PURCHASE AND SALE AGREEMENT

THIS AGREEMENT MADE this 16th day of December, 2014.

BETWEEN:

> **SPYGLASS RESOURCES CORP.,** a body corporate with an office in the City of Calgary, in the Province of Alberta (hereinafter referred to as the "**Vendor**")
>
> \- and -
>
> **EAGLE ENERGY CANADA INC.,** a body corporate with an office in the City of Calgary, in the Province of Alberta (hereinafter referred to as the "**Purchaser**")

WHEREAS the Vendor desires to sell and convey the Assets to the Purchaser and the Purchaser desires to purchase the Assets from the Vendor;

NOW THEREFORE in consideration of the premises hereto and of the covenants, warranties, representations, agreements and payments herein set forth and provided for, the Parties covenant and agree as follows:

ARTICLE 1
INTERPRETATION

1.1 Definitions

In this Agreement the words and phrases set forth below shall have the meaning ascribed thereto below, namely:

(a) "**Abandonment and Reclamation Obligations**" means all past, present and future obligations in respect of:

  (i) the proper plugging and abandonment of Wells;

  (ii) the closure, decommissioning, dismantling and removal of structures, foundations, buildings, pipelines and equipment pertaining to the Tangibles and Facilities; and

  (iii) the abandonment, restoration, remediation, rehabilitation and reclamation of the surface and subsurface locations and lands used to gain access thereto, pertaining to any wells, facilities, pipelines and other sites located within, on or under the Lands and lands pooled or unitized therewith, or comprising all or part of the Assets, or that were used or previously used in respect of Petroleum Substances produced or previously produced from the Lands or lands pooled or unitized therewith, all in accordance with generally accepted oil and gas industry practices in the jurisdiction where the Assets are located and the Regulations;

(b) "**AFE**" means**:**

(i) in respect of those Assets co-owned by the Vendor and one or more Third Parties, any and all authorizations for expenditure, operations notices, cash calls, mail ballots or other similar financial approvals or commitments of the Vendor pertaining to such Assets and issued pursuant to the governing agreements, which are now due or which may hereafter become due by virtue of matters occurring or arising prior to the Effective Date; and

(ii) in respect of those Assets owned solely by Vendor, any equivalent internally generated expenditure approvals;

if any, set out in Schedule "C" under the heading "AFE'S";

(c) "**Affiliate**" of a Person means a corporation or partnership that controls the Person, is controlled by the Person or is controlled by the same person, corporation or partnership that controls the Person and for which purpose a corporation shall be deemed to be controlled by those persons, corporations or partnerships who own (directly or indirectly) or effectively control, other than by way of a security interest only, sufficient voting shares of the corporation (whether directly through the ownership of shares of the corporation or indirectly through the ownership of shares of another corporation which directly or indirectly owns shares of the corporation) to elect the majority of its board of directors and a partnership shall be deemed to be controlled by those persons, corporations or partnerships that are able to determine policies or material decisions of that partnership, provided that a partnership which is composed solely of corporations which are Affiliates, as described above, shall be deemed to be an Affiliate of each such corporation and its other Affiliates;

(d) "**Agreement**" means this Agreement together with all Schedules and attachments hereto;

(e) "**Arbitration Act**" has the meaning given to such term in Section 14.1(b);

(f) "**Assets**" means the Petroleum and Natural Gas Rights, the Tangibles and the Miscellaneous Interests;

(g) "**Business Day**" means a day other than a Saturday, a Sunday or a statutory holiday in Calgary, Alberta;

(h) "**Closing**" means the exchange of documents by the Vendor and the Purchaser for the transfer of the Assets and the payment by the Purchaser to the Vendor of the Purchase Price and the completion of all matters referred to in Sections 4.6(a) and 4.6(b);

(i) "**Closing Date**" means 9:30 a.m., Calgary time, at the offices of the Vendor on the 18th day of December, 2014, or such other date as is mutually agreed in writing between the Parties;

(j) "**Deposit**" means the sum of money set out in Section 2.3(a);

(k) "**Effective Date**" means 12:01 a.m., Calgary time, on the 1st day of January, 2015;

(l) "**Environmental Liabilities**" means the Losses and Liabilities arising from any and all past, present or future environmental damage, contamination, or other environmental problems pertaining to the Assets and the Lands or operations thereon or related thereto, however and by whomsoever caused, and whether caused by a breach of the applicable Regulations or otherwise, which occur or arise in whole or in part prior to, at or subsequent to the Closing Date and regardless of whether or not a reclamation certificate has been issued. Without limiting the generality of the foregoing, such environmental damage or contamination or other environmental problems shall include those arising from or related to:

(i) surface, underground, air, ground water, surface water or marine environment contamination;

(ii) Abandonment and Reclamation Obligations;

(iii) the restoration, cleanup or reclamation of or failure to restore, cleanup or reclaim any part of the Assets or the Lands;

(iv) the removal of or failure to remove foundations, structures or equipment;

(v) the release, spill, escape or emissions of toxic, hazardous or oilfield waste substances;

(vi) compliance with past, present and future Regulations relating to the environment or the protection thereof; and

(vii) damages and losses suffered by Third Parties as a result of any of the occurrences in subclauses (i) through (vi) of this Subsection;

(m) "**Excluded Assets**" has the meaning given to such term in Section 5.4;

(n) "**Facilities**" means an undivided 50% of the Vendor's interest in the facilities used or useful in the production, processing, transmission or treatment of Petroleum Substances produced from the Lands including pipelines, flow lines, gathering systems, batteries and plants, including those facilities set forth and described in Schedule "B";

(o) "**General Conveyance**" means the general conveyance agreement in the form set out in Schedule "D";

(p) "**GST**" has the meaning given to such term in Section 2.4;

(q) "**Joint Operating Agreement**" means the agreement between the Vendor and the Purchaser to be executed on the Closing Date which will govern the operations and maintenance of the Assets as of the Effective Date, which agreement will be based upon the CAPL 2007 model joint operating agreement, together with such changes as may be mutually agreed upon by the Parties;

(r) "**Lands**" means the lands and formations set forth and described in Schedule "A";

(s) "**Leases**" means the leases, reservations, permits, licenses and other documents of title by virtue of which the holder thereof is entitled to drill for, win, take, own or remove the Petroleum Substances underlying all or any part of the Lands, or lands pooled or unitized therewith, and includes those leases, licenses, permits, reservations, certificates of title and other documents of title set out in Schedule "A" and, if applicable, all renewals and extensions of such documents and all documents issued in substitution therefore, but only insofar as the same relate to the Lands;

(t) "**Losses and Liabilities**" means all claims, liabilities, actions, proceedings, demands, losses, costs, penalties, fines, damages and expenses which may be sustained or incurred by a Party or its Related Parties, including reasonable legal fees and disbursements on a solicitor and its own client basis;

(u) **"Material Contracts**" means those contracts of the Vendor that pertain to the Assets and which provide for:

(i) the transportation, processing or disposal of Petroleum Substances by a Third Party;

(ii) the provision of transportation, processing or disposal capacity or service to any Third Party;

(iii) the contract operation of the Assets by a Third Party or for the contract operation of Third Party assets by Vendor;

(iv) the provision or supply by a Third Party, or to a Third Party, of fuel gas, electricity or power; or

(v) relate to the use and possession by Vendor of tangible depreciable property relating to the Assets which are owned by a Third Party;

and which cannot be terminated by the Vendor on 32 days or less without penalty;

(v) "**Miscellaneous Interests**" means an undivided 50% of the Vendor's interest in and to all property, assets and rights, other than Petroleum and Natural Gas Rights and Tangibles, pertaining directly to the Petroleum and Natural Gas Rights or the Tangibles, including:

(i) contracts, agreements, documents, production sales contracts, books and records and all production and engineering information and reports in the possession of the Vendor, relating to the Petroleum and Natural Gas Rights, the Lands or any lands with which the Lands have been pooled or unitized, or the Tangibles, excluding any and all seismic information and data;

(ii) fee simple and leasehold rights to and rights to enter upon, use or occupy the surface of the Lands or any lands pooled or unitized therewith, or any lands that are or may be used to gain access to or otherwise use or operate the Petroleum and Natural Gas Rights, the Tangibles, the Wells or any of them, excluding any such right that pertains only to a well or wells other than the Wells;

(iii) all licences, permits, approvals and authorizations granted or issued by a governmental authority and relating to the construction, installation, ownership, use or operation of the Assets;

(iv) all records, files, books, surveys, reports, studies, assessments, evaluations, interpretations, determinations, applications, correspondence, documents, drawings (whether in electronic format or otherwise, including all 'as-built' drawings), data, coreholes, core samples, licences, permits, approvals and authorizations, which relate to the Petroleum and Natural Gas Rights, the Wells or the Tangibles;

