

PRE-ACQUISITION AGREEMENT

BETWEEN

RAZOR ENERGY CORP.

- AND -

LITTLE ROCK RESOURCES LTD.

August 20, 2019

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PRE-ACQUISITION AGREEMENT

THIS PRE-ACQUISITION AGREEMENT is dated as of the 20th day of August, 2019.

BETWEEN:

RAZOR ENERGY CORP., a corporation existing under the laws of the Province of Alberta ("**Razor**")

- and -

LITTLE ROCK RESOURCES LTD., a corporation existing under the laws of the Province of Alberta ("**Little Rock**")

WHEREAS Razor wishes to acquire all of the issued and outstanding Little Rock Shares (as defined herein) and, in that regard, wishes to make the Offer, as defined herein, to all of the Little Rock Shareholders (as defined herein);

NOW THEREFORE, in consideration of the covenants and agreements herein contained and other good and valuable consideration (the receipt and sufficiency of which are hereby acknowledged), the Parties do hereby covenant and agree as follows:

ARTICLE 1 INTERPRETATION

1.1 Definitions

In this Agreement, including the recitals hereto, unless there is something in the context or subject matter inconsistent therewith, the following defined terms have the meanings hereinafter set forth:

- (a) "**Acquisition Proposal**" means, other than the Offer and the transactions contemplated by this Agreement, any written or oral offer, proposal, inquiry or request for discussions or negotiations from any Person or group of Persons "acting jointly or in concert" (within the meaning of National Instrument 62-104, *Takeover Bids and Issuer Bids*) (other than Razor and its affiliates) which contemplates, relates to or could reasonably be expected to lead to (in either case in one transaction or a series of transactions):
 - (i) any direct or indirect acquisition or purchase (or any lease, long-term supply agreement or other arrangement having the same economic effect as a purchase) of: (A) assets of Little Rock representing 20% or more of the assets or contributing 20% or more of the revenue of Little Rock; or (B) 20% or more of the voting or equity securities of Little Rock (or rights or interests therein or thereto);
 - (ii) any direct or indirect take-over bid, issuer bid, exchange offer, treasury issuance or similar transaction that, if consummated, would result in a Person or joint actors beneficially owning 20% or more of any class of voting or equity securities or any other equity interests (including securities convertible into or exercisable or exchangeable for equity interests) of Little Rock;
 - (iii) a plan of arrangement, merger, amalgamation, consolidation, joint venture, partnership, share exchange, business combination, reorganization,

recapitalization, liquidation, dissolution or other similar transaction involving Little Rock;

- (iv) any other transaction or series of transactions, the consummation of which would or could reasonably be expected to materially impede, interfere with, prevent, impair or delay the transactions contemplated by this Agreement or the Offer or which would or could reasonably be expected to materially reduce the benefits to Razor under this Agreement or the Offer; or
- (v) any announcement or other disclosure of an intention to do any of the foregoing;
- (b) "**Agreement**", "**herein**", "**hereof**", "**hereto**", "**hereunder**" and similar expressions mean and refer to this Pre-Acquisition Agreement (including the schedules hereto) as supplemented, modified or amended, and not to any particular article, section, schedule or other portion hereof;
- (c) "**Anti-Corruption Laws**" has the meaning set forth in Section 4.2(ttt);
- (d) "**Applicable Laws**" in the context that refers to one or more persons, means any domestic or foreign, federal, state, provincial, municipal, regional or local law (statutory, common, or otherwise), constitution, treaty, convention, ordinance, code, rule, regulation, order, injunction, judgment, decree, ruling or other similar requirement enacted, adopted, promulgated, or applied by a Governmental Authority and any terms or conditions of any grant of approval, permission, authority or license of any Governmental Authority, that is binding upon or applicable to such person or persons or its business or their business, undertaking, property or securities and emanate from a person have jurisdiction over the person or persons or its or their business, undertaking, property or securities, including the TSXV;
- (e) "**Bid Documents**" has the meaning set forth in Section 2.1(a)(i);
- (f) "**Breaching Party**" has the meaning set forth in Section 5.4(b);
- (g) "**Business Day**" means any day, other than Saturday, Sunday or a statutory holiday in the Province of Alberta;
- (h) "**Claim**" means any claim, demand, lawsuit, proceeding, arbitration or governmental investigation, in each case, whether asserted, threatened, pending or existing;
- (i) "**Closing**" means the initial take up and payment of the Little Rock Shares by Razor and the payment by Razor of the consideration payable pursuant to the Offer and the completion of all matters incidental thereto;
- (j) "**Closing Date**" means the date that Closing occurs, which is currently expected to be September 11, 2019, or such other date as the Parties hereto agree, and in any event not later than the Outside Date;
- (k) "**Confidentiality Agreement**" means the confidentiality agreement dated July 4, 2019 between Razor and Little Rock;
- (l) "**Directors' Letter**" has the meaning set forth in Section 2.1(b);

- (m) "**Disclosing Party**" has the meaning set forth in Section 4.3;
- (n) "**Environment**" means the natural environment (including soil, land surface or subsurface strata), surface waters, groundwater, sediment, ambient air (including all layers of the atmosphere), organic and inorganic matter and living organisms, and any other environmental medium or natural resource and all sewer systems;
- (o) "**Environmental Laws**" means, with respect to any person or its business, activities, property, assets or undertaking, all Applicable Laws relating to the Environment or public health and safety matters in the jurisdictions applicable to such person or its business, activities, property, assets or undertaking, including legislation governing abandonment and reclamation obligations, and the use, storage, treatment and release of Hazardous Substances;
- (p) "**Exchange Approval**" means the conditional approval of the TSXV for the transactions contemplated hereby, including the listing of the Razor Shares issuable in connection with the transactions contemplated hereby, subject only to customary conditions reasonably expected to be satisfied;
- (q) "**Expiry Time**" has the meaning ascribed to it in Section 2.1(a)(iv);
- (r) "**GLJ**" means GLJ Petroleum Consultants Ltd., independent petroleum consultants, Calgary, Alberta;
- (s) "**Governmental Authority**" means: (i) any international, multinational, federal, provincial, state, regional, municipal, local or other government, governmental or public department, ministry, central bank, court, tribunal, arbitral body, commission, commissioner, board, bureau or agency, domestic or foreign; (ii) any subdivision, agency, agent or authority of any of the foregoing; or (iii) any quasi-governmental or private body, including any tribunal, commission, regulatory agency, stock exchange or self-regulatory organization, exercising any regulatory, expropriation or taxing authority under or for the account of any of the foregoing;
- (t) "**Hazardous Substances**" means any element, waste or other substance whether natural or artificial and whether consisting of gas, liquid, solid or vapour that is prohibited, listed, defined, designated or classified as dangerous, hazardous, radioactive, explosive or toxic or a pollutant or a contaminant under or pursuant to any applicable Environmental Laws, and specifically includes petroleum and all derivatives thereof or synthetic substitutes therefor and asbestos or asbestos containing materials or any substance which is deemed under Environmental Laws to be deleterious to the Environment or worker or public health or safety;
- (u) "**IFRS**" means Canadian generally accepted accounting principles for publicly accountable enterprises, being International Financial Reporting Standards as adopted by the Canadian Accounting Standards Board;
- (v) "**Initial Expiry Time**" has the meaning ascribed to it in Section 2.1(a)(iv);
- (w) "**Latest Mailing Date**" has the meaning ascribed to it in Section 2.1(a)(i);
- (x) "**Liens**" means any hypothecs, mortgages, pledges, assignments, liens, charges, security interests, encumbrances and adverse rights or claims, other third person interests or

encumbrances of any kind, whether contingent or absolute, and any agreement, options, rights or privileges (whether by Applicable Law, contract or otherwise) capable of becoming any of the foregoing;

- (y) **"Little Rock Assets"** means all of the assets, properties, Permits, rights or other privileges (whether contractual or otherwise) of Little Rock and, for greater certainty, includes the Little Rock Leases and the Little Rock Interests;
- (z) **"Little Rock Board"** means the board of directors of Little Rock;
- (aa) **"Little Rock Cancellation Agreements"** means agreements, in form satisfactory to each of Little Rock and Razor, acting reasonably, to be entered into between Little Rock and the holders of Little Rock Options whereby each holder of Little Rock Options agrees to exercise or surrender such Little Rock Options in accordance with Section 2.7;
- (bb) **"Little Rock Change of Control Payments"** means obligations of Little Rock, pursuant to all employment or consulting services agreements, director compensation programs, termination, severance, change of control, bonus and retention plans or policies for severance, termination, change of control, bonus or retention payments, any payments related to any incentive plan and any other payments Little Rock is required by law or contract or intends to make in connection with the termination of all employees of Little Rock at the Closing in accordance with the terms of this Agreement, arising out of or in connection with the transactions contemplated by this Agreement;
- (cc) **"Little Rock Convertible Debentures"** means the 8.0% convertible unsecured subordinated debentures maturing on December 20, 2021, issued pursuant to the Little Rock Debenture Indenture;
- (dd) **"Little Rock Damages Event"** has the meaning ascribed in Section 6.2;
- (ee) **"Little Rock Damages Fee"** has the meaning ascribed in Section 6.2;
- (ff) **"Little Rock Debenture Indenture"** means the debenture indenture between Little Rock and Alliance Trust Company dated as of December 20, 2017;
- (gg) **"Little Rock Disclosure Letter"** means the letter of Little Rock addressed to Razor dated the date of this Agreement providing disclosure of certain information;
- (hh) **"Little Rock Employee Plan"** means all plans with respect to Little Rock Employees or former Little Rock Employees to which Little Rock is a party to or bound by or to which Little Rock has an obligation to contribute relating to retirement savings, pensions, bonuses, profit sharing, deferred compensation, incentive compensation, life or accident insurance, hospitalization, health, medical or dental treatment or expenses, disability, unemployment insurance benefits, employee loans, vacation pay, severance or termination pay or other benefit plan;
- (ii) **"Little Rock Employees"** means all current employees of Little Rock;
- (jj) **"Little Rock Financial Statements"** means, collectively, the audited financial statements of Little Rock as at and for the years ended December 31, 2018 and 2017, together with the notes thereto and the auditor's report thereon, and the unaudited financial statements of

Little Rock as at and for the three and six months ended June 30, 2019, together with the notes thereto;

- (kk) **"Little Rock Interests"** means the right of Little Rock in and to the Little Rock Leases, any and all reservations, Permits, licences, unit agreements, assignments, trust declarations, operating agreements, royalty agreements, gross overriding royalty agreements, agreements for the construction, ownership and operation of facilities, contract operating agreements, participation agreements, farm-in agreements, sale and purchase agreements, pooling agreements and any other documents and agreements granting, reserving or otherwise conferring rights to: (i) explore for, drill for, produce, take, use or market petroleum substances; (ii) share in the production of petroleum substances; (iii) share in the proceeds from, or measured or calculated by reference to the value or quantity of, petroleum substances which are produced; and (iv) acquire any of the rights described in items (i) to (iii) of this definition; together with all related tangibles and miscellaneous interests; including interests and rights known as working interests, leasehold interests, royalty interests, overriding royalty interests, gross overriding royalty interests, production payments, profits interests, net profits interests, revenue interests, net revenue interests, economic interests and fee simple interests, including fractional or undivided interests in any of the foregoing;
- (ll) **"Little Rock Leases"** means Little Rock's leases, Permits, concessions, concession agreements, contracts, subleases, reservations or other agreements, by virtue of which Little Rock is entitled to drill for, win, take, own or remove the petroleum substances, or by virtue of which the holder thereof is deemed to be entitled to a share of petroleum substances removed from the lands, and includes, if applicable, all renewals and extensions of such documents and all documents issued in substitution therefor;
- (mm) **"Little Rock Net Debt"** means the net debt of Little Rock which includes any and all cash, bank debt, working capital deficit (inclusive of accounts receivable, prepaid expenses and deposits and accounts payables), current tax liabilities, and any and all other liabilities (including for greater certainty the Little Rock Convertible Debentures), and audit adjustments, in each case with respect to each of the foregoing liabilities, inclusive of any and all accrued liabilities, excluding the non-current portion of decommission obligations, the mark-to-market value of financial instruments, calculated in accordance with IFRS, the Little Rock Change of Control Payments and the Little Rock Transaction Costs;
- (nn) **"Little Rock Option Plan"** means the stock option plan of Little Rock;
- (oo) **"Little Rock Options"** means options issued under the Little Rock Option Plan;
- (pp) **"Little Rock Reserves Reports"** means the independent engineering evaluation of Little Rock's oil, natural gas liquids and natural gas interests prepared by GLJ effective December 31, 2018;
- (qq) **"Little Rock Shareholders"** means the holders from time to time of Little Rock Shares;
- (rr) **"Little Rock Shares"** means common shares in the capital of Little Rock;
- (ss) **"Little Rock Transaction Costs"** means all costs and expenses (other than the Little Rock Change of Control Payments) incurred by Little Rock in connection with the transactions contemplated by this Agreement, including "run off" directors' and officers' liability insurance costs, legal, accounting, audit, engineering, financial advisory, printing, fees to

obtain required regulatory approvals and consents and all other administrative or professional fees, costs and expenses of third parties incurred by Little Rock, all of which estimated costs and expenses are fully disclosed in the Little Rock Disclosure Letter;

"Material Adverse Change" or "Material Adverse Effect" means, with respect to a Party, any effect, change, event, development, circumstance or occurrence that, individually or in the aggregate with other such effects, changes, events, developments, circumstances or occurrences is, or would reasonably be expected to be material and adverse to the current or future financial condition, business, operations, results of operations, assets, properties, capitalization, condition (financial or otherwise), liabilities (contingent or otherwise), or cash flows of such Party, other than any effect, change, event or development resulting from:

- (i) general economic, financial, currency exchange, securities, credit or commodity prices in Canada or elsewhere;
- (ii) conditions affecting the oil and natural gas exploration, exploitation, development and production industry as a whole, and not specifically relating to such Party;
- (iii) any decline in crude oil or natural gas prices on a current or forward basis;
- (iv) any matter in respect of which there has been disclosure in writing to the other Party on or prior to the date hereof;
- (v) changes in Applicable Laws (including tax laws);
- (vi) any changes in IFRS;
- (vii) the announcement of the execution of this Agreement or the transactions contemplated hereby;
- (viii) the failure of such Party to meet any internal or published projections, forecasts or estimates of revenues, earnings, cash flow or production or petroleum substances or natural gas;
- (ix) any changes in the trading price or trading volumes of the securities of such Party;
- (x) any acts of God, riots, terrorism, sabotage, earthquakes, epidemics, military action or war (whether or not declared), change in global, national or regional political conditions, civil unrest, or disturbances or similar event or escalation or worsening thereof; or
- (xi) any changes or effects arising from matters permitted or contemplated by this Agreement or consented to or approved in writing by the other Party;

provided, however, that in each case, the causes underlying such changes may be considered to determine whether such causes constitute a Material Adverse Change or a Material Adverse Effect and where, in the case of (i), (ii), (iii), (iv), (v), (vi) and (x), such effect relating to or resulting from the foregoing does not have a disproportionate effect on the current or future financial condition, business, operations, results of operations, assets, properties, capitalization, condition (financial or otherwise), liabilities (contingent or otherwise) or cash flows or prospects of such Party, as compared to the corresponding

effect on comparable Persons operating in the industries and geographic areas in which such Party or any of its affiliates operate;

- (tt) **"misrepresentation"** has the meaning ascribed thereto under the Securities Act;
- (uu) **"Money Laundering Laws"** has the meaning set forth in Section 4.2(sss);
- (vv) **"Mutual Releases"** has the meaning set forth in Section 2.8(c);
- (ww) **"Offer"** means an offer to purchase all of the Little Rock Shares which offer shall be made for the Purchase Price to the Little Rock Shareholders substantially in the form attached hereto as Schedule "A" and otherwise in accordance with Section 2.1;
- (xx) **"Outside Date"** has the meaning set forth in Section 5.1(a);
- (yy) **"Parties"** means Razor and Little Rock; and **"Party"** means either one of them;
- (zz) **"Permit"** means any license, permit, certificate, franchise, consent, order, grant, easement, covenant, approval, classification, registration or other authorization of and from any person, including any Governmental Authority;
- (aaa) **"Permitted Liens"** means:
 - (i) the royalty burdens, liens, duties, terms and conditions, adverse claims, penalties, reductions in interest and other encumbrances identified in respect of the Little Rock Assets as disclosed in writing to Razor on or prior to the date hereof;
 - (ii) contracts for the purchase, processing, transportation, storage or operations in respect of the Little Rock Assets that are terminable (without penalty) on 30 days' notice or less;
 - (iii) easements, rights of way, servitudes and similar rights in land including rights of way and servitudes for highways and other roads, railways, sewers, drains, gas and oil pipelines, gas and water mains, electric light, power, telephone, telegraph or cable television conduits, poles, wires and cables, in existence on the date of this Agreement;
 - (iv) the right reserved to or vested in any Governmental Authority by the terms of any lease, or Permit forming part of the Little Rock Assets, or by any statutory provision, to terminate any lease, Permit, or to require annual or other periodic payments as a condition of the continuance of them;
 - (v) the right of general application reserved to or vested in any Governmental Authority to levy taxes on petroleum and natural gas substances or the revenue from them, and governmental restrictions on production rates or on the operation of any property or otherwise affecting the value of any property;
 - (vi) rights reserved to or vested in any Governmental Authority to control or regulate the Little Rock Assets in any manner and all Applicable Laws;
 - (vii) Liens for Taxes, assessments or governmental charges which are not due;

- (viii) the right reserved or vested in any person to create or incur a Lien that is a mechanics' lien, builders' lien or materialmen's lien in respect of services rendered or goods supplied but only to the extent such lien relates to goods or services for which payment is not due or the validity of which is being contested in good faith by Little Rock;
 - (ix) the reservations, limitations, provisos and conditions in any original grant from the Crown of any of the lands forming part of the Little Rock Leases or interests in them, and statutory exceptions to title; and
 - (x) Liens incurred, created and granted in the ordinary course of business to a public utility, municipality or Governmental Authority in connection with operations conducted with respect to the Little Rock Assets, but only to the extent those liens relate to costs and expenses for which payment is not due;
- (bbb) "**person**" or "**Person**" includes an individual, limited or general partnership, limited liability company, limited liability partnership, trust, joint venture, association, body corporate, unincorporated organization, trustee, executor, administrator, legal representative, government (including any Governmental Authority) or any other entity, whether or not having legal status;
- (ccc) "**proceedings**" has the meaning set forth in Section 4.1(n);
- (ddd) "**Purchase Price**" means 0.45 of a Razor Share for each Little Rock Share;
- (eee) "**Razor Assets**" means all of the assets, properties, Permits, rights or other privileges (whether contractual or otherwise) of Razor and, for greater certainty, includes the Razor Leases and the Razor Interests;
- (fff) "**Razor Board**" means the board of directors of Razor;
- (ggg) "**Razor Credit Facility**" means the term loan facility of Razor from the Alberta Investment Management Corporation;
- (hhh) "**Razor Damages Event**" has the meaning ascribed in Section 6.1;
- (iii) "**Razor Damages Fee**" has the meaning ascribed in Section 6.1;
- (jjj) "**Razor Disclosure Letter**" means the letter of Razor addressed to Little Rock dated the date of this Agreement providing disclosure of certain information;
- (kkk) "**Razor Financial Statements**" means, collectively, the audited consolidated financial statements of Razor as at and for the years ended December 31, 2018 and 2017, together with the notes thereto and the auditor's report thereon, and the unaudited consolidated financial statements of Razor as at and for the three and six months ended June 30, 2019, together with the notes thereto;
- (III) "**Razor Interests**" means the right of Razor in and to the Razor Leases, any and all reservations, Permits, licences, unit agreements, assignments, trust declarations, operating agreements, royalty agreements, gross overriding royalty agreements, agreements for the construction, ownership and operation of facilities, contract operating agreements, participation agreements, farm-in agreements, sale and purchase agreements, pooling

agreements and any other documents and agreements granting, reserving or otherwise conferring rights to: (i) explore for, drill for, produce, take, use or market petroleum substances; (ii) share in the production of petroleum substances; (iii) share in the proceeds from, or measured or calculated by reference to the value or quantity of, petroleum substances which are produced; and (iv) acquire any of the rights described in items (i) to (iii) of this definition; together with all related tangibles and miscellaneous interests; including interests and rights known as working interests, leasehold interests, royalty interests, overriding royalty interests, gross overriding royalty interests, production payments, profits interests, net profits interests, revenue interests, net revenue interests, economic interests and fee simple interests, including fractional or undivided interests in any of the foregoing;

- (mmm) "**Razor Leases**" means Razor's leases, Permits, concessions, concession agreements, contracts, subleases, reservations or other agreements, by virtue of which Razor is entitled to drill for, win, take, own or remove the petroleum substances, or by virtue of which the holder thereof is deemed to be entitled to a share of petroleum substances removed from the lands, and includes, if applicable, all renewals and extensions of such documents and all documents issued in substitution therefor;
- (nnn) "**Razor Public Record**" means all information filed by or on behalf of Razor with the Securities Authorities, in compliance, or intended compliance, with any Applicable Laws after January 1, 2018 and prior to the date hereof which is available for public viewing on the SEDAR website under Razor's profile at www.sedar.com;
- (ooo) "**Razor Reserves Report**" means the independent engineering evaluation of Razor's oil, natural gas liquids and natural gas interests prepared by Sproule effective December 31, 2018;
- (ppp) "**Razor Shares**" means the common shares in the capital of Razor;
- (qqq) "**Recipient**" has the meaning set forth in Section 4.3;
- (rrr) "**Regulatory Approvals**" means: (i) the Exchange Approval; and (ii) such other Permits (including the lapse, without objection, of a prescribed time under any law that states that a transaction may be implemented if a prescribed time lapses following the giving of notice without an objection being made) required in connection with the execution, delivery or performance of this Agreement or the consummation of the transactions contemplated by this Agreement;
- (sss) "**Representatives**" means, with respect to a Party, the officers, directors, advisors, employees, representatives and agents of such Party;
- (ttt) "**Returns**" shall mean all reports, filings, notices, schedules, estimates, elections, designations, forms, declarations of estimated tax, information statements and returns including any amendments, attachments or appendices and exhibits thereto, made, prepared or filed or required to be filed with a Governmental Authority in connection with, any Taxes;
- (uuu) "**Second Stage Transaction**" has the meaning set forth in Section 2.2;
- (vvv) "**Securities Act**" means the *Securities Act* (Alberta);

- (www) "**Securities Authorities**" means, collectively, the securities commissions or similar securities regulatory authorities in each of the provinces or territories of Canada;
- (xxx) "**SEDAR**" means the System for Electronic Document Analysis and Retrieval;
- (yyy) "**Sproule**" means Sproule Associates Limited, independent petroleum consultants, Calgary, Alberta;
- (zzz) "**subsidiary**" means, with respect to a specified entity, any:
- (i) body corporate of which more than 50% of the outstanding shares ordinarily entitled to elect a majority of the board of directors thereof (whether or not shares of any other class or classes shall or might be entitled to vote upon the happening of any event or contingency) are at the time owned directly or indirectly by such specified entity or indirectly by or for the benefit of such specified entity;
 - (ii) entity which is not a body corporate, of which more than 50% of the voting or equity interests of such entity (including, for a partnership other than a limited partnership, the voting or equity interests in such partnership) are owned, directly or indirectly, by such specified entity or indirectly by or for the benefit of such specified entity and, in the case of a limited partnership, of which such specified entity, or a subsidiary of such specified entity, is a general partner; and
 - (iii) issuer that would constitute a subsidiary as defined in the Securities Act;
- (aaaa) "**Superior Proposal**" means an unsolicited bona fide written Acquisition Proposal made after the date of this Agreement and prior to the Closing Date:
- (i) that did not result from a breach of any agreement between the Person making such Acquisition Proposal and Little Rock of Section 3.4;
 - (ii) that involves the direct or indirect acquisition of (or, in the case of a take-over bid, an offer for) all the voting or equity securities of Little Rock (in terms of number of shares or voting power) or all or substantially all of the consolidated assets of Little Rock and its subsidiaries, taken as a whole, and, for greater certainty and solely for purposes of this definition of "Superior Proposal", all references to "20%" in the definition of "Acquisition Proposal" in respect of voting or equity securities shall instead be construed to refer to "100%" and the references to "20% or more of the assets or contributing 20% or more of the revenue of Little Rock" shall be deemed to be references to "all or substantially all of the assets";
 - (iii) is not subject to any financing condition and that the funds or other consideration necessary for the consummation of the Acquisition Proposal have been or are reasonably demonstrated to be available to the satisfaction of the Little Rock Board, acting in good faith;
 - (iv) is not subject to a due diligence and/or access condition, other than to permit access to the books, records or personnel of Little Rock which is not more extensive than that which would customarily be provided for confirmatory due diligence purposes;

- (v) that the Little Rock Board has determined in good faith is reasonably capable of completion within a time frame that is reasonable in the circumstances taking into account all legal, financial, regulatory and other aspects of such Acquisition Proposal and the person making such Acquisition Proposal; and
 - (vi) in respect of which the Little Rock Board determines in good faith (after receipt of advice from its financial advisors) that such Acquisition Proposal would, if consummated in accordance with its terms (but not assuming away any risk of non-completion), result in a transaction more favourable to the Little Rock Shareholders, from a financial point of view, than the Offer, including any adjustment to the terms and conditions of the Offer proposed by Razor pursuant to Section 3.4(e) of this Agreement, and that, after receiving advice (as reflected in minutes of the Little Rock Board) from outside counsel, failure to accept, approve, recommend or enter into a definitive agreement to implement such Acquisition Proposal would be inconsistent with its fiduciary duties under Applicable Laws;
- (bbbb) "**Tax**" or "**Taxes**" means all taxes, duties, fees, premiums, assessments, imposts, levies and other charges of any kind whatsoever imposed by any Governmental Authority, together with all interest, penalties, fines, additions to tax or other additional amounts imposed in respect thereof, including those levied on, or measured by, or referred to as, income, gross receipts, profits, capital, large corporation, capital gain, alternative minimum, transfer, land transfer, sales, goods and services, harmonized sales, use, value-added, excise, stamp, withholding, business, franchising, property, employer health, payroll, employment, health, social services, education and social security taxes, all surtaxes, all customs duties and import and export taxes, all employment insurance, health insurance and Canada and other Governmental Authority pension plan and workers compensation premiums or contributions including any interest, fines or penalties for failure to withhold, collect or remit any tax and any liability for such taxes imposed by law with respect to any other person arising pursuant to any tax sharing, indemnification or other agreements or any liability for taxes of any predecessor or transferor entity and whether disputed or not;
- (cccc) "**Tax Act**" means the *Income Tax Act* (Canada);
- (dddd) "**Tax Pools**" means undepreciated capital cost of any particular class of depreciable property, earned depletion base, cumulative Canadian exploration expense, cumulative Canadian development expense, cumulative Canadian oil and gas property expense, foreign exploration and development expense, capital losses, non-capital losses, share issue costs and investment tax credits, all as defined in the Tax Act, and financing expenses referred to in paragraph 20(1)(e) of the Tax Act;
- (eeee) "**Terminating Party**" has the meaning set forth in Section 5.4(b);
- (ffff) "**Termination Notice**" has the meaning set forth in Section 5.4(b);
- (gggg) "**Third Party**" means any Person other than the Parties and their respective Representatives;
- (hhhh) "**Third Party Beneficiaries**" has the meaning ascribed in Section 10.7;
- (iiii) "**Transferred Information**" has the meaning set forth in Section 4.3;
- (jjjj) "**TSXV**" means the TSX Venture Exchange;

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

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

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

(nnnn) **"Wilful Breach"** means a breach of this Agreement that is a consequence of: (i) a fraudulent act; or (ii) an act undertaken by the breaching Party with the actual knowledge that the taking of such act would, or would be reasonably expected to, cause a breach of this Agreement.

1.2 Interpretation Not Affected by Headings, etc.

The division of this Agreement into articles, sections and subsections is for convenience of reference only and does not affect the construction or interpretation of this Agreement. The terms "this Agreement", "hereof", "herein" and "hereunder" and similar expressions refer to this Agreement (including the Schedules hereto) and not to any particular article, section or other portion hereof and include any agreement or instrument supplementary or ancillary hereto. Unless something in the subject matter or context is inconsistent therewith, references herein to Articles, Sections and Schedules are to Articles and Sections of and Schedules to this Agreement.

1.3 Number, etc.

Words importing the singular number include the plural and vice versa and words importing the use of any gender include all genders.

1.4 Date for Any Action

If any date on which any action is required to be taken hereunder by any of the Parties is not a Business Day, such action is required to be taken on the next succeeding day which is a Business Day.

1.5 Entire Agreement

This Agreement, the Razor Disclosure Letter, the Little Rock Disclosure Letter and the Confidentiality Agreement, together with the agreements and documents herein and therein referred to, constitute the entire agreement among the Parties pertaining to the subject matter hereof and supersede all prior agreements, understandings, negotiations and discussions, whether oral or written, among the Parties with respect to the subject matter hereof.

1.6 Currency

All sums of money which are referred to in this Agreement are expressed in lawful money of Canada.

1.7 Accounting Matters

Unless otherwise stated, wherever in this Agreement reference is made to a calculation to be made or an action to be taken in accordance with IFRS, such reference will be deemed to be to the IFRS, as applicable, from time to time approved by the Canadian Accounting Standards Board or any successor

institute, and applicable as at the date on which such calculation or action is made or taken or required to be made or taken.

1.8 Disclosure in Writing

Reference to "disclosure in writing" or similar references herein shall mean actually disclosed in writing (a) by Little Rock to Razor or its Representatives in the Little Rock Disclosure Letter or (b) by Razor to Little Rock or its Representatives in the Razor Disclosure Letter, as applicable.

1.9 References to Legislation

References in this Agreement to any statute or sections thereof shall include such statute as amended or substituted and any regulations promulgated thereunder from time to time in effect.

1.10 Enforceability

All representations, warranties, covenants and opinions in or contemplated by this Agreement as to the enforceability of any covenant, agreement or document are subject to enforceability being limited by applicable bankruptcy, insolvency, fraudulent transfer, reorganization, moratorium and other laws relating to or affecting creditors' rights generally, and the discretionary nature of certain remedies (including specific performance and injunctive relief and general principles of equity).

1.11 Knowledge

Where any representation or warranty contained in this Agreement is expressly qualified by reference to the knowledge of a Party, it refers to the actual knowledge (having made due inquiry) of the senior officers of such Party and in each case in their capacities as officers of Razor or Little Rock, as applicable, and not in their personal capacities and does not include the knowledge or awareness of any other individual or any constructive, implied or imputed knowledge.

1.12 Interpretation Not Affected by Party Drafting

The Parties acknowledge that their respective legal counsel have reviewed and participated in negotiating, drafting and settling the terms of this Agreement, and the Parties agree that any rule of construction to the effect that any ambiguity is to be resolved against the drafting party will not be applicable in the interpretation of this Agreement.

1.13 Schedule

Schedule "A" - Offer to Purchase attached hereto is incorporated into and forms an integral part of this Agreement.

ARTICLE 2 OFFER, PURCHASE AND SALE

2.1 Offer to Little Rock Shareholders

- (a) Razor shall, upon execution of this Agreement, make the Offer to the Little Rock Shareholders for the Little Rock Shares and in connection with the foregoing:
 - (i) Razor shall mail the Offer and related letter of transmittal (such documents, together with the Offer, being collectively referred to herein as the "**Bid**

Documents") in accordance with Applicable Laws to each registered Shareholder as soon as reasonably practicable and in any event not later than 11:59 p.m. (Calgary time) on August 22, 2019 (the "**Latest Mailing Date**") and provided, however, that if the mailing of the Bid Documents is delayed by reason of:

- (A) an injunction or order made by a court of competent jurisdiction or Governmental Authority; or
- (B) Razor not having obtained any Regulatory Approval that is necessary to permit Razor to mail the Offer,

then, provided that such injunction or order is being contested or appealed by Razor or such Regulatory Approval is being sought by Razor, as applicable, then the Latest Mailing Date shall be extended for a period ending on the earlier of:

- (C) 11:59 p.m. (Calgary time) on September 15, 2019; and
- (D) the second Business Day following the date on which such injunction or order ceases to be in effect or such Regulatory Approval is obtained, as applicable.

- (ii) The Offer Documents when mailed to registered Shareholders are to contain (or are to be amended in a timely manner to contain) all information that is required to be included therein in accordance with any Applicable Laws, subject to any applicable exemptions from such laws granted by a competent regulatory authority. Razor shall provide a draft of such documents to the Company for its review and approval, acting reasonably and in accordance with this Agreement.
- (iii) The terms of the Offer shall include any amendments to, or extensions of, such Offer made in accordance with the terms of this Agreement, including removing or waiving any condition or extending the date by which Little Rock Shares may be deposited.
- (iv) The Offer will be made in accordance with Applicable Laws and shall expire no earlier than 10:00 a.m. (Calgary time) on the first Business Day that falls after the 15th calendar day after the day that the Offer is commenced (the "**Initial Expiry Time**"), subject to the right of Razor to extend the period during which Little Rock Shares may be deposited under the Offer (the Initial Expiry Time, as it may be changed as a result of any such extension, is referred to as the "**Expiry Time**"). The Offer shall be subject only to the conditions set out in Sections 5.1 and 5.2. Razor shall use all reasonable commercial efforts to consummate the Offer, subject to the terms and conditions hereof and thereof and subject to no other conditions. Upon all of the conditions of the Offer having been satisfied or waived (to the extent permitted under this Agreement), Razor will, promptly (and in any event not more than two (2) Business Days) following the Expiry Time, take up and pay for the Little Rock Shares deposited under the Offer in accordance with the terms of the Offer, this Agreement and Applicable Laws. In the event that, at the Initial Expiry Time, the conditions of the Offer have been satisfied or waived, Razor may, in its sole discretion, and subject to the Outside Date, extend the Offer once for up to an additional ten days past the Initial Expiry Time to allow for subsequent tenders. In addition, in the event that at the Initial Expiry Time, the condition set forth in

Section 5.2(a) has not been satisfied, Razor agrees that it will extend the Offer for an additional 10 days past the Initial Expiry Time to allow for subsequent tenders.

- (v) Razor will not amend the terms of the Offer, other than: (i) to increase the consideration payable thereunder, (ii) to waive any conditions thereof, or (iii) to extend the expiry thereof, except with the prior consent of Little Rock, such consent not to be unreasonably withheld.
- (b) The Little Rock Board shall have prepared and approved in final form, printed for distribution to Little Rock Shareholders and delivered to Razor for the Offer for mailing with the Bid Documents to all registered holders of Little Rock Shares, a letter from Little Rock (the "**Directors' Letter**"), which letter shall contain the determination of the Board of Directors set forth in Section 2.3 below.

2.2 Second Stage Transaction

- (a) If Razor takes-up and pays for Little Rock Shares pursuant to the terms of the Offer, Razor agrees to use all commercially reasonable efforts to acquire, and Little Rock agrees to use all commercially reasonable efforts to assist Razor in acquiring, the balance of the Little Rock Shares by way of a compulsory acquisition pursuant to Section 195 of the *Business Corporations Act* (Alberta), statutory arrangement, amalgamation, merger, reorganization, consolidation, recapitalization or other type of acquisition transaction or transactions (each a "**Second Stage Transaction**") carried out for consideration per Little Rock Share that (i) consists of the same form of consideration paid pursuant to the Offer, and (ii) is not less than the consideration paid pursuant to the Offer. Nothing herein shall be construed to prevent Razor from acquiring, directly or indirectly, additional Little Rock Shares in privately negotiated transactions, in another take-over bid, tender or exchange offer, or otherwise in accordance with applicable securities laws (including by way of compulsory acquisition) following completion of the Offer.
- (b) Without limiting Section 2.2(a), Little Rock agrees that if Razor is required to effect a Second Stage Transaction which requires approval of the Little Rock Shareholders in a meeting of Little Rock Shareholders, Little Rock shall take all action necessary to duly call, give notice of, convene and hold a meeting of Little Rock Shareholders as promptly as practicable to consider and vote upon the action proposed by Razor. In the event of such a meeting or meetings, Little Rock shall, with the assistance of Razor, use reasonable commercial efforts to prepare and mail to the Little Rock Shareholders an information circular with respect to the meeting of Little Rock Shareholders in accordance with Applicable Laws.

2.3 Little Rock Board Recommendation

The Little Rock Board has unanimously determined that the Offer is in the best interests of Little Rock and has unanimously approved the entering into of this Agreement and the transactions contemplated hereby and has unanimously resolved to recommend the Little Rock Shareholders tender all of their Little Rock Shares pursuant to the Offer.

2.4 Regulatory Matters

The Parties shall co-operate in the preparation of any application for the Regulatory Approvals and any other orders, registrations, consents, filings, rulings, exemptions, no-action letters and approvals and the preparation of any documents reasonably deemed by any of the Parties to be necessary to discharge its

respective obligations or otherwise advisable under Applicable Laws in connection with the transactions contemplated by this Agreement as promptly as practicable hereafter.

2.5 Closing

The closing of the transactions contemplated hereby will take place at the offices of Stikeman Elliott LLP, in Calgary, Alberta on the Closing Date.

2.6 Public Communications

Each Party shall receive the prior consent, not to be unreasonably withheld, of the other Party prior to issuing or permitting any director, officer, employee or agent to issue, any press release or other written statement with respect to this Agreement or the transactions contemplated hereby. Notwithstanding the foregoing, if either Party is required by Applicable Law to make any disclosure relating to the transactions contemplated herein, such disclosure may be made, but that Party will use reasonable commercial efforts to consult with the other Party as to the wording of such disclosure prior to its being made. The Parties consent to this Agreement being filed on SEDAR.

2.7 Treatment of Little Rock Options and Little Rock Convertible Debentures

- (a) The particulars of the Little Rock Options and the Little Rock Convertible Debentures as at the date hereof are fully disclosed in the Little Rock Disclosure Letter.
- (b) The Little Rock Board shall approve, and Little Rock shall use all commercially reasonable efforts to obtain, Little Rock Cancellation Agreements providing for the exercise or surrender (for consideration not to exceed \$10 per holder) of all outstanding Little Rock Options effective immediately before the Closing and conditional upon the subsequent consummation of the transactions contemplated by this Agreement.
- (c) The Parties acknowledge and agree that, pursuant to the Little Rock Debenture Indenture, Little Rock shall be obligated to offer to purchase or convert all of the outstanding Little Rock Convertible Debentures in accordance with the Little Rock Debenture Indenture within 30 days following Closing in accordance with the Little Rock Debenture Indenture.

2.8 Employees and Directors

- (a) The employment of all officers and employees of Little Rock shall be terminated at the Closing and the officers and employees of Little Rock shall be entitled to receive the Little Rock Change of Control Payments provided that management of Razor reserves the right, at its sole discretion, to offer continued employment following the Closing (provided Razor shall make such offers, if any, of continued employment a minimum of five Business Days prior to the Closing Date) to any employee of Little Rock on terms and conditions substantially similar to the terms under which such persons are currently employed and, such employees who are offered and accept such continued employment will not be terminated and will not be entitled to the payment of any change of control or severance payments whatsoever at the Closing. The Little Rock Change of Control Payments, less all withholding Taxes, shall be paid by Little Rock or Razor at the Closing or as soon as practicable thereafter concurrent with, and subject to, the execution of a full and final release from the payee to Little Rock in such form as is acceptable to Razor, acting reasonably. Little Rock shall use commercially reasonable efforts to obtain an executed copy of such full and final release, subject to receipt of the Little Rock Change of Control

Payments, from every officer and employee who is entitled to receive Little Rock Change of Control Payments, prior to the Closing.

- (b) Little Rock shall obtain and deliver to Razor at the Closing evidence reasonably satisfactory to Razor of the resignations effective as of the Closing of all of the directors of Little Rock requested by Razor.
- (c) The resignations of the directors and officers of Little Rock shall be received in consideration for Razor and Little Rock executing mutual releases (the "**Mutual Releases**"), which Mutual Releases shall contain exceptions for amounts or obligations owing to such individuals for salary, expenses and benefits in the ordinary course (if applicable), payments due pursuant to the transactions contemplated by this Agreement as a Little Rock Shareholder, the Little Rock Change of Control Payments (if applicable) or pursuant to indemnity by statute, the provisions of any constating documents or bylaws of Little Rock, contract or directors' and officers' insurance arrangements.

2.9 Indemnities and Directors' and Officers' Insurance

- (a) Razor agrees that Razor, Little Rock and its successors shall fulfill its obligations pursuant to indemnities provided or available to past and present officers and directors of Little Rock pursuant to the provisions of the constating documents of Little Rock, applicable corporate legislation and any written indemnity agreements which have been entered into between Little Rock and its officers and directors effective on or prior to the date hereof; and
- (b) Prior to the Closing Date, Little Rock shall be entitled to secure "run off" directors' and officers' liability insurance for its officers and directors covering claims made prior to or within two (2) years after the Closing Date and Razor agrees to not take or permit any action to be taken by or on behalf of Little Rock to terminate or adversely affect such directors' and officers' insurance.

2.10 Tax Withholdings

Razor shall be entitled to deduct and withhold from any consideration otherwise payable to any Little Rock Shareholder under the Offer such amounts as Razor is required or permitted to deduct and withhold from such consideration in accordance with applicable Tax laws and administrative policy of the Canada Revenue Agency. Any such amounts will be deducted and withheld from the consideration payable pursuant to the Offer and shall be treated for all purposes as having been paid to the Little Rock Shareholder in respect of which such deduction and withholding was made, provided that such withheld amounts are actually remitted to the appropriate taxing authority. In connection with any amount required or permitted to be withheld pursuant to the transactions contemplated hereby, Razor may direct a depository to withhold such number of Razor Shares that may otherwise be paid to such Little Rock Shareholder under the Offer and to sell such shares on the TSXV for cash proceeds to be used for such withholding.

ARTICLE 3 COVENANTS

3.1 Covenants of Razor

From the date hereof until the earlier of the completion of the transactions contemplated hereby and the termination of this Agreement in accordance with Article 8, except with the prior written consent

of Little Rock, and except as otherwise expressly permitted or specifically contemplated by this Agreement or as otherwise required by Applicable Laws:

- (a) Razor and its subsidiaries shall conduct their business only in the usual and ordinary course of business consistent with past practice (for greater certainty, where it is an operator of any property, it shall operate and maintain such property in a proper and prudent manner in accordance with good industry practice and the agreements governing the ownership and operation of such property);
- (b) Razor shall not directly or indirectly do or permit to occur any of the following:
 - (i) amend its constating documents;
 - (ii) split, combine or reclassify any of its securities unless the Offer is amended upon the same terms and conditions;
 - (iii) adopt a plan of liquidation or resolutions providing for the liquidation, dissolution or reorganization of Razor;
 - (iv) reduce the stated capital of Razor or any of its outstanding Razor Shares;
 - (v) take any action, refrain from taking any action, permit any action to be taken or not taken by it or any of its subsidiaries, inconsistent with this Agreement, which might, directly or indirectly, interfere with or adversely affect the consummation of the transactions contemplated by this Agreement; or
 - (vi) enter into or modify any contract, agreement, commitment or arrangement with respect to any of the foregoing;
- (c) Razor shall not take any action that would render, or may reasonably be expected to render, any representation or warranty made by Razor or on behalf of its subsidiaries in this Agreement untrue in any material respect at any time prior to completion of the transactions contemplated by this Agreement or termination of this Agreement, whichever first occurs;
- (d) Razor shall promptly notify Little Rock in writing of any material change (actual, anticipated, contemplated or, to the knowledge of Razor threatened, financial or otherwise) in its or its subsidiaries' business, operations, affairs, assets, capitalization, financial condition, Permits, rights, privileges or liabilities, whether contractual or otherwise, or of any change in any representation or warranty provided by Razor or on behalf of its subsidiaries by Razor in this Agreement which change is or may be of such a nature to render any representation or warranty misleading or untrue in any material respect and Razor shall in good faith discuss with Little Rock any change in circumstances (actual, anticipated, contemplated, or to the knowledge of Razor threatened) which is of such a nature that there may be a reasonable question as to whether notice needs to be given to Little Rock pursuant to this provision;
- (e) Razor will use its reasonable commercial efforts to satisfy or cause the satisfaction of the conditions set forth in Section 5.1 and Section 5.3 as soon as reasonably practicable, to the extent the satisfaction of the same is within the control of Razor;

- (f) Razor shall ensure that it has available funds to make, within the time periods contemplated herein, the payment of the amount which may be required by Section 6.2 having regard to its other liabilities and obligations, and shall take all such actions as may be necessary to ensure that it maintains such availability to ensure that it is able to pay such amount when required;
- (g) other than non-substantive communications, Razor shall furnish promptly to Little Rock or Little Rock's counsel, a copy of each notice, report, schedule or other document delivered, filed or received by Razor from holders of Razor securities or Governmental Authorities in connection with: (i) the Offer; (ii) any filings under Applicable Laws in connection with the transactions contemplated hereby; and (iii) any dealings with any Governmental Authority in connection with the transactions contemplated by this Agreement;
- (h) Razor shall use its reasonable commercial efforts to obtain all necessary consents, approvals, authorizations and filings as are required to be obtained or made by Razor under any Applicable Laws and to satisfy any condition provided for under this Agreement; and
- (i) Razor will use its reasonable commercial efforts to obtain the Exchange Approval.

3.2 Covenants of Little Rock

From the date hereof until the earlier of the completion of the transactions contemplated hereby and the termination of this Agreement in accordance with Article 8, except with the prior written consent of Razor, and except as otherwise expressly permitted or specifically contemplated by this Agreement, the Little Rock Disclosure Letter or as required by Applicable Laws, Little Rock covenants and agrees that:

- (a) Little Rock shall conduct its business only in the usual and ordinary course of business consistent with past practice (for greater certainty, where it is an operator of any property, it shall operate and maintain such property in a proper and prudent manner in accordance with good industry practice and the agreements governing the ownership and operation of such property) and Little Rock shall:
 - (i) consult with Razor in respect of its ongoing business and affairs and keep Razor apprised of all material developments relating thereto;
 - (ii) pay or cause to be paid all costs and expenses relating to the Little Rock Assets which become due; and
 - (iii) perform and comply in all material respects with its obligations related to the Little Rock Assets,

for greater certainty, Little Rock shall not enter into or perform any contract, agreement, commitment or arrangement with respect to the acquisition or disposition of, or resolve to acquire or dispose of, any oil and/or natural gas assets, properties or related assets or of securities of any person engaged in the oil and/or natural gas and/or related business in any manner, or conduct any financing activities in any manner, or take any action that is not in the usual and ordinary course or that is not consistent with past practices which would have a Material Adverse Effect on Little Rock, other than as contemplated in this Agreement;

- (b) Little Rock shall not, directly or indirectly, do or permit to occur any of the following:
- (i) amend its constating documents;
 - (ii) other than in connection with the transactions contemplated by this Agreement, declare, set aside or pay any dividend or other distribution or payment (whether in cash, shares or property) in respect of the outstanding Little Rock Shares;
 - (iii) issue (other than pursuant to Little Rock Options or the Little Rock Convertible Debentures), grant, sell or pledge or agree to issue, grant, sell or pledge any Little Rock Shares, or securities convertible into or exchangeable or exercisable for, or otherwise evidencing a right to acquire, Little Rock Shares;
 - (iv) other than pursuant to the Little Rock Cancellation Agreements, redeem, purchase or otherwise acquire any of the outstanding Little Rock Shares or other securities, including under any normal course issuer bid;
 - (v) split, combine or reclassify any of its securities;
 - (vi) adopt a plan of liquidation or resolutions providing for the liquidation, dissolution, merger, consolidation or reorganization of Little Rock;
 - (vii) reduce the stated capital of Little Rock or any of its outstanding Little Rock Shares;
 - (viii) pay, discharge or satisfy any material claims, liabilities or obligations, other than in the ordinary course of business consistent with past practice;
 - (ix) take any action, refrain from taking any action, permit any action to be taken or not taken, inconsistent with this Agreement, which might directly or indirectly interfere with or adversely affect the consummation of the transactions contemplated by this Agreement;
 - (x) enter into or modify any contract, agreement, commitment or arrangement with respect to any of the foregoing; or
 - (xi) make any changes to its existing accounting policies other than as required by Applicable Laws or IFRS;
- (c) Little Rock shall not, directly or indirectly, except for expenditures considered necessary by Little Rock, acting reasonably, to preserve or protect the health or safety of individuals or to preserve or protect the property or the Environment and except in relation to such capital expenditures agreed to by the Parties prior to the date hereof (as noted by reference to Section 3.2 in the Little Rock Disclosure Letter):
- (i) sell, pledge, dispose of or encumber any assets, other than production in the ordinary course of business or as disclosed in the Little Rock Disclosure Letter;
 - (ii) expend or commit to expend any amount with respect to any capital expenditures, including Crown lease purchases and freehold lease acquisitions, having an individual cost in excess of \$25,000 or an aggregate cost in excess of \$50,000 or unless agreed to by the Parties (as noted by reference to Section 3.2 in the Little Rock Disclosure Letter);

- (iii) acquire any material assets except for such material assets agreed to by the Parties prior to the date hereof (as noted by reference to Section 3.2 in the Little Rock Disclosure Letter);
- (iv) incur any amount of indebtedness for borrowed money or any other material liability or obligation or issue any debt securities or assume, guarantee, endorse or otherwise become responsible for, the obligations of any other person, or make any loans or advances, except:
 - (A) in respect of operations and expenditures in the ordinary course of business;
 - (B) in respect of fees payable to legal, financial and other advisors in the ordinary course of business or in respect of the transactions contemplated hereunder;
 - (C) the amounts contemplated in relation to the payment of Little Rock Transaction Costs;
 - (D) the amounts required to secure any "run off" directors' and officers' liability insurance in the manner contemplated by Section 2.9(b);
 - (E) in relation to such capital expenditures agreed to by the Parties prior to the date hereof (as noted by reference to Section 3.2 in the Little Rock Disclosure Letter); or
 - (F) as otherwise contemplated in this Agreement provided that all such amounts are consistent with amounts as noted by reference to Section 3.2 in the Little Rock Disclosure Letter;
- (v) authorize, recommend or propose any release or relinquishment or any material contract right;
- (vi) waive, release, grant or transfer any material rights of value or modify or change in any material respect any existing material license, lease, contract, production sharing agreement, government land concession or other material document;
- (vii) abandon or fail to diligently pursue any application for any material leases or Permits or take any action or, fail to take any action, that could lead to termination of such leases or Permits;
- (viii) enter into or terminate any hedges, swaps or other financial instruments or like transactions;
- (ix) enter into any agreement or understanding with regards to any lease for real property;
- (x) enter into any non-arm's length transactions including with any directors or any officers, directors, employees or consultants of Little Rock, except as expressly contemplated in this Agreement;

- (xi) enter into any agreements for the sale of production having a term of more than 30 days;
 - (xii) enter into any consulting or contract operating agreement that cannot be terminated on 30 days' or less notice without penalty or farm-in agreement; or
 - (xiii) authorize or propose any of the foregoing, or enter into or modify any contract, agreement, commitment or arrangement to do any of the foregoing;
- (d) other than as set forth in the Little Rock Disclosure Letter or is necessary to comply with Applicable Laws or the Little Rock Option Plan, Little Rock shall not:
- (i) except as contemplated by Section 2.8, hire or retain, or terminate the services of any executive officer, director, employee or consultant;
 - (ii) increase the compensation or benefits in any form of any executive officer, director, employee or consultant, including the award of bonuses;
 - (iii) take any action with respect to the amendment of any "change of control", separation payments, severance or termination pay policies or arrangements for any executive officers, employees or directors;
 - (iv) amend the Little Rock Option Plan;
 - (v) grant any advance or any loan to any officer, employee or director or any other party; or
 - (vi) except in connection with the directors' and officers' "run-off" insurance in accordance with Section 2.9(b), adopt or amend or make any contribution to any Little Rock Employee Plan, or any employee benefit, profit sharing, deferred compensation, insurance or other similar plan, agreement, fund or arrangement for the benefit of officers or directors;
- (e) Except as set forth in the Little Rock Disclosure Letter, Little Rock shall cause its current insurance (or re-insurance) policies not to be cancelled or terminated or any of the coverage thereunder to lapse, unless simultaneously with such termination, cancellation or lapse, replacement policies underwritten by insurance or re-insurance companies of nationally recognized standing providing coverage equal to or greater than the coverage under the cancelled, terminated or lapsed policies for substantially similar premiums are in full force and effect and shall pay all premiums in respect of such insurance policies that become due prior to the Closing Date and Little Rock shall consult with Razor with respect to all such matters prior to taking any action in respect thereof;
- (f) Little Rock shall withhold from any payment made to any of its present or former directors in respect of any payments contemplated by this Agreement including, without limitation, in connection with the Little Rock Options, all amounts required by law or administrative practice to be withheld by it on account of Taxes and other source deductions;
- (g) subject to Section 3.4 hereof, Little Rock shall not take any action, refrain from taking any action, permit any action to be taken or not taken by it, inconsistent with this Agreement, which would affect the consummation of the transactions contemplated hereby, or that would render, or may reasonably be expected to render, any representation or warranty

made by Little Rock in this Agreement untrue in any material respect at any time prior to completion of the transactions contemplated hereby or termination of this Agreement, whichever first occurs;

- (h) Little Rock shall promptly notify Razor in writing of any material change (actual, anticipated, contemplated or, to the knowledge of Little Rock threatened, financial or otherwise) in its business, operations, affairs, assets, capitalization, financial condition, Permits, rights, privileges or liabilities, whether contractual or otherwise, or of any change in any representation or warranty provided by Little Rock in this Agreement which change is or may be of such a nature to render any representation or warranty misleading or untrue in any material respect and Little Rock shall in good faith discuss with Razor any change in circumstances (actual, anticipated, contemplated, or to the knowledge of Little Rock threatened) which is of such a nature that there may be a reasonable question as to whether notice needs to be given to Razor pursuant to this provision;
- (i) Little Rock shall not incur any amounts in respect of Little Rock Transaction Costs which would cause the Little Rock Transaction Costs to exceed, in the aggregate, \$0.4 million, and thereafter any further amounts in respect of the Little Rock Transaction Costs, in each case, without receiving the advance written consent of Razor;
- (j) Little Rock will use its reasonable commercial efforts to satisfy or cause the satisfaction of the conditions set forth in Sections 5.1 and 5.2 as soon as reasonably practicable, to the extent the satisfaction of the same is within the control of Little Rock;
- (k) Little Rock shall ensure that it has available funds to make, within the time periods contemplated herein, the payment of the amount which may be required by Section 6.1 having regard to its other liabilities and obligations, and shall take all such actions as may be necessary to ensure that it maintains such availability to ensure that it is able to pay such amount when required;
- (l) Little Rock shall use its reasonable commercial efforts to obtain all necessary consents, approvals, authorizations and filings as are required to be obtained or made by Little Rock under any Applicable Laws and to satisfy any condition provided for under this Agreement;
- (m) except for non-substantive communications with the holders of Little Rock securities, and communications that Little Rock is required to keep confidential pursuant to Applicable Laws, Little Rock shall furnish promptly to Razor or Razor's counsel, a copy of each notice, report, schedule or other document delivered, filed or received by Little Rock from holders of Little Rock securities or Governmental Authorities in connection with: (i) the Offer; (ii) any filings under Applicable Laws; and (iii) any dealings with Governmental Authorities in connection with the transactions contemplated by this Agreement; and
- (n)
 - (i) Subject to subsection (ii), Little Rock shall:
 - (A) duly and timely file all Returns required to be filed by it on or after the date hereof but prior to the Closing (including, without limitation, all applicable Returns for its most recent financial year end) and ensure that all such Returns are true, complete and correct in all material respects;
 - (B) timely pay all material Taxes that are due and payable prior to the Closing (other than those that are being contested in good faith and in respect of

which reserves have been provided in the Little Rock Financial Statements);

- (C) not make a request for a Tax ruling or enter into any agreement with any taxing authorities;
 - (D) not settle or compromise any claim, action, suit, litigation, proceeding, arbitration, investigation, audit or controversy relating to a material amount of Taxes;
 - (E) not change in any material respect any of its methods of reporting income, deductions or accounting for income tax purposes from those employed in the preparation of its Returns for the taxation year ending December 31, 2018 and prior to the date hereof, except as may be required by Applicable Laws;
 - (F) properly reserve (and reflect such reserves in its books and records and financial statements) in accordance with past practice and in the ordinary course of business, for all material Taxes accruing in respect of Little Rock which are not due or payable prior to the Closing Date;
 - (G) not, directly or indirectly, reduce the amount or amend the characterization of any of its individual categories of Tax Pools or any other tax attributes, except as may occur in the ordinary course of business; and
 - (H) not make any Tax filings outside the ordinary course of business, including making, amending or rescinding any Return, election or designation, without the consent of Razor, such consent not to be unreasonably withheld.
- (ii) Little Rock shall consult with Razor in respect of all actions contemplated in subsections (i)(A), (i)(B) and (i)(F) above and shall not complete any such action without the prior written consent of Razor. Little Rock shall cooperate with Razor with regard to the implementation and reorganization determined by Razor to be to be necessary or desirable in connection with the completion of the transactions contemplated by this Agreement, including, without limitation, the filing or re-filing of any Returns, provided that no such actions result in a change to the consideration offered to the Little Rock Shareholders under the Offer.

3.3 Mutual Covenants Regarding the Offer, Purchase and Sale

From the date hereof until the earlier of the completion of the transactions contemplated by this Agreement and the termination of this Agreement in accordance with Article 8, each Party shall:

- (a) use its reasonable commercial efforts to complete the transactions contemplated by this Agreement on September 11, 2019 or as soon thereafter as reasonable practicable and, in any event, by no later than the Outside Date;
- (b) use its reasonable commercial efforts to satisfy (or cause the satisfaction of) the conditions precedent to its obligations hereunder and to take, or cause to be taken, all other action and to do, or cause to be done, all other things necessary, proper or advisable under

Applicable Laws to complete the transactions contemplated by this Agreement, including using its reasonable commercial efforts to:

- (i) obtain all necessary waivers, consents and approvals required to be obtained by it from other parties to loan agreements, leases and other contracts;
 - (ii) obtain all necessary consents, assignments, waivers and amendments to or terminations of any instruments and take such measures as may be appropriate to fulfill its obligations hereunder and to carry out the transactions contemplated by this Agreement; and
 - (iii) upon reasonable consultation with the other party, oppose, lift or rescind any injunction, restraining or other order, decree or ruling seeking to restrain, enjoin or otherwise prohibit or adversely affect the consummation of the transactions contemplated by this Agreement;
- (c) use its reasonable commercial efforts to obtain all necessary waivers, consents and approvals required to be obtained by it in connection with the transactions contemplated by this Agreement from Governmental Authorities and effect all necessary registrations and filings and the submission of all information requested by Governmental Authorities required to be effected by it in connection with the transactions contemplated by this Agreement;
 - (d) use its reasonable commercial efforts to cooperate with the other in connection with the performance by the other of their obligations under this Section 3.3 including, without limitation, to maintain ongoing communications as between representatives of the Parties, subject in all cases to the Confidentiality Agreement; and
 - (e) use its reasonable commercial efforts to obtain and deliver to Razor executed Little Rock Cancellation Agreements from each holder of Little Rock Options.

3.4 Covenants of Little Rock Regarding Non-Solicitation

- (a) Little Rock shall immediately cease and cause to be terminated all existing solicitations, discussions and negotiations (including, without limitation, through any of its Representatives)), if any, with any third parties other than Razor, initiated on or before the date of this Agreement with respect to any actual or potential Acquisition Proposal. Little Rock shall immediately discontinue, and shall cause its Representatives to discontinue, access to any of their confidential information and not allow or establish access to any of their confidential information, or any data room, virtual or otherwise and shall promptly request the return or destruction of all confidential information regarding Little Rock provided to any third party in connection with a potential or actual Acquisition Proposal to the extent that such information has not previously been returned or destroyed, and shall use all commercially reasonable efforts to ensure that such requests are honored in accordance with the terms of any confidentiality agreement governing such information. Little Rock agrees that it shall not terminate, waive, release, amend, modify or otherwise forbear from the enforcement of, and agrees to take all necessary actions to actively prosecute and enforce, any agreement containing standstill provisions and any provision of any existing confidentiality agreement or any standstill agreement to which it is a party.
- (b) Except as expressly provided for in this Section 3.4, Little Rock shall not, directly or indirectly, do or authorize or permit any of its Representatives to do, any of the following:

- (i) solicit, initiate, encourage or facilitate any inquiries, proposals or offers, whether publicly or otherwise, regarding an actual or potential Acquisition Proposal;
- (ii) withdraw, amend, modify or qualify, or propose to withdraw, amend, modify or qualify, in any manner adverse to Razor, the approval of the transactions contemplated by this Agreement by the Little Rock Board or the recommendation of the Little Rock Board that the Little Rock Shareholders tender all of their Little Rock Shares pursuant to the Offer;
- (iii) encourage or participate in any negotiations or discussions with any other person regarding an actual or potential Acquisition Proposal, or furnish information or provide access to any other person any information with respect to Little Rock's securities, business, properties, operations or condition (financial or otherwise) in connection with, or in furtherance of, an actual or potential Acquisition Proposal; or
- (iv) accept, recommend, approve, agree to endorse or propose to accept, recommend, approve, agree to endorse or enter into an agreement to implement any Acquisition Proposal or otherwise take any action that could reasonably be expected to lead to an Acquisition Proposal,

provided, however, that notwithstanding any other provision hereof but subject to Section 3.4(d), Little Rock and its Representatives may, prior to Closing, enter into or participate in any discussions or negotiations with, or furnish information or provide access to, any person in response to an Acquisition Proposal by such person if and only to the extent that:

- (v) such Acquisition Proposal is an unsolicited bona fide written Acquisition Proposal received by Little Rock from such person other than as a result from a breach of this Section 3.4 and the Little Rock Board has determined that such Acquisition Proposal, if completed in accordance with its terms, would constitute a Superior Proposal; and
 - (vi) (A) Little Rock shall have complied with and continue to be compliance with all other requirements of this Section 3.4 and the Person making the Acquisition Proposal shall not have been restricted from making such Acquisition Proposal pursuant to existing confidentiality, non-disclosure or standstill agreement or similar restriction; and (B) prior to providing any information or data to such person in connection with such Acquisition Proposal: (I) Little Rock notifies Razor of the determination by the Little Rock Board that such Acquisition Proposal constitutes a Superior Proposal; and (II) the Little Rock Board receives from such person an executed confidentiality agreement that contains provisions that are no less favourable to Little Rock than those contained in the Confidentiality Agreement and Razor is provided promptly with a copy of such confidentiality agreement (provided that such confidentiality agreement may not grant such Person the exclusive right to negotiate with Little Rock and may not restrict Little Rock from complying with this Section) and any information that was provided to such person which was not previously provided to Razor;
- (c) Little Rock shall promptly (and in any event within 24 hours of receipt by Little Rock) notify Razor, first orally and then in writing, of any proposal, inquiry or offer (or any amendment thereto) constituting an actual or potential Acquisition Proposal, in each case

received after the date hereof by Little Rock or any of its Representatives, or any amendments to the foregoing, any request for discussions or negotiations, or any request for non-public information relating to Little Rock in connection with any proposal, inquiry, offer (or any amendment thereto) or request that constitutes or could reasonably be expected to constitute or lead to an actual or potential Acquisition Proposal or for access to the properties or facilities, personnel, books or records of Little Rock by any person that informs Little Rock or any of its Representatives or otherwise indicates that it is considering making, or has made, an Acquisition Proposal and any amendment thereto; and Little Rock shall provide to Razor a copy of such Acquisition Proposal and shall provide the identity of the person making any such Acquisition Proposal together with such other details of the Acquisition Proposal or request for non-public information as Razor may reasonably request. Little Rock shall keep Razor regularly and promptly informed of the status of and any change to the material terms of any such Acquisition Proposal in writing and shall provide to Razor copies of all material or substantive correspondence with respect to such Acquisition Proposal or proposal, inquiry, offer or request if in writing or electronic form, and if not in writing or electronic form, a description of the material terms of such correspondence.

- (d) Little Rock shall not accept, approve or recommend, nor enter into any agreement in respect of an Acquisition Proposal (other than a confidentiality agreement permitted by this Section 3.4), unless:
 - (i) the Acquisition Proposal constitutes a Superior Proposal and the Person making the Acquisition Proposal shall not have been restricted from making such Acquisition Proposal pursuant to existing confidentiality, non-disclosure or standstill agreement or similar restriction;
 - (ii) Little Rock has complied with and continues to be in compliance with its obligations in Section 3.4;
 - (iii) Little Rock has provided Razor with (A) notice in writing that the Acquisition Proposal constitutes a Superior Proposal and, in connection therewith, the Little Rock Board has made the determinations contemplated in the definition of "Superior Proposal", (B) all documentation related to and detailing the Superior Proposal (including a copy of any confidentiality and standstill agreement between Little Rock and the person making the Superior Proposal, if not previously delivered), as well as all supporting materials, including any financing documents supplied to Little Rock or its Representatives in connection therewith, and (C) written notice regarding the value and financial terms that the Little Rock Board, in consultation with its financial advisors, has determined should be ascribed to any non-cash consideration offered under such Superior Proposal, in each case, at least four (4) Business Days prior to the time at which the Little Rock Board proposes to accept, approve, recommend or enter into any agreement relating to such Superior Proposal;
 - (iv) four (4) Business Days shall have elapsed from the later of the date Razor received the notice, documentation and other materials referred to in Section 3.4(d)(iii) from Little Rock in respect of the Acquisition Proposal and the date on which Razor received notice of Little Rock's proposed determination to accept, approve, recommend or to enter into any agreement relating to such Superior Proposal, and, if Razor has proposed to amend the terms of the transactions contemplated in this Agreement in accordance with Section 3.4(e), the Little Rock Board (after receiving

advice from its financial advisor and outside legal counsel) shall have determined in good faith that the Acquisition Proposal is a Superior Proposal compared to the proposed amendment to the terms of this Agreement proposed by Razor;

- (v) Little Rock concurrently terminates this Agreement pursuant to Section 8.1(d)(ii);
 - (vi) Little Rock concurrently will have delivered to Razor written confirmation that Little Rock or the Little Rock Board, as applicable, has accepted, approved or recommended, or entered into such agreement relating to, the Acquisition Proposal; and
 - (vii) Little Rock has previously paid, or concurrently pays, to Razor the Razor Damages Fee.
- (e) During the periods referred to in Section 3.4(d)(iii) and Section 3.4(d)(iv), Razor shall have the opportunity, but not the obligation, to propose to amend the terms of the transactions contemplated in this Agreement and Little Rock shall, and shall cause and their respective counsel and other advisors to, co-operate with Razor with respect thereto, including negotiating with Razor and its counsel and other advisors to enable Razor to propose such adjustments to the terms and conditions of this Agreement as Razor deems appropriate and as would enable Little Rock to proceed with the transactions contemplated in this Agreement on such adjusted terms. The Little Rock Board shall review any proposal by Razor to amend the terms of the transactions contemplated in this Agreement in order to determine, in good faith in the exercise of its fiduciary duties, whether Razor's proposal to amend the transactions contemplated by this Agreement would result in the Acquisition Proposal not being a Superior Proposal compared to the proposed amendment to the transactions contemplated by this Agreement. In the event that Razor proposes to amend the terms of the transactions contemplated in this Agreement such that the Acquisition Proposal would not result in a transaction more favourable to the Little Rock Shareholders, from a financial point of view, than the Offer as so amended, as determined by the Little Rock Board in good faith (after receiving advice from its financial advisors and outside legal counsel) and Razor advises the Little Rock Board of such proposed amendment within four (4) Business Days of receiving notice of such Superior Proposal, the Little Rock Board shall not: (i) accept, recommend, approve or enter into any agreement to implement such Superior Proposal; or (ii) withdraw, modify or change its recommendation in respect of the transactions contemplated by this Agreement. For greater certainty, each successive amendment to an Acquisition Proposal shall constitute a new Acquisition Proposal for the purposes of this Section 3.4 and shall initiate a new four (4) Business Day match right period.
- (f) Razor agrees that all information that may be provided to it by Little Rock with respect to any Superior Proposal pursuant to this Section 3.4 shall be treated as if it were "Confidential Information" as that term is defined in the Confidentiality Agreement and shall not be disclosed or used except in accordance with the provisions of the Confidentiality Agreement or in order to enforce its rights under this Agreement in legal proceedings.
- (g) If required by Razor, Little Rock shall reaffirm its recommendation of the transactions contemplated by this Agreement to the shareholders of Little Rock promptly in the event that:

- (i) any Acquisition Proposal is announced unless such Acquisition Proposal constitutes a Superior Proposal and Little Rock otherwise complies with Sections 3.4(d) and (e) in respect thereof; or
- (ii) the Parties have entered into an amended agreement pursuant to Section 3.4(e) which results in any Acquisition Proposal not being a Superior Proposal.

Razor and its counsel shall be given a reasonable opportunity to review and comment on the form and content of any such press release or communication. Such press release or communication shall state that the Little Rock Board has determined that the Acquisition Proposal is not a Superior Proposal and shall reaffirm the approvals, determinations and recommendations of the Little Rock Board in respect of this Agreement.

- (h) Neither Little Rock nor the Little Rock Board shall withdraw, or qualify, amend or modify in a manner adverse to Razor, the approval or recommendation of the transactions contemplated by this Agreement by the Little Rock Board, except if such withdrawal, qualification, amendment or modification occurs simultaneously with the entry by Little Rock, in accordance with the requirements of Section 3.4(d) and Section 3.4(e), into a definitive agreement with respect to an Acquisition Proposal constituting a Superior Proposal.
- (i) Nothing contained in this Agreement shall prevent the Little Rock Board from complying with Division 3 of National Instrument 62-104, *Takeover Bids and Issuer Bids* and similar provisions under Applicable Laws relating to the provision of directors' circulars and make appropriate disclosure to its securityholders.
- (j) Little Rock shall ensure that its Representatives are aware of the provisions of this Section 3.4, and any violation of or the taking of any action which is inconsistent with any of the restrictions set forth in this Section 3.4 by any Representative shall be deemed to constitute a breach of this Section 3.4 by its Representatives.

3.5 Access to Information

- (a) From and after the date hereof until the earlier of the Closing or the termination of this Agreement, Little Rock shall, subject to compliance with Applicable Laws and the terms of any contracts, upon reasonable prior notice, provide Razor and its Representatives access, during normal business hours, to Little Rock's premises, books, contracts, records, computer systems, properties, employees and management personnel and shall use its reasonable commercial efforts to furnish to Razor such information concerning its business, properties and personnel as Razor may reasonably request in order to permit Razor to be in a position to expeditiously and efficiently integrate Little Rock's business and operations immediately upon, but not prior to, the Closing Date. Little Rock agrees to use reasonable commercial efforts to keep Razor fully apprised in a timely manner of every circumstance, action, occurrence or event occurring or arising after the date hereof that would be relevant and material to a prudent operator of the business and operations of Little Rock including, but not limited to, promptly providing Razor with any and all monthly activity reports.
- (b) The Parties acknowledge and agree that all information provided by Little Rock to Razor or by Razor to Little Rock pursuant to this Section 3.5 shall remain subject to the provisions of the Confidentiality Agreement.

- (c) Nothing in the foregoing shall require Little Rock to disclose information which they are prohibited from disclosing pursuant to a written confidentiality agreement or confidentiality provision of an agreement with a third party or information which, in the opinion of Little Rock, acting reasonably, is competitively sensitive.

ARTICLE 4 REPRESENTATIONS AND WARRANTIES

4.1 Representations and Warranties of Razor

Razor hereby makes the representations and warranties set forth in this Section 4.1 to and in favour of Little Rock and acknowledges that Little Rock is relying upon such representations and warranties in connection with the matters contemplated by this Agreement.

- (a) Razor and each of its subsidiaries is a corporation duly organized and validly subsisting under the Applicable Laws of its jurisdiction of incorporation and Razor and each of its subsidiaries has the requisite power and authority to carry on its business as it is now being conducted and to own, lease and operate its properties and assets.
- (b) Razor and each of its subsidiaries is duly registered to do business and is in good standing in each jurisdiction in which the character of its properties, owned, leased, operated, licensed or otherwise held, or the nature of its activities make such registration necessary under Applicable Laws, except where the failure to be so registered or in good standing would not, individually or in the aggregate, have a Material Adverse Effect on Razor.
- (c) Razor has no direct or indirect subsidiaries, other than Razor Resources Corp., Blade Energy Services Corp. and Razor Power Corp.
- (d) The Razor Disclosure Letter sets out the name and jurisdiction of incorporation, organization or formation of each company that is a subsidiary of Razor. Razor, directly or indirectly, owns all of the outstanding securities of each of its subsidiaries. All of the issued and outstanding securities of each of Razor's subsidiaries are duly authorized, validly issued, fully paid and, where the concept exists, non-assessable and all such securities of the subsidiaries held by Razor are owned free and clear of all Liens (other than Liens to its principal bankers) and are not subject to any proxy, voting trust or other agreement relating to the voting of such securities, and there are no outstanding options, rights, entitlements, understandings or commitments (contingent or otherwise) regarding the right to acquire any such securities or assets of the subsidiaries.
- (e) Razor has the requisite corporate power and authority to enter into this Agreement and to carry out its obligations hereunder. The execution and delivery of this Agreement and the consummation by Razor of the transactions contemplated by this Agreement have been duly authorized by the Razor Board and, no other corporate proceedings on the part of Razor are or shall be necessary to consummate the transactions contemplated by this Agreement. This Agreement has been duly executed and delivered by Razor and constitutes a legal, valid and binding obligation of Razor enforceable against Razor in accordance with its terms, subject to bankruptcy, insolvency, fraudulent transfer, reorganization, moratorium and other Applicable Laws relating to or affecting creditors' rights generally and to general principles of equity.
- (f) Subject to the receipt of Regulatory Approvals and compliance with all applicable corporate, securities, competition and anti-trust laws, neither the execution and delivery

of this Agreement by Razor, the consummation by Razor of the transactions contemplated by this Agreement nor compliance by Razor with any of the provisions hereof will:

- (i) violate, conflict with, or result in breach of any provision of, require any consent, approval or notice under, or constitute a default (or an event which, with notice or lapse of time or both, would constitute a default) or result in a right of termination or acceleration under, result in a payment under, or result in the creation of any Lien, claim, trust, royalty or carried, participation, net profits or other third party interest, option, right of first refusal, right or privilege and any agreement or arrangement (whether by law, contract or otherwise) capable of becoming any of the foregoing, upon any of the properties or assets of Razor or its subsidiaries under, any of the terms, conditions or provisions of (A) the articles, bylaws or other constating documents of Razor or any of its subsidiaries, or (B) any note, bond, mortgage, indenture, loan agreement, deed of trust, agreement, lien, contract or other instrument or obligation to which Razor is a party or to which it, or its properties or assets, may be subject or by which Razor is bound (subject to obtaining the consent and a waiver from Razor's lender under the Razor Credit Facility, if required); or
 - (ii) violate any judgment, ruling, order, writ, injunction, determination, award, decree, statute, ordinance, rule or regulation in Canada applicable to Razor or any of its subsidiaries (except, in the case of each of clauses (i) and (ii), for such violations, conflicts, breaches, defaults or terminations which, or any consents, approvals or notices which if not given or received, would not have any Material Adverse Effect on Razor); or
 - (iii) cause a suspension or revocation of any authorization for the consent, approval or license currently in effect which would have a Material Adverse Effect on Razor.
- (g) Other than in connection with or in compliance with the provisions of Applicable Laws in relation to the completion of the transactions contemplated by this Agreement including receipt of Regulatory Approvals or which are required to be fulfilled post-Closing:
- (i) there is no legal impediment to Razor's consummation of the transactions contemplated by this Agreement; and
 - (ii) no filing or registration with, or authorization, consent or approval of, any Governmental Authority is necessary by Razor in connection with the consummation of the transactions contemplated by this Agreement, except for such filings or registrations which, if not made, or for such authorizations, consents or approvals, which, if not received, would not materially impede the ability of Razor to consummate the transactions contemplated by this Agreement.
- (h) Razor has sufficient funds available to pay the amount which may be required pursuant to Section 6.2 of this Agreement.
- (i) Subject to the receipt of Regulatory Approvals, neither the execution and delivery of this Agreement by Razor, the consummation by Razor of the transactions contemplated by this Agreement nor compliance by Razor with any of the provisions hereof, will require any material consents or trigger any material fees or material termination rights.

- (j) Razor is authorized to issue an unlimited number of Razor Shares. As at the date hereof, 15,093,434 Razor Shares, nil warrants to purchase Razor Shares and nil options issued under Razor's stock option plan are issued and outstanding. Except as set forth in the preceding sentence, as of the date hereof, there are no other outstanding securities of Razor or options, warrants, rights of conversion or exchange privileges or other securities entitling anyone to acquire any securities of Razor or any other rights, agreements or commitments of any character whatsoever requiring the issuance, sale or transfer by Razor of any securities. All outstanding Razor Shares have been duly authorized and are validly issued as fully paid and non-assessable shares and are not subject to, nor have they been issued in violation of, any pre-emptive rights.
- (k) Razor is not a party to any shareholder rights plan or any other form of plan, agreement, contract or instrument that shall trigger any rights to acquire Razor Shares or other securities of Razor or rights, entitlements or privileges in favour of any person upon the entering into of this Agreement or completing the transactions contemplated by this Agreement.
- (l) To the knowledge of Razor, none of the Razor Shares are the subject of any escrow, voting trust or other similar agreement.
- (m) Except as disclosed in the Razor Public Record, since December 31, 2018:
 - (i) there has not been any Material Adverse Change respecting Razor and its subsidiaries, taken as a whole;
 - (ii) there have been no material facts, transactions, events or occurrences which, to the knowledge of Razor, could reasonably be expected to result in a Material Adverse Change respecting Razor and its subsidiaries, taken as a whole;
 - (iii) Razor and each of its subsidiaries have conducted their business only in the ordinary and normal course, consistent with past practice and in compliance in all material respects with all Applicable Laws in each jurisdiction in which they carry on business; and
 - (iv) no liability or obligation of any nature (whether absolute, accrued, contingent or otherwise), whether or not such liabilities would be required by IFRS to be reflected on a balance sheet of Razor and its subsidiaries, taken as a whole, material to Razor has been incurred other than in the ordinary and normal course of business, consistent with past practice.
- (n) Except as set forth in the Razor Disclosure Letter, Razor has complied with all Applicable Laws in all material respects and is not in violation of any Applicable laws in any material respects, there is no court, administrative, regulatory or similar proceeding (whether civil, quasi-criminal or criminal), arbitration or other dispute settlement procedure, investigation or inquiry by any Governmental Authority, or any claim, action, suit, demand, arbitration, charge, indictment, hearing or other similar civil, quasi-criminal or criminal, administrative or investigative material matter or proceeding (collectively, "**proceedings**") against or involving Razor or any of its subsidiaries, or in respect of the businesses, properties or assets of Razor (whether in progress or, to the knowledge of Razor, threatened), that (i) involves a claim for damages, exclusive of interest and costs; or (ii) if adversely determined, would reasonably be expected to have a Material Adverse Effect on Razor, and, to the knowledge of Razor, no event has occurred which might

reasonably be expected to give rise to any proceeding. There is no judgment, writ, decree, injunction, rule, award or order of any Governmental Authority outstanding against Razor or any of its subsidiaries in respect of its business, properties or assets that has had or would reasonably be expected to have a Material Adverse Effect on Razor.

- (o) Except: (i) as disclosed or reflected in the Razor Financial Statements; and (ii) for liabilities and obligations: (A) incurred in the ordinary course of business and consistent with past practice since December 31, 2018; or (B) pursuant to the terms of this Agreement or any other agreement or instrument to which Little Rock is a party, Razor has not incurred any material liabilities of any nature, whether accrued, contingent or otherwise, whether or not such liabilities would be required by IFRS to be reflected on a balance sheet of Razor as of the date hereof and has not been a party to any off-balance sheet arrangements, as that term is understood under IFRS.
- (p) The Razor Financial Statements fairly present, in accordance with IFRS, consistently applied, the consolidated financial position and condition of Razor and its subsidiaries at the dates thereof and the results of the operations of Razor for the periods then ended and reflect, in accordance with IFRS, consistently applied, all material assets, liabilities or obligations (absolute, accrued, contingent or otherwise) of Razor and its subsidiaries on a consolidated basis, as at the dates thereof.
- (q) Neither Razor nor its subsidiaries have received notice of (nor is it aware of) any material violation of or investigation relating to any Applicable Law with respect to the Razor Assets, their business or their operations and Razor and its subsidiaries holds all Permits, licenses and other authorizations which are required under Applicable Law relating to the Razor Assets, their business or their operations except as would not have a Material Adverse Effect on Razor and its subsidiaries, taken as whole. The Razor Assets have at all times been (and currently are) operated and maintained by it in compliance with all terms and conditions of Applicable Laws, Permits, licenses and authorizations in all material respects.
- (r) No Securities Authority, other competent authority or stock exchange in Canada or the United States has issued any order which is currently outstanding preventing or suspending trading in any securities of Razor, no such proceeding is, to the knowledge of Razor, pending, contemplated or threatened and Razor is not, to its knowledge, in default of any material requirement of any Applicable Laws.
- (s) The Razor Shares to be issued to Little Rock Shareholders pursuant to and in accordance with the terms of the Offer have been validly reserved and authorized for issuance and when issued in accordance with the terms of the Offer will be duly and validly issued as fully paid and non-assessable common shares of Razor.
- (t) Razor has no reason to believe that the Razor Reserves Report was not accurate in all material respects as at the effective date of such report and, except for any impact of changes in commodity prices and production since the date of the Razor Reserves Report, Razor has no knowledge of a material adverse change in the production, costs, price, reserves or estimates of future net production revenues from that disclosed in the Razor Reserves Report. Razor has provided to Sproule all material information concerning land descriptions, well data, facilities and infrastructure, ownership and operations, future development plans and historical technical and operating data respecting the principal oil and natural gas assets of Razor and its subsidiaries, as at the effective date of such report, and, in particular, all material information respecting the interests of each of Razor and its

subsidiaries in its principal oil and natural gas assets and royalty burdens and net profits interest burdens thereon and such information was accurate and correct in all material respects as at the respective dates thereof and did not omit any information necessary to make any such information provided not misleading as at the respective dates thereof and there has been no material adverse change in any of the material information so provided since the date thereof.

- (u) Except to the extent that any matter referenced to in this subparagraph does not, and would not, reasonably be expected to have a Material Adverse Effect on Razor, all rentals, royalties, overriding royalty interests, production payments, net profits, interest burdens, payments and obligations due and payable, or performable, as the case may be, on or prior to the date hereof under, with respect to, or on account of, any direct or indirect assets of Razor have been, in all material respects: (i) duly paid; (ii) duly performed; or (iii) provided for prior to the date hereof and all costs, expenses and liabilities payable on or prior to the date hereof under the terms of any contracts and agreements to which Razor is directly or indirectly bound have been properly and timely paid, except for such expenses that are being currently paid prior to delinquency in the ordinary course of business.
- (v) Except to the extent that any violation or other matter referred to in this subparagraph does not have a Material Adverse Effect on Razor:
 - (i) neither Razor nor any of its subsidiaries is in violation of any Environmental Laws;
 - (ii) Razor and its subsidiaries have operated their business at all times and has received, handled, used, stored, treated, shipped and disposed of all Hazardous Substances without violation of Environmental Laws;
 - (iii) there have been no spills, releases, deposits or discharges of Hazardous Substances into the Environment by Razor or any of its subsidiaries that have not been remedied;
 - (iv) no orders, directives, demands or notices have been issued and remain outstanding pursuant to any Environmental Laws relating to the business or assets of Razor or any of its subsidiaries and Razor or any of its subsidiaries is not aware of any fact or circumstance, which if known to any Governmental Authority, could reasonably be expected to lead to such orders, directives, demands or notices;
 - (v) neither Razor nor any of its subsidiaries has failed to report to the proper Governmental Authority the occurrence of any event which is required to be so reported by any Environmental Law;
 - (vi) Razor and each of its subsidiaries hold all licenses, Permits and approvals required under any Environmental Laws in connection with the operation of their business and the ownership and use of the their assets, all such Permits and approvals are in full force and effect, and except for notifications and conditions of general application to assets of reclamation obligations under any jurisdiction in which it conducts its business, neither Razor nor any of its subsidiaries has received any notification pursuant to any Environmental Laws that any work, repairs, constructions or capital expenditures are required to be made by it as a condition of continued compliance with any Environmental Laws, or any license, Permit or approval issued pursuant thereto, or that any license, Permit or approval referred

to above is about to be reviewed, made subject to limitation or conditions, revoked, withdrawn or terminated; and

- (vii) full and accurate particulars of or, in the case of a document, a copy of all environmental or health and safety assessments, audits, reviews or investigations, whether in draft or final form, which concern in whole or in part (directly or indirectly) the current or previous operations of Razor and its subsidiaries and which are in the possession or control of Razor as of the date hereof have been made available to Little Rock.
- (w) Any and all operations of Razor and its subsidiaries (and to its knowledge, all operations of third parties) on or in respect of the Razor Assets have been conducted in compliance with good oilfield practices in all material respects.
- (x) Although it does not warrant title to the Razor Assets, Razor does not have reason to believe that it or its subsidiaries do not have title to or the irrevocable right to produce and sell their petroleum, natural gas and related hydrocarbons that comprise a part of the Razor Assets, and does represent and warrant that except as would not have a Material Adverse Effect on Razor and its subsidiaries taken as a whole, or as set forth in the Razor Public Disclosure, the Razor Assets are free and clear of adverse claims created by, through or under Razor or those arising in the ordinary course of business, and that to its knowledge, Razor, Razor holds the Razor Assets under valid and subsisting leases, Permits, concessions, concession agreements, contracts, subleases, reservations or other agreements.
- (y) Razor or its subsidiaries have not received notice of (nor is it aware of) any default in respect of any of the Razor Assets or under any title or operating documents or any other agreement or instrument pertaining to their oil and natural gas assets to which they are a party or by which it or any such assets are bound or subject, except to the extent such defaults would not in the aggregate have a Material Adverse Effect on Razor and its subsidiaries, taken as a whole.
- (z) The corporate records and minute books, books of account and other records of Razor and its subsidiaries (whether of a financial or accounting nature or otherwise) have been maintained in accordance with, in all material respects, all applicable statutory requirements and prudent business practice and will be complete and accurate in all material respects as at the Closing Date.
- (aa) Except for indemnity agreements with its directors and officers as contemplated by the by-laws of Razor and Applicable Laws, and other than standard indemnity provisions in financial services agreements, underwriting and agency agreements, asset purchase and sale agreements and in the ordinary course provided to service providers, transfer agents and industry partners, Razor or its subsidiaries is not a party to or bound by any agreement, guarantee, indemnification or endorsement or like commitment of the obligations, liabilities (contingent or otherwise) or indebtedness of any person.
- (bb) No director, officer, insider or other non-arm's length party to Razor (or any associate or affiliate thereof) has any right, title or interest in (or the right to acquire any right, title or interest in) any royalty interest, carried interest, participation interest or any other interest whatsoever which are based on production from or in respect of any properties of Razor or its subsidiaries.

- (cc) There has not been reportable disagreement (within the meaning of section 4.11 of National Instrument 51-102, *Continuous Disclosure Obligations of the Canadian Securities Administrators*) with Razor's auditors.
- (dd) Razor is a reporting issuer (where such concept exists) in each of the provinces of British Columbia, Alberta and Ontario and is in material compliance with all Applicable Laws therein. The Razor Shares are listed and posted for trading on the TSXV and Razor is in material compliance with the policies and rules of the TSXV. The documents and information comprising the Razor Public Record did not at the respective times they were filed with the relevant Securities Authorities, contain any misrepresentation, unless such document or information was subsequently corrected or superseded in the Razor Public Record prior to the date hereof. Razor has timely filed with the Securities Authorities all material forms, reports, schedules, statements and other documents required to be filed by Razor with the Securities Authorities since becoming a "reporting issuer". Razor has not filed any confidential material change report that, at the date hereof, remains confidential. To the knowledge of Razor, neither it nor any of its directors or officers (in their capacities as directors and/or officers of Razor) are presently subject to investigation by any Securities Authorities or the TSXV and, to the knowledge of Razor, no such review is pending or to the knowledge of Razor threatened.
- (ee) Razor is not a "non-Canadian" within the meaning of the *Investment Canada Act* (Canada).
- (ff) Razor is not incorporated in the United States, is not organized under the laws of the United States and does not have its principal office within the United States.
- (gg) To the knowledge of Razor, neither Razor nor any of its subsidiaries is registered or is required to be registered as an "investment company" within the meaning of the United States Investment Company Act of 1940.
- (hh) The operations of Razor and its subsidiaries are and have been conducted at all times in compliance with applicable financial recordkeeping and reporting requirements of the money laundering statutes of all applicable jurisdictions, the rules and regulations thereunder and any related or similar rules, regulations or guidelines, issued, administered or enforced by any Governmental Authority to which Razor and its subsidiaries are subject (collectively, the "**Money Laundering Laws**") and no action, suit or proceeding by or before any Governmental Authority or arbitrator involving Razor or its subsidiaries with respect to Money Laundering Laws is pending, or, to the best knowledge of Razor, threatened.
- (ii) Neither Razor nor its subsidiaries or their directors or officers nor, to the knowledge of Razor, any agent, employee or affiliate of Razor or its subsidiaries is aware of or has taken any action, directly or indirectly, that could result in a violation by such Persons of the *Corruption of Foreign Public Officials Act* (Canada), the Foreign Corrupt Practices Act of 1977 (U.S.), or any other anticorruption law to which Razor or its subsidiaries may be subject (collectively, the "**Anti-Corruption Laws**"), including, without limitation, making any bribe, rebate, payoff, influence payment, kickback or other unlawful payment or making use of the mails or any means or instrumentality of interstate commerce in furtherance of an offer, payment, promise to pay or authorization of the payment of any money, or other property, gift, promise to give, or authorization of the giving of anything of value or benefit to any "foreign official" or "public official" (as such terms are defined in the applicable Anti-Corruption Laws) or any foreign political party or official thereof or any candidate for foreign political office, or any third party or any other Person to the benefit of the

foregoing, in contravention of the Anti-Corruption Laws, and Razor and its affiliates have conducted their businesses in compliance with the Anti-Corruption Laws.

- (jj) (i) No action or proceeding has been commenced or filed by or against Razor or its subsidiaries which seeks or would reasonably be expected to lead to:
 - (A) receivership, bankruptcy, a commercial proposal or similar proceeding of Razor;
 - (B) the adjustment or compromise of claims against Razor or its subsidiaries;
 - (C) the appointment of a trustee, receiver, liquidator, custodian or other similar officer for Razor, its subsidiaries or any portion of their assets, and no such action or proceeding has been authorized or is being considered by or on behalf of Razor; or
- (ii) Razor or its subsidiaries have not:
 - (A) made, or is considering making, an assignment for the benefit of their respective creditors; or
 - (B) requested, or is considering requesting, a meeting of their respective creditors to seek a reduction, compromise, composition or other accommodation with respect to its respective indebtedness.
- (kk) Razor has not withheld from Little Rock any material information or documents concerning Razor or the assets or liabilities of Razor during the course of the review by Little Rock of Razor and its assets that Razor reasonably believes may be material to Little Rock in connection with the matters contemplated herein.

4.2 Representations and Warranties of Little Rock

Little Rock hereby makes the representations and warranties set forth in this Section 4.2 to and in favour of Razor and acknowledges that Razor is relying upon such representations and warranties in connection with the matters contemplated by this Agreement.

- (a) Little Rock is a corporation duly organized and validly subsisting under the Applicable Laws of its jurisdiction of incorporation and Little Rock has the requisite power and authority to carry on its business as it is now being conducted and to own, lease and operate its properties and assets.
- (b) Little Rock is duly registered to do business and is in good standing in each jurisdiction in which the character of its properties, owned, leased, operated, licensed or otherwise held, or the nature of its activities make such registration necessary under Applicable Laws, except where the failure to be so registered or in good standing would not, individually or in the aggregate, have a Material Adverse Effect on Little Rock.
- (c) Little Rock has no direct or indirect subsidiaries.
- (d) Little Rock has no interest in any partnership, corporation or other business or organization.

- (e) Little Rock has the requisite corporate power and authority to enter into this Agreement and to carry out its obligations hereunder. The execution and delivery of this Agreement and the consummation by Little Rock of the transactions contemplated by this Agreement have been duly authorized by the Little Rock Board and, subject to the Little Rock Shareholders tendering their Little Rock Shares pursuant to the Offer, as contemplated herein, no other corporate proceedings on the part of Little Rock are or shall be necessary to consummate the transactions contemplated by this Agreement. This Agreement has been duly executed and delivered by Little Rock and constitutes a legal, valid and binding obligation of Little Rock enforceable against Little Rock in accordance with its terms, subject to bankruptcy, insolvency, fraudulent transfer, reorganization, moratorium and other Applicable Laws relating to or affecting creditors' rights generally and to general principles of equity.
- (f) Other than as disclosed in the Little Rock Disclosure Letter, subject to the Little Rock Shareholders tendering their Little Rock Shares pursuant to the Offer, receipt of Regulatory Approvals and compliance with all applicable corporate, securities, competition and anti-trust laws, neither the execution and delivery of this Agreement by Little Rock, the consummation by Little Rock of the transactions contemplated by this Agreement nor compliance by Little Rock with any of the provisions hereof will:
 - (i) violate, conflict with, or result in breach of any provision of, require any consent, approval or notice under, or constitute a default (or an event which, with notice or lapse of time or both, would constitute a default) or result in a right of termination or acceleration under, or result in the creation of any Lien, claim, trust, royalty or carried, participation, net profits or other third party interest, option, right of first refusal, right or privilege and any agreement or arrangement (whether by law, contract or otherwise) capable of becoming any of the foregoing, upon any of the properties or assets of Little Rock under, any of the terms, conditions or provisions of (A) the articles, bylaws or other constating documents of Little Rock, or (B) any note, bond, mortgage, indenture, loan agreement, deed of trust, agreement, lien, contract or other instrument or obligation to which Little Rock is a party or to which it, or its properties or assets, may be subject or by which Little Rock is bound; or
 - (ii) violate any judgment, ruling, order, writ, injunction, determination, award, decree, statute, ordinance, rule or regulation in Canada applicable to Little Rock,

except for such violations conflicts, breaches, defaults or terminations which, or any consents, approvals or notices which if not given or received, would not have any Material Adverse Effect on Little Rock.
- (g) The execution, delivery and performance of this Agreement does not and will not result in the restriction of Little Rock from engaging in its business or from competing with any Person or in any geographical area.
- (h) Little Rock has sufficient funds available to pay the amount which may be required pursuant to Section 6.1 of this Agreement.
- (i) Other than in connection with or in compliance with the provisions of Applicable Laws in relation to the completion of the transactions contemplated by this Agreement including receipt of Regulatory Approvals and the Little Rock Shareholders tendering their Little Rock Shares pursuant to the Offer or which are required to be fulfilled post-Closing:

- (i) there is no legal impediment to Little Rock's consummation of the transactions contemplated by this Agreement; and
 - (ii) no filing or registration with, or authorization, consent or approval of, any Governmental Authority is necessary by Little Rock in connection with the consummation of the transactions contemplated by this Agreement, except for such filings or registrations which, if not made, or for such authorizations, consents or approvals, which, if not received, would not materially impede the ability of Little Rock to consummate the transactions contemplated by this Agreement.
- (j) Other than as disclosed in the Little Rock Disclosure Letter, subject to the Little Rock Shareholders tendering their Little Rock Shares pursuant to the Offer and receipt of Regulatory Approvals, neither the execution and delivery of this Agreement by Little Rock, the consummation by Little Rock of the transactions contemplated by this Agreement nor compliance by Little Rock with any of the provisions hereof, will require any material consents or trigger any material fees or material termination rights.
- (k) Little Rock is authorized to issue an unlimited number of Little Rock Shares. As at the date hereof, 13,293,405 Little Rock Shares, 1,275,000 Little Rock Options and Little Rock Convertible Debentures in the aggregate principal amount of \$745,200 are issued and outstanding. Except pursuant to the Little Rock Options and the Little Rock Convertible Debentures, there are no other outstanding securities of Little Rock or options, warrants, rights of conversion or exchange privileges or other securities entitling anyone to acquire any securities of Little Rock or any other rights, agreements or commitments of any character whatsoever requiring the issuance, sale or transfer by Little Rock of any securities. All outstanding Little Rock Shares have been duly authorized and are validly issued as fully paid and non-assessable shares and are not subject to, nor have they been issued in violation of, any pre-emptive rights.
- (l) There are no outstanding stock appreciation rights, phantom equity, profit sharing plan or similar rights, agreements, arrangements or commitments payable to any employee of Little Rock and which are based upon the revenue, value, income or other attribute of Little Rock.
- (m) Little Rock has not guaranteed, endorsed, assumed, indemnified or accepted any responsibility for, and do not and will not guarantee, endorse, assume, indemnify or accept any responsibility for, contingently or otherwise, any indebtedness or the performance of any obligation of any other Person.
- (n) There are no outstanding rights of first refusal or other pre-emptive rights of purchase which entitle any person to acquire any of the material rights, title, interests, property, licenses or assets of Little Rock that will be triggered or accelerated by the completion of the transactions contemplated by this Agreement.
- (o) Little Rock is not a party to any shareholder rights plan or any other form of plan, agreement, contract or instrument that shall trigger any rights to acquire Little Rock Shares or other securities of Little Rock or rights, entitlements or privileges in favour of any person upon the entering into of this Agreement or completing the transactions contemplated by this Agreement.

- (p) To the knowledge of Little Rock, none of the Little Rock Shares are the subject of any escrow, voting trust or other similar agreement.
- (q) Except as disclosed in the Little Rock Disclosure Letter, since December 31, 2018:
 - (i) there has not been any Material Adverse Change respecting Little Rock;
 - (ii) there have been no material facts, transactions, events or occurrences which, to the knowledge of Little Rock, could reasonably be expected to result in a Material Adverse Change respecting Little Rock;
 - (iii) Little Rock has conducted its business only in the ordinary and normal course, consistent with past practice and in compliance in all material respects with all Applicable Laws in each jurisdiction in which it carries on business; and
 - (iv) no liability or obligation of any nature (whether absolute, accrued, contingent or otherwise, whether or not such liabilities would be required by IFRS to be reflected on a balance sheet of Little Rock) material to Little Rock has been incurred other than in the ordinary and normal course of business, consistent with past practice.
- (r) Except as set forth in the Little Rock Disclosure Letter, Little Rock has complied with all Applicable Laws in all material respects and is not in violation of any Applicable Laws in any material respect. Little Rock has not received notice of proceedings against or involving Little Rock, or in respect of the businesses, properties or assets of Little Rock and, to the knowledge of Little Rock, no event has occurred which might reasonably be expected to give rise to any proceeding. There is no judgment, writ, decree, injunction, rule, award or order of any Governmental Authority outstanding against Little Rock in respect of its business, properties or assets.
- (s) Except: (i) as disclosed or reflected in the Little Rock Financial Statements; and (ii) for liabilities and obligations: (A) incurred in the ordinary course of business and consistent with past practice since December 31, 2018; or (B) pursuant to the terms of this Agreement or any other agreement or instrument to which Razor is a party, Little Rock has not incurred any material liabilities of any nature, whether accrued, contingent or otherwise, whether or not such liabilities would be required by IFRS to be reflected on a balance sheet of Little Rock as of the date hereof and has not been a party to any off-balance sheet arrangements, as that term is understood under IFRS.
- (t) The Little Rock Financial Statements fairly present, in accordance with IFRS, consistently applied, the consolidated financial position and condition of Little Rock at the dates thereof and the results of the operations of Little Rock for the periods then ended and reflect, in accordance with IFRS, consistently applied, all material assets, liabilities or obligations (absolute, accrued, contingent or otherwise) of Little Rock, as at the dates thereof.
- (u) Little Rock has not received notice of (nor is it aware of) any material violation of or investigation relating to any Applicable Law with respect to the Little Rock Assets, its business or its operations and Little Rock holds all Permits, licenses and other authorizations which are required under Applicable Law relating to the Little Rock Assets, its business or its operations of Little Rock except as would not have a Material Adverse Effect on Little Rock. The Little Rock Assets have at all times been (and currently are) operated and maintained by it in compliance with all terms and conditions of Applicable Laws, Permits, licenses and authorizations in all material respects.

- (v) No Securities Authority, other competent authority or stock exchange in Canada or the United States has issued any order which is currently outstanding preventing or suspending trading in any securities of Little Rock, no such proceeding is, to the knowledge of Little Rock, pending, contemplated or threatened and Little Rock is not, to its knowledge, in default of any material requirement of any Applicable Laws.
- (w) Little Rock has no reason to believe that the Little Rock Reserves Report was not accurate in all material respects as at the effective date of such report and, except for any impact of changes in commodity prices and production since the date of the Little Rock Reserves Report, Little Rock has no knowledge of a material adverse change in the production, costs, price, reserves or estimates of future net production revenues from that disclosed in the Little Rock Reserves Report. Little Rock has provided to GLJ all material information concerning land descriptions, well data, facilities and infrastructure, ownership and operations, future development plans and historical technical and operating data respecting the principal oil and natural gas assets of Little Rock, as at the effective date of such report, and, in particular, all material information respecting the interests of Little Rock, in its principal oil and natural gas assets and royalty burdens and net profits interest burdens thereon and such information was accurate and correct in all material respects as at the respective dates thereof and did not omit any information necessary to make any such information provided not misleading as at the respective dates thereof and there has been no material adverse change in any of the material information so provided since the date thereof.
- (x) Except to the extent that any violation or other matter referred to in this subparagraph does not have a Material Adverse Effect on Little Rock:
 - (i) Little Rock is not in violation of any Environmental Laws;
 - (ii) Little Rock has operated its business at all times and has received, handled, used, stored, treated, shipped and disposed of all Hazardous Substances without violation of Environmental Laws;
 - (iii) there have been no spills, releases, deposits or discharges of Hazardous Substances into the Environment by Little Rock that have not been remedied;
 - (iv) no orders, directives, demands or notices have been issued and remain outstanding pursuant to any Environmental Laws relating to Little Rock's business or the Little Rock Assets and Little Rock is not aware of any fact or circumstance which, if known to any Governmental Authority, could reasonably be expected to lead to such orders, directives, demands or notices;
 - (v) Little Rock has not failed to report to the proper Governmental Authorities, the occurrence of any event which is required to be so reported by any Environmental Law;
 - (vi) Little Rock holds all Permits required under any Environmental Laws in connection with the operation of their business and the ownership and use of the Little Rock Assets, all such Permits are in full force and effect, and except for notifications and conditions of general application to assets of reclamation obligations under any jurisdiction in which it conducts its business, Little Rock has not received any notification pursuant to any Environmental Laws that any work, repairs, constructions or capital expenditures are required to be made by it as a

condition of continued compliance with any Environmental Laws, or any license, Permit or approval issued pursuant thereto, or that any license, Permit or approval referred to above is about to be reviewed, made subject to limitation or conditions, revoked, withdrawn or terminated; and

- (vii) full and accurate particulars of or, in the case of a document, a copy of all environmental or health and safety assessments, audits, reviews or investigations, whether in draft or final form, which concern in whole or in part (directly or indirectly) the current or previous operations of Little Rock and which are in the possession or control of Little Rock as of the date hereof have been made available to Razor.
- (y) Any and all operations of Little Rock (and to its knowledge, all operations of third parties) on or in respect of the Little Rock Assets have been conducted in compliance with good oilfield practices in all material respects.
- (z) Although it does not warrant title to the Little Rock Assets, Little Rock does not have reason to believe that it does not have title to or the irrevocable right to produce and sell its petroleum, natural gas and related hydrocarbons that comprise a part of the Little Rock Assets, and does represent and warrant that except for the Permitted Liens and, except as would not have a Material Adverse Effect on Little Rock or as set forth in the Little Rock Disclosure Letter:
 - (i) the Little Rock Assets are free and clear of Liens, security interests or mortgages, adverse claims, or any royalties, production payments, working interest reductions or other similar encumbrances;
 - (ii) it has not assigned, mortgaged or in any way alienated or encumbered any of its interests in the Little Rock Assets;
 - (iii) it holds the Little Rock Assets under valid and subsisting leases, Permits, concessions, concession agreements, contracts, subleases, reservations or other agreements;
 - (iv) it has not received notice from (and is not otherwise aware of) any third party claiming an interest in and to any of the Little Rock Assets adverse to the interest of Little Rock;
 - (v) none of the Little Rock Assets are subject to reduction by reference to payout of or production penalty on any well or otherwise or to change to an interest of any other size or nature by virtue of or through any right or interest granted by, through or under Little Rock;
 - (vi) subject to the rents, covenants, conditions and stipulations in the applicable title and operating documents, Little Rock is entitled to enter into and upon, hold and enjoy its oil and gas assets for the residue of the terms of the applicable leases and licenses and all renewals or extensions thereof for its own use and benefit, without any lawful interruption by any person claiming or to claim by, through or under Little Rock; and

- (vii) there are no transportation, processing or marketing agreements to which Little Rock is a party, except for agreements terminable by Little Rock without bonus, penalty or other costs on not more than 30 days' notice.
- (aa) The liability management ratio of Little Rock is greater than 1.2 as of July 31, 2019.
- (bb) Little Rock's average production (field estimated average production) for the month ended July 31, 2019 was not less than 900 BOE/D, consisting of 2,400 MCF/D of natural gas and 500 BBL/D of crude oil and liquids production.
- (cc) Little Rock's net developed and undeveloped land position as at the date hereof, is not less than the amount disclosed in the Little Rock Disclosure Letter.
- (dd) The Little Rock Disclosure Letter sets out a materially complete and accurate description of the Little Rock Assets (including the wells, facilities and lands of Little Rock) as at the date hereof.
- (ee) Except as set forth in the Little Rock Disclosure Letter, there are no material contracts or agreements to which Little Rock is a party or by which it is bound.
- (ff) To Little Rock's knowledge and except as set forth in the Little Rock Disclosure Letter, no royalty or joint venture audits have been demanded or are underway pursuant to any of the applicable title and operating documents in respect of any of the Little Rock Assets, except as set forth in the Little Rock Disclosure Letter.
- (gg) Except as set forth in the Little Rock Disclosure Letter, Little Rock has not received any written notices pertaining to any of the Little Rock Assets in respect of, and none of the Little Rock Assets are subject to, any offset obligations (including obligations to drill wells, surrender rights or pay compensatory royalty) which have not been satisfied.
- (hh) There is no order, agreement, commitment or understanding, written or oral, binding upon Little Rock or upon any director, officer or employee of Little Rock, that would now (as a result of entering into this Agreement, completing the transactions contemplated by this Agreement or otherwise) or hereafter, in any way, limit the business or operations of Little Rock in any material respect, including any order, agreement, commitment or understanding that includes a non-competition restriction, area of mutual interest, right of first refusal, right of first offer, exclusivity or other similar provision that has or would reasonably be expected to have the effect of prohibiting, restricting or impairing the transactions contemplated by this Agreement or any business practices of Little Rock in any material respect.
- (ii) Little Rock has not received notice of (nor is it aware of) any default in respect of any of the Little Rock Assets or under any title or operating documents or any other agreement or instrument pertaining to its oil and natural gas assets to which it is a party or by which it or any such assets are bound or subject, except to the extent such defaults would not in the aggregate have a Material Adverse Effect on Little Rock.
- (jj) Except for the Permitted Liens, none of the Little Rock Assets are subject to reduction by reference to payout of or production penalty on any well or otherwise or to change to an interest of any other size or nature by virtue of or through any right or interest granted by, through or under Little Rock.

- (kk) None of the wells in which Little Rock holds an interest is being produced in excess of applicable production allowables imposed by any Applicable Law or any Governmental Authority and Little Rock does not have any knowledge of any impending change in production allowables imposed by any Applicable Law or any Governmental Authority that may be applicable to any of the wells in which any of them holds an interest, other than changes of general application in the jurisdiction in which such wells are situate.
- (ll) Little Rock has not received notice of any production penalty or similar production restriction of any nature imposed by any Governmental Authority and none of the wells in which it holds an interest are subject to any such penalty or restriction.
- (mm) To the best of the knowledge, information and belief of Little Rock, all wells located on any lands in which Little Rock has an interest, or lands with which such lands have been pooled or unitized, which have been abandoned have been abandoned in all material respects in accordance with all Applicable Laws regarding the abandonment of wells.
- (nn) The tangible depreciable property used or intended for use in connection with (and comprising part of) the Little Rock Assets:
 - (i) for which Little Rock was or is operator, was or has been constructed, operated and maintained in accordance with good and prudent oil and natural gas industry practices in Canada and all Applicable Law during all periods in which Little Rock was operator thereof;
 - (ii) for which Little Rock was not or is not operator, to the knowledge of Little Rock, was or has been constructed, operated and maintained in accordance with good and prudent oil and natural gas industry practices in Canada and all Applicable Laws during all periods in which Little Rock had an interest therein;
 - (iii) is not subject to any sale-leaseback arrangements; and
 - (iv) is not leased or rented (other than as disclosed in the Little Rock Disclosure Letter).
- (oo) Other than as disclosed in the Little Rock Disclosure Letter: (i) Little Rock has not, at the date of this Agreement received any advance payments for petroleum or services not already delivered or provided prior to receipt of payment; and (ii) Little Rock is not obligated by virtue of a prepayment, gas balancing, take or pay, or other arrangement under any contract to make any production payment, refund of production payment or delivery of petroleum substances produced from the Little Rock Assets to any person at some future time without receiving in due course (and being entitled to retain) full payment therefor at current market prices or contract prices.
- (pp) Except as set forth in the Little Rock Disclosure Letter, there are no outstanding authorizations for expenditure pertaining to any of the Little Rock Assets or any other commitments, approvals or authorizations pursuant to which an expenditure may be required to be made in respect of such Little Rock Assets after June 30, 2019.
- (qq) Except as set forth in the Little Rock Disclosure Letter, Little Rock has not retained any financial advisor, broker, agent or finder, or paid or agreed to pay or have Razor pay any financial advisor, broker, agent or finder on account of this Agreement, any transaction contemplated hereby or any transaction presently ongoing or contemplated. Little Rock has delivered to Razor true and current copies of all agreements between Little Rock and

any financial advisor, broker, agent or finder which could give rise to the payment of any fees to such persons and such agreements accurately reflect the fees payable to such persons.

- (rr) The corporate records and minute books, books of account and other records of Little Rock (whether of a financial or accounting nature or otherwise) have been maintained in accordance with, in all material respects, all applicable statutory requirements and prudent business practice and will be complete and accurate in all material respects as at the Closing Date.
- (ss) Other than as set forth in the Little Rock Disclosure Letter and the Little Rock Change of Control Payments, there are no payments or benefits, including accrued bonuses, owing or that will become owing in connection with the transactions contemplated by this Agreement to directors or officers or employees of Little Rock under any contract settlements, employment agreements, bonus plans, retention arrangements, change of control agreements, separation agreements or severance obligations (whether resulting from termination or alteration of duties).
- (tt) A complete and accurate list of all Little Rock Employee Plans are disclosed in the Little Rock Disclosure Letter.
- (uu) Little Rock has provided Razor with a copy of each Little Rock Employee Plan and the material documents that support each Little Rock Employee Plan.
- (vv) All Little Rock Employee Plans are, and have been, established, registered, qualified, administered, funded and invested in all material respects in accordance with the terms of such Little Rock Employee Plans including the terms of the material documents that support such Little Rock Employee Plans and all Applicable Laws.
- (ww) To the knowledge of Little Rock, no event has occurred respecting any Little Rock Employee Plan which would result in, to the extent applicable, the revocation of the registration of such Little Rock Employee Plan or entitle any person (without consent of the Little Rock) to wind up or terminate any Little Rock Employee Plan, in whole or in part, or which could otherwise reasonably be expected to adversely affect the tax status of any such Little Rock Employee Plan.
- (xx) None of the Little Rock Employee Plans provide for benefit increases or the acceleration of, or an increase in, funding obligations that are contingent upon, or will be triggered by the completion of the transactions contemplated herein (other than the Little Rock Options and the Little Rock Termination Agreements in respect thereof).
- (yy) There are no unfunded liabilities in respect of any Little Rock Employee Plan including going concern unfunded liabilities, solvency deficiencies or wind-up deficiencies where applicable.
- (zz) None of the Little Rock Employee Plans provide benefits beyond retirement or other termination of service to employees or former employees or to the beneficiaries or dependents of such Little Rock Employees.
- (aaa) There is no proceeding, action, suit or claim (other than routine claims for payments of benefits) pending or, to the knowledge of Little Rock, threatened involving any Little Rock Employee Plan or its assets.

- (bbb) A complete and accurate list of the directors, officers, employees and independent contractors of Little Rock and their material terms of employment including any employment agreements, retention and bonus on commission arrangements is disclosed in the Little Rock Disclosure Letter.
- (ccc) Little Rock is not party to any collective agreement nor does Little Rock reasonably anticipate being party to a collective agreement in the next three years.
- (ddd) Little Rock is and has been operated in all material respects in compliance with all Applicable Laws relating to Little Rock Employees.
- (eee) There is no proceeding, action, suit or claim pending or, to the knowledge of Little Rock, threatened involving any Little Rock Employee with respect to Little Rock.
- (fff) Except for indemnity agreements with its directors and officers as contemplated by the by-laws of Little Rock and Applicable Laws, and other than standard indemnity provisions in financial services agreements, underwriting and agency agreements, asset purchase and sale agreements and in the ordinary course provided to service providers, transfer agents and industry partners, Little Rock is not a party to or bound by any agreement, guarantee, indemnification or endorsement or like commitment of the obligations, liabilities (contingent or otherwise) or indebtedness of any person.
- (ggg) Tax Matters.
 - (i) To the knowledge of Little Rock, all royalties, ad valorem, property, production, severance and similar taxes and assessments based on or measured by the ownership of property or the production of its hydrocarbon substances, or the receipt of proceeds therefrom, payable in respect of its oil and natural gas assets prior to the date hereof have been properly and fully paid and discharged, and there are no unpaid Taxes or assessments which could result in a Lien or charge on its oil and natural gas assets.
 - (ii) Little Rock has (A) withheld from each payment made to any of its present or former employees, officers and directors, and to all persons who are non-residents of Canada for the purposes of the Tax Act, all amounts required by law and shall continue to do so until the Closing Date and has remitted and will continue to remit until the Closing Date such withheld amounts within the prescribed periods to the appropriate Governmental Authority, (B) remitted and will continue to remit until the Closing Date all Canada Pension Plan contributions, unemployment insurance premiums, employer health taxes and other taxes payable by it in respect of its employees and has or shall have remitted such amounts to the proper Governmental Authority within the time required by Applicable Law, and (C) charged, collected and remitted and will continue to charge, collect and remit until the Closing Date on a timely basis all Taxes as required by Applicable Law on any sale, supply or delivery whatsoever, made by Little Rock.
 - (iii) Except as set forth in the Little Rock Disclosure Letter, (A) all Returns required to be filed by or on behalf of Little Rock for periods ended on and prior to the date of this Agreement have been duly filed on a timely basis and such Returns are complete and correct in all material respects. All Taxes shown to be payable on such Returns or on subsequent assessments with respect thereto have been paid

in full on a timely basis, and no other material Taxes are payable by Little Rock with respect to items or periods covered by such Returns; (iv) Little Rock has paid or has withheld and remitted to the appropriate Tax authority all material Taxes, including any instalments or prepayments of Taxes, that are due and payable, or, where payment is not yet due, Little Rock has established adequate accruals in conformity with IFRS in the Little Rock Financial Statements for the period covered by such financial statements for any material Taxes, including income taxes and related future taxes, if applicable, that have not been paid. Little Rock has, in all material respects, made adequate provision or disclosure in its books and records for any Taxes accruing in respect of any period subsequent to the period covered by such financial statements, whether or not shown as being due on any Return; (v) no material deficiencies have been asserted in writing by any Governmental Authority with respect to Taxes of Little Rock that have not yet been settled; (vi) Little Rock is not a party to any tax sharing, tax indemnity or tax allocation agreement or arrangement and does not have nor could have any material liabilities or obligations in respect of Taxes under any such tax sharing, tax indemnity or tax allocation agreement; (vii) Little Rock is resident in Canada for the purposes of the Tax Act; (viii) Little Rock is not a party to any action or proceeding for assessment or collection of a material amount of Taxes, nor, to the knowledge of Little Rock, has such an event been asserted in writing by any Governmental Authority or threatened against Little Rock or any of its assets. No waiver or extension of any statute of limitations is in effect with respect to material Taxes or material Returns of Little Rock; and (ix) no audit by any Tax authority of Little Rock is in progress or to the knowledge of Little Rock, pending or threatened.

- (x) Little Rock does not have any outstanding obligations to incur and/or renounce any Canadian exploration expenditures or Canadian development expenditures to any purchaser of Little Rock Shares that have not yet been fully expended and renounced.
- (xi) Little Rock's Tax Pools at December 31, 2018 are as set forth in the Little Rock Disclosure Letter, and Little Rock has not taken any action, or entered into any transaction, outside of the ordinary course of business that would have the effect of materially reducing any amount set forth therein.
- (hhh) No director, officer, insider or other non-arm's length party to Little Rock (or any associate or affiliate thereof) has any right, title or interest in (or the right to acquire any right, title or interest in) any royalty interest, carried interest, participation interest or any other interest whatsoever which are based on production from or in respect of any properties of Little Rock.
- (iii) Except as set forth in the Little Rock Disclosure Letter, no director, officer, insider or other non-arm's length party of Little Rock is indebted to Little Rock.
- (jjj) Policies of insurance are in force as of the date hereof naming Little Rock as an insured, that adequately cover all risks as are customarily covered by oil and gas producers in the industry in which Little Rock operates and such policies remain in full force and effect and shall not be cancelled or otherwise terminated as a result of the transactions contemplated by this Agreement.

- (kkk) Except as has been specifically disclosed in the Little Rock Financial Statements, Little Rock has not been a party to or subject to any hedges, swaps or other financial instruments or like transactions.
- (lll) Little Rock has not waived or released the applicability of any "standstill" or other provisions of any confidentiality or other similar agreements entered into by Little Rock that would otherwise have been in effect as of the date of this Agreement, and no such waiver or release may occur under any such agreement without Little Rock's consent. Little Rock has not negotiated or engaged in any discussions in respect of any proposal of the nature described in the definition of Acquisition Proposal with any Person that has not entered into a confidentiality agreement with Little Rock that includes customary standstill provisions, which provision do not provide for any waiver or release thereof other than with Little Rock's consent.
- (mmm) Little Rock is not a reporting issuer (or equivalent thereof) in any of the provinces of Canada.
- (nnn) Little Rock has a system of internal accounting controls sufficient to provide reasonable assurances that:
 - (i) transactions are executed in accordance with management's general or specific authorization;
 - (ii) transactions are recorded as necessary to permit preparation of financial statements in conformity with IFRS, and to maintain accountability for assets;
 - (iii) access to assets is permitted only in accordance with management's general or specific authorization; and
 - (iv) the recorded accountability for assets is compared with existing assets at reasonable intervals and appropriate action is taken with respect to any differences.
- (ooo) There has not been reportable disagreement (within the meaning of section 4.11 of National Instrument 51-102, *Continuous Disclosure Obligations of the Canadian Securities Administrators*) with Little Rock's auditors.
- (ppp) Little Rock is not a "non-Canadian" as such term is defined in the *Investment Canada Act* (Canada).
- (qqq) Little Rock is not incorporated in the United States, is not organized under the laws of the United States and does not have its principal office within the United States.
- (rrr) Little Rock is not registered and, to the knowledge of Little Rock, is not required to be registered as an "investment company" within the meaning of the United States Investment Company Act of 1940.
- (sss) The operations of Little Rock are and have been conducted at all times in compliance with applicable financial recordkeeping and reporting requirements of the money laundering statutes of all applicable jurisdictions, the rules and regulations thereunder and any related or similar rules, regulations or guidelines, issued, administered or enforced by any Governmental Authority to which Little Rock is subject (collectively, the "**Money**

Laundering Laws") and no action, suit or proceeding by or before any Governmental Authority or arbitrator involving Little Rock with respect to Money Laundering Laws is pending, or, to the best knowledge of Little Rock, threatened.

- (ttt) Neither Little Rock nor its directors or officers nor, to the knowledge of Little Rock, any agent, employee or affiliate of Little Rock is aware of or has taken any action, directly or indirectly, that could result in a violation by such Persons of the *Corruption of Foreign Public Officials Act* (Canada), the Foreign Corrupt Practices Act of 1977 (U.S.), or any other anticorruption law to which Little Rock may be subject (collectively, the "**Anti-Corruption Laws**"), including, without limitation, making any bribe, rebate, payoff, influence payment, kickback or other unlawful payment or making use of the mails or any means or instrumentality of interstate commerce in furtherance of an offer, payment, promise to pay or authorization of the payment of any money, or other property, gift, promise to give, or authorization of the giving of anything of value or benefit to any "foreign official" or "public official" (as such terms are defined in the applicable Anti-Corruption Laws) or any foreign political party or official thereof or any candidate for foreign political office, or any third party or any other Person to the benefit of the foregoing, in contravention of the Anti-Corruption Laws, and Little Rock and its affiliates have conducted their businesses in compliance with the Anti-Corruption Laws.
- (uuu) (i) No action or proceeding has been commenced or filed by or against Little Rock which seeks or would reasonably be expected to lead to:
 - (A) receivership, bankruptcy, a commercial proposal or similar proceeding of Little Rock;
 - (B) the adjustment or compromise of claims against Little Rock;
 - (C) the appointment of a trustee, receiver, liquidator, custodian or other similar officer for Little Rock or any portion of their assets, and no such action or proceeding has been authorized or is being considered by or on behalf of Little Rock; or
- (ii) Little Rock has not:
 - (A) made, or is considering making, an assignment for the benefit of their respective creditors; or
 - (B) requested, or is considering requesting, a meeting of its respective creditors to seek a reduction, compromise, composition or other accommodation with respect to its respective indebtedness.
- (vvv) The particulars of the estimated Little Rock Transaction Costs are set forth in the Little Rock Disclosure Letter.
- (www) As at June 30, 2019, the Little Rock Net Debt does not exceed \$2.1 million.
- (xxx) Little Rock has authorizations for expenditures and other like commitments with respect to its assets, the estimated outstanding portion of which, in an aggregate amount, does not exceed \$50,000 and all such authorizations and commitments are set forth in the Little Rock Disclosure Letter.

- (yyy) To the best of Little Rock's knowledge, there are no Little Rock Shareholders that are: (i) located in the United States; (ii) U.S. Persons; or (iii) non-residents of Canada for the purposes of the Tax Act.
- (zzz) Little Rock has not withheld from Razor any material information or documents concerning Little Rock or the assets or liabilities of Little Rock during the course of the review by Razor of Little Rock and its assets that Little Rock reasonably believes may be material to Razor in connection with the matters contemplated herein.

4.3 Privacy Issues

- (a) For the purposes of this Section 4.3, "**Transferred Information**" means the personal information (namely, information about an identifiable individual other than their business contact information when used or disclosed for the purpose of contacting such individual in that individual's capacity as a representative of an organization and for no other purpose) to be disclosed or conveyed to one Party or any of its representatives or agents (for purposes of this Section 4.3, "**Recipient**") by or on behalf of the other Party (for purposes of this Section 4.3, "**Disclosing Party**") as a result of or in conjunction with the transactions contemplated herein, and includes all such personal information disclosed to the Recipient prior to the execution of this Agreement.
- (b) Each Disclosing Party covenants and agrees to, upon request, use its reasonable commercial efforts to advise the Recipient of the purposes for which the Transferred Information was initially collected from or in respect of the individual to which such Transferred Information relates and the additional purposes where the Disclosing Party has notified the individual of such additional purpose, and where required by law, obtained the consent of such individual to such use or disclosure.
- (c) In addition to its other obligations hereunder, Recipient covenants and agrees to:
 - (i) prior to the completion of the transactions contemplated herein, collect, use and disclose the Transferred Information solely for the purpose of reviewing and completing the transactions contemplated herein, including for the purpose of determining to complete such transactions;
 - (ii) after the completion of the transactions contemplated herein,
 - (A) collect, use and disclose the Transferred Information only for those purposes for which the Transferred Information was initially collected from or in respect of the individual to which such Transferred Information relates or for the completion of the transactions contemplated herein, unless (I) the Disclosing Party or Recipient has first notified such individual of such additional purpose, and where required by law, obtained the consent of such individual to such additional purpose, or (II) such use or disclosure is permitted or authorized by Applicable Law, without notice to, or consent from, such individual; and
 - (B) where required by Applicable Law, promptly notify the individuals to whom the Transferred Information relates that the transactions contemplated herein have taken place and that the Transferred Information has been disclosed to Recipient;

- (iii) return or destroy the Transferred Information, at the option of the Disclosing Party, and to not thereafter use or disclose any of the Transferred Information, should the transactions contemplated herein not be completed; and
- (iv) notwithstanding any other provision herein, where the disclosure or transfer of Transferred Information to Recipient requires the consent of, or the provision of notice to, the individual to which such Transferred Information relates, to not require or accept the disclosure or transfer of such Transferred Information until the Disclosing Party has first notified such individual of such disclosure or transfer and the purpose for same, and where required by Applicable Law, obtained the individual's consent to same and to only collect, use and disclose such information to the extent necessary to complete the transactions contemplated herein and as authorized or permitted by Applicable Laws.

ARTICLE 5

CONDITIONS PRECEDENT

5.1 Mutual Conditions Precedent

The respective obligations of the Parties to consummate the transactions contemplated by this Agreement are subject to the satisfaction, on or before the Closing Date or such other time specified, of the following conditions, any of which may be waived by the mutual written consent of such Parties without prejudice to their right to rely on any other of such conditions:

- (a) the Closing Date shall have occurred on or before September 30, 2019 (the "**Outside Date**");
- (b) existing director's loans to Little Rock in the amount of \$0.5 million including all accrued interest thereon, shall be paid out in full by Little Rock or Razor on or before the Closing Date;
- (c) all Regulatory Approvals shall have been obtained on terms and conditions satisfactory to the Parties, each acting reasonably;
- (d) in addition to the approvals contemplated in Section 5.1(c), all other third party waivers or Permits required in connection with the consummation of the transactions contemplated by this Agreement shall have been provided or obtained on terms and conditions acceptable to the Parties, acting reasonably, at or before the Closing; and
- (e) no Governmental Authority shall have enacted, issued, promulgated, applied for (or advised any of the Parties in writing that it has determined to make such application), enforced or entered any Applicable Law (whether temporary, preliminary or permanent) that makes illegal, restrains, enjoins or otherwise prohibits consummation of, or dissolves the transactions contemplated by this Agreement.

The foregoing conditions are for the mutual benefit of the Parties and may be asserted by either Party regardless of the circumstances and may be waived by either Party (with respect to such Party) in their sole discretion, in whole or in part, at any time and from time to time without prejudice to any other rights which such Party may have.

5.2 Additional Conditions to Obligations of Razor

The obligation of Razor to complete the purchase of the Little Rock Shares pursuant to this Agreement from the Little Rock Shareholders who accept the Offer is subject to the satisfaction of the following conditions precedent:

- (a) at the Closing, there shall have been validly deposited under the Offer and not withdrawn 90% of the outstanding Little Rock Shares and all of the Little Rock Shares shall be duly endorsed for transfer and delivered to Razor pursuant to the Offer and shall be free of any encumbrances, liens, charges and demands of whatsoever nature;
- (b) all covenants of Little Rock under this Agreement to be performed on or before the Closing (without giving effect to, applying or taking into consideration any Material Adverse Effect, Material Adverse Change or other materiality qualifications already contained in such covenants) shall have been duly performed by Little Rock in all material respects; and Razor shall have received a certificate of Little Rock addressed to Razor dated the Closing Date, signed on behalf of Little Rock by two senior executive officers of Little Rock (on Little Rock's behalf and without personal liability), confirming the same as at the Closing;
- (c) the representations and warranties of Little Rock set forth in this Agreement shall be true and correct (for representations and warranties qualified as to Material Adverse Effect, Material Adverse Change or other materiality qualification, true and correct in all respects, and for all other representations and warranties, true and correct in all respects, except to the extent that the failure or failures of such representations and warranties to be so true and correct, individually or in the aggregate, would not have a Material Adverse Effect on Little Rock) as of the date of this Agreement and as of the Closing, as though made on and as of the Closing (except for representations and warranties made as of a specified date, the accuracy of which shall be determined as of that specified date); provided that the representations in Sections 4.2(k) and 4.2(n) shall be true and correct in all but de minimis respects as of the applicable dates referred to above (except, it being understood that the number of Little Rock Shares outstanding in Section 4.2(k) may increase, and the number of Little Rock Options or the principal amount of the Little Rock Convertible Debentures may decrease, from the number outstanding on the date of this Agreement solely as a result of the terms of securities of Little Rock redeemable in consideration for, exercisable for or convertible into Little Rock Shares, but only to the extent that such securities are specifically described in Section 4.2(k)). Razor shall have received a certificate of Little Rock addressed to Razor and dated the Closing Date, signed on behalf of Little Rock by two senior executive officers of Little Rock (on Little Rock's behalf and without personal liability), confirming the above as at the Closing;
- (d) Little Rock shall have furnished Razor with certified copies of the resolutions duly passed by the Little Rock Board approving this Agreement and the consummation of the transactions contemplated by this Agreement;
- (e) no Material Adverse Change respecting Little Rock shall have occurred after the date hereof;
- (f) no claims, actions, enquiries, applications, suits, demands, arbitrations, charges, indictments, hearings or other civil, criminal, administrative or investigative proceedings, or other investigations or examinations (whether, for greater certainty, by a Governmental Authority or any other person) shall be commenced, pending or threatened and no Applicable Law shall have been proposed, enacted, promulgated or applied, in either case:

- (i) seeking to cease trade, restrict, enjoin, prohibit, materially delay or impose material conditions on the transactions contemplated herein or any of the material terms and conditions of any transaction contemplated by this Agreement or seeking to obtain from Little Rock any material damages directly or indirectly in connection with the transactions contemplated by this Agreement;
- (ii) seeking to cease trade, restrict, enjoin, prohibit, materially delay or impose material conditions on the rights of Razor to own, hold or exercise full rights of ownership over the Little Rock Shares upon the completion of the transactions contemplated by this Agreement or conduct the business conducted by Little Rock;
- (iii) seeking to prohibit or restrict the completion of the transactions contemplated by this Agreement in accordance with the terms hereof or otherwise relating to the transactions contemplated by this Agreement;
- (iv) seeking to prohibit or limit the ownership or operation by Little Rock, Razor or any of their respective affiliates of any material portion of the business or assets of Little Rock or to compel Razor or any of its affiliates to dispose or divest of or hold separate any material portion of the business or assets of Little Rock; or
- (v) seeking to prohibit Razor or any of its affiliates from effectively controlling in any material respect the business or operations of Little Rock,

that would, if successful, in the judgment of Razor, be reasonably likely to have a Material Adverse Effect on Little Rock;

- (g) Razor shall be satisfied, acting reasonably, that (i) all Little Rock Options have either been exercised in accordance with their terms by the holders thereof in exchange for Little Rock Shares or terminated for nil consideration (or for the nominal consideration provided for in the Little Rock Cancellation Agreements), or Razor shall be otherwise satisfied, acting reasonably, that the Little Rock Options will no longer represent any right to acquire Little Rock Shares after giving effect to the transactions contemplated by this Agreement, and (ii) other than the Little Rock Convertible Debentures, there are no other outstanding claims or rights or securities which could become claims or rights to Little Rock Shares, and Little Rock shall have provided to Razor a certificate of a senior officer certifying (without personal liability) such facts on the Closing Date;
- (h) Little Rock shall have delivered the Mutual Releases duly executed by each director and officer of Little Rock as requested by Razor;
- (i) the Little Rock Transaction Costs do not exceed, in the aggregate, \$0.4 million on the Closing Date and Razor shall have received a certificate of Little Rock addressed to Razor and dated the Closing Date, signed on behalf of Little Rock by two senior executive officers of Little Rock (on Little Rock's behalf and without personal liability), confirming the above as at the Closing; and
- (j) the Little Rock Net Debt as at June 30, 2019 does not exceed \$2.1 million and Razor shall have received a certificate of Little Rock addressed to Razor and dated the Closing Date, signed on behalf of Little Rock by two senior executive officers of Little Rock (on Little Rock's behalf and without personal liability), confirming the above as at the Closing.

The conditions in this Section 5.2 are for the exclusive benefit of Razor and may be asserted by Razor regardless of the circumstances or may be waived by Razor in its sole discretion, in whole or in part, at any time and from time to time without prejudice to any other rights which Razor may have.

5.3 Additional Conditions to Obligations of Little Rock

The obligations of Little Rock hereunder are subject to the satisfaction of the following conditions precedent:

- (a) at the Closing, and subject to the satisfaction or waiver of the conditions set forth in this Agreement, Razor shall take up and pay for all Little Rock Shares deposited pursuant to the Offer, and further to such shall provide a direction to Razor's transfer agent to issue to the tendering Little Rock Shareholders the Purchase Price payable hereunder and the Razor Shares shall be issued as fully paid and non-assessable shares;
- (b) all covenants of Razor under this Agreement to be performed on or before the Closing (without giving effect to, applying or taking into consideration any Material Adverse Effect, Material Adverse Change or other materiality qualifications already contained in such covenants) shall have been duly performed by Razor in all material respects; and Little Rock shall have received a certificate of Razor addressed to Little Rock dated the Closing Date, signed on behalf of Razor by two senior executive officers of Razor (on Razor's behalf and without personal liability), confirming the same as at the Closing;
- (c) the representations and warranties of Razor set forth in this Agreement shall be true and correct (for representations and warranties qualified as to Material Adverse Effect, Material Adverse Change or other materiality qualification, true and correct in all respects, and for all other representations and warranties, true and correct in all respects, except to the extent that the failure or failures of such representations and warranties to be so true and correct, individually or in the aggregate, would not have a Material Adverse Effect on Razor) as of the date of this Agreement and as of the Closing, as though made on and as of the Closing (except for representations and warranties made as of a specified date, the accuracy of which shall be determined as of that specified date). Little Rock shall have received a certificate of Razor addressed to Little Rock and dated the Closing Date, signed on behalf of Razor by two senior executive officers of Razor (on Razor's behalf and without personal liability), confirming the above as at the Closing;
- (d) Razor shall have furnished Little Rock with certified copies of the resolutions duly passed by the Razor Board approving this Agreement and the consummation of the transactions contemplated by this Agreement;
- (e) no Material Adverse Change respecting Razor shall have occurred after the date hereof;
- (f) no claims, actions, enquiries, applications, suits, demands, arbitrations, charges, indictments, hearings or other civil, criminal, administrative or investigative proceedings, or other investigations or examinations (whether, for greater certainty, by a Governmental Authority or any other person) shall be commenced, pending or threatened and no Applicable Law shall have been proposed, enacted, promulgated or applied, in either case:
 - (i) seeking to cease trade, restrict, enjoin, prohibit, materially delay or impose material conditions on the transactions contemplated herein or any of the material terms and conditions of any transaction contemplated by this Agreement or

seeking to obtain from Razor any material damages directly or indirectly in connection with the transactions contemplated by this Agreement;

- (ii) seeking to cease trade, restrict, enjoin, prohibit, materially delay or impose material conditions on the rights of Little Rock Shareholders to own, hold or exercise full rights of ownership over the Razor Shares issuable pursuant to the Offer upon the completion of the transactions contemplated by this Agreement or conduct the business conducted by Razor;
- (iii) seeking to prohibit or restrict the completion of the transactions contemplated by this Agreement in accordance with the terms hereof or otherwise relating to the transactions contemplated by this Agreement;
- (iv) seeking to prohibit or limit the ownership or operation by Razor or any of its respective affiliates of any material portion of the business or assets of Razor or to compel Razor or any of its affiliates to dispose or divest of or hold separate any material portion of the business or assets of Razor;

that would, if successful, in the judgment of Little Rock, be reasonably likely to have a Material Adverse Effect on Razor; and

- (g) Razor shall have delivered the Mutual Releases duly executed by Razor.

The conditions in this Section 5.3 are for the exclusive benefit of Little Rock and may be asserted by Little Rock regardless of the circumstances or may be waived by Little Rock in its sole discretion, in whole or in part, at any time and from time to time without prejudice to any other rights which Little Rock may have.

5.4 Notice and Effect of Failure to Comply with Conditions

- (a) Each Party shall give prompt notice to the other of the occurrence, or failure to occur, at any time from the date hereof until the earlier to occur of the termination of this Agreement and the Closing, of any event or state of facts which occurrence or failure would, or would be likely to:
 - (i) cause any of the representations or warranties of such Party contained herein to be untrue or inaccurate in any material respect on the date hereof or at the Closing; or
 - (ii) result in the failure to comply with or satisfy any covenant, condition or agreement to be complied with or satisfied by any Party hereunder prior to the Closing.
- (b) Razor may not exercise its right to terminate this Agreement pursuant to Section 8.1(c)(ii), and Little Rock may not exercise its right to terminate this Agreement pursuant to Section 8.1(d)(i), unless the Party seeking to terminate the Agreement (the "**Terminating Party**") has delivered a written notice (the "**Termination Notice**") to the other Party (the "**Breaching Party**") specifying in reasonable detail all breaches of covenants, representations and warranties or other matters which the Terminating Party asserts as the basis for the termination right. If any such notice is delivered, provided that the Breaching Party is proceeding diligently to cure such matter and such matter is capable of being cured prior to the Outside Date (it being agreed that matters arising out of any Wilful Breaches are not capable of being cured), the Party seeking to terminate may not exercise such

termination right until the earlier of (i) the Outside Date, and (ii) the date that is 10 Business Days following receipt of such Termination Notice by the Breaching Party, if such matter has not been cured by such date.

ARTICLE 6 AGREEMENT AS TO DAMAGES

6.1 Razor Damages

If at any time after the execution of this Agreement but prior to the termination of this Agreement:

- (a) provided that: (i) there is no unresolved breaches any of Razor's representations, warranties, covenants or agreements contained in this Agreement, which breach would entitle Little Rock to terminate this Agreement as provided in Section 8.1(d)(i); and (ii) there is no Material Adverse Effect in respect of Razor that would entitle Little Rock to terminate this Agreement as provided in Section 8.1(d)(i), Razor shall have terminated this Agreement pursuant to Section 8.1(c)(i), 8.1(c)(ii) or 8.1(c)(iii), in which case the Razor Damages Fee shall be paid to Razor within two (2) Business Days of such termination;
- (b) (i) this Agreement shall have been terminated by Little Rock or Razor pursuant to Section 8.1(b)(i) or Section 8.1(b)(ii), but prior to such termination by Little Rock or Razor, an Acquisition Proposal shall have been announced or made to Little Rock or the Little Rock Shareholders or otherwise disclosed and not withdrawn prior to the Closing Date, and the Little Rock Shareholders do not accept the Offer or the Offer is not submitted for their acceptance; and (ii) the Little Rock Board shall have recommended, or Little Rock shall have entered into or become party to any contract with respect to, such Acquisition Proposal within 9 months of the date of such termination by Little Rock or Razor, in which case the Razor Damages Fee shall be paid to Razor on the date on which such Acquisition Proposal (as it may be modified or amended) is consummated (whether occurring during such 9 month period or thereafter); or
- (c) Little Rock shall have terminated this Agreement pursuant to Section 8.1(d)(ii), in which case the Razor Damages Fee shall be paid to Razor in accordance with Section 3.4(d),

(each of the above being a "**Razor Damages Event**"), Little Rock shall pay to Razor \$0.5 million (the "**Razor Damages Fee**"), as liquidated damages in immediately available funds to an account designated by Razor. Following a Razor Damages Event, but prior to payment of the Razor Damages Fee as required, Little Rock shall be deemed to hold such funds in trust for Razor. Little Rock shall only be obligated to pay the Razor Damages Fee once pursuant to this Section 6.1.

6.2 Little Rock Damages

If, at any time after the execution of this Agreement but prior to the termination of this Agreement, Little Rock shall have terminated this Agreement pursuant to Section 8.1(d)(i) (the "**Little Rock Damages Event**"), Razor shall pay to Little Rock \$0.5 million (the "**Little Rock Damages Fee**"), as liquidated damages in immediately available funds to an account designated by Little Rock within two (2) Business Days of such termination. Following a Little Rock Damages Event, but prior to payment of the Little Rock Damages Fee as required, Razor shall be deemed to hold such funds in trust for Little Rock. Razor shall only be obligated to pay the Little Rock Damages Fee once pursuant to this Section 6.2.

6.3 Injunctive Relief and Remedies

Each Party agrees that irreparable harm would occur for which money damages would not be an adequate remedy at law in the event that any of the provisions of this Agreement were not performed by the other Party in accordance with their specific terms or were otherwise breached. It is accordingly agreed that each Party shall be entitled to seek injunctive relief to restrain any breach or threatened breach by the other Party of the covenants or agreements set forth in this Agreement or otherwise to obtain specific performance of any of such act, covenants or agreements, without the necessity of posting bond or security in connection therewith, this being in addition to any other remedy to which such Party may be entitled at law or in equity. Each of the Parties acknowledges that the agreements contained in Sections 6.1 and 6.2 are an integral part of the transaction contemplated by this Agreement, and that without these agreements the Parties would not enter into this Agreement; and further that the payment of the Razor Damages Fee and in the circumstances set forth in Section 6.1 and the payment of the Little Rock Damages Fee in the circumstances set forth in Section 6.2 is a payment of liquidated damages which is a genuine pre-estimate of the damages which Razor or Little Rock, as applicable, shall suffer or incur as a result of the event giving rise to such damages and resultant termination of this Agreement and is not a penalty. Little Rock and Razor, as applicable, irrevocably waives any right it may have to raise as a defence that any such liquidated damages are excessive or punitive. Notwithstanding anything to the contrary herein, the limitations set forth in this Article 6 shall not apply in the event of Wilful Breach of this Agreement by the other Party.

ARTICLE 7 AMENDMENT

7.1 Amendment

This Agreement may be amended by mutual agreement between the Parties. This Agreement may not be amended except by an instrument in writing signed by the appropriate officers on behalf of each of the Parties.

7.2 Waiver

Little Rock, on the one hand, and Razor, on the other hand, may:

- (a) extend the time for the performance of any of the obligations or acts of the other;
- (b) waive compliance with any of the other's agreements or the fulfillment of any conditions to its own obligations contained herein; or
- (c) waive inaccuracies in any of the other's representations or warranties contained herein or in any document delivered by the other;

provided, however, that any such extension or waiver shall be valid only if set forth in an instrument in writing signed on behalf of such Parties and, unless otherwise provided in the written waiver, will be limited to the specific breach, covenant or condition waived.

ARTICLE 8 TERMINATION

8.1 Termination

This Agreement may be terminated at any time prior to the Closing:

- (a) by mutual written agreement of the Parties;
- (b) by either Party:
 - (i) if the Closing has not occurred on or prior to the Outside Date, except that the right to terminate this Agreement under this clause shall not be available to any Party whose failure to fulfill any of its obligations in this Agreement has been the cause of, or resulted in, the failure of the Closing to occur on or prior to such date; or
 - (ii) if any Applicable Law makes the consummation of the transactions contemplated by this Agreement or the transactions contemplated by this Agreement illegal or otherwise prohibited, and such Applicable Law has become final and non-appealable.
- (c) by Razor:
 - (i) if:
 - (A) the Little Rock Board shall have failed to recommend this Agreement or the transactions contemplated by this Agreement in the manner contemplated by Section 2.3;
 - (B) the Little Rock Board shall have withdrawn or qualified, amended or modified in a manner adverse to Razor, the approval or recommendation of the transactions contemplated by this Agreement by the Little Rock Board;
 - (C) the Little Rock Board fails to reaffirm its recommendation of this Agreement and the transactions contemplated by this Agreement within three (3) Business Days after the announcement of any Acquisition Proposal or within two (2) Business Days after having been requested to do so by Razor;
 - (D) Little Rock or the Little Rock Board accepts, approves, endorses or recommends an Acquisition Proposal;
 - (E) Little Rock or the Little Rock Board enters into any agreement in respect of an Acquisition Proposal; or
 - (F) Little Rock or the Little Rock Board proposes or announces its intention to do, or that it has done, any of the foregoing;
 - (ii) subject to Section 5.4, Little Rock breaches any of its representations, warranties, covenants or agreements contained in this Agreement, which breach or breaches would or would reasonably likely, individually or in the aggregate, give rise to the

failure of a condition set forth in Section 5.1 or Section 5.2, except that the right to terminate this Agreement under this clause shall not be available to Razor if its failure to fulfill any of its obligations in this Agreement has been the cause of, or resulted in, the failure of any of the conditions in Section 5.1 or Section 5.2;

- (iii) Little Rock breaches any of its covenants or agreements in any material respect in Section 3.4; or
 - (iv) there occurs a Material Adverse Effect in respect of Little Rock.
- (d) by Little Rock:
- (i) subject to Section 5.4, if Razor breaches any of its representations, warranties, covenants or agreements contained in this Agreement, which breach or breaches would or would reasonably likely, individually or in the aggregate, give rise to the failure of a condition set forth in Section 5.1 or Section 5.3, except that the right to terminate this Agreement under this clause shall not be available to Little Rock if its failure to fulfill any of its obligations in this Agreement has been the cause of, or resulted in, the failure of any of the conditions in Section 5.1 or Section 5.3; or
 - (ii) if the Little Rock Board accepts, approves or recommends, or Little Rock enters into any agreement with respect to, a Superior Proposal in compliance with the provisions of Section 3.4(d), provided that Little Rock concurrently will have delivered to Razor written confirmation that the Little Rock Board has accepted, approved or recommended, or Little Rock has entered into such agreement relating to, such Superior Proposal, and that Little Rock has previously or concurrently will have paid to Razor the Razor Damages Fee; and provided, further, that Little Rock has not breached any of its covenants, obligations or agreements in this Agreement, which breaches would, individually or in the aggregate, give rise to the failure of a condition set forth in Section 5.1 or Section 5.2.
 - (iii) there occurs a Material Adverse Effect in respect of Razor.

In the event of the termination of this Agreement in the circumstances set forth in paragraphs (a) through (d) of this Section 8.1, this Agreement shall forthwith become void and of no further force and effect and no Party shall have any liability or further obligation to the other hereunder except with respect to the obligations set forth in or as otherwise specified in Sections 1.5, 1.12, 4.3, 6.1, 6.2, 6.3, 8.1, 9.1, 10.1, 10.2, 10.3, 10.4, 10.6 and 10.7 and each Party's obligations under the Confidentiality Agreement, which shall survive such termination.

Unless otherwise provided herein, the exercise by either Party of any right of termination hereunder shall be without prejudice to any other remedy available to such Party and for greater certainty nothing in this Section 8.1 shall relieve any Party from liability for any breach by it of this Agreement that occurred prior to the date of termination.

ARTICLE 9 NOTICES

9.1 Notices

All notices which may or are required to be given pursuant to any provision of this Agreement are to be given or made in writing and served personally or sent by email transmission and in the case of:

- (a) Razor, addressed to:

Razor Energy Corp.
Suite 800, 500-5th Ave. S.W.
Calgary, AB T2P 3L5

Attention: Doug Bailey, President and Chief Executive Officer
E-mail: [REDACTED]

with a copy to (which shall not constitute notice):

and to:

Stikeman Elliott LLP
Suite 4300, 888 3rd Street SW
Calgary AB T2P 5C5

Attention: Sony Gill
Email: [REDACTED]

- (b) Little Rock, addressed to:

Little Rock Resources Ltd.
1120, 250 – 6th Ave. SW
Calgary, AB T2P 3H7

Attention: Thomas J. Greschner, Chairman, President & CEO
E-mail: [REDACTED]

with a copy to (which shall not constitute notice):

Borden Ladner Gervais LLP
1900, 520 – 3rd Ave. SW
Calgary, AB T2P 0R3

Attention: William (Bill) C. Guinan
E-mail: [REDACTED]

or such other address as the Parties may, from time to time, advise to the other Party hereto by notice in writing. The date or time of receipt of any such notice shall be deemed to be the date of delivery or the time such email transmission is received.

ARTICLE 10 GENERAL

10.1 Assignment and Enurement

This Agreement shall be binding upon and enure to the benefit of the Parties and their respective successors and assigns. This Agreement may not be assigned by Razor without the prior consent of Little Rock, except that Razor may assign all or a portion of its rights under this Agreement to any subsidiary of Razor, but no assignment shall relieve Razor of any of its obligations hereunder. This Agreement may not be assigned by Little Rock without the prior consent of Razor.

10.2 Costs

Except as contemplated herein, each Party covenants and agrees to bear its own fees, costs and expenses in connection with the transactions contemplated by this Agreement.

10.3 Severability

If any term or provision of this Agreement should be or become invalid, illegal or unenforceable in any respect in any jurisdiction, the remaining terms and provisions contained herein shall remain in full force and effect so long as the economic or legal substance of the transactions contemplated hereby is not affected in any manner materially adverse to any Party. Upon such determination that any term or other provision is invalid, illegal or incapable of being enforced, the Parties shall negotiate in good faith to modify this Agreement so as to effect the original intent of the Parties as closely as possible in an acceptable manner to the end that the transactions contemplated hereby are fulfilled to the fullest extent possible.

10.4 Further Assurances

Each Party hereto shall, from time to time and at all times hereafter, at the request of the other Party hereto, but without further consideration, do all such further acts and things, and execute and deliver all such further documents and instruments and provide all such further assurances as may be reasonably required in order to fully perform and carry out the terms and intent hereof.

10.5 Time of Essence

Time shall be of the essence of this Agreement.

10.6 Governing Law

This Agreement shall be governed by and construed in accordance with the laws of the Province of Alberta and the federal laws of Canada applicable therein and the Parties hereto irrevocably attorn to the jurisdiction of the courts of the Province of Alberta.

10.7 Third Party Beneficiaries

The provisions of Section 2.9 are: (a) intended for the benefit of the third persons mentioned therein, as and to the extent applicable in accordance with their terms, and shall be enforceable by each of such persons and his heirs, executors, administrators and other legal representatives (collectively, the "**Third Party Beneficiaries**") and Razor shall hold the rights and benefits of Section 2.9 in trust for and on behalf of the Third Party Beneficiaries, as applicable, and each of Razor and Little Rock hereby accepts such trust and agrees to hold the benefit of and enforce performance of such covenants on behalf of the

applicable Third Party Beneficiaries; and (b) are in addition to, and not in substitution for, any other rights that the Third Party Beneficiaries may have by contract or otherwise.

10.8 Counterparts

This Agreement may be executed in two or more counterparts and, each of which shall be deemed an original, and all of which together constitute one and the same instrument. The Parties shall be entitled to rely upon the delivery of an executed facsimile or similar executed electronic copy of this Agreement, and such facsimile or similar executed electronic document shall be legally effective to create a valid and binding agreement between the Parties.

[signature page follows]

IN WITNESS WHEREOF the Parties have caused this Agreement to be executed as of the date first above written by their respective officers thereunto duly authorized.

RAZOR ENERGY CORP.

Per: (signed) "Doug Bailey"
Doug Bailey
President and Chief Executive Officer

LITTLE ROCK RESOURCES LTD.

Per: (signed) "Thomas J. Greschner"
Thomas J. Greschner
Chairman, President & CEO

SCHEDULE "A"

OFFER TO PURCHASE

Razor Energy Corp.
Suite 800, 500-5th Ave. S.W.
Calgary, AB T2P 3L5

TO: Shareholders of Little Rock Resources Ltd. ("**Little Rock**")

RE: Offer (the "**Offer**") to purchase all outstanding common shares of Little Rock pursuant to the pre-acquisition agreement (the "**Pre-Acquisition Agreement**") dated August 20, 2019 between Little Rock and Razor Energy Corp. ("**Razor**")

THE OFFER

Capitalized terms used, but not defined, in this Offer which are defined in the Pre-Acquisition Agreement have the respective meanings set forth in the Pre-Acquisition Agreement.

Subject to the terms and conditions set forth below and in the accompanying letters of acceptance and transmittal, Razor hereby offers to purchase all of the outstanding common shares ("**Common Shares**") of Little Rock on the basis of 0.45 of a common share (each whole share, a "**Razor Share**") of Razor for each Common Share.

Any holder of Common Shares is referred to herein as a "**Shareholder**".

No fractional Razor Shares will be issued. In the event that a Shareholder would otherwise be entitled to a fractional Razor Share, the number of Razor Shares issued to such Shareholder shall be rounded up to the next greater whole number of Razor Shares, if the fractional entitlement is equal to or greater than 0.5 and shall, without any additional compensation, be rounded down to the next lesser whole number of Razor Shares if the fractional entitlement is less than 0.5. In calculating such fractional interests, all Common Shares registered in the name of or beneficially held by such Shareholder or their nominee shall be aggregated.

The Offer contained herein is conditional upon: (i) satisfaction of the terms and conditions set forth in the Pre-Acquisition Agreement, as further described below; and (ii) receipt of a duly executed letter of acceptance and transmittal from each Shareholder. A copy of the Pre-Acquisition Agreement is available upon request to any Shareholder or may be viewed at the offices of Little Rock, Suite #1120, 250 6 Avenue SW, Calgary, Alberta T2P 3H7, at any time during normal business hours. A copy of the Pre-Acquisition Agreement may also be accessed via Razor's SEDAR profile at www.sedar.com.

The Offer shall remain open until 4:30 p.m. (Calgary time) on September 9, 2019, or such later date or dates as may be fixed by Razor from time to time in accordance with the terms and conditions of the Pre-Acquisition Agreement (the "**Offer Period**").

MANNER OF ACCEPTANCE

The Offer may be accepted during the Offer Period by depositing or forwarding by email the accompanying letter of acceptance and transmittal, duly completed and signed, to Alliance Trust Company, email: [REDACTED], Attention: Zinat H. Damji.

Razor reserves the right to permit a holder of Common Shares to accept the Offer in a manner other than as set forth above.

SECTION 85 ELECTION

Each Shareholder shall be entitled to make an income tax election with Razor pursuant to subsection 85(1) of the Tax Act (and the analogous provisions of provincial income tax law) by providing a duly completed and signed copy of the necessary election form to Razor. Subject to the election forms complying with the provisions of the Tax Act (or applicable provincial or territorial income tax law), Razor shall return such signed forms to the particular Shareholder within thirty (30) days of receipt from such Shareholder. Razor shall cooperate in good faith with each Shareholder and make available to each Shareholder, in a timely fashion, any information in Razor's possession that is reasonably required for the preparation and filing of the election forms by each Shareholder. The elected amount for the purpose of each such election will be determined solely by the Shareholder, provided that such amount is within the limits prescribed under the Tax Act. The proper completion and filing of the relevant election forms shall be the sole responsibility of the Shareholder and, except for the obligation of Razor to sign and return properly completed election forms within thirty (30) days of receipt by Razor, Razor shall not be responsible for any Taxes resulting from the making of any such election or the failure by the particular Shareholder to properly complete or file the election form in the manner and within the time prescribed under the Tax Act (or any applicable provincial or territorial income tax law).

TAX WITHHOLDINGS

Razor will be entitled to deduct and withhold from the Purchase Price payable to any Shareholder such amounts as are required or permitted to be deducted and withheld from such consideration under the Tax Act, or any provision of any other applicable taxation law. Any such amounts will be deducted and withheld from the Purchase Price payable pursuant to the Offer or remitted to the appropriate taxing authority. Any amounts deducted or withheld from the Purchase Price payable pursuant to the Offer will be treated for all purposes as having been paid to the Shareholders in respect of which such deduction or withholding was made; provided that such deducted and withheld amounts are actually remitted to the appropriate taxing authority. In connection with any amount required or permitted to be withheld pursuant to the transactions contemplated hereby, Razor may direct a depositary to withhold such number of Razor Shares that may otherwise be paid to such Shareholder under the Offer and to sell such shares on the TSXV for cash proceeds to be used for such withholding.

PAYMENT FOR COMMON SHARES

Razor will pay for the Common Shares tendered in acceptances of the Offer by issuing and delivering certificates or DRS statements representing the number of Razor Shares issuable to the holder in accordance with the Offer, in the name and to the address specified in the letter of acceptance and transmittal.

WITHDRAWAL OF DEPOSITED COMMON SHARES

All deposits of Common Shares pursuant to this Offer are irrevocable, provided that any Common Shares deposited in accordance with this Offer may be withdrawn by or on behalf of the depositing Shareholder at the place of deposit (unless otherwise required or permitted by applicable laws) any time after 5:00 p.m. on September 9, 2019, where the Common Shares have not been taken-up and paid for by such time by Razor.

ACQUISITION OF COMMON SHARES NOT DEPOSITED

If Razor takes-up and pays for Common Shares pursuant to the terms of the Offer, and thereby acquires at least 90% percent of the Common Shares, Razor currently intends to acquire the balance of the Common Shares by way of a compulsory acquisition pursuant to Section 195 of the *Business Corporations Act* (Alberta), statutory arrangement, amalgamation, merger, reorganization, consolidation, recapitalization or other type of acquisition transaction or transactions (each a "**Second Stage Transaction**") carried out for consideration per Common Share that (i) consists of the same form of consideration paid pursuant to the Offer, and (ii) is not less than the consideration paid pursuant to the Offer. Nothing herein shall be

construed to prevent Razor from acquiring, directly or indirectly, additional Common Shares in privately negotiated transactions, in another take-over bid, tender or exchange offer, or otherwise in accordance with applicable securities laws (including by way of compulsory acquisition) following completion of the Offer.

REPRESENTATIONS AND WARRANTIES OF RAZOR

Razor represents and warrants as follows:

- (a) the execution and delivery of this Offer and the Pre-Acquisition Agreement by Razor and the consummation of the transaction contemplated hereby do not constitute a breach of or default under any agreement to which Razor is a party or by which Razor is bound, and is legally binding upon Razor in accordance with its terms;
- (b) all requisite corporate action has been taken by Razor to authorize the execution and delivery of this Offer and the Pre-Acquisition Agreement and this Offer and Pre-Acquisition Agreement have been duly executed and delivered by Razor; and
- (c) all representations and warranties of Razor contained in the Pre-Acquisition Agreement are incorporated herein by reference.

CONDITIONS TO THE OFFER

The Offer is subject to certain closing conditions set forth in the Pre-Acquisition Agreement. The obligation of Razor to complete the purchase of the Little Rock Shares is subject to certain closing conditions including, but not limited to: (a) at least 90% of the outstanding Little Rock Shares being validly deposited under the Offer and not withdrawn; (b) compliance in all respects with all covenants and obligations of Little Rock required to be performed on or prior to Closing; (c) the accuracy of the representations and warranties of Little Rock shall be true and correct at Closing except where the failure to be true and correct could not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect; (d) the absence of a Material Adverse Change in respect of Little Rock; and (e) Little Rock shall have delivered the Mutual Releases duly executed by each director and officer of Little Rock as requested by Razor. The obligations of Little Rock under the Pre-Acquisition Agreement are subject to certain closing conditions including, but not limited to: (a) the taking up and payment by Razor for all Little Rock Shares deposited pursuant to the Offer; (b) compliance in all respects with all covenants and obligations of Razor required to be performed on or prior to Closing; (c) the accuracy of the representations and warranties of Razor shall be true and correct at Closing except where the failure to be true and correct could not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect; and (d) the absence of a Material Adverse Change in respect of Razor.

ABOUT RAZOR

Razor is a publicly-traded junior oil and gas development and production company headquartered in Calgary, Alberta, focused on shareholder returns through sustainable monthly dividends, production and margin growth through a combination of acquiring, enhancing, and producing oil and gas from properties primarily in Alberta. The Company is led by experienced management and a strong, committed Board of Directors, with a long-term vision of growth focused on efficiency and cost control in all areas of the business.

Razor started operations in the first quarter of 2017, through an acquisition of producing assets in the Swan Hills area. In the second quarter of 2017, Razor added to its asset base with the acquisition of complementary assets in the Kaybob area. These predominantly light oil assets provide a foundation for strong shareholder return through abundant low risk operations. Razor plans to concurrently grow Swan Hills and Kaybob, and execute on similar acquisitions, using its experience to extract upside value.

Razor is a pivotal leading-edge enterprise, balancing creativity and discipline, focused on growing an enduring energy company. Razor currently trades on TSX Venture Exchange under the ticker "RZE".

Further information with respect to Razor is available at www.razor-energy.com or Razor's SEDAR profile at www.sedar.com.

This Offer is dated this 20th day of August, 2019.

RAZOR ENERGY CORP.

Per: (signed) "Doug Bailey"
Doug Bailey
President and Chief Executive Officer