AMENDED ANNUAL INFORMATION FORM

FOR THE FINANCIAL YEAR ENDED DECEMBER 31, 2016

Dated May 3, 2017

The annual information form for Razor Energy Corp. for the year ended December 31, 2016 dated April 19, 2017 (the "**Original AIF**") has been amended by this amended annual information form (the "**Amended AIF**") to remove reserves information relating to the assets acquired pursuant to the Swan Hills Acquisition (as defined herein). Other than the removal of such reserves information and information ancillary to such reserves information (including Schedules A and B to the Original AIF), the Amended AIF does not change any of the information contained in the Original AIF or reflect any events that have occurred after the date of the Original AIF.

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GLOSSARY

Certain terms and abbreviations used in this Annual Information Form are defined below:

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

"**Action**" has the meaning attributed thereto in "*Legal Proceedings and Regulatory Actions*".

"**affiliate**" or "**associate**" when used to indicate a relationship with a person or company, has the meaning set forth in the *Securities Act* (Alberta).

"**AIF**" means this amended annual information form dated May 3, 2017 for the financial year ended December 31, 2016.

"**AIMCo**" means Her Majesty the Queen in Right of Alberta by its agent, Alberta Investment Management Corporation.

"**Arrangement**" has the meaning attributed thereto in "*Name, Address and Incorporation" and* "*Three Year History – Financial Year Ended December 31, 2016*" below.

"**Board**" or "**Board of Directors**" means the board of directors of the Corporation, as constituted from time to time, including where applicable, any committee thereof.

"**Common Shares**" means the common shares in the capital of the Corporation.

"**Consolidation**" means the share consolidation of the Corporation on the basis of one post-Consolidation Common Share for every 20 pre-Consolidation Common Shares.

"**Corporation**" or "**Razor**" means Razor Energy Corp., formerly known as Vector Resources Inc.

"**CPC**" means a corporation:

(a) that has been incorporated or organized in a jurisdiction in Canada;

(b) that has filed and obtained a receipt for a preliminary CPC prospectus from one or more of the securities regulatory authorities in compliance with the Policy 2.4 of the TSXV; and

(c) in regard to which the completion of the Qualifying Transaction has not yet occurred.

"**NEX**" means the board of the TSXV known as the 'NEX'.

"**NI 51-102**" means National Instrument 51-102 – *Continuous Disclosure Obligations* of the Canadian Securities Administrators.

"**Qualifying Transaction**" means a transaction where a CPC acquires Significant Assets other than cash, by way of purchase, amalgamation, merger or arrangement with another company or by other means and, for the purposes of this AIF, the reverse takeover of the Corporation by Razor PrivateCo.

"**Razor PrivateCo**" means Razor Energy Corp., a private company incorporated under the ABCA on June 14, 2016.

"**Swan Hills Acquisition**" means the acquisition of certain oil and gas assets located in the Swan Hills area of Alberta from an arm's length public oil and gas company for aggregate consideration of $15.0 million, subject to customary adjustments.

"**Tax Act**" means the *Income Tax Act* (Canada), as amended, including the regulations promulgated thereunder.

"**Term Loan Facility**" has the meaning attributed thereto in "*General Developments of Business – Recent Developments*".

"**TSXV**" or "**Exchange**" means the TSX Venture Exchange.

"**Vector**" means Vector Resources Inc., a CPC company incorporated under the *Business Corporations Act* (Ontario).

"**Vector Shares**" means the Common Shares prior to the closing of the Arrangement and prior to giving effect to the Consolidation.

CONVENTIONS

Unless otherwise indicated, references herein to "$" or "dollars" are to Canadian dollars. All financial information with respect to the Corporation has been presented in Canadian dollars in accordance with International Financial Reporting Standards ("**IFRS**"). The information in this AIF is stated as at December 31, 2016, unless otherwise indicated.

NOTE ON SHARE REFERENCES

The Common Shares were consolidated on the basis of one post-Consolidation Common Share for every 20 Vector Shares on January 31, 2017. References in this AIF to Common Shares are on a post-Consolidation basis. References in this AIF to pre-Consolidation Common Shares or Vector Shares refer to the Common Shares prior to the Consolidation. Readers should divide any referenced number of Vector Shares by 20 to arrive at the equivalent number of Common Shares.

SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

Certain statements contained in this AIF may constitute forward-looking statements. These statements relate to future events or the Corporation's future performance. All statements other than statements of historical fact may be forward-looking statements. Forward-looking statements are often, but not always, identified by the use of words such as "anticipate", "plan", "continue", "estimate", "expect", "may", "will", "project", "predict", "potential", "intend", "could", "might", "should", "believe" and similar expressions. These statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements. The Corporation believes that the expectations reflected in those forward-looking statements are reasonable but no assurance can be given that these expectations will prove to be correct and such forward-looking statements included in this AIF should not be unduly relied upon by investors. These statements speak only as of the date of this AIF and are expressly qualified, in their entirety, by this cautionary statement.

Forward-looking statements or information in this AIF include, but are not limited to, the characteristics of the Corporation's oil and natural gas interests, future production levels, projection of market prices, capital expenditures, exploration plans, development plans, acquisition and disposition plans and the timing thereof, operating and other costs, world-wide supply and demand for petroleum products, royalty rates and treatment under governmental regulatory regimes. In addition, this AIF may contain forward-looking statements attributed to third party industry sources.

In particular, this AIF contains forward-looking statements pertaining to the following:

- future revenues and costs (including royalties) and revenues and costs per commodity unit;
- recovery factors;

- the performance characteristics of the Corporation's oil and natural gas properties;
- well completions and the timing thereof;
- productive capacity of wells, anticipated or expected production rates and anticipated dates of commencement of production and timing of results therefrom;
- future development and growth prospects;
- ability to meet current and future obligations;
- future sources of funding for capital programs and future availability of such sources;
- future asset acquisitions or dispositions;
- development plans;
- anticipated land expiries;
- treatment under governmental regulatory regimes and tax laws;
- the ability to obtain financing on acceptable terms or at all; and
- currency, exchange and interest rates.

With respect to forward-looking statements contained in this AIF, the Corporation has made assumptions regarding, among other things:

- oil and natural gas production levels;
- the success of the Corporation's operations and exploration and development activities;
- prevailing climatic conditions, commodity prices and exchange rates;
- the impact of increasing competition;
- availability of skilled labour, services and drilling equipment;
- timing and amount of capital expenditures;
- the legislative and regulatory environments of the jurisdictions where the Corporation carries on business or has operations;
- conditions in general economic and financial markets;
- availability of drilling and related equipment;
- royalty rates and future operating costs;
- access to market for the Corporation's production; and
- the Corporation's ability to obtain additional financing on satisfactory terms.

The Corporation's actual results could differ materially from those anticipated in these forward-looking statements as a result of the risk factors set forth below and elsewhere in this AIF:

- volatility in market prices for oil and natural gas, interest and exchange rates;
- uncertainties associated with estimating oil and natural gas reserves;
- the risks of the oil and gas industry, such as operational risks and market demand;
- pipeline and third party facility capacity constraints and access to sales markets;
- the ability of management to execute its business plan;
- governmental regulation of the oil and gas industry, including environmental regulation;
- actions taken by governmental authorities, including increases in taxes and changes in government regulations and incentive programs;
- geological, technical, drilling and processing problems;
- exploration and development activities are capital intensive and involve a high degree of risk;
- risks and uncertainties involving geology of oil and gas deposits;
- risks inherent in marketing operations, including credit risk;
- potential delays or changes in plans with respect to exploration or development projects or capital expenditures;
- availability of sufficient financial resources to fund the Corporation's capital expenditures;
- stock market volatility and market valuations;
- failure to realize the anticipated benefits of acquisitions and dispositions;
- unanticipated operating events which could reduce production or cause production to be shut-in or delayed;

- hazards such as fire, explosion, blowouts, cratering, and spills, each of which could result in substantial damage to wells, production facilities, other property and the environment or in personal injury;
- encountering unexpected formations or pressures, premature decline of reservoirs and the invasion of water into producing formations;
- the ability to add production and reserves through development and exploration activities;
- uncertainties in regard to the timing of exploration and development activities;
- changes in general economic, market and business conditions;
- the effect of litigation proceedings, including the Action, on the Corporation's business;
- the possibility that government policies or laws, including laws and regulations related to the environment, may change or governmental approvals may be delayed or withheld;
- uncertainty in amounts and timing of royalty payments;
- uncertainties inherent in estimating quantities of oil and natural gas reserves and cash flows to be derived therefrom;
- failure to obtain industry partner and other third party consents and approvals, as and when required;
- the availability of capital on acceptable terms or at all;
- cyber-security issues;
- competition for, among other things, capital, acquisition of reserves, undeveloped land and skilled personnel; and
- the other factors considered under "*Risk Factors*" below.

Statements relating to "reserves" are deemed to be forward-looking statements or information, as they involve the implied assessment, based on certain estimates and assumptions, that the resources and reserves described can be profitable in the future. There are numerous uncertainties inherent in estimating quantities of proved reserves, including many factors beyond the control of the Corporation. In general, estimates of economically recoverable oil and natural gas reserves and the future net cash flows therefrom are based upon a number of variable factors and assumptions, such as historical production from the properties, the assumed effects of regulation by governmental agencies and future operating costs, all of which may vary considerably from actual results. All such estimates are to some degree speculative and classifications of reserves are only attempts to define the degree of speculation involved. For those reasons, estimates of the economically recoverable oil and natural gas reserves attributable to any particular group of properties and classification of such reserves based on risk of recovery and estimates of future net revenues expected therefrom, prepared by different engineers or by the same engineers at different times, may vary substantially. The actual production, revenues, taxes and development and operating expenditures of the Corporation with respect to these reserves will vary from such estimates, and such variances could be material.

The Corporation has included the above summary of assumptions and risks related to forward-looking information provided herein in order to provide investors with a more complete perspective on the Corporation's current and future operations and such information may not be appropriate for other purposes.

Readers are cautioned that the foregoing lists of factors are not exhaustive. The forward-looking statements contained herein, and the documents incorporated by reference herein, are expressly qualified by this cautionary statement. Except as required by applicable securities laws, the Corporation does not undertake any obligation to publicly update or revise any forward-looking statements and readers should also carefully consider the matters discussed under the heading "*Risk Factors*" below.

The forward-looking statements or information contained herein are made as of the date hereof and the Corporation undertakes no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, unless required by applicable securities laws.

NAME, ADDRESS AND INCORPORATION

The Corporation was incorporated under the laws of the Province of Ontario as "2236235 Ontario Inc." on March 5, 2010. On April 15, 2011, the Corporation filed articles of amendment to change its name from "2236235 Ontario Inc." to "Vector Resources Inc." On June 29, 2011, the Corporation filed articles of amendment to remove share transfer restrictions in its articles.

On September 28, 2011, the Corporation completed its initial public offering. The Corporation was classified as a CPC as described in the policies of the TSXV. As a result, Vector's business was to identify and evaluate businesses and assets with a view to completing a qualifying transaction.

On January 31, 2017, the Corporation completed its qualifying transaction by way of plan of arrangement (the "**Arrangement**"), whereby Razor PrivateCo, a private company incorporated on June 14, 2016, completed a reverse take-over of the Corporation (the "**Qualifying Transaction**"). On January 31, 2017, the Corporation completed the Consolidation and changed its name from "Vector Resources Inc." to "Razor Energy Corp." On February 3, 2017, the Corporation and Razor PrivateCo were amalgamated and continued as "Razor Energy Corp." On February 3, 2017, the Corporation completed a continuance of the Corporation from Ontario into Alberta under the ABCA. See "*Three Year History – Financial Year Ended December 31, 2016*".

The Corporation is a reporting issuer in British Columbia, Alberta and Ontario. The Common Shares are listed on the TSXV under the trading symbol "RZE".

The Corporation's head office is located at 1250, 645 – 7th Avenue S.W., Calgary, Alberta, T2P 4G8. The registered office of the Corporation is located at 4000, 421 – 7th Avenue S.W., Calgary, Alberta, T2P 4K9.

The Corporation has no subsidiaries as at the date hereof.

GENERAL DEVELOPMENT OF THE BUSINESS

Three-Year History

Financial Year Ended December 31, 2014

In February 2014, the Corporation issued 611,221 Vector Shares at a deemed price of $0.25 per Vector Share in order to settle $152,805 in accounts payables.

Financial Year Ended December 31, 2015

In March 2015, the Corporation entered into an agreement with Ontario Graphite Limited ("**OGL**"). Under the terms of the agreement, the Corporation would acquire all of the issued and outstanding common shares of OGL, so that OGL's current shareholders would own approximately 98.73% of the resulting issuer and the Corporation's current shareholders would own approximately 1.27% of the issued and outstanding common shares of the resulting issuer. The precise ownership percentages depended on the value for OGL and the Corporation plus the value of any cash held at the closing of the business combination. The completion of the proposed business combination was subject to a number of approvals and conditions precedent, including: the completion of due diligence by both the Corporation and OGL; approval by OGL shareholders; regulatory approval; and execution of a definitive agreement. On June 1, 2015, the Corporation terminated its agreement with OGL.

