct and withhold from any dividends paid on the Preferred Shares or consideration payable to any Holder pursuant to a disposition or conversion of the Preferred Shares, such amounts as the Corporation is required to deduct and withhold with respect to such payment under the Tax Act, provided, however, that Corporation shall cooperate with the Holders in obtaining a certificate issued under subsection 116(2) or 116(4) of the Tax Act (a “**Clearance Certificate**”) with respect to any disposition or conversion of Preferred Shares and shall permit the Holders to provide reasonable security for payment of any withholding obligation of the Corporation under section 116 of the Tax Act until a Clearance Certificate is issued or for any period during which the Canada Revenue Agency shall permit funds to be held and not remitted. To the extent that amounts are so withheld, such withheld amounts shall be treated as having been paid to the Holder in respect of whom such deduction and withholding was made, provided that such withheld amounts are actually remitted to the appropriate taxing authority.

10.9 All dollar amounts specified in this Part B are in Canadian Dollars.

SCHEDULE “B”

FORM OF REGISTRATION RIGHTS AGREEMENT

(see attached)

REGISTRATION RIGHTS AGREEMENT

AMONG

[RIVERSTONE ENTITY]

– and –

GMT CAPITAL CORP.

– and –

PIPESTONE ENERGY CORP.

[●], 2020

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REGISTRATION RIGHTS AGREEMENT

THIS REGISTRATION RIGHTS AGREEMENT dated [●], 2020 (the “**Agreement**”)

AMONG:

[**RIVERSTONE ENTITY**], a ● (including its successors and assigns, “**Riverstone**”)

- and -

GMT CAPITAL CORP., a corporation formed under the laws of the State of Georgia (including its successors and assigns, “**GMT Capital**”)

- and -

PIPESTONE ENERGY CORP., a corporation amalgamated under the laws of the Province of Alberta (the “**Corporation**”)

(collectively, the “**Parties**” and each of them a “**Party**”)

RECITALS:

- A. as of the date hereof, Riverstone is the registered or beneficial owner of [●] convertible preferred shares in the capital of the Corporation (the “**Preferred Shares**”), representing [●]% of the issued and outstanding Preferred Shares;
- B. as of the date hereof, Bay Resource Partners LP, Bay II Resource Partners LP, Bay Resource Partners Offshore Master Fund LP and Thomas E Clausus, being funds or accounts managed by GMT Capital, and GMT Exploration Company LLC (collectively, the “**GMT Entities**”) are the registered or beneficial owners of an aggregate of [●] Preferred Shares, representing [●]% of the issued and outstanding Preferred Shares;
- C. the Preferred Shares are convertible into Common Shares (as defined herein) subject to the terms and conditions as set out in the articles of the Corporation;
- D. as of the date hereof, Riverstone is, directly or indirectly, the registered or beneficial owner of [●] Common Shares on an as-converted basis;
- E. as of the date hereof, the GMT Entities are the registered or beneficial owners of an aggregate of [●] Common Shares on an as-converted basis;
- F. the Corporation is a party to the registration rights agreement dated January 4, 2019 between Canadian Non-Operated Resources L.P. (“**CNOR**”) and the Corporation (the “**CNOR Registration Rights Agreement**”); and
- G. the Corporation has obtained the consent of CNOR prior to granting Riverstone and GMT Capital the rights set forth herein;

NOW THEREFORE in consideration of the premises and the mutual covenants and agreements herein contained, the sufficiency of which is hereby acknowledged by each of the Parties to this Agreement, the Parties agree as follows:

ARTICLE 1 DEFINITIONS AND INTERPRETATION

1.1 Definitions

Whenever used in this Agreement, the following words and terms have the respective meanings set out below:

“Affiliate” of any Person means another Person that would be considered to be an affiliate of such first mentioned Person for the purposes of the *Securities Act* (Alberta), and in the case of Riverstone or GMT Capital (as applicable), includes, for the avoidance of doubt, any other investment vehicle sponsored, managed or co-managed by Riverstone or GMT Capital, as applicable; and in the case of GMT Capital shall be deemed to include, for the purposes of this Agreement, each of the GMT Entities;

“Base Shelf Prospectus” has the meaning ascribed thereto in Section 3.1(k)(i);

“Blackout Period” has the meaning ascribed thereto in Section 3.1(e);

“Board of Directors” or the **“Board”** means the Corporation’s board of directors;

“Business Day” means any day other than a Saturday, Sunday or a holiday on which banks in Calgary, Alberta, New York, New York or Atlanta, Georgia are closed for commercial business during regular banking hours;

“Canadian Demand Distribution Right” has the meaning ascribed thereto in Section 3.1(a)(i);

“Canadian Offering” has the meaning ascribed thereto in Section 3.2(a)(A);

“Canadian Securities Commissions” means the securities commissions or other similar regulatory bodies of each of the provinces of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, New Brunswick, Nova Scotia, Prince Edward Island, Newfoundland and Labrador, and any other province or territory of Canada in which the Corporation may become a “reporting issuer” under Canadian Securities Laws at the relevant time;

“Canadian Securities Laws” means all applicable securities Laws and policies in the relevant provinces and/or territories of Canada and the respective regulations and rules thereunder together with applicable published policy statements, notices and orders of the applicable Canadian Securities Commissions;

“CNOR” has the meaning ascribed thereto in the recitals;

“CNOR Registration Rights Agreement” has the meaning ascribed thereto in the recitals;

“Common Shares” means the common shares in the capital of the Corporation, and includes such other securities resulting from any conversion, subdivision, redivision, redesignation,

reclassification or combination of, or consolidation, merger, amalgamation, arrangement, business combination or reorganization involving, the Common Shares;

“Corporation Claims” has the meaning ascribed thereto in Section 5.2;

“Corporation Indemnitees” has the meaning ascribed thereto in Section 5.2;

“Demand Prospectus Shares” has the meaning ascribed thereto in Section 3.1(a)(i);

“Demand Registration” has the meaning ascribed thereto in Section 3.1(a)(ii);

“Demand Registration Shares” has the meaning ascribed thereto in Section 3.1(a)(ii);

“Distribution”, “Distribute” and “Distributed” means the distribution of securities of the Corporation in one or more of the provinces and territories of Canada by way of a public offering pursuant to a Prospectus prepared in accordance with applicable Canadian Securities Laws;

“FINRA” means the Financial Industry Regulatory Authority, Inc.;

“GMT Entities” has the meaning ascribed thereto in the recitals;

“Governmental Authority” means any nation or government, any federal, state, regional, provincial, territorial, local or other political subdivision thereof, and any entity or official exercising executive, legislative, judicial, quasi-judicial, regulatory or administrative functions of or pertaining to government;

“Initial U.S. Public Offering” means the initial Registered public offering and sale of Common Shares in the United States;

“Investor Claims” has the meaning ascribed thereto in Section 5.1;

“Investor Indemnitees” has the meaning ascribed thereto in Section 5.1;

“Investors” means, collectively, Riverstone and GMT Capital, and **“Investor”** means either of them;

“Laws” means all laws, bylaws, statutes, rules, regulations, orders, rulings, instruments, ordinances, codes, judgements, decrees and the terms and conditions of any grant of approval, permission, authority, permit or licence of any Governmental Authority (including any stock exchange), and the term **“applicable”** with respect to such Laws, including Canadian Securities Laws, and in a context that refers to one or more Parties, means such Laws as are applicable to such Party or its business, undertaking, property, assets, interests or securities and emanate from a Person having jurisdiction over the Party or Parties or its or their business, undertaking, property or securities;

“Person” means any natural person, body corporate, corporation, limited liability company, joint stock company, joint venture, association, company, estate, trust, bank trust company, land trust, business trust, or other organization, whether or not a legal entity, custodian, trustee, executor, administrator, nominee or entity in a representative capacity and any Governmental Authority;

“Piggyback Investor” has the meaning ascribed thereto in Section 3.2(a);

“Piggyback Notice” has the meaning ascribed thereto in Section 3.2(a);

“Preferred Shares” has the meaning ascribed thereto in the recitals;

“Prospectus” has the meaning ascribed thereto in Section 3.1(a)(i);

“Prospectus Request” has the meaning ascribed thereto in Section 3.1(a)(i);

“Qualification Expenses” means all expenses incurred by the Corporation, Riverstone and GMT Capital to comply with the provisions of Sections 3.1 and 3.2, including all filing fees, printing expenses, stock exchange fees, fees and disbursements of counsel to the Corporation, reasonable and documented fees and disbursements of counsel to Riverstone and/or GMT Capital, respectively, blue sky fees and expenses, and the expense of any special auditors or engineering reports incident to or required in connection with any Prospectus or Registration; provided, however, that all underwriter, agent or dealer commissions, fees or discounts shall in all cases not form part of the Qualification Expenses;

“Register”, “Registered” and “Registration” means the offering and sale of securities in the United States pursuant to a Registration Statement that becomes effective pursuant to the U.S. Securities Act or the U.S. Exchange Act (and any post-effective amendments filed or required to be filed);

“Registration Request” has the meaning ascribed thereto in Section 3.1(a)(ii);

“Registration Statement” means a registration statement (including a shelf registration statement) filed with the SEC in compliance with the U.S. Securities Act or the U.S. Exchange Act;

“Rule 144” has the meaning ascribed thereto in Section 4.1(a);

“SEC” means the United States Securities and Exchange Commission;

“Shares” means, collectively, the Preferred Shares and the Common Shares;

“shelf prospectus supplement” has the meaning attributed thereto in National Instrument 44-102 - *Shelf Distributions*;

“Shelf Registration Statement” has the meaning ascribed thereto in Section 3.1(l)(i);

“short form prospectus” has the meaning attributed thereto in National Instrument 44-101 - *Short Form Prospectus Distributions*;

“Supplemental Prospectus Notice” has the meaning attributed thereto in Section 3.2(b);

“Supplemental Prospectus Shares” has the meaning attributed thereto in Section 3.2(b)(i);

“U.S. Demand Registration Right” has the meaning attributed thereto in Section 3.1(a)(ii);

“**U.S. Exchange Act**” means the United States Securities Exchange Act of 1934, as amended, restated, replaced or re-enacted from time to time, and any successor statute thereto, and the rules and regulations of the SEC thereunder as the same shall be in effect from time to time;

“**U.S. Registration**” has the meaning attributed thereto in Section 3.2(a)(B);

“**U.S. Securities Act**” means the United States Securities Act of 1933, as amended, restated, replaced or re-enacted from time to time, and any successor statute thereto, and the rules and regulations of the SEC thereunder as the same shall be in effect from time to time; and

“**Valid Business Reason**” has the meaning attributed thereto in Section 3.1(e).

1.2 Interpretation

In this Agreement:

- (a) Consent - Whenever a provision of this Agreement requires an approval or consent and such approval or consent is not delivered within the applicable time limit, then, unless otherwise specified, the Party whose consent or approval is required shall be conclusively deemed to have withheld its approval or consent.
- (b) Currency - Unless otherwise specified, all references to money amounts are to the lawful currency of Canada.
- (c) Headings - Headings of Articles, Sections and Subsections are inserted for convenience of reference only and shall not affect the construction or interpretation of this Agreement.
- (d) Including - Where the word “including” or “includes” is used in this Agreement, it shall be construed to be expansive rather than limiting in nature and shall mean “Including (or includes) without limitation”.
- (e) No Strict Construction - The language used in this Agreement is the language chosen by the Parties to express their mutual intent, and no rule of strict construction shall be applied against any Party.
- (f) Number and Gender - Unless the context otherwise requires, words importing the singular include the plural and *vice versa* and words importing gender include all genders.
- (g) Time - Time is of the essence in the performance of the Parties’ respective obligations.
- (h) Time Periods - Unless otherwise specified, time periods within or following which any payment is to be made or act is to be done shall be calculated by excluding the day on which the period commences and including the day on which the period ends and by extending the period to the next Business Day following if the last day of the period is not a Business Day.