(v) all extensions, renewals, replacements, substitutions or amendments to any of the agreements and instruments described in Subsections (i), (ii), (iii) or (iv) above; and

(vi) the Wells, including the wellbores; and

unless otherwise agreed in writing by the Parties, the Miscellaneous Interests shall not include agreements, documents or data to the extent that they:

(vii) pertain to the Vendor's proprietary technology or interpretation;

(viii) are referred to specifically as exclusions in Schedule "A"; or

(ix) any seismic data proprietary to the Vendor or is Third Party owned;

(w) "**Officer's Certificate**" means a certificate given by an officer of the Purchaser or the Vendor, as herein required, which shall be substantially in the form set out in Schedule "E";

(x) "**Parent Guarantee**" means the form of guarantee set out in Schedule I;

(y) "**Party**" means the Purchaser or the Vendor as the case may be, and Parties means both of them;

(z) "**Permitted Encumbrances**" means, with respect to the Assets:

(i) easements, rights of way, servitudes or other similar rights in land, including rights of way and servitudes for highways and other roads, railways, sewers, drains, gas and oil pipelines, gas and water mains, electric light, power, telephone, telegraph and cable television conduits, poles, wires and cables;

(i) the right reserved to or vested in any government or other public authority by the terms of any lease, license, franchise, grant or permit, or by any statutory provision, to terminate any of such license, franchise, grant or permit or to require annual or other periodic payments as a condition of the continuance thereof;

(ii) rights of general application reserved to or vested in any governmental authority to levy taxes on the Petroleum Substances or any of them or on the income or revenue therefrom, and governmental requirements and limitations of general application as to production rates on the operations of any property;

(iii) the terms and conditions of the Leases;

(iv) rights reserved to or vested in any municipality or governmental, statutory or public authority to control or regulate any of the Assets in any manner, and all Regulations;

(v) undetermined or inchoate liens incurred or created in the ordinary course of business as security in favour of the person conducting the development or operation of the property to which such liens relate for the Vendor's proportionate share of the costs and expenses of such development or operation which are not due at Closing, or the validity of which is being contested in good faith by or on behalf of the Vendor;

(vi) the reservations, limitation, provisos and conditions in any original grants from the Crown of any of the mines and minerals within, upon or under the Lands, and statutory exceptions to title;

(vii) liens granted in the ordinary course of business to a public utility, municipality or governmental authority in connection with operations conducted with respect to the Assets for taxes, assessments or charges that are not due or the validity of which is being diligently contested in good faith by or on behalf of the Vendor;

(viii) mechanics', builders' and materialmen's liens in respect of services rendered or goods supplied for which payment is not due or the validity of which is being diligently contested in good faith by or on behalf of the Vendor;

(ix) all royalty burdens, liens, adverse claims, reductions in interest, and encumbrances listed on Schedule "A" hereto; and

(x) any security encumbering the Vendor's interest in and to the Assets or any part thereof in respect of which the Vendor delivers a no interest letter or a registrable discharge to the Purchaser at or prior to Closing;

(aa) "**Person**" means any individual, partnership (whether general or limited), corporation, trust, union, pension funds, government or department or agency thereof or other entity;

(bb) "**Petroleum and Natural Gas Rights**" means an undivided 50% of the Vendor's interest set forth in Schedule "A" in and to the Lands or any lands pooled or unitized therewith and in and to any royalty rights in the Lands and, insofar as they pertain to the Lands, the Leases and as encumbered by the encumbrances described in Schedule "A", including the Permitted Encumbrances;

(cc) "**Petroleum Substances**" means crude oil, crude bitumen and product derived therefrom, synthetic crude oil, petroleum, natural gas, natural gas liquids, coal bed methane and related hydrocarbons and all substances associated with or related to the foregoing, whether liquid, solid or gaseous, and whether hydrocarbons or not;

(dd) "**Pipeline Remediation**" means the capital program and associated operations undertaken by the Vendor to bring the Assets into compliance with the AER Regulations that arose from the pipeline breaks which occurred on April 30, 2014 and May 1, 2014;

(ee) "**Pipeline Spill Losses and Liabilities**" means any Losses and Liabilities arising from environmental damage, contamination or other environmental problems which were caused by the pipeline breaks which occurred on April 30, 2014 and May 1, 2014 to a maximum of **[Amount Intentionally Redacted]**, or the amount that the Vendor is reimbursed for such Losses and Liabilities by its Third Party insurance provider, whichever is greater;

(ff) "**Production Contracts**" means contracts for the sale or transportation of Petroleum Substances;

(gg) "**Purchase Price**" means the purchase price for the Assets first set out in Section 2.2;

(hh) "**Regulations**" means all statutes, laws, rules, orders, judgements, writs, injunctions, decrees, regulations and directives of any judicial authorities, governmental and other competent authorities in effect from time to time and made by governments, governmental boards or agencies, tribunals, courts, commissions, administrative agencies, arbitrators or judicial authorities having jurisdiction over the Assets, the Parties or the transaction contemplated herein;

(ii) **"Related Entity**" means corporations, partnerships, trusts or other entities which are:

(i) At least 51% owned or controlled, directly or indirectly, by the Vendor or the Purchaser; or

(ii) Own or control 51%, directly or indirectly, of the Vendor or the Purchaser as well as those which are at least 51% owned or controlled, directly or indirectly, by the same entity which owns or controls the Vendor or the Purchaser as of the date of this Agreement.

(jj) "**Related Parties**" means, in reference to a Party, its Affiliates, successors and assigns and its or its Affiliates' respective directors, officers and employees;

(kk) "**Retroactive Adjustment**" has the meaning given to such term in Section 13.2(c)(ii);

(ll) "**Right of First Refusal**" means with respect to Shallow Gas Leases only, a right of first refusal, pre-emptive right of purchase or similar right whereby a Third Party has the right to acquire or purchase a portion of the Assets as a consequence of the Vendor having agreed to sell the Assets to the Purchaser in accordance with the terms of this Agreement;

(mm) "**Seismic Data License Agreement**" means an agreement which shall be substantially in the form set out in Schedule "F";

(nn) "**Shallow Gas Leases**" means those Petroleum and Natural Gas Rights that contain only petroleum and natural gas or just natural gas to the base of the Bluesky-Bullhead zone;

(oo) "**Specific Conveyances**" means all conveyances, assignments, transfers, novations and other documents or instruments that are reasonably required or desirable to convey, assign and transfer the interest of the Vendor in and to the Assets to the Purchaser and to novatethe Purchaser in the place and stead of the Vendor with respect to the Assets;

(pp) "**Tangibles**" means an undivided 50% of the Vendor's interest in and to all tangible depreciable property and assets that are situated in, on or about the Lands or lands with which the Lands have been pooled or unitized or are appurtenant thereto that are or are intended to be used to produce, process, gather, treat, store, measure, make marketable or inject Petroleum Substances or any of them or in connection with water injection or removal operations that relate to the Petroleum and Natural Gas Rights, including the Facilities;

(qq) "**Third Party**" means any Person other than any of the Parties and their Related Parties; and

(rr) "**Wells**" means the Vendor’s interest in all wells for the purpose of production of Petroleum Substances, the injection of water, or which are shut-in, suspended, abandoned, water source or otherwise, situated on the Lands or on lands with which the Lands are pooled or unitized, including those wells set forth and described in Schedule "G", and all casing in all such wells.

1.2 Schedules

Appended hereto are the following Schedules:

(a) Schedule "A" - Description of Assets;

(b) Schedule "B" - Production Contracts and Facilities**;**

(c) Schedule "C"- AFEs;

(d) Schedule "D" - General Conveyance;

(e) Schedule "E" - Officer’s Certificates;

(f) Schedule "F" - Seismic Data License Agreement;

(g) Schedule "G" - Wells;

(h) Schedule "H" - Material Contracts and Rights of First Refusal.

(i) Schedule "I" - Form of Parent Guarantee

The Schedules hereto are incorporated into and as part of this Agreement by this reference as fully as though contained in the body of this Agreement.

1.3 Interpretation

(a) The headings of Articles, Sections and Subsections herein are inserted for convenience of reference only and shall not affect or be considered to affect the construction of the provisions hereof.

(b) The word "including" and like words used in this Agreement shall be deemed to mean "including, without limitation".

(c) Whenever the singular or masculine or neuter is used in this Agreement, it shall be interpreted as meaning the plural or feminine or body politic or corporate or vice versa, as the context requires.

(d) The provisions contained in all documents and agreements collateral hereto shall at all times be read subject to the provisions of this Agreement and, in the event of conflict between the provisions contained in any documents or agreements collateral hereto and the provisions of this Agreement, the provisions of this Agreement shall prevail unless otherwise expressly provided herein.

(e) If Closing does not occur, each provision of this Agreement which presumes the Purchaser has acquired the Assets shall be construed as having been contingent upon Closing having occurred.

(f) If there is any conflict or inconsistency between a provision of the body of this Agreement and that of a Schedule or a conveyance document, the provision of the body of this Agreement shall prevail.

(g) If the Assets to which this Agreement pertains do not include both Petroleum and Natural Gas Rights and Tangibles, the provisions of this Agreement will be interpreted in the context of either the Petroleum and Natural Gas Rights or Tangibles, as the case may be, and the applicable Miscellaneous Interests.

(h) The knowledge or awareness of the Vendor consists of the actual knowledge or awareness of its current officers who are primarily responsible for the matter in question in the course of their normal duties, after having made reasonable inquiry of the Vendor's files and records. Knowledge and awareness does not include the knowledge of any Third Party or constructive knowledge. The Vendor does not have any obligation to make inquiry of Third Parties or the files or records of any Third Party or public authority in connection with representations and warranties that are made to its knowledge, information and belief.

ARTICLE 2
SALE OF ASSETS

2.1 Purchase and Sale

The Vendor does hereby agree to sell, assign, transfer, convey and set over unto the Purchaser, its entire right, title, estate and interest in and to the Assets on the terms and conditions set forth in this Agreement and the Purchaser does hereby agree to purchase and accept directly from the Vendor the Assets, on the Closing Date, to have and to hold the same together with all benefits and advantages to be derived therefrom, absolutely, subject to the terms and conditions of this Agreement.

2.2 Purchase Price

(a) The Purchase Price to be paid by the Purchaser to the Vendor for the Assets shall be, subject to adjustment as provided for in Section 2.2(a) and in Article 13, the sum of One Hundred Million Dollars ($100,000,000.00), which sum less the Deposit shall be paid by the Purchaser to the Vendor by wire transfer at Closing on the Closing Date.

(b) At Closing the Purchase Price shall be reduced by an amount equal to the amount of interest at the rate of **[Interest rate intentionally redacted]** per annum that would have accrued on the Purchase Price from the Closing Date to the Effective Date.

2.3 Deposit

(a) On or before 11:00 a.m. (M.S.T) on December 17, 2014 the Purchaser shall deliver to the Vendor the sum of **[Amount of Deposit Intentionally Redacted]** ("**Deposit**"), which amount, subject to Section 2.3(c) below, represents a genuine estimate by the Parties of a portion of the damages that Vendor will suffer should Purchaser fail to close the transaction contemplated by this Agreement, having regard to such matters as the nature of the Assets, the size of the Purchase Price, the amount of time between the date on which negotiations commenced between the Vendor and Purchaser and the Closing Time and the time and expense to be incurred by Vendor.

(b) If Closing occurs at the Closing Time, the Deposit shall be retained by Vendor and applied towards the Purchase Price.

(c) If Closing does not occur due to one or more of the conditions in Section 4.1 having not been satisfied or complied with at or before the Closing Time and having not been waived by Vendor at or before the Closing Time, Vendor may terminate all of its obligations hereunder to transfer the Assets to the Purchaser by written notice to Purchaser ("**Vendor's Notice**") and the Deposit and the interest earned thereon shall be forfeited by the Purchaser to Vendor. Notwithstanding the foregoing, such forfeiture of the Deposit and interest shall not preclude Vendor from claiming additional damages from or seeking other remedies against Purchaser for failure of the Purchaser to close the transaction contemplated herein, and shall not constitute Vendor's sole remedy in relation thereto. Vendor may, at any time following its delivery of the Vendor's Notice to Purchaser provide Purchaser with written notice that it terminates this Agreement in its entirety. Notwithstanding the foregoing, if Purchaser does not tender the Purchase Price calculated in accordance with Section 2.2 at Closing as a result of one or more of the conditions in Section 4.3 not having been satisfied or complied with by Vendor or waived by Purchaser at or prior to the Closing Time, such failure to so tender shall not be construed as a failure by Purchaser to satisfy or comply with one of Vendor's conditions in Section 4.1.

(d) If Closing does not occur for any reason or circumstance other than those contemplated in subsection 2.3(c), the Deposit shall be returned to Purchaser for the account of Purchaser.

2.4 Goods and Services Tax

The Purchase Price is exclusive of the Goods and Services Tax ("**GST**") imposed by Part IX of the *Excise Tax Act* (Canada).The Purchaser shall pay to the Vendor at Closing the amount of GST applicable to the Assets which the Vendor, as agent for the appropriate governmental authority, is required to collect from the Purchaser. Specifically, GST is only required to be paid on the portion of the Purchase Price allocated to Tangibles and Miscellaneous Interests**.**

The respective GST registration numbers for each of the Parties are as follows:

Vendor:	**[GST number Intentionally Redacted]**
Purchaser:	**[GST number Intentionally Redacted]**

2.5 Allocation of Purchase Price

The Purchase Price payable by the Purchaser to the Vendor pursuant to Section 2.2 shall be allocated amongst the Assets as follows:

[Allocation of Purchase Price Intentionally Redacted]

2.6 Purchase Price Certainty

In the determination of the Purchase Price payable for the Assets, the Parties are in agreement that the extent and value of the Abandonment and Reclamation Obligations and Environmental Liabilities is unknown as of the Effective Date, and the Parties have not attributed a specific or agreed to value with regard to either:

(a) such liabilities; or

(b) the indemnities provided for in Section 12.3 of this Agreement;

nor shall there be any adjustments made to the Purchase Price in relation thereto.

ARTICLE 3
CLOSING

3.1 Closing

Closing shall take place at the offices of the Vendor on the Closing Date if there has been satisfaction or waiver of the conditions to Closing herein contained.

3.2 Assumption of Risk

Subject to all other provisions of this Agreement, possession, risk and beneficial ownership of the Assets shall pass from the Vendor to the Purchaser on the Closing Date.

3.3 Adjustments

Adjustments of all benefits and obligations of every kind and nature in respect of the Assets shall be apportioned between the Vendor and the Purchaser as of the Effective Date in accordance with Article 13.

ARTICLE 4
CLOSING CONDITIONS

4.1 Vendor's Closing Conditions

The obligation of the Vendor to complete the sale of the Assets pursuant to this Agreement is subject to the satisfaction on or prior to the Closing Date of the following conditions precedent:

(a) all representations and warranties of the Purchaser contained in this Agreement shall be true in all material respects when made and as of the Closing Date and the Purchaser shall have performed and satisfied all obligations required by this Agreement to be performed and satisfied by the Purchaser on or prior to the Closing Date;

(b) the Purchaser shall have tendered to the Vendor the Deposit in accordance with Section 2.3(a) on or before 11:00 a.m. on December 17, 2014;

(c) the Purchaser shall have tendered to the Vendor, in the form stipulated herein, the total consideration payable to the Vendor pursuant hereto on the Closing Date;

(d) all Third Party consents normally acquired prior to closing a transaction of this nature or where such consent may unreasonably be withheld shall have been received; and

(e) no suit or action or other proceeding shall, at Closing, be pending against the Vendor or the Purchaser before any court, regulatory body or governmental authority seeking to restrain, prohibit, obtain damages, or other relief in connection with the consummation of the transaction contemplated hereunder.

4.2 Benefit and Waiver

The conditions precedent in Section 4.1 are for the sole benefit of the Vendor. If any of such conditions are not satisfied or waived at or prior to the Closing Date, the Vendor may terminate this Agreement by notice in writing to the Purchaser, and the Purchaser and the Vendor will be released and discharged from all obligations hereunder, except those specified in Section 4.5 and Article 7. Any condition may be waived in whole or in part by the Vendor without prejudice to its right to terminate this Agreement for the breach by the Purchaser of any other condition.

4.3 Purchaser's Closing Conditions

The obligation of the Purchaser to complete the purchase of the Assets pursuant to this Agreement is subject to the satisfaction on or prior to the Closing Date of the following conditions precedent:

(a) all representations and warranties of the Vendor contained in this Agreement shall be true in all material respects when made and as of the Closing Date and the Vendor shall have performed and satisfied all obligations required by this Agreement to be performed and satisfied by the Vendor on or prior to the Closing Date;

(b) between the date of execution of this Agreement and the Closing Date, there shall have occurred no substantial physical damage or alteration in or to the Assets which would materially and adversely affect the aggregate value of the Assets (taken as a whole), provided that a decrease in the price of any Petroleum Substances or decreases in production of Petroleum Substances in the ordinary course of business shall not be considered a material change for the purposes of this Section 4.3(b);

(c) other than the Rights of First Refusal referenced in Schedule "H", no Rights of First Refusal shall remain in effect as of the Closing Date, either having been exercised or waived by the holder thereof or having expired prior to the Closing Date;

(d) all Third Party consents normally acquired prior to closing a transaction of this nature or where such consent may unreasonably be withheld shall have been received; and

(e) no suit or action or other proceeding shall, at Closing, be pending against the Vendor or the Purchaser before any court, regulatory body or governmental authority seeking to restrain, prohibit, obtain damages, or other relief in connection with the consummation of the transaction contemplated hereunder.

4.4 Benefit of Waiver

The conditions precedent set forth in Section 4.3 are for the sole benefit of the Purchaser. If any of the conditions are not satisfied or waived at or prior to the Closing Date, the Purchaser may terminate this Agreement by notice in writing to the Vendor, and the Purchaser and the Vendor will be released and discharged from all obligations hereunder, except those specified in Section 4.5 and Article 7. Any condition may be waived in whole or in part by the Purchaser without prejudice to its right to terminate this Agreement for the breach by the Vendor of any other condition.

4.5 Efforts to Fulfill Conditions Precedent

The Purchaser and the Vendor shall proceed diligently and in good faith and use reasonable commercial efforts to satisfy and comply with and assist in the satisfaction and compliance with the conditions precedent prior to the Closing Date.

4.6 Closing Deliveries

(a) At Closing, the Vendor shall deliver or cause to be delivered to the Purchaser:

(i) the General Conveyance, duly executed by the Vendor;

(ii) an Officer’s Certificate signed by a senior officer of the Vendor confirming the fulfillment of the items set forth in Sections 4.3(a) and 4.3(b);

(iii) no interest letters or registrable discharges in respect of any security interest or charge encumbering the Vendor's interest in and to the Assets or any part thereof which the Purchaser has requested not less than two (2) Business Days prior to the Closing Date;

(iv) a receipt confirming the Vendor's receipt from the Purchaser of the Purchase Price payable by the Purchaser at Closing;

(v) the Specific Conveyances duly executed by the Vendor;

(vi) the Seismic Data License Agreement duly executed by the Vendor;

(vii) the Joint Operating Agreement duly executed by the Vendor; and

(viii) any other documents required to be delivered by the Vendor to the Purchaser at Closing pursuant to this Agreement.

(b) At Closing, the Purchaser shall deliver or cause to be delivered to the Vendor:

(i) the General Conveyance, duly executed by the Purchaser;

(ii) the Seismic Data License Agreement duly executed by the Purchaser;

(iii) an Officer’s Certificate signed by a senior officer of the Purchaser confirming the fulfillment of the items set forth in Section 4.1(a);

(iv) payment, by wire transfer, of the Purchase Price that is payable by the Purchaser at Closing and the GST in accordance with Section 2.4;

(v) the Joint Operating Agreement duly executed by the Purchaser;

(vi) the Parent Guarantee, executed by Eagle Energy Trust, the parent entity of the Purchaser; and

(vii) any other documents required to be delivered by the Vendor to the Purchaser at Closing pursuant to this Agreement.

ARTICLE 5
RIGHTS OF FIRST REFUSAL

5.1 Notice

A portion of the Assets are subject to the Rights of First Refusal referenced in Schedule "H". The Vendor will promptly serve all required notices following Closing. Each such notice will include a request for a waiver of any Right of First Refusal.

5.2 Valuation

The Parties agree that the value or allocation for any of the Assets for which a Right of First Refusal notice is required shall be as described in Schedule "H".

5.3 Exercise

(a) Insofar as any Third Party validly elects to exercise any Right of First Refusal after Closing, the Vendor will promptly notify the Purchaser of that exercise. The description of the Assets will be amended as set forth in Section 5.4.

(b) Insofar as any Third Party validly elects to exercise any Right of First Refusal after Closing, the Vendor and the Purchaser shall co-operate to ensure that such Right of First Refusal is complied with, that the Assets subject to such exercised Right of First Refusal are conveyed to the exercising Third Party, and that the proceeds therefrom shall be for the benefit of the Purchaser.

5.4 Exclusion of Assets

If a portion of the Assets is excluded after Closing because of the exercise of any Right of First Refusal by a Third Party or by the written agreement of the Parties ("**Excluded Assets**"):

(a) the terms "Assets", "Facilities", "Petroleum and Natural Gas Rights", "Lands", "Leases", "Miscellaneous Interests" and "Tangibles" will be deemed to be amended to reflect the exclusion of the Excluded Assets and this Agreement and the Schedules hereto will be deemed to be amended accordingly; and

(b) the Parties will, as soon as practicable, execute such further documents, acknowledgements and amendments to properly evidence the removal of the Excluded Assets from this Agreement.

ARTICLE 6
INTERIM COVENANTS

6.1 Maintenance of Assets

From the date of Closing until the Effective Date, to the extent that the nature of Vendor's interest permits and subject always to all terms and conditions of the Leases and other agreements to which the Assets are subject, the Vendor will:

(a) maintain the Assets in a proper and prudent manner in accordance with good oil and gas industry practices and in material compliance with all applicable Regulations;

(b) maintain all insurance now in force with respect to the Assets;

(c) pay or cause to be paid in a timely fashion all costs and expenses relating to the Assets that become due prior to the Effective Date;

(d) use reasonable efforts to maintain the Leases in full force and effect; and

(e) perform and comply in all material respects with all of the covenants and conditions contained in the Leases and any material contracts relating to the Assets.

6.2 Consent of Purchaser

Notwithstanding the provisions of Section 6.1 the Vendor shall not, without the prior written consent of the Purchaser, from the date of this Agreement until the Effective Date:

(a) voluntarily assume or initiate any obligation, or make any commitment with respect to the Assets, the Vendor's share of which is estimated to exceed **[Amount Intentionally Redacted]**, except when reasonably required to protect life or property in an emergency situation, to comply with the Regulations or to preserve the value of the Assets, in which case the Vendor shall promptly notify the Purchaser of the action required and the estimated cost thereof;

(b) surrender or abandon any of the Assets;

(c) amend or terminate any Lease or any other agreement or document to which the Assets are subject, or enter into any new agreement of a material nature respecting the Assets;

(d) sell, encumber or otherwise dispose of any of the Assets, except sales of the production of Petroleum Substances in the ordinary course of business; or

(e) propose or initiate the exercise of any option or election arising as a result of the ownership of the Assets, including in relation to:

(i) Rights of First Refusal;

(ii) areas of mutual interest; or

(iii) offset or option wells.

ARTICLE 7
CONFIDENTIALITY

7.1 Confidential Information

Until Closing has occurred, the Purchaser shall keep confidential all information respecting the Assets obtained from the Vendor. Such confidential information respecting the Assets shall be used only for the purposes of this acquisition and disclosed only to those of its Related Entities, agents, legal counsel, consultants, accountants or other representatives with a need to know such information in connection with the transaction contemplated in this Agreement. In addition, any information obtained by the Purchaser as a result of such access which does not relate to the Assets shall continue to be treated as confidential and shall not be used by the Purchaser without the prior written consent of the Vendor, which may be withheld in the Vendor's sole discretion. The foregoing restrictions on disclosure and use of information shall not apply to information, to the extent that the Purchaser can show by documentary evidence that such information is:

(a) publicly available through no act or omission of the Purchaser or Related Entities, agents, consultants, advisors or other representatives;

(b) subsequently obtained by the Purchaser lawfully from a Third Party who is not bound to the Vendor to restrict the use or disclosure of such information;

(c) already in the Purchaser's possession at the time of disclosure, without any restriction on its disclosure; or

(d) required to be disclosed pursuant to the Regulations or by the direction of any court, tribunal or administrative body having jurisdiction.

Specific items of information shall not be considered to be in the public domain merely because more general information respecting the Assets is in the public domain.

7.2 Access by Consultants

The Purchaser shall be responsible to the Vendor for ensuring that its Related Entities, agents, consultants, advisors and other representatives comply with the restrictions on the use and disclosure of the information set forth herein, and the Purchaser shall be liable to the Vendor for any and all Losses and Liabilities that the Vendor may suffer or incur as a result of any unauthorized use or disclosure of such confidential information by such representatives of the Purchaser.

7.3 Return of Documents

(a) If Closing does not occur and this Agreement is terminated, the Purchaser shall, subject to Sections 7.3(b) and 7.3(c), ensure that all documents, working papers and other written material obtained from the Vendor in connection with this Agreement are returned to the Vendor forthwith. In addition, all copies of such information, whether electronic or hard copies, and all documents prepared by the Purchaser and its representatives containing such information shall be destroyed and, if requested by the Vendor, an officer of the Purchaser shall provide a certificate, in form and content reasonably satisfactory to the Vendor, confirming that all such documents and copies have been returned to the Vendor or destroyed.

(b) Notwithstanding the foregoing, the Parties acknowledge that the Purchaser may retain such notes, memoranda, reports, summaries, correspondence, documents or other records not furnished by or on behalf of the Vendor that in the reasonable opinion of the Purchaser, are required under applicable Regulations to be retained by the Purchaser in order to support the corporate decisions of the Purchaser with respect to the transaction hereby contemplated and for no other purpose (the "**Retained Information**"). The Purchaser shall remain bound by this Agreement with respect to all Retained Information.

(c) Notwithstanding the foregoing, the Parties acknowledge that the Purchaser's computer systems may automatically archive or back-up confidential information disclosed to it pursuant to this Agreement. To the extent such computer archive or back-up procedures create copies of confidential information, the Purchaser may retain such copies in its archival or back-up computer storage for the period that the Purchaser normally archives or back-ups computer records, which copies shall be subject to the provisions hereof as though this Agreement has not terminated until the same are destroyed, and shall not be accessed by any Person during such period of archival and back-up storage.

ARTICLE 8
CONVEYANCE DOCUMENTS

8.1 Specific Conveyances

At Closing, or as reasonably practical thereafter, the Vendor shall deliver to the Purchaser such Specific Conveyances as may be reasonably required by the Purchaser. Prior and subsequent to the Closing Date, the Vendor shall cooperate with the Purchaser to secure execution of such Specific Conveyances by the parties thereto other than the Vendor and the Purchaser as required.

8.2 Post-Closing Obligations

After Closing, the Vendor shall promptly:

(a) register all such Specific Conveyances, except as set forth in Section 8.4; and

(b) obtain such novations from, or give notice to**,** Third Parties with respect to the documents of title.

8.3 Priority

All Specific Conveyances executed by the Parties and delivered pursuant to the provisions of this Article 8 or otherwise pursuant to this Agreement, are subordinate to the provisions hereof and the provisions hereof shall govern and prevail in the event of a conflict.

8.4 Electronic Registration of Transfers

In the case of any Specific Conveyances that are transfers of well licenses, pipeline licenses, permits or Crown lease transfers which may be filed electronically with the applicable governmental authority, promptly following Closing, the Vendor shall submit electronic transfers for such permits and Crown leases and the Purchaser shall accept such electronic transfers from the Vendor without delay, provided that, if the Purchaser in good faith determines or believes that any of the electronic transfers are not complete and accurate, or the applicable governmental authority refuses to process any such transfers because of some defect therein, the Parties shall cooperate to duly complete or to correct such incomplete or inaccurate electronic transfers as soon as practicable and, thereafter, the Vendor shall promptly re-submit such electronic transfers and the Purchaser shall accept such electronic transfers from the Vendor without delay.

8.5 Registrations Fees

The Purchaser shall bear all Third Party costs, fees and deposits of every nature and kind incurred (whether by the Vendor or the Purchaser) in registering any Specific Conveyances and registering any further assurances required to convey the Assets to the Purchaser, and where the Vendor has borne such Third Party costs, fees or deposits, the Vendor, acting reasonably, may include an amount in respect thereof in accordance with the provisions for adjustment set out in Article 13.

ARTICLE 9
VENDOR'S REPRESENTATIONS

9.1 Vendor's Representations, Warranties and Covenants

The Vendor hereby represents, warrants and covenants to and with the Purchaser that:

(a) the Vendor is a corporation duly incorporated, validly existing and in good standing under the laws of its jurisdiction of amalgamation and the laws of those jurisdictions in which the Vendor is required to be registered;

(b) the Vendor has all requisite power and authority to enter into this Agreement and to perform the Vendor's obligations under this Agreement;

(c) the execution and delivery of this Agreement and each and every agreement or document to be executed and delivered hereunder and the consummation of the transactions contemplated herein will not violate, nor be in conflict with, any provision of any agreement or instrument to which the Vendor is a party or is bound, or any judgment, decree, order, statute, rule or regulation applicable to the Vendor or of the constating documents or bylaws of the Vendor;

(d) this Agreement has been duly executed and delivered by the Vendor and all documents required hereunder to be executed and delivered by the Vendor on the Closing Date shall have been duly executed and delivered and this Agreement and such documents constitute legal, valid and binding obligations of the Vendor enforceable in accordance with their respective terms;

(e) the Vendor has not incurred any obligation or liability contingent or otherwise, for brokers' or finders' fees in respect of this transaction for which the Purchaser shall have any obligation or liability;

(f) the Vendor does not warrant title to the Assets but does represent and warrant that, except for Permitted Encumbrances and except as is set forth in Schedule "A":

    (i) it has done no act or thing, nor is it aware of any act or thing having been done, whereby any of its interest in and to the Assets may be reduced, cancelled or determined;

(ii) it has not encumbered or alienated the Assets or any interest therein; and

(iii) the Assets are free and clear of all liens, encumbrances, adverse claims, demands and royalties created by, through or under the Vendor;

(g) except for the Pipeline Spill Losses and Liabilities, the Vendor has not received written notice of default or purported default and, to the Vendor's knowledge, the Vendor has not done any act nor omitted to do anything whereby the Vendor is, or would be, in default under the terms of any of the Regulations or any Lease or any other agreement pertaining to the Assets, where such default would reasonably be expected to have a material and adverse effect on the value of the Assets;

(h) except for the Pipeline Spill Losses and Liabilities, there are no charges, claims or actions before any court, governmental agency or arbitral body in existence, or to the Vendor's knowledge, contemplated or threatened, against or with respect to the Assets or which might reasonably be expected to have a material and adverse effect on the value of the Assets or the rights of the Vendor to access or use the Assets;

(i) the Assets are not subject to any rights of first refusal or other pre-emptive or preferential rights of purchase by any Third Party except as set forth in Schedule "H";

(j) the Vendor has not received any written notice of non-payment of royalties and to the Vendor's knowledge, all amounts payable to Third Parties, including ad valorem, property, production, severance and similar taxes and assessments based on, or measured by, the Vendor's ownership of the Assets, or the production of Petroleum Substances or the receipt of proceeds therefrom payable by the Vendor for assessment periods prior to the Effective Date have been properly paid or provided for;

(k) the Vendor is not a non-resident as described in Section 116 of the *Income Tax Act* (Canada);

(l) other than disclosed to the Purchaser prior to the date hereof including those related to the Pipeline Spill Losses and Liabilities, the Vendor has not received, nor to the Vendor's knowledge, is the Vendor aware of any orders or directives:

(i) under any of the Regulations which relate to environmental matters and which require any work, repairs, construction or capital expenditures with respect to the Assets, where such orders or directives have not been complied with in all material respects;

(ii) demand or notice issued under any of the Regulations with respect to the breach of any environmental, health or safety law applicable to the Assets, including any rules or regulations respecting the use, storage, treatment, transportation or disposition of environmental contaminants, which demand or notice remains outstanding on the Closing Date; or

(iii) notice that there has been any material releases, deposits or discharges, in violation of any Regulation, of any hazardous or toxic substances, contaminants or wastes into the environment in respect of any of the Assets or the operation thereof, that have not been rectified in all material respects;

(m) where the Vendor was or is the operator of the Lands, and, where the Vendor is not the operator, to the best of the Vendor's knowledge, all Wells, Tangibles and Facilities located on the Lands (or lands with which the Lands have been pooled or unitized) have been operated and, if abandoned have been abandoned, in material compliance with the Regulations and generally accepted oil and gas field practices in Western Canada;

(n) unless otherwise indicated in Schedule "B", the interest of the Vendor in and to all of the Tangibles is equivalent to the interest of the Vendor in the corresponding Petroleum and Natural Gas Rights;

(o) no obligations have accrued pursuant to the Leases or other agreements affecting the Assets that may be satisfied by the drilling of a well, the payment of compensatory royalty or the surrender of some or all of the interests granted, reserved or otherwise conferred pursuant to the Leases, other than obligations that have been satisfied or permanently waived;

(p) except as disclosed in Schedule "A", none of the Assets are subject to any penalties for non-participation in operations or otherwise;

(q) other than the Material Contracts listed in Schedule "H", there are no Material Contracts;

(r) there are no AFE's except as set forth in Schedule "C", pursuant to which expenditures are or may be made, nor any other financial commitments which are outstanding or due, or thereafter may become due, other than rentals, in respect of the Assets, or operations in respect thereof other than those which have been:

(i) incurred or undertaken by the Vendor following the date of this Agreement in the ordinary course of business and in accordance with Section 6.2; and

(ii) disclosed in writing to the Purchaser prior to the Closing Date;

(s) except as set forth in Schedule "B", the Vendor is not obligated by virtue of any prepayment arrangement under any Production Contract containing a "take or pay" or similar provision, or a production payment or any other arrangement, to deliver hydrocarbons produced from the Assets at some future time without then or thereafter full payment therefore at current market prices;

(t) any and all operations of the Vendor, and to its knowledge, any and all operations by Third Parties, on or in respect of the Assets, have been conducted in accordance with generally accepted oil and gas industry practices and in material compliance with the Regulations;

(u) there are no Production Contracts under which it, or any Third Party acting on its behalf, is obligated to sell or deliver Petroleum Substances allocable to the Petroleum and Natural Gas Rights other than contracts which are terminable on not less than thirty-two (32) days' notice(without an early termination penalty or other cost);

(v) there are no active area of mutual interest provisions in any agreements or documents to which the Assets are subject;

(w) the Vendor has made diligent inquiries and searches for material documents and information relating to the Assets and for all information reasonably required to verify the correctness of the representations and warranties contained in this Agreement and to ensure that they are not misleading in all material respects in light of the circumstances; and

(x) no authorization or approval or other action by, and no notice to or filing with, any governmental authority or regulatory body exercising jurisdiction over the Assets is required for the due execution, delivery and performance by the Vendor of this Agreement, other than authorizations, approvals or exemptions from requirement therefor, previously obtained and currently in force except for notification requirement under the *Competition Act* (Canada).

9.2 Limitation on Vendor's Representation and Warranties

The Purchaser acknowledges that it is purchasing a portion of the Vendor's interest in the Assets on an "as is, where is" basis, without representation and warranty and without reliance on any information provided to or on behalf of the Purchaser by the Vendor, other than the representations and warranties expressly enumerated in Section 9.1. Without limiting the generality of the foregoing, except and to the extent expressly stated in Section 9.1, the Vendor does not warrant title to the Assets or make any representations or warranties with respect to:

(a) the accuracy and completeness of any data or information, including any engineering, geological or other interpretations or evaluations supplied by the Vendor in connection with the Assets;

(b) the quality, quantity or recoverability of Petroleum Substances within or under the Lands or any lands pooled or unitized therewith;

(c) the value of the Assets or the future cash flow therefrom; or

(d) the quality, condition, fitness or merchantability of the Tangibles.

9.3 Acknowledgements

Without detracting from the Purchaser's reliance on the Vendor's representations and warranties in Section 9.1, the Purchaser acknowledges that as of the Closing Date, it will have made its own independent investigation, analysis, evaluation and inspection of the Vendor's interest in the Assets, including a review of the Vendor's title thereto and the state and condition thereof and will have relied on its own investigation, analysis, evaluation and inspection as to its assessment of the condition, quantum and value of the Assets and the Vendor's title thereto.

9.4 Release

Except for the representations and warranties in Section 9.1 or in the case of gross negligence, wilful misconduct or fraud on the part of the Vendor or its Related Parties, the Purchaser forever releases and discharges the Vendor and its Related Entitles from any Losses and Liabilities of the Purchaser and its Related Entities that may result from the use or reliance upon advice, information and materials pertaining to the Assets delivered or made available to the Purchaser or its Related Entities by the Vendor or its Related Entities prior to or under this Agreement, including any evaluations, environmental assessments, projections, reports and interpretive materials prepared by or for the Vendor, or otherwise in its possession.

ARTICLE 10
PURCHASER'S REPRESENTATIONS

10.1 Purchaser's Representations, Warranties and Covenants

The Purchaser hereby represents, warrants and covenants to and with the Vendor that:

(a) the Purchaser is a corporation duly incorporated, validly existing and in good standing under the laws of its jurisdiction of incorporation and the laws of those jurisdictions in which the Vendor is required to be registered;

(b) the Purchaser has all requisite power and authority to enter into this Agreement and to purchase and pay for the Assets on the terms described herein and to perform its other obligations under this Agreement;

(c) the execution and delivery of this Agreement and each and every agreement or document to be executed and delivered hereunder and the consummation of the transactions contemplated herein will not violate, nor be in conflict with, any provision of any agreement or instrument to which the Purchaser is a party or is bound, or any judgment, decree, order, statute, rule or regulation applicable to the Purchaser or the constating document or bylaws of the Purchaser;

(d) this Agreement has been duly executed and delivered by the Purchaser and all documents required hereunder to be executed and delivered by the Purchaser on the Closing Date shall have been duly executed and delivered and this Agreement does, and such documents will, constitute legal, valid and binding obligations of the Purchaser enforceable in accordance with their respective terms;

(e) the Purchaser has had the opportunity to investigate and is relying on its own investigation concerning the title to, environmental condition and fitness of the Assets and is not relying upon any representation, warranty or statement of the Vendor except as contained in this Agreement;

(f) as of the Closing Date, the Purchaser shall meet all qualification requirements under the Regulations to purchase and take a transfer of the Assets;

(g) the Purchaser at Closing will have available in immediately available funds the Purchase Price andthe GST, as adjusted pursuant to Section 2.2(b) and Article 13;

(h) the Purchaser has not incurred any obligation or liability, contingent or otherwise, for brokers' or finders' fees in respect of this transaction for which the Vendor shall have any obligation or liability; and

(i) the Purchaser is a "WTO Investor" within the meaning of that term in the *Investment Canada Act*(Canada).

ARTICLE 11
NO MERGER AND SURVIVAL

11.1 No Merger

The covenants, representations and warranties set forth in Article 9 and Article 10 shall be deemed to apply to the Specific Conveyances and there shall not be any merger of any covenant, representation or warranty in such Specific Conveyances notwithstanding any rule of law, equity or statute to the contrary and all such rules are hereby waived.

11.2 Survival

Notwithstanding anything to the contrary herein expressed or implied, it is expressly agreed and understood that the covenants, representations and warranties set forth in Article 9 and Article 10 are true as of the date hereof and will be true as of the Closing Date and the Effective Date, and notwithstanding the Closing or deliveries of covenants, representations and warranties in any other agreements at Closing or prior or subsequent thereto or investigations by the Parties or their counsel, the covenants, representations and warranties set forth in Article 9 and Article 10 shall survive Closing for the benefit of the Parties for a period of twelve (12) months from the Closing Date.

ARTICLE 12
INDEMNITIES

12.1 Indemnity by the Vendor

Subject to Section 12.3 and Section 12.4, and provided that Closing has occurred, the Vendor and its Related Entities shall:

(a) be liable to the Purchaser and its Related Entities for all Losses and Liabilities; and

(b) indemnify and save the Purchaser and its Related Entities harmless from and against all Losses and Liabilities;

incurred by the Purchaser and its Related Entities as a direct result of any matter or thing arising out of, resulting from, attributable to or connected with:

(c) a breach of any of the representations and warranties of the Vendor set out in Section 9.1; or

(d) a breach by Vendor of any of its obligations or covenants under this Agreement;

except any Losses and Liabilities to the extent that the same are reimbursed (or reimbursable) by insurance maintained by the Purchaser or are directly caused by the representations and warranties of the Purchaser being untrue or incorrect or the gross negligence or wilful misconduct of the Purchaser or its Related Entities. Notwithstanding any provision herein, the liability of the Vendor and the indemnity hereby granted by the Vendor to the Purchaser and its Related Entities under this Section 12.1 shall only apply with respect to claims of which the Vendor is provided written notice, with reasonable particulars of such claim, within **[period intentionally redacted]** following the Closing Date and the Purchaser hereby waives any right it may have at law or otherwise to commence such a claim of action after that period.

12.2 Indemnity by the Purchaser

Provided that Closing has occurred, the Purchaser shall:

(a) be liable to the Vendor and its Related Entitles for all Losses and Liabilities; and

(b) indemnify and save the Vendor and its Related Entities harmless from and against all Losses and Liabilities;

incurred by the Vendor and its Related Entities as a direct result of any matter or thing arising out of, resulting from, attributable to or connected with:

(c) a breach of any of the representations and warranties of the Purchaser set out in Section 10.1;

(d) subject to Clause 4.02 of Schedule "B" to the Joint Operating Agreement, the Assets and occurring subsequent to the Effective Date; or

(e) a breach by the Purchaser of any of its obligations or covenants under this Agreement;

except for the Pipeline Spill Losses and Liabilities as set out in Section 12.4 and any other Losses and Liabilities to the extent that the same are directly caused by the representations and warranties of the Vendor being untrue or incorrect or the gross negligence or wilful misconduct of the Vendor and its Related Entities. Notwithstanding any provision herein, the liability of the Purchaser and the indemnity hereby granted by the Purchaser to the Vendor and its Related Entities under Section 12.2(c) shall only apply with respect to claims of which the Purchaser is provided written notice, with reasonable particulars of such claim, within **[period intentionally redacted]** following the Closing Date.

12.3 Assets Acquired on an "As Is" Basis

Notwithstanding the foregoing provisions of this Article 12, but subject to Section 12.4, the Purchaser acknowledges that it is acquiring the Assets on an "as is" basis as of the Closing Date. The Purchaser further acknowledges that it is familiar with the condition, environmental or otherwise, of the Assets, including the past and present use of the Lands and the Tangibles, that the Vendor has provided the Purchaser with a reasonable opportunity to inspect the Assets at the sole cost, risk and expense of the Purchaser (insofar as the Vendor could reasonably provide such access) and that the Purchaser is not relying upon any representation or warranty of the Vendor as to the condition, environmental or otherwise, of the Assets, except as is specifically made pursuant to Section 9.1. Provided that Closing has occurred, the Purchaser further agrees that, it shall, subject to the Joint Operating Agreement:

(a) be solely liable and responsible to Vendor and its Related Entities for any and all Losses and Liabilities; and

(b) indemnify and save the Vendor and its Related Entities harmless from and against all Losses and Liabilities;

incurred by the Vendor and its Related Entities as a result of or arising from, attributable to or connected with any Environmental Liabilities whether occurring or accruing before or after the Effective Date, except to the extent that any such Losses or Liabilities are matters or things for which Purchaser is entitled to indemnification under Sections 12.1 and 12.4. Subject to the foregoing, on and after the Effective Date, the Purchaser shall be solely responsible for all Environmental Liabilities; all Abandonment and Reclamation Obligations as between the Vendor and the Purchaser; and for all post-Closing transfer application registrations. In addition, subject to the Joint Operating Agreement and Section 12.4, the Purchaser hereby releases the Vendor and its Related Entities from any claims the Purchaser may have against the Vendor and its Related Entities with respect to all Environmental Liabilities and Abandonment and Reclamation Obligations under the Regulations, at common law or otherwise, including the right to name the Vendor or its Related Entities as a Third Party under any action commenced or enforcement proceeding against the Purchaser or its Related Entities. In addition the Vendor will also retain those other rights and remedies available to it under the Regulations, under the common law or otherwise with respect to any claim it may have against the Purchaser and its Related Entities under this Article 12.

Provided that Closing has occurred, from the Effective Date but subject to the terms of the Joint Operating Agreement and Section 12.4, the Purchaser shall be responsible for its share of all Environmental Liabilities, the abandonment of all Wells and the reclamation of the surface of the Lands as between the Vendor and the Purchaser.

12.4 Pipeline Spill Losses and Liabilities

The Vendor shall:

(a) be liable to the Purchaser and its Related Entities for all of the Pipeline Spill Losses and Liabilities; and

(b) indemnify and save the Purchaser and its Related Entities harmless from and against all of the Pipeline Spill Losses and Liabilities;

whether occurring or accruing before or after the Effective Date, provided however that the assumption of liability and indemnification in this Section 12.4 shall not:

(c) relieve the Purchaser and its Related Entities of any of its responsibility and liability for its share of the costs and expenses incurred in connection with the Pipeline Remediation or in respect of any other costs and expenses which may be incurred in connection with the operations and activities (or lack thereof) associated with or arising out of the Pipeline Remediation; and

(d) be subject to the **[Amount Intentionally Redacted]** threshold referred to in Section 12.6.

12.5 No Merger

The indemnities set forth in Sections 12.1, 12.2, 12.3 and 12.4 will be deemed to apply to, and will not merge in, any Specific Conveyance. Each Party will have full right of substitution and subrogation in and to all covenants and warranties by others previously given or made in respect of the Assets or any part thereof.

12.6 Limitation on a Party's Liability

Notwithstanding any other provision of this Agreement, no claim shall be made against a Party by the other Party for a breach of a representation, warranty or covenant contained herein, or an indemnification in respect thereof unless the amount of the individual claim alleged by the Party making the claim, acting reasonably, exceeds **[Amount Intentionally Redacted]** and further, in no event shall the total of the Losses and Liabilities of the Vendor under this Agreement, including any claims relating to its covenants, representations and warranties, or indemnification in respect thereof, exceeds the Purchase Price, except in the event of fraud. The limitations under this Section shall not apply to the extent that any matter or thing is the proper subject of an operating adjustment under Article 13.

12.7 No Consequential Losses

In no event shall a Party be liable in respect of the covenants, agreements, representations, warranties and indemnities contained in this Agreement or in any certificate, agreement or other document furnished pursuant to this Agreement for consequential, indirect or punitive damages (including loss of anticipated profits, business interruption or any special or incidental loss of any kind) suffered, sustained, paid or incurred by the other Party.

12.8 Carriage of Litigation

If a claim is made under this Article 12 involving a claim by a Third Party, the indemnifying Party shall have the right, at its expense, to participate in or assume control of the negotiation, settlement or defence of such claim. If the indemnifying Party elects to assume control of the negotiation, settlement or defence of the Third Party claim, the indemnified Party shall have the right to participate in the negotiation, settlement or defence of such Third Party claim and to retain counsel to act on its behalf, provided that the fees and disbursements of such counsel shall be paid by the indemnified Party. If the indemnifying Party, having elected to assume control of the negotiation, settlement or defence of the Third Party claim thereafter fails to defend the Third Party claim within a reasonable time, the indemnified Party shall be entitled to assume control of the negotiation, settlement or defence of the Third Party claim. Whether or not the indemnifying Party assumes control of the negotiation, settlement or defence of the Third Party claim, the indemnifying Party shall not settle any Third Party claim without the written consent of the indemnified Party, which consent shall not be unreasonably withheld or delayed.

ARTICLE 13
ADJUSTMENTS

13.1 Operating Adjustments

At Closing, the Purchaser shall pay to the Vendor the Purchase Price, unadjusted except as provided for in Section 2.2(b). Subject to all other provisions of this Agreement and provided that Closing occurs, the portion of the Purchase Price allocated to Petroleum and Natural Gas Rights and payable by the Purchaser for the Assets shall be adjusted in accordance with this Article 13. In calculating such adjustment, all benefits and obligations of any kind and nature accruing, payable, paid, received or receivable in respect of the Assets, excluding income taxes, but including maintenance, development and operation costs and proceeds from the sale of production, shall, subject to the provisions of this Agreement, be apportioned between the Vendor and the Purchaser as of the Effective Date. The adjustments will be made on an accrual basis as of the Effective Date using Canadian generally accepted accounting principles. The following shall apply to the adjustments:

(a) all costs incurred in connection with work performed or goods and services provided in respect of the Assets will be deemed to have accrued as of the date the work was performed or the goods or services provided, regardless of the time those costs became payable;

(b) rentals, all similar payments made by the Vendor to preserve any of the Leases, and all taxes (including freehold mineral taxes but excluding income taxes) and Crown Gas royalties, levied with respect to the Assets shall be apportioned between the Vendor and the Purchaser on a per diem basis as of the Effective Date;

(c) Petroleum Substances which were produced but not sold as of the Effective Date shall be credited to the Vendor;

(d) proceeds (net of royalties and operating expenses) actually received by the Vendor prior to the Effective Date on account of Petroleum Substances that were produced or sold on and after the Closing Date until the Effective Date shall be a credit to the account of the Vendor and adjusted for. All other such proceeds shall be dealt with as and when received by the Vendor in accordance with this Section 13.1;

(e) proceeds from the exercise of any Rights of First Refusal shall be credited to the Purchaser;

(f) there will be no adjustments for royalty tax credits or other similar incentives that accrue to a Party because of financial or organizational attributes specific to it, other than gas cost allowances or similar cost allowances; and

(g) fees or revenues from or relating to custom processing, treating, gathering or transmission of Petroleum Substances for or on behalf of Third Parties shall be apportioned on the basis of the date of such processing, treatment, transmission or gathering provided that any 13^{th} month or other adjustment of such revenue accruing at any time prior to the Effective Date shall be for the account of the Vendor.

13.2 Statement of Adjustments

(a) The Vendor will provide the Purchaser with a statement of adjustments setting forth the adjustments proposed to be made at the Effective Date not later than six (6) months following the Effective Date, based on the Vendor's good faith estimate of the costs and expenses paid and the revenues received by the Vendor after the Effective Date. The Vendor will provide reasonable assistance to the Purchaser to permit it to verify the amounts set forth in the statement of adjustments. Within fifteen (15)days following the receipt of the statement of adjustments, the net amount will be remitted by the Party who in the net result is obligated to make payment pursuant to the terms of this Section 13.2. The statement of adjustments will be considered the final statement of adjustments, subject to Section 13.2(c). Any amount owing to a Party by another Party hereunder after the Effective Date and remaining unpaid will bear interest, compounded and computed monthly at the rate of four percent (4%)per annum, from the day that the amount was due to be paid until the day it is paid.

(b) Except as otherwise dealt with in the Joint Operating Agreement on and after the Effective Date, the Purchaser shall be liable for and shall perform as they become due, all obligations in respect of the Assets including the payment of all royalties under the Leases and the performance of all obligations under the Leases, operating or similar agreements and any statute, order, writ, injunction or decree of any governmental agency relating to its share of the Assets.

(c) A further accounting on the basis indicated in this Article 13 shall be permitted more than six (6) months after the Effective Date only if:

(i) notice requesting such accounting, including reasonable particulars thereof, has been given by the requesting Party to the other on or before the expiry of thirty (30) days after receipt of joint venture or Crown audit reports pertaining to the Assets, provided that the need for such accounting arises from errors established by:

(A) joint venture audits completed not more than thirteen (13) months after the Effective Date; or

(B) an audit completed by the Crown not more than forty-eight (48) months after the Effective Date; or

(ii) the accounting relates to an annual plant equalization or annual plant processing fee adjustment either or both of which have retroactive effect (the "**Retroactive Adjustment**") to a time prior to the Effective Date on the basis that the benefits and burdens of the Retroactive Adjustment applying prior to the Effective Date are for the benefit or burden of the Vendor. Notwithstanding the foregoing, no accounting shall be made pursuant to this Section 13.2(c)(ii) if the Retroactive Adjustment was formally initiated more than fifteen (15) months after the Effective Date.

13.3 Arbitration

If the Parties hereto are unable to agree as to any of the matters set out in this Article 13, the determination of such matters shall be referred to arbitration in accordance with Article 14.

ARTICLE 14
ARBITRATION

14.1 Reference to Arbitration

(a) Insofar as the Parties are unable to agree on any matter which expressly may be referred to arbitration hereunder, either Party may serve the other Party written notices that it wishes such matter referred to arbitration.

(b) The Parties shall meet within seven (7) days of the receipt of a notice issued pursuant to Section 14.1(a) to attempt to agree on a single arbitrator qualified by experience, education and training, to determine such matter. If the Parties are unable to agree on the selection of the arbitrator, the Party which issued such notice shall forthwith make application to a judge of the Court of Queen's Bench of the Province of Alberta pursuant to the *Arbitration Act* (Alberta) (the "**Arbitration Act**") for the appointment of a single arbitrator and, failing such action on the part of the Party which issued such notice, the other Party may make such application.

14.2 Proceedings

(a) The arbitrator selected pursuant to Section 14.1 shall proceed as soon as is practicable to hear and determine the matter in dispute and shall be directed to provide a written decision respecting such matter within forty-five (45) days of appointment. The Parties shall provide such assistance and information as may be reasonably necessary to enable the arbitrator to determine such matter.

(b) Except to the extent modified in this Article 14, the arbitrator shall conduct any arbitration hereunder pursuant to the provisions of the Arbitration Act.

(c) The liability between the Parties for the payment of the compensation and expenses of the arbitrator shall be determined by the arbitrator.

ARTICLE 15
MISCELLANEOUS

15.1 Further Assurances

(a) At Closing and thereafter as may be necessary or desirable, and without further consideration, the Parties hereto shall execute, acknowledge and deliver such other instruments and shall take such other action as may be reasonably necessary to carry out their respective obligations under this Agreement.

(b) For the period commencing on the execution and delivery hereof and ending two (2) years after the Effective Date the Vendor shall:

(i) provide the Purchaser, its Related Entities or its auditors, counsel or engineers with financial, operating and other information for the Assets as may be required by Eagle Energy Trust (an Affiliate of the Purchaser) in order for Eagle Energy Trust to comply with applicable Regulations in respect of any prospectus, business acquisition report, press release or other document, the form and content of which are subject to or prescribed by applicable Regulations (collectively, the "**Disclosure Documents**");

(ii) permit Eagle Energy Trust to file any Disclosure Documents required under applicable Regulations, including with Canadian securities regulatory authorities under the System for Electronic Document Analysis and Retrieval (SEDAR); and

(iii) provide reasonable access during normal business hours at the Purchaser's sole cost and expense to personnel of the Vendor, its Related Entities or their auditors, counsel or engineers who are responsible for such financial, operating and reserves evaluation information.

15.2 Governing Law

This Agreement shall, in all respects, be subject to and be interpreted, construed and enforced in accordance with the laws in effect in the Province of Alberta. Subject to Article 14, each Party hereto accepts the non-exclusive jurisdiction of the courts of the Province of Alberta having jurisdiction in the matter.

15.3 Time of Essence

Time shall be of the essence in this Agreement.

15.4 Notices

The address for notices of each of the Parties hereto shall be as follows:

Purchaser

Eagle Energy Canada Inc.
c/o Eagle Energy Inc.
2710, 500 – 4th Avenue, SW
Calgary, Alberta
T2P 2V6

Attention: General Counsel and Corporate Secretary

Vendor

Spyglass Resources Corp.
1700, 250 – 2nd Street, SW
Calgary, Alberta
T2P 0C1

Attention: Executive VP Corporate Development & Land

Each Party may from time to time change its address for service herein by giving written notice to the other Party. Any notice, required or contemplated hereunder, may be given by personal service, by facsimile or other electronic transmission or by mailing the same, except during a period of actual or anticipated postal disruptions, by prepaid registered post in a properly addressed envelope addressed to the Party at its address for service hereunder, as the same may be amended from time to time in accordance herewith. Any notice given by personal service or by facsimile or other electronic transmission to a Party hereto shall be deemed to be given on the date of such delivery; provided that if such delivery occurs on a day that is not a Business Day, delivery will be deemed to have occurred on the next Business Day thereafter. Any notice given by mail shall be deemed to be given to and received by the addressee on the fifth day after the mailing thereof; provided that if such day is not a Business Day, receipt shall be deemed to have occurred on the next Business Day thereafter.

15.5 Entire Agreement

(a) This Agreement and the Joint Operating Agreement state the entire agreement between the Parties hereto.

(b) This Agreement and the Joint Operating Agreement shall supersede and replace any and all prior agreements between the Parties hereto relating to the sale and purchase of the Assets and may be amended only by written instrument signed by all Parties hereto including the Letter of Intent dated October 8, 2014.

(c) If there is any conflict or inconsistency between this Agreement and the Joint Operating Agreement, then this Agreement shall prevail, and the Joint Operating Agreement shall be deemed to be amended to the extent required to eliminate any such conflict.

15.6 Assignment

Neither Party shall be entitled to assign any interest in this Agreement without the prior written consent of the other Party.

15.7 Enurement

This Agreement shall be binding upon and shall enure to the benefit of the Parties hereto and their respective successors, receivers, receiver-managers, trustees and permitted assigns.

15.8 Announcements

Except as may be required by law, neither Party will make any press release or other public disclosure of this Agreement or the transactions contemplated herein without the prior consent of the other, not to be unreasonably withheld. The Parties will consult with each other on public disclosure with a view to joint disclosure where practicable or where required by law. Notwithstanding the foregoing, in no circumstance shall the Vendor identify the Purchaser by name in any press release or other public disclosure relating to this Agreement or the transactions contemplated herein.

15.9 Counterpart Execution

This Agreement may be executed in counterpart, no one copy of which need be executed by both Parties. A valid and binding contract shall arise if and when counterpart execution pages are executed and delivered by the Parties.

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

SPYGLASS RESOURCES CORP.		**EAGLE ENERGY CANADA INC.**	
	//signed//		*//signed//*
Per:	Dan O'Bryne	Per:	Scott Lovett
Position:	President and Chief Executive Officer	Position:	Vice- President, Corporate and Business Development
	//signed//		*//signed//*
Per:	Kelly Cowan	Per:	Eric McFadden
Position:	Executive Vice-President, Corporate Development and Land	Position:	Vice-President, Capital Markets and Business Development

This is the execution page to the Purchase and Sale Agreement dated December 16, 2014 and made between Spyglass Resources Corp., as Vendor and Eagle Energy Canada Inc., as Purchaser

DESCRIPTION OF ASSETS

Lands

See Property Report attached for Lands

[Information regarding Description of Assets was intentionally redacted.]

PRODUCTION CONTRACTS AND FACILITIES

[Information regarding Production Contracts and Facilities was intentionally redacted.]

AFE'S

[Information regarding AFEs was intentionally redacted.]

GENERAL CONVEYANCE

General Conveyance

[Information regarding General Conveyance was intentionally redacted.]

SCHEDULE "E" attached to and forming part of a Purchase and Sale Agreement dated December 16, 2014 between Spyglass Resources Corp., as Vendor and Eagle Energy Canada Inc., as Purchaser

OFFICER'S CERTIFICATES

VENDOR

[Form of Officer's Certificate was intentionally redacted.]

SCHEDULE "F" attached to and forming part of a Purchase and Sale Agreement dated December 16, 2014 between Spyglass Resources Corp., as Vendor and Eagle Energy Canada Inc., as Purchaser

SEISMIC DATA LICENSE AGREEMENT

[Seismic Data License Agreement was intentionally redacted.]

SCHEDULE "G" attached to and forming part of a Purchase and Sale Agreement dated December 16, 2014 between Spyglass Resources Corp., as Vendor and Eagle Energy Canada Inc., as Purchaser

WELLS

[List of Wells was intentionally redacted.]

SCHEDULE "H" attached to and forming part of a Purchase and Sale Agreement dated December 16, 2014 between Spyglass Resources Corp., as Vendor and Eagle Energy Canada Inc., as Purchaser

MATERIAL CONTRACTS AND RIGHTS OF FIRST REFUSAL

[Material Contracts and Rights of First Refusal were intentionally redacted.]

FORM OF PARENT GUARANTEE

[Form of Parent Guarantee was intentionally redacted.]