On September 21, 2015, the Corporation entered into a letter of intent with Tectonica Australia Pty Ltd. ("**Tectonica**"), a corporation existing under the laws of Australia, that set out certain non-binding understandings and binding agreements concerning a proposed transaction between the Corporation and Tectonica, which was intended to constitute the Corporation's qualifying transaction, and which would, if it had been completed, have resulted in a reverse takeover of the Corporation by the shareholders of Tectonica and the acquisition of all of the assets of Tectonica.

On November 4, 2015, the Corporation and Tectonica entered into a definitive share exchange agreement providing for the completion of the proposed qualifying transaction.

Financial Year Ended December 31, 2016

On October 13, 2016, Vector announced the termination of the proposed business combination with Tectonica. The terms of the definitive share exchange agreement expired due to the inability of the parties to raise the required financing.

On November 15, 2016, Vector entered into a letter agreement with Razor PrivateCo in respect of a proposed business combination and, on December 29, 2016, entered into the arrangement agreement ("**Arrangement Agreement**") in respect of the Arrangement. Pursuant to the Arrangement, each common share of Razor PrivateCo was exchanged for 2,042.13 Vector Shares to complete the Corporation's Qualifying Transaction.

Recent Developments

On January 31, 2017, the Corporation completed the Arrangement, which constituted the Corporation's Qualifying Transaction. Pursuant to the Arrangement, each common share of Razor PrivateCo was exchanged for 2,042.13 Vector Shares. Former shareholders of Razor PrivateCo received an aggregate of 179,525,708 Common Shares of the Corporation on a pre-Consolidation basis.

Upon completion of the Arrangement, the new board of directors of the Corporation was comprised of Doug Bailey, Frank Muller, Sony Gill, Sonny Mottahed, Vick Saxon and Stan Smith and the new management team of the Corporation was appointed, including Doug Bailey as President and Chief Executive Officer, Frank Muller as Senior Vice President and Chief Operating Officer, Kevin Braun as Chief Financial Officer, David Derkat as Vice President, Engineering, Stephen Sych as Vice President, Operations and Devin Sundstrom as Vice President, Production.

On January 31, 2017, the Corporation secured a non-revolving term loan facility from AIMCo for a principal amount of $30.0 million (the "**Term Loan Facility**"). The Term Loan Facility has a four year term with an interest rate of 10% and is payable semi-annually. A portion of the Term Loan Facility was used by the Corporation to fund the purchase price in respect of the Swan Hills Acquisition. The remaining proceeds of the Term Loan Facility will be used by the Corporation to fund its development program and for general corporate purposes. The Corporation also issued Common Shares to AIMCo, representing approximately 10.05% of the Common Shares, as additional consideration for the Term Loan Facility.

On January 31, 2017, the Corporation also completed the Swan Hills Acquisition, pursuant to which the Corporation acquired certain oil and gas interests in the Swan Hills area of Alberta for aggregate cash consideration of $15.0 million.

On January 31, 2017, the Corporation completed the Consolidation and filed articles of amendment to change its name from "Vector Resources Inc." to "Razor Energy Corp.".

Significant Acquisitions

The Corporation has not completed any significant acquisitions during its most recently completed financial year for which disclosure is required under Part 8 of NI 51-102.

DESCRIPTION OF THE BUSINESS OF THE CORPORATION

General

The Corporation is a growth-oriented light oil focused company operating in Alberta, focused on growing through acquisitions, development and exploration drilling. Razor's full-cycle business plan supports its position as a high-growth junior exploration and production company.

As part of its growth strategy, Razor continues to strategically evaluate and search out oil properties that will result in meaningful reserve and production additions. The Corporation will deploy capital to high-quality, longer-life reservoirs in proven growth areas that offer existing infrastructure, low cost oil drilling opportunities, year round access and operational control. Razor's existing core operating properties in Alberta will be developed and expanded through a detailed technical analysis of available data, including reservoir characteristics, original crude oil and natural gas in place, recovery factors and the application of exploitation drilling and enhanced recovery techniques.

In each of its core areas, Razor's growth strategy is to:

1. acquire and consolidate complementary prospective lands and drilling location opportunities;

2. build a sufficient inventory of land and drilling locations to support five to ten years of field operational activities; and

3. manage uncertainty through the technical and operating experience Razor has in each of these geographic areas.

To execute its business plan, Razor requires: (i) access to land and additional opportunities; (ii) appropriate commercial terms; (iii) access to services and goods for operations; (iv) acquisition and operational success; and (v) timely financing for all such activities.

Specialized Skill and Knowledge

The Corporation relies on the specialized skill and knowledge of its permanent staff to compile, interpret and evaluate technical data, drill and complete wells, design and operate production facilities and numerous additional activities required to explore for and produce oil and natural gas. From time to time, the Corporation employs consultants and other service providers to provide complementary experience and expertise to carry out its oil and natural gas operations effectively. It is the belief of management of Razor that its officers and employees, who have significant technical, operational and financial experience in the oil and gas industry, hold the necessary skill sets to successfully execute Razor's business strategy in order to achieve its corporate objectives.

Competitive Conditions

The oil and natural gas industry is intensely competitive in all its phases. The Corporation competes with numerous other participants in the search for, and the acquisition of, oil and natural gas properties and in the marketing of oil and natural gas. The Corporation's competitors include resource companies that have greater financial resources, staff and facilities than those of the Corporation. Competitive factors in the distribution and marketing of oil and natural gas include price and methods and reliability of delivery. The Corporation believes that its competitive position is equivalent to that of other oil and gas issuers of similar size and at a similar stage of development. See "*Risk Factors - Competition*".

Cyclical and Seasonal Nature of Industry

Razor's operational results and financial condition are dependent on the prices received for oil and natural gas production. Oil and natural gas prices have fluctuated widely during recent years and are determined by supply and demand factors, including weather and general economic conditions, as well as conditions in other oil and natural gas regions. Any decline in oil and natural gas prices could have an adverse effect on Razor's financial condition. Furthermore, the level of activity in the Canadian oil and natural gas industry is influenced by seasonal weather patterns. See "*Risk Factors - Seasonality*".

Environmental

The Corporation believes that it is in compliance with applicable existing environmental laws and regulations and is not aware of any proposed environmental legislation or regulations with which it would not be in material compliance. Procedures are put in place to ensure that the utmost care is taken in the day-to-day management of Razor's oil and gas properties. However, in the future, the natural resources industry may become subject to more stringent environmental protection rules. This could increase the cost of doing business and may have a negative impact on future earnings. See "*Industry Conditions*" and "*Risk Factors*".

Employees

As at December 31, 2016, the Corporation had no employees.

Reorganizations

Other than as disclosed in "*General Development of the Business – Financial Year Ended December 31, 2016*" and "*General Development of the Business – Recent Developments*", there have been no material reorganizations of the Corporation within the three most recently completed financial years or completed during or proposed for the current financial year.

INDUSTRY CONDITIONS

Restrained Pipeline Capacity and Differential Volatility

Western Canada has seen significant growth in crude production volumes over recent years. This has resulted in pressure on the pipeline take-away capacity, leading to apportionment on the main lines and, in turn, backed-up local feeder pipelines. This has contributed to a widening of, and increased volatility in, the light oil pricing differential between West Texas Intermediate ("**WTI**") and Edmonton Par and the medium/heavy oil pricing differential between WTI and Cromer/WCS/Hardisty. Although pipeline expansions are ongoing and producers are increasingly turning to rail as an alternative means of transportation, the lack of firm pipeline capacity continues to affect the oil and natural gas industry and limit the ability to produce and to market production. In addition, the pro-rationing of capacity on the interprovincial systems also continues to affect the ability to export oil and natural gas.

Availability of Services

The availability of services and personnel necessary to carry out the reactivation, re-entry, optimization and abandonment operations that form a substantial portion of the Corporation's planned 2017 development program is reasonably healthy. The Corporation will take necessary steps to adjust its program in the event external conditions arise that may constrain availability of services and personnel due to increased demand and competition.

Legislation and Regulation

The oil and natural gas industry is subject to extensive controls and regulations governing its operations (including land tenure, exploration, development, production, refining, transportation and marketing) imposed by legislation enacted by various levels of government and with respect to pricing and taxation of oil and natural gas by agreements among the governments of Canada and Alberta, all of which should be carefully considered by investors in the oil and natural gas industry. It is not expected that any of these controls or regulations will affect the operations of the Corporation in a manner materially different than they would affect other oil and natural gas producers of similar size. All current legislation is a matter of public record and the Corporation is unable to predict what additional legislation or amendments may be enacted. Some of the principal aspects of legislation, regulations and agreements governing the oil and natural gas industry are described further below.

Pricing and Marketing – Oil

The producers of oil are entitled to negotiate sales contracts directly with oil purchasers, with the result that the market determines the price of oil. Oil prices are primarily based on worldwide supply and demand. The specific price depends in part on oil quality, prices of competing fuels, distance to market, the value of refined products, the supply/demand balance, and contractual terms of sale. Oil exporters are also entitled to enter into export contracts with terms not exceeding one year in the case of light crude oil and two years in the case of heavy crude oil, provided that an order approving such export has been obtained from the National Energy Board of Canada (the "**NEB**"). Any oil export to be made pursuant to a contract of longer duration (to a maximum of 25 years) requires an exporter to obtain an export licence from the NEB and the issuance of such a licence requires a public hearing and the approval of the Governor in Council.

On July 6, 2012, the federal government enacted the *Jobs, Growth and Long-term Prosperity Act* which made amendments to the *National Energy Board Act* ("**NEB Act**") that affect the NEB's export and import framework. As a result of these changes, the NEB issued the Interim Memorandum of Guidance Concerning Oil and Gas Export Applications and Gas Import Applications under Part VI of the *National Energy Board Act* ("**Interim Oil and Gas MOG**"). The purpose of the Interim Oil and Gas MOG is to provide guidance to applicants until such time as the NEB has completed the review and update of the regulatory framework. As part of the review and update, the NEB is currently proposing amendments to the *National Energy Board Part VI (Oil and Gas) Regulations* and the *National Energy Board Export and Import Reporting Regulations.*

Pricing and Marketing – Natural Gas

Alberta's natural gas market has been deregulated since 1985. Supply and demand determine the price of natural gas and price is calculated at the sale point, being the wellhead, the outlet of a gas processing plant, on a gas transmission system such as the Alberta "NIT" (Nova Inventory Transfer), at a storage facility, at the inlet to a utility system or at the point of receipt by the consumer. Accordingly, the price for natural gas is dependent upon such producer's own arrangements (whether long or short term contracts and the specific point of sale). As natural gas is also traded on trading platforms such as the Natural Gas Exchange (NGX), Intercontinental Exchange or the New York Mercantile Exchange (NYMEX) in the United States, spot and future prices can also be influenced by supply and demand fundamentals on these platforms.

The price of natural gas is determined by negotiation between buyers and sellers. Natural gas exported from Canada is subject to regulation by the NEB and the Government of Canada. Exporters are free to negotiate prices and other terms with purchasers, provided that the export contracts must continue to meet certain other criteria prescribed by the NEB and the Government of Canada. Natural gas (other than propane, butane and ethane) exports for a term of less than two years or for a term of two to 20 years (in quantities of not more than 30,000 cubic metres/day), must be made pursuant to an NEB order. Any natural gas export to be made pursuant to a contract of longer duration (to a maximum of 25 years) or for a larger quantity requires an exporter to obtain an export licence from the NEB and the issuance of such a licence requires a public hearing and the approval of the Governor in Council.

The governments of Alberta also regulates the volume of natural gas that may be removed from the province for consumption elsewhere based on such factors as reserve availability, transportation arrangements, and market considerations.

The North American Free Trade Agreement

The North American Free Trade Agreement ("**NAFTA**") among the governments of Canada, the United States and Mexico became effective on January 1, 1994. NAFTA carries forward most of the material energy terms that are contained in the Canada - U.S. Free Trade Agreement. Canada continues to remain free to determine whether exports of energy resources to the United States or Mexico will be allowed, provided that any export restrictions do not: (i) reduce the proportion of energy resources exported relative to domestic use (based upon the proportion prevailing in the most recent 36 month period); (ii) impose an export price higher than the domestic price; or (iii) disrupt normal channels of supply. All three countries are prohibited from imposing minimum or maximum export or import price requirements.

NAFTA contemplates the reduction of Mexican restrictive trade practices in the energy sector and prohibits discriminatory border restrictions and export taxes. The agreement also contemplates clearer disciplines on regulators to ensure fair implementation of any regulatory changes and to minimize disruption of contractual arrangements, which is important for Canadian natural gas exports.

The government of the United States has publicly announced its interest in renegotiating NAFTA. It is uncertain whether the government of the United States will successfully change or alter the terms of NAFTA.

Trans-Pacific Partnership

On October 5, 2015, Canada and 11 other countries announced an agreement in respect of the Trans-Pacific Partnership ("**TPP**"). Canada and each participating country must ratify the TPP in their national legislatures. The TPP is the most ambitious trade initiative in the Asia-Pacific region. The TPP would lower tariffs on a wide range of Canadian products and benefit exporters across Canada in a number of sectors, including agriculture, wood and wood products, chemicals and plastics, and fish and seafood. An agreement would also bring enhanced and more predictable market access for Canada's services providers. On January 25, 2017, the Government of Canada confirmed that would sign the TPP though it has yet to be ratified by the House of Commons.

On January 23, 2017, United States President Trump signed a Presidential Memorandum directing the United States Trade Representative to withdraw the United States as a signatory to the TPP and to permanently withdraw the United States from TPP negotiations. It is uncertain whether the remaining signatories to the TPP will ratify the TPP or will seek to change or alter the terms of the TPP.

Extractive Sector Transparency Measures Act

The Extractive Sector Transparency Measures Act ("**ESTMA**"), a federal regime for the mandatory reporting of payments to government, came into force on June 1, 2015. ESTMA contains broad reporting obligations with respect to payments to governments and state owned entities, including employees and public office holders, made Canadian businesses involved in resource extraction. Under ESTMA, all payments made to payees (broadly defined to include any government or state owned enterprise) must be reported annually if the aggregate of all payments in a particular category to a particular payee exceeds $100,000 per financial year. The categories of payments include taxes, royalties, fees, bonuses, dividends and infrastructure improvement payments. Payments to aboriginal governments are exempt from reporting obligations until 2017. Failure to comply with the reporting obligations under ESTMA is punishable upon summary conviction with a fine of up to $250,000. In addition, each day that passes prior to a non-compliant report being corrected forms a new offence, and therefore, a payment that goes unreported for a year could result in over $9 million in total liability.

Provincial Royalties and Incentives

General

In addition to federal regulation, each province has legislation and regulations which govern land tenure, royalties, production rates, environmental protection and other matters. The royalty regime is a significant factor in the profitability of crude oil, natural gas liquids, sulphur and natural gas production. Royalties payable on production from minerals other than Crown-owned minerals are determined by negotiations between the mineral owner and the lessee although production from such lands is subject to certain provincial taxes and royalties. Crown royalties are determined by governmental regulation and are generally calculated as a percentage of the value of the gross production. The rate of royalties payable generally depends in part on well productivity, geographical location, field discovery date and the type or quality of the petroleum product produced.

From time to time, the provincial governments of the western Canadian provinces create incentive programs for exploration and development. Such programs often provide for royalty reductions, royalty holidays and credits, and are generally introduced when commodity prices are low. The programs are designed to encourage exploration and development activity by improving near-term earnings and cash flow within the industry.

Alberta

On March 3, 2009, the Government of Alberta announced a three-point incentive program to stimulate new and continued economic activity in Alberta which included a drilling royalty credit for new conventional oil and natural gas wells and a new well royalty incentive program. Under the drilling royalty credit program, a $200 per metre royalty credit was available on new conventional oil and natural gas wells drilled between April 1, 2009 and March 31, 2011, subject to certain maximum amounts. The maximum credits available were determined by a company's production level in 2008 and its drilling activity between April 1, 2009 and March 31, 2011. The new well incentive program applies to certain wells beginning production of conventional oil and natural gas after April 1, 2009 and provides for a maximum 5% royalty rate for the first 12 months of production, up to a maximum volume including all products of 7,949 cubic metres equivalent for oil wells and 14,100 cubic metres equivalent for gas wells.

On May 27, 2010, the Government of Alberta announced changes to the existing royalty framework under the *Petroleum Royalty Regulation, 2009* and the *Natural Gas Royalty Regulation, 2009* which became effective January 1, 2011 (the "**Alberta Royalty Framework**"). Changes include making the Natural Gas Deep Drilling Program, which adjusts the royalties for deep gas wells, a permanent initiative under the Alberta Royalty Framework. Qualifying wells under the Natural Gas Deep Drilling Program include natural gas wells with gas-oil ratios of greater than 1,800:1 which have been spud or deepened on or after May 1, 2010 and have a true vertical depth greater than 2,000 metres. An Emerging Resources and Technologies Initiative has also been created to encourage new exploration and development from higher cost and more technically challenging resources, such as shale gas, coal seams and horizontal oil and gas wells. In particular, pursuant to the Emerging Resource and Technologies Initiative: (a) coalbed methane wells will receive a maximum royalty rate of 5 percent for 36 producing months on up to 750 million cubic feet ("**Mmcf**") of production, retroactive to wells that began producing on or after May 1, 2010; (b) shale gas wells will receive a maximum royalty rate of 5 percent for 36 producing months with no limitation on production volume, retroactive to wells that began producing on or after May 1, 2010; (c) horizontal gas wells will receive a maximum royalty rate of 5 percent for 18 producing months on up to 500 Mmcf of production, retroactive to wells that commenced drilling on or after May 1, 2010; and (d) horizontal oil wells and horizontal non-project oil sands wells will receive a maximum royalty rate of 5 percent with volume and production month limits set according to the depth (including the horizontal distance) of the well, retroactive to wells that commenced drilling on or after May 1, 2010.

On January 29, 2016, the Alberta government announced changes to the Alberta Royalty Framework. Under the new modern royalty framework (the "**MRF**"), the sliding scale royalty concept will be maintained, but will be achieved with a greater degree of simplicity. The new royalty percentage will be applied to the gross revenue generated from all hydrocarbons, with no differentiation between produced substances, and wells will be charged a flat 5% royalty rate until revenues exceed a normalized well cost allowance, which will be based on vertical well depth and lateral length. The calculation of this cost allowance, and other details regarding the various parameters within the new formula under the MRF was announced in 2016 and was fully implemented as of January 1, 2017. Prior to January 1, 2017, the former royalty framework continued to apply to any wells drilled prior to that date, and thereafter for a period of 10 years following which, such wells will be transitioned into the MRF. Any changes to the royalty regime in Alberta may have a material effect on the Corporation. See "*Risk Factors*".

In addition to any negotiated royalty amount payable to the freehold mineral owner, producers of oil and natural gas from freehold lands in Alberta are required to pay annual freehold mineral taxes. The freehold mineral tax is a tax levied by the Government of Alberta on the value of oil and natural gas production from non-Crown lands and is derived from the *Freehold Mineral Rights Tax Act* (Alberta). The freehold mineral tax is levied on an annual basis on calendar year production using a tax formula that takes into consideration, among other things, the amount of production, the hours of production, the value of each unit of production, the tax rate and the percentages that the owners hold in the title. The basic formula for the assessment of freehold mineral tax is: revenue less allocable costs equals net revenue divided by wellhead production equals the value based upon unit of production. If payors do not wish to file individual unit values, a default price is supplied by the Crown. On average, the tax levied is 4 percent of revenues reported from fee simple mineral title properties.

Climate Change Regulation

Federal

In common with all producers, the Corporation's exploration activities and production facilities emit carbon dioxide, methane, nitrous oxide and other so-called "greenhouse gases" ("**GHG**").

Canada is a signatory to the United Nations Framework Convention on Climate Change ("**UNFCCC**"), which was entered into in order work towards stabilizing atmospheric concentrations of greenhouse gas ("**GHG**") emissions at a level to prevent "dangerous anthropogenic interference with the climate system". The UNFCCC came into force on March 21, 1994. Subsequent international negotiations led to the Kyoto Protocol, an international treaty which extends the UNFCCC and commits its signatories to reduce GHG emissions. The Kyoto Protocol was adopted in December 1997 and came into force on February 16, 2005. Canada withdrew from the Kyoto Protocol effective December 2012. On December 12, 2015, the UNFCCC adopted the Paris Agreement, which Canada ratified on October 5, 2016.

In May 2015, Canada submitted its Intended Nationally Determined Contribution ("**INDC**") to the UNFCCC Secretariat, pledging a 30% reduction from 2005 levels – approximately 523 megatonnes – by 2030. In addition, provincial/territorial and federal leaders met and agreed that they would work together to build a national climate change plan. At a follow-up meeting of the First Ministers and Prime Minister on March 3, 2016, the parties agreed under the Vancouver Declaration on Clean Growth and Climate Change to launch a process to develop the Pan-Canadian Framework on Clean Growth and Climate Change (the "**Framework**"), which was released on December 9, 2016 at the First Ministers meeting. Saskatchewan was the only province that decided not to adopt the Framework. Prior to the release of the Framework, the federal government announced in October 2016 that it will set a minimum price on carbon starting at \$10 per tonne of CO2e in 2018, which will increase by \$10 per year until it reaches \$50 per tonne of CO2e by 2022. This approach will be reviewed in 2022 to confirm the path forward, including continued increases in stringency. Under the federal plan, each province and territory will be required to implement carbon pricing in its jurisdiction by 2018, whether in the form of a carbon tax or a cap-and-trade system. If the carbon price in a jurisdiction does not meet the federal minimum price, the federal government will step in and impose a carbon price that makes up the difference and return the revenue to the province or territory. In addition, provincial and territorial goals for reducing emissions must be at least as stringent as federal targets. Currently, Canada's four biggest provinces representing more than 80% of Canada's population (Ontario, Québec, Alberta and British Columbia) have carbon pricing in place.

In March 2016, a Joint Statement on Climate, Energy, and Arctic Leadership was issued. This joint statement sets out specific commitments on energy development, environmental protection, and Arctic leadership. In particular, Canada and the US have made commitments to reduce methane emissions by 40-45% below 2012 levels by 2025 from the oil and gas sector, finalize and implement the second phase of an aligned GHG emission standard for post-2018 model year on-road heavy duty vehicles, phase out fossil fuel subsidies, accelerate clean energy development and foster sustainable energy development.

With regards to GHG emissions, In March 2004, the federal government announced the introduction of the Greenhouse Gas Emissions Reporting Program ("**GHGRP**"), which applies to large industrial GHG emitters in Canada. All facilities that emit the equivalent of 50,000 tonnes or more of CO2e per year are required to submit a report to Environment Canada. Facilities with emissions below the reporting threshold of 50,000 tonnes per year can voluntarily report their GHG emissions.

It is expected that additional regulations eventually implemented by the Government of Canada will have an impact on the oil and gas industry as a whole, which could result in increased costs for the Corporation to comply with such legislation. There remains ongoing uncertainty regarding Canada's short-term and long-term emissions reduction targets and how such targets will be achieved. In the meantime, the Corporation will continue to monitor the policies of the Government of Canada and any resulting legislation with respect to GHG emissions.

Alberta

On July 1, 2007, the *Specified Gas Emitters Regulation* ("**SGER**") came into force under Alberta's *Climate Change and Emissions Management Amendment Act* requiring Alberta facilities which emit more than 100,000 tonnes of GHGs annually ("**Regulated Emitters**") to reduce their GHG emissions intensity by 12% (from average 2003-2005 levels). If a facility is not able to abate GHG emissions sufficiently to meet the reduction target, it may utilize the following compliance mechanisms: (i) emissions performance credits obtained from other regulated facilities; (ii) emissions offsets obtained from non-regulated facilities or projects which reduce or remove GHG emissions; or (iii) credits for contributions to the Climate Change and Emissions Management Fund. Regulated Emitters may choose any combination of these compliance mechanisms to comply with their target. At present, the Corporation does not believe that it owns any facilities subject to this Alberta regulation. The Alberta Government also published a new climate change action plan in January of 2008 wherein it set an objective to deliver a 50% reduction in GHG emissions by 2050 compared to business as usual, by employing: (i) mandatory carbon capture and storage ("**CCS**") for certain facilities and development across all industrial sectors; (ii) energy efficiency and conservation; and (iii) research and investment in clean energy technologies, including carbon separation technologies to assist CCS.

On June 25, 2015, the Government of Alberta renewed the SGER for a period of two years with significant amendments while Alberta's newly formed Climate Advisory Panel conducted a comprehensive review of the province's climate change policy. In 2015, Regulated Emitters are required to reduce their emissions intensity by 2% from their baseline in the fourth year of commercial operation, 4% of their baseline in the fifth year, 6% of their baseline in the sixth year, 8% of their baseline in the seventh year, 10% of their baseline in the eighth year, and 12% of their baseline in the ninth or subsequent years (to be increased to 15% as of January 1, 2016 and 20% as of January 1, 2017).

Regulated Emitters can meet their emissions intensity targets through a combination of the following: (i) producing its products with lower carbon inputs; (ii) purchasing emissions offset credits from non-regulated emitters (generated through activities that result in emissions reductions in accordance with established protocols); (iii) purchasing emissions performance credits from other Regulated Emitters that earned credits through the reduction of their emissions below the 100,000 tonne threshold; (iv) cogeneration compliance adjustments; and (v) by contributing to the *Climate Change and Emissions Management Fund* (the "**Fund**"). Contributions to the Fund are made at a rate of $15 per tonne of GHG emissions, increasing to a rate of $20 per tonne of GHG emissions in 2016 and $30 per tonne of GHG emissions in 2017. Proceeds from the Fund are directed at testing and implementing new technologies for greening energy production.

On November 22, 2015, as a result of the Climate Advisory Panel's Climate Leadership Report, the Government of Alberta announced its Climate Leadership Plan which introduced a carbon tax on all emitters beginning January 1, 2017 at $20 per tonne of GHG emissions, increasing to $30 per tonne in January 2018. An oil sands specific approach was also introduced to replace the $30 per tonne of GHG emissions to further reduce emissions and promote carbon competitiveness rather than rewarding past intensity levels. A 100 megatonne per year limit for GHG emissions was introduced for oil sands operations, which currently emit roughly 70 megatonnes per year. This cap exempts new upgrading and cogeneration facilities, which are allocated a separate 10 megatonne limit. The existing SGER will be replaced for large industrial facilities with a *Carbon Competitiveness Regulation*, in which sector specific output-based carbon allocations will be used to ensure competitiveness.

Carbon pricing was also identified by the Climate Advisory Panel as the primary policy tool for reducing emissions in the province. On June 23, 2016, the Alberta legislature passed the *Climate Leadership Implementation Act* (Bill 20) which furthers the implementation of the Climate Leadership Plan. Details of Alberta's carbon pricing model were detailed in its April 2016 budget, which earmarks almost $8.5 billion to build and modernize major public infrastructure. Budget 2016 also allocates $634 million to various climate change initiatives in addition to funds for roads and bridges, flood recovery and municipal infrastructure support. The Act came into force on January 1, 2017 and empowers the provincial government to impose a carbon levy in the province. As of January 1, 2017, a $20 per tonne carbon levy will be applied to fuels that emit GHG when combusted. This levy will increase to $30 per tonne in 2018. Fuels covered by the levy include transportation and heating fuels such as diesel, gasoline, natural gas and propane. It will not apply directly to consumer purchases of electricity. Revenues from the carbon levy will be used for initiatives to reduce GHG emissions and to fund carbon rebates, as well as for investments in clean technology and green infrastructure. The carbon levy will also be used for an "adjustment fund" to help individuals and families, small business and First Nations adjust.

The new Alberta legislation does not apply directly to any of the Corporation's facilities and is expected to have a negligible effect on the Corporation's operations and operating expenses.

Environmental Protection Requirements

All phases of the oil and natural gas business present environmental risks and hazards and are subject to environmental regulation pursuant to evolving national, provincial and municipal laws and regulations, as well as, potentially, international conventions. Environmental legislation provides for, among other things, restrictions and prohibitions on spills, releases, discharges, or emissions of various substances produced in association with oil and gas operations, habitat protection and minimum setbacks of oil and gas activities from fresh water bodies. The legislation also requires that wells and facility sites be operated, maintained, abandoned and reclaimed to the satisfaction of applicable regulatory authorities. Compliance with such legislation can require significant expenditures and a breach may result in the imposition of fines, penalties and sanctions, some of which may be material or materially affect the Corporation's operations. Certain environmental protection legislation may subject the Corporation to statutory strict liability in the event of an accidental spill or discharge from a licensed facility, meaning that fault need not be established by claimants affected by such a spill or discharge. Further, as Canadian environmental legislation evolves, the use of administrative penalties by the imposition of fines for the commission of environmental offences on an absolute liability basis has grown.

Environmental legislation is evolving in a manner that has and is expected to continue to result in stricter standards and enforcement, larger fines, liabilities and sanctions, and potentially increased capital expenditures and operating costs. To mitigate potential environmental liabilities, the Corporation, in addition to implementing policies and procedures designed to prevent an accidental spill or discharge, maintains insurance at industry standards.

Alberta

The discharge of oil, natural gas, or other pollutants into the air, soil or water may give rise to liabilities to third parties and may require the Corporation to incur costs to remedy such discharge in the event that they are not covered by the Corporation's insurance. Although the Corporation maintains insurance to industry standards, which in part covers liabilities associated with discharges, it is not certain that such insurance will cover all possible environmental events, foreseeable or otherwise, or whether changing regulatory requirements or emerging jurisprudence may render such insurance of little benefit. Environmental legislation in the Province of Alberta is, for the most part, set out in the *Environmental Protection and Enhancement Act* ("**EPEA**"), the *Water Act* and the *Oil and Gas Conservation Act* ("**OGCA**"). The EPEA and the OGCA impose strict environmental standards with respect to releases of effluents and emissions, require stringent compliance, reporting and monitoring obligations, and impose significant penalties for non-compliance.

The regulatory landscape in Alberta has undergone a transformation from multiple regulatory bodies to a single regulator for upstream oil and gas, oil sands and coal development activity. On June 17, 2013, the Alberta Energy Regulator (the "**AER**") assumed the functions and responsibilities of the former Energy Resources Conservation Board, including those found under the OGCA. On November 30, 2013, the AER assumed the energy related functions and responsibilities of Alberta Environment and Parks ("**AEP**") in respect of the disposition and management of public lands under the *Public Lands Act.* On March 29, 2014, the AER assumed the energy related functions and responsibilities of AEP in the areas of environment and water under EPEA and the *Water Act,* respectively. The AER's responsibilities exclude the functions of the Alberta Utilities Commission and the Surface Rights Board, as well as Alberta Energy's responsibility for mineral tenure. The objective behind the transformation to a single regulator is the creation of an enhanced regulatory regime that is efficient, attractive to business and investors, and effective in supporting public safety, environmental management and resource conservation while respecting the rights of landowners.

The oil and gas industry is subject to such environmental regulations which include restrictions and prohibitions on the release or emission of various substances produced in association with certain oil and gas industry operations. In addition, such legislation requires that well and facility sites be abandoned and reclaimed to the satisfaction of provincial authorities. Compliance with such legislation can require significant expenditures and a breach of such requirements may result in suspension or revocation of necessary licenses and authorizations, civil liability for pollution damage and the imposition of material fines and penalties.

The Corporation believes it is in material compliance with environmental legislation in the jurisdictions in which it operates at this time. The Corporation's practice is to do all that it reasonably can to ensure that it remains in material compliance with environmental protection legislation. The Corporation also believes that it is reasonably likely that the trend towards stricter standards in environmental legislation and regulation will continue. The Corporation is committed to meeting its responsibilities to protect the environment wherever it operates and will take such steps as required to ensure compliance with environmental legislation.

No assurance can be given that environmental laws will not result in a curtailment of production, a material increase in the costs of production or the costs of development or exploration activities, or otherwise adversely affect the Corporation's financial condition, capital expenditures, results of operations, competitive position or prospects.

Liability Management Rating Programs

Alberta

In Alberta, the AER administers the Licensee Liability Rating Program (the "**LLR Program**") as part of the Liability Management Rating Assessment Process. The LLR Program is a liability management program governing most conventional upstream oil and gas wells, facilities and pipelines. The OGCA establishes an orphan fund (the "**Orphan Fund**") to pay the costs to suspend, abandon, remediate and reclaim a well, facility or pipeline included in the LLR Program if a licensee or working interest participant ("**WIP**") becomes defunct. The Orphan Fund is funded by licensees in the LLR Program through a levy administered by the AER. The LLR Program is designed to minimize the risk to the Orphan Fund posed by unfunded liability of licensees and prevent the taxpayers of Alberta from incurring costs to suspend, abandon, remediate and reclaim wells, facilities or pipelines. The LLR Program requires a licensee whose deemed liabilities exceed its deemed assets to provide the AER with a security deposit. The ratio of deemed liabilities to deemed assets is assessed once each month and upon the submission of a license transfer application, and failure to post the required security deposit may result in the initiation of enforcement actions by the AER.

On May 1, 2013, the AER began to implement a three year program of changes to the LLR Program. Some of the important changes which were implemented through this three year process include: (a) increases to the prescribed average reclamation cost for each individual well or facility (which increased a licensee's deemed liabilities); (b) increases to facility abandonment cost parameters for each well equivalent (which increased a licensee's deemed liabilities); (c) use of an industry netback averaged over the last three years (which affected the calculation of a licensee's deemed assets); and (d) a change to the present value and salvage factor, which increases to 1.0 for all active facilities from 0.75 for active wells and 0.50 for active facilities (which increased a licensee's deemed liabilities).

The changes were implemented over a three-year period, ending August 2015. The first phase was implemented in May 2013, the second phase was implemented in May 2014 and the final phase was implemented in August 2015. The changes to the LLR Program stem from concern that the previous regime significantly underestimated the environmental liabilities of licensees.

Further, on July 4, 2014, the AER introduced the inactive well compliance program (the "**IWCP**") to address the growing inventory of inactive wells in Alberta and to increase the AER's surveillance and compliance efforts under *Directive 013: Suspension Requirements for Wells* ("**Directive 013**"). The IWCP applies to all inactive wells that are noncompliant with Directive 013 as of April 1, 2015. The objective is to bring all inactive noncompliant wells under the IWCP into compliance with the requirements of Directive 013 within five years. As of April 1, 2015, each licensee will be required to bring 20% of its inactive wells into compliance every year, either by reactivating or suspending the wells in accordance with Directive 013 or by abandoning them in accordance with *Directive 020: Well Abandonment*.

In June 2016, the AER released Bulletins 2016-16 and 2016-21 which, among other things, implement important changes to the AER's LLR Program, licence eligibility and transfers. Bulletin 2016-16 introduced changes requiring, as a condition to transferring existing AER licenses, approvals and permits, the AER would require all transferees to demonstrate a liability management ratio ("**LMR**") of 2.0 or higher immediately following the transfer. The LMR is the ratio of a permit holder's deemed assets to deemed liabilities. Bulletin 2016-21 clarified that transferees must either demonstrate an LMR of 2.0 or higher or provide other evidence that the transferee will be able to meet their obligations with an LMR of less than 2.0. These changes may impact the Corporation's ability to transfer licenses, approvals or permits, and may result in increased costs and delays.

Land Tenure

Crude oil and natural gas located in the Western Canadian provinces is owned both by the respective provincial governments and by private individuals. Provincial governments grant rights to explore for and produce oil and natural gas pursuant to leases, licenses and permits for varying periods and on conditions set forth in provincial legislation, including requirements to perform specific work or make payments. Where oil and natural gas is privately owned, rights to explore for and produce such oil and natural gas are granted by lease on such terms and conditions as may be negotiated.

The respective provincial governments predominantly own the rights to crude oil and natural gas located in the western provinces, with the exception of Manitoba where private ownership accounts for approximately 80 percent of the crude oil and natural gas rights in the southwestern portion of the province. Provincial governments grant rights to explore for and produce oil and natural gas pursuant to leases, licences and permits for varying terms and on conditions set forth in provincial legislation, including requirements to perform specific work or make payments. Private ownership of oil and natural gas also exists in such provinces and rights to explore for and produce such oil and natural gas are granted by lease on such terms and conditions as may be negotiated.

The province of Alberta has implemented legislation providing for the reversion to the Crown of mineral rights to deep, non-productive geological formations at the conclusion of the primary term of a lease or license.

Alberta also has a policy of “shallow rights reversion” which provides for the reversion to the Crown of mineral rights to shallow, non-productive geological formations for all leases and licenses. For leases and licenses issued subsequent to January 1, 2009, shallow rights reversion will be applied at the conclusion of the primary term of the lease or license. Holders of leases or licences that have been continued indefinitely prior to January 1, 2009 will receive a notice regarding the reversion of the shallow rights, which will be implemented three years from the date of the notice. In 2013, Alberta Energy placed an indefinite hold on serving shallow rights reversion notices for leases and licences that were granted prior to January 1, 2009. Alberta Energy stated that it will provide the industry with notice if, in the future, a decision is made to serve shallow rights reversion notices.

RISK FACTORS

Investors should carefully consider the risk factors set out below and consider all other information contained herein and in the Corporation’s other public filings before making an investment decision. The risks set out below are not an exhaustive list, and should not be taken as a complete summary or description of all the risks associated with the Corporation’s business and the oil and natural gas business generally.

Overview

The Corporation’s business consists of the exploration and production of crude oil and natural gas projects, with producing properties in the province of Alberta. There are a number of inherent risks associated with the exploration and production of oil and gas reserves. Many of these risks are beyond the control of the Corporation.

Nature of Business

An investment in the Corporation should be considered highly speculative due to the nature of the Corporation’s involvement in the exploration for, and the acquisition, production and marketing of, oil and natural gas reserves and its current stage of development. Oil and gas operations involve many risks which even a combination of experience, knowledge and careful evaluation may not be able to overcome. There is no assurance that further commercial quantities of oil and natural gas will be discovered or acquired by the Corporation.

Commodity Price Volatility

Razor’s results of operations and financial condition are dependent on the prevailing prices of crude oil and natural gas. Crude oil and natural gas prices have fluctuated widely in the recent past and are subject to fluctuations in response to relatively minor changes in supply, demand, market uncertainty and other factors that are beyond Razor’s control. Crude oil and natural gas prices are impacted by a number of factors including, but not limited to: the global supply of and demand for crude oil and natural gas; global economic conditions; the actions of the Organization of Petroleum Exporting Countries (“**OPEC**”); government regulation; political stability and geopolitical factors; the ability to transport crude to markets; developments related to the market for liquefied natural gas; the availability and prices of alternate fuel sources; and weather conditions. In addition, significant growth in crude production volumes in Western Canada and the northern United States has resulted in pressure on transportation and pipeline capacity, contributing to the widening of the light oil pricing differential between WTI and Cromer/WCS/Hardisty, resulting in fluctuations in the price of oil and natural gas. All of these factors are beyond Razor’s control and can result in a high degree of price volatility.

Fluctuations in currency exchange rates further compound this volatility when the commodity prices, which are generally set in United States dollars, are stated in Canadian dollars. Razor's financial performance also depends on revenues from the sale of commodities which differ in quality and location from underlying commodity prices quoted on financial exchanges. Of particular importance are the price differentials between the Corporation's light/medium oil and heavy oil (in particular the light/heavy differential) and quoted market prices. Not only are these discounts influenced by regional supply and demand factors, they are also influenced by other factors such as transportation costs, capacity and interruptions; refining demand; the availability and cost of diluent used to blend and transport product; and the quality of the oil produced, all of which are beyond Razor's control. See also "*Variations in Foreign Exchange Rates and Interest Rates*".

Fluctuations in the price of commodities and associated price differentials may impact the value of Razor's assets and the ability to maintain its business and to fund growth projects. Prolonged periods of commodity price depression and volatility may also negatively impact Razor's ability to meet guidance targets and meet all of its financial obligations as they come due. Any substantial and extended decline in the price of oil and gas would have an adverse effect on the Corporation's carrying value of its reserves, borrowing capacity, revenues, profitability and cash flows from operations and may have a material adverse effect on the Corporation's business, financial condition, results of operations, prospects and the level of expenditures for the development of oil and natural gas reserves, including delay or cancellation of existing or future drilling or development programs or curtailment in production.

Any material or sustained decline in prices could result in a reduction of the Corporation's net production revenue. The economics of producing from some wells may change as a result of lower prices, which could result in reduced production of oil or gas and a reduction in the volumes of the Corporation's reserves. Razor might also elect not to produce from certain wells at lower prices. All of these factors could result in a material decrease in the Corporation's expected net production revenue and a reduction in its oil and gas acquisition, development and exploration activities.

Crude oil and natural gas prices are expected to remain volatile for the near future as a result of market uncertainties over the supply and the demand of these commodities due to the current state of the world economies and OPEC actions. Volatile oil and gas prices make it difficult to estimate the value of producing properties for acquisition and often cause disruption in the market for oil and gas producing properties, as buyers and sellers have difficulty agreeing on such value. Price volatility also makes it difficult to budget for and project the return on acquisitions and development and exploitation projects.

In addition, bank borrowings available to the Corporation may, in part, be determined by the Corporation's borrowing base. A sustained material decline in prices from historical average prices could reduce the Corporation's borrowing base, therefore reducing the bank credit available to the Corporation which could require that a portion, or all, of the Corporation's bank debt be repaid.

Razor conducts regular assessments of the carrying value of its assets in accordance with IFRS. If crude oil and natural gas prices decline significantly and remain at low levels for an extended period of time, the carrying value of the Corporation's assets may be subject to impairment.

Capital Lending Markets

As a result of recent economic uncertainties in the oil and gas industry and, in particular, the lack of risk capital available to the junior resource sector, the Corporation, along with other junior resource entities, may have reduced access to bank debt and to equity. As future capital expenditures will be financed out of funds generated from operations, bank borrowings, if available, and possible issuances of debt or equity securities, the Corporation's ability to fund future capital expenditures is dependent on, among other factors, the overall state of lending and capital markets and investor and lender appetite for investments in the energy industry, generally, and the Corporation's securities in particular.

To the extent that external sources of capital become limited, unavailable or available only on onerous terms, the Corporation's ability to invest and to maintain existing assets may be impaired, and its assets, liabilities, business, financial condition and results of operations may be materially and adversely affected as a result.

Markets and Marketing

The marketability and price of crude oil and natural gas that may be acquired or discovered by the Corporation is, and will continue to be, affected by numerous factors beyond its control. Razor's ability to market its crude oil and natural gas may depend upon its ability to acquire space on pipelines that deliver natural gas to commercial markets. Razor may also be affected by deliverability uncertainties related to the proximity of its reserves to pipelines and processing and storage facilities and operational problems affecting such pipelines and facilities as well as extensive government regulation relating to price, taxes, royalties, land tenure, allowable production, the export of oil and natural gas and many other aspects of the oil and gas business.

Exploration and Production Risks

Oil and natural gas exploration involves a high degree of risk and there is no assurance that expenditures made on exploration by the Corporation will result in new discoveries of oil or natural gas in commercial quantities. It is difficult to project the costs of implementing an exploratory drilling program due to the inherent uncertainties of drilling in unknown formations, the costs associated with encountering various drilling conditions such as over pressured zones and tools lost in the hole, and changes in drilling plans and locations as a result of prior exploratory wells or additional seismic data and interpretations thereof.

The Corporation currently has a limited number of specific identified exploration or development prospects. Management will continue to evaluate prospects on an ongoing basis in a manner consistent with industry standards and their past practices. The long term commercial success of the Corporation depends on its ability to find, acquire, develop and commercially produce oil and natural gas reserves. No assurance can be given that the Corporation will be able to locate satisfactory properties for acquisition or participation. Moreover, if such acquisitions or participations are identified, the Corporation may determine that current markets, terms of acquisition and participation or pricing conditions make such acquisitions or participations uneconomic.

Future oil and gas exploration may involve unprofitable efforts, not only from dry wells, but from wells that are productive but do not produce sufficient net revenues to return a profit after drilling, operating and other costs. Completion of a well does not assure a profit on the investment or recovery of drilling, completion and operating costs. In addition, drilling hazards or environmental damage could greatly increase the cost of operations, and various field operating conditions may adversely affect the production from successful wells. These conditions include delays in obtaining governmental approvals or consents, shut-ins of connected wells resulting from extreme weather conditions, insufficient storage or transportation capacity or other geological and mechanical conditions. While close well supervision and effective maintenance operations can contribute to maximizing production rates over time, production delays and declines from normal field operating conditions cannot be eliminated and can be expected to adversely affect revenue and cash flow levels to varying degrees.

In addition, oil and gas operations are subject to the risks of exploration, development and production of oil and natural gas properties, including encountering unexpected formations or pressures, premature declines of reservoirs, blow outs, cratering, sour gas releases, fires, spills or leaks. These risks could result in personal injury, loss of life, and environmental or property damage. Losses resulting from the occurrence of any of these risks could have a materially adverse effect on future results of operations, liquidity and financial conditions.

Weakness in the Oil and Gas Industry

Recent market events and conditions, including global excess oil and natural gas supply, actions taken by OPEC, slowing growth in emerging economies, market volatility and disruptions in Asia, sovereign debt levels and political upheavals in various countries have caused significant weakness and volatility in commodity prices. These events and conditions have caused a significant decrease in the valuation of oil and gas companies and a decrease in confidence in the oil and gas industry. These difficulties have been exacerbated in Canada by the recent changes in government at a federal level and, in the case of Alberta, at the provincial level, and the resultant uncertainty surrounding regulatory, tax, royalty changes and environmental regulation that have been announced or may be implemented by the new governments. In addition, the inability to get the necessary approvals to build pipelines and other facilities to provide better access to markets for the oil and gas industry in Western Canada has led to additional downward price pressure on oil and gas produced in Western Canada and uncertainty and reduced confidence in the oil and gas industry in Western Canada. Lower commodity prices may also affect the volume and value of the Corporation's reserves, rendering certain reserves uneconomic. In addition, lower commodity prices have restricted, and may continue to restrict, the Corporation's cash flow resulting in a reduced capital expenditure budget. Consequently, the Corporation may not be able to replace its production with additional reserves and both the Corporation's production and reserves could be reduced on a year over year basis.

Legal Proceedings

In the normal course of the Corporation's operations, it may become involved in, named as a party to, or be the subject of, various legal proceedings, including regulatory proceedings, tax proceedings and legal actions, related to personal injuries, property damage, property tax, land rights, the environment and contract disputes. The outcome of outstanding, pending or future proceedings cannot be predicted with certainty and may be determined adversely to the Corporation and as a result, could have a material adverse effect on the Corporation's assets, liabilities, business, financial condition and results of operations.

The Corporation is named as a defendant in the Action. See "*Legal Proceedings and Regulatory Actions*". While management of the Corporation does not believe that this action will have a material effect on the business or financial condition of the Corporation, no assurance can be given as to the final outcome of this or any other legal proceedings or that the ultimate resolution of this or any other legal proceedings will not have a material adverse effect on the Corporation.

In the event that the Action would be determined in a manner adverse to the Corporation, it could have a material adverse effect on the Corporation’s business, financial condition and results of operations. Although the Corporation is of the view that an injunction is unlikely to be granted to prohibit the acquisition of the assets described in the Action, no assurance can be given to that effect.

Political Uncertainty

In the last several years, the United States and certain European countries have experienced significant political events that have cast uncertainty on global financial and economic markets. During the recent presidential campaign a number of election promises were made and the new American administration has begun taking steps to implement certain of these promises. Included in the actions that the administration has discussed are the renegotiation of the terms of the NAFTA, withdrawal of the United States from the TPP, imposition of a tax on the importation of goods into the United States, reduction of regulation and taxation in the United States, and introduction of laws to reduce immigration and restrict access into the United States for citizens of certain countries. It is presently unclear exactly what actions the new administration in the United States will implement, and if implemented, how these actions may impact Canada and in particular the oil and gas industry. Any actions taken by the new United States administration may have a negative impact on the Canadian economy and on the businesses, financial conditions, results of operations and the valuation of Canadian oil and gas companies, including Razor.

In addition to the political disruption in the United States, the citizens of the United Kingdom recently voted to withdraw from the European Union and the Government of the United Kingdom has begun taking steps to implement such withdrawal. Some European countries have also experienced the rise of anti-establishment political parties and public protests held against open-door immigration policies, trade and globalization. To the extent that certain political actions taken in North America, Europe and elsewhere in the world result in a marked decrease in free trade, access to personnel and freedom of movement, it could have an adverse effect on Razor's ability to market products internationally, increase costs for goods and services required for operations, reduce access to skilled labour and negatively impact business, operations, financial conditions and the market value of the Common Shares.

Fiscal and Royalty Regimes

In addition to federal regulation, each province has legislation and regulations which govern land tenure, drilling and construction permits, royalties, production rates, environmental protection and other matters. The royalty regime is a significant factor in the profitability of oil and natural gas production. Royalties payable on production from lands other than Crown lands are determined by negotiations between the mineral owner and the lessee. Crown royalties are determined by governmental regulation and are generally calculated as a percentage of the value of the gross production, and the rate of royalties payable generally depends in part on well productivity, geographical location, field discovery data and the type or quality of the petroleum product produced. See "*Industry Conditions*".

The royalty regime in Alberta, and any other jurisdictions in which the Corporation's oil and natural gas assets are located, may be subject to further review and changes which could adversely impact the Corporation's financial condition and operations. An increase in royalties would reduce the Corporation's earnings and could make future capital investments, or the Corporation's operations, less economic.

Regulatory

Oil and natural gas operations (exploration, production, pricing, marketing and transportation) are subject to extensive controls and regulations imposed by various levels of government that may be amended from time to time.

Insurance

Razor's involvement in the exploration for and development of oil and gas properties may result in Razor becoming subject to liability for pollution, blow-outs, property damage, personal injury or other hazards. Although Razor will obtain insurance in accordance with industry standards to address such risks, such insurance has limitations on liability that may not be sufficient to cover the full extent of such liabilities. In addition, such risks may not, in all circumstances be insurable or, in certain circumstances, Razor may elect not to obtain insurance to deal with specific risks due to the high premiums associated with such insurance or for other reasons. The payment of such uninsured liabilities would reduce the funds available to Razor. The occurrence of a significant event that Razor is not fully insured against, or the insolvency of the insurer of such event, could have a material adverse effect on Razor's financial position, results of operations or prospects.

Project Risks

The Corporation will manage and participate in a variety of small and large projects in the conduct of its business. Project delays may delay expected revenues from operations. Project cost estimates may not be accurate due to a lack of history of comparable projects. Furthermore, significant project cost over-runs could make a project uneconomic.

The Corporation's ability to execute projects and market oil and natural gas will depend upon numerous factors beyond the Corporation's control, including: the availability of processing capacity; the availability and proximity of pipeline capacity; the availability of storage capacity; the supply of and demand for oil and natural gas; the availability of alternative fuel sources; the effects of inclement weather; the availability of drilling and related equipment; unexpected cost increases; accidental events; currency fluctuations; changes in regulations; the availability and productivity of skilled labour; and the regulation of the oil and natural gas industry by various levels of government and governmental agencies.

Because of these factors, the Corporation could be unable to execute projects on time, on budget or at all, and may not be able to effectively market the oil and natural gas that it produces.

Substantial Capital Requirements and Liquidity

Razor anticipates that it will make substantial capital expenditures for the acquisition, exploration, development and production of oil and natural gas reserves in the future. If Razor's future revenues or reserves decline, Razor may have limited ability to expend the capital necessary to undertake or complete future drilling programs. There can be no assurance that debt or equity financing, or cash flow from operations will be available or sufficient to meet these requirements or for other corporate purposes or, if debt or equity financing is available, that it will be on terms acceptable to Razor. Moreover, future activities may require Razor to alter its capitalization significantly. The inability of Razor to access sufficient capital for its operations could have material adverse effect on Razor's financial condition, results of operations or prospects.

Competition

Razor will actively compete for acquisitions, exploration leases, licences and concessions and skilled industry personnel with a substantial number of other oil and gas companies, many of which have significantly greater financial resources than Razor. Razor's competitors will include major integrated oil and natural gas companies and numerous other independent oil and natural gas companies and individual producers and operators.

The oil and gas industry is highly competitive. Razor's competitors for the acquisition, exploration, production and development of oil and natural gas properties, and for capital to finance such activities include companies that have greater financial and personnel resources available to them than Razor.

Razor's ability to successfully bid on and acquire additional property rights, to discover reserves, to participate in drilling opportunities and to identify and enter into commercial arrangements with customers will be dependent upon developing and maintaining close working relationships with its future industry partners and joint operators and its ability to select and evaluate suitable properties and to consummate transactions in a highly competitive environment.

Cost of New Technologies

The oil industry is characterized by rapid and significant technological advancements and introductions of new products and services utilizing new technologies. Other oil companies may have greater financial, technical and personnel resources that allow them to enjoy technological advantages and may in the future allow them to implement new technologies before the Corporation. There can be no assurance that the Corporation will be able to respond to such competitive pressures and implement such technologies on a timely basis or at an acceptable cost. One or more of the technologies currently utilized by the Corporation or implemented in the future may become obsolete. In such case, the Corporation's business, financial condition and results of operations could be materially adversely affected. If the Corporation is unable to utilize the most advanced commercially available technology, its business, financial condition and results of operations could be materially adversely affected.

Title to Assets

Although title reviews may be conducted prior to the purchase of oil and natural gas producing properties or the commencement of drilling wells, such reviews do not guarantee or certify that an unforeseen defect in the chain of title will not arise. The Corporation's actual interest in properties may vary from its records. If a title defect does exist, it is possible that the Corporation may lose all or a portion of the properties to which the title defect relates, which may have a material adverse effect on the Corporation's business, financial condition, results of operations and prospects. There may be valid challenges to title, or proposed legislative changes which affect title, to the oil and natural gas properties the Corporation controls that, if successful or made into law, could impair the Corporation's activities on them and result in a reduction of the revenue received by the Corporation.

Environmental Risks

All phases of the oil and natural gas business present environmental risks and hazards and are subject to environmental regulation pursuant to a variety of international conventions and federal, provincial and municipal laws and regulations. Environmental legislation provides for, among other things, restrictions and prohibitions on spills, releases or emissions of various substances produced in association with oil and gas operations. The legislation also requires that wells and facility sites be operated, maintained, abandoned and reclaimed to the satisfaction of applicable regulatory authorities. Compliance with such legislation can require significant expenditures and a breach may result in the imposition of fines and penalties, some of which may be material. Environmental legislation is evolving in a manner expected to result in stricter standards and enforcement, larger fines and liability and potentially increased capital expenditures and operating costs. The discharge of oil, natural gas or other pollutants into the air, soil or water may give rise to liabilities to governments and third parties and may require the Corporation to incur costs to remedy such discharge. No assurance can be given that the application of environmental laws to the business and operations of the Corporation will not result in a curtailment of production or a material increase in the costs of production, development or exploration activities or otherwise adversely affect the Corporation's financial condition, results of operations or prospects.

Reserve and Resource Estimates

There are numerous uncertainties inherent in estimating quantities of oil, natural gas and natural gas liquids resources, reserves and cash flows to be derived therefrom, including many factors beyond the Corporation's control. In estimating reserves, the chance of commerciality is effectively 100%. For prospective resources, the chance of commerciality will be the product of the chance that a project will result in a discovery of petroleum or natural gas and the chance that an accumulation will be commercially developed. There is no certainty that any portion of the prospective resources will be discovered. If discovered, there is no certainty that it will be commercially viable to produce any portion of the resources.

The reserve and associated cash flow information and estimates represent estimates only. In general, estimates of economically recoverable oil and natural gas reserves and the future net cash flows therefrom are based upon a number of variable factors and assumptions, such as historical production from the properties, production rates, ultimate reserve recovery, timing and amount of capital expenditures, marketability of oil and gas, royalty rates, the assumed effects of regulation by governmental agencies and future operating costs, all of which may vary from actual results. For those reasons, estimates of the economically recoverable oil and natural gas reserves attributable to any particular group of properties, classification of such reserves based on risk of recovery and estimates of future net revenues expected therefrom prepared by different engineers, or by the same engineers at different times, may vary. The Corporation's actual production, revenues, taxes and development and operating expenditures with respect to its reserves will vary from estimates thereof and such variations could be material. Further, the evaluations are based in part on the assumed success of exploitation activities intended to be undertaken in future years. The reserves and estimated cash flows to be derived therefrom contained in such evaluations will be reduced to the extent that such exploitation activities do not achieve the level of success assumed in the evaluation.

Estimates of proved reserves that may be developed and produced in the future are often based upon volumetric calculations and upon analogy to similar types of reserves rather than actual production history. Estimates based on these methods are generally less reliable than those based on actual production history. Subsequent evaluation of the same reserves based upon production history and production practices will result in variations in the estimated reserves and such variations could be material.

Actual future net revenue from the Corporation’s assets will be affected by other factors such as actual production levels, supply and demand for oil and natural gas, curtailments or increases in consumption by oil and natural gas purchasers, changes in governmental regulation or taxation and the impact of inflation on costs. Actual production and revenues derived therefrom will vary from the estimates, and such variations could be material.

There are numerous uncertainties inherent in estimating quantities of resources, including many factors beyond the Corporation’s control, and no assurance can be given that the indicated level of resources will be realized. In general, estimates of recoverable resources are based upon a number of factors and assumptions made as of the date on which the resource estimates were determined, such as geological and engineering estimates which have inherent uncertainties, the assumed effects of regulation by governmental agencies and estimates of future commodity prices and operating costs, all of which may vary considerably from actual results. All such estimates are, to some degree, uncertain and classifications of resources are only attempts to define the degree of uncertainty involved. For these reasons, estimates of the economically recoverable natural gas and the classification of such resources based on risk of recovery prepared by different engineers or by the same engineers at different times may vary substantially.

Geological risking of prospective resources addresses the probability of success for the discovery of petroleum; this risk analysis is conducted independently of probabilistic estimates of petroleum volumes and without regard to the chance of development. Principal risk elements of the petroleum system include: (i) trap and seal characteristics; (ii) reservoir presence and quality; (iii) source rock capacity, quality and maturity; and (iv) timing, migration and preservation of petroleum in relation to trap and seal formation. Geological risk assessment is a highly subjective process dependent upon the experience and judgment of the evaluators.

Estimates with respect to resources that may be developed and produced in the future are often based upon volumetric calculations and upon analogy to similar types of resources, rather than upon actual production history. Estimates based on these methods are generally less reliable than those based on actual production history. Subsequent evaluation of the same resources based upon production history will result in variations, which may be material, in the estimated resources.

Prospective resources are those undiscovered, highly speculative resources estimated beyond reserves or contingent resources where geological and geophysical data suggest the potential for discovery of petroleum but where the level of proof is insufficient for classification as reserves or contingent resources.

Resources estimates may require revision based on actual production experience. Market price fluctuations of natural gas prices may render uneconomic the recovery of the resources.

Liability Management

Alberta has developed liability management programs designed to prevent taxpayers from incurring costs associated with suspension, abandonment, remediation and reclamation of wells, facilities and pipelines in the event that a licensee or permit holder becomes defunct. These programs generally involve an assessment of the ratio of a licensee's deemed assets to deemed liabilities. If a licensee's deemed liabilities exceed its deemed assets, a security deposit is required. Changes of the ratio of the Corporation’s deemed assets to deemed liabilities or changes to the requirements of liability management programs may result in significant increases to the security that the Corporation must post. See “*Industry Conditions*”.

Climate Change

Razor’s exploration and production facilities and other operations and activities emit GHGs and which may require Razor to comply with GHG emissions legislation at the provincial or federal level. Climate change policy is evolving at regional, national and international levels, and political and economic events may significantly affect the scope and timing of climate change measures that are ultimately put in place. Given the evolving nature of the debate related to climate change and the control of GHGs and resulting requirements, it is not possible to predict the impact on Razor and its operations and financial condition. See "*Industry Conditions*".

Reserve Replacement

Razor's future oil and natural gas reserves, production, and cash flows to be derived therefrom are highly dependent on Razor successfully acquiring or discovering new reserves. Without the continual addition of new reserves, any existing reserves Razor may have at any particular time and the production therefrom will decline over time as such existing reserves are exploited. A future increase in Razor's reserves will depend not only on Razor's ability to develop any properties it may have from time to time, but also on its ability to select and acquire suitable producing properties or prospects. There can be no assurance that Razor's future exploration and development efforts will result in the discovery and development of additional commercial accumulations of oil and natural gas.

Failure to Realize Anticipated Benefits of Acquisitions and Dispositions

The Corporation makes acquisitions and dispositions of businesses and assets that occur in the ordinary course of business. Achieving the benefits of acquisitions depends in part on successfully consolidating functions and integrating operations and procedures in a timely and efficient manner, as well as realizing the anticipated growth opportunities and synergies from combining the acquired businesses and operations with those of the Corporation. The integration of acquired businesses may require substantial management effort, time and resources and may divert management's focus from other strategic opportunities and operational matters. Management continually assesses the value and contribution of individual properties and other assets. In this regard, non-core assets are periodically disposed of, so that the Corporation can focus its efforts and resources more efficiently. Depending on the state of the market for such non-core assets, certain non-core assets of the Corporation, if disposed of, could realize less than their carrying amount on the financial statements of the Corporation.

Finding, Developing and Acquiring Petroleum and Natural Gas Reserves on an Economic Basis

Petroleum and natural gas reserves naturally deplete as they are produced over time. The success of the Corporation's business is highly dependent on its ability to acquire and/or discover new reserves in a cost efficient manner. Substantially all of the Corporation's cash flow is derived from the sale of the petroleum and natural gas reserves it accumulates and develops. In order to remain financially viable, the Corporation must be able to replace reserves over time at a lesser cost on a per unit basis than its cash flow on a per unit basis. The reserves and costs used in this determination are estimated each year based on numerous assumptions and these estimates and costs may vary materially from the actual reserves produced or from the costs required to produce those reserves. The Corporation mitigates this risk by employing a qualified and experienced team of petroleum and natural gas professionals, operating in geological areas in which prospects are well understood by management and by closely monitoring the capital expenditures made for the purposes of increasing its petroleum and natural gas reserves.

Operational Dependence

Other companies operate some of the assets in which Razor has an interest. As a result, Razor will have limited ability to exercise influence over the operation of those assets or their associated costs, which could adversely affect Razor's financial performance. Razor's return on assets operated by others will therefore depend upon a number of factors that may be outside of Razor's control, including the timing and amount of capital expenditures, the operator's expertise and financial resources, the approval of other participants, the selection of technology and risk management practices.

Reliance on Key Personnel

Razor's success depends in large measure on certain key personnel. The loss of the services of such key personnel may have a material adverse effect on Razor's business, financial condition, results of operations and prospects. Razor does not have any key person insurance in effect. The contributions of the existing management team to Razor's immediate and near term operations are likely to be of central importance. In addition, the competition for qualified personnel in the oil and natural gas industry is intense and there can be no assurance that Razor will be able to continue to attract and retain all personnel necessary for the development and operation of our business. Investors must rely upon the ability, expertise, judgment, discretion, integrity and good faith of Razor's management.

Management of Growth

The Corporation may be subject to growth-related risks including capacity constraints and pressure on its internal systems and controls. The ability of the Corporation to manage growth effectively will require it to continue to implement and improve its operational and financial systems and to expand, train and manage its employee base. The inability of the Corporation to deal with this growth could have a material adverse impact on its business, operations and prospects.

Expiration of Licences and Leases

The Corporation's properties are held in the form of licences and leases and working interests in licences and leases. If the Corporation or the holder of the licence or lease fails to meet the specific requirement of a licence or lease, the licence or lease may terminate or expire. There can be no assurance that any of the obligations required to maintain each licence or lease will be met. The termination or expiration of the Corporation's licences or leases or the working interests relating to a licence or lease may have a material adverse effect on the Corporation's results of operations and business.

Permits and Licences

The operations of Razor may require licences and permits from various governmental authorities. There can be no assurance that Razor will be able to obtain all necessary licences and permits that may be required to carry out exploration and development at its properties.

Additional Funding Requirements

Razor's cash flow from its reserves may not be sufficient to fund its ongoing activities at all times. From time to time, Razor may require additional financing in order to carry out its oil and gas acquisition, exploration and development activities. Failure to obtain such financing on a timely basis could cause Razor to forfeit its interest in certain properties, miss certain acquisition opportunities and reduce or terminate its operations. If Razor's revenues from its reserves decrease as a result of lower oil and natural gas prices or otherwise, it will affect Razor's ability to expend the necessary capital to replace its reserves or to maintain its production. If Razor's cash flow from operations and current cash balance is not sufficient to satisfy its capital expenditure requirements, there can be no assurance that additional debt or equity financing will be available to meet these requirements or available on favorable terms.

Variations in Foreign Exchange Rates and Interest Rates

World oil and gas prices are quoted in United States dollars and the price received by Canadian producers is therefore affected by the Canadian/United States dollar exchange rate, which will fluctuate over time. Future Canadian/United States exchange rates could accordingly impact the future value of Razor's reserves as determined by independent evaluators. Furthermore, an increase in interest rates could result in a significant increase in the amount the Corporation pays to service debt.

Issuance of Debt

From time to time, Razor may enter into transactions to acquire assets or the shares of other corporations. These transactions may be financed partially or wholly with debt, which may increase Razor's debt levels above industry standards. Neither Razor's articles of incorporation nor its by-laws limit the amount of indebtedness that Razor may incur. The level of Razor's indebtedness from time to time could impair Razor's ability to obtain additional financing in the future on a timely basis to take advantage of business opportunities that may arise. Razor's ability to meet its debt service obligations will depend on Razor's future operations which are subject to prevailing industry conditions and other factors, many of which are beyond the control of Razor. As certain of the indebtedness of Razor would bear interest at rates which fluctuate with prevailing interest rates, increases in such rates would increase Razor's interest payment obligations and could have a material adverse effect on Razor's financial condition and results of operations. Further, Razor's indebtedness would be secured by substantially all of Razor's assets. In the event of a violation by Razor of any of its loan covenants or any other default by Razor on its obligations relating to its indebtedness, the lender could declare such indebtedness to be immediately due and payable and, in certain cases, foreclose on Razor's assets. In addition, oil and gas operations are subject to the risks of exploration, development and production of oil and natural gas properties, including encountering unexpected formations or pressures, premature declines of reservoirs, blow-outs, cratering, sour gas releases, fires and spills. Losses resulting from the occurrence of any of these risks could have a materially adverse effect on future results of operations, liquidity and financial condition.

Hedging

From time to time, the Corporation may enter into agreements to receive fixed prices on its oil and natural gas production to offset the risk of revenue losses if commodity prices decline; however, if commodity prices increase beyond the levels set in such agreements, the Corporation will not benefit from such increases. Similarly, from time to time the Corporation may enter into agreements to fix the exchange rate of Canadian to United States dollars in order to offset the risk of revenue losses if the Canadian dollar increases in value compared to the United States dollar; however, if the Canadian dollar declines in value compared to the United States dollar, the Corporation will not benefit from its fluctuating exchange rate.

Availability of Drilling Equipment and Access Restrictions

Oil and natural gas exploration and development activities are dependent on the availability of drilling and related equipment in the particular areas where such activities will be conducted. Demand for such limited equipment or access restrictions may affect the availability of such equipment to Razor and may delay exploration and development activities.

Information Technology Systems and Cyber-Security

Razor has become increasingly dependent upon the availability, capacity, reliability and security of its information technology infrastructure and its ability to expand and continually update this infrastructure, to conduct daily operations. Razor depends on various information technology systems to estimate reserve quantities, process and record financial data, manage the land base, analyze seismic information, administer contracts with operators and lessees and communicate with employees and third-party partners.

Further, Razor is subject to a variety of information technology and system risks as a part of its normal course operations, including potential breakdown, invasion, virus, cyber-attack, cyber-fraud, security breach, and destruction or interruption of its information technology systems by third parties or insiders. Unauthorized access to these systems by employees or third parties could lead to corruption or exposure of confidential, fiduciary or proprietary information, interruption to communications or operations or disruption to Razor's business activities or competitive position. Further, disruption of critical information technology services, or breaches of information security, could have a negative effect on Razor's performance and earnings, as well as on Razor's reputation. Razor has technical and process controls in line with industry-accepted standards to protect its information assets and systems; however, these controls may not adequately prevent cyber-security breaches. The significance of any such event is difficult to quantify, but may in certain circumstances be material and could have a material adverse effect on Razor's business, financial condition and results of operations.

Aboriginal Claims

Aboriginal peoples have claimed aboriginal title and rights to portions of Western Canada. The Corporation is not aware that any claims have been made in respect of its properties and assets; however, if a claim arose and was successful such claim may have a material adverse effect on the Corporation's business, financial condition, results of operations and prospects.

Breach of Confidentiality

While discussing potential business relationships or other transactions with third parties, the Corporation may disclose confidential information relating to the business, operations or affairs of this Corporation. Although confidentiality agreements are signed by third parties prior to the disclosure of any confidential information, a breach could put the Corporation at competitive risk and may cause significant damage to its business. The harm to the Corporation's business from a breach of confidentiality cannot presently be quantified, but may be material and may not be compensable in damages. There is no assurance that, in the event of a breach of confidentiality, the Corporation will be able to obtain equitable remedies, such as injunctive relief, from a court of competent jurisdiction in a timely manner, if at all, in order to prevent or mitigate any damage to its business that such a breach of confidentiality may cause.

Conflicts of Interest

Directors and officers of Razor may also be directors and officers of other oil and gas companies involved in oil and gas exploration and development, and conflicts of interest may arise between their duties as officers and directors of Razor and as officers and directors of such other companies. Such conflicts must be disclosed in accordance with, and are subject to such other procedures and remedies as apply under the ABCA.

Dilution

Razor may make future acquisitions or enter into financings or other transactions involving the issuance of its securities which may be dilutive.

Seasonality

The level of activity in the Canadian oil and gas industry is influenced by seasonal weather patterns. Wet weather and spring thaw may make the ground unstable. Consequently, municipalities and provincial transportation departments enforce road bans that restrict the movement of rigs and other heavy equipment, thereby reducing activity levels. Also, certain oil and gas producing areas are located in areas that are inaccessible other than during the winter months because the ground surrounding the sites in these areas consists of swampy terrain. There can be no assurance that these seasonal factors will not adversely affect the timing and scope of the Corporation's exploration and development activities, which could in turn have a material adverse impact on the Corporation's business, operations and prospects.

Third Party Credit Risk

The Corporation is, or may be, exposed to third party credit risk through its contractual arrangements with its current or future joint venture partners, marketers of its petroleum and natural gas production and other parties. In the event such entities fail to meet their contractual obligations to the Corporation, such failures could have a material adverse effect on the Corporation and its cash flow from operations. In addition, poor credit conditions in the industry and of joint venture partners may impact a joint venture partner's willingness to participate in the Corporation's ongoing capital program, potentially delaying the program and the results of such program until the Corporation finds a suitable alternative partner.

Alternatives to and Changing Demand for Petroleum Products

Fuel conservation measures, alternative fuel requirements, increasing consumer demand for alternatives to oil and natural gas, and technological advances in fuel economy and energy generation devices could reduce the demand for crude oil and other liquid hydrocarbons. The Corporation cannot predict the impact of changing demand for oil and natural gas products, and any major changes may have a material adverse effect on the Corporation's business, financial condition, results of operations and cash flows.

Expansion into New Activities

The operations and expertise of the Corporation's management are currently focused primarily on oil and gas production, exploration and development in Western Canada. In the future, the Corporation may acquire or move into new industry related activities or new geographical areas, may acquire different energy related assets, and as a result may face unexpected risks or alternatively, significantly increase the Corporation's exposure to one or more existing risk factors, which may in turn result in the Corporation's future operational and financial conditions being adversely affected.

Forward-Looking Information May Prove to be Inaccurate

Investors are cautioned not to place undue reliance on forward-looking information. By its nature, forward-looking information involves numerous assumptions, known and unknown risks and uncertainties, of both a general and specific nature, that could cause actual results to differ materially from those suggested by the forward-looking information or contribute to the possibility that predictions, forecasts or projections will prove to be materially inaccurate.

Additional information on the risks, assumptions and uncertainties are found in this AIF under the heading "*Forward-Looking Statements*" above.

DIVIDENDS

The Corporation has not declared or paid any dividends since incorporation. Any decision to pay dividends on the Common Shares will be made by the Board of Directors on the basis of the Corporation's earnings, financial requirements and other conditions existing at the relevant time.

DESCRIPTION OF SHARE CAPITAL

The Corporation is authorized to issue an unlimited number of Common Shares.

As of December 31, 2016, an aggregate of 3,736,221 pre-Consolidation Common Shares (186,811 Common Shares on a post-Consolidation basis) were issued and outstanding.

As at the date hereof, there are 10,187,224 Common Shares issued and outstanding. See "*General Development of the Business – Three-Year History*" and "*General Development of the Business – Recent Developments*" above. There are currently no stock options issued or outstanding.

The holders of Common Shares are entitled to notice of and to vote at all meetings of shareholders and are entitled to one vote per Common Share. Holders of Common Shares are entitled to receive, if, as and when declared by the Board of Directors, such dividends as may be declared thereon by the Board of Directors from time to time, subject to the rights of holders of any other class of shares of the Corporation entitled to receive dividends in priority to or concurrently with the holders of the Common Shares. In the event of the liquidation, dissolution or winding-up of the Corporation, or any other distribution of assets among its shareholders for the purpose of winding-up its affairs, holders of Common Shares, are entitled to share pro rata in the distribution of the shares.

MARKET FOR SECURITIES AND TRADING HISTORY

The Vector Shares were listed and posted for trading on the facilities of the NEX under the symbol "VCR.P" from November 14, 2011 until trading was halted on September 15, 2015 pending completion of a qualifying transaction. Following completion of the Arrangement, the Common Shares were listed and posted for trading on the facilities of the TSXV under the symbol "RZE" on February 13, 2017.

PRIOR SALES

No securities of the Corporation that are outstanding but not listed or quoted on a marketplace were issued during the most recently completed financial year of the Corporation.

ESCROWED SECURITIES

To the best of the Corporation's knowledge, the following securities of the Corporation are currently held in escrow:

Designation of Class	Number of Securities held in Escrow	Percentage of Class
Common Shares	28,125(1)	0.28%
Common Shares	8,078,693(2)	79.30%

Notes:

(1) In connection with Common Shares issued while the Corporation was a capital pool company, certain Common Shares were placed in escrow pursuant to Section 11.1 of TSXV Policy 2.4. Such Common Shares are currently subject to escrow pursuant to the release schedule applicable under a Tier 2 Value Security Escrow Agreement (as defined in the policies of the TSXV). It is anticipated that, upon completion of the Offering and the Acquisition, such Common Shares will become subject to escrow pursuant to the release schedule applicable under a Tier 1 Value Security Escrow Agreement (as defined in the policies of the TSXV).

(2) In connection with the completion of the Arrangement, the Common Shares received by the former shareholders of Razor PrivateCo were placed in escrow pursuant to the policies of the TSX Venture Exchange. Such Common Shares are currently subject to escrow pursuant to the release schedule applicable under a Tier 2 Value Security Escrow Agreement. It is anticipated that, upon completion of the Offering and the Acquisition, such Common Shares will become subject to escrow pursuant to the release schedule applicable under a Tier 1 Value Security Escrow Agreement.

DIRECTORS AND OFFICERS

Directors and Officers

The following table sets forth the names and municipalities of residence of the directors and executive officers of the Corporation as at the date hereof, their respective positions and offices with the Corporation and date first elected as a director and their principal occupation(s) within the past five years.

Name and Municipality of Residence	Position Presently Held	Director Since	Principal Occupation for Previous Five Years
Doug Bailey *Calgary, Alberta, Canada*	President, Chief Executive Officer and Director	February 3, 2017	President and Chief Executive Officer of the Corporation since February 2017. Prior thereto, Mr. Bailey was President and Chief Executive Officer of Razor PrivateCo from November 2016 to January 2017, President and Chief Executive Officer of Striker Exploration Corp. ("**Striker**") from June 2014 to July 2016, and the Chief Financial Officer of Hyperion Exploration Corp. from July 2010 to December 2013.
Frank Muller *Calgary, Alberta, Canada*	Senior Vice President, Chief Operating Officer and Director	February 3, 2017	Executive Vice President and Chief Operating Officer of the Corporation since February 2017. Prior thereto, Mr. Muller was Vice President and Chief Operating Officer of Razor PrivateCo from November 2016 to January 2017 and Vice President, Exploration and Chief Operating Officer of Striker from June 2014 to June 2016. Mr. Muller was a geological consultant for various oil and gas companies from November 2012 to April 2014. Prior thereto, Mr. Muller was a co-founder and Senior Vice President of WestFire Energy Ltd. from 2007 to 2012.
Kevin Braun *Calgary, Alberta, Canada*	Chief Financial Officer	-	Chief Financial Officer of the Corporation since February 2017. Prior thereto, Mr. Braun was Chief Financial Officer of Razor PrivateCo in January 2017, the Controller of Brion Energy Corporation from June 2016 to January 2017 and the Controller of Athabasca Oil Corporation from October 2009 to March 2016.
David Derkat *Calgary, Alberta, Canada*	Vice President, Engineering	-	Vice President, Engineering of the Corporation since February 2017. Prior thereto, Mr. Derkat was Vice President, Engineering of Razor PrivateCo from November 2016 to January 2017, President and Chief Executive Officer of Mechanized Energy Resources Ltd. from April 2015 to August 2016. Mr. Derkat worked at various E&P and Engineering services companies from 2012 to 2014 and was a Senior Engineer and partner at GLJ Petroleum Consultants Ltd. from June 2001 to December 2011.
Devin Sundstrom *Calgary, Alberta, Canada*	Vice President, Production	-	Vice President, Production of the Corporation since February 2017. Prior thereto, Mr. Sundstrom was Vice President, Production of Razor PrivateCo in January 2017, Vice President, Production at Long Run Exploration Ltd. from October 2012 to November 2016 and Vice President, Production at Guide Exploration Ltd. from November 2011 to October 2012.

Name and Municipality of Residence	Position Presently Held	Director Since	Principal Occupation for Previous Five Years
Stephen Sych *Calgary, Alberta, Canada*	Vice President, Operations	-	Vice President, Operations of the Corporation since February 2017. Prior thereto, Mr. Sych was Vice President, Operations of Razor PrivateCo from December 2016 to January 2017 and Production Manager of Arsenal Energy Inc. from June 2010 to December 2016.
Vick Saxon(2)(3)(4) *Calgary, Alberta, Canada*	Director	February 3, 2017	Director of VZFOX Canada Ltd. primarily in the field of Subsurface Engineering & Regulatory consulting since December 2010.
Sonny Mottahed(1)(2)(3) *Calgary, Alberta, Canada*	Director	February 3, 2017	Chief Executive Officer and Managing Partner of Black Spruce Merchant Capital since April 2012. Prior thereto, Mr. Mottahed was the Managing Director, Investment Banking & Head of International Oil & Gas at Raymond James Ltd. from May 2008 to March 2012.
Stan Smith(1)(3)(4) *Calgary, Alberta, Canada*	Director	February 3, 2017	Independent businessman since September 2016. Prior thereto, Mr. Smith was an Audit Partner with KPMG from 1984 to 2016.
Sanjib Gill(1)(2)(4) *Calgary, Alberta, Canada*	Director	February 3, 2017	Since January 2008, Mr. Gill has been a partner at the law firm of McCarthy Tétrault LLP, practicing law primarily in the areas of corporate finance, mergers and acquisitions.

Notes:

(1) Member of the Audit Committee.
(2) Member of the Compensation Committee.
(3) Member of the Reserves and Environment Committee.
(4) Member of the Corporate Governance Committee.

As at the date hereof, the directors and officers of the Corporation, and their associates and affiliates, as a group, whether beneficial, direct or indirect, own 4,335,525 Common Shares, representing approximately 43% of the currently outstanding Common Shares.

The directors listed above will hold office until the next annual meeting of the Corporation or until their successors are elected or appointed.

Cease Trade Orders and Bankruptcies

No director or executive officer of the Corporation is, or within ten years prior to the date of this AIF has been, a director, a chief executive officer or a chief financial officer of any company (including the Corporation), that:

a) was subject to: (i) a cease trade order; (ii) an order similar to a cease trade order; or (iii) an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days (collectively, an "**Order**"), that was issued while the director or executive officer was acting in the capacity as director, chief executive officer or chief financial officer; or

b) was subject to an Order that was issued after the director or executive officer ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer.

Except as set forth below, no director, executive officer or, to the best of the Corporation's knowledge, any shareholder holding a sufficient number of securities of the Corporation to affect materially control of the Corporation, is, or within ten years prior to the date of this AIF has been, a director or executive officer of any company (including the Corporation) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.

Sanjib Gill was the Corporate Secretary of Action Energy Inc., a corporation engaged in the exploration, development and production of oil and gas in Western Canada. Action Energy Inc. was placed into receivership on October 28, 2009 by its major creditor and Mr. Gill resigned as the Corporate Secretary immediately thereafter.

Personal Bankruptcies

No director or executive officer of the Corporation or a shareholder holding a sufficient number of securities of the Corporation to affect materially the control of the Corporation, has, within the past ten years prior to the date of this AIF, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or was subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of such person.

Penalties and Sanctions

No director or executive officer of the Corporation of the Corporation, or a shareholder holding a sufficient number of securities of the Corporation to affect materially the control of the Corporation, has been subject to: (i) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or (ii) any other penalties or sanctions imposed by a court or regulatory body that would be likely to be considered important to a reasonable investor in making an investment decision.

Conflicts of Interest

Certain of the directors and officers of the Corporation are also directors, officers and/or promoters of other reporting and non-reporting issuers, which may give rise to conflicts of interest. In accordance with corporate laws, directors who have an interest in a contract or a proposed contract with the Corporation are required, subject to certain exceptions, to disclose that interest and generally abstain from voting on any resolution to approve the contract. In addition, the directors are required to act honestly and in good faith with a view to the best interests of the Corporation. Some of the directors of the Corporation have other employment or other business or time restrictions placed on them and accordingly, these directors of the Corporation will only be able to devote part of their time to the affairs of the Corporation. In particular, certain of the directors and officers are involved in managerial and/or director positions with other oil and gas companies whose operations may, from time to time, provide financing to, or make equity investments in, competitors of the Corporation. Conflicts, if any, will be subject to the procedures and remedies available under the ABCA. The ABCA provides that in the event that a director has an interest in a contract or proposed contract or agreement, the director shall disclose his interest in such contract or agreement and shall refrain from voting on any matter in respect of such contract or agreement unless otherwise provided by the ABCA. As of the date hereof, the Corporation is not aware of any existing or potential material conflicts of interest between the Corporation and any director or officer of the Corporation.

Sanjib Gill, a director of the Corporation, is a partner of the national law firm McCarthy Tétrault LLP, which law firm renders legal services to the Corporation. The Board of Directors does not believe that any of the activities undertaken by Mr. Gill or by McCarthy Tétrault LLP interfere, or could be perceived to interfere, in any material way, with his ability to act with a view to the best interests of Razor.

LEGAL PROCEEDINGS AND REGULATORY ACTIONS

On March 20, 2017, Malibu Energy Ltd., Topanga Resources Ltd. and North Shore Petroleum Ltd. (the "**Plaintiffs**") filed a statement of claim commencing Action 1701-01476 (the "**Action**") in the Judicial Centre of Calgary of the Court of Queen's Bench of Alberta against the Corporation and its Chief Executive Officer (the "**Razor Defendants**") and others. As against the Razor Defendants, the Plaintiffs allege, in essence, that the Razor Defendants were provided with confidential information by certain other defendants about certain petroleum and natural gas assets that a vendor had agreed (subject to certain conditions) to sell to the Plaintiffs. The Plaintiffs claim, jointly and severally against all of the defendants, \$165,290,000 in damages, \$540,000 in punitive damages, an interlocutory and permanent injunction restraining Razor from acquiring the assets, interest and costs.

On March 28, 2017, the Razor Defendants filed a statement of defence in which they vigorously denied every allegation made against them. The Corporation is of the view that the claim is without merit, that the damages claimed by the Plaintiffs are excessive and grossly exaggerated and that an injunction is unlikely to be granted to prohibit the acquisition of the specified assets. Also see "*Risk Factors – Legal Proceedings*".

Other than as set forth above, there are no legal proceedings material to the Corporation to which the Corporation is a party or of which any of its property is the subject matter, and there are no such proceedings known to the Corporation to be contemplated.

There are no penalties or sanctions imposed against the Corporation by a court relating to securities legislation or by a securities regulatory authority during the most recently completed financial year, there are no other penalties or sanctions imposed by a court or regulatory body against the Corporation that would likely be considered important to a reasonable investor in making an investment decisions, and there are no settlement agreements the Corporation entered into before a court relating to securities legislation or with a securities regulatory authority during the most recently completed financial year.

INTERESTS OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

To the best of the Corporations' knowledge, except as disclosed herein regarding AIMCo's interest in the Term Loan Facility, there are no material interests, direct or indirect, of directors or executive officers of the Corporation, any shareholder who beneficially owns, or controls or directs, directly or indirectly, more than 10% of the outstanding Common Shares, or any known associate or affiliate of such persons, in any transaction within the three most recently completed financial years of the Corporation or during the current financial year which has materially affected, or is reasonably expected to materially affect, the Corporation.

TRANSFER AGENT AND REGISTRAR

The Corporation's transfer agent and registrar is Alliance Trust Company at its principal office in Calgary, Alberta.

MATERIAL CONTRACTS

Except as disclosed herein and other than contracts entered into in the ordinary course of business, there have been no material contracts entered into by the Corporation within the most recently completed financial year, or before the most recently completed financial year that are still in effect.

PROMOTERS

Doug Bailey may be considered to be a promoter of the Corporation pursuant to applicable securities laws. As at the date hereof, Doug Bailey beneficially owns, directly or indirectly, 999,061 Common Shares representing approximately 9.8% of the outstanding Common Shares.

INTERESTS OF EXPERTS

There is no person or company whose profession or business gives authority to a statement made by such person or company and who is named as having prepared or certified a statement, report or valuation described or included in a filing, or referred to in a filing, made under NI 51-102 by the Corporation during, or related to, the year ended December 31, 2016 other than KPMG LLP, the Corporation's auditors, and MNP LLP, the former auditors of the Corporation.

KPMG LLP, the Corporation's auditors, are independent within the meaning of the relevant rules and related interpretations prescribed by the relevant professional bodies in Canada and any applicable legislation or regulation.

MNP LLP, the auditors of the Corporation prior to the Arrangement, are independent within the meaning of the relevant rules and related interpretations prescribed by the relevant professional bodies in Canada and any applicable legislation or regulation.

In addition, none of the aforementioned persons or companies, nor any director, officer or employee of any of the aforementioned persons or companies, is or is expected to be elected, appointed or employed as a director, officer or employee of the Corporation or any associate or affiliate of the Corporation.

ADDITIONAL INFORMATION

Additional information relating to the Corporation can be found on SEDAR at www.sedar.com. Additional information, including directors' and officers' remuneration and indebtedness, principal holders of the Corporation's securities and securities authorized for issuance under equity compensation plans is contained in the Corporation's information circular for the Corporation's most recent shareholders meeting that involved the election of directors. Additional financial information is contained in the Corporation's consolidated financial statements and the related management's discussion and analysis for the year ended December 31, 2016.

Additional copies of this AIF and the materials listed in the preceding paragraph are available on the foregoing basis and upon request by contacting the Corporation at its offices at 1250, 645 – 7th Avenue S.W., Calgary, Alberta, T2P 4G8 or by phone at (403) 262-0242.