- (i) Statutory References - Any reference to a statute or regulation shall mean the statute or regulation in force as at the date of this Agreement (together with all regulations promulgated under such statute) as the same may be amended, re-enacted, consolidated or replaced from time to time, and any successor statute or regulation thereto, unless otherwise stated.
- (j) As-Converted Basis - For the purposes of this Agreement, whenever the number of Common Shares is to be determined on an as-converted basis, the number of Common Shares to be used for the purpose of such determination shall equal the number of Common Shares actually issued and outstanding at such time plus the aggregate number of Common Shares issuable at the applicable time assuming the immediate conversion of all outstanding Preferred Shares (but not, for certainty, any other securities of the Corporation that are convertible, exercisable or exchangeable for or into Common Shares), after giving effect to any adjustments contained in the articles of the Corporation relating to the Preferred Shares, including in the event of share splits, share combinations, share dividends, share reclassifications and similar events.
- (k) Participating Investor – Any references to a "participating Investor" means an Investor exercising its demand rights under Section 3.1 or piggyback rights under Section 3.2.

ARTICLE 2

REPRESENTATIONS AND WARRANTIES

2.1 Representations and Warranties of Riverstone

Riverstone represents and warrants to the Corporation that:

- (a) it is duly organized and validly existing under the laws of its jurisdiction of formation and that it has the power and capacity to enter into and perform its obligations under this Agreement;
- (b) this Agreement has been duly authorized by Riverstone and duly executed and delivered by it and constitutes a valid and binding obligation of Riverstone, enforceable against it in accordance with its terms, except as may be limited by bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium, and similar laws relating to or affecting creditors' rights generally and general equitable principles (whether considered in a proceeding in equity or at law), in each case now or hereafter in effect; and
- (c) the execution, delivery and performance of this Agreement does not and will not contravene the provisions of its articles, bylaws, constating documents or other organizational documents or the documents by which it was created or established or the provisions of any indenture, agreement or other instrument to which Riverstone is a party or by which it may be bound.

2.2 Representations and Warranties of GMT Capital

GMT Capital represents and warrants to the Corporation that:

- (a) it is duly organized and validly existing under the laws of its jurisdiction of formation and that it has the power and capacity to enter into and perform its obligations under this Agreement;
- (b) this Agreement has been duly authorized by GMT Capital and duly executed and delivered by it and constitutes a valid and binding obligation of GMT Capital, enforceable against it in accordance with its terms, except as may be limited by bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium, and similar laws relating to or affecting creditors' rights generally and general equitable principles (whether considered in a proceeding in equity or at law), in each case now or hereafter in effect; and
- (c) the execution, delivery and performance of this Agreement does not and will not contravene the provisions of its articles, bylaws, constating documents or other organizational documents or the documents by which it was created or established or the provisions of any indenture, agreement or other instrument to which GMT Capital is a party or by which it may be bound.

2.3 Representations and Warranties of the Corporation

The Corporation represents and warrants each of Riverstone and GMT Capital that:

- (a) it is duly organized and validly existing under the laws of Alberta and has the corporate power and capacity to enter into and perform its obligations under this Agreement;
- (b) this Agreement has been duly authorized by the Corporation and duly executed and delivered by it and constitutes a valid and binding obligation of the Corporation, enforceable against it in accordance with its terms, except as may be limited by bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium, and similar laws relating to or affecting creditors' rights generally and general equitable principles (whether considered in a proceeding in equity or at law), in each case now or hereafter in effect;
- (c) the execution, delivery and performance of this Agreement does not and will not contravene the provisions of its articles, bylaws, constating documents or other organizational documents or the documents by which it was created or established or the provisions of any indenture, agreement or other instrument to which the Corporation is a party or by which it may be bound; and
- (d) no other Person has prospectus qualification or registration rights with respect to any of the Corporation's securities other than those set out in the CNOR Registration Rights Agreement.

ARTICLE 3 REGISTRATION RIGHTS

3.1 Demand Registration Rights

- (a) Each Investor shall have the right at any time and from time to time during the term of this Agreement, provided such Investor, directly or indirectly, together with or through Affiliates of such Investor, owns or exercises control or direction in the aggregate of 10% or more of the Common Shares then issued and outstanding, determined on an as-converted basis:
 - (i) to make a written request (a “**Prospectus Request**”) that the Corporation effect the filing of a preliminary prospectus and a final prospectus (collectively, a “**Prospectus**”) with any of the Canadian Securities Commissions to qualify for Distribution any or all Common Shares beneficially owned by such Investor, directly or indirectly, together with or through Affiliates of such Investor (the Common Shares so requested to be qualified are the “**Demand Prospectus Shares**”, and the right of such Investor to make such a request under this Section 3.1(a)(i) is the “**Canadian Demand Distribution Right**”); provided, that, if at such time the Corporation is eligible to file a short form prospectus (or comparable form) under Canadian Securities Laws, such Investor shall be entitled to request that the Prospectus to be filed by the Corporation pursuant to the Prospectus Request be a short form prospectus or, in the event that the Corporation has received a final receipt from any of the Canadian Securities Commissions for a Base Shelf Prospectus (as defined below) which qualifies the Distribution of, among any other securities of the Corporation, Common Shares, such Investor shall be entitled, pursuant to the Prospectus Request, to request that the Corporation file a shelf prospectus supplement for the purposes of the Distribution of the Demand Prospectus Shares in any of the jurisdictions in Canada in which a final receipt for such Base Shelf Prospectus has been issued, and in such event, such shelf prospectus supplement shall be deemed to be a Prospectus for the purposes of this Section 3.1; or
 - (ii) if (but only if) the Corporation has completed an Initial U.S. Public Offering, to make a written request (a “**Registration Request**”) that the Corporation effect a Registration (a “**Demand Registration**”) of any or all Common Shares beneficially owned by such Investor, directly or indirectly, together with or through Affiliates of such Investor (the Common Shares so requested to be Registered are the “**Demand Registration Shares**”, and the right of such Investor to make such a request under this Section 3.1(a)(ii) is the “**U.S. Demand Registration Right**”); provided, that, such Investor shall be entitled to request that such Demand Registration be a “shelf” registration pursuant to Rule 415 under the U.S. Securities Act or the multijurisdictional disclosure system, covering any or all of its Common Shares;

all in accordance with this Article 3; provided, however that, in each case, such request shall: (A) specify the number of Common Shares that such Investor (or Affiliates thereof, as applicable) intends to offer and sell; (B) specify the intended method of disposition of Common Shares (which may include by way of an underwritten public offering) by such Investor; (C) specify the jurisdiction(s) in which such offering and sale shall be made; (D) contain the undertaking of such Investor to provide all such information regarding itself, its shareholdings and the proposed manner of Distribution or Registration as may be required under applicable securities Laws; and (E) cover in the aggregate at least a number of Common Shares that would reasonably be expected to result in gross sale proceeds to such Investor and its Affiliates, as applicable, and all other parties selling Common Shares in such offering of at least \$25 million.

- (b) Subject to Section 3.1(a), if the Canadian Demand Distribution Right is exercised, the Corporation shall take the applicable actions set forth in Section 3.3 and, in a timely manner, use reasonable commercial efforts to cause the Demand Prospectus Shares to be qualified for Distribution pursuant to a Prospectus filed with the applicable Canadian Securities Commissions pursuant to the Prospectus Request and to effect and to comply with all such regulatory qualifications, compliances and requirements applicable to the Corporation as may be necessary to permit the offering and sale or other transfer of the Demand Prospectus Shares in the manner described in the Prospectus Request.
- (c) Subject to Section 3.1(a), if the U.S. Demand Registration Right is exercised, the Corporation shall take the applicable actions set forth in Section 3.3 and, as promptly as possible, use reasonable commercial efforts to effect the Registration of the Demand Registration Shares (including the execution of an undertaking to file post-effective amendments, appropriate qualification under applicable blue sky or other state securities laws and appropriate compliance with applicable regulations issued under the U.S. Securities Act or the U.S. Exchange Act) so as to permit or facilitate the sale and distribution of the Demand Registration Shares in the manner described in the Registration Request.
- (d) The Corporation shall not be obliged to:
 - (i) fulfill more than three (3) Prospectus Requests or Registration Requests made by Riverstone in aggregate or more than two (2) Prospectus Requests or Registration Requests made by Riverstone in any 12-month period,
 - (ii) fulfill more than two (2) Prospectus Request or Registration Request made by GMT Capital in aggregate;
 - (iii) file a Prospectus or effect a Demand Registration during the period ending 90 days after completion of an offering by the Corporation pursuant to a Prospectus or Registration Statement filed under applicable securities Laws, except, in each case, as may be otherwise agreed by the Corporation and the underwriters managing such offering;

provided, that for purposes of this Section 3.1(d), a Prospectus Request or Registration Request shall only be deemed to have been fulfilled (A) upon the Prospectus having been filed and, as applicable, a receipt therefor having been issued (in the case of a Prospectus Request), or the Registration Statement having become effective (in the case of a Registration Request), and (B) provided that, in either case, the Prospectus or Registration Statement, as applicable, qualified for Distribution all of the Demand Prospectus Shares or Registered all of the Demand Registration Shares, as applicable, requested to be so included, and the Corporation having otherwise complied with its obligations hereunder.

(e) The Corporation shall have the right to delay the filing or effectiveness of a Prospectus or a Registration Statement, respectively, required pursuant to this Section 3.1, or suspend the use thereof, for a period of no more than 90 days in any 365-day period (a “**Blackout Period**”) in the event that:

- (i) the Corporation would, in accordance with the written advice of its counsel, be required to disclose in a Prospectus or Registration Statement material information not otherwise then required by applicable Law to be publicly disclosed; or
- (ii) in the reasonable judgment of the Board, there is a reasonable likelihood that such disclosure, or any other action to be taken in connection with the Prospectus or Registration Statement, would materially interfere with any material financing, acquisition, disposition, merger, business combination or similar transaction involving the Corporation;

((i) and (ii) together being a “**Valid Business Reason**”); provided, however, that during such Blackout Period the Corporation shall not file a Prospectus or effect a Registration Statement other than a Prospectus or Registration Statement relating to the transaction that constitutes the Valid Business Reason (in which case the provisions in Section 3.2 relating to piggyback rights shall apply). The Corporation shall promptly give each participating Investor written notice of the determination to delay or suspend as described above, containing a general statement of the reasons for such delay and suspension and an approximation of the anticipated delay or suspension. The Corporation shall promptly provide each participating Investor with written notice at such time that the Valid Business Reason for such delay or suspension no longer exists. If the Corporation delays the filing or effectiveness of a Prospectus or Registration Statement pursuant to this Section 3.1(e), the Corporation shall not be entitled to again delay the filing or effectiveness of a Prospectus or Registration Statement required pursuant to this Section 3.1 for a period of 90 days after the expiration of such Blackout Period.

(f) Other than the Investors, no additional shareholders of the Corporation shall be permitted to sell any Common Shares or other securities of the Corporation as part of any Distribution or Registration to which this Section 3.1 or Section 3.2 applies unless, and only to the extent that and on the terms to which, Riverstone consents in writing.

- (g) Each Investor agrees to use commercially reasonable efforts to assist the Corporation with a Distribution or Registration with respect to which it is a participating Investor, to the extent reasonably necessary for the completion of such Distribution or Registration.
- (h) In connection with any Prospectus filing or Demand Registration pursuant to this Section 3.1 and subject to Section 3.3(d), the Investor exercising its demand rights under this Section 3.1 shall have the right to designate the lead underwriter in connection with such filing or registration and each other underwriter for such filing or registration, in each case, after consultation with the Corporation.
- (i) All Qualification Expenses incurred in connection with any Distribution or Registration pursuant to this Section 3.1 shall be borne by the Corporation, and all underwriter, agent or dealer commissions, fees or discounts applying to any Common Shares sold by a Person pursuant to such Distribution or Registration shall be borne by the Person selling such Common Shares.
- (j) The Corporation shall not grant or issue any prospectus qualification or registration rights to any Person (other than those set out in the CNOR Registration Rights Agreement) without the prior written consent of each Investor that, directly or indirectly, together with or through Affiliates of such Investor, owns or exercises control or direction in the aggregate of 10% or more of the Common Shares then issued and outstanding, determined on an as-converted basis, which consent shall not be unreasonably withheld; provided always that, if any such rights are issued in accordance with this Section 3.1(j), each Investor shall remain entitled to exercise the piggyback rights as set forth in Section 3.2 in respect of a prospectus qualification or registration by any such Person and demand rights as set forth in this Section 3.1.
- (k) Subject to Section 3.1(a), the Corporation shall, as promptly as practicable upon receipt of a Prospectus Request from an Investor:
 - (i) file and use commercially reasonable efforts to obtain a receipt for a preliminary short form base shelf prospectus (the “**Base Shelf Prospectus**”) pursuant to the shelf prospectus provisions of National Instrument 44-102 – *Shelf Distributions*, or any successor rule, regulation or similar instrument established from time to time, to qualify the Distribution of any or all Common Shares beneficially owned by the Investors, directly or indirectly, together with or through Affiliates of the Investors, in all the provinces and territories of Canada where the Corporation is then a reporting issuer;
 - (ii) file and use commercially reasonable efforts to obtain a receipt for a final Base Shelf Prospectus in those jurisdictions described in (i) above; and
 - (iii) use commercially reasonable efforts to keep the Base Shelf Prospectus continuously effective and, prior to the expiry of the initial Base Shelf Prospectus and until neither Investor is entitled to exercise the Canadian Demand Distribution Right, file and maintain in effect successive Base Shelf Prospectuses thereto.

- (l) Subject to Section 3.1(a), the Corporation shall, as promptly as practicable upon receipt of a Demand Registration from an Investor following an Initial U.S. Public Offering at a time when the Corporation is eligible to use a Registration Statement on Form S-3 (or a similar successor form):
 - (i) file with the SEC a “shelf” registration statement under the U.S. Securities Act to permit the resale of all Common Shares beneficially owned by the Investors, directly or indirectly, together with or through Affiliates of such Investor, from time to time as permitted by Rule 415 under the U.S. Securities Act (or any similar provision adopted and then in effect) (the “**Shelf Registration Statement**”);
 - (ii) use commercial reasonable efforts to cause such Shelf Registration Statement to become or be declared effective as soon as practicable after the filing thereof; and
 - (iii) use commercially reasonable efforts to cause the Shelf Registration Statement to remain effective, and to be supplemented and amended to the extent necessary to ensure that the Shelf Registration Statement is available or, if not available, that another Registration Statement is available, for the resale of all the Common Shares beneficially owned by the Investors, directly or indirectly, together with or through Affiliates of the Investors, until neither Investor is entitled to exercise the U.S. Demand Registration Right.

3.2 Piggyback Rights

- (a) If (i) either Investor exercises the Canadian Demand Distribution Right or the U.S. Demand Registration Right pursuant to Section 3.1 or (ii) the Corporation proposes to:
 - (A) file a Prospectus, including, for the purposes of this Section 3.2, if applicable, a short form prospectus or shelf prospectus supplement, with any of the Canadian Securities Commissions to qualify the Distribution of any Common Shares to be issued by the Corporation (a “**Canadian Offering**”), or
 - (B) file a Registration Statement with the SEC to Register any Common Shares (including in connection with an Initial U.S. Public Offering by the Corporation) (other than a Registration Statement on Form F-9 or Forms F-4, F-8, F-80, S-4, S-8 or any successor forms thereto or solely in connection with an exchange offer, business combination or any employee benefit plan (including on Form F-10)) (a “**U.S. Registration**”);

then the Corporation shall give written notice (a “**Piggyback Notice**”) to:

- (1) the Investor who has not exercised the Canadian Demand Distribution Right or the U.S. Demand Registration Right

(in the case of the exercise of the rights under Section 3.1);
or

- (2) each Investor (in the case of a Canadian Offering or a U.S. Registration);

(the “**Piggyback Investors**”)

prior to the filing of any Prospectus with any of the Canadian Securities Commissions to be used in connection with the exercise of the Canadian Demand Distribution Right or a Canadian Offering, as applicable, or the filing of any Registration Statement with the SEC to be used in connection with the exercise of the U.S. Demand Registration Right or a U.S. Registration, as applicable, indicating its intention to so file a Prospectus or Registration Statement, and specifying the time by which the Supplemental Prospectus Notice referred to in Section 3.2(b) below must be returned to the Corporation, which, in the case of a “bought deal” or “overnight block trade” offering, shall be no earlier than 5:00 p.m. (Calgary time) on the Business Day following the day on which the Piggyback Notice is provided to the Piggyback Investors, and in the case of an offering conducted otherwise than on a “bought deal” or “overnight block trade” basis, shall be not less than ten (10) days following the day on which the Piggyback Notice is provided to the Piggyback Investors.

- (b) If a Piggyback Notice shall have been so given, each Piggyback Investor, at its election, may give to the Corporation a written notice (a “**Supplemental Prospectus Notice**”):
- (i) specifying the number of Common Shares (“**Supplemental Prospectus Shares**”) proposed to be sold or otherwise transferred by such Investor (or Affiliates thereof, as applicable);
 - (ii) requesting the inclusion thereof for Distribution under the Prospectus or for Registration under the Registration Statement, as applicable, as is contemplated by such Piggyback Notice; and
 - (iii) containing an undertaking of such Investor to provide all such information regarding itself, its shareholdings and the proposed manner of Distribution or Registration as may be required under applicable securities Laws;

provided, however that such Supplemental Prospectus Notice shall be so given by such Piggyback Investor not later than the date specified in the Piggyback Notice, which date shall reasonably take into account the circumstances related to the offering.

- (c) From and after receipt of a Supplemental Prospectus Notice given by a Piggyback Investor in connection with a Canadian Demand Distribution Right or a Canadian Offering, the Corporation shall take the applicable actions set forth in Section 3.3 and in a timely manner use its commercially reasonable efforts to cause the Supplemental Prospectus Shares of the Piggyback Investor(s) (or Affiliates thereof,

as applicable) to be qualified for Distribution pursuant to the Prospectus filed with the Canadian Securities Commissions in connection with the exercise of such Canadian Demand Distribution Right or such Canadian Offering, and to effect and to comply with all such regulatory qualifications, compliances and requirements as may be necessary to permit the offering and sale or other transfer of the Supplemental Prospectus Shares, including pursuant to any underwriting of the Canadian Offering.

- (d) From and after receipt of a Supplemental Prospectus Notice given by the Piggyback Investor in connection with a U.S. Demand Registration Right or a U.S. Registration, the Corporation shall take the applicable actions set forth in Section 3.3 and in a timely manner use its commercially reasonable efforts to include in such Registration (and any related qualification under blue sky laws or other compliance), and in any underwriting involved therein, the Supplemental Prospectus Shares of the Piggyback Investor(s) (or Affiliates thereof, as applicable) so as to permit or facilitate the sale and distribution of such Supplemental Prospectus Shares.
- (e) If the lead underwriter(s) of such offering advises the Corporation and the participating Investor(s) participating in such offering that the inclusion of some or all of the Supplemental Prospectus Shares would, in such lead underwriter's reasonable judgment, materially interfere with the proposed Distribution or Registration, as applicable, or exceed the number of Common Shares which can be sold in an orderly manner in such offering within a price range acceptable to the Corporation in the case of a Canadian Offering or U.S. Registration, or to the initiating Investor that exercised the Canadian Demand Distribution Right or the U.S. Demand Registration Right, as the case may be, then the number of Common Shares that may be included shall be allocated as follows:
 - (i) in the case of a Canadian Offering or a U.S. Registration, (A) first to the Corporation, and (B) second to the Piggyback Investors on a *pro rata* basis in relation to the number of Common Shares owned by such Piggyback Investors, directly or indirectly, together with or through Affiliates of the Piggyback Investors, on an as-converted basis; or
 - (ii) in the case of an offering proposed by an Investor by way of the exercise of the Canadian Demand Distribution Right or the U.S. Demand Registration Right, (A) first to such initiating Investor, and (B) second to any Piggyback Investors on a *pro rata* basis in relation to the number of Common Shares owned by such Piggyback Investors, directly or indirectly, together with or through Affiliates of the Piggyback Investors, on an as-converted basis.
- (f) Notwithstanding any of the provisions contained in this Section 3.2, the Corporation shall have the right to delay or abandon any Canadian Offering or U.S. Registration proposed by it pursuant to Section 3.2(a) at any time in the event that the Board determines in good faith that such delay or abandonment is in the best interests of the Corporation, and the Corporation shall have no obligations or liabilities hereunder upon any such determination other than to bear all of the

Qualification Expenses incurred with respect to such delayed or abandoned Canadian Offering or U.S. Registration.

- (g) All Qualification Expenses incurred in connection with any Distribution or Registration pursuant to this Section 3.2 shall be borne by the Corporation, and all underwriter, agent or dealer commissions, fees or discounts applying to any Common Shares sold by a Person selling pursuant to such Distribution or Registration shall be borne by the Person selling such Common Shares.

3.3 Prospectus and Registration Procedures

Whenever the Corporation is under an obligation pursuant to the provisions of this Agreement to use reasonable commercial efforts to file a Prospectus or Registration Statement to effect the qualification for the offering and sale or other disposition of Demand Prospectus Shares, Demand Registration Shares or Supplemental Prospectus Shares, as the case may be, the Corporation shall do the following (in each case only to the extent applicable to an offering conducted pursuant to a Canadian Prospectus or a U.S. Registration Statement):

- (a) prepare and file with the appropriate securities regulatory authorities within thirty (30) days, and use its commercially reasonable efforts to cause to become effective as reasonably soon thereafter as is practicable, a preliminary Prospectus, shelf prospectus supplement or Registration Statement, as applicable, on an appropriate form (and such preliminary Prospectus, shelf prospectus supplement or Registration Statement, as the case may be, shall comply as to form in all material respects with the requirements of the applicable prescribed form and include all financial statements required under applicable Laws to be filed therewith), and any other documents necessary, including amendments and supplements in respect of those documents, to permit the sale or other disposition of the Common Shares; provided, however that before filing a Registration Statement, preliminary Prospectus or shelf prospectus supplement, as applicable, or any amendments or supplements thereto (including documents that would be incorporated or deemed to be incorporated therein by reference), or comparable statements under securities or “blue sky” laws of any jurisdiction, or any free writing prospectus related thereto, the Corporation shall furnish or otherwise make available to the participating Investor(s) participating in such offering and sale, its or their respective counsel and the managing underwriters, if any, copies of all such documents proposed to be filed or used, which documents will be subject to the reasonable review and comment of such counsel, and such other documents reasonably requested by such counsel, including any comment letter from the Canadian Securities Commissions or the SEC, as applicable, and, if requested by such counsel, provide such counsel with a reasonable opportunity to participate in the preparation of such Registration Statement, preliminary Prospectus or shelf prospectus supplement, as applicable, and other opportunities to conduct a reasonable investigation within the meaning of the U.S. Securities Act, including reasonable access to the Corporation’s books and records, officers, accountants and other advisors. The Corporation shall not file any such Registration Statement, preliminary Prospectus or shelf prospectus supplement, as applicable, or any amendments or supplements thereto (including such documents that, upon filing, would be incorporated or deemed to be incorporated by reference therein) with respect to a Demand Registration or

Prospectus Request to which the participating Investor(s) (or its or their respective counsel) or the lead underwriters, if any, reasonably objects, in writing, on a timely basis, unless, in the opinion of the Corporation, such filing is necessary to comply with applicable Laws;

- (b) act as expeditiously as is practicable and in good faith to settle all deficiencies and obtain those receipts and clearances and provide those undertakings and commitments as may be reasonably required by any securities regulatory authority, all as may be necessary to permit the offering and sale in compliance with all applicable securities Laws and, in the case of an offering in Canada, file a final Prospectus and use commercially reasonable efforts to obtain a receipt therefor from the applicable Canadian Securities Commissions;
- (c) furnish as expeditiously as is practicable to the participating Investor(s), its or their respective counsel, and the underwriters, if any, without charge, such number of copies of the Prospectus (including any preliminary Prospectus or shelf prospectus supplement, as applicable) or Registration Statement, any documents incorporated by reference in such Prospectus, shelf prospectus supplement or Registration Statement not otherwise publicly available, and such other documents as such Investor may reasonably request (the Corporation hereby consenting to the use in accordance with all applicable Laws of each such Registration Statement (or amendment or post-effective amendment thereto) and each such Prospectus (or preliminary Prospectus or shelf prospectus supplement) or free writing prospectus by such Investor and the underwriters, if any, in connection with the offering and sale of the Demand Prospectus Shares, Demand Registration Shares or Supplemental Prospectus Shares covered by such Registration Statement, Prospectus or shelf prospectus supplement);
- (d) if an underwritten public offering is contemplated pursuant to Section 3.1 or Section 3.2, the Corporation shall, as expeditiously as is practicable, enter into and perform its obligations under an underwriting agreement in customary form with the underwriter or underwriters selected for such underwriting by:
 - (i) the Investor who triggers such offering (in the case of an exercise of the Canadian Demand Distribution Right or the U.S. Demand Registration Right pursuant to Section 3.1);
 - (ii) the Corporation (in the case of a Canadian Offering or a U.S. Registration under Section 3.2);

and otherwise in form satisfactory to the Corporation and each participating Investor, each acting reasonably, containing customary representations, warranties and indemnities (consistent with Article 5) for the benefit of such Investor(s), the Corporation and the underwriter(s);

- (e) subject to applicable Laws: (i) keep the Prospectus or shelf prospectus supplement, as applicable, continuously effective until the participating Investors have completed the Distribution described therein; or (ii) keep the Registration Statement continuously effective until the participating Investors have completed

the sale or other disposition described therein but, other than in the case of a Shelf Registration Statement, no longer than 180 days following the effectiveness of the Registration Statement, in each case provided that, other than in the case of a Shelf Registration Statement, the participating Investors use reasonable commercial efforts to complete the sale or other disposition as soon as reasonably practicable;

- (f) promptly notify the participating Investor(s) and the lead underwriter, (i) when the Registration Statement, any pre-effective amendment, the Prospectus or shelf prospectus supplement (or any amendment thereof or supplement thereto), any post-effective amendment to the Registration Statement or any free writing prospectus has been filed, and, with respect to a Registration Statement or any post-effective amendment, when the same has become effective, (ii) of any comment letter or other request by the SEC or any state securities administrator or Canadian Securities Commission for amendments or supplements to a Registration Statement, Prospectus or shelf prospectus supplement, as the case may be, or for additional information, (iii) of the issuance by the SEC or any state securities administrator or Canadian Securities Commission of any stop order or cease trading order preventing or suspending the use of any preliminary Prospectus, Prospectus or shelf prospectus supplement, the effectiveness of a Registration Statement or the initiation of any proceedings for that purpose, (iv) of the receipt by the Corporation of any notification with respect to the suspension of the qualification of any of the Common Shares for sale in any jurisdiction or the initiation or threatening of any proceeding for such purpose, and (v) if at any time the representations and warranties contemplated by any underwriting agreement, securities sale agreement or other similar agreement relating to the offering shall cease to be true and correct in all material respects;
- (g) notify the participating Investor(s) promptly of the happening of any event as a result of which any Prospectus or shelf prospectus supplement (or any amendment thereof or supplement thereto), Registration Statement or any amendment thereto and any document incorporated therein by reference, or any free-writing prospectus, includes an untrue statement of a material fact or omits to state a material fact required to be stated therein or necessary to make the statements therein not misleading in light of the circumstances then existing or if it is necessary to amend or supplement such Prospectus, shelf prospectus supplement or Registration Statement to comply with Law, and to promptly prepare and file with the appropriate securities regulatory authorities a supplement to or amendment of such document as may be necessary to correct such untrue statement or eliminate such omission and so that such document, as amended or supplemented, will comply with Law, and furnish to such Investor(s) as many copies of such supplement or amendment as requested;
- (h) use reasonable commercial efforts to as expeditiously as is practicable (i) list such Common Shares on each securities exchange or quotation system on which Common Shares are then listed or quoted (if any) if the listing of such Common Shares is then permitted under the rules of such exchange and, in respect of Common Shares to be distributed under a Registration Statement, without limiting the generality of the foregoing, take all actions that may be required by the

Corporation as the issuer of such Common Shares in order to facilitate the lead underwriter's arranging for the registration of at least two market makers as such with respect to such Common Shares with FINRA, and (ii) comply (and continue to comply) with the requirements of any self-regulatory organization applicable to the Corporation, including without limitation all corporate governance requirements;

- (i) use reasonable commercial efforts to prevent the issuance of any order or ruling preventing or suspending the use of any Prospectus, shelf prospectus supplement or Registration Statement and, if any such order or ruling is issued, to obtain the withdrawal of any such order or ruling at the earliest possible moment;
- (j) comply with the provisions of the U.S. Securities Act, the U.S. Exchange Act and the rules and regulations of the SEC thereunder with respect to the disposition of all securities covered by a Registration Statement during the applicable period in accordance with the intended methods of disposition by the participating Investor(s) (or Affiliates thereof, as applicable) set forth in such Registration Statement;
- (k) as expeditiously as is practicable, incorporate in a prospectus supplement or post effective amendment such information as the lead underwriter or the participating Investor(s) reasonably consider necessary for inclusion therein relating to the sale of such Common Shares, including without limitation information with respect to the number of Common Shares being sold to the underwriters, the purchase price being paid therefor by such underwriters and with respect to any other terms of the underwritten (or best efforts underwritten) offering of the Common Shares to be sold in such offering, and make all required filings of such prospectus supplement or post-effective amendment as soon as practicable after being notified of the matters to be incorporated in such prospectus supplement or post-effective amendment;
- (l) as expeditiously as is practicable, use its reasonable commercial efforts to register or qualify such Common Shares covered by such registration under such other securities or blue sky laws in such jurisdictions as the participating Investor(s) shall reasonably request, except that the Corporation shall not for any such purpose be required to qualify generally to do business as a foreign corporation in any jurisdiction where, but for the requirements of this clause (l), it would not be obligated to be so qualified, to subject itself to taxation in any such jurisdiction or to consent to general service of process in any such jurisdiction;
- (m) cooperate with the participating Investor(s) and the underwriters to facilitate the timely preparation and delivery of certificates representing the Common Shares to be sold (as may be required to effect settlement and delivery thereof) pursuant to a Registration Statement, Prospectus or shelf prospectus supplement and, subject to applicable Laws, not bearing any restrictive legends, and enable such Common Shares to be in such denominations and registered in such names as the underwriters may request at least two (2) Business Days prior to any sale of Common Shares to the underwriters or if not an underwritten offering, in accordance with the instructions of the participating Investor(s) at least two (2) Business Days prior to

any sale of Common Shares and, subject to applicable Laws, instruct any transfer agent and registrar of Common Shares to release any stop transfer orders in respect thereof;

- (n) in the event of an underwritten public offering, use its reasonable commercial efforts to furnish to the participating Investor(s) and to each underwriter, on the date that such Common Shares are delivered to the underwriters for sale, a “cold comfort” letter and updates thereof from the Corporation’s independent public accountants in form and substance as is customarily given by independent public accountants to underwriters in an underwritten public offering;
- (o) in the event of an underwritten public offering, use its reasonable commercial efforts to furnish, on the date that such Common Shares are delivered to the underwriters for sale, an opinion of counsel for the Corporation, dated as of such date, in form and substance as is customarily given to underwriters in a Canadian or United States underwritten public offering, as applicable;
- (p) on a commercially reasonable basis, make available senior executive officers of the Corporation to participate in customary “road show” presentations and other marketing efforts that may be reasonably requested by the participating Investor(s) and the lead underwriter in any underwritten public offering and otherwise provide reasonable assistance to the underwriters (taking into account the needs of the Corporation’s business and the requirements of the marketing process);
- (q) provide a CUSIP and ISIN number for all Common Shares included in such Registration Statement, not later than the effective date of the applicable Registration Statement;
- (r) as expeditiously as is practicable, cooperate and assist with any filings required to be made with FINRA in connection with such Registration Statement;
- (s) provide and cause to be maintained a transfer agent and registrar for all Common Shares covered by such Registration Statement, Prospectus or shelf prospectus supplement from and after a date not later than the effective date of such Registration Statement, Prospectus or shelf prospectus supplement;
- (t) make such representations and warranties to the participating Investor(s) and the underwriters, if any, with respect to the business of the Corporation, and the Registration Statement, Prospectus and shelf prospectus supplement, as applicable, and documents, if any, incorporated or deemed to be incorporated by reference therein, in each case, in form, substance and scope as are customarily made by issuers to underwriters in underwritten offerings, and, if true, confirm the same if and when requested;
- (u) as expeditiously as is practicable, take all reasonable action to ensure that any free writing prospectus utilized in connection with any Registration covered by Section 3.1 or Section 3.2 complies in all material respects with the U.S. Securities Act, is filed in accordance with the U.S. Securities Act to the extent required thereby, is retained in accordance with the U.S. Securities Act to the extent required thereby

and, when taken together with the related prospectus, will not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading;

- (v) take no direct or indirect action prohibited by Regulation M under the U.S. Exchange Act; provided, however, that to the extent that any prohibition is applicable to the Corporation, the Corporation will, as expeditiously as is practicable, take such action as is necessary and feasible to make any such prohibition inapplicable;
- (w) deliver promptly to counsel for any participating Investor and to each lead underwriter, if any, copies of all correspondence between the Canadian Securities Commissions or the SEC and the Corporation, its counsel or auditors and all memoranda relating to discussions with the Canadian Securities Commissions or the SEC or their respective staffs with respect to the Prospectus, shelf prospectus supplement or Registration Statement, as applicable, and make available for inspection by a representative of each participating Investor, any underwriter participating in any disposition of Common Shares, if any, and any counsel or accountants retained by such participating Investor or underwriter, at the offices where normally kept, during reasonable business hours, all pertinent financial and other records, pertinent corporate documents and properties of the Corporation, and cause the officers, directors and employees of the Corporation to supply all information in each case reasonably requested by any such representative, underwriter, counsel or accountant in connection with such Registration Statement, Prospectus or shelf prospectus supplement in order to conduct a reasonable investigation for purposes of establishing a due diligence defence as contemplated by applicable securities Laws and in order to enable such underwriters or agents to execute the certificate required to be executed by them for inclusion in each such document; provided, however that any information that is not generally publicly available at the time of delivery of such information shall be kept confidential by such Persons unless (i) disclosure of such information is required by court or administrative order, (ii) disclosure of such information, in the opinion of counsel to such Person, is required by law or applicable legal process or (iii) such information becomes generally available to the public other than as a result of a disclosure or failure to safeguard by such Person. In the case of a proposed disclosure pursuant to (i) or (ii) above, such Person shall be required to give the Corporation written notice of the proposed disclosure prior to such disclosure and, if requested by the Corporation, assist the Corporation in seeking to prevent or limit the proposed disclosure. Without limiting the foregoing, no such information shall be used by such Person as the basis for any market transactions in securities of the Corporation or for any other purpose or in any manner whatsoever, in each case in violation of applicable Laws (including with respect to trading in securities or informing another Person of undisclosed material information with respect to the Corporation); and

- (x) use reasonable commercial efforts to take such other actions and execute and deliver such other documents as may be necessary to give full effect to the rights of the participating Investor(s) under this Agreement.

If the Corporation files any shelf registration statement for the benefit of the holders of any of its securities other than the Investors, other than on Form F-10, the Corporation agrees that it shall include in such registration statement such disclosures as may be required by Rule 430B under the U.S. Securities Act (referring to the unnamed selling security holders in a generic manner by identifying the initial offering of the securities to the Investors) in order to ensure that the Investors may be added to such shelf registration statement at a later time through the filing of a prospectus supplement rather than a post-effective amendment.

Each participating Investor agrees that, upon receipt of any notice from the Corporation of the existence of any fact of the kind described in clause (g) of this Section 3.3, such Investor will forthwith discontinue disposition of Common Shares pursuant to the Registration Statement, Prospectus or shelf prospectus supplement covering such Common Shares until such Investor's receipt of the copies of the supplemented or amended Registration Statement, Prospectus or shelf prospectus supplement contemplated by clause (g) of this Section 3.3 and, if so directed by the Corporation, such holder will deliver to the Corporation (at the Corporation's expense) all copies of the Registration Statement, Prospectus or shelf prospectus supplement covering such Common Shares current at the time of receipt of such notice; provided, however, that the time period with respect to the length of time that the effectiveness of a Registration Statement, Prospectus or shelf prospectus supplement must be maintained shall automatically be extended by the amount of time the holder is required to discontinue disposition of such Common Shares.

3.4 Rights and Obligations of Participating Investor

Each participating Investor will furnish to the Corporation such information and execute such documents regarding the Common Shares and the intended method of disposition thereof as the Corporation may reasonably request in order to effect the requested qualification for sale or other disposition. If an underwritten public offering is contemplated hereunder, such Investor shall execute an underwriting agreement in customary form with the underwriter or underwriters selected for such underwriting containing customary representations, warranties and indemnities (consistent with Article 5) for the benefit of such Investor, the Corporation and the underwriters. Such Investor shall notify the Corporation immediately upon the occurrence of any event as a result of which any of the aforesaid Prospectus (including, for the purposes of this Section 3.4, a shelf prospectus supplement) or Registration Statement includes an untrue statement of a material fact or omits to state a material fact required to be stated therein or necessary to make the statements therein not misleading in light of the circumstances under which they are made.

3.5 Agreement Regarding Compliance with Securities Laws

If, in the reasonable opinion of counsel to the Corporation, it is necessary or appropriate in order to comply with any applicable securities Laws, the Corporation's obligations under Sections 3.1 and 3.2 shall be conditional upon each participating Investor and, if applicable, any underwriter participating in the applicable sale or distribution, executing and delivering to the Corporation an appropriate agreement (which may form part of the underwriting agreement for such transaction), in a form reasonably satisfactory to counsel for the Corporation, that such Person will comply with all prospectus delivery requirements of all applicable securities Laws and with stabilization, anti-

manipulation and similar provisions of all applicable securities Laws and will furnish to the Corporation information about sales made in such public sale or distribution.

3.6 Preparation; Reasonable Investigation

In connection with the preparation and filing of any Prospectus, Registration Statement or similar document in connection with a secondary offering by an Investor (or Affiliates thereof, as applicable) as herein contemplated, the Corporation will give such Investor and its underwriters or agents, if any, and their respective counsel, auditors and other representatives, the opportunity to participate in the preparation of such documents and each amendment thereof or supplement thereto, and shall insert therein such information furnished to the Corporation in writing, which in the reasonable judgment of such Investor's counsel should be included and the inclusion of which is agreed upon by the Corporation, acting reasonably.

3.7 Determination of Ownership of Common Shares

For the purposes of determining whether Riverstone or GMT Capital beneficially owns, directly or indirectly, together with or through their respective Affiliates, a certain percentage of the issued and outstanding Common Shares of the Corporation, such calculation shall be determined on an as-converted basis without giving effect to the exercise of any options, warrants, convertible debentures or other rights to acquire Common Shares.

ARTICLE 4 RULE 144

4.1 Rule 144 Undertakings

With a view to making available the benefits of certain rules and regulations of the SEC which may permit the sale of restricted securities to the public without registration, the Corporation agrees, after an Initial U.S. Public Offering to:

- (a) make and keep public information available as those terms are understood and defined in Rule 144 under the U.S. Securities Act ("**Rule 144**"), at all times from and after the effective date of the Initial U.S. Public Offering;
- (b) file with the SEC in a timely manner all reports and other documents required of the Corporation under the U.S. Securities Act and the U.S. Exchange Act at any time after it has become subject to such reporting requirements; and
- (c) furnish to any holder of Common Shares upon request, (i) a written statement by the Corporation as to the status of its compliance with the reporting requirements of Rule 144, and of the U.S. Securities Act and the U.S. Exchange Act (at any time after it has become subject to such reporting requirements), (ii) if applicable, a copy of the most recent annual or quarterly report of the Corporation, and (iii) such other reports and documents so filed as the holder may reasonably request in availing itself of any rule or regulation of the SEC allowing the holder to sell any such securities without registration.

ARTICLE 5 INDEMNIFICATION

5.1 Indemnification by the Corporation

In respect of any Prospectus (including, for the purposes of this Article 5, a shelf prospectus supplement) or Registration Statement filed pursuant to Section 3.1 or Section 3.2, the Corporation will, and hereby agrees to, and hereby does indemnify and hold harmless, to the fullest extent permitted by law, each Investor, each Affiliate of such Investor and their respective officers, directors, agents, shareholders, fiduciaries, employees, members, or general or limited partners (including any director, officer, Affiliate, employee, fiduciary, member, general or limited partner, agent and controlling Person of any of the foregoing) and each other Person, if any, who controls an Investor or such Affiliate within the meaning of Canadian Securities Laws, the U.S. Securities Act, or the U.S. Exchange Act, as the case may be (collectively, the “**Investor Indemnitees**”), from and against any losses (other than losses of profits, whether unrealized, anticipated, expected or otherwise), claims, damages, costs, expenses (including attorneys’ fees reasonably incurred, as incurred and any amounts paid in any settlement) or liabilities (or actions, proceedings (whether commenced or threatened and whether or not such Investor Indemnitee is a party thereto) or settlements in respect thereof), joint or several, to which such Investor Indemnitees become subject, under Canadian Securities Laws, the U.S. Securities Act, the U.S. Exchange Act, or otherwise (collectively, “**Investor Claims**”), insofar as such Investor Claims arise out of, relate to or are based upon (i) any untrue statement or alleged untrue statement of a material fact contained in the related Prospectus or Registration Statement, as applicable, or amendment thereof or supplement thereto (including the documents incorporated by reference therein) or the omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading, (ii) any untrue statement or alleged untrue statement of a material fact contained in any preliminary, final or summary prospectus, or amendment thereof or supplement thereto (including the documents incorporated by reference therein), or any free writing prospectus utilized in connection therewith, or the omission or alleged omission to state therein a material fact required to be stated therein or necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading, (iii) any untrue statement or alleged untrue statement of a material fact in the information conveyed by the Corporation to any purchaser at the time of the sale to such purchaser, or the omission or alleged omission to state therein a material fact required to be stated therein, or (iv) any violation by the Corporation of Canadian Securities Laws, the U.S. Securities Act, the U.S. Exchange Act, or any federal, state, provincial or common Law rule or regulation applicable to the Corporation and relating to action required of or inaction by the Corporation in connection with any qualification, registration or compliance contemplated hereby; provided, however, that the Corporation shall not be liable in any such case to an Investor Indemnitee to the extent such Investor Claim arises out of or is based upon any untrue statement or alleged untrue statement of a material fact or omission or alleged omission of a material fact made in such Prospectus or Registration Statement, as applicable, or amendment thereof or supplement thereto, or in any such prospectus or any preliminary, final or summary prospectus, or any free writing prospectus, in reliance upon and in conformity with written information furnished to the Corporation by such Investor or such Investor Indemnitee specifically regarding such Investor or such Investor Indemnitee specifically for use therein.

The Corporation also agrees to reimburse each Investor Indemnitee for any legal or other expenses reasonably incurred by such Investor Indemnitee in connection with investigating or defending any such Investor Claims as such expenses are incurred. The indemnity and reimbursement obligation of the Corporation contemplated by this Section 5.1 shall remain in full force and effect regardless of any investigation made by or on behalf of such indemnified party and shall survive the transfer of securities of the Corporation by an Investor (or Affiliates thereof, as applicable).

5.2 Indemnification by Investors

In respect of any Prospectus or Registration Statement filed pursuant to Section 3.1 or Section 3.2 covering Common Shares beneficially owned by an Investor, such Investor will, and hereby agrees to, and hereby does, severally, and not jointly or jointly and severally, indemnify and hold harmless, to the fullest extent permitted by law, the Corporation, each of its directors, officers, employees and agents, and each Person, if any, who controls the Corporation within the meaning of Canadian Securities Laws, the U.S. Securities Act, or the U.S. Exchange Act, as the case may be (the “**Corporation Indemnitees**”), from and against any losses (other than losses of profits, whether unrealized, anticipated, expected or otherwise), claims, damages, costs, expenses (including attorneys’ fees reasonably incurred, as incurred and any amounts paid in any settlement) or liabilities (or actions, proceedings (whether commenced or threatened and whether or not such Corporation Indemnitee is a party thereto) or settlements in respect thereof), to which such Corporation Indemnitees become subject, under Canadian Securities Laws, the U.S. Securities Act, the U.S. Exchange Act, or otherwise (collectively, “**Corporation Claims**”), insofar as such Corporation Claims arise out of, relate to or are based upon (i) any untrue or alleged untrue statement of a material fact contained in the related Prospectus or Registration Statement, as applicable, or any amendment thereof or supplement thereto (including the documents incorporated by reference therein), or the omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading, (ii) any untrue statement or alleged untrue statement of a material fact contained in any preliminary, final or summary prospectus, or any amendment thereof or supplement thereto (including the documents incorporated by reference therein), or any free writing prospectus utilized in connection therewith, or the omission or alleged omission to state therein a material fact required to be stated therein or necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading or (iii) any untrue statement or alleged untrue statement of a material fact in the information conveyed by the Corporation to any purchaser at the time of the sale to such purchaser, or the omission or alleged omission to state therein a material fact required to be stated therein, or (iv) any violation by the Corporation of Canadian Securities Laws, the U.S. Securities Act, the U.S. Exchange Act, or any federal, state, provincial or common Law rule or regulation applicable to the Corporation and relating to action required of or inaction by the Corporation in connection with any qualification, registration or compliance contemplated hereby; in each case to the extent, but only to the extent, that such Corporation Claim arises out of or is based upon an untrue statement or alleged untrue statement of a material fact or omission or alleged omission of a material fact made in such Prospectus or Registration Statement, or amendment thereof or supplement thereto (including the documents incorporated by reference therein), or in any such prospectus or any preliminary, final or summary prospectus, or amendment thereof or supplement thereto (including the documents incorporated by reference therein), or in any free writing prospectus, solely in reliance upon and in conformity with written information furnished by such Investor or its representatives, specifically regarding such Investor or its representatives, specifically for use in the preparation thereof. Each Investor also agrees to reimburse each

Corporation Indemnatee for any legal or other expenses reasonably incurred by such Corporation Indemnatee in connection with investigating or defending any such Corporation Claims against such Investor as such expenses are incurred. Such indemnity and reimbursement of expenses shall remain in full force and effect regardless of any investigation made by or on behalf of such Corporation Indemnatee. The maximum aggregate liability of each Investor for indemnification or reimbursement under this Agreement shall be limited to an amount equal to the net proceeds received by such Investor from the offering and sale of Common Shares giving rise to such indemnification or reimbursement.

5.3 Indemnification Procedure

- (a) Promptly after receipt by an indemnified party under Section 5.1 or 5.2 of notice of the commencement of any action, such indemnified party shall, if a claim in respect thereof is to be made against any indemnifying party under Section 5.1 or 5.2, notify the indemnifying party of the commencement thereof; provided, however, that failure to so notify the indemnifying party shall not affect an indemnifying party's obligations hereunder, except to the extent that the indemnifying party is materially prejudiced by such failure. The indemnifying party shall be entitled to appoint counsel of the indemnifying party's choice at the indemnifying party's expense to represent the indemnified party in any action for which indemnification is sought (in which case the indemnifying party shall not thereafter be responsible for the fees and expenses of any separate counsel retained by the indemnified party or parties except as set forth below); provided, however, that such counsel shall be reasonably satisfactory to the indemnified party. Notwithstanding the indemnifying party's election to appoint counsel to represent the indemnified party in an action, the indemnified party shall have the right to employ separate counsel (including local counsel), and the indemnifying party shall bear the reasonable fees, costs and expenses of such separate counsel if:
 - (i) the use of counsel chosen by the indemnifying party to represent the indemnified party would present such counsel with a conflict of interest;
 - (ii) the actual or potential defendants in, or targets of, any such action include both the indemnified party and the indemnifying party and the indemnified party shall have reasonably concluded that there may be legal defences available to it and/or other indemnified parties which are different from or additional to those available to the indemnifying party;
 - (iii) the indemnifying party shall not have employed counsel reasonably satisfactory to the indemnified party to represent the indemnified party within a reasonable time after notice of the institution of such action; or
 - (iv) the indemnifying party shall authorize the indemnified party to employ separate counsel at the expense of the indemnifying party.
- (b) No indemnifying party shall, without the prior express written consent of the indemnified party, consent to any judgment or effect any settlement of any pending or threatened action, suit or proceeding in respect of which any indemnified party

is or could have been a party and indemnity could have been sought hereunder by such indemnified party.

5.4 Indemnification of Underwriters

With respect to any underwritten offering, each participating Investor and the Corporation shall, in addition to the foregoing, provide the underwriter of any such offering with customary representations and warranties, and indemnification, in each instance as shall be reasonably requested by the underwriter, but to the fullest extent possible consistent with such Investor's indemnity pursuant to Section 5.2.

5.5 Contribution

If the indemnification provided for in this Article 5 is held by a court of competent jurisdiction to be unavailable to an indemnified party with respect to any losses, claims, damages, costs, expenses or liabilities referred to herein, the indemnifying party, in lieu of indemnifying such indemnified party hereunder, shall contribute to the amount paid or payable by such indemnified party as a result of such loss, claim, damage, cost, expense, liability or action in such proportion as is appropriate to reflect the relative fault of the indemnifying party on the one hand and of the indemnified party on the other in connection with matters that resulted in such loss, claim, damage, cost, expense, liability or action, as well as any other relevant equitable considerations. The relative fault of the indemnifying party and of the indemnified party shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or the omission to state a material fact relates to information supplied by the indemnifying party or by the indemnified party and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission; provided, that the maximum aggregate liability of each Investor for all liability contributions under this Section 5.5, together with any amount such Investor may be required to indemnify any Investor Indemnitees under Section 5.2, shall be limited to an amount equal to the net proceeds received by such Investor from the offering and sale of Common Shares giving rise to such contributions.

ARTICLE 6 GENERAL

6.1 Governing Law

This Agreement shall be governed by and construed in accordance with the laws of the Province of Alberta and the federal laws of Canada applicable therein. Each of the Parties hereby irrevocably attorns and submits to the non-exclusive jurisdiction of the courts of the Province of Alberta in respect of the interpretation and enforcement of the provisions of this Agreement and of the documents hereby, and hereby waives, and agrees not to assert, as a defense in any action, suit or proceeding for the interpretation or enforcement hereof or of any such document, that it is not subject thereto or that such action, suit or proceeding may not be brought or is not maintainable in such courts or that the venue thereof may not be appropriate or that this Agreement or any document may not be enforced in or by such courts.

6.2 Severability

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

6.3 Specific Performance

Each of the Parties acknowledges that it shall be impossible to measure in money the damage to the Corporation or an Investor, as applicable, if either of them or any transferee or any legal representative of any Party hereto fails to comply with any of the restrictions or obligations imposed by this Agreement, that every such restriction and obligation is material, and that in the event of any such failure, the Corporation or such Investor, as applicable, shall not have an adequate remedy at law or in damages. Therefore, each Party hereto consents to the issuance of an injunction or the enforcement of other equitable remedies against it at the suit of an aggrieved party without the posting of any bond or other security, to compel specific performance of all of the terms of this Agreement and waives any defences thereto, including, without limitation, the defences of:

- (a) failure of consideration;
- (b) breach of any other provision of this Agreement; and
- (c) availability of relief in damages.

6.4 Notices

All notices and other communications which may or are required to be given pursuant to any provision of this Agreement shall be given or made in writing and shall be deemed to be validly given if served personally, transmitted by facsimile transmission, mailed by certified mail, return receipt requested, or sent by nationally recognized overnight delivery service with proof of receipt maintained, in each case addressed to the particular Party at:

- (a) If to the Corporation at:

Pipestone Energy Corp.
3700, 888 – 3rd Street S.W.
Calgary, Alberta
T2P 4K9

Attention: [redacted]
Email: [redacted]

with a copy to:

Osler, Hoskin & Harcourt LLP
Suite 2500, TransCanada Tower

450 – 1st Street S.W.
Calgary, Alberta
T2P 5H1

Attention: [redacted]
Email: [redacted]

(b) If to Riverstone:

[Riverstone address]

Attention: ●
Email: ●

with a copy (which shall not be deemed notice) to:

Vinson & Elkins L.L.P.
1114 Avenue of the Americas, 32nd Floor
New York, NY 10036

Attention: [redacted]
E-mail: [redacted]

and with a further copy (which shall not be deemed notice) to:

Bennett Jones LLP
4500 Bankers Hall East
855-2nd Street S.W.
Calgary, Alberta
T2P 4K7

Attention: [redacted]
E-mail: [redacted]

(c) If to GMT Capital:

2300 Windy Ridge Parkway
Suite 550 South
Atlanta, Georgia 30339

Attention: [redacted]
Email: [redacted]

with a copy (which shall not be deemed notice) to:

2300 Windy Ridge Parkway
Suite 550 South
Atlanta, Georgia 30339

Attention: [redacted]
E-mail: [redacted]

or at such other address or email address of which the addressee may from time to time notify the addressor. Any notice delivered by personal delivery or by courier to the Party to whom it is addressed as provided above shall be deemed to have been given and received on the day it is so delivered at such address. If such day is not a Business Day, or if the notice is received after 4:00 p.m. (addressee's local time), then the notice shall be deemed to have been given and received on the next Business Day. Any notice transmitted by email shall be deemed to have been given and received on the day in which transmission is confirmed. If such day is not a Business Day or if the transmission of the email is received after 4:00 p.m. (addressee's local time), then the notice shall be deemed to have been given and received on the first Business Day after its transmission.

6.5 Entire Agreement

This Agreement constitutes the entire agreement between the Parties concerning the subject matter of this Agreement and set out all the covenants, promises, representations, warranties, conditions, understandings and agreements between the Parties concerning the subject matter of this Agreement and supersedes all prior agreements, understandings, negotiations and discussions, whether oral or written. There are no covenants, promises, representations, warranties, conditions, understandings or other agreements, oral or written, express, implied or collateral between the Parties in connection with the subject matter of this Agreement except as specifically set forth in this Agreement and any document required to be delivered pursuant hereto or thereto.

6.6 Assignment

No Party may assign this Agreement or any rights or obligations under this Agreement without the prior written consent of the other Parties; provided that Riverstone and/or GMT Capital may assign their respective rights and obligations under this Agreement any Person that has acquired Shares, or beneficial ownership of Shares, from Riverstone or GMT Capital (or Affiliates thereof), as applicable, so long as the number of Shares transferred or assigned to such transferee or assignee represents at least 10% or more of the Shares then issued and outstanding, determined on an as-converted basis, or such lesser number if it constitutes the remaining holdings of Riverstone or GMT Capital (as applicable) and its Affiliates, in each case to the extent that such transferee agrees in writing to be bound by the terms of this Agreement.

6.7 Adjustment for Securities Splits, etc.

Wherever in this Agreement there is any reference to a specific number or percentage of securities of the Corporation of any class or series, or a price per shares of any securities, or consideration received in respect of such securities, then upon the occurrence of any subdivision, combination or stock dividend of such securities, the specific number or percentage of shares or the price so referenced in this Agreement shall automatically be proportionally adjusted to reflect the effect on the outstanding shares of such class or series of securities by such subdivision, combination, or stock dividend.

6.8 Enurement

The provisions of this Agreement shall be binding upon and enure to the benefit of the Parties hereto and their respective successors and permitted assigns.

6.9 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 the other Party as may be reasonably necessary or desirable to effect the purpose of this Agreement and carry out its provisions.

6.10 Amendment and Waiver

Any provision in this Agreement may be amended if, and only if, such amendment is in writing and is signed by the Corporation, GMT Capital and Riverstone. In the case of a waiver, the waiver must be signed by the Party entitled to provide the waiver in order to be effective. No failure or delay by any Party in exercising any right, power or privilege hereunder shall operate as a waiver thereof nor shall any single or partial exercise thereof preclude any other or further exercise.

6.11 Termination

This Agreement shall terminate on the date that Riverstone and GMT Capital each beneficially owns, directly or indirectly, together with or through their respective Affiliates, in the aggregate less than 10% of the issued and outstanding Common Shares of the Corporation, determined on an as-converted basis; provided, however that any indemnity provided as contemplated by Article 5 in respect of any Prospectus or shelf prospectus supplement filed or Registration effected prior to termination of this Agreement shall survive any termination of this Agreement.

6.12 Counterparts

This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original and all of which taken together shall be deemed to constitute one and the same instrument. Counterparts may be executed either in original or electronic form and the Parties adopt any signatures delivered by electronic means as original signatures of the Parties.

6.13 Delay or Omissions

No delay or omission to exercise any rights, power or remedy accruing to any Party to this Agreement, upon the breach or default of the other Party shall impair any such rights, power or remedy of such non-breaching Party nor shall it be construed to be a waiver of any such breach or default, or an acquiescence therein, or of any similar breach or default thereafter occurring; nor shall any waiver of any single breach or default be deemed a waiver of any other breach or default theretofore or thereafter occurring. Any waiver, consent or approval of any kind or character on the part of any Party of any breach or default under this Agreement, must be made in writing and shall be effective only to the extent specifically set forth in such writing. All remedies, ether under this Agreement or by law or otherwise afforded to the Parties, shall be cumulative and not alternative.

[Remainder of page intentionally left blank]

SCHEDULE “C”

FORM OF NOMINATION RIGHTS AGREEMENT

(see attached)

NOMINATION AGREEMENT

BETWEEN

GMT CAPITAL CORP.

- and -

PIPESTONE ENERGY CORP.

●, 2020

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NOMINATION AGREEMENT

THIS NOMINATION AGREEMENT dated ●, 2020 (the “**Agreement**”)

BETWEEN:

GMT CAPITAL CORP., a corporation incorporated under the laws of the State of Georgia (including its successors and assigns, the “**Investor**”)

- and -

PIPESTONE ENERGY CORP., a corporation amalgamated under the laws of the Province of Alberta (the “**Corporation**”)

(collectively, the “**Parties**” and each of them a “**Party**”)

RECITALS:

- A. As of the date hereof, Investor and GMT-Ex together with their Affiliates, collectively, are, directly or indirectly, the registered or beneficial owners of [●] convertible preferred shares in the capital of the Corporation (the “**Preferred Shares**”), representing [●]% of the issued and outstanding Preferred Shares;
- B. The Preferred Shares are convertible into common shares in the capital of the Corporation (“**Common Shares**”) at the option of the holders and upon certain other conditions as set out in the articles of the Corporation;
- C. As of the date hereof, Investor and GMT-Ex together with their Affiliates, collectively, are, directly or indirectly, the registered or beneficial owners of [●] Common Shares on an as-converted basis, representing a [●]% Voting Interest (as defined herein) determined on an as-converted basis;
- D. The Corporation has entered into this Agreement to grant certain rights to Investor, with respect to the nomination of persons for election to the Board (as defined herein).

NOW THEREFORE, in consideration of the mutual covenants in this Agreement and for other consideration (the receipt and sufficiency of which are acknowledged), the Parties agree as follows:

ARTICLE 1 INTERPRETATION

1.1 Definitions

In this Agreement:

“**ABCA**” means the *Business Corporations Act* (Alberta);

“**Affiliate**” of any Person means another Person that would be considered to be an affiliate of such first mentioned Person for the purposes of the Securities Act, and in the case of Investor, includes,

for the avoidance of doubt, any investment vehicle sponsored, managed or co-managed by Investor.;

“Agreement”, **“this Agreement”**, **“the Agreement”**, **“hereof”**, **“herein”**, **“hereto”**, **“hereby”**, **“hereunder”** and similar expressions mean this Agreement, including all instruments supplementing, amending or confirming this Agreement. All references to **“Articles”** or **“Sections”** refer to the specified Article or Section of this Agreement;

“beneficial ownership,” including the correlative term **“beneficially owned,”** has the meaning ascribed in the Securities Act;

“Board of Directors” or the **“Board”** means the Corporation’s board of directors;

“Business Day” means any day other than a Saturday, Sunday or a holiday on which banks in Calgary, Alberta, Atlanta, Georgia or New York, New York are closed for commercial business during regular banking hours;

“Common Shares” has the meaning ascribed thereto in the recitals;

“Conditions” has the meaning ascribed thereto in Section 2.4(a);

“Corporation” has the meaning ascribed thereto in the preamble;

“Directors Election Meeting” means a meeting of shareholders of the Corporation at which directors of the Corporation are to be elected;

“GMT-Ex” means GMT Exploration Company LLC;

“Investor” has the meaning ascribed thereto in the preamble;

“Investor Nomination Letter” has the meaning ascribed thereto in Section 2.3(b);

“Investor Nominee” means an individual designated by Investor in an Investor Nomination Letter and who meets the Conditions;

“Parties” means the parties to this Agreement and **“Party”** means any of them;

“Person” means any natural person, body corporate, corporation, limited liability company, joint stock company, joint venture, association, company, estate, trust, bank trust company, land trust, business trust, or other organization, whether or not a legal entity, custodian, trustee-executor, administrator, nominee or entity in a representative capacity;

“PIF” means a Personal Information Form and Authorization of Indirect Collection, Use and Disclosure of Personal Information in the form of Appendix A to National Instrument 41-101 - General Prospectus Requirements, and any similar form prescribed under applicable securities laws or stock exchange requirements to which the Corporation is subject;

“Preferred Shares” has the meaning ascribed thereto in the preamble;

“Securities Act” means the *Securities Act* (Alberta);

“Shares” means Common Shares and/or Preferred Shares;

“Voting Interest” means, in respect of a shareholder of the Corporation at a particular time, the quotient that is obtained by dividing (i) the number of Common Shares held or beneficially owned by such shareholder at the relevant time calculated on an as-converted basis, by (ii) the aggregate number of Common Shares issued and outstanding held by all shareholders of the Corporation calculated on an as-converted basis, including such shareholder, at the relevant time, and, if no updated number is provided by the Corporation, referenced in the most recently filed financial statements of the Corporation.

1.2 Time of the Essence

Time shall be of the essence of each provision of this Agreement. Any extension, waiver or variation of any provision of this Agreement shall not be deemed to affect this provision and there shall be no implied waiver of this provision.

1.3 Calculation of Time

Unless otherwise specified, time periods within or following which any act is to be done shall be calculated by excluding the day on which the period commences and including the day on which the period ends.

1.4 Business Days

Whenever any action to be taken pursuant to this Agreement would otherwise be required to be taken or made on a day that is not a Business Day, such action shall be taken on the first Business Day following such day.

1.5 Headings

The descriptive headings preceding Articles and Sections of this Agreement are inserted solely for convenience of reference and are not intended as complete or accurate descriptions of the content of such Articles or Sections. The division of this Agreement into Articles and Sections shall not affect the interpretation of this Agreement.

1.6 Plurals and Gender

Words in the singular include the plural and vice versa and words in one gender include all genders.

1.7 Statutory References

Any reference to a statute or regulation shall mean the statute or regulation in force as at the date of this Agreement (together with all regulations promulgated under such statute) as the same may be amended, re-enacted, consolidated or replaced from time to time, and any successor statute or regulation thereto, unless otherwise stated.

1.8 Other References

“Include”, “includes” and “including” shall be deemed to be followed by “without limitation” whether or not they are in fact followed by such words or words of like import.

1.9 As-Converted Basis

For the purposes of this Agreement, whenever the number of Common Shares and/or the Voting Interest is to be determined on an as-converted basis, the number of Common Shares to be used for the purpose of such determination shall equal the number of Common Shares actually issued and outstanding at such time plus the aggregate number of Common Shares issuable at the applicable time assuming the immediate conversion of all outstanding Preferred Shares (but not, for certainty, any other securities of the Corporation that are convertible, exercisable or exchangeable for or into Common Shares), after giving effect to any adjustments contained in the articles of the Corporation relating to the Preferred Shares, including in the event of share splits, share combinations, share dividends, share reclassifications and similar events.

ARTICLE 2 NOMINATION RIGHTS

2.1 Size of Board

The number of directors of the Corporation from time to time shall be fixed by resolution of the Board in accordance with the Corporation's articles and bylaws; provided that until otherwise so determined by such resolution, the number of directors of the Corporation will be seven (7).

2.2 Director Nominees

- (a) As of the date hereof, the composition of the Board is as follows: Paul Wanklyn, Geeta Sankapannavar, Robert Tichio, Garth Braun, William Lancaster, Gordon Ritchie, and John Rossall.
- (b) The Corporation and Investor agree that so long as the aggregate Voting Interest of Investor, GMT-Ex and their Affiliates, collectively, is greater than or equal to ten percent (10%) determined on an as-converted basis, the Corporation will, subject to the provisions of this Agreement, include one (1) Investor Nominee among the management recommended nominees for election to the Board at each Directors Election Meeting, and the Corporation will not propose more nominees for election to the Board than the size of the director slate proposed by management at such meeting.
- (c) Subject to applicable law and the rules of any stock exchange on which the Common Shares are then listed, if at any time a vacancy on the Board is created as a result of the death, resignation, disqualification or removal of an Investor Nominee, then Investor and the Corporation (acting through the Board) shall work together in good faith to fill such vacancy or replace such nominee with an individual selected by Investor in its sole discretion who meets the Conditions, and thereafter such individual shall serve and/or be nominated and designated as an "Investor Nominee" under this Agreement.
- (d) The Corporation and Investor agree that so long as the aggregate Voting Interest of Investor, GMT-Ex and their Affiliates, collectively, is greater than or equal to ten percent (10%) determined on an as-converted basis, Investor shall have the right to designate one (1) member of each committee of the Board, provided that any such

designee shall be eligible to serve on the applicable committee subject to the requirements under applicable securities laws and the rules of any stock exchange on which the Common Shares are then listed. If at any time a vacancy on any committee of Board is created as a result of the death, resignation, disqualification or removal of any such designee, then Investor and the Corporation (acting through the Board) shall work together in good faith to fill such vacancy or replace such designee with an individual selected by Investor in its sole discretion.

- (e) The Corporation shall pay or reimburse, as the case may be, (i) Investor Nominee for out-of-pocket expenses incurred in connection with such Investor Nominee's service as a member of the Board or as a member of, or observer to, any committee of the Board.

2.3 Nominating Procedure

- (a) The Corporation shall give Investor at least one hundred (100) days advance notice in writing of the date of any Directors Election Meeting.
- (b) At least 75 days before each Directors Election Meeting, Investor will deliver to the Corporation, in writing, the name of the Investor Nominee together with the information regarding such Investor Nominee (including the number of Common Shares owned or controlled by such Investor Nominee and any Person that is an affiliate or associate of the Investor Nominee within the meaning of applicable Canadian securities laws) that the Corporation is required to include in an information circular of the Corporation to be sent to shareholders of the Corporation in respect of such Directors Election Meeting and, if such Investor Nominee has not previously served as a director of the Corporation, deliver to the Corporation a duly completed PIF (the "**Investor Nomination Letter**").
- (c) If Investor fails to deliver the Investor Nomination Letter to the Corporation at least 75 days before the Directors Election Meeting, Investor shall be deemed to have nominated the same Investor Nominee previously designated by Investor that serves as a director of the Corporation at such time.
- (d) Investor shall provide or cause to be provided to the Corporation, upon request and on a timely basis, all such information concerning an Investor Nominee as is reasonably required by the Corporation to meet its obligations under applicable corporate and securities laws and the requirements of any stock exchange on which the Common Shares are then listed with respect to directors and the election or continued service thereof.

2.4 Conditions

- (a) Notwithstanding anything to the contrary in this Agreement, each Investor Nominee shall, at all times while serving on the Board, satisfy the following conditions as reasonably determined by the Board (such conditions referred to as the "**Conditions**");

- (i) meet the qualification requirements to serve as a director under the ABCA, applicable Canadian securities laws and the rules of any stock exchange on which the Common Shares are then listed; and
- (ii) acknowledge and agree to be bound by this Agreement with respect to the obligations of the Investor Nominee.

No Investor Nominee may be a person who is not acceptable to any stock exchange on which the Common Shares are then listed or a securities regulatory authority having jurisdiction over the Corporation.

- (b) Notwithstanding anything to the contrary in this Agreement, if at any time any Investor Nominee ceases to satisfy any of the Conditions, Investor shall promptly use its reasonable commercial efforts to cause such Investor Nominee to tender his or her resignation from the Board, which the Board may accept or reject, and the provisions of Section 2.2(c) shall apply *mutatis mutandis*.

2.5 Status of Nominees and Committee Participation

While serving on the Board and any committee thereof, each Investor Nominee shall be entitled to:

- (a) all the rights and privileges of the other members of the Board and committee members, including, without limitation, access to all notices, consents, minutes, documents, and other information and access to the Corporation's outside advisors; *provided, however*, that the Investor Nominees shall not be entitled to participate in or observe, and shall upon the good faith request of the Board or any such committee recuse himself or herself from, any meeting or portion thereof at which the Board or any such committee is evaluating and/or taking action with respect to the exercise of any of the Corporation's rights or enforcement of any of the obligations of Investor, under this Agreement;
- (b) be indemnified by the Corporation at least on the same terms as other members of the Board, and shall agree to abide by the written policies of the Board and committees thereof and the written policies of the Corporation applicable to members of the Board; and
- (c) enter into customary director indemnification agreements with the Corporation that will provide for the indemnification of each Investor Nominee to the fullest extent permitted by applicable law.

2.6 Covenant of Investor

Investor shall provide to the Corporation as and when requested by the Corporation from time to time, a certificate of one of its officers setting out the aggregate number of Common Shares held or controlled by Investor.

ARTICLE 3 REPRESENTATIONS AND WARRANTIES

3.1 Representations and Warranties of Investor

Investor represents and warrants to the Corporation that:

- (a) as of the date hereof, Investor and GMT-Ex together with their Affiliates, collectively, are, directly or indirectly, the registered or beneficial owners of ● Common Shares and ● Preferred Shares, representing a ●% Voting Interest (determined on an as-converted basis) based on there being ●Common Shares and ● Preferred Shares outstanding;
- (b) Investor is duly organized, validly existing and in good standing under the laws of its jurisdiction of organization and has all requisite power and authority to execute and deliver this Agreement;
- (c) this Agreement has been duly executed and delivered by Investor; and
- (d) this Agreement constitutes the valid and binding agreement of Investor, enforceable against Investor in accordance with its terms, except as may be limited by bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium, and similar laws relating to or affecting creditors' rights generally and general equitable principles (whether considered in a proceeding in equity or at law), in each case now or hereafter in effect.

3.2 Representations and Warranties of the Corporation

The Corporation represents and warrants to Investor that:

- (a) the Corporation is duly amalgamated, validly existing and in good standing under the laws of Alberta and has all requisite corporate power and authority to execute and deliver this Agreement;
- (b) this Agreement has been duly executed and delivered by the Corporation;
- (c) this Agreement constitutes the valid and binding agreement of the Corporation, enforceable against the Corporation in accordance with its terms, except as may be limited by bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium, and similar laws relating to or affecting creditors' rights generally and general equitable principles (whether considered in a proceeding in equity or at law), in each case now or hereafter in effect; and
- (d) the actions contemplated by Article 2 of this Agreement have been duly and validly authorized by all necessary corporate action and expressly approved by the Board.

ARTICLE 4 TERMINATION

4.1 Termination

This Agreement shall terminate:

- (a) upon the agreement in writing of the Parties; or
- (b) automatically on the day that the aggregate Voting Interest held or controlled, directly or indirectly, by Investor and GMT-Ex together with their Affiliates is below ten percent (10%) determined on an as-converted basis.

4.2 Effect of Termination

In the event of the termination of this Agreement as provided in Section 4.1, this Agreement shall be of no further force or effect with respect to the Party or Parties with respect to which such termination applies and all rights and obligations of such Party or Parties shall be at an end; provided that the provisions of Article 4 shall survive the termination of this Agreement.

ARTICLE 5 GENERAL

5.1 Application of this Agreement

The terms of this Agreement shall apply *mutatis mutandis* to any shares or other securities:

- (a) resulting from the conversion, reclassification, redesignation, subdivision, consolidation or other change to any of the Common Shares or Preferred Shares held by Investor, GMT-Ex and/or their Affiliates; and
- (b) of the Corporation or any successor body corporate that may be received by Investor, GMT-Ex and/or their Affiliates on a merger, amalgamation, arrangement or other reorganization of or including the Corporation.

Prior to any action referred to in (a) or (b) above being taken by the Corporation, the Parties shall give due consideration to any changes that may be required to this Agreement in order to give effect to the intent of this Section 5.1.

5.2 Public Filing

The Parties hereby consent to the public filing of this Agreement if any Party is required to do so by law or by applicable regulations or policies of any regulatory agency of competent jurisdiction or any stock exchange, subject to such redactions as may be permitted by law and either party may reasonably request.

5.3 Further Assurances

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.

5.4 Assignment and Enurement

Neither this Agreement nor any benefits or duties accruing under this Agreement shall be assignable by any Party, other than by Investor (i) to an Affiliate of Investor or to GMT-Ex to whom Shares are transferred or (ii) to any non-Affiliate to whom Shares are transferred so long as the number of Shares transferred or assigned to such transferee or assignee represents at least 10% of the Common Shares determined on an as-converted basis, or such lesser number of Shares if it constitutes the remaining holdings of Investor and its Affiliates. Subject to the foregoing, this Agreement shall enure to the benefit of and be binding upon the Parties and their respective successors and permitted assigns.

5.5 Entire Agreement

This Agreement, and any agreement or document delivered in connection with this Agreement, constitutes the entire agreement between the Parties with respect to the matters herein and supersedes all prior agreements, understandings, negotiations and discussions relating to the subject matter hereof. There are no other covenants, agreements, representations, warranties, conditions, whether direct or collateral, express or implied, that form part of or affect this Agreement except as otherwise provided for in this Agreement. This Agreement shall not be amended, added to or qualified except by written agreement signed by the Parties.

5.6 Waiver

Except as otherwise expressly set out herein, no waiver of any provision of this Agreement shall be binding unless it is in writing. No indulgence or forbearance by a Party shall constitute a waiver of such Party's right to insist on performance in full and in a timely manner of all covenants in this Agreement. Waiver of any provision shall not be deemed to waive the same provision thereafter, or any other provision of this Agreement, at any other time.

5.7 Notices

All notices, requests, demands or other communications required or permitted to be given by one Party to another under this Agreement shall be given in writing and delivered by personal delivery or delivery by recognized commercial courier, sent by facsimile or delivered by registered mail or postage prepaid, addressed as follows:

(a) to the Corporation:

Pipestone Energy Corp.
3700, 888 3rd Street S.W.
Calgary, Alberta
T2P 5C5

Attention: [redacted]

Email: [redacted]

with a copy to:

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

Attention: [redacted]

Email: [redacted]

(b) If to Investor:

2300 Windy Ridge Parkway
Suite 550 South
Atlanta, Georgia 30339

Attention: [redacted]

Email: [redacted]

with a copy (which shall not be deemed notice) to:

2300 Windy Ridge Parkway
Suite 550 South
Atlanta, Georgia 30339

Attention: [redacted]

E-mail: [redacted]

or at such other address or email address of which the addressee may from time to time notify the addressor. Any notice delivered by personal delivery or by courier to the Party to whom it is addressed as provided above shall be deemed to have been given and received on the day it is so delivered at such address. If such day is not a Business Day, or if the notice is received after 4:00 p.m. (addressee's local time), then the notice shall be deemed to have been given and received on the next Business Day. Any notice transmitted by email shall be deemed to have been given and received on the day in which transmission is confirmed. If such day is not a Business Day or if the transmission of the email is received after 4:00 p.m. (addressee's local time), then the notice shall be deemed to have been given and received on the first Business Day after its transmission.

5.8 Severability

If, in any jurisdiction, any provision of this Agreement or portion thereof or the application thereof to any Person or circumstance shall to any extent be restricted, invalid or unenforceable the Parties will negotiate in good faith to amend this Agreement to implement the intentions set forth herein. Each provision of this Agreement shall be valid and enforceable to the fullest extent permitted by law.

5.9 Counterparts; Facsimile and Electronic Signatures

This Agreement may be signed in one or more counterparts, each of which once signed shall be deemed to be an original. All such counterparts together shall constitute one and the same instrument. Notwithstanding the date of execution of any counterpart, each counterpart shall be deemed to bear the effective date first written above. This Agreement, any and all agreements and instruments executed and delivered in accordance herewith, along with any amendments hereto or thereto, to the extent signed and delivered by means of a facsimile machine, scanned email or internet transmission copy or other means of electronic transmission, shall be treated in all manner and respects and for all purposes as an original signature, agreement or instrument and shall be considered to have the same binding legal effect as if it were the original signed version thereof delivered in person.

5.10 Governing Law and Jurisdiction for Disputes

This Agreement shall be governed by and construed in accordance with the laws of the Province of Alberta and the federal laws of Canada applicable therein and shall be treated, in all respects, as an Alberta contract. The Parties irrevocably submit to the non-exclusive jurisdiction of the courts of the Province of Alberta.

5.11 Third Party Beneficiaries

The terms and provisions of this Agreement are intended solely for the benefit of the Parties and their respective successors and permitted assigns, and it is not the intention of the Parties to confer any third party beneficiary rights and this Agreement does not confer any such rights, upon any Person.

5.12 Remedies

Each Party agrees that an award of monetary damages would not be an adequate remedy for any loss incurred by reason of any breach of this Agreement and that, in the event of any breach or threatened breach of this Agreement by a Party, the other Parties will be entitled to seek equitable relief, including injunctive relief and specific performance. Such remedies will not be the exclusive remedies for any breach or threatened breach of this Agreement but will be in addition to all other remedies available at law or in equity.

SCHEDULE “D”

[redacted]