**ASSET PURCHASE AND SALE AGREEMENT**

BETWEEN

[redacted]

**("Vendor")**

AND

**JOURNEY ENERGY PARTNERSHIP**

**("Purchaser")**

AND

**JOURNEY ENERGY INC.**

**("Journey")**

**March 20, 2017**

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## ASSET PURCHASE AND SALE AGREEMENT

**THIS AGREEMENT** made as of the 20 day of March, 2017,

**BETWEEN:**

[redacted], a corporation incorporated pursuant to the laws of the Province of Alberta (hereinafter referred to as "**Vendor**")

- and -

**JOURNEY ENERGY PARTNERSHIP,** a general partnership formed pursuant to the laws of the Province of Alberta (hereinafter referred to as "**Purchaser**")

- and -

**JOURNEY ENERGY INC.,** incorporated pursuant to the laws of the Province of Alberta (hereinafter referred to as "**Journey**").

**WHEREAS** Vendor wishes to sell the Assets to Purchaser and Purchaser wishes to purchase the Assets from Vendor, subject to and in accordance with the terms and conditions hereof.

**IN CONSIDERATION** of the premises and the mutual covenants and agreements hereinafter set forth, the Parties agree as follows:

## ARTICLE 1
## INTERPRETATION

### 1.1 Definitions

In this Agreement, including the recitals and the Schedules, the following terms have the following meanings:

(a) "**Abandonment and Reclamation Obligations**" means all past, present and future obligations under contracts, Applicable Law, equity or common law to:

(i) abandon the Wells;

(ii) restore, remediate and reclaim the surface or subsurface locations of the Lands, including lands in or on which the Wells are or were located and lands which are or were used to gain access to the Wells or Tangibles including any lands to which the Surface Rights relate; and

(iii) decommission and remove all structures, foundations, buildings, pipelines equipment and other facilities located on the Lands and the surface sites thereof;

all in accordance with generally accepted oil and gas industry practices and in compliance with Applicable Law, including such obligations relating to such wells, pipelines and facilities that were abandoned, removed or decommissioned prior to the Effective Time.

(b) "**AER**" means the Alberta Energy Regulator;

(c) "**Affiliate**" means, with respect to a Person, any other Person controlling, controlled by or under common control with such Person where "**control**", "**controlling**" or "**controlled**" means the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of another Person, whether through the ownership of voting securities or by contract, partnership agreement, trust arrangement or other means, either directly or indirectly, that results in control in fact, provided that direct or indirect ownership of shares of a corporation carrying not less than fifty percent (50%) of the voting rights shall constitute control of such corporation.

(d) "**Agreement**" means this Asset Purchase and Sale Agreement including the recitals hereto, and all Schedules hereto.

(e) "**Applicable Law**" means all laws, statutes, rules, regulations, official directives and orders of Governmental Authorities (whether administrative, legislative, executive or otherwise) including judgments, orders and decrees of courts, commissions or bodies exercising similar functions.

(f) "**Area of Exclusion Agreement**" means the Area of Exclusion Agreement attached hereto as Schedule N to be entered into between Purchaser and Vendor at the Closing.

(g) "**Assets**" means the Petroleum and Natural Gas Rights, the Tangibles, the Hedges, the Seismic Data and the Miscellaneous Interests but excluding the Excluded Lease.

(h) "**Base Price**" means Thirty Five Million Six Hundred Forty Five Thousand Dollars ($35,645,000.00).

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

(j) "**Claim**" means any claim, demand, action, lawsuit, proceeding, arbitration or governmental proceeding or investigation.

(k) "**Closing**" means the transfer of the Assets to Purchaser, the payment by Purchaser of the amount specified in Section 2.4 and the delivery of all items required to be delivered at Closing pursuant hereto.

(l) "**Closing Date**" means the later to occur of: (i) 9th day of May, 2017, or (ii) 10 Business Days after the expiration of any Rights of First Refusal, or such other time and date as may be agreed upon in writing by Vendor and Purchaser.

(m) "**Closing Place**" means the offices of Vendor's counsel in Calgary, Alberta or such other place as may be agreed upon in writing by the Parties.

(n) "**Common Shares**" means common shares in the capital of Journey.

(o) "**Customary Post Closing Consents**" means consents and approvals from Governmental Authorities or Third Parties that are customarily obtained after closing in connection with transactions similar to the transaction contemplated by this Agreement.

(p) "**Default**" means a Purchaser Default or a Vendor Default.

(q) "**Deposit**" has the meaning given to such term in Section 2.3.

(r) "**Dollar**" or "**$**" means, unless otherwise provided herein, a dollar in the lawful money of Canada.

(s) "**Effective Time**" means 8:00 a.m., Calgary time, on March 1st, 2017,

(t) "**Encumbrance**" means a Security Interest, royalty, net profits interest, carried working interest or other adverse claim.

(u) "**Encumbrance Discharge**" means, with respect to a Security Interest affecting all or any portion of the Assets, one or more registrable discharges executed by the holder of such Security Interest, or a letter of no interest executed by such holder acknowledging that it has no further interest or adverse claim in such Assets.

(v) "**Environment**" means the atmosphere, the surface and sub-surface of the earth, groundwater and surface water and plants and animals and "**Environmental**" means relating to or in respect of the Environment.

(w) "**Environmental Liabilities**" means all Liabilities and obligations in respect of the Environment pertaining to or caused by the Assets, now or previously owned by Vendor, whether or not resulting from operations conducted with respect to the Assets or which arise in connection with the ownership thereof or operations pertaining therefrom, including, Liabilities associated with:

(i) the manufacture, construction, processing, distribution, use, holding, collection, accumulation, generation, treatment, stabilization, storage, disposal, handling or transportation of Hazardous Substances, Petroleum Substances, oilfield wastes or produced water;

(ii) compliance with past, present and future Applicable Law relating to the Environment or the protection thereof and Applicable Law related to employee and public health and safety matters;

(iii) Abandonment and Reclamation Obligations;

(iv) Releases of Hazardous Substances, Petroleum Substances, oilfield wastes, produced water or other substances;

(v) sampling, assessment and monitoring of the Environment;

(vi) the removal, assessment, monitoring, sampling, response, abatement, clean-up, investigation and reporting of contamination or pollution of or other adverse effects on the Environment, including compensation of Third Parties for Losses suffered by them in respect thereof; or

(vii) the protection, reclamation, remediation or restoration of the Environment, including related human health and safety.

(x) "**Escrow Agreement**" means the Escrow Agreement attached hereto as Schedule K to be entered into in relation to the Deposit among Vendor, Purchaser and the Escrow Agent, as of the date hereof.

(y) "**Escrow Agent**" means [redacted].

(z) "**Exchange**" means the Toronto Stock Exchange.

(aa) "**Excluded Lease**" means the Commercial Lease Agreement dated February 1, 2017 between [redacted] as Landlord and Vendor as Tenant.

(bb) "**Facilities**" means the specified interest of Vendor in the facilities described in Schedule "B".

(cc) "**General Conveyance**" means the form of general conveyance attached hereto as Schedule "C".

(dd) "**Governmental Authority**" means a federal, provincial, territorial, municipal or other government or government department, agency, board or other authority (including a court of law).

(ee) "**GST**" means the goods and services tax payable pursuant to the GST Legislation.

(ff) "**GST Legislation**" means the *Excise Tax Act*, 1985 R.S.C., c. E-15, as amended.

(gg) "**Hazardous Substances**" means hazardous, deleterious, or toxic substances; oilfield wastes; radioactive material; asbestos; polychlorinated biphenyls; pollutants; contaminants; dangerous goods; and unrefined and refined petroleum products; including all substances, materials and wastes regulated under Applicable Law relating to Environmental or health and safety matters.

(hh) "**Hedges**" means those hedges described on Schedule "L".

(ii) "**Income Tax Act**" means the *Income Tax Act* (Canada), as amended.

(jj) "**Interim Period**" means the period from and including the Effective Time up to but not including the Closing Date.

(kk) "**Journey Equity**" means the 2,076,125 Common Shares at a price of $2.89 per Common Share, to be issued as part of the Purchase Price to Vendor in accordance with Subsection 2.4(a).

(ll) "**Key Assets**" means (i) the Vendor's interest in the Gilby 1-4-42-3 W5M Gas Plant pursuant to the Amended and Restated Agreement for the Ownership and Operation thereof dated July 1, 2012, and (ii) the Vendor's interest in the Gilby Area Gas Gathering and Field Compression to the 1-4-42-3 W5M Gas Plant pursuant to the Agreement for the Ownership and Operation thereof dated July 1, 2012.

(mm) "**Lands**" means the lands, formations and associated Petroleum Substances to which the Petroleum and Natural Gas Rights relate, including the lands set out in Schedule "A" but only to the extent that rights relating thereto are granted under the Leases.

(nn) "**Leases**" means, collectively, the petroleum and natural gas leases, licences, permits, reservations and other agreements within, under or upon the lands from which the Petroleum and Natural Gas Rights are derived, including those described in Schedule "A", by virtue of which the Vendor is entitled to explore for, recover, remove or dispose of Petroleum Substances within, upon or under the Lands related to the Petroleum and Natural Gas Rights.

(oo) "**Liabilities**" means any and all liabilities and obligations, whether under common law, in equity, under Applicable Law or otherwise; whether tortious, contractual, vicarious, statutory or otherwise; whether absolute or contingent; and whether based on fault, strict liability or otherwise.

(pp) "**License Transfers**" means transfers of the Permits related to the Assets that are in the name of Vendor or in the name of Mosaic and were to be transferred to Vendor

(qq) "**LMR**" means the Liability Management Rating under the AER Liability Management Rating program.

(rr) "**Losses**" means, in respect of a Person and in relation to a matter, any and all losses, damages, costs, expenses, charges (including all penalties, assessments and fines) which such Person suffers, sustains, pays or incurs in connection with such matter and includes reasonable costs of legal counsel (on a solicitor and client basis) and other professional advisors and consultants and reasonable costs of investigating and defending Claims arising from the matter, regardless of whether such Claims are sustained, but does not include consequential or indirect losses or loss of profits suffered by such Person.

(ss) "**Miscellaneous Interests**" means the Vendor's entire interest in all property, assets and rights (other than the Petroleum and Natural Gas Rights and the Tangibles) to the extent they pertain directly to the Petroleum and Natural Gas Rights or the Tangibles, including:

(i) all contracts, agreements, books, records, and documents relating directly to the Petroleum and Natural Gas Rights, Seismic Data and the Tangibles, including the Title and Operating Documents and all NI 51-101 reserve reports in draft or final form prepared by an independent Third Party reserve evaluator for Vendor;

(ii) all Surface Rights;

(iii) the well bores and casing for the Wells;

(iv) copies of all non-interpretative production and engineering information prepared for the joint account of the relevant interest owners and relating directly to the Petroleum and Natural Gas Rights; and

(v) all subsisting rights to carry out any operations relating to the Petroleum and Natural Gas Rights or Tangibles and all well licences for the Wells.

Unless otherwise agreed in writing by the Parties, however, the Miscellaneous Interests shall not include agreements, documents or data to the extent that: (i) they pertain to the Vendor's interpretations or internal economic evaluations; (ii) they are owned or licensed by Third Parties with restrictions on their deliverability or disclosure by the Vendor to any assignee which is not an Affiliate of the Vendor; (iii) they are legal opinions; (iv) they are documents prepared on behalf of the Vendor in contemplation of litigation; (v) they are referred to specifically as exclusions in Schedule "A"; or (vi) they pertain to records required to be maintained by Vendor under Applicable Law.

(tt) "[redacted]" means [redacted] and [redacted] as its Receiver/Manager.

(uu) "**[redacted] Order**" means the order of Madam Justice Horner of the Court of Queen's Bench of Alberta, Judicial Centre of Calgary, granted on February 1, 2017 in the matter of the Receivership of [redacted]., Court File No. [redacted] a copy of which is attached hereto as Schedule "M".

(vv) "**NI 45-106**" means National Instrument 45-106 - *Prospectus Exemptions*.

(ww) "**Party**" means Vendor or Purchaser and "**Parties**" means Vendor, Purchaser and Journey, collectively.

(xx) "**Permits**" means permits, licenses, approvals and authorizations issued or granted by Governmental Authorities.

(yy) "**Permitted Encumbrances**" means;

(i) the royalties, Encumbrances and reductions in interest described in Schedule "A";

(ii) liens for taxes, assessments and governmental charges which are not due or delinquent at the Effective Time, or the validity of which is being contested in good faith by the Vendor;

(iii) mechanics', builders', materialmen's or similar liens for services rendered or goods supplied for which payment is not due or delinquent at the Effective Time, or the validity of which is being contested in good faith by the Vendor;

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

(v) Rights of First Refusal as provided for in the Title and Operating Documents;

(vi) the right reserved to or vested in any Governmental Authority by the terms of any lease, license, franchise, grant or permit or by any Applicable Law, to terminate any such lease, license, franchise, grant or permit or to require payment of rent or other periodic payments as a condition of the continuance thereof;

(vii) liens or security granted in the ordinary course of business to a public utility, municipality or Governmental Authority in connection with operations pertaining to the Assets;

(viii) the terms of the Leases and Title and Operating Documents and the express or implied reservations or exceptions in any grants or transfers of mineral rights from the Crown;

(ix) rights of general application reserved to or vested in any Governmental Authority to levy taxes on any of the Assets or the income therefrom, or to limit, control or regulate any of the Assets, or operations pertaining thereto, in any manner;

(x) provisions for penalties and forfeitures under agreements as a consequence of non-participation in operations, provided that any such penalties or forfeitures which apply to the Assets shall be identified in Schedule "A";

(xi) the Sale, Processing and Transportation Agreements and agreements respecting the operation of wells by contract field operators which are either terminable on not greater than ninety (90) days' notice (without an early termination penalty or other cost) or otherwise identified in Schedule "F";

(xii) any Security Interest held by a Person encumbering the Assets or any part or portion thereof, in respect of which the Vendor delivers an Encumbrance Discharge to Purchaser at or prior to Closing in a form satisfactory to Purchaser, acting reasonably;

(xiii) provisions for penalties and forfeitures under operating procedures or similar agreements which will arise if the Vendor elects, after the relevant time, not to participate in operations on the Lands to which the penalty or forfeiture will apply, provided that no event has occurred which results in such penalty or forfeiture except as disclosed on Schedule "A";

(xiv) any defects or deficiencies in title to the Assets disclosed in this Agreement; and

(xv) the Mosaic Order, to the extent that the Mosaic Order consists of an Encumbrance on the Assets..

(zz) "**Person**" means any individual or entity, including any partnership, body corporate, trust, unincorporated organization, union, government or Governmental Authority and any heir, executor, administrator or other legal representative of an individual.

(aaa) "**Personal Information**" means any information about an identifiable individual, other than that Person's business title or business contact information when used or disclosed for the purpose of business communications.

(bbb) "**Petroleum and Natural Gas Rights**" means the entire right, title, estate and interest of Vendor to:

(i) explore for, drill for, extract, win, produce, take, save or market Petroleum Substances from the Lands;

(ii) a share of the production of Petroleum Substances from the Lands;

(iii) Petroleum Substances injected into but not produced from the Lands; and

(iv) a share of the proceeds of sale of, or rights to receive payment calculated by reference to, the quantity, value or proceeds of sale of the production of Petroleum Substances produced from the Lands, other than the rights under agreements for the sale of Petroleum Substances;

including interests and rights known as working interests, royalty interests, overriding royalty interests, gross overriding royalty interests, production payments, profits interests, net profits interests, including those interests set forth in Schedule "A" and including fractional or undivided interests in any of the foregoing.

(ccc) "**Petroleum Substances**" means petroleum, natural gas and related hydrocarbons and all other substances (whether hydrocarbon or not), including sulphur, capable of being produced in association with petroleum, natural gas and related hydrocarbons the right to explore for which, or an interest in which, is granted under the Leases.

(ddd) "**Prime Rate**" means the rate of interest expressed as a rate per annum which the National Bank of Canada announces publicly from time to time as the reference rate used by it for determining the rates of interest on Canadian Dollar commercial loans made by it in Canada and which it refers to as its "prime rate"; provided that whenever such bank announces a change in such prime rate, the "Prime Rate" hereunder shall correspondingly change effective on the date that the change in such prime rate is effective.

(eee) "**Purchase Price**" means the Base Price subject to the adjustments provided for in this Agreement.

(fff) "**Purchaser Default**" means a breach of a representation or warranty made by Purchaser in Section 4.3 or Journey in Section 4.4 or a breach by Purchaser of an obligation, agreement or covenant in this Agreement.

(ggg) "**Registered Interests**" means interests in the Leases and the Permits and similar items that are registered on the records of a Governmental Authority in the name of Vendor, or an Affiliate thereof.

(hhh) "**Qualifying Jurisdictions**" means, collectively, all of the provinces of Canada

(iii) "**Related Party**" means, in reference to a Party: (i) its Affiliates, successors and assigns; (ii) its directors, officers and employees; (iii) its Affiliates' directors, officers and employees; and (iv) its Representatives.

(jjj) "**Release**" means any release, spill, emission, leaking, pumping, injection, deposit, disposal, discharge, dispersal, leaching or migration of any Hazardous Substance, Petroleum Substances, oilfield wastes, produced water or other substances into or through the Environment.

(kkk) "**Representatives**" means, in reference to a Party, its and its Affiliates' representatives, agents, legal counsel, consultants and advisors.

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

(mmm) "**ROFR Assets**" has the meaning given to such term in Section 9.1.

(nnn) "**Sale, Processing and Transportation Agreements**" means agreements for the sale of Petroleum Substances produced from the Lands or lands pooled or unitized therewith and agreements providing for the gathering, transportation, compression, processing, treatment or storage of Petroleum Substances produced from the Lands or lands pooled or unitized therewith.

(ooo) "**Schedules**" means the schedules attached to this Agreement in Section 1.5.

(ppp) "**Securities Act**" means the *Securities Act* (Alberta).

(qqq) "**Securities Commission**" means the applicable securities commission or similar securities regulatory authority in each of the Qualifying Jurisdictions;

(rrr) "**Security Interest**" means any mortgage, charge, pledge, lien, hypothec, assignment by way of security, or other security interest whatsoever, but does not include a right of set-off or a set-off.

(sss) "**Securities Laws**" means, collectively, the applicable securities laws of each of the Qualifying Jurisdictions and the respective regulations and rules made under those securities laws together with all applicable published policy statements, blanket orders and rulings of the Securities Commissions and all discretionary orders or rulings, if any, of the Securities Commissions made in connection with the transactions contemplated by this Agreement;

(ttt) "**Seismic Data**" means all records, books, documents, licences, reports and data associated with the seismic lines or programs in the West Central Area including but not limited to those seismic lines and programs described in Schedule "I", including:

(i) all permanent records of basic field data including, but not limited to, any and all microfilm or paper copies of seismic driller's reports, monitor records, observer's reports and survey notes and any and all copies of magnetic field tapes or conversions thereof;

(ii) all permanent records of the processed field data including, but not limited to, any and all microfilm or paper copies of shot point maps, pre- and post- stacked record sections including amplitude, phase and structural displays, post-stack data manipulations including filters, migrations and wavelet enhancements, and any and all copies of final stacked tapes and any manipulations and conversions thereof;

(iii) in the case of 3D seismic, in addition to the foregoing, all permanent records or bin locations, bin fold, static corrections, surface elevations and any other relevant information; and

(iv) any and all interpretations of the foregoing.

(uuu) "**Standard Listing Conditions**" means the approval of the listing and posting for trading on the Exchange of the Journey Equity subject only to satisfaction by Purchaser of the conditions imposed by the Exchange in the letter of the Exchange granting conditional listing approval;

(vvv) "**Specific Conveyances**" means all conveyances, assignments, transfers, novations and other documents or instruments that are reasonably required or desirable, in accordance with normal oil and gas industry practices, to convey, assign and transfer legal or registered title to the Assets to Purchaser or Journey, as the case may be, and to novate Purchaser or Journey, as the case may be, into the Title and Operating Documents that are contracts and the Hedges.

(www) "**Surface Rights**" means all rights of Vendor to enter upon, use, occupy and enjoy the surface of any lands for purposes related to the use, ownership or operation of the Petroleum and Natural Gas Rights, the Tangibles or the Wells, or in order to gain access thereto, whether the same are held by lease, right-of-way or otherwise.

(xxx) "**Survival Period**" means for all representations and warranties, a period ending two (2) years following the Closing Date.

(yyy) "**Tangibles**" means the Facilities and the Vendor's entire interest in all other tangible depreciable property which is used or intended to be used solely in connection with production, gathering, treatment, storage, compression, processing, transportation, injection, removal or other operations relating to the Petroleum and Natural Gas Rights and situated within or upon the Lands or lands with which they have been pooled or unitized, including, without limitation, the down-hole and other tangible equipment, if any, relating to the Wells.

(zzz) "**Third Party**" means any Person other than Vendor, Purchaser, Journey and their Affiliates.

(aaaa) "**Title and Operating Documents**" means, in respect of the Assets:

(i) any contract or agreement pursuant to which the Vendor derives any interest in the Assets, including without limitation, the Leases, agreements of purchase and sale, farm-in agreements, pooling agreements, unit agreements and royalty agreements; and

(ii) any contract or agreement entered into in the normal course of the oil and gas business in respect of the exploitation of Petroleum and Natural Gas Rights or the operation of Tangibles, including without limitation, joint operating agreements, unit operating agreements, farmout agreements, pooling agreements, royalty agreements, common stream agreements, production sales agreements or other arrangements whereby the Vendor is obligated to sell, transport or deliver to any Person, any Petroleum Substances allocable to the Petroleum and Natural Gas Rights, gas processing agreements, gas gathering agreements, agreements relating to Surface Rights and agreements for the construction, ownership or operation of Tangibles.

(bbbb) "**Vendor Default**" means a breach of a representation or warranty made by Vendor in Section 4.1, or a breach by Vendor of an obligation, agreement or covenant in this Agreement.

(cccc) "**Vendor**" means [redacted]

(dddd) "**Wells**" means all producing, shut-in, suspended, plugged, abandoned, capped, injection and disposal wells, located on the Lands, in which Vendor has an interest, including but not limited to those set forth in Schedule "B".

(eeee) "**West Central Area**" means that area identified as the West Central Area in Schedule "J"

## 1.2 Interpretation

Unless otherwise stated or the context otherwise necessarily requires, in this Agreement:

(a) references herein to any agreement or instrument, including this Agreement, shall be a reference to the agreement or instrument as varied, amended, modified, supplemented or replaced from time to time;

(b) the terms "in writing" or "written" include printing, typewriting or facsimile transmission;

(c) references to a statute shall be a reference to (i) such enactment as amended or reenacted from time to time and every statute that may be substituted therefor; and (ii) the regulations, bylaws or other subsidiary legislation made pursuant to such statute;

(d) words importing the singular number only shall include the plural and vice versa, and words importing the use of any gender shall include all genders;

(e) a reference to time shall, unless otherwise specified, refer to Mountain Standard Time or Mountain Daylight Savings Time during the respective intervals in which each is in force in Alberta;

(f) "including", "includes" and like terms means "including without limitation" and "includes without limitation";

(g) the headings of Articles and Sections in this Agreement are for convenience of reference only and shall not affect the construction or interpretation of this Agreement;

(h) the terms "this Agreement", "hereof", "hereunder" and similar expressions refer to this Agreement in its entirety and include any agreement supplemental hereto; and

(i) unless something in the subject matter or context is inconsistent therewith, references herein to Articles and Sections are to Articles and Sections of this Agreement and references herein to Schedules are references to Schedules to this Agreement.

### 1.3 <u>Interpretation If Closing Does Not Occur</u>

In the event that Closing does not occur, each provision of this Agreement which presumes that Purchaser has acquired the Assets shall be construed as having been contingent upon Closing having occurred.

### 1.4 <u>Conflicts</u>

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

### 1.5 <u>Schedules</u>

The following Schedules are incorporated herein by reference and made a part of this Agreement:

| | | |
|---|---|---|
| Schedule "A" | - | Petroleum and Natural Gas Rights and Encumbrances |
| Schedule "B" | - | Wells and Facilities |
| Schedule "C" | - | Form of General Conveyance |
| Schedule "D" | - | Claims and Non-Compliance Matters |
| Schedule "E" | - | Officer's Certificate |
| Schedule "F" | - | Sale, Processing and Transportation Agreements |
| Schedule "G" | - | Rights of First Refusal |
| Schedule "H" | - | Financial Commitments |
| Schedule "I" | - | Seismic Data |
| Schedule "J" | - | West Central Area |
| Schedule "K" | - | Escrow Agreement |
| Schedule "L" | - | Hedges |

| | |
|---|---|
| Schedule "M" | [redacted]Order |
| Schedule "N" | Area of Exclusion Agreement |

**1.6 Vendor's Knowledge**

The knowledge or awareness of the Vendor herein consists of actual knowledge or awareness of its current officers and employees who are primarily responsible for the matter in question in the course of their normal duties (other than those employees in the field who do not have management responsibilities), after reasonable inquiry of the Vendor's applicable files and records. For these purposes, knowledge and awareness do not include the knowledge of any third party or constructive knowledge. The Vendor does not have any obligation to make inquiry of third parties or the files and records of any third party (including Mosaic) or public authority in connection with representations and warranties that are made to its knowledge or awareness.

## ARTICLE 2
## PURCHASE AND SALE

**2.1 Purchase and Sale**

Upon the terms and subject to the conditions of this Agreement, at Closing, Vendor shall sell, assign, transfer, convey and set over to Purchaser, and Purchaser shall purchase from Vendor, the Assets for the Purchase Price.

**2.2 Allocation of Purchase Price**

The Base Price shall be allocated among the Assets as follows:

| | |
|---|---|
| To Petroleum and Natural Gas Rights: | [redacted] |
| To Tangibles: | [redacted] |
| To Hedges | [redacted] |
| To Seismic Data | [redacted] |
| To Miscellaneous Interests: | [redacted] |
| **TOTAL** | **$35,645,000.00** |

Any adjustments required as a result of the valid exercise by a Third Party of a Right of First Refusal shall be an adjustment to the amount allocated to Tangibles. Any adjustments pursuant to Article 3 shall be allocated to Petroleum and Natural Gas Rights.

**2.3 Deposit**

Purchaser has, concurrently with the execution of this Agreement, deposited with the Escrow Agent, five percent (5%) of the Base Price as an earnest money deposit (the "**Deposit**"). The following provisions shall apply in respect of the Deposit:

(a) if Closing occurs, the Deposit together with interest earned thereon while held by the Escrow Agent shall be paid to Vendor and credited against the Purchase Price;

(b) if Closing does not occur due solely to a Purchaser Default, the Deposit together with interest earned thereon while held by the Escrow Agent shall be forfeited to Vendor as a genuine pre-estimate by Vendor and Purchaser of Vendor's liquidated damages in such circumstances, and as Vendor's sole remedy against Purchaser; and

(c) if Closing does not occur for any reason other than a Purchaser Default, the Deposit together with interest earned thereon while held by the Escrow Agent shall be paid to Purchaser.

## 2.4 Payment of Purchase Price

At the Closing, Purchaser shall pay to Vendor, an amount equal to the Purchase Price payable by:

(a) Six million Dollars ($6,000,000) by the delivery of the Journey Equity;

(b) Release of the Deposit and interest accrued thereon: and

(c) the balance of the Purchase Price as adjusted pursuant to Article 3 by way of wire transfer.

## 2.5 Taxes

(a) At Closing Time, Vendor and Purchaser will jointly execute an election under subsection 167(1) of the GST Legislation in the prescribed form and as soon as reasonably practical thereafter, and in any event, within the prescribed time for making such election, Purchaser will file such election with the appropriate authorities such that no tax will be payable pursuant to the GST Legislation with respect to the purchase and sale of the Purchased Business (as that term is defined in the GST Legislation) hereunder.

(b) Purchaser shall also be solely liable for any and all sales, value added, land transfer and similar taxes imposed by Applicable Law or by Governmental Authorities in respect of the purchase of the Assets pursuant hereto. If Vendor, as agent for the Crown, is required to collect such taxes, Purchaser shall pay the aggregate amount of such taxes to Vendor, at Closing. Vendor shall remit such amount to the appropriate authorities in accordance with Applicable Law.

(c) After Closing, Purchaser shall be responsible for, and shall indemnify and save Vendor harmless in respect of any, additional amounts of GST, and any sales, value added, land transfer and similar taxes imposed by Applicable Law or by Governmental Authorities (including interest and penalties) in respect of the purchase and sale of the Assets pursuant hereto which are in excess of the amounts collected by Vendor from Purchaser at Closing.

## 2.6 Manner of Payment

(a) Unless the Parties agree otherwise, all cash payments to be made pursuant to this Agreement shall be made by wire transfer in immediately available funds. A payment made by wire transfer shall be deemed to have been received by the Party entitled to receive such payment only upon such Party receiving a confirmation from its bank that such payment has been made.

(b) The Parties shall provide each other with wire transfer instructions at least two (2) Business Days before the Closing Date.

## 2.7 Title and Environmental Review

Purchaser further acknowledges it has been provided with the right and the opportunity to conduct its own due diligence investigations of, and has satisfied itself as to, the Vendor's title to the Assets and the environmental condition of the Assets, potential Environmental Liabilities, and field compliance with all Applicable Laws and the Purchaser expressly waives any and all claims arising therefrom, subject only to the Vendor's representations and warranties in Section 4.1.

## ARTICLE 3
## ADJUSTMENTS

### 3.1 Costs and Revenues to be Apportioned

(a) Except as otherwise provided in this Agreement, all costs and expenses relating to the Assets (including, without limitation, maintenance, development, capital and operating costs) and all revenues relating to the Assets (including proceeds from the sale of production and fees from processing, treating or transporting Petroleum Substances on behalf of Third Parties) shall be apportioned as of the Effective Time between Vendor and Purchaser on an accrual basis in accordance with generally accepted accounting principles, provided that:

(i) costs and expenses of work done, services provided and goods supplied shall be deemed to accrue for the purposes of this Article when the work is done or the goods (other than inventory) or services are provided, regardless of when such costs and expenses become payable;

(ii) no adjustment shall be made in respect of any tax credits, drilling credits or other similar incentives;

(iii) where Vendor is the operator of any particular Asset, Vendor will be entitled to all overhead recoveries and operator's fees for the period up to the Closing Date;

(iv) revenues from the sale of Petroleum Substances will be adjusted on the basis of the date the Petroleum Substances are produced;

(v) all rentals and similar payments in respect of the Leases or Surface Rights comprised in the Assets and all taxes (other than income taxes) levied with respect to the Assets or operations in respect thereof shall be apportioned between Vendor and Purchaser on a per diem basis as of the Effective Time; and

(vi) Petroleum Substances attributable to the Assets which were produced, but not sold, as of the Effective Time shall be retained by Vendor and Vendor shall be responsible for all royalties or other encumbrances thereon. Petroleum Substances will be deemed to be sold on a first in, first out basis.

(b) Subject to the foregoing provisions of this Section 3.1, for the purposes of the Interim Period, all benefits and obligations relating to the Assets, including revenue, expenses, operating costs and expenses, capital costs, lease rentals, royalty obligations and the proceeds from the sale of production from the Lands, are to be received by or paid by Vendor and adjusted for on the interim statement of adjustments or the final statement of adjustments, in an amount equal to:

(i) the proceeds from the sale of production from the Lands for the Interim Period, minus

(ii) all royalties and operating expenses for the Interim Period, minus

(iii) those capital expenses for which Purchaser is responsible for during the Interim Period.

Vendor shall report all net revenue and pay all income tax on the net revenue for the Interim Period.

### 3.2 Adjustments to Account

(a) An interim accounting of the adjustments pursuant to Section 3.1 shall be made at Closing, based on Vendor's good faith estimate of the costs and expenses accrued prior to Closing and the revenues received by Vendor prior to Closing. Vendor and Purchaser shall cooperate in preparing such interim accounting and Vendor shall provide a statement setting forth the adjustments to be made at Closing not later than five (5) Business Days prior to Closing and shall assist Purchaser in verifying the amounts set forth in such statement. A further accounting of the adjustments pursuant to Section 3.1 shall be conducted within six (6) months following the Closing Date. Additional adjustments will be made after such six (6) month period as and when they are ascertained by the Parties, provided that, subject to subsections (c) and (d) of this section, the Parties shall not be obligated to make an adjustment more than one (1) year after Closing unless such adjustment has been specifically requested, by written notice, within such period. All adjustments after Closing shall be settled by payment by the Party required to make payment hereunder within fifteen (15) days of being notified of the determination of the amount owing.

(b) During the one (1) year period following the Closing Date, Purchaser may audit the books, records and accounts of Vendor respecting the Assets, for the purpose of effecting adjustments pursuant to this Article. Such audit shall be conducted upon reasonable notice to Vendor at Vendor's offices during Vendor's normal business hours, and shall be conducted at the sole expense of Purchaser.

(c) Notwithstanding subsection 3.2(a), the Parties will be required to make an adjustment pursuant to this Article 3 more than one (1) year after Closing if:

(i) the adjustment arises from a Crown royalty audit commenced prior to two (2) years after the end of the calendar year in which Closing occurs and a written request for the adjustment is given by one Party to the other Party within one hundred and twenty (120) days of the requesting Party's receipt of the results of the audit; or

(ii) the adjustment arises from a joint venture audit commenced prior to two (2) years after the end of the calendar year in which Closing occurs and a written request for the adjustment is given by one Party to the other Party within one hundred and twenty (120) days of the requesting Party's receipt of the results of the audit.

(d) All adjustments provided for in this Article shall be adjustments to the Purchase Price and for the purposes of Section 2.2 shall be allocated to the Petroleum and Natural Gas Rights. An adjustment payable by a Party after Closing pursuant to this Section 3.2 which is not paid within thirty (30) days of a written request for payment from the other Party, shall bear interest at the Prime Rate plus two percent (2%) per annum payable by the paying Party to the other Party from the end of such thirty (30) day period until the adjustment is paid.

### 3.3 Arbitration of Disputes

Either Party may, at any time, refer to arbitration a dispute between the Parties respecting the requirement for or the amount of an adjustment pursuant to the provisions of this Article 3.

### 3.4 Deposits, Cash Calls and Operating Funds

The Assets do not include deposits made by Vendor which relate to the Assets or cash call advances or operating fund payments, including similar advances made by Vendor to an operator of the Assets. Such amounts shall, at the option of Vendor, either be returned to Vendor and (if required) replaced by Purchaser or be transferred by Vendor to Purchaser, in which event Purchaser shall reimburse the amount thereof to Vendor.

### 3.5 Excluded Assets

Notwithstanding that Purchaser is not acquiring any interest in the Excluded Lease and not assuming any obligations in respect thereof nor in respect to any employees associated with the operations of the Assets, Purchaser agrees at Closing to reimburse Vendor for a portion of the associated costs of terminating the Excluded Lease equal to Fifty Thousand ($50,000) and the terminating of the employment of two (2) field employees to a maximum of Fifty Thousand ($50,000) Dollars for each employee, which reimbursement payment will be included in the interim statement of adjustments pursuant to Section 3.2(a). Vendor shall provide evidence within six (6) months of the Closing Date of payments made for termination of the Excluded Lease including up to a maximum of Three Thousand ($3,000) Dollars of costs incurred by Vendor in vacating and cleaning the leased space and for each of the employees. If the amount paid by Vendor for any of the individual payments is less than twice the amount paid by Purchaser for such termination payment, Vendor shall then reimburse Purchaser for fifty (50%) of such difference. Except as specifically stated in this Section 3.5, Vendor agrees to indemnify and save harmless Purchaser for any Liabilities in respect of the Excluded Lease or any claims by any of Vendor's employees.

## ARTICLE 4
## REPRESENTATIONS AND WARRANTIES

### 4.1 Representations and Warranties of Vendor

Vendor represents and warrants to Purchaser that, except for matters disclosed in the Schedules and subject in all instances to the Permitted Encumbrances:

Regarding Vendor

(a) Organization and Standing: Vendor is a corporation, duly incorporated, organized and existing under the laws of Alberta. Vendor is duly qualified to carry on business in the jurisdiction(s) where the Assets are located;

(b) Authorization, Execution and Enforceability: The execution, delivery and performance of this Agreement and the completion of the transactions contemplated hereby have been duly and validly authorized by any and all requisite actions of Vendor. This Agreement does, and any and all other agreements executed and delivered by Vendor in connection herewith will, constitute valid and binding obligations of Vendor, enforceable against Vendor in accordance with their terms, subject to (i) bankruptcy, insolvency, fraudulent preference, reorganization or other laws affecting creditors' rights generally, and (ii) general principles of equity;

(c) No Conflict: The execution and delivery of this Agreement are not, and except for consents and approvals that will be delivered by Vendor at Closing and Customary Post Closing Consents the completion of the transactions contemplated hereby in accordance with the terms of this Agreement will not be, in violation or breach of or in conflict with or require any consent, authorization or approval under:

   (i) any term or provision of the constating and governing documents of Vendor;

   (ii) any agreement, instrument, license, permit or other governmental authorization to which Vendor is a party or by which Vendor is bound; or

   (iii) any judgment, decree, order, statute, regulation, rule, or license applicable to Vendor;

(d) No Finder's Fee: Vendor has not incurred any obligation or liability, contingent or otherwise, for brokers' or finders' fees in respect of this Agreement or the transaction contemplated hereby for which Purchaser shall have any obligation or liability;

(e) Residency: Vendor is not a "non-resident" of Canada for the purposes of the Income Tax Act;

(f) GST Registrant: Vendor is a registrant for the purposes of the *Excise Tax Act* (Canada). The GST registration number of Vendor is [redacted];

(g) LMR: Vendor has been recognized by the AER of holder of all Permits, including Well licenses and pipeline licenses for which Vendor is, or upon expiry of notice periods, will become the named Operator, and Vendor's LMR will not fall below 1.0 as a result of any License Transfers submitted or to be submitted in respect of the Assets and the transactions effected hereby.

Regarding the Assets

(h) Title to Assets: Vendor does not warrant title to the Assets but does warrant that, (i) Vendor's interests in the Assets are now and will be at the Closing Date, free and clear of all Encumbrances created by, through or under Vendor or of which Vendor is aware, except Permitted Encumbrances, (ii) Vendor has not alienated the Assets or any part or portion thereof, and (iii) Vendor has not committed and is not aware of there having been committed any act or omission whereby the interest of Vendor in and to the Assets or any part or portion thereof may be cancelled or determined;

(i) No Default Notices: Except as described in Schedule "D", since January 31, 2017, Vendor has not received notice of default under any Applicable Law or the Title and Operating Documents, which default remains outstanding as of the date hereof, and to Vendor's knowledge no notice of default was received by any predecessor to the Vendor prior to January 31, 2017 under any Applicable Law or the Title and Operating Documents, which default remains outstanding as of the date hereof;

(j) Compliance with Agreements: Except as described in Schedule "D", to Vendor's knowledge, there has been no act or omission whereby Vendor is, or would be, in default under Applicable Law or any of the Title or Operating Documents, which default would be reasonably expected to have a material adverse effect on the value of the Assets;

(k) Financial Commitments: Except as set forth in Schedule "H", there are no outstanding authorizations for expenditure or other financial commitments respecting the Assets pursuant to which expenditures of greater than twenty-five thousand Dollars ($25,000.00) may be required by Vendor after the Closing Date;

(l) Royalties: To Vendor's knowledge, all ad valorem, property, royalties, production, severance and similar taxes and assessments based on or measured by the ownership of the Assets and all amounts due and payable in respect of the Permitted Encumbrances in respect of the Assets have been paid and discharged;

(m) Environmental Matters: Except as set out in Schedule "D", since January 31, 2017, Vendor has not received, and to Vendor's knowledge prior to January 31, 2017 no predecessor to Vendor received:

(i) any order or directive which relates to Environmental Liabilities and which requires any work, repairs, construction or capital expenditures with respect to the Assets which is outstanding as at the date hereof; or

(ii) any demand or notice issued with respect to the breach of any Environmental law, statute, regulation, rule or order relating to the Assets which demand or notice remains outstanding as at the date hereof;

(n) Sale, Processing and Transportation Agreements: Except as set forth in Schedule "F", Vendor is not a party to or bound by any Sale, Processing or Transportation Agreements in respect of the Assets which cannot be terminated without penalty on notice from Vendor of thirty-one (31) days or less.

(o) No Removal of Tangibles: no tangible depreciable property and assets which are used, were used or are intended to be used in producing, processing, gathering, treating, measuring, making marketable or injecting the Petroleum Substances or any of them or in connection with water injection or removal operations that pertain to the Petroleum and Natural Gas Rights, has been removed from its location since Vendor acquired the Assets nor has Vendor alienated or encumbered any such tangible depreciable property and assets since such date;

(p) No Rights of First Refusal: except as may be identified to Purchaser by Vendor pursuant to Schedule "G", none of the interest of Vendor in and to the Assets is subject to any Right of First Refusal that becomes operative by virtue of this Agreement or the transaction to be effected by it;

(q) No Claims: no suit, action or other proceeding before any court or governmental agency has been commenced against Vendor or, to the knowledge, information and belief of Vendor, has been threatened against Vendor or any Third Party, which might result in impairment or loss of the interest of Vendor in and to the Assets;

(r) All Permits: in respect of the Assets that are operated by Vendor, if any, Vendor holds all valid Permits and similar rights and privileges that are required and necessary under applicable law to operate the Assets as presently operated;

(s) Operations: any and all operations of Vendor since January 31, 2017, and to the knowledge of Vendor, any and all operations by Third Parties and any and all operations prior to January 31, 2017 by any predecessor to the Vendor, on or in respect of the Assets, have been conducted in accordance with good oil and gas industry practices and in material compliance with all applicable laws, rules, regulations, orders and directions of governmental and other competent authorities;

(t) No Production Limits: to the knowledge of Vendor, excepting production limits of general application in the oil and gas industry, none of the Wells is subject to production or other penalties imposed by the Title Documents or by any other agreements and documents to which the Assets are subject, or by any laws, rules, regulations, orders or directions of governmental or other competent authorities;

(u) No Prospectus. Vendor has not been provided with a prospectus or any other document in connection with the issuance of the Journey Equity to it;

(v) Exemptions. The Journey Equity is being issued in reliance upon certain exclusions and/or exemptions from prospectus requirements of the Securities Laws, including those afforded by NI 45-106. Vendor understands and agrees that the representations, warranties and agreements set forth in this Agreement will be relied upon by Purchaser and its Affiliates in claiming such exclusions and exemptions and establishing compliance with the same;

(w) No Resale. Vendor is acquiring, pursuant to this Agreement, the Journey Equity for Vendor's own account for investment only and not with a view to, or for offering any Journey Equity for resale in connection with, the underwriting or distribution thereof, and Vendor is not participating, directly or indirectly, in the underwriting, distribution or transfer of the Journey Equity. Vendor will not make any transfer of any of the Journey Equity, or of any interest or participation therein, (i) that would result in Vendor being deemed an underwriter of the Journey Equity within the meaning of the Securities Act, or (ii) that would not be in compliance with all Securities Laws and other Laws applicable at the time;

(x) Independent Counsel. Vendor has, to the extent that it deems necessary, been advised by a financial advisor and/or legal counsel of its own choice in connection with Vendor's acquisition of the Journey Equity pursuant to this Agreement;

(y) Hold Period. Vendor understands and acknowledges that the Journey Equity will be subject to a four-month "hold period" under applicable Securities Laws and may not be resold until the expiry of such hold period except in accordance with limited exemptions under applicable Securities Laws and acknowledges that the certificates representing the Journey Equity will bear the following legends, and in the event that Vendor did not directly receive a certificate representing the Journey Equity, Journey has hereby provided Vendor with written notice pursuant to Section 2.5(2)(3.1) of National Instrument 45-102 – *Resale of Securities* that:

> "UNLESS PERMITTED UNDER SECURITIES LEGISLATION, THE HOLDER OF THIS SECURITY MUST NOT TRADE THE SECURITY BEFORE **[the date that is four months and a day after the Closing will be inserted]**.

(1) THE SECURITIES REPRESENTED BY THIS CERTIFICATE ARE LISTED ON THE TORONTO STOCK EXCHANGE ("TSX"); HOWEVER, THE SAID SECURITIES CANNOT BE TRADED THROUGH THE FACILITIES OF THE TSX SINCE THEY ARE NOT FREELY TRANSFERABLE, AND CONSEQUENTLY ANY CERTIFICATE REPRESENTING SUCH SECURITIES IS NOT "GOOD DELIVERY" IN SETTLEMENT OF TRANSACTIONS ON THE TSX."

(z) Collection of Information. Vendor acknowledges that it has been notified by Journey that: (i) Journey is required to provide certain information pertaining to the issuance of the Journey Equity in Schedule 1 of Form 45-106F1 pursuant to NI 45-106 (including name, address, telephone number, the number value of securities purchased, the details of the exemption relief on and if applicable, the status of Journey as a registrant and/or an insider of Journey), which Form 45-106F1 Journey is required to file under NI 45-106; (ii) the necessary information will be delivered to the applicable Securities Commissions in accordance with NI 45-106; (iii) such information is being collected by the applicable Securities Commission under the authority granted to it in securities legislation; (iv) such necessary information is being collected for the purposes of the administration and enforcement of the Securities Laws of the local jurisdiction; and (v) the contact details of the public official in each jurisdiction who can answer questions about the indirect collection of the information can be provided to Vendor by Journey upon request. Vendor hereby authorizes the indirect collection of the information by the applicable Securities Commissions.

**4.2 Limitation of Representations and Warranties**

(a) Vendor makes no representations or warranties of any kind or nature, express or implied, at law or in equity except as expressly set forth in Section 4.1 and in particular, and without limiting the generality of the foregoing, Vendor hereby expressly negates and disclaims, and shall not be liable for, any and all representations or warranties which may have been made or alleged to have been made in any other document or instrument or in any statement or information made or communicated to Purchaser or its Related Parties in any manner, except for those expressly set forth in Section 4.1.

(b) Without in any way limiting the generality of the foregoing, Vendor hereby expressly negates and disclaims, and shall not be liable for, any representations or warranties made or alleged to have been made to Purchaser or its Related Parties with respect to any of the following matters:

(i) except for the representations and warranties expressly set forth in Section 4.1, any data or information provided or made available to Purchaser by Vendor's Representatives in site visits, in management presentations, in meetings with Vendor's management or employees or otherwise;

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

(iii) except as expressly provided in Section 4.1(m), the Environmental condition of the Lands or any Environmental Liabilities;

(iv) any engineering or geological information or interpretations thereof or any economic evaluations;

(v) except as provided in Section 4.1(h), title to the Assets; or

(vi) except as expressly provided in Section 4.1, any Liabilities or Claims related to the Assets.

(c) In acquiring the Assets, Purchaser acknowledges and confirms that except as expressly provided in this Agreement: (i) it will accept the Assets on the basis that the Assets are on an "as is-where is" basis without representation and warranty; (ii) it has performed its own due diligence and it has not relied on any data, information, statement or advice provided to Purchaser or Related Parties by Vendor or its Related Parties, and (iii) in agreeing to enter into and to consummate the transactions contemplated hereby, it has relied on its own inspections and evaluations of the Assets and the Environmental Liabilities.

(d) Except for Purchaser's rights under this Agreement, Purchaser on its own behalf and on behalf of its Related Parties, hereby waives all Claims, rights and remedies whatsoever (whether now existing or hereafter arising and including all common law, tort, contractual, equitable and statutory rights and remedies except as a result of fraud) that Purchaser or any of its Related Parties may now or at any time in the future have against Vendor or any of its Related Parties in respect of the Assets or the transactions to be effected pursuant to this Agreement, or any representations or statements made, or information or data furnished, to Purchaser or any of its Related Parties in connection herewith or otherwise (whether made or furnished by Vendor or any of its Related Parties or Third Parties and whether made or furnished orally or by electronic, faxed, written or other means).

**4.3 Representations and Warranties of Purchaser**

Purchaser represents and warrants to Vendor that:

(a) Organization and Standing: Purchaser is a partnership, duly organized and validly subsisting under the laws of Alberta and is duly qualified to carry on business in the jurisdiction(s) where the Assets are located, and to hold legal title to the Assets;

(b) Authorization, Execution and Enforceability: The execution, delivery and performance of this Agreement and the completion of the transactions contemplated hereby have been duly and validly authorized by any and all requisite actions of Purchaser. This Agreement does and any other agreements executed and delivered by Purchaser in connection herewith will constitute valid and binding obligations of Purchaser enforceable against Purchaser in accordance with their terms, subject to (i) bankruptcy, insolvency, fraudulent preference, reorganization or other laws affecting creditors' rights generally, and (ii) general principles of equity;

(c) No Conflict: The execution and delivery of this Agreement are not, and (provided that all required regulatory approvals are obtained and except for consents and approvals that will be delivered by Purchaser at Closing) the completion of the transactions contemplated hereby in accordance with the terms of this Agreement will not be, in violation or breach of or in conflict with or require any consent, authorization or approval under:

(i) any term or provision of the constating and governing documents of Purchaser;

(ii) any agreement, instrument, license, permit or other governmental authorization to which Purchaser is a party or by which such Purchaser is bound; or

(iii) any judgment, decree, order, statute, regulation, rule, or license applicable to Purchaser;

(d) No Claims: There are no Claims (i) filed by, on behalf of, or against Purchaser, or (ii) imposed by any Governmental Authority or regulatory body, in either case, whether or not insured and which may adversely affect Purchaser or Purchaser's ability (financial or otherwise) to complete the transactions, contemplated by this Agreement;

(e) Availability of Funds: Subject to Subsection 4.4(h) regarding listing approval by the Exchange, Purchaser has sufficient cash, available lines of credit, or other sources of immediately available funds to enable Purchaser to make payment of the Purchase Price at Closing and all other amounts to be paid by Purchaser hereunder;

(f) Regulatory Approvals: Except for approvals referenced in Subsection 4.4(h), there are no regulatory approvals or rulings required to be obtained by Purchaser in respect of the transactions contemplated by this Agreement;

(g) No Finder's Fee: Purchaser has not incurred any obligation or liability, contingent or otherwise, for broker's or finder's fees in respect of this Agreement or the transactions contemplated hereby for which Vendor shall have any obligation or liability;

(h) GST Registrant: Purchaser is a registrant for the purposes of the *Excise Tax Act* (Canada). The GST registration number of Purchaser is [redacted]; and

(i) Bankruptcy. There are no bankruptcy, reorganization or receivership proceedings pending against, being contemplated by, or, to Purchaser's knowledge, threatened against Purchaser.

**4.4 Representations of Journey**

Journey represents to Vendor in respect of the Journey Equity that:

(a) Organization and Standing: Journey is a corporation, duly organized and validly subsisting under the laws of Alberta and is duly qualified to carry on business in the jurisdiction(s) where the Assets are located, and to hold legal title to the Assets;

(b) Authorization, Execution and Enforceability: The execution, delivery and performance of this Agreement and the completion of the transactions contemplated hereby have been duly and validly authorized by any and all requisite actions of Journey. This Agreement constitutes valid and binding obligations of Journey enforceable against Journey in accordance with its terms, subject to (i) bankruptcy, insolvency, fraudulent preference, reorganization or other laws affecting creditors' rights generally, and (ii) general principles of equity;

(c) No Conflict: The execution and delivery of this Agreement are not, and (provided that all required regulatory approvals are obtained and except for consents and approvals that will be delivered by Journey at Closing) the completion of the transactions contemplated hereby in accordance with the terms of this Agreement will not be, in violation or breach of or in conflict with or require any consent, authorization or approval under:

    (i) any term or provision of the constating and governing documents of Purchaser;

    (ii) any agreement, instrument, license, permit or other governmental authorization to which Purchaser is a party or by which such Purchaser is bound; or

    (iii) any judgment, decree, order, statute, regulation, rule, or license applicable to Purchaser;

(d) Qualification: Journey shall meet all qualification requirements of Governmental Authorities in order for Journey to receive transfers of the Registered Interests as Purchaser's agent pursuant to

Section 6.5, including the License Transfers, and shall accede to, comply with and perform all requirements of such Governmental Authorities in connection therewith;

(e) Issuance of Journey Equity. The Journey Equity will be, at the Closing, duly and validly issued as fully paid and non-assessable Common Shares;

(f) Listing Requirements. The presently outstanding Common Shares are listed and posted for trading on the Exchange, Journey is in compliance in all material respects with the current listing requirements of the Exchange and Journey will use its reasonable commercial efforts to cause the Journey Equity to be conditionally approved for listing and trading on the Exchange prior to the Closing;

(g) Reporting Issuer. Journey is a "reporting issuer" or has equivalent status in each of the Qualifying Jurisdictions within the meaning of the Securities Laws; Journey is not in material default of any requirement of the Securities Act and the regulations thereunder or under the Securities Laws of each of the other Qualifying Jurisdictions; and Journey has not received any correspondence or notice from a Securities Commission concerning a review of any of its continuous disclosure documents in respect of which any matters remain outstanding.

(h) Consent. The execution, delivery and performance by Journey of this Agreement and the issuance and delivery of the Journey Equity by Purchaser does not require the consent, approval, authorization, registration or qualification of or with any governmental authority, stock exchange, Securities Commission or other regulatory authority or other similar third party except (i) those which have been obtained, or in the case of conditional or final approval of the Exchange with respect to the listing of the Journey Equity, will be obtained subject, in the case of final approval, to complying with the Standard Listing Conditions, and (ii) the filing of a report on Form 45-106F1 as prescribed by NI 45-106, prepared and executed in accordance with Securities Laws, together with the payment of any requisite filing fees related thereto, in each case within ten days of the date of Closing.

### 4.5 Survival of Representations and Warranties

Except where a time is specified therein, the representations and warranties in this Article 4 shall be true and correct as of the date hereof and at the Closing Date, and such representations and warranties shall continue in full force and effect and shall survive the Closing for the Survival Period at which point in time they shall expire and be of no further force and effect.

## ARTICLE 5
## CONDITIONS OF CLOSING

### 5.1 Purchaser's Conditions

The obligation of Purchaser to purchase the Assets pursuant hereto is subject to the following conditions, which are for the exclusive benefit of Purchaser and may be waived in whole or in part by Purchaser by written notice to Vendor at or before Closing:

(a) Representations and Warranties: The representations and warranties of Vendor in this Agreement shall be true and correct in all material respects as of the date hereof and as of the Closing Date, and Vendor shall have delivered an officer's certificate in the form of Schedule "E" to that effect to Purchaser at Closing;

(b) Compliance with Covenants: Vendor shall have performed or complied in all material respects with all of its obligations, covenants and agreements contained in this Agreement to be performed or complied with at or prior to Closing, and Vendor shall have delivered an officer's certificate in the form of Schedule "E" to that effect to Purchaser at Closing;

(c) No Action or Proceeding: At the Closing Date, no Claim shall be pending before any court or Governmental Authority seeking to restrain or prohibit the transactions contemplated hereby or to obtain material damages or other relief from Purchaser in connection with the consummation of the transactions contemplated hereby;

(d) Drilling Commitments: Purchaser shall not be subject to any financial penalties nor drilling commitments under the Firm/Dedicated Gilby Gas Gathering Agreement dated July 1, 2012;

(e) Hedges. Purchaser shall have received consent from its financial institution and be satisfied with the terms and conditions of such consent that its financial institution will accept assignment and transfer of the Hedges from Vendor's financial institution; and

(f) Closing Deliveries: Vendor shall have complied with Section 6.3.

**5.2 Vendor's Conditions**

The obligation of Vendor to sell the Assets to Purchaser pursuant hereto is subject to the following conditions, which are for the exclusive benefit of Vendor and may be waived in whole or in part by Vendor by written notice to Purchaser at or before Closing:

(a) Representations and Warranties: The representations and warranties of Purchaser and Journey in this Agreement shall be true and correct in all material respects as of the date hereof and as of the Closing Date, and Purchaser and Journey shall jointly have delivered an officer's certificate in the form of Schedule "E" to that effect to Vendor at Closing;

(b) Compliance with Covenants: Purchaser shall have performed or complied in all material respects with all of its obligations, covenants and agreements contained in this Agreement to be performed or complied with at or prior to Closing, and Purchaser shall have delivered an officer's certificate in the form of Schedule "E" to that effect to Vendor at Closing;

(c) Tender: Purchaser shall have tendered or caused to be tendered to Vendor all amounts to be paid by Purchaser to Vendor at Closing pursuant to this Agreement in the form stipulated in this Agreement;

(d) No Action or Proceeding: At the Closing Date, no Claim shall be pending before any court or Governmental Authority seeking to restrain or prohibit the transactions contemplated hereby or to obtain material damages or other relief from Vendor in connection with the consummation of the transactions contemplated hereby; and

(e) Closing Deliveries: Purchaser shall have complied with Section 6.4.

**5.3 Efforts to Fulfill Conditions**

Purchaser and Vendor shall proceed diligently, honestly and in good faith and use all reasonable efforts to satisfy and comply with and assist in the satisfaction of and compliance with the conditions set forth in Sections 5.1 and 5.2.

**5.4 Failure of a Condition**

If a condition in Sections 5.1 or 5.2 has not been satisfied on or before the Closing Date and such condition has not been waived in writing by the Party for whose benefit such condition has been included herein, such Party may terminate this Agreement by written notice to the other Party prior to the Closing Date, provided that a Party shall not be permitted to exercise or purport to exercise any right of termination pursuant to this Section 5.4 if the event or circumstances giving rise to such right is due to a Default by such Party.

### 5.5 Effect of Termination

If this Agreement is terminated prior to the Closing occurring pursuant to Section 5.4, the Parties shall be released from all obligations under this Agreement except as follows:

(a) Section 2.3 shall remain in effect and be binding and enforceable in accordance with its terms; and

(b) Section 13.14 shall remain in effect and be binding and enforceable in accordance with its terms.

Subject to the foregoing provisions of this Section 5.5, following such termination, each Party shall be responsible for the costs and expenses incurred by it in connection with this Agreement and the transactions contemplated hereby.

## ARTICLE 6
## CLOSING

### 6.1 Place and Date of Closing

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

### 6.2 Effective Time

The Purchaser's assumption of the benefits, obligations and risks associated with the Assets will be effective as of the Effective Time, provided Closing occurs. However, possession of the Assets will not pass to Purchaser until Closing.

### 6.3 Vendor Deliveries at Closing

At Closing, Vendor shall deliver, or cause to be delivered, to Purchaser, the following:

(a) a receipt for payment of the amounts payable to Vendor pursuant to Section 2.4;

(b) Encumbrance Discharges, in form satisfactory to Purchaser acting reasonably (except to the extent such Security Interests are Permitted Encumbrances which are not required to be discharged at Closing);

(c) the Specific Conveyances referred to in Section 6.5 executed by Vendor or a Related Party, as appropriate;

(d) an officer's certificate of Vendor in the form of Schedule "E";

(e) the General Conveyance executed by Vendor

(f) an Area of Exclusion Agreement substantially in the form attached as Schedule "N" executed by Vendor; and

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

### 6.4 Purchaser Deliveries at Closing

At Closing, Purchaser shall deliver, or cause to be delivered, to Vendor, the following:

(a) the amounts payable by Purchaser at the Closing pursuant to Section 2.4;

(b) an officer's certificate of Purchaser in the form of Schedule "E"; and

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

In addition, at Closing, Purchaser shall execute the General Conveyance, the Specific Conveyances and the Area of Exclusion Agreement tabled by Vendor pursuant to Section 6.3.

### 6.5 Specific Conveyances

(a) Vendor shall use commercially reasonable efforts to prepare all necessary Specific Conveyances for delivery at Closing. Such Specific Conveyances which are in respect of Registered Interests shall be made to Journey. The Specific Conveyances that are not in respect of Registered Interests shall be made to Purchaser. Vendor shall prepare the Specific Conveyances at Vendor's cost, and none of the Specific Conveyances shall confer or impose upon a Party any greater rights or obligations than contemplated in this Agreement. It shall not be necessary for any Specific Conveyances to have been executed prior to or at Closing by Third Parties.

(b) Except as set out in Section 6.6, Purchaser and/or Journey shall promptly register in the applicable registry all registrable transfers relating to the Assets and deliver all Specific Conveyances to Third Parties in accordance with normal industry practice.

(c) Subject to and without limiting Section 6.6, Purchaser shall bear all costs, fees and deposits of every nature and kind incurred (whether by Vendor or Purchaser) in registering any Specific Conveyances and registering any further assurances required to convey the Assets to Purchaser and/or Journey, as the case may be, provided that any costs to register any Encumbrance Discharges shall be paid by Vendor.

### 6.6 License Transfers

(a) Within five (5) Business Days following Closing, Vendor shall prepare and where applicable, electronically submit an application to the Governmental Authorities for the License Transfers and Journey shall electronically ratify and sign such application.

(b) Should any Governmental Authority deny the License Transfers because of mis-description or other minor deficiencies in the application Vendor shall within five (5) Business Days correct, the application and re-submit an application for the License Transfers and Purchaser and Journey shall ratify and sign such application.

(c) If, for any reason, a Governmental Authority requires a Party to make a deposit or furnish any other form of security in order to approve the License Transfers, such Party shall immediately either: (i) make such deposit; (ii) furnish such other form of security as the Governmental Authority requires; or (iii) cause an Affiliate of Purchaser who is sufficiently qualified to accept the License Transfers and who has been nominated by Purchaser to receive a transfer pursuant to Section 6.5 to amend and re-submit the application for the License Transfers and electronically ratify and sign such application.

(d) If a Party (the "**Defaulting Party**") fails to make a deposit or furnish security it is required to make or furnish under Section 6.6(c) within ten (10) days of the Defaulting Party's receipt of notification from the Governmental Authority that such deposit or security is required, the other Party (the "**Non-Defaulting Party**") shall have the right to make such deposit or furnish such security. In such event, the Defaulting Party shall (as applicable) reimburse the amount of such deposit or the costs of such security to the Non-Defaulting Party plus interest thereon at the Prime Rate plus four percent (4%) from the date such deposit or security is made or furnished by the Non-Defaulting Party until such reimbursement is made and, in the case of security, cause the security to be returned to the Non-Defaulting Party as soon as possible and indemnify the Non-Defaulting Party for the amount and costs of any draws on the security plus interest thereon at the Prime Rate plus four percent (4%) from the date such draw is made until such indemnification is made. In addition to all other rights to enforce such reimbursement otherwise available to the Non-Defaulting Party, it shall have the right to set-off the amount of such reimbursement or indemnification (including interest) against any other monies due to the Defaulting Party pursuant to this Agreement.

(e) As promptly as practicable following Closing, Purchaser shall cause to be released and returned to Vendor any guarantees, bonds, letters of credit or other security provided by Vendor to Governmental Authorities or Third Parties in connection with the Assets, or operations pertaining thereto, by arranging and providing substitute security therefore.

### 6.7 Title and Operating Documents

Vendor shall deliver or cause to be delivered to Purchaser within ten (10) days following Closing, the original copies of the Title and Operating Documents and the original copies of all records, documents, licenses, reports and data (including, to the extent available, electronic records) comprising the Miscellaneous Interests and that are in the possession or control of Vendor. Notwithstanding the foregoing, if and to the extent such contracts, agreements, records, documents, licenses, reports and data also pertain to interests other than the Assets, photocopies or other copies may be provided to Purchaser in lieu of original copies. In addition, Vendor shall deliver all paper copies and where application electronic copies of the Seismic Data.

## ARTICLE 7
## LIABILITIES AND INDEMNITIES

### 7.1 Vendor's Indemnities

Subject to Sections 7.5, 7.6 and 7.8, Vendor shall:

(a) be liable to Purchaser and its Related Parties for all Losses and Liabilities they suffer, sustain, pay or incur; and

(b) indemnify and save Purchaser and its Related Parties harmless from and against all Claims made against them;

insofar as such Losses, Liabilities and Claims are a direct result of any Vendor Default; provided that Vendor shall not be liable to, or be required to indemnify and save harmless, Purchaser or any of its Related Parties pursuant to this Section 7.1 in respect of any Losses, Liabilities or Claims to the extent they result from a Purchaser Default or are caused by or result from the gross negligence or wilful misconduct of Purchaser or its Related Parties.

### 7.2 Purchaser's Indemnities

Subject to Sections 7.5 and 7.8, Purchaser shall:

(a) be liable to Vendor and its Related Parties for all Losses and Liabilities they suffer, sustain, pay or incur; and

(b) indemnify and save harmless Vendor and its Related Parties from and against all Claims made against them;

insofar as such Losses, Liabilities and Claims are a direct result of any Purchaser Default; provided that Purchaser shall not be liable to, or be required to indemnify and save harmless, Vendor or any of its Related Parties pursuant to this Section 7.2 in respect of any Losses, Liabilities or Claims to the extent they result from a Vendor Default or they are caused by or result from the gross negligence or wilful misconduct of Vendor or its Related Parties.

**7.3 Environmental Liabilities**

Subject to Closing occurring, Purchaser hereby:

(a) assumes and agrees to duly and punctually perform, pay and discharge;

(b) agrees to be liable to Vendor and its Related Parties for all Losses and Liabilities they suffer, sustain, pay or incur in respect of; and

(c) agrees to indemnify and save harmless Vendor and its Related Parties from and against all Claims made against them in respect of;

any and all past, present and future Environmental Liabilities, provided that Purchaser shall not be liable to, or required to indemnify and save harmless, Vendor or its Related Parties pursuant to this Section 7.3 in respect of Losses, Liabilities or Claims to the extent they result from a breach of the representation and warranty set forth in Section 4.1(m) if Purchaser has given notice of such breach to Vendor pursuant to, and within the time set forth in, Section 7.5.

**7.4 Future Obligations**

Subject to Closing occurring and to Section 7.1, Purchaser hereby agrees to:

(a) be liable to Vendor and its Related Parties for all Losses and Liabilities they suffer, sustain, pay or incur in respect of; and

(b) indemnify and save harmless Vendor and its Related Parties from and against all Claims made against them in respect of

all obligations and Liabilities relating to the Assets that arise from or relate to acts, omissions, events or circumstances occurring after the Effective Time, including Losses, Liabilities and Claims arising from or related to operations conducted in respect of the Assets after the Effective Time.

**7.5 Claims**

No Claim under Sections 4.1 or 4.3 in respect of a representation or warranty of Vendor or Purchaser, as the case may be, shall be made or be enforceable by a Party, whether by legal proceedings or otherwise, unless written notice of such Claim, with reasonable particulars, is given by such Party to the Party against whom such Claim is to be made within the Survival Period. No Claim shall be made by a Party in respect of a Vendor Default or a Purchaser Default, as the case may be, except pursuant to this Article 7.

**7.6 Limitations on Vendor's Liabilities**

Notwithstanding anything to the contrary contained in this Agreement:

(a) No Claim shall be made against Vendor by Purchaser or its Related Parties in respect of any individual Vendor Default hereunder, or for indemnification in respect thereof, unless the aggregate amount of the Losses and Liabilities suffered, sustained, paid or incurred by Purchaser and its Related Parties in respect of such individual Vendor Default exceeds Fifty thousand ($50,000.00) Dollars (with all Vendor Defaults that do not exceed Fifty thousand ($50,000.00) Dollars being hereinafter referred to as "**De Minimus Vendor Defaults**").

(b) No Claim shall be made against Vendor by Purchaser or its Related Parties in respect of any Vendor Default or Vendor Defaults hereunder, or for indemnification in respect thereof, unless and until the aggregate amount of the Losses and Liabilities suffered, sustained, paid or incurred by Purchaser and its Related Parties in respect of all such Vendor Defaults (excluding De Minimus

Vendor Defaults) exceeds One Hundred and Fifty Thousand ($150,000) Dollars (the "**Deductible**"). In such event, Vendor's obligation and liability shall be limited to the amount of such Losses and Liabilities that are in excess of the Deductible (and, for clarity, shall in no event include any Losses and Liabilities that are in respect of De Minimus Vendor Defaults). Further, in no event shall the total liability of Vendor under this Agreement for all Claims of Purchaser and its Related Parties in respect of all Vendor Defaults exceed seventy-five percent (75%) of the Purchase Price.

(c) Purchaser shall not be entitled to bring any Claim in respect of any act, omission, circumstance or other matter of which it, or its Related Parties, had knowledge at the Closing Date, including without limitation any representation or warranty given by Vendor which the Purchaser or its Related Parties know to be inaccurate or untrue.

7.7 <u>**Indemnification Procedure – Third Party Claims**</u>

The following procedures shall be applicable to any Claim by a Party (the "**Indemnitee**") for indemnification pursuant to this Agreement from the other Party (the "**Indemnitor**") in respect of a Claim by a Third Party:

(a) upon the Third Party Claim being made against or commenced against the Indemnitee, the Indemnitee shall promptly provide notice thereof to the Indemnitor. The notice shall describe the Third Party Claim in reasonable detail and indicate the estimated amount, if practicable, of the indemnifiable Liabilities and Losses that has been or may be sustained by the Indemnitee in respect thereof. If the Indemnitee does not give timely notice to the Indemnitor as aforesaid, then such failure shall only lessen or limit the Indemnitee's rights to indemnity hereunder to the extent that the defence of the Third Party Claim was prejudiced by such lack of timely notice;

(b) if the Indemnitor acknowledges to the Indemnitee in writing that the Indemnitor is responsible to indemnify the Indemnitee in respect of the Third Party Claim pursuant hereto, the Indemnitor shall have the right to do either or both of the following:

(i) assume carriage of the defence of the Third Party Claim using legal counsel of its choice and at its sole cost; and\or

(ii) settle the Third Party Claim provided the Indemnitor pays the full monetary amount of the settlement and the settlement does not impose any restrictions or obligations on the Indemnitee;

(c) each Party shall cooperate with the other in the defence of the Third Party Claim, including making available to the other Party, its directors, officers, employees and consultants whose assistance, testimony or presence is of material assistance in evaluating and defending the Third Party Claim;

(d) the Indemnitee shall not enter into any settlement, consent order or other compromise with respect to the Third Party Claim without the prior written consent of the Indemnitor, (which consent shall not be unreasonably withheld or delayed) unless the Indemnitee waives its rights to indemnification in respect of the Third Party Claim;

(e) upon payment of the Third Party Claim, the Indemnitor shall be subrogated to all claims the Indemnitee may have relating thereto. The Indemnitee shall give such further assurances and cooperate with the Indemnitor to permit the Indemnitor to pursue such subrogated claims as reasonably requested by it; and

(f) if the Indemnitor has paid an amount pursuant to the indemnification obligations herein and the Indemnitee shall subsequently be reimbursed from any source in respect of the Third Party Claim from any other Person, the Indemnitee shall promptly pay the amount of the reimbursement (including interest actually received) to the Indemnitor, net of income taxes required to be paid by the Indemnitee as a result of any such receipt and plus any taxes saved or recovered by the Indemnitee as a result of such payment.

### 7.8 Consequential Damages

In no event shall a Party be liable in respect of the covenants, agreements, representations, warranties and indemnities contained in this Agreement or in any certificate, agreement or other document furnished pursuant to this Agreement for consequential, indirect or punitive damages (including loss of anticipated profits, business interruption or any special or incidental loss of any kind) suffered, sustained, paid or incurred by the other Party or its Related Parties, provided that this Section 7.8 shall not preclude a Party from entitlement to indemnification for such Party's Liability to a Third Party for consequential, indirect or punitive damages which such Third Party suffers, sustains, pays or incurs.

## ARTICLE 8
## MAINTENANCE AND OPERATION OF THE ASSETS

### 8.1 Maintenance of Assets Until Closing

From the date hereof until the Closing Date, Vendor shall:

(a) maintain or cause the Assets to be maintained in a proper and prudent manner in accordance with past practices;

(b) pay or cause to be paid all costs and expenses relating to the Assets which become due from the date hereof to the Closing Date; and

(c) perform and comply, in all material respects, with all of its obligations under the Title and Operating Documents.

### 8.2 Engineering Evaluation

Immediately after execution of this Agreement by all Parties Vendor shall provide to Purchaser the drafts of the reserve evaluations being prepared by [redacted] and, upon receipt by Vendor, provide the final reports and evaluations. All costs associated with the preparation and delivery of the reports shall be paid by Vendor.

### 8.3 Consent of Purchaser

From the date hereof until the Closing Date, Vendor shall not, without the written consent of Purchaser (which consent shall not be unreasonably withheld and which, if provided, shall be provided in a timely manner):

(a) surrender any of the Assets;

(b) incur or commit to incur any expenditures (capital or otherwise) other than: (i) for the maintenance, exploration, evaluation and development of the Assets; or (ii) pursuant to transactions that are undertaken in the ordinary course of business and are not material;

(c) amend or terminate any material agreement or document to which the Assets are subject, or enter into any material new agreement relating to the Assets which will extend or remain in effect beyond the Closing Date (other than agreements which may be terminated by Vendor, without penalty, on thirty (30) days or less notice); or

(d) sell, lease, pledge, encumber or otherwise dispose of, or authorize the sale, lease, pledge, encumbrance or disposition of, any of the Assets or any part or portion thereof, other than for transactions that are undertaken in the ordinary course of business and are not material.

**8.4 Post-Closing Transition**

Following Closing and to the extent that Purchaser must be recognized by Third Parties under the Title and Operating Documents or otherwise recognized as the owner of any of the Assets, the following will apply to those Assets until that recognition has been effected:

(a) the provisions of Sections 8.1(a) and 8.2 will continue to apply, *mutatis mutandis*;

(b) Vendor shall hold title to the Assets, or any portion thereof, in trust for Purchaser, represent Purchaser and receive and hold all proceeds, benefits and advantages accruing in respect of the Assets for the benefit, use and ownership of Purchaser;

(c) Vendor will forthwith provide to Purchaser all Third Party authorizations for expenditure, notices, mail ballots, specific information, communications, invoices, cash calls, billings, and other documents Vendor receives respecting the Assets, and will respond to such authorizations for expenditure, notices, mail ballots, information and other documents pursuant to the written instruction of Purchaser, if received on a timely basis, provided that Vendor may refuse to follow instructions that it reasonably believes to be unlawful or in breach of the provisions of a Title and Operating Document by providing notice to that effect to Purchaser in a timely manner;

(d) within fifteen (15) days following receipt by Vendor, Vendor will deliver to Purchaser, all revenues, proceeds and other benefits received by Vendor respecting the Assets after the Closing Date, together with all relevant statements of operating expenses, less the share of the applicable lessor royalties, operating costs, treating, gathering, processing and product transportation expenses and those other costs and expenses directly relating to the Assets and the production of Petroleum Substances produced therefrom.

(e) Vendor, as agent of Purchaser, will deliver to Third Parties all such agreements, notices and other documents as Purchaser may reasonably request, to effect Purchaser's ownership of the Assets, and all money or other items provided in respect thereof.

**8.5 Vendor as Agent of Purchaser**

(a) Provided Closing occurs and insofar as Vendor maintains the Assets and takes actions on behalf of Purchaser in compliance with the obligations under this Article 8, Vendor will be deemed to have been the agent of Purchaser hereunder. Purchaser hereby ratifies all actions taken, or refrained from being taken, by Vendor under Section 8.4, with the intention that all of those actions will be deemed to be those of Purchaser, except to the extent that Vendor's actions under this article constitute gross negligence or wilful misconduct.

(b) Provided Closing occurs, Purchaser will be liable to and, in addition, indemnify Vendor and their respective Related Parties against all of their Losses and Liabilities as a result of maintaining the Assets or exercising other rights as Purchaser's agent under this Article 8, insofar as those Losses and Liabilities are not a direct result of the gross negligence or wilful misconduct of Vendor. An act or omission will not be regarded as gross negligence or wilful misconduct under this Article 8 to the extent that it was done or omitted to be done in accordance with Purchaser's instructions or concurrence.

## ARTICLE 9
## RIGHTS OF FIRST REFUSAL

**9.1 Rights of First Refusal**

(a) Purchaser and Vendor acknowledge and agree that the Assets described on Schedule "G" are subject to Rights of First Refusal (the "**ROFR Assets**"). Within two (2) Business Days from the execution of this Agreement, Purchaser shall provide to Vendor its bona fide allocations of value to such Assets. With respect to the Key Assets only, the Purchaser will consult with the Vendor and consider, acting reasonably, the Vendor's input with respect to the value to be allocated to the Key Assets; provided that Purchaser retains the right to set the value of all ROFR Assets under this Agreement. Vendor shall comply with the applicable provisions of such Right of First Refusal and shall, within two (2) Business Days from the receipt from Purchaser of its bona fide allocations, serve notices to the Third Parties (and Purchaser if applicable) holding such Right of First Refusals, such notices to be in a form acceptable to Purchaser acting reasonably, using the bona fide allocations provided by Purchaser for the ROFR Assets.

(b) Vendor shall notify Purchaser in writing forthwith upon the exercise or waiver, on or before the Closing Date, if any, of any Right of First Refusals held by a Third Party.

(c) If the Third Parties elect to exercise their respective Rights of First Refusal in respect of both of the Key Assets, then Purchaser shall have the right to elect on written notice to Vendor within 10 Business Days of notice of such exercise to elect to:

(i) terminate this Agreement and upon such election the Deposit together with interest earned thereon while held by the Escrow Agent shall be returned to Purchaser; or

(ii) proceed to Closing, in which case Section 9.1(e) shall apply.

(d) If any Third Party elects to exercise any Rights of First Refusal but Section 9.1(c) does not apply, the Parties shall proceed to Closing and Section 9.1(e) shall apply.

(e) If Closing occurs, the terms "Assets", "Miscellaneous Interests", "Petroleum and Natural Gas Rights" and "Tangibles" will be deemed to have been amended to reflect the exclusion of the ROFR Assets that Rights of First Refusal have been exercised upon and that such ROFR Assets shall not be conveyed to Purchaser, the Schedules hereto shall be amended accordingly and the Base Price will be reduced by the value allocated to such Assets.

(f) Notwithstanding anything contained herein, Purchaser will:

(i) be liable to Vendor and its Related Parties for its Losses and Liabilities; and, in addition,

(ii) indemnify and hold harmless Vendor and its Related Parties from and against all Losses and Liabilities;

incurred by Vendor or its Related Parties as a result of or in any way relating to any Right of First Refusal including as a result of or arising from Vendor using Purchaser's allocations in accordance with Section 9.1(a). The provisions of this Article 9 shall survive the Closing Date for the benefit of Vendor.

**ARTICLE 10**
**PRE-CLOSING MATTERS**

**10.1 Production of Documents**

(a) At all reasonable times from the date hereof until the Closing Date, Vendor shall make available to Purchaser and Purchaser's Representatives, subject to contractual restrictions of Third Parties relative to disclosure, in Vendor's offices in Calgary, such financial, operating and other information as Purchaser may reasonably request pertaining to the Assets and which are in Vendor's or any of its Affiliate's possession or control, including:

(i) the records, files, reports, title opinions, title reports, data and documents comprising part of or otherwise relating to the Assets, including operating, technical and financial data and information; and

(ii) copies of the Title and Operating Documents, and any other agreement and document to which the Assets are subject.

(b) All requests by Purchaser for access to information and documents pursuant to Section 10.1(a) shall be made by Purchaser to Graydon Glans or such other Person as may be designated by Vendor. Purchaser shall not be entitled access to or to communicate with any other officers of Vendor or employees or consultants of Vendor, except with the prior written approval of Graydon Glans or such other Person as may be designated by Vendor, provided that Vendor shall cause Graydon Glans or such other Person as may be designated by Vendor to not unreasonably withhold or delay such consent.

(c) Prior to Closing, Purchaser and its Representatives shall keep confidential all information disclosed to them by Vendor in accordance with the provisions of Section 13.14.

## ARTICLE 11
## POST-CLOSING COVENANTS OF PURCHASER

### 11.1 Signs and Notifications

After Closing, Purchaser shall forthwith remove any signs that indicate Vendor's [redacted] ownership or operation of the Assets. It shall be the responsibility of Purchaser, where necessary, and as soon as reasonably practicable, to erect or install any signs that may be required by Governmental Authorities indicating Purchaser or Journey to be the operator of the Assets, and to notify any relevant Third Parties of Purchaser's acquisition of the Assets.

### 11.2 Mosaic Order

After Closing, upon written request by Vendor, Purchaser shall provide reasonable access and copies of the records, books, accounts, documents, files, reports, information, materials filings and data to the extent they were acquired by Vendor from Mosaic and conveyed to Purchaser, in compliance with the Mosaic Order in the place and stead of Vendor as if it were a named party to the Mosaic Order, and shall, if it transfers the books and records to which the Mosaic Order applies to any other Person, obtain a similar covenant from the transferee of such books and records.

## ARTICLE 12
## ACCESS TO INFORMATION

### 12.1 Access to Information for Vendor

After Closing, Vendor and its Affiliates, may upon reasonable notice to Purchaser and subject to contractual restrictions relating to disclosure, have access during normal business hours to the Title and Operating Documents and any engineering reports and the financial statements, books, accounts, records, record books, assessments, filings, maps, documents, files, information and materials relating to the Assets for the purpose of obtaining and copying information in respect of matters arising out of or relating to any period of time up to the Closing Date for use by the Vendor or its Affiliates:

(a) in connection with audits;

(b) in connection with Vendors' dealings with tax and other regulatory authorities;

(c) to comply with Applicable Laws; and

(d) in connection with any action, suit or proceeding commenced or threatened by any Person against Vendor or any of its Affiliates, or its or their respective directors, officers, employees, agents, solicitors, engineers, accountants and consultants for which Vendor or its Affiliates may have any liability.

**12.2 Access to Information for Purchaser and Journey**

If any financial information is required by any Governmental Authority in connection with the filing by Journey of public disclosure documents (including any offering documents) after the date of this Agreement, on receiving the written request of Purchaser indicating what financial information in relation to the Assets is required and the purpose of that request, including the requirements of the applicable Governmental Authority on which the request is based (the "**Securities Financial Information**"), the Vendor shall provide access to the Securities Financial Information sufficient to allow Journey's auditors to prepare any financial statements and to allow Journey's auditors to express an audit opinion in respect of any financial statements prepared for any periods in respect of the Assets. In furtherance of this obligation, the Vendor shall provide reasonable and timely access to the Vendor's Chief Financial Officer and shall use reasonable commercial efforts to assist the Purchaser in having reasonable timely access to the Receiver/Manager of [redacted]

## ARTICLE 13
## GENERAL

**13.1 Dispute Resolution**

The Parties will attempt to resolve any dispute arising hereunder through consultation and negotiation in good faith. If those attempts fail, and the Parties agree to refer the dispute to binding arbitration for final resolution or if a provision of this Agreement provides that a dispute will be resolved by binding arbitration, the arbitration will be conducted in accordance with the provisions of the *Arbitration Act* (Alberta).

**13.2 Costs and Expenses**

Except as specifically provided herein, all legal and other costs and expenses incurred in connection with this Agreement and the transactions contemplated hereby shall be paid by the Party that incurred the same.

**13.3 Further Assurances**

From time to time, as and when reasonably requested by either Party, the other Party shall execute and deliver or cause to be executed and delivered all such documents and instruments and shall take or cause to be taken all such further or other actions to implement or give effect to the transactions contemplated hereby, provided such documents, instruments or actions are consistent with the provisions of this Agreement and accepted industry practices. All such further documents, instruments or actions shall be delivered or taken at no additional consideration other than reimbursement of any expenses reasonably incurred by the Party providing such further documents or instruments or performing such further acts, by the Party at whose request such documents or instruments were delivered or acts performed.

**13.4 No Merger**

There shall not be any merger of any of the covenants, representations, warranties and indemnities contained in this Agreement in any of the Specific Conveyances or any other document or instruments delivered pursuant hereto, at or after Closing, notwithstanding any rule of law, equity or statute to the contrary and such rules are hereby waived. Each Party will have full right of substitution and subrogation in and to all covenants and warranties by Third Parties previously given or made in respect of the Assets or any part thereof to the extent the provisions of the contracts or other arrangements with the Third Parties so permit.

**13.5 Entire Agreement**

The provisions contained in any and all documents and agreements collateral hereto (including Specific Conveyances) shall at all times be read subject to the provisions of this Agreement and, in the event of conflict, the provisions of this Agreement shall prevail. This Agreement supersedes all other agreements, documents, writings and verbal understandings among the Parties relating to the subject matter hereof and expresses the entire agreement of the Parties with respect to the subject matter hereof.

**13.6 Governing Law**

This Agreement shall, in all respects, be subject to, interpreted, construed and enforced in accordance with and under the laws of the Province of Alberta and the federal laws of Canada applicable therein and shall, in all respects, be treated as a contract made in the Province of Alberta. Except as provided in Sections 3.3 and 13.1, the Parties irrevocably attorn and submit to the exclusive jurisdiction of the courts of the Province of Alberta and courts of appeal therefrom in respect of all matters arising out of or in connection with this Agreement.

**13.7 Interest Accrues on Amounts Owing**

Other than as specifically contemplated in this Agreement, any amount owing to a Party by the other Party hereunder after Closing and remaining unpaid will bear interest, compounded and computed monthly at the rate of two percent (2%) per annum above the Prime Rate, from the day that the amount was due to be paid until the day it is paid, regardless of whether the Party has given the other Party prior notice of the accrual of interest hereunder.

**13.8 Assignment**

Prior to Closing, this Agreement may not be assigned by a Party without the prior written consent of the other Party, which consent may be unreasonably and arbitrarily withheld. This Agreement shall be binding upon and shall enure to the benefit of the Parties and their respective administrators, trustees, receivers, successors and permitted assigns. No Person other than the Parties and their successors and permitted assigns shall be entitled to any rights or benefits hereunder. No assignment, transfer or other disposition of this Agreement or all or any portion of the Assets by Purchaser after Closing shall relieve Purchaser from its obligations to Vendor herein. Vendor shall have the option to claim payment or performance of such obligations from Purchaser, the assignee, the transferee or all of them, and to bring proceedings in the event of default against either or all of them, provided that nothing herein shall entitle Vendor to receive duplicate payment or performance of the same obligation.

**13.9 Time of Essence**

Time shall be of the essence in this Agreement.

**13.10 Notices**

The addresses for service of the Parties shall be as follows:

Vendor: [redacted]

Attention: [redacted]
Fax: [redacted]

Purchaser/Journey: Journey Energy Partnership
700, 517 – 10 Avenue S.W.
Calgary, AB T2R 0A8

Attention: Vice President, Land
Fax: 403-695-1775

Any notice, communication and statement required, permitted or contemplated hereunder shall be in writing and sent by personal service or facsimile and shall be deemed received when delivery or reception of the transmission is complete except that, if such delivery or transmission is sent on a Saturday, Sunday or day when the receiving Party's office is not open for the regular conduct of business, or on or after 4:00 p.m., such notice or communication shall be deemed to be received on the next Business Day that such office is open for the regular conduct of business. A Party may from time to time change its address for service or its fax number or both by giving written notice of such change to the other Party at its above address.

**13.11 Invalidity of Provisions**

In case any of the provisions of this Agreement should be invalid, illegal or unenforceable in any respect, the validity, legality or enforceability of the remaining provisions contained herein shall not in any way be affected or impaired thereby.

**13.12 Waiver**

Except as otherwise provided in this Agreement, no failure on the part of any Party in exercising any right or remedy hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any such right or remedy preclude any other or further exercise thereof or the exercise of any right or remedy in law or in equity or by statute or otherwise conferred. Except as otherwise provided in this Agreement, no waiver of any provision of this Agreement, including, this Section 13.12, shall be effective otherwise than by an instrument in writing dated subsequent to the date hereof, executed by a duly authorized representative of the Party making such waiver.

**13.13 Amendment**

Except as provided in Section 13.10, this Agreement shall not be varied in its terms or amended by oral agreement or otherwise other than by an instrument in writing dated subsequent to the date hereof, executed by a duly authorized representative of each Party.

**13.14 Confidentiality and Public Announcements**

Until Closing has occurred, each Party shall keep confidential all information obtained from the other Party in connection with the Assets and shall not release any information including making any press release or other public announcement concerning this Agreement and the transaction herein provided for, without the prior written consent of the other Party, which consent shall not be unreasonably withheld. Nothing contained herein shall prevent a Party at any time from furnishing information (i) to any governmental agency or regulatory authority or to the public if required by Applicable Law, provided that the Parties shall provide each other at least 2 (two) Business Days advance written notice of any public statement which they propose to make; (ii) required in connection with obtaining consents or complying with Rights of First Refusal contained in Title Documents and any other agreements and documents to which the Assets are subject, or (iii) required to procure the consent of a Party's lender. To the extent the other Party unreasonably withholds or delays consent and the Party desiring to make the press release or other public announcement is advised by its counsel that the release or announcement is required to comply with any Applicable Law or the rules of any listing authority or stock exchange with which the disclosing Party is bound to comply such Party shall be entitled to release such information. A Party which proposes to make such a public disclosure shall, to the extent reasonably possible, provide the other Parties with a draft of such statement in sufficient time prior to its release to enable the other Parties to review such draft and advise of any comments they may have with respect thereto, it being understood that, upon signing this Agreement, each Party to this Agreement will be permitted to immediately issue a press release announcing the transaction in the form of press release which has been previously approved by the other Parties to this Agreement. The Party proposing to make the public disclosures will not unreasonably refuse to incorporate the requested changes in the public announcement that are necessary to protect the legitimate interests of the requesting Party except to the extent its counsel advises that doing so will result in non-compliance with Applicable Law or the rules of the applicable listing authority or stock exchange.

**13.15 <u>Counterpart Execution</u>**

This Agreement may be executed by facsimile, pdf and other electronic means and in counterpart, no one copy of which need be executed by Vendor, Purchaser and Journey. A valid and binding contract shall arise if and when counterpart execution pages (including as may be delivered by facsimile, pdf and other electronic means) are executed and delivered by Vendor, Purchaser and Journey

**IN WITNESS WHEREOF** the Parties have executed this Agreement as of the day and year first above written.

[redacted].

Per: [redacted]

Name: [redacted]
Title: [redacted]

Per: [redacted]

Name: [redacted]
Title: [redacted]

**JOURNEY ENERGY PARTNERSHIP**
**By its managing partner, Journey Energy Inc.**

Per: ______________________

Name:
Title:

Per: ______________________

Name:
Title:

**JOURNEY ENERGY INC.**

Per: ______________________

Name:
Title:

Per: ______________________

Name:
Title:

press release which has been previously approved by the other Parties to this Agreement. The Party proposing to make the public disclosures will not unreasonably refuse to incorporate the requested changes in the public announcement that are necessary to protect the legitimate interests of the requesting Party except to the extent its counsel advises that doing so will result in non-compliance with Applicable Law or the rules of the applicable listing authority or stock exchange.

**13.15 Counterpart Execution**

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**IN WITNESS WHEREOF** the Parties have executed this Agreement as of the day and year first above written.

[redacted]

Per:

Name:
Title:

Per:

Name:
Title:

**JOURNEY ENERGY PARTNERSHIP**
**By its managing partner, Journey Energy Inc.**

Per: [redacted]

Name: [redacted]
Title: [redacted]

Per: [redacted]

Name: [redacted]
Title:

**JOURNEY ENERGY INC.**

Per: [redacted]

Name: [redacted]
Title:

Per: [redacted]

Name: [redacted]
Title: