# Update Plan of Arrangement - No Amendment - Proof of Filing

# Alberta Amendment Date: 2016/09/12

**Service Request Number:** 25732075
**Corporate Access Number:** 2019847439
**Legal Entity Name:** PRAIRIE PROVIDENT RESOURCES INC.
**Legal Entity Status:** Active

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**Attachment**

| Attachment Type | Microfilm Bar Code | Date Recorded |
|---|---|---|
| Other Rules or Provisions | ELECTRONIC | 2016/07/29 |
| Articles/Plan of Arrangement/Court Order | 10000407103544799 | 2016/09/12 |

**Registration Authorized By:** COLIN R. PERRY
SOLICITOR

# Update Plan of Arrangement - No Amendment - Registration Statement

# Alberta Amendment Date: 2016/09/12

**Service Request Number:** 25732075
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**Future Dating Required:**

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**Registration Authorized By:** COLIN R. PERRY
SOLICITOR

BUSINESS CORPORATIONS ACT

# Alberta

## Articles of Arrangement

| 1. Name of Corporation: | 2. Alberta Corporate Access Number: |
|---|---|
| PRAIRIE PROVIDENT RESOURCES INC. | 2019847439 |
| LONE PINE RESOURCES CANADA LTD. | 2016095404 |
| 1984745 ALBERTA LTD. | 2019847454 |
| ARSENAL ENERGY INC. | 2015093376 |

3. In accordance with the order of the Court of Queen's Bench of Alberta dated September 9, 2016 approving the arrangement pursuant to section 193 of the *Business Corporations Act* (Alberta), a copy of which is attached hereto, the Plan of Arrangement set forth in Schedule A to the order, involving Prairie Provident Resources Inc., Lone Pine Resources Canada Ltd., securityholders of Lone Pine Resources Canada Ltd., 1984745 Alberta Ltd., Lone Pine Resources Inc., stockholders of Lone Pine Resources Inc., PPRI Subco Inc., Arsenal Energy Inc. and securityholders of Arsenal Energy Inc., shall be effected upon the filing of these Articles of Arrangement.

The Plan of Arrangement effects an amalgamation of Lone Pine Resources Canada Ltd. and 1984745 Alberta Ltd. under the name Lone Pine Resources Canada Ltd., and the Articles of Amalgamation of the amalgamated corporation shall be as set out in Attachment 1 to the Plan of Arrangement.

The Plan of Arrangement does not effect (i) an amendment to the articles of any corporation, (ii) any amalgamation except the amalgamation of Lone Pine Resources Canada Ltd. and 1984745 Alberta Ltd. as described above, or (iii) the dissolution of any corporation.

| DATE | SIGNATURE | TITLE |
|---|---|---|
| September 12, 2016 | [signature] | Director |

Tim S. Granger

REGISTERED ON
THE ALBERTA REGISTRIES
CORES SYSTEM
SEP 12 2016
AP

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## PLAN OF ARRANGEMENT

## UNDER SECTION 193 OF THE BUSINESS CORPORATIONS ACT (ALBERTA)

## ARTICLE 1
## INTERPRETATION

### 1.1 Definitions

In this Plan of Arrangement, unless there is something in the subject matter or context inconsistent therewith, the following terms have the respective meanings set forth below (and grammatical variations of such terms shall have corresponding meanings):

"**ABCA**" means the *Business Corporations Act* (Alberta), R.S.A. 2000, c. B-9, as amended;

"**ABSub**" means 1984745 Alberta Ltd., a corporation incorporated and existing under the ABCA and a wholly-owned subsidiary of NewCo prior to the Effective Time;

"**Affected Arsenal Securityholders**" means, collectively, the Arsenal Shareholders and the holders of Arsenal Incentive Awards;

"**Affected Lone Pine Securityholders**" means, collectively, the LPR Canada Shareholders, the LPRI Shareholders and the holders of LPR Canada Incentive Awards;

"**Arrangement**" means the arrangement under section 193 of the ABCA involving the Lone Pine Parties, the Affected Lone Pine Securityholders, Arsenal and the Affected Arsenal Securityholders, on the terms and conditions set forth in this Plan of Arrangement, subject to any amendment to this Plan of Arrangement made in accordance with the provisions of the Arrangement Agreement and Article 5 or at the direction of the Court in the Final Order;

"**Arrangement Agreement**" means the amended and restated arrangement agreement made between LPR Canada and Arsenal dated effective June 23, 2016 providing for, among other things, the Arrangement, as it may further amended or supplemented from time to time in accordance with the provisions thereof prior to the Effective Time;

"**Arsenal**" means Arsenal Energy Inc., a corporation incorporated and existing under the ABCA;

"**Arsenal Incentive Awards**" means stock options, share awards or any other rights to acquire Arsenal Shares granted pursuant to the Arsenal Incentive Plans and outstanding at the Effective Time;

"**Arsenal Incentive Plans**" means, collectively, the share award incentive plan of Arsenal approved at a meeting of its shareholders held on June 19, 2014, and the incentive stock option plan of Arsenal dated July 13, 2007, as amended;

"**Arsenal Meeting**" means the special meeting of Arsenal Shareholders and holders of Arsenal Incentive Awards (including any adjournment or postponement thereof) held in accordance with the Interim Order to consider, among other things, the Arsenal Resolution;

"**Arsenal Resolution**" means the special resolution of the Arsenal Shareholders and holders of Arsenal Incentive Awards approving the Arrangement;

"**Arsenal Shareholders**" means the holders of Arsenal Shares;

"**Arsenal Shares**" means the common shares in the capital of Arsenal issued and outstanding at the Effective Time;

"**Articles of Arrangement**" means the articles of arrangement in respect of the Arrangement, required under subsection 193(10) of the ABCA to be sent to the Registrar after the Final Order has been made, in form satisfactory to LPR Canada, LPRI and Arsenal, in order for the Arrangement to become effective pursuant to the ABCA;

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

"**Canadian Holder**" means an LPR Canada Shareholder who is, and who certifies in its duly completed Letter of Transmittal that it is, a resident of Canada for the purposes of the Tax Act;

"**Certificate**" means the certificate to be issued by the Registrar pursuant to subsection 193(11) of the ABCA after the Articles of Arrangement are filed or, if no such certificate is required to be issued by the Registrar, the proof of filing in respect of the filed Articles of Arrangement;

"**Circular**" means the joint management information circular and proxy statement of LPR Canada, LPRI and Arsenal sent to the Affected Lone Pine Securityholders in connection with the LPR Canada Meeting and the LPRI Meeting, and to the Affected Arsenal Securityholders in connection with the Arsenal Meeting;

"**Court**" means the Court of Queen's Bench of Alberta;

"**Depositary**" means the person appointed in accordance with the Arrangement Agreement to act as depositary for the LPR Canada Shares, the LPRI Shares and the Arsenal Shares in connection with the Arrangement;

"**DESub**" means PPRI Subco Inc., a corporation incorporated and existing under the DGCL and a wholly-owned subsidiary of NewCo prior to the Effective Time;

"**DGCL**" means the Delaware General Corporation Law of the State of Delaware;

"**Dissent Right**" means the right of an LPR Canada Shareholder to dissent in respect of the LPR Canada Resolution, or of an Arsenal Shareholder to dissent in respect of the Arsenal Resolution, as provided in the Interim Order and Article 3;

"**Dissenting Arsenal Shareholder**" means a registered Arsenal Shareholder (including, for certainty, a person who becomes a registered Arsenal Shareholder before the Effective Time on the exercise or settlement of Arsenal Incentive Awards) who is entitled to and does validly exercise its Dissent Right, and who has not withdrawn or been deemed to have withdrawn such exercise (but only with respect to the Arsenal Shares in respect of which the Dissent Right is validly exercised);

"**Dissenting LPR Canada Shareholder**" means a registered LPR Canada Shareholder who is entitled to and does validly exercise its Dissent Right, and who has not withdrawn or been deemed to have withdrawn such exercise (but only with respect to the LPR Canada Shares in respect of which the Dissent Right is validly exercised);

"**Effective Date**" has the meaning ascribed thereto in Section 2.3;

"**Effective Time**" means 12:01 a.m. (Calgary time) on the Effective Date;

"**Encumbrance**" means any mortgage, pledge, charge, hypothec, prior claim, lien, pledge, assignment, security interest, adverse interest, option, right of first refusal or offer, adverse claim, other right of third parties or encumbrance of any kind or nature whatsoever, whether contingent or absolute, and any agreement, option, right or privilege (whether by law, contract or otherwise) capable of becoming any of the foregoing;

"**Final Order**" means the order of the Court approving the Arrangement pursuant to subsection 193(9) of the ABCA, as may be amended by the Court at any time prior to the Effective Date or, if appealed, then, unless the appeal is withdrawn or denied, as affirmed, amended or modified on appeal;

"**Governmental Authority**" means any domestic or foreign: (i) government or governmental, regulatory or public authority, department, agency, commission, board, bureau, branch, official, panel, tribunal or arbitral body; (ii) court or private arbitrator or arbitral tribunal having jurisdiction; or (iii) other person exercising or entitled to exercise any legislative, judicial, quasi-judicial, administrative, executive, investigative, regulatory, licensing, expropriation or taxing authority or power;

"**Interim Order**" means the interim order of the Court concerning the Arrangement pursuant to subsection 193(4) of the ABCA, as may be amended or modified by the Court, containing declarations and directions with respect to the Arrangement, the LPR Canada Meeting and the Arsenal Meeting;

"**Laws**" means all laws, statutes, regulations, rules, ordinances, codes, by-laws, orders, judgments, decrees, rulings, edicts, directives, notices, directions, policies or other requirements (including rules common law or equity) issued, enacted, adopted, promulgated, implemented, imposed, made or otherwise put into effect by or under the authority of any Governmental Authority;

"**Letter of Transmittal**" means the letter of transmittal in the form contemplated by the Circular and provided for use by LPR Canada Shareholders and Arsenal Shareholders, respectively, in connection with the Arrangement and the surrender of LPR Canada Shares and Arsenal Shares in relation thereto;

"**Lone Pine Parties**" means NewCo, LPR Canada, ABSub, LPRI and DESub;

"**LPR Amalco**" has the meaning ascribed thereto in Section 2.4(e);

"**LPR Amalco Shares**" means common shares in the capital of LPR Amalco;

"**LPR Canada**" means Lone Pine Resources Canada Ltd., a corporation incorporated and existing under the ABCA;

"**LPR Canada Common Shares**" means the Class A voting common shares in the capital of LPR Canada issued and outstanding at the Effective Time;

"**LPR Canada Incentive Awards**" means restricted share units or any other rights to acquire LPR Canada Shares granted pursuant to the 2014 equity incentive plan of LPR Canada dated January 31, 2014, as amended, and outstanding at the Effective Time;

"**LPR Canada Meeting**" means the special meeting of LPR Canada Shareholders and holders of LPR Canada Incentive Awards (including any adjournment or postponement thereof) held in accordance with the Interim Order to consider, among other things, the LPR Canada Resolution;

"**LPR Canada Preferred Shares**" means the Series 1 preferred shares in the capital of LPR Canada issued and outstanding at the Effective Time;

"**LPR Canada Resolution**" means the special resolution of the LPR Canada Shareholders and holders of LPR Canada Incentive Awards approving the Arrangement;

"**LPR Canada Shareholders**" means, collectively, (i) holders of LPR Canada Common Shares and (ii) holders of LPR Canada Preferred Shares;

"**LPR Canada Shares**" means, collectively, the LPR Canada Common Shares and the LPR Canada Preferred Shares;

"**LPRI**" means Lone Pine Resources Inc., a corporation incorporated under the DGCL;

"**LPRI Meeting**" means the special meeting of LPRI Shareholders (including any adjournment or postponement thereof) held in accordance with the DGCL to consider a resolution approving the Arrangement and, in connection therewith, the Merger;

"**LPRI Shareholders**" means the holders of LPRI Shares;

"**LPRI Shares**" means, collectively, (i) the shares of Class A common stock, par value $0.01 per share, in the capital of LPRI (designated as Class A common shares), issued and outstanding at the Effective Time, and (ii) the shares of Class B common stock, par value $0.01 per share, in the capital of LPRI (designated as Class B multiple voting shares), issued and outstanding at the Effective Time;

"**Merger**" means the merger of LPRI and DESub pursuant to section 251 of the DGCL on terms resulting in (i) the merger of DESub with and into LPRI such that the separate corporate existence of DESub ceases and LPRI, as the surviving corporation, continues to exist, (ii) cancellation of the outstanding LPRI Shares, and (iii) NewCo becoming the sole stockholder of LPRI, all in accordance with the laws of the State of Delaware and as more particularly provided in the Merger Agreement and in Section 2.4(d);

"**Merger Agreement**" means the agreement and plan of merger between NewCo, DESub and LPRI substantially in the form attached to the Arrangement Agreement;

"**NewCo**" means Prairie Provident Resources Inc., a corporation incorporated by LPRI and existing under the ABCA;

"**NewCo Common Shares**" means common shares in the capital of NewCo;

"**NewCo Share Consideration**" means:

(a) with respect to each LPR Canada Common Share, 0.5544092 NewCo Common Share;

(b) with respect to each LPR Canada Preferred Share, 0.8117105 NewCo Common Share; and

(c) with respect to each Arsenal Share, 1.1417218 NewCo Common Shares;

"**Plan of Arrangement**" means this plan of arrangement, as may be amended or supplemented from time to time in accordance with the provisions of the Arrangement Agreement and Article 5 or at the direction of the Court in the Final Order;

"**Registrar**" means the Registrar of Corporations or a Deputy Registrar of Corporations appointed pursuant to section 263 of the ABCA;

"**Replacement RSU**" has the meaning ascribed thereto in Section 2.4(g); and

"**Tax Act**" means the *Income Tax Act*, R.S.C. 1985, c.1 (5th Supp.) as amended, including the regulations promulgated thereunder.

**1.2 Rules of Construction**

In this Plan of Arrangement, unless otherwise expressly stated or the context otherwise requires:

(a) words importing the singular include the plural and vice versa, and words importing gender include all genders;

(b) references to a "person" shall include an individual, corporation or other body corporate, partnership, syndicate, trust or other form of incorporated or unincorporated association, and also includes a Governmental Authority;

(c) references to "herein", "hereby", "hereunder", "hereof" and similar expressions are references to this Plan of Arrangement and not to any particular article or section;

(d) references to an Article or Section are references to the corresponding article or section of this Plan of Arrangement;

(e) the use of headings, and the division of this Plan of Arrangement into articles and sections, is for convenience of reference only and shall not affect the construction or interpretation hereof;

(f) the word "includes" or "including", when following any general term or statement, shall not be construed as limiting the general term or statement to the specific matters or items thereafter set forth, or to similar matters or items, and shall be deemed to be followed by the words "without limitation" so that references to included matters or items shall be regarded as illustrative without being either characterizing or exhaustive of the general term or statement;

(g) any reference to a statute or section thereof shall include such statute or section as amended or substituted from time to time, and all regulations made thereunder and in effect from time to time; and

(h) all references to currency or sums of money are expressed in Canadian dollars.

**1.3 Date for any Action**

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

**1.4 Time**

All times expressed in this Plan of Arrangement or in any Letters of Transmittal are local time in Calgary, Alberta, unless otherwise specified herein or therein.

## ARTICLE 2
## ARRANGEMENT

**2.1 Arrangement Agreement**

This Plan of Arrangement is made pursuant to and subject to the provisions of the Arrangement Agreement.

**2.2 Binding Effect**

This Plan of Arrangement shall be effective commencing at the Effective Time, and shall be binding on the Lone Pine Parties, Arsenal, the Affected Lone Pine Securityholders (including Dissenting LPR Canada Shareholders), the Affected Arsenal Securityholders (including Dissenting Arsenal Shareholders) and all other persons, without any further act or formality required on the part of any person.

**2.3 Filing of Articles of Arrangement**

The Articles of Arrangement and Certificate shall be filed and issued, respectively, with respect to this Arrangement in its entirety. The Certificate shall be conclusive evidence that the Arrangement has become effective and, in particular, that each of the provisions of Section 2.4 has become effective in the sequence and at the times set out therein. The date on which the Arrangement is effective (the "**Effective Date**") shall be the date shown in the certificate issued by the Registrar pursuant to subsection 193(11) of the ABCA in respect of the Arrangement or, if no such certificate is required to be issued, the date the Articles of Arrangement are filed pursuant to subsection 193(10) of the ABCA.

**2.4 Arrangement**

At the Effective Time, the events and transactions set out below in this Section 2.4 shall occur and be deemed to occur, except as otherwise stated, sequentially in five (5) minute increments, in the following order, without any further act or formality required on the part of any person:

(a) Termination of Arsenal Shareholder Rights Plan

The second amended and restated rights agreement dated as of June 18, 2015 between Arsenal and Alliance Trust Company, as rights agent, shall terminate and cease to have any force or effect, and any and all rights issued thereunder shall terminate and be cancelled for no consideration.

(b) Termination of Arsenal Incentive Awards

The Arsenal Incentive Plans shall terminate and cease to have any force or effect, and all Arsenal Incentive Awards outstanding at the Effective Time shall terminate and be cancelled for no consideration.

(c) Exchange of LPR Canada Shares for NewCo Common Shares by Canadian Holders and by Dissenting LPR Canada Shareholders

(i) *LPR Canada Preferred Shares.* Each LPR Canada Preferred Share held by a Canadian Holder and/or by a Dissenting LPR Canada Shareholder shall be simultaneously transferred to and acquired by NewCo (free and clear of any Encumbrances), and such former holder shall:

(A) be issued by and entitled to receive from NewCo, for each LPR Canada Preferred Share so transferred, the NewCo Share Consideration with respect to each LPR Canada Preferred Share;

(B) cease to be a holder of all LPR Canada Preferred Shares so transferred and to have any right as a holder of LPR Canada Preferred Shares other than the right to receive the NewCo Share Consideration with respect to each LPR Canada Preferred Share in accordance with this Plan of Arrangement; and

(C) be removed from the register of LPR Canada Preferred Shares maintained by or on behalf of LPR Canada;

and NewCo shall thereupon become the holder of all LPR Canada Preferred Shares so transferred and be recorded as such in the register of LPR Canada Preferred Shares maintained by or on behalf of LPR Canada.

(ii) *LPR Canada Common Shares.* Each LPR Canada Common Share held by a Canadian Holder and/or by a Dissenting LPR Canada Shareholder shall be simultaneously transferred to and acquired by NewCo (free and clear of any Encumbrances), and such former holder shall:

(A) be issued by and entitled to receive from NewCo, for each LPR Canada Common Share so transferred, the NewCo Share Consideration with respect to each LPR Canada Common Share;

(B) cease to be a holder of all LPR Canada Common Shares so transferred and to have any right as a holder of LPR Canada Common Shares other than the right to receive the NewCo Share Consideration with respect to each LPR Canada Common Share in accordance with this Plan of Arrangement; and

(C) be removed from the register of LPR Canada Common Shares maintained by or on behalf of LPR Canada;

and NewCo shall thereupon become the holder of all LPR Canada Common Shares so transferred and be recorded as such in the register of LPR Canada Common Shares maintained by or on behalf of LPR Canada.

(d) Merger of LPRI and DESub

Subject to the Merger having become effective in accordance with the Merger Agreement, the DGCL and any other applicable laws of the State of Delaware, and concurrently with the time on the Effective Date at which the Merger becomes effective (the "**Merger Time**"), NewCo shall cause DESub to perform its obligations under the Merger Agreement and proceed to complete the remaining transactions provided for in this Section 2.4 in accordance with the terms and conditions of this Plan of Arrangement.

(e) Amalgamation of LPR Canada and ABSub

Simultaneously with the Merger Time, LPR Canada and ABSub (each, an "**amalgamating corporation**") shall amalgamate and continue as one corporation under the ABCA ("**LPR Amalco**") in accordance with the following:

(i) *Name*. The name of LPR Amalco shall be "Lone Pine Resources Canada Ltd.".

(ii) *Articles*. The articles of amalgamation of LPR Amalco shall be as set forth in Attachment 1 to this Plan of Arrangement.

(iii) *By-laws*. The by-laws of LPR Amalco shall be the same as the by-laws of ABSub, *mutatis mutandis*.

(iv) *Effect of Amalgamation*. The provisions of subsections 186(b), (c), (d), (e), (f) and (g) of the ABCA shall apply to the amalgamation, with the result that, by virtue of the amalgamation:

(A) the property of each amalgamating corporation (except amounts receivable from any amalgamating corporation or shares in the capital of any amalgamation corporation) immediately before the amalgamation continues to be the property of LPR Amalco;

(B) LPR Amalco continues to be liable for the obligations of each amalgamating corporation (except amounts payable to any amalgamating corporation);

(C) an existing cause of action, claim or liability to prosecution of either amalgamating corporation is unaffected;

(D) a civil, criminal or administrative action or proceeding pending by or against either amalgamating corporation may be continued to be prosecuted by or against LPR Amalco;

(E) a conviction against, or ruling, order or judgment in favour of or against, either amalgamating corporation may be enforced by or against LPR Amalco; and

(F) the articles of amalgamation of LPR Amalco shall be deemed to be the articles of incorporation of LPR Amalco, and the certificate of amalgamation of LPR Amalco shall be deemed to be the certificate of incorporation of LPR Amalco.

(v) *Directors*. Until changed in accordance with the ABCA, the directors of LPR Amalco shall be Patrick McDonald and Tim Granger, each being a director of LPR Canada immediately before the amalgamation

(vi) *Officers*. Each individual that is an officer of LPR Canada at the Effective Time shall be an officer of LPR Amalco, and each shall hold the same office or offices with LPR Amalco as he or she held with LPR Canada at the Effective Time, until such time as he or she resigns or is removed from office or his or her successor is appointed.

(vii) *Conversion of Shares*. On the amalgamation:

(A) the outstanding Class C multiple voting share of LPR Canada, which is owned by LPRI immediately before the amalgamation, shall be converted into the Class B multiple voting share of LPR Amalco, and the Class B multiple voting share of LPR Amalco shall for all purposes be owned by LPRI from and after the amalgamation;

(B) each outstanding common share of ABSub, all of which are owned by NewCo immediately before the amalgamation, shall be converted into one (1) LPR Amalco Share, and each such LPR Amalco Share shall for all purposes be owned by NewCo from and after the amalgamation;

(C) each LPR Canada Preferred Share, whether or not owned by NewCo immediately before the amalgamation, shall be converted into such number of LPR Amalco Shares as is equal to the number of NewCo Common Shares constituting the NewCo Share Consideration with respect to each LPR Canada Preferred Share, and each such LPR Amalco Share shall for all purposes be owned by NewCo (free and clear of any Encumbrances) from and after the amalgamation, with the result that:

(1) NewCo shall be recorded in the LPR Amalco share registers as the sole holder of all LPR Amalco Shares into which the LPR Canada Preferred Shares are converted on the amalgamation;

(2) persons that were LPR Canada Preferred Shareholders (other than NewCo) immediately before the amalgamation shall not become holders of LPR Amalco Shares, but shall instead be issued by and entitled to receive from NewCo, for each LPR Canada Preferred Share held immediately before the amalgamation, the NewCo Share Consideration with respect to each LPR Canada Preferred Share; and

(D) each LPR Canada Common Share, whether or not owned by NewCo immediately before the amalgamation, shall be converted into such number of LPR Amalco Shares as is equal to the number of NewCo Common Shares constituting the NewCo Share Consideration with respect to each LPR Canada Common Share, and all such LPR Amalco Shares shall for all purposes be owned by NewCo (free and clear of any Encumbrances) from and after the amalgamation, with the result that:

(1) NewCo shall be recorded in the LPR Amalco share registers as the sole holder of all LPR Amalco Shares into which the LPR Canada Common Shares are converted on the amalgamation; and

(2) persons that were LPR Canada Common Shareholders (other than NewCo) immediately before the amalgamation shall not become holders of LPR Amalco Shares, but shall instead be issued by and entitled to receive from NewCo, for each LPR Canada Common Share held immediately before the amalgamation, the NewCo Share Consideration with respect to each LPR Canada Common Share.

(viii) *Stated Capital of LPR Amalco.*

(A) There shall be deducted from the stated capital accounts maintained for the LPR Canada Preferred Shares and the LPR Canada Common Shares, all of which are converted to LPR Amalco Shares, the full amounts thereof, and the aggregate of both such amounts shall be added to the stated capital account for the LPR Amalco Shares.

(B) There shall be deducted from the stated capital account maintained for the Class C multiple voting share of LPR Canada, which is converted to the Class B multiple voting share of LPR Amalco, the full amount thereof, and such amount shall be added to the stated capital account for the Class B multiple voting share of LPR Amalco.

(ix) *Registered Office.* The registered office of LPR Amalco shall be the registered office of LPR Canada.

(f) Treatment of Dissenting LPR Canada Shareholders

The NewCo Common Shares received by any Dissenting LPR Canada Shareholder pursuant to Section 2.4(c) shall be, and shall deemed to be, cancelled immediately following the amalgamation as provided therein, and each such Dissenting LPR Canada Shareholder shall: (i) cease to have any rights as a holder of NewCo Common Shares and shall not be recorded in the register of NewCo Common Shares maintained by or on behalf of NewCo; and (ii) shall only have the right to be paid by NewCo (or a successor thereto), in accordance with Section 3.1, an amount equal to the fair value of the LPR Canada Shares held by the Dissenting LPR Canada Shareholder at the Effective Time. For certainty, the NewCo Common Shares cancelled pursuant to this Section 2.4(f) shall cease to be issued or outstanding.

(g) Exchange of LPR Canada Incentive Awards for Replacement RSUs

Each LPR Canada Incentive Award that is outstanding at the Effective Time, shall be terminated and cancelled in exchange solely for an obligation issued by NewCo (a "**Replacement RSU**") having the same terms and conditions as are applicable to the Lone Pine Incentive Award (including with respect to vesting), with NewCo as obligor under the Replacement RSUs in the place of LPR Amalco (as successor to LPR Canada pursuant to section 2.4(e) above) with respect to the LPR Canada Incentive Awards, except that:

(i) to the extent that the LPR Canada Incentive Award would, but for the Arrangement, have entitled the holder thereof to receive from LPR Canada, on the settlement and redemption thereof, an LPR Canada Preferred Share, the holder shall instead be entitled to be issued from NewCo, on the settlement and redemption of the Replacement RSU, the NewCo Share Consideration with respect to each LPR Canada Preferred Share;

(ii) to the extent that the LPR Canada Incentive Award would, but for the Arrangement, have entitled the holder thereof to receive from LPR Canada, on the settlement and redemption thereof, an LPR Canada Common Share, the holder shall instead be entitled to be issued from NewCo, on the settlement and redemption of the Replacement RSU, the NewCo Share Consideration with respect to each LPR Canada Common Share;

(iii) a former holder of LPR Canada Incentive Awards shall not be entitled to receive, on the settlement and redemption of Replacement RSUs issued in exchange therefor, any shares in the capital stock of LPRI;

(iv) each Replacement RSU issued hereunder in respect of a LPR Canada Incentive Award that vested in accordance with its terms prior to the Effective Time, shall be settled and redeemed on the 15th Business Day following the Effective Date through the issuance by NewCo of the applicable NewCo Share Consideration; and

(v) each Replacement RSU issued hereunder in respect of a LPR Canada Incentive Award that was not vested in accordance with its terms prior to the Effective Time, shall be settled and redeemed within fifteen (15) days of the vesting date for that Replacement RSU, through the issuance by NewCo of the applicable NewCo Share Consideration.

(h) Exchange of Arsenal Shares for NewCo Common Shares

Each Arsenal Share (including those held by Dissenting Arsenal Shareholders) shall be, and shall be deemed to be, simultaneously transferred to and acquired by NewCo (free and clear of any Encumbrances), and the former holder thereof shall:

(i) be issued by and entitled to receive from NewCo, for each Arsenal Share so transferred, the NewCo Share Consideration with respect to each Arsenal Share;

(ii) cease to be a holder of all Arsenal Shares so transferred and to have any right as a holder of Arsenal Shares other than the right to receive the NewCo Share

Consideration with respect to each Arsenal Share in accordance with this Plan of Arrangement; and

(iii) be removed from the register of Arsenal Shares maintained by or on behalf of Arsenal;

and NewCo shall thereupon become the holder of all Arsenal Shares so transferred, and shall be recorded as such in the register of Arsenal Shares maintained by or on behalf of Arsenal. Concurrent with the issuance of such NewCo Common Shares, the NewCo Common Shares will, outside and not as part of this Plan of Arrangement, be listed for trading on the Toronto Stock Exchange (subject to standard post-closing listing conditions imposed by the Toronto Stock Exchange in similar circumstances).

(i) Treatment of Dissenting Arsenal Shareholders

The NewCo Common Shares received by any Dissenting Arsenal Shareholder pursuant to Section 2.4(h) shall be, and shall deemed to be, cancelled immediately following the share exchange as provided therein, and each such Dissenting Arsenal Shareholder shall: (i) cease to have any rights as a holder of NewCo Common Shares and shall not be recorded in the register of NewCo Common Shares maintained by or on behalf of NewCo; and (ii) shall only have the right to be paid by NewCo (or a successor thereto), in accordance with Section 3.2, an amount equal to the fair value of the Arsenal Shares held by the Dissenting Arsenal Shareholder at the Effective Time. For certainty, the NewCo Common Shares cancelled pursuant to this Section 2.4(i) shall cease to be issued or outstanding.

### 2.5 Share Register Updates

In furtherance of the conversion and exchange of LPR Canada Shares and ABSub common shares in accordance with Sections 2.4(c) and 2.4(e), respectively, and the exchange of Arsenal Shares in accordance with Section 2.4(h), NewCo shall be recorded in the appropriate share registers of LPR Amalco and Arsenal as the sole holder of the outstanding LPR Amalco Shares and the outstanding Arsenal Shares, as applicable.

### 2.6 Paramountcy

From and after the Effective Time, the rights of any Affected Lone Pine Securityholders and Affected Arsenal Securityholders at or immediately before the Effective Time, and the obligations of the Lone Pine Parties and Arsenal, in each case with respect to LPR Canada Shares, LPRI Shares, LPR Canada Incentive Awards, Arsenal Shares or Arsenal Incentive Awards, shall be solely as provided for in this Plan of Arrangement, which shall have priority over the rights, privileges, restrictions, conditions or terms otherwise applicable thereto (including any agreement or instrument representing or confirming the same).

## ARTICLE 3
## DISSENT RIGHTS

### 3.1 Rights of Dissent for LPR Canada Shareholders

(a) Registered LPR Canada Shareholders may exercise a right of dissent in respect of the LPR Canada Resolution in accordance with the Interim Order and this Section 3.1.

(b) Notwithstanding subsection 191(5) of the ABCA, a written objection to the LPR Canada Resolution must be received by LPR Canada, as provided in the Interim Order, not later than 4:00 p.m. (Calgary time) on the date that is two (2) Business Days prior to the date of the LPR Canada Meeting.

(c) From and after the Effective Time, a Dissenting LPR Canada Shareholder shall not have any rights as a holder of LPR Canada Shares (other than to receive NewCo Common Shares as expressly provided in Section 2.4(c) above, which NewCo Common Shares shall be cancelled in accordance with Section 2.4(f) above) or as a holder of NewCo Common Shares, and shall only be entitled to be paid by NewCo (or a successor thereto) an amount equal to the fair value of the LPR Canada Shares held by the Dissenting LPR Canada Shareholder at the Effective Time.

(d) For certainty, the NewCo Common Shares received by a Dissenting LPR Canada Shareholder pursuant to Section 2.4(c) shall be cancelled in accordance with Section 2.4(f).

(e) In no event shall LPR Canada, NewCo or any other person be required to recognize a Dissenting LPR Canada Shareholder as a holder of LPR Canada Shares or a holder of NewCo Common Shares, and the name of a Dissenting LPR Canada Shareholder shall be removed from the applicable register(s) of LPR Canada Shares and NewCo Common Shares maintained by or on behalf of LPR Canada and NewCo, as applicable.

(f) The fair value of the LPR Canada Shares shall be determined as of the close of business on the last Business Day before the day on which the LPR Canada Resolution is passed.

(g) A Dissenting LPR Canada Shareholder who, for any reason (including, for certainty, withdrawal of an exercise of its Dissent Right), is not ultimately entitled to be paid by NewCo (or a successor thereto) the fair value of its LPR Canada Shares in respect of which it validly exercised its Dissent Right, shall not be reinstated as a holder of LPR Canada Shares but shall for all purposes be deemed to have participated in the Arrangement on the same basis as an LPR Canada Shareholder that is not a Dissenting LPR Canada Shareholder and, accordingly, shall be entitled to receive NewCo Common Shares on the basis set forth in Section 2.4(c) or Section 2.4(e), as applicable.

(h) Notwithstanding subsection 191(19) of the ABCA, a Dissenting LPR Canada Shareholder shall not be entitled to withdraw a notice of objection in the circumstances contemplated therein.

(i) For certainty, pursuant to the Interim Order, and in addition to any other restrictions contained in section 191 of the ABCA: (i) an LPR Canada Shareholder who has voted in favour of the LPR Canada Resolution, whether in person or by proxy, shall not be entitled to dissent with respect to the Arrangement; and (ii) a registered LPR Canada Shareholder may only exercise its Dissent Right in respect of all, and not less than all, of its LPR Canada Shares.

### 3.2 Rights of Dissent for Arsenal Shareholders

(a) Registered Arsenal Shareholders (including, for certainty, a person who becomes an Arsenal Shareholder before the Effective Time on the exercise or settlement of Arsenal Incentive Awards) may exercise a right of dissent in respect of the Arsenal Resolution in accordance with the Interim Order and this Section 3.2.

(b) Notwithstanding subsection 191(5) of the ABCA, a written objection to the Arsenal Resolution must be received by Arsenal, as provided in the Interim Order, not later than 4:00 p.m. (Calgary time) on the date that is two (2) Business Days prior to the date of the Arsenal Meeting.

(c) From and after the Effective Time, a Dissenting Arsenal Shareholder shall not have any rights as a holder of Arsenal Shares (other than to receive NewCo Common Shares as expressly provided in Section 2.4(h) above which are cancelled in accordance with Section 2.4(i) above) or as a holder of NewCo Common Shares, and shall only be entitled to be paid by NewCo (or a successor thereto) an amount equal to the fair value of the Arsenal Shares held by the Dissenting Arsenal Shareholder at the Effective Time.

(d) For certainty, the NewCo Common Shares received by a Dissenting Arsenal Shareholder pursuant to Section 2.4(h) shall be cancelled in accordance with Section 2.4(i).

(e) In no event shall Arsenal, NewCo or any other person be required to recognize a Dissenting Arsenal Shareholder as a holder of Arsenal Shares or a holder of NewCo Common Shares, and the name of a Dissenting Arsenal Shareholder shall be removed from the register of Arsenal Shares and NewCo Common Shares maintained by or on behalf of Arsenal and NewCo, as applicable.

(f) The fair value of the Arsenal Shares shall be determined as of the close of business on the last Business Day before the day on which the Arsenal Resolution is passed.

(g) A Dissenting Arsenal Shareholder who, for any reason (including, for certainty, withdrawal of an exercise of its Dissent Right), is not ultimately entitled to be paid by NewCo (or a successor thereto) the fair value of its Arsenal Shares in respect of which it validly exercised its Dissent Right, shall not be reinstated as a holder of Arsenal Shares but shall be deemed to have participated in the Arrangement on the same basis as an Arsenal Shareholder that is not a Dissenting Arsenal Shareholder and, accordingly, shall be entitled to receive NewCo Common Shares on the basis set forth in Section 2.4(h).

(h) Notwithstanding subsection 191(19) of the ABCA, a Dissenting LPR Canada Shareholder shall not be entitled to withdraw a notice of objection in the circumstances contemplated therein.

(i) For certainty, pursuant to the Interim Order, and in addition to any other restrictions contained in section 191 of the ABCA: (i) an Arsenal Shareholder who has voted in favour of the Arsenal Resolution, whether in person or by proxy, shall not be entitled to dissent with respect to the Arrangement; and (ii) a registered Arsenal Shareholder may only exercise its Dissent Right in respect of all, and not less than all, of its Arsenal Shares.

### 3.3 Holders of Incentive Awards

Subject to Section 3.2(a), for certainty, holders of LPR Canada Incentive Awards and holders of Arsenal Incentive Awards shall not have any right to dissent in respect of the LPR Canada Resolution or the Arsenal Resolution, as applicable.

## ARTICLE 4
## PAYMENT OF CONSIDERATION

### 4.1 Existing Certificates, etc.

From and after the Effective Time, each certificate, agreement, letter or other instrument, as applicable, that at the Effective Time represented LPR Canada Shares, LPR Canada Incentive Awards, Arsenal Shares or Arsenal Incentive Awards shall cease to represent any such interests and shall instead represent only the right of the former holders thereof to receive, upon deposit of a duly completed Letter of Transmittal and other documents contemplated by Section 4.3, the consideration (if any) payable hereunder in respect of the conversion or exchange of such interests.

### 4.2 Extinguishment of Entitlements

Any certificates that, at the Effective Time, represented LPR Canada Shares or Arsenal Shares, which are not deposited in accordance with Section 4.3, with all other documents required by this Plan of Arrangement before the third anniversary of the Effective Date shall cease to represent a right or claim of any kind or nature, and the right of the former holder of such LPR Canada Shares or Arsenal Shares to receive the NewCo Share Consideration to which such former holder was entitled hereunder (including any dividends or other distributions made thereon and held for the former holder's benefit, as applicable) shall be deemed to be irrevocably surrendered to NewCo and forfeited.

### 4.3 Issue of Certificates for NewCo Shares

NewCo shall, as soon as practicable following the later of the Effective Date and the deposit with the Depositary of a duly completed Letter of Transmittal accompanied by the certificate(s) (if any) that at the Effective Time represented LPR Canada Shares or Arsenal Shares, together with such additional documents and instruments as NewCo or the Depositary may reasonably require, cause the Depositary to deliver to the person entitled thereto or make available for pick-up, as directed in the completed Letter of Transmittal deposited in connection with the Arrangement, certificate(s) representing the NewCo Common Shares that such person is entitled to receive hereunder (together with any dividends or other distributions made thereon and held for the person's benefit, as applicable), and the surrendered certificates that previously represented LPR Canada Shares or Arsenal Shares shall be cancelled forthwith.

### 4.4 Dividends or Other Distributions on NewCo Shares

Subject to Section 4.2, any dividends or other distributions made on any NewCo Shares in circumstances where the record date for determining holders entitled thereto is after the Effective Date shall, with respect to any NewCo Shares for which a certificate has not been issued as contemplated in Section 4.3, be set aside and held by NewCo for the benefit of the person entitled to receive such NewCo Shares, pursuant to such arrangements as NewCo deems appropriate. Any such dividends or other distributions on NewCo Shares for which the person entitled thereto has not yet deposited a completed Letter of Transmittal and other required documents, shall be paid or otherwise delivered to such person in accordance with Section 4.3.

### 4.5 Tax Withholdings

The Lone Pine Parties and Arsenal (or any of their respective subsidiaries) shall each be entitled to deduct and withhold from any consideration otherwise payable to any Affected Lone Pine Securityholder or Affected Arsenal Securityholder (including, for certainty, from any consideration payable to a person who validly exercises Dissent Rights), as the case may be, pursuant to or in connection with completion of the Arrangement (including termination of employment), such amounts as the Lone Pine Party or Arsenal (or subsidiary thereof), as applicable, is required or reasonably believes to be required to deduct and withhold from such consideration in accordance with the Tax Act or any other applicable Laws. Any such amounts will be deducted and withheld from the consideration payable pursuant to or in connection with completion of the Arrangement (including termination of employment), and to the extent such withheld amounts are actually remitted to the appropriate Governmental Authority shall, notwithstanding any other provision of this Plan of Arrangement, be treated for all purposes as having been paid to the person in respect of such deduction and withholding was made.

Without limiting the generality of the foregoing, the Lone Pine Parties and Arsenal (or any of their respective subsidiaries), as applicable, shall be authorized to sell or otherwise dispose of such portion of the consideration otherwise payable to any former Affected Lone Pine Securityholder or Affected Arsenal Securityholder (including, for certainty, from any consideration payable to a person who validly exercises Dissent Rights), as the case may be, pursuant to or in connection with completion of the Arrangement, as is necessary to provide sufficient funds to the Lone Pine Party or Arsenal (or subsidiary thereof), as applicable, to enable it to comply with any such requirement to deduct or withhold, and the Lone Pine Party or Arsenal (or subsidiary thereof), as applicable, shall notify each former of Affected Lone Pine Securityholder or Affected Arsenal Securityholder, and remit to them net proceeds of such sale that is in excess of the amount required to be deducted and withheld.

**4.6 Fractional Interests in NewCo Common Shares**

No fractional NewCo Common Shares shall be issued pursuant to the Arrangement. If a former LPR Canada Shareholder or Arsenal Shareholder (including, for certainty, a person who becomes an Arsenal Shareholder before the Effective Time on the exercise or settlement of Arsenal Incentive Awards) would, but for this Section 4.6, otherwise be entitled to receive a fractional NewCo Common Share hereunder, the number of NewCo Common Shares actually issued or issuable, as the case may be, to such person shall, notwithstanding any other provision of this Plan of Arrangement, be rounded down to the next lower whole number of NewCo Common Shares and the fractional interest shall be cancelled without any additional compensation.

**4.7 Lost Share Certificates**

If any certificate which, at the Effective Time, represented LPR Canada Shares or Arsenal Shares that were converted or exchanged pursuant to Section 2.4 shall have been lost, stolen or destroyed, upon the making of an affidavit of that fact by the person claiming such certificate to be lost, stolen or destroyed, NewCo or the Depositary, as applicable, will issue and deliver in respect of such lost, stolen or destroyed certificate the NewCo Common Share consideration to which the former holder of such LPR Canada Shares or Arsenal Shares is entitled hereunder; provided, however, that NewCo or the Depositary may, as a condition precedent to such issuance and delivery of the NewCo Common Share consideration, require that the person claiming loss, theft or destruction give a bond satisfactory to NewCo or the Depositary (acting reasonably) in such sum as NewCo or the Depositary may direct, or otherwise indemnify NewCo or the Depositary in a manner satisfactory to NewCo or the Depositary (acting reasonably), against any claim that may be made against NewCo or the Depositary with respect to the certificate alleged to have been lost, stolen or destroyed.

**4.8 No Interest, etc.**

Former holders of LPR Canada Shares or Arsenal Shares (including, for certainty, a person who becomes an Arsenal Shareholder before the Effective Time on the exercise or settlement of Arsenal Incentive Awards) shall not be entitled to any interest, dividend, premium or other payment on or with respect to or in exchange therefor in accordance with this Plan of Arrangement, except only the issuance of NewCo Common Shares that such persons are entitled to receive pursuant hereto.

## ARTICLE 5
## AMENDMENTS; FURTHER ASSURANCES

### 5.1 Amendments to Plan of Arrangement

(a) NewCo, LPR Canada, LPRI and Arsenal may, at any time and from time to time prior to the Effective Time, amend or supplement the Plan of Arrangement by mutual agreement, provided that any such amendment or supplement must be: (i) set out in writing; (ii) approved by each such party; (iii) filed with the Court and, if made after the LPR Canada Meeting, LPRI Meeting or Arsenal Meeting, approved by the Court; and (iv) communicated to the Affected Lone Pine Securityholders and Affected Arsenal Securityholders, as applicable, if and as required by the Court.

(b) Any amendment or supplement to the Plan of Arrangement that is approved or directed by the Court following the LPR Canada Meeting, LPRI Meeting or Arsenal Meeting shall be effective only if (i) consented to in writing by each of NewCo, LPR Canada, LPRI and Arsenal, and (ii) if required by the Court, approved by Affected Lone Pine Securityholders and Affected Arsenal Securityholders, as applicable, in the manner directed by the Court.

(c) Any amendment or supplement to the Plan of Arrangement may be made following the Effective Date unilaterally by NewCo and LPRI, provided that it concerns a matter which, in their reasonable opinion, is of an administrative nature required to better give effect to the implementation of the Plan of Arrangement and is not adverse to the economic interest of former LPR Canada Shareholders, LPRI Shareholders or Arsenal Shareholders.

### 5.2 Further Assurances

Notwithstanding that the transactions and events set out herein shall occur and shall be deemed to occur in the order set out in this Plan of Arrangement without any further act or formality required on the part of any person, each of NewCo, LPR Amalco, LPRI and Arsenal shall perform such further acts and execute and deliver such further instruments and documents as may reasonably be required in order to document or evidence any of the transactions or events set out herein.

**Attachment 1 to Plan of Arrangement**

Articles of Amalgamation of LPR Amalco

(see attached)

BUSINESS CORPORATIONS ACT

# Alberta

## Articles of Amalgamation

1. Name of Amalgamated Corporation

   LONE PINE RESOURCES CANADA LTD.

2. The classes of shares, and any maximum number of shares that the corporation is authorized to issue:

   The attached Schedule of Share Capital is incorporated into and forms part of this form.

3. Restrictions on share transfers (if any):

   None

4. Number, or minimum and maximum number of directors:

   Not less than One (1) director and not more than Fifteen (15) directors.

5. If the corporation is restricted FROM carrying on a certain business or restricted TO carrying on a certain business, specify the restriction(s):

   None

6. Other provisions (if any):

   None

7.

| Name of Amalgamating Corporations | Corporate Access Number |
| --- | --- |
| Lone Pine Resources Canada Ltd. | 2016095404 |
| 1984745 Alberta Ltd. | 2019847454 |

| DATE | SIGNATURE | TITLE |
| --- | --- | --- |
| | | |

## SCHEDULE OF SHARE CAPITAL

The Corporation is authorized to issue:

(a) an unlimited number of shares of a class designated as "**Class A Common Shares**"; and

(b) one (1) single share of a class designated as the "**Class B Multiple Voting Share**";

such shares having attached thereto the following rights, privileges, restrictions and conditions:

### A. CLASS A COMMON SHARES

The Class A Common Shares shall have attached thereto the following rights, privileges, restrictions and conditions:

(1) Voting Rights

(a) Holders of Class A Common Shares shall be entitled to receive notice of and attend and vote at any meeting of shareholders of the Corporation, except meetings at which only holders of a different class of shares of the Corporation are entitled to vote, and shall be entitled to vote at any such meeting (or in respect of any written resolution in lieu thereof), in person or by proxy, on the basis of one (1) vote for each Class A Common Share held.

(b) Unless otherwise required by law, the holders of Class A Common Shares shall vote together with the holder of the Class B Multiple Voting Share (if issued) as a single class on all matters submitted to a vote or consent of shareholders of the Corporation.

(2) Dividends

Subject to the prior rights and privileges (if any) attaching to any other class of shares of the Corporation, holders of Class A Common Shares shall have the right to receive dividends at such times and in such amounts as the directors of the Corporation may in their discretion from time to time declare; provided that no dividends shall be declared or paid on the Class A Common Shares unless an equivalent dividend (on a per share basis) is declared and paid on the Class B Multiple Voting Share (if issued).

(3) Liquidation, Dissolution, etc.

Subject to the prior rights and privileges (if any) attaching to any other class of shares of the Corporation, holders of Class A Common Shares shall: (i) together with the holder of the Class B Multiple Voting Share, have the right to receive the remaining property of the Corporation upon dissolution; and (ii) be entitled to share rateably, together with the holder of the Class B Multiple Voting Share, on a per share basis, in any distribution of the Corporation's property in the event of liquidation, dissolution or winding-up of the Corporation, or other distribution of the Corporation's property among its shareholders for the purpose of winding up its affairs.

## B. CLASS B MULTIPLE VOTING SHARE

The Class B Multiple Voting Share shall have attached thereto the following rights, privileges, restrictions and conditions:

(1) Voting Rights

(a) The holder of the Class B Multiple Voting Share shall be entitled to receive notice of and attend and vote at any meeting of shareholders of the Corporation, except meetings at which only holders of a different class of shares of the Corporation are entitled to vote, and shall be entitled to vote at any such meeting (or in respect of any written resolution in lieu thereof), in person or by proxy, on the basis of 225,000,000 votes for the Class B Multiple Voting Share.

(b) Unless otherwise required by law, the holder of the Class B Multiple Voting Share shall vote together with the holders of the Class A Common Shares as a single class on all matters submitted to a vote or consent of shareholders of the Corporation.

(2) Dividends

Subject to the prior rights and privileges (if any) attaching to any other class of shares of the Corporation, the holder of the Class B Multiple Voting Share shall have the right to receive dividends at such times and in such amounts as the directors of the Corporation may in their discretion from time to time declare; provided that no dividends shall be declared or paid on the Class B Multiple Voting Share unless an equivalent dividend (on a per share basis) is declared and paid on the Class A Common Shares.

(3) Liquidation, Dissolution, etc.

Subject to the prior rights and privileges (if any) attaching to any other class of shares of the Corporation, the holder of the Class B Multiple Voting Share shall: (i) together with the holders of the Class A Common Shares, have the right to receive the remaining property of the Corporation upon dissolution; and (ii) be entitled to share rateably, together with the holders of the Class A Common Shares, on a per share basis, in any distribution of the Corporation's property in the event of liquidation, dissolution or winding-up of the Corporation, or other distribution of the Corporation's property among its shareholders for the purpose of winding up its affairs.

(4) Optional Redemption by Holder

The holder of the Class B Multiple Voting Share shall have the right (the "Class B Redemption Right") to require the Corporation to redeem the Class B Multiple Voting Share at any time for a cash amount equal to Ten Canadian Dollars (Cdn. $10) plus any declared but unpaid dividends on the Class B Multiple Voting Share (if any). The holder of the Class B Multiple Voting Share may exercise the Class B Redemption Right by providing the Corporation with written notice stating (i) that the holder is exercising the Class B Redemption Right, and (ii) the date on which the redemption shall be completed, which shall not be less than ten (10) days or more than twenty (20) days following the date on which the notice was delivered to the Corporation.

JUDICIAL CENTRE OF CALGARY
FILED
SEP 09 2016
CLERK OF THE COURT

CLERK'S STAMP

| | |
|---|---|
| COURT FILE NUMBER | 1601-09945 |
| COURT | COURT OF QUEEN'S BENCH OF ALBERTA |
| JUDICIAL CENTRE | CALGARY |
| MATTER | IN THE MATTER OF SECTION 193 OF THE BUSINESS CORPORATIONS ACT, RSA 2000, c B-9, AS AMENDED<br><br>AND IN THE MATTER OF A PROPOSED ARRANGEMENT INVOLVING LONE PINE RESOURCES CANADA LTD., LONE PINE RESOURCES INC., PRAIRIE PROVIDENT RESOURCES INC., 1984745 ALBERTA LTD., PPRI SUBCO INC., ARSENAL ENERGY INC. AND THE SECURITYHOLDERS OF LONE PINE RESOURCES CANADA LTD., LONE PINE RESOURCES INC. AND ARSENAL ENERGY INC. |
| APPLICANTS | LONE PINE RESOURCES CANADA LTD.<br>ARSENAL ENERGY INC. |
| RESPONDENT | NOT APPLICABLE |
| DOCUMENT | <u>**FINAL ORDER**</u> |
| ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT | **BENNETT JONES LLP**<br>Barristers and Solicitors<br>4500 Bankers Hall East<br>855 - 2nd Street S.W.<br>Calgary, Alberta T2P 4K7<br><br>Attention: Scott Bower<br>Telephone No.: 403-298-3301<br>Fax No.: 403-265-7219<br>Email: BowerS@bennettjones.com<br>Client File No.: 68261-14 |

I hereby certify this to be a true copy of the original Order
Dated this 9 day of Sept /16.
for Clerk of the Court

**DATE ON WHICH ORDER WAS PRONOUNCED:** **September 9, 2016**

**LOCATION OF HEARING:** **Calgary, Alberta**

**NAME OF JUDGE WHO MADE THIS ORDER:** **Justice G.A. Campbell**

UPON the Originating Application (the "**Originating Application**") of Lone Pine Resources Canada Ltd. ("**LPR Canada**") and Arsenal Energy Inc. ("**Arsenal**") for approval of an arrangement (the "**Arrangement**") involving LPR Canada, Lone Pine Resources Inc. ("**LPRI**"), Prairie Provident Resources Inc. ("**Prairie Provident**"), 1984745 Alberta Ltd., PPRI Subco Inc., Arsenal and the securityholders of LPR Canada, LPRI and Arsenal pursuant to 193 of the *Business Corporations Act*, RSA 2000, c B-9, as amended (the "**ABCA**");

AND UPON reading the Originating Application, the Interim Order of this Court granted August 2, 2016 (the "**Interim Order**"), the affidavits of Tim Granger, President and Chief Executive Officer of LPR Canada, sworn August 2, 2016 and September 9, 2016 and the documents referred to therein, and the affidavits of J. Paul Lawrence, Vice President, Finance and Chief Financial Officer of Arsenal, sworn August 2, 2016 and September 9, 2016 and the documents referred to therein;

AND UPON being advised that service of notice of this application has been effected in accordance with the Interim Order or as otherwise accepted by the Court;

AND UPON being advised by counsel to LPR Canada and by counsel to Arsenal that no notices of intention to appear have been filed in respect of this application;

AND UPON the Court being satisfied that the meeting (the "**LPR Canada Meeting**") of the securityholders of LPR Canada (the "**LPR Canada Securityholders**") was called and conducted in accordance with the terms of the Interim Order;

AND UPON the Court being satisfied that the meeting (the "**Arsenal Meeting**") of the securityholders of Arsenal (the "**Arsenal Securityholders**") was called and conducted in accordance with the terms of the Interim Order;

AND UPON the Court being advised that the meeting (the "**LPRI Meeting**") of the stockholders of LPRI (the "**LPRI Securityholders**") was called and conducted in accordance with applicable requirements of the Delaware General Corporation Law ("**DGCL**") and other U.S. laws;

AND UPON the Court being satisfied that each of LPR Canada and Arsenal has sought and obtained the approval of the Arrangement by the LPR Canada Securityholders and the Arsenal Securityholders, respectively, in the manner and by the requisite majorities required by the Interim Order;

AND UPON the Court being advised that LPRI has sought and obtained the approval of the Arrangement by the LPRI Securityholders in the manner and by the requisite majority required by the DGCL;

AND UPON it appearing that it is impracticable to effect the transactions contemplated by the Arrangement under any other provision of the ABCA;

AND UPON the Court being satisfied that the statutory requirements to approve the Arrangement have been fulfilled and that the Arrangement has been put forward in good faith;

AND UPON the Court being satisfied based on the evidence presented that the terms and conditions of the Arrangement and the procedures relating thereto, are fair and reasonable, substantively and procedurally, to the LPR Canada Securityholders, the LPRI Securityholders, the Arsenal Securityholders and other affected persons and that the Arrangement ought to be approved;

AND UPON hearing from counsel for LPR Canada and from counsel for Arsenal;

AND UPON being advised that the approval of the Arrangement by this Court will have the effect of providing the basis for an exemption from the registration requirements of the United States Securities Act of 1933, as amended, pursuant to section 3(a)(10) thereof, with respect to the issuance of the common shares of Prairie Provident issuable pursuant to the Arrangement;

IT IS HEREBY ORDERED THAT:

**General**

1. The Arrangement proposed by the Applicants, on the terms set forth in Schedule "A" to this order ("**Order**"), is hereby approved by the Court under Section 193 of the ABCA.

2. The terms and conditions of the Arrangement, and the procedures relating thereto, are fair and reasonable, substantively and procedurally, to the LPR Canada Securityholders, the LPRI Securityholders, the Arsenal Securityholders and other affected persons.

3. The articles of arrangement in respect of the Arrangement (the "**Articles of Arrangement**") shall be filed pursuant to Section 193 of the ABCA on such date as the Applicants determine in accordance with the terms of the Arrangement.

4. Service of notice of this Originating Application, the notice in respect of the LPR Canada Meeting, the notice in respect of the Arsenal Meeting and the Interim Order is hereby deemed good and sufficient service. Service of this Order shall be made on all persons who appeared on this application, either by counsel or in person, but is otherwise dispensed with.

5. LPR Canada or Arsenal may, on notice to such parties as the Court may order, seek leave at any time prior to the filing of the Articles of Arrangement to vary this Order or seek advice and directions as to the implementation of this Order.

D.A. Campbell

Justice of the Court of Queen's Bench of Alberta