UNDERWRITING AGREEMENT

June 23, 2022

Southern Energy Corp.
Suite 2400, 333 – 7th Avenue SW
Calgary, Alberta T2P 2Z1

Attention: **Mr. Ian Atkinson**
President and Chief Executive Officer

Dear Sir:

Re: Short Form Prospectus Offering of Common Shares

Eight Capital ("**Eight**"), as lead underwriter and sole bookrunner, along with Haywood Securities Inc. and Canaccord Genuity Corp. (collectively, the "**Underwriters**", and individually, an "**Underwriter**"), based upon and subject to the terms and conditions set out below, hereby severally, and not jointly, nor jointly and severally, in their respective percentages set out in Section 18 below, offer to purchase from Southern Energy Corp. (the "**Corporation**") and the Corporation hereby agrees to issue and sell to the Underwriters, 26,060,000 Common Shares (as defined below) ("**Purchased Shares**") of the Corporation, on a "bought deal" underwritten basis, at a price of $0.87 per Purchased Share (the "**Offer Price**") for aggregate gross proceeds of $22,672,200.

The Corporation hereby grants to the Underwriters an option (the "**Over-Allotment Option**") to purchase up to an additional 3,909,000 Common Shares of the Corporation (the "**Over-Allotment Shares**") at the Offer Price for additional gross proceeds of up to $3,400,830 upon the terms and conditions set forth herein for the purpose of covering over-allotments, if any, made in connection with the Offering (as defined below) and for market stabilization purposes. The Over-Allotment Option shall be exercisable, in whole or in part, and at any time within 30 days following the Closing Date (as defined below) by giving written notice to the Corporation, as more particularly described in Section 12. Pursuant to such notice, the Underwriters shall purchase, severally, in their respective percentages set out in Section 18, and the Corporation shall deliver and sell, the number of Over-Allotment Shares indicated in such notice in accordance with this Agreement (as defined below).

The Purchased Shares and the Over-Allotment Shares are collectively referred to in this Agreement as the "**Offered Shares**" and the offering of the Offered Shares by the Corporation is referred to in this Agreement as the "**Offering**".

The Corporation shall be entitled to include investors on a president's list for aggregate Offered Shares to be agreed upon by Eight and the Corporation (the "**President's List**"). Eight shall not be required to conduct a suitability review in respect of sales to investors on the President's List and the Corporation shall indemnify and save harmless Eight from any and all losses or expenses relating to sales to investors on the President's List. Eight may in its sole discretion refuse to process any subscription for an investor on the President's List.

We understand that the Corporation is eligible to file, and shall, on June 23, 2022, prepare and file a preliminary short form prospectus (the "**Preliminary Prospectus**"), pursuant to the Passport Procedures (as defined below), electing the Alberta Securities Commission as the principal regulator, and obtain a decision document issued by the Alberta Securities Commission, as principal regulator, evidencing that a receipt (or deemed receipt) has been issued for the Preliminary Prospectus in each of the Qualifying Jurisdictions (as defined below). The Underwriters also understand that the Corporation shall prepare and will file within the time limits and on the terms set out below a (final) short form prospectus (the "**Final Prospectus**"), and all other necessary documents in order to qualify the Offered Shares for distribution to the public in each of the Qualifying Jurisdictions.

The Underwriters propose to offer the Offered Shares at the Offer Price specified above. After a reasonable effort has been made to sell all of the Offered Shares at the Offer Price, the Underwriters may subsequently reduce the selling prices to investors from time to time in order to sell any of the Offered Shares remaining unsold; provided that any such reduction in the selling price to investors shall not affect the aggregate Offer Price less the Underwriting Fee (as defined below) payable to the Corporation.

The Offered Shares may also be offered and sold in the United States (as defined below) by the Underwriters or by or through their U.S. Affiliates (as defined below) on a private placement basis in accordance with Schedule "A" attached hereto, which Schedule forms a part of this agreement (the "**Agreement**"), and in compliance with U.S. Securities Laws (as defined below) to Persons who the Underwriters reasonably believe to be Qualified Institutional Buyers (as defined below) pursuant to Rule 144A under the U.S. Securities Act (as defined below) and Accredited Investors (as defined below) pursuant to Section 4(a)(2) of the U.S. Securities Act and Rule 506(b) of Regulation D thereunder. The Corporation understands that although this Agreement is presented on behalf of the Underwriters as purchasers, the Underwriters may also act as agent for the Corporation and arrange for substituted purchasers (the "**Substituted Purchasers**"), who will be Accredited Investors, for the Offered Shares in connection with private placements of the Offered Shares in the United States only in accordance with Rule 506(b) of Regulation D under the U.S. Securities Act and the provisions of this Agreement and, without limiting the foregoing, specifically Schedule "A" to this Agreement. It is further understood that the Underwriters agree to purchase or cause to be purchased the Purchased Shares, and that this commitment is not subject to the Underwriters being able to arrange Substituted Purchasers. Each Substituted Purchaser shall purchase Purchased Shares directly from the Corporation at the Offer Price set forth in the paragraphs above, and to the extent that Substituted Purchasers purchase Purchased Shares, the obligations of the Underwriters to do so will be reduced by the number of Offered Shares purchased by the Substituted Purchasers directly from the Corporation. Any reference in this Agreement hereafter to "purchasers" shall be taken to be a reference to the Underwriters, as the initial committed purchasers, and to the Substituted Purchasers, if any.

Subject to applicable law, including Applicable Securities Laws (as defined herein) and the terms of this Agreement, the Offered Shares may also be distributed outside of Canada and the United States, in each jurisdiction where they may be lawfully sold by the Underwriters without: (a) giving rise to any requirement under the laws of such jurisdiction to prepare and/or file a prospectus, registration statement or document having similar effect; or (b) creating any ongoing compliance or continuous disclosure obligations for the Corporation pursuant to the laws of such jurisdiction.

In consideration for the services rendered hereunder, the Underwriters will receive a cash commission fee (the "**Underwriting Fee**") equal to 6% of the aggregate gross proceeds from the sale of the Offered Shares, less proceeds raised through the President's List, payable on the Closing Date in cash. The Underwriters will also receive reimbursement for their reasonable costs and expenses in accordance with Section 17 hereof payable out of the proceeds of the Offering. For greater certainty, the Underwriting Fee payable to the Underwriters in connection herewith will not be subject to the Goods and Services Tax provided for in the *Excise Tax Act* (Canada) and taxable supplies provided will be incidental to the exempt financial services provided.

The parties acknowledge that the Offered Shares have not been, and will not be, registered under the U.S. Securities Act (as defined below) or the securities laws of any state of the United States, and may only be offered and sold in the United States or to, or for the benefit or account of persons in the United States pursuant to exemptions from the registration requirements of the U.S. Securities Act and the applicable laws of any state of the United States.

The following are the terms and conditions of the agreement between the Corporation and the Underwriters:

TERM AND CONDITIONS

1. Definitions and Interpretation

(a) In this Agreement:

"**ABCA**" means the *Business Corporations Act* (Alberta), as amended, including the regulations promulgated thereunder;

"**Accredited Investor**" means an accredited investor as defined in Rule 501(a) of Regulation D under the U.S. Securities Act;

"**affiliate**" means an affiliated entity for purposes of the *Securities Act* (Alberta);

"**Agreement**" has the meaning given to that term in the seventh paragraph of this Agreement;

"**Ancillary Documents**" means all agreements, certificates (including the certificates, if any, representing the Offered Shares) and documents executed and delivered, or to be executed and delivered, by the Corporation in connection with the transactions contemplated by this Agreement;

"**Applicable Securities Laws**" means the Canadian Securities Laws and the U.S. Securities Laws;

"**Auditors**" means Deloitte LLP;

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

"**Canadian Securities Laws**" means, collectively, all applicable securities Laws of each of the Qualifying Jurisdictions and the respective rules and regulations under such laws together with applicable published instruments, notices and orders of the securities regulatory authorities in the Qualifying Jurisdictions;

"**Closing Date**" means July 7, 2022 or any earlier or later date as may be agreed to by the Corporation and Eight, on its own behalf and on behalf of the Underwriters, each acting reasonably, but will in any event not be later than 42 days after the date of issuance of a receipt for the Final Prospectus;

"**Closing Time**" means: (a) 6:00 a.m. (Calgary time) on the Closing Date; or (b) any other time on the Closing Date as may be agreed to by the Corporation and the Underwriters;

"**Common Shares**" means the common shares in the capital of the Corporation, as presently constituted;

"**Corporation**" means Southern Energy Corp.;

"**Corporation Financial Statements**" means: (a) the audited consolidated annual financial statements of the Corporation as at and for the years ended December 31, 2021 and 2020 and January 1, 2020, together with the related notes thereto and the auditors' report thereon; and (b) the unaudited condensed consolidated interim financial statements of the Corporation as at and for the three month periods ended March 31, 2022 and 2021;

"**Disclosure Record**" means all information filed by or on behalf of the Corporation with the Securities Commissions since January 1, 2022 and accessible on SEDAR, including the Documents, the Preliminary Prospectus, the Final Prospectus, any Supplementary Material and any information filed with any Securities Commission in compliance, or intended compliance, with any Canadian Securities Laws;

"**distribution**" means distribution or distribution to the public, as the case may be, for the purposes of Canadian Securities Laws or any of them;

"**Documents**" means all financial statements, management's discussion and analysis, management information circulars, annual information forms, material change reports, business acquisition reports, Marketing Materials (as defined below) or other documents filed by the Corporation with the Securities Commissions, whether before or after the date of this Agreement, that are required by Canadian Securities Laws to be incorporated by reference into the Preliminary Prospectus or the Final Prospectus;

"**Due Diligence Responses**" means the written and verbal responses (to the extent such verbal responses are subsequently reduced to writing in a form acceptable to the Corporation, acting reasonably) provided by the Corporation together with all materials provided to the Underwriters during any due diligence session held in connection with the Offering;

"**Eight**" means Eight Capital;

"**Engagement Letter**" means the engagement letter dated June 23, 2022 between Eight and the Corporation.

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

"**Final Prospectus**" has the meaning given to that term in the fifth paragraph of this Agreement and for greater certainty includes the documents incorporated by reference therein;

"**Governmental Authority**" means any: (a) multinational, federal, provincial, state, regional, municipal, local or other government, governmental, administrative, regulatory or public department, central bank, court, tribunal, ministry, arbitral body, bureau or agency, domestic or foreign; (b) any subdivision, agent, commission, board, or authority of any of the foregoing; or (c) any quasi-governmental or private body exercising any regulatory, expropriation or taxing authority under or for the account of any of the foregoing, and any stock exchange or self-regulatory authority and, for greater certainty, includes the Securities Commissions, the Exchange and the Investment Industry Regulatory Organization of Canada;

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

"**Indemnified Person**" or "**Indemnified Persons**" has the meaning given to that term in Section 15(a) of this Agreement;

"**Laws**" means Canadian Securities Laws, U.S. Securities Laws, and all other statutes, regulations, statutory rules, orders, by-laws, codes, ordinances, decrees, the terms and conditions of any grant of approval, permission, authority or license, or any judgment, order, decision, ruling, award, policy or guideline, of any Governmental Authority, and the term "applicable" with respect to such Laws and in the context that refers to one or more Persons, means that such Laws apply to such Person or Persons or its or their business, undertaking, property or securities and emanate from a Governmental Authority having jurisdiction over the Person or Persons or its or their business, undertaking, property or securities;

"**Liens**" means any encumbrance or title defect of whatever kind or nature, regardless of form, whether or not registered or registrable and whether or not consensual or arising by law (statutory or otherwise), including any mortgage, lien, charge, pledge or security interest, whether fixed or floating, or any assignment, lease, option, right of pre-emption, privilege, encumbrance, easement, servitude, right of way, restrictive covenant, right of use or any other right or claim of any kind or nature whatever which affects ownership or possession of, or title to, any interest in, or the right to use or occupy such property or assets;

"**limited-use version**" has the meaning given to that term in NI 41-101 (as defined below);

"**Marketing Materials**" has the meaning ascribed to such term in NI 41-101 (as defined below), including any template version, revised template version or limited use version thereof;

"**Material Adverse Effect**" means, with respect to the Corporation, any matter or action that has an effect or change that is, or would reasonably be expected to be, material and adverse to the business, operations, assets, capitalization, condition (financial or otherwise), liabilities (contingent or otherwise), or cash flow of the Corporation and the Southern Subsidiaries (taken as a whole);

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

"**material change**" has the meaning given to that term in the *Securities Act* (Alberta);

"**material fact**" has the meaning given to that term in the *Securities Act* (Alberta);

"**misrepresentation**" has the meaning given to that term in the *Securities Act* (Alberta);

"**NI 41-101**" means National Instrument 41-101 – *General Prospectus Requirements*;

"**NI 44-101**" means National Instrument 44-101 – *Short Form Prospectus Distributions*;

"**NI 51-102**" means National Instrument 51-102 – *Continuous Disclosure Obligations;*

"**NSAI**" means Netherland, Sewell & Associates, Inc., independent petroleum consultants of Texas, United States;

"**Offer Price**" has the meaning given to that term in the first paragraph of this Agreement;

"**Offered Shares**" has the meaning given to that term in the third paragraph of this Agreement;

"**Offering**" has the meaning given to that term in the third paragraph of this Agreement;

"**Offering Documents**" means, collectively, the Prospectuses, any Supplementary Material, and each U.S. Placement Memorandum;

"**Offering Jurisdictions**" means the Qualifying Jurisdictions, the United States and any other jurisdiction permitted under this Agreement;

"**Over-Allotment Option**" has the meaning given to that term in the second paragraph of this Agreement;

"**Over-Allotment Shares**" has the meaning given to that term in the second paragraph of this Agreement;

"**Passport Procedures**" means the procedures provided for under National Policy 11-202 – *Process for Prospectus Reviews in Multiple Jurisdictions* among the securities commissions and other securities regulatory authorities in each of the provinces of Canada;

"**Person**" means an individual, a firm, a corporation, a syndicate, a partnership, a trust, an association, an unincorporated organization, a joint venture, an investment club, a government or an agency or political subdivision thereof and every other form of legal or business entity of any nature or kind whatsoever;

"**Preliminary Prospectus**" has the meaning given to that term in the fifth paragraph of this Agreement and for greater certainty includes the documents incorporated by reference therein;

"**President's List**" has the meaning given to that term in the fourth paragraph of this Agreement;

"**Prospectuses**" means collectively, the Preliminary Prospectus and the Final Prospectus;

"**Purchased Shares**" has the meaning given to that term in the first paragraph of this Agreement;

"**Qualified Institutional Buyer**" means a "qualified institutional buyer" as defined in Rule 144A;

"**Qualifying Jurisdictions**" means, collectively, each of the provinces of Canada other than the Province of Québec;

"**Rule 144A**" means Rule 144A under the U.S. Securities Act;

"**Securities Commissions**" means the applicable securities commission or regulatory authority in each of the Qualifying Jurisdictions;

"**SEDAR**" means the System for Electronic Document Analysis and Retrieval at www.sedar.com;

"**Selling Firms**" has the meaning given to that term in Section 10(a)(i) of this Agreement;

"**Southern Reserves Report**" means the report prepared by NSAI, evaluating the crude oil, natural gas and natural gas liquids reserves of the Corporation dated February 18, 2022 with an effective date of December 31, 2021;

"**Southern Subsidiaries**" means each of the direct and indirect subsidiaries of the Corporation, being: (a) Southern Energy Corporation, a Delaware corporation; (b) Southern Energy Operating, LLC, a Delaware limited liability company; (c) Southern Energy BWB, LLC, a Delaware limited liability company; (d) Southern Energy CMS, LLC, a Delaware limited liability company; (e) Southern Energy LA, LLC, a Delaware limited liability company; (f) Southern Energy SO, LLC, a Delaware limited liability company; and (g) Southern Energy LA, LLC, a Delaware limited liability company, and "**Southern Subsidiary**" means any of the Material Subsidiaries;

"**Standard Listing Conditions**" has the meaning given to that term in Section 3(e)(iii) of this Agreement;

"**subsidiary**" and "**subsidiaries**" have the meaning given to such terms in the Act;

"**Substituted Purchasers**" has the meaning given to that term in the seventh paragraph of this Agreement;

"**Supplementary Material**" means, collectively: (a) any amendment or supplement to the Prospectuses; (b) any amendment or supplement to the U.S. Placement Memorandum; (c) any amendment or supplemental prospectus or ancillary materials that may be filed by or on behalf of the Corporation under Canadian Securities Laws relating to the qualification for distribution of the Offered Shares; or (d) any other document that is delivered or intended to be delivered to a purchaser of Offered Shares; including, for greater certainty, any Marketing Material and any standard term sheet approved by the Corporation in accordance with Section 2(c);

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

"**Transfer Agent**" means Odyssey Trust Company in its capacity as transfer agent and registrar of the Corporation at its principal offices in Calgary, Alberta;

"**UK Placement**" means the best efforts private placement of Common Shares of the Corporation to United Kingdom investors, at a GBP offering price approximately equivalent to the Offer Price, for aggregate gross proceeds of up to £10,187,500.20;

"**Underwriters**" has the meaning given to that term in the first paragraph of this Agreement;

"**Underwriting Fee**" has the meaning given to that term in the ninth paragraph of this Agreement;

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

"**U.S. Affiliate**" means the U.S. registered broker-dealer affiliate of an Underwriter;

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

"**U.S. Person**" means a "U.S. person" as such term is defined in Rule 902(k) of Regulation S under the U.S. Securities Act;

"**U.S. Placement Memorandum**" means each U.S. private placement memorandum, in a form and substance acceptable to the Underwriters and the Corporation, which has attached thereto, a copy of the Preliminary Prospectus or the Final Prospectus, or any amendment or supplement thereto, delivered or to be delivered to offerees and purchasers of Offered Shares in the United States pursuant to the terms and conditions hereof;

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

"**U.S. Securities Laws**" means all applicable securities Laws in the United States, including the U.S. Securities Act, the U.S. Exchange Act and any applicable state securities Laws.

(a) The Underwriters and the Corporation acknowledge that Schedule "A" attached hereto shall form part of this Agreement.

(b) The division of this Agreement into sections, subsections, paragraphs and other subdivisions and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Agreement. Unless something in the subject matter or context is inconsistent therewith, references herein to sections, subsections, paragraphs and other subdivisions are to sections, subsections, paragraphs and other subdivisions of this Agreement. The words "hereof," "hereto," "herein" and "hereunder" and words of similar import, when used in this Agreement, shall refer to this Agreement as a whole and not to any particular provision of this Agreement. Words defined in the singular shall have a comparable meaning when used in the plural, and vice versa. Wherever the word "include," "includes" or "including" is used in this Agreement, it shall be deemed to be followed by the words "without limitation". References herein to any Law shall be deemed to refer to such Law as amended, re-enacted, supplemented or superseded in whole or in part and in effect from time to time and also to all rules and regulations promulgated thereunder. References herein to any contract, instrument or agreement mean such contract, instrument or agreement as amended, supplemented or modified (including any waiver thereto) in accordance with the terms thereof.

(c) Except as otherwise indicated, all amounts expressed herein in terms of money refer to lawful currency of Canada and all payments to be made hereunder shall be made in such currency.

(d) In this Agreement a reference to "knowledge" of the Corporation or of which the Corporation is "aware" means to the actual knowledge, without further inquiry or investigation, of the President and Chief Executive Officer, Vice President, Finance and Chief Financial Officer, Vice President, Engineering and Vice President, Land of the Corporation, each after due and reasonable inquiry.

(e) Where this Agreement references information and statements relating solely to the Underwriters (and/or their U.S. Affiliates) and furnished by them specifically for use in the Offering Documents, or any part thereof, the statements set forth under the heading "*Plan of Distribution*" in the Preliminary Prospectus, Final Prospectus or any Supplementary Material, or that relate to over-allotment and stabilization activities that may be undertaken by the Underwriters, constitute the only such information and statements.

2. Filing of the Prospectuses and Qualification for Distribution

(a) The Corporation shall prepare and, as soon as practicable, and in any event not later than 8:59 p.m. (Calgary time) on June 23, 2022, file the Preliminary Prospectus under Canadian Securities Laws, and shall have subsequently obtained a decision document evidencing the receipt (and deemed receipt) therefor from the Securities Commission in each of the Qualifying Jurisdictions (under Passport Procedures).

(b) The Corporation shall prepare and, by July 4, 2022 (or such later date as may be agreed to in writing by the Corporation and Eight), file the Final Prospectus under Canadian Securities Laws, and shall have subsequently obtained a receipt (or deemed receipt) therefor from the Securities Commission in each of the Qualifying Jurisdictions (under Passport Procedures), and shall have, by 2:00 p.m. (Calgary time) on July 4, 2022, filed such other documents relating to the distribution in the Qualifying Jurisdictions of the Offered Shares, and shall have taken all other steps and proceedings that may be necessary to be taken by the Corporation in order to qualify the Offered Shares for distribution in each of the Qualifying Jurisdictions by the Underwriters under the Canadian Securities Laws and to qualify the grant of the Over-Allotment Option.

(c) During the distribution of the Offered Shares:

(i) the Corporation shall prepare, in consultation with the Underwriters, any Marketing Materials (including any template version thereof) to be provided to potential investors in the Offered Shares, and approve in writing any such Marketing Materials (including any template version thereof), as may reasonably be requested by the Underwriters, such

Marketing Materials to comply with Canadian Securities Laws and to be acceptable in form and substance to the Underwriters and their counsel, acting reasonably;

(ii) the Underwriters shall approve in writing any such Marketing Materials, as contemplated by the Canadian Securities Laws, prior to any Marketing Materials being provided to potential investors of Offered Shares and/or filed with the Securities Commissions; and

(iii) the Corporation shall: (A) file any such Marketing Materials (or any template version thereof) with the Securities Commissions as soon as reasonably practicable after such Marketing Materials are so approved in writing by the Corporation and the Underwriters, and in any event on or before the day the Marketing Materials are first provided to any potential investor of Offered Shares; and (B) remove or redact any comparables from any template version so filed, in compliance with NI 44-101, prior to filing such template version with the Securities Commissions (provided that a complete template version containing such comparables and any disclosure relating to the comparables, if any, shall be delivered to the Securities Commissions in compliance with NI 44-101 by the Corporation, and a copy thereof provided to the Underwriters as soon as practicable following the such filing).

(d) The Corporation and each Underwriter, on a several basis, covenants and agrees that, during the distribution of the Offered Shares, it will not provide any potential investor with any materials or information in relation to the distribution of the Offered Shares or the Corporation other than the Prospectuses, any Supplementary Material and the U.S. Placement Memorandum in accordance with this Agreement, provided that: (i) any such materials that constitute Marketing Materials have been approved and filed in accordance with Section 2(c); and (ii) any such materials that constitute standard term sheets have been approved in writing by the Corporation and the Underwriters and are provided in compliance with Canadian Securities Laws in each case only in the Qualifying Jurisdictions.

(e) Notwithstanding Section 2(c) and Section 2(d), following the approval and filing of a template version of Marketing Materials in accordance with Section 2(c), the Underwriters may provide a limited-use version of such template version to potential investors in the Offered Shares in accordance with Canadian Securities Laws.

(f) Until the earlier of the date on which: (A) the distribution of the Offered Shares is completed; or (B) the Underwriters have exercised their termination rights pursuant to Section 14, the Corporation will promptly take commercially reasonable steps and proceedings that may from time to time be required under Canadian Securities Laws to continue to qualify the distribution of the Offered Shares and the grant of the Over-Allotment Option, or, in the event that the Offered Shares or the Over-Allotment Option, have, for any reason, ceased to so qualify, to so qualify again such securities, as applicable, for distribution in the Qualifying Jurisdictions.

3. Delivery of Offering Documents and Related Matters

(a) The Corporation shall deliver without charge to the Underwriters, as soon as practicable and in any event within one Business Day for deliveries within Calgary, Alberta and within two Business Days for North American deliveries outside of Calgary, Alberta of obtaining a receipt for the Preliminary Prospectus or the Final Prospectus (as the case may be), and thereafter from time to time during the distribution of the Offered Shares, in such cities in the Offering Jurisdictions as the Underwriters shall notify the Corporation, as many commercial copies of the Preliminary Prospectus, the Final Prospectus and each related U.S. Placement Memorandum, respectively, as the Underwriters may reasonably request for the purposes contemplated by the Applicable Securities Laws. The Corporation will similarly cause to be delivered to the Underwriters, in such cities in the Offering Jurisdictions as the Underwriters may reasonably request commercial copies of any Supplementary Material required or intended to be delivered to purchasers or prospective purchasers of the Offered Shares.

(b) Each delivery of the Prospectuses, each U.S. Placement Memorandum or any Supplementary Material will have constituted and will constitute the Corporation's consent to the use of the Prospectuses, each U.S. Placement Memorandum and any Supplementary Material by the Underwriters, the U.S. Affiliates and the Selling Firms for the distribution of the Offered Shares in the Offering Jurisdictions in compliance with the provisions of this Agreement and the Applicable Securities Laws.

(c) Each delivery of the Prospectuses and any Supplementary Material to the Underwriters by, or on behalf of, the Corporation will constitute the representation and warranty of the Corporation to the Underwriters that (except for information and statements relating solely to the Underwriters and furnished by them specifically for use in the Prospectuses and except for any information or statement in or incorporated by reference in the Preliminary Prospectus, Final Prospectus or any Supplementary Materials, as applicable, that has been superseded by any subsequent information or statement in or incorporated by reference in such Offering Document), at the respective times of delivery:

(i) the Prospectus being delivered and any Supplementary Material being delivered contains no misrepresentation;

(ii) the Prospectus being delivered, and any Supplementary Material being delivered, constitutes full, true and plain disclosure of all material facts relating to the Corporation and the Offered Shares; and

(iii) the Prospectus being delivered and the Supplementary Material being delivered complies in all material respects with the requirements of Canadian Securities Laws pursuant to which it was filed.

(d) Each delivery of the U.S. Placement Memorandum and any Supplementary Material to the Underwriters by the Corporation will constitute the representation and warranty of the Corporation to the Underwriters and the U.S. Affiliates that (except for information and statements relating solely to the Underwriters and the U.S. Affiliates and furnished by them specifically for use in the U.S. Placement Memorandum and except for any information or statement in or incorporated by reference in the U.S. Placement Memorandum or any Supplementary Materials, as applicable, that has been superseded by any subsequent information or statement in or incorporated by reference in such Offering Document) at the respective times of delivery, such U.S. Placement Memorandum or Supplementary Material being delivered does not contain an untrue statement of a material fact or omit to state a material fact that is required to be stated or necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(e) The Corporation will also deliver to the Underwriters without charge contemporaneously with, or prior to the filing of the Final Prospectus:

(i) a copy of the Final Prospectus, signed on behalf of the Corporation by the Persons and in the form required by Canadian Securities Laws, including copies of any documents incorporated by reference therein which have not previously been delivered to the

Underwriters (provided that any documents incorporated by reference therein which are publicly available on SEDAR shall be deemed to be delivered to the Underwriters);

(ii) upon reasonable request by the Underwriters, a copy of any other document filed with, or delivered to, the Securities Commissions by the Corporation under Canadian Securities Laws in connection with the Offering;

(iii) evidence satisfactory to the Underwriters of the approval (or conditional approval) of the listing and posting for trading on the Exchange of the Common Shares sold pursuant to the Offering, subject only to satisfaction by the Corporation of customary post-closing conditions imposed by the Exchange in similar circumstances (the "**Standard Listing Conditions**"); and

(iv) a customary "long-form" comfort letter dated the date of the Final Prospectus in a form and substance acceptable to the Underwriters, acting reasonably, addressed to the Underwriters and the Corporation, from the Auditor, and based on a review completed no more than two Business Days prior to the date of the Final Prospectus, with respect to financial and accounting information relating to the Corporation Financial Statements in the Final Prospectus or incorporated therein, which letter shall be in addition to the auditor's consent contained in the Final Prospectus and any auditor's comfort letter addressed to the Securities Commissions and filed with or delivered to the Securities Commissions under Canadian Securities Laws.

(f) Comfort letters and other documents substantially similar to those referred to in this section of this Agreement will be delivered, as required, to the Underwriters and the Corporation, and their respective counsel, as applicable, with respect to any Supplementary Material, contemporaneously with, or prior to the filing or delivery of, any Supplementary Material.

4. Material Changes During the Distribution of the Offered Shares

(a) The Corporation will promptly inform the Underwriters at first orally, and then in writing, during the period prior to the completion of the distribution of the Offered Shares of the full particulars of:

(i) any material change (whether actual, anticipated, threatened, contemplated) in respect of the Corporation;

(ii) any material fact (whether actual, anticipated, threatened, contemplated, or proposed) that has arisen or has been discovered that would have been required to have been stated in any of the Offering Documents had that fact arisen or been discovered on, or prior to, the date of the Offering Documents, as the case may be; and

(iii) any change (whether actual, anticipated, threatened, contemplated, or proposed by, to, or against) in any material fact or any misstatement of any material fact contained in any of the Offering Documents, or the coming into existence of any new material fact; and

in all cases which change or new material fact is, or could reasonably be expected to be, of such a nature as:

(iv) to render any of the Offering Documents, as they exist taken together in their entirety immediately prior to such change or new material fact, misleading or untrue in any material respect or could result in any of such documents, as they exist taken together in their entirety immediately prior to such change or material fact, containing a misrepresentation;

(v) could result in any of the Offering Documents, as they exist taken together in their entirety immediately prior to such change or material fact, not complying with any Applicable Securities Laws; or

(vi) to constitute a Material Adverse Effect as it relates to the Corporation.

(b) The Corporation shall comply with Part 6 of NI 41-101, and the Corporation will prepare and will file or deliver promptly, any Supplementary Material, which, in the opinion of the Corporation and its counsel may be necessary, and will until the distribution of the Offered Shares is complete, otherwise comply with all applicable filing, delivery and other requirements under Canadian Securities Laws arising as a result of such fact or change necessary to continue to qualify the Offered Shares for distribution in each of the Qualifying Jurisdictions. The Corporation and the Underwriters acknowledge that if the Final Prospectus (prior to amendment), during the period from the date thereof to the later of: (i) the Closing Date; and (ii) the date of the completion of the distribution of the Offered Shares, contains a misrepresentation, the Corporation will promptly prepare and file with the Securities Commission in the Qualifying Jurisdictions any amendment or supplement thereto which in the opinion of the Underwriters and the Corporation, acting reasonably, may be necessary or advisable to correct such misrepresentation.

(c) In addition, if, during the period from the date hereof to the later of: (i) the Closing Date; and (ii) the date of the completion of the distribution of the Offered Shares, it shall be necessary to file or deliver any Supplementary Material to comply with any Applicable Securities Laws, the Corporation shall, in co-operation with the Underwriters, make any such filing and/or delivery as soon as reasonably possible.

(d) In addition to the provisions of Section 4(a) and Section 4(b), the Corporation will, in good faith, discuss with the Underwriters, any change, event, development or fact, contemplated, anticipated, threatened, or proposed in Section 4(a)and Section 4(b) that is of such a nature that there may be reasonable doubt as to whether written notice should be given to the Underwriters under this Section 4 and will consult with the Underwriters with respect to the form and substance of any Supplementary Material proposed to be filed or delivered by the Corporation, it being understood and agreed that no such Supplementary Material will be filed by the Corporation with any Securities Commission or delivered to any purchaser or prospective purchaser until the Underwriters and their legal counsel: (i) have been given a reasonable opportunity to review; and (ii) approve such material, acting reasonably.

5. Due Diligence

During the period from the date hereof until completion of the distribution of the Offered Shares, the Corporation shall allow the Underwriters to conduct all due diligence which they may reasonably require in order to fulfill their obligations as underwriters and in order to enable the Underwriters responsibly to execute the certificates required to be executed by them in the Prospectuses or in any Supplementary Material. Without limiting the generality of the foregoing, the Corporation shall make available its senior management, and shall use reasonable commercial efforts to have its Auditor, independent engineers and legal counsel, and the auditors of any other financial statements included in or incorporated by reference in the Prospectuses, to answer any questions which the Underwriters may have and to participate in one or more due diligence sessions to be held prior to the Closing Time (collectively, the "**Due Diligence Session**"). The

Underwriters shall distribute a list of written questions to be answered in advance of each such Due Diligence Session and the Corporation shall provide written responses to such questions in advance of the Due Diligence Session and shall use commercially reasonable efforts to have the above-mentioned auditors, engineers and legal counsel provide written responses to such questions in advance of the Due Diligence Session.

6. Conditions of Closing

The Underwriters' obligations under this Agreement to purchase the Offered Shares or the Over-Allotment Shares, as the case may be, are conditional upon (which conditions may be waived by the Underwriters in their sole discretion) and subject to:

(a) The Underwriters receiving at the Closing Time on the Closing Date a favourable legal opinion from Stikeman Elliott LLP, counsel to the Corporation, who may rely on, or alternatively provide directly to the Underwriters, the opinions of local counsel acceptable to counsel to the Underwriters, acting reasonably, as to the qualification of the Offered Shares for sale to the public and as to other matters governed by the laws of other jurisdictions in Canada, and may rely as to matters of fact on certificates of officers, public and exchange officials or of the Auditors or Transfer Agent, to the effect set forth below:

(i) the Corporation is existing under the laws of the Province of Alberta and has the corporate capacity and power to own and lease its properties and assets and to conduct its business as described in the Final Prospectus;

(ii) the Corporation having the corporate power to execute and deliver the Agreement and to carry out the transactions contemplated hereby, under the laws of the Province of Alberta;

(iii) as to the authorized and issued share capital of the Corporation;

(iv) all necessary corporate actions having been taken by the Corporation to authorize the execution and delivery of the Agreement, and the performance of its obligations hereunder;

(v) all necessary corporate action has been taken by the Corporation to authorize the execution and delivery of each of the Preliminary Prospectus, the Final Prospectus and any Supplementary Material and the filing thereof with the Securities Commissions;

(vi) the Agreement having been duly executed and delivered by the Corporation and constituting legal, valid and binding obligations of, and being enforceable against, the Corporation in accordance with their terms (subject to bankruptcy, insolvency or other Laws affecting the rights of creditors generally, general equitable principles including the availability of equitable remedies and the qualification that no opinion need be expressed as to rights to indemnity or contribution) and such other customary qualifications for an opinion of this nature;

(vii) the execution and delivery by the Corporation of the Agreement, the fulfilment of the terms thereof by the Corporation, and the issue, sale and delivery on the Closing Date of the Purchased Shares to the Underwriters, not constituting or resulting in a breach of or a default under, and not creating a state of facts which, after notice or lapse of time or both, will constitute or result in a breach of, and will not conflict with, any of the terms, conditions or provisions of the articles and bylaws of the Corporation or any applicable Law of the Province of Alberta, and the federal Laws of Canada;

(viii) all necessary corporate actions having been taken by the Corporation to authorize the issuance and delivery of the Offered Shares;

(ix) all documents required to be filed with or delivered to the Securities Commissions by the Corporation, and all proceedings required to be taken by the Corporation under Canadian Securities Laws, have been filed or delivered and taken in order to qualify the distribution of the Offered Shares in each of the Qualifying Jurisdictions through investment dealers or brokers registered under the applicable Laws thereof who have complied with the relevant provisions thereof to qualify the grant of the Over-Allotment Option, and other than for post-Closing filings required under Canadian Securities Laws or in connection with a trade from the holdings of a control person, no other documents will be required to be filed, proceedings taken, or approvals, permits, consents or authorizations obtained by the Corporation under Canadian Securities Laws to permit the trading in the Qualifying Jurisdictions of the Offered Shares, through registrants duly registered under Canadian Securities Laws or in circumstances in which there is an exemption from the registration requirements of such applicable laws;

(x) the Offering Documents having been duly authorized and executed, if required by applicable laws to be executed, by the Corporation;

(xi) the Offered Shares having been conditionally approved, or approved, for listing on the Exchange, subject only to the Standard Listing Conditions;

(xii) the Offered Shares upon payment of the aggregate Offer Price, including the Over-Allotment Shares if the Over-Allotment Option is exercised, having been validly issued by the Corporation as fully paid and non-assessable Common Shares in the capital of the Corporation;

(xiii) in those Qualifying Jurisdictions where such an opinion can be provided, the Corporation being a reporting issuer (or the equivalent) under the Canadian Securities Laws of all of the Qualifying Jurisdictions, and not being included on a list of defaulting reporting issuers maintained by the securities regulators of such jurisdictions;

(xiv) that the form of certificates representing the Common Shares have been duly approved and adopted by the Corporation and comply in all material respects with the constating documents of the Corporation, the ABCA and the requirements of the Exchange;

(xv) that the Transfer Agent has been duly appointed as the transfer agent and registrar for the Common Shares;

(xvi) the statements under the heading "*Eligibility for Investment*" in the Final Prospectus in so far as they purport to describe the provisions of the laws referred to therein, are fair and accurate summaries of the matters discussed therein; and

(xvii) as to such other matters as the Underwriters' legal counsel may reasonably request;

all in a form and substance acceptable to the Underwriters, acting reasonably.

(b) In the event of the offering and sale of Offered Shares in the United States pursuant to this Agreement, including Schedule "A" hereto, the Underwriters shall have received an opinion from Carter Ledyard & Milburn LLP, the Corporation's special U.S. counsel, in form and substance reasonably satisfactory to the Underwriters and their counsel and addressed to the Underwriters, to the effect that it is not necessary to register under the U.S. Securities Act the offer, sale and delivery of the Offered Shares (and the initial resale by the Underwriters of the Offered Shares) in the United States in the manner contemplated by this Agreement, including Schedule "A" hereto, and the U.S. Placement Memorandum.

(c) The Underwriters having received at the Closing Time on the Closing Date, a certificate dated such date signed by the President and Chief Executive Officer and the Chief Financial Officer of the Corporation or another officer acceptable to the Underwriters in form and substance acceptable to the Underwriters with respect to:

(i) the constating documents of the Corporation;

(ii) (the resolutions of the directors of the Corporation relevant to the Offering, the allotment, issue (or reservation for issue) and sale of the Offered Shares, the grant of the Over-Allotment Option, the authorization of this Agreement and the other agreements and transactions contemplated by this Agreement; and

(iii) the incumbency and signatures of signing officers of the Corporation.

(d) The Corporation having delivered to the Underwriters a certificate of the Transfer Agent, which certifies the number of Common Shares issued and outstanding on the day prior to the Closing Date.

(e) The Underwriters having received at the Closing Time on the Closing Date, certificates of status and/or compliance (or the equivalent), for the Corporation and each Material Subsidiary, dated no earlier than the date prior to the Closing Date.

(f) The Underwriters having received a "bring down" comfort letter dated the Closing Date from the Auditor, in form and substance satisfactory to Eight on behalf of the Underwriters, acting reasonably, bringing forward to a date not more than two Business Days prior to the Closing Date the information contained in the comfort letter referred to in Section 3(e)(iv);

(g) The Corporation having delivered to the Underwriters, at the Closing Time, a certificate dated the date on which such Closing Time occurs, addressed to the Underwriters and signed by the President and Chief Executive Officer and the Chief Financial Officer of the Corporation, certifying for and on behalf of the Corporation, and not in their personal capacities, after having made due inquiries, with respect to the following matters:

(i) the Corporation having complied with all the covenants, in all material respects, and satisfied all the terms and conditions of this Agreement on its part to be complied with and satisfied at or prior to such Closing Time; no order, ruling or determination having the effect of ceasing or suspending trading in any securities of the Corporation or prohibiting the sale of the Offered Shares or any of the Corporation's issued securities having been issued, and no proceeding for such purpose, to the knowledge of such officers, being pending or threatened;

(ii) subsequent to the date of this Agreement, there having not occurred a material change, or any change or development that could reasonably be expected to result in a Material Adverse Effect in respect of the Corporation, or the coming into existence or discovery of a new material fact, other than as disclosed in the Final Prospectus or any Supplementary Material, as the case may be;

(iii) subsequent to the date of this Agreement, no material change relating to the Corporation having occurred since the date of this Agreement other than as disclosed in the Final Prospectus or in any Supplementary Material; and

(iv) the representations and warranties of the Corporation contained in this Agreement, any Ancillary Documents and in any certificates of the Corporation delivered pursuant to or in connection with this Agreement, being true and correct in all material respects (or, as regards specific representations and warranties if qualified by materiality, in all respects) as at the Closing Time, with the same force and effect as if made on and as at such Closing Time, except for such representations and warranties which are in respect of a specific date in which case such representations and warranties shall be true and correct in all material respects (or, as regards specific representations and warranties if qualified by materiality, in all respects), as of such date, after giving effect to the transactions contemplated by this Agreement.

(h) The Underwriters receiving the executed lock-up agreements from each director and officer of the Corporation in favour of the Underwriters in a form satisfactory to the Underwriters, acting reasonably, as required pursuant to Section 9(f) of this Agreement.

(i) The Underwriters not having exercised any rights of termination set forth in Section 14.

(j) At the Closing Time, the Corporation not being the subject of a cease trading order made by any Securities Commission or other Governmental Authority which has not been rescinded.

(k) At the Closing Time, the representations and warranties of the Corporation contained in this Agreement, any Ancillary Documents and in any certificates of the Corporation delivered pursuant to or in connection with this Agreement, being true and correct in all material respects (or, as regards specific representations and warranties if qualified by materiality, in all respects) as at the Closing Time, with the same force and effect as if made on and as at the Closing Time, except for such representations and warranties which are in respect of a specific date in which case such representations and warranties shall be true and correct, in all material respects (or, as regards specific representations and warranties if qualified by materiality, in all respects), as of such date, after giving effect to the transactions contemplated by this Agreement, and the Corporation having complied with all terms and conditions of this Agreement to be complied with by the Corporation at or prior to the Closing Time.

(l) The Underwriters having received at the Closing Time such further certificates and other documentation from the Corporation as may be contemplated herein or as the Underwriters may reasonably require, provided, however, that the Underwriters shall request any such certificate or document within a reasonable period prior to the Closing Time that is sufficient for the Corporation to obtain and deliver such certificate or document.

7. Representations and Warranties of the Corporation

The Corporation represents and warrants to the Underwriters, and hereby acknowledges that each of the Underwriters is relying on such representations and warranties in entering into this Agreement, that:

(a) the Corporation is a corporation duly continued and validly subsisting under the ABCA, and has the requisite power and authority to carry on its business as it is now being conducted and as described in the Disclosure Record;

(b) each of the Southern Subsidiaries have been duly incorporated, formed or organized, as applicable, and are validly subsisting under the laws of the jurisdiction in which they were incorporated, formed or organized, as the case may be, and have the requisite power and authority to carry on their business as now being conducted and as described in the Disclosure Record;

(c) the Corporation and each of the Southern Subsidiaries are duly registered to do business and are in good standing in each jurisdiction in which the character of their respective properties, owned or leased, or the nature of their activities make such registration necessary, except where the failure to be so registered or in good standing would not have a material adverse effect on the Corporation and the Southern Subsidiaries (taken as a whole);

(d) other than the Southern Subsidiaries, the Corporation has no subsidiaries, is not "affiliated" with or a "holding body corporate" of any other body corporate (within the meaning of the ABCA), is not a partner of any partnerships or limited partnerships, and has no material shareholdings in any other corporation or business organization;

(e) the Corporation and each of the Southern Subsidiaries have conducted and are conducting and will conduct their business in compliance in all respects with all applicable Laws, rules and regulations and, in particular, all applicable licensing and environmental legislation, regulations or by-laws or other lawful requirements of any governmental or regulatory bodies applicable to them of each jurisdiction in which they respectively carry on business and hold all licences, registrations and qualifications in all jurisdictions in which they respectively carry on business as now conducted which are necessary or desirable to carry on the business of the Corporation and each of the Southern Subsidiaries as now conducted and as contemplated to be conducted in the Disclosure Record (except where the failure to so conduct its business or to hold such licences, registrations or qualifications would not, individually or in the aggregate, have a Material Adverse Effect on the Corporation and the Southern Subsidiaries (taken as a whole) or the Corporation's and the Southern Subsidiaries' properties or assets (taken as a whole)), all such licences, registrations or qualifications are valid and existing and in good standing (except where the lack of such valid or existing license would not have any material adverse effect) and none of such licences, registrations or qualifications contain any burdensome term, provision, condition or limitation which has or is likely to have any material adverse effect on the Corporation and the Southern Subsidiaries (taken as a whole) as now conducted or as proposed to be conducted, and the Corporation is not aware of any legislation, regulation, rule or lawful requirements presently in force or proposed to be brought into force which the Corporation anticipates the Corporation or any of the Southern Subsidiaries will be unable to comply with without a material adverse effect on the Corporation and the Southern Subsidiaries (taken as a whole);

(f) the minute books of the Corporation and of each of the Southern Subsidiaries, contain true and correct copies of all constating documents of the Corporation and each of the Southern Subsidiaries and contain copies of all minutes of all meetings and all resolutions of the directors, committees of directors, members and shareholders of the Corporation and the Southern Subsidiaries (some of which are in draft form), and all such meetings were duly called and properly held and all consent resolutions were properly adopted;

(g) the books of account and other records of the Corporation and each of the Southern Subsidiaries, whether of a financial or accounting nature or otherwise, have been maintained in accordance with prudent business practices;

(h) the Corporation and each of the Southern Subsidiaries have duly and on a timely basis, filed all tax returns required to be filed by them, have paid all taxes due and payable by them and have paid all assessments and reassessments and all other taxes, governmental charges, penalties, interest and other fines due and payable by them and which were claimed by any Governmental Authority to be due and owing and adequate provision has been made for taxes payable for any completed fiscal period for which tax returns are not yet required (except where the failure to so file or pay does not have and will not have a material adverse effect on the Corporation or the Southern Subsidiaries) and there are no agreements, waivers, or other arrangements providing for an extension of time with respect to the filing of any tax return or payment of any tax, governmental charge or deficiency by the Corporation or the Southern Subsidiaries and to the best of the knowledge, information and belief of the Corporation there are no actions, suits, proceedings, investigations or claims threatened or pending against the Corporation or the Southern Subsidiaries in respect of taxes, governmental charges or assessments or any matters under discussion with any Governmental Authority relating to taxes, governmental charges or assessments asserted by any such authority. The Corporation and each of the Southern Subsidiaries have duly and timely withheld from any amount paid or credited by them to or for the account or benefit of any person, including any employee, officer, director, or non-resident person, the amount of all taxes and other deductions required by applicable Law to be withheld and have duly and timely remitted the withheld amount to the appropriate taxing or other authority and have duly and timely issued tax reporting slips or returns in respect of any amount so paid or credited by them as required by applicable Law;

(i) all filings made by the Corporation and each of the Southern Subsidiaries under which the Corporation and each of the Southern Subsidiaries has received or are entitled to government incentives, have been made in accordance, in all material respects, with all applicable legislation and contain no misrepresentations of material fact or omit to state any material fact which could cause any material amount previously paid to the Corporation or any of the Southern Subsidiaries or previously accrued on the accounts thereof to be recovered or disallowed;

(j) except to the extent that any violation or other matter referred to in this subsection does not have a material adverse effect on the business, financial condition, assets, properties, liabilities or operations of the Corporation and the Southern Subsidiaries (taken as a whole):

(i) neither the Corporation nor any of the Southern Subsidiaries are in violation of any applicable federal, provincial, state, municipal or local laws, regulations, orders, government decrees or ordinances with respect to environmental, health or safety matters (collectively, "**Environmental Laws**");

(ii) the Corporation and each of the Southern Subsidiaries have operated their business at all times and have received, handled, used, stored, treated, shipped and disposed of all contaminants without violation of Environmental Laws;

(iii) there have been no spills, releases, deposits or discharges of hazardous or toxic substances, contaminants or wastes into the earth, air or into any body of water or any municipal or other sewer or drain water systems by the Corporation or any of the Southern Subsidiaries that have not been remedied or that are not presently being remedied;

(iv) no orders, directions or notices have been issued and remain outstanding pursuant to any Environmental Laws relating to the business or assets of the Corporation or any of the Southern Subsidiaries;

(v) neither the Corporation nor any of the Southern Subsidiaries have failed to report to the proper Governmental Authority the occurrence of any event which is required to be so reported by any Environmental Law; and

(vi) the Corporation and each of the Southern Subsidiaries hold all licences, permits and approvals required under any Environmental Laws in connection with the operation of their business as presently conducted and the ownership and use of their assets, all such licences, permits and approvals are in full force and effect, and except for (A) notifications and conditions of general application to assets of the type owned by the Corporation and each of the Southern Subsidiaries, and (B) notifications relating to reclamation obligations under the *Environmental Protection and Enhancement Act* (Alberta) or equivalent legislation in other provinces or in the States of Mississippi, Alabama or Louisiana, neither the Corporation nor any of the Southern Subsidiaries have received any notification pursuant to any Environmental Laws that any work, repairs, constructions or capital expenditures are required to be made by them as a condition of continued compliance with any Environmental Laws, or any licence, permit or approval issued pursuant thereto, or that any licence, permit or approval referred to above is about to be reviewed, made subject to limitation or conditions, revoked, withdrawn or terminated;

(k) any and all operations of the Corporation and each of the Southern Subsidiaries have been conducted in accordance with good Canadian oil and gas industry practices, or good oil and gas industry practices in the jurisdictions in which they operate, and in material compliance with applicable laws, rules, regulations, orders and directions of governmental and other competent authorities, except where the failure to so operate would not have a material adverse effect on the Corporation and the Southern Subsidiaries (taken as a whole);

(l) except for: (i) final acceptance of the listing of the Offered Shares; and (ii) the payment of fees and filing of forms with certain of the Securities Commissions following the Closing Time, no consent, approval, permit, authorization, order or filing with any court or governmental agency, the securities authorities or any other jurisdiction or agency is required by the Corporation or necessary for the execution, delivery and the performance by the Corporation of its obligations under this Agreement, other than such consents, approvals, authorizations, registrations or qualifications as may be required under Applicable Securities Laws or by the Exchange, all of which will be obtained by the Corporation prior to the Closing Time;

(m) the Corporation has the necessary corporate capacity, power and authority to enter into this Agreement and to perform its obligations set out herein, and this Agreement will be, on the Closing Date, duly authorized, executed and delivered by the Corporation and this Agreement will be, on the Closing Date, a legal, valid and binding obligation of the Corporation enforceable against the Corporation in accordance with its terms, except that the validity, binding effect and enforceability of the terms of agreements and documents are subject to the qualification that such validity, binding effect and enforceability may be limited by: (i) applicable bankruptcy, insolvency, moratorium, reorganization or other laws affecting creditors' rights generally; (ii) equitable remedies, including the remedies of specific performance and injunctive relief, being available only in the discretion of the applicable court; (iii) the statutory and inherent powers of a court to grant relief from forfeiture, to stay execution of proceedings before it and to stay executions on judgements; (iv) the applicable laws regarding limitations of actions; (v) enforceability of provisions which purport to sever any provision which is prohibited or unenforceable under applicable Law without affecting the enforceability or validity of the remainder of such document would be determined only in the discretion of the court; (vi) enforceability of the provisions exculpating a party from liability or duty otherwise owed by it may be limited under applicable law; and (vii) that rights to indemnity, contribution and waiver under the documents may be limited or unavailable under applicable law;

(n) no action, approval, consent or vote on the part of the shareholders of the Corporation or the Southern Subsidiaries is or shall be necessary to consummate the transactions contemplated by this Agreement;

(o) the Corporation has full corporate capacity, power and authority to issue the Offered Shares and, at the Closing Time, the Offered Shares will be duly and validly authorized, allotted and reserved for issuance, and, upon receipt of the purchase price therefor, the Offered Shares will be duly and validly issued as fully paid and non-assessable Common Shares;

(p) the Corporation is not in default under or breach of, and the execution and delivery of, and the performance of and compliance with the terms of this Agreement by the Corporation or any of the transactions contemplated thereby, does not and will not result in any breach of, or constitute a default under, and does not and will not create a state of facts which, after notice or lapse of time or both, would result in a breach, of or constitute a default under: (i) any term or provision of the articles, by-laws or constating documents of the Corporation or the Southern Subsidiaries; (ii) any resolutions of shareholders or directors (or any committee thereof) of the Corporation; (iii) any resolutions of the shareholders, directors (or any committee thereof), members or managers (or any committee thereof), as applicable, of any of the Southern Subsidiaries; (iv) any indenture, mortgage, note, contract, agreement (written or oral), instrument, lease or other document to which the Corporation or any of the Southern Subsidiaries is a party or by which any of them are bound; or (v) any law, judgment, decree, order, statute, rule or regulation applicable to the Corporation or any of the Southern Subsidiaries or any of their properties or assets, which default or breach might reasonably be expected to have a material adverse effect on the Corporation or would impair the ability of the Corporation to consummate the transactions contemplated hereby or to duly observe and perform any of its covenants or obligations contained in this Agreement;

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

(r) subject to applicable laws, neither the Corporation nor any of the Southern Subsidiaries is currently prohibited, directly or indirectly, from paying dividends, from making distributions on their securities, or from paying any interest or repaying any of their loans, advances or other indebtedness;

(s) neither the Corporation nor the Southern Subsidiaries have any liabilities, obligations, indebtedness or commitments, whether accrued, absolute, contingent or otherwise, which are not disclosed or referred to in the Corporation Financial Statements, or referred to or disclosed in the Disclosure Record, other than liabilities, obligations, or indebtedness or commitments: (i) incurred in the normal course of business; or (ii) which would not have a material adverse effect on the Corporation and the Southern Subsidiaries (taken as a whole);

(t) there has not been any material change in the capital, assets, liabilities or obligations (absolute, accrued, contingent or otherwise) of the Corporation and the Southern Subsidiaries (taken as a whole) from the position set forth in the Disclosure Record, and there has not been any adverse material change in the business, operations, capital, properties, assets, liabilities (absolute, accrued, contingent or otherwise), condition (financial or otherwise) or results of operations of the Corporation and the Southern Subsidiaries (taken as a whole) since December 31, 2020 except as disclosed in the Disclosure Record; and since that date there have been no material facts, transactions, events or occurrences which could materially adversely affect the business, operations, capital, properties, assets, liabilities (absolute, accrued, contingent or otherwise), condition (financial or otherwise) or results of operations of the Corporation and the Southern Subsidiaries (taken as a whole) which have not been disclosed in the Disclosure Record;

(u) based upon representations made by the Auditor, Deloitte LLP are independent chartered accountants with respect to the Corporation as required by Canadian Securities Laws;

(v) there has not been any reportable disagreement (within the meaning of Section 4.11 of NI 51-102) with the Corporation's auditors and the Corporation has no current intention to change auditors;

(w) the Corporation maintains a system of internal accounting controls that are designed to provide reasonable assurance that transactions are recorded as necessary to facilitate preparation of financial statements in conformity with Canadian generally accepted accounting principles and to maintain accountability for assets;

(x) the Corporation and each of the Southern Subsidiaries have their properties and assets insured against loss or damage by insurable hazards or risks on a replacement cost basis. Such insurance coverage is of a type and in an amount typical to the business in which the Corporation and each of the Southern Subsidiaries operates as conducted by a reasonably prudent person based on the advice of reputable insurance brokers consulted by such person. In the last 12 months, neither the Corporation nor any of the Southern Subsidiaries have made any material claim on any policy of insurance or been refused any insurance coverage sought or applied for. The Corporation does not have any reason to believe that it will not be able to renew the existing insurance coverage of the Corporation and the Southern Subsidiaries as and when such coverage expires or obtain similar coverage from similar insurers as may be necessary to continue with its businesses as presently conducted at a cost that would not have a material adverse effect on the Corporation and the Southern Subsidiaries (taken as a whole);

(y) neither the Corporation nor the Southern Subsidiaries are in default or breach of any real property lease, and neither the Corporation nor the Southern Subsidiaries have received any notice or other communication from the owner or manager of any real property subject to such real property lease that the Corporation or any Southern Subsidiaries are not in compliance with any such real property lease, and to the knowledge of the Corporation, no such notice or other communication is pending or has been threatened, except in each case where such default, breach or non-compliance would not have a material adverse effect on the Corporation and the Southern Subsidiaries (taken as a whole);

(z) all material bonuses, commissions, salaries and other amounts owing to employees are reflected and have been accrued in the books of account of the Corporation;

(aa) other than pursuant to this Agreement, neither the Corporation nor the Southern Subsidiaries are a party to or bound by any agreement of guarantee, indemnification (other than an indemnification of directors and officers in accordance with the by-laws of the Corporation and each of the Southern Subsidiaries and applicable laws, indemnification agreements or covenants that are entered into arising in the ordinary course of business, including operating and similar agreements, indemnification and contribution provisions in agency and underwriting agreements, asset purchase and sale agreements, transfer agency agreements and credit borrowing agreements) or any other like commitment of the obligations, liabilities (contingent or otherwise) of indebtedness of any other person;

(bb) the Corporation does not have any loans or other indebtedness which have been made to or from any of its shareholders, officers, directors or employees or any other person not dealing at arm's length with the Corporation that are currently outstanding;

(cc) other than as disclosed in the Disclosure Record, there are no actions, suits, proceedings or inquiries in existence or, to the knowledge of the Corporation, pending or threatened against or affecting the Corporation or any of the Southern Subsidiaries at law or in equity or before or by any federal, state, provincial, municipal or other governmental department, commission, board, bureau, agency or instrumentality which in any way materially adversely affects, or may reasonably be expected to materially adversely affect, the business, operations, capital, properties, assets, liabilities (absolute, accrued, contingent or otherwise), condition (financial or otherwise) or results of operations of the Corporation and the Southern Subsidiaries (taken as a whole), or their properties or assets (taken as a whole) or which affects or may affect the distribution of the Offered Shares or which would impair the ability of the Corporation to consummate the transactions contemplated by this Agreement, or to duly observe and perform any of its covenants or obligations contained in this Agreement, and the Corporation is not aware of any existing ground on which such action, suit, proceeding or inquiry might be commenced with any reasonable likelihood of success;

(dd) the information and statements set forth in the Disclosure Record, as such relates to the business, operations, results of operations, affairs, assets, capitalization, financial condition, rights or liabilities of the Corporation, were true, correct, and complete and did not contain any misrepresentation, as of the date of such information or statement, and the Corporation has not filed any confidential material change report still maintained on a confidential basis;

(ee) the authorized capital of the Corporation consists of an unlimited number of Common Shares and an unlimited number of preferred shares, of which only 89,536,858 Common Shares and nil preferred shares are currently issued and outstanding, all of which shares are validly issued, fully paid and non-assessable;

(ff) no person, firm, corporation or other entity holds any securities convertible or exchangeable into securities of the Corporation or has any agreement, warrant, option, right or privilege (whether pre-emptive or contractual) being or capable of becoming an agreement, warrant, option or right (whether or not on condition(s)) for the purchase or other acquisition of any unissued securities of the Corporation except: (i) up to 10,860,000 Common Shares issuable pursuant to 7,240,000 performance Common Share purchase warrants granted by the Corporation pursuant to its private placement which closed December 19, 2018 and exercisable at a price of $0.80 per performance Common Share purchase warrant, less those Common Share purchase warrants which have already been exercised; (ii) up to 17,078,125 Common Shares issuable pursuant to 17,078,125 Common Share purchase warrants granted by the Corporation pursuant to its private placement which closed April 30, 2021 and exercisable at a price of $0.32 per Common Share purchase warrant, less those Common Share purchase warrants which have already been exercised; (iii) up to 10,486,250 Common Shares issuable pursuant to an aggregate principal amount of $8,389,000 debentures that are convertible into Common Shares at a conversion price of $0.80 per Common Share, less those Debentures which have already been exercised; (iv) up to 3,628,125 Common Shares issuable pursuant to 3,628,125 options to purchase Common Shares granted under the Corporation's stock option plan and exercisable at an average price of $0.71 per Common Share; and (v) up to 5,156,250 Common Shares issuable pursuant to 5,156,250 facility warrants granted by the Corporation pursuant to its credit agreement which closed April 30, 2021 and exercisable at a price of $0.40 per facility warrant, less those facility warrants which have already been exercised;

(gg) other than as disclosed in the Disclosure Record, none of the directors, officers or employees of the Corporation, or any person who owns, directly or indirectly, more than 10% of any class of securities of the Corporation, or any associate or affiliate of any of the foregoing, had or has any material interest, direct or indirect, in any material transaction or any proposed material transaction with the Corporation which, as the case may be, materially affects, is material to or will materially affect the Corporation;

(hh) Odyssey Trust Company, at its principal offices in the city of Calgary, Alberta has been duly appointed registrar and transfer agent of the Common Shares;

(ii) Odyssey Trust Company will, on the Closing Date, be the duly appointed registrar and transfer agent of the Offered Shares;

(jj) no Securities Commission, other securities commission or similar regulatory authority, the Exchange or other exchange in Canada or the United States has issued any order which is currently outstanding, preventing or suspending trading in any securities of the Corporation, no such proceeding is, to the knowledge of the Corporation, pending, contemplated or threatened and the Corporation is not in default of any material requirement of Applicable Securities Laws;

(kk) the issued and outstanding Common Shares are listed and posted for trading on the Exchange, and the Offered Shares will be listed and posted for trading on the Exchange upon the Corporation complying with the usual conditions imposed by the Exchange with respect thereto, and the Corporation is in compliance in all material respects with the by-laws, rules and regulations of the Exchange;

(ll) as at the date hereof, the Corporation is a reporting issuer in British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, New Brunswick, Nova Scotia, Prince Edward Island and Newfoundland and Labrador, and is not currently in material default of any requirement of Canadian Securities Laws of such jurisdictions and the Corporation is not included on a list of defaulting reporting issuers maintained by any of the Securities Commissions of such jurisdictions;

(mm) to the knowledge of the Corporation, no insider of the Corporation has a present intention to sell any securities of the Corporation;

(nn) other than as provided for in this Agreement or as disclosed in the Disclosure Record, the Corporation has not incurred any obligation or liability, contingent or otherwise, for brokerage fees, finder's fees, underwriter's or agent's commission or other similar forms of compensation with respect to the transactions contemplated hereby;

(oo) the definitive form of certificates for the Common Shares have been, and the definitive form of certificates for the Offered Shares will be, on the Closing Date, duly approved and adopted by the Corporation and comply with all legal requirements of the ABCA and the Exchange relating thereto;

(pp) the Corporation had made available to NSAI, prior to the issuance of the Southern Reserves Report, for the purpose of preparing the Southern Reserves Report, all information requested by NSAI, which information did not contain any misrepresentation at the time such information was provided. Except with respect to changes in commodity prices and royalties and as otherwise disclosed in the Documents, there has not occurred any material adverse change in any production, cost, reserves or other relevant information provided to NSAI since the dates that such information was so provided. The Corporation believes that the Southern Reserves Report reasonably presents the quantity and pre-tax present worth values on an aggregate basis of the oil and gas reserves attributable to the crude oil, natural gas liquids and natural gas properties evaluated in such report as at February 18, 2022 based upon information available at the time the Southern Reserves Report was prepared, and the Corporation believes that at the date of such report it did not (and as of the date hereof, except as may be attributable to changes in commodity prices and production since the date of such report does not) materially overstate the aggregate quantity or pre-tax present worth values of such reserves or the estimated monthly production volumes therefrom;

(qq) the properties and assets of the Corporation and the Southern Subsidiaries are free and clear of all mortgages, pledges, liens, charges and encumbrances other than those encumbrances that are standard in the oil and gas industry, encumbrances pursuant to the Corporation's existing credit facility, or which do not and will not have a material adverse effect on the ownership or operation of such assets and properties ("**Permitted Encumbrances**") and, other than Permitted Encumbrances, neither the Corporation nor any of the Southern Subsidiaries have done any act or suffered or permitted any action to be done whereby any person has acquired or may acquire an interest in or to the material properties and assets of the Corporation or the Southern Subsidiaries (taken as a whole), nor have they done any act, omitted to do any act or permitted any act to be done that may adversely affect or defeat its title to any of their material properties or assets;

(rr) although it does not warrant title, the Corporation does not have reason to believe that the Corporation and each of the Southern Subsidiaries do not have title to or the right to produce and sell their petroleum, natural gas and related hydrocarbons (for the purpose of this subsection, the foregoing are referred to as the "**Interest**") and does represent and warrant that the Interest is free and clear of adverse claims created by, through or under the Corporation and the Southern Subsidiaries (taken as a whole) and except for those arising in the ordinary course of business, and that, to its knowledge, the Corporation and each of the Southern Subsidiaries hold their respective Interest under valid and subsisting leases, licenses, permits, concessions, concession agreements, contracts, subleases, reservations or other agreements except where the failure to so hold their respective Interest would not have a material adverse effect on the Corporation and the Southern Subsidiaries or their properties or assets (taken as a whole);

(ss) to the best of the Corporation's knowledge, information and belief, there are no defects, failures or impairments in the title of the Corporation and the Southern Subsidiaries to their respective oil and gas properties, whether or not an action, suit, proceeding or inquiry is pending or threatened and whether or not discovered by any third party, which in aggregate could have a material adverse effect on items (i), (ii) and (iii) set forth immediately below and the Corporation is not aware of any pending or threatened action, suit, proceeding or inquiry which, in aggregate, could have a material adverse effect on: (i) the quantity of and pre-tax present value of estimated future net revenue from the oil and natural gas reserves of the Corporation as shown in the Southern Reserves Report; (ii) the current production of the Corporation and the Southern Subsidiaries (taken as a whole); or (iii) the current cash flow of the Corporation and the Southern Subsidiaries (taken as a whole);

(tt) there are no transportation, processing or marketing agreements to which the Corporation or any of the Southern Subsidiaries is a party, except for agreements terminable by the Corporation or the Southern Subsidiaries, as applicable, without bonus, penalty or other costs on not more than 31 days' notice;

(uu) the description of the wells, facilities and lands of the Corporation and the Southern Subsidiaries that has been disclosed in writing to the Underwriters prior to the date hereof, sets out a materially complete and accurate description of the assets of the Corporation and the Southern Subsidiaries;

(vv) no royalty or joint venture audits have been demanded or are underway pursuant to any of the applicable title and operating documents in respect of any of the Corporation's or the Southern Subsidiaries' assets;

(ww) neither the Corporation nor any of the Southern Subsidiaries has received any written notices pertaining to any of the Corporation's or the Southern Subsidiaries' assets in respect of, and to its knowledge, none of the assets of the Corporation or the Southern Subsidiaries, are subject to, any offset obligations (including obligations to drill wells, surrender rights or pay compensatory royalty) which have not been satisfied;

(xx) there is no order, agreement, commitment or understanding, written or oral, binding upon the Corporation, the Southern Subsidiaries or upon any director, officer or employee of such person, that would now or hereafter, in any way, limit the business or operations of the Corporation and any of the Southern Subsidiaries, taken as a whole, in any material respect, including any order, agreement, commitment or understanding that includes a non-competition restriction, area of mutual interest, right of first refusal, right of first offer, exclusivity or other similar provision that has or would reasonably be expected to have the effect of prohibiting, restricting or impairing the Offering or any business practices of the Corporation and any of the Southern Subsidiaries, taken as a whole, in any material respect;

(yy) neither the Corporation, nor any of the Southern Subsidiaries, has received notice of (nor is it aware of) any default in respect of any of the assets of the Corporation or the Southern Subsidiaries or under any title or operating documents or any other agreement or instrument pertaining to its oil and natural gas assets to which it is a party or by which it or any such assets are bound or subject;

(zz) none of the wells in which the Corporation and the Southern Subsidiaries holds an interest, or proposes to hold an interest, is being produced in excess of applicable production allowables imposed by any applicable Law or any Governmental Authority and the Corporation does not have any knowledge of any impending change in production allowables imposed by any applicable Law or any Governmental Authority that may be applicable to any of the wells in which any of them holds an interest, other than changes of general application in the jurisdiction in which such wells are situate;

(aaa) to the best of the knowledge, information and belief of the Corporation, all wells located on any lands in which the Corporation or any of the Southern Subsidiaries has an interest or proposes to have an interest, or lands with which such lands have been pooled or unitized, which have been abandoned have been abandoned in all material respects in accordance with the applicable laws regarding the abandonment of wells in the jurisdiction in which such wells were situate;

(bbb) the tangible depreciable property used or comprising part of the Corporation's or the Southern Subsidiaries' assets is not subject to any sale-leaseback arrangements and is not leased or rented;

(ccc) to the knowledge of the Corporation, none of its directors or officers are subject to an order or ruling of any securities regulatory authority or stock exchange prohibiting such individual from acting as a director or officer of a public company or of a company listed on a particular stock exchange;

(ddd) except for such matters as would not, individually or in the aggregate, reasonably be expected to have a material adverse effect on the business, operations, capital, properties, assets, liabilities (absolute, accrued, contingent or otherwise) or results of operations of the Corporation or any of the Southern Subsidiaries: (i) the Corporation and the Southern Subsidiaries are in compliance with the provisions of all applicable federal, provincial, state, local and foreign laws and regulations respecting employment and employment practices, terms and conditions of employment and wages and hours (collectively, "**Employment Laws**"); (ii) no collective labour dispute, grievance, arbitration or legal proceeding is ongoing or, to the knowledge of the Corporation, pending or threatened, and no individual labour dispute, grievance, arbitration or legal proceeding is ongoing or, to the knowledge of the Corporation, pending or threatened, with any employee of the Corporation or the Southern Subsidiaries and, to the knowledge of the Corporation, none has occurred during the past year; and (iii) no union has been accredited or otherwise designated to represent any employees of the Corporation or the Southern Subsidiaries and, to the knowledge of the Corporation, no accreditation request or other representation question is pending with respect to the employees of the Corporation or the Southern Subsidiaries and no collective agreement or collective bargaining agreement or modification thereof has expired or is in effect in any of the facilities of the Corporation or the Southern Subsidiaries and none is currently being negotiated by the Corporation or the Southern Subsidiaries;

(eee) to the extent that such laws apply, neither the Corporation nor the Southern Subsidiaries nor, to the knowledge of the Corporation, any officer, director, employee or agent of the Corporation or the Southern Subsidiaries has, directly or indirectly: (i) paid or delivered any fee, commission or other sum of money or item of property, however characterized, to any broker, finder, agent, client representative, employee, political party or campaign, government official or other Person, which any officer, director, employee or agent of any the Corporation or of the Southern Subsidiaries knew or had reason to believe, or ought to have known, was in violation of the *Corruption of Foreign Public Officials Act* (Canada), the United States Foreign Corrupt Practices Act of 1977, as amended, any applicable Law implementing the provisions of the *OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions, the Proceeds of Crime (Money Laundering) and Terrorist Financing Act* (Canada), or the United States Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act; or (ii) made or received a bribe, rebate, payoff, influence payment, kickback or other unlawful payment;

(fff) other than as disclosed in the Disclosure Record, the Corporation is not a party to any contracts of employment which may not be terminated on three months' notice or which provide for payments occurring on a change of control of the Corporation;

(ggg) other than this Agreement and the Corporation's existing credit facility as disclosed in the Disclosure Record, there are no material contracts or agreements to which the Corporation or the Southern Subsidiaries are a party or by which they are bound or which are required by the Corporation or the Southern Subsidiaries to carry on their business as now conducted by them and presently proposed to be conducted by them, and each of such contracts and agreements constitute a legally valid and binding agreement of the Corporation or the Southern Subsidiaries enforceable in accordance with their respective terms and, to the knowledge of the Corporation, no party thereto is in default thereunder, which default may have a material adverse effect on the Corporation, the Southern Subsidiaries or their properties and assets (taken as a whole). For the purposes of this subsection, any contract or agreement pursuant to which the Corporation or the Southern Subsidiaries will, or may reasonably be expected to, result in a requirement to expend more than an aggregate of $500,000 or receive or be entitled to receive revenue of more than $500,000, in either case in the next 12 months, or is out of the ordinary course of business of the Corporation or the Southern Subsidiaries, shall be considered to be material;

(hhh) other than as disclosed in the Disclosure Record, the Corporation is not a party to any Swaps or arrangements for Swaps;

(iii) the Corporation is not a party to any shareholder rights plan or any other similar form of plan, agreement, contract or instrument that shall trigger any rights to acquire Common Shares or other securities of the Corporation;

(jjj) neither the Corporation nor, to its knowledge, any of its shareholders is a party to any unanimous shareholders agreement, pooling agreement, voting trust or other similar type of arrangements in respect of outstanding securities of the Corporation; and

(kkk) the Due Diligence Responses, where they relate to matters of fact, will be true and correct in all material respects as at the time such responses are given and, to the knowledge of the Corporation, such responses taken as a whole shall not omit any fact or information necessary to make any of the responses not misleading in light of the circumstances in which such responses were given, and the Corporation and its directors and officers will have responded in a thorough and complete fashion. Where the Due Diligence Responses reflect the opinion or view of the Corporation or its directors or officers (including Due Diligence Responses or portions of Due Diligence Responses which are forward-looking or otherwise related to projections, forecasts or estimates of future performance or results (operating, financial or otherwise)) ("**Forward-Looking Statements**"), such opinions or views are subject to the qualifications and provisions set forth in the Due Diligence Responses and will be honestly held and believed to be reasonable at the time they are given provided, however, it shall not constitute a breach of this paragraph solely if the actual results vary or differ from those contained in Forward-Looking Statements.

8. Representations and Warranties of the Underwriters

(a) Each Underwriter hereby severally, and not jointly, nor jointly and severally, represents and warrants that:

(i) it is, and will remain so, until the completion of the Offering, appropriately registered under applicable Canadian Securities Laws so as to permit it to lawfully fulfil its obligations hereunder; and

(ii) it has all requisite corporate power and authority to enter into this Agreement and to carry out the transactions contemplated under this Agreement on the terms and conditions set forth herein.

(b) Each Underwriter makes the representations, warranties and covenants applicable to it in Schedule "A" hereto and acknowledges that the terms and conditions of the representations, warranties and covenants of the parties contained in Schedule "A" form a part of this Agreement.

(c) The representations and warranties of each of the Underwriters contained in this Agreement shall be true at the Closing Time as though they were made at the Closing Time and shall survive the execution of this Agreement until the completion of the distribution of the Offered Shares.

9. Additional Covenants of the Corporation

In addition to any other covenant of the Corporation set forth in this Agreement, the Corporation covenants with the Underwriters that:

(a) Prior to the filing of the Final Prospectus with the Securities Commissions, the Corporation will file or cause to be filed with the Exchange all necessary documents and will take commercially reasonable steps to ensure that the Offered Shares have been approved (or conditionally approved) for listing and for trading on the Exchange, subject only to satisfaction by the Corporation of the Standard Listing Conditions, and the Corporation shall thereafter use its commercially reasonable efforts to fulfill the Standard Listing Conditions, if any, within the time period prescribed by the Exchange.

(b) The Corporation will make all necessary filings, use commercially reasonable efforts to obtain all necessary regulatory consents and approvals (if any) and the Corporation will pay all filing fees required to be paid in connection with the transactions contemplated in this Agreement.

(c) Subject to compliance with applicable Law, any press release of the Corporation relating to the Offering will be provided in advance to the Underwriters, and the Corporation will use its commercially reasonable efforts to agree to the form and substance thereof with the Underwriters, each acting reasonably, prior to the release thereof. Each such press release will contain an appropriate legend concerning United States sales on any press release, stating substantially as follows: "Not for distribution to United States newswire services or for dissemination in the United States" and "This news release does not constitute an offer to sell or a solicitation of an offer to buy nor shall there be any sale of any of the securities in any jurisdiction in which such offer, solicitation or sale would be unlawful. The securities have not been and will not be registered under the U.S. Securities Act, or any applicable state securities laws and may not be offered or sold within the United States unless registered under the U.S. Securities Act and applicable state securities laws, or an exemption from such registration requirements is available."

(d) The Corporation confirms its intention as of the date hereof to use the net proceeds from the purchase and sale of the Offered Shares in accordance with the description set forth under the heading "*Use of Proceeds*" in the Final Prospectus.

(e) In the event that the Offering is closed, the Corporation agrees that, until the date which is 90 days after the Closing Date, that it will not, without the written consent of Eight, such consent not to be unreasonably withheld or delayed, issue, agree to issue, or announce an intention to issue, any additional debt, Common Shares or any securities convertible into or exchangeable for shares of the Corporation, except in connection with: (i) the grant or exercise of stock options and other similar issuances pursuant to any existing or proposed employee share purchase plan of the Corporation and other share compensation arrangements outstanding as of the date hereof; (ii) warrants outstanding as of the date hereof; (iii) as full or partial consideration for a bona fide, arm's length acquisition by the Corporation; (iv) obligations of the Corporation in respect of existing agreements; (v) the Over-Allotment Option; (vi) to satisfy any other currently outstanding instruments or other contractual commitments in relation to any transaction that has been disclosed to the Underwriters; or (vii) in connection with the UK Placement.

(f) The Corporation shall use reasonable efforts to cause its executive officers and directors to enter into agreements on terms and conditions satisfactory to Eight in which they will covenant and agree that they will not, for a period commencing on the date hereof and ending 60 days following the Closing Date, directly or indirectly, offer, sell, contract to sell, lend, swap, or enter into any other agreement to transfer the economic consequences of, or otherwise dispose of or deal with, or publicly announce any intention to offer, sell, contract to sell, grant or sell any option to purchase, hypothecate, pledge, transfer, assign, purchase any option or contract to sell, lend, swap or enter into any agreement to transfer the economic consequences of, or otherwise dispose of or deal with, whether through the facilities of a stock exchange, by private placement or otherwise, any Common Shares held by them, directly or indirectly, unless (among other exceptions) (i) they first obtain the written consent of Eight, on behalf of the Underwriters, which consent will not be unreasonably withheld, delayed or conditioned, (ii) there occurs a take-over bid or similar transaction involving a change of control of the Corporation, (iii) in respect of sales to affiliates of such shareholder, including as a result of the death of any individual shareholder; or (iv) in respect of sales of Common Shares issued upon the exercise of existing warrants of the Corporation which expire within 90 days following the Closing Date.

10. Covenants of the Underwriters

(a) The Underwriters hereby covenant and agree with the Corporation the following:

(i) During the period of distribution of the Offered Shares by or through the Underwriters or a Selling Firm, the Underwriters will offer and sell, and the Underwriters will instruct any Selling Firm to offer and sell, Offered Shares to the public only in the Qualifying Jurisdictions or where they may lawfully be offered for sale or sold directly and through other duly registered investments dealers and brokers (the Underwriters, together with such other investment dealers and brokers, are referred to herein as the "**Selling Firms**"), upon the terms and conditions set forth in the Final Prospectus and in this Agreement. The Underwriters, through one or more of their U.S. Affiliates, may also offer and sell the Offered Shares in the United States in accordance with Schedule "A" hereto. For the purposes of this Section 10(a)(i), the Underwriters shall be entitled to assume that the Offered Shares are qualified for distribution in any Qualifying Jurisdiction where a receipt (or deemed receipt) has been obtained under Passport Procedures for the Final Prospectus from the applicable Securities Commission following the filing of the Final Prospectus.

(ii) The Underwriters shall comply, and shall instruct any Selling Firm to comply, with the Applicable Securities Laws in all material respects in connection with the offer to sell and distribution of the Offered Shares and shall not, and shall instruct any Selling Firm to not, directly or indirectly, solicit offers to purchase or sell the Offered Shares or deliver any Offering Documents so as to require registration of the Offered Shares or filing of a prospectus or registration statement with respect to the Offered Shares or compliance by the Corporation with regulatory requirements (including any continuous disclosure obligations or similar reporting obligations) under the laws of any jurisdiction other than the Qualifying Jurisdictions, including, the United States and the Underwriters shall not, and shall instruct any Selling Firm to not, make any representations or warranties with respect to the Corporation or the Offered Shares, other than as set forth in the Offering Documents. The Underwriters will comply (and ensure that their respective U.S. Affiliates comply) in all material respects with the obligations applicable to them set out in Schedule "A" to this Agreement.

(iii) The Underwriters will use their commercially reasonable efforts to complete the distribution of the Offered Shares as promptly as possible after the Closing Time and will notify the Corporation when, in the Underwriters' opinion, the Underwriters have ceased the distribution of the Offered Shares, and, within 30 days after completion of the distribution, will provide the Corporation as soon as possible, in writing, with a breakdown of the number of Offered Shares distributed in each of the Qualifying Jurisdictions where that breakdown is required by a Securities Commission for the purpose of calculating fees payable to, or making filings with, that Securities Commission.

(iv) Subject to compliance with applicable Law, any press release of the Corporation relating to the Offering will be provided in advance to the Underwriters, and the Underwriters will use their commercially reasonable efforts to agree to the form and substance thereof with the Corporation, each acting reasonably, prior to the release thereof.

(v) The Underwriters agree to provide to the Corporation, at the Closing Time or promptly thereafter, a list of subscribers under the Offering including jurisdiction of such subscribers and Common Shares subscribed for.

(b) No Underwriter shall be liable to the Corporation under this Section 10 with respect to any act, omission or default by any of the other Underwriters, any Selling Firm appointed by any other Underwriter or another Underwriter's U.S. Affiliate, as the case may be, or for any default resulting from the Corporation's failure to comply with Applicable Securities Laws (provided such default was not caused by such Underwriter or its U.S. Affiliate or any Selling Firm).

(c) The Underwriters acknowledge that all information provided to them by the Corporation pursuant to or in connection with the Offering is confidential and that such information shall not be used other than in furtherance of the purposes of the Offering, provided that this confidentiality obligation shall not apply to information now in the public domain, information which may subsequently become public (other than through breach by the Underwriters of their respective obligations hereunder), information disclosed to the Underwriters by third parties in respect of which such third parties are not under an obligation of confidentiality to the Corporation or information which is required by Law or the policies of any regulatory authority having jurisdiction over the Underwriters to be disclosed. The Underwriters and their respective representatives, including professional consultants, shall be made aware of and be bound by this provision.

11. Closing

(a) The purchase and sale of the Purchased Shares will be completed electronically at the Closing Time on the Closing Date or at such other place as the Underwriters and the Corporation may agree.

(b) At the Closing Time on the Closing Date, subject to the terms and conditions contained in this Agreement, the Corporation shall deliver to the Underwriters a certificate or certificates representing the Purchased Shares against payment of the Offer Price set out in this Agreement by wire transfer on the Closing Date payable to the Corporation or if requested, utilize the non-certificated inventory system of CDS Clearing and Depository Service Inc. (the "**NCI System**"). The Corporation will, at the Closing Time on the Closing Date and upon such payment of the aggregate Offer Price to the Corporation, make payment in full of the Underwriting Fee which shall be made by the Corporation directing the Underwriters to withhold the Underwriting Fee from the payment of the aggregate Offer Price. Certificates (or electronic evidence of non-certificated issuance) representing the Purchased Shares shall be registered in such names as the Underwriters may request provided such request is made two Business Days prior to each Closing Date. For the avoidance of doubt, the Corporation and the Underwriters agree that any Purchased Shares purchased by Accredited Investors in reliance on Rule 506(b) of Regulation D shall be delivered to the Underwriters in certificated form in the name of such purchaser.

12. Closing of the Over-Allotment Option

(a) The Over-Allotment Option may be exercised for a period of 30 days from and including the Closing Date. Eight, on behalf of the Underwriters, shall provide written notice to the Corporation of its election to exercise the Over-Allotment Option, which notice will set forth: (i) the aggregate number of Over-Allotment Shares to be purchased; and (ii) the closing date for the Over-Allotment Shares, provided that such closing date shall not be less than two Business Days and no more than seven Business Days following the date of such notice, and in any event not later than the 30th day following the Closing Date.

(b) The purchase and sale of the Over-Allotment Shares, if required, shall be completed at such time and place as Eight, on behalf of the Underwriters, and the Corporation may agree, and in accordance with Section 11 above.

(c) At the closing of the Over-Allotment Option, subject to the terms and conditions contained in this Agreement, the Corporation shall deliver to the Underwriters the Over-Allotment Shares, in electronic or certificated form, registered as directed by the Underwriters, against payment to the Corporation by the Underwriters of the aggregate Offer Price for the Over-Allotment Shares being issued and sold by wire transfer or certified cheque, net of the Underwriting Fee and any expenses of the Underwriters payable by the Corporation as set out in this Agreement.

(d) The applicable terms, conditions and provisions of this Agreement (including the provisions of Section 6 relating to closing deliveries) shall apply mutatis mutandis to the Closing of the issuance of any Over-Allotment Shares pursuant to any exercise of the Over-Allotment Option.

(e) In the event that the Corporation shall subdivide, consolidate, reclassify or otherwise change its Common Shares during the period in which the Over-Allotment Option is exercisable, appropriate adjustments will be made to the Offering Price and to the number of Over-Allotment Shares issuable on exercise thereof such that the Underwriters are entitled to arrange for the sale of the same number and type of securities that the Underwriters would have otherwise arranged for had they exercised such Over-Allotment Option immediately prior to such subdivision, consolidation, reclassification or change.

(f) For the avoidance of doubt, the Underwriters shall be under no obligation whatsoever to exercise the Over-Allotment Option in whole or in part.

13. Compensation of the Underwriters

In consideration of the Underwriters' services to be rendered in connection with the Offering, the Corporation shall pay to the Underwriters the Underwriting Fee in cash at the applicable Closing Time, equal to 6.0% of the aggregate gross cash proceeds received from the sale of the Offered Shares, less proceeds raised through the President's List, including on any exercise of the Over-Allotment Option.

14. Termination Rights

(a) The Corporation shall use its best efforts to cause all conditions in this Agreement which relate to it to be satisfied. It is understood that any Underwriter may waive in whole or in part, or extend the time for compliance with any of such terms and conditions without prejudice to its rights in respect of any subsequent breach, provided that to be binding on an Underwriter any such waiver or extension must be in writing and executed by such Underwriter.

(b) In addition to any other rights or remedies available to the Underwriters, the Underwriters, or any of them, may, without liability, terminate their obligations hereunder, by written notice to the Corporation in the event that after the date hereof and at or prior to the Closing Time:

(i) there is a material change or a change in a material fact or new material fact shall arise or there should be discovered any previously undisclosed material fact required to be disclosed in the Preliminary Prospectus or the Final Prospectus or any amendment thereto, in each case, that has or would be expected to have, in the sole opinion of Eight, a significant adverse change or effect on the business or affairs of the Corporation or on the market price or the value of the securities of the Corporation;

(ii) (A) there should develop, occur or come into effect or existence any event, action, state, condition (including terrorism, accident or any outbreak or escalation of international hostilities or war) or major financial occurrence of national or international consequence or a new or change in any law or regulation which in the sole opinion of Eight, seriously adversely affects or involves or may seriously adversely affect or involve the financial markets or the business, operations or affairs of the Corporation and the Southern Subsidiaries (taken as a whole) or the market price or value of the securities of the Corporation, (B) any inquiry, action, suit, proceeding or investigation (whether formal or informal) is commenced, announced or threatened in relation to the Corporation or any one of the officers or directors of the Corporation or any of its principal shareholders where wrong-doing is alleged or any order is made by any federal, provincial, state, municipal or other governmental department, commission, board, bureau, agency or instrumentality including the Exchange or securities commission which involves a finding of wrong-doing, or (C) any order, action or proceeding which cease trades or otherwise operates to prevent or restrict the trading of the Common Shares or any other securities of the Corporation is made or threatened by a securities regulatory authority; or

(iii) the Company is in breach of a material term, condition or covenant of this Agreement or any representation or warranty given by the Corporation in the Agreement becomes or is false in any material respect.

(c) The rights of termination contained in this Section 14 may be exercised by any Underwriter giving written notice thereof to the Corporation and the other Underwriters at any time prior to the applicable Closing Time and are in addition to any other rights or remedies the Underwriters may have in respect of any default, act or failure to act or noncompliance by the Corporation in respect of any of the matters contemplated by this Agreement or otherwise. In the event of any such termination, there shall be no further liability or obligation on the part of such Underwriter to the Corporation or on the part of the Corporation to the Underwriter except in respect of any liability or obligation under any of Section 15, Section 16 or Section 17, which will remain in full force and effect.

15. Indemnity

(a) The Corporation shall indemnify and save each of the Underwriters and their respective affiliates, and each of their respective agents, directors, officers, partners, principals, shareholders and employees (collectively, the "**Indemnified Persons**" and individually, an "**Indemnified Person**"), harmless against and from all liabilities, claims, demands, losses (other than losses of profit), costs (including, legal fees and disbursements on a full indemnity basis), damages and expenses to which an Indemnified Person may be subject or which an Indemnified Person may suffer or incur, whether under the provisions of any statute or otherwise, in any way caused by, or arising directly or indirectly from or in consequence of:

(i) any information or statement contained in the Preliminary Prospectus, the Final Prospectus, the U.S. Placement Memorandum, any Supplementary Material, any part of the Disclosure Record or in any other document or material filed or delivered by or on behalf of the Corporation pursuant hereto (other than any information or statement relating solely to the Underwriters and furnished to the Corporation by the Underwriters expressly for inclusion in the Preliminary Prospectus, the Final Prospectus, the U.S. Placement Memorandum or any Supplementary Material or such other document or material) which is or is alleged to be untrue or any omission or alleged omission to provide any information or state any fact (other than any information or fact relating solely to the Underwriters) the omission of which makes or is alleged to make any such information or statement untrue or misleading in light of the circumstances in which it was made;

(ii) any misrepresentation or alleged misrepresentation (except a misrepresentation which is based upon information relating solely to the Underwriters and furnished to the Corporation by the Underwriters in writing expressly for inclusion in the Preliminary Prospectus, the Final Prospectus, the U.S. Placement Memorandum, any Supplementary Material or in any document or other part of the Disclosure Record) contained in the Preliminary Prospectus, the Final Prospectus, the U.S. Placement Memorandum, any Supplementary Material or in any other document or any other part of the Disclosure Record filed by or on behalf of the Corporation;

(iii) any prohibition or restriction of trading in the securities of the Corporation or any prohibition or restriction affecting the distribution of the Offered Shares (not based solely upon the activities or alleged activities of any of the Underwriters or the Selling Firms, if any) imposed by any competent authority if such prohibition or restriction is based on any misrepresentation or alleged misrepresentation of a kind referred to in Section 15(a)(ii);

(iv) any order made or any inquiry, investigation (whether formal or informal) or other proceeding commenced or threatened by any one or more competent authorities (not based solely upon the activities or alleged activities of any of the Underwriters or the Selling Firms, if any) prohibiting, restricting, relating to or materially affecting the trading or distribution of the Offered Shares;

(v) any breach of, default under or non-compliance by the Corporation with any requirements of the Applicable Securities Laws, the by-laws, rules or regulations of the Exchange or any representation, warranty, term or condition of this Agreement or in any certificate or other document delivered by or on behalf of the Corporation hereunder or pursuant hereto; or

(vi) the exercise by any subscriber for Offered Shares of any contractual or statutory right of rescission for damages in connection with the purchase of the Offered Shares based on any misrepresentation or alleged misrepresentation of a kind referred to in Section 15(a)(ii);

provided, however, no party who has engaged in any fraud, wilful misconduct or gross negligence, as determined by a court of competent jurisdiction in a final judgment that has become non-appealable, shall be entitled, to the extent that the liabilities, claims, demands, losses, costs, damages and expenses were directly caused by such activity, to indemnification from any person who has not engaged in such fraud, wilful misconduct or gross negligence (provided that for greater certainty, the foregoing shall not disentitle an Underwriter from claiming indemnification hereunder to the extent that the gross negligence, if any, relates to the Underwriters failure to conduct adequate "due diligence"), and in such case the indemnity provided for in this section shall cease to apply and the Indemnified Person shall promptly reimburse the Corporation for any funds advanced to the Indemnified Person in respect of such liabilities, claims, demands, losses, costs, damages or expenses.

(b) If any claim contemplated by Section 15(a) shall be asserted against any Indemnified Person in respect of which indemnification is or might reasonably be considered to be provided for in such subsection, such Indemnified Person shall notify the Corporation as soon as possible of the nature of such claim (provided that failure to so notify the Corporation of the nature of such claim in a timely fashion shall relieve the Corporation of liability hereunder only if and to the extent that such failure materially prejudices the Corporation's ability to defend such claim) and the Corporation shall be entitled (but not required) to assume the defense of any suit brought to enforce such claim; provided however, that the defense shall be through legal counsel selected by the Corporation and acceptable to the Indemnified Person acting reasonably and that no admission of liability or settlement may be made by the Corporation or the Indemnified Person without the prior written consent of the other, such consent not to be unreasonably withheld. The Indemnified Person shall have the right to retain its own counsel in any proceeding relating to a claim contemplated by Section 15(a) if:

(i) the Indemnified Person has been advised by counsel that representation of the Indemnified Person and the Corporation by the same counsel would be inappropriate due to the actual or potential differing interests between them, including without limitation where there may be a reasonable legal defense available to the Indemnified Person which is different from or additional to a defense available to the Corporation;

(ii) the Corporation shall not have taken the defense of such proceedings and employed counsel within 10 days after notice has been given to the Corporation of commencement of such proceedings; or

(iii) the employment of such counsel has been authorized by the Corporation in connection with the defense of such proceedings,

and, in any such case, the Corporation shall not have the right to assume the defense of such proceedings on the Indemnified Person's behalf, and, in any such case, the reasonable fees and expenses of such Indemnified Person's counsel (on a solicitor and his client basis) shall be paid by the Corporation, provided that the Corporation shall not, in connection with any one such action or separate but substantially similar or related actions in the same jurisdiction arising out of the same general allegations or circumstances, be liable for the fees and expenses of more than one separate law firm (in addition to any local counsel) for all such Indemnified Persons.

(c) The Corporation hereby waives its rights to recover contribution from the Underwriters with respect to any liability of the Corporation by reason of or arising out of any misrepresentation in the Preliminary Prospectus, the Final Prospectus, the U.S. Placement Memorandum, any Supplementary Material or any other part of the Disclosure Record; provided, however, that such waiver shall not apply in respect of liability caused or incurred by reason of any misrepresentation which is based upon information relating solely to the Underwriters contained in such document and furnished to the Corporation by the Underwriters expressly for inclusion in the Preliminary Prospectus, the Final Prospectus, the U.S. Placement Memorandum or any Supplementary Material.

(d) If any legal proceedings shall be instituted against the Corporation in respect of the Preliminary Prospectus, the Final Prospectus, the U.S. Placement Memorandum, any Supplementary Material or any other part of the Disclosure Record or the Offered Shares or if any regulatory authority or stock exchange shall carry out an investigation of the Corporation in respect of the Preliminary Prospectus, the Final Prospectus, the U.S. Placement Memorandum, any Supplementary Material or any other part of the Disclosure Record or the Offered Shares and, in either case, any Indemnified Person is required to testify, or respond to procedures designed to discover information, in connection with or by reason of the services performed by the Underwriters hereunder, the Indemnified Person may employ its own legal counsel and the Corporation shall pay and reimburse the Indemnified Person for the reasonable fees, charges and disbursements (on a full indemnity basis) of such legal counsel, the other expenses reasonably incurred by the Indemnified Person in connection with such proceedings or investigation and a fee at the normal per diem rate for any director, officer or employee of the Underwriters involved in the preparation for or attendance at such proceedings or investigation.

(e) The rights and remedies of the Indemnified Persons set forth in Section 15, Section 16 or Section 17 (in the case of the Underwriters) hereof are to the fullest extent possible in law, cumulative and not alternative and the election by any Underwriter or other Indemnified Person to exercise any such right or remedy shall not be, and shall not be deemed to be, a waiver of any other rights and remedies.

(f) The Corporation hereby acknowledges that the Underwriters are acting as agents for the Indemnified Persons other than the Underwriters under this Section 15, and under Section 16 with respect to all such Indemnified Persons other than the Underwriters.

(g) The Corporation waives any right it may have of first requiring an Indemnified Person to proceed against or enforce any other right, power, remedy or security or claim or to claim payment from any other person before claiming under this indemnity. It is not necessary for an Indemnified Person to incur expense or make payment before enforcing such indemnity.

(h) If the Corporation has assumed the defense of any suit brought to enforce a claim hereunder, the Indemnified Person shall provide the Corporation copies of all documents and information in its possession pertaining to the claim, take all reasonable actions necessary to preserve its rights to object to or defend against the claim, consult and reasonably cooperate with the Corporation in determining whether the claim and any legal proceeding resulting therefrom should be resisted, compromised or settled and reasonably cooperate and assist in any negotiations to compromise or settle, or in any defense of, a claim undertaken by the Corporation.

16. Contribution

In order to provide for just and equitable contribution in circumstances in which the indemnification provided for in this Agreement is due in accordance with its terms but is, for any reason, held by a court to be unavailable from the Corporation on grounds of policy or otherwise, the Corporation and the party or parties seeking indemnification shall contribute to the aggregate liabilities, claims, demands, losses (other than losses of profit), costs (including legal fees and disbursements on a full indemnity basis), damages and expenses (or claims, actions, suits or proceedings in respect thereof) to which they may be subject or which they may suffer or incur:

(a) in such proportion as is appropriate to reflect the relative benefit received by the Corporation on the one hand, and by the Underwriters on the other hand, from the offering of the Offered Shares; or

(b) if the allocation provided by Section 16(a) above is not permitted by applicable law, in such proportion as is appropriate to reflect not only the relative benefits referred to in Section 16(a) above but also to reflect the relative fault of the Underwriters on the one hand, and the Corporation, on the other hand, in connection with the statements, commissions or omissions or other matters which resulted in such liabilities, claims, demands, losses, costs, damages or expenses, as well as any other relevant equitable considerations.

The relative benefits received by the Corporation, on the one hand, and the Underwriters, on the other hand, shall be deemed to be in the same proportion that the total proceeds of the Offering received by the Corporation (net of fees but before deducting expenses) bear to the fees received by the Underwriters. In the case of liability arising out of the Offering, the relative fault of the Corporation, on the one hand, and the Underwriters, on the other hand, shall be determined by reference, among other things, to whether the misrepresentation or alleged misrepresentation, order, inquiry, investigation or other matter or thing referred to in Section 15 relates to information supplied or which ought to have been supplied by, or steps or actions taken or done on behalf of or which ought to have been taken or done on behalf of the Corporation of the Underwriters and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such misrepresentation or alleged misrepresentation, order, inquiry, investigation or other matter or thing referred to in Section 15.

The amount paid or payable by an Indemnified Person as a result of liabilities, claims, demands, losses (other than losses of profit), costs, damages and expenses (or claims, actions, suits or proceedings in respect thereof) referred to above shall include any legal or other expenses reasonably incurred by the Indemnified Person in connection with investigating or defending such liabilities, claims, demands, losses, costs, damages and expenses (or claims, actions, suits or proceedings in respect thereof) whether or not resulting in any action, suit, proceeding or claim.

Each of the Corporation and the Underwriters agree that it would not be just and equitable if contributions pursuant to this Agreement were determined by pro rata allocation or by any other method of allocation which does not take into account the equitable considerations referred to in the immediately preceding paragraphs. The rights to contribution provided in this Section 16 shall be in addition to, and without prejudice to, any other right to contribution which the Underwriters or other Indemnified Persons may have.

The Corporation shall, in any event, contribute to the amount of aggregate liabilities, claims, demands, losses (other than losses of profit), costs, damages and expenses (or claims, actions, suits or proceedings in respect thereof) paid or payable by an Underwriter under this Section 16, that proportion of such amount which exceeds the Underwriting Fee actually received by such Underwriter.

17. Expenses

Whether or not the transactions contemplated herein shall be completed, all costs and expenses (including applicable GST and HST) of or incidental to the transactions contemplated hereby including those relating to the distribution of the Offered Shares, shall be borne by the Corporation including all costs and expenses of or incidental to the preparation, filing and reproduction (including the commercial copies thereof) of the Preliminary Prospectus, the Final Prospectus, the U.S. Placement Memorandum, the Marketing Materials, any Supplementary Material, and the delivery thereof to the Underwriters, the fees and expenses of the Corporation's counsel, the fees and expenses of agent counsel retained by the Corporation or the Corporation's counsel, the fees and expenses of the Corporation's Transfer Agent, any auditors, engineers and other outside consultants, all stock exchange fees, and all other costs and expenses relating to this transaction including the legal fees of Underwriters' counsel (as further outlined in the Engagement Letter) and disbursements of Underwriters' counsel (which disbursements may include the fees, disbursements and taxes of any local due diligence legal counsel of the Underwriters) together with applicable GST, as well as the out-of-pocket and travel expenses in connection with due diligence and marketing meetings for a payment to Eight in the amount of $20,000 and all taxes incurred by the Underwriters or Underwriters' counsel, including GST (the " **Underwriters' Expenses**"). All fees and expenses incurred by the Underwriters which are reimbursable hereunder shall be payable by the Corporation immediately upon receiving an invoice therefor from the Underwriters.

18. Liability of the Underwriters

(a) The obligation of the Underwriters to purchase the Purchased Shares at the Closing Time shall be several, and not joint, nor joint and several, and shall be as to the following percentages of the Purchased Shares to be purchased at any such time:

Eight Capital	52.5%
Haywood Securities Inc.	37.5%
Canaccord Genuity Corp.	10%
	100%

(b) If one of the Underwriters fails to purchase its applicable percentage of the aggregate amount of the Purchased Shares at the Closing Time, the other Underwriters shall have the right, but shall not be obligated, to purchase, all but not less than all, of the applicable Purchased Shares which would otherwise have been purchased by the Underwriter that failed to purchase. If, with respect to any such securities, any non-defaulting Underwriter elects not to exercise such right so as to assume the entire obligation of the defaulting Underwriter (the Offered Shares in respect of which the defaulting

Underwriter(s) fail to purchase and the non-defaulting Underwriters do not elect to purchase being hereinafter called the "**Defaulted Shares**") and the number of Defaulted Shares exceeds 10% of the number of Purchased Shares to be purchased hereunder, then (i) each Underwriter shall have the several right to terminate its obligation hereunder to purchase the Offered Shares required to be purchased by it and without any liability to the Corporation, and (ii) the Corporation shall have the right to either (A) proceed with the sale of the applicable Offered Shares (less the Defaulted Shares) to the non-defaulting Underwriters (other than those Underwriters who terminated under (i) above), or (B) terminate its respective obligations hereunder without liability to the non-defaulting Underwriters except under Section 15, Section 16 and Section 17.

19. Advertisements

If the Offering is successfully completed, the Corporation acknowledges and agrees that the Underwriters will be permitted to publish, at their own expense, public announcements or other communications relating to their services in connection with the Offering as they consider appropriate.

20. Notices

Any notice or other communication to be given hereunder shall, in the case of notice to be given to the Corporation be addressed to the Corporation, c/o Mr. Ian Atkinson, President and Chief Executive Officer, at the above address, Fax No. *[redacted – fax number]*, with a copy to:

Stikeman Elliott LLP
4300 Bankers Hall West
888 – 3rd Street SW
Calgary, Alberta T2P 5C5

Attention: Sony Gill
Email: *[redacted – email address]*

and, in the case of notice to be given to the Underwriters, be addressed to:

Eight Capital
Suite 2110, 355 – 8th Avenue SW
Calgary, Alberta T2P 1C9

Attention: Tony Loria, Principal, Vice Chairman
Email: *[redacted – email address]*

and to:

Haywood Securities Inc.
808 1st Street SW, Suite 301
Calgary, Alberta T2P 1M9

Attention: Erik Bakke, Managing Director, Head of Energy Investment Banking
Email: *[redacted – email address]*

and to:

Canaccord Genuity Corp.
520 3rd Avenue SW

Calgary, Alberta T2P 0B2

Attention: Anthony Petrucci, Managing Director, Investment Banking
Email: *[redacted – email address]*

and a copy to:

Dentons Canada LLP
15th Floor, Bankers Court
850 – 2nd Street SW
Calgary, Alberta T2P 0R8

Attention: Bennett Wong
Email: *[redacted – email address]*

or to such other address as the party may designate by notice given to the other. Each communication shall be personally delivered to the addressee or sent by email to the addressee, and:

(a) a communication which is personally delivered shall, if delivered before 4:00 p.m. (local time at the place of delivery) on a Business Day, be deemed to be given and received on that day and, in any other case be deemed to be given and received on the first Business Day following the day on which it is delivered; and

(b) a communication which is sent by email shall, if sent on a Business Day before 4:00 p.m. (local time at the place of receipt), be deemed to be given and received on that day and, in any other case, be deemed to be given and received on the first Business Day following the day on which it is sent.

21. Conditions

All terms, covenants and conditions of this Agreement to be performed by the Corporation shall be construed as conditions, and any breach or failure to comply with any material terms and conditions which are for the benefit of the Underwriters shall entitle the Underwriters to terminate their obligations hereunder. The Underwriters may waive in whole or in part any breach of, default under or non-compliance with any representation, warranty, term or condition hereof, or extend the time for compliance therewith, without prejudice to any of their rights in respect of any other representation, warranty, term or condition hereof or any other breach of, default under or non-compliance with any other representation, warranty, term or condition hereof, provided that any such waiver or extension shall be binding on the Underwriters only if the same is in writing and signed by such Underwriter.

22. Survival of Representations and Warranties

All representations, warranties, terms and conditions herein (including those contained in Section 7) or contained in certificates or documents submitted pursuant to or in connection with the transactions contemplated herein shall survive the Closing Time and shall continue in full force and effect for the benefit of the Underwriters or the Corporation, as applicable, and in the case of the Underwriters regardless of any investigation by or on behalf of the Underwriters with respect thereto.

23. Severance

If one or more of the provisions contained herein shall, for any reason, be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provision of this Agreement, but this Agreement shall be construed as if such invalid, illegal or unenforceable provision or provisions had never been contained herein.

24. Authority to Bind Underwriters

The Corporation shall be entitled to and shall act on any notice, waiver, extension or communication given by or on behalf of the Underwriters by Eight, which shall represent the Underwriters, and which shall have the authority to bind the Underwriters in respect of all matters hereunder, except in respect of any settlement under Sections 15 or 16 or any matter referred to in Section 14. While not affecting the foregoing, Eight shall consult with the other Underwriters with respect to any such notice, waiver, extension or other communication

25. Successors and Assigns

The terms and provisions of this Agreement will be binding upon and enure to the benefit of the Corporation and the Underwriters and their respective successors and assigns; provided that, except as otherwise provided in this Agreement, this Agreement will not be assignable by any party without the written consent of the others and any purported assignment without that consent will be invalid and of no force and effect.

26. No Fiduciary Duty

The Corporation: (a) acknowledges and agrees that the Underwriters have certain statutory obligations as registrants under Canadian Securities Laws and may have relationships with their clients; (b) acknowledges and agrees that the Underwriters are neither the agents of the Corporation nor has any Underwriter assumed a fiduciary responsibility in favour of the Corporation with respect to the Offering or the process leading thereto or any other obligation to the Corporation except as expressly set forth in this Agreement; and (c) consents to the Underwriters acting hereunder while continuing to act for their clients. To the extent that the Underwriters' statutory obligations as registrants under Canadian Securities Laws or relationships with their clients conflicts with their obligations hereunder the Underwriters shall be entitled to fulfil their statutory obligations as registrants under Canadian Securities Laws and their duties to their clients. Nothing in this Agreement shall be interpreted to prevent the Underwriters from fulfilling their statutory obligations as registrants under Canadian Securities Laws or duties to their clients.

27. Governing Law

This Agreement shall be governed by and construed in accordance with the laws of the Province of Alberta and the laws of Canada applicable therein. Each of the Corporation and the Underwriters hereby attorn to the non-exclusive jurisdiction of the courts of the Province of Alberta.

28. Time of the Essence

Time shall be of the essence of this Agreement.

29. Counterpart Execution

This Agreement may be executed in one or more counterparts each of which so executed shall constitute an original and all of which together shall constitute one and the same agreement. Delivery of counterparts may be effected by facsimile or other electronic transmission.

30. Further Assurances

Each party to this Agreement covenants and agrees that from time to time, it will, at the request of the requesting party, execute and deliver all such documents and do all such other acts and things as any party hereto, acting reasonably, may from time to time request be executed or done in order to better evidence or perfect or effectuate any provision of this Agreement or of any agreement or other document executed pursuant to this Agreement or any of the respective obligations intended to be created hereby or thereby.

31. Entire Agreement

It is understood that the terms and conditions of this Agreement represent the entire agreement between the parties with respect to the subject matter hereof and the terms and conditions of this Agreement supersede any previous verbal or written agreement between the Underwriters and the Corporation including the Engagement Letter.

[Remainder of this page left intentionally blank; signature pages follow.]

If the foregoing is in accordance with your understanding and is agreed to by you, please confirm your acceptance by signing below and by returning the same to Underwriters' counsel.

EIGHT CAPITAL

Per: "*Tony Loria*"
Authorized Signatory

HAYWOOD SECURITIES INC.

Per: "*Erik Bakke*"
Authorized Signatory

CANACCORD GENUITY CORP.

Per: "*Anthony Petrucci*"
Authorized Signatory

ACCEPTED AND AGREED to as of the date of this Agreement.

SOUTHERN ENERGY CORP.

Per: "*Ian Atkinson*"

Authorized Signatory

SCHEDULE "A"

COMPLIANCE WITH UNITED STATES SECURITIES LAWS

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

"**Directed Selling Efforts**" means "directed selling efforts" as that term is defined in Regulation S. Without limiting the foregoing, but for greater clarity in this Schedule, it means, subject to the exclusions from the definition of directed selling efforts contained in Regulation S, any activity undertaken for the purpose of, or that could reasonably be expected to have the effect of, conditioning the market in the United States for any of the Offered Shares and includes the placement of any advertisement in a publication with a general circulation in the United States that refers to the offering of the Offered Shares;

"**Foreign Issuer**" shall have the meaning ascribed thereto in Rule 902(e) of Regulation S;

"**General Solicitation**" or "**General Advertising**" means "general solicitation" or "general advertising", as used in Rule 502(c) of Regulation D, including any advertisements, articles, notices or other communications published on the internet or in any newspaper, magazine or similar media or broadcast over radio, television, or the internet, or any seminar or meeting whose attendees had been invited by general solicitation or general advertising;

"**Offshore Transaction**" means an "offshore transaction" as that term is defined in Rule 902(h) of Regulation S;

"**Regulation D**" means Regulation D adopted by the SEC under the U.S. Securities Act;

"**Regulation S**" means Regulation S adopted by the SEC under the U.S. Securities Act; and

"**SEC**" means the Unites States Securities and Exchange Commission.

Representations, Warranties and Covenants of the Underwriters

Each Underwriter, on behalf of itself and its U.S. Affiliates, if any, represents, warrants and covenants to the Corporation, on the date hereof and the Closing Date and any closing of the Over-Allotment Option, that:

(a) It acknowledges that the Offered Shares have not been and will not be registered under the U.S. Securities Act or any state securities laws, and that the Offered Shares may not be offered or sold except in Offshore Transactions in accordance with Rule 903 of Regulation S or in the United States pursuant to an exemption from the registration requirements of the U.S. Securities Act available under Rule 144A or Rule 506(b) of Regulation D and in reliance upon exemptions under applicable state securities laws. In accordance this Schedule "A", it or its U.S. Affiliates has only offered and sold and will only offer and sell the Offered Shares in the United States to offerees with whom it has a pre-existing substantive or business relationship and whom it reasonably believes are either Qualified Institutional Buyers pursuant to Rule 144A or Accredited Investors pursuant to Section 4(a)(2) of the U.S. Securities Act and Rule 506(b) of Regulation D thereunder, and in compliance with applicable state securities law. Except as set forth in the preceding sentence, the Underwriter has not made and will not make any offer to sell, solicitation of an offer to buy or sale of any of the Offered Shares unless such offer, solicitation of an offer or sale of the Offered Shares was made in an Offshore Transaction in compliance with Rule 903 of Regulation S.

(b) It has not entered and will not enter into any contractual arrangement with respect to the offer and sale of the Offered Shares in the United States, except with its U.S. Affiliate, any Selling Firm, or with the prior written consent of the Corporation. It shall require its U.S. Affiliate and any Selling Firm engaged by it to agree, for the benefit of the Corporation, to comply with the same provisions of this Schedule as apply to such Underwriter as if such U.S. Affiliate and such Selling Firm was a party to this Agreement.

(c) Neither such Underwriter nor its U.S. Affiliate, nor any persons acting on its or their behalf, has engaged or will engage in any Directed Selling Efforts.

(d) All offers and sales of Offered Shares in the United States have been and shall be made by or through the Underwriter's U.S. Affiliate or another U.S. registered broker or dealer selected by the Underwriters upon consent of the Corporation, in compliance with all applicable U.S. federal and state requirements relating to the registration and conduct of brokers and dealers. Such U.S. Affiliate is and will be, on the date of each offer or sale of Offered Shares in the United States, duly registered as a broker-dealer pursuant to Section 15(b) of the U.S. Exchange Act and under the laws of each state where such offers and sales are made (unless exempted from such state's registration requirements) and a member in good standing with the Financial Industry Regulatory Authority, Inc.

(e) Offers and sales of Offered Shares in the United States by the Underwriter or its U.S. Affiliate have not been and shall not be made by any form of General Solicitation or General Advertising or in any manner involving a public offering within the meaning of Section 4(a)(2) of the U.S. Securities Act.

(f) All purchasers of the Offered Shares in the United States or who were offered Offered Shares in the United States ("**U.S. Purchasers**") shall be informed that the Offered Shares have not been and will not be registered under the U.S. Securities Act and are being sold to them in reliance on Rule 144A or Rule 506(b) of Regulation D, as applicable, and in reliance upon similar exemptions from registration under applicable state securities laws.

(g) It will ensure that each Person in the United States that was offered Offered Shares by it or its U.S. Affiliate has been or shall be provided with the U.S. Placement Memorandum including the Preliminary Prospectus and/or the Final Prospectus, as applicable. It will ensure that each U.S. Purchaser purchasing Offered Shares from it or from the Corporation, through or arranged by its U.S. Affiliate, shall (i) be provided, prior to the Closing Time or the Closing Time of any Over-Allotment Option, with the U.S. Placement Memorandum including the Final Prospectus; and (ii) execute and deliver to the Underwriters, the U.S. Affiliates and the Corporation either: (A) a purchaser letter for QIBs substantially in the form attached as Appendix I to the U.S. Placement Memorandum; or (B) a purchaser letter for Accredited Investors substantially in the form attached as Appendix II to the U.S. Placement Memorandum.

(h) None of the Underwriter, its affiliates or any person acting on any of its or their behalf has taken or will take, directly or indirectly, any action in violation of Regulation M under the U.S. Exchange Act with respect to the offer and sale of the Offered Shares.

(i) Its U.S. Affiliate selling the Offered Shares in the United States is a Qualified Institutional Buyer.

(j) Prior to the Closing Time and any Closing Time of the Over-Allotment Option, it will provide the Corporation and its transfer agent with a list of all U.S. Purchasers (including addresses) purchasing the Offered Shares from its U.S. Affiliate, or from the Corporation as arranged by its U.S. Affiliate.

(k) At the Closing Time and any Closing Time of the Over-Allotment Option, the Underwriter, together with its U.S. Affiliate selling (or arranging for the Corporation to sell) Offered Shares in the United States, will provide a certificate, substantially in the form of Exhibit A to this Schedule relating to the manner of the offer and sale of the Offered Shares in the United States or will be deemed to have represented and warranted that none of it, its affiliates or any person acting on its or their behalf has offered or sold Offered Shares in the United States.

(l) With respect to offers and sales of Offered Shares to Accredited Investors pursuant to Rule 506(b) of Regulation D (the "**Regulation D Securities**"), each Underwriter represents that neither it, nor any of its directors, executive officers, general partners, managing members, other officers participating in offers and sales to Accredited Investors pursuant to Rule 506(b) of Regulation D or any other person associated with or acting on behalf of the above persons (including the Underwriter's U.S. Affiliate) that has been or will be paid (directly or indirectly) remuneration for solicitation of purchasers in connection with the sale of the Regulation D Securities (each, an "**Underwriter Covered Person**" and, together, "**Underwriter Covered Persons**"), is subject to any of the "Bad Actor" disqualifications described in Rule 506(d)(1)(i) to (viii) of Regulation D (a "**Disqualification Event**") except for a Disqualification Event (i) contemplated by Rule 506(d)(2) of Regulation D and (ii) a description of which has been furnished in writing to the Corporation prior to the date thereof.

(m) As of the Closing Date, the Underwriter represents that it is not aware of any person (other than any Underwriter Covered Person) that has been or will be paid (directly or indirectly) remuneration for solicitation of U.S. Purchasers.

(n) The Underwriter will notify the Corporation in writing, prior to the Closing Date, of (i) any Disqualification Event relating to any Underwriter Covered Person not previously disclosed to the Corporation and (ii) any event that would, with the passage of time, become a Disqualification Event relating to any Underwriter Covered Person.

(o) It and its U.S. Affiliates acknowledge that until 40 days after the commencement of the offering of the Offered Shares, an offer or sale of the Offered Shares within the United States by any dealer (whether or not participating in the Offering) may violate the registration requirement of the U.S. Securities Act if such offer or sale is made otherwise than in accordance with an exemption from the registration requirement of the U.S. Securities Act.

Representations, Warranties and Covenants of the Corporation

The Corporation represents, warrants, covenants and agrees to and with the Underwriters that:

(a) (i) The Corporation is, and at the Closing Time will be, a Foreign Issuer; (ii) the Corporation is not now, and as a result of the offer and sale of Offered Shares contemplated hereby will not be, registered or required to be registered as an "investment company" under the United States Investment Company Act of 1940, as amended; (iii) none of the Corporation, any of its affiliates, or any person acting on its or their behalf (other than the Underwriters, their affiliates and any person acting on any of their behalf, as to which no representation, warranty, covenant or agreement is made), has engaged or will engage in any Directed Selling Efforts or has taken or will take any action (including the sale of securities in the United States) that would cause the exemptions afforded by Rule 144A, Rule 506(b) of Regulation D or Rule 903 of Regulation S to be unavailable for offers and sales of the Offered Shares pursuant to this Agreement; and (iv) none of the Corporation, any of its affiliates, or any person acting on its or their behalf (other than the Underwriters, their affiliates or any person acting on any of their behalf, as to which no representation, warranty, covenant or agreement is made) has engaged or will engage in any form of General Solicitation or General Advertising in connection with the offer or sale of the Offered Shares in the United States or has otherwise acted in a manner involving a public offering within the meaning of Section 4(a)(2) of the U.S. Securities Act in connection with the offer or sale of the Offered Shares in the United States.

(b) The Corporation reasonably believes now that there is, and at the Closing Time there will be, no "substantial U.S. market interest" with respect to its Common Shares or any other class of its equity securities, as such term is defined in Regulation S.

(c) Except with respect to offers and sales in accordance with this Agreement (including this Schedule "A") in the United States to Accredited Investors in reliance upon the exemption from registration available under Rule 506(b) of Regulation D and/or Qualified Institutional Buyers in reliance upon the exemption from registration available under Rule 144A, none of the Corporation, its affiliates or any persons acting on its or their behalf (other than the Underwriters, their affiliates and any person acting on any of their behalf, as to which no representation, warranty, covenant or agreement is made) has offered or sold, or will offer or sell, any of the Offered Shares in the United States.

(d) None of the Corporation, its affiliates or any person acting on its or their behalf (other than the Underwriters, their affiliates and any person acting on any of their behalf, as to which no representation, warranty, covenant or agreement is made) has taken or will take any action that would cause the exemption from the registration requirements of the U.S. Securities Act provided by Rule 144A or Rule 506(b) of Regulation D to become unavailable with respect to the offer and sale of the Offered Shares in the United States or which would cause the exclusion from such registration requirements set forth in Rule 903 of Regulation S to become unavailable with respect to the offer and sale of the Offered Shares in Offshore Transactions outside the United States. The Offered Shares are not, and as of the Closing Time will not be, and no securities of the same class as the Offered Shares are or will be (i) listed on a national securities exchange registered under Section 6 of the U.S. Exchange Act, (ii) quoted in a "U.S. automated inter-dealer quotation system," as such term is used in Rule 144A, or (iii) convertible or exchangeable into or exercisable for securities so listed or quoted at an effective conversion premium (calculated as specified in paragraph (a)(6) of Rule 144A) of less than 10%.

(e) The Corporation has not, and will not, sell offer for sale or solicit any offer to buy any of its securities in the United States in a manner that would be integrated with, and would cause the exemption provided by Rule 144A, or Section 4(a)(2) under the U.S. Securities Act and Rule 506(b) of Regulation D thereunder, or the exclusion from such registration requirement afforded by Rule 903 of Regulation S Rule to become unavailable with respect to, the offer and sale of the Offered Shares in the United States as contemplated by this Agreement.

(f) So long as any of the Offered Shares sold pursuant to Rule 144A or Rule 506(b) of Regulation D thereunder are outstanding and are "restricted securities" within the meaning of Rule 144(a)(3) under the U.S. Securities Act and not eligible for resale pursuant to Rule 144(b)(1) under the U.S. Securities Act, the Corporation will, if it is not subject to the reporting requirements of Section 13 or 15(d) of the U.S. Exchange Act or the information furnishing requirements of Rule 12g3-2(b) thereunder or if it is subject to such reporting requirements and fails to comply therewith, provide to any holder of those restricted securities, or to any prospective purchaser of those restricted securities designated by a holder, upon the request of that holder or prospective purchaser, at or prior to the time of sale, the information required to be provided by Rule 144A(d)(4) under the U.S. Securities Act (so long as that requirement is necessary in order to permit holders of those restricted securities to effect resales under Rule 144A);

(g) The Corporation will file within the prescribed time period(s) a Notice of Sales on Form D as required by Rule 503 of Regulation D with the SEC and any required filings with any applicable state securities commissions in connection with any sales of Offered Shares to Accredited Investors pursuant to Rule 506(b) of Regulation D.

(h) For each taxable year in which the Corporation is a "passive foreign investment company" as defined in Section 1297 of the United States Internal Revenue Code of 1986, as amended (the "**Internal Revenue Code**"), if requested in writing by a U.S. Purchaser, the Corporation will provide such U.S. Purchaser with the required information to enable it to make a qualified electing fund election under Section 1295 of the Internal Revenue Code and the applicable treasury regulations promulgated thereunder, and will satisfy all requirements described therein (which, for the avoidance of doubt, shall include providing a PFIC Annual Information Statement).

(i) Neither the Corporation nor any of its predecessors or affiliates has been subject to any order, judgment or decree of any court of competent jurisdiction temporarily, preliminary or permanently enjoining such person for failure to comply with Rule 503 of Regulation D.

(j) Neither the Corporation nor any of its affiliates has taken or will take, directly or indirectly, any action in violation of Regulation M under the U.S. Exchange Act with respect to the offer or sale of the Offered Shares.

(k) With respect to Offered Shares to be offered and sold in reliance on Rule 506(b) of Regulation D, none of the Corporation, any of its predecessors, any affiliated issuer, any director, executive officer, other officer of the Corporation participating in the offering, any beneficial owner of 20% or more of the Corporation's outstanding voting equity securities, calculated on the basis of voting power, nor any promoter (as that term is defined in Rule 405 under the U.S. Securities Act) connected with the Corporation in any capacity at the time of sale (other than any Underwriter Covered Person, as to whom no representation or warranty is made) (each, an "**Issuer Covered Person**" and, together, "**Issuer Covered Persons**") is subject to a Disqualification Event, except for a Disqualification Event covered by Rule 506(d)(2) or (d)(3) of Regulation D. The Corporation has exercised reasonable care to determine whether any Issuer Covered Person is subject to a Disqualification Event. The Corporation has complied, to the extent applicable, with its disclosure obligations under Rule 506(e), and has furnished to the Underwriters a copy of any disclosures provided thereunder.

(l) As of the Closing Date, the Corporation is not aware of any person (other than any Underwriter Covered Person) that has been or will be paid (directly or indirectly) remuneration for solicitation of U.S. Purchasers.

(m) The Corporation will notify the Underwriters and the U.S. Affiliates in writing, prior to the Closing Date, of (i) any Disqualification Event relating to any Issuer Covered Person and (ii) any event that would, with the passage of time, become a Disqualification Event relating to any Issuer Covered Person.

(n) None of the Corporation's securities are registered or are required to be registered under Section 12 of the U.S. Exchange Act and the Corporation does not have a reporting obligation under Section 13 or Section 15(d) of the U.S. Exchange Act.

(o) The Corporation will, within prescribed time periods, prepare and file any forms or notices required under the U.S. Securities Act or applicable Blue Sky laws.

Exhibit A to Schedule "A"

UNDERWRITERS' CERTIFICATE

In connection with the private placement in the United States of the common shares (the "**Offered Shares**") of Southern Energy Corp. (the "**Corporation**") pursuant to the underwriting agreement dated June 23, 2022 made among the Corporation and the Underwriters named therein (the "**Agreement**"), each of the undersigned does hereby certify as follows:

I. **[Name of U.S. broker-dealer Affiliate]** is on the date hereof, and was on the date of each offer and sale of the Offered Shares made by it in the United States, a duly registered broker or dealer under the United States Securities and Exchange Act of 1934, as amended, and the securities laws of each state in which an offer or sale of Offered Shares was made (unless exempted from the respective state's broker-dealer registration requirements) and a member of and in good standing with the Financial Industry Regulatory Authority, Inc. , and all offers and sales of Offered Shares in the United States by or through **[Name of U.S. broker-dealer Affiliate]** have been and will be effected in accordance with all U.S. federal and state broker-dealer requirements;

II. each offeree of Offered Shares in the United States was provided with a copy of one or both of the U.S. Placement Memorandum, including the Preliminary Prospectus, and/or the U.S. Placement Memorandum, including the Final Prospectus, and each U.S. Purchaser: (a) was provided, prior to the Closing Time, with a copy of the U.S. Placement Memorandum, including the Final Prospectus, and no other written material was used in connection with the offer and sale of the Offered Shares in the United States; and (b) executed and delivered to the Underwriters and the Corporation either (x) a purchaser letter for QIBs substantially in the form attached as Appendix I to the U.S. Placement Memorandum or (y) a purchaser letter for Accredited Investors substantially in the form attached as Appendix II to the U.S. Placement Memorandum;

III. immediately prior to our soliciting such offerees, we had reasonable grounds to believe and did believe that each offeree was, and continue to believe that each U.S. Purchaser purchasing Offered Shares from or through us is, either a "qualified institutional buyer", as defined in Rule 144A under the United States Securities Act of 1933, as amended (the "**U.S. Securities Act**") or an "accredited investor" as defined in Rule 501(a) of Regulation D under the U.S. Securities Act;

IV. no form of "general solicitation" or "general advertising" (as those terms are used in Rule 502(c) of Regulation D under the U.S. Securities Act) or "directed selling efforts" (as such term is defined in Rule 902(c) of Regulation S under the U.S. Securities Act) was used by us in connection with the offer or sale of the Offered Shares in the United States;

V. none of (i) the undersigned, (ii) the undersigned's general partners or managing members, (iii) any of the undersigned's directors, executive officers or other officers participating in the offering of the Regulation D Securities, (iv) any of the undersigned's general partners' or managing members' directors, executive officers or other officers participating in the offering of the Regulation D Securities or (v) any other person associated with any of the above persons that has been or will be paid (directly or indirectly) remuneration for solicitation of purchasers in connection with sale of Regulation D Securities (each, a "**Underwriter Covered Person**" and, collectively, the "**Underwriter Covered Persons**"), is subject to any of the "Bad Actor" disqualifications described in Rule 506(d)(1)(i) to (viii) of Regulation D (a "**Disqualification Event**"), except for a Disqualification Event (i) contemplated by Rule 506(d)(2) of Regulation D and (ii) a description of which has been furnished in writing to the Corporation prior to the date hereof;

VI. we are not aware of any person (other than any Underwriter Covered Person) that has been or will be paid (directly or indirectly) remuneration for solicitation of U.S. Purchasers;

VII. neither we nor any of our affiliates have taken or will take, directly or indirectly, any action in violation of Regulation M under the U.S. Exchange Act with respect to the offer or sale of the Offered Shares; and the offering of the Offered Shares in the United States has been conducted by us in accordance with the terms of the Agreement, including Schedule "A" hereto.

VIII. the offering of the Offered Shares in the United States has been conducted by us in accordance with the terms of the Underwriting Agreement, including Schedule "A" thereto.

Unless otherwise defined, terms used in this certificate have the meanings given to them in the Agreement, including Schedule "A" hereto.

Dated this ● day of ●, 2022.

[UNDERWRITER]	**[U.S. BROKER-DEALER AFFILIATE]**
By:______________________________	By:______________________________
Name:	Name:
Title:	Title: