

COURT FILE NO. B301-163430
COURT COURT OF KING'S BENCH OF ALBERTA
JUDICIAL CENTRE CALGARY



IN THE MATTER OF THE *BANKRUPTCY AND INSOLVENCY ACT*,
RSC 1985, C B-3, AS AMENDED
AND IN THE MATTER OF THE NOTICE OF INTENTION TO
MAKE A PROPOSAL OF CLEO ENERGY CORP.

APPLICANT CLEO ENERGY CORP.

DOCUMENT **AFFIDAVIT**

ADDRESS FOR
SERVICE AND
CONTACT
INFORMATION OF
PARTY FILING
THIS DOCUMENT

Gowling WLG (Canada) LLP
1600, 421 – 7th Avenue SW
Calgary, AB T2P 4K9
Attn: **Sam Gabor/ Tom Cumming**
Phone: 403.298.1946/ 403.298.1938
Fax: 403.263.9193
File No.: G10010664

AFFIDAVIT OF CHRIS LEWIS
Sworn December 23rd, 2024

I, **CHRIS LEWIS**, of the City of Calgary, in the Province of Alberta, **MAKE OATH**
AND SAY THAT:

1. I am the sole Director, Executive Chairman, and Chief Executive Officer of Cleo Energy Corp. (“**Cleo**”). As such I have personal knowledge of the matters herein deposed to, except where stated to be based upon information and belief, in which case I verily believe same to be true.
2. I am authorized to swear this Affidavit as corporate representative of Cleo.

3. In preparing this Affidavit, I consulted with Cleo's management and their legal, financial and other advisors. I also reviewed Cleo's business records relevant to these proceedings and have satisfied myself that I am possessed of sufficient information and knowledge to swear this Affidavit.
4. All references to dollar amounts contained herein are to Canadian Dollars unless otherwise stated.

RELIEF REQUESTED

5. This Affidavit is sworn in support of an Application by Cleo for Orders under the *Bankruptcy and Insolvency Act*, RSC 1985, c B-3, as amended (the "**BIA**") among other things:
 - (a) extending the 30 day period, ending January 7, 2025, within which Cleo is required under section 50.4(8) of the *BIA* to file a proposal by an additional 45 days to February 21, 2025 (such period, as extended from time to time under section 50.4(9) of the *BIA*, being the "**Stay Period**", and the date on which the Stay Period expires being the "**Expiry Date**");
 - (b) declaring that Cleo's legal counsel, Gowling WLG (Canada) LLP ("**Gowling**"), Alvarez & Marsal Canada Inc. ("**A&M**") in its capacity as proposal trustee of Cleo (the "**Proposal Trustee**") and the Proposal Trustee's legal counsel (collectively, the "**Administrative Professionals**"), shall have the benefit of a security and charge (the "**Administration Charge**") on all of Cleo's present and after-acquired property (the "**Property**") as security for their reasonable professional fees and disbursements incurred both before and after the granting of the requested Order, which Administrative Charge shall be in an amount not to exceed \$350,000, and authorizing the payment to the Administrative Professionals of their reasonable fees and disbursements incurred in connection with the preparation for the herein proposal proceedings (the "**Proposal Proceedings**");

- (c) approving a secured interim financing facility provided under a loan agreement (the “**Interim Financing Agreement**”) Cleo is seeking to enter into with an interim lender (the “**Interim Lender**”);
- (d) declaring that the Property is subject to a security and charge (the “**Interim Lender’s Charge**”) in favour of the Interim Lender to secure the payment and performance of the Interim Financing Facility and Cleo’s indebtedness, liabilities and obligations under the Interim Financing Agreement;
- (e) to the extent that any Emergency Advance (as defined herein) has been funded by any advances under the Interim Financing Facility prior to the date of the Order being applied for hereunder, authorizing Cleo to repay such advances from any amounts received by Cleo subsequent to the Filing Date;
- (f) declaring that the Property is subject to a security and charge in favour of the directors and officers of Cleo (all such directors and officers being collectively referred to as the “**Directors**”) over the Property to indemnify the Directors against obligations and liabilities that they may incur as Directors of Cleo after the commencement of the Proposal Proceedings in an amount not to exceed \$250,000 (the “**D&O Charge**”), other than obligations and liabilities incurred as a result of their gross negligence or wilful misconduct;
- (g) declaring that the Administration Charge, Interim Financing Charge and D&O Charge (collectively, the “**BIA Charges**”) are priority charges that rank ahead of any and all charges, security interests, liens, trusts, deemed trusts and encumbrances against the Property, including liens and trusts created by federal and provincial legislation, and that the *BIA* Charges rank, as between themselves, in the following order of priority:
 - a) first, the Administration Charge;
 - b) second, the Interim Lender’s Charge; and
 - c) third, the D&O Charge;

- (h) authorizing Cleo to pay such amounts as it, in consultation with the Proposal Trustee, deems necessary to Persons on account of debts that arose prior to the Filing Date, in order to operate, collect, realize and dispose of the Property in an orderly manner, provided that such payments are contemplated by the Cash Flow Forecast (as defined below) filed by the Proposal Trustee under section 50(6) of the *BIA*;
- (i) declaring that:
 - a) in accordance with section 69(1) of the *BIA*, during the period between the Filing Date and the Expiry Date: (A) no creditor has any remedy against Cleo or the Property, or shall commence or continue any action, execution or other proceedings for the recovery of a claim provable in bankruptcy; (B) no provision of a security agreement between Cleo and a secured creditor that provides, in substance, that on Cleo's insolvency, the default by Cleo of an obligation under the security agreement, or the filing by Cleo of the NOI (as defined below), Cleo ceases to have rights to use or deal with Property secured under the security agreement as it would otherwise have, has any force or effect; and
 - b) in accordance with section 65.1(1) of the *BIA* but subject to section 65.1(4), no person may terminate or amend any agreement with Cleo or claim an accelerated payment, or a forfeiture of the term, under any agreement with Cleo by reason only that Cleo is insolvent or a NOI has been filed with respect to Cleo; and
- (j) declaring that during the Stay Period, all persons having oral or written agreements with Cleo or statutory or regulatory mandates for the supply of goods and/or services are hereby restrained until further Order of this Court from discontinuing, altering, interfering with or terminating the supply of such goods or services as may be required by Cleo, provided in each case that the normal prices or charges for such goods or services received after the date of this Order are paid by Cleo in accordance with normal payment practices of Cleo or other practices as may be

agreed upon by the supplier or service provider and each of Cleo and the Proposal Trustee, or as may be ordered by this Honourable Court;

- (k) granting a stay of proceedings during the Stay Period of any claims against Chris Lewis in my capacity as a director and officer of Cleo.
- (l) requiring that any Person that has collected, realized, seized or taken possession of any money or other Property subsequent to the Filing Date without the consent of the Proposal Trustee or the leave of this Honourable Court promptly deliver or surrender to Cleo such money or other Property.

DESCRIPTION OF CLEO'S BUSINESS AND BACKGROUND

The Company

- 6. Cleo is an Alberta corporation with its head office located at 200 – 117 8th Avenue Southwest Calgary, Alberta T2P 1B4 (the “**Head Office**”) having been incorporated pursuant to the laws of Alberta in 2016. Cleo’s field office is located in Shorncliffe, Alberta. Attached hereto as **Exhibit “A”** is a copy of the Alberta corporate search for Cleo.
- 7. Cleo’s shares are held entirely by its parent corporation Chimera Management Group Ltd., a holding corporation. Cleo does not own shares in any other corporation.

The Business

- 8. Cleo is a privately owned oil and gas operator of medium gravity oil based in Calgary, Alberta with operations throughout East Central Alberta. Cleo has been operating since its incorporation in 2016.
- 9. Cleo has a number of oil wells and gas wells located primarily at the following oil and gas fields throughout the Western Canada Sedimentary Basin in East Central Alberta (each a “**Field**” and collectively, the “**Fields**”):
 - a) “**Alliance**”, which is located in the municipality of Flagstaff County.
 - b) “**Atlee**”, which is located in the municipality of Special Areas No. 2.

- c) “**Enchant**”, which is located in the municipality of Vulcan County.
 - d) “**Fabyan**”, which is located in the municipality of Wainwright.
 - e) “**Kessler**”, which is located in the municipality of Provost No. 52.
 - f) “**Neutral Hills**”, which is located in the municipality of Special Areas No. 4.
 - g) “**Sedgewick**”, which is located in the municipality of Flagstaff County.
 - h) “**Shorncliffe**” which is located in the municipality of Provost No. 52.
 - i) “**Silver Heights**”, which is located in the municipality of the County of Paintearth No. 18.
 - j) “**Taber**” which is located in the municipality of Taber.
 - k) “**Hayter**”, which is located in the municipality of Provost No. 52.
10. Cleo’s revenue is primarily linked to the productivity of its wells, as well as the market price of oil. Prior to Cleo’s much more recent financial circumstances set out below, Cleo produced approximately 450 bbl/d. This is down from 640 bbl/d as of May 2024. At its peak, Silver Heights was Cleo’s largest Field and was previously producing 250 bbl/d around May 2024, while its second and third largest fields are Shorncliffe and Neutral Hills, respectively producing 170 and 100 bbl/d around May 2024.
11. Cleo transports its oil product (the “**Products**”) from the Fields to a local sales point either by pipeline or trucks. The Products are then sold to Trafigura Canada Limited (“**Trafigura**”) as Cleo’s oil and gas marketer by way of a Commercial Agreement dated July 12, 2024, which is attached hereto as **Exhibit “B”** (the “**Commercial Agreement**”). The revenue from the sale of Products to Trafigura is paid out to Cleo on the 25th of every month, except when the payment date falls on a holiday, wherein it is paid on the 24th day.
12. Cleo has further sold natural gas to British Petroleum (“**BP**”) from time to time arising from its Fabyan Field and last sold natural gas to BP in November, 2024. However, Cleo’s natural gas production has more recently been shut in as a result of lower natural gas prices and it being uneconomical for Cleo to produce gas. Cleo was producing approximately \$10,000 a month of revenue from the sale of natural gas and the costs to produce were

higher than generated revenues. Cleo would consider restarting natural gas production in the winter months of 2025 if it became economical for its cash flow and operations.

Employees

13. Cleo currently employs 13 full-time salaried employees and nine contract consultants. Four employees and five consultants work primarily in Cleo's Head Office in Calgary, Alberta, while the reminder are based in the Fields.
14. None of Cleo's employees are unionized.
15. Payroll for Cleo was more recently provided by ADP Canada, Payroll Services ("ADP"). However, Cleo has recently been required to perform payroll functions on its own as Cleo is currently indebted to ADP and ADP has been unwilling to provide Cleo services due to Cleo's outstanding accounts receivables to ADP.

EVENTS LEADING TO CLEO'S CURRENT CIRCUMSTANCES

16. Cleo has recently experienced a significant reduction in production levels due to several factors, including: repair and maintenance required at several of its main producing Fields causing shut ins of wells; shut in of its oil producing assets following verbal directives issued to Cleo by the Alberta Energy Regulator ("AER") due to gas conversation requirements; thefts of vital copper cabling required to connect critical systems to power generators at the Silver Heights Field, causing a complete shut in of Silver Heights, its largest Field; and lower market pricing for oil, each as further described below.

Repairs and Maintenance

17. In or around Q1 of 2023, Cleo initiated a publicly marketed sales process for the sale of the entire company and all of its assets. One potential buyer approached Cleo and a potential transaction for the sale of Cleo's business arose with an original planned closing date at the end of June 2023. As a result of the potential sale, Cleo made the strategic decision to cease dedicating capital into repairs and maintenance for its oil and gas assets ("R&M").

18. In or around November 2023, Cleo came to the conclusion that no transaction would arise with the aforementioned potential purchaser. At that time nine (9) months had transpired where little to no R&M had been performed for Cleo's assets. This long period of non maintenance was detrimental to Cleo's assets. For example, a pipeline break occurred at the Neutral Hills Field in the summer of 2023 where no funds were previously expended for R&M as a result of the pending sale of Cleo's assets. This pipeline break reduced production by 50 bbl/d and thereafter caused Cleo to incur emergency repair costs. Other wells required similar maintenance at other fields and production of oil began to decline.
19. In December of 2023, Cleo made efforts to sell certain undeveloped minerals plus Fabyan gas plant in an attempt to raise capital for R&M. Following a successful transaction between Cleo and Durham Creek in this regard, Cleo was able to raise approximately \$5,000,000 to be used to support the payment of R&M and to pay outstanding property taxes and other vendor payables. Cleo then entered into agreements with Mantl Canada Inc. ("**Mantl**") as material supplier and Amped Energy Services Ltd. ("**Amped**") as R&M provider to provide R&M for certain of Cleo's wells and reactivate certain other deactivated wells. Following April, 2024, as a result of further cash flow constraints, Cleo was unable to continue R&M for its assets. As a result, the company looked for further funding sources to recommence its R&M program and, in July, 2024, entered into a Prepayment Agreement with Trafigura attached hereto as **Exhibit "C"** (the "**Prepayment Agreement**") whereby Trafigura agreed to provide Cleo up to three loan tranches of up to \$1,000,000 per tranche for R&M. In exchange, Trafigura would have the right to setoff matured amounts from the revenues generated by it selling Cleo's Products. Trafigura is owed \$750,000 under the Prepayment Agreement.
20. Trafigura has currently extended a single tranche of \$1,000,000, which was paid to Cleo on August 1, 2024. Payments under the loan are made on a monthly basis in accordance with a Payment Schedule created by Trafigura (the "**Payment Schedule**"). The Payment Schedule is attached as **Exhibit "ZZ"**. The current monthly principal payment is \$83,333. Pursuant to the Commercial Agreement, Trafigura also deducts US\$0.95/bbl transported. The total amount deducted from Trafigura's monthly payments under the Commercial Agreement inclusive of both the principal payment under the Prepayment Agreement and

the US\$0.95/bbl under the Commercial Agreement is approximately \$91,000, but varies depending on the monthly production.

21. The provision of funds from Trafigura allowed Cleo to perform R&M to certain of its better producing Fields, however many Fields still require R&M to this date.
22. A total of 64 of 105 producing wells have been shut in by Cleo as a result of needed R&M. Cleo had been unable to raise additional capital to undertake these necessary mechanical repairs contributing to a decline in production and revenue rate.

AER Curtailment

23. Cleo had previously experienced gas curtailment in its Silver Heights Field due to the shut in of a jointly owned gas processing facility. This resulted in the dispute with Battle River Energy Ltd. (“**Battle River**”), as detailed below. Upon the shut in of the gas processing facility, Cleo was forced to shut in 75% of its Silver Heights production in March of 2021 to comply with Directive 060 regulations, causing the Silver Heights Field to reduce its production levels from 350 bbl/d to 200 bbl/d. The gas processing facility was never reactivated and Cleo has consistently worked to mitigate its gas conservation issues in the Silver Heights Field since that time.
24. In or around September of 2024, Cleo attempted to reactivate and reperforate a certain well at Silver Heights and a natural gas cap was inadvertently struck causing excess natural gas to be released from what was intended to be an oil perforation. Cleo attempted to dispose of the excess gas through flaring. Thereafter, as a result of a complaint made by a local resident regarding the amount of flaring, the AER verbally directed Cleo on October 30, 2024 to significantly reduce its flaring at Silver Heights as the AER deemed Cleo’s flaring levels too high (the “**Verbal Directive**”). This resulted in reduced production at Silver Heights from 250 bbl/d to 100 bbl/d, and significantly curtailed Cleo’s revenues.

Injection Line Failure

25. In or around November 12, 2024 a discharge line on an injection pump at the Silver Heights main facility began to leak (the “**Injection Line Failure**”) and was too large to patch. Consequently, the

entire Silver Heights Field was shut in for six full days, while the line was repaired with new spooling. This shut in caused a large amount of revenue lost at a critical time.

Thefts and Vandalism

26. Cleo experienced multiple incidents of vandalism in December 2023, whereby thieves broke into locations at the Neutral Hills South and Kessler Fields to steal copper wiring. As a result of these thefts, the company was required to shut in the fields and discontinued production, as a result, losing ~75 barrels per day of production.
27. Following the Verbal Directive, and the Injection Line Failure, on December 6 and 7, 2024, two days prior to the filing of the NOI, two thefts of vital copper power cabling occurred at Silver Heights. The copper cabling connects ATCO sourced power to its Silver Height's oil and gas battery which powers the flow of oil and water back into Cleo's pipeline system. Without this power to the battery, Cleo cannot produce oil. The thefts required Cleo to shut in all of the Silver Heights oil wells until necessary repairs are completed to bring Silver Heights back into operations.
28. Cleo contacted the RCMP following the initial theft and had monitoring systems in place thereafter. However, the secondary theft arose thereafter notwithstanding Cleo's efforts.
29. Cleo is insured for the theft. I believe that the deductible is \$50,000 and payout of a claim is 90-120 days out.

Reduction in oil and gas revenues

30. There has been a significant reduction in oil and gas prices since the month of September 2024, which has further exacerbated Cleo's financial difficulties. The price of Western Canada Select has gone from approximately 67.49 \$US/bbl in July of 2024 to 54.39 \$US/bbl during that time. These challenges have placed even further strain on Cleo's finances, causing monthly revenues to decrease further. Additionally, the price of AECO Natural Gas has decreased dramatically over the course of 2024, from approximately \$1.75/mcf in January 2024 to \$0.50/mcf in November of 2024.

31. Cleo's normal production levels and monthly revenue therefrom, and current production levels and monthly revenue therefrom as a result of its financial difficulties, is provided for in the chart below:

| Oil Field | Operated Well Count | Non-Operated Well Count | Normal Production (bbl/d) | Normal monthly revenues | Current production | Current monthly revenues |
|----------------|---------------------|-------------------------|---------------------------|-------------------------|--------------------|--------------------------|
| Alliance | 4 | 0 | 15 | \$46,994 | 13 | \$36,000 |
| Atlee | 13 | 0 | 60 | \$80,555 | 0 | \$0 |
| Enchant | 19 | 0 | Gas | \$11,223 | Gas | \$7,225 |
| Fabyan | 495 | 112 | Gas | \$67,396 | Gas | \$0 |
| Kessler | 66 | 66 | 50 | \$95,000 | 0 | \$0 |
| Neutral Hills | 246 | 45 | 130 | \$315,000 | 100 | \$172,000 |
| Sedgewick | 21 | 0 | 85 | \$175,000 | 27 | \$70,000 |
| Shorncliffe | 159 | 102 | 150 | \$350,000 | 120 | \$250,000 |
| Silver Heights | 77 | 3 | 255 | \$650,000 | 100 | \$200,000 |
| Taber | 27 | 0 | Gas | \$28,000 | | \$1,500 |
| Hayter | 0 | 383 | Shut in | \$0 | Shut in | \$0 |
| Totals | 1127 | 711 | 745 | \$1,819,168.00 | 360 | \$736,725 |

32. Cleo's non operated wells are operated by the following operators:
- a) Hayter's are operated by Harvest Operations Corp. ("**Harvest**");
 - b) Fabyan's are operated by Axiom Oil & Gas, Canadian Natural Resources Limited ("**CNRL**") and others;
 - c) Shorncliffe's are is operated by Harvest;
 - d) Neutral Hills' are operated by Prairie Provident Resources;
 - e) Kessler's are operated by Karve Energy and Fort Calgary Resources Ltd.

33. In order to preserve Cleo's business and make it financially viable, management has taken a number of steps prior to December 8, 2024, including:
- (a) Reducing general and administrative expenses through the reduction of salaries of both executive and Head Office based employees;
 - (b) Terminating employees and consolidating employee positions at Head Office;
 - (c) Restructuring Cleo's employee retention plan starting with terminating all senior management and Head Office-based retention allowances, and significantly reducing all field employee retention program allowances;
 - (d) In May of 2024, Cleo initiated a publicly marketed process to sell certain underperforming assets to alleviate costs. These fields included Fabyan, Atlee and Alliance;
 - (e) Contacting potential sector related companies that are geographically, operationally and strategically aligned of Cleo's Fields in an effort to revive production through asset consolidation and/or partnership;
 - (f) Contacting Cleo's secured lenders to attempt to raise additional capital in order to effect the necessary R&M to restart normal production levels, including at Silver Heights;
 - (g) Shutting in marginal and non-profitable facilities, operations and cost centers, in an effort to reduce the overall corporate lifting costs of the assets. This process was started in Q2 2024 and the expected completion date was Q1 2025;
 - (h) Initiating discussions of the sale of all of the Silver Heights and Sedgewick Fields in exchange for the alleviation of vendor related debt and a cash component that would have brought in a significant amount of working capital. These discussions were put on hold following the vandalism of Silver Heights, referred to above;
 - (i) Initiating discussions with various cryptocurrency mining companies in an effort to increase revenue from producing its gas assets.

34. Despite Cleo's efforts to reach profitability, Cleo continues to face financial difficulties and is currently unable to meet its obligations as they become due.
35. In order to protect Cleo's and its stakeholders' interests, on December 8, 2024, Cleo filed a Notice of Intention to Make a Proposal ("**NOI**") pursuant to subsection 50.4(1) of the *BIA* and appointed A&M as Proposal Trustee. The NOI was necessary to provide stability to Cleo's business and allow Cleo the chance to restructure, particularly as a result of the unforeseen shutdown of Silver Heights due to the thefts referred to above.
36. I am advised by Gowling that as a result of the filing of the NOI, a stay of proceedings was automatically triggered (the "**Stay**") of all proceedings and enforcement against Cleo and its assets for an initial period of thirty (30) days until January 7, 2025. A copy of the NOI is attached as **Exhibit "D"**.
37. Prior to Cleo filing the NOI, Cleo had been communicating with Trafigura in the first week of December regarding Cleo's financial situation. Trafigura had reached out to Cleo on December 3, 2024 to inquire as to why Cleo's January nominations were lower in comparison to previous months. Cleo had requested a meeting to discuss Cleo's financial circumstances, but a meeting with Trafigura had not occurred before the thefts described above on December 6 and 7, 2024 and ultimately Cleo's filing of the NOI on December 8, 2024. A copy of the preceding email correspondence between Cleo and Trafigura between December 3, 2024 and December 7, 2024 is attached **Exhibit "AAA"**.
38. Cleo, with the assistance of its professional advisors, intends to commence a sales and investment solicitation process at the beginning in 2025 once its operations have stabilized in order to canvass the market for interest in recapitalization Cleo, or alternatively, selling Cleo's business as a going concern, or further in the alternative, liquidating its assets generally. Cleo further intends to use interim financing and cash flow generated during the Stay Period to help bring back on certain of its wells to help increase its production levels and cash flow. Cleo currently has expressions of interest for its assets from interested parties and expects those parties will partake in a sales process.

CURRENT STATUS OF CLEO

Financial Statements and Asset Value

39. A true copy of Cleo's unaudited financial statements for the financial year ending December 31, 2023 are attached hereto as **Exhibit "E"** (the "**Financial Statements**"). Cleo's current assets and liabilities are similar as provided for in the Financial Statements.
40. According to the Financial Statements, the book value of Cleo's property was \$22,012,000, as of December 31, 2023, consisting of the following:

| Nature | Book Value |
|-------------------------------|---------------------|
| Cash and cash equivalents | \$2,505,000 |
| Trade and other receivables | \$4,346,000 |
| Other assets | \$61,000 |
| Deposits and prepaid expenses | \$868,000 |
| Due from related parties | \$790,000 |
| Property, plant and equipment | \$7,200,000 |
| Right-of-use asset | \$1,596,000 |
| Due from related parties | \$4,646,000 |
| Approximate Total: | \$22,012,000 |

41. According to the Financial Statements, as of December 31, 2023 Cleo had total liabilities in the amount of \$39,583,000, consisting of the following:

| Nature | Book Value |
|--|-------------------|
| Lease obligations | \$381,000 |
| Accounts payable and accrued liabilities | \$20,928,000 |

| | |
|---------------------------------------|---------------------|
| Current portion of contract liability | \$216,000 |
| Current portion of long-term debt | \$4,401,000 |
| Lease obligations | \$1,411,000 |
| Contract liability | \$80,000 |
| Decommissioning obligations | \$11,554,000 |
| Shareholder loan | \$419,000 |
| Long-term debt | \$193,000 |
| Approximate Total: | \$39,583,000 |

42. Cleo’s top three producing Fields, Silver Heights, Neutral Hills and Shorncliffe have proved developed producing (“**PDP**”) reserve values as follows as at January 1, 2023:

| Field | PDP Reserve (Before Tax) Cash Flows |
|----------------|--|
| Silver Heights | \$18,000,000 (net present value – 10%) |
| Neutral Hills | \$1,150,000 (net present value – 10%) |
| Shorncliffe | \$5,600,000 (net present value – 10%) |

PDP reserve values are calculations based on the net present value of future cash flows from Cleo’s producing oil and gas assets, discounted at a rate equal to 10%. For example, as set out above, the PDP value of Silver Heights is \$18,000,000, which is based upon Cleo’s most recent reserve report. Attached hereto and marked as **Exhibit “BBB”** is the PDP reserve value schedule which was included in a PDP report prepared by Deloitte for Cleo as of January 1, 2023. The total PDP for all assets in the report is approximately \$41,500,000. Those values remain approximately current as of the date of this affidavit, with the exception of the Fabyan Field which sells gas and its value is currently

approximately \$3,500,000. I also believe that the Neutral Hills value in the report may be undervalued as Cleo currently values it at approximately \$6,500,000.

Accounts Receivable and Accounts Payable

43. As of December 7, 2024, Cleo had total accounts receivable of \$1,609,659.09 and total accounts payable of \$17,684,633.29.

Cash Flow Forecast

44. The 5-week Cash Flow Forecast (the “**Cash Flow Forecast**”) for Cleo commencing the week ending December 13, 2024 and ending the week ending January 10, 2025 is attached as **Exhibit “F”**. Cleo’s management team and their advisors have worked with the Proposal Trustee to prepare the Cash Flow Forecast.
45. I am informed by Orest Konowalchuk of the Proposal Trustee that the Cash Flow Forecast has been provided to the official receiver.
46. During the period covered by the Cash Flow Forecast, Cleo will incur general and administrative expenses, operational expenses, payroll and benefit expenses, certain royalty payments, and restructuring costs, including the professional fees and disbursements. As illustrated in the Cash Flow Forecast, Cleo will require additional cash to fund operations during the proposed proposal extension date.

Cash Management

47. Cleo maintains its bank accounts with Royal Bank of Canada (“**RBC**”) and will continue to do so during the Proposal Proceedings.

Total Debt

48. Cleo has total debts of \$24,102,898.00.

Secured Creditors

49. Cleo has several secured creditors. As of December 14, 2024, Cleo owed a total debt of approximately \$6.7 million to these parties.

1992169 Alberta Ltd. (Rise Capital)

50. On or around June 22, 2023, Cleo entered into a purchase and sale agreement (the “**Purchase and Sale Agreement**”) with 1992169 Alberta Ltd. o/a Rise Capital (“**Rise**”) in order to obtain financing by selling and assigning to Rise certain accounts receivable. Attached hereto and marked as **Exhibit “G”** is a copy of the Purchase and Sale Agreement. As of December 14, 2024, Cleo was indebted to Rise for approximately \$2,785,000.
51. As set out in the Purchase and Sale Agreement, Rise has taken a security interest in all of Cleo’s present and after acquired personal property pursuant to a general security agreement,

Mantl Canada Inc.

52. On or around March 1, 2024, Cleo entered into a trade payable loan agreement and demand promissory note (“**Trade Agreement**”) with Mantl Canada Inc. (“**Mantl**”) to secure a trade payable loan for goods and services from third parties related to the specific reactivation projects of Cleo, as referenced above. Attached hereto and marked as **Exhibit “H”** is a copy of the Trade Agreement. As of December 14, 2024, Cleo was indebted to Mantl for approximately \$1,750,000.
53. Mantl has taken a security interest in all of Cleo’s present and after-acquired personal property pursuant to a general security agreement dated March 1, 2024 (the “**Mantl GSA**”). Attached hereto and marked as **Exhibit “I”** is a copy of the Mantl GSA.

Marco Simonelli

54. On or around May 11, 2023, Cleo granted an amended demand promissory note (“**Promissory Note**”) to Marco Simonelli (“**Simonelli**”) in the principal amount of \$734,054.00 with an interest rate of 12% per annum. Attached hereto and marked as **Exhibit “J”** is an unsigned copy of the Promissory Note. As of December 14, 2024, Cleo was indebted to Simonelli for approximately \$735,000.

55. Simonelli has taken a security interest in all of Cleo's present and after-acquired personal property pursuant to a general security agreement dated December 31, 2018 (the "**Simonelli GSA**"). Attached hereto and marked as **Exhibit "K"** is a copy of the Simonelli GSA.

2M7 Financial Solutions

56. On or around November 21, 2023, Cleo entered into a merchant cash advance agreement ("**Merchant Agreement**") with 2M7 Financial Solutions ("**2M7**") to, among other things, receive a lump sum payment in exchange for a percentage of Cleo's future receivables, all as described in the Merchant Agreement. Attached hereto and marked as **Exhibit "L"** is a copy of the Merchant Agreement. As of December 14, 2024, Cleo was indebted to 2M7 for approximately \$500,000.
57. 2M7 has taken a security interest in all future receivables of Cleo as set out in the Merchant Agreement.

Jody Weise / Marshalrae Holdings

58. In or around September 2022, Cleo entered into a line of credit agreement (as amended by an amendment to secured line of credit agreement, the "**Line of Credit Agreement**") with Jody Weise / Marshal Rae Holdings (collectively "**Marshal Rae**"). Pursuant to the Line of Credit Agreement, Marshal Rae established a revolving line of credit in the principal amount of \$500,000. Attached hereto and marked as **Exhibit "M"** is an unsigned copy of the Line of Credit Agreement. As of December 14, 2024, Cleo was indebted to Marshal Rae for approximately \$500,000.
59. Marshal Rae has taken a security interest in all of Cleo's present and after-acquired personal property pursuant to a general security agreement dated September 13, 2022 (the "**Marshal Rae GSA**"). Attached hereto and marked as **Exhibit "N"** is a copy of the Marshal Rae GSA.

Stride Capital Corp.

60. On or around August 9, 2023, Cleo entered into an equipment financing and leasing agreement (“**Equipment Agreement**”) with Stride Capital Corp. (“**Stride**”) in order to finance and lease a number of equipment, as further detailed in the Equipment Agreement. Attached hereto and marked as **Exhibit “O”** is a copy of the Equipment Agreement. As of December 14, 2024, Cleo was indebted to Stride for approximately \$246,000.
61. As set out in the Equipment Agreement, Stride has taken a security interest in certain of Cleo’s wells and equipment, as well as proceeds pursuant to a cross collateral agreement.

Arundel Capital Corporation

62. On or around May 23, 2024, Cleo entered into two lease agreements (“**Lease Agreements**”) with Arundel Capital Corporation (“**Arundel**”) in order to lease certain pieces of equipment, as detailed in the Lease Agreements. Attached hereto and marked collectively as **Exhibit “P”** is a copy of the Lease Agreements. As of December 14, 2024, Cleo was indebted to Arundel for approximately \$128,000.
63. As set out in the Lease Agreement, Arundel has taken a security interest in the lease equipment, proceeds, and any rental payment received on any sublease of the lease equipment.

Stephen Ballard

64. Cleo entered into a loan agreement with Stephen Ballard (“**Ballard**”) in order to raise additional capital for Cleo’s operations (the “**Ballard Loan Agreement**”). Attached hereto and marked as **Exhibit “Q”** is a copy of the Ballard Loan Agreement. As of December 14, 2024, Cleo was indebted to Ballard for approximately \$51,000.
65. Ballard has taken a security interest in all of Cleo’s present and after-acquired personal property pursuant to a general security agreement dated August 3, 2023 (the “**Ballard GSA**”). Attached hereto and marked as **Exhibit “R”** is a copy of the Ballard GSA.

Savanna Well Servicing Inc.

66. Savanna Well Servicing Inc. and Fort McKay-Savanna Energy Services Limited Partnership (collectively “**Savanna**”) obtained a judgment against Cleo. There remains approximately \$41,000 owing under the judgment.
67. In exchange for Savanna forbearing from enforcing on its judgment, Cleo agreed to grant a security interest to Savanna in all of its present and after acquired personal property (the “**Savanna GSA**”). Attached hereto and marked as **Exhibit “S”** is a copy of the Savanna GSA dated November 24, 2023.

Amped Energy Services Ltd.

68. Amped Energy Services Ltd. (“**Amped**”) is owed approximately \$400,000 for the reactivation work it performed in conjunction with Mantle, as referenced. Attached hereto as **Exhibit “T”** is an Amendment to Secured Line of Credit Agreement where reference to Amped being added as a party to an “Agreement” is listed with Agreement not being defined. I am advised by Gowling it will need to review and consult the credit documents involving Amped to ascertain whether Amped is a secured creditor.

Personal Property Security Registrations

69. I am informed by Gowling that the following parties have registered financing statements against Cleo in the Personal Property Registry of Alberta (the “**AB PPR**”):
- (a) Arundel
 - (b) Harvest Operations Corp.
 - (c) Summit
 - (d) Stride/2416924 Alberta Ltd.
 - (e) Savanna
 - (f) 1992169 Alberta Ltd./Oxygen Working Capital Corp.
 - (g) Ballard
 - (h) Morganick Blending Services Corp.
 - (i) Startex Refrigeration Services Ltd.

- (j) Vertex Professional Services Ltd.
 - (k) Mantl
 - (l) Simonelli
 - (m) Marshal Rae
70. Copies of the AB PPR searches for financing statements registered against Cleo, current as of the date indicated therein, is attached hereto as **Exhibit “U”**.
71. A summary chart of the AB PPR searches is attached hereto as **Exhibit “V”**.

Land Holdings

72. Cleo owns three parcels of real property in its name. Attached hereto and marked as **Exhibit “W”** is the applicable title searches for these parcels of land.

Leases

73. Cleo holds 750 freehold surface leases. Attached hereto as **Exhibit “X”** is a surface property report of Cleo’s freehold surface leases dated December 19, 2024.
74. Cleo holds 271 Crown surface leases. Attached here to as **Exhibit “Y”** is a surface report of Cleo’s Crown surface leases dated December 19, 2024.
75. Cleo has 291 Crown mineral subsurface leases for its oil and gas wells. Attached hereto as **Exhibit “Z”** is a mineral lease index of Cleo’s crown subsurface leases dated December 19, 2024.
76. Cleo has 183 freehold mineral subsurface leases for its oil and gas wells. Attached hereto as **Exhibit “AA”** is a mineral lease index of Cleo’s freehold subsurface leases dated December 19, 2024.

Royalty Agreements

77. Certain royalty agreements effect Cleo’s oil and gas revenues as follows:

- a) Keles Production Company Ltd. and Keles Engineering Ltd., entered into a gross overriding royalty agreement dated December 1, 1987, in respect of assets owned by Cleo, which is attached hereto as **Exhibit “BB”**. Royalties have been paid in kind prior to and during Cleo’s ownership from its associated oil and gas assets.
 - b) Truco Resources Ltd., 300930 Alberta Ltd., Starboard Resources Inc., and Patrick Marcotte, entered into an agreement dated January 1, 1988, in respect of assets owned by Cleo, which is attached hereto as **Exhibit “CC”**. Appended as **Schedule “A”** to said agreement is a gross overriding royalty agreement. Royalties have been paid in kind prior to and during Cleo’s ownership from its associated oil and gas assets.
 - c) There are 38 other gross overriding royalty agreements in relation to certain lands. One such example is a royalty agreement between Penn West Petroleum, now Obsidian Energy Ltd. (“**Penn West**”) and Canadian Natural Resources, entered into a gross overriding royalty agreement dated January 2, 2001, in respect of assets owned by Cleo, which is attached hereto as **Exhibit “DD”**. The royalties under this agreement have been paid in kind prior to and during Cleo’s ownership from its associated oil and gas assets.
 - d) Cleo entered into a gross overriding royalty agreement dated July 28, 2016 as between Penn West, Penn West Petroleum Ltd. (collectively the “**Penn West Parties**”), and Cleo, which is attached hereto as **Exhibit “EE”**. This royalty agreement arose out of an Agreement of Purchase of Sale between the Penn West Parties and Cleo dated June 2, 2016, attached hereto as **Exhibit “FF”**, the listing schedules have been omitted for convenience of the length of the document.
78. Cleo entered into a gross overriding royalty agreement dated May 31, 2020 as between B.I.L. Cree Nation Corp (“**B.I.L. Cree**”) and Cleo, which is attached hereto as **Exhibit “GG”**, the listing schedules have been omitted for convenience of the length of the document. This royalty agreement arose out of a Conveyance Agreement between those parties dated May 31, 2021, attached hereto as **Exhibit “HH”**, the listing schedules have been omitted for convenience of the length of the document.

CRA and other Taxing Authorities

79. As of December 14, 2024, the amount of \$966,486 is owing to the Canada Revenue Agency (“**CRA**”), which is comprised of \$36,506.30 for unpaid payroll source deductions and \$929,979.70 in goods and services tax (“**GST**”).
80. As of December 14, 2024, the amount of \$468,910 is owing by Cleo to the Government of Alberta for corporate taxes.
81. Cleo owes property taxes to the following municipalities listed below:

| Municipality | Related Field | Amount Owing |
|-------------------------|----------------------|---------------------|
| Municipality of Provost | Shorncliff | 963,149.00 |
| Municipal of Wainwright | Fabyan | 567,387.00 |
| Flagstaff County | Sedgewick | 19,869.00 |
| Vulcan County | Enchant | 3,236.00 |
| Municipality of Taber | Taber | 22,853.00 |
| | | <u>1,576,494.00</u> |

Alberta Energy Regulator

82. The AER is owed approximately \$393,000 as of December 14, 2024 for AER annual administration fees and orphan fund levies.
83. Cleo has a \$750,000 cash deposit with the AER provided as part of Cleo’s acquisition of the Enchant and Taber Fields. It was previously communicated by the AER to Cleo that this deposit would be returned to Cleo upon the reactivation of the assets at those fields following the closing of the acquisition. The acquisitions did close but the AER has held on to the deposit.
84. Cleo has a liability management rating (“**LMR**”) of .72. Its LMR is currently lower than normal because of the amount of wells needed to be shut in by Cleo. During the prior sales process referred to above in 2023, Cleo’s LMR was 1.03.

85. In addition to the Verbal Directive, as a result of Cleo filing the NOI, the AER has placed Cleo on its insolvency watch list and its insolvency department is now monitoring Cleo's operations.
86. On December 19, 2024, AER sent a letter to Cleo (the "**AER Letter**") notifying the company that, effective immediately, their eligibility to acquire and hold energy licenses and approvals has been restricted due to the commencement of this Proposal Proceeding. A copy of the AER Letter is attached hereto as **Exhibit "II"**.

General Trade Creditors

87. As of December 14, 2024, Cleo has a total of approximately \$8,500,000 in general unsecured trade creditors.

Judgments

88. There are currently three (3) outstanding Judgments as against Cleo as follows:
- (a) Morganick Blending Services Corp. ("**Morganick**") was awarded judgment against Cleo on July 16, 2024 for a total judgment of \$16,410.99, attached hereto as **Exhibit "JJ"**.
 - (b) Startec Refrigeration Services Ltd. ("**Startec**") was awarded judgment against Cleo on August 6, 2024 for a total judgment of \$11,951.50, attached hereto as **Exhibit "KK"**.
 - (c) Vertex Professional Services Ltd. ("**Vertex**") was awarded judgment against Cleo on October 18, 2024 for a total judgment of \$274,708.73, attached hereto as **Exhibit "LL"**.

Garnishments

89. There are currently three outstanding garnishments which have been issued against Cleo as referenced below:

- a) On or about July 29, 2024, Morganick registered a writ of enforcement in accordance with the Alberta Court of King's Bench court file no. 2401-10333, against Cleo in the PPR. Morganick issued a first garnishee summons in August 2024 for its judgment of \$16,410.99, which amount was repaid in part. It then subsequently issued a second garnishee summons in the amount of \$152,436.18 upon Cleo and RBC with respect to Cleo's accounts with RBC. I am advised by Gowling that following the filing of the NOI, Cleo obtained Orders from the Court in the Proposal Proceedings authorizing and directing RBC to cancel a previously issued cheque or bank draft sent by RBC to the Court prior to the filing of the NOI as a result of this second garnishment and credit \$152,436.18, representing the garnished funds, back into Cleo's RBC account. I am advised by the Court that a bank draft for the garnished funds may have been delivered to the Court in late November and the Court is attempting to find the bank draft. As of the swearing of this Affidavit, the Court has been unable to find the bank draft but continues to look for it. I am advised by Gowling that it is also continuing to work with RBC regarding the garnished funds.
- b) On or about August 29, 2024, Startec registered a writ of enforcement in accordance with court file no. 2401-11952, against Cleo in the PPR. Startec subsequently issued a garnishee summons in the amount of \$155,799.02 upon Cleo and RBC with respect to Cleo's accounts with RBC. RBC has not paid out funds from Cleo's account for this garnishment.
- c) On or about October 30, 2024, Vertex registered a writ of enforcement in accordance with court file no. 2301-13984, against Cleo in the AB PPR. Vertex subsequently issued a garnishee summons in the amount of \$274,708.73 upon Cleo and RBC with respect to Cleo's accounts with RBC. RBC has not paid out funds from Cleo's account for this garnishment

I am advised by Gowling that following the filing of the NOI Gowling issued letters to these garnishing parties above and RBC advising them of the Stay and that no further enforcement action could be taken against Cleo.

Outstanding Legal Proceedings

90. A number of proceedings have been commenced against Cleo which remain outstanding and unsettled, as summarized below. Gowling has advised me that all of the proceedings as against Cleo are now stayed as a result of the filing of the NOI.

Harvest Operations

91. Harvest and Cleo are operating partners in various properties (wells and facilities) primarily located in the Hayter region of Alberta. Disputes arose related to joint operations and abandonment costs where Harvest is seeking payment of accounts and Cleo is contesting the legitimacy of the charges and counterclaiming for other damages. Harvest is seeking about \$5,000,000 in damages and Cleo is counterclaims for approximately \$2,000,000 in damages.
92. An attachment order has been granted to Harvest and Harvest has filed a security interest registration in the AB PPR arising from this. Harvest is not a secured creditor of Cleo but has an alleged operator's lien. Cleo had previously agreed that the attachment could remain pending the conclusion of a full hearing between the parties regarding their dispute. I am advised by Gowling that the attachment order is now stayed as a result of the filing of the NOI.

Battle River

93. Battle River and Cleo are involved in two matters – an arbitration and a court action. Both are generally related. Cleo owns certain wells and facilities jointly with Battle River. In some cases, Cleo is the operator and in other cases Battle River is the operator. Disputes have developed with respect to these assets.

B.I.L. Cree

94. Cleo and B.I.L. Cree Nation Corp ("**B.I.L. Cree**") entered into the above mentioned royalty agreement. B.I.L. Cree has filed a claim against Cleo for damages for unpaid royalties. Cleo has filed a defence of the claim and is contesting it.

Demands for Payment

95. As of December 10, 2024, Cleo received demands for payment from the following parties (collectively, the “**Demand Letters**”):

- (a) geoLOGIC Systems Ltd. - attached hereto as **Exhibit “MM”** is a demand letter dated July 26, 2024 demanding payment in the approximate amount of \$30,000 in relation to payments in relation to software, data, licensing fees pursuant to a licence agreement.
- (b) B.I.L. Cree Nation Corp. - attached hereto as **Exhibit “NN”** is a demand letter dated July 29, 2024 demanding payment in the amount of \$491,396.56 in relation to certain royalty payments.
- (c) TCB Welding Manufacturing Fabrication (“**TCB**”) - attached hereto as **Exhibit “OO”** is a demand letter dated September 12, 2024 demanding payments pursuant to certain of Cleo’s accounts with TCB.
- (d) Canadian Natural Resources Limited - attached hereto as **Exhibit “PP”** is a demand letter dated September 13, 2024 demanding payment in the amount of \$45,690.42 pursuant to various agreements.
- (e) Renown Down Hole Solutions Inc. - attached hereto as **Exhibit “QQ”** is a demand letter dated October 2, 2024 demanding payment in the amount of \$7,687.04.
- (f) Peter LeGeyt Recruiting Ltd.- attached hereto as **Exhibit “RR”** is a demand letter dated October 22, 2024 demanding payment in the amount of \$26,250 plus GST for professional services related to hiring a candidate.
- (g) Mantl Canada Inc. & Amped Energy Services Ltd. - attached hereto as **Exhibit “SS”** is a demand letter dated October 30, 2024 demanding payment in the amount \$2,212,203.60 pursuant to the Trade Agreement.

- (h) TAQA North - attached hereto as **Exhibit “TT”** is a demand letter dated November 4, 2024 demanding payment in respect of certain billing statements issued by TAQA North.
 - (i) Lexterra Land Ltd. - attached hereto as **Exhibit “UU”** is a demand letter dated November 13, 2024 demanding payment in the amount of \$4,872.31 in respect of certain surface land related services.
 - (j) Star West Trucking Ltd. - attached hereto as **Exhibit “VV”** is a demand letter dated November 29, 2024 demanding payment in the amount of \$14,000 in relation to trucking services.
96. Absent the automatic stay of proceedings imposed by filing the NOI, it is anticipated that these parties would commence proceedings against Cleo as well.

RELIEF SOUGHT

Administration Charge

97. Cleo is seeking from this Honourable Court an Order authorizing and directing to pay the fees and disbursements of, and granting a super-priority Administration Charge against Cleo’s Property, to and in favour of counsel for Cleo, the Proposal Trustee, and counsel for the Proposal Trustee in priority to all other charges to secure payment of their reasonable fees and disbursements incurred by such parties at their standard rates. The Administration Charge is limited to a maximum amount of \$350,000.
98. I believe that the Administration Charge is fair and reasonable in the circumstances. Cleo requires the expertise, knowledge and continuing participation of the Administrative Professionals in order to complete a successful restructuring, and in order to continue to obtain that expertise, knowledge and participation, I believe that it is necessary that they receive the benefit of the Administration Charge.
99. Cleo has worked with the Proposal Trustee to determine the proposed amount of the Administration Charge, which I believe is fair and reasonable in the circumstances. The Proposal Trustee is supportive of the proposed amount.

100. I do not believe that there is any unwarranted duplication of roles between the proposed beneficiaries of the Administration Charge.

Interim Financing

101. Cleo is currently in discussions with various potential interim lenders to provide interim financing. Cleo has not yet secured interim financing as of the date of this Affidavit. Cleo intends on filing additional materials prior to the extension hearing on January 6, 2024 setting forth an interim financing agreement once one has been confirmed.
102. The Cleo Cash Flow Forecast indicates that Cleo requires the Interim Financing Facility from January 6, 2025 and onwards to ensure that it has the liquidity required to meet its obligations for it to continue with these Proposal Proceedings.
103. Cleo may also need to receive emergency advances under an Interim Financing Agreement prior to January 6, 2025 so Cleo has operating capital to continue operating until the January 6, 2025 extension hearing (the “**Emergency Advance**”). It is expected that an Interim Financing Agreement will require that amounts received by Cleo from cash flows during the NOI proceedings will be used to repay the Emergency Advance. Without any Emergency Advance provided, it is expected Cleo will be unable to continue its operations until the time it received an Interim Loan.
104. If Cleo repays all or a portion of the Emergency Advance prior to the hearing of the Stay Extension, Cleo will also seek an order that the Emergency Advance could be repaid from the cash flows of Cleo.
105. Cleo currently has limited cash resources and may not be able to complete its restructuring should an Interim Financing Facility not be approved. In addition, Cleo is carefully managing cash on a day-to-day basis with oversight from the Proposal Trustee.
106. Cleo has sought and obtained guidance from the Proposal Trustee on proposed amounts of the Interim Lender’s Charge and the Proposal Trustee will be supportive of interim financing.

Directors & Officers Charge

107. Cleo is seeking an Order of this Honourable Court granting a super-priority D&O Charge securing the obligation of Cleo to indemnify myself as Cleo's sole Director for obligations and liabilities that I may incur in my capacity as Director during the Proposal Proceedings in the maximum amount of \$200,000.
108. The D&O Charge is intended to address potential claims that may be brought against me as Cleo's sole Director that are not covered under existing insurance described below or to the extent coverage is insufficient to cover such claims.
109. A successful restructuring of Cleo will only be possible with the continued participation of myself as Director. I have specialized expertise and relationships with Cleo's stakeholders. In addition, I have gained significant knowledge that cannot be easily replicated or replaced.
110. The quantum of the D&O Charge was calculated with the assistance of the Proposal Trustee on the basis of the payroll, source deductions and goods and services taxes that could potentially accrue during the Proposal Proceeding and such quantum is supported by the Proposal Trustee.
111. Cleo maintains insurance policies in relation to the potential liability of the Directors (the "**D&O Insurance Policies**"). Although the D&O Insurance Policies insure myself as against certain claims that may arise against me in my capacity as Director, the coverage is subject to several exclusions and limitations, including, *inter alia*, certain employee and statutory obligations. As a result, there is a potential for insufficient insurance coverage in respect of potential director and officer liabilities. It would be beneficial for there to be certainty with respect to potential personal liability as I continue in my current capacity in the context of these Proposal Proceedings.

Priority of Charges

112. Cleo is seeking a declaration from this Honourable Court that the *BIA* Charges against the Property rank in priority to all charges, security interests, liens, trusts, deemed trusts and

encumbrances against the Property, including liens and trusts created by federal and provincial legislation, and that the *BIA* Charges rank, as between themselves, in the following order of priority:

- a) first, the Administration Charge;
- b) second, the Interim Financing Charge; and
- c) third, the D&O Charge.

113. The Proposal Trustee is supportive of this proposed priority ranking of the *BIA* Charges.

Stay of Proceedings for Cleo

114. The time to file a proposal for Cleo expires on January 7, 2025. Cleo requests the proposal extension date to February 21, 2025 in the Proposal Proceedings.

115. Since the NOI was filed on December 8, 2024, Cleo has worked diligently and in good faith to advance these Proposal Proceedings and to comply with the various requirements under the *BIA*. These steps have included, among other things:

- (a) preparing and analysing a list of creditors and identifying issues specific to certain creditors;
- (b) providing the Proposal Trustee with access to its books and records;
- (c) working with the Proposal Trustee on the preparation of the Cash Flow Forecast;
- (d) communicating with stakeholders regarding the proposal process;
- (e) communicating with customers regarding the proposal process;
- (f) communicating with the AER regarding the status of its operations and the proposal process;
- (g) reaching out to prospective lenders and securing the Interim Financing Facility and any Emergency Advance;

- (h) reviewing its operating expenses, pursuing the collection of accounts receivable and taking other steps to ensure Cleo remains financially viable during these Proposal Proceedings; and
 - (i) preparing this Application.
- 116. On December 10, 2024, Cleo also hired Bluestar Engineering Ltd., to submit a Directive 060 variance for Silver Heights to the AER to support amending the facility licence to allow for a continuous flaring to end the gas conservation at the battery. Should the variance request be approved, Cleo will be submitting a Directive 56 to amend the facility license. If AER approves both the variance request and the facility amendment, Cleo anticipates an immediate positive impact on future production to prior levels of approximately 250 bbl/d.
- 117. The proposal extension date will allow Cleo to, among other things:
 - (a) continue operations during the Proposal Proceedings in order to carry out work, with the advice and consent of the Proposal Trustee, that will be economically beneficial to its estate and stakeholders;
 - (b) preserve its assets and prevent environmental issues from arising during the winter months;
 - (c) continue the restructuring of its business and affairs, and pursue strategic alternatives; and
 - (d) take such actions as are necessary or desirable to preserve and enhance the value of Cleo's business for the benefit of their creditors and other stakeholders.
- 118. Cleo's creditors will not be prejudiced by the Proposal Extension Date. Rather, the proposal extension date is critical to ensuring that Cleo can continue to generate revenues through economically beneficial operations under the supervision of the Proposal Trustee, and formulate a proposal thereby maximizing the value of their assets to the benefit all of their stakeholders.
- 119. The Proposal Trustee is supportive of the proposal extension date.

Stay for Chris Lewis

120. In addition to the foregoing, Cleo intends to seek a stay of any claims of guarantees and contracts where such parties may claim I have guaranteed the debts of Cleo, or I am jointly and severally liable for the indebtedness of Cleo. Attached hereto are the following documents in this regard from the records of Cleo:
- (a) 19922169 Alberta Ltd. (Rise/Oxygen Capital) – for all debts and liabilities, present or future, direct or indirect, absolute or contingent, matured or not, at any time owing by Cleo, with interest from the date of demand for payment at the Royal Bank of Canada’s Prime Interest Rate plus 30% (the “**Rise Guarantee**”). The Rise Guarantee is attached hereto as **Exhibit “WW”**.
 - (b) 2M7 - for all debts and liabilities, present or future, direct or indirect, absolute or contingent, matured or not, at any time owing by Cleo (the “**2M7 Guarantee**”). The 2M7 Guarantee is attached hereto as **Exhibit “XX”**.
 - (c) 2416924 Alberta Ltd./ Stride Capital – I am listed as a co-leasee in relation to this agreement whereby his obligations are joint and several. The Stride Equipment Agreement is attached previous as **Exhibit “O”**.
 - (d) Stephen Ballard – for the principal sum of \$300,000, plus a fixed rate of interest of 20% per annum on the unpaid portion of the Principal (the “**Ballard Guarantee**”). The Ballard Guarantee is attached hereto as **Exhibit “YY”**.
121. Certain of the above documents are unsigned and do not contain executed *Guarantees Acknowledgement Act* certificates. I do not admit liability for any claims arising from the above documents or that I am liable under such documents.
122. Cleo further seeks a stay of all ongoing and potential claims against me in my capacity as an employee, director and officer of Cleo. I am currently named as a defendant in the ongoing litigation between Cleo and Battle River, as referred to above.
123. Such a stay is necessary in the circumstances as I am the only director of Cleo and my involvement in the restructuring is critical for the Proposal Proceedings to be successful.

New and continuing lawsuits against me will take my focus away from me running the day to day operations of Cleo and my work of restructuring Cleo for the benefit of Cleo's stakeholders.

124. The Proposal Trustee supports such a Stay as requested.

CONCLUSION

125. I swear this Affidavit in support of an Application for the relief set out in paragraph 5 of this Affidavit and for no other or improper purpose.

SWORN BEFORE ME at Palm Springs,
California, this 23rd day of December,
2024.

Notary Public in and for the
State of California

CHRIS LEWIS

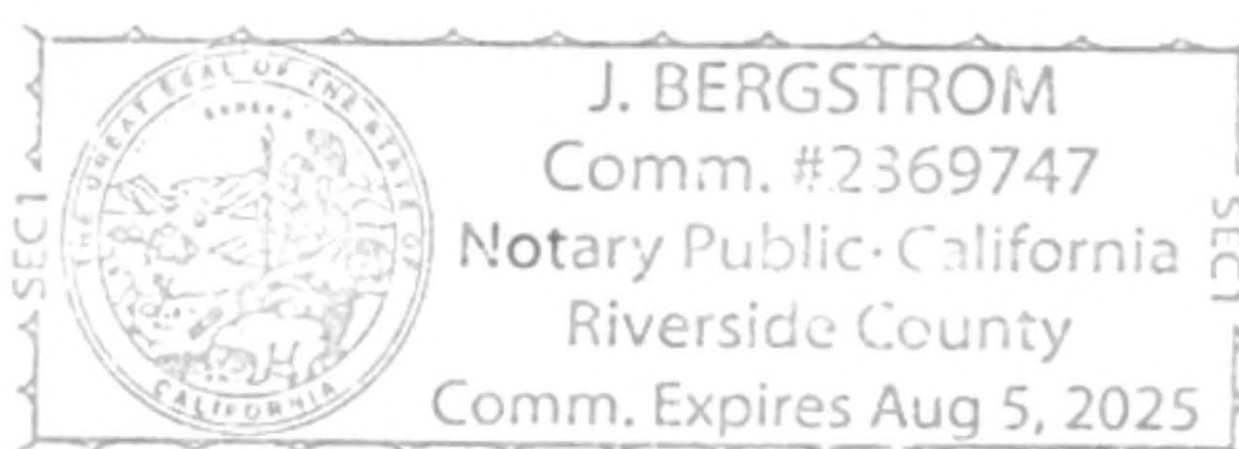
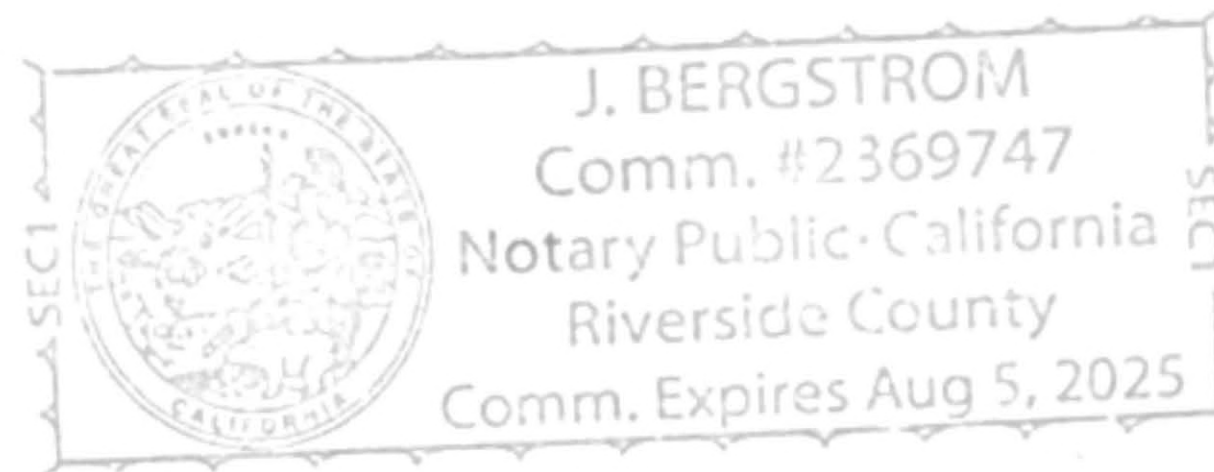


Exhibit "A" to the Affidavit of
Chris Lewis
Sworn/Affirmed before me this
23rd day of December, 2024



A Notary Public for the State of
California



Government Corporation/Non-Profit Search of Alberta

Corporate Registration System

Date of Search: 2024/12/05
Time of Search: 06:22 AM
Search provided by: ELDOR-WAL REGISTRATIONS (1987) LTD
Service Request Number: 43483889
Customer Reference Number:

Corporate Access Number: 2019731419
Business Number: 766250922
Legal Entity Name: CLEO ENERGY CORP.

Legal Entity Status: Active
Alberta Corporation Type: Named Alberta Corporation
Registration Date: 2016/05/31 YYYY/MM/DD
Date of Last Status Change: 2024/07/22 YYYY/MM/DD

Registered Office:
Street: 200 - 117 8 AVE SW
City: CALGARY
Province: ALBERTA
Postal Code: T2P1B4

Records Address:
Street: 200 - 117 8 AVE SW
City: CALGARY
Province: ALBERTA
Postal Code: T2P1B4

Email Address: CLEWIS@CLEOENERGY.COM

Primary Agent for Service:

| Last Name | First Name | Middle Name | Firm Name | Street | City | Province | Postal Code | Email |
|-----------|------------|-------------|-----------|--------------------|---------|----------|-------------|-----------------------|
| LEWIS | COLTON | | | 200 - 117 8 AVE SW | CALGARY | ALBERTA | T2P1B4 | CLEWIS@CLEOENERGY.COM |

Directors:

Last Name: LEWIS
First Name: CHRIS
Street/Box Number: 200 - 117 8 AVE SW
City: CALGARY
Province: ALBERTA
Postal Code: T2P1B4

Voting Shareholders:

Legal Entity Name: CHIMERA MANAGEMENT GROUP LTD.
Corporate Access Number: 2024804730
Street: 200 - 117 8 AVE SW
City: CALGARY
Province: ALBERTA
Postal Code: T2P1B4
Percent Of Voting Shares: 100

Details From Current Articles:

The information in this legal entity table supersedes equivalent electronic attachments

Share Structure: SEE SCHEDULE "A" ATTACHED HERETO
Share Transfers Restrictions: SEE SCHEDULE "B" ATTACHED HERETO
Min Number Of Directors: 1
Max Number Of Directors: 10
Business Restricted To: NONE
Business Restricted From: NONE
Other Provisions: SEE SCHEDULE "C" ATTACHED HERETO

Other Information:

Last Annual Return Filed:

| File Year | Date Filed (YYYY/MM/DD) |
|-----------|-------------------------|
| 2024 | 2024/07/22 |

Filing History:

| List Date (YYYY/MM/DD) | Type of Filing |
|------------------------|---|
| 2016/05/31 | Incorporate Alberta Corporation |
| 2018/04/25 | Change Director / Shareholder |
| 2020/02/03 | Change Address |
| 2020/02/22 | Update BN |
| 2024/07/02 | Status Changed to Start for Failure to File Annual Returns |
| 2024/07/22 | Enter Annual Returns for Alberta and Extra-Provincial Corp. |

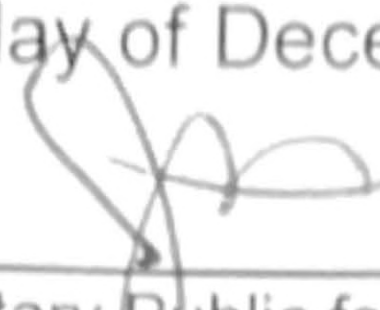
Attachments:

| Attachment Type | Microfilm Bar Code | Date Recorded (YYYY/MM/DD) |
|---|--------------------|----------------------------|
| Share Structure | ELECTRONIC | 2016/05/31 |
| Restrictions on Share Transfers | ELECTRONIC | 2016/05/31 |
| Other Rules or Provisions | ELECTRONIC | 2016/05/31 |

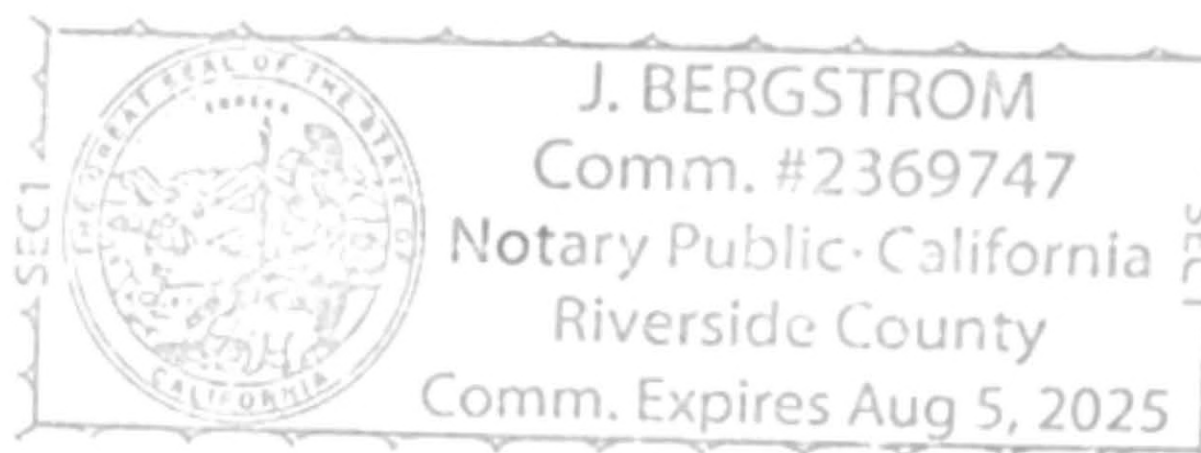
The Registrar of Corporations certifies that, as of the date of this search, the above information is an accurate reproduction of data contained in the official public records of Corporate Registry.



Exhibit "B" to the Affidavit of
Chris Lewis
Sworn/Affirmed before me this
23rd day of December, 2024



A Notary Public for the State of
California



To: Cleo Energy Corp.
Suite 350, 300 - 5 Ave SW
Calgary, AB
Canada, T2P 3C4

From: Trafigura Canada Limited
Suite 1700, 400-3rd Avenue SW
Calgary, Alberta
Canada, T2P 4H2

Attn: Andrew Sweerts

Email: asweerts@cleoenergy.com

Attn: Mr. Craig Wilford
Phone: 4032946765
Email: Craig.Wilford@trafigura.com

Ref#: Commercial Agreement

Agreement written by Trafigura Canada Limited

Agreement Date: July 12, 2024

Seller: Cleo Energy Corp.

Buyer: Trafigura Canada Limited

Tenor: This Commercial Contract shall be effective for a period of 12 months commencing from the Signing Date ("Term"). The Contract shall terminate ("Termination") upon the later of 12 months from the Signing Date or upon Trafigura marketing a minimum of 380,000 barrels provided that the full \$3,000,000 has been drawn under the prepayment agreement.

Minimum Marketing Requirement: The minimum number of barrels marketed shall adjust in accordance with the total amount drawn under the prepayment agreement. If only \$1,000,000 is drawn, the minimum barrels marketed shall be 126,667. If \$2,000,000 is drawn, the minimum shall be 253,333 barrels. Upon drawing the full \$3,000,000, the minimum barrels marketed shall be 380,000.

Within 30 days of written notice from either the Seller or Buyer that Termination has occurred, the Seller will have the election to either, 1) roll into a one (1) year evergreen contract with the Buyer, beginning as of the date of such election, or 2) confirm that the Prepayment Agreement will expire as of the end of the month following the 90 day period from the date of such written notice.

Payment: Payment is due on the 25th following the month of receipt/delivery of product; If the 25th is a Holiday or Saturday, payment is due on the previous CDN business day; If the 25th is a Sunday or Monday Holiday, payment is due on the next CDN business day. Payable in CDN funds.

Special Terms: Trafigura's Wellhead GTC's will apply to this contract.

Goods: Trafigura to market 100% of available marketable crude from the Seller's existing assets in Canada or any other delivery point that Cleo delivers crude oil for the duration of the term of the contract. The Seller may elect to include additional volumes under this contract, to be included in the Tenor volumes, if it so chooses.

Hedging: Total monthly production for the term of the agreement shall be established as per the Financial Model agreed upon between the Seller and the Buyer. Physical hedging shall be conducted on a discretionary basis as required by the Buyer for the term of the agreement at the going rate, subject to acceptable credit exposure under the Commercial Agreement. The Buyer has no obligation to hedge volumes on behalf of the Seller at any point under the term of the agreement. As part of the Commercial Contract, Parties may agree from time to time to fix the purchase price of future production and as a result, Trafigura will incur additional credit exposure from the performance of the Seller under the Commercial Agreement. Such price fixing shall be implemented on an arms-length basis and on market terms and shall seek to protect the Seller's exposure to WTI and WCS. Any such credit exposure shall be covered under the security documents.

Schedule: 1**Product and
Delivery Point:**

Purchase of Bow River at Gibson Hardisty Terminal from 11-10-045-07W4 (ABBT0155763) for the Term of this Commercial Contract using schedule pricing.

Price:

The Weighted Average for West Texas Intermediate as traded during the calendar month on the NYMEX, plus the Volume weighted average of indices on the MM1A Index for WCS trades, plus the agreed upon monthly BR quality spread versus WCS, plus the prior month Gibson Hardisty BRN Terminal Bow River WADF, less US\$0.95/bbl less all applicable transportation, equalization/condensate, loss allowance and all other applicable charges.

Quantity:

50.00 M3 per Month.

Conversion Rate:

0.158987 M3/BBL

Schedule: 2**Product and
Delivery Point:**

Purchase of Bow River at IPL Bow River N Pipeline from 01-22-040-08W4 (ABBT7500063) for the Term of this Commercial Contract using schedule pricing.

Price:

The Weighted Average for West Texas Intermediate as traded during the calendar month on the NYMEX, plus the Volume weighted average of indices on the MM1A Index for WCS trades, plus the agreed upon monthly BR quality spread versus WCS, plus the prior month Gibson Hardisty BRN Terminal Bow River WADF, less US\$0.95/bbl less all applicable transportation, equalization/condensate, loss allowance and all other applicable charges.

Quantity:

700.00 M3 per Month.

Conversion Rate:

0.158987 M3/BBL

Schedule: 3**Product and
Delivery Point:**

Purchase of CAL at Inter Pipeline Throne PL from IPL Throne Light Terminal from 14-14-039-10W4 (ABBT7500967) for the Term of this Commercial Contract using schedule pricing.

Price:

The Weighted Average for West Texas Intermediate as traded during the calendar month on the NYMEX plus the Weighted Average of MM1A index for CAL trades, plus the current month IPL WADF at Edmonton, less US\$0.95/bbl, less all applicable transportation, equalization/condensate, loss allowance and all other applicable charges.

Quantity: 1,000.00 M3 per Month.
Conversion Rate: 6.29287 BBL/M3

Schedule: 4

Product and Delivery Point: Purchase of CAL at Inter Pipeline Throne PL from 15-02-037-07W4 (ABBT7500562) for the Term of this Commercial Contract using schedule pricing.

Price: The Weighted Average for West Texas Intermediate as traded during the calendar month on the NYMEX plus the Weighted Average of MM1A index for CAL trades, plus the current month IPL WADF at Edmonton, less US\$0.95/bbl, less all applicable transportation, equalization/condensate, loss allowance and all other applicable charges.

Quantity: 220.00 M3 per Month.
Conversion Rate: 6.29287 BBL/M3

Schedule: 5

Product and Delivery Point: Purchase of CAL at Inter Pipeline Central AB PL from Inter Pipeline Stettler TM from 16-04-042-12W4 (ABBT8320003) for the Term of this Commercial Contract using schedule pricing.

Price: The Weighted Average for West Texas Intermediate as traded during the calendar month on the NYMEX plus the Weighted Average of MM1A index for CAL trades, plus the current month IPL WADF at Edmonton, less US\$0.95/bbl, less all applicable transportation, equalization/condensate, loss allowance and all other applicable charges.

Quantity: 150.00 M3 per Month.
Conversion Rate: 6.29287 BBL/M3

Schedule: 6

Product and Delivery Point: Purchase of CAL at Secure Big Valley Terminal from 15-35-021-07W4 (ABBT0058629) for the Term of this Commercial Contract using schedule pricing.

Price: The Weighted Average for West Texas Intermediate as traded during the calendar month on the NYMEX plus the Weighted Average of MM1A index for CAL trades, plus the current month IPL WADF at Edmonton, less US\$0.95/bbl, less all applicable transportation, equalization/condensate, loss allowance and all other applicable charges.

Quantity: 140.00 M3 per Month.
Conversion Rate: 6.29287 BBL/M3

Schedule: 7

Product and Delivery Point: Purchase of CAL at Secure Coronation Terminal from 05-27-040-13W4 (ABBT0133818) for the Term of this Commercial Contract using schedule pricing.

Price: The Weighted Average for West Texas Intermediate as traded during the calendar month on the NYMEX plus the Weighted Average of MM1A index for CAL trades, plus the current month IPL WADF at Edmonton, less US\$0.95/bbl, less all applicable transportation, equalization/condensate, loss allowance and all other applicable charges.

Quantity: 40.00 M3 per Month.
Conversion Rate: 6.29287 BBL/M3

Schedule: 8

Product and Delivery Point: Purchase of CAL at Secure Coronation Terminal from 04-03-040-12W4 (ABBT0114274) for the Term of this Commercial Contract using schedule pricing.

Price: The Weighted Average for West Texas Intermediate as traded during the calendar month on the NYMEX plus the Weighted Average of MM1A index for CAL trades, plus the current month IPL WADF at Edmonton, less US\$0.95/bbl, less all applicable transportation, equalization/condensate, loss allowance and all other applicable charges.

Quantity: 20.00 M3 per Month.

Conversion Rate: 6.29287 BBL/M3

Schedule: 9

Product and Delivery Point: Purchase of CAL at Secure Coronation Terminal from 16-28-038-10W4 (ABBT0118961) for the Term of this Commercial Contract using schedule pricing.

Price: The Weighted Average for West Texas Intermediate as traded during the calendar month on the NYMEX plus the Weighted Average of MM1A index for CAL trades, plus the current month IPL WADF at Edmonton, less US\$0.95/bbl, less all applicable transportation, equalization/condensate, loss allowance and all other applicable charges.

Quantity: 20.00 M3 per Month.

Conversion Rate: 6.29287 BBL/M3

Schedule: 10

Product and Delivery Point: Purchase of CAL at Secure Coronation Terminal from 08-19-039-10W4 (ABBT0114472) for the Term of this Commercial Contract using schedule pricing.

Price: The Weighted Average for West Texas Intermediate as traded during the calendar month on the NYMEX plus the Weighted Average of MM1A index for CAL trades, plus the current month IPL WADF at Edmonton, less US\$0.95/bbl, less all applicable transportation, equalization/condensate, loss allowance and all other applicable charges.

Quantity: 30.00 M3 per Month.

Conversion Rate: 6.29287 BBL/M3

Please confirm that this Contract accurately reflects the terms and conditions of our agreement. If a reply is not received within five (5) business days, it will constitute acceptance of the terms stated therein. If the terms presented herein constitute your understanding of the agreement, please sign and return one fully executed copy.

Dated this 12th day of July, 2024.
Cleo Energy Corp.

By:  _____

Title: **Chris Lewis**
Chairman

Trafigura Canada Limited

By: _____

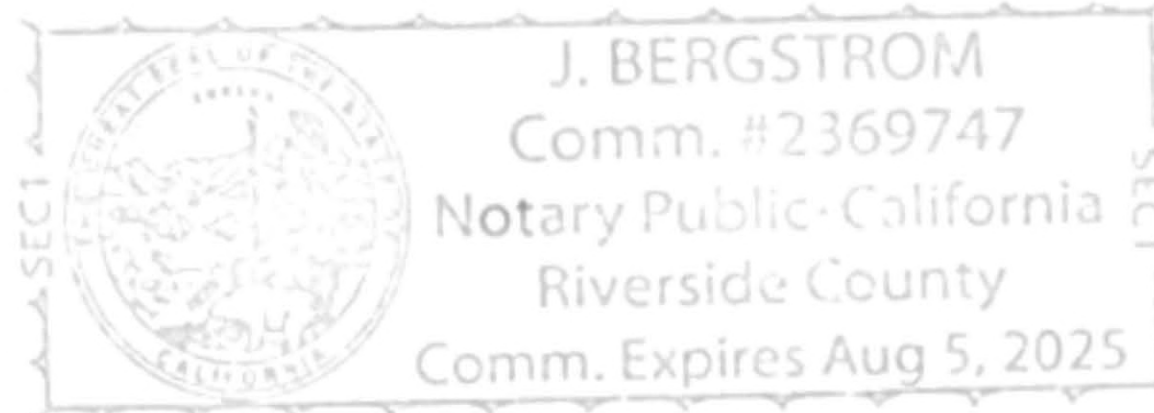
By :

Title: Director, Crude Oil Trading

Exhibit "C" to the Affidavit of
Chris Lewis
Sworn/Affirmed before me this
23rd day of December, 2024



A Notary Public for the State of
California



This Prepayment Agreement (the “**Agreement**”) is dated July 9, 2024 and made between:

- (1) **CLEO ENERGY CORP.**, a corporation incorporated under the laws of Alberta and having its registered office at 200 – 117 8th Avenue SW, Calgary, Alberta T2P 1B4 (the “**Borrower**”); and
- (2) **TRAFIGURA CANADA LIMITED**, a corporation incorporated under the laws of Alberta and having its registered office at 1700, 400 – 3rd Avenue S.W., Calgary, Alberta T2P 4H2 (the “**Buyer**”),

(the Borrower and the Buyer shall be collectively referred to in this Agreement as the “**Parties**” and individually a “**Party**”).

WHEREAS:

- (A) Pursuant to a contract for the sale and purchase of crude oil (“**Products**”) dated on or about the date of this Agreement and entered into between the Borrower, as seller, and the Buyer, as buyer, (the “**Commercial Contract**”), the Borrower agrees to sell and the Buyer agrees to buy Products subject to the terms and conditions of the Commercial Contract.
- (B) Subject to the terms of this Agreement, the Buyer has agreed to make Advances to the Borrower in the manner set out in Section 5 (*Advances*), and the Advances shall be repaid by the Borrower to the Buyer either by repayment with cash or by way of set-off against deliveries of Products by the Borrower to the Buyer under the Commercial Contract.
- (C) This Agreement is supplemental to the Commercial Contract.

IT IS AGREED as follows:

1 Definitions

- 1.1 In this Agreement the following words and expressions have the following meanings:

“**Adjusted Term SOFR**” means, for any SOFR Period, the sum of Term SOFR and the Credit Adjustment Spread for such period, rounded to 5 decimal places, provided that if the Adjusted Term SOFR so determined is less than 0.5%, then the Adjusted Term SOFR for such period will be deemed to be 0.5%.

“**Advance**” means an advance payment made or to be made under this Agreement by the Buyer to the Borrower up to a maximum principal amount equal to the Maximum Amount.

“**Advance Date**” means the date on which an Advance is made under Section 5.

“**Advance Request**” means the notice substantially in the form set out in Schedule 1.

“**Affiliate**” means, in relation to any person, a Subsidiary of that person or a Holding Company of that person or any other Subsidiary of that Holding Company.

“**Availability Period**” means the period from and including the Effective Date up to and including the date which is one (1) year from the Effective Date.

“**Business Day**” means a day (other than a Saturday or Sunday) on which banks are open for general business in Calgary, Alberta and London, United Kingdom and which is a SOFR Banking Day.

“Cash” means, at any time, cash in hand or at a bank and (in the latter case) credited to an account in the name of the Borrower with a financial institution acceptable to the Buyer, and to which the Borrower is alone beneficially entitled and for so long as the cash is freely available, unrestricted and not subject to any security interest or Lien.

“Change of Control” means any circumstance arising after the date hereof in which a person or a combination of persons, acting jointly or in concert (within the meaning of the *Securities Act* (Alberta)), acquires (i) equity securities of the Borrower, which together with all other equity securities of the Borrower held by such persons, constitutes more than 50% of all outstanding equity securities of the Borrower or (ii) the right to elect a majority of the directors of the Borrower.

“Commercial Contract” shall have the meaning set out in recital (A).

“Credit Adjustment Spread” means 0.10% (10 basis points) for a SOFR Period of one-month’s duration.

“Default” means a Termination Event or any event or circumstance specified in Section 11.1 which would (with the expiry of a grace period, the giving of notice, the making of any determination of the Buyer under the Transaction Documents, the satisfaction of any other condition or any combination of any of the foregoing, as applicable) constitute a Termination Event.

“Default Rate” means an interest rate which is two percent (2.00%) per annum higher than the Interest Rate.

“Delivery Period” means a delivery period specified in Schedule 2.

“Disposition” means any sale, assignment, transfer, conveyance, lease, license, granting of an option, demolition, abandonment or other disposition (or agreement to dispose) of any nature or kind whatsoever of any property or of any right, title or interest in or to any property, and the verb **“Dispose”** has a correlative meaning.

“Effective Date” means the date on which the conditions precedent referred to in Section 3.1 (*Conditions precedent*) have been satisfied in full or waived by the Buyer.

“Financial Indebtedness” means, without duplication, the aggregate amount of all obligations, liabilities and indebtedness of a Person which would be classified under GAAP as indebtedness for borrowed money upon the consolidated balance sheet of such Person.

“Financial Model” means a financial model of the Borrower in a form and in content in each case approved by the Buyer (acting reasonably), which shall include, without limitation, calculations in respect of all financial covenants under this Agreement and a detailed itemization of any distributions, dividends, payments or other expenditures to be made by the Borrower during each of the four (4) fiscal quarters of the Borrower following the date of such Financial Model. For certainty, the Financial Model for purposes of this Agreement at any time shall be the then-current Financial Model which has been approved by the Buyer (acting reasonably).

“Financial Ratios” means, collectively, the Global Coverage Ratio and the Liquidity Ratio.

“Force Majeure” has the meaning given to it in the Commercial Contract.

“GAAP” means, at any time, accounting principles generally accepted in Canada as recommended in the *CPA Canada Handbook - Accounting* at the relevant time applied on a consistent basis.

“Global Coverage Ratio” means, as of any date of determination, the ratio (expressed as a percentage) of:

- (a) the aggregate of: (i) the Cash balance of the Borrower as at such date, and (ii) the PV10 of the Proved Developed Producing Reserves owned by the Borrower using eighty-five percent (85%) of the Strip Price and curves;

to,

- (b) the Obligations.

For certainty, compliance with the Global Coverage Ratio will not be a condition precedent to the first Advance hereunder, but will be a condition precedent to any Advance after the first Advance made hereunder, and the Global Coverage Ratio shall only be tested on each Test Date following the making of the second Advance under this Agreement in accordance with the provisions of Section 4.1.

“Holding Company” means, in relation to a company or corporation, any other company or corporation in respect of which it is a Subsidiary.

“Indirect Tax” means any goods or services tax, harmonized sales tax, provincial sales tax, consumption tax, value added tax, carbon tax, fuel tax, greenhouse gas pollution pricing charge, royalty, or any tax of a similar nature, whether levied by a federal, provincial, municipal, local or foreign jurisdiction.

“Interest Period” has the meaning given to it in Section 6.1(a).

“Interest Rate” means a rate of interest per annum equal to Adjusted Term SOFR for the applicable SOFR Period plus five percent (5%) per annum.

“Liquidity Ratio” means, as of the applicable Test Date for each Test Quarter in a Test Period applicable to such Test Date, the ratio of:

- (a) the sum of the following for such Test Quarter: (i) the revenues of the Borrower from the sale of petroleum substances, (ii) expected revenue from hedging agreements; and (iii) all Cash of the Borrower as at such date;

to,

- (b) the sum of the following for such Test Quarter, all cash costs of the Borrower in respect of the production, transportation and storage of petroleum substances including, without limitation, operating expenses, marketing expenditures, capital expenditures, taxes and interest expense and all distributions and dividends and payments of Financial Indebtedness made by the Borrower,

all as determined having regard to the Financial Model, and based upon 85% of Strip Prices. For certainty, compliance with the Liquidity Ratio will not be a condition precedent to the first Advance hereunder, but will be a condition precedent to any Advance after the first Advance made hereunder, and the Liquidity Ratio shall only be tested on each Test Date following the making of the second Advance under this Agreement in accordance with the provisions of Section 4.2.

“Material Adverse Change” has the meaning set forth in Section 3.1(l).

“Maturity Date” means, in respect of each Advance, the date falling one (1) year from the Advance Date, as the same may be extended pursuant to Section 5.6(c).

"Maximum Amount" means the amount of \$3,000,000.

"Net Proceeds" means, with respect to any Disposition of assets by the Borrower, the net amount equal to the aggregate amount received in cash (including any cash received by way of deferred payment pursuant to a note receivable, other non-cash consideration or otherwise, and the release of any amount from an indemnity reserve, escrow or similar fund, but in each case only as and when such cash is so received) in connection with such Disposition, less the sum of (i) reasonable fees (including, without limitation, reasonable accounting, advisory and legal fees), commissions and other out-of-pocket expenses incurred or paid for by the Borrower in connection with such Disposition (as evidenced by supporting documentation provided to the Buyer upon request therefor), (ii) taxes incurred in connection with such Disposition, whenever payable, and (iii) the principal amount of any Financial Indebtedness (other than Financial Indebtedness under the Transaction Documents) that is secured by such assets and that is required to be repaid in connection with such Disposition.

"NYMEX/AECO Pricing" shall mean, as of any date of determination with respect to any month (a) for Products, the closing settlement price for the Light, Sweet Products Oil futures contract for each month as published by New York Mercantile Exchange (NYMEX) on its website currently located at www.nymex.com or any successor thereto (as such pricing may be corrected or revised from time to time by the NYMEX in accordance with its rules and regulations), and (b) for natural gas, the NGX AB-NIT Same Day Index (5A) in dollars per gigajoule as published in the Canadian Gas Price Reporter in the table **"NGX AB-NIT Same Day Index 5A"** or the replacement pricing reference which is the then recognized industry index for same day gas at such pricing point should such pricing reference cease to exist.

"Obligations" means all debts, liabilities and obligations, present or future, direct or indirect, absolute or contingent, matured or unmatured, at any time or from time to time due or accruing due and owing by or otherwise payable by the Borrower to the Buyer, under, in connection with or pursuant to the Transaction Documents (including, without limitation, all principal amount of Advances, interest, fees, premiums, fees, expenses, penalties, reimbursements and indemnification).

"person" means a natural person, sole proprietorship, corporation, limited liability company, trust, joint venture, association, company, partnership, institution, public benefit corporation, investment or other fund, governmental authority or other entity, and pronouns have a similarly extended meaning.

"Products" has the meaning given to in in Recital (A).

"Proved Developed Producing Reserves" has the meaning assigned such term in the Canadian Oil and Gas Evaluation Handbook prepared jointly by The Society of Petroleum Evaluation Engineers (Calgary Chapter) and the Canadian Institute of Mining, Metallurgy & Petroleum (Petroleum Society) as amended or superseded from time to time.

"PV10" means, in respect of the Proved Developed Producing Reserves of the Borrower's oil and gas properties, the net present value (on a before income tax basis) of future after-Tax cash flows which are projected to be received from the date of calculation until the final Maturity Date hereunder (discounted at ten percent (10%) per annum) calculated by the Borrower and acceptable to the Buyer, acting reasonably, (including using the relevant technical assumptions underlying the production profiles and cost profiles in the most recent engineering report of the Borrower (which must be satisfactory to the Buyer), adjusted for hedging and other required discounts, and using a go forward blowdown profile consistent with the relevant technical assumptions underlying the Proved Developed Producing Reserves forecast starting from the current actual production (adjusted for production volumes temporarily impacted by turnarounds or third-party curtailments), in each case satisfactory to the Buyer, acting reasonably) after having reviewed the information from the most recent engineering report of the Borrower (which must be

satisfactory to the Buyer) delivered by the Borrower to the Buyer under this Agreement and taking into account all other factors which the Buyer reasonably deems material, but provided that each calculation of such expected future cash flow shall be made in accordance with the then existing standards of The Society of Petroleum Evaluation Engineers (Calgary Chapter); provided, however, that in any event (a) appropriate deductions shall be made for severance and ad valorem taxes or goods and services taxes, and for operating, gathering, transportation and marketing costs required for the production and sale of such reserves, (b) the pricing assumptions used in determining PV10 for any particular reserves shall be based upon the Strip Price and (c) the cash-flows derived from the pricing assumptions set forth in paragraph (b) above shall be further adjusted to account for the historical basis differential, in each case, in a manner reasonably acceptable to the Buyer.

"Relevant Amount" means, in respect of each Advance, each amount of such Advance specified in Schedule 2.

"SOFR" means a rate equal to the secured overnight financing rate as administered by the Federal Reserve Bank of New York (or a successor administrator of the secured overnight financing rate).

"SOFR Banking Day" means any day on which commercial banks are open for international business (including dealings in U.S. Dollar deposits); provided that for purposes of the determination of Term SOFR, a SOFR Banking Day also excludes a day on which the Securities Industry and Financial Markets Association in the United States recommends that the fixed income departments of its members be closed for the entire day for purposes of trading in United States government securities.

"SOFR Period" means a period of 1 month, or such other period as may be agreed to by the Buyer.

"Strip Price" shall mean, at any time, (a) for the remainder of the current calendar year, the average NYMEX/AECO Pricing for the remaining contracts in the current calendar year, (b) for each of the succeeding four complete calendar years, the average NYMEX/AECO Pricing for the twelve months in each such calendar year, and (c) for the succeeding fifth complete calendar year, and for each calendar year thereafter, the average NYMEX/AECO Pricing for the twelve months in such fifth calendar year.

"Subsidiary" as to any person, a corporation, partnership, limited liability company or other entity of which shares of stock or other ownership interests having ordinary voting power (other than stock or other ownership interests having such power only by reason of the happening of a contingency) to elect a majority of the board of directors or other managers of such corporation, partnership or other entity are at the time owned directly or indirectly through one or more intermediaries, or both, by such person.

"Tax" means any tax, levy, impost, royalty, deductions, assessments, reassessment, duty or other charge or withholding of a similar nature (including any penalty or interest payable in connection with any failure to pay or any delay in paying any of the same).

"Tax Deduction" means a deduction or withholding for or on account of Tax from a payment under a Transaction Document.

"Term SOFR" means, for any SOFR Period, the "Term SOFR" reference rate for a comparable period on the 2nd Business Day prior to the first day of such SOFR Period, as such rate is published by the CME Group Benchmark Administration Limited (or a successor administrator selected by the Buyer), provided however that if such reference rate for such period has not been published on such 2nd Business Day, then Term SOFR will be the "Term SOFR" reference rate for

such period as published by its administrator on the first preceding Business Day for which such reference rate was published so long as such first preceding Business Day is not more than 3 Business Days prior to the 2nd Business Day referred to above.

“Termination Event” has the meaning given to it in Section 11.

“Test Date” means last day of each fiscal quarter of the Borrower.

“Test Period” means the four (4) Test Quarters immediately following the applicable Test Date.

“Test Quarter” means a Fiscal Quarter within a Test Period.

“Transaction Documents” means, collectively, the following documents:

- (a) the Commercial Contract; and
- (b) this Agreement.

“Unpaid Amount” means any amount (including the amount of the Obligations) then due and payable but unpaid by the Borrower under the Transaction Documents.

1.2 Construction

- (a) Unless a contrary indication appears, any reference in this Agreement to:
 - (i) this “Agreement” includes the Schedules, which form part of this Agreement for all purposes;
 - (ii) the “Buyer” or the “Borrower” shall be construed so as to include its successors in title, permitted assigns and permitted transferees;
 - (iii) a “Transaction Document” or any other agreement or instrument is a reference to that Transaction Document or other agreement or instrument as in force for the time being and as from time to time amended, restated, supplemented or novated (however fundamentally including by any increase in amounts owing or available to be utilized under such document or any change to the parties thereto) and (where such consent is, by the terms of the relevant document, required to be obtained as a condition to such amendment being permitted) with the prior written consent of the Buyer;
 - (iv) the masculine, feminine or neuter gender respectively includes the other genders and references to the singular include the plural (and vice versa);
 - (v) all references to \$ or Dollars in this Agreement are references to Canadian Dollars;
 - (vi) “including” means “including without limitation” (with related words being construed accordingly), “in particular” means “in particular but without limitation” and other general words shall not be given a restrictive interpretation by reason of their being preceded or followed by words indicating a particular class of assets, matters or things;
 - (vii) a provision of law or a regulation is a reference to that provision as amended, re-enacted or replaced from time to time and includes any subordinated legislation or regulation in force under it from time to time; and

- (viii) commercial terms and acronyms shall have the meanings assigned to those terms in Incoterms 2010 edition, published by the International Chamber of Commerce.
- (b) Section and schedule headings are for ease of reference only. A reference to a Section, Subsection, Paragraph or Schedule is to a Section, Subsection, Paragraph of or a Schedule to this Agreement (as the case may be).
- (c) A Default (other than a Termination Event) is “continuing” if it has not been remedied or waived in writing and a Termination Event is “continuing” if it has not been waived in writing, in each case to the satisfaction of the Buyer.
- (d) A person who is not a party to this Agreement has no right to enforce or to enjoy the benefit of any term of this Agreement. No consent of any person who is not a party to this Agreement is required to rescind or vary this Agreement at any time.

2 Prepayment Facility

2.1 The Prepayment Facility

Subject to the terms of this Agreement, the Buyer agrees to make Advances to the Borrower in an aggregate amount not to exceed the Maximum Amount as a prepayment of the purchase price for the Products under the Commercial Contract. The Obligations may be repaid in whole or in part, and from time to time, either by cash repayment by the Borrower or by setting off amounts due to the Borrower from the Buyer as payment for deliveries by the Borrower of Products under the Commercial Contract (or by a combination thereof), all as set forth in Section 5.3.

2.2 Purpose

The Borrower shall use the proceeds of each Advance for the purposes of making capital expenditures which are approved by the Buyer prior to the date of each Advance.

3 Conditions Precedent

3.1 The Buyer shall not be obliged to make an Advance under this Agreement unless:

- (a) it has received this Agreement and the Commercial Contract in form and substance satisfactory to it;
- (b) it has received a duly completed Advance Request in form and substance satisfactory to it;
- (c) it has received such certificates, corporate authorizations and legal opinions in respect of the Borrower as the Buyer determines is necessary or desirable;
- (d) the representations and warranties in Section 9 (*Representations and Warranties*) are true and correct in all material respects and will be true and correct in all material respects immediately after such Advance is made and the undertakings in Section 10 (*Undertakings*) are being complied with;
- (e) on the date of the Advance Request and on the Advance Date, no Default or Termination Event has occurred and is continuing or would result or arise from the making of such Advance;

- (f) for each Advance after the first Advance hereunder, the Global Coverage Ratio shall be at least equal to 130% both prior to and following the making of such Advance;
- (g) for each Advance after the first Advance hereunder, the Liquidity Ratio shall be at least equal to 1.10:1.00 both prior to and following the making of such Advance;
- (h) the Buyer shall have received evidence satisfactory to it of the completion of prior planned workovers and reactivations achieving a success rate of 90% to confirm that the production of Products is at least 90% of the aggregate planned Products production rate as outlined in the Financial Model provided to the Buyer. For certainty, the success rate set forth above shall be evaluated by, upon completion of the planned activity associated with a specific project well, conducting an initial test with a subsequent quality follow-up test conducted two weeks thereafter;
- (i) the Borrower shall have provided daily production figures demonstrating that, accounting for decline and down-time, the overall production increase aligns with the well test measured figures;
- (j) the Buyer shall have approved the planned activities to be undertaken with the proceeds of such Advance;
- (k) it has received the most recent Financial Model;
- (l) there has been no event or circumstance (either individually or when taken as a whole) which in the Buyer's opinion is materially adverse to: (i) the ability of any party (other than the Buyer) to perform its obligations under the Transaction Documents to which it is party thereto; (ii) the rights or remedies of the Buyer under the Transaction Documents; or (iii) the business, operations, assets, revenues or prospects of the Borrower or any of its Affiliates or which results, or is reasonably likely to result, in any Transaction Document not being legal, valid and binding on, and enforceable substantially in accordance with its terms against, any party thereto (a "**Material Adverse Change**")
- (m) it has received the fees, costs and expenses due from the Borrower under this Agreement have been or will be paid on or prior to the Advance Date.

3.2 Section 3.1 is exclusively for the benefit of the Buyer and the Buyer shall be entitled in its discretion to suspend or waive any of its rights thereunder subject to such terms and conditions as it may see fit.

4 Financial Ratios

4.1 Global Coverage Ratio

The Borrower shall ensure that at all times from and after the date of the second Advance being made under this Agreement, the Global Coverage Ratio shall be greater than 130%. The Global Coverage Ratio shall be tested on the date of each Advance after the first Advance made hereunder and, after the date of the second Advance made hereunder, on each Test Date.

4.2 Liquidity Ratio

The Borrower shall ensure that at all times from and after the date of the second Advance being made under this Agreement, the Liquidity Ratio for each Test Quarter in the Test Period applicable to such Test Date shall be at least equal to 1.10:1.00. The Liquidity Ratio shall be tested on the date of each Advance after the first Advance made hereunder and, after the date of the second Advance made hereunder, on each Test Date.

5 Advances

5.1 Advance Drawdown

- (a) Subject to the terms of this Agreement, in respect of each Advance, the Buyer hereby agrees that during the Availability Period and subject to:
 - (i) it having received a duly completed and signed Advance Request not later than 11.30 a.m. (Calgary time) on the third (3rd) Business Day immediately preceding Business Day before the proposed Advance Date requesting such Advance to be made; and
 - (ii) the fulfilment of the conditions provided in Section 3 (*Conditions precedent*),

it will make such Advance as described in Section 5.1(b) below, in the requested principal amount less any amounts payable by the Borrower in accordance with Section 16 (Fees, costs and expenses), to the Borrower on the proposed Advance Date.
- (b) It is agreed that the Borrower is not entitled to request more than three (3) Advances, and the aggregate amount of all Advances shall not exceed the Maximum Amount.
- (c) In connection with each Advance, the Buyer shall provide an updated Schedule 2 which includes the information set forth therein for each such Advance, which updated Schedule 2 shall be acknowledged by the Borrower as being the then current Schedule 2.

5.2 Advance Request

An Advance Request is irrevocable and will not be regarded as duly completed unless:

- (a) the proposed Advance Date is a Business Day within the Availability Period;
- (b) the currency specified in the Advance Request is Canadian Dollars;
- (c) it outlines the uses of the proceeds of such Advance, and such uses have been approved by the Buyer;
- (d) the amount specified in the Advance Request (together with the aggregate amount provided in all prior Advance Requests provided by the Borrower) is equal to or less than the Maximum Amount; and
- (e) it specifies an account of the Borrower into which such Advance is to be made.

5.3 Scheduled Payments

- (a) Notwithstanding any occurrence of Force or any other circumstance or any other provisions of the Transaction Documents, the Borrower agrees to repay each Advance by making sufficient deliveries of Products during each Delivery Period prior to the Maturity Date for such Advance to enable the Buyer to deduct the Relevant Amount on the last day of each Delivery Period in accordance with the delivery and deduction schedule set out in Schedule 2.
- (b) The Buyer shall be entitled to deduct on the last day of each Delivery Period the Relevant Amount for each Advance for that Delivery Period plus any accrued interest and any other Unpaid Amounts from the purchase price for the Products delivered by the

Borrower pursuant to the Commercial Contract. The Buyer's obligation to pay for the Products under the Commercial Contract shall be satisfied and extinguished to the extent of such deductions.

- (c) The Buyer shall not be obliged to make such deductions where the deliveries or specifications of the Products are not in accordance with the terms of the Commercial Contract.
- (d) The Borrower shall ensure that, in each Delivery Period for an Advance, the Relevant Amount for each Advance for that Delivery Period plus any accrued interest and any other Unpaid Amounts is discharged by way of deductions in accordance with this Section and Schedule 2 or, failing this, by payment in cash in clear funds to the Buyer's account on or before the last day of such Delivery Period.
- (e) For certainty, all Obligations relating to an Advance outstanding on the Maturity Date in respect of such Advance are due and owing on such Maturity Date.

5.4 Voluntary Prepayment

The Borrower may, if it gives the Buyer not less than five (5) Business Days prior written notice, prepay in cash or by directing the Buyer to deduct the amount to be prepaid against any amounts payable to the Borrower under the Commercial Contract the whole or any part of all of the Advances (and if in part, being a minimum amount of \$100,000). Notwithstanding any prepayment of the Obligations in respect of an Advance prior to the Maturity Date for such Advance, for certainty, the Commercial Contract shall remain in full force and effect in accordance with its terms.

5.5 Mandatory Repayments

- (a) In addition to any other payments required to be made by the Borrower under this Agreement, the Borrower shall pay to the Buyer 100% of the Net Proceeds arising from any Disposition by the Borrower of all or any portion of the assets of the Borrower within five (5) Business Days of the receipt thereof. The Borrower shall give the Agent ten (10) Business Days prior written notice of any mandatory prepayment to this Section, including the amount of such mandatory prepayment (with reasonable evidence supporting such amount).
- (b) In addition to any other payments required to be made by the Borrower under this Agreement, the Borrower shall pay to the Buyer the full amount of the outstanding Advances, together with all accrued and unpaid interest thereon, and all other Obligations upon the occurrence of:
 - (i) a Change of Control; or
 - (ii) a change in operatorship of the assets of the Borrower such that the Borrower is not longer the sole legal and beneficial operator of any of the assets.

Any repayment made under this Section 5.5(b) shall be made in cash. Upon receipt of any repayment by the Buyer under this Section 5.5(b), the obligation of the Buyer to provide any further Advances shall immediately terminate (without any further notice).

5.6 Prepayment in accordance with Agreement

- (a) If any part of an Advance is prepaid or repaid in accordance with the provisions of this Agreement (other than pursuant to Section 5.3), then the Relevant Amounts falling after

that prepayment or repayment will reduce in inverse chronological order by the amount of the prepayment or repayment.

- (b) The Borrower shall not repay or prepay all or any part of any Advance except at the times and in the manner expressly provided for in this Agreement.
- (c) The Borrower may not reborrow any part of an Advance or Obligations which is repaid or prepaid by the Borrower.

5.7 Payment on Maturity

Notwithstanding anything to the contrary in this Agreement, in the event that the remaining balance of all of an Advance, together with accrued but unpaid interest and all other Obligations payable under any Transaction Documents in respect of such Advance have not been fully repaid on the Maturity Date in respect of such Advance, the Buyer, in its sole and absolute discretion, shall have the right (but not the obligation) to extend such Maturity Date by any amount of time to allow the Borrower a further opportunity to provide to the Buyer the balance of the Products required under the Commercial Contract, to the extent such Products remains outstanding.

6 Interest and Fees

6.1 Interest

- (a) Each interest period for an Advance shall be one (1) month (each an “**Interest Period**”) and no Interest Period shall extend beyond the Maturity Date in respect of the applicable Advance. An Interest Period for an Advance shall start on the date of such Advance or (if already made) on the last day of the preceding Interest Period and if an Interest Period would otherwise end on a day which is not a Business Day, that Interest Period will instead end on the next Business Day in that calendar month (if there is one) or the preceding Business Day (if there is not).
- (b) The Borrower shall pay interest on each Advance and the other Obligations at the Interest Rate.
- (c) Interest shall accrue daily on the outstanding amount of each Advance on the basis of actual days elapsed and a 360 day year commencing on the Advance Date until the full amount of such Advance is repaid in full. Interest shall accrue daily on the outstanding Obligations (other than the Advances) commencing on the date such Obligations are incurred until the full amount of the Obligations are repaid in full.
- (d) The Borrower shall pay accrued interest for each Interest Period no later than the last day of such Interest Period. At the Buyer's option, the Borrower's obligation to pay interest shall be discharged either by way of deduction as provided for in Section 5.3 above or by the Borrower paying interest in cash by telegraphic transfer to an account nominated by the Buyer.
- (e) A change in SOFR for each SOFR Period will simultaneously cause a corresponding change in the interest payable under this Agreement. Interest under this Agreement shall accrue and be calculated (but not compounded) on a daily basis and on the basis of a 360 day year.
- (f) If the Borrower fails to pay any amount payable by it under a Transaction Document on its due date, then interest shall accrue on such Unpaid Amount from the due date up to the date of actual payment (both before and after judgment) at the Default Rate. Any interest accruing under this Section 6.1(f) shall be immediately payable by the Borrower

on demand by the Buyer and may be discharged, at the option of the Buyer, by way of deduction as provided for in Section 5.3 or by cash. Default interest (if unpaid) arising on an Unpaid Amount shall be compounded with the Unpaid Amount daily but will remain immediately due and payable.

6.2 Upfront Fee

The Borrower shall pay to the Buyer an upfront fee calculated at 1.0% of the Maximum Amount, such fee being earned and payable on the Closing Date. Such fee shall be paid in at the same time as the payment of the first payment of the Relevant Amount by deducting the aggregate amount of such fee from the amounts due by the Buyer to the Borrower under the Commercial Contract.

6.3 Maximum Rate of Interest

If any provision of any Transaction Document would oblige the Borrower to make any payment of interest or other amount payable to the Buyer in an amount or calculated at a rate which would be prohibited by law or would result in a receipt by the Buyer of "interest" at a "criminal rate" (as such terms are construed under the Criminal Code (Canada)), then, notwithstanding such provision, such amount or rate shall be deemed to have been adjusted with retroactive effect to the maximum amount or rate of interest, as the case may be, as would not be so prohibited by applicable law or so result in a receipt by the Buyer of "interest" at a "criminal rate", such adjustment to be effected, to the extent necessary (but only to the extent necessary), first, by reducing the amount or rate of interest and thereafter, by reducing any fees, commissions, costs, expenses, premiums and other amounts required to be paid which would constitute interest for purposes of section 347 of the Criminal Code (Canada).

6.4 Waiver of Interest Provisions

To the extent permitted by law, any provision of the *Interest Act* (Canada) which restricts the rate of interest on any judgment debt shall be inapplicable to the Transaction Documents and is hereby waived by the Borrower.

6.5 *Interest Act* (Canada)

For purposes of the *Interest Act* (Canada), (i) whenever any interest or fee under this Agreement or any other Transaction Document is calculated using a rate based on a year of 360 days or 365 days (or such other period that is less than a calendar year), as the case may be, the rate determined pursuant to such calculation, when expressed as an annual rate, is equivalent to (x) the applicable rate based on a year of 360 days or 365 days (or such other period that is less than a calendar year), as the case may be, (y) multiplied by the actual number of days in the calendar year in which the period for which such interest or fee is payable (or compounded) ends, and (z) divided by 360 or 365 (or such other period that is less than a calendar year), as the case may be, (ii) the principle of deemed reinvestment of interest does not apply to any interest calculation under this Agreement or any other Transaction Document, and (iii) the rates of interest stipulated in this Agreement and the other Transaction Documents are intended to be nominal rates and not effective rates or yields

7 Illegality

7.1 If it becomes unlawful in any jurisdiction for the Buyer to perform any of its obligations as contemplated by the Transaction Documents or to fund, issue or maintain an Advance (whether pursuant to a funding agreement or otherwise) or if the Borrower is in default of Section 10.3 or Section 10.4, the Buyer may, by not less than 5 days' notice to the Borrower:

- (a) cancel the applicable Advance, whereupon such Advance will be immediately cancelled;
- (b) declare the applicable Advance, together with all Unpaid Amounts, to be due and payable, whereupon all such outstanding amounts will become due and payable on the date specified by the Buyer.

7.2 Any such notice under Section 7.1 will take effect in accordance with its terms.

8 Taxes and Indemnities

8.1 Tax Gross Up and Indemnity

- (a) All payments to the Buyer by the Borrower under any of the Transaction Documents shall be made free and clear of, and without any Tax Deductions imposed by any federal, provincial municipal, local, territorial or other taxing authority of Canada or any other relevant Canadian or foreign jurisdiction (or any political subdivision or taxing authority thereof), unless such Tax Deductions are required by applicable law to be deducted or withheld. If the Borrower shall be required by applicable law to deduct or withhold any such Tax Deductions from or in respect of any amount payable under any of the Transaction Documents (i) the amount payable shall be increased (and for greater certainty, in the case of interest, the amount of interest shall be increased) as may be necessary so that after making all required deductions or withholdings (including deductions or withholdings applicable to any additional amounts paid under this Section 8.1), the Buyer receives an amount equal to the amount it would have received if no such deduction or withholding had been made or required, (ii) the Borrower shall make such deductions or withholdings, and (iii) the Borrower shall immediately pay the full amount deducted or withheld to the relevant governmental authority in accordance with applicable laws, provided that no additional amounts shall be payable pursuant to this paragraph in respect of:
 - (i) any Tax that would not have been imposed but for the existence of any present or former connection between the Buyer and the relevant taxing jurisdiction, or the Buyer being or having been present or engaged in trade or business therein or having or having had a permanent establishment, office, fixed base or branch therein;
 - (ii) any Tax that would not have been imposed but for the delay or failure by the Buyer (following a written request by the Borrower) in the filing with the relevant taxing jurisdiction of forms that are required to be filed by the Buyer to avoid or reduce such Taxes (including for such purpose any refilings or renewals of filings that may from time to time be required by the relevant taxing jurisdiction), provided that the filing of such forms would not (in the Buyer's reasonable judgment) impose any unreasonable burden (in time, resources or otherwise) on the Buyer or result in any confidential or proprietary income tax return information being revealed, either directly or indirectly, to any person (other than the relevant taxing jurisdiction) and such delay or failure could have been lawfully avoided by the Buyer, and provided further that the Buyer shall be deemed to have satisfied the requirements of this clause upon the good faith completion and submission of

such forms (including refilings or renewals of filings) as may be specified in a written request of the Borrower no later than 60 days after receipt by the Buyer of such written request (accompanied by copies of such forms and related instructions);

- (iii) any Tax that would not have been imposed but for the Buyer not dealing at arm's length with the Borrower for the purposes of the *Income Tax Act* (Canada);
 - (iv) any Tax that would not have been imposed but for the Buyer being a "specified non-resident shareholder" (as defined in subsection 18(5) of the *Income Tax Act* (Canada)) of the Borrower or not dealing at arm's length for the purposes of the *Income Tax Act* (Canada) with such a "specified non-resident shareholder" of the Borrower; or
 - (v) any combination of clauses (i), (ii), (iii) or (iv) above.
- (b) The Borrower agrees to immediately pay any present or future stamp or documentary taxes or any other excise or property taxes, charges, financial institutions duties, debits taxes, Indirect Taxes or similar levies (all such taxes, charges, duties and levies being referred to as "**Other Taxes**") which arise from any payment made by the Borrower under any of the Transaction Documents or from the execution, delivery or registration of, or otherwise with respect to, any of the Transaction Documents.
- (c) The Borrower shall indemnify the Buyer for the full amount of Tax or Other Taxes (including, without limitation, any Tax or Other Taxes imposed by any governmental authority or taxing authority in respect of any relevant jurisdiction on amounts payable by the Borrower under this Section 8.1, but specifically excluding any Tax described in Section 8.1(a)(i) to (v) above) paid or payable or deemed paid or payable by the Buyer and any liability (including penalties, interest and expenses) arising from or with respect to such Tax or Other Taxes, whether or not they were correctly or legally asserted. Notwithstanding the foregoing sentence, the Borrower will be required to indemnify the Buyer only for any Tax or Other Taxes imposed by Canada or any other jurisdiction as a withholding tax by reason of the Buyer having executed, delivered, become a party to, performed its obligations under (including the making of Advances), received payments under, received or perfected a security interest under, engaged in any other transaction pursuant to, or enforced, any Transaction Documents and, for greater certainty, the Borrower will not be required to indemnify the Buyer for any Tax or Other Taxes (other than such withholding tax) arising or payable because the Buyer is connected with Canada or any relevant jurisdiction otherwise than as a result of Buyer having executed, delivered, become a party to, performed its obligations under, received payments under, received or perfected a security interest under, engaged in any other transaction pursuant to, or enforced, any Transaction Documents. Payment under this indemnification shall be made within thirty (30) days from the date the Buyer makes written demand for it setting out a calculation of the amount claimed in reasonable detail. A certificate as to the amount of such Tax or Other Taxes submitted to the Borrower or to a taxing authority by the Buyer shall be conclusive evidence, absent manifest error, of the amount due from the Borrower to the Buyer, as the case may be.
- (d) The Borrower shall furnish to the Buyer the original or a certified copy of a receipt evidencing payment of Tax or Other Taxes made by the Borrower within thirty (30) days after the date of any payment of Tax or Other Taxes.
- (e) The provisions of this Section 8.1 shall survive the termination of this Agreement and the repayment of all Advances and Obligations.

8.2 Other Indemnities

The Borrower shall, within 10 Business Days of demand, indemnify the Buyer against any cost (including the Buyer's funding costs), loss or liability incurred by the Buyer as a result of the exercise of any of the rights, powers, discretions, authorities and remedies vested in the Buyer by the Transaction Documents.

9 Representations and Warranties

The Borrower represents and warrants to the Buyer, acknowledging and confirming, in each case, that the Buyer is relying on such representations and warranties without independent inquiry in entering into this Agreement and providing each Advance that:

9.1 Status

The Borrower is duly authorized and validly existing as corporation under the laws of its jurisdiction of formation and capable of suing and being sued in its own name and has the full power, authority and capacity to enter into and perform its obligations under the Transaction Documents to which it is a party and any related documents;

9.2 Binding Obligations

The obligations of the Borrower under the Transaction Documents to which it is a party and/or related documents are legal, valid, binding and enforceable obligations in accordance with their terms;

9.3 No Conflict

The entry into and performance by the Borrower of the Transaction Documents to which it is a party and any related documents does not and will not (a) contravene or conflict with any law, rule or regulation in force in Alberta; (b) contravene or conflict with any of its constitutional documents or any borrowing or similar limit to which the Borrower is subject; or (c) breach any material agreement or material instrument to which the Borrower is a party or by which any of the Borrower's assets are bound or constitute a default, an event of default or a termination event (in each case, however described) under any such agreement or instrument;

9.4 Power and Authority

The Borrower has the power to enter into, perform and deliver, and has performed all corporate and other actions and has obtained from the relevant governmental authority in its jurisdiction of incorporation and the jurisdictions where its assets are located all authorizations as are necessary or expedient to ensure the legality, validity, enforceability and admissibility of, the Transaction Documents to which it is a party and any related documents against the Borrower and such authorizations are in full force and effect and duly complied with by the Borrower and are not the subject of any proceedings, claims or challenges in respect of their revocation, suspension, cancellation or disapplication;

9.5 Insolvency

No corporate action, legal proceeding or other procedure or step described in Sections 11.1(i) and 11.1(j) has been started or, to the best of the Borrower's knowledge and belief, threatened in relation to the Borrower;

9.6 No Termination Event

No Termination Event or default (howsoever described) is continuing or is reasonably likely to result from the making of the Advance or the entry into, the performance of or any transaction contemplated by, any Transaction Document;

9.7 Financial Condition

All financial statements delivered to the Buyer have been prepared in accordance with GAAP and give a true and fair view of the financial position of the Borrower as at the date to which they were prepared and for the period then ended;

9.8 No Debt Re-scheduling

The Transaction Documents and any related documents and, in particular, the prepayment arrangements under them are a trade transaction and are not, and will not be, subject to any debt rescheduling arrangements (sovereign or otherwise), expropriation or moratorium or (in each case) negotiations in respect thereof;

9.9 No Breach

The Borrower has not breached any law or regulation;

9.10 Transaction Documents and Products

There are no encumbrances or other contractual restrictions which may affect the rights and property the subject of the Transaction Documents; (ii) the Borrower is the sole legal and beneficial owner of the Products free from any claims, third party rights or competing interests; and (iii) no event or circumstance has taken place that will make any of the insurance policies taken out in respect of the Products void;

9.11 Each of the representations and warranties in Section 9.1 to Section 9.10, inclusive, is deemed to be made and repeated by the Borrower to the Buyer by reference to the facts and circumstances then existing on the date this Agreement, on the date of each Advance Request, each Advance Date and on each Test Date.

10 Undertakings

10.1 General Undertakings

The Borrower hereby irrevocably and unconditionally undertakes:

- (a) to procure and maintain all necessary and desirable authorisations for the sale, transportation and exportation of the Products; and
- (b) to take out, maintain, comply with the terms of and not invalidate the insurance policies taken out in respect of the Products;

10.2 Information Undertakings

- (a) The Borrower shall supply to the Buyer:
 - (i) within five (5) Business Days after the end of each calendar month, a compliance certificate signed by a senior officer of the Borrower in form and substance satisfactory to the Buyer which confirms, among other things, that the

representations and warranties in Section 9 (*Representations and Warranties*) are true and correct in all material respects, that the undertakings in Section 10 (*Undertakings*) are being complied with, and that there is no Default or Termination Event which has occurred and is continuing.

- (ii) within twenty (20) Business Days after the end of each Delivery Period, a report on the actual production volumes of Products by the Borrower;
 - (iii) as soon as the same become available (and in any event within one hundred eighty (180) days of the end of its financial year), the Borrower's audited financial statements for that period together with the applicable auditor's report;
 - (iv) upon request of the Buyer, a copy of any authorization or any other document required or desirable for the Borrower to sell, deliver and export Products to the Buyer under the Commercial Contract (including any export license) and if requested by the Buyer any such copy shall be certified;
 - (v) promptly upon any modification to any insurance policy or entry into any other insurance policies, in each case, relating to the Products, copies of such modifications or insurance policies and, promptly upon the Buyer's request, evidence that all premiums have been paid in respect thereof;
 - (vi) if requested by the Buyer, a written acknowledgement relating to any assignment of rights under any Transaction Document in such form as the Buyer may require; and
 - (vii) promptly, such further information regarding the financial condition, business and operations of the Borrower as the Buyer may reasonably request.
- (b) The Borrower will ensure that promptly upon becoming aware of the same, it notifies the Buyer of any Termination Event (and the steps, if any, being taken to remedy it) or any breach of, or Default under, any Transaction Document.
- (c) The Borrower shall notify the Buyer as soon as it is aware of any potential change of ownership of the Borrower or failing this, upon the occurrence of a change of ownership, in each case together with details of the exact nature of the change of ownership.

10.3 Sanctions

The Borrower undertakes that:

- (a) it shall comply in all respects with the economic or financial sanctions laws, regulations, embargoes or restrictive measures administered, enacted or enforced by Canada, the United Nations, the European Union, the United States, (upon its exit from the European Union) the United Kingdom, Switzerland, Singapore and any competent governmental authority, including without limitation, OFAC and the United States Department of State ("**Sanctions**") that are applicable to it;
- (b) it shall not knowingly (having made reasonable enquiries) use the proceeds of the Advance for the purpose of financing or making funds available if and to the extent such financing or provision of funds would be prohibited by applicable Sanctions or would otherwise, to the knowledge of the Borrower, cause the Buyer to be in breach of Sanctions applicable to it; and

- (c) it shall not knowingly (having undertaken relevant verifications) use any funds identified as derived directly from any activity or dealing with any person or entity for the purpose of discharging amounts owing to the Buyer in respect of the Advance to the extent such provision of funds would cause the Buyer to be in breach of Sanctions applicable to it.

10.4 Anti-money laundering, bribery and corruption

- (a) The Borrower and each of its Affiliates has implemented and maintains adequate internal procedures designed to ensure that neither it, nor its directors, officers, or employees shall authorize the receiving, giving or offering of any financial or other advantage with the intention of inducing or rewarding an individual or entity to improperly perform an activity undertaken in the course of an individual's employment or connected to an entity's business activities (in this Section, "**Anti-Corruption Controls**");
- (b) In connection with the performance of this Agreement, it and each of its Affiliates has not paid, received or authorized, and it will not pay, receive or authorize, any financial or other advantage or the offering thereof, to or for the benefit of any public official, civil servant, political party, political party official, candidate for office, or any other public or private individual or entity (including to the Buyer, its Affiliates, officers, directors and employees), where such payment, receipt or authorization would violate the Anti-Corruption Controls; and
- (c) The Borrower and each of its Affiliates has instituted and maintains reasonable and relevant policies and procedures designed to promote and achieve in relation to its business activities, compliance with all anti-money-laundering laws and regulations which are applicable to it in respect of each such business activity.

10.5 Negative Undertakings

The Borrower shall not:

- (a) create or permit to subsist any encumbrance over: (i) any of its assets which are subject to or expressed to be subject to any of the Transaction Documents; (ii) its rights, interests and obligations pursuant to the Transaction Documents or (iii) any of its rights or entitlement to the Products;
- (b) enter into a single transaction or a series of transactions (whether related or not) and whether voluntary or involuntary to Dispose of the Products or any assets used for the production of the Products if the same could be reasonably likely to affect the ability of the Borrower to perform its obligations under the Transaction Documents to which it is party; or
- (c) (and it shall ensure that none of its Affiliates will) enter into new prepayment or pre-export financings or similar financings which may affect the Borrower's ability to comply with the Transaction Documents.

11 Termination Events

11.1 The occurrence of any of the following shall be a Termination Event:

- (a) the Borrower does not pay on the due date any amount payable pursuant to a Transaction Document;
- (b) it is or will become illegal for the Borrower to comply with any of its obligations under the Transaction Documents;

- (c) the Borrower rescinds or purports to rescind or repudiates or purports to repudiate a Transaction Document to which it is a party whether in whole or in part;
- (d) the Borrower breaches any representation, warranty or undertaking in any Transaction Document;
- (e) any expropriation, compulsory acquisition, nationalisation, attachment, sequestration, distress or execution or any analogous process in any jurisdiction affects any asset or assets of the Borrower or any step is taken by any person or agency with a view to the same;
- (f) any indebtedness of the Borrower is: (i) not paid when due nor within any originally applicable grace period; (ii) declared to be (or a creditor of the Borrower becomes entitled to declare) or otherwise becomes due and payable prior to its specified maturity as a result of an event of default (however described);
- (g) a Material Adverse Change occurs;
- (h) there is any Change of Control;
- (i) if a judgment, decree or order of a court of competent jurisdiction is entered against the Borrower (i) adjudging the Borrower bankrupt or insolvent, or approving a petition seeking its reorganization or winding-up under the *Bankruptcy and Insolvency Act* (Canada), the *Companies' Creditors Arrangement Act* (Canada) or any other bankruptcy, insolvency, corporate or analogous law, or (ii) appointing a receiver, trustee, liquidator, or other person with like powers, over all, or substantially all, of the property of the Borrower, or (iii) ordering the involuntary winding up or liquidation of the affairs of the Borrower, or (iv) appointing any receiver or other person with like powers over all, or substantially all, of the property of the Borrower, unless, in any such case, such judgment, petition, order or appointment is stayed and of no effect against the rights of the Buyer within 30 days of its entry; or
- (j) if (i) an order or a resolution is passed for the dissolution, winding-up, reorganization or liquidation of the Borrower pursuant to applicable law, including applicable corporate law, or (ii) the Borrower institutes proceedings to be adjudicated bankrupt or insolvent, or consents to the institution of bankruptcy or insolvency proceedings against it under the *Bankruptcy and Insolvency Act* (Canada), the *Companies' Creditors Arrangement Act* (Canada) or any other bankruptcy, insolvency, corporate or analogous law, or (iii) the Borrower consents to the filing of any petition under any such law or to the appointment of a receiver, or other person with like powers, over all, or substantially all, of its respective property, or (iv) the Borrower makes a general assignment for the benefit of creditors, or becomes unable to pay its debts generally as they become due, or (v) the Borrower takes or consents to any action in furtherance of any of the matters described in Section 11.1(i) or Section 11.1(j).

11.2 On and at any time after the occurrence of a Termination Event the Buyer may, but is not obligated to:

- (a) terminate the Commercial Contract;
- (b) cancel all of the Advances at which time it shall immediately be cancelled;
- (c) declare that all or part of the Advances, together with all Unpaid Amounts be immediately due and payable by the Borrower to the Buyer in cash, at which time they shall become immediately due and payable by the Borrower; and/or

- (d) exercise any or all of its other rights, remedies, powers or discretions under the Transactions Documents.

12 Payments

12.1 Accounts

The Borrower shall make each payment due from it to the Buyer under each Transaction Document, for value on the due date at the time and in same day funds in Canadian Dollars in the place of payment. The Borrower waives any right it may have in any jurisdiction to pay any amount under the Transaction Documents in a currency or currency unit other than Canadian Dollars.

12.2 Business Days

Any payment which is due to be made on a day that is not a Business Day shall be made on the next Business Day in the same calendar month (if there is one) or the preceding Business Day (if there is not).

12.3 Partial Payments

If the Buyer receives a payment or delivery for application against amounts due in respect of the Transaction Documents that is insufficient to discharge all the amounts then due and payable by the Borrower thereunder, the Buyer shall apply that payment towards the obligations of the Borrower in any order as the Buyer may choose.

13 Set-off

- 13.1 All payments or Deliveries to be made by the Borrower under the Transaction Documents shall be calculated and be made without (and free and clear of any deduction for) set-off or counterclaim.

- 13.2 The Buyer may set off any matured obligation due from the Borrower against any matured obligations owed by the Buyer to the Borrower, regardless of the place of payment, booking branch or currency of either obligation. If the obligations are in different currencies, the Buyer may convert either obligation at a rate available to the Buyer in its usual course of business for the purpose of the set-off.

14 Notices

- 14.1 Any communication to be made under or in connection with the Transaction Documents shall be made in writing and, unless otherwise stated, may be made by electronic mail (email) or delivery of a letter to the addresses below.

- 14.2 The address of each Party for any communication or document to be made or delivered under or in connection with this Agreement shall be that set out next to its name below (or any substitute address, email or department or officer as the Party may notify to the other by not less than five (5) Business Days' notice):

In the case of the Buyer:

Trafigura Canada Limited
Suite 1700, 400 – 3rd Avenue SW
Calgary, Alberta, T2P 4H2

Attention: Iain Singer
Email: Iain.singer@trafigura.com and houstonlawyers@trafigura.com

and

In the case of the Borrower:

Cleo Energy Corp.
200, 118 8th Avenue S.W.
Calgary, AB T2P 1B4

Attention: Kellie D'Hondt
Email: kdhondt@cleoenergy.com

- 14.3 Each notice or other communication to be given under or in connection with this Agreement must be in English.

15 Miscellaneous

- 15.1 Any certificate or determination by the Buyer of a rate or amount or quantity or by the Borrower under this Agreement is, in the absence of manifest error, conclusive evidence of the matters to which it relates.
- 15.2 The Buyer shall be entitled to pass any information received by it under or in connection with the Transaction Documents to any third party in connection with any funding agreements or transactions contemplated thereby or in connection therewith.
- 15.3 This Agreement constitutes the entire agreement between the Parties relating to the subject matter of this Agreement and supersedes any preceding discussions, representations or minutes of meetings between the Parties. No waivers or variations of this Agreement or any waiver or variation of any of the terms or provisions of this Agreement shall be effective unless in writing and signed by the parties.
- 15.4 No delay or omission or failure to exercise any right or remedy under this Agreement shall be deemed to be a waiver of such right or remedy or acquiescence in the event giving rise to such right or remedy, but every such right and remedy may be exercised from time to time and so often as may be deemed expedient by the Party entitled to exercise such right or remedy.
- 15.5 If any provision of this Agreement is or becomes illegal, invalid or unenforceable in any jurisdiction, that shall not affect the legality, validity or enforceability in that jurisdiction of any other provision of this Agreement; or the legality, validity or enforceability in any other jurisdiction of that or any other provision of this Agreement.
- 15.6 The Borrower may not assign, transfer, or create any encumbrance over any of its rights or obligations under any Transaction Document. The Buyer may sell, assign, transfer or grant an interest in its rights and obligations under any Transaction Document to any person without the consent of the Borrower and the Buyer may create any encumbrance over any or all of its rights and obligations under this Agreement in favour of any person.
- 15.7 In the event there is any contradiction or inconsistency between the terms of this Agreement and the terms of the Commercial Contract, the terms of this Agreement shall prevail.
- 15.8 This Agreement may be executed in one or more counterparts (and by different Parties hereto in different counterparts), each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. Delivery by facsimile or other electronic transmission of

an executed counterpart of a signature page to this Agreement shall be effective as delivery of an original executed counterpart of this Agreement. The words "execution," "execute", "signed," "signature," and words of like import in or related to any document to be signed in connection with this Agreement shall be deemed to include electronic signatures, or the keeping of records in electronic form, each of which shall be of the same legal effect, validity or enforceability as a manually executed signature or the use of a paper based recordkeeping system, as the case may be, to the extent and as provided for in any applicable law, including, without limitation, as provided in Parts 2 and 3 of the *Personal Information Protection and Electronic Documents Act* (Canada), the *Electronic Commerce Act, 2000* (Ontario), the *Electronic Transactions Act* (British Columbia), the *Electronic Transactions Act* (Alberta), or any other similar laws based on the Uniform Electronic Commerce Act of the Uniform Law Conference of Canada. The Buyer may, in its discretion, require that any such documents and signatures executed electronically or delivered by facsimile or other electronic transmission be confirmed by a manually signed original thereof; provided that the failure to request or deliver the same shall not limit the effectiveness of any document or signature executed electronically or delivered by facsimile or other electronic transmission.

16 Fees, Costs and Expenses

- 16.1 Irrespective of whether an Advance is made, the Borrower shall pay to the Buyer all required fees in the amounts and on the dates set out in this Agreement. If an Advance has not been made, the Borrower's obligation to pay such arrangement fee shall be discharged by way of deduction from an Advance on the Advance Date.
- 16.2 The Borrower shall be solely responsible for all legal costs and other costs, charges and duties in relation to the negotiation, execution, performance and enforcement of the Transaction Documents, provided that such legal costs in respect of the negotiation and finalization of the Transaction Documents shall not exceed the amount of \$40,000. All stamp, documentary, registration or other like duties or taxes, including any penalties, additions, fines, surcharges or interest relating to those duties and taxes, which are imposed or chargeable on or in connection with this Agreement shall be borne by the Borrower.
- 16.3 All payments or consideration payable or to be made under this Agreement by the Borrower to the Buyer shall be deemed to be exclusive of any Indirect Tax. If any Indirect Tax is chargeable, the Borrower shall pay to the Buyer (in addition to and at the same time as the making of such payment or delivery of such consideration) an amount equal to the amount of the Indirect Tax and the Buyer shall provide the Borrower all such information as required for purposes of claiming any credit or refund under the applicable Indirect Tax. Where under this Agreement the Borrower is required to reimburse the Buyer for any costs or expenses, the Borrower shall also at the same time pay and indemnify the Buyer against all Indirect Tax incurred by the Buyer in respect of such costs and expenses.

17 Law and jurisdiction

17.1 Law

This Agreement and any non-contractual obligations connected with them shall be governed by and construed in accordance with the laws of Alberta and the federal laws of Canada applicable therein.

- 17.2 The courts of the Province of Alberta have exclusive jurisdiction to settle any dispute arising out of or in connection with this Agreement (including a dispute relating to the existence, validity or termination of this Agreement) or any non-contractual obligation arising out of or in connection with this Agreement (in this Section, a “**Dispute**”).
- 17.3 The Buyer shall not be prevented from taking proceedings relating to a Dispute in any other courts with jurisdiction. To the extent allowed by law, the Buyer may take concurrent proceedings in any number of jurisdictions.

[Remainder of page left intentionally blank]

IN WITNESS WHEREOF the Parties have executed this Agreement as of the Effective Date.

CLEO ENERGY CORP., as Borrower

By: 
Name: **Chris Lewis**
Title: **Chairman**

By: _____
Name: _____
Title: _____

TRAFIGURA CANADA LIMITED, as Buyer

By: _____
Name: _____
Title: _____

By: _____
Name: _____
Title: _____

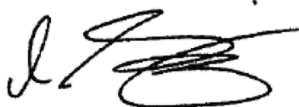
IN WITNESS WHEREOF the Parties have executed this Agreement as of the Effective Date.

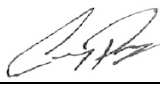
CLEO ENERGY CORP., as Borrower

By: _____
Name:
Title:

By: _____
Name:
Title:

TRAFIGURA CANADA LIMITED, as Buyer

By:  _____
Name: Iain Singer
Title: Director

By:  _____
Name: Corey Prologo
Title: Director

Schedule 1
Form of the Advance Request

From: Cleo Energy Corp.

To: Trafigura Canada Limited

Dated:

Dear Sirs

Prepayment Agreement dated July 9, 2024 (the "Prepayment Agreement")

1 We refer to the Prepayment Agreement. This is an Advance Request. Terms defined in the Prepayment Agreement shall have the same meaning in this Advance Request.

2 We wish to request the Advance on the following terms:

| | |
|------------------------|---|
| Proposed Advance Date: | <input type="text"/> (or, if that is not a Business Day, the next Business Day) |
| Currency | Canadian Dollars |
| Amount: | <input type="text"/> |

3 We confirm that each applicable condition specified in Section 3.1 (*Conditions precedent*) is satisfied on the date of this Advance Request.

4 The proceeds of the Advance should be credited to **[insert details of the Borrower's account]**.

5 This Advance Request is irrevocable.

Yours faithfully

.....

authorized signatory for Cleo Energy Corp.

Schedule 2
Payment Schedule

Advance 1

| Delivery Period From¹ | Delivery Period² To | Relevant Amount (Principal) | Outstanding Advance |
|---|---|--|--------------------------------|
| | | | |
| | | | |
| | | | |
| | | | -0.00 |

Advance 2

| Delivery Period From | Delivery Period To | Relevant Amount (Principal) | Outstanding Advance |
|---------------------------------|-------------------------------|--|--------------------------------|
| | | | |
| | | | |
| | | | |
| | | | -0.00 |

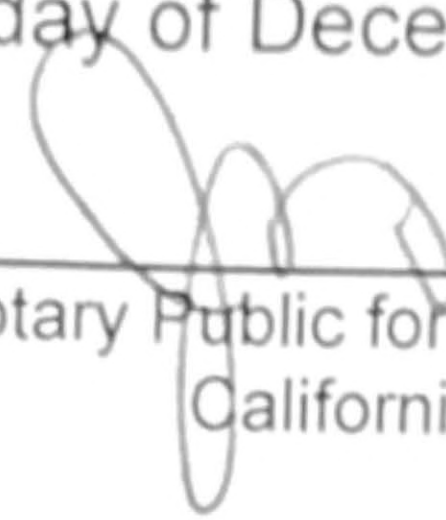
Advance 3

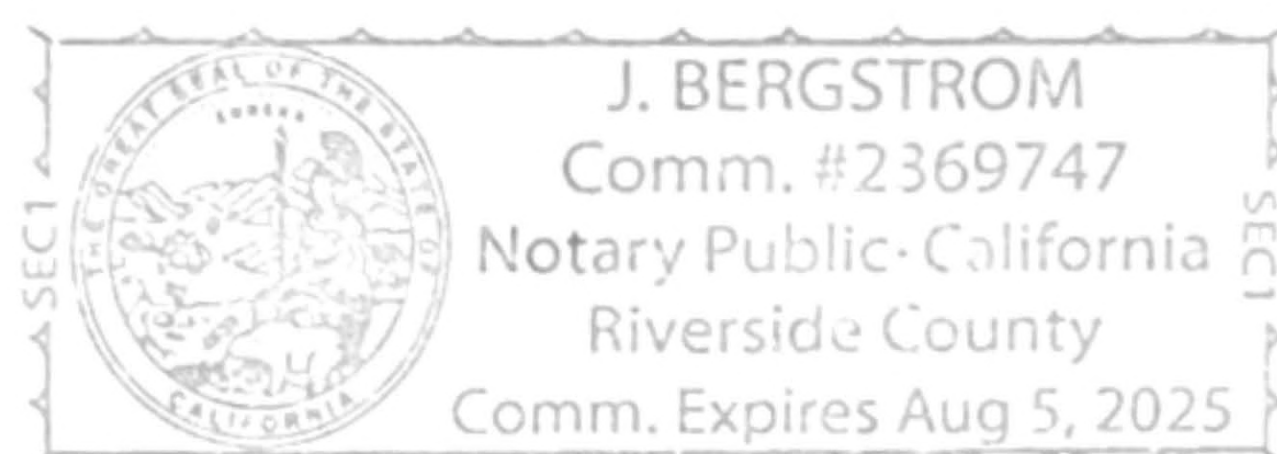
| Delivery Period From | Delivery Period To | Relevant Amount (Principal) | Outstanding Advance |
|---------------------------------|-------------------------------|--|--------------------------------|
| | | | |
| | | | |
| | | | |
| | | | -0.00 |

¹ Each Advance is meant to be paid in 12 equal installments prior to the Maturity Date for such Advance.

² The last day of the Delivery Period should match the last day of an Interest Period so that Trafigura does not incur break costs. If any amount is deducted or paid on a day that is not the last day of an Interest Period and Trafigura does incur break costs then it will be indemnified under clause 3.5.

Exhibit "D" to the Affidavit of
Chris Lewis
Sworn/Affirmed before me this
23rd day of December, 2024


A Notary Public for the State of
California



B301-163430



Industry Canada
Office of the Superintendent
of Bankruptcy Canada

Industrie Canada
Bureau du surintendant
des faillites Canada



C120748
MB

District of Alberta
Division No. 02 - Calgary
Court No. 25-3163430
Estate No. 25-3163430

In the Matter of the Notice of Intention to make a proposal of:

CLEO Energy Corp.

Insolvent Person

ALVAREZ & MARSAL CANADA INC.

Licensed Insolvency Trustee

Date of the Notice of Intention:

December 08, 2024

CERTIFICATE OF FILING OF A NOTICE OF INTENTION TO MAKE A PROPOSAL
Subsection 50.4 (1)

I, the undersigned, Official Receiver in and for this bankruptcy district, do hereby certify that the aforementioned insolvent person filed a Notice of Intention to Make a Proposal under subsection 50.4 (1) of the Bankruptcy and Insolvency Act;

Pursuant to subsection 69. (1) of the Act, all proceedings against the aforementioned insolvent person are stayed as of the date of filing of the Notice of Intention.

Date: December 09, 2024, 11:44

E-File/Dépôt Electronique

Official Receiver

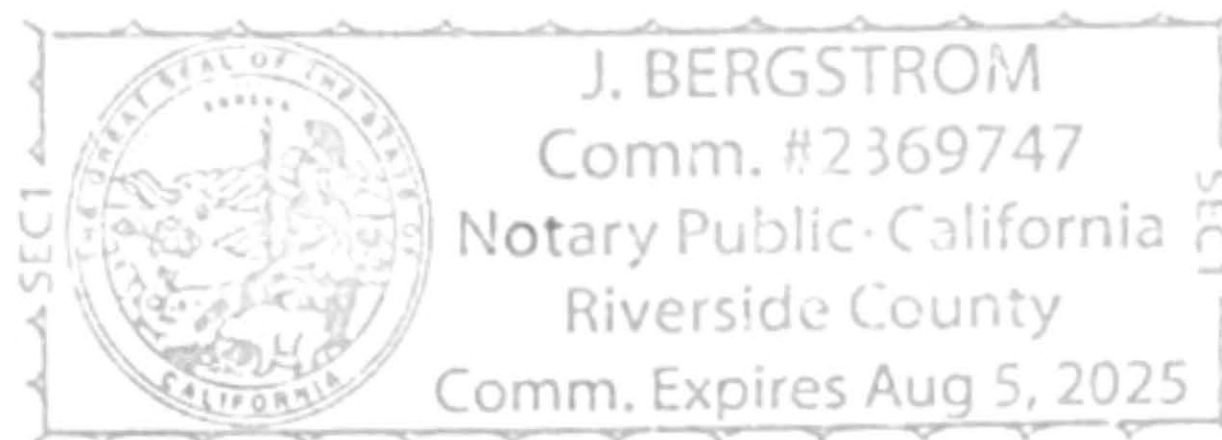
Harry Hays Building, 220 - 4th Ave SE, Suite 478, Calgary, Alberta, Canada, T2G4X3, (877)376-9902



Exhibit "E" to the Affidavit of
Chris Lewis
Sworn/Affirmed before me this
23rd day of December, 2024



A Notary Public for the State of
California





CLEO Energy Corp.

Financial Statements

December 31, 2023

(in thousands of Canadian dollars)

CLEO Energy Corp.
Statement of Financial Position
(unaudited)

(in thousands of Canadian dollars)

| As at | December 31 2023 | December 31 2022 |
|---|---------------------|---------------------|
| Assets | | |
| Current assets | | |
| Cash and cash equivalents | 2,505 | - |
| Trade and other receivables (Note 5) | 4,346 | 5,395 |
| Other assets | 61 | 72 |
| Deposits and prepaid expenses | 868 | 803 |
| Due from related parties (Note 20) | 790 | 1,341 |
| Total current assets | 8,570 | 7,611 |
| Property, plant and equipment (Note 6) | 7,200 | 14,783 |
| Right-of-use asset (Note 7) | 1,596 | 4,032 |
| Due from related parties (Note 20) | 4,646 | 4,371 |
| Total assets | 22,012 | 30,797 |
| Liabilities | | |
| Current liabilities | | |
| Overdraft | - | 643 |
| Lease obligations (Notes 8, 20) | 381 | 899 |
| Accounts payable and accrued liabilities (Note 9) | 20,928 | 19,738 |
| Current portion of contract liability (Note 10) | 216 | 154 |
| Current portion of long-term debt (Note 11) | 4,401 | 1,676 |
| Total current liabilities | 25,926 | 23,110 |
| Lease obligations (Notes 8, 20) | 1,411 | 3,228 |
| Contract liability (Note 10) | 80 | 202 |
| Decommissioning obligations (Note 12) | 11,554 | 10,638 |
| Shareholder loan (Note 20) | 419 | 505 |
| Long-term debt (Note 11) | 193 | 862 |
| Total liabilities | 39,583 | 38,545 |
| Shareholder's Deficit | | |
| Share capital (Note 14) | - | - |
| Retained deficit | (17,571) | (7,748) |
| Total shareholders' deficit | (17,571) | (7,748) |
| Total liabilities and shareholders' deficit | 20,012 | 30,797 |

The accompanying notes are an integral part of these financial statements.

Approved on behalf of the Board of Directors:

Chris Lewis
Director

CLEO Energy Corp.
Statement of Income (Loss)
(unaudited)

(in thousands of Canadian dollars)

| | For the year ended December 31 | |
|---|-----------------------------------|---------|
| | 2023 | 2022 |
| Revenue | | |
| Oil and natural gas (Note 15) | 22,397 | 37,579 |
| Royalties | (4,038) | (8,673) |
| Revenue from commodity sales | 18,359 | 28,906 |
| Other income (Note 16) | 2,690 | 1,691 |
| Loss on financial instruments (Notes 5, 10, 13) | (237) | (256) |
| Total revenue and other income | 20,812 | 30,341 |
| Government grant funding | 59 | 1,111 |
| Expenses | | |
| Production and operating (Note 21) | 19,323 | 22,317 |
| Transportation | 423 | 467 |
| General and administrative (Note 20, 21) | 3,861 | 2,402 |
| Finance expense (Note 17) | 3,175 | 1,775 |
| Depletion and depreciation (Notes 6, 7) | 3,705 | 2,415 |
| Loss on dispositions (Note 6 & 7) | 207 | - |
| Total expenses | 30,694 | 29,376 |
| (Loss) income before taxes | (9,823) | 2,076 |
| Income taxes expense | | |
| Deferred income tax expense (Note 19) | - | - |
| Net (loss) income | (9,823) | 2,076 |

The accompanying notes are an integral part of these financial statements.

CLEO Energy Corp.
Statement of Changes in Deficit
(unaudited)

(in thousands of Canadian dollars)

| | Number of common shares | Share capital (\$000s) | Retained deficit (\$000s) | Total deficit (\$000s) |
|-----------------------------|-------------------------------|---------------------------|---------------------------------|---------------------------|
| Balance – January 1, 2022 | 200,000,000 | - | (9,824) | (9,824) |
| Net loss | - | - | 2,076 | 2,376 |
| Balance – December 31, 2022 | 200,000,000 | - | (7,748) | (7,748) |
| Net income | - | - | (9,823) | (9,823) |
| Balance – December 31, 2023 | 200,000,000 | - | (17,571) | (17,571) |

The accompanying notes are an integral part of these financial statements.

CLEO Energy Corp.
Statement of Cash Flows
(unaudited)

(in thousands of Canadian dollars)

| | For the year ended December 31 | |
|--|-----------------------------------|---------|
| | 2023 | 2022 |
| Operating activities | | |
| Net (loss) income for the period | (9,823) | 2,076 |
| Adjustments for non-cash items: | | |
| Depletion and depreciation (Notes 6, 7) | 3,705 | 2,415 |
| Loss on sale of asset (Note 6) | 207 | - |
| Accretion expense (Note 17) | 1,579 | 1,383 |
| Unrealized loss (gain) on financial instruments (Note 10) | 237 | 256 |
| Other non-cash items | (462) | - |
| Government grant funding (Notes 12, 21) | (59) | (1,111) |
| Decommissioning obligations incurred (Note 12) | (747) | (1,734) |
| Changes in non-cash working capital (Note 18) | 2,162 | (1,502) |
| Cash flow from (used in) operating activities | (3,201) | 1,783 |
| Investing activities | | |
| Expenditures on property, plant and equipment (Note 6) | (415) | (3,117) |
| Proceeds from dispositions (Note 6) | 5,632 | - |
| Changes in non-cash working capital (Note 18) | - | 449 |
| Cash flow from (used in) investing activities | 5,217 | (2,668) |
| Financing activities | | |
| Increase in long-term debt (Note 11) | 13,663 | 3,760 |
| Repayment of long-term debt (Note 11) | (11,247) | (2,031) |
| Repayment of principal relating to lease obligations (Notes 8, 17) | (1,198) | (1,221) |
| Increase in shareholder loan (Note 20) | 129 | 835 |
| Repayment of shareholder loan (Note 20) | (215) | (800) |
| Cash flow from (used in) financing activities | 1,132 | 543 |
| Change in overdraft during the period | 3,148 | (342) |
| Overdraft – Beginning of period | (643) | (301) |
| Overdraft – End of period | 2,505 | (643) |
| Cash interest paid (Note 17) | 1,278 | 263 |

The accompanying notes are an integral part of these financial statements.

(in thousands of Canadian dollars)

1 Reporting entity

The principal undertakings of CLEO Energy Corp. ("CLEO" or "the Company"), are to carry on the business of acquiring, developing and holding interests in petroleum and natural gas properties and assets in the Western Canadian Sedimentary basin.

CLEO was incorporated in Alberta, Canada and the Company's head office is located at 200 – 117 8th Avenue SW in Calgary, Alberta.

2 Basis of presentation

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). The financial statements have been prepared on a historical cost basis, except as detailed in the accounting policies disclosed in Note 3 Significant Accounting Policies.

The Financial Statements were authorized for issue by the Board of Directors on [July 31], 2024.

Use of estimates

The preparation of the financial statements requires Management to use judgments, estimates and assumptions that affect the reported amounts of assets, liabilities and the disclosure of contingencies at the date of the financial statements, and revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimated. Significant estimates and judgements used in the preparation of the financial statements are detailed in Note 4 Management Judgements and Estimation Uncertainty.

Functional and presentation currency

CLEO's functional and presentation currency is Canadian dollars.

3 Significant accounting policies

The accounting policies set out below have been applied consistently to all years presented in these financial statements.

Cash and cash equivalents

Cash, overdraft and cash equivalents include cash on hand.

Financial instruments

CLEO's financial assets and financial liabilities are classified into two categories: Amortized Cost and Fair Value through Profit and Loss ("FVTPL"). The classification of financial assets is determined by their context in CLEO's business model and by the characteristics of the financial asset's contractual cash flows. Financial assets and financial liabilities are measured at fair value on initial recognition, subsequent measurement is dependent on the financial instrument's classification.

- Amortized cost

Cash and cash equivalents, accounts receivable, due from related parties, accounts payable, accrued liabilities, long term debt and shareholder loan are measured at amortized cost. The contractual cash flows received from the financial assets are held within a business model whose objective is to collect the contractual cash flows. The financial assets and liabilities are subsequently measured at amortized cost using the effective interest rate method.

- FVTPL

Derivative liabilities are measured initially at FVTPL and are subsequently measured at fair value with changes in fair value immediately charged to the Statement of Income (Loss).

- Impairment of financial assets

Impairment of financial assets is determined by measuring the assets' expected credit loss ("ECL"). Accounts receivable are due within one year or less and a lifetime ECL is measured at the date of initial recognition and reassessed at each reporting date. ECL's are a probability-weighted estimate of all possible default events related to the financial asset and are measured as the difference between the present value of the cash flows due to the Company and the cash flows expected to be received. The carrying amounts of the financial assets are reduced by the amount of the ECL through an allowance account and losses are recognized within general and administrative ("G&A") expense in the Statement of Income (Loss). ECL allowances have not been recognized for cash and cash equivalents due to the virtual certainty associated with their collection.

Property, plant and equipment

Items of PP&E, which include oil and gas development and production assets and corporate assets, are measured at cost less accumulated depletion, depreciation and amortization ("DD&A") and accumulated impairment charges.

Depletion of development and production ("D&P") assets is calculated on a unit of production basis relative to total proved and probable reserves.

Right-of-use assets are depreciated on a straight-line basis over the life of the operating lease.

Capitalization of exploration and development costs

CLEO capitalizes all costs that are directly attributable to bringing an asset to the location and condition necessary for it to be capable of use in the manner intended by Management.

Impairment of non-financial assets

- PP&E

CLEO's only cash generating unit (CGU) is reviewed at each reporting date for indicators of potential impairment and, in the case of previous impairments, reversals of those impairments. If such indicators exist, an impairment test is performed by comparing the carrying value to recoverable amount. Any excess of carrying value over the recoverable amount is recognized in the Statements of Income (Loss) as impairment.

Dispositions

Gains on disposal of assets are determined by comparing the proceeds from disposal with the carrying amount of the assets held for sale and are recognized separately in the Statement of Income (Loss).

Depletion, depreciation and amortization

Development and production assets are stated at cost less accumulated depreciation, depletion, and impairment losses, net of recoveries. Development and production assets include all direct costs associated with the development and production of crude oil and natural gas properties.

Costs accumulated are depleted using the unit-of-production method based on estimated total proved and probable reserve volumes before royalties. Estimated future costs to be incurred in developing proved and probable reserves are included in the depletion base.

Expenditures related to renewals or betterments that improve the productive capacity or extend the life of an asset are capitalized. Where an asset or part of an asset that was separately depreciated is replaced and it is probable that the future economic benefits associated with the item will flow to the Company, the expenditure is capitalized and the carrying amount of the replaced asset is derecognized.

Decommissioning obligations

Provisions for decommissioning and restoration obligations associated with CLEO's assets are recognized as decommissioning obligations. These obligations are measured at the present value of Management's best estimate of expenditures required to settle the liability as at the date of the balance sheet. On a periodic basis, Management reviews these estimates and changes, if any, are applied prospectively. The change in fair value of the estimated obligations is recognized as an increase or decrease to the liability, with a corresponding increase or decrease to the carrying amount of the related asset.

The capitalized amount in PP&E is depreciated on a unit-of-production basis over the life of the proved plus probable reserves. The long-term liability is increased each reporting period with the passage of time and the associated accretion charge is recognized in the Statement of Income (Loss). Period revisions to the credit adjusted discount rate, estimated timing of cash flows or to the estimated undiscounted cost can also result in an increase or decrease to the obligation and the related asset. Actual costs incurred upon settlement of the obligation are recorded against the obligation to the extent of the liability recognized.

Income taxes

Income tax expense comprises current and deferred income taxes. Current and deferred income tax expense is recognized in the Statement of Income (Loss).

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognized using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse based on the laws that have been enacted or substantively enacted by the reporting date.

Deferred tax assets and tax liabilities are offset to the extent that there is a legally enforceable right to set off the recognized amounts and the intent is to either settle on a net basis or to realize the asset and settle the liability simultaneously.

A deferred tax asset is recognized for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants in its principal or most advantageous market at the measurement date. To estimate the fair value of its financial instruments, CLEO uses quoted market prices when available, or third-party models and valuation methodologies that use observable market data. CLEO's risk management contracts are carried at fair value on the balance sheet. Fair value less costs of disposal is also calculated to determine the recoverable amount of non-financial assets.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are further categorized using a three-level hierarchy that reflects the significance of the lowest level of inputs used in determining fair value:

- Level 1 – quoted prices are available in active markets for identical assets or liabilities as of the reporting date. Active markets are those in which transactions occur in sufficient frequency and volume to provide pricing information on an ongoing basis.
- Level 2 – pricing inputs are other than quoted prices in active markets included in Level 1. Prices in Level 2 are either directly or indirectly observable as of the reporting date. Level 2 valuations are based on inputs, including quoted forward prices for commodities, time value and volatility factors, which can be substantially observed or corroborated in the marketplace.
- Level 3 – valuations in this level are those with inputs for the asset or liability that are not based on observable market data.

At each reporting date, CLEO determines whether transfers have occurred between levels in the hierarchy by reassessing the level of classification for each financial asset and financial liability measured or disclosed at fair value in the Financial Statements based on the lowest level input that is significant to the fair value measurement. Assessment of the significance of a specific input to the fair value measurement requires judgment and may affect the placement within the fair value hierarchy.

Revenue from commodity sales

Cleo sells its production pursuant to fixed and variable-price contracts. The transaction price for fixed price contracts represents the stand-alone selling price per the contract terms. The transaction price for variable priced contracts is based on the commodity price, adjusted for quality, location or other factors, whereby each component of the pricing formula can be either fixed or variable, depending on the contract terms. Under its contracts, Cleo is required to deliver fixed or variable volumes of crude oil, natural gas and natural gas liquids to the contract counterparty. The amount of revenue recognized is based on the agreed transaction price, whereby any variability in revenue relates specifically to the Company's efforts to transfer production, and therefore the resulting revenue is allocated to the production delivered in the period during which the variability occurs. As a result, none of the variable consideration is considered constrained. The Company recognizes revenue when a performance obligation is satisfied by transferring control of a promised good or service to a customer. The contracts generally have a term of one year or less, whereby delivery occurs throughout the contract period.

Government grants

Government grants are recognized when there is reasonable assurance that the Company will comply with conditions attaching to the grant, and that the grant will be received. Grants related to income are presented in the Statement of Income (Loss) and are deducted in reporting the related expense. Grants relating to assets are presented in the Consolidated Balance Sheet by deducting the grant in arriving at the carrying amount of the asset.

4 Management judgements and estimation uncertainty

The timely preparation of Financial Statements in accordance with IFRS requires Management to use judgments, estimates and assumptions. These estimates and judgments are subject to change and actual results could differ from those estimated. The key sources of estimation uncertainty that have a significant risk of causing material adjustments to the reported amounts of assets, liabilities, revenues, expenses, and the disclosure of contingencies are discussed below.

Crude oil and natural gas reserves and resources

There are several inherent uncertainties associated with estimating reserves and resources. Reserve and resource estimates are based on engineering data, estimated future prices, expected future rates of production and the timing and amount of future expenditures, all of which are subject to many uncertainties, interpretations and judgments. Estimates reflect market and regulatory conditions existing at December 31, 2023 and December 31, 2022, which could differ significantly from other points in time throughout the year, or future periods.

Recoverability of asset carrying values

Management applies judgment in assessing the existence of indicators of impairment and reversal of impairment based on various internal and external factors. The recoverable amount of a CGU or of an individual asset is determined as the greater of its fair value less costs of disposal and its value in use. The key estimates the Company applies in determining an acceptable range of recoverable amounts normally includes information on future commodity prices, expected production volumes, quantity of reserves and resources, future development and operating costs, discount rates, and income taxes.

Key input estimates used in the determination of cash flows from oil and gas reserves include the following:

- **Commodity prices** – forward price estimates related to oil and natural gas commodities are used in the cash flow model. Commodity prices have fluctuated widely in recent years due to global and regional factors including supply and demand fundamentals, inventory levels, exchange rates, weather, and economic and geopolitical factors.
- **Discount rate** – the discount rate used to calculate the net present value of cash flows is based on estimates of an approximate industry peer group weighted average cost of capital. Changes in the general economic environment could result in significant changes to this estimate.

Depletion of assets

Depletion of assets is determined based on total proved plus probable reserves as well as future development costs as estimated by CLEO's Independent Qualified Reserves Evaluator ("IQRE").

Lease Arrangements

Management applies judgment in reviewing each of its contractual arrangements to determine whether the arrangement contains a lease. Leases that are recognized are subject to further management judgment and estimation in various areas specific to the arrangement, including the lease term and discount rate. In determining the lease term to be recognized, Management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not to exercise a termination option. Where the rate implicit in a lease is not readily determinable, the discount rate of lease obligations is estimated using a discount rate similar to CLEO's company-specific incremental borrowing rate. This rate represents the rate that CLEO would incur to obtain the funds necessary to purchase an asset of a similar value, with similar payment terms and security in a similar economic environment.

Decommissioning obligations

The provision for site restoration and abandonment is based on current legal and constructive requirements, technology, price levels and expected plans for remediation. Actual costs and cash outflows can differ from estimates because of changes in laws and regulations, market conditions, discovery and analysis of site conditions and changes in technology.

Fair value of financial instruments

The estimated fair value of financial instruments is reliant upon a number of estimated variables including forward curves for commodity prices, foreign exchange rates and interest rates, as well as volatility curves and risk of non-performance. A change in any one of these factors could result in a change to the overall estimated valuation of the instrument.

Income taxes

Tax regulations and legislation are subject to change and there are differing interpretations requiring Management judgment. Deferred tax assets are recognized when it is considered probable that the deductible temporary differences will be recovered in future periods, which requires Management judgment. Deferred tax liabilities are recognized when it is considered probable that temporary differences will be payable to tax authorities in future periods, which requires Management judgment. Income tax filings are subject to audits and re-assessments and changes in facts, circumstances and interpretations of the standards may result in material increase or decrease in the Company's provision for income taxes.

Sale of royalty interests

When the Company sells a royalty interest linked to production at a specific property, judgement is required in assessing the appropriate accounting treatment of the transaction on the closing date and in future periods. We consider the specific terms of each arrangement to determine whether we have disposed of an interest in the reserves of the respective property. This assessment considers whether the counterparty is entitled to the associated risks and rewards attributable to them over the life of the property including the contractual terms and implicit obligations related to production over the life of the property, the holder of the royalty having the option of either being paid in cash or in kind and the associated commitments, if any, to develop future expansions or projects at the property.

5 Financial assets and credit risk

Credit risk is the risk of financial loss to CLEO if a partner or counterparty to a product sales contract or financial instrument fails to meet its contractual obligations. CLEO is exposed to credit risk with respect to its accounts receivable, due from related party amount and cash and cash equivalents. Most of CLEO's accounts receivable relate to joint ventures and commodity sales and are subject to typical industry credit risks.

For the period ended December 31, 2023, CLEO had three external customers (December 31, 2022 – three) which collectively represented all commodity sales from production. These customers are Canadian oil and natural gas marketers and accounted for \$1.1 million of the trade receivables as at December 31, 2023 (December 31, 2022 – \$1.9 million). Receivables from oil and gas marketers are collected on the 25th day following month of production.

Joint interest receivables are typically collected within one to three months following production. The Company mitigates its credit risk with respect to joint venture receivables by obtaining pre-approval of significant capital expenditures. The Company can withhold production from joint venture partners in the event of non-payment.

As at December 31, 2023 and December 31, 2022, the Company's trade and other receivables is aged as follows:

| (\$000s) | December 31 2023 | December 31 2022 |
|------------------------------|---------------------|---------------------|
| Current (less than 90 days) | 1,987 | 3,598 |
| Past due (more than 90 days) | 2,359 | 1,797 |
| Total | 4,346 | 5,395 |

The Lifetime ECL pertaining to accounts receivable is assessed at initial recognition and re-assessed at each reporting date. In making an assessment as to whether the financial assets are credit-impaired, the Company considers historically realized bad debts, evidence of a debtor's present financial condition and whether a debtor has breached certain contracts, the probability that a debtor will enter bankruptcy or other financial reorganization, changes in economic conditions that correlate to increased levels of default and the number of days a debtor is past due in making a contractual payment. As at December 31, 2023, the carrying amounts of the assets have been reduced by the amount of \$0.5 million (December 31, 2022 – \$0.5 million) through an allowance with a corresponding loss recognized within general and administrative expense in the Statement of Income.

6 Property, plant and equipment

| Cost (\$000s) | P&NG Assets | Corporate Assets | Total |
|--|---------------|------------------|---------------|
| Balance – January 1, 2022 | 18,162 | 1,151 | 19,313 |
| Revision in decommissioning obligation | 3,617 | - | 3,617 |
| Additions | 3,117 | - | 3,117 |
| Balance – December 31, 2022 | 24,896 | 1,151 | 26,047 |
| Revision in decommissioning obligation | 603 | - | 603 |
| Additions | 415 | - | 415 |
| Dispositions | (11,959) | - | (11,959) |
| Balance – December 31, 2023 | 13,956 | 1,151 | 15,107 |
| Accumulated DD&A (\$000s) | | | |
| Balance – January 1, 2022 | 9,122 | 412 | 9,534 |
| DD&A | 1,616 | 114 | 1,730 |
| Balance – December 31, 2022 | 10,738 | 526 | 11,264 |
| DD&A | 2,757 | 113 | 2,870 |
| Dispositions | (6,227) | - | (6,227) |
| Balance – December 31, 2023 | 7,269 | 639 | 7,907 |
| Carrying amounts (\$000s) | | | |
| Balance – December 31, 2022 | 14,158 | 625 | 14,783 |
| Balance – December 31, 2023 | 6,688 | 512 | 7,200 |

Future development costs to develop proved plus probable undeveloped reserves of \$59.5 million were included in the depletion calculation of petroleum and natural gas properties as at December 31, 2023 (December 31, 2022 – \$59.5 million).

In December 31, 2023, the Company sold certain midstream assets and undeveloped land in the Fabyan area for gross proceeds of \$5.5 million and recognized \$0.2 million of loss from disposition. As part of the transaction, Cleo also disposed two equipment leases and derecognized the associated right of use assets and lease liabilities, which resulted in further \$0.3 million of loss.

As at December 31, 2023 and December 31, 2022, there were no indicators of impairment.

7 Right-of-use asset

CLEO recognizes right-of-use assets and corresponding lease liabilities related to its office space and leased equipment.

| Cost (\$000s) | Head office | Equipment | Total |
|-----------------------------|--------------|------------|--------------|
| Balance – January 1, 2022 | 3,366 | 890 | 4,256 |
| Additions | - | 1,990 | 1,990 |
| Balance – December 31, 2022 | 3,366 | 2,880 | 6,246 |
| Additions | - | - | - |
| Disposals | - | (2,533) | (2,533) |
| Balance – December 31, 2023 | 3,366 | 347 | 3,713 |

| Accumulated DD&A (\$000s) | | | |
|-----------------------------|--------------|-----------|--------------|
| Balance – January 1, 2022 | 1,430 | 101 | 1,531 |
| Depreciation on ROU assets | 318 | 365 | 683 |
| Balance – December 31, 2022 | 1,748 | 466 | 2,214 |
| Depreciation on ROU assets | 318 | 516 | 834 |
| Disposals (see Note 6) | - | (931) | (931) |
| Balance – December 31, 2023 | 2,066 | 51 | 2,117 |

| Carrying amounts (\$000s) | | | |
|-----------------------------|--------------|------------|--------------|
| Balance – December 31, 2022 | 1,618 | 2,414 | 4,032 |
| Balance – December 31, 2023 | 1,300 | 296 | 1,596 |

In addition to the disposals of two equipment leases as part the sale of certain Fabyan assets (Note 6), the Company terminated two equipment lease agreements during 2023, and recorded \$0.3 million of income to gain on dispositions.

8 Lease arrangement

The Company has lease liabilities for contracts related to its office space and vehicle leases.

| (\$000s) | |
|-----------------------------|--------------|
| Balance – January 1, 2022 | 2,885 |
| Additions | 1,990 |
| Accretion | 473 |
| Repayments | (1,221) |
| Balance – December 31, 2022 | 4,127 |
| Disposals (see Notes 6 & 7) | (1,587) |
| Accretion | 450 |
| Repayments | (1,198) |
| Balance – December 31, 2023 | 1,792 |

| | |
|---------------------------------------|-------|
| Lease obligations due within one year | 381 |
| Lease obligations due beyond one year | 1,411 |

Scheduled as follows:

- 2024 - \$0.5 million
- 2025 - \$0.5 million
- 2026 - \$0.5 million
- 2027 and thereafter - \$0.6 million

9 Accounts payable and accrued liabilities

The accounts payable and accrued liabilities balance is comprised of:

| As at (\$000s) | December 31 2023 | December 31 2022 |
|--------------------------|---------------------|---------------------|
| Trade and other payables | 9,024 | 11,126 |
| Joint venture payables | 5,937 | 4,553 |
| Royalty payables | 1,249 | 888 |
| Land payables | 1563 | 334 |
| Accrued liabilities | 3,153 | 2,837 |
| Total | 20,926 | 19,738 |
| Current | 20,926 | 19,738 |
| Non-current | - | - |

10 Contract liability

A contract liability was recorded on the sale of a royalty interest that is accounted for as a financial liability measured at fair value through profit and loss (Note 6).

Changes to the contract liability balance during the period are as follows:

| | |
|---------------------------------|-------|
| (\$000s) | |
| Balance as at December 31, 2021 | 162 |
| Accretion | 13 |
| Repayments | (75) |
| Unrealized gain on revaluation | 256 |
| Balance as at December 31, 2022 | 356 |
| Accretion | 24 |
| Repayments | (321) |
| Unrealized loss on revaluation | 237 |
| Balance as at December 31, 2023 | 296 |
| Current | 216 |
| Non-current | 80 |

11 Long-term debt

| (\$000s) | December 31 2023 | December 31 2022 |
|-----------------------------------|---------------------|---------------------|
| Sales-and-leaseback transactionst | 929 | 1,740 |
| Loans | 3665 | 798 |
| Total | 4,594 | 2,538 |
| Current | 4,401 | 1,676 |
| Non-current | 193 | 862 |

Sales-and-leaseback transactions

The Company has entered into sale-and-leaseback transactions whereby CLEO has the right to repurchase the assets and therefore retains control of the asset.

During the second quarter of 2024, Cleo entered into sale-and-leaseback transactions for gross proceeds of \$1.2 million. CLEO has the right to repurchase the leaseback assets and therefore retains control. Proceeds from the transactions have been used primarily towards reduction of working capital deficits. The terms of the transactions range from 4 months to 24 months.

During the fourth quarter of 2023, Cleo used a portion of the proceeds from the Fabyan asset sale (Note 7) to repurchase certain leaseback assets for \$1.1 million.

As at December 31, 2023, the assets remain in the Statement of Financial Position and the Company has a financial liability of \$0.9 million (December 31, 2022 – \$1.7 million) measured at amortized cost. The implied interest rates on the transactions range from 10.1% to 40%. As at December 31, 2023, a current obligation was recorded for \$0.7 million (December 31, 2022 – \$0.9 million) representing the amounts to be repaid within twelve months of the balance sheet date. The remaining balance will be repaid in 2024 and 2025. There are no financial covenants associated with the sales-and-leaseback transactions.

Loans

During the year ended December 31, 2023, the Company received \$3.0 million lending from various counterparties. Total repayments made during the year ended December 31, 2023 were \$2.3 million (December 31, 2022 – \$0.6 million). The principal and accrued interest repayments of \$1.7 million expected to be made over the twelve months following December 31, 2023 have been classified as a current obligation in the Statement of Financial Position. There are no financial covenants associated with the loans.

During the third quarter of 2024, Cleo entered into a trade receivable financing agreement ("Facility"). Cleo may borrow up to \$1.5 million or 80% of its assigned trade receivables, whichever is lower ("Borrowing Cap"). Borrowings under this Facility bear 0.1% daily interest rate. Repayment of the borrowings (in whole or in part) occur when cash is received for the assigned trade receivables. Cleo may borrow and repay repeatedly during the term of the agreement as long as the amount outstanding stays within the Borrowing Cap. The agreement is in full effect until terminated by either party with a 30-day notice period. As of the date of this financial statements, Cleo has \$1.5 million outstanding under the Facility, plus \$0.3 million of accrued interests.

The principal balances and accrued interest owing at December 31, 2023 and December 31, 2022 are:

| | December 31 2023 | December 31 2022 |
|-------------------|---------------------|---------------------|
| (\$000s) | | |
| Principal balance | 3,110 | 620 |
| Accrued interest | 555 | 178 |
| Total | 3,665 | 798 |

12 Decommissioning obligations

Total decommissioning obligations were estimated by Management based on CLEO's net ownership interest in all wells and facilities, estimated costs to reclaim and abandon the wells and facilities and the estimated timing of the costs to be incurred in future periods. The Company has estimated the net present value of the decommissioning obligations to be \$11.6 million at December 31, 2023 (December 31, 2022 – \$10.6 million) based on an undiscounted total future liability of \$39.6 million (December 31, 2022 – \$40.1 million). These payments are expected to be made over the next 10 to 45 years with most costs to be incurred between 2030 and 2040. The Company's credit adjusted interest rate of 10.0% and inflation rate of 2.0% (December 31, 2022 – 10.0% and 2.0%, respectively) were used to calculate the present value of the decommissioning obligation at December 31, 2023.

| | |
|-------------------------------|---------|
| (\$000s) | |
| Balance at January 1, 2022 | 8,965 |
| Liabilities acquired | 810 |
| Liabilities settled | (2,160) |
| Government grant funding | (1,111) |
| Revisions to estimates | 3,237 |
| Accretion | 896 |
| Balance at December 31, 2022 | 10,637 |
| Liabilities acquired | 21 |
| Liabilities disposed | (6) |
| Liabilities settled | (747) |
| Government grant funding | (59) |
| Revisions to estimates | 603 |
| Accretion | 1,105 |
| Balance at December 31, 2023 | 11,554 |
| Undiscounted future liability | |
| December 31, 2022 | 40,097 |
| December 31, 2023 | 39,654 |

13 Financial instruments

CLEO manages its capital structure and makes changes in response to economic conditions and risk characteristics of its underlying assets. CLEO may change its capital structure by issuing new shares or new debt. CLEO's objective with respect to managing its capital is to maintain a structure allowing it to:

- fund development and exploration programs; and
- provide financial flexibility to execute on strategic opportunities.

Financial instruments

Financial instruments of the Company include cash and cash equivalents, accounts receivable, deposits, due from related parties, accounts payable and accrued liabilities, shareholder loan, contract liabilities, and long-term debt. The Company is exposed to financial risks arising from its financial assets and liabilities that include credit and liquidity risk in addition to the market risks associated with commodity prices, and interest and foreign exchange rates. Net income (loss), cash provided by (used in) operating activities and the fair value of financial assets and liabilities may fluctuate due to movement in market prices or as a result of the Company's exposure to credit and liquidity risks.

CLEO's net income (loss) includes the following unrealized losses on financial instruments:

| (\$000s) | For the year ended December 31 | |
|--|-----------------------------------|-------|
| | 2023 | 2022 |
| Unrealized loss on financial instruments | (237) | (256) |

Fair value measurements

The Company has derivative financial instruments classified as Level 2 measurements in the three-level fair value measurement hierarchy.

There were no transfers between levels in the fair value hierarchy for the periods ended December 31, 2023 and December 31, 2022. The carrying values of CLEO's cash and cash equivalents, accounts receivable, accounts payable and accrued liabilities as at December 30, 2023 and December 31, 2022 approximate their fair values. Refer to Note 3 Significant Accounting Policies for information on fair value hierarchy classifications.

Foreign exchange risk

North American crude oil and natural gas prices are based upon US dollar-denominated commodity prices. As a result, the price received by Canadian producers is affected by the Canadian \$ / US \$ foreign exchange rate that may fluctuate over time.

Liquidity risk

Liquidity risk is the risk that CLEO will not be able to meet its financial obligations as they become due. The Company's financial liabilities include overdraft, accounts payable and accrued liabilities, shareholder loan and financing arrangements. The Company manages its liquidity risk through short-term financing and long-term debt, and actively manages production and the capital expenditure budgeting process.

The following table details CLEO's financial liabilities as at December 31, 2023:

| (\$000s) | < 1 year | 1 to 2 years | Total |
|--|----------|--------------|--------|
| Overdraft | - | - | - |
| Accounts payable and accrued liabilities | 20,928 | - | 20,928 |
| Shareholder loan | - | 419 | 419 |
| Long-term debt | 4,401 | 193 | 4,594 |
| Total financial liabilities | 25,329 | 612 | 25,941 |

The timing of lease obligation settlements are scheduled in Note 8.

The following table details CLEO's financial liabilities as at December 31, 2022:

| (\$000s) | < 1 year | 1 to 2 years | Total |
|--|----------|--------------|--------|
| Overdraft | 643 | - | 643 |
| Accounts payable and accrued liabilities | 19,738 | - | 19,738 |
| Shareholder loan | - | 505 | 505 |
| Long-term debt | 1,676 | 862 | 2,538 |
| Total financial liabilities | 22,057 | 1,367 | 23,424 |

14 Share capital

As at December 31, 2023 and December 31, 2022, the Company was authorized to issue an unlimited number of common voting shares at par value. There were no share issuances or redemptions in the periods ending December 31, 2023 and December 31, 2022.

| | December 31, 2023 | | December 31, 2022 | |
|-------|-------------------|-----------------|-------------------|-----------------|
| | Number of shares | Amount (\$000s) | Number of shares | Amount (\$000s) |
| Total | 200,000,000 | - | 200,000,000 | - |

15 Revenue

A breakdown of oil and natural gas revenue is as follows:

| | For the year ended December 31 | |
|------------------------------|-----------------------------------|--------|
| (\$000s) | 2023 | 2022 |
| Crude oil | 19,839 | 31,650 |
| Natural gas | 2,357 | 5,477 |
| Natural gas liquids | 201 | 452 |
| Revenue from commodity sales | 22,397 | 37,579 |

16 Other income

A breakdown of other income is as follows:

| | For the year ended December 31 | |
|-------------------|-----------------------------------|-------|
| (\$000s) | 2023 | 2022 |
| Processing income | 2,573 | 1,587 |
| Other | 117 | 104 |
| Other income | 2,690 | 1,691 |

17 Finance expense

A breakdown of finance expense is as follows:

| (\$000s) | For the year ended December 31 | |
|--|-----------------------------------|-------|
| | 2023 | 2022 |
| Interest expense | 1,278 | 263 |
| Accretion on decommissioning obligations | 1,105 | 896 |
| Accretion on lease liabilities | 450 | 474 |
| Accretion on contract liability | 24 | 13 |
| Other interest and penalties | 318 | 129 |
| Finance expense | 3,175 | 1,775 |

18 Supplemental cash flow information

Changes in non-cash working capital is comprised of:

| (\$000s) | For the year ended December 31 | |
|--|-----------------------------------|---------|
| | 2023 | 2022 |
| Trade and other receivables | 1,049 | (2,148) |
| Other assets | 11 | 55 |
| Deposit and prepaid expenses | (65) | (705) |
| Due from related parties | 278 | (318) |
| Long-term receivables | 1,190 | - |
| Accounts payable and accrued liabilities | 21 | 2,136 |
| Contract liability | (321) | (73) |
| Change in non-cash working capital | 2,163 | (1,053) |

19 Income taxes

The net income tax provision differs from that expected by applying the combined federal and provincial income tax rates of 23.0% (2022 – 23.0%).

| (\$000s) | For the year ended December 31 | |
|--|-----------------------------------|-------|
| | 2023 | 2022 |
| Net income (loss) before income tax | (9,823) | 2,076 |
| Expected income tax rate | 23.0% | 23.0% |
| Expected income tax expense (recovery) | (2,259) | 477 |
| Non-deductible expenses | 60 | 10 |
| Change in unrecognized deferred income tax asset | 2,199 | (851) |
| Adjustment to prior period | - | 500 |
| Tax affect from change in tax rates | - | - |
| Other | - | (136) |
| Income tax expense | - | - |

20 Related party transactions

Key management personnel compensation

The compensation relating to key management personnel is as follows:

| (\$000s) | For the year ended December 31 | |
|---|-----------------------------------|-------|
| | 2023 | 2022 |
| Salary and short-term employee benefits | 1,150 | 1,131 |

At December 31, 2023, the Company has a non-interest bearing loan outstanding of \$0.4 million (December 31, 2022 – \$0.5 million) with an executive officer of the Company.

Other related party transactions

The Company has transactions with several companies related by virtue of common control.

Intercompany balances at December 31, 2023 and December 31, 2022 are:

| (\$000s) | December 31 2023 | December 31 2022 |
|--------------------------|---------------------|---------------------|
| | | |
| Current | 790 | 1,341 |
| Non-current | 4,646 | 4,371 |
| Due from related parties | 5,436 | 5,712 |

The current portion of \$0.8 million as at December 31, 2023 (December 31, 2022 – \$1.3 million) primarily relates to amounts prepaid to a company under common control in connection with the lease of its office space. During the twelve months ended December 31, 2023, \$0.5 million (twelve months ended December 31, 2022 - \$0.5 million) was paid in connection with the lease.

21 Government grants

The Government of Alberta's Site Rehabilitation Program ("SRP") provides grant funding through service providers to abandon or remediate oil and gas sites. During the year ended December 31, 2023, the Company derecognized approximately \$0.1 million of asset retirement obligations as an in-kind grant (\$1.1 million – December 31, 2022). The benefit of the grant is recognized on the Statement of Income (Loss).

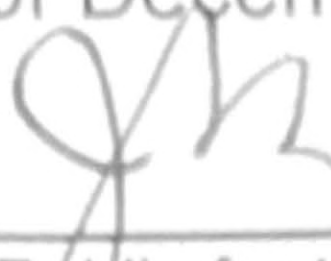
22 Contingencies

The Company is involved in litigation and claims arising in the normal course of operations.

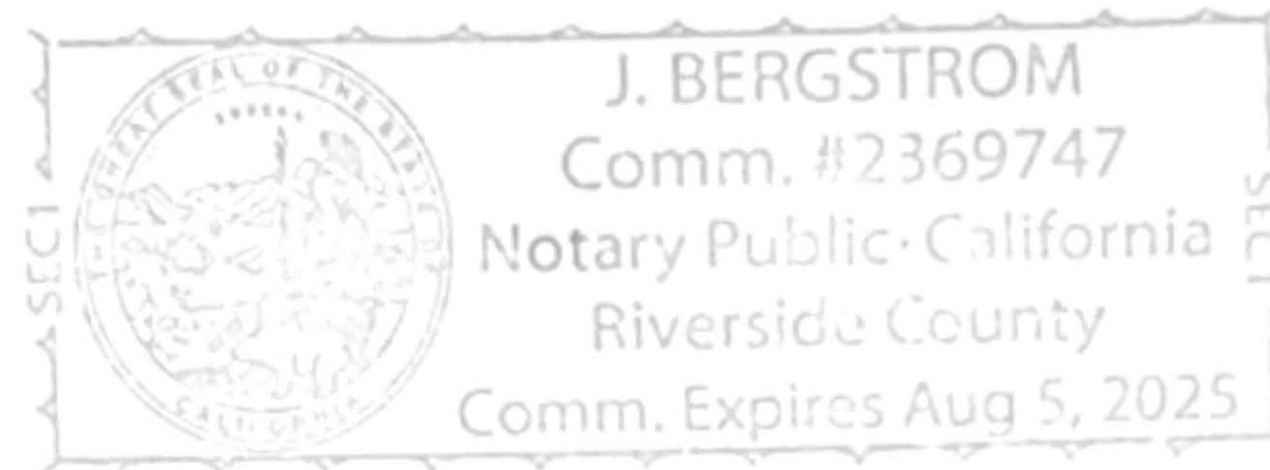
23 Comparative Figures



Certain comparative figures have been restated to be consistent with the current year's presentation.

Exhibit "F" to the Affidavit of
Chris Lewis
Sworn/Affirmed before me this
23rd day of December, 2024



A Notary Public for the State of
California



| | | | | | | | |
|---|------------|---|-----------|--|------------------|----------------|-----------------|
| CLEO Energy Corp. | | | | | | | |
| 5-Week Cash Flow Forecast ending January 10, 2025 | Notes | Week 1 | Week 2 | Week 3 | Week 4 | Week 5 | 5-week total |
| \$CAD 000's | week ended | 13-Dec-24 | 20-Dec-24 | 27-Dec-24 | 3-Jan-25 | 10-Jan-25 | Total |
| Cash Receipts | | | | | | | |
| Sales (production settlement) | 1 | - | - | 791,916 | - | - | 791,916 |
| Total cash receipts | | - | - | 791,916 | - | - | 791,916 |
| Cash Disbursements | | | | | | | |
| Payroll and benefits | 2 | 78,157 | - | 158,840 | 10,000 | 800 | 247,797 |
| Operating and transportation | 3 | - | - | 131,700 | 24,500 | - | 156,200 |
| Mineral & Surface Leases | 4 | - | - | 9,622 | 24,489 | - | 34,111 |
| Utilities | 5 | - | - | 125,000 | - | - | 125,000 |
| Repairs and maintenance | 6 | - | - | - | 79,689 | - | 79,689 |
| Royalties | 7 | - | - | - | 5,000 | - | 5,000 |
| General and administrative | 8 | - | - | 62,240 | 525 | 8,740 | 71,505 |
| Professional fees | 9 | - | - | 150,000 | - | - | 150,000 |
| Total cash disbursements | | 78,157 | - | 637,402 | 144,203 | 9,540 | 869,302 |
| Net Cash Flow | | (78,157) | - | 154,514 | (144,203) | (9,540) | (77,386) |
| Net Change in Cash | | | | | | | |
| Beginning of period | | 78,157 | - | - | 154,514 | 10,311 | 78,157 |
| Net cash flow | | (78,157) | - | 154,514 | (144,203) | (9,540) | (77,386) |
| Ending of period | | - | - | 154,514 | 10,311 | 771 | 771 |
| UNAUDITED CASH FLOW FORECAST PREPARED BY MANAGEMENT, MUST BE READ IN CONJUNCTION WITH THE NOTES AND ASSUMPTIONS & PROPOSAL TRUSTEE'S REPORT ON THE CASH FLOW STATEMENT | | | | | | | |
|  | |  | | | | | |
| Chris Lewis | | December 18, 2024 | | December 18, 2024 | | | |
| Director | | Date | | Orest Konowalchuk, CPA, CA , CIRP, LIT | | Date | |
| | | | | Senior Vice President | | | |

In the Matter of the Notice of Intention
to make a Proposal of
CLEO Energy Corp.

**Notes to the Consolidated Statement of Cash Flow for the 5-week
period ending January 10, 2025**

Purpose and General Assumptions of the Cash Flow Statement

CLEO Energy Corp. (“**CLEO**” or the “**Company**”) has prepared this Cash Flow Statement and the accompanying Notes to the Cash Flow Statement (collectively the “**Cash Flow Statement**”) in support of the proposal proceedings that has been filed under the Bankruptcy and Insolvency Act (“**BIA**”) on December 8th, 2024.

The Company has prepared the Cash Flow Statement based on probable and hypothetical assumptions that reflect the Company’s planned course of action for the period from December 8, 2024 to January 10, 2025 (the “**Cash Flow Period**”). Management is of the opinion that, as at the date of filing the Cash Flow Statement, the assumptions used to develop the projection represent the most probable set of economic conditions facing the Company and that the assumptions used proved a reasonable basis for and are consistent with the purpose of the Cash Flow Statement.

The information contained in the Cash Flow Statement is subject to changing assumptions and/or receipt of new or additional information; actual results may vary. This Cash Flow Statement should not be used for any other purpose, and creditors are cautioned that the information provided in the Cash Flow Statement could vary based on changing future circumstances.

The projected cash flow statement is prepared in Canadian dollars.

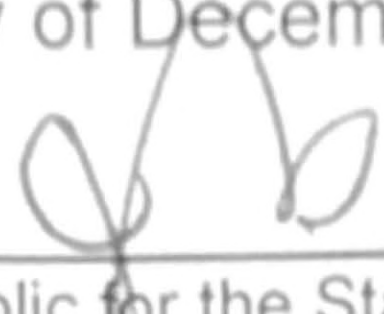
Hypothetical and Probable Assumptions of the Cash Flow Statement

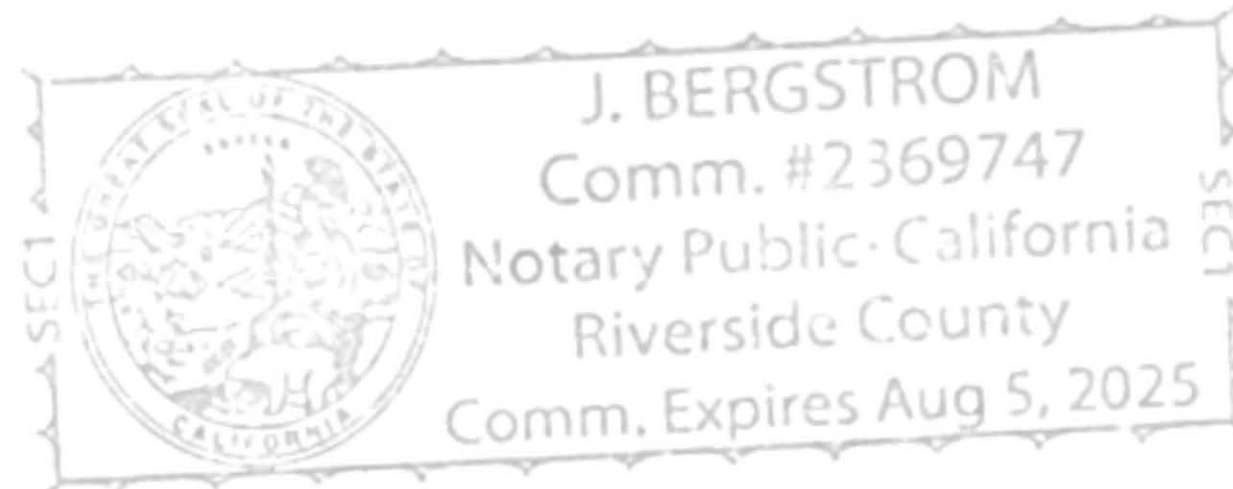
1. Sales consist of forecast oil and gas receipts based on forecast production at strip pricing as of December 6, 2024. Proceeds from production are generally received on the 25th day of the following month (or the following business day). Receipts are shown net of any working partner interest and take-in-kind royalties and include collection of 5% GST.
2. Payroll and benefits include wages and benefits for thirteen (13) full time employees and six (6) independent contractors. The employees and independent contractors are paid on a semi-monthly basis.
3. Operating and transportation expenses include payments for contract operators, consultants, and other operating costs such as trucking, chemicals, and related services. These expenses were estimated based on historical data. The vendor list was reviewed and analyzed with the assumption that some vendors may require COD payment terms.
4. Mineral and Surface Lease payments relate to Crown and Freehold lease payments required under existing arrangements.
5. Utilities consist of payments to TransAlta for the Company's monthly power consumption. The Company typically makes installment payments of approximately \$100,000 to TransAlta in the middle of the month, with the remaining balance paid at the end of the month. The payment

stipulated in the Cash Flow Period represents a deposit to open a post-filing account and is based on approximately 50% of historical monthly consumption.

6. Estimated repair costs related to damages from a break in at the Silver Heights location. The Company expects to be repaid these amounts by its insurance provider outside of the Cash Flow Period.
7. Pre-filing royalties and GST remittances have been shown as unpaid, subject to the stay of proceedings. Pending further review, these amounts may have priority claims but will remain unpaid, unless they are determined to be paid with the consent of various secured creditors or by order of the Court of King's Bench of Alberta (the "**Court**"). Post-filing freehold royalties have been forecast to be paid in the Cash Flow Period.
8. General and administrative costs include payments for the Company's software subscriptions, monthly rent for its Calgary-based head office, and insurance coverage, which was bound in August 2024, and is paid monthly.
9. Professional fees include the fees and costs of counsel to CLEO and the Proposal Trustee.

Exhibit "G" to the Affidavit of
Chris Lewis
Sworn/Affirmed before me this
23rd day of December, 2024


A Notary Public for the State of California



Purchase & Sale Agreement

THIS AGREEMENT is made as of the 22 day of June, 2023.

BETWEEN:

Cleo Energy Corp (hereinafter called the "**Client**") a corporation incorporated under the laws of Alberta,

- And -

1992169 Alberta Ltd. (hereinafter called "**Rise Capital**") a corporation incorporated under the laws of Alberta

RECITALS:

WHEREAS Client desires to obtain financing by selling and assigning to RISE CAPITAL acceptable accounts receivable;

NOW THEREFORE THIS AGREEMENT WITNESSETH that, in consideration of the mutual covenants contained herein and for other good and valuable consideration (the receipt and sufficiency of which are hereby acknowledged by each party), the parties hereby agree as follows:

1 DEFINITIONS

Capitalized terms, whenever used in this Agreement or in any Addendum referred to herein or attached hereto and not otherwise defined herein or therein, shall have the meanings ascribed thereto in Addendum no. 1.

2 OFFERS

2.1 Client may from time to time, at its option, offer to sell, transfer and assign Approved Accounts to RISE CAPITAL .

2.2 The performance by RISE CAPITAL of its obligations under this Agreement is, in addition to any other terms and conditions contained in this Agreement, subject to satisfaction of the following term and condition which is included herein for the sole benefit of RISE CAPITAL and which may be waived in whole or in part by RISE CAPITAL in its sole and absolute discretion:

RISE CAPITAL shall have received the following in form and substance satisfactory to it:

- (a) Copies of the charter documents, by-laws, shareholders agreement, if any, and resolution of the board of directors of Client authorizing the transactions herein contemplated certified to be true and complete by an officer of Client;
- (b) A certificate of incumbency of Client, together with specimen signatures of the signatories of Client;
- (c) Certificates of good standing issued by appropriate government officials of the jurisdiction of incorporation of Client; and
- (d) Such other certificates and documentation as RISE CAPITAL may request in a form satisfactory to RISE CAPITAL or Rise Capital's legal counsel.

2.3 Each offer to sell Accounts to RISE CAPITAL shall be in writing substantially in the form set out in the attached SCHEDULE OF ACCOUNTS (see Schedule "A") and shall be accompanied by the documents listed in Addendum no. 2.

2.4 Each offer to sell Accounts shall be subject to the terms and conditions of this Agreement and shall remain open for Rise Capital's acceptance in writing for a period of five Business Days or such further period of time as RISE CAPITAL may agree in writing. Once an offer has been made, it shall be irrevocable by Client until RISE CAPITAL either accepts or declines to accept it in accordance with section 3.1. If RISE CAPITAL does not accept or decline to accept an offer within the period referred to above, RISE CAPITAL shall be deemed to have declined to accept the offer.

3 ACCEPTANCE AND ASSIGNMENT

3.1 In relation to any Account offered to RISE CAPITAL by Client, acceptance shall be constituted by Rise Capital's dispatching a confirmation to Client by facsimile, mail or courier in the form set out in the attached SCHEDULE OF ACCOUNTS (see Schedule "A") confirming Rise Capital's agreement to purchase such Account, accompanied by a cheque payable to Client as hereinafter calculated as the Purchase Price. If requested in writing by Client, RISE CAPITAL may pay the Purchase Price for any Accounts purchased by it by wire transfer to Client's account with the bank indicated on the attached Schedule "B".

3.2 Upon Rise Capital's acceptance of any Accounts offered to it by Client, such Accounts are hereby transferred and assigned to RISE CAPITAL , together with all rights under or in relation to the contracts to which the Accounts relate, including all liens or other rights in any Goods, materials or products that are to be supplied, all Instruments, Chattel Paper, Documents of Title, Securities, deeds, documents, writings, papers, books of account, other books, electronic and magnetic records and other records evidencing, recording or appertaining to the Instruments, Chattel Paper or Documents of Title, guarantees and security interests taken or held by Client to secure the performance of any or all of the obligations of the Account Debtor/Debtors, and including all Proceeds thereof, and Client's right to rescind or terminate those contracts or to accept a return of any Goods or other materials supplied

under the contracts (collectively, the "**Corresponding Rights**"), and Client shall execute such other assignment documents to confirm same in a form provided by RISE CAPITAL. By the said assignment Client shall have transferred to RISE CAPITAL absolutely all of its right, title and interest in and to the Accounts and the Corresponding Rights purchased by RISE CAPITAL.

3.3 RISE CAPITAL is not obligated to buy any Account from Client and shall have no liability to Client or any Account Debtor/Debtors as a result of its failure or refusal to purchase an Account.

3.4 Client hereby irrevocably appoints RISE CAPITAL as its attorney to execute (including the power to execute under Client's seal) and deliver in Client's name all Instruments, Chattel Paper, Documents of Title, deeds or other documents that RISE CAPITAL may consider necessary or advisable in order to convey Rise Capital's title in any Account purchased by it and/or in any Corresponding Rights or perfect any security in respect thereof, and may supply any endorsement to any cheque or other Instrument relating to an Account in order to obtain payment therefor, and the power of attorney granted hereby shall be deemed to be coupled with an interest.

3.5 If, for any reason whatsoever, the transfer and absolute assignment referred to in section 3.2 is not fully and properly effected, until such time as an effective formal assignment of each Account and all Corresponding Rights purchased by RISE CAPITAL is made, Client shall be deemed to hold every Account and the Corresponding Rights relating to such Account in trust for RISE CAPITAL.

4 PRICING AND PAYMENT

4.1 The purchase price for each Account purchased by RISE CAPITAL (the "**Purchase Price**") shall be equal to the outstanding amount remaining to be paid on the Invoice rendered in respect of that Account, including taxes but net of penalties, duties, delivery charges or any other similar charges or amounts (the "**Gross Face Value**") less the discount set out in Schedule "B".

4.2 In determining the Gross Face Value of an Account, the outstanding amount remaining to be paid on the Invoice shall be reduced by an amount equal to all discounts available to the Account Debtor/Debtors by virtue of such Account Debtor/Debtors paying the Account in full prior to the latest date on which such Account Debtor/Debtors is entitled to pay such Account before it falls into arrears.

4.3 If RISE CAPITAL receives any payment in respect of an Account which exceeds the monthly or periodic instalment payment on an Account (the excess portion being referred to hereinafter as a "**Periodic Overpayment**") or which exceeds the Gross Face Value for that Account (the excess portion being referred to hereinafter as a "**Matured Debt Overpayment**"), and provided such Account did not fall into arrears at any time, RISE CAPITAL shall, subject to the rights of RISE CAPITAL and the Account Debtor/Debtors to such excess amounts, refund the Periodic Overpayment and/or Matured Debt Overpayment, as applicable, to Client. All Periodic Overpayments and Matured Debt Overpayments shall be placed by RISE CAPITAL in any RISE CAPITAL account, including, but not restricted to, a reserve account. All such amounts held by RISE CAPITAL may be applied by RISE CAPITAL against charge-backs or any outstanding Indebtedness of Client to RISE CAPITAL and, subject to section 4.4, no such amount held by RISE CAPITAL shall be paid to Client until any and all of such outstanding Indebtedness is fully paid and/or satisfied.

4.4 Provided Client has not failed to pay any outstanding Indebtedness of Client to RISE CAPITAL which is then due and owing and subject to any application of any Periodic Overpayment and/or Matured Debt Overpayment by RISE CAPITAL against charge-backs, RISE CAPITAL shall pay to Client the Periodic Overpayment and/or Matured Debt Overpayment for each Account after RISE CAPITAL has received full payment in respect of such Account. Such payments shall be made within 24 hours, immediately following payment in full of the Account, unless otherwise agreed to in writing by the Client. Notwithstanding the foregoing, if, in Rise Capital's sole and absolute opinion, there is an adverse change in the financial condition of Client or the Account Debtor/Debtors in respect of which the Periodic Overpayment and/or Matured Debt Overpayment was made, or Client's or such Account Debtor/Debtors' ability to pay any amounts owing, or to become owing in the future, to RISE CAPITAL has been impaired, worsened or diminished or threatens to do so (a "**Credit Impairment**"), RISE CAPITAL shall not be obligated to pay to Client any amount constituting a Periodic Overpayment or a Matured Debt Overpayment until it is satisfied that the Credit Impairment no longer exists or all Indebtedness and obligations of Client to RISE CAPITAL have been paid or otherwise satisfied in full.

4.5 The outstanding amount of Accounts purchased by RISE CAPITAL from Client and not yet paid for by its Account Debtors shall not exceed at any time the amount referred to in Schedule "B" as the "**Purchase Limit**".

4.6 RISE CAPITAL shall be entitled to deduct from the Purchase Price for the Accounts purchased by it as listed on each SCHEDULE OF ACCOUNTS (see Schedule "A") its standard wire transfer fee for all wire transfers and same-day or overnight courier service charges if Client requests that payment be delivered to it in such manner.

5 REPRESENTATIONS AND WARRANTIES OF CLIENT

5.1 As an inducement for RISE CAPITAL to enter into this Agreement, and with full knowledge that the truth and accuracy of the representations and warranties in this Agreement are being relied upon by RISE CAPITAL in purchasing Accounts hereunder, Client represents and warrants that:

- (a) Client is a corporation validly existing in good standing under the laws of the jurisdiction of its incorporation with adequate corporate power to enter into and perform its obligations under this Agreement and applicable schedules and addenda;
- (b) This Agreement and applicable schedules and addenda executed by Client have been duly authorized, executed and delivered by Client and constitute valid, legal and binding agreements, enforceable in accordance with their terms;
- (c) to Client's knowledge, no approval, consent or withholding of objection is required from any governmental authority with respect to the entering into and performance by Client of this Agreement and any applicable schedules and addenda to be executed by Client, or if any such approval is required, it has been obtained;
- (d) the entering into and performance of this Agreement and any applicable schedules and addenda does not violate any judgment, order, law or regulation applicable to Client or any provision of Client's Articles of Incorporation or By-laws or result in any breach of, or constitute a default under, or result in the creation of any lien, charge, security interest or other encumbrance, except Permitted Encumbrances, upon any of Client's assets or on the Accounts pursuant to any indenture, mortgage, deed of trust, bank loan or credit agreement or other instrument to which Client is a party or by which Client or Client's assets may be bound;

- (e) Client is duly qualified to carry on business in the Province of Alberta and all other jurisdiction(s) where it carries on business. Client is properly licensed and authorized to operate the business of Adanac Rentals Inc. o/a LC Heavy Haul & Oilfield Services Under the trade name(s) Cleo Energy Corp. and Client's trade name(s) has been properly filed and published as required by applicable law. Client has fulfilled all local, provincial or federal requirements of law in properly registering itself to do business at all addresses where its business is located;
- (f) No event of default (as set out in section 12.1) has occurred;
- (g) Client has made timely payment and/or local deposits of required taxes, including employee income tax withholdings, to Canada Customs and Revenue Agency as well as to any other federal, provincial and/or local tax authority as they become due except such taxes that are being contested in good faith or has otherwise entered in a payment plan in respect of any such amounts which payment plan is in good standing and is otherwise satisfactory to RISE CAPITAL in its sole and unfettered discretion;
- (h) all financial records, statements, books or other documents shown to RISE CAPITAL by Client at any time, either before or after the signing of this Agreement, are true, complete and accurate and represent the true financial condition of Client; and
- (i) with respect to Account Debtors and Accounts:
 - (i) Client is, at the time of purchase by RISE CAPITAL, the sole legal and beneficial owner of, and has undisputed title to, the Accounts and all Corresponding Rights purchased by RISE CAPITAL free and clear of all liens, charges, encumbrances and adverse claims except Permitted Encumbrances;
 - (ii) Each Account offered to RISE CAPITAL and purchased by RISE CAPITAL is an Approved Account;
 - (iii) [Intentionally deleted];
 - (iv) Client has not received any notice, either verbal or written, of a Credit Problem concerning any of its Account Debtors which Credit Problem has not previously been disclosed in writing to RISE CAPITAL;
 - (v) Each Account Debtor/Debtors is indebted to Client for the amounts set out in each Schedule "A" submitted to RISE CAPITAL from time-to-time;
 - (vi) each Invoice, Purchase Order or other contract or instrument provided to RISE CAPITAL as evidencing the agreement between Client and its Account Debtor/Debtors in respect of any Account sets forth and constitutes the entire agreement between Client and the Account Debtor/Debtors with respect to the subject matter thereof, there being no other written or oral understandings or representations;
 - (vii) at the time of purchase by RISE CAPITAL, there has been no prepayment of payments or other monies payable under any Account except as expressly disclosed in writing to RISE CAPITAL;
 - (viii) all covenants, conditions and obligations of Client and each Account Debtor/Debtors under each Account offered to RISE CAPITAL, including, without limitation, all conditions precedent to the obligation of the Account Debtor/Debtors to make the payments, have been performed and fulfilled by Client;
 - (ix) as of the date of each offer, the Account Debtor/Debtors has performed and fulfilled all covenants, conditions and obligations in respect of each Account and the Account Debtor/Debtors has agreed to continue to perform and fulfil such covenants, conditions and obligations and has further agreed that its obligation to make all payments in respect of the Account shall be absolute and unconditional under all circumstances and shall not be affected by any right of set-off, counterclaim or defence the Account Debtor/Debtors may have against Client, RISE CAPITAL or any other Person for any reason whatsoever;
 - (x) each Invoice, Purchase Order or other contract or instrument provided to RISE CAPITAL as evidencing the agreement between Client and its Account Debtor/Debtors in respect of any Account is in full force and effect and has not been amended, changed or modified and shall not be amended, changed or modified without the prior written consent of RISE CAPITAL;
 - (xi) the Goods referenced in each Invoice, Purchase Order or other contract or instrument provided to RISE CAPITAL as evidencing the agreement between Client and its Account Debtor/Debtors in respect of any Account have been duly delivered to the Account Debtor/Debtors at the location specified in such Invoice, Purchase Order or other contract or instrument and the Account Debtor/Debtors has duly inspected such Goods and has accepted such Goods for all purposes of its agreement with Client;
 - (xii) the Goods referenced in each Invoice, Purchase Order or other contract or instrument provided to RISE CAPITAL as evidencing the agreement between Client and its Account Debtor/Debtors in respect of any Account are presently located at the address indicated on Schedule "B";
 - (xiii) each Account offered for sale to RISE CAPITAL is an accurate and undisputed statement of indebtedness by Account Debtor/Debtors to Client as a result of a *bona fide* and absolute sale of Goods to its Account Debtor/Debtors (which Goods were delivered and accepted by its Account Debtor/Debtors) or performance of service by Client to an Account Debtor/Debtors, and such Goods were not provided to its Account Debtor/Debtors on consignment, or on an approval or hold basis, or by way of guaranteed contract or subject to any other contingency and is for a certain sum which is due and payable in 30 days or less, or within such time as is agreed to, in writing by RISE CAPITAL and Client;
 - (xiv) Client does not own, control or exercise dominion over, in any way whatsoever, the business of any Account Debtor/Debtors in respect of which an Account is offered for sale by Client to RISE CAPITAL; and

- (xv) Client has not transferred, assigned, pledged or granted a security interest in its Accounts or other personal property to any other party which Client has not fully disclosed in writing to RISE CAPITAL prior to the date of execution of this Agreement.

6 COVENANTS OF CLIENT

6.1 In addition to any other covenants made by Client in favour of RISE CAPITAL hereunder, Client hereby covenants with RISE CAPITAL that so long as any Indebtedness remains outstanding:

- (a) it shall promptly notify RISE CAPITAL of any attachment, seizure or any other legal process levied upon or against Client and any information with respect to Account Debtors which indicates a Credit Problem, including, without restricting the foregoing, any attachment, seizure or any other legal process levied upon or against any Account Debtor/Debtors of which Client becomes aware;
- (b) It shall immediately upon the sale of any Account to RISE CAPITAL, make proper entries on its books and records disclosing the absolute sale of said Account to RISE CAPITAL ;
- (c) It shall provide to RISE CAPITAL such waivers, subordinations, postponements or releases with respect to the sale of any Account from third parties as may be requested by RISE CAPITAL ;
- (d) it shall continue to make timely payment and/or local deposits of required taxes, including employee income tax withholdings, to Canada Customs and Revenue Agency as well as to any other federal, provincial and/or local tax authority as they become due except such taxes that are being contested in good faith or that are part of an agreed to repayment plan;
- (e) It shall furnish, upon request by RISE CAPITAL, satisfactory proof of payment of any or all taxes required by law to be paid by Client;
- (f) It shall maintain such insurance covering Client's business and assets in amounts reasonably satisfactory to RISE CAPITAL and has arranged for RISE CAPITAL to be named as loss payee and additional named insured on such insurance policies;
- (g) RISE CAPITAL shall, upon 24 hours' notice, at any and all reasonable times during business hours have the irrevocable right to inspect, copy and use any and all records, whether in writing or electronically recorded, pertaining to the Accounts purchased by RISE CAPITAL and as to any other matters relevant to the obligations and rights of RISE CAPITAL hereunder and to make copies of all such records and enter into and upon the lands or premises where records pertaining to the Accounts may be located for the purpose of inspecting the same, subject to Client's work schedules and reasonable security procedures;
- (h) it shall, at its expense, protect and defend Rise Capital's title to all Accounts and Corresponding Rights purchased by RISE CAPITAL against all Persons claiming against or through Client and shall, at all times, keep the Accounts and Corresponding Rights free and clear from any legal process, pledges, commercial pledges, privileges, floating or fixed charges, judgments, distress or any analogous process, statutory liens or trusts, liens or encumbrances whatsoever (except Permitted Encumbrances, including any placed thereon by RISE CAPITAL or agreed to in writing by RISE CAPITAL) and shall give RISE CAPITAL immediate written notice thereof and shall indemnify and hold RISE CAPITAL harmless from and against any loss caused thereby. Client further agrees that it shall keep all Accounts and Corresponding Rights purchased by RISE CAPITAL free and clear of any and all liens, charges, and encumbrances which may be levied against or imposed upon such Accounts and Corresponding Rights as a result of the failure of Client for any reason to perform or observe any of the covenants and agreements required to be performed or observed by Client hereunder or under any Addendum referred to herein or attached hereto;
- (i) it shall provide written notice to RISE CAPITAL within 48 hours of Client obtaining knowledge from any source, of the filing, recording or perfection by any means, of a non-consensual lien, claim or encumbrance against the Accounts and Corresponding Rights of Client;
- (j) it shall notify RISE CAPITAL in writing 30 days prior to any change in the location of Client's place(s) of business or if Client has or intends to acquire any additional place(s) of business, or prior to any change in the location of Client's chief executive office and/or the office or offices where Client's books and records concerning Accounts and Corresponding Rights are kept;
- (k) it shall maintain its working capital at all times such that the ratio of current assets to current liabilities of Client shall not be less than that set out in Schedule "B"; "current assets" and "current liabilities" as used herein shall mean the current assets and current liabilities, respectively, as shown on financial statements of Client prepared in accordance with generally accepted accounting principles applied on a consistent basis;
- (l) the ratio of debt obligations to equity of Client shall at all times not exceed that set out in Schedule "B"; "debt obligations" as used herein shall mean the aggregate of all debt incurred, assumed or guaranteed by Client or upon which Client has otherwise become liable as shown on the financial statements of Client prepared in accordance with generally accepted accounting principles applied on a consistent basis, but excluding obligations in respect of deferred taxes; and "equity" shall mean at any time the aggregate amount in respect of amounts paid up on capital of all classes, contributed surplus, retained earnings and the amount of any shareholder loans in respect of which the obligations and security have been fully subordinated and postponed in favour of RISE CAPITAL on terms and conditions acceptable to RISE CAPITAL in its sole discretion;
- (m) at all times the ratio of available cash flow to debt service expense of Client shall not be less than that set out in Schedule "B"; "available cash flow" for any financial period means earnings for such period before interest and debt service expense; and "debt service expense" for any financial period means all amounts paid or payable during such period in the nature of compensation for Indebtedness and obligations to any person, including interest and all similar amounts; plus the current portion of all PRESIDENT repayments paid or payable;
- (n) the tangible net worth of Client, less amounts advanced to shareholders, directors or officers of Client, shall at all times be not less than that set out in Schedule "B"; "tangible net worth" as used herein shall mean the equity of Client (as defined above) less intangible assets, including the aggregate amount shown in respect of goodwill, trademarks, trademark rights, tradenames, tradename rights, copyrights, patents, patent rights, patent licences, organization expenses, preproduction expenses, licences and franchises, unamortized debt discount and expense, share issue expense, prepaid expenses, and the excess of cost of shares of subsidiaries over net book value of underlying assets at dates of acquisition;

- (o) It shall:
 - (i) set up and maintain accounting systems and books of account in accordance with generally accepted accounting principles and practices and, at any time upon request by RISE CAPITAL, furnish all such information concerning Client's affairs and business as RISE CAPITAL may reasonably require;
 - (ii) as soon as is practicable and in any event within 60 days after the end of each quarter of each fiscal year, deliver to RISE CAPITAL the interim unaudited financial statements of Client and of each subsidiary and affiliate of Client, including in each case a balance sheet, statement of profit and loss and a statement of changes in financial position, together with comparative figures for the corresponding period in the previous fiscal year;
 - (iii) as soon as practicable and in any event within 120 days after the end of each fiscal year, deliver to RISE CAPITAL financial statements in a form satisfactory to RISE CAPITAL prepared by a firm of chartered accountants acceptable to RISE CAPITAL, which report shall review Client's annual financial statements and each subsidiary and affiliate of Client;
 - (iv) as soon as practicable and in any event within 30 days after the end of each calendar month, deliver to RISE CAPITAL an aged list by Account Debtor/Debtors of Client's and each of Client's subsidiaries' and affiliates' accounts receivable with a minimum monthly balance that exceeds the amount set out in Schedule "B"; and
- (p) so long as any obligations of Client to RISE CAPITAL remain outstanding and unless RISE CAPITAL otherwise consents in writing, Client shall not, nor shall it permit any subsidiary or affiliate of Client to, incur or commit or agree to incur capital expenditures or acquire or agree to acquire or lease any asset or property, which, in aggregate, exceed the amount set out in Schedule "B" per year; and
- (q) If an event of default has occurred and a Monitor has been appointed,
 - (i) disclose to the Monitor any information which it may have concerning Client and its subsidiaries and affiliates and its business affairs;
 - (ii) provide to the Monitor full access to Client's and its subsidiaries' and affiliates' business operations, or assets, books and records during normal working hours and instruct its bankers, accountants and other advisors and officers of any such company to release any and all information required; and
 - (iii) Pay for the reasonable fees and disbursements of the Monitor.

6.2 In addition to any other covenants made by Client in favour of RISE CAPITAL hereunder, Client hereby covenants and agrees with RISE CAPITAL that so long as any Indebtedness remains outstanding it shall not, without the prior written consent of RISE CAPITAL :

- (a) Pledge the credit of RISE CAPITAL, directly or indirectly, to any Person for any purpose whatsoever;
- (b) Guarantee, indemnify or provide financial assistance to, directly or indirectly, any Person for any purpose whatsoever
- (c) Under any circumstances or in any manner whatsoever, interfere with any of Rise Capital's rights under this Agreement;
- (d) for the term of this Agreement and for as long as any Indebtedness whatsoever remains owing by Client to RISE CAPITAL, factor or sell Accounts to any Person other than RISE CAPITAL ;
- (e) Change or modify the terms of any Invoice, Purchase Order or any other agreement or contract which gives rise to an Account purchased by RISE CAPITAL unless RISE CAPITAL first consents to such change in writing;
- (f) pledge or grant a security interest to any other party in any Accounts purchased by RISE CAPITAL and any Corresponding Rights for the term of this Agreement and for as long as it is indebted to RISE CAPITAL hereunder; and
- (g) Sell, lease, transfer or otherwise dispose of all or substantially all of its property or assets, or consolidate with or merge into or with any corporation or entity.

7 **SECURITY**

7.1 As a further inducement for RISE CAPITAL to enter into this Agreement and as continuing collateral security for any and all Indebtedness of Client to RISE CAPITAL under this Agreement, Client shall execute and deliver to RISE CAPITAL such Security Documents as RISE CAPITAL may at any time or from time to time hereafter reasonably request, in each case within a reasonable time after the request therefor by RISE CAPITAL, and in each case in form and substance satisfactory to RISE CAPITAL and RISE CAPITAL's counsel. Client shall take such action and execute and deliver to RISE CAPITAL such agreements, conveyances, deeds and other documents and instruments as RISE CAPITAL shall reasonably request, and register, file or record the same (or a notice or financing statement in respect thereof) in all offices where such registration, filing or recording is, in the sole and absolute opinion of RISE CAPITAL or Rise Capital's counsel, necessary or advisable to constitute, perfect and maintain its security as a first ranking lien in all jurisdictions reasonably required by RISE CAPITAL, subject only to Permitted Encumbrances, in each case within a reasonable time after the request therefor by RISE CAPITAL, and in each case in form and substance satisfactory to RISE CAPITAL and Rise Capital's counsel.

7.2 Client shall execute such financing or renewal statements, affidavits or other documents for any registration or filing pursuant to any municipal, provincial, state or federal laws, orders or regulations necessary or desirable to protect it or its interest in any assets over which security has been granted by an Account Debtor/Debtors to Client, including, without limitation, registration under the *Personal Property Security Act* (Alberta) in the Province of Alberta or under similar legislation in any other Province of Canada or jurisdiction necessary to perfect and preserve any security interest created under any agreement between Client and an Account Debtor/Debtors.

7.3 Client acknowledges and agrees that RISE CAPITAL shall be entitled to execute such financing or renewal statements, affidavits or other documents for any registration or filing pursuant to any municipal, provincial, state or federal laws, orders or regulations necessary or desirable to protect Rise Capital's interest in the Accounts and Corresponding Rights purchased by it or in any assets over which security has been granted to RISE CAPITAL hereunder and under Security Documents, including, without limitation, registration under the *Personal Property Security Act* (Alberta) in the Province of

Alberta or under similar legislation in any other Province of Canada or jurisdiction necessary to perfect and preserve any security interest of RISE CAPITAL created under this Agreement and under Security Documents. If the signatures of both Client and RISE CAPITAL are required in connection with the filing or registration of any such security interest, Client shall fully cooperate with RISE CAPITAL in respect of such filing or registration.

7.4 Client hereby waives receipt of, and the right to receive, a copy of any registered statement or verification statement with respect to statements filed or registered by RISE CAPITAL under any federal, provincial and/or state personal property security acts and the Civil Code of Quebec.

8 NOTIFICATION

8.1 Client's obligation, if any, to notify any Account Debtor/Debtors of the sale/assignment to RISE CAPITAL of any Account owing by such Account Debtor/Debtors to Client is set out in addendum no. 6.

9 RECOURSE

9.1 RISE CAPITAL shall have recourse against Client when an Account is not paid by a Customer for any reason whatsoever, including, without limitation, in the following instances:

- (a) Client has breached any warranties, representations, covenants or promises in the Agreement with regard to the unpaid Account or otherwise;
- (b) Client and Customer are involved in a dispute of any kind, regardless of its merits or validity; or
- (c) The Customer asserts a claim, counterclaim, and right of set-off or cross-claim of any kind whatsoever against Client or RISE CAPITAL.

9.2 By giving written notice to Client with respect to an Account for which RISE CAPITAL is entitled to claim recourse, specifying the name of the Account Debtor/Debtors and the amount remaining owing in respect of the Account, RISE CAPITAL may require Client to immediately repurchase the Account from RISE CAPITAL and the repurchase price in respect of that Account shall be the aggregate of the outstanding balance of the Account plus the interest payable under section 9.3 plus all reasonable costs and expenses of RISE CAPITAL, including legal fees on a solicitor-client basis, incurred by RISE CAPITAL in connection with such repurchase and any documents to be prepared or delivered in connection with same.

9.3 RISE CAPITAL shall be entitled to interest at a rate equal to the amount set out in Schedule "B", such interest to be payable from the day when the Account went into arrears until the day when payment in full is made by Client.

9.4 RISE CAPITAL may deduct any amount payable by Client under sections 9.2 and 9.3 from any amount payable to Client under this Agreement, and where such a deduction is made, Client shall be deemed to have made a repayment in respect of the repurchase of the Account.

9.5 Until such time as the repurchase price is paid or deemed to have been paid by Client, the Account and all rights, title and interest therein and in all security, Security Documents and Corresponding Rights relating thereto shall remain vested in RISE CAPITAL.

9.6 Where Client has paid in full the repurchase price with respect to an Account, then,

- (a) any remittance received by RISE CAPITAL thereafter in respect of that Account shall be paid by RISE CAPITAL to Client; and
- (b) upon the request and at the expense of Client, RISE CAPITAL shall do, execute, acknowledge and deliver, or cause to be done, executed, acknowledged and delivered, all and every such further acts, deeds, mortgages, transfers and assurances in law as Client may require in order to complete or perfect the re-assignment of the Account and all Corresponding Rights to which it relates or in any security relating thereto.

10 DISPUTES WITH ACCOUNT DEBTORS

10.1 Client shall promptly notify RISE CAPITAL of any dispute between Client and an Account Debtor/Debtors concerning an Account (an "**Account Debtor/Debtors Dispute**").

10.2 Client shall promptly issue credit notes for returned Goods as accepted by Client from any Account Debtor/Debtors and provide RISE CAPITAL with a copy of any credit note issued by Client to an Account Debtor/Debtors as soon as that credit note is issued. RISE CAPITAL shall continue to have a perfected security interest in returned Goods until RISE CAPITAL has received payment in full of all Indebtedness relating to an Account in respect of which Goods have been returned. In addition, Section 10.3 shall apply *mutatis mutandis* to return Goods as if the returned Goods were repossessed Goods.

10.3 At RISE CAPITAL's request and notwithstanding the purchase by RISE CAPITAL of the Accounts in respect of which there is a dispute, Client shall exercise its rights as an unpaid vendor including Client's right of repossession, if any, with respect to any Account purchased by RISE CAPITAL. Repossessed merchandise recovered from Account Debtors in respect to which there are monies due and owing to RISE CAPITAL pertaining to an Account purchased by RISE CAPITAL from Client shall be held by Client in trust for RISE CAPITAL until such time as RISE CAPITAL is paid in full with respect to any Indebtedness due and owing to RISE CAPITAL from Client and, at RISE CAPITAL's request, Client shall use Client's best efforts to sell such merchandise for RISE CAPITAL. Notwithstanding the repossession and sale of any Goods by Client in accordance with this section and for greater clarity, Client is not an employee or agent of RISE CAPITAL; Client and RISE CAPITAL are not partners or joint venturers with each other; and nothing herein shall be construed so as to make Client and RISE CAPITAL partners or joint venturers, to make Client an employee or agent of RISE CAPITAL or to impose any liability as partner, joint venturer, employer or employee or PRESIDENT or agent on Client or RISE CAPITAL, as the case may be.

10.4 Client shall not institute legal or collection proceedings against any Account Debtor/Debtors from whom monies are due and owing to RISE CAPITAL with respect to an Account purchased by RISE CAPITAL without obtaining RISE CAPITAL's prior written consent thereto.

10.5 RISE CAPITAL may commence legal or collection proceedings (a "**Proceeding**") in respect of any unpaid Account upon providing prior notice to Client. In cases of urgency, RISE CAPITAL may commence such Proceedings in its discretion and provide notice to Client within twenty-four (24) hours.

of commencement. Upon RISE CAPITAL advising Client of its intention to commence proceedings, Client may instruct RISE CAPITAL not to proceed accompanied by payment in full to RISE CAPITAL from Client of the total amount due and owing to Client from such Account Debtor/Debtors together with all interest accrued thereon and all costs and expenses of RISE CAPITAL, including legal fees on a solicitor-client basis, incurred by RISE CAPITAL in connection with such proceedings and any documents to be prepared or delivered in connection with same. RISE CAPITAL may take any reasonable action it deems appropriate to collect any Account that is overdue from any Account Debtor/Debtors.

10.6 Whether or not, under the terms of this Agreement or any Schedule or Addendum referred to herein or attached hereto, or as a result of any breach of any term, condition, representation or warranty contained in this Agreement or any Schedule or Addendum referred to herein or attached hereto, Client is responsible, in whole or in part, with respect to payment of any Account or any deficiency thereof, RISE CAPITAL, without consultation or notice to Client, may, but is not obligated to, settle or compromise any dispute with an Account Debtor/Debtors. Such settlement or compromise shall not relieve Client of its responsibility for payment to RISE CAPITAL in full of any amount owing by it to RISE CAPITAL.

10.7 Where an Account purchased by RISE CAPITAL is, in the sole and absolute opinion of RISE CAPITAL, an Account for which RISE CAPITAL is entitled to recourse, RISE CAPITAL may charge back to Client the amount of such Account by giving written notice to that effect to Client, and sections 10.1 to 10.6 shall apply, with the necessary modifications, to the repurchase of the Account by Client.

10.8 Mistaken, incorrect and/or erroneous invoicing, submitted by Client to RISE CAPITAL may, at Rise Capital's discretion, be deemed an Account Debtor/Debtors Dispute and be charged-back to Client.

10.9 RISE CAPITAL shall identify in writing all chargebacks when taken and provide to Client a written statement thereof. Said statement shall be deemed an "Account Stated" between Client and RISE CAPITAL.

11 **POWER OF ATTORNEY**

11.1 In order to carry out this Agreement, Client irrevocably appoints RISE CAPITAL or any Person designated by RISE CAPITAL, its attorney or agent with power to:

- (a) Notify Account Debtors that Client's Accounts have been assigned to RISE CAPITAL and that RISE CAPITAL has a security interest therein;
- (b) Direct Client's Account Debtors to make payment of all Accounts directly to RISE CAPITAL and forward invoices directly to such Account Debtors;
- (c) Strike out Client's address on all invoices and other documents relating to Accounts and Corresponding Rights mailed to Account Debtors and put Rise Capital's address on such invoices and documents;
- (d) Receive, open and dispose of all mail addressed to Client at Rise Capital's address;
- (e) endorse the name of Client on any cheques, Instruments, Documents of Title, Chattel Paper or Security that may come into the possession of RISE CAPITAL in respect of Accounts purchased by RISE CAPITAL or pursuant to default on any other documents relating to any of the Accounts or Corresponding Rights or to Collateral;
- (f) register, file or record in all jurisdictions any notice or financing statement in all offices where such registration, filing or recording is, in the sole and absolute opinion of RISE CAPITAL or Rise Capital's counsel, necessary or advisable to constitute, perfect and maintain Rise Capital's interest in Accounts and/or in any Corresponding Rights;
- (g) In Client's name, or otherwise, demand, sue for, collect and give releases for any and all monies due or to become due on Accounts;
- (h) Compromise, prosecute or defend any action, claim or proceeding as to said Accounts; and
- (i) do any and all things reasonably necessary and proper to carry out the purpose intended by this Agreement and to protect Rise Capital's interest in the Accounts, Corresponding Rights and other Collateral.

11.2 The power of attorney granted hereby shall be deemed to be coupled with an interest.

12 **DEFAULT**

12.1 Any one or more of the following shall constitute an event of default hereunder:

- (a) Client shall become insolvent or commit an act of bankruptcy or make an assignment or bulk sale of its assets;
- (b) Client shall admit in writing its inability to pay its debts as they become due;
- (c) any proceedings are taken with respect to a compromise or arrangement with any one or more of Client's creditors, or to have Client declared bankrupt or wound up, or to have a receiver or receiver and manager appointed with respect to Client or any of Client's assets and if such proceedings are not contested by *bona fide* action on the part of the Client or are not dismissed, stayed or withdrawn within 30 days of commencement thereof;
- (d) Receipt by Client of a notice of intention under section 244 of the *Bankruptcy and Insolvency Act* (Canada);
- (e) Client terminates, discontinues or suspends the operation of its business;
- (f) any Person takes possession of any property of Client with a value of \$5,000 or more by way of or in contemplation of enforcement of security, or a distress or execution or similar process is levied or enforced against any property with a value of \$5,000 or more of Client;

- (g) Any change in the legal or beneficial control of Client occurs without RISE CAPITAL 's prior written consent;
- (h) any representation or warranty made by Client herein or in any document, financial statement or certificate furnished or to be furnished by Client in connection herewith shall prove to be incorrect which, if capable of being cured, has not been remedied within 10 business days after written notice to do so has been given by RISE CAPITAL to Client;
- (i) there is a material adverse change in Client's financial condition or Client's ability to pay any amounts owing to RISE CAPITAL has been impaired, worsened or diminished or threatens to do so;
- (j) Client fails to pay any Indebtedness to RISE CAPITAL when due and such failure continues unremedied for more than 5 business days after receipt of written notification from RISE CAPITAL to the Client of such failure; or
- (k) Client breaches any term, provision, covenant, warranty or representation under this Agreement, or any representation, warranty, report or other statement made by or on behalf of Client contained in this Agreement, including, but not limited to, financial statements, schedules, Schedules of Accounts, required forms or other statements furnished by Client or in any other agreements, contracts between Client and RISE CAPITAL or obligation of Client to RISE CAPITAL shall be false, erroneous or misleading in any material respect.

12.2 In the event of any default, RISE CAPITAL may do any one or more of the following without notice or demand to Client except as expressly required under this Agreement:

- (a) Declare all Indebtedness immediately due and payable in full;
- (b) Deem all outstanding Accounts to be the subject of Account Debtor/Debtors Disputes and exercise its rights of recourse in connection with such Accounts;
- (c) Notify any Account Debtors, take possession of Collateral and collect any Accounts, all without judicial process;
- (d) require Client to assemble the Collateral and all deeds, documents, writings, papers, books of account, other books, electronic and magnetic records and other records evidencing, recording or appertaining to Accounts and Corresponding Rights and make them available to RISE CAPITAL at a place designated by RISE CAPITAL ;
- (e) Take control in any manner of any reclaimed, rejected, returned, replevied, stopped in transit or redeposited Goods relating to any Account;
- (f) Enter the premises of Client and take possession of the Collateral and of the records pertaining to the Accounts and, Corresponding Rights and any other Collateral;
- (g) Exercise all or any of the rights and remedies of a secured party under the *Personal Property Security Act* (Alberta) under the Security Documents or as a creditor under any other applicable law or at equity;
- (h) Grant extensions, compromise claims and settle Accounts for less than face value, without prior notice to Client;
- (i) use, in connection with any assembly or disposition of the Collateral, any trademark, trade name, trade style, copyright, patent right or technical process used or utilized by Client;
- (j) Return any surplus realized to Client after deducting the reasonable expenses, and attorney's fees incurred by RISE CAPITAL in resolving said default;
- (k) Hold Client liable for any deficiency;
- (l) appoint by instrument in writing, or institute proceedings in any court of competent jurisdiction for the appointment of, any Person (including RISE CAPITAL) or Persons to be a receiver or receiver and manager (a "**Receiver**") of all or any part of the Collateral. RISE CAPITAL may remove or replace the Receiver from time to time and appoint another Person or Persons in its stead or make application to a court of competent jurisdiction to do so. Subject to the provisions of the instrument or court order appointing the Receiver, the Receiver so appointed or replaced shall have, possess and may exercise all or any part of the rights, powers and remedies of RISE CAPITAL (whether conferred upon RISE CAPITAL by this Agreement or otherwise). For greater certainty, where RISE CAPITAL is referred to in this Agreement, the term shall, where the context permits, include the Receiver so appointed or replaced and the officers, employees, servants or agents of RISE CAPITAL and the Receiver;
- (m) request, by instrument in writing, that Client appoint, or institute proceedings in any court of competent jurisdiction for the appointment of, any Person (including RISE CAPITAL) or Persons to monitor the activities of Client generally and to verify compliance by Client of its obligations hereunder (a "**Monitor**");
- (n) charge interest on any Indebtedness outstanding at the highest rate permissible by law, which interest shall become part of and added to the Indebtedness; and
- (o) Exercise any rights and remedies available to it in respect of Accounts and/or Corresponding Rights under all Security Documents referred to in section 7.1.

12.3 All rights, remedies and powers granted to RISE CAPITAL herein and/or in any Addendum referred to herein or attached hereto are cumulative and may be exercised concurrently or separately from time to time with such other rights as RISE CAPITAL may have. These rights afforded RISE CAPITAL shall be in addition to any rights or remedies provided for elsewhere in this Agreement or available in law or equity and may be exercised from time to time as to all or any part of the pledged Collateral as RISE CAPITAL in its discretion may determine.

12.4 In the event of any default, RISE CAPITAL shall not be required or be under any obligation to marshal any assets in favour of Client or any guarantor/guarantors or any other party.

13 **INDEMNITY**

13.1 Client shall indemnify and hold RISE CAPITAL harmless from any and all liability, obligations, claims, losses, damages, actions and suits, costs and expenses in any way relating to or resulting from this Agreement or any Addendum referred to herein or attached hereto, including, without limitation, counsel fees, costs of suit and interest which RISE CAPITAL may incur due to the failure of Client to perform any of its obligations under this Agreement or under any Addendum referred to herein or attached hereto and including, without limitation, the failure of Client to pay withholding taxes due and payable to any taxing authority. If Client fails to perform any of its obligations, RISE CAPITAL may, but shall not be obligated to, perform any of those obligations, and Client shall pay to RISE CAPITAL, immediately upon written demand, an amount equal to the expense incurred by RISE CAPITAL in performing those obligations.

13.2 RISE CAPITAL shall indemnify and hold Client harmless from any and all liability, obligations, claims, losses, damages, actions and suits, costs and expenses in any way relating to or resulting from this Agreement or any Addendum referred to herein or attached hereto, including without limitation, counsel fees, costs of suit and interest which Client may incur due to a failure of RISE CAPITAL to perform any of its obligations under this Agreement or under any Addendum referred to herein or attached hereto. If RISE CAPITAL fails to perform any of its obligations, Client may, but shall not be obligated to, perform any of those obligations, and RISE CAPITAL shall pay to Client, immediately upon written demand, an amount equal to the expense incurred by Client in performing those obligations.

14 **TERMINATION**

14.1 This Agreement shall continue in full force and effect until terminated by 30 days prior written notice by either party.

14.2 Notwithstanding termination of this Agreement, Client shall continue to be liable to RISE CAPITAL for the full and prompt payment of Accounts purchased by RISE CAPITAL hereunder which are then outstanding and unpaid, disputed or undisputed, and in respect of which, under the terms hereof, Client is liable to RISE CAPITAL, as well as for any other Indebtedness due to RISE CAPITAL from Client. RISE CAPITAL shall continue to have a security interest in the Collateral of Client, including any security interest granted under any Security Document, until all such Indebtedness of Client to RISE CAPITAL is paid in full.

15 **GENERAL**

15.1 Client and RISE CAPITAL hereby acknowledge and agree that all schedules and addenda attached hereto or referenced herein shall be read with and be deemed to be part of this Agreement as if they were contained in one agreement.

15.2 All provisions in this Agreement, or in any Schedule or Addendum referred to herein or attached hereto, to "Goods" shall be read *mutatis mutandis* so as to include any "services" provided by Client to Account Debtors.

15.3 If any of Client's shareholders, directors or officers have any interest, directly or indirectly, in any of Client's Account Debtors, Client shall notify RISE CAPITAL in advance of such interest prior to its purchasing an Account with respect to such Account Debtor/Debtors.

15.4 All notices and other communications which may be given to any party pursuant to this Agreement shall be given or made in writing and shall be served personally or by tele copier or mailed by prepaid and registered mail (return receipt requested) addressed to such party at its usual business address or to such other address or in care of such other Persons as any party may from time to time advise the other by notice in writing. The date of receipt of any such notice or communication shall be deemed to be the date of delivery thereof if served personally or, if served by tele copier, the date of transmission thereof or, if mailed as aforesaid, the date next following the first Business Day next following the date of posting. In the event of interruption of one or more of the forms of communication listed above for any reason, the parties shall use a form of communication which is not so interrupted with the intent that the form of communication used will give the addressee timely notice of the communication.

15.5 Any amounts owing by Client to RISE CAPITAL hereunder shall be payable to RISE CAPITAL without the necessity of demand.

15.6 RISE CAPITAL shall be at liberty to appropriate any payment made to, or monies received by, RISE CAPITAL from Client, including any monies in any reserve account, to any portion of the amounts due or to become due under this Agreement or in respect of any Account, and from time to time to revoke or alter any such appropriation, all as RISE CAPITAL may from time to time in its sole discretion determine.

15.7 Each party hereto shall from time to time execute, draw, endorse and deliver all such instruments and documents and do all such acts and things as the other party hereto may reasonably deem necessary or desirable for the purposes of carrying into effect any or all of the provisions of this Agreement or any documents delivered hereunder or of securing the fulfilment of all the obligations of one party to the other party hereunder.

15.8 No failure or delay on the part of either party in exercising any power or right hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any such right or power preclude any other or further exercise thereof or the exercise of any other right or power hereunder. No modification or waiver of any provision of this Agreement nor consent to any departure by any party therefrom shall in any event be effective unless the same shall be in writing and then such waiver or consent shall be effective only in the specific instance and for the given purpose. No notice to any party in any case shall entitle the other party to any other or further notice in similar or other circumstances.

15.9 Any provisions of this Agreement or any documents delivered hereunder prohibited by law shall be ineffective to the extent of such prohibition without invalidating the remaining terms and provisions hereof.

15.10 This Agreement and the schedules and addenda attached hereto shall constitute the entire agreement between the parties hereto with respect to the matters described herein and shall supersede all prior agreements, arrangements, undertakings, understandings, collateral agreements and representations, whether oral or written, relative to such matters. This Agreement shall not be amended except by an amending agreement in writing signed by the parties hereto.

15.11 The undersigned hereby confirm their express wish that this Agreement and any documents related hereto be drawn up in English only and declare themselves to be satisfied therewith, without prejudice to any documents which may, from time to time, be drawn up in French only or in both

French and English. Les soussignés confirment leur volonté expresse de voir la présente convention et tous les documents s'y rattachant rédigés en anglais seulement et s'en déclarent satisfaits, le tout, cependant, sous réserve de tout document qui pourrait à l'occasion être rédigé en français seulement ou à la fois en français ou en anglais.

15.12 Words importing the singular number only shall include the plural and vice versa. Words importing the use of any gender shall include all genders. Where used herein, the word "or" is disjunctive but not necessarily exclusive.

15.13 All section headings in this Agreement are for convenience only and do not form part of this Agreement.

15.14 This Agreement shall ensure to and be binding upon the parties hereto, their successors, permitted assigns, trustees and legal representatives.

15.15 Neither RISE CAPITAL nor Client may assign its interest in this Agreement to any Person without the prior written consent of the other.

15.16 Except as is prohibited by law, RISE CAPITAL shall be entitled to charge Client for all costs and expenses incurred by RISE CAPITAL in connection with this Agreement, including, without limitation, the costs of obtaining credit reports on Client or its Account Debtors, attorney's fees (on a solicitor-client basis) and costs incurred by RISE CAPITAL in the negotiation, preparation and execution of this Agreement and any documents related thereto and in the prosecution or enforcement of any of RISE CAPITAL rights, claims or causes of action which arise out of, relate to or pertain to this Agreement and the Indebtedness, including all attorney's fees, interest and other costs and expenses incurred in connection with any bankruptcy or insolvency proceeding involving Client. Such costs and expenses and attorney's fees incurred shall be paid on demand by Client.

15.17 Except where otherwise expressly provided, all amounts in this Agreement and/or in any Addendum attached or referred to herein are stated and shall be paid in Canadian currency.

15.18 Client acknowledges receipt of a true copy of this Agreement.

15.19 This Agreement becomes effective when executed in the places indicated below by authorized representatives of Client and RISE CAPITAL.

15.20 This agreement shall be deemed to be a contract made under the laws of the Province of Alberta and for all purposes, including matters of construction, validity, performance and enforceability be governed by the laws of such Province, and the courts of such Province shall have exclusive jurisdiction over all matters arising in connection herewith. Client hereby consents to the exclusive jurisdiction of the courts located within the Province of Alberta and hereby unconditionally waives its right to a jury trial in any suit or proceeding arising under or relating to this Agreement.

15.21 CLIENT ACKNOWLEDGES AND CONFIRMS THAT IT HAS REVIEWED THE CONTENTS OF THIS AGREEMENT AND ALL ADDENDA ATTACHED OR REFERRED TO HEREIN, THAT IT HAS HAD AN OPPORTUNITY TO SEEK THE ADVICE OF LEGAL AND OTHER COUNSEL PRIOR TO EXECUTING THIS AGREEMENT AND THAT IT HAS AVAILED ITSELF OF SUCH OPPORTUNITY AND OBTAINED WHATEVER ADVICE NECESSARY TO ENSURE THAT IT FULLY UNDERSTANDS AND APPRECIATES ITS RIGHTS AND OBLIGATIONS HEREUNDER.

EXECUTED AND ACCEPTED this 22 day of June, 2023.

Cleo Energy Corp.

1992169 Alberta Ltd.

By: 
Christopher Lewis (Jun 27, 2023 11:39 MDT)

By: 

Name: Chris Lewis

Name: Dan Ardiel

Title: Director

Title: Director

- 11 -
SCHEDULE "B"

Discount: Daily discount of 0.1% per day. (section 4.1)Purchase Limit:

\$1,500,000.00(section 4.5)

Reserve: 20% (Addendum No. 4)

Bank Account (for wire deposits):

Branch: RBC: 117 8 Ave SW, Calgary, AB T2P1B4

Account: 1222041 **Transit:** 00009 **Institution:** 003

(Section 3.1)

Current assets: current liabilities: N/A to N/A (section 6.1(m))

Debt obligations: equity: N/A to N/A (section 6.1(n))

Available cash flow: debt service expense: N/A to N/A (section 6.1(o))

Tangible net worth, less amounts advanced to shareholders, directors or officers: Cdn. \$ N/A (section 6.1(p))

Aged list of accounts receivable - for accounts with a minimum monthly balance that exceeds: Cdn. \$ N/A (section 6.1(q) (iii))

Maximum capital expenditures per year: \$ N/A (section 6.1(r))

Interest payable under section 9.3: 35%


Location of Goods (section 5.1(l) (xii))

Notes:

(IF ANY OF THE ITEMS LISTED ABOVE DO NOT APPLY, PLEASE INDICATE BY WRITING "N/A" IN THE SPACE PROVIDED.)

EXECUTED AND ACCEPTED this 22 day of June, 2023.

Cleo Energy Corp.

By: 
Christopher Lewis (Jun 27, 2023 11:30 MST)

Name: Chris Lewis

Title: Director

1992169 Alberta Ltd.

By: 

Name: Dan Ardiel

Title: Director

- 12 -
ADDENDUM NO. 1

This addendum, as referenced in the agreement dated 22 June 2023 Between **Cleo Energy Corp.**, and **1992169 Alberta Ltd.** (the "**Agreement**"), shall be read with and be deemed to be part of the Agreement as if this addendum and the Agreement were contained in one agreement.

Capitalized terms, whenever used in the Agreement, shall have the following meanings:

"Accession" has the meaning ascribed thereto in the PPSA and shall be interpreted in accordance therewith;

"Account" means any right to payment for goods sold or leased and delivered, or for service(s) rendered;

"Account Debtor/Debtors" means a person who is obligated to pay an Account or who is obligated to pay on Chattel Paper or on an Instrument constituting Collateral;

"Agreement", **"this Agreement"**, **"herein"**, **"hereof"**, **"hereunder"** or other like words means this Agreement together with the schedules and addenda attached hereto and any other agreement supplementary or ancillary hereto;

"Approved Account" means an Account approved by RISE CAPITAL at Rise Capital's sole discretion.

"Business Day" means a day other than a Saturday, Sunday or any other day on which banks are authorized or obligated to close under the laws of Canada or the laws of the Province of Alberta;

"Collateral" means all the assets and undertaking of the Client and in all Chattel Paper, Documents of Title (whether or not negotiable), Goods, Instruments, Intangibles, Money and Securities now owned or hereafter owned or acquired by or on behalf of the Client (including such as may be returned to or repossessed by the Client) or in respect of which the Client now has or subsequently acquires an interest or of which the Client may hereafter become possessed or to which the Client may hereafter become entitled and in all Proceeds and renewals thereof, accretions thereto and substitutions therefor and in all real property of the Client including, without limitation, the following:

(a) all inventory of whatever kind and wherever situated now owned or hereafter acquired or reacquired by the Client including, without limitation, all Goods, merchandise, raw materials, Goods in process and finished Goods held for sale, lease or resale or furnished or to be furnished under contracts for service or used or consumed in the Client's business (collectively, the **"Inventory"**);

(b) all equipment of whatever kind and wherever situated now owned or hereafter acquired by the Client including, without limitation, all tools, machinery, apparatus, furniture, plant, fixtures and vehicles of whatsoever kind and all purchase warranties, manufacturer's claims, drawings, specifications, plans and manuals relating thereto (collectively, the **"Equipment"**);

(c) all Accounts, debts, dues, claims, chooses in action and demands of every kind howsoever arising or secured and whether or not earned by performance, including letters of credit and advices of credit, that are now due, owing or accruing or growing due to or owned by or that may hereafter become due, owing or accruing or growing due to or owned by the Client, and also all securities, security interests, guarantees, mortgages, bills, notes, instruments, writings and other documents that are now held or owned or that may hereafter be taken, held or owned by or on behalf of the Client in respect of such Accounts, debts, dues, claims, chooses in action and demands or any part thereof (collectively, the **"Rights to Payment"**);

(d) all deeds, documents, writings, papers, books of account, other books, electronic and magnetic records and other records evidencing, recording or appertaining to the Rights to Payment, Chattel Paper or Documents of Title;

(e) all contractual and other rights, claims under policies of insurance, causes of action, franchises, licences, goodwill, inventions, patents, patent rights, designer rights, trademarks, trade names, copyrights, processes, formulae, industrial designs, trade secrets, know-how and other industrial and intellectual property rights, whether registered or unregistered and whether under licence or otherwise; and

(f) all property described in any schedule or addendum now or hereafter annexed hereto;

"Chattel Paper" has the meaning ascribed thereto in the PPSA and shall be interpreted in accordance therewith;

"Consumer Goods" has the meaning ascribed thereto in the PPSA and shall be interpreted in accordance therewith;

"Corresponding Rights" has the meaning ascribed thereto in section 3.2;

"Credit Impairment" has the meaning ascribed thereto in section 4.4 and Addendum no. 4;

"Credit Problem" means, in the sole and absolute opinion of RISE CAPITAL, Customer is unable to pay its debts because of its bankruptcy, insolvency or *bona fide* inability to pay;

"Customer" means Client's customer and Account debtor/debtors;

"Customer Dispute" means a claim by Customer against Client of any kind whatsoever that reduces the amount collectible from Customer by RISE CAPITAL. A Customer Dispute may arise from any kind of disagreement between Customer and Client whatsoever, whether valid or invalid, and may arise at any time, both before or after the signing of this Agreement or the purchase of the Account by RISE CAPITAL;

"Documents of Title" has the meaning ascribed thereto in the PPSA and shall be interpreted in accordance therewith;

"Goods" has the meaning ascribed thereto in the PPSA and shall be interpreted in accordance therewith and, for the purposes of this agreement, shall include all parts, accessories, attachments, special tools, additions and Accessions thereto, but shall exclude Consumer Goods;

"Equipment" has the meaning ascribed thereto in the definition of "Collateral";

"Gross Face Value" has the meaning ascribed thereto in sections 4.1 and 4.2;

"Indebtedness" means any and all obligations, indebtedness and liability of the Client to RISE CAPITAL (including interest thereon) arising under this Agreement;

"Instruments" has the meaning ascribed thereto in the PPSA and shall be interpreted in accordance therewith;

"Intangibles" has the meaning ascribed thereto in the PPSA and shall be interpreted in accordance therewith;

"Inventory" has the meaning ascribed thereto in the definition of "Collateral";

"Invoice" has the meaning ascribed thereto in Addendum no. 2 or 3, as applicable;

"Money" has the meaning ascribed thereto in the PPSA and shall be interpreted in accordance therewith;

"Monitor" has the meaning ascribed thereto in section 12.2(m);

"Overpayment" has the meaning ascribed thereto in section 4.3;

"Permitted Encumbrances" means:

(i) liens for taxes, assessments or governmental charges incurred in the ordinary course of business that are not yet due and payable or the validity of which is being actively and diligently contested in good faith by Client or in respect of which Client has established on its books reserves considered by it and its auditors to be adequate therefor;

(ii) construction, mechanics', carriers', warehousemen's and materialmen's liens and liens in respect of vacation pay, workers' compensation, unemployment insurance or similar statutory obligations, provided the obligations secured by such liens are not yet due and payable and, in the case of construction liens, which have not yet been filed or for which Client has not received written notice of a lien;

(iii) Deposits to secure public or statutory obligations or in connection with any matter giving rise to a lien described in (b) above;

(iv) Any liens, security interests, encumbrances or other charges in favour of RISE CAPITAL;

(v) Purchase money security interests, as defined in the PPSA;

(vi) any lien, other than a construction lien, payment of which has been provided for by deposit with a bank of an amount in cash, or the obtaining of a surety bond or letter of credit satisfactory to RISE CAPITAL, sufficient in either case to pay or discharge such lien or upon other terms satisfactory to RISE CAPITAL; and

(vii) Any other lien which RISE CAPITAL approves in writing as a Permitted Encumbrance;

"Person" includes an individual, corporation, partnership, trust, unincorporated association or any government, Crown corporation or governmental agency or authority, or any combination of the above;

"PPSA" means the *Personal Property Security Act* (Alberta) and all regulations made pursuant thereto;

"Proceeds" has the meaning ascribed thereto in the PPSA and shall be interpreted in accordance therewith and shall, by way of example, include trade-ins, equipment, cash, bank accounts, notes, Chattel Paper, Goods, contract rights, accounts and any other personal property or obligation received when such collateral or the proceeds thereof is sold, exchanged, collected or otherwise disposed of;

"Purchase Orders" has the meaning ascribed thereto in Addendum no. 2 or 3, as applicable;

"Purchase Price" has the meaning ascribed thereto in section 4.1;

"Receiver" has the meaning ascribed thereto in section 12.2(l);


"Reserve" has the meaning ascribed thereto in Addendum no. 4; and

"Securities" has the meaning ascribed thereto in the PPSA and shall be interpreted in accordance therewith; and

"Security Documents" means, collectively, any agreements, instruments and documents delivered from time to time (both before and after the date of this Agreement) to RISE CAPITAL by Client for the purpose of establishing, perfecting, preserving or protecting the interest of RISE CAPITAL in the Accounts purchased by RISE CAPITAL and Corresponding Rights and in respect of all amounts outstanding hereunder or any other Indebtedness, including, without limitation, guarantees, debentures, general security agreements, general assignments of receivables and share pledge agreements.

EXECUTED AND ACCEPTED this 22 day of June, 2023.

Cleo Energy Corp.

By: 
Christopher Lewis (Jun 27, 2023 11:30 MDT)

Name: Chris Lewis

Title: Director

1992169 Alberta Ltd.

By: 

Name: Dan Ardiel

Title: Director

ADDENDUM NO. 4

(For use when a "reserve" fund is required)

This addendum, as referenced in the agreement dated 22 June, 2023 between **Cleo Energy Corp., and 1992169 Alberta Ltd.** (the "**Agreement**"), shall be read with and be deemed to be part of the Agreement as if this addendum and the Agreement were contained in one agreement.

Capitalized words used herein and not otherwise defined herein shall have the meanings ascribed thereto in the Agreement or in Addendum no. 1.


In addition to the discount referred to in section 4.1, RISE CAPITAL shall reserve and withhold from the Purchase Price for each Account purchased by it an amount in a reserve account equal to the percentage of the Gross Face Value of such Account set out in the SCHEDULE OF ACCOUNTS (a "**Reserve**"). All amounts held in said reserve account may be applied by RISE CAPITAL against charge-backs or any other obligations of Client to RISE CAPITAL known or anticipated and, subject to the following paragraph, no amount held in said reserve account shall be paid to Client until any and all of such obligations are fully paid and/or satisfied.

Provided Client has not failed to pay any outstanding Indebtedness of Client to RISE CAPITAL which is then due and owing, RISE CAPITAL shall pay to Client from the reserve account the Reserve for each Account after RISE CAPITAL has received full payment in respect of such Account. Such payments shall be made within ten Business Days immediately following payment in full of the Account, unless otherwise agreed to in writing by RISE CAPITAL. Notwithstanding the foregoing, if, in Rise Capital's sole and absolute opinion, there is an adverse change in the financial condition of Client or the Customer in respect of which the Reserve was made, or Client's or such Customer's ability to pay any amounts owing to RISE CAPITAL has been impaired, worsened or diminished or threatens to do so (a "**Credit Impairment**"), RISE CAPITAL shall not be obligated to pay to Client any amount from the reserve account until it is satisfied that the Credit Impairment no longer exists.

EXECUTED AND ACCEPTED this 22 day of June, 2023.

Cleo Energy Corp.

1992169 Alberta Ltd.

By: 
Christopher Lewis (Jun 27, 2023 11:36 MST)

By: 
Dan Ardiel

Name: Chris Lewis

Name: Dan Ardiel

Title: Director

Title: Director

ADDENDUM NO. 6

(For use when "notification" is to be provided to Client's customer)

This addendum, as referenced in the agreement dated 22 June, 2023 between **Cleo Energy Corp.** And **1992169 Alberta Ltd.** contained in one agreement.

Capitalized words used herein and not otherwise defined herein shall have the meanings ascribed thereto in the Agreement or in Addendum no. 1.


NOTIFICATION

Client agrees to notify each Customer of the sale/assignment to RISE CAPITAL of any Account owing by such Customer to Client in writing on Client's letterhead substantially in the form set out in the attached NOTIFICATION OF ASSIGNMENT (see Schedule "A" attached hereto) advising the Customer that all future payments are to be made only to RISE CAPITAL directly.

EXECUTED AND ACCEPTED this 22 day of June, 2023.

Cleo Energy Corp.

1992169 Alberta Ltd.

By: 
Christopher Lewis (Jun 27, 2023 11:30 MDT)

By: 

Name: Chris Lewis

Name: Dan Ardiel

Title: Director

Title: Director

**RESOLUTION OF THE BOARD OF DIRECTORS
OF
Cleo Energy Corp..
(The "Corporation")**

WHEREAS 1992169 ALBERTA LTD. ("Rise Capital") has agreed to establish a factor facility (the "Facility");

AND WHEREAS the Corporation has agreed to provide to the RISE CAPITAL certain mortgages, charges, assignments and security agreements in order to secure the Facility;


NOW THEREFORE IT IS RESOLVED AS FOLLOWS:

1. The Corporation is authorized to enter into and to perform its agreements and obligations set out in, and to encumber its property and assets in the manner contemplated by, each of the following (hereinafter collectively called the "Documents"):
 - (a) Factor Agreement;
 - (b) General Security Agreement; and
 - (c) Non-Merger Acknowledgement.
2. Any director or officer of the Corporation is authorized and directed:
 - (a) to execute and to deliver the Documents and all agreements, instruments and other documents as he, in his sole discretion, considers necessary, desirable or useful in connection with the Facility, each to be in such form and content as he may approve, his signature thereto to be conclusive evidence of such approval; and
 - (b) to do all such further acts and things and give such further assurances as he, in his sole discretion, considers necessary, desirable or useful in connection with the Facility.

THE FOREGOING IS HEREBY CERTIFIED to be a true and correct copy of a resolution of the board of directors of the Corporation passed in the manner required by law, which resolution is in full force and effect, unamended as of the date hereof.

DATED this 22 day of June, 2023 .

Cleo Energy Corp.

By: 
Christopher Lewis (Jun 27, 2023 11:30 MDT)

Name: Chris Lewis

Title: Director

CERTIFICATE OF INCUMBENCY OF

Cleo Energy Corp..

1. The following persons are the duly elected or appointed directors of the Corporation and each qualifies as a director of the Corporation:
(The "Corporation")
2. The following persons are the duly elected or appointed officers of the Corporation and hold the offices in the Corporation set out opposite their respective names:

NAME OF OFFICER

Chris Lewis

OFFICE

Director

3. The following are the genuine signatures of the following officers and directors of the Corporation:


NAME OF OFFICER/DIRECTOR

SPECIMEN SIGNATURE

Chris Lewis


Christopher Lewis (Jun 27, 2023 11:30 MDT)

The undersigned certifier, being an officer or director of the Corporation, certifies the foregoing this 22 day of June, 2023.

By: 
Christopher Lewis (Jun 27, 2023 11:30 MDT)

Name: Chris Lewis

Title: Director

CERTIFICATE OF CORPORATE AUTHORITY


TO:

RE: 1992169 Alberta Ltd. factor facility with **Cleo Energy Corp.**

The undersigned, being an officer or director of Cleo Energy Corp., (the "Corporation") certifies that:

1. The Corporation has been incorporated or amalgamated under the laws of the Province of Alberta and its constating documents are in full force and effect and no proceedings have been taken to amend, surrender or cancel them.
2. The minute books of the Corporation contain all the resolutions and other proceedings of the directors and shareholders of the Corporation.
3. All filings and remittances that are required under the Business Corporations Act (all applicable provinces) by the Corporation unless otherwise agreed in writing by RISE CAPITAL.
4. There are no provisions in the constating documents of the Corporation or in any written agreement among all of the shareholders of the Corporation or in any written agreement among all of the shareholders of the Corporation and one or more persons who are not shareholders of the Corporation or in any written declaration by a person who is the beneficial owner of all of the issued shares of the Corporation which restrict or limit the powers of the directors of the Corporation to:
 - (a) Manage or supervise the management of the business and affairs of the Corporation;
 - (b) Borrow money upon the credit of the Corporation;
 - (c) Issue, reissue, sell or pledge debt obligations of the Corporation; or
 - (d) Mortgage, hypothecate, pledge or otherwise create a security interest in all or any property of the Corporation, owned or subsequently acquired, to secure any obligation of the Corporation.
5. Neither the execution, delivery nor performance by the Corporation of its obligations set out in any agreement, instrument or other document entered into in connection with the above-noted transaction will conflict with, be in or contribute to a contravention, breach or default under the Corporation's constating documents or resolutions or under any agreement, instrument or other document to which the Corporation is a party or by which the Corporation is bound other than with respect to the Corporation's agreements with its senior lender (**the "Lender"**); provided however, the Corporation shall enter into an agreement with the Lender in form and content satisfactory to RISE CAPITAL which shall require the Corporation to repay the amounts owing to the Lender over a six (6) month period in accordance with a repayment schedule upon which the Lender shall release its security over the Corporation's assets. .
6. No acts or proceedings have been taken by or against the Corporation in connection with any Reorganization (as defined in the Business Corporations Act), any Arrangement (as defined in the Business Corporations Act) or any liquidation, winding-up, dissolution, insolvency or bankruptcy and the Corporation is not in the course of any such changes and has not received any notice with respect thereto.
7. I have carefully reviewed those records of the Corporation and have made such inquiries and investigations as are necessary to enable me to make all the statements and certifications set out herein.

DATED this 22 day of June, 2023.

By 

Christopher Lewis (Jun 27, 2023 11:30 MDT)

Name: Chris Lewis

Title: Director


CERTIFICATE RE: ARTICLES AND BY-LAWS

TO:

RE: **1992169 Alberta Ltd.** factor facility with **Cleo Energy Corp.** (the "Corporation")

The undersigned, being an officer or director of the Corporation certifies that attached hereto is a true, correct and complete copy of the notice of articles and articles of the Corporation together with any amendments (the "Constituting Documents"). The Constituting Documents are in full force and effect, unamended as of the date hereof and no proceedings have been taken or are pending to amend, supplement, repeal or cancel the Constituting Documents.

DATED this 22 day of June, 2023.

By: 
~~Christopher Lewis (Jun 27, 2023 11:36 MDT)~~

Name: Chris Lewis

Title: Director

GENERAL SECURITY AGREEMENT

To:
Cleo Energy Corp.
200 – 117 8th Ave SW
Calgary, Alberta T2P1B4

Attention: Chris Lewis

RECITALS:

A. Cleo Energy Corp. (the "Debtor") is, or may become, indebted or liable to **1992169 ALBERTA LTD.** (the "Creditor").

B. To secure the payment and performance of the Liabilities (this term, and other capitalized terms used in this Agreement, have the meanings set forth in Section 1), the Debtor has agreed to grant to the Creditor security interests in respect of the Collateral in accordance with the terms of this Agreement.

For good and valuable consideration, the receipt and adequacy of which are acknowledged by the Debtor, the Debtor agrees with and in favour of the Creditor as follows:

Definitions. In this Agreement:

"Accessions", "Account", "Chattel Paper", "Consumer Goods", "Document of Title", "Equipment", "Goods", "Instrument", "Intangible", "Inventory" and "Proceeds" have the meanings given to them in the PPSA.

"Books and Records" means all books, records, files, papers, disks, documents and other repositories of data recording in any form or medium, evidencing or relating to the Collateral which are at any time owned by the Debtor or to which the Debtor (or any Person on the Debtor's behalf) has access.

"Business Day" means any day other than a Saturday, Sunday or statutory holiday in the province referred to in the "Governing Law" section of this Agreement.

"Collateral" means all of the present and future undertaking, Personal Property (including any Personal Property that may be described in any Schedule to this Agreement or any schedules, documents or listings that the Debtor may from time to time sign and provide to the Creditor in connection with this Agreement) and real property (including any real property that may be described in any Schedule to this Agreement or any schedules, documents or listings that the Debtor may from time to time sign and provide to the Creditor in connection with this Agreement and including all fixtures and all buildings placed, installed or erected from time to time on any such real property) of the Debtor (including all such property at any time owned, leased or licensed by the Debtor, or in which the Debtor at any time has any interest or to which the Debtor is or may at any time become entitled) and all Proceeds thereof, wherever located.

"Contracts" means all contracts, including, without limitation, contracts for the purchase, sale or assignment of accounts receivable between the Debtor and its clients, licenses and agreements to which the Debtor is at any time a party or pursuant to which the Debtor has at any time acquired rights, and includes (i) all rights of the Debtor to receive money due and to become due to it in connection with a contract, license or agreement, (ii) all rights of the Debtor to damages arising out of, or for breach or default in respect of, a contract, license or agreement, and (iii) all rights of the Debtor to perform and exercise all remedies in connection with a contract, license or agreement.

"Default" means the occurrence of any of the following events or conditions:

- (a) The Debtor does not pay any of the Liabilities when due;
- (b) The Debtor does not observe or perform any of the Debtor's obligations under this Agreement or any other agreement or document existing at any time between the Debtor and the Creditor;
- (c) Any representation, warranty or statement made by or on behalf of the Debtor to the Creditor, in this Agreement or otherwise, is untrue in any material respect when made;
- (d) The Debtor ceases or threatens to cease to carry on in the normal course all or any material part of the Debtor's business;
- (e) If the Debtor is a corporation, there is, in the Creditor's opinion (acting reasonably), a change in effective control of the Debtor, or if the Debtor is a partnership, there is, in the Creditor's opinion (acting reasonably), a dissolution or change in the membership of the partnership;
- (f) the Debtor becomes insolvent or bankrupt, or makes or files a proposal, a notice of intention to make a proposal or an assignment for the benefit of creditors under the Bankruptcy and Insolvency Act (Canada) or comparable legislation in Canada or any other jurisdiction; a petition in bankruptcy is filed against the Debtor; or, if the Debtor is a corporation, proceedings are initiated under any legislation by or against the Debtor seeking its liquidation, winding-up, dissolution or reorganization or any arrangement or composition of its debts;
- (g) A Receiver, trustee, custodian or other similar official is appointed in respect of the Debtor or any of the Collateral;
any Person holding a Security Interest in respect of any part of the Collateral takes possession of all or any material part of the Collateral, or a distress, execution or other similar process is levied against all or any material part of the Collateral;
- (h) the Debtor challenges or threatens to challenge the validity or enforceability of this Agreement or the Security Interests created by this Agreement; or
- (j) The Creditor, acting in good faith and upon commercially reasonable grounds, believes that the prospect of payment or performance of any of the Liabilities is or is about to be impaired or that all or any material part of the Collateral is or is about to be placed in jeopardy.

"Intellectual Property Rights" means all industrial and intellectual property rights, including copyrights, patents, trade-marks, industrial designs, knowhow and trade secrets and all Contracts related to any such industrial and intellectual property rights.

"Liabilities" means all present and future indebtedness, liabilities and obligations of every kind, nature and description (whether direct or indirect, joint or several, absolute or contingent, matured or unmatured) of the Debtor to the Creditor, wherever and however incurred, and any unpaid balance thereof.

"Money" has the meaning given to it in the PPSA or, if there is no such meaning given in the PPSA, means a medium of exchange authorized or adopted by the Parliament of Canada as part of the currency of Canada, or by a foreign government as part of its currency.

"PPSA" means the Personal Property Security Act of the province referred to in the "Governing Law" section of this Agreement, as such legislation may be amended, renamed or replaced from time to time (and includes all regulations from time to time made under such legislation).

"Permits" means all permits, licenses, authorizations, approvals, franchises, rights-of-way, easements and entitlements that the Debtor has, requires or is required to have, to own, possess or operate any of its property or to operate and carry on any part of its business.

"Person" will be broadly interpreted and includes an individual, a corporation, a limited liability company, a partnership, a trust, a joint venture, an association, an unincorporated organization, the government of a country or any political subdivision thereof, any agency or department of any such government, a regulatory agency or any other juridical entity and the heirs, executors, administrators or other legal representatives of an individual.

"Personal Property" means personal property and includes Accounts, Books and Records, Chattel Paper, Contracts, Documents of Title, Equipment, Goods, Instruments, Intangibles (including Intellectual Property Rights and Permits), Inventory, Money and Securities.

"Receiver" means a receiver, a manager or a receiver and manager.

"Securities" has the meaning given to it in the PPSA, or if there is no such meaning given in the PPSA but the PPSA defines "security" instead, it means the plural of that term.

"Security Interest" means any mortgage, charge, pledge, hypothecation, lien (statutory or otherwise), assignment, finance lease, title retention agreement or arrangement, security interest or other encumbrance or adverse claim of any nature, or any other security agreement or arrangement creating in favor of any creditor a right in respect of a particular property.

2. Grant of Security Interest. As general and continuing collateral security for the due payment and performance of the Liabilities, the Debtor mortgages, charges and assigns to the Creditor, and grants to the Creditor a security interest in, the Collateral.

3. Limitations on Grant of Security Interest. If the grant of any Security Interest in respect of any Contract, Intellectual Property Right or Permit under Section 2 would result in the termination or breach of such Contract, Intellectual Property Right or Permit, then the applicable Contract, Intellectual Property Right or Permit will not be subject to any Security Interest under Section 2 but will be held in trust by the Debtor for the benefit of the Creditor and, on exercise by the Creditor of any of its rights under this Agreement following Default, assigned by the Debtor as directed by the Creditor. In addition, the Security Interests created by this Agreement do not extend to the last day of the term of any lease or agreement for lease of real property. Such last day will be held by the Debtor in trust for the Creditor and, on the exercise by the Creditor of any of its rights under this Agreement following Default, will be assigned by the Debtor as directed by the Creditor.

4. **Attachment; No Obligation to Advance.** The Debtor confirms that value has been given by the Creditor to the Debtor, that the Debtor has rights in the Collateral (other than after-acquired property) and that the Debtor and the Creditor have not agreed to postpone the time for attachment of the Security Interests created by this Agreement to any of the Collateral. The Security Interests created by this Agreement will have effect and be deemed to be effective whether the Liabilities or any part thereof are owing or in existence before or after or upon the date of this Agreement. Neither the execution of this Agreement nor any advance of funds shall oblige the Creditor to advance any funds or any additional funds.

5. **Representations and Warranties.** The Debtor represents and warrants to the Creditor that:

(A) **Places of Business, Name, Location of Collateral.** The Debtor's PRESIDENT place of business and chief executive office, and the place where it keeps its Books and Records, is at the address specified on the signature page of this Agreement, and its full legal name, and any other name under which it conducts its business, is specified on the signature page of this Agreement. The location of all other existing places where the Debtor carries on business or keeps tangible Personal Property, the location of all jurisdictions in which account debtors of the Debtor are located, and the location of all real property owned by the Debtor, are set out in Schedule A to this Agreement.

(b) **Title; No Other Security Interests.** Except for (i) the Security Interests created by this Agreement, and (ii) any other Security Interests permitted in writing by the Creditor, the Debtor owns (or, with respect to any leased or licensed property forming part of the Collateral, holds a valid leasehold or licensed interest in) the Collateral free and clear of any Security Interests. No security agreement, financing statement or other notice with respect to any or all of the Collateral is on file or on record in any public office, except for filings in favor of, or permitted in writing by, the Creditor.

(c) **Amount of Accounts.** The amount represented by the Debtor to the Creditor from time to time as owing by each account debtor or by all account debtors in respect of the Accounts will at such time be the correct amount so owing by such account debtor or debtors and, unless disclosed in writing by the Debtor to the Creditor at that time, will be owed free of any dispute, set-off or counterclaim.

(d) **Authority; Consents.** The Debtor has full power and authority to grant to the Creditor the Security Interests created by this Agreement and to execute, deliver and perform its obligations under this Agreement, and such execution, delivery and performance does not contravene any of the Debtor's constating documents or by-laws or any agreement, instrument or restriction to which the Debtor is a party or by which the Debtor or any of the Collateral is bound. Except for any consent that has been obtained and is in full force and effect, no consent of any party (other than the Debtor) to any Contract or any obligor in respect of any Account is required, or purports to be required, for the execution, delivery and performance of this Agreement. Except as disclosed in writing by the Debtor to the Creditor, neither the Debtor nor (to the best of the Debtor's knowledge) any other party to any Account or Contract is in default or is likely to become in default in the performance or observance of any of the terms of such Account or Contract.

(e) **Execution and Delivery; Enforceability.** This Agreement has been duly authorized, executed and delivered by the Debtor and is a valid and binding obligation of the Debtor enforceable against the Debtor in accordance with its terms, subject only to bankruptcy, insolvency, liquidation, reorganization, moratorium and other similar laws generally affecting the enforcement of creditors' rights, and to the fact that equitable remedies (such as specific performance and injunction) are discretionary remedies.

(f) **Motor Vehicles.** A description of all motor vehicles and other "serial number" goods (i.e. trailers, mobile homes, aircraft, aircraft engines and vessels) (including vehicle identification numbers) presently owned by the Debtor and classified as Equipment is set out in Schedule A to this Agreement.

(g) **No Consumer Goods.** The Debtor does not own any Consumer Goods which are material in value, or which are material to the business, operations, property, condition or prospects (financial or otherwise) of the Debtor.

(h) **Intellectual Property Rights.** All Intellectual Property Rights owned by the Debtor, and all rights of the Debtor to the use of any Intellectual Property Rights, are described in Schedule A to this Agreement. To the best of the Debtor's knowledge, each such Intellectual Property Right is valid, subsisting, unexpired, and enforceable and has not been abandoned. Except as set out in such Schedule, none of such Intellectual Property Rights has been licensed or franchised by the Debtor to any Person.

6. **Survival of Representations and Warranties.** All agreements, representations, warranties and covenants made by the Debtor in this Agreement are material, will be considered to have been relied on by the Creditor and will survive the execution and delivery of this Agreement or any investigation made at any time by or on behalf of the Creditor and any disposition or payment of the Liabilities until repayment and performance in full of the Liabilities and termination of all rights of the Debtor that, if exercised, would result in the existence of Liabilities.

7. **Covenants.** The Debtor covenants and agrees with the Creditor that:

(a) **Further Documentation.** The Debtor will from time to time, at the expense of the Debtor, promptly and duly authorize, execute and deliver such further instruments and documents, and take such further action, as the Creditor may request for the purpose of obtaining or preserving the full benefits of, and the rights and powers granted by, this Agreement (including the filing of any financing statements or financing change statements under any applicable legislation with respect to the Security Interests created by this Agreement). The Debtor acknowledges that this Agreement has been prepared based on the existing laws in the province referred to in the "Governing Law" section of this Agreement and that a change in such laws, or the laws of other jurisdictions, may require the execution and delivery of different forms of security documentation. Accordingly, the Debtor agrees that the Creditor will have the right to require that this Agreement be amended, supplemented or replaced, and that the Debtor will immediately on request by the Creditor authorize, execute and deliver any such amendment, supplement or replacement (i) to reflect any changes in such laws, whether arising as a result of statutory amendments, court decisions or otherwise, (ii) to facilitate the creation and registration of appropriate security in all appropriate jurisdictions, or (iii) if the Debtor merges or amalgamates with any other Person or enters into any corporate reorganization, in each case in order to confer on the Creditor Security Interests similar to, and having the same effect as, the Security Interests created by this Agreement.

(b) **Delivery of Certain Collateral.** Promptly upon request from time to time by the Creditor, the Debtor will deliver (or cause to be delivered) to the Creditor, endorsed and/or accompanied by such instruments of assignment and transfer in such form and substance as the Creditor may reasonably request, any and all Instruments, Securities, Documents of Title and Chattel Paper included in or relating to the Collateral as the Creditor may specify in its request.

(c) **Payment of Expenses; Indemnification.** The Debtor will pay on demand, and will indemnify and save the Creditor harmless from, any and all liabilities, costs and expenses (including legal fees and expenses on a solicitor and own client basis and any sales, goods and services or other similar taxes payable to any governmental authority with respect to any such liabilities, costs and expenses) (i) incurred by the Creditor in the preparation, registration, administration or enforcement of this Agreement, (ii) with respect to, or resulting from, any failure or delay by the Debtor in

performing or observing any of its obligations under this Agreement, or (iii) incurred by the Creditor in performing or observing any of the other covenants of the Debtor under this Agreement.

(d) Maintenance of Records. The Debtor will keep and maintain accurate and complete records of the Collateral, including a record of all payments received and all credits granted with respect to the Accounts and Contracts. At the written request of the Creditor, the Debtor will mark any Collateral specified by the Creditor to evidence the existence of the Security Interests created by this Agreement.

(e) Right of Inspection. The Creditor may, at all times during normal business hours, without charge, examine and make copies of all Books and Records, and may discuss the affairs, finances and accounts of the Debtor with its officers and accountants. The Creditor may also, without charge, enter the premises of the Debtor where any of the Collateral is located for the purpose of inspecting the Collateral, observing its use or otherwise protecting its interests in the Collateral. The Debtor, at its expense, will provide the Creditor with such clerical and other assistance as may be reasonably requested by the Creditor to exercise any of its rights under this paragraph.

(f) Limitations on Other Security Interests. The Debtor will not create, incur or permit to exist, and will defend the Collateral against, and will take such other action as is necessary to remove, any and all Security Interests in and other claims affecting the Collateral, other than the Security Interests created by this Agreement or as permitted in writing by the Creditor, and the Debtor will defend the right, title and interest of the Creditor in and to the Collateral against the claims and demands of all Persons.

(g) Limitations on Dispositions of Collateral. The Debtor will not, without the Creditor's prior written consent, sell, lease or otherwise dispose of any of the Collateral, except that Inventory may be sold, leased or otherwise disposed of, and subject to Section 17, Accounts may be collected, in the ordinary course of the Debtor's business. Following Default, all Proceeds of the Collateral (including all amounts received in respect of Accounts) received by or on behalf of the Debtor, whether or not arising in the ordinary course of the Debtor's business, will be received by the Debtor as trustee for the Creditor and will be immediately paid to the Creditor.

(h) Limitations on Modifications, Waivers, Extensions. Other than as permitted by paragraph (l) below, the Debtor will not (i) amend, modify, terminate or waive any provision of any Permit, Contract or any document giving rise to an Account in any manner which is or could reasonably be expected to be materially adverse to the Debtor or the Creditor, or (ii) fail to exercise promptly and diligently its rights under each Contract and each document giving rise to an Account if such failure is or could reasonably be expected to be materially adverse to the Debtor or the Creditor.

(i) Limitations on Discounts, Compromises, Extensions of Accounts. Other than in the ordinary course of business of the Debtor consistent with previous practices, the Debtor will not (i) grant any extension of the time for payment of any Account, (ii) compromise, compound or settle any Account for less than its full amount, (iii) release, wholly or partially, any Person liable for the payment of any Account, or (iv) allow any credit or discount of any Account.

(j) Maintenance of Collateral. The Debtor will maintain all tangible Collateral in good operating condition, ordinary wear and tear excepted, and the Debtor will provide all maintenance, service and repairs necessary for such purpose.

(k) Insurance. The Debtor will keep the Collateral insured with financially sound and reputable companies to its full insurable value against loss or damage by fire, explosion, theft and such other risks as are customarily insured against by Persons carrying on similar businesses or owning similar property within the vicinity in which the Debtor's applicable business or property is located. The applicable insurance policies will be in form and substance satisfactory to the Creditor, and will (i) contain a breach of warranty clause in favor of the Creditor, (ii) provide that no cancellation, material reduction in amount or material change in coverage will be effective until at least 30 days after receipt of written notice thereof by the Creditor, (iii) contain by way of endorsement a mortgagee clause in form and substance satisfactory to the Creditor, and (iv) name the Creditor as loss payee as its interest may appear. The Debtor will, from time to time at the Creditor's request, deliver the applicable insurance policies (or satisfactory evidence of such policies) to the Creditor. If the Debtor does not obtain or maintain such insurance, the Creditor may, but need not, do so, in which event the Debtor will immediately on demand reimburse the Creditor for all payments made by the Creditor in connection with obtaining and maintaining such insurance, and until reimbursed any such payment will form part of the Liabilities and will be secured by the Security Interests created by this Agreement. Neither the Creditor nor its correspondents or its agents will be responsible for the character, adequacy, validity or genuineness of any insurance, the solvency of any insurer, or any other risk connected with insurance.

(l) Further Identification of Collateral. The Debtor will promptly furnish to the Creditor such statements and schedules further identifying and describing the Collateral, and such other reports in connection with the Collateral, as the Creditor may from time to time reasonably request, including an updated list of any motor vehicles or other "serial number" goods owned by the Debtor and classified as Equipment, including vehicle identification numbers.

(m) Notices. The Debtor will advise the Creditor promptly, in reasonable detail, of (i) any Security Interest (other than the Security Interests created by this Agreement and any Security Interest permitted in writing by the Creditor) on, or claim asserted against, any of the Collateral, (ii) the occurrence of any event, claim or occurrence that could reasonably be expected to have a material adverse effect on the value of the Collateral or on the Security Interests created by this Agreement, (iii) any change in the location of any place of business (including additional locations) or the chief executive office of the Debtor, (iv) any change in the location of any of the tangible Collateral (including additional locations), (v) any acquisition of real property by the Debtor, (vi) any change in the name of the Debtor, (vii) any merger or amalgamation of the Debtor with any other Person, (viii) any additional jurisdiction in which material accounts debtors of the Debtor are located, and (ix) any material loss of or damage to any of the Collateral. The Debtor agrees not to effect or permit any of the changes referred to in clauses (iii) to (viii) above unless all filings have been made and all other actions taken that are required in order for the Creditor to continue at all times following such change to have a valid and perfected Security Interest in respect of all of the Collateral.

(n) Delivery of Agreements re Intellectual Property Rights. The Debtor will promptly, following demand from time to time by the Creditor, authorize, execute and deliver any and all agreements, instruments, documents and papers that the Creditor may request to evidence the Creditor's Security Interests in any Intellectual Property Rights and, where applicable, the goodwill of the business of the Debtor connected with the use of, and symbolized by, any such Intellectual Property Rights.

8. Rights on Default. On Default, all of the Liabilities will, at the option of the Creditor, become immediately due and payable and the security constituted by this Agreement will become enforceable, and the Creditor may, personally or by agent, at such time or times as the Creditor in its discretion may determine, do any one or more of the following:

(a) Rights under PPSA, etc. Exercise all of the rights and remedies granted to secured parties under the PPSA and any other applicable statute, or otherwise available to the Creditor at law or in equity.

(b) Demand Possession. Demand possession of any or all of the Collateral, in which event the Debtor will, at the expense of the Debtor, immediately cause the Collateral designated by the Creditor to be assembled and made available and/or delivered to the Creditor at any place designated by the Creditor.

(c) Take Possession. Enter on any premises where any Collateral is located and take possession of, disable or remove such Collateral.

(d) Deal with Collateral. Hold, store and keep idle, or operate, lease or otherwise use or permit the use of, any or all of the Collateral for such time and on such terms as the Creditor may determine, and demand, collect and retain all earnings and other sums due or to become due from any Person in respect of any of the Collateral.

(e) Carry on Business. Carry on, or concur in the carrying on of, any or all of the business or undertaking of the Debtor and enter on, occupy and use (without charge by the Debtor) any of the premises, buildings, plant and undertaking of, or occupied or used by, the Debtor.

(f) Enforce Collateral. Seize, collect, receive, enforce or otherwise deal with any Collateral in such manner, on such terms and conditions and at such times as the Creditor deems advisable.

(g) Dispose of Collateral. Realize on any or all of the Collateral and sell, lease, assign, give options to purchase, or otherwise dispose of and deliver any or all of the Collateral (or contract to do any of the above), in one or more parcels at any public or private sale, at any exchange, broker's board or office of the Creditor or elsewhere, on such terms and conditions as the Creditor may deem advisable and at such prices as it may deem best, for cash or on credit or for future delivery.

(h) Court-Approved Disposition of Collateral. Apply to a court of competent jurisdiction for the sale or foreclosure of any or all of the Collateral.

(i) Purchase by Creditor. At any public sale, and to the extent permitted by law on any private sale, bid for and purchase any or all of the Collateral offered for sale and, upon compliance with the terms of such sale, hold, retain and dispose of such Collateral without any further accountability to the Debtor or any other Person with respect to such holding, retention or disposition, except as required by law. In any such sale to the Creditor, the Creditor may, for the purpose of making payment for all or any part of the Collateral so purchased, use any claim for Liabilities then due and payable to it as a credit against the purchase price.

(j) Collect Accounts. Notify the account debtors or obligors under any Accounts of the assignment of such Accounts to the Creditor and direct such account debtors or obligors to make payment of all amounts due or to become due to the Debtor in respect of such Accounts directly to the Creditor and, upon such notification and at the expense of the Debtor, enforce collection of any such Accounts, and adjust, settle or compromise the amount or payment of such Accounts, in such manner and to such extent as the Creditor deems appropriate in the circumstances.

(k) Transfer of Securities. Transfer any Securities forming part of the Collateral into the name of the Creditor or its nominee, with or without disclosing that the Securities are subject to the Security Interests arising under this Agreement.

(l) Exercise of Rights. Exercise any and all rights, privileges, entitlements and options pertaining to any Securities forming part of the Collateral as if the Creditor were the absolute PRESIDENT of such Securities.

(m) Payment of Liabilities. Pay any liability secured by any Security Interest against any Collateral. The Debtor will immediately on demand reimburse the Creditor for all such payments.

(n) Borrow and Grant Security Interests. Borrow money for the maintenance, preservation or protection of any Collateral or for carrying on any of the business or undertaking of the Debtor and grant Security Interests on any Collateral (in priority to the Security Interests created by this Agreement or otherwise) as security for the money so borrowed. The Debtor will immediately on demand reimburse the Creditor for all such borrowings.

(o) Appoint Receiver. Appoint by instrument in writing one or more Receivers of the Debtor or any or all of the Collateral with such rights, powers and authority (including any or all of the rights, powers and authority of the Creditor under this Agreement) as may be provided for in the instrument of appointment or any supplemental instrument, and remove and replace any such Receiver from time to time. To the extent permitted by applicable law, any Receiver appointed by the Creditor will (for purposes relating to responsibility for the Receiver's acts or omissions) be considered to be the agent of the Debtor and not of the Creditor.

(p) Court-Appointed Receiver. Apply to a court of competent jurisdiction for the appointment of a Receiver of the Debtor or of any or all of the Collateral.

(q) Consultants. Require the Debtor to engage a consultant of the Creditor's choice, or engage a consultant on its own behalf, such consultant to receive the full cooperation and support of the Debtor and its employees, including unrestricted access to the premises, books and records of the Debtor; all reasonable fees and expenses of such consultant shall be for the account of the Debtor and the Debtor hereby authorizes any such consultant to report directly to the Creditor and to disclose to the Creditor any and all information obtained in the course of such consultant's employment.

The Creditor may exercise any or all of the foregoing rights and remedies without demand of performance or other demand, presentment, protest, advertisement or notice of any kind (except as required by applicable law) to or on the Debtor or any other Person, and the Debtor by this Agreement waives each such demand, presentment, protest, advertisement and notice to the extent permitted by applicable law. None of the above rights or remedies will be exclusive of or dependent on or merge in any other right or remedy, and one or more of such rights and remedies may be exercised independently or in combination from time to time. Without prejudice to the ability of the Creditor to dispose of the Collateral in any manner which is commercially reasonable, the Debtor acknowledges that a disposition of Collateral by the Creditor which takes place substantially in accordance with the following provisions will be deemed to be commercially reasonable:

(i) Collateral may be disposed of in whole or in part;

(ii) Collateral may be disposed of by public auction, public tender or private contract, with or without advertising and without any other formality;

- (iii) Any purchaser or lessee of Collateral may be a customer of the Creditor;
- (iv) a disposition of Collateral may be on such terms and conditions as to credit or otherwise as the Creditor, in its sole discretion, may deem advantageous; and
- (v) The Creditor may establish an upset or reserve bid or price in respect of Collateral.

9. **Grant of License.** For the purpose of enabling the Creditor to exercise its rights and remedies under Section 8 when the Creditor is entitled to exercise such rights and remedies, and for no other purpose, the Debtor grants to the Creditor an irrevocable, non-exclusive license (exercisable without payment of royalty or other compensation to the Debtor) to use, assign or sublicense any or all of the Intellectual Property Rights, including in such license reasonable access to all media in which any of the licensed items may be recorded or stored and to all computer programs used for the compilation or printout of the same.

10. **Sale of Securities.** The Creditor is authorized, in connection with any offer or sale of any Securities forming part of the Collateral, to comply with any limitation or restriction as it may be advised by counsel is necessary to comply with applicable law, including compliance with procedures that may restrict the number of prospective bidders and purchasers, requiring that prospective bidders and purchasers have certain qualifications, and restricting prospective bidders and purchasers to Persons who will represent and agree that they are purchasing for their own account or investment and not with a view to the distribution or resale of such Securities. The Debtor further agrees that compliance with any such limitation or restriction will not result in a sale being considered or deemed not to have been made in a commercially reasonable manner, and the Creditor will not be liable or accountable to the Debtor for any discount allowed by reason of the fact that such Securities are sold in compliance with any such limitation or restriction.

11. **Application of Proceeds.** All Proceeds of Collateral received by the Creditor or a Receiver may be applied to discharge or satisfy any expenses (including the Receiver's remuneration and other expenses of enforcing the Creditor's rights under this Agreement), Security Interests in favor of Persons other than the Creditor, borrowings, taxes and other outgoings affecting the Collateral or which are considered advisable by the Creditor or the Receiver to protect, preserve, repair, process, maintain or enhance the Collateral or prepare it for sale, lease or other disposition, or to keep in good standing any Security Interests on the Collateral ranking in priority to any of the Security Interests created by this Agreement, or to sell, lease or otherwise dispose of the Collateral. The balance of such Proceeds may, at the sole discretion of the Creditor, be held as collateral security for the Liabilities or be applied to such of the Liabilities (whether or not the same are due and payable) in such manner and at such times as the Creditor considers appropriate and thereafter will be accounted for as required by law.

12. **Continuing Liability of Debtor.** The Debtor will remain liable for any Liabilities that are outstanding following realization of all or any part of the Collateral and the application of the Proceeds thereof.

13. **Creditor's Appointment as Attorney-in-Fact.** The Debtor constitutes and appoints the Creditor and any officer or agent of the Creditor, with full power of substitution, as the Debtor's true and lawful attorney-in-fact with full power and authority in the place of the Debtor and in the name of the Debtor or in its own name, from time to time in the Creditor's discretion after a Default, to take any and all appropriate action and to execute any and all documents and instruments as, in the opinion of such attorney acting reasonably, may be necessary or desirable to accomplish the purposes of this Agreement. These powers are coupled with an interest and are irrevocable until this Agreement is terminated and the Security Interests created by this Agreement are released. Nothing in this Section affects the right of the Creditor as secured party or any other Person on the Creditor's behalf, to sign and file or deliver (as applicable) all such financing statements, financing change statements, notices, verification agreements and other documents relating to the Collateral and this Agreement as the Creditor or such other Person considers appropriate.

14. **Performance by Creditor of Debtor's Obligations.** If the Debtor fails to perform or comply with any of the obligations of the Debtor under this Agreement, the Creditor may, but need not, perform or otherwise cause the performance or compliance of such obligation, provided that such performance or compliance will not constitute a waiver, remedy or satisfaction of such failure. The expenses of the Creditor incurred in connection with any such performance or compliance will be payable by the Debtor to the Creditor immediately on demand, and until paid, any such expenses will form part of the Liabilities and will be secured by the Security Interests created by this Agreement.

15. **Interest.** If any amount payable to the Creditor under this Agreement is not paid when due, the Debtor will pay to the Creditor, immediately on demand, interest on such amount from the date due until paid, at a nominal annual rate equal at all times 24%. All amounts payable by the Debtor to the Creditor under this Agreement, and all interest on all such amounts, compounded monthly on the last Business Day of each month, will form part of the Liabilities and will be secured by the Security Interests created by this Agreement.

16. **Severability.** Any provision of this Agreement that is prohibited or unenforceable in any jurisdiction will, as to that jurisdiction, be ineffective to the extent of such prohibition or unenforceability and will be severed from the balance of this Agreement, all without affecting the remaining provisions of this Agreement or affecting the validity or enforceability of such provision in any other jurisdiction.

17. **Rights of Creditor; Limitations on Creditor's Obligations.**

(a) **Limitations on Creditor's Liability.** The Creditor will not be liable to the Debtor or any other Person for any failure or delay in exercising any of the rights of the Debtor under this Agreement (including any failure to take possession of, collect, sell, lease or otherwise dispose of any Collateral, or to preserve rights against prior parties). Neither the Creditor, a Receiver nor any agent of the Creditor (including, in Alberta or British Columbia, any sheriff) is required to take, or will have any liability for any failure to take or delay in taking, any steps necessary or advisable to preserve rights against other Persons under any Collateral in its possession. Neither the Creditor nor any Receiver will be liable for any, and the Debtor will bear the full risk of all, loss or damage to any and all of the Collateral (including any Collateral in the possession of the Creditor or any Receiver) caused for any reason other than the gross negligence or willful misconduct of the Creditor or such Receiver.

(b) **Debtor Remains Liable under Accounts and Contracts.** Notwithstanding any provision of this Agreement, the Debtor will remain liable under each of the documents giving rise to the Accounts and under each of the Contracts to observe and perform all the conditions and obligations to be observed and performed by the Debtor thereunder, all in accordance with the terms of each such document and Contract. The Creditor will have no obligation or liability under any Account (or any document giving rise thereto) or Contract by reason of or arising out of this Agreement or the receipt by the Creditor of any payment relating to such Account or Contract pursuant hereto, and in particular (but without limitation), the Creditor will not be obligated in any manner to perform any of the obligations of the Debtor under or pursuant to any Account (or any document giving rise thereto) or under or pursuant to any Contract, to make any payment, to make any inquiry as to the nature or the sufficiency of any payment received by it or as to the sufficiency of any performance by any party under any Account (or any document giving rise thereto) or under any Contract, to present or file any claim, to take any action to enforce any performance or to collect the payment of any amounts which may have been assigned to it or to which it may be entitled at any time.

(c) **Collections on Accounts and Contracts.** The Creditor hereby authorizes the Debtor to collect the Accounts and payments under the Contracts in the normal course of the business of the Debtor and for the purpose of carrying on the same. If required by the Creditor at any time, any payments of Accounts or under Contracts, when collected by the Debtor, will be forthwith (and, in any event, within two Business Days) deposited by the Debtor in the exact form received, duly endorsed by the Debtor to the Creditor if required, in a special collateral account maintained by the Creditor, and until so deposited, will be held by the Debtor in trust for the Creditor, segregated from other funds of the Debtor. All such amounts while held by the Creditor (or by the Debtor in trust for the Creditor) and all income in respect thereof will continue to be collateral security for the Liabilities and will not constitute payment thereof until applied as hereinafter provided. If a Default has occurred and is continuing, the Creditor may apply all or any part of the amounts on deposit in said special collateral account on account of the Liabilities in such order as the Creditor may elect. At the Creditor's request, the Debtor will deliver to the Creditor any documents evidencing and relating to the agreements and transactions which gave rise to the Accounts and Contracts, including all original orders, invoices and shipping receipts.

(d) **Analysis of Accounts.** The Creditor will have the right to analyze and verify the Accounts in any manner and through any medium that it reasonably considers advisable, and the Debtor will furnish all such assistance and information as the Creditor may require in connection therewith. The Creditor may in its own name or in the name of others (including the Debtor) communicate with account debtors on the Accounts and parties to the Contracts to verify with them to its satisfaction the existence, status, amount and terms of any Account or any Contract. At any time and from time to time, upon the Creditor's reasonable request and at the expense of the Debtor, the Debtor will furnish to the Creditor reports showing reconciliations, aging and test verifications of, and trial balances for, the Accounts.

18. **Dealings by Creditor.** The Creditor will not be obliged to exhaust its recourse against the Debtor or any other Person or against any other security it may hold in respect of the Liabilities before realizing upon or otherwise dealing with the Collateral in such manner as the Creditor may consider desirable. The Creditor may grant extensions of time and other indulgences, take and give up security, accept compositions, grant releases and discharges and otherwise deal with the Debtor and any other Person, and with any or all of the Collateral, and with other security and sureties, as the Creditor may see fit, all without prejudice to the Liabilities or to the rights and remedies of the Creditor under this Agreement. The powers conferred on the Creditor under this Agreement are solely to protect the interests of the Creditor in the Collateral and will not impose any duty upon the Creditor to exercise any such powers.

19. **Communication.** Any communication required or permitted to be given under this Agreement will be in writing and will be effectively given if (i) delivered personally, (ii) sent by prepaid courier service or mail, or (iii) sent prepaid by facsimile transmission or other similar means of electronic communication, in each case to the address or facsimile number of the Debtor or Creditor set out in this Agreement. Any communication so given will be deemed to have been given and to have been received on the day of delivery if so delivered, or on the day of facsimile transmission or sending by other means of recorded electronic communication provided that such day is a Business Day and the communication is so delivered or sent prior to 4:30 p.m. (local time at the place of receipt). Otherwise, such communication will be deemed to have been given and to have been received on the following Business Day. Any communication sent by mail will be deemed to have been given and to have been received on the fifth Business Day following mailing, provided that no disruption of postal service is in effect. The Debtor and the Creditor may from time to time change their respective addresses or facsimile numbers for notice by giving notice to the other in accordance with the provisions of this Section.

20. **Release of Information.** The Debtor authorizes the Creditor to provide a copy of this Agreement and such other information as may be requested of the Creditor by Persons entitled thereto pursuant to any applicable legislation, and otherwise with the consent of the Debtor.

21. **Waivers and Indemnity.** To the extent permitted by applicable law, the Debtor unconditionally and irrevocably waives (i) all claims, damages and demands it may acquire against the Creditor arising out of the exercise by the Creditor or any Receiver of any rights or remedies under this Agreement or at law, and (ii) all of the rights, benefits and protections given by any present or future statute that imposes limitations on the rights, powers or remedies of a secured party or on the methods of, or procedures for, realization of security, including any "seize or sue" or "anti-deficiency" statute or any similar provision of any other statute. None of the terms or provisions of this Agreement may be waived, amended, supplemented or otherwise modified except by a written instrument executed by the Creditor. The Creditor will not, by any act or delay, be deemed to have waived any right or remedy hereunder or to have acquiesced in any Default or in any breach of any of the terms and conditions hereof. No failure to exercise, nor any delay in exercising, on the part of the Creditor, any right, power or privilege hereunder shall operate as a waiver thereof. No single or partial exercise of any right, power or privilege hereunder will preclude any other or further exercise thereof or the exercise of any other right, power or privilege. A waiver by the Creditor of any right or remedy hereunder on any one occasion will not be construed as a bar to any right or remedy which the Creditor would otherwise have on any future occasion. Neither the taking of any judgment nor the exercise of any power of seizure or sale will extinguish the liability of the Debtor to pay the Liabilities, nor will the same operate as a merger or any covenant contained in this Agreement or of any other liability, nor will the acceptance of any payment or other security constitute or create any novation. The Debtor agrees to indemnify the Creditor from and against any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind or nature whatsoever (except by reason of the gross negligence or willful misconduct of the Creditor or any of its agents or employees) which may be imposed on, incurred by, or asserted against the Debtor and arising by reason of any action (including any action referred to in this Agreement) or inaction or omission to do any act legally required by the Debtor. This indemnification will survive the satisfaction, release or extinguishment of the Liabilities and the Security Interests created by this Agreement.

22. **Environmental License and Indemnity.** The Debtor hereby grants to the Creditor and its employees and agents an irrevocable and non-exclusive license, subject to the rights of tenants, to enter any of the premises of the Debtor to conduct audits, testing and monitoring with respect to hazardous substances and to remove and analyze any hazardous substance at the cost and expense of the Debtor (which cost and expense will form part of the Liabilities and will be payable immediately on demand and secured by the Security Interests created by this Agreement). The Debtor will indemnify the Creditor and hold the Creditor harmless against and from all losses, costs, damages and expenses which the Creditor may sustain, incur or be or become liable at any time whatsoever for by reason of or arising from the past, present or future existence, clean-up, removal or disposal of any hazardous substance on or about any property owned or occupied by the Creditor or compliance with environmental laws or environmental orders relating thereto, including any clean-up, decommissioning, restoration or remediation of any premises owned or occupied by the Debtor or other affected lands or property. This indemnification will survive the satisfaction, release or extinguishment of the Liabilities and the Security Interests created by this Agreement.

23. **Amalgamation.** If the Debtor is a corporation, the Debtor acknowledges that if it amalgamates with any other corporation or corporations, then (i) the Collateral and the Security Interests created by this Agreement will extend to and include all the property and assets of the amalgamated corporation and to any property or assets of the amalgamated corporation thereafter owned or acquired, (ii) the term "Debtor", where used in this Agreement, will extend to and include the amalgamated corporation, and (iii) the term "Liabilities", where used in this Agreement, will extend to and include the Liabilities of the amalgamated corporation.

24. Governing Law; Attornment. This Agreement will be governed by and construed in accordance with the laws of the Province of Alberta. Without prejudice to the ability of the Creditor to enforce this Agreement in any other proper jurisdiction, the Debtor irrevocably submits and attorns to the non-exclusive jurisdiction of the courts of such province. To the extent permitted by applicable law, the Debtor irrevocably waives any


objection (including any claim of inconvenient forum) that it may now or hereafter have to the venue of any legal proceeding arising out of or relating to this Agreement in the courts of such Province.

25. Interpretation. Unless otherwise expressly provided in this Agreement, if any matter in this Agreement is subject to the consent or approval of the Creditor or is to be acceptable to the Creditor, such consent, approval or determination of acceptability will be in the sole discretion of the Creditor. If any provision in this Agreement refers to any action taken or to be taken by the Debtor, or which the Debtor is prohibited from taking, such provision will be interpreted to include any and all means, direct or indirect, of taking, or not taking, such action. The division of this Agreement into sections and paragraphs, and the insertion of headings, is for convenience of reference only and will not affect the construction or interpretation of this Agreement. Unless the context otherwise requires, words importing the singular include the plural and vice versa, and words importing gender include all genders. When used in this Agreement, the word "including" (or includes) means "including (or includes) without limitation". Any reference in this Agreement to a "Section" means the relevant Section of this Agreement. If more than one Debtor executes this Agreement, their obligations under this Agreement are joint and several.

26. Successors and Assigns. This Agreement will endure to the benefit of, and be binding on, the Debtor and its successors and permitted assigns, and will ensure to the benefit of, and be binding on, the Creditor and its successors and assigns. The Debtor may not assign this Agreement, or any of its rights or obligations under this Agreement, without the prior written consent of the Creditor. If the Debtor or the Creditor is an individual, then the term "Debtor" or "Creditor", as applicable, will also include his or her heirs, administrators and executors.

27. Acknowledgment of Receipt/Waiver. The Debtor acknowledges receipt of an executed copy of this Agreement and, to the extent permitted by applicable law, waives the right to receive a copy of any financing statement, financing change statement or verification statement in respect of any registered financing statement or financing change statement prepared, registered or issued in connection with this Agreement.

Dated at Calgary, the 22 day of June, 2023.


By: Christopher Lewis (Jun 27, 2023 11:30 MDT)

Name: Chris Lewis

Title: Director

Have the authority to bind the Corporation

Address: 200 – 117 8th Ave SW, Calgary, Alberta T2P1B4

SCHEDULE A

Locations of Collateral (Paragraph 5(a))

Jurisdictions of Account Debtors (Paragraph 5(a))

Alberta

Locations of Real Property (Paragraph 5(a))

Descriptions of Motor Vehicles and Other Serial Number Goods (Paragraph 5(f))

See Attached Appendix "I"

Intellectual Property Rights (Paragraph 5(h))

Rise Capital - Purchase Sale Agreement - Cleo Energy Corp.

Final Audit Report

2023-06-27

| | |
|-----------------|--|
| Created: | 2023-06-26 |
| By: | Rise Capital (jason@risecapital.ca) |
| Status: | Signed |
| Transaction ID: | CBJCHBCAABAAezw5zgndO-1U2K-u_0_9YmDYM6N8LSX5 |

"Rise Capital - Purchase Sale Agreement - Cleo Energy Corp." History









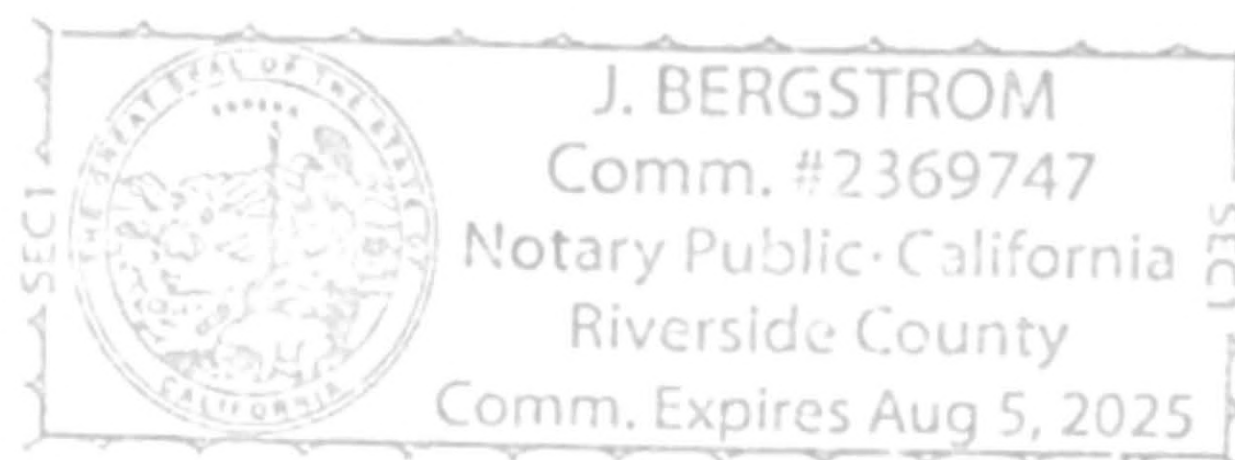
-  Document created by Rise Capital (jason@risecapital.ca)
2023-06-26 - 10:55:15 PM GMT- IP address: 99.233.39.67
-  Document emailed to Dan Ardiel (dan@risecapital.ca) for signature
2023-06-26 - 10:57:46 PM GMT
-  Email viewed by Dan Ardiel (dan@risecapital.ca)
2023-06-26 - 10:58:08 PM GMT- IP address: 104.28.116.13
-  Document e-signed by Dan Ardiel (dan@risecapital.ca)
Signature Date: 2023-06-26 - 10:58:37 PM GMT - Time Source: server- IP address: 98.97.161.25
-  Document emailed to Christopher Lewis (clewis@cleoenergy.com) for signature
2023-06-26 - 10:58:38 PM GMT
-  Email viewed by Christopher Lewis (clewis@cleoenergy.com)
2023-06-26 - 11:24:10 PM GMT- IP address: 104.28.116.13
-  Document e-signed by Christopher Lewis (clewis@cleoenergy.com)
Signature Date: 2023-06-27 - 5:30:38 PM GMT - Time Source: server- IP address: 75.152.100.86
-  Agreement completed.
2023-06-27 - 5:30:38 PM GMT

Exhibit "H" to the Affidavit of
Chris Lewis
Sworn/Affirmed before me this
23rd day of December, 2024


A Notary Public for the State of California



Trade Payable Loan Agreement and Demand Promissory Note

THIS AGREEMENT made as of March 1, 2024

Borrower: CLEO ENERGY CORP. ("CLEO" or the "Borrower") 200, 117-8th Ave SW, Calgary, Alberta T2P 1B4; and
Lender: MANTL Canada Inc. ("Mantl" or the "Lender") 1500, 510-5th Ave SW Calgary, AB T2P 3S2
Term: Twelve (12) calendar months from the date of this Agreement

1. CLEO has incremental production ready to be reactivated ("**2024 Reactivation Program**"). A list of reactivation projects is included in Schedule "A", which CLEO has unilateral rights to revise. Mantl agrees to provide CLEO with a trade payable loan for the 2024 Reactivation Program and other trade payables owed to Mantl by CLEO in accordance with the terms and conditions of this Agreement.
2. FOR VALUE RECEIVED, the Borrower promises to pay the Lender, the principal sum ("**Principal**") owing in accordance with the terms and conditions of this Agreement.
3. The Principal is comprised of any existing trades payable owed to Mantl by CLEO at the date of this agreement, plus trade payables to be incurred by CLEO with Mantl during the term of this Agreement, less any payments submitted by CLEO on the account.
4. The Principal shall not exceed \$1,800,000.
5. On CLEO's behalf, Mantl will purchase goods and services from third parties for the 2024 Reactivation program ("**Third Party Expenses**"). Mantl will invoice CLEO for the Third Party Expenses, plus a finance fee charge of 7% for each third party processed through the CLEO customer account. Mantl will also invoice CLEO for goods and services rendered directly by Mantl.
6. Payments on account by CLEO will be made on or prior to the last day of the third calendar month following the month end date of each respective invoice.
7. Failure to pay invoices by CLEO in accordance with clause 6 will render the full balance payable within 45 days (the "**Remedy Period**").
8. This Agreement shall supersede and replace all prior agreements, promises, and understandings, oral or written, between the Borrower and the Lender concerning the matters governed hereby.
9. No legal proceeding to enforce the Borrower's obligations under this Agreement will be commenced until after the tenth business day on which there is a failure to perform those obligations once a demand is made in accordance with clause 7 of this Agreement.
10. As security for the payment of the Principal, the Borrower shall grant to the Lender a security interest in all of the Borrowers' right, title and interest in and to the lands identified in Schedule "A" to the Security Agreement (as hereinafter defined), including the wells and equipment thereon

(collectively, the "**Collateral**"), upon and subject to the terms of a security agreement in form attached as Schedule "B" to this Agreement (the "**Security Agreement**").

11. Any notice required to be given hereunder shall be in writing and sufficiently made if delivered personally, sent by electronic mail, facsimile, or mailed by prepaid registered mail to the Parties at their respective addresses herein. Any such notice shall be deemed to have been given on the date it is delivered if personally delivered or, if mailed or sent by facsimile on the third business day following the mailing thereof. Either party may change its address for service by giving written notice in accordance with this Agreement.
12. Any amendment of this Agreement shall not be valid and enforceable unless recorded in writing and executed by the Parties to this Agreement.
13. If any term, covenant, condition or provision of this Agreement is held by a court of competent jurisdiction to be invalid, void or unenforceable, it is the parties' intent that such provision be reduced in scope by the court only to the extent deemed necessary by that court to render the provision reasonable and enforceable and the remainder of the provision of this Agreement will in no way be affected, impaired or invalidated as a result.
14. This Agreement will enure to the benefit of and be binding upon the respective heirs, executors, administrators, successors and assigns of the Borrower and Lender.
15. This Agreement is non-transferable unless at the discretion and approval of the Lender.
16. Time shall be of the essence of this Agreement.
17. 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 laws of Canada applicable therein and shall, in every regard, be treated as a contract made in the Province of Alberta.
18. Any reference in this Agreement to a monetary amount, including the use of the term "Dollar" or the symbol "\$", shall mean the lawful currency of Canada unless the contrary is specified or provided for elsewhere in this Agreement.

- Signature Page Follows -

IN WITNESS WHEREOF CLEO ENERGY CORP. and Mantl Canada Inc. duly affixed their signature this
__ day of May 2024.

CLEO ENERGY CORP.



Per: _____
Chris Lewis, Exec. Chairman

MANTL CANADA INC.

Per: _____
Matthew Kenna, CEO& President

Schedule "A"
2024 Reactivation Program Project List

| Field | Category | Location | Issue | ID | Total Boed | Costs (\$) | Cap. Eff. (\$/Boed) |
|---------------------|--------------|--------------------------|---------------------|----|------------|------------|---------------------|
| Silver Heights | R&M | 102/14-11-039-10W4/00 | HIT or Pump Failure | 1 | 14 | \$ 50,875 | \$ 3,635 |
| Silver Heights | R&M | 100/14-02-039-10W4/00 | Tubing Failure | 2 | 14 | \$ 27,500 | \$ 1,979 |
| Shorncliffe | R&M | 105/01-21-040-08W4/00 | Pump Failure | 3 | 13 | \$ 40,535 | \$ 3,202 |
| Shorncliffe | R&M | 104/01-21-040-08W4/00 | HIT or Pump Failure | 4 | 8 | \$ 44,000 | \$ 5,439 |
| Shorncliffe | R&M | 103/01-22-040-08W4/00 | Pump stuck | 5 | 13 | \$ 57,255 | \$ 4,544 |
| Shorncliffe | R&M | 105/08-22-040-08W4/00 | HIT or Pump Failure | 6 | 7 | \$ 44,000 | \$ 6,292 |
| Neutral Hills North | R&M | 100/09-10-037-07W4/00 | HIT or Pump Failure | 7 | 10 | \$ 25,300 | \$ 2,489 |
| Neutral Hills North | R&M | 1D2/02-10-037-07W4/00 | HIT or Pump Failure | 8 | 10 | \$ 45,100 | \$ 4,316 |
| Atlee | Reactivation | 100/03-02-022-07W4/00 | Reactivation | 9 | 16 | \$ 88,000 | \$ 5,455 |
| Atlee | Reactivation | 103/07-35-021-07W4/00 | Reactivation | 10 | 12 | \$ 88,000 | \$ 7,222 |
| Silver Heights | R&M | 100/16-14-039-10W4/00 | Reactivation | 11 | 18 | \$ 88,000 | \$ 4,877 |
| Silver Heights | R&M | 100/09-10-039-10W4/00 | ESP Fail | 12 | 14 | \$ 110,000 | \$ 7,746 |
| Silver Heights | Recompletion | 100/09-12-039-10W4/00 | Recompletion | 13 | 14 | \$ 82,500 | \$ 5,863 |
| Silver Heights | R&M | 100/04-14-039-10W4/00 | HIT or Pump Failure | 14 | 12 | \$ 34,265 | \$ 2,812 |
| Silver Heights | Project | Sec 23 Power restoration | Project | 15 | 1 | \$ 55,000 | \$ 45,135 |
| Silver Heights | Reactivation | 100/02-23-039-10W4/00 | Reactivation | 16 | 17 | \$ 99,000 | \$ 5,736 |
| Silver Heights | Reactivation | 100/01-23-039-10W4/00 | Reactivation | 17 | 13 | \$ 99,000 | \$ 7,586 |
| Silver Heights | R&M | 103/11-31-038-09W4/00 | Reactivation | 18 | 6 | \$ 22,000 | \$ 3,688 |
| Neutral Hills North | R&M | 1C0/05-02-037-07W4/00 | HIT or Pump Failure | 19 | 17 | \$ 110,000 | \$ 6,498 |
| Neutral Hills North | R&M | 1D0/02-10-037-07W4/00 | HIT or Pump Failure | 20 | 5 | \$ 38,500 | \$ 8,170 |
| Silver Heights | Project | Sec 2 PL Project | Project | 21 | 1 | \$ 66,000 | \$ 54,161 |


| | | | | | | | |
|---------------------|--------------|--------------------------|---------------------|----|----|------------|------------|
| Silver Heights | Pipeline | 102/14-02-039-10W4/00 | Line Replacement | 22 | 12 | \$ - | \$ - |
| Silver Heights | Project | Sec 12 PL Project | Project | 23 | 1 | \$ 132,000 | \$ 108,323 |
| Silver Heights | Pipeline | 100/13-12-039-10W4/00 | Pipeline Failure | 24 | 16 | \$ - | \$ - |
| Shorncliffe | R&M | 102/08-22-040-08W4/00 | HIT or Pump Failure | 25 | 9 | \$ 41,800 | \$ 4,550 |
| Shorncliffe | Reactivation | 102/02-22-040-08W4/00 | HIT or Pump Failure | 26 | 12 | \$ 82,500 | \$ 6,916 |
| Shorncliffe | R&M | 105/04-22-040-08W4/00 | Pump Failure | 27 | 8 | \$ 33,000 | \$ 4,217 |
| Neutral Hills | Project | 05-11-37-07W4 PL Project | Project | 28 | 1 | \$ 187,000 | \$ 153,458 |
| Neutral Hills North | Pipeline | 1D0/05-11-037-07W4 | Pipeline Down | 29 | 14 | \$ - | \$ - |
| Neutral Hills North | Pipeline | 100/12-11-037-07W4 | Pipeline Down | 30 | 9 | \$ - | \$ - |
| Neutral Hills North | R&M | 1D2/08-10-037-07W4/00 | HIT or Pump Failure | 31 | 8 | \$ 11,000 | \$ 1,364 |
| Silver Heights | Project | Additional SH Injection | Project | 32 | 1 | \$ 110,000 | \$ 90,269 |
| Silver Heights | Reactivation | 100/12-24-039-10W4/00 | Reactivation | 33 | 40 | \$ 187,000 | \$ 4,726 |
| Neutral Hills | Project | 02-11-37-7W4 PL | Project | 34 | 1 | \$ 55,000 | \$ 45,135 |
| Neutral Hills North | R&M | 1A0/02-11-037-07W4/00 | HIT or Pump Failure | 35 | 9 | \$ 27,500 | \$ 3,112 |
| Neutral Hills North | R&M | 1A0/04-11-037-07W4/00 | HIT or Pump Failure | 36 | 9 | \$ 82,500 | \$ 8,752 |
| Neutral Hills North | R&M | 103/13-11-037-07W4/00 | Wax Treatment | 37 | 3 | \$ 1,650 | \$ 524 |
| Sedgewick | R&M | 100/15-05-042-12W4/00 | HIT or Pump Failure | 38 | 9 | \$ 35,915 | \$ 3,866 |
| Silver Heights | Project | 12-10-39-10W4 PL Project | Project | 39 | 1 | \$ 88,000 | \$ 72,215 |
| Silver Heights | Pipeline | 100/12-10-039-10W4/00 | Pipeline Break | 40 | 13 | \$ 88,000 | \$ 6,593 |
| Silver Heights | Recompletion | 100/06-10-039-10W4/00 | Recompletion | 41 | 72 | \$ 132,000 | \$ 1,825 |
| Silver Heights | Project | 15-11 PL Wax | Project | 42 | 1 | \$ 55,000 | \$ 45,135 |
| Silver Heights | Pipeline | 100/15-11-039-10W4/00 | Pipeline waxed off | 43 | 8 | \$ 55,000 | \$ 6,881 |
| Neutral Hills North | Recompletion | 1A0/12-10-037-07W4/00 | Recompletion | 44 | 13 | \$ 66,000 | \$ 5,238 |
| Neutral Hills North | Recompletion | 1B0/11-10-037-07W4/00 | Recompletion | 45 | 13 | \$ 66,000 | \$ 5,238 |

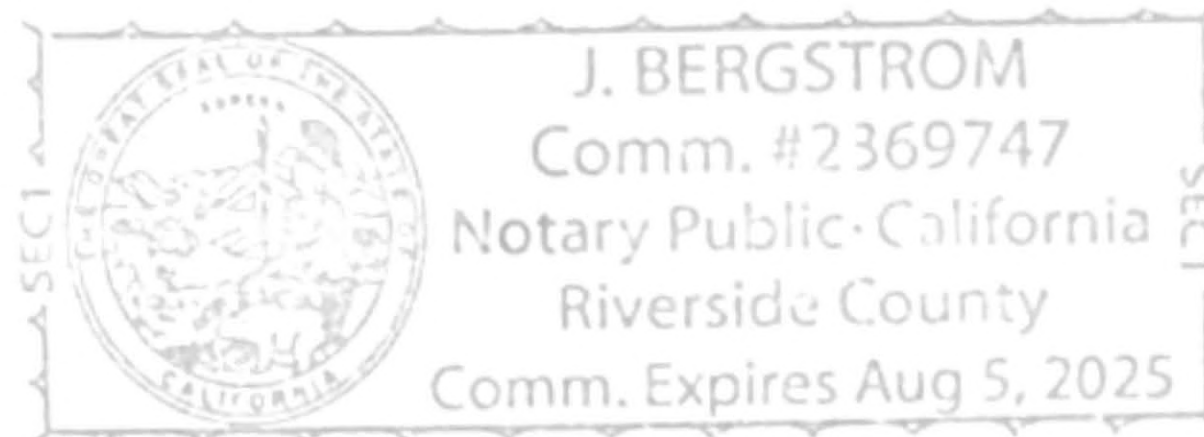
| | | | | | | | |
|---------------------|--------------|-----------------------|---------------------|----|----|------------|-----------|
| Neutral Hills North | Recompletion | 103/12-11-037-07W4/00 | Recompletion | 46 | 13 | \$ 77,000 | \$ 6,111 |
| Neutral Hills North | Recompletion | 104/13-11-037-07W4/00 | Recompletion | 47 | 13 | \$ 99,000 | \$ 7,857 |
| Silver Heights | Project | SH Gas Conservation | Project | 48 | 1 | \$ 88,000 | \$ 72,215 |
| Neutral Hills | Project | 16-02-37-7 Liner Pull | Project | 49 | 1 | \$ 77,000 | \$ 63,188 |
| Neutral Hills | R&M | 102/16-02-037-07W4/00 | HIT or Pump Failure | 50 | 9 | \$ 60,500 | \$ 6,583 |
| Neutral Hills | Project | 14-10-37-7 PL | Project | 51 | 1 | \$ 77,000 | \$ 63,188 |
| Neutral Hills North | Pipeline | 1B2/02-15-037-07W4 | Pipeline Down | 52 | 5 | \$ - | \$ - |
| Shorncliffe | R&M | 100/04-23-040-08W4/00 | HIT or Pump Failure | 53 | 4 | \$ 27,500 | \$ 6,375 |
| Shorncliffe | R&M | 100/03-22-040-08W4/00 | HIT or Pump Failure | 54 | 11 | \$ 77,000 | \$ 7,246 |
| Silver Heights | R&M | 100/14-11-039-10W4/00 | HIT or Pump Failure | 55 | 4 | \$ 38,500 | \$ 9,162 |
| Shorncliffe | R&M | 104/15-22-040-08W4/00 | HIT or Pump Failure | 56 | 7 | \$ 66,000 | \$ 9,211 |
| Shorncliffe | R&M | 103/02-22-040-08W4/00 | HIT or Pump Failure | 57 | 9 | \$ 82,500 | \$ 9,398 |
| Shorncliffe | R&M | 1A0/04-23-040-08W4/00 | Reactivation | 58 | 7 | \$ 77,000 | \$ 10,516 |
| Shorncliffe | R&M | 103/04-22-040-08W4/00 | HIT or Pump Failure | 59 | 4 | \$ 44,000 | \$ 11,640 |
| Neutral Hills North | R&M | 1D0/13-10-037-07W4/00 | HIT or Pump Failure | 60 | 12 | \$ 132,000 | \$ 11,066 |
| Silver Heights | Reactivation | 102/01-23-039-10W4/00 | Reactivation | 61 | 11 | \$ 132,000 | \$ 11,726 |
| Neutral Hills | R&M | 1D2/09-10-037-07W4 | HIT or Pump Failure | 62 | 4 | \$ 55,000 | \$ 12,249 |
| Silver Heights | Reactivation | 100/12-12-039-10W4/00 | Reactivation | 63 | 7 | \$ 88,000 | \$ 13,345 |
| Silver Heights | Reactivation | 102/15-14-039-10W4/00 | Reactivation | 64 | 7 | \$ 88,000 | \$ 12,775 |
| Atlee | Optimization | 100/02-35-021-07W4/00 | Pump Installation | 65 | 32 | \$ 88,000 | \$ 2,737 |
| Neutral Hills | R&M | 1D0/06-11-037-07W4/00 | HIT or Pump Failure | 66 | 6 | \$ 77,000 | \$ 13,782 |
| Atlee | Reactivation | 102/14-35-021-07W4/00 | Reactivation | 67 | 9 | \$ 88,000 | \$ 9,739 |

Schedule "B"
Form of Security Agreement

See attached.

Exhibit "I" to the Affidavit of
Chris Lewis
Sworn/Affirmed before me this
23rd day of December, 2024


A Notary Public for the State of California



SECURITY AGREEMENT

THIS AGREEMENT is dated March 1, 2024

BY:

CLEO ENERGY CORP. 200, 117–8th Ave SW, Calgary,
Alberta T2P 1B4

("CLEO" or the "**Debtor**")

IN FAVOUR OF:

MANTL Canada Inc. 1500, 510-5th Ave SW Calgary, AB
T2P 3S2

("Mantl" or the "**Secured Party**")

The Debtor agrees with the Secured Party as follows:

ARTICLE 1 INTERPRETATION

1.1 Definitions

In this Agreement, the following terms have the following meanings:

- 1.1.1 "**Agreement**" means this agreement as it may be supplemented, amended, restated or replaced by written agreement between the Parties.
- 1.1.2 "**Collateral**" means all right, title and interest in the Borrower to the lands identified in Schedule "A", including wells and equipment thereon, but specifically excludes the Excluded Collateral.
- 1.1.3 "**Consumer Goods**" means Goods that are used or acquired for use primarily for personal, family or household purposes.
- 1.1.4 "**Debtor**" is defined in the recital of the Parties, above.
- 1.1.5 "**Event of Default**" is defined in Section 4.1.
- 1.1.6 "**Excluded Collateral**" means Consumer Goods and any right, permit or contract that would be breached or terminated if a security interest was granted in it without the consent of a third party, unless that consent is obtained.
- 1.1.7 "**Obligations**" means the sum of up to \$1,800,000.00 owing by the Debtor to the Secured Party, according to the terms of, and as evidenced by, a trade payable loan agreement and demand promissory note dated on or about the date hereof, as that promissory note is amended, supplemented, renewed, restated or replaced (the "**Promissory Note**"), and all

present and future indebtedness and obligations of the Debtor to the Secured Party under this Agreement.

- 1.1.8 **"Parties"** means, collectively, the Debtor and the Secured Party, and **"Party"** means any one of them.
- 1.1.9 **"PPSA"** means the *Personal Property Security Act* (Alberta), as amended, renamed or replaced and includes all regulations made under that legislation.
- 1.1.10 **"Receiver"** means a receiver or receiver-manager of all or any part of the Collateral.
- 1.1.11 **"Secured Party"** is defined in the recital of the Parties, above.
- 1.1.12 **"Security Interests"** means the mortgages, charges and security interests granted and created by this Agreement.

1.2 Incorporated Definitions

Capitalized terms not otherwise defined in this Agreement have the definitions set out in the PPSA.

1.3 Governing Law

This Agreement is governed by, and is to be construed and interpreted in accordance with, the laws of the Province of Alberta and the laws of Canada applicable in that Province.

1.4 Rules of Interpretation

In this Agreement, words signifying the singular number include the plural and vice versa, and words signifying gender include all genders. Every use of the words "including" and "includes" in this Agreement is to be construed as meaning "including, without limitation" or "includes, without limitation", respectively.

1.5 Entire Agreement

This Agreement, together with the Promissory Note, constitutes the entire agreement between the Parties pertaining to the subject matter of this Agreement and supersedes all prior agreements, understandings, negotiations and discussions, whether oral or written, of the Parties in connection with the subject matter of this Agreement except as specifically set out in this Agreement or, if applicable, in the Promissory Note.

ARTICLE 2 GRANT OF SECURITY INTEREST

2.1 Security Interests

As security for payment and performance of the Obligations, the Debtor mortgages and charges to the Secured Party, and grants to the Secured Party a security interest in, and the Secured Party takes a security interest in, all of the Debtor's right, title and interest in and to the Collateral.

2.2 Attachment

The Debtor and the Secured Party do not intend to postpone the attachment of the Security Interests, and the Security Interests will attach when:

- 2.2.1 this Agreement has been executed, or in the case of after-acquired property, that property has been acquired by the Debtor;
- 2.2.2 value has been given; and
- 2.2.3 the Debtor has rights in the Collateral, or in the case of after-acquired property, acquires rights in the Collateral.

ARTICLE 3 REPRESENTATIONS, WARRANTIES AND COVENANTS

3.1 Representations and Warranties

The Debtor represents and warrants to the Secured Party that:

- 3.1.1 **Corporate Existence.** It is duly incorporated and validly existing under the laws of the Province of Alberta.
- 3.1.2 **Name.** The full legal name of the Debtor (including any French or French/English form of its legal name), and any other name under which it conducts its business, is correctly specified on the signature page of this Agreement.
- 3.1.3 **Place of Business.** The Debtor's sole place of business or chief executive office, as applicable, is 200, 117–8th Ave SW, Calgary, Alberta T2P 1B4.
- 3.1.4 **Owns Collateral.** The Debtor either owns, possesses and has marketable title to, or has enforceable leasehold or other rights to, all currently held Collateral

3.2 Covenants

The Debtor covenants with the Secured Party that it will not, without the prior written consent of the Secured Party:

- 3.2.1 sell, lease or otherwise dispose of the Collateral or any part of it, other than in the ordinary course of business;
- 3.2.2 release, surrender or abandon the Collateral or any part of it; or
- 3.2.3 move the Collateral or any part of it from its present locations.

ARTICLE 4 DEFAULT AND ENFORCEMENT

4.1 Events of Default

The occurrence of any one or more of the following events or conditions will be an event of default under this Agreement ("**Event of Default**"):

- 4.1.1 the Debtor defaults in payment to the Secured Party upon the expiry of the Remedy Period (defined within the Promissory Note);
- 4.1.2 the Debtor defaults in performance of any of the Obligations other than payment under Section 4.1.1;
- 4.1.3 the Debtor defaults in the observance or performance of any of the terms, conditions or covenants to be observed or performed by the Debtor under this Agreement
- 4.1.4 the Debtor ceases to carry on its business;
- 4.1.5 the Debtor commits the act of bankruptcy, or if an application for a bankruptcy order is filed against the Debtor; and
- 4.1.6 the Secured Party in good faith and on commercially reasonable grounds believes that the ability of the Debtor to pay any of the Obligations to the Secured Party, or to perform for the Secured Party any of the Obligations or other covenants contained in this Agreement, is impaired

4.2 Security Interests Enforceable

- 4.2.1 The occurrence of an Event of Default will cause the Security Interests to become enforceable against the Debtor with notice by the Secured Party.

4.3 Remedies of the Secured Party

If the Security Interests become enforceable, the Secured Party may enforce its rights by any one or more of the following remedies:

- 4.3.1 by proceedings in any court of competent jurisdiction for the appointment of a Receiver;
- 4.3.2 by proceedings in any court of competent jurisdiction for the sale or foreclosure of all or any part of the Collateral;
- 4.3.3 by filing of proofs of claim and other documents to establish its claims in any proceeding or proceedings relating to the Debtor;
- 4.3.4 by appointment by instrument in writing of a Receiver on any terms as to remuneration and otherwise as the Secured Party thinks fit, or by removing and appointing a replacement for

any Receiver, and any Receiver so appointed will have, in addition to all of the rights and remedies of a receiver under the PPSA, the power:

- 4.3.4.1 to, demand, sue on, , realize on or enforce against the Collateral, and take any proceedings in the name of the Debtor or otherwise as may seem expedient;
- 4.3.4.2 to borrow money on the security of the Collateral in priority to this Agreement or otherwise for the purpose of the maintenance, preservation or protection of the Collateral,
- 4.3.4.3 to make any arrangement or compromise that the Receiver thinks expedient; and
- 4.3.5 by any other remedy or proceeding authorized or permitted by this Agreement including all of the rights and remedies of a secured party under the PPSA.

No legal proceeding to enforce the Security Interests will be commenced within 10 business days from the date on which a notice to enforce the Security Interests is made in accordance with the terms of this Agreement.

4.4 Proceeds of Disposition

The Proceeds of the sale, lease or other disposition of the whole or any part of the Collateral will be applied to the Obligations, and any surplus remaining in the hands of the Receiver or the Secured Party will be distributed as required by the PPSA or other applicable law.

4.5 Deficiency

If the Proceeds of the realization of the Collateral are insufficient to fully pay the Obligations to the Secured Party, the Debtor will be liable to pay, and will immediately pay or cause to be paid, the deficiency to the Secured Party.

ARTICLE 5 GENERAL

5.1 Automatic Discharge

This Agreement will be or be considered to have been discharged if the Debtor ceasing to be indebted or under any liability, direct or indirect, absolute or contingent, to the Secured Party.

5.2 No Obligation to Advance

None of the preparation, execution or registration of notice of this Agreement will bind the Secured Party to advance any monies or extend any credit to the Debtor, nor will the advance of a portion of any monies or the extension of a portion of any credit by the Secured Party to the Debtor bind the Secured Party to make available any unadvanced or unextended portion of those monies or that credit.

5.3 Realization

The Secured Party may realize upon various securities securing the Obligations or any part of them in any order that it sees fit, and realization by any means upon any security or part of it will not bar realization upon any other security or the Security Interests or any part of them.

5.4 Extensions

The Secured Party may grant extensions of time and other indulgences, take and give up security, accept compositions, compound, compromise, settle, grant releases and discharges, refrain from perfecting or maintaining perfection of security interests and otherwise deal with the Debtor, account debtors of the Debtor, sureties and others, and with the Collateral and other security interests, as the Secured Party may see fit without prejudice to the liability of the Debtor or to the Secured Party's right to hold and realize on the security constituted by this Agreement.

5.5 Notice

Any notice, demand, request, consent, approval or other communication that is required or permitted by this Agreement to be given or made by a Party must be in writing and may be personally delivered, sent by prepaid registered mail or sent by e-mail or other functionally equivalent electronic means of communication to the receiving Party at its address or e-mail address as follows:

Debtor: 200, 117–8th Ave SW, Calgary, Alberta T2P 1B4

clewis@cleoenergy.com

Secured Party: 1500, 510-5th Ave SW Calgary, AB T2P 3S2

matthew.kenna@mantl.ca

or at any other address or e-mail address as any Party may from time to time advise the other Party in accordance with this Section 5.5.

5.6 Submission to Jurisdiction

The Debtor irrevocably submits and attorns to the exclusive jurisdiction of the courts of the Province of Alberta to determine all issues, whether at law or in equity, arising from this Agreement.

5.7 Amendment and Waiver

No supplement, amendment, waiver, discharge or termination of this Agreement is binding unless it is executed in writing by the Party to be bound. No waiver of, failure to exercise or delay in exercising, any provision of this Agreement constitutes a waiver of any other provision, whether or not similar, nor does any waiver constitute a continuing waiver unless otherwise expressly provided.

5.8 Assignment

- 5.8.1 The Secured Party may, with the consent of the Debtor, at any time assign, transfer or grant a security interest in its rights and obligations under this Agreement and the Security Interests.
- 5.8.2 Neither this Agreement nor any rights or obligations under this Agreement may be assigned by the Debtor without the prior consent of the Secured Party.

5.9 Enurement

This Agreement enures to the benefit of the Secured Party and its heirs, executors, administrators, successors and assigns, and is binding upon the Debtor and its heirs, executors, administrators, successors and permitted assigns.

5.10 Electronic Signatures and Delivery

This Agreement may be:

- 5.10.1 signed by manual, digital or other electronic signatures; and
- 5.10.2 delivered or transmitted by any digital, electronic or other intangible means, including by e-mail or other functionally equivalent electronic means of transmission;

and that execution, delivery and transmission will be valid and legally effective to create a valid and binding agreement between the Parties.

5.11 Acknowledgment and Waiver

The Debtor:

- 5.11.1 acknowledges receiving a copy of this Agreement; and
- 5.11.2 waives all rights to receive from the Secured Party a copy of any financing statement, financing change statement or verification statement filed or issued, as the case may be, at any time in respect of this Agreement or any amendments to this Agreement.

THE REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK

The Debtor has executed and delivered this Agreement as of the date noted at the beginning of the Agreement.

CLEO ENERGY CORP.

Per:



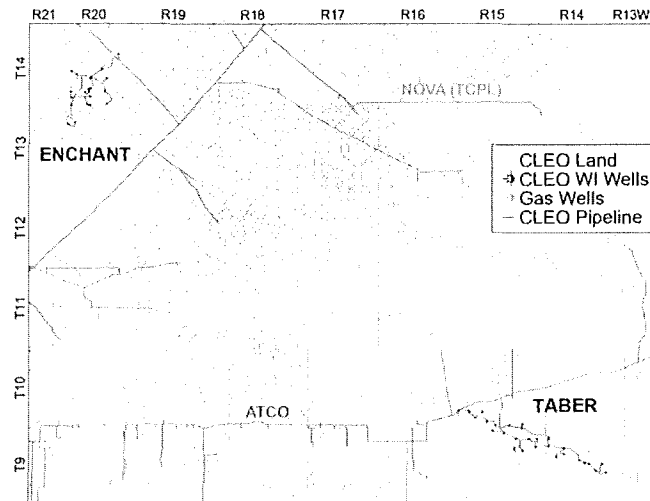
Name: Chris Lewis

Title: Executive Chairman

**SCHEDULE "A" attached to and forming part of a Security Agreement dated March 1, 2024
between CLEO ENERGY CORP. AND MANTL CANADA LTD.**

THE SECURED ASSETS

Enchant / Taber: All assets, including land, wells, facilities and pipelines located from Twp 009 Rge 13W4M to Twp 014 Rge 20 W4M.



Atlee: All assets, including land, wells, facilities and pipelines located from Twp 021 Rge 07 W4M to Twp 022 Rge 07 W4M.

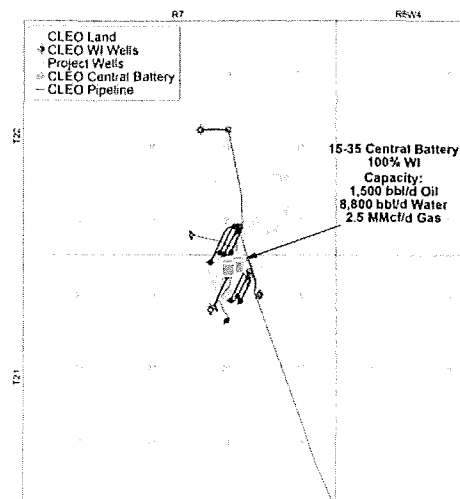
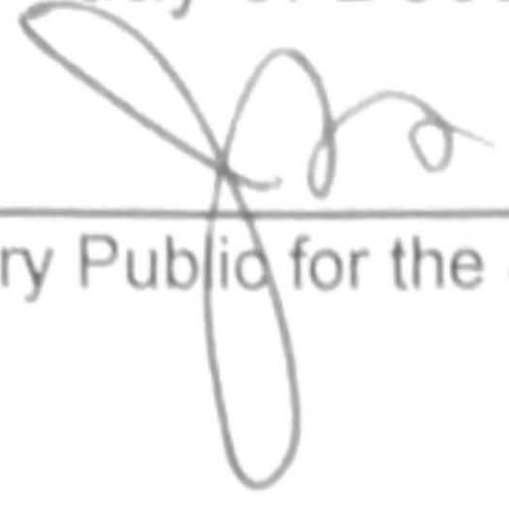
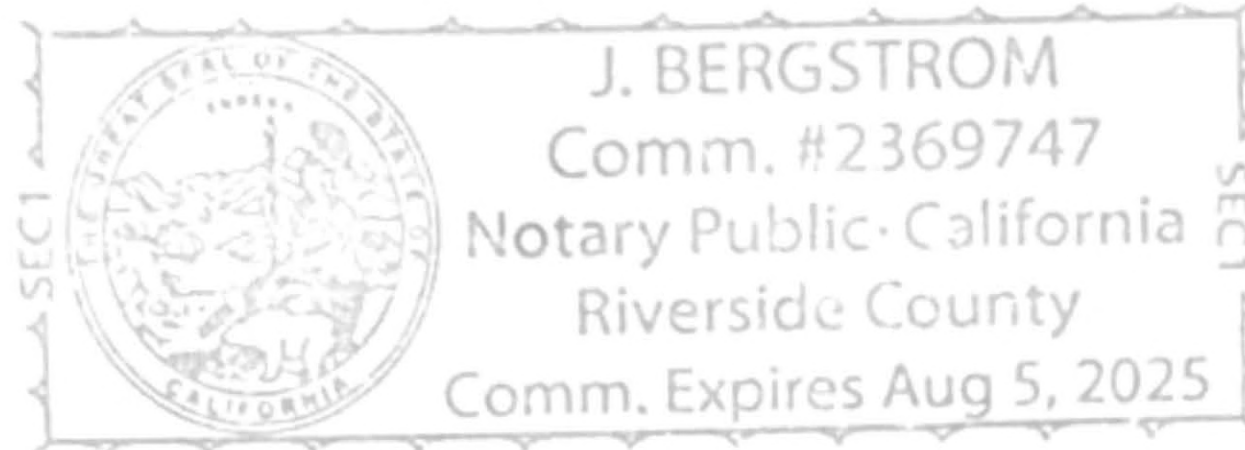


Exhibit "J" to the Affidavit of
Chris Lewis
Sworn/Affirmed before me this
23rd day of December, 2024


A Notary Public for the State of California



AMENDED DEMAND PROMISSORY NOTE

Principal: \$734,054.00

Dated: May 11, 2023

Interest Rate: 12%

1. On December 31, 2018, the Borrower issued an interest bearing demand promissory note in favour of the Creditor in the principal amount of \$735,000.00 (the "**Note**").
2. The Parties wish to amend the Note as set out herein.
3. **FOR VALUE RECEIVED, CLEO Energy Corp.** (the "**Borrower**"), having a principal office located at **200, 117 8th Ave SW Calgary Alberta T2P 1B4**, promises to pay to or to the order of, **Marco Simonelli** (the "**Creditor**") at **2902 Montcalm Crecent SW Calgary Alberta T2T 3M6** (or at any other place as the Creditor may, from time to time, designate by notice in writing to the Borrower):
 - (a) on demand, the principal sum of \$734,054.00 (the "**Principal**") plus any interest due; and
 - (b) a fixed rate of interest of 12% per annum, (the "**Interest Rate**"), on the unpaid portion of the Principal until the Principal is repaid in full, calculated on the basis of the actual number of days elapsed in a year, being 365 or 366, as the case may be, accruing on a monthly basis and payable in full when the final payment is made to repay the Principal in full.
4. **Payment Upon Demand**—Subject to Section 5, the Principal, together with any accrued but unpaid interest, will become due and will be paid in full on demand.
5. **Timing of Demand**—Notwithstanding Section 4, no demand for payment of the Principal, together with any accrued but unpaid interest thereon, will be made by the Creditor until at least 30 days after the date of this promissory note.
6. **Interest on Overdue Interest**—If default occurs in the payment of any interest due under this promissory note, interest on that amount at the Interest Rate, calculated daily and compounded monthly, will be payable on demand.
7. **Application of Payments**—Any amount paid in satisfaction of the indebtedness evidenced by this promissory note will be applied first in satisfaction of any accrued and unpaid interest which is due and payable and any overdue interest thereon, and then the remaining portion of the amount paid will be applied in satisfaction of the Principal owing under this promissory note.
8. **Enforcement**—No legal proceeding to enforce the Borrower's obligations under this promissory note will be commenced until after the first day on which there is a failure to perform those obligations once a demand is made in accordance with Section 4 and Section 5 of this promissory note.
9. **Prepayment**—The Borrower will be entitled to prepay the Principal, in whole or in part, together with interest at the Interest Rate calculated to the date of prepayment on the Principal being prepaid, at any time prior to a demand being made by the Creditor, without any notice being given to the Creditor and without any bonus or penalty being paid to the Creditor, provided that the Borrower is not in default in the payment of any amount due under this promissory note. Any such prepayment will be applied to the Principal owing under this promissory note.

10. **Currency and Payment**—Any money to be paid pursuant to this promissory note must be paid by bank draft, certified cheque or electronic funds transfer of immediately available funds payable to the Creditor, in lawful Canadian currency.
11. **Security**—As security for the Principal, the Borrower hereby mortgages and charges to the Creditor, and grants to the Creditor a security interest in, and the Creditor takes a security interest in, all of the Borrower's right, title and interest (the "**Secured Interest**") in and to the Collateral (defined below), which together with the general security agreement attached as Schedule "A" to this promissory note, and any other agreements securing, evidencing, or pertaining to the loan memorialized by this promissory note are collectively referred to as the "**Security Documents**". The collateral shall be all present and after acquired properties of the Borrower (the "**Collateral**"). The Collateral secures the payment of this promissory note and any other liability of Borrower for itself or its agents to the Creditor however evidenced, now existing or hereafter incurred, matured or unmatured, direct or indirect, absolute or contingent, including any extensions and renewals thereof, which Collateral is pledged and a security interest therein granted to the Creditor, pursuant to the Security Documents together with all rights to which the owner of the Collateral is now, or may hereafter become, entitled by virtue of owning such Collateral. The proceeds of any Collateral may be applied against any of the liabilities of the Borrower to the Creditor in such order of payment as the Creditor deems proper.
12. **Non-Waiver**—The extension of the time for making any payment which is due and payable under this promissory note, or the Creditor's failure or delay in exercising or enforcing any rights or remedies under this promissory note, or under any instrument securing payment of the indebtedness evidenced by this promissory note, will not constitute a continuing waiver of the right of the Creditor to enforce those rights and remedies in the future.
13. **Notices and Demands**—Any demand or notice to be made or given in connection with this promissory note will be in writing and will be personally delivered to an officer or responsible employee of the Borrower or the Creditor or sent by facsimile, e-mail, or functionally equivalent electronic means, charges (if any) prepaid, at or to any address, electronic address, or facsimile number, as the case may be, as the Borrower or the Creditor may designate to the other in accordance with this provision. Any demand or notice which is personally delivered will be deemed to have been validly and effectively given on the date of delivery if that date is a business day, and the delivery was made during normal business hours; otherwise, it will be deemed to have been validly and effectively given on the business day next following the date of delivery. Any demand or notice which is transmitted by facsimile, e-mail, or functionally equivalent electronic means will be deemed to have been validly and effectively given on the date of transmission if that date is a business day and the transmission was made during normal business hours of the recipient; otherwise, it will be deemed to have been validly and effectively given on the business day next following the date of transmission.
14. **Amendments**—No amendment or waiver of any provision of this promissory note or consent to any departure by the Borrower from any provision of this promissory note is effective unless it is in writing and signed by the Creditor, and then the amendment, waiver or consent is effective only in the specific instance and for the specific purpose for which it is given.
15. **Collection Expenses**—The Borrower will pay all costs and expenses incurred by the Creditor in collecting any amount due, and enforcing its rights, under this promissory note, including, without limitation, reasonable legal fees and disbursements. Those costs and expenses will be added to the Principal and will bear interest at the Interest Rate.

16. **Governing Law**—This promissory note will be governed by and construed in all respects in accordance with the laws of the Province of Alberta and the laws of Canada applicable in that Province.
17. **Time of the Essence**—Time will in all respects be of the essence of this promissory note.
18. **Waiver of Benefits**—Presentment for payment, protest and notice of protest, notice of non-payment and notice of dishonour are waived by the Borrower.
19. **Assignment**—The Borrower will not be permitted to assign this promissory note, in whole or in part, without the prior written consent of the Creditor. The Creditor may assign (including by way of security) this promissory note, in whole or in part, without the prior written consent of the Borrower. This promissory note will be binding upon the successors and permitted assigns of the Borrower and will enure for the benefit of the Creditor and its successors and assigns.

The Borrower has executed this promissory note as of the 11th day of May, 2023.

CLEO ENERGY CORP.

Per:



c/s

Name: Chris Lewis

Title: Executive Chairman

AGREED TO AND ACCEPTED this 11th day of May, 2023:



Name: Marco Simonelli

AGREEMENT AND DEMAND PROMISSORY NOTE


Borrower: CLEO ENERGY CORP. (the "Borrower") 200, 117-8th Ave SW, Calgary, Alberta T2P 1B4;
Lender: Marco Simonelli (the "Lender") 2902 Montcalm Cres Calgary Alberta
Guarantor: Chris Lewis (the Guarantor) 200, 117-8th Ave SW, Calgary, Alberta T2P 1B4
Amount: \$400,000
Term: Loan on May 30th 2023 Matures on June 15th 2023


1. FOR VALUE RECEIVED, the Borrower promise to pay the Lender, the principal sum of Four Hundred Thousand (\$400,000) CAD, with a finance fee of \$20,000 payable upon maturity.
2. This Note will be construed in accordance with and governed by the laws of the Province of Alberta.
3. If any term, covenant, condition or provision of this Note is held by a court of competent jurisdiction to be invalid, void or unenforceable, it is the parties' intent that such provision be reduced in scope by the court only to the extent deemed necessary by that court to render the provision reasonable and enforceable and the remainder of the provision of this Note will in no way be affected, impaired or invalidated as a result.
4. This note will enure to the benefit of and be binding upon the respective heirs, executors, administrators, successors and assigns of the Borrower and the Lender.
5. If any term, covenant, condition or provision of this Note is held by a court of competent jurisdiction to be invalid, void or unenforceable, it is the parties' intent that such provision be reduced in scope by the court only to the extent deemed necessary by that court to render the provision reasonable and enforceable and the remainder of the provision of this Note will in no way be affected, impaired or invalidated as a result.
6. All costs, expenses and expenditures including, and without limitation, the complete legal costs incurred by Lender in enforcing this Note as a result of any default by the Borrower, will be added to the principal then outstanding and will immediately be paid by the Borrower.
7. This note will enure to the benefit of and be binding upon the respective heirs, executors, administrators, successors and assigns of the Borrower and Lender.

IN WITNESS WHEREOF CLEO ENERGY CORP and Marco Simonelli duly affixed their signature this 30th day of May, 2023.

SIGNED,

CLEO ENERGY CORP.

Per: 
Chris Lewis, Executive Chairman

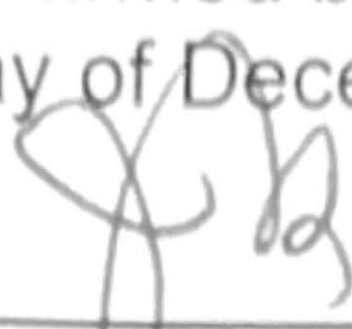
Per: 
Chris Lewis, Guarantor

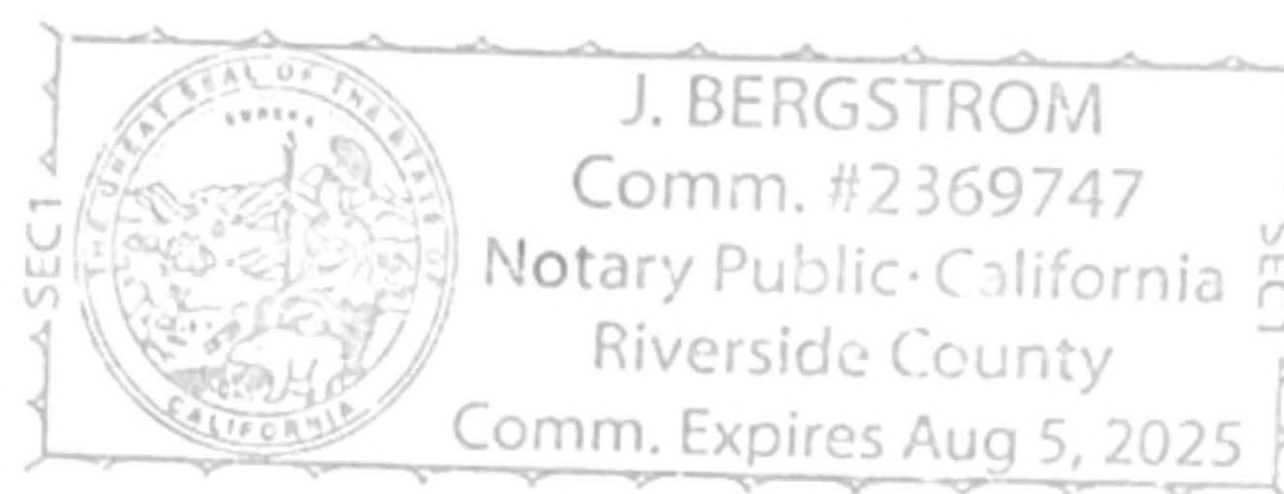
Per: 
Marco Simonelli

SCHEDULE "A"
FORM OF GENERAL SECURITY AGREEMENT

General Security Agreement dated December 31, 2018 as per attached;

Exhibit "K" to the Affidavit of
Chris Lewis
Sworn/Affirmed before me this
23rd day of December, 2024


A Notary Public for the State of California



GENERAL SECURITY AGREEMENT

THIS AGREEMENT is dated December 31st 2018

BY:

CLEO ENERGY CORP

(the "**Debtor**")

IN FAVOUR OF:

Marco Simonelli

(the "**Secured Party**")

The Debtor agrees with the Secured Party as follows:

ARTICLE 1 INTERPRETATION

1.1 Definitions

In this Agreement, the following terms have the following meanings:

- 1.1.1 "**Agreement**" means this agreement as it may be supplemented, amended, restated or replaced by written agreement between the Parties.
- 1.1.2 "**Collateral**" means all present and after-acquired personal property owned, leased, licensed, possessed or acquired by the Debtor, or in which the Debtor has rights, including all present and after-acquired Goods (including Equipment and Inventory), Investment Property, Instruments, Documents of Title, Chattel Paper, Intangibles (including Accounts), Money, crops and fixtures, owned, leased, licensed, possessed or acquired by the Debtor, or in which the Debtor has rights, and all Proceeds of that property, but specifically excludes the Excluded Collateral.
- 1.1.3 "**Consumer Goods**" means Goods that are used or acquired for use primarily for personal, family or household purposes.
- 1.1.4 "**Debtor**" is defined in the recital of the Parties, above.
- 1.1.5 "**Event of Default**" is defined in Section 4.1.

- 1.1.6 **"Excluded Collateral"** means Consumer Goods and any right, permit or contract that would be breached or terminated if a security interest was granted in it without the consent of a third party, unless that consent is obtained.
- 1.1.7 **"Obligations"** means the sum of \$735,000 owing by the Debtor to the Secured Party and interest on that amount at the rate of 12%, according to the terms of, and as evidenced by, a promissory note dated December 31, 2018, as that promissory note is amended, supplemented, renewed, restated or replaced, and all present and future indebtedness and obligations of the Debtor to the Secured Party under this Agreement.
- 1.1.8 **"Parties"** means, collectively, the Debtor and the Secured Party, and **"Party"** means any one of them.
- 1.1.9 **"PPSA"** means the *Personal Property Security Act* (Alberta), as amended, renamed or replaced and includes all regulations made under that legislation.
- 1.1.10 **"Receiver"** means a receiver or receiver-manager of all or any part of the Collateral.
- 1.1.11 **"Secured Party"** is defined in the recital of the Parties, above.
- 1.1.12 **"Security Interests"** means the mortgages, charges and security interests granted and created by this Agreement.

1.2 Incorporated Definitions

Capitalized terms not otherwise defined in this Agreement have the definitions set out in the PPSA.

1.3 Governing Law

This Agreement is governed by, and is to be construed and interpreted in accordance with, the laws of the Province of Alberta and the laws of Canada applicable in that Province.

1.4 Rules of Interpretation

In this Agreement, words signifying the singular number include the plural and vice versa, and words signifying gender include all genders. Every use of the words "including" and "includes" in this Agreement is to be construed as meaning "including, without limitation" or "includes, without limitation", respectively.

ARTICLE 2 GRANT OF SECURITY INTEREST

2.1 Security Interests

As security for payment and performance of the Obligations, the Debtor mortgages and charges to the Secured Party, and grants to the Secured Party a security interest in, and the Secured Party takes a security interest in, all of the Debtor's right, title and interest in and to the Collateral.

2.2 Attachment

The Debtor and the Secured Party do not intend to postpone the attachment of the Security Interests, and the Security Interests will attach when:

- 2.2.1 this Agreement has been executed, or in the case of after-acquired property, that property has been acquired by the Debtor;
- 2.2.2 value has been given; and
- 2.2.3 the Debtor has rights in the Collateral, or in the case of after-acquired property, acquires rights in the Collateral.

ARTICLE 3 REPRESENTATIONS, WARRANTIES AND COVENANTS

3.1 Representations and Warranties

The Debtor represents and warrants to the Secured Party that:

- 3.1.1 **Corporate Existence.** It is duly incorporated and validly existing under the laws of the Province of Alberta.
- 3.1.2 **Name.** The full legal name of the Debtor (including any French or French/English form of its legal name), and any other name under which it conducts its business, is correctly specified on the signature page of this Agreement.

3.1.3 **Place of Business.** The Debtor's sole place of business or chief executive office, as applicable, is 200 – 117 8 Avenue SW, Calgary, Alberta T2P 1B4.

3.1.4 **Location of Collateral.**

The locations of all other places where the Debtor carries on business or keeps Collateral are 200 – 117 8 Avenue SW, Calgary, Alberta T2P 1B4 and throughout Alberta.

3.1.5 **Owns Collateral.**

The Debtor either owns, possesses and has good and marketable title to, or has enforceable leasehold or other rights to, all currently held Collateral, free from all security interests, mortgages, charges, encumbrances, liens and claims except those previously disclosed to the Secured Party.

3.2 Covenants

The Debtor covenants with the Secured Party that it will not, without the prior written consent of the Secured Party:

3.2.1 permit the Collateral or any part of it to become subject to any mortgage, charge, lien, encumbrance or security interest, whether made, given or created by the Debtor or otherwise;

3.2.2 sell, lease or otherwise dispose of the Collateral or any part of it (other than Inventory in the ordinary course of business), and if any sale, lease or other disposition is permitted or consented to it will pay the Proceeds to the Secured Party;

3.2.3 release, surrender or abandon the Collateral or any part of it; or

3.2.4 move the Collateral or any part of it from its present locations.

**ARTICLE 4
DEFAULT AND ENFORCEMENT**

4.1 Events of Default

The occurrence of any one or more of the following events or conditions will be an event of default under this Agreement ("**Event of Default**");

- 4.1.1 the Debtor defaults in payment to the Secured Party when due of any indebtedness or liabilities forming part of the Obligations;
- 4.1.2 the Debtor defaults in performance of any of the Obligations other than payment under Section 4.1.1;
- 4.1.3 the Debtor defaults in the observance or performance of any of the terms, conditions or covenants to be observed or performed by the Debtor under this Agreement or any other agreement or instrument existing at any time between the Debtor and the Secured Party;
- 4.1.4 the Debtor ceases or threatens to cease to carry on its business;
- 4.1.5 the Debtor commits or threatens to commit any act of bankruptcy, or becomes insolvent or bankrupt or makes a proposal or files an assignment for the benefit of creditors under the *Bankruptcy and Insolvency Act* (Canada) or similar legislation in Canada or any other jurisdiction, or if an application for a bankruptcy order is filed against the Debtor;
- 4.1.6 proceedings are commenced against or affecting the Debtor seeking the appointment of, or any creditor of the Debtor or any other person privately appoints, a receiver, receiver- manager, trustee, custodian, liquidator or similar official for the Debtor or any part of the Debtor's property, including the Collateral or any part of it; or
- 4.1.7 the Secured Party in good faith and on commercially reasonable grounds believes that the ability of the Debtor to pay any of the Obligations to the Secured Party, or to perform for the Secured Party any of the Obligations or other covenants contained in this Agreement, is impaired, or any security granted by the Debtor to the Secured Party is or is about to be impaired or in jeopardy.

4.2 Acceleration

If an Event of Default described in Section 4.1.5 or Section 4.1.6 occurs all of the obligations will immediately become due and payable without any demand or any notice of any kind to the Debtor. If any other Event of Default occurs the Secured Party, in its sole and absolute discretion, may declare all or any part of the Obligations, whether or not by their terms payable on demand, immediately due and payable, without any further demand or notice of any kind.

4.3 Demand Obligations

The provisions of Sections 4.1 and 4.2 will not affect the demand nature of any indebtedness or obligations payable by the Debtor to the Secured Party on demand, and the Secured Party may demand payment of that indebtedness and those obligations at any time without restriction, whether or not the Debtor has complied with the provisions of this Agreement or any other instrument between the Debtor and the Secured Party.

4.4 Security Interests Enforceable

The occurrence of an Event of Default will cause the Security Interests to become enforceable against the Debtor without the need for any action or notice by the Secured Party.

4.5 Remedies of the Secured Party

If the more Security Interests become enforceable, the Secured Party may enforce its rights by any one or of the following remedies:

- 4.5.1 by taking possession of the Collateral or any part of it, and collecting, demanding, suing, enforcing, recovering, receiving and otherwise getting in the Collateral, and for that purpose entering into and upon any lands, buildings, and premises and doing any act and taking any proceedings in the name of the Debtor, or otherwise, as the Secured Party considers necessary;
- 4.5.2 by proceedings in any court of competent jurisdiction for the appointment of a Receiver;
- 4.5.3 by proceedings in any court of competent jurisdiction for the sale or foreclosure of all or any part of the Collateral;
- 4.5.4 by filing of proofs of claim and other documents to establish its claims in any proceeding or proceedings relating to the Debtor;
- 4.5.5 by sale or lease by the Secured Party of all or any part of the Collateral, whether or not it has taken possession of the Collateral;
- 4.5.6 by appointment by instrument in writing of a Receiver on any terms as to remuneration and otherwise as the Secured Party thinks fit, or by removing and appointing a replacement for any Receiver, and any Receiver so appointed will have, in addition to all of the rights and remedies of a receiver under the PPSA, the power:
 - 4.5.6.1 to take possession of, collect, demand, sue on, recover, receive, realize on or enforce against the Collateral, and for that purpose to give valid and binding receipts and discharges for and in respect of it, and take

any proceedings in the name of the Debtor or otherwise as may seem expedient;

- 4.5.6.2 to carry on or manage all or any part of the business of the Debtor;
- 4.5.6.3 to borrow money on the security of the Collateral in priority to this Agreement or otherwise for the purpose of the maintenance, preservation or protection of the Collateral, for carrying on or managing all or any part of the business of the Debtor or for exercising any other power under this Agreement;
- 4.5.6.4 to sell, lease, accept surrenders of leases of or otherwise dispose of the Collateral in whole or in part, at public auction, by public tender or by private sale, either for
- 4.5.6.5 to make any arrangement or compromise that the Receiver thinks expedient; and
- 4.5.7 by any other remedy or proceeding authorized or permitted by this Agreement or by law or equity, including all of the rights and remedies of a secured party under the PPSA;

and in exercising, delaying in exercising or failing to exercise, any such right or remedy the Secured Party will not incur any liability to the Debtor.

4.6 Proceeds of Disposition

The Proceeds of the sale, lease or other disposition of the whole or any part of the Collateral will be applied to the Obligations, including any amounts owed to the Secured Party under Section 5.5, and any surplus remaining in the hands of the Receiver or the Secured Party will be distributed as required by the PPSA or other applicable law.

4.7 Deficiency

If the Proceeds of the realization of the Collateral are insufficient to fully pay the Obligations to the Secured Party, the Debtor will be liable to pay, and will immediately pay or cause to be paid, the deficiency to the Secured Party.

ARTICLE 5 GENERAL

5.1 No Automatic Discharge

This Agreement will not be or be considered to have been discharged by reason only of the Debtor ceasing to be indebted or under any liability, direct or indirect, absolute or contingent, to the Secured Party.

5.2 No Obligation to Advance

None of the preparation, execution or registration of notice of this Agreement will bind the Secured Party to advance any monies or extend any credit to the Debtor, nor will the advance of a portion of any monies or the extension of a portion of any credit by the Secured Party to the Debtor bind the Secured Party to make available any unadvanced or un-extended portion of those monies or that credit.

5.3 Security Additional

The Security Interests are in addition to and not in substitution for any other security now or in the future held by the Secured Party.

5.4 Realization

The Secured Party may realize upon various securities securing the Obligations or any part of them in any order that it sees fit, and realization by any means upon any security or part of it will not bar realization upon any other security or the Security Interests or any part of them.

5.5 Payment of Costs

The Debtor will pay on demand all costs and expenses incurred (including legal costs and disbursements on a 100 percent, complete indemnity basis) and fees charged by:

- 5.5.1 the Secured Party in connection with obtaining or discharging this Agreement, establishing or confirming the priority of the Security Interests created by this Agreement or by law, or complying with any demand by any person under the PPSA to amend or discharge any registration relating to this Agreement; and
- 5.5.2 the Secured Party or any Receiver in exercising any remedy under this Agreement (including preserving, repairing, processing, preparing for disposition and disposing of the Collateral by sale, lease or otherwise) and in carrying on the Debtor's business.

All of those amounts will bear interest from time to time at the highest interest rate then applicable to any of the Obligations, and the Debtor will reimburse the Secured Party or Receiver, as applicable, upon demand for any amount so paid.

5.6 Extensions

The Secured Party may grant extensions of time and other indulgences, take and give up security, accept compositions, compound, compromise, settle, grant releases and

discharges, refrain from perfecting or maintaining perfection of security interests and otherwise deal with the Debtor, account debtors of the Debtor, sureties and others, and with the Collateral and other security interests, as the Secured Party may see fit without prejudice to the liability of the Debtor or to the Secured Party's right to hold and realize on the security constituted by this Agreement.

5.7 Notice

Any notice, demand, request, consent, approval or other communication that is required or permitted by this Agreement to be given or made by a Party must be in writing and may be personally delivered, sent by prepaid registered mail or sent by e-mail or other functionally equivalent electronic means of communication to the receiving Party at its address or e-mail address as follows:

Debtor: 200 – 117 8 Avenue SW, Calgary, Alberta T2P 1B4
clewis@cleoenergy.com

Secured Party: 2902 Montcalm Crecent SW Calgary Alberta T2T 3M6
Marco12666@me.com

or at any other address or e-mail address as any Party may from time to time advise the other Party in accordance with this Section 5.7.

5.8 Submission to Jurisdiction

The Debtor irrevocably submits and attorns to the exclusive jurisdiction of the courts of the Province of Alberta to determine all issues, whether at law or in equity, arising from this Agreement.

5.9 Amendment and Waiver

No supplement, amendment, waiver, discharge or termination of this Agreement is binding unless it is executed in writing by the Party to be bound. No waiver of, failure to exercise or delay in exercising, any provision of this Agreement constitutes a waiver of any other provision, whether or not similar, nor does any waiver constitute a continuing waiver unless otherwise expressly provided.

5.10 Further Assurances

The Debtor will, at the Debtor's sole cost, execute and deliver any further agreements and documents and provide any further assurances as may be reasonably required by the Secured Party to give effect to this Agreement and, without limiting the generality of the foregoing, will do or cause to be done all acts and things, execute and deliver or cause to be executed and delivered all agreements and documents and provide any assurances,

undertakings and information as may be required from time to time by all regulatory or governmental authorities.

5.11 Assignment

5.11.1 The Secured Party may, without notice to or consent of the Debtor, at any time assign, transfer or grant a security interest in its rights and obligations under this Agreement and the Security Interests.

5.11.2 Neither this Agreement nor any rights or obligations under this Agreement may be assigned by the Debtor without the prior consent of the Secured Party.

5.12 Enurement

This Agreement enures to the benefit of the Secured Party and its heirs, executors, administrators, successors and assigns, and is binding upon the Debtor and its heirs, executors, administrators, successors and permitted assigns.

5.13 Joint and Several Obligations

If the Debtor is composed of more than one person, the agreements of, and all obligations and covenants to be performed and observed by, each of the persons comprising the Debtor under this Agreement will be the joint and several agreements, obligations and covenants of each of the persons comprising the Debtor, and any request or authorization given to the Secured Party by any of the persons comprising the Debtor will be considered to be the requests or authorizations of each of the persons comprising the Debtor.

5.14 Electronic Signatures and Delivery

This Agreement may be:

5.14.1 signed by manual, digital or other electronic signatures; and

5.14.2 delivered or transmitted by any digital, electronic or other intangible means, including by e- mail or other functionally equivalent electronic means of transmission;

and that execution, delivery and transmission will be valid and legally effective to create a valid and binding agreement between the Parties.

5.15 Acknowledgment and Waiver

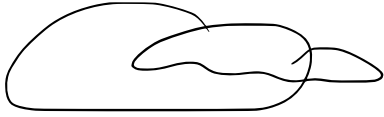
The Debtor:

5.15.1 acknowledges receiving a copy of this Agreement; and

5.15.2 waives all rights to receive from the Secured Party a copy of any financing statement, financing change statement or verification statement filed or issued, as the case may be, at any time in respect of this Agreement or any amendments to this Agreement.

The Debtor has executed and delivered this Agreement as of the date noted at the beginning of the Agreement.

CLEO ENERGY CORP.

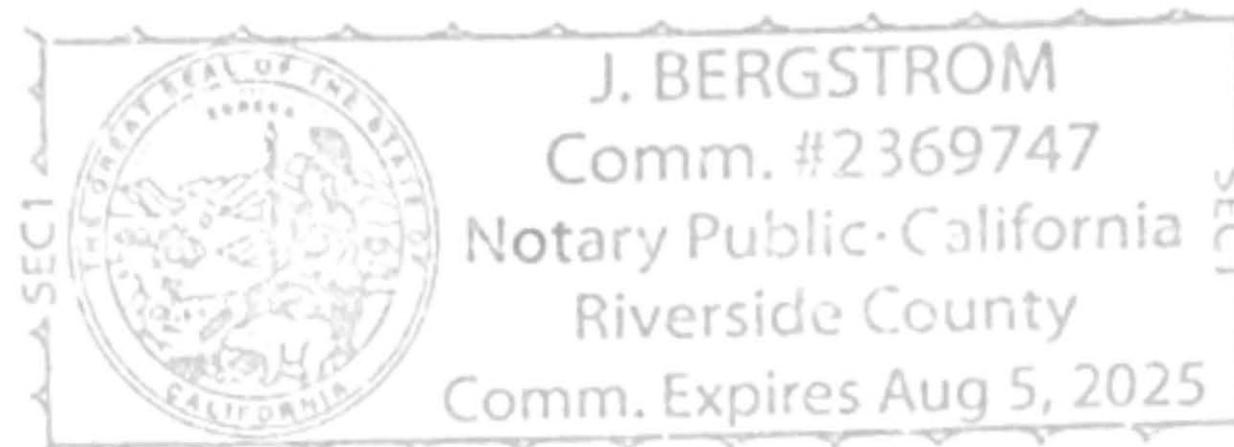
Per: 

Name: Chris Lewis
Title: Director

Exhibit "L" to the Affidavit of
Chris Lewis
Sworn/Affirmed before me this
23rd day of December, 2024



A Notary Public for the State of California





Business Information

This Merchant Cash Advance (this "Agreement") is between 2M7 Financial. Having its registered address at 64 Signet Drive North York On. ("Company") and the merchant identified below ("Merchant").

| Business Profile | | |
|-------------------------|-------------------------|------------------------------|
| DBA | Business Phone | Fax |
| CLEO Energy Corp | 403-801-4155 | |
| Alternate Phone | Legal Business name | Email |
| 403-801-4155 | CLEO Energy Corp | clewis@cleoenergy.com |
| Industry | Overdraft limit | Years in Business |
| 1 | | 5-10 Years |
| Number of locations | Current processor | Number of employees |
| 1 | Other | |

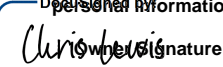
| Addresses | | | |
|---------------------------|----------------|-----------|----------------|
| Business Address | City | Province | Postal |
| 117-8th Ave SW 200 | Calgary | AB | T2P 1B4 |
| Mailing Address | City | Province | Postal |
| 117-8th Ave SW 200 | Calgary | AB | T2P 1B4 |
| Billing address | City | Province | Postal |
| 117-8th Ave SW 200 | Calgary | AB | T2P 1B4 |

| Owner Information | | | |
|-----------------------------|---------------------|------------------------------|----------------|
| Legal Name | Title in Business | Ownership Percentage | |
| Chris Lewis | Owner | 80 | |
| Home Address | City | Province | Postal |
| 1010 135 26th Ave SW | Calgary | AB | T2S 0M2 |
| Home Phone Number | Cell Number | Own/Rent | |
| | 403-801-4155 | | |
| Date of Birth | Social Insurance | Email Address | |
| 03/09/1966 | | clewis@cleoenergy.com | |

| References | | | |
|------------------------|--------------|-------|--------|
| Emergency Contact | | | |
| Name | Relationship | Phone | Ext. # |
| | | | |
| Landlord Information | | | |
| Company name | Contact name | Phone | Ext. # |
| | | | |
| Key supplier Reference | | | |
| Company name | Contact name | Phone | Ext. # |
| | | | |

PRIVACY CONSENT

Merchant represents and warrants that each individual listed above has consented to Company's collection, disclosure, use and processing of any Personal Information which relates to that individual and allows that individual to be identified for the purposes set out in this Agreement.


 Chris Lewis
 10418EE75B8C44E...

1. Definitions:

- a. Deposit Account – shall mean Merchant’s bank accounts to which the proceeds of daily settlement are being remitted by the Processor and to which Company has been given access as further described in sec. 10;
- b. Future Receivables – shall mean Merchant’s future receipts and contract rights arising from or relating to any proceeds of sale received by and accepted as a form of payment by Merchant;
- c. Merchant – shall mean the merchant signatory to this Agreement and shall include any of its holding companies, affiliates and/or subsidiaries in the case of a corporate entity; or any and all partners in the case of a partnership;
- d. Option Period – shall mean a period of time during which the Company has an option to perform Reload, commencing on the day that the Company has acquired such right in accordance with sec. 5 herein below and for as long as Future Receivables purchased hereunder remain outstanding;
- e. Processor – shall mean credit card/debit card processor(s) for the processing of debit/credit cards transactions;
- f. Purchase Price – shall mean the amount agreed upon by the Parties and paid by the Company for Merchant’s Future Receivables, as further defined herein;
- g. Purchased Receivables – shall mean the amount specified in Schedule A, which constitutes the total amount payable by Merchant to Company in consideration for the Purchase Price;
- h. Reload – shall mean Company’s option to purchase from Merchant additional Future Receivables as further defined in sec. 5 herein;
- i. Set Amount – shall mean the amount specified in Schedule A, which constitutes a fixed dollar amount as determined by Merchant and Company; and
- j. Specified Percentage – shall mean the amount specified in Schedule A, which constitutes a percentage of the total amount of payments processed by Merchant on any given day.

2. Transaction. Subject to all terms and conditions set forth in this Agreement, Company shall pay to Merchant the Purchase Price set out in Schedule A hereto (the “Initial Purchase and Sale Schedule”). In consideration of the Purchase Price, Merchant sells, assigns and transfers, without recourse (except to the extent provided herein), and Company purchases, Merchant’s entire right, title and interest in a percentage specified in the Initial Purchase and Sale Schedule of each of Merchant’s Future Receivables until the Purchased Receivables has been paid to the Company. Merchant shall not repurchase or resell any part of or all the Future Receivables to any third party and hereby declares itself a bare trustee of Company with respect to all Purchased Receivables pending payment in full to Company.

3. Payment of the Purchase Price. Company shall pay the Purchase Price to the Merchant by depositing the full amount of the Purchase Price to the Deposit Account or any other account specified by the Merchant in Schedule A. The payment shall be made by Electronic Funds Transfer (EFT) to the Merchant’s account. The transfer of the funds from the Company’s bank account shall be final proof of the payment, unless notified otherwise by the Merchant within 3 business days from the date of the payment. Upon payment of the Purchase Price, the Company shall acquire full, final and unconditional right for the Purchased Receivables of the Merchant.

4. Collection of Future Receivables. Company shall collect Future Receivables from the Merchant’s account in accordance with the provisions contained herein. The collection of funds shall be done on a daily basis, calculated in accordance with Schedule

“A” either as the Specified Percentage or as the Set Amount. Company shall have full and irrevocable authorization to debit Merchant’s account for any amounts calculated by Company in accordance with this Agreement.

5. Reloads. In addition to the initial purchase transaction specified in sec. 2 above, the Parties hereby agree that the Company shall have the unconditional but revocable option (the “Option”) to purchase from Merchant additional Future Receivables in the amount, for the price, at the time and in the manner set forth hereinafter in Schedule “B” attached hereto (the “Reload Schedule”). The Option shall be exercisable by Company in three specific tranches (each, a “Reload”), as follows: (i) First Reload - upon the collection by Company of Future Receivables purchased hereunder representing, in the aggregate, thirty-five per cent (35%) of the Purchased Receivables, Company shall be entitled at its own discretion to purchase from Merchant such amount of additional Future Receivables as set forth in the Reload Schedule in regard of the First Reload, for the purchase price indicated therein; (ii) Second Reload - upon the collection by Company of Future Receivables purchased hereunder representing, in the aggregate, sixty per cent (60%) of the Purchased Receivables, Company shall be entitled at its own discretion, to purchase from Merchant such amount of additional Future Receivables as set forth in the Reload Schedule in regard of the Second Reload, for the purchase price indicated therein; and (iii) Third Reload - upon the collection by Company of Future Receivables purchased hereunder representing, in the aggregate, ninety per cent (90%) of the Purchased Receivables, Company shall be entitled at its own discretion, to purchase from Merchant such amount of additional Future Receivables as set forth in the Reload Schedule in regard of the Third Reload, for the purchase price indicated therein. Due payment by Company of the Purchase Price relating to a Reload in the form of an EFT directed to the Deposit Account shall evidence the purchase by Company of the Future Receivables relating to such Reload, as set forth in the Reload Schedule, without necessity of further document or notice. All provisions of this Agreement shall apply to the Reloads, which shall be deemed to be an increase of the Purchase Price, and the amount of additional Future Receivables purchased thereby shall be deemed to be an increase of the Future Receivables, both as set forth in the Initial Purchase and Sale Schedule. Merchant shall have the right to revoke at any time the Option granted to Company hereunder by written notice to the Company. Such revocation shall become effective two (2) business days following receipt of such notice by Company and shall only apply to the Reloads which have not yet been exercised at the effective date of revocation.

6. Security Interest. Immediately upon receipt of the Purchase Price and until full and final repayment of the Purchased Receivables, Merchant grants to Company a security interest, as continuing and collateral security for the due and punctual performance of all present and future obligations and liabilities of Merchant to Company under this Agreement (to which Personal Property Security Act (Ontario) and the regulations thereto, as the same may be amended from time to time applies) in and grants, mortgages and charges as and by way of a fixed and specific mortgage and charge to and in favour of Company, all of the Merchant’s rights, title, and interests in and to each and every Future Receivable, all pursuant to and in accordance with the provisions of this Agreement; and irrevocably authorizes Company to file one or more financing or continuation statements, or amendments thereto, without the signature of Merchant where

1. Definitions:

- a. Deposit Account – shall mean Merchant’s bank accounts to which the proceeds of daily settlement are being remitted by the Processor and to which Company has been given access as further described in sec. 10;
- b. Future Receivables – shall mean Merchant’s future receipts and contract rights arising from or relating to any proceeds of sale received by and accepted as a form of payment by Merchant;
- c. Merchant – shall mean the merchant signatory to this Agreement and shall include any of its holding companies, affiliates and/or subsidiaries in the case of a corporate entity; or any and all partners in the case of a partnership;
- d. Option Period – shall mean a period of time during which the Company has an option to perform Reload, commencing on the day that the Company has acquired such right in accordance with sec. 5 herein below and for as long as Future Receivables purchased hereunder remain outstanding;
- e. Processor – shall mean credit card/debit card processor(s) for the processing of debit/credit cards transactions;
- f. Purchase Price – shall mean the amount agreed upon by the Parties and paid by the Company for Merchant’s Future Receivables, as further defined herein;
- g. Purchased Receivables – shall mean the amount specified in Schedule A, which constitutes the total amount payable by Merchant to Company in consideration for the Purchase Price;
- h. Reload – shall mean Company’s option to purchase from Merchant additional Future Receivables as further defined in sec. 5 herein;
- i. Set Amount – shall mean the amount specified in Schedule A, which constitutes a fixed dollar amount as determined by Merchant and Company; and
- j. Specified Percentage – shall mean the amount specified in Schedule A, which constitutes a percentage of the total amount of payments processed by Merchant on any given day.

2. Transaction. Subject to all terms and conditions set forth in this Agreement, Company shall pay to Merchant the Purchase Price set out in Schedule A hereto (the “Initial Purchase and Sale Schedule”). In consideration of the Purchase Price, Merchant sells, assigns and transfers, without recourse (except to the extent provided herein), and Company purchases, Merchant’s entire right, title and interest in a percentage specified in the Initial Purchase and Sale Schedule of each of Merchant’s Future Receivables until the Purchased Receivables has been paid to the Company. Merchant shall not repurchase or resell any part of or all the Future Receivables to any third party and hereby declares itself a bare trustee of Company with respect to all Purchased Receivables pending payment in full to Company.

3. Payment of the Purchase Price. Company shall pay the Purchase Price to the Merchant by depositing the full amount of the Purchase Price to the Deposit Account or any other account specified by the Merchant in Schedule A. The payment shall be made by Electronic Funds Transfer (EFT) to the Merchant’s account. The transfer of the funds from the Company’s bank account shall be final proof of the payment, unless notified otherwise by the Merchant within 3 business days from the date of the payment. Upon payment of the Purchase Price, the Company shall acquire full, final and unconditional right for the Purchased Receivables of the Merchant.

4. Collection of Future Receivables. Company shall collect Future Receivables from the Merchant’s account in accordance with the provisions contained herein. The collection of funds shall be done on a daily basis, calculated in accordance with Schedule

“A” either as the Specified Percentage or as the Set Amount. Company shall have full and irrevocable authorization to debit Merchant’s account for any amounts calculated by Company in accordance with this Agreement.

5. Reloads. In addition to the initial purchase transaction specified in sec. 2 above, the Parties hereby agree that the Company shall have the unconditional but revocable option (the “Option”) to purchase from Merchant additional Future Receivables in the amount, for the price, at the time and in the manner set forth hereinafter in Schedule “B” attached hereto (the “Reload Schedule”). The Option shall be exercisable by Company in three specific tranches (each, a “Reload”), as follows: (i) First Reload - upon the collection by Company of Future Receivables purchased hereunder representing, in the aggregate, thirty-five per cent (35%) of the Purchased Receivables, Company shall be entitled at its own discretion to purchase from Merchant such amount of additional Future Receivables as set forth in the Reload Schedule in regard of the First Reload, for the purchase price indicated therein; (ii) Second Reload - upon the collection by Company of Future Receivables purchased hereunder representing, in the aggregate, sixty per cent (60%) of the Purchased Receivables, Company shall be entitled at its own discretion, to purchase from Merchant such amount of additional Future Receivables as set forth in the Reload Schedule in regard of the Second Reload, for the purchase price indicated therein; and (iii) Third Reload - upon the collection by Company of Future Receivables purchased hereunder representing, in the aggregate, ninety per cent (90%) of the Purchased Receivables, Company shall be entitled at its own discretion, to purchase from Merchant such amount of additional Future Receivables as set forth in the Reload Schedule in regard of the Third Reload, for the purchase price indicated therein. Due payment by Company of the Purchase Price relating to a Reload in the form of an EFT directed to the Deposit Account shall evidence the purchase by Company of the Future Receivables relating to such Reload, as set forth in the Reload Schedule, without necessity of further document or notice. All provisions of this Agreement shall apply to the Reloads, which shall be deemed to be an increase of the Purchase Price, and the amount of additional Future Receivables purchased thereby shall be deemed to be an increase of the Future Receivables, both as set forth in the Initial Purchase and Sale Schedule. Merchant shall have the right to revoke at any time the Option granted to Company hereunder by written notice to the Company. Such revocation shall become effective two (2) business days following receipt of such notice by Company and shall only apply to the Reloads which have not yet been exercised at the effective date of revocation.

6. Security Interest. Immediately upon receipt of the Purchase Price and until full and final repayment of the Purchased Receivables, Merchant grants to Company a security interest, as continuing and collateral security for the due and punctual performance of all present and future obligations and liabilities of Merchant to Company under this Agreement (to which Personal Property Security Act (Ontario) and the regulations thereto, as the same may be amended from time to time applies) in and grants, mortgages and charges as and by way of a fixed and specific mortgage and charge to and in favour of Company, all of the Merchant’s rights, title, and interests in and to each and every Future Receivable, all pursuant to and in accordance with the provisions of this Agreement; and irrevocably authorizes Company to file one or more financing or continuation statements, or amendments thereto, without the signature of Merchant where

permitted by law, as may be necessary or appropriate to perfect and maintain the perfection of the Company's perfected security interest in the Future Receivables.

7. Deposit Account(s). Merchant shall provide Company, with access to view in "read-only" format the transactions of the each Deposit Account. The Future Receivables shall be paid to Company by Company debiting the Merchant's Deposit Account(s) or, if Company is for any reason unable to debit the Deposit Account(s), from any other bank account maintained and used by Merchant, by electronic funds transfer ("EFT") in accordance with the provisions of this Agreement and Schedule A. Upon execution of this Agreement, Merchant shall remit to Company a void cheque (or, in the case of a savings account, the account number) for all bank accounts maintained by Merchant. Except as might be otherwise agreed by the Parties, the Merchant shall not change its Deposit Account(s), shall not open new or alternative Deposit Accounts, and shall not act in any other way which will result in preventing the Company from collecting its Future Receivables in accordance with the provisions of this Agreement.

8. Access to Information. Merchant hereby grants to the Company an irrevocable right and authorizes it to access and retrieve information pertaining to Deposit Account(s) from third parties on Merchant's behalf. Merchant hereby appoints Company as its true and lawful attorney-in-fact and agent, with full power of substitution and resubstitution, for Merchant in Merchant's name, place and stead, to gain access to third party internet sites, servers or documents, setup access accounts, retrieve information, and use Merchant's information, required for the purpose of performing Parties' responsibilities and obligations contemplated herein. Merchant agrees, confirms and instructs third party account providers to rely on the foregoing authorization, agency and power of attorney granted to Company. Merchant understands and agrees that some of the actions contemplated herein Company might perform through its service providers, choice of which shall be at the sole discretion of the Company.

9. Processing. Until the Purchased Receivables have been paid to Company in full, Merchant shall have daily settlements made by its Processor(s) or banks deposited into Deposit Account(s) as described below. In the event that any Processor Agreement is terminated for any reason and/or Merchant enters into any new Processor Agreement, Merchant must notify Company immediately and no later than 30 day before such change comes into force.

10. Business PAD. The Company shall draw a Business Preauthorized Debit to the Merchant's Deposit Accounts for the purpose of receiving payment for the Future Receivables purchased hereunder (the "Business PAD"). The Business PAD shall permit Company to withdraw varying amounts at varying intervals from the Deposit Account and all other accounts maintained by Merchant in accordance with the terms of this Agreement. Each Business PAD shall be for the Specified Percentage and/or the Set Amount as applicable until such time that Company receives payment in full of the Purchased Receivables, or for any other amount which is or may become payable by Merchant to Company hereunder. Merchant acknowledges that the applicable financial institution is not required to verify that any purpose of payment for which a pre-authorized debit was issued has been fulfilled by Company or that a pre-authorized debit has been issued in accordance with the particulars of Merchant's authorization including, but not limited to, the amount, as a condition to honouring a Business PAD. In any case of a

discrepancy or disputed Business PAD, Merchant shall prepare and submit a declaration to this effect to the bank branch of the Merchant's Deposit Account, with a copy delivered to the Company on the same day, up to and including ten (10) calendar days after the date on which the disputed debit was posted to Merchant's account. Should no notice be received within 10 calendar days, the Business PAD shall be considered correct and final and no further claims shall be made by the Merchant relating to the correctness of the Business PAD or the amounts withdrawn. To obtain more information on Merchant's recourse rights, Merchant may contact its financial institution or visit www.cdnpay.ca. Merchant acknowledges that provision and delivery of this Agreement to Company constitutes delivery by Merchant to its financial institution(s). Merchant agrees with Company to waive the requirement under the Rules of the Canadian Payments Association (the "CPA Rules") to receive a written pre-notification prior to each debit as set out in the CPA Rules. Revocation of this Business PAD constitutes a breach under and does not terminate this Agreement. Merchant's authorization hereunder applies only to the method of payment and does not otherwise have any bearing on this Agreement. Merchant understands and agrees to the disclosure of any confidential information to any third parties as may be required to process the pre-authorized debits in accordance with the CPA Rules.

11. Rebate for Excessive Withdrawal of Set Amount. Company shall be entitled to withdraw the Set Amount from the Deposit Account(s) up to a maximum of the Specified Percentage of Merchant's total revenue for the month in which such withdrawals are made. If Merchant believes that Company has made withdrawals from Deposit Account(s) in an amount that is greater than the Specified Percentage of Merchant's total revenue for the month in which such withdrawals were made ("Excessive Withdrawal"), it is the sole responsibility of Merchant to deliver written notice to Company of any purported discrepancy ("Notice of Excessive Withdrawal") within ten (10) days of the end of the month in which the Excessive Withdrawal was made. Notice of Excessive Withdrawal must be accompanied by evidence satisfactory to Company of the Excessive Withdrawal, including, but not limited to, bank statements, sales receipts and Merchant records. If Merchant provides Notice of Excessive Withdrawal and evidence satisfactory to Company within the ten (10) day period, Company shall provide a rebate to Merchant to the extent that the Excessive Withdrawal exceeds the Specified Percentage of Merchant's total revenue for the month in which the Excessive Withdrawal was made. Under no circumstances shall Company repay any amount with respect to an Excessive Withdrawal if either Notice of Excessive Withdrawal or evidence of Excessive Withdrawal satisfactory to Company is not provided to Company in the manner prescribed by this section 11.

12. Due Diligence and Conditions. Merchant authorizes the Company to conduct background, credit report, onsite and financial examinations of Merchant, each of its partners or shareholders and each of the guarantors, extent and variety of which shall be at sole discretion of the Company. Merchant hereby agrees that such examinations shall constitute a condition for the Company's approval of the Merchant's application, and shall not be interpreted as any kind of breach of Merchant's privacy, or the privacy of third parties involved in Merchant. Any onsite examination may include, but is not limited to, verification that business is conducted as Merchant represents, at all sites where it conducts business and shall be conducted upon reasonable prior notice to Merchant, and during reasonable business hours. If

Merchant is not publicly held, Company, may conduct background and financial examinations of all principals owning ten percent (10%) or more of Merchant, extent and variety of which shall be at sole discretion of the Company. Merchant hereby agrees that such examinations shall constitute a condition for the Company's approval of the Merchant's application, and shall not be interpreted as any kind of breach of Merchant's privacy, the privacy of its principals, or the privacy of any third parties involved in Merchant. Merchant shall provide to the Company, or shall cause to be provided to the company by Merchant's principals, any documents, letters of authorization or consent, which might be required for the Company to conduct its examinations contemplated herein. The Company retains the right to conduct site inspections at its sole discretion to verify the correctness and compliance of the information provided by the Merchant, or to ensure Merchant's continuing operations in accordance with the application and this Agreement. The Company may perform on-site visits whether during the application process or throughout the term of this Agreement. Should the Company make an on-site visit due to non-payment by the Merchant or any other default by the Merchant, Merchant hereby agrees to pay to the Company a fee of \$500.00 per each instance of default, which shall be construed as payment for liquidated damages of the company and not as a penalty fee.

Notwithstanding the execution of this Agreement by Company, Company may refuse to purchase the Future Receivables based on its own underwriting guidelines. Without limiting the generality of the foregoing, Company may refuse to purchase the Future Receivables if (i) Company is not satisfied, in its sole discretion, with Merchant's debit and credit cards transactions history as provided by the Merchant; (ii) Company is not satisfied, in its sole discretion, with the background information received from Merchant; and (iii) the aggregate debit and credit cards receipts of Merchant in the four (4) days prior to the expected date of disbursement of the Purchase Price does not amount to at least five percent (5%) of the Purchased Receivables.

13. Indemnification. Merchant hereby agrees to indemnify, defend and hold harmless Company, and its shareholders, directors, officers, managers, owners, affiliates, employees, agents and representatives (the "Indemnitees") from and against any claim, demand, loss, financial or otherwise, damage, liability or cost, including legal fees and expenses, caused by or from: (i) any intentional, negligent or innocent misrepresentation by Merchant; (ii) a breach of the terms hereof; (iii) an Event of Default; (iv) negligence, fraud or intentional wrongdoing by Merchant or any of its affiliates.

14. Representations, Warranties and Covenants. Merchant hereby represents, warrants and covenants to Company, and declares that Company relies on such representations and warranties in its decision to enter into this Agreement, as follows on the date hereof and so long as any amount is owing from Merchant to Company hereunder: (i) Merchant shall not change, terminate, limit or otherwise modify its operations, business structure, ownership or any other characteristics of its business which, in the view of a reasonable business person, could jeopardize or limit Company's rights under this Agreement, without express written consent of Company; (ii) all of the information provided by or on behalf of Merchant to Company on its application and in connection with this Agreement, is true and correct in all material respects; (iii) Merchant is in compliance with all applicable laws, rules, regulations, permits, licenses, approvals, consents and other authorizations necessary to conduct its

business; Merchant is in compliance with any and all applicable federal, provincial and local laws rules, regulations, and possesses and is in compliance with any and all permits, authorizations and licenses, approvals and consents to own, operate and lease its properties, and to conduct the business in which it is presently engaged; (iv) Merchant, and the individual(s) signing this Agreement on behalf of Merchant, have full power and authority to enter into and perform the obligations of Merchant under this Agreement, all of which have been duly authorized by all necessary and proper action and are not in contravention of the Merchant's articles or by-laws or any unanimous shareholder agreement; (v) there is no criminal proceeding or civil claim, action, suit, demand, enforcement, arbitration or other proceeding or investigation pending before any court, government agency, arbitration panel, or administrative tribunal or, to Merchant's knowledge, threatened against Merchant, involving a dispute(s) of more than \$5,000 in the aggregate; (vi) Merchant is the owner or authorized lessor of its business premises and has presented documentation verifying to this extent to Company; (vii) Merchant has not entered into an agreement similar to this Agreement with another company for which any sums are still outstanding; (viii) neither Merchant nor any of its principals have declared bankruptcy in the past two years and neither are undischarged bankrupts; (ix) no portion of the Future Receivables, or any other assets pledged pursuant to this Agreement, is subject to any lien, security interest, assignment, option or encumbrance, other than the security interest(s) granted to Company, Merchant's current credit card and/or debit card processor(s) pursuant to existing agreements, and/or Merchant's bank(s) pursuant to existing banking agreements; (x) Merchant has filed or caused to be filed any and all federal, provincial, local and foreign tax returns which are required to be filed, and has paid or caused to be paid any and all taxes as shown on such returns or on any assessment received by Merchant to the extent that such taxes have become due, and Merchant has no knowledge of any material liability for any tax to be imposed on Merchant or any of its assets or properties for which adequate provision has not been made in its financial statements; (xi) Merchant and Guarantor (as defined hereinafter) are solvent, do not have any outstanding payables past thirty (30) days and have no knowledge of any potential or real material changes to Merchant or Guarantor pending in the next ninety (90) days (and its underlying client); and (xiii) during the term of this Agreement, Merchant shall proceed with the batch closing of this credit and debit cards payments no less than ten (10) times per month; (xii) each Future Receivable, when created, shall be a legal, valid and binding obligation of the Merchant; (xiii) any and all representations made in this Agreement, and any and all financial statements delivered to the Company, are true and correct, and no material fact has been omitted; and (xiv) each and all of the foregoing representations shall be deemed to be continuing covenants of Merchant, and shall remain true and accurate at all times after the date of this Agreement, until the Purchased Receivables have been paid in full.

15. Timing and Method of Funding. Merchant and Company agree that the purchase of the Purchased Receivables shall be deemed on the date of disbursement of the Purchase Price by Company to Merchant with title in and to the Purchased Receivables passing to Company on such date. Merchant and Company also agree that Company, at its sole discretion, may refuse to purchase the Purchased Receivables for any or no reason. Merchant and Company further agree that Company shall provide payment through any commercially reasonable method, at

Company's sole discretion, including, but not limited to, electronic funds transfer.

16. Events of Default. In addition to any event of default described as such in this Agreement, any of the following shall constitute an "Event of Default": (i) Merchant fails to direct all payments relating to the credit card and debit card receivables exclusively to the Deposit Account(s) or changes, terminates or closes the Deposit Account(s) without the prior written agreement of Company; (ii) Merchant refuses to accept a debit or credit card as a form of payment regardless of the amount of the sale; (iii) Merchant obtains additional financing or advances without the express prior written consent of Company; (iv) Merchant, without the prior written consent of Company, enters into any transaction involving the sale of Merchant, or any substantial change in its ownership or controlling interest; (v) Merchant sells or otherwise hypothecates or grants security or otherwise encumbers the Future Receivables to another person, company or entity; (vi) any of the representations, warranties and covenants contained in this Agreement are not true or are materially incorrect or misleading; (ix) Merchant fails to make any remittance or payment provided for hereunder or pursuant to any settlement, arrangement or payment plan agreed upon by the parties in connection with this Agreement, or breaches any other covenants contained in this Agreement; or (x) except as otherwise permitted herein, Merchant permits any lien, security interest or hypothec to be granted against or registered against the Purchased Receivables or any proceeds therefrom or a Deposit Account(s); (xi) bankruptcy order or receivership of either Merchant or guarantor or a general assignment in bankruptcy. For greater certainty, any act or omission carried out by an affiliate, shareholder, director, officer, employee or agent of Merchant that, if carried out by Merchant itself, would be an Event of Default, shall be deemed to be an Event of Default hereunder. Merchant hereby acknowledges and agrees that, in order to verify Merchant's compliance hereunder, Company shall have a right of access, during the regular working hours, to any premises where Merchant conducts business.

17. Remedies. Upon the occurrence of an Event of Default, Company shall be entitled to all remedies available at law as well as the right to terminate this Agreement and recover by EFT or via other means acceptable to Company, from the Deposit Account(s) or any other account maintained by Merchant any unpaid portion of the Purchased Receivables and any other amounts payable to Company under this Agreement. In any action for breach of the Agreement, Company shall be entitled to damages equal to the Purchase Price less the amount received by Company from remittances to the said date, together with legal costs and a charge amounting to the greater of \$500 or 10% of the amount outstanding at the time of the Event of Default, intended as liquidated damages and not a penalty fee. In the event that any payment to be made by Merchant hereunder, whether by EFT, cheque, credit card or pre-authorized debit, is refused for insufficiency of funds or for any other reason whatsoever, or in the event that immediately prior to withdrawal of any pre-authorized debit payment Merchant does not have sufficient funds in the Deposit Account (an "NSF Payment"), Company shall be entitled to charge to Merchant, for each NSF Payment, \$100. In the event Merchant changes its Deposit accounts without prior written authorization of the Company, Company shall be entitled to charge the Merchant a fee of \$250.00 intended as liquidated damages and not a penalty.

18. Merchant Not Acting As a Consumer. In entering into this Agreement, the Merchant is acting in its capacity as a business enterprise and not as a consumer. Merchant acknowledges and

agrees that this transaction is made only for business purposes and not for personal, family or other household purposes and agrees to waive any application of the consumer protection laws to this Agreement.

19. Waiver. The Company's failure to exercise any right under this Agreement does not constitute a waiver on the Company's part to exercise such rights at a later time. Nor shall any singular or partial exercise of any right under this Agreement preclude the Company from any other future exercise of any right. The remedies provided hereunder are cumulative and not exclusive of any remedies provided by law or equity.

20. Binding Effect. This Agreement shall be binding upon and enure to the benefit of the parties hereto and their respective successors, heirs and assigns.

21. Notices to Company. Any notice to Company required or permitted under this Agreement shall be in writing and may be given by personal service, registered or first class mail, postage prepaid, to the address of Company as it appears above, or as changed through written notice to Merchant.

22. No Interest; Not a Loan. The Parties hereby agree, declare and consent that the transaction contemplated herein shall not constitute a loan and laws applicable to loans shall not apply to it. Company does not charge any interest, finance charges, late fees or similar charges as the transactions contemplated herein are not intended to constitute a loan. Instead, Company is purchasing the Future Receivables at a discount. There are no scheduled payments for Merchant and no repayment term for Merchant. Company is not an investor in the business of Merchant. Merchant is responsible to account for the transactions made herein in accordance with the provisions hereof and acknowledges that Merchant's method of accounting, if in contradiction with the terms hereof, shall not change in any way the nature of the transactions contemplated in this agreement nor bind Company in any way to account in the same manner. In the case of any Event of Default, Merchant agrees to pay to the Company a fee of \$250.00.

Notwithstanding the foregoing and for greater certainty, should it be determined by an applicable authority that the transaction contemplated by this Agreement constitutes a loan and should it be determined that any provision of this Agreement would oblige Merchant to make any payment which is construed by an applicable authority to be an amount which would be prohibited by applicable law, then notwithstanding such provision, such amount shall be deemed to have been adjusted *nunc pro tunc* to the maximum amount, as the case may be, as would not be so prohibited by applicable law, such adjustment to be effected by reducing the Purchased Receivables under this Agreement until such amount becomes equal to the Purchase Price.

Notwithstanding the potential reduction contemplated in this sec. 22, nothing herein constitutes agreement that the transactions contemplated by this Agreement are loans or are intended to be loans.

23. Costs and Expenses. Company shall be entitled to recover from Merchant any and all reasonable costs and legal fees (on a substantial indemnity basis) associated with and/or resulting from the enforcement of its rights and remedies hereunder or at law.

24. Entire Agreement. This Agreement contains the entire understanding of the parties hereto and supersedes all prior negotiations, whether oral or written. No changes to this Agreement shall be valid or enforceable, unless made by both parties in writing, in which case such change shall come to force of the date of the later party signing the change.

25. Severability. Should any term or provision of this Agreement be deemed invalid, illegal or unenforceable, then such invalid, illegal or unenforceable term or provision shall be null and void, and all other terms and provisions of this Agreement shall continue in full force and effect as though such invalid, illegal or unenforceable term or provision had never been a part hereof.

26. Governing Law. This Agreement shall be governed by and to be construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein without regard to principles of conflicts of law and treated in all respects as an Ontario contract. The parties to this Agreement hereby irrevocably and unconditionally attorn to the exclusive jurisdiction of the

courts of the Province of Ontario.

27. Language. The parties have requested that this Agreement be drawn in English language. Les parties ont exigé que la présente entente soit rédigée en langue anglaise.

[Space Left Intentionally Blank]

The parties signing below declare and represent that: (i) they have read and understood the TERMS AND CONDITIONS set out in this Agreement, (ii) they have the signing authority to bind their respective corporate entities or businesses to all terms and conditions stipulated in this Agreement and (iii) each party had an opportunity to review this Agreement and receive legal or any other advise it deems necessary; (iv) Merchant has taken all corporate or other proceedings necessary to authorize the execution and delivery of this Agreement by Merchant and Merchant’s performance of its obligations hereunder.

DocuSigned by:
For Merchant (If more than 2 partners – add details and sign below):

| | |
|-------------------------------|-------------|
| Signature: 10418EE75B8C44E... | Signature: |
| Title: Executive Chairman | Title: |
| Print Name: Chris Lewis | Print Name: |
| Date: November 21 2023 | Date: |

For Company: DocuSigned by:
Avramel Bernstein

| |
|--------------------------------------|
| Signature: D15DAAAD492B47F... |
| Title: CEO - 2M7 Financial Solutions |
| Print Name: Avi Bernstein |
| Date: November 21, 2023 |

PERSONAL GUARANTEE

IN CONSIDERATION of Company dealing with Merchant, and after having reviewed and understood the Merchant Cash Advance Agreement of which this Guarantee forms a part (the "Agreement"), the undersigned hereby guarantee payment to Company and, if applicable, jointly and severally (or solidarily in the Province of Quebec) guarantee payment to the Company, of all present and future debts and liabilities in any currency, direct, indirect, contingent or otherwise, matured or not, including interest thereon, now or at any time due or owing to Company from or by Merchant, its executors, liquidators, administrators or legal representatives, whether arising from the performance or breach of this Agreement. The liability of the undersigned (or each undersigned if more than one) under this Guarantee shall arise immediately after demand for payment under this Guarantee has been made in writing by Company on the undersigned or any one of them, if more than one.

By signing this Guarantee, Guarantor(s) assume and guarantee all of Merchant's obligations under the Agreement, including, but not limited to, the obligation of Merchant to indemnify Company, pursuant to this Agreement. To induce Company to accept Merchant's application and to enter into the Agreement, Guarantor(s) hereby agree to pay any and all costs and legal fees in connection with any action commenced by Company to enforce its rights under the Agreement and/or this Guarantee.

It is agreed that the undersigned shall be liable to Company in respect of all debts and liabilities, stated to be owing to Company by Merchant under this Agreement with respect to such debts and liabilities, notwithstanding whether such agreement or any provision thereof is invalid, void, illegal, or unenforceable and notwithstanding whether such agreement was properly completed, entered into or authorized. The undersigned shall indemnify and save Company harmless from any losses which may arise by virtue of any debts and liabilities stated to be owing to Company by Merchant, being or becoming for any reason whatsoever in whole or in part (a) void, voidable, null, ultra vires, illegal, invalid, ineffective or otherwise unenforceable in accordance with its terms, or (b) released or discharged by operation of law (all of the foregoing being an "Indemnifiable Circumstance"). For greater certainty, the losses shall include the amount of all debts and liabilities owing to Company by Merchant which would have been payable by Merchant but for the Indemnifiable Circumstance.

It is further agreed that Company without the consent of the undersigned and without exonerating in whole or in part the undersigned may grant time, renewals, extensions, indulgences, releases and discharges to, may abstain from taking, perfecting or realizing upon security from, may release security to, may accept compositions from, and may otherwise change the terms of any of the debts and liabilities hereby guaranteed and otherwise deal with Merchant as Company may see fit.

This Guarantee is unlimited, absolute and without condition, and is binding upon Guarantor(s), his/her/their heirs, legal representatives, successors and assigns. Guarantor(s) waive any and all rights to require Company or any other Indemnitee (as defined in the Agreement) to proceed against Merchant before taking action against him/her/them. This Guarantee shall be construed in accordance with the laws of the Province of Ontario and for the purpose of legal proceedings this contract shall be deemed to have been made in the said province and to be performed there, and the courts of that province shall have non-exclusive jurisdiction over all disputes which may arise under this contract, provided always that nothing herein contained shall prevent the Bank from proceeding at its election against the undersigned in the courts of any other province or country. If any provision of this Guarantee are determined to be unenforceable, prohibited, invalid or illegal, it shall be severed from this Guarantee solely to the extent of such unenforceability, prohibition, invalidity or illegality and the remainder of such provision and the remainder of this Guarantee shall be unaffected thereby. The liability of the undersigned under this Guarantee shall not be terminated if this Guarantee is held to be unenforceable against any other undersigned.

Guarantor(s) hereby authorize inquiry by Company into his/her/their personal and business financial information, including, but not limited to, banking relationships, consumer reports and credit bureaus, and authorize inquiry into his/her/their personal history including investigation of all criminal and civil matters.

The undersigned acknowledges and agrees that Company may make a claim or demand payment hereunder notwithstanding any limitation period regarding such claim or demand set forth in the *Limitations Act, 2002* (Ontario) or under any other applicable law with similar effect and, to the maximum extent permitted by applicable law, any limitations periods set forth in such act or applicable law are hereby explicitly excluded or, if excluding such limitations periods is not permitted by such act or applicable law, are hereby extended to the maximum limitation period permitted by such act or applicable law. For greater certainty, the undersigned acknowledges and agrees that this Guarantee is a "business agreement" as defined under Section 22 of the *Limitations Act, 2002* (Ontario).

I/We the Guarantor(s) acknowledge having read the terms of the Agreement and this Guarantee, and my/our signature(s) below shall serve as confirmation that I/we understand(s) all of the terms and provisions of the Agreement and this Guarantee. Rights of Company hereunder against the Guarantor(s) are, if applicable, joint and several.

DocuSigned by:

10418EE75B8C44E...

| | | | |
|-------------|---------------------------------------|-------------|--|
| Signature: | | Signature: | |
| Print Name: | Chris Lewis | Print Name: | |
| Address: | 200 11708th ave SW Calgary Ab T2P 1B4 | Address: | |
| Date: | November 21 2023 | Date: | |

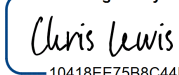


Purchase Schedule

SCHEDULE A

Initial Purchase and Sale Schedule

| PURCHASE PRICE | SPECIFIED PERCENTAGE | SET WEEKLY AMOUNT | PURCHASED RECEIVABLES |
|----------------|----------------------|-------------------|-----------------------|
| \$250,000 | 25% | \$12,325.00 | \$345,000 |

DocuSigned by:

 10418EE75B8C44E...

OWNER #1 SIGNATURE

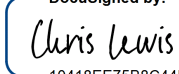
OWNER #2 SIGNATURE

SCHEDULE B

Installments Schedule

Available only to accounts in good standing and can be withheld at the sole discretion of 2M7 Financial Solutions

| STAGE | REPAID AMOUNT | PURCHASE PRICE | PURCHASED RECEIVABLES |
|-----------|---------------|----------------|-----------------------|
| Reload #1 | 35% | \$78,488.00 | \$108,313.00 |
| Reload #2 | 60% | \$103,500.00 | \$142,830.00 |
| Reload #3 | 90% | \$186,300.00 | \$257,094.00 |

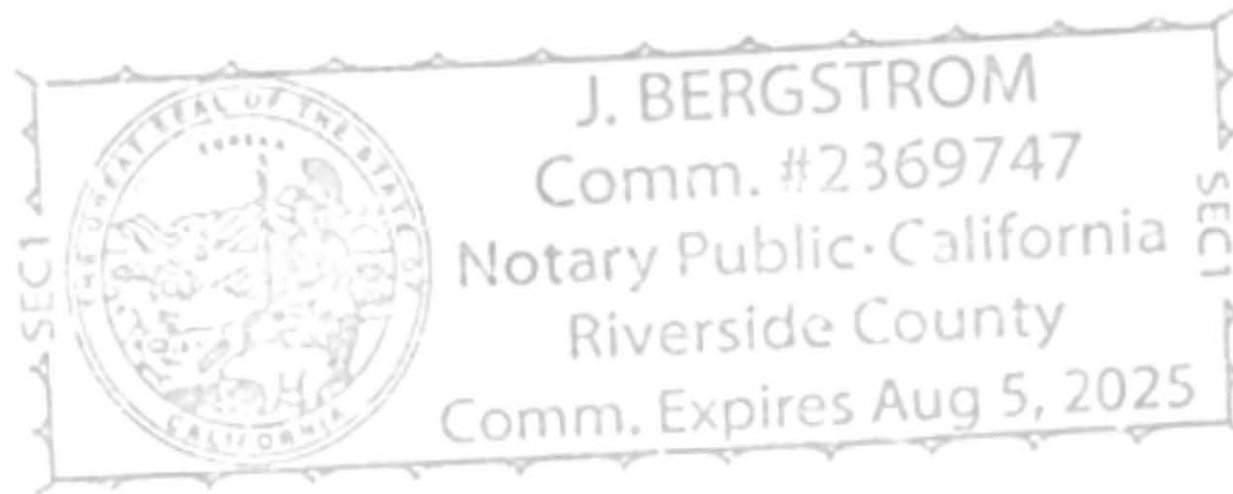
DocuSigned by:

 10418EE75B8C44E...

OWNER #1 SIGNATURE

OWNER #2 SIGNATURE

Exhibit "M" to the Affidavit of
Chris Lewis
Sworn/Affirmed before me this
23rd day of December, 2024


A Notary Public for the State of California



AMENDMENT TO SECURED LINE OF CREDIT AGREEMENT

THIS AGREEMENT (the "**Amending Agreement**") is dated as of December 31, 2023

BETWEEN:

CLEO ENERGY CORP.

(the "**Borrower**")

- and -

JODY WIESE/MARSHALRAE HOLDINGS

(the "**Creditor**" and together with the Borrower, the "**Parties**")

CONTEXT:

- A.** On December 31, 2018, the Borrower issued an interest bearing demand promissory note in favour of the Creditor in the principal amount of \$500,000.00 (the "**Note**").
- B.** The Parties wish to amend the Note as more particularly set out herein.

NOW THEREFORE THIS AGREEMENT WITNESSES that in consideration of this Amending Agreement and the mutual terms and conditions set forth herein, the Parties agree that:

1. INTERPRETATION

This Amending Agreement is supplemental to and shall form one agreement with the Note, and the Note and this Amending Agreement shall be read together and have effect so far as practicable as though all the provisions thereof and hereof were contained in one instrument. Capitalized terms that are not otherwise defined herein shall have the meaning attributed to those terms in the Note.

2. AMENDMENTS

The Note is amended as follows:

- (a) deleting the words in Section 3

| Exhibit A | Days Outstanding | | |
|--------------------------------|------------------|--------------|-------------|
| | ≤ 30 days | 31 – 60 days | ≥ 61 days |
| Interest percentage | 18% | 15% | 12% |
| Interest amount ⁽¹⁾ | \$ 4,500.00 | \$ 7,500.00 | \$ 9,000.00 |

And replace it with

| Exhibit A | Interest Rate (see SCHEDULE A) |
|------------------|--------------------------------|
| Interest Rate | 20% |

3. CONFIRMATION

The Parties hereby acknowledge and confirm that, except as specifically amended by the provisions of this Amending Agreement, all of the terms and conditions contained in the Note are and shall remain in full force and effect, un-amended, in accordance with the provisions thereof.

4. GENERAL

- (a) This Amending Agreement may be executed in any number of counterparts and each of such counterparts shall for all purposes be deemed to be an original, and all such counterparts shall together constitute one and the same instrument.
- (b) This Amending Agreement will be governed by and construed in accordance with the laws of the Province of Alberta and the federal laws of Canada applicable therein.
- (c) This Amending Agreement, when read together with the Note, contains the entire agreement between the Parties with respect to the subject matter hereof and thereof and supersedes any prior understanding or agreements between them respecting the subject matter hereof and thereof.
- (d) All provisions of this Amending Agreement shall be binding upon, enure to the benefit of, and be enforceable by and against the Parties, their respective successors and permitted assigns.

[Remainder of this page left intentionally blank; signature page(s) follow.]

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

Jody Wiese

CLEO ENERGY CORP.

Per: _____

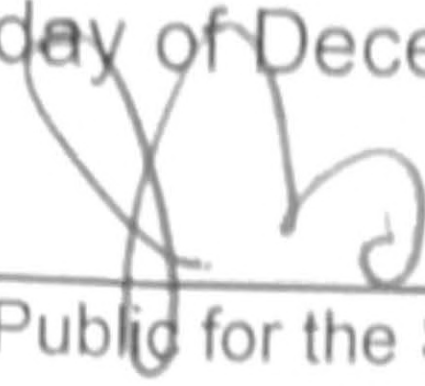

Name: Chris Lewis
Title: Director

SCHEDULE "A"
TO AMENDMENT TO PROMISSORY NOTE

SCHEDULE "C"
TO THE NOTE

| Month | Principal | 20% Interest |
|--------------|------------------|---------------------|
| Jan-24 | \$ 500,000.00 | \$ 8,219.18 |
| Feb-24 | \$ 500,000.00 | \$ 8,493.15 |
| Mar-24 | \$ 500,000.00 | \$ 8,219.18 |
| Apr-24 | \$ 500,000.00 | \$ 8,493.15 |
| May-24 | \$ 500,000.00 | \$ 8,493.15 |
| Jun-24 | \$ 500,000.00 | \$ 8,219.18 |
| Jul-24 | \$ 500,000.00 | \$ 8,493.15 |
| Aug-24 | \$ 500,000.00 | \$ 8,219.18 |
| Sep-24 | \$ 500,000.00 | \$ 8,493.15 |
| Oct-24 | \$ 500,000.00 | \$ 8,493.15 |
| Nov-24 | \$ 500,000.00 | \$ 8,493.15 |
| Dec-24 | \$ 500,000.00 | \$ 8,493.15 |

Exhibit "N" to the Affidavit of
Chris Lewis
Sworn/Affirmed before me this
23rd day of December, 2024


A Notary Public for the State of California



GENERAL SECURITY AGREEMENT

THIS AGREEMENT is dated September 13, 2022

BY:

CLEO ENERGY CORP

(the "**Debtor**")

IN FAVOUR OF:

Jody Wiese/Marshal Rae Holdings

(the "**Secured Party**")

The Debtor agrees with the Secured Party as follows:

ARTICLE 1 INTERPRETATION

1.1 Definitions

In this Agreement, the following terms have the following meanings:

- 1.1.1 "**Agreement**" means this agreement as it may be supplemented, amended, restated or replaced by written agreement between the Parties.
- 1.1.2 "**Collateral**" means all present and after-acquired personal property owned, leased, licensed, possessed or acquired by the Debtor, or in which the Debtor has rights, including all present and after-acquired Goods (including Equipment and Inventory), Investment Property, Instruments, Documents of Title, Chattel Paper, Intangibles (including Accounts), Money, crops and fixtures, owned, leased, licensed, possessed or acquired by the Debtor, or in which the Debtor has rights, and all Proceeds of that property, but specifically excludes the Excluded Collateral.
- 1.1.3 "**Consumer Goods**" means Goods that are used or acquired for use primarily for personal, family or household purposes.
- 1.1.4 "**Debtor**" is defined in the recital of the Parties, above.
- 1.1.5 "**Event of Default**" is defined in Section 4.1.

- 1.1.6 **"Excluded Collateral"** means Consumer Goods and any right, permit or contract that would be breached or terminated if a security interest was granted in it without the consent of a third party, unless that consent is obtained.
- 1.1.7 **"Obligations"** means the sum of \$500,000 owing by the Debtor to the Secured Party and interest on that amount at the rate of 20%, according to the terms of, and as evidenced by, a Secured Line of Credit Agreement dated September 13, 2022, as that Secured Line of Credit Agreement is amended, supplemented, renewed, restated or replaced, and all present and future indebtedness and obligations of the Debtor to the Secured Party under this Agreement.
- 1.1.8 **"Parties"** means, collectively, the Debtor and the Secured Party, and **"Party"** means any one of them.
- 1.1.9 **"PPSA"** means the *Personal Property Security Act* (Alberta), as amended, renamed or replaced and includes all regulations made under that legislation.
- 1.1.10 **"Receiver"** means a receiver or receiver-manager of all or any part of the Collateral.
- 1.1.11 **"Secured Party"** is defined in the recital of the Parties, above.
- 1.1.12 **"Security Interests"** means the mortgages, charges and security interests granted and created by this Agreement.

1.2 Incorporated Definitions

Capitalized terms not otherwise defined in this Agreement have the definitions set out in the PPSA.

1.3 Governing Law

This Agreement is governed by, and is to be construed and interpreted in accordance with, the laws of the Province of Alberta and the laws of Canada applicable in that Province.

1.4 Rules of Interpretation

In this Agreement, words signifying the singular number include the plural and vice versa, and words signifying gender include all genders. Every use of the words "including" and "includes" in this Agreement is to be construed as meaning "including, without limitation" or "includes, without limitation", respectively.

ARTICLE 2 GRANT OF SECURITY INTEREST

2.1 Security Interests

As security for payment and performance of the Obligations, the Debtor mortgages and charges to the Secured Party, and grants to the Secured Party a security interest in, and the Secured Party takes a security interest in, all of the Debtor's right, title and interest in and to the Collateral.

2.2 Attachment

The Debtor and the Secured Party do not intend to postpone the attachment of the Security Interests, and the Security Interests will attach when:

- 2.2.1 this Agreement has been executed, or in the case of after-acquired property, that property has been acquired by the Debtor;
- 2.2.2 value has been given; and
- 2.2.3 the Debtor has rights in the Collateral, or in the case of after-acquired property, acquires rights in the Collateral.

ARTICLE 3 REPRESENTATIONS, WARRANTIES AND COVENANTS

3.1 Representations and Warranties

The Debtor represents and warrants to the Secured Party that:

- 3.1.1 **Corporate Existence.** It is duly incorporated and validly existing under the laws of the Province of Alberta.
- 3.1.2 **Name.** The full legal name of the Debtor (including any French or French/English form of its legal name), and any other name under which it conducts its business, is correctly specified on the signature page of this Agreement.

3.1.3 **Place of Business.** The Debtor's sole place of business or chief executive office, as applicable, is 200 – 117 8 Avenue SW, Calgary, Alberta T2P 1B4.

3.1.4 **Location of Collateral.**

The locations of all other places where the Debtor carries on business or keeps Collateral are 200 – 117 8 Avenue SW, Calgary, Alberta T2P 1B4 and including all assets in rural communities in Alberta.

3.1.5 **Owns Collateral.**

The Debtor either owns, possesses and has good and marketable title to, or has enforceable leasehold or other rights to, all currently held Collateral, free from all security interests, mortgages, charges, encumbrances, liens and claims except those previously disclosed to the Secured Party.

3.2 Covenants

The Debtor covenants with the Secured Party that it will not, without the prior written consent of the Secured Party:

3.2.1 permit the Collateral or any part of it to become subject to any mortgage, charge, lien, encumbrance or security interest, whether made, given or created by the Debtor or otherwise;

3.2.2 sell, lease or otherwise dispose of the Collateral or any part of it (other than Inventory in the ordinary course of business), and if any sale, lease or other disposition is permitted or consented to it will pay the Proceeds to the Secured Party;

3.2.3 release, surrender or abandon the Collateral or any part of it; or

3.2.4 move the Collateral or any part of it from its present locations.

**ARTICLE 4
DEFAULT AND ENFORCEMENT**

4.1 Events of Default

The occurrence of any one or more of the following events or conditions will be an event of default under this Agreement ("**Event of Default**"):

- 4.1.1 the Debtor defaults in payment to the Secured Party when due of any indebtedness or liabilities forming part of the Obligations;
- 4.1.2 the Debtor defaults in performance of any of the Obligations other than payment under Section 4.1.1;
- 4.1.3 the Debtor defaults in the observance or performance of any of the terms, conditions or covenants to be observed or performed by the Debtor under this Agreement or any other agreement or instrument existing at any time between the Debtor and the Secured Party;
- 4.1.4 the Debtor ceases or threatens to cease to carry on its business;
- 4.1.5 the Debtor commits or threatens to commit any act of bankruptcy, or becomes insolvent or bankrupt or makes a proposal or files an assignment for the benefit of creditors under the *Bankruptcy and Insolvency Act* (Canada) or similar legislation in Canada or any other jurisdiction, or if an application for a bankruptcy order is filed against the Debtor;
- 4.1.6 proceedings are commenced against or affecting the Debtor seeking the appointment of, or any creditor of the Debtor or any other person privately appoints, a receiver, receiver- manager, trustee, custodian, liquidator or similar official for the Debtor or any part of the Debtor's property, including the Collateral or any part of it; or
- 4.1.7 the Secured Party in good faith and on commercially reasonable grounds believes that the ability of the Debtor to pay any of the Obligations to the Secured Party, or to perform for the Secured Party any of the Obligations or other covenants contained in this Agreement, is impaired, or any security granted by the Debtor to the Secured Party is or is about to be impaired or in jeopardy.

4.2 Acceleration

If an Event of Default described in Section 4.1.5 or Section 4.1.6 occurs all of the obligations will immediately become due and payable without any demand or any notice of any kind to the Debtor. If any other Event of Default occurs the Secured Party, in its sole and absolute discretion, may declare all or any part of the Obligations, whether or not by their terms payable on demand, immediately due and payable, without any further demand or notice of any kind.

4.3 Demand Obligations

The provisions of Sections 4.1 and 4.2 will not affect the demand nature of any indebtedness or obligations payable by the Debtor to the Secured Party on demand, and the Secured Party may demand payment of that indebtedness and those obligations at any time without restriction, whether or not the Debtor has complied with the provisions of this Agreement or any other instrument between the Debtor and the Secured Party.

4.4 Security Interests Enforceable

The occurrence of an Event of Default will cause the Security Interests to become enforceable against the Debtor without the need for any action or notice by the Secured Party.

4.5 Remedies of the Secured Party

If the more Security Interests become enforceable, the Secured Party may enforce its rights by any one or of the following remedies:

- 4.5.1 by taking possession of the Collateral or any part of it, and collecting, demanding, suing, enforcing, recovering, receiving and otherwise getting in the Collateral, and for that purpose entering into and upon any lands, buildings, and premises and doing any act and taking any proceedings in the name of the Debtor, or otherwise, as the Secured Party considers necessary;
- 4.5.2 by proceedings in any court of competent jurisdiction for the appointment of a Receiver;
- 4.5.3 by proceedings in any court of competent jurisdiction for the sale or foreclosure of all or any part of the Collateral;
- 4.5.4 by filing of proofs of claim and other documents to establish its claims in any proceeding or proceedings relating to the Debtor;
- 4.5.5 by sale or lease by the Secured Party of all or any part of the Collateral, whether or not it has taken possession of the Collateral;
- 4.5.6 by appointment by instrument in writing of a Receiver on any terms as to remuneration and otherwise as the Secured Party thinks fit, or by removing and appointing a replacement for any Receiver, and any Receiver so appointed will have, in addition to all of the rights and remedies of a receiver under the PPSA, the power:
 - 4.5.6.1 to take possession of, collect, demand, sue on, recover, receive, realize on or enforce against the Collateral, and for that purpose to give valid and binding receipts and discharges for and in respect of it, and take

any proceedings in the name of the Debtor or otherwise as may seem expedient;

4.5.6.2 to carry on or manage all or any part of the business of the Debtor;

4.5.6.3 to borrow money on the security of the Collateral in priority to this Agreement or otherwise for the purpose of the maintenance, preservation or protection of the Collateral, for carrying on or managing all or any part of the business of the Debtor or for exercising any other power under this Agreement;

4.5.6.4 to sell, lease, accept surrenders of leases of or otherwise dispose of the Collateral in whole or in part, at public auction, by public tender or by private sale, either for

4.5.6.5 to make any arrangement or compromise that the Receiver thinks expedient; and

4.5.7 by any other remedy or proceeding authorized or permitted by this Agreement or by law or equity, including all of the rights and remedies of a secured party under the PPSA;

and in exercising, delaying in exercising or failing to exercise, any such right or remedy the Secured Party will not incur any liability to the Debtor.

4.6 Proceeds of Disposition

The Proceeds of the sale, lease or other disposition of the whole or any part of the Collateral will be applied to the Obligations, including any amounts owed to the Secured Party under Section 5.5, and any surplus remaining in the hands of the Receiver or the Secured Party will be distributed as required by the PPSA or other applicable law.

4.7 Deficiency

If the Proceeds of the realization of the Collateral are insufficient to fully pay the Obligations to the Secured Party, the Debtor will be liable to pay, and will immediately pay or cause to be paid, the deficiency to the Secured Party.

ARTICLE 5 GENERAL

5.1 No Automatic Discharge

This Agreement will not be or be considered to have been discharged by reason only of the Debtor ceasing to be indebted or under any liability, direct or indirect, absolute or contingent, to the Secured Party.

5.2 No Obligation to Advance

None of the preparation, execution or registration of notice of this Agreement will bind the Secured Party to advance any monies or extend any credit to the Debtor, nor will the advance of a portion of any monies or the extension of a portion of any credit by the Secured Party to the Debtor bind the Secured Party to make available any unadvanced or un-extended portion of those monies or that credit.

5.3 Security Additional

The Security Interests are in addition to and not in substitution for any other security now or in the future held by the Secured Party.

5.4 Realization

The Secured Party may realize upon various securities securing the Obligations or any part of them in any order that it sees fit, and realization by any means upon any security or part of it will not bar realization upon any other security or the Security Interests or any part of them.

5.5 Payment of Costs

The Debtor will pay on demand all costs and expenses incurred (including legal costs and disbursements on a 100 percent, complete indemnity basis) and fees charged by:

- 5.5.1 the Secured Party in connection with obtaining or discharging this Agreement, establishing or confirming the priority of the Security Interests created by this Agreement or by law, or complying with any demand by any person under the PPSA to amend or discharge any registration relating to this Agreement; and
- 5.5.2 the Secured Party or any Receiver in exercising any remedy under this Agreement (including preserving, repairing, processing, preparing for disposition and disposing of the Collateral by sale, lease or otherwise) and in carrying on the Debtor's business.

All of those amounts will bear interest from time to time at the highest interest rate then applicable to any of the Obligations, and the Debtor will reimburse the Secured Party or Receiver, as applicable, upon demand for any amount so paid.

5.6 Extensions

The Secured Party may grant extensions of time and other indulgences, take and give up security, accept compositions, compound, compromise, settle, grant releases and

discharges, refrain from perfecting or maintaining perfection of security interests and otherwise deal with the Debtor, account debtors of the Debtor, sureties and others, and with the Collateral and other security interests, as the Secured Party may see fit without prejudice to the liability of the Debtor or to the Secured Party's right to hold and realize on the security constituted by this Agreement.

5.7 Notice

Any notice, demand, request, consent, approval or other communication that is required or permitted by this Agreement to be given or made by a Party must be in writing and may be personally delivered, sent by prepaid registered mail or sent by e-mail or other functionally equivalent electronic means of communication to the receiving Party at its address or e-mail address as follows:

| | |
|----------------|---|
| Debtor: | 200 – 117 8 Avenue SW, Calgary, Alberta T2P 1B4 clewis@cleoenergy.com |
| Secured Party: | Site 3 Box 8 RR4 STN Main Ponoka AB T4J 1R4 jodywiese@gmail.com |

or at any other address or e-mail address as any Party may from time to time advise the other Party in accordance with this Section 5.7.

5.8 Submission to Jurisdiction

The Debtor irrevocably submits and attorns to the exclusive jurisdiction of the courts of the Province of Alberta to determine all issues, whether at law or in equity, arising from this Agreement.

5.9 Amendment and Waiver

No supplement, amendment, waiver, discharge or termination of this Agreement is binding unless it is executed in writing by the Party to be bound. No waiver of, failure to exercise or delay in exercising, any provision of this Agreement constitutes a waiver of any other provision, whether or not similar, nor does any waiver constitute a continuing waiver unless otherwise expressly provided.

5.10 Further Assurances

The Debtor will, at the Debtor's sole cost, execute and deliver any further agreements and documents and provide any further assurances as may be reasonably required by the Secured Party to give effect to this Agreement and, without limiting the generality of the foregoing, will do or cause to be done all acts and things, execute and deliver or cause to be

executed and delivered all agreements and documents and provide any assurances, undertakings and information as may be required from time to time by all regulatory or governmental authorities.

5.11 Assignment

5.11.1 The Secured Party may, without notice to or consent of the Debtor, at any time assign, transfer or grant a security interest in its rights and obligations under this Agreement and the Security Interests.

5.11.2 Neither this Agreement nor any rights or obligations under this Agreement may be assigned by the Debtor without the prior consent of the Secured Party.

5.12 Enurement

This Agreement enures to the benefit of the Secured Party and its heirs, executors, administrators, successors and assigns, and is binding upon the Debtor and its heirs, executors, administrators, successors and permitted assigns.

5.13 Joint and Several Obligations

If the Debtor is composed of more than one person, the agreements of, and all obligations and covenants to be performed and observed by, each of the persons comprising the Debtor under this Agreement will be the joint and several agreements, obligations and covenants of each of the persons comprising the Debtor, and any request or authorization given to the Secured Party by any of the persons comprising the Debtor will be considered to be the requests or authorizations of each of the persons comprising the Debtor.

5.14 Electronic Signatures and Delivery

This Agreement may be:

5.14.1 signed by manual, digital or other electronic signatures; and

5.14.2 delivered or transmitted by any digital, electronic or other intangible means, including by e- mail or other functionally equivalent electronic means of transmission;

and that execution, delivery and transmission will be valid and legally effective to create a valid and binding agreement between the Parties.

5.15 Acknowledgment and Waiver

The Debtor:

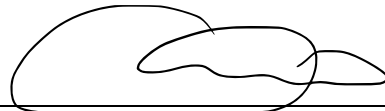
5.15.1 acknowledges receiving a copy of this Agreement; and

5.15.2 waives all rights to receive from the Secured Party a copy of any financing statement, financing change statement or verification statement filed or issued, as the case may be, at any time in respect of this Agreement or any amendments to this Agreement.

The Debtor has executed and delivered this Agreement as of the date noted at the beginning of the Agreement.

CLEO ENERGY CORP.


Per:

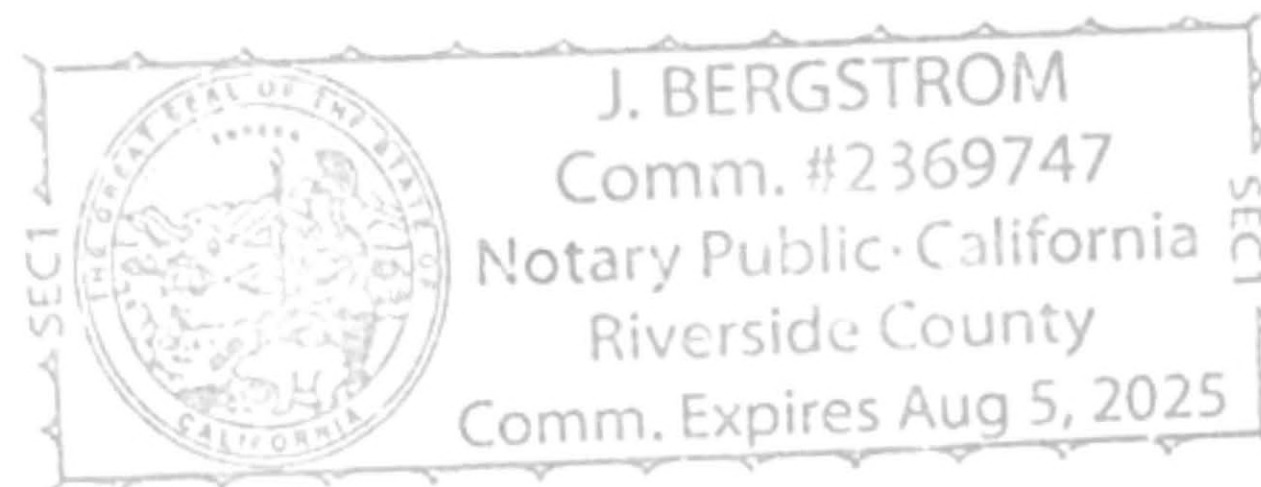
A handwritten signature in black ink, appearing to read "Chris Lewis", is written over a horizontal line.

Name: Chris Lewis

Title: Director

Exhibit "O" to the Affidavit of
Chris Lewis
Sworn/Affirmed before me this
23rd day of December, 2024


A Notary Public for the State of California





Equipment Financing & Leasing

PLEASE ENSURE THAT ALL ORIGINAL SIGNATURE DOCUMENTS ARE SINGLE-SIDED

Presented by: **Account House**
Account No. 105387-S03P

www.stridecap.com

Lessee(s): CLEO Energy Corp. and Christopher John McRae Lewis Joint and Several

200 - 117 8th Ave SW
Calgary, Alberta
T2P 1B4
Business Ph: (403) 801-4155
clewis@cleoenergy.com

Lease No. **105387-S03P**

| | |
|--|---|
| Vendor name | Refinance |
| Vendor address | |
| Equipment | <p>***See Attached SCHEDULE A***</p> <p>All right, title and interest in the debtor to the oil and gas producing equipment and any other tangible and intangible property related thereto. Proceeds: any and all proceeds of amounts arising from or payable in connection with any of the collateral described above.</p> |
| Equipment Location (if different from Lessee address) | 200 - 117 8th Ave SW, Calgary, AB, T2P 1B4 |

| | |
|--|---|
| Lease start date | August 9, 2023 |
| Initial Payment (plus applicable taxes) | |
| Payment (plus applicable taxes) | 24 payments @ \$29,237.63 starting September 15, 2023 |
| Term | 25 |

| | |
|-----------------------|--|
| Early Purchase Option | \$N/A at the end of the Term's N/A calendar month. |
| Purchase Option | \$750.00 at the end of the Term's 25 calendar month. |

| | |
|--|---|
| <p>This Lease shall not become binding upon Lessor until accepted as follows:</p> | <p>Lessor: 2416924 ALBERTA LTD. O/A STRIDE CAPITAL Date: 08/09/2023</p> <p>E-SIGNED by Randy Mannix on 2023-08-11 11:01:23 MDT</p> |
| <p>The undersigned acknowledges having read the entire lease agreement and accepts the terms and conditions including those on page 2, 3, and 4 hereof. Each of the undersigned affirms that they are duly authorized to execute this Lease on behalf of the Lessee.</p> | |
| <p>Lessee Signature:</p> <p> E-SIGNED by Christopher John McRae Lewis on 2023-08-10 08:24:01 MDT</p> <p>Name: Christopher John McRae Lewis Title: Director</p> | <p>Lessee Signature:</p> <p> E-SIGNED by Christopher John McRae Lewis on 2023-08-10 08:24:02 MDT</p> <p>Name: Christopher John McRae Lewis Title: Individual</p> |



In consideration of the covenants herein contained, including those on the reverse hereof, and other good and valuable consideration (the receipt and sufficiency of which is acknowledged), Lessor and Lessee agree as follows:

1. Lease: Lessor hereby leases to Lessee, and Lessee hereby leases from Lessor, the equipment described in the Lease Details, together with any parts, accessories, replacements, additions and accessions, tangible or intangible, now and hereafter relating thereto or affixed thereon (collectively the **"Equipment"**) THIS LEASE CANNOT BE CANCELLED OR TERMINATED BY LESSEE.

2. Purchase Documents: If Lessee has not issued a purchase order or entered into an agreement with Vendor to purchase the Equipment (a **"Purchase Document"**), Lessee hereby agrees that Lessor may do so on Lessor's own behalf. If Lessee has entered into a Purchase Document, Lessee represents and warrants that title to the Equipment has not passed to Lessee and, at Lessor's option, Lessee shall assign to Lessor its rights under the Purchase Document to purchase the Equipment and to acquire any related license of software, information and documentation (a **"License"**). Except for the obligation to pay Vendor for the Equipment if (and only if) this Lease commences and is accepted by Lessor, Lessee shall perform, satisfy and discharge all of the purchaser's obligations under any Purchase Document and License and any assignment by Lessee to Lessor pursuant to this Section shall not include such obligations. The provisions of any Purchase Document or License do not modify Lessee's obligations to Lessor hereunder.

3. Term: This Lease is for an original term (the **"Term"**) commencing on the earlier of the Lease Commencement Date set out in the Delivery and Acceptance Certificate or, if Lessor waives a Delivery and Acceptance Certificate pursuant to Section 4, the Date of the Lessor's Acceptance set forth above and ending at the expiry of the number of complete calendar months indicated under the heading **"Term"** in the Lease Details.

4. Acceptance: Upon delivery and acceptance of the Equipment, Lessee shall forthwith execute and deliver to Lessor a Delivery and Acceptance Certificate in form prescribed by Lessor unless Lessor, in its sole discretion, waives such execution and delivery by executing this Lease prior to the receipt of such certificate and after the delivery of the Equipment.

5. Equipment Selection: LESSEE HAS PERSONALLY SELECTED THE EQUIPMENT AND LESSOR HAS ACQUIRED THE EQUIPMENT AT LESSEE'S SPECIFIC REQUEST FOR THE PURPOSE OF LEASING IT HEREUNDER. LESSEE ACKNOWLEDGES THAT THE SUITABILITY OF THE EQUIPMENT AND ITS INSTALLATION AND DELIVERY IS LESSEE'S RESPONSIBILITY; THE FAILURE OF THE EQUIPMENT TO BE DELIVERED AND INSTALLED, TO OPERATE OR TO CONFORM TO LESSEE'S REQUIREMENTS SHALL NOT LESSEN LESSEE'S OBLIGATIONS HEREUNDER.

6. Rentals: Lessee shall, without notice from or request by Lessor, pay to Lessor during the Term of this Lease the total number of rental payments set forth in the Lease Details. Such rental payment shall be payable in advance to Lessor at the address indicated above (or other address notified by Lessor to Lessee) as follows: first rental payment upon Lessee's execution hereof and, commencing after the calendar period covered by such first rental payment subsequent rental payments throughout the Term on: (A) in the case of monthly payments, the first day or the fifteenth day of each month, whichever day is closer to the date the Lease commences, or (B) in the case of payments based on any other calendar period, on the first day of each such calendar period. Any amount paid by Lessee to Lessor prior to this Lease commencing which is in excess of such first rental payment shall be credited towards Lessee's final rental payment(s) in reverse order of occurrence, without interest. RENTAL PAYMENTS AND ANY OTHER AMOUNTS DUE UNDER THIS LEASE ARE PAYABLE WITHOUT SET-OFF, COMPENSATION OR ABATEMENT AND IN NO EVENT SHALL THE FIRST RENTAL PAYMENT BE REFUNDED TO LESSEE.

7. Adjustments: The rental payment set forth above is based upon the purchase price for the Equipment and Lessor's cost of funds. If (but only if) an Estimated Purchase Price has been specified in a Financing Terms Addendum attached hereto and the final invoice from Vendor specifies a purchase price (including taxes, delivery, installation and other charges) (the **"Purchase Price"**) that is greater or less than the Estimated Purchase Price, Lessee authorizes Lessor to adjust the above rental payments to reflect the Purchase Price provided Lessee receives notice of such adjustment; however, if the Purchase Price exceeds the Estimated Purchase Price by more than 10%, Lessor will notify Lessee and obtain Lessee's prior written approval to such adjustment (such approval not to be unreasonably withheld) and the Lease will not commence until such approval is obtained. If (but only if) a Latest Start Date is specified in a Financing Terms Addendum attached hereto and

Lease for any reason commences after such Latest Start Date, this Lease shall nevertheless be binding and Lessee authorizes Lessor in Lessor's sole discretion to adjust the above rental payments to reflect its cost of funds on the date this Lease commences and Lessor shall upon Lessee's request, provide Lessee with a copy of the completed description. If this Lease is signed by Lessee prior to Lessor having a complete description of the Equipment, Lessee hereby authorizes Lessor to complete such description provided Lessee receives notice of such description. Any adjustment to rental payments or completion of an Equipment description made pursuant to this Section shall be deemed to have effect from the date Lessee executes this Lease; if a Financing Terms Addendum is not executed and attached hereto, Lessor may not adjust the Net Rental Payments set forth above without Lessee's prior written consent.

8. Interest on Overdue Payments: Lessee shall without notice pay interest at the rate of Thirty percent (30%) per annum calculated and compounded monthly and not in advance, on: (A) any past due rental payments (B) any amounts which bear interest according to this Lease and (C) any other amounts due to Lessor hereunder which are not paid on their due dates; in each case from the date any such amount becomes due or interest bearing, before and after maturity, default and judgment, until such arrears or other amounts are paid in full.

9. Pre-Authorized Payments: Lessee's Bank is hereby authorized and directed to (A) debit Lessee's account set forth above for all payments purporting to be drawn on Lessee for payment to Lessor which are presented for payment by Lessor or Lessor's agent, and (B) make all such payments to Lessor or Lessor's agent from such account; such payments may be requested in the form of magnetic or computer-produced tape in which case such Bank is hereby authorized to treat them as signed by Lessee. Lessee agrees, in consideration of such Bank acting on this authorization, that such institution will not be liable for any loss or damage incurred as a result of honouring this authorization. If such account is transferred to another branch, this authorization shall be directed to such other branch. This authorization may not be revoked without Lessor's consent. Lessor is hereby irrevocably authorized to deliver a copy, details or further evidence of this authorization to such Bank, Lessee hereby appointing Lessor its lawful attorney for such purpose. Such authorization may only be used by Lessor in respect of payments arising under this Lease, including payments arising under any Transaction Schedule to this Lease.

10. Installation, Maintenance and Repair: Lessee shall, at its expense, be responsible for: (A) the delivery, installation, de-installation and redelivery of the Equipment and (B) the maintenance, upkeep, care, servicing and repair (including necessary replacements of parts) (**"Maintenance"**) of the Equipment; in both cases by a party acceptable to Lessor. Lessee shall at its expense keep the Equipment in good repair, condition and working order. Lessee shall not without the prior written consent of Lessor make any alterations, additions or improvements to the equipment. All such alterations, additions or improvements shall be at Lessee's expense and shall belong to, and become property of, Lessor immediately upon being made. On Lessor's request, Lessee shall enter into a Maintenance agreement respecting the Equipment with the manufacturer thereof or other Maintenance supplier acceptable to Lessor.

11. Use: Lessee shall use the Equipment in a careful and prudent manner and not for any unlawful purpose and shall at Lessee's expense comply with and conform to the manufacturer's specifications and all applicable laws, ordinances and regulations (including laws, ordinances and regulations concerning environmental matters) relating to the possession, use or Maintenance of the Equipment. Lessee shall only use the equipment in connection with its business or in the carrying on of an enterprise and only for commercial, industrial, professional or handicraft purposes and shall not use the Equipment for any personal, family, household or farming purposes. The Lessee shall ensure that the Equipment is operated in a careful and proper manner by competent operators only.

12. Loss and Damage: Lessee shall, until this Lease is terminated and Lessee's obligations hereunder are discharged in full (including the return of the Equipment), bear the entire risk of loss, damage, destruction, theft, seizure or governmental taking of the Equipment or any part thereof (any such case being a **"Loss"**), regardless of whether it is caused by any default or neglect of Lessee. No Loss shall relieve Lessee of its obligations hereunder. Lessee shall forthwith notify the Lessor of any loss or damage to the Equipment.

13. Title and Identification: The Equipment is and shall at all times be and remain the sole personal and moveable property of Lessor, shall not be affixed or attached to or otherwise become a fixture or accession to any lands, buildings or chattels and Lessee shall have no right, title or interest in or to the Equipment except as expressly set forth herein. Lessee shall not allow the equipment to become subject to any claim, privilege, lien, charge, encumbrance, levy, security interest, mortgage, pledge, hypothecation, seizure, trust, attachment, judicial process, ownership interest, license, sublease or other right in favour of any person (in any such case an **"Encumbrance"**) unless such Encumbrance is caused by Lessor. At Lessor's request, Lessee shall at Lessee's expense affix and maintain on the Equipment, in a manner and in places satisfactory to Lessor, labels, plates or other marks supplied by Lessor to identify the equipment as the property of Lessor.

14. Location and Inspection: Lessee shall maintain the Equipment at the Equipment Location specified in the Lease Details and shall not move the Equipment from such location. Lessor shall have the right to inspect the Equipment and Lessee's Maintenance, insurance and tax records at any time.

15. Net Lease: ALL COSTS AND EXPENSES RELATING TO THE EQUIPMENT OR ITS USE, MAINTENANCE OR POSSESSION SHALL BE BORNE BY LESSEE, INCLUDING ALL TAXES AND ALL FEES, CHARGES, CLAIMS AND FINES INCURRED OR ARISING IN CONNECTION WITH THE REGISTRATION, LICENSING OR OPERATION OF THE EQUIPMENT. The rental payments and other amounts payable hereunder shall be absolutely net to Lessor, free of all expenses or outgoings of any kind or nature. If Lessee fails to perform any of its obligations hereunder, Lessor may do so on Lessee's behalf and shall be entitled to immediate reimbursement from Lessee; without prejudice to any other Lessor's rights or remedies, and Lessee appoints Lessor its lawful attorney for such purposes.

16. Taxes: Lessee shall pay all Taxes and file all returns in respect of Taxes immediately upon such Taxes or returns becoming due. **"Taxes"** includes all taxes, imposts, levies, fees, duties and charges now or hereafter imposed by any federal, provincial, municipal or other taxation authority on Lessee, the Equipment or the purchase, sale, ownership, delivery, possession, use, Maintenance, operation or lease of the Equipment or on Lessor in respect of any of the foregoing (including sales excise, use, property, business, transfer, goods and services and value added taxes and including penalties or interest based on late payment of taxes), but excluding taxes on or measured by Lessor's overall net income. Lessor shall be entitled to claim any applicable capital cost allowance, investment tax credit or similar benefit under applicable tax legislation from time to time pertaining to the Equipment and/or the Lease and Lessee shall not make any such claim in respect thereof.

17. Insurance: Lessee shall, at its own expense, place and maintain, at its own expense, with insurers acceptable to Lessor: (a) Comprehensive all risks insurance on the Equipment in an amount at least equal to its full replacement value, such insurance to include: (i) Lessor as additional insured, (ii) a loss payable clause in favour of Lessor as first payee, and (iii) a waiver of subrogation in favour of Lessor; and (b) General public liability and property damage insurance with limits of liability equal to at least \$2,000,000 per occurrence (or such greater amount as Lessor may require from time to time), and such insurance shall: (i) extend to all liabilities of Lessee arising out of its use or possession of Equipment, (ii) include Lessor as additional insured, and (iii) include a cross-liability provision which insures each person insured thereunder in the same manner and to the same extent as if a separate policy had been issued to each.

All insurance policies shall contain endorsements providing that: (A) thirty days written notice shall be given to Lessor before a policy lapses or is materially altered or cancelled; (B) coverage shall be primary and not contributory; (C) Lessor's interest as additional insured shall not be invalidated or otherwise affected by any act or omission, deliberate, negligent or otherwise, of Lessee or its agents, servants or employees (such as a **"standard mortgagee clause"**); (D) Lessor shall not be responsible for payment of any premium; and (E) Lessor may elect to have all proceeds of loss payable only to itself. Lessee shall, on request, supply Lessor with certified copies of all insurance policies or other evidence satisfactory to Lessor of satisfaction of these insurance covenants and



evidence of renewal of the expiring policy must be delivered to the Lessor at least thirty (30) days prior to the expiration date. In the event of damage amounting to actual or constructive total loss of the Equipment, Lessor shall be entitled to retain from all insurance proceeds an amount equal to the total amount payable to Lessor by Lessee hereunder as Liquidated Damages

18. Failure to Insure: If Lessee fails to fulfill its insurance obligations hereunder, then, without prejudice to Lessor's other rights and remedies, Lessor shall have the right, but not the obligation, to procure insurance covering Lessor's interest (but not Lessee's interest) in the Equipment, in such form and amount and with such insurers (including an insurer affiliated with Lessor) as Lessor shall determine from time to time, all at Lessee's expense. Such expense (the **"Insurance Expense"**) shall include the full cost of acquiring such insurance (not reduced by any credit or refund or any other amount due or paid to Lessor with respect to Lessor's insurance) and any charges or fees for services associated with the placement, maintenance or service of such insurance, plus interest accruing on such expense at the interest rate provided herein for overdue amounts until such expense is reimbursed by Lessee to Lessor. Lessee shall pay the Insurance Expense to Lessor in equal instalments at the same time and in the same manner as the remaining rental payments. Lessee shall cooperate with Lessor's insurance agent in connection with the placement of such insurance and the processing of any claims. Nothing herein shall be deemed to obligate or entitle Lessor to act as an insurer hereunder or to arrange any insurance for the benefit of Lessee. Nothing herein shall require Lessor to secure, maintain in force or renew any insurance, in any amounts or upon any specific terms and conditions. Lessor reserves the right to terminate any insurance coverage which Lessor may arrange, or allow same to lapse, without incurring any liability to Lessee.

19. Representations: Lessee represents, warrants and covenants throughout the Term that; (A) if Lessee is a body corporate, it is and will continue to be validly incorporated (or otherwise established), organized and existing and in good standing; (B) it has all necessary power and authority to execute, deliver and perform this Lease, each such action (i) having been duly authorized by all necessary action of Lessee, (ii) not being in conflict with any applicable law, the constating documents, resolutions or by-laws of Lessee or any indenture, instrument, agreement or undertaking to which it is a party or by which it or any of its assets are or may become bound, and (iii) not resulting in the creation of any Encumbrance on the Equipment; (C) this Lease is and will continue to be the legal, valid and binding obligation of Lessee enforceable against it and effective against its creditors in accordance with its terms; (D) there are no pending or threatened actions or proceedings before any court, administrative agency or other tribunal that could have a material adverse effect on Lessee; (E) financial statements and other related information furnished by Lessee to Lessor are prepared in accordance with generally accepted accounting principles and fairly present Lessee's financial position on their respective dates; and (F) to evidence the foregoing Lessee shall provide legal opinions, resolutions and such other documents as Lessor may reasonably request.

20. Subleasing Etc.: Lessee shall not sublet or part with possession or control of the Equipment or permit its use by any person other than Lessee or employees of Lessee who are qualified and competent to operate same. Neither this Lease nor Lessee's rights hereunder shall be assigned by Lessee except with Lessor's prior written consent and no assignment shall release Lessee from its obligations hereunder.

21. Surrender: At the end of the Term or any renewal thereof, if Lessee has not purchased the Equipment pursuant to a Section 29 Purchase Option, Lessee, at Lessee's expense and risk, shall surrender control of the Equipment to Lessor and shall; (A) after giving Lessor thirty days prior written notice, return the Equipment to Lessor at Lessor's nearest office or other place specified by Lessor or (B) if requested by Lessor, dispose of the Equipment as Lessor reasonably directs, including disposition in a manner which will avoid any dangerous use thereof or damage or injury to any person or property therefrom. Whenever Lessee is required to return the Equipment to Lessor the Equipment shall be in good repair, condition and working order and Lessee shall pay all costs of Maintenance and restoration of Equipment returned to Lessor, necessary to restore it to its condition on the date this Lease commenced, normal wear and tear excepted. Lessee shall, if Lessor so requests, store the Equipment at Lessee's risk and expense and as Lessor's bailee for a period of up to 90 days after the end of the term; Lessee shall not use the Equipment or pay rental payments for the Equipment during such period but shall otherwise be bound by all of the terms of this Lease during such period.

22. Renewal: If Lessee fails to surrender the Equipment at the end of the Term or any renewal thereof, or to purchase the same pursuant to a Section 29 Purchase Option, Lessee shall be deemed to have requested a renewal of this Lease for a period of three (3) calendar months and Lessor may, in its sole discretion; (A) demand the surrender of the Equipment in compliance with Section 21 and exercise its rights and remedies for such non-compliance or (B) accept Lessee's request to renew this Lease for a three (3) month period commencing on the end of the Term or the last renewal thereof. Such acceptance may be evidenced in writing signed by Lessor or by Lessor continuing to invoice Lessee, withdrawing rental payments pursuant to a pre-authorized payment plan or otherwise accepting rental payments in respect of such renewal period. Lessee shall continue to have all of its obligations under this Lease during any such renewal period, including the obligation to pay Lessor rental payments, as it had during the Term and all provisions of this Lease shall apply to any such renewal term.

23. Entry: If Lessee fails to surrender the Equipment to Lessor as required under this Lease, Lessor may, without notice to Lessee or resort to legal process, but subject to any applicable law, enter any premises where the Equipment is located and take possession of and remove or disable such Equipment.

24. Indemnity: Lessee hereby indemnifies Lessor and agrees to save Lessor harmless from and against all loss, costs, liabilities, claims, legal proceedings and expenses (including legal fees on a solicitor and his own client basis and costs) whatsoever arising in connection with this Lease, the Purchase Documents, any License, the Equipment, the manufacture, selection, purchase, ownership, delivery, possession, use, Maintenance, operation, Loss or return of the equipment, Taxes, the recovery of claims under any insurance policy relating to the Equipment, any use or operation of Equipment which infringes any patent or other industrial or intellectual property right of any person, any Default by Lessee, the exercise by Lessor of any rights or remedies hereunder or any entry or taking of possession, removal or disabling of Equipment pursuant to Section 23.

25. Defaults: Each of the following is a default by Lessee (a **"Default"**) (a) Lessee fails to make any rental payment or pay any other amounts due under this Lease within 3 days after the same is due and payable; or (b) Lessee fails to perform, observe or comply with any other obligation, term or condition on its part to be performed, observed or complied with hereunder; or (c) Any event of default occurs under any other lease or contract between Lessor and Lessee or under any material agreement between Lessee and any other person; or (d) Any representation or warranty made by Lessee to Lessor in or in connection with this Lease is incorrect; or (e) The Equipment or any part thereof is subjected to an Encumbrance not caused by Lessor, Lessee sells or attempts to sell or grant an Encumbrance on any part of the Equipment or the value of Lessor's interest in the Equipment is materially impaired due to Loss; or (f) Lessee makes any assignment for the benefit of its creditors, becomes insolvent, commits any act of bankruptcy, takes any action to wind-up or dissolve, ceases or threatens to cease to do business as a going concern, is subject to a change in control in fact or in law or seeks any arrangement or composition with its creditors; or (g) Any proceeding in bankruptcy, receivership, winding-up, dissolution, liquidation or insolvency is commenced by or against Lessee or its property; or (h) Lessor in good faith believes and has commercially reasonable grounds to believe that the prospect of payment or performance by Lessee under this Lease is or is about to be impaired or the Equipment is or is about to be placed in jeopardy; or (i) Any guarantor of Lessee's obligations hereunder disputes its obligation under its guarantee or seeks to determine its obligations thereunder or to terminate its guarantee of Lessee's future obligations or becomes subject to any of the events in clauses (b), (c), (d), (e), (f) or (g) of this Section.

26. Effect of Default; Damages: A loss to Lessor upon a Default is dependent in part upon the cost of the Equipment to Lessor, the Term and the minimum return expected by Lessor from the sale or re-lease of the Equipment at the end of the Term. Upon any Default and in addition to Lessor's other rights and remedies under this Lease and otherwise available at law or in equity:

(a) Lessee shall pay forthwith (without notice) to Lessor as a genuine pre-estimate of liquidated damages, and not as a penalty (and in addition to all other amounts owing under this Lease), an amount (the **"Liquidated Damages"**) equal to the aggregate of: (i) Unpaid rental payments and other amounts payable hereunder unpaid as of the date of the Default, and (ii) The present value (calculated on the basis of an interest rate of one percent (1%) per annum calculated and compounded monthly) of: (A) the remaining rental payments payable from the date of Default to the end of the Term or, if applicable, any renewal thereof, and (B) amounts otherwise payable under the Lease to the end of the Term, or, if applicable, any renewal thereof, and (C) the greater of the purchase price for the Equipment pursuant to any end of Term fair market value or fixed price purchase option and the amount of any residual interest which Lessor may have in Equipment, and (iii) any Enforcement Costs incurred by Lessor, and (iv) interest thereon from the date of Default until payment in full; to the extent that the Liquidated Damages are deemed to include any Taxes which Lessor is required to remit to any taxation authority the Liquidated Damages shall be increased by the amount necessary to ensure that the net amount of the Liquidated Damages retained by Lessor after remitting all applicable Taxes will be equal to the amount calculated above; (b) upon Lessor's demand, Lessee at Lessee's expense shall forthwith surrender control of the Equipment to Lessor pursuant to Section 21 as though the Term had expired; (c) Lessor may, immediately and without notice to Lessee or resort to legal process take possession of and remove or disable the Equipment pursuant to Section 23 as though Lessee had failed to surrender such Equipment when required to do so; (d) The rights of Lessee hereunder in respect of the Equipment, including the right to use and possess the Equipment, shall cease and terminate absolutely without limiting Lessee's liability or obligations hereunder; and (e) Lessor may by notice in writing terminate this Lease or any other agreement Lessor may have with Lessee. All rights and remedies of Lessor, either under this Lease or at law or in equity or otherwise afforded to Lessor, are cumulative and not alternative. Lessor's costs and expenses incurred as a result of a Default (**"Enforcement Costs"**) (including all costs and expenses in respect of collection, legal fees, repossession, repair of Equipment, enforcement of Lessor's rights or remedies, sale or re-lease costs or other realization costs) shall be paid by Lessee to Lessor forthwith upon demand, with interest accruing thereon from the date such costs and expenses were incurred until payment in full.

27. Sale on Default: Lessor may after a Default sell, re-lease or otherwise dispose of Equipment at public or private sale with or without notice to Lessee and upon such terms and in such manner as Lessor may determine. Lessee shall thereafter continue to be liable to Lessor for the amount of any deficiency between the proceeds to Lessor from such disposition and the Liquidated Damages. If at any time after a Default and prior to Lessor obtaining possession of the Equipment, Lessee pays to Lessor the Liquidated Damaged and all applicable Taxes, title to the Equipment shall vest in Lessee on an "as is, where is" basis without any condition, representation or warranty of Lessor whatsoever.

28. Effect of Waiver: No delay in exercising, or failure to exercise, any right or remedy accruing to Lessor under this Lease will impair or waive such right or remedy, nor will a waiver of any single Default be deemed a waiver of any other prior, subsequent or concurrent Default. Any waiver, permit, consent or approval on the part of Lessor in respect of this Lease must be in writing and shall have effect only to the extent specifically set forth in such writing.

29. Purchase Option: In this Section (a) **"Default"** means any existing Default and any event or circumstance which, with the giving of notice or the lapse of time or both, would constitute a Default; and (b) **"Fair Market Value"** means the delivered and installed, all-inclusive, purchase price for equipment in good repair in a sale between an arms length purchaser buying for its own use and a seller dealing in such equipment in the ordinary course of its business, as such purchase price is determined by the Lessor acting reasonably. Provided no Default exists, any Purchase Option set forth in the Lease Details may be exercised by the Lessee; (i) giving Lessor written notice sixty (60) days prior to the Option Date of its election to exercise such option; and (ii) paying Lessor the Option Price, plus Taxes, at least thirty (30) days before the Option Date. After the giving of such notice and the making of such payment, provided no Default exists on the Option Date, Lessee shall acquire Lessor's interest in the Equipment on the Option Date on an "as is, where is" basis without any condition, representation or warranty by Lessor of any kind whatsoever except that the Lessee acquires such interest from Lessor free of Encumbrances caused by Lessor.

30. Lessee's Waiver: TO THE EXTENT NOT PROHIBITED BY LAW OR STATUTE, LESSEE HEREBY WAIVES THE BENEFIT OF ALL PROVISIONS OF ALL APPLICABLE CONDITIONAL SALES, REGULATORY, CREDIT AND OTHER STATUTES AND ALL REGULATIONS MADE THEREUNDER IN ANY APPLICABLE JURISDICTION WHICH WOULD IN ANY MANNER AFFECT, RESTRICT OR LIMIT THE RIGHTS AND REMEDIES OF

LESSOR HEREUNDER, including, without limiting the generality of the foregoing, all of Lessee's rights, benefits and protections given or afforded by the provisions of The Limitation of Civil Rights Act of Saskatchewan, as amended. Lessee also waives and assigns to Lessor the right of any statutory exemption from execution or otherwise and further waives any right to demand security for cost in the event of litigation.

31. Lessor Warranties: Lessor warrants that on the date this Lease commences it is the owner of the Equipment, free and clear of any Encumbrance caused by Lessor, save for Lessee's rights hereunder. Except as otherwise explicitly set forth herein, but without affecting Lessor's warranties set forth in any other agreement (all of which Lessee acknowledges do not affect or form part of this Lease), Lessor makes no warranty or representation whatsoever as to the durability, quality or condition of the Equipment or its suitability for Lessee's purposes or as to any other matter whatsoever (including status of this Lease for tax or accounting classification purposes). No representation to Lessee as to the Equipment or any other matter by the Vendor or any supplier or manufacturer of the Equipment shall in any way affect Lessee's obligations under this Lease. At the request and expense of Lessee and while there is no Default, Lessor will (A) assign to Lessee for the Term any and all warranties, guarantees, service contracts, Licenses and representations given to Lessor by the Vendor or a manufacturer or supplier of the Equipment with respect to the Equipment ("**Equipment Rights**") which are assignable at law; and (B) assist Lessee in receiving the benefit of such Equipment Rights. If Lessor obtains possession or control of the Equipment or if there is a Default, Lessee shall be deemed to have immediately reassigned such Equipment Rights to Lessor without any further action. If Equipment is located in the Province of Quebec, Lessor hereby conveys to Lessee any warranty which the Vendor or a manufacturer or supplier of such Equipment gave to Lessor. LESSOR SHALL NOT BE LIABLE FOR ANY LOSS, DAMAGE OR EXPENSE OF ANY KIND OR NATURE, WHETHER DIRECT, INDIRECT OR CONSEQUENTIAL, CAUSED BY THE EQUIPMENT OR THE USE, MAINTENANCE OR POSSESSION THEREOF, BY THE INADEQUACY OF THE EQUIPMENT RIGHTS OR BY ANY INTERRUPTION OF SERVICE OR LOSS OF USE OF THE EQUIPMENT OR FOR ANY LOSS OF BUSINESS OR DAMAGE WHATSOEVER AND HOWSOEVER CAUSED.

32. Assignment: This Lease and all rights, remedies and benefits of Lessor hereunder may be assigned by Lessor without notice to or the consent of Lessee and Lessee hereby accepts such assignments and waives signification of the act of assignment and the delivery of a copy of any assignment document. Upon such assignment: (A) the assignee (the "**Assignee**") shall be entitled to enforce the rights and remedies and to receive all benefits which would otherwise accrue to the original Lessor under this Lease; (B) the Assignee shall be deemed to be Lessor for the purpose of all such rights, remedies and benefits; (C) the Assignee shall have no obligation to Lessee to perform any of the obligations of the original Lessor hereunder or otherwise in respect of the Equipment, all of which are retained by the original Lessor; and (D) Lessee's rights hereunder as against the original Lessor shall be unaffected except as herein specifically provided. Lessee agrees not to assert against the Assignee any claim by way of abatement, defense, set-off, compensation, counterclaim or the like which Lessee may have against the original Lessor. The Lessee shall co-operate with the Lessor and any Assignee to facilitate any assignment. Upon notice of an assignment Lessee shall unconditionally pay to such Assignee all rental payments and other amounts due hereunder and shall not assert any defense against such Assignee in any action for rental payments or other amounts due and payable hereunder, except the defence of payment to the Assignee.

33. Credit Investigation: Subject to applicable legislation, Lessee hereby consents to Lessor conducting a credit investigation of Lessee and to Lessor making inquiries with financial institutions or other persons in a business relationship with Lessee in connection therewith; Lessee hereby authorizes and directs such persons to answer Lessor's inquiries. Lessee agrees to furnish to Lessor: (A) a copy of its interim financial statements and other related information, as Lessor may request from time to time; and (B) its annual financial statements, audited if applicable, within ninety days of the end of each financial year.

34. Security Interests: To Secure Lessee's performance of its obligations hereunder Lessee grants Lessor a continuing security interest in any interest Lessee has in the Equipment, in all proceeds thereof (including proceeds of insurance) and in any rental payments receivable on any sublease permitted by Lessor; Lessee agrees that Lessor has all rights of a secured party under any applicable personal property security legislation and at law and in equity. To the extent this Lease creates a security interest, such security interest is a purchase money security interest (as the terms "security interest" and "purchase money security interest" are used in the Personal Property Security Act (Alberta) and shall be interpreted with similar effect under analogous legislation in force in any other relevant jurisdiction. In this Lease the term "security interest" includes a movable hypothec without delivery.

35. Fees: Lessor shall be entitled to charge Lessee such fees and other charges as it may establish from time to time for the administration of and ancillary matters to this Lease, including a fee of \$25.00 for each security registration required in connection with this Lease and such fees for invoices as Lessor may from time to time establish.

36. Name Change, etc.: Lessee shall promptly notify Lessor in writing of: (A) any change in Lessee's name; (B) any transfer, authorized or unauthorized, by Lessee of any interest in or benefit from the Equipment; (C) any change, authorized or unauthorized, by Lessee in the location of any Equipment; and (D) any change in the location of Lessee's chief executive office specified above.

37. Information: Lessee agrees that Lessor may provide copies of this Lease and/or information concerning Lessee and its obligations hereunder to any person.

38. Additional Equipment: Lessor and Lessee may from time to time agree to lease additional equipment pursuant to these Terms & Conditions and the above Lessee Information and Invoice Option and each such agreement shall be evidenced by a written schedule referencing this initial lease (a "**Transaction Schedule**"), signed by Lessee and Lessor and setting forth the particulars of such equipment lease transaction including the matters addressed by the above Lease Details and including any amendments to the Lessee Information or Terms & Conditions which are applicable to that transaction. The particulars of the initial transaction set forth in the above Lease Details shall not apply to subsequent transactions but the Terms & Conditions, Invoice Option and Lessee Information of this Lease are incorporated by reference into each Transaction Schedule and shall apply mutatis mutandis, to the transaction specified in such Transaction Schedule; such Lessee Information, Terms & Conditions, Invoice Option and each Transaction Schedule shall constitute a separate lease and the entire agreement with respect to that transaction, shall be deemed to be a "Lease" to which these Terms & Conditions refer and shall not terminate as a result of the termination or expiry of any other Lease made pursuant to these Terms and Conditions. The terms of any Transaction Schedule evidencing a specific transaction shall prevail over these Terms & Conditions and the above Lessee Information to the extent of any conflict or inconsistency but only in respect of that transaction.

39. Entire Agreement: This Lease (including (A) all details set forth above in the Lessee Information, Lease Details and Invoice Option and in these Terms & Conditions and (B) any schedule, addendum or amendment to this Lease which is in writing, references this Lease and is signed by Lessee and Lessor at any time) constitutes the entire agreement between Lessor and Lessee with respect to its subject matter.

40. Applicable Law: This Lease shall be construed according to the laws of the Province of Alberta.

41. Enurement: Subject to the terms hereof, this Lease shall enure to the benefit of and be binding upon the parties hereto and their respective heirs, executors, administrators, successors, permitted assigns and legal representatives.

42. Interpretation: Whenever the context of this Lease so requires, the singular shall include the plural and vice versa and words importing the masculine gender shall include the feminine and neuter genders. Time is of the essence of this Lease and each of its provisions. Headings are for convenience of reference only and do not affect the interpretation. Terms used in the Lessee Information or Lease Details have, when used in these Terms & Conditions, unless the context otherwise requires, the meaning ascribed thereto by such use. The word "including" means "including without limitation"

43. Notices: Any notice required or permitted to be given hereunder must be in writing and will conclusively be deemed to have been received by its recipient on the business day it is delivered or sent by facsimile transmission to a party at the address indicated on the first page hereof (or at such other address as such party specifies to the other party in writing) or, if sent by registered mail, provided there is no interruption in postal services, on the fifth business day after the day of mailing, addressed to such party at such address.

44. Severability: Any provision of this Lease prohibited by or unlawful or unenforceable under any applicable law shall, at the sole option of Lessor, be ineffective without invalidating the remaining provisions of this Lease: provided, however, that to the extent that the provisions of any such applicable law can be waived, they are hereby waived by Lessee.

45. Further Assurances: Lessee agrees to do all things and execute or obtain all documents as may be required by Lessor in order to give effect to or better evidence this Lease including the execution of financing statements or other documents to effect security registrations to protect Lessor's interests, any acknowledgements required by any Assignee and any waivers or subordinations from Lessee's landlords or creditors.

46. Language: The parties hereby acknowledge that they have required this Lease, and all other agreements and notices required or permitted to be entered into or given pursuant hereto, to be drawn up in the English language only. Les parties reconnaissent avoir demandé que le présent contrat ainsi que toute autre entente ou avis requis ou permis à être conclu ou donné en vertu des dispositions du présent contrat, soient rédigés en langue anglaise seulement.

47. Survival: Notwithstanding any other sections hereof, all obligations of Lessee under sections 2,8,10,12,13,15,16,19,21,22,23,24,25,26,27,30,31,32,34 and 35 hereof and the rights and remedies of Lessor hereunder shall survive the termination of this Lease and the receipt of all rental payments and other amounts payable by Lessee hereunder.

48. Joint and Several Liability: If more than one person executed this Lease, their obligations hereunder shall be joint and several and, in the Province of Quebec, solidary without benefit of division or discussion.

49. Receipt of Copy, Etc.: Lessee acknowledges receipt of a true copy of this Lease and waives, to the extent permitted by applicable law, all rights to receive copies of financing statements, financing change statements, verification statements or copies of other notices or filings made by Lessor at any time in connection with this Lease, any schedule thereto, any amendment thereof or any Transaction Schedule.

| SCHEDULE A | | | | | PSV | | | | |
|--------------------|--------------------------------|---------------------------|----------|-------------|--------------|----------|------------------|--------------|-------------|
| UWI | Vessel | Manufacturer | A# | CRN | SN | Make | Model | CRN | SN |
| 103/14-27-40-13W4 | Separator | | A516577 | R2959.213 | 008705-200 | Taylor | 82E8351311 | | 001774-130 |
| 103/14-27-40-13W4 | Fuel Gas Scrubber | | | P6909.231 | S-3316 | Taylor | 82E4351311 | | 008410-43 |
| 103/14-27-40-13W4 | 100 bbl Tank | Nusco | | | 8705 | | | | |
| 102/13-27-40-13W4 | Separator | | A503862 | P1768.213 | 317557 | | | OG01316.2C | 034048-70 |
| 102/13-27-40-13W4 | Fuel Gas Scrubber | | | 114178.2135 | 6286.423 | Taylor | 82E4351311 | | 009792-137 |
| 100/13-27-40-13W4 | Separator | | A602938 | P7298.21 | 27171 | Taylor | 82E8351311 | | 11297-9 |
| | | | | A4589.3 | | | | | |
| 100/13-27-40-13W4 | Fuel Gas Scrubber | | | OH57373.219 | 251675 | | 82E4351311 | | 028480-21 |
| 05-27-40-13W4 | Suction Gas Scrubber | | | | 8286.1357 | Taylor | 82E3531311 | | 19242-17 |
| 05-27-40-13W4 | Discharge Bottle | | A10027 | H7951.5C | SF-122828 | Taylor | 82E4351311 | | 20278-3 |
| 05-27-40-13W4 | 750 bbl Tank | Rugged Tank & Fabrication | | | 30611 | | | | |
| 05-27-40-13W4 | 750 bbl Tank | Rugged Tank & Fabrication | | | 31711 | | | | |
| 05-27-40-13W4 | 750 bbl Tank | Rugged Tank & Fabrication | | | 31011 | | | | |
| 100/08-07-042-14W4 | Flare Knockout | Pyramid Electric | | | 97-M-502 | | | | |
| 100/08-07-042-14W4 | Fuel Gas Scrubber | Panax | | OH5737.213 | 251552 | Taylor | 82E4351311 | | 009792-139 |
| 100/08-07-042-14W4 | Separator | Panax | A595883 | P7298.21 | 26837 | Taylor | 82E8351311 | | 005417-165 |
| | | | | A4589.3 | | | | | |
| 100/08-07-042-14W4 | 750 bbl Tank | Rugged Tank & Fabrication | | 31511 | | | | | |
| 102/04-03-040-12W4 | Separator | Nusco | A508365 | R2959.213 | 007634-200 | Taylor | 82E8351311 | | 05417-112 |
| 102/04-03-040-12W4 | Fuel Gas Scrubber | Nusco | | P6909.231 | S-3080 | Taylor | 82E4351311 | OG01316.2C | 00972-130 |
| 102/04-03-040-12W4 | 100 bbl Tank | Nusco | | | 7634 | | | | |
| 102/04-03-040-12W4 | 750 bbl Tank | Rugged Tank & Fabrication | | | 30711 | | | | |
| 103/11-31-038-09W4 | Vert 3 Phase Separator | | A576240 | P7217.2 | 11191 | Taylor | 82E8351311 | | 43299-215 |
| 103/11-31-038-09W4 | Fuel Gas Scrubber | | | F6388.2 | 11553 | Taylor | 82E4351311 | | 43109-101 |
| 100/01-31-038-09W4 | Separator | | A606217 | R5286.213 | 19317-01 | Taylor | 82E8351311 | | 016588-224 |
| 100/01-31-038-09W4 | Fuel Gas Scrubber | | | OH09024.213 | 6287.551 | Taylor | 82E5351311 | | 016354-375 |
| 03-31-038-09W4 | Control Bldg Fuel Gas Scrubber | Lo Tech | | OH7154.2134 | 1006.7219 | Mercer | 91-17D51V05E1 | OG8841.5C | 820096 |
| 03-31-038-09W4 | 750 bbl Tank | Flint | | | A750-18 | | | | |
| 03-31-038-09W4 | 750 bbl Tank | Flint | | | A750-19 | | | | |
| 102/11-31-038-09W4 | Vert 3 Phase Separator | RJV | A3153334 | F5874.2 | 3614 | Mercer | 9117D511714E | OG2606.5C | 45507 |
| 102/11-31-038-09W4 | Fuel Gas Scrubber | | | | | | | | |
| 102/11-31-038-09W4 | Pumpjack Scrubber | Platinum | | | | | Pull type | | |
| 102/11-31-038-09W4 | 750 bbl Tank | Kamber Fab Industries | | | 750165 | | | | |
| 100/08-19-039-10W4 | Pumpjack Scrubber | Ampscot | | | | | Pull type | | |
| 100/08-19-039-10W4 | Separator | | A518959 | R8610.231 | 04-07-230 | Taylor | 82E8351311 | | 16845-35 |
| 100/08-19-039-10W4 | Fuel Gas Scrubber | Lo Tech | | OH2422.2134 | 1014.1778 | Taylor | 82E4351311 | 0001316.2C | 057050-7 |
| 100/08-19-039-10W4 | 750 bbl Tank | Rugged Tank & Fabrication | | | 30811 | | | | |
| 100/16-35-038-10W4 | Fuel Pot | Bromley | A557316 | H4109.234 | 625822 | Taylor | 82E4351311 | OG01316.2C | 014391-365 |
| 100/16-35-038-10W4 | Separator | Panax | A549191 | P7298.21 | 26061 | Taylor | 82E8351311 | | 014338-256 |
| | | | | A4589.3 | | | | | |
| 100/16-35-038-10W4 | 400 bbl Tank | Recom | | | 10031 | | | | |
| 100/16-35-038-10W4 | 400 bbl Tank | Recom | | | 10032 | | | | |
| 16-28-038-10W4 | Discharge Bottle | Steel Fab | | H7951.5C | SF-126348(?) | Taylor | 82E4351311 | OG01316.2C | 040215-153 |
| 16-28-038-10W4 | Suction Bottle | Impact Industrial Sales | | OH07152.2 | S02525 | Taylor | 82E5351311 | | 037824-263 |
| 102/16-33-038-10W4 | Pumpjack Scrubber | Lo Tech | | | | WellMark | W2601-EV1-311-30 | 007968.52/56 | IBT05265-24 |
| 102/16-33-038-10W4 | Separator | NWP Industries | A588884 | L9453.231 | 1643 | Taylor | 82E7351311 | OG01316.2C | 051342-34 |
| 102/16-33-038-10W4 | Scrubber | NWP Industries | | OH09319.213 | 1610 | Taylor | 82E4351311 | OG01316.2C | 5401215 (?) |
| 103/15-27-038-10W4 | Separator | Panax | A602939 | P7298.21 | 27172 | Taylor | 82E6351311 | | 010760-317 |
| | | | | A4589.3 | | | | | |

All right, title and interest in the debtor to the oil and gas producing equipment and any other tangible and intangible property related thereto.

Proceeds: any and all proceeds of amounts arising from or payable in connection with any of the collateral described above

08/09/2023

Lessee Signature:

E-SIGNED by Christopher John McRae Lewis
on 2023-08-10 08:24:47 MDT

Name: Christopher John McRae Lewis
Title: Director

E-SIGNED by Christopher John McRae Lewis
on 2023-08-10 08:24:49 MDT

Name: Christopher John McRae Lewis
Title: Individual

| SCHEDULE A | | | | | PSV | | | | |
|-----------------------|-------------------------|------------|---------|-------------|----------------|-----------|------------------|------------|------------|
| 103/15-27-038-10W4 | Scrubber | Panax | | 0H5737.213 | 251673 | Taylor | 82E4531311 | 0G01316.2C | 057050-19 |
| 100/04-22-041-09W4/02 | Separator | RJV | A405717 | M0716.2 | 4538 | Taylor | 82G12651311-1440 | | 034048-87 |
| 100/04-22-041-09W4/02 | Scrubber | no plate | | | | Taylor | 82E4351311 | | 49722-17 |
| 100/04-22-041-09W4/02 | 100 bbl Tank | Bromley | | | 206-D100-10243 | | | | |
| 100/04-22-041-09W4/02 | 750 bbl Tank | no plate | | | | | | | |
| 100/04-22-041-09W4/02 | Group Separator | Bromley | A565171 | P1768.213 | 516-70N | Taylor | 82E7351311 | | 30665-443 |
| 100/04-22-041-09W4/02 | Fuel Gas from Separator | Bromley | A560518 | | 626072 | Taylor | 82E4351311 | | 30747-49 |
| 100/04-22-041-09W4/02 | Inlet Separator | NGC | A556798 | R5810.213 | 16607-2 | Hydroseal | 14E3M0V00/L5 | | 555302-15 |
| 100/04-22-041-09W4/02 | Oil Separator | NGC | A565668 | R5809.213 | 16607-7 | Taylor | 82H6571311 | | 032086-216 |
| 100/07-15-041-09W4/00 | Separator | FloDrip | A479897 | L4250.231 | 4718 | Taylor | 82E8351311 | | 48787-127 |
| 100/16-03-041-09W4/00 | Fuel Gas | Lo Tech | | 0H2299.2134 | 1006.1899 | Taylor | 82E4351311 | | 49980-68 |
| 100/16-03-041-09W4/00 | Gas Separator | Nusco | A486731 | P9291.2C | 005618-200 | Taylor | 82E4351311 | | 45787-124 |
| 100/16-03-041-09W4/00 | 130 bbl tank | Nusco | | | 005618 | | | | |
| 100/03-03-041-09W4/02 | Separator | Nusco | A516263 | R6050.23 | 008348-200 | Mercer | 91-17D51T14E1 | | 489323 |
| 100/03-03-041-09W4/02 | Fuel Gas Scrubber | Flo-Dri | | | | Taylor | 82E4351311 | | 15000-15 |
| 100/03-03-041-09W4/02 | 60 bbl Tank | Nusco | | | 8348 | | | | |
| 100/09-24-041-09W4/00 | Separator | Nusco | A534806 | P4395.2 | 01-4349-5 | Taylor | 82E4351311 | | 46787-151 |
| 100/09-24-041-09W4/00 | Fuel Gas Separator | | | 0H6795.21 | 99-4349-5 | Mercer | 9106D51V06E1 | | 151901 |
| 100/06-21-041-09W4/02 | Gas Separator | Plains Oil | A513244 | R2520.213 | 3526-V3 | Mercer | 91-17D51T14E1 | | 129457 |
| 100/06-21-041-09W4/02 | 60 bbl Tank | Ultrafab | | | 0486-019 | | | | |
| 15-05-042-12W4 | 3 Phase Separator | Silverado | A550927 | T4857.2 | S-1852 | Taylor | 82H116751311 | | 19772 |
| 15-05-042-12W4 | Gas Scrubber | Silverado | | 0H583.7.213 | S-1798 | Taylor | 82E4351311 | | 14730-55 |
| 15-05-042-12W4 | Air Receiver | Steel Fab | | H7951.5C | SF-179975 | | | | |

All right, title and interest in the debtor to the oil and gas producing equipment and any other tangible and intangible property related thereto.

Proceeds: any and all proceeds of amounts arising from or payable in connection with any of the collateral described above.

08/09/2023

Lessee Signature:

E-SIGNED by Christopher John McRae Lewis
on 2023-08-10 08:24:59 MDT

Name: **Christopher John McRae Lewis**
Title: Director

E-SIGNED by Christopher John McRae Lewis
on 2023-08-10 08:25:00 MDT

Name: **Christopher John McRae Lewis**
Title: Individual

SCHEDULE "A"

| Location | Building/Equipment | Additional Information |
|---------------|---|--|
| 15-35-21-07W4 | Office | Electrical room, Office & Tool Room |
| 15-35-21-07W4 | Utility Building | Water/Glycol Heater, (2) Circulating Centrifugal Pumps, (2) Air Compressors & a Drying Tower |
| 15-35-21-07W4 | Inlet Building | Test Separator, FWKO, Flare Meter Run, 8 Well Header, (2) Ruffnecks |
| 15-35-21-07W4 | Treater Building | Universal 10 x 40 Foot Dual Burner Treater & Meter Run |
| 15-35-21-07W4 | Compressor Building | 3408 Cat & 2 Stage Gemini Compressor |
| 15-35-21-07W4 | Dehy Building | Contact, Reboiler & Accumulator, Glycol Pump, Methanol Pump |
| 15-35-21-07W4 | Quin Plex Building | 250 HP Quin Plex Building & Booster |
| 15-35-21-07W4 | Triplex Building | (2) 125 HP Triplex Pumps & Boosters, (2) Roper Recycling Screw Pumps, Recycle Discharge Header |
| 15-35-21-07W4 | Cut Shack | Centrifuge, Steel Bench with Hot Bath Sink |
| 15-35-21-07W4 | Tank Farm | (2) 2000 BBL Water Tanks, (1) 2000 BBL Recycle Tank, (2) 1200 BBL Oil Tanks, (1) 750 BBL Desand Tank |
| 15-35-21-07W4 | Flare Stack | |
| 15-35-21-07W4 | Underground Flare Knockout Tank | |
| 15-35-21-07W4 | Underground Injection Pump Drain Tank | |
| 2-2-22-07W4 | Test Separator, Pigging Station | |
| 7-2-22-07W4 | Test Separator, 7 Well Header, Pigging Station, Electrical Building | |
| 12-11-22-07W4 | Test Separator, with Chev V6 Hydraulic Drive | |

All right, title and interest in the debtor to the oil and gas producing equipment and any other tangible and intangible property related thereto.
 Proceeds: any and all proceeds of amounts arising from or payable in connection with any of the collateral described above.

Date: 08/09/2023

Lessee Signature:
 E-SIGNED by Christopher John McRae Lewis
 on 2023-08-10 08:25:04 MDT

 Name: **Christopher John McRae Lewis**
 Title: Director

E-SIGNED by Christopher John McRae Lewis
 on 2023-08-10 08:25:05 MDT

 Name: **Christopher John McRae Lewis**
 Title: Individual

Date: August 9, 2023**Lessee(s) CLEO Energy Corp. and Christopher John McRae Lewis Joint and Several
Lease Agreement #105387-S03P dated August 9, 2023**

Equipment:

| Equipment Details | | |
|-------------------|-------------------------------|------------------|
| Quantity | Description | Serial Number(s) |
| | ***See Attached SCHEDULE A*** | |
| | | |

Please acknowledge below that the equipment described above is currently owned by 2416924 Alberta Ltd. O/A Stride Capital and title has not transferred to CLEO Energy Corp. and Christopher John McRae Lewis Joint and Several and that all parties have agreed to re-lease the equipment as described above to CLEO Energy Corp. and Christopher John McRae Lewis Joint and Several for consideration of \$600,000.00 to which funds will be directed as follows:


2416924 Alberta Ltd. O/A Stride Capital Lease 105387-S01 \$153,076.80 Valid to August 14, 2023**2416924 Alberta Ltd. O/A Stride Capital Lease 105387-S02 \$153,076.80 Valid to August 14, 2023****CLEO Energy Corp.****Balance of Proceeds**


Title to the equipment will be released upon completion of the contract terms as set out in Lease Agreement 105387-S03P. Please acknowledge below that the above noted equipment is leased as is where is. 2416924 Alberta Ltd. O/A Stride Capital makes no warranties and or representations whether implied by statute or otherwise as to the working condition of the equipment, its merchantability for fitness for any particular purpose. This Acknowledgement is attached to and forms an integral part of Lease Agreement 105387-S03P.

This Acknowledgement may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same agreement and the execution and delivery of counterparts of this Acknowledgement by fax or email by any party shall be binding upon the parties hereto.


DATED August 9, 2023

Lessee: CLEO Energy Corp. and Christopher John McRae Lewis Joint and Several

By:  E-SIGNED by Christopher John McRae Lewis
on 2023-08-10 08:25:25 MDT
Name: Christopher John McRae Lewis
Title: Director

By:  E-SIGNED by Christopher John McRae Lewis
on 2023-08-10 08:25:27 MDT
Name: Christopher John McRae Lewis
Title: Individual

Executed by Lessor: 2416924 Alberta Ltd. O/A Stride Capital

 E-SIGNED by Randy Mannix
on 2023-08-11 11:01:36 MDT

Randy Mannix / SVP Leasing

**AUTHORIZATION
PRE-AUTHORIZED PAYMENT PLAN**

You are hereby authorized and requested to pay and debit to the account mentioned above all cheques purporting to be drawn on you on behalf of the undersigned where more than one, by and made payable to 2416924 ALBERTA LTD. O/A STRIDE CAPITAL (Funding Company) and presented to you for payment regarding lease payments on Lease # 105387-S03P when due.

In consideration of your acting as aforesaid, it is agreed that your treatment of each said cheque and your rights to it shall be the same as if it were signed by the undersigned, or by each of the undersigned where more than one, personally and that the failure to pay any such cheque shall give rise to no liability on your part where such failure results in loss or damage of any kind. Any delivery of this authorization to you will constitute delivery by the undersigned.

I may revoke my authorization at any time, subject to providing notice of 30 days. To obtain a sample cancellation form, or for more information on my right to cancel a PAD Agreement, I may contact my financial institution or visit www.cdnpay.ca.

I have certain recourse rights if any debit does not comply with this agreement. For example, I have the right to receive reimbursement for any debit that is not authorized or is not consistent with this PAD Agreement. To obtain more information on my recourse rights, I may contact my financial institution or visit www.cdnpay.ca.

This Pre-Authorized Payment Plan may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same agreement and the execution and delivery of counterparts of this Pre-Authorized Payment Plan by telecopier by any party shall be binding upon the parties hereto

TO BE EXECUTED BY DEBTOR(S) / LESSEE(S)

Lease #105387-S03P

CLEO Energy Corp. (Debtor / Lessee)

Dated this day of 08/09/2023

Signature: X E-SIGNED by Christopher John McRae Lewis
on 2023-08-10 08:25:52 MDT

Name: Christopher John McRae Lewis

PLEASE ATTACH AN UNSIGNED CHEQUE FROM YOUR BANK OR FINANCIAL INSTITUTION**AFFIX VOID CHEQUE HERE**

To: 2416924 ALBERTA LTD. O/A STRIDE CAPITAL

Re: 105387-S03P (the "Lease Agreement")

1. The equipment described in the Lease Agreement between 2416924 ALBERTA LTD. O/A STRIDE CAPITAL (Lessor) and the undersigned (Lessee) was received by us not more than five days prior to the date on which this certificate is executed.
2. The Equipment has, on or before the date hereof, been received and accepted by us and is satisfactory in all material aspects.
3. We authorize 2416924 ALBERTA LTD. O/A STRIDE CAPITAL or its assignee to pay for such Equipment and to commence the Lease on the date of the Certificate, **Wednesday, August 9, 2023** (the Lease Commencement Date) or, if Lessor waives this Certificate, on such other date as is provided for in the Lease Agreement.
4. This Certificate forms part of the Lease Agreement.

Date: 08/09/2023

Lessee(s): CLEO Energy Corp. and Christopher John McRae Lewis Joint and Several

Lessee Signature:



E-SIGNED by Christopher John McRae Lewis
on 2023-08-10 08:26:47 MDT

Name: **Christopher John McRae Lewis**
Title: Director

Lessee Signature:



E-SIGNED by Christopher John McRae Lewis
on 2023-08-10 08:26:49 MDT

Name: **Christopher John McRae Lewis**
Title: Individual

This undertaking forms part of Lease 105387-S03P

Insured Lessee: CLEO Energy Corp.

Equipment covered by this certificate:

*****See Attached SCHEDULE A*****

During the term of the lease contract commencing Wednesday, August 9, 2023 (mm/dd/yyyy) with a term of 25 months and any extension thereof, whereby I/we, the Lessee(s) of the above equipment, owned by 2416924 ALBERTA LTD. O/A STRIDE CAPITAL (hereinafter called the Lessor), agree to cause 2416924 ALBERTA LTD. O/A STRIDE CAPITAL to be named as Additional Insured and First Loss Payee in the applicable policies described below.

If the above equipment is subjected to a Standard Automobile Policy (Owner's Form), I/we the Lessee(s) agree to effect and maintain such policy per the terms above including a S.E.F. No. 5a – Permission to Rent or Lease Endorsement (specified Lessee including modified application – separate policy) in the name of the Lessor with respect to the above described equipment for the following perils, limits and amounts.

| INSURED AGREEMENTS | | PERILS | LIMITS AND AMOUNTS | |
|--|--------------|---|---|---|
| SECTION A THIRD PARTY LIABILITY | | LEGAL LIABILITY FOR BODY INJURY TO OR DEATH OF ANY PERSON OR DAMAGE TO THE PROPERTY | \$2,000,000 (EXCLUSIVE OF COST AND POST JUDGEMENT INTEREST) FOR LOSS OR DAMAGE RESULTING FROM BODILY INJURY TO OR THE DEATH OF ONE OR MORE PERSONS. AND FOR LOSS OR DAMAGE TO PROPERTY REGARDLESS OF THE NUMBER OF CLAIMS ARISING FROM ANY ONE ACCIDENT \$5,000,000 Environmental liability (if applicable) | |
| SECTION B ACCIDENT BENEFITS | SUB. SEC. 1. | PAYMENT FOR DEATH OR BODILY INJURY | \$ AS STATED IN SECTION B OF THE POLICY OR EACH PERSON | |
| | 2. | | AS STATED IN SECTION B OF THE POLICY OR | |
| | PRINCIPLE | | MAX. WEEKLY | |
| | | SUM \$ | | BENEFIT \$ |
| | 3. | UNINSURED MOTORIST | AS STATED IN SECTION B OF THE POLICY | |
| SECTION C LOSS OF OR DAMAGE TO OWNED AUTOMOBILES | SUB. SEC. 1. | ALL PERILS | \$5000 | AMOUNT DEDUCTIBLE ON EACH SEPARATE CLAIM EXCEPT FOR LOSS OR DAMAGE BY FIRE OR LIGHTENING OR THEFT OF THE ENTIRE AUTOMOBILE. |
| | 2. | COLLISION OR UPSET | \$5000 | |
| | 3. | COMPREHENSIVE (EXCLUDING COLLISION OR UPSET) | \$5000 | |
| | 4. | COMPREHENSIVE (EXCLUDING COLLISION OR UPSET) | \$5000 | |
| ENDORSEMENTS | | | | |
| I/we agree to deliver or cause to be delivered to the Lessor, within the 30-day period immediately following the date of the delivery of the above stated Equipment to me/us, such insurance policy and any endorsements and certificates applicable thereto. I/we agree to deliver or cause to be delivered to the Lessor, within the 15-day period immediately following the expiry or termination date of such policy, written evidence of the renewal or replacement of such policy. I/we agree and acknowledge that, should I/we fail to comply with this Lessee’s Insurance Undertaking, I/we shall reimburse the Lessor for all amounts they would not otherwise be liable to pay. I/we further agree and acknowledge that, should I/we fail to comply with this Lessee’s Insurance Undertaking, I/we will be in default per the terms and conditions of the Lease contract. | | | | |

Date: 8/9/2023

Lessee Signature:

 E-SIGNED by Christopher John McRae Lewis
on 2023-08-10 08:26:59 MDT

Name: **Christopher John McRae Lewis**
Title: Director

Lessee Signature:

 E-SIGNED by Christopher John McRae Lewis
on 2023-08-10 08:27:00 MDT

Name: **Christopher John McRae Lewis**
Title: Individual

This Cross Collateral Agreement (hereinafter referred to as the "Agreement") by and between **2416924 ALBERTA LTD. O/A STRIDE CAPITAL** with offices at **Ste 201, 3007 14th Street SW, Calgary, AB, T2T 3V6** collectively known as the "**Secured Party**" and **CLEO Energy Corp. and Christopher John McRae Lewis Joint and Several** located at **200 - 117 8th Ave SW, Calgary, Alberta, T2P 1B4** ("**Debtor**").

Statement of Purpose

The parties intend by this Agreement to establish herein, without the need for further documentation, a security interest in all of the personal property which the **Debtor** has acquired or shall hereinafter acquire and in which **Secured Party** has or shall hereinafter have a security interest. All of said property shall secure all liabilities, obligations and indebtedness of **Debtor** to **Secured Party** of every kind and description now existing or hereinafter arising, whether arising under this Agreement or otherwise. Liability includes obligations to perform acts or refrain from taking action, as well as obligations to pay money. The security interest created by this Agreement is in addition to and not in lieu of any other security interest which has been or which may hereafter be granted by **Debtor** to **Secured Party**.

Debtor, in order to induce **Secured Party** to finance **Debtor's** purchase of property by means of conditional sales contracts, leases with or without options to purchase, promissory notes and security agreements or other similar lien creating instruments or contracts ("**Contract**"), hereby agrees to the terms and conditions set forth herein.

AGREEMENT

1. **Grant of Security Interest** – **Debtor** hereby grants to **Secured Party** a security interest in such of **Debtor's** presently existing and hereafter acquired property in which **Secured Party** has or shall hereafter have a security interest plus all proceeds of the Foregoing (collectively, the "**Collateral**") to secure the payment and performance of all **Debtor's** liabilities and obligations to **Secured Party** of every kind and character, whether joint or several, direct or indirect, absolute or contingent, due or to become due, and whether under presently existing or hereinafter created Contracts (collectively, the "**Liabilities**").
2. **Covenants of Debtor** – **Debtor** covenants and agrees to execute and deliver to **Secured Party** any financing statements or documents or instruments required to be filed in connection with the security interest hereby created relating to the Collateral and to pay all costs in connection therewith. **Debtor** hereby appoints **Secured Party** as **Debtor's** attorney in-fact to do, at **Secured Party's** option and **Debtor's** expense, all acts and things which **Secured Party** may deem necessary to perfect and continue the perfection of the security interests hereby created.
3. **Default and Remedies** – If **Debtor** fails to pay or perform any of its Liabilities when due or fails in the performance of any other provision of this Agreement or any Contract, or if **Debtor** becomes insolvent or makes an assignment for the benefit of creditors or if a proceeding in reorganization, bankruptcy, or for a receivership is commenced by or against **Debtor**, **Debtor** shall be in default hereunder and under the Contracts and the **Secured Party** may, without notice or demand, accelerate and declare all Liabilities and any other amounts due hereunder payable immediately and **Secured Party** may exercise and shall have any and all rights and remedies accorded it under any contract and by the applicable Personal Property Security Act as in effect from time to time under applicable provincial law. All rights granted to **Secured Party** hereunder shall be cumulative and not alternative, shall be in addition to and shall in no manner impair or affect **Secured Party's** right or remedies under any existing or hereafter arising Contract statute or rule of law.
4. **Miscellaneous**
 - a. **Secured Party's** acceptance of delinquent payments or failure of **Secured Party** to exercise any right shall not be a waiver of any obligation of **Debtor**, including, but not limited to, the obligation of **Debtor** to pay interest on delinquent payments, nor constitute a waiver of a similar default subsequently occurring.
 - b. **Debtor** waives any right it may have to direct application of any payment made by it to **Secured Party**. **Secured Party** may, at its option offset and deduct any of the Liabilities of **Debtor** from any and all sums owed by **Secured Party**.

- c. This Agreement shall be construed in accordance with the law of the province of Alberta. Any provision of this Agreement prohibited by law shall be ineffective to the extent of such prohibition without invalidating the remaining provisions hereof.
- d. This Agreement shall be binding upon and inure to the benefit of the successors and assigns of the parties hereto: provided, however, that **Debtor** shall not without the prior written consent of **Secured Party**, assign any right or delegate any of its obligations under this Agreement to any third party.

This Cross Collateral Agreement may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same agreement and the execution and delivery of counterparts of this Cross Collateral by telecopier by any party shall be binding upon the parties hereto.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed as of 08/09/2023.

Lessee(s): CLEO Energy Corp. and Christopher John McRae Lewis Joint and Several

Lessee Signature:



E-SIGNED by Christopher John McRae Lewis
on 2023-08-10 08:27:11 MDT

Name: **Christopher John McRae Lewis**
Title: Director

Lessee Signature:



E-SIGNED by Christopher John McRae Lewis
on 2023-08-10 08:27:12 MDT

Name: **Christopher John McRae Lewis**
Title: Individual


| |
|--|
| Invoice To: |
| CLEO Energy Corp. 200 - 117 8th Ave SW Calgary, Alberta T2P 1B4 |

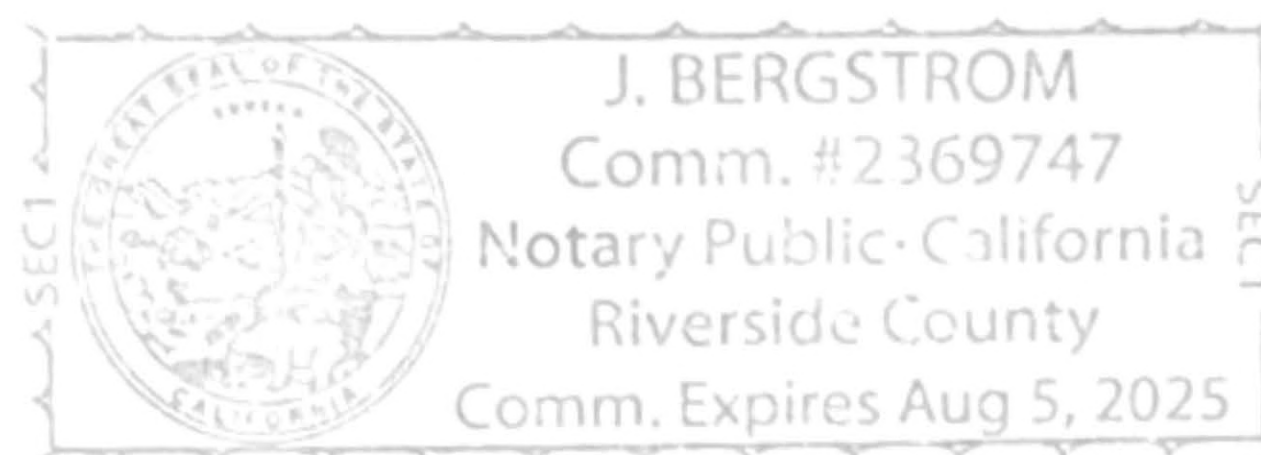
| | |
|----------------|------------------|
| Date | Invoice # |
| August 9, 2023 | 105387-S03P |

| Description | Amount |
|---|--------|
| Initial Payment (1st Rental) | \$0.00 |
| A documentation fee of \$1,500.00 has been added to your transaction. | |
| GST# 74011 5506 RT0001 | |

| | |
|-------------------------|---------------|
| Sub Total | \$0.00 |
| GST | \$0.00 |
| PST | N/A |
| Total | \$0.00 |
| Received/Paid to Vendor | N/A |
| Amount Owing | \$0.00 |

Exhibit "P" to the Affidavit of
Chris Lewis
Sworn/Affirmed before me this
23rd day of December, 2024


A Notary Public for the State of California



| Lessee Details | |
|----------------|--|
| Lessee(s) | CLEO Energy Corp. |
| Address | 200 - 117 8th Ave SW, Calgary, AB, T2P 1B4 |
| Contact | Ph: (403) 801-4155, Cl: (403) 801-4155, Email: clewis@cleoenergy.com |

| Equipment Details | | Serial Number |
|-------------------|---|---------------|
| Equipment | See attached schedule 'A' attached to and forming part of this lease agreement. | |
| Location | 200 - 117 8th Ave SW, Calgary, AB, T2P 1B4 | |
| Vendor | Arundel Capital Corporation | |

| Payments | | | |
|------------|--|-----------------|---------|
| Start Date | May 23, 2024 | Initial Payment | N/A |
| Payments | 24 payments of \$3,991.33 (plus applicable taxes) beginning July 1, 2024 | | |
| Term | 26 | Frequency | Monthly |

| Options | |
|-----------------------|--|
| Purchase Option | \$750.00 (plus applicable taxes) at the end of the Term's 26th calendar month. |
| Early Purchase Option | N/A |

| Execution | |
|---|---|
| This lease shall not become binding upon Lessor until accepted as follows: | <div> <div>  E-SIGNED by Sean Rowan on 2024-05-28 20:51:26 GMT </div> <div> Lessor: Arundel Capital Corporation <div>Date: May 23, 2024</div> </div> </div> |
| The undersigned acknowledges having read the entire Lease Agreement and accepts the terms and conditions including those on page 2,3,4, and 5 hereof. Each of the undersigned affirms that they are duly authorized to execute this Lease Agreement on behalf of the Lessee. | |
| Date: May 23, 2024 | |
| <div> <div>  E-SIGNED by Christopher Lewis on 2024-05-28 18:50:53 GMT </div> <div> Name: Christopher John McRae Lewis Title: Chairman </div> </div> | |

Pre-Authorized Payment Plan

1. You, the Lessee, hereby authorize Arundel Capital Corporation to draw payments from the bank account identified periodically under the Pre-Authorized Debit (PAD) Agreement in payment of the lease payments and any other amounts due under this Lease 105387-23P. This authorization will remain in effect until the Lessee provides written notice to Lessor of its change or termination.
2. The Lessee may revoke their authorization at any time, subject to providing notice of 30 days. To obtain a sample cancellation form, or for more information on the Lessee's right to cancel a PAD Agreement, the Lessee may contact their financial institution or visit www.cdnpay.ca.
3. This Lease Agreement/Pre-Authorized Debit Agreement is for Business use.
4. The Lessee has certain recourse rights if any debit does not comply with this agreement. For example, the Lessee has the right to receive reimbursement for any debit that is not authorized or is not consistent with this PAD Agreement. To obtain more information on the Lessee's recourse rights, the Lessee may contact their financial institution or visit www.cdnpay.ca.
5. The Lessee must provide a void cheque or an account information form from their financial Institution.

Date: May 23, 2024

E-SIGNED by Christopher Lewis

X on 2024-05-28 18:50:56 GMT

Name: Christopher John McRae Lewis

Title: Chairman

Acceptance & Authorization Certificate

1. The Equipment described in this Lease Agreement 105387-23P between Arundel Capital Corporation (Lessor) and the undersigned (Lessee) has been unconditionally accepted by Lessee in its present condition and location.
2. Lessee certifies that it has made or caused to be made any tests and inspections of the Equipment as Lessee deemed necessary to become satisfied with the Equipment condition.
3. Lessee further acknowledges that the supplier, manufacturer, and the Equipment were selected by the Lessee and is satisfied with the specifications, operating performance, and suitability of the Equipment for the purpose of which the Lessee intends to use it.
4. Lessee irrevocably authorizes the Lessor to pay for such Equipment and to commence the Lease Agreement on the date of the Certificate May 23, 2024 (the Lease Commencement Date).

Date: May 23, 2024

E-SIGNED by Christopher Lewis

X on 2024-05-28 18:50:58 GMT

Name: Christopher John McRae Lewis

Title: Chairman

1. Lease: Lessor hereby leases to Lessee, and Lessee hereby leases from Lessor, the Equipment described in the Lease Equipment Details, together with any parts, accessories, replacements, additions and accessions, tangible or intangible, now and hereafter relating thereto or affixed thereon (collectively the "Equipment") THIS LEASE AGREEMENT CANNOT BE CANCELLED OR TERMINATED BY LESSEE.

2. Term: This Lease Agreement is for an original term (the "Term") commencing on the Lease Commencement Date set out in the Acceptance/Agreement and Authorization Certificate ending at the expiry of the number of complete calendar months indicated under the heading "Term" in the Lease Details.

3. Rentals: Lessee shall, without notice from or request by Lessor, pay to Lessor during the Term of this Lease Agreement the total number of rental payments set forth in the Lease Details. Such rental payment shall be payable in advance to Lessor at the address indicated above (or other address notified by Lessor to Lessee) as follows: Initial rental payment upon Lessee's execution hereof and, commencing after the calendar period covered by such Initial rental payment subsequent rental payments throughout the Term on the first day of each rental period as indicated in the Lease Details. RENTAL PAYMENTS AND ANY OTHER AMOUNTS DUE UNDER THIS LEASE AGREEMENT ARE PAYABLE WITHOUT SET-OFF, COMPENSATION OR ABATEMENT AND IN NO EVENT SHALL THE FIRST RENTAL PAYMENT BE REFUNDED TO LESSEE.

4. Interest on Overdue Payments: Lessee shall without notice pay interest at the rate of Thirty percent (30%) per annum calculated and compounded monthly and not in advance, on: (A) any past due rental payments (B) any amounts which bear interest according to this Lease and (C) any other amounts due to Lessor hereunder which are not paid on their due dates; in each case from the date any such amount becomes due or interest bearing, before and after maturity, default and judgment, until such arrears or other amounts are paid in full.

5. Installation, Maintenance and Repair: Lessee shall, at its expense, be responsible for: (A) the delivery, installation, de-installation and redelivery of the Equipment and (B) the maintenance, upkeep, care, servicing and repair (including necessary replacements of parts) ("Maintenance") of the Equipment; in both cases by a party acceptable to Lessor. Lessee shall at its expense keep the Equipment in good repair, condition and working order. Lessee shall not without the prior written consent of Lessor make any alterations, additions or improvements to the Equipment. All such alterations, additions or improvements shall be at Lessee's expense and shall belong to, and become property of, Lessor immediately upon being made.

6. Use: Lessee shall use the Equipment in a careful and prudent manner and not for any unlawful purpose and shall at Lessee's expense comply with and conform to the manufacturer's specifications and all applicable laws, ordinances and regulations (including laws, ordinances and regulations concerning environmental matters) relating to the possession, use or Maintenance of the Equipment. Lessee shall only use the Equipment in connection with its business or in the carrying on of an enterprise and only for commercial, industrial, professional or handicraft purposes and shall not use the Equipment for any personal, family, household or farming purposes. The Lessee shall ensure that the Equipment is operated in a careful and proper manner by competent operators only.

7. Title and Identification: The Equipment is and shall at all times be and remain the sole personal and moveable property of Lessor, shall not be affixed or attached to or otherwise become a fixture or accession to any lands, buildings or chattels and Lessee shall have no right, title or interest in or to the Equipment except as expressly set forth herein. Lessee shall not allow the Equipment to become subject to any claim, privilege, lien, charge, encumbrance, levy, security interest, mortgage, pledge, hypothecation, seizure, trust, attachment, judicial process, ownership interest, license, sublease or other right in favour of any person (in any such case an "Encumbrance") unless such Encumbrance is caused by Lessor. At Lessor's request, Lessee shall at Lessee's expense affix and maintain on the Equipment, in a manner and in places satisfactory to Lessor, labels, plates, GPS tracking units, or other marks supplied by Lessor to identify the Equipment as the property of Lessor.

8. Location and Inspection: Lessee shall maintain the Equipment at the Equipment Location specified in the Lease Details and shall not move the Equipment from such location. Lessor shall have the

right to inspect the Equipment and Lessee's Maintenance, insurance and tax records at any time.

9. Insurance: Lessee shall, until this Lease Agreement is terminated and Lessee's obligations hereunder are discharged in full (including the return of the Equipment), bear the entire risk of loss, damage, destruction, theft, seizure or governmental taking of the Equipment or any part thereof (any such case being a "Loss"), regardless of whether it is caused by any default or neglect of Lessee. No Loss shall relieve Lessee of its obligations hereunder. Lessee shall forthwith notify the Lessor of any loss or damage to the Equipment.

Lessee shall, at its own expense, place and maintain with insurers acceptable to Lessor: (a) Comprehensive all risks insurance on the Equipment in an amount at least equal to its full replacement value, such insurance to include: (i) Lessor as additional insured, (ii) a loss payable clause in favour of Lessor as first payee, and (iii) a waiver of subrogation in favour of Lessor; and (b) General public liability and property damage insurance with limits of liability acceptable to us, and such insurance shall: (i) extend to all liabilities of Lessee arising out of its use or possession of Equipment, (ii) include Lessor as additional insured, and (iii) include a cross-liability provision which insures each person insured thereunder in the same manner and to the same extent as if a separate policy had been issued to each.

All insurance policies shall contain endorsements providing that: (A) thirty days written notice shall be given to Lessor before a policy lapses or is materially altered or cancelled; (B) coverage shall be primary and not contributory; (C) Lessor's interest as additional insured shall not be invalidated or otherwise affected by any act or omission, deliberate, negligent or otherwise, of Lessee or its agents, servants or employees (such as a "standard mortgagee clause"); (D) Lessor shall not be responsible for payment of any premium; and (E) Lessor may elect to have all proceeds of loss payable only to itself. Lessee shall, on request, supply Lessor with certified copies of all insurance policies or other evidence satisfactory to Lessor of satisfaction of these insurance covenants and evidence of renewal of the expiring policy must be delivered to the Lessor at least thirty (30) days prior to the expiration date. In the event of damage amounting to actual or constructive total loss of the Equipment, Lessor shall be entitled to retain from all insurance proceeds an amount equal to the total amount payable to Lessor by Lessee hereunder as Liquidated Damages.

10. Failure to Insure: If Lessee fails to provide satisfactory evidence of insurance, then, without prejudice to Lessor's other rights and remedies, Lessor shall have the right, but not the obligation, to procure insurance covering Lessor's interest (but not Lessee's interest) in the Equipment, in such form and amount and with such insurers (including an insurer affiliated with Lessor) as Lessor shall determine from time to time, all at Lessee's expense. Such expense (the "Insurance Expense") shall include the full cost of acquiring such insurance (not reduced by any credit or refund or any other amount due or paid to Lessor with respect to Lessor's insurance) and any charges or fees for services associated with the placement, maintenance or service of such insurance, plus interest accruing on such expense at the interest rate provided herein for overdue amounts until such expense is reimbursed by Lessee to Lessor. Lessee shall pay the Insurance Expense to Lessor in equal instalments at the same time and in the same manner as the remaining rental payments. Lessee shall cooperate with Lessor's insurance agent in connection with the placement of such insurance and the processing of any claims. Nothing herein shall be deemed to obligate or entitle Lessor to act as an insurer hereunder or to arrange any insurance for the benefit of Lessee. Nothing herein shall require Lessor to secure, maintain in force or renew any insurance, in any amounts or upon any specific terms and conditions. Lessor reserves the right to terminate any insurance coverage which Lessor may arrange, or allow same to lapse, without incurring any liability to Lessee.

11. Taxes: Lessee shall pay all Taxes and file all returns in respect of Taxes immediately upon such Taxes or returns becoming due. "Taxes" includes all taxes, imposts, levies, fees, duties and charges now or hereafter imposed by any federal, provincial, municipal or other taxation authority on Lessee, the Equipment or the purchase, sale, ownership, delivery, possession, use, Maintenance, operation or lease of the Equipment or on Lessor in respect of any of the foregoing (including sales excise, use, property, business, transfer, goods and services and value added taxes and including penalties or interest based on late payment of taxes), but excluding taxes on or measured by Lessor's overall net income. Lessor shall be entitled to claim any applicable capital cost allowance, investment tax credit or similar benefit under applicable tax legislation from time to time pertaining to the Equipment and/or the Lease and Lessee shall not make any such claim in respect thereof.

12. Surrender: At the end of the Term or any renewal thereof, if Lessee has not purchased the Equipment pursuant to a Section 19 Purchase Option, Lessee, at Lessee's expense and risk, shall surrender control of the Equipment to Lessor and shall: (A) after giving Lessor thirty days prior written notice, return the Equipment to Lessor at Lessor's nearest office or other place specified by Lessor or (B) if requested by Lessor, dispose of the Equipment as Lessor reasonably directs, including disposition in a manner which will avoid any dangerous use thereof or damage or injury to any person or property therefrom.

13. Renewal: If Lessee fails to surrender the Equipment at the end of the Term or any renewal thereof, or to purchase the same pursuant to a Section 19 Purchase Option, Lessee shall be deemed to have requested a renewal of this Lease Agreement for a period of three (3) calendar months and Lessor may, in its sole discretion; (A) demand the surrender of the Equipment in compliance with Section 12 and exercise its rights and remedies for such non-compliance or (B) accept Lessee's request to renew this Lease Agreement for a three (3) month period commencing on the end of the Term or the last renewal thereof. Such acceptance may be evidenced in writing signed by Lessor or by Lessor continuing to invoice Lessee, withdrawing rental payments pursuant to a pre-authorized debit agreement plan or otherwise accepting rental payments in respect of such renewal period. Lessee shall continue to have all of its obligations under this Lease Agreement during any such renewal period, including the obligation to pay Lessor rental payments, as it had during the Term and all provisions of this Lease Agreement shall apply to any such renewal term.

14. Entry: If Lessee fails to surrender the Equipment to Lessor as required under this Lease, Lessor may, without notice to Lessee or resort to legal process, but subject to any applicable law, enter any premises where the Equipment is located and take possession of and remove or disable such Equipment.

15. Defaults: Each of the following is a default by Lessee (a "Default") (a) Lessee fails to make any rental payment or pay any other amounts due under this Lease Agreement within 3 days after the same is due and payable; or (b) Lessee fails to perform, observe or comply with any other obligation, term or condition on its part to be performed, observed or complied with hereunder; or (c) Any event of default occurs under any other lease or contract between Lessor and Lessee or under any material agreement between Lessee and any other person; or (d) Any representation or warranty made by Lessee to Lessor in or in connection with this Lease Agreement is incorrect; or (e) The Equipment or any part thereof is subjected to an Encumbrance not caused by Lessor, Lessee sells or attempts to sell or grant an Encumbrance on any part of the Equipment or the value of Lessor's interest in the Equipment is materially impaired due to Loss; or (f) Lessee makes any assignment for the benefit of its creditors, becomes insolvent, commits any act of bankruptcy, takes any action to wind-up or dissolve, ceases or threatens to cease to do business as a going concern, is subject to a change in control in fact or in law or seeks any arrangement or composition with its creditors; or (g) Any proceeding in bankruptcy, receivership, winding-up, dissolution, liquidation or insolvency is commenced by or against Lessee or its property; or (h) Lessor in good faith believes and has commercially reasonable grounds to believe that the prospect of payment or performance by Lessee under this Lease Agreement is or is about to be impaired or the Equipment is or is about to be placed in jeopardy; or (i) Any guarantor of Lessee's obligations hereunder disputes its obligation under its guarantee or seeks to determine its obligations thereunder or to terminate its guarantee of Lessee's future obligations or becomes subject to any of the events in clauses (b), (c), (d), (f) or (g) of this Section.

16. Effect of Default; Damages: A loss to Lessor upon a Default is dependent in part upon the cost of the Equipment to Lessor, the Term and the minimum return expected by Lessor from the sale or re-lease of the Equipment at the end of the Term. Upon any Default and in addition to Lessor's other rights and remedies under this Lease Agreement and otherwise available at law or in equity:

(a) Lessee shall pay forthwith (without notice) to Lessor as a genuine pre-estimate of liquidated damages, and not as a penalty (and in addition to all other amounts owing under this Lease Agreement), an amount (the "Liquidated Damages") equal to the aggregate of: (i) Unpaid rental payments and other amounts payable hereunder unpaid as of the date of the Default, and (ii) the remaining rental payments payable from the date of Default to the end of the Term or, if applicable, any renewal thereof, and (iii) amounts otherwise payable under the Lease Agreement to the end of the Term, or, if applicable, any renewal thereof, and (iv) the purchase price for the Equipment pursuant to any end of Term fair market value or fixed price purchase option, and (v) any Enforcement Costs incurred by Lessor, and (vi) interest thereon from the date of Default until payment in full; to the extent that the Liquidated Damages are deemed to include any Taxes which Lessor is required to remit to any taxation authority the Liquidated Damages shall be increased by the amount necessary to ensure that the net amount of the Liquidated Damages retained by Lessor after remitting all applicable Taxes will be equal to the amount calculated above; (b) upon Lessor's demand, Lessee at Lessee's expense shall forthwith surrender control of the Equipment to Lessor pursuant to Section 12 as though the Term had expired; (c) Lessor may, immediately and without notice to Lessee or resort to legal process take possession of and remove or disable the Equipment pursuant to Section 14 as though Lessee had failed to surrender such Equipment when required to do so; (d) The rights of Lessee hereunder in respect of the Equipment, including the right to use and possess the Equipment, shall cease and terminate absolutely without limiting Lessee's liability or obligations hereunder; and (e) Lessor may by notice in writing terminate this Lease Agreement or any other agreement Lessor may have with Lessee; (f) All rights and remedies of Lessor, either under this Lease Agreement or at law or in equity or otherwise afforded to Lessor, are cumulative and not alternative. Lessor's costs and expenses incurred as a result of a Default ("Enforcement Costs") (including all costs and expenses in respect of collection, legal fees, repossession, repair of Equipment, enforcement of Lessor's rights or remedies, sale or re-lease costs or other realization costs) shall be paid by Lessee to Lessor forthwith upon demand.

17. Sale on Default: Lessor may after a Default sell, re-lease or otherwise dispose of Equipment at public or private sale with or without notice to Lessee and upon such terms and in such manner as Lessor may determine. Lessee shall thereafter continue to be liable to Lessor for the amount of any deficiency between the proceeds to Lessor from such disposition and the Liquidated Damages. If at any time after a Default and prior to Lessor obtaining possession of the Equipment, Lessee pays to Lessor the Liquidated Damages and all applicable Taxes, title to the Equipment shall vest in Lessee on an "as is, where is" basis without any condition, representation or warranty of Lessor whatsoever.

18. Effect of Waiver: No delay in exercising, or failure to exercise, any right or remedy accruing to Lessor under this Lease Agreement will impair or waive such right or remedy, nor will a waiver of any single Default be deemed a waiver of any other prior, subsequent or concurrent Default. Any waiver, permit, consent or approval on the part of Lessor in respect of this Lease Agreement must be in writing and shall have effect only to the extent specifically set forth in such writing.

19. Purchase Option: In this Section "Fair Market Value" means the delivered and installed, all-inclusive, purchase price for equipment in good repair in a sale between an arms length purchaser buying for its own use and a seller dealing in such equipment in the ordinary course of its business, as such purchase price is determined by the Lessor acting reasonably. Provided no Default exists, any Purchase Option set forth in the Lease Agreement Details may be exercised by the Lessee; (i) giving Lessor written notice sixty (60) days prior to the Option Date of its election to exercise such option; and (ii) paying Lessor the Option Price, plus Taxes, at least ten (10) days before the Option Date. After the giving of such notice and the making of such payment, provided no Default exists on the Option Date, Lessee shall acquire Lessor's interest in the Equipment on the Option Date on an "as is, where is" basis without any condition, representation or warranty by Lessor of any kind whatsoever except that the Lessee acquires such interest from Lessor free of Encumbrances caused by Lessor.

20. Fees: Lessor shall be entitled to charge Lessee such fees and other charges as it may establish from time to time for the administration of and ancillary matters to this Lease Agreement.

21. Net Lease: ALL COSTS AND EXPENSES RELATING TO THE EQUIPMENT OR ITS USE, MAINTENANCE OR POSSESSION SHALL BE BORNE BY LESSEE, INCLUDING ALL TAXES AND ALL FEES, CHARGES, CLAIMS AND FINES INCURRED OR ARISING IN CONNECTION WITH THE REGISTRATION, LICENSING OR OPERATION OF THE EQUIPMENT. The rental payments and other amounts payable hereunder shall be absolutely net to Lessor, free of all expenses or outgoings of any kind or nature. If Lessee fails to perform any of its obligations hereunder, Lessor may do so on Lessee's behalf and shall be entitled to immediate reimbursement from Lessee; without prejudice to any other Lessor's rights or remedies, and Lessee appoints Lessor its lawful attorney for such purposes. No event of force majeure, whatever that may be, relieves the Lessee from its obligations pursuant to this Lease Agreement.

22. Subleasing Etc.: Lessee shall not sublet or part with possession or control of the Equipment or permit its use by any person other than Lessee or employees of Lessee who are qualified and competent to operate same. Neither this Lease Agreement nor Lessee's rights hereunder shall be assigned by Lessee except with Lessor's prior written consent and no assignment shall release Lessee from its obligations hereunder.

23. Representations: Lessee represents, warrants and covenants throughout the Term that; (A) if Lessee is a body corporate, it is and will continue to be validly incorporated (or otherwise established), organized and existing and in good standing; (B) it has all necessary power and authority to execute, deliver and perform this Lease Agreement, each such action (i) having been duly authorized by all necessary action of Lessee, (ii) not being in conflict with any applicable law, the constating documents, resolutions or by-laws of Lessee or any indenture, instrument, agreement or undertaking to which it is a party or by which it or any of its assets are or may become bound, and (iii) not resulting in the creation of any Encumbrance on the Equipment; (C) this Lease Agreement is and will continue to be the legal, valid and binding obligation of Lessee enforceable against it and effective against its creditors in accordance with its terms; (D) there are no pending or threatened actions or proceedings before any court, administrative agency or other tribunal that could have a material adverse effect on Lessee; (E) financial statements and other related information furnished by Lessee to Lessor are prepared in accordance with generally accepted accounting principles and fairly present Lessee's financial position on their respective dates; and (F) to evidence the foregoing Lessee shall provide legal opinions, resolutions and such other documents as Lessor may reasonably request.

24. Indemnity: Lessee hereby indemnifies Lessor and agrees to save Lessor harmless from and against all loss, costs, liabilities, claims, legal proceedings and expenses (including legal fees on a solicitor and his own client basis and costs) whatsoever arising in connection with this Lease Agreement, the Purchase Documents, any License, the Equipment, the manufacture, selection, purchase, ownership, delivery, possession, use, Maintenance, operation, Loss or return of the equipment, Taxes, the recovery of claims under any insurance policy relating to the Equipment, any use or operation of Equipment which infringes any patent or other industrial or intellectual property right of any person, any Default by Lessee, the exercise by Lessor of any rights or remedies hereunder or any entry or taking of possession, removal or disabling of Equipment pursuant to Section 14.

25. Lessee's Waiver: TO THE EXTENT NOT PROHIBITED BY LAW OR STATUTE, LESSEE HEREBY WAIVES THE BENEFIT OF ALL PROVISIONS OF ALL APPLICABLE CONDITIONAL SALES, REGULATORY, CREDIT AND OTHER STATUTES AND ALL REGULATIONS MADE THEREUNDER IN ANY APPLICABLE JURISDICTION WHICH WOULD IN ANY MANNER AFFECT, RESTRICT OR LIMIT THE RIGHTS AND REMEDIES OF LESSOR HEREUNDER, including, without limiting the generality of the foregoing, all of Lessee's rights, benefits and protections given or afforded by the provisions of Law of Property Act (Alberta), The Sale of Goods Act (British Columbia), The Sale of Goods Act (Ontario), The Limitation of Civil Rights Act of Saskatchewan and The Saskatchewan Farm Security Act, as amended. Lessee also waives and assigns to Lessor the right of any statutory exemption from execution or otherwise and further waives any right to demand security for cost in the event of litigation.

26. Credit Investigation: Subject to applicable legislation, Lessee hereby consents to Lessor conducting a credit investigation of Lessee and to Lessor making inquiries with financial institutions or other persons in a business relationship with Lessee in connection therewith; Lessee hereby authorizes and directs such persons to answer Lessor's inquiries. Lessee agrees to furnish to Lessor: (A) a copy of its interim financial statements and other related information, as Lessor may request from time to time; and (B) its annual financial statements, audited if applicable, within ninety days of the end of each financial year.

27. Lessor Warranties: Lessor warrants that on the date this Lease Agreement commences it is the owner of the Equipment, free and clear of any Encumbrance caused by Lessor, save for Lessee's rights hereunder. Except as otherwise explicitly set forth herein, but without affecting Lessor's warranties set forth in any other agreement (all of which Lessee acknowledges do not affect or form part of this Lease Agreement), Lessor makes no warranty or representation whatsoever as to the durability, quality or condition of the Equipment or its suitability for Lessee's purposes or as to any other matter whatsoever (including status of this Lease Agreement for tax or accounting classification purposes). No representation to Lessee as to the Equipment or any other matter by the Vendor or any supplier or manufacturer of the Equipment shall in any way affect Lessee's obligations under this Lease Agreement. At the request and expense of Lessee and while there is no Default, Lessor will (A) assign to Lessee for the Term any and all warranties, guarantees, service contracts, Licenses and representations given to Lessor by the Vendor or a manufacturer or supplier of the Equipment with respect to the Equipment ("Equipment Rights") which are assignable at law; and (B) assist Lessee in receiving the benefit of such Equipment Rights. If Lessor obtains possession or control of the Equipment or if there is a Default, Lessee shall be deemed to have immediately reassigned such Equipment Rights to Lessor without any further action. If Equipment is located in the Province of Quebec, Lessor hereby conveys to Lessee any warranty which the Vendor or a manufacturer or supplier of such Equipment gave to Lessor. LESSOR SHALL NOT BE LIABLE FOR ANY LOSS, DAMAGE OR EXPENSE OF ANY KIND OR NATURE, WHETHER DIRECT, INDIRECT OR CONSEQUENTIAL, CAUSED BY THE EQUIPMENT OR THE USE, MAINTENANCE OR POSSESSION THEREOF, BY THE INADEQUACY OF THE EQUIPMENT RIGHTS OR BY ANY INTERRUPTION OF SERVICE OR LOSS OF USE OF THE EQUIPMENT OR FOR ANY LOSS OF BUSINESS OR DAMAGE WHATSOEVER AND HOWSOEVER CAUSED.

28. Name Change, etc.: Lessee shall promptly notify Lessor in writing of: (A) any change in Lessee's name; (B) any transfer, authorized or unauthorized, by Lessee of any interest in or benefit from the Equipment; (C) any change, authorized or unauthorized, by Lessee in the location of any Equipment; and (D) any change in the location of Lessee's chief executive office specified above.

29. Assignment: This Lease Agreement and all rights, remedies and benefits of Lessor hereunder may be assigned by Lessor without notice to or the consent of Lessee and Lessee hereby accepts such assignments and waives signification of the act of assignment and the delivery of a copy of any assignment document. Upon such assignment: (A) the assignee (the "Assignee") shall be entitled to enforce the rights and remedies and to receive all benefits which would otherwise accrue to the original Lessor under this Lease Agreement; (B) the Assignee shall be deemed to be Lessor for the purpose of all such rights, remedies and benefits; (C) the Assignee shall have no obligation to Lessee to perform any of the obligations of the original Lessor hereunder or otherwise in respect of the Equipment, all of which are retained by the original Lessor; and (D) Lessee's rights hereunder as against the original Lessor shall be unaffected except as herein specifically provided. Lessee agrees not to assert against the Assignee any claim by way of abatement, defense, set-off, compensation, counterclaim or the like which Lessee may have against the original Lessor. The Lessee shall co-operate with the Lessor and any Assignee to facilitate any assignment. Upon notice of an assignment Lessee shall unconditionally pay to such Assignee all rental payments and other amounts due hereunder and shall not assert any defense against such Assignee in any action for rental payments or other amounts due and payable hereunder, except the defence of payment to the Assignee.

30. Security Interests: To secure Lessee's performance of its obligations hereunder Lessee grants Lessor a continuing security interest in any interest Lessee has in the Equipment, in all proceeds thereof (including proceeds of insurance) and in any rental payments receivable on any sublease permitted by Lessor; Lessee agrees that Lessor has all rights of a secured party under any applicable personal property security legislation and at law and in equity. To the extent this Lease Agreement creates a security interest, such security interest is a purchase money security interest (as the terms "security interest" and "purchase money security interest" are used in the Personal Property Security Act (Alberta) and shall be interpreted with similar effect under analogous legislation in force in any other relevant jurisdiction. In this Lease Agreement the term "security interest" includes a movable hypothec without delivery.

31. Charge on Land: To further secure Lessee's performance of its obligations hereunder Lessee grants Lessor a charge in any land which Lessee now owns or may in the future own during any time when any amount remains outstanding under this Lease Agreement, and Lessee authorizes Lessor to register any, caveat, lien or other encumbrance against such land in Lessor's favour in order to protect Lessor's interest in said lands.

32. Information: Lessee agrees that Lessor may provide copies of this Lease Agreement and/or information concerning Lessee and its obligations hereunder to any person.

33. Entire Agreement: This Lease Agreement (including (A) all details set forth above in the Lessee Information, Lease Details and Invoice Option and in these Terms & Conditions and (B) any schedule, addendum or amendment to this Lease Agreement which is in writing, references this Lease Agreement and is signed by Lessee and Lessor at any time) constitutes the entire agreement between Lessor and Lessee with respect to its subject matter.

34. Applicable Law: This Lease Agreement shall be construed according to the laws of the Province of Alberta. If this Lease Agreement is signed in the province of Québec, it shall be deemed a leasing contract as per sections 1842 and following of the Civil Code of Québec, provided however during any renewal pursuant to Section 13 above, this Lease Agreement shall be deemed to constitute a lease pursuant to section 1852 and following of the Civil Code of Québec.

35. Enurement: Subject to the terms hereof, this Lease Agreement shall enure to the benefit of and be binding upon the parties hereto and their respective heirs, executors, administrators, successors, permitted assigns and legal representatives.

36. Interpretation: Whenever the context of this Lease Agreement so requires, the singular shall include the plural and vice versa and words importing the masculine gender shall include the feminine and neuter genders. Time is of the essence of this Lease Agreement and each of its provisions. Headings are for convenience of reference only and do not affect the interpretation. Terms used in the Lessee Information or Lease Agreement Details have, when used in these Terms & Conditions, unless the context otherwise requires, the meaning ascribed thereto by such use. The word "including" means "including without limitation"

37. Notices: Any notice required or permitted to be given hereunder must be in writing and will conclusively be deemed to have been received by its recipient on the business day it is delivered or sent by electronic or facsimile transmission to a party at the address indicated on the first page hereof (or at such other address as such party specifies to the other party in writing) or, if sent by registered mail, provided there is no interruption in postal services, on the fifth business day after the day of mailing, addressed to such party at such address.

38. Severability: Any provision of this Lease Agreement prohibited by or unlawful or unenforceable under any applicable law shall, at the sole option of Lessor, be ineffective without invalidating the remaining provisions of this Lease Agreement: provided, however, that to the extent that the provisions of any such applicable law can be waived, they are hereby waived by Lessee.

39. Further Assurances: Lessee agrees to do all things and execute or obtain all documents as may be required by Lessor in order to give effect to or better evidence this Lease Agreement including the execution of financing statements or other documents to effect security registrations to protect Lessor's interests, any acknowledgements required by any Assignee and any waivers or subordinations from Lessee's landlords or creditors.

40. Language: The parties hereby acknowledge that they have required this Lease Agreement, and all other agreements and notices required or permitted to be entered into or given pursuant hereto, to be drawn up in the English language only. Les parties reconnaissent avoir demandé que le présent contrat ainsi que toute autre entente ou avis requis ou permis à être conclu ou donné en vertu des dispositions du présent contrat, soient rédigés en langue anglaise seulement.

41. Survival: Notwithstanding any other sections hereof, all obligations of Lessee under sections 4,5,7,9,11,12,13,14,15,16,17,20,21,23,24,25,27,29,30 and 31 hereof and the rights and remedies of Lessor hereunder shall survive the termination of this Lease Agreement and the receipt of all rental payments and other amounts payable by Lessee hereunder.

42. Joint and Several Liability: If more than one person executed this Lease Agreement, their obligations hereunder shall be joint and several and, in the Province of Quebec, solidary without benefit of division or discussion.

43. Receipt of Copy, etc.: Lessee acknowledges receipt of a true copy of this Lease Agreement and waives, to the extent permitted by applicable law, all rights to receive copies of financing statements, financing change statements, verification statements or copies of other notices or filings made by Lessor at any time in connection with this Lease Agreement, any schedule thereto, any amendment thereof or any Transaction Schedule.

44. Electronic Counterpart Execution: This Lease Agreement and any schedules may be executed in one or more counterparts, each of which shall be deemed to be an original instrument and when all parties have executed a counterpart hereof or thereof, as the case may be, all such counterparts together shall constitute but one and the same agreement, with execution and delivery of counterparts by telecopier or other electronic format (including, without limitation PDF) By any party hereto being binding upon all parties hereto.

This Schedule 'A' – Equipment Details is attached to and forms an integral part of Lease Agreement Number **105387-23P** dated **May 23, 2024** made between CLEO Energy Corp. as Lessee and **Arundel Capital Corporation** as Lessor.

| Equipment Details | | | | |
|---|----------------|----------------|----------------|----------------|
| Description | | | | |
| All right, title and interest in the debtor to the lands located at the below described legal land locations, the wells and equipment thereon and any other tangible and intangible property related thereto. | | | | |
| Proceeds: any and all proceeds of amounts arising from or payable in connection with any of the collateral described here in. | | | | |
| 06-10-037-07W4 | 07-08-045-07W4 | 07-36-041-10W4 | 09-03-044-06W4 | 10-11-045-08W4 |
| 06-11-037-07W4 | 07-10-037-07W4 | 08-02-042-11W4 | 09-04-042-12W4 | 10-12-039-08W4 |
| 06-11-039-10W4 | 07-10-044-08W4 | 08-03-037-07W4 | 09-10-037-07W4 | 10-12-039-10W4 |
| 06-12-039-08W4 | 07-10-045-08W4 | 08-04-042-12W4 | 09-10-037-07W4 | 10-12-042-09W4 |
| 06-12-042-11W4 | 07-10-046-09W4 | 08-04-044-08W4 | 09-10-039-10W4 | 10-12-046-09W4 |
| 06-12-044-08W4 | 07-11-037-07W4 | 08-11-039-08W4 | 09-10-041-10W4 | 10-16-045-07W4 |
| 06-18-044-07W4 | 07-11-039-08W4 | 08-11-039-08W4 | 09-11-039-08W4 | 10-18-042-08W4 |
| 06-19-044-07W4 | 07-13-044-08W4 | 08-12-039-08W4 | 09-12-039-08W4 | 10-18-044-07W4 |
| 06-19-044-13W4 | 07-16-044-07W4 | 08-13-044-08W4 | 09-12-039-10W4 | 10-20-045-08W4 |
| 06-20-044-07W4 | 07-19-043-09W4 | 08-14-044-07W4 | 09-13-044-08W4 | 10-27-035-06W4 |
| 06-20-045-08W4 | 07-20-045-07W4 | 08-16-035-06W4 | 09-16-035-06W4 | 10-27-035-06W4 |
| 06-21-042-08W4 | 07-21-043-08W4 | 08-16-035-06W4 | 09-16-044-08W4 | 10-27-044-08W4 |
| 06-22-040-08W4 | 07-22-040-08W4 | 08-16-039-10W4 | 09-20-035-06W4 | 10-27-046-08W4 |
| 06-22-042-07W4 | 07-24-044-08W4 | 08-17-045-07W4 | 09-23-043-07W4 | 10-28-041-10W4 |
| 06-25-046-08W4 | 07-24-044-10W4 | 08-18-042-07W4 | 09-28-044-08W4 | 10-30-044-07W4 |
| 06-26-042-09W4 | 07-25-044-08W4 | 08-19-044-07W4 | 09-28-044-08W4 | 10-31-046-08W4 |
| 06-28-042-09W4 | 07-26-044-07W4 | 08-20-042-08W4 | 09-31-042-08W4 | 10-35-041-10W4 |
| 06-29-042-07W4 | 07-26-044-08W4 | 08-22-040-08W4 | 09-32-044-07W4 | 10-36-044-07W4 |
| 06-29-044-07W4 | 07-27-040-08W4 | 08-22-040-08W4 | 09-36-045-08W4 | 11-01-045-07W4 |
| 06-30-042-07W4 | 07-27-040-08W4 | 08-22-044-07W4 | 10-02-043-09W4 | 11-03-045-07W4 |
| 06-30-042-08W4 | 07-27-044-07W4 | 08-23-044-08W4 | 10-02-045-07W4 | 11-04-042-12W4 |
| 06-30-042-10W4 | 07-28-045-08W4 | 08-25-042-09W4 | 10-08-042-07W4 | 11-04-044-07W4 |
| 06-30-045-07W4 | 07-29-045-08W4 | 08-29-041-10W4 | 10-08-044-07W4 | 11-05-043-06W4 |
| 06-33-042-09W4 | 07-29-046-08W4 | 08-29-044-08W4 | 10-09-045-07W4 | 11-05-045-07W4 |
| 06-33-044-07W4 | 07-31-042-08W4 | 08-30-045-07W4 | 10-10-042-09W4 | 11-06-044-06W4 |
| 06-33-046-08W4 | 07-32-042-10W4 | 08-31-044-07W4 | 10-10-045-07W4 | 11-10-039-10W4 |
| 06-35-046-08W4 | 07-32-045-08W4 | 08-34-044-07W4 | 10-11-039-10W4 | 11-10-045-07W4 |
| 07-04-042-12W4 | 07-33-044-07W4 | 09-02-045-08W4 | 10-11-041-11W4 | 11-11-039-10W4 |

Date: May 23, 2024

E-SIGNED by Christopher Lewis
X on 2024-05-28 18:51:09 GMT

Name: Christopher John McRae Lewis

Title: Chairman

This undertaking forms part of Lease # 105387-23P.

Insured Lessee: CLEO Energy Corp.

Equipment covered by this Insurance Undertaking:

| Description | Serial |
|---|--------|
| See attached schedule 'A' attached to and forming part of this lease agreement. | |

During the term of the lease contract commencing **Thursday, May 23, 2024** with a term of **26** months and any extension thereof, whereby I/we, the Lessee(s) of the above equipment, owned by Arundel Capital Corporation (hereinafter called the Lessor), agree to cause Arundel Capital Corporation to be named as Additional Insured and First Loss Payee in the applicable policies described below.

If the above equipment is subjected to a Standard Automobile Policy (Owner's Form), I/we the Lessee(s) agree to effect and maintain such policy per the terms above including a S.E.F. No. 5a / O.E.F. No. 5 / F.A.Q. No. 5a – Permission to Rent or Lease Endorsement (specified Lessee including modified application – separate policy) in the name of the Lessor with respect to the above described equipment for the following perils, limits and amounts.

| INSURED AGREEMENTS | | PERILS | LIMITS AND AMOUNTS | |
|--|-------------|---|---|---|
| SECTION A THIRD PARTY LIABILITY | | LEGAL LIABILITY FOR BODY INJURY TO OR DEATH OF ANY PERSON OR DAMAGE TO THE PROPERTY | \$2,000,000 (EXCLUSIVE OF COST AND POST JUDGEMENT INTEREST) FOR LOSS OR DAMAGE RESULTING FROM BODILY INJURY TO OR THE DEATH OF ONE OR MORE PERSONS. AND FOR LOSS OR DAMAGE TO PROPERTY REGARDLESS OF THE NUMBER OF CLAIMS ARISING FROM ANY ONE ACCIDENT \$5,000,000 Environmental liability (if applicable) | |
| SECTION B ACCIDENT BENEFITS | SUB SEC. | PAYMENT FOR DEATH OR BODILY INJURY | \$ AS STATED IN SECTION B OF THE POLICY OR EACH PERSON | |
| | 1. | | AS STATED IN SECTION B OF THE POLICY OR | |
| | | | PRINCIPLE | MAX. WEEKLY |
| | | | SUM \$ | BENEFIT \$ |
| | 2. | UNINSURED MOTORIST | AS STATED IN SECTION B OF THE POLICY | |
| SECTION C LOSS OF OR DAMAGE TO OWNED AUTOMOBILES | SUB. SEC. 1 | ALL PERILS | \$5000 | AMOUNT DEDUCTIBLE ON EACH SEPARATE CLAIM EXCEPT FOR LOSS OR DAMAGE BY FIRE OR LIGHTENING OR THEFT OF THE ENTIRE AUTOMOBILE. |
| | 2. | COLLISION OR UPSET | \$5000 | |
| | 3. | COMPREHENSIVE (EXCLUDING COLLISION OR UPSET) | \$5000 | |
| | 4. | COMPREHENSIVE (EXCLUDING COLLISION OR UPSET) | \$5000 | |
| ENDORSEMENTS | | | | |
| I/we agree to deliver or cause to be delivered to the Lessor, within the 30-day period immediately following the date of the delivery of the above stated Equipment to me/us, such insurance policy and any endorsements and certificates applicable thereto. I/we agree to deliver or cause to be delivered to the Lessor, within the 15-day period immediately following the expiry or termination date of such policy, written evidence of the renewal or replacement of such policy. I/we agree and acknowledge that, should I/we fail to comply with this Lessee's Insurance Undertaking, I/we shall reimburse the Lessor for all amounts they would not otherwise be liable to pay. I/we further agree and acknowledge that, should I/we fail to comply with this Lessee's Insurance Undertaking, I/we will be in default per the terms and conditions of the Lease contract. | | | | |

Date: May 23, 2024

E-SIGNED by Christopher Lewis
X on 2024-05-28 18:51:12 GMT

Name: Christopher John McRae Lewis
Title: Chairman

This Cross Collateral Agreement (hereinafter referred to as the "Agreement") by and between **ARUNDEL CAPITAL CORPORATION** with offices at **Ste 201, 3007 14th Street SW, Calgary, AB, T2T 3V6** (collectively known as the "**Secured Party**") and **CLEO Energy Corp.** located at **200 - 117 8th Ave SW, Calgary, Alberta, T2P 1B4** ("**Debtor**").

Statement of Purpose

The parties intend by this Agreement to establish herein, without the need for further documentation, a security interest in all of the personal property which the **Debtor** has acquired or shall hereinafter acquire and in which **Secured Party** has or shall hereinafter have a security interest. All of said property shall secure all liabilities, obligations and indebtedness of **Debtor** to **Secured Party** of every kind and description now existing or hereinafter arising, whether arising under this Agreement or otherwise. Liability includes obligations to perform acts or refrain from taking action, as well as obligations to pay money. The security interest created by this Agreement is in addition to and not in lieu of any other security interest which has been or which may hereafter be granted by **Debtor** to **Secured Party**.

Debtor, in order to induce **Secured Party** to finance **Debtor's** purchase of property by means of conditional sales contracts, leases with or without options to purchase, promissory notes and security agreements or other similar lien creating instruments or contracts ("**Contract**"), hereby agrees to the terms and conditions set forth herein.

AGREEMENT

1. **Grant of Security Interest** – **Debtor** hereby grants to **Secured Party** a security interest in such of **Debtor's** presently existing and hereafter acquired property in which **Secured Party** has or shall hereafter have a security interest plus all proceeds of the Foregoing (collectively, the "**Collateral**") to secure the payment and performance of all **Debtor's** liabilities and obligations to **Secured Party** of every kind and character, whether joint or several, direct or indirect, absolute or contingent, due or to become due, and whether under presently existing or hereinafter created Contracts (collectively, the "**Liabilities**").
2. **Covenants of Debtor** – **Debtor** covenants and agrees to execute and deliver to **Secured Party** any financing statements or documents or instruments required to be filed in connection with the security interest hereby created relating to the Collateral and to pay all costs in connection therewith. **Debtor** hereby appoints **Secured Party** as **Debtor's** attorney in fact to do, at **Secured Party's** option and **Debtor's** expense, all acts and things which **Secured Party** may deem necessary to perfect and continue the perfection of the security interests hereby created.
3. **Default and Remedies** – If **Debtor** fails to pay or perform any of its Liabilities when due or fails in the performance of any other provision of this Agreement or any Contract, or if **Debtor** becomes insolvent or makes an assignment for the benefit of creditors or if a proceeding in reorganization, bankruptcy, or for a receivership is commenced by or against **Debtor**, **Debtor** shall be in default hereunder and under the Contracts and the **Secured Party** may, without notice or demand, accelerate and declare all Liabilities and any other amounts due hereunder payable immediately and **Secured Party** may exercise and shall have any and all rights and remedies accorded it under any contract and by the applicable Personal Property Security Act as in effect from time to time under applicable provincial law. All rights granted to **Secured Party** hereunder shall be cumulative and not alternative, shall be in addition to and shall in no manner impair or affect **Secured Party's** right or remedies under any existing or hereafter arising Contract statute or rule of law.

4. Miscellaneous

- a. **Secured Party's** acceptance of delinquent payments or failure of **Secured Party** to exercise any right shall not be a waiver of any obligation of **Debtor**, including, but not limited to, the obligation of **Debtor** to pay interest on delinquent payments, nor constitute a waiver of a similar default subsequently occurring.
- b. **Debtor** waives any right it may have to direct application of any payment made by it to **Secured Party**. **Secured Party** may, at its option offset and deduct any of the Liabilities of **Debtor** from any and all sums owed by **Secured Party**.
- c. This Agreement shall be construed in accordance with the law of the province of Alberta. Any provision of this Agreement prohibited by law shall be ineffective to the extent of such prohibition without invalidating the remaining provisions hereof.
- d. This Agreement shall be binding upon and inure to the benefit of the successors and assigns of the parties hereto: provided, however, that **Debtor** shall not without the prior written consent of **Secured Party**, assign any right or delegate any of its obligations under this Agreement to any third party.



Cross Collateral Agreement

This Cross Collateral Agreement may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same agreement and the execution and delivery of counterparts of this Cross Collateral by telecopier by any party shall be binding upon the parties hereto.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed as of May 23, 2024.

 S.R.

Name: Sean Rowan per Arundel Capital Corporation

Title: Vice President Operations

Debtor(s): CLEO Energy Corp.

Debtor(s) Signature(s):

E-SIGNED by Christopher Lewis
X on 2024-05-28 18:51:17 GMT

Name: Christopher John McRae Lewis

Title: Chairman

| Lessee Details | |
|----------------|--|
| Lessee(s) | CLEO Energy Corp. |
| Address | 200 - 117 8th Ave SW, Calgary, AB, T2P 1B4 |
| Contact | Ph: (403) 801-4155, Cl: (403) 801-4155, Email: clewis@cleoenergy.com |

| Equipment Details | | Serial Number |
|-------------------|---|---------------|
| Equipment | See attached schedule 'A' attached to and forming part of this lease agreement. | |
| Location | 200 - 117 8th Ave SW, Calgary, AB, T2P 1B4 | |
| Vendor | Arundel Capital Corporation | |

| Payments | | | |
|------------|--|-----------------|---------|
| Start Date | May 23, 2024 | Initial Payment | N/A |
| Payments | 24 payments of \$3,991.33 (plus applicable taxes) beginning July 1, 2024 | | |
| Term | 26 | Frequency | Monthly |

| Options | |
|-----------------------|--|
| Purchase Option | \$750.00 (plus applicable taxes) at the end of the Term's 26th calendar month. |
| Early Purchase Option | N/A |

| Execution | |
|--|--|
| This lease shall not become binding upon Lessor until accepted as follows: | <div> <div>  E-SIGNED by Sean Rowan on 2024-05-28 21:03:37 GMT </div> <div> Lessor: Arundel Capital Corporation Date: May 23, 2024 </div> </div> <p>The undersigned acknowledges having read the entire Lease Agreement and accepts the terms and conditions including those on page 2,3,4, and 5 hereof. Each of the undersigned affirms that they are duly authorized to execute this Lease Agreement on behalf of the Lessee.</p> <p>Date: May 23, 2024</p> <div> <div>  E-SIGNED by Christopher Lewis X on 2024-05-28 16:35:10 GMT </div> <div> Name: Christopher John McRae Lewis Title: Chairman </div> </div> |

Pre-Authorized Payment Plan

1. You, the Lessee, hereby authorize Arundel Capital Corporation to draw payments from the bank account identified periodically under the Pre-Authorized Debit (PAD) Agreement in payment of the lease payments and any other amounts due under this Lease 105387-24P. This authorization will remain in effect until the Lessee provides written notice to Lessor of its change or termination.
2. The Lessee may revoke their authorization at any time, subject to providing notice of 30 days. To obtain a sample cancellation form, or for more information on the Lessee's right to cancel a PAD Agreement, the Lessee may contact their financial institution or visit www.cdnpay.ca.
3. This Lease Agreement/Pre-Authorized Debit Agreement is for Business use.
4. The Lessee has certain recourse rights if any debit does not comply with this agreement. For example, the Lessee has the right to receive reimbursement for any debit that is not authorized or is not consistent with this PAD Agreement. To obtain more information on the Lessee's recourse rights, the Lessee may contact their financial institution or visit www.cdnpay.ca.
5. The Lessee must provide a void cheque or an account information form from their financial Institution.

Date: May 23, 2024

E-SIGNED by Christopher Lewis

X on 2024-05-28 16:35:15 GMT

Name: Christopher John McRae Lewis

Title: Chairman

Acceptance & Authorization Certificate

1. The Equipment described in this Lease Agreement 105387-24P between Arundel Capital Corporation (Lessor) and the undersigned (Lessee) has been unconditionally accepted by Lessee in its present condition and location.
2. Lessee certifies that it has made or caused to be made any tests and inspections of the Equipment as Lessee deemed necessary to become satisfied with the Equipment condition.
3. Lessee further acknowledges that the supplier, manufacturer, and the Equipment were selected by the Lessee and is satisfied with the specifications, operating performance, and suitability of the Equipment for the purpose of which the Lessee intends to use it.
4. Lessee irrevocably authorizes the Lessor to pay for such Equipment and to commence the Lease Agreement on the date of the Certificate May 23, 2024 (the Lease Commencement Date).

Date: May 23, 2024

E-SIGNED by Christopher Lewis

X on 2024-05-28 16:35:29 GMT

Name: Christopher John McRae Lewis

Title: Chairman

1. Lease: Lessor hereby leases to Lessee, and Lessee hereby leases from Lessor, the Equipment described in the Lease Equipment Details, together with any parts, accessories, replacements, additions and accessions, tangible or intangible, now and hereafter relating thereto or affixed thereon (collectively the "Equipment") THIS LEASE AGREEMENT CANNOT BE CANCELLED OR TERMINATED BY LESSEE.

2. Term: This Lease Agreement is for an original term (the "Term") commencing on the Lease Commencement Date set out in the Acceptance/Agreement and Authorization Certificate ending at the expiry of the number of complete calendar months indicated under the heading "Term" in the Lease Details.

3. Rentals: Lessee shall, without notice from or request by Lessor, pay to Lessor during the Term of this Lease Agreement the total number of rental payments set forth in the Lease Details. Such rental payment shall be payable in advance to Lessor at the address indicated above (or other address notified by Lessor to Lessee) as follows: Initial rental payment upon Lessee's execution hereof and, commencing after the calendar period covered by such Initial rental payment subsequent rental payments throughout the Term on the first day of each rental period as indicated in the Lease Details. RENTAL PAYMENTS AND ANY OTHER AMOUNTS DUE UNDER THIS LEASE AGREEMENT ARE PAYABLE WITHOUT SET-OFF, COMPENSATION OR ABATEMENT AND IN NO EVENT SHALL THE FIRST RENTAL PAYMENT BE REFUNDED TO LESSEE.

4. Interest on Overdue Payments: Lessee shall without notice pay interest at the rate of Thirty percent (30%) per annum calculated and compounded monthly and not in advance, on: (A) any past due rental payments (B) any amounts which bear interest according to this Lease and (C) any other amounts due to Lessor hereunder which are not paid on their due dates; in each case from the date any such amount becomes due or interest bearing, before and after maturity, default and judgment, until such arrears or other amounts are paid in full.

5. Installation, Maintenance and Repair: Lessee shall, at its expense, be responsible for: (A) the delivery, installation, de-installation and redelivery of the Equipment and (B) the maintenance, upkeep, care, servicing and repair (including necessary replacements of parts) ("Maintenance") of the Equipment; in both cases by a party acceptable to Lessor. Lessee shall at its expense keep the Equipment in good repair, condition and working order. Lessee shall not without the prior written consent of Lessor make any alterations, additions or improvements to the Equipment. All such alterations, additions or improvements shall be at Lessee's expense and shall belong to, and become property of, Lessor immediately upon being made.

6. Use: Lessee shall use the Equipment in a careful and prudent manner and not for any unlawful purpose and shall at Lessee's expense comply with and conform to the manufacturer's specifications and all applicable laws, ordinances and regulations (including laws, ordinances and regulations concerning environmental matters) relating to the possession, use or Maintenance of the Equipment. Lessee shall only use the Equipment in connection with its business or in the carrying on of an enterprise and only for commercial, industrial, professional or handicraft purposes and shall not use the Equipment for any personal, family, household or farming purposes. The Lessee shall ensure that the Equipment is operated in a careful and proper manner by competent operators only.

7. Title and Identification: The Equipment is and shall at all times be and remain the sole personal and moveable property of Lessor, shall not be affixed or attached to or otherwise become a fixture or accession to any lands, buildings or chattels and Lessee shall have no right, title or interest in or to the Equipment except as expressly set forth herein. Lessee shall not allow the Equipment to become subject to any claim, privilege, lien, charge, encumbrance, levy, security interest, mortgage, pledge, hypothecation, seizure, trust, attachment, judicial process, ownership interest, license, sublease or other right in favour of any person (in any such case an "Encumbrance") unless such Encumbrance is caused by Lessor. At Lessor's request, Lessee shall at Lessee's expense affix and maintain on the Equipment, in a manner and in places satisfactory to Lessor, labels, plates, GPS tracking units, or other marks supplied by Lessor to identify the Equipment as the property of Lessor.

8. Location and Inspection: Lessee shall maintain the Equipment at the Equipment Location specified in the Lease Details and shall not move the Equipment from such location. Lessor shall have the

right to inspect the Equipment and Lessee's Maintenance, insurance and tax records at any time.

9. Insurance: Lessee shall, until this Lease Agreement is terminated and Lessee's obligations hereunder are discharged in full (including the return of the Equipment), bear the entire risk of loss, damage, destruction, theft, seizure or governmental taking of the Equipment or any part thereof (any such case being a "Loss"), regardless of whether it is caused by any default or neglect of Lessee. No Loss shall relieve Lessee of its obligations hereunder. Lessee shall forthwith notify the Lessor of any loss or damage to the Equipment.

Lessee shall, at its own expense, place and maintain with insurers acceptable to Lessor: (a) Comprehensive all risks insurance on the Equipment in an amount at least equal to its full replacement value, such insurance to include: (i) Lessor as additional insured, (ii) a loss payable clause in favour of Lessor as first payee, and (iii) a waiver of subrogation in favour of Lessor; and (b) General public liability and property damage insurance with limits of liability acceptable to us, and such insurance shall: (i) extend to all liabilities of Lessee arising out of its use or possession of Equipment, (ii) include Lessor as additional insured, and (iii) include a cross-liability provision which insures each person insured thereunder in the same manner and to the same extent as if a separate policy had been issued to each.

All insurance policies shall contain endorsements providing that: (A) thirty days written notice shall be given to Lessor before a policy lapses or is materially altered or cancelled; (B) coverage shall be primary and not contributory; (C) Lessor's interest as additional insured shall not be invalidated or otherwise affected by any act or omission, deliberate, negligent or otherwise, of Lessee or its agents, servants or employees (such as a "standard mortgagee clause"); (D) Lessor shall not be responsible for payment of any premium; and (E) Lessor may elect to have all proceeds of loss payable only to itself. Lessee shall, on request, supply Lessor with certified copies of all insurance policies or other evidence satisfactory to Lessor of satisfaction of these insurance covenants and evidence of renewal of the expiring policy must be delivered to the Lessor at least thirty (30) days prior to the expiration date. In the event of damage amounting to actual or constructive total loss of the Equipment, Lessor shall be entitled to retain from all insurance proceeds an amount equal to the total amount payable to Lessor by Lessee hereunder as Liquidated Damages.

10. Failure to Insure: If Lessee fails to provide satisfactory evidence of insurance, then, without prejudice to Lessor's other rights and remedies, Lessor shall have the right, but not the obligation, to procure insurance covering Lessor's interest (but not Lessee's interest) in the Equipment, in such form and amount and with such insurers (including an insurer affiliated with Lessor) as Lessor shall determine from time to time, all at Lessee's expense. Such expense (the "Insurance Expense") shall include the full cost of acquiring such insurance (not reduced by any credit or refund or any other amount due or paid to Lessor with respect to Lessor's insurance) and any charges or fees for services associated with the placement, maintenance or service of such insurance, plus interest accruing on such expense at the interest rate provided herein for overdue amounts until such expense is reimbursed by Lessee to Lessor. Lessee shall pay the Insurance Expense to Lessor in equal instalments at the same time and in the same manner as the remaining rental payments. Lessee shall cooperate with Lessor's insurance agent in connection with the placement of such insurance and the processing of any claims. Nothing herein shall be deemed to obligate or entitle Lessor to act as an insurer hereunder or to arrange any insurance for the benefit of Lessee. Nothing herein shall require Lessor to secure, maintain in force or renew any insurance, in any amounts or upon any specific terms and conditions. Lessor reserves the right to terminate any insurance coverage which Lessor may arrange, or allow same to lapse, without incurring any liability to Lessee.

11. Taxes: Lessee shall pay all Taxes and file all returns in respect of Taxes immediately upon such Taxes or returns becoming due. "Taxes" includes all taxes, imposts, levies, fees, duties and charges now or hereafter imposed by any federal, provincial, municipal or other taxation authority on Lessee, the Equipment or the purchase, sale, ownership, delivery, possession, use, Maintenance, operation or lease of the Equipment or on Lessor in respect of any of the foregoing (including sales excise, use, property, business, transfer, goods and services and value added taxes and including penalties or interest based on late payment of taxes), but excluding taxes on or measured by Lessor's overall net income. Lessor shall be entitled to claim any applicable capital cost allowance, investment tax credit or similar benefit under applicable tax legislation from time to time pertaining to the Equipment and/or the Lease and Lessee shall not make any such claim in respect thereof.

12. Surrender: At the end of the Term or any renewal thereof, if Lessee has not purchased the Equipment pursuant to a Section 19 Purchase Option, Lessee, at Lessee's expense and risk, shall surrender control of the Equipment to Lessor and shall: (A) after giving Lessor thirty days prior written notice, return the Equipment to Lessor at Lessor's nearest office or other place specified by Lessor or (B) if requested by Lessor, dispose of the Equipment as Lessor reasonably directs, including disposition in a manner which will avoid any dangerous use thereof or damage or injury to any person or property therefrom.

13. Renewal: If Lessee fails to surrender the Equipment at the end of the Term or any renewal thereof, or to purchase the same pursuant to a Section 19 Purchase Option, Lessee shall be deemed to have requested a renewal of this Lease Agreement for a period of three (3) calendar months and Lessor may, in its sole discretion; (A) demand the surrender of the Equipment in compliance with Section 12 and exercise its rights and remedies for such non-compliance or (B) accept Lessee's request to renew this Lease Agreement for a three (3) month period commencing on the end of the Term or the last renewal thereof. Such acceptance may be evidenced in writing signed by Lessor or by Lessor continuing to invoice Lessee, withdrawing rental payments pursuant to a pre-authorized debit agreement plan or otherwise accepting rental payments in respect of such renewal period. Lessee shall continue to have all of its obligations under this Lease Agreement during any such renewal period, including the obligation to pay Lessor rental payments, as it had during the Term and all provisions of this Lease Agreement shall apply to any such renewal term.

14. Entry: If Lessee fails to surrender the Equipment to Lessor as required under this Lease, Lessor may, without notice to Lessee or resort to legal process, but subject to any applicable law, enter any premises where the Equipment is located and take possession of and remove or disable such Equipment.

15. Defaults: Each of the following is a default by Lessee (a "Default") (a) Lessee fails to make any rental payment or pay any other amounts due under this Lease Agreement within 3 days after the same is due and payable; or (b) Lessee fails to perform, observe or comply with any other obligation, term or condition on its part to be performed, observed or complied with hereunder; or (c) Any event of default occurs under any other lease or contract between Lessor and Lessee or under any material agreement between Lessee and any other person; or (d) Any representation or warranty made by Lessee to Lessor in or in connection with this Lease Agreement is incorrect; or (e) The Equipment or any part thereof is subjected to an Encumbrance not caused by Lessor, Lessee sells or attempts to sell or grant an Encumbrance on any part of the Equipment or the value of Lessor's interest in the Equipment is materially impaired due to Loss; or (f) Lessee makes any assignment for the benefit of its creditors, becomes insolvent, commits any act of bankruptcy, takes any action to wind-up or dissolve, ceases or threatens to cease to do business as a going concern, is subject to a change in control in fact or in law or seeks any arrangement or composition with its creditors; or (g) Any proceeding in bankruptcy, receivership, winding-up, dissolution, liquidation or insolvency is commenced by or against Lessee or its property; or (h) Lessor in good faith believes and has commercially reasonable grounds to believe that the prospect of payment or performance by Lessee under this Lease Agreement is or is about to be impaired or the Equipment is or is about to be placed in jeopardy; or (i) Any guarantor of Lessee's obligations hereunder disputes its obligation under its guarantee or seeks to determine its obligations thereunder or to terminate its guarantee of Lessee's future obligations or becomes subject to any of the events in clauses (b), (c), (d), (f) or (g) of this Section.

16. Effect of Default; Damages: A loss to Lessor upon a Default is dependent in part upon the cost of the Equipment to Lessor, the Term and the minimum return expected by Lessor from the sale or re-lease of the Equipment at the end of the Term. Upon any Default and in addition to Lessor's other rights and remedies under this Lease Agreement and otherwise available at law or in equity:

(a) Lessee shall pay forthwith (without notice) to Lessor as a genuine pre-estimate of liquidated damages, and not as a penalty (and in addition to all other amounts owing under this Lease Agreement), an amount (the "Liquidated Damages") equal to the aggregate of: (i) Unpaid rental payments and other amounts payable hereunder unpaid as of the date of the Default, and (ii) the remaining rental payments payable from the date of Default to the end of the Term or, if applicable, any renewal thereof, and (iii) amounts otherwise payable under the Lease Agreement to the end of the Term, or, if applicable, any renewal thereof, and (iv) the purchase price for the Equipment pursuant to any end of Term fair market value or fixed price purchase option, and (v) any Enforcement Costs incurred by Lessor, and (vi) interest thereon from the date of Default until payment in full; to the extent that the Liquidated Damages are deemed to include any Taxes which Lessor is required to remit to any taxation authority the Liquidated Damages shall be increased by the amount necessary to ensure that the net amount of the Liquidated Damages retained by Lessor after remitting all applicable Taxes will be equal to the amount calculated above; (b) upon Lessor's demand, Lessee at Lessee's expense shall forthwith surrender control of the Equipment to Lessor pursuant to Section 12 as though the Term had expired; (c) Lessor may, immediately and without notice to Lessee or resort to legal process take possession of and remove or disable the Equipment pursuant to Section 14 as though Lessee had failed to surrender such Equipment when required to do so; (d) The rights of Lessee hereunder in respect of the Equipment, including the right to use and possess the Equipment, shall cease and terminate absolutely without limiting Lessee's liability or obligations hereunder; and (e) Lessor may by notice in writing terminate this Lease Agreement or any other agreement Lessor may have with Lessee; (f) All rights and remedies of Lessor, either under this Lease Agreement or at law or in equity or otherwise afforded to Lessor, are cumulative and not alternative. Lessor's costs and expenses incurred as a result of a Default ("Enforcement Costs") (including all costs and expenses in respect of collection, legal fees, repossession, repair of Equipment, enforcement of Lessor's rights or remedies, sale or re-lease costs or other realization costs) shall be paid by Lessee to Lessor forthwith upon demand.

17. Sale on Default: Lessor may after a Default sell, re-lease or otherwise dispose of Equipment at public or private sale with or without notice to Lessee and upon such terms and in such manner as Lessor may determine. Lessee shall thereafter continue to be liable to Lessor for the amount of any deficiency between the proceeds to Lessor from such disposition and the Liquidated Damages. If at any time after a Default and prior to Lessor obtaining possession of the Equipment, Lessee pays to Lessor the Liquidated Damages and all applicable Taxes, title to the Equipment shall vest in Lessee on an "as is, where is" basis without any condition, representation or warranty of Lessor whatsoever.

18. Effect of Waiver: No delay in exercising, or failure to exercise, any right or remedy accruing to Lessor under this Lease Agreement will impair or waive such right or remedy, nor will a waiver of any single Default be deemed a waiver of any other prior, subsequent or concurrent Default. Any waiver, permit, consent or approval on the part of Lessor in respect of this Lease Agreement must be in writing and shall have effect only to the extent specifically set forth in such writing.

19. Purchase Option: In this Section "Fair Market Value" means the delivered and installed, all-inclusive, purchase price for equipment in good repair in a sale between an arms length purchaser buying for its own use and a seller dealing in such equipment in the ordinary course of its business, as such purchase price is determined by the Lessor acting reasonably. Provided no Default exists, any Purchase Option set forth in the Lease Agreement Details may be exercised by the Lessee; (i) giving Lessor written notice sixty (60) days prior to the Option Date of its election to exercise such option; and (ii) paying Lessor the Option Price, plus Taxes, at least ten (10) days before the Option Date. After the giving of such notice and the making of such payment, provided no Default exists on the Option Date, Lessee shall acquire Lessor's interest in the Equipment on the Option Date on an "as is, where is" basis without any condition, representation or warranty by Lessor of any kind whatsoever except that the Lessee acquires such interest from Lessor free of Encumbrances caused by Lessor.

20. Fees: Lessor shall be entitled to charge Lessee such fees and other charges as it may establish from time to time for the administration of and ancillary matters to this Lease Agreement.

21. Net Lease: ALL COSTS AND EXPENSES RELATING TO THE EQUIPMENT OR ITS USE, MAINTENANCE OR POSSESSION SHALL BE BORNE BY LESSEE, INCLUDING ALL TAXES AND ALL FEES, CHARGES, CLAIMS AND FINES INCURRED OR ARISING IN CONNECTION WITH THE REGISTRATION, LICENSING OR OPERATION OF THE EQUIPMENT. The rental payments and other amounts payable hereunder shall be absolutely net to Lessor, free of all expenses or outgoings of any kind or nature. If Lessee fails to perform any of its obligations hereunder, Lessor may do so on Lessee's behalf and shall be entitled to immediate reimbursement from Lessee; without prejudice to any other Lessor's rights or remedies, and Lessee appoints Lessor its lawful attorney for such purposes. No event of force majeure, whatever that may be, relieves the Lessee from its obligations pursuant to this Lease Agreement.

22. Subleasing Etc.: Lessee shall not sublet or part with possession or control of the Equipment or permit its use by any person other than Lessee or employees of Lessee who are qualified and competent to operate same. Neither this Lease Agreement nor Lessee's rights hereunder shall be assigned by Lessee except with Lessor's prior written consent and no assignment shall release Lessee from its obligations hereunder.

23. Representations: Lessee represents, warrants and covenants throughout the Term that; (A) if Lessee is a body corporate, it is and will continue to be validly incorporated (or otherwise established), organized and existing and in good standing; (B) it has all necessary power and authority to execute, deliver and perform this Lease Agreement, each such action (i) having been duly authorized by all necessary action of Lessee, (ii) not being in conflict with any applicable law, the constating documents, resolutions or by-laws of Lessee or any indenture, instrument, agreement or undertaking to which it is a party or by which it or any of its assets are or may become bound, and (iii) not resulting in the creation of any Encumbrance on the Equipment; (C) this Lease Agreement is and will continue to be the legal, valid and binding obligation of Lessee enforceable against it and effective against its creditors in accordance with its terms; (D) there are no pending or threatened actions or proceedings before any court, administrative agency or other tribunal that could have a material adverse effect on Lessee; (E) financial statements and other related information furnished by Lessee to Lessor are prepared in accordance with generally accepted accounting principles and fairly present Lessee's financial position on their respective dates; and (F) to evidence the foregoing Lessee shall provide legal opinions, resolutions and such other documents as Lessor may reasonably request.

24. Indemnity: Lessee hereby indemnifies Lessor and agrees to save Lessor harmless from and against all loss, costs, liabilities, claims, legal proceedings and expenses (including legal fees on a solicitor and his own client basis and costs) whatsoever arising in connection with this Lease Agreement, the Purchase Documents, any License, the Equipment, the manufacture, selection, purchase, ownership, delivery, possession, use, Maintenance, operation, Loss or return of the equipment, Taxes, the recovery of claims under any insurance policy relating to the Equipment, any use or operation of Equipment which infringes any patent or other industrial or intellectual property right of any person, any Default by Lessee, the exercise by Lessor of any rights or remedies hereunder or any entry or taking of possession, removal or disabling of Equipment pursuant to Section 14.

25. Lessee's Waiver: TO THE EXTENT NOT PROHIBITED BY LAW OR STATUTE, LESSEE HEREBY WAIVES THE BENEFIT OF ALL PROVISIONS OF ALL APPLICABLE CONDITIONAL SALES, REGULATORY, CREDIT AND OTHER STATUTES AND ALL REGULATIONS MADE THEREUNDER IN ANY APPLICABLE JURISDICTION WHICH WOULD IN ANY MANNER AFFECT, RESTRICT OR LIMIT THE RIGHTS AND REMEDIES OF LESSOR HEREUNDER, including, without limiting the generality of the foregoing, all of Lessee's rights, benefits and protections given or afforded by the provisions of Law of Property Act (Alberta), The Sale of Goods Act (British Columbia), The Sale of Goods Act (Ontario), The Limitation of Civil Rights Act of Saskatchewan and The Saskatchewan Farm Security Act, as amended. Lessee also waives and assigns to Lessor the right of any statutory exemption from execution or otherwise and further waives any right to demand security for cost in the event of litigation.

26. Credit Investigation: Subject to applicable legislation, Lessee hereby consents to Lessor conducting a credit investigation of Lessee and to Lessor making inquiries with financial institutions or other persons in a business relationship with Lessee in connection therewith; Lessee hereby authorizes and directs such persons to answer Lessor's inquiries. Lessee agrees to furnish to Lessor: (A) a copy of its interim financial statements and other related information, as Lessor may request from time to time; and (B) its annual financial statements, audited if applicable, within ninety days of the end of each financial year.

27. Lessor Warranties: Lessor warrants that on the date this Lease Agreement commences it is the owner of the Equipment, free and clear of any Encumbrance caused by Lessor, save for Lessee's rights hereunder. Except as otherwise explicitly set forth herein, but without affecting Lessor's warranties set forth in any other agreement (all of which Lessee acknowledges do not affect or form part of this Lease Agreement), Lessor makes no warranty or representation whatsoever as to the durability, quality or condition of the Equipment or its suitability for Lessee's purposes or as to any other matter whatsoever (including status of this Lease Agreement for tax or accounting classification purposes). No representation to Lessee as to the Equipment or any other matter by the Vendor or any supplier or manufacturer of the Equipment shall in any way affect Lessee's obligations under this Lease Agreement. At the request and expense of Lessee and while there is no Default, Lessor will (A) assign to Lessee for the Term any and all warranties, guarantees, service contracts, Licenses and representations given to Lessor by the Vendor or a manufacturer or supplier of the Equipment with respect to the Equipment ("Equipment Rights") which are assignable at law; and (B) assist Lessee in receiving the benefit of such Equipment Rights. If Lessor obtains possession or control of the Equipment or if there is a Default, Lessee shall be deemed to have immediately reassigned such Equipment Rights to Lessor without any further action. If Equipment is located in the Province of Quebec, Lessor hereby conveys to Lessee any warranty which the Vendor or a manufacturer or supplier of such Equipment gave to Lessor. LESSOR SHALL NOT BE LIABLE FOR ANY LOSS, DAMAGE OR EXPENSE OF ANY KIND OR NATURE, WHETHER DIRECT, INDIRECT OR CONSEQUENTIAL, CAUSED BY THE EQUIPMENT OR THE USE, MAINTENANCE OR POSSESSION THEREOF, BY THE INADEQUACY OF THE EQUIPMENT RIGHTS OR BY ANY INTERRUPTION OF SERVICE OR LOSS OF USE OF THE EQUIPMENT OR FOR ANY LOSS OF BUSINESS OR DAMAGE WHATSOEVER AND HOWSOEVER CAUSED.

28. Name Change, etc.: Lessee shall promptly notify Lessor in writing of: (A) any change in Lessee's name; (B) any transfer, authorized or unauthorized, by Lessee of any interest in or benefit from the Equipment; (C) any change, authorized or unauthorized, by Lessee in the location of any Equipment; and (D) any change in the location of Lessee's chief executive office specified above.

29. Assignment: This Lease Agreement and all rights, remedies and benefits of Lessor hereunder may be assigned by Lessor without notice to or the consent of Lessee and Lessee hereby accepts such assignments and waives signification of the act of assignment and the delivery of a copy of any assignment document. Upon such assignment: (A) the assignee (the "Assignee") shall be entitled to enforce the rights and remedies and to receive all benefits which would otherwise accrue to the original Lessor under this Lease Agreement; (B) the Assignee shall be deemed to be Lessor for the purpose of all such rights, remedies and benefits; (C) the Assignee shall have no obligation to Lessee to perform any of the obligations of the original Lessor hereunder or otherwise in respect of the Equipment, all of which are retained by the original Lessor; and (D) Lessee's rights hereunder as against the original Lessor shall be unaffected except as herein specifically provided. Lessee agrees not to assert against the Assignee any claim by way of abatement, defense, set-off, compensation, counterclaim or the like which Lessee may have against the original Lessor. The Lessee shall co-operate with the Lessor and any Assignee to facilitate any assignment. Upon notice of an assignment Lessee shall unconditionally pay to such Assignee all rental payments and other amounts due hereunder and shall not assert any defense against such Assignee in any action for rental payments or other amounts due and payable hereunder, except the defence of payment to the Assignee.

30. Security Interests: To secure Lessee's performance of its obligations hereunder Lessee grants Lessor a continuing security interest in any interest Lessee has in the Equipment, in all proceeds thereof (including proceeds of insurance) and in any rental payments receivable on any sublease permitted by Lessor; Lessee agrees that Lessor has all rights of a secured party under any applicable personal property security legislation and at law and in equity. To the extent this Lease Agreement creates a security interest, such security interest is a purchase money security interest (as the terms "security interest" and "purchase money security interest" are used in the Personal Property Security Act (Alberta) and shall be interpreted with similar effect under analogous legislation in force in any other relevant jurisdiction. In this Lease Agreement the term "security interest" includes a movable hypothec without delivery.

31. Charge on Land: To further secure Lessee's performance of its obligations hereunder Lessee grants Lessor a charge in any land which Lessee now owns or may in the future own during any time when any amount remains outstanding under this Lease Agreement, and Lessee authorizes Lessor to register any, caveat, lien or other encumbrance against such land in Lessor's favour in order to protect Lessor's interest in said lands.

32. Information: Lessee agrees that Lessor may provide copies of this Lease Agreement and/or information concerning Lessee and its obligations hereunder to any person.

33. Entire Agreement: This Lease Agreement (including (A) all details set forth above in the Lessee Information, Lease Details and Invoice Option and in these Terms & Conditions and (B) any schedule, addendum or amendment to this Lease Agreement which is in writing, references this Lease Agreement and is signed by Lessee and Lessor at any time) constitutes the entire agreement between Lessor and Lessee with respect to its subject matter.

34. Applicable Law: This Lease Agreement shall be construed according to the laws of the Province of Alberta. If this Lease Agreement is signed in the province of Québec, it shall be deemed a leasing contract as per sections 1842 and following of the Civil Code of Québec, provided however during any renewal pursuant to Section 13 above, this Lease Agreement shall be deemed to constitute a lease pursuant to section 1852 and following of the Civil Code of Québec.

35. Enurement: Subject to the terms hereof, this Lease Agreement shall enure to the benefit of and be binding upon the parties hereto and their respective heirs, executors, administrators, successors, permitted assigns and legal representatives.

36. Interpretation: Whenever the context of this Lease Agreement so requires, the singular shall include the plural and vice versa and words importing the masculine gender shall include the feminine and neuter genders. Time is of the essence of this Lease Agreement and each of its provisions. Headings are for convenience of reference only and do not affect the interpretation. Terms used in the Lessee Information or Lease Agreement Details have, when used in these Terms & Conditions, unless the context otherwise requires, the meaning ascribed thereto by such use. The word "including" means "including without limitation"

37. Notices: Any notice required or permitted to be given hereunder must be in writing and will conclusively be deemed to have been received by its recipient on the business day it is delivered or sent by electronic or facsimile transmission to a party at the address indicated on the first page hereof (or at such other address as such party specifies to the other party in writing) or, if sent by registered mail, provided there is no interruption in postal services, on the fifth business day after the day of mailing, addressed to such party at such address.

38. Severability: Any provision of this Lease Agreement prohibited by or unlawful or unenforceable under any applicable law shall, at the sole option of Lessor, be ineffective without invalidating the remaining provisions of this Lease Agreement: provided, however, that to the extent that the provisions of any such applicable law can be waived, they are hereby waived by Lessee.

39. Further Assurances: Lessee agrees to do all things and execute or obtain all documents as may be required by Lessor in order to give effect to or better evidence this Lease Agreement including the execution of financing statements or other documents to effect security registrations to protect Lessor's interests, any acknowledgements required by any Assignee and any waivers or subordinations from Lessee's landlords or creditors.

40. Language: The parties hereby acknowledge that they have required this Lease Agreement, and all other agreements and notices required or permitted to be entered into or given pursuant hereto, to be drawn up in the English language only. Les parties reconnaissent avoir demandé que le présent contrat ainsi que toute autre entente ou avis requis ou permis à être conclu ou donné en vertu des dispositions du présent contrat, soient rédigés en langue anglaise seulement.

41. Survival: Notwithstanding any other sections hereof, all obligations of Lessee under sections 4,5,7,9,11,12,13,14,15,16,17,20,21,23,24,25,27,29,30 and 31 hereof and the rights and remedies of Lessor hereunder shall survive the termination of this Lease Agreement and the receipt of all rental payments and other amounts payable by Lessee hereunder.

42. Joint and Several Liability: If more than one person executed this Lease Agreement, their obligations hereunder shall be joint and several and, in the Province of Quebec, solidary without benefit of division or discussion.

43. Receipt of Copy, etc.: Lessee acknowledges receipt of a true copy of this Lease Agreement and waives, to the extent permitted by applicable law, all rights to receive copies of financing statements, financing change statements, verification statements or copies of other notices or filings made by Lessor at any time in connection with this Lease Agreement, any schedule thereto, any amendment thereof or any Transaction Schedule.

44. Electronic Counterpart Execution: This Lease Agreement and any schedules may be executed in one or more counterparts, each of which shall be deemed to be an original instrument and when all parties have executed a counterpart hereof or thereof, as the case may be, all such counterparts together shall constitute but one and the same agreement, with execution and delivery of counterparts by telecopier or other electronic format (including, without limitation PDF) By any party hereto being binding upon all parties hereto.

This Schedule 'A' – Equipment Details is attached to and forms an integral part of Lease Agreement Number **105387-24P** dated **May 23, 2024** made between CLEO Energy Corp. as Lessee and **Arundel Capital Corporation** as Lessor.

| Equipment Details | | | | |
|---|----------------|----------------|----------------|----------------|
| Description | | | | |
| All right, title and interest in the debtor to the lands located at the below described legal land locations, the wells and equipment thereon and any other tangible and intangible property related thereto. | | | | |
| Proceeds: any and all proceeds of amounts arising from or payable in connection with any of the collateral described here in. | | | | |
| 11-12-039-10W4 | 12-12-039-10W4 | 13-12-039-10W4 | 14-16-044-07W4 | 15-21-042-08W4 |
| 11-16-042-08W4 | 12-12-042-08W4 | 13-12-044-07W4 | 14-17-045-07W4 | 15-22-040-08W4 |
| 11-16-042-12W4 | 12-19-042-08W4 | 13-14-039-10W4 | 14-18-044-07W4 | 15-29-046-08W4 |
| 11-16-045-07W4 | 12-23-040-08W4 | 13-14-040-08W4 | 14-19-044-07W4 | 15-33-044-07W4 |
| 11-22-044-07W4 | 12-23-044-07W4 | 13-16-035-06W4 | 14-21-044-07W4 | 15-35-036-07W4 |
| 11-24-043-10W4 | 12-24-039-10W4 | 13-17-044-07W4 | 14-22-044-08W4 | 16-02-037-07W4 |
| 11-25-037-07W4 | 12-25-037-07W4 | 13-23-040-08W4 | 14-23-044-08W4 | 16-03-037-07W4 |
| 11-28-043-08W4 | 12-27-035-06W4 | 13-31-043-06W4 | 14-24-039-10W4 | 16-04-042-12W4 |
| 11-28-045-07W4 | 12-28-044-08W4 | 13-32-043-06W4 | 14-28-041-08W4 | 16-06-044-08W4 |
| 11-33-045-07W4 | 12-29-044-08W4 | 13-34-041-12W4 | 14-28-044-07W4 | 16-06-045-07W4 |
| 11-34-042-08W4 | 12-30-044-06W4 | 13-34-045-07W4 | 14-29-042-10W4 | 16-09-035-06W4 |
| 11-35-046-08W4 | 12-30-045-07W4 | 13-35-044-07W4 | 14-31-042-08W4 | 16-09-042-10W4 |
| 11-36-045-08W4 | 13-02-037-07W4 | 14-02-039-08W4 | 14-34-044-07W4 | 16-09-044-08W4 |
| 12-02-039-10W4 | 13-03-042-12W4 | 14-02-043-08W4 | 14-36-042-09W4 | 16-10-039-10W4 |
| 12-02-045-07W4 | 13-04-042-12W4 | 14-04-042-12W4 | 15-02-037-07W4 | 16-11-037-07W4 |
| 12-03-042-12W4 | 13-06-039-07W4 | 14-05-044-07W4 | 15-03-046-07W4 | 16-11-039-10W4 |
| 12-05-046-07W4 | 13-06-044-06W4 | 14-05-044-08W4 | 15-04-045-08W4 | 16-12-039-08W4 |
| 12-06-045-09W4 | 13-06-044-08W4 | 14-09-046-07W4 | 15-07-044-07W4 | 16-14-039-10W4 |
| 12-07-039-07W4 | 13-07-039-07W4 | 14-10-039-10W4 | 15-10-039-10W4 | 16-15-044-07W4 |
| 12-09-045-07W4 | 13-10-035-06W4 | 14-10-042-11W4 | 15-11-037-07W4 | 16-15-044-08W4 |
| 12-10-037-07W4 | 13-10-037-07W4 | 14-11-039-10W4 | 15-11-039-10W4 | 16-25-042-09W4 |
| 12-10-039-10W4 | 13-10-039-10W4 | 14-11-042-08W4 | 15-12-039-08W4 | 16-29-044-07W4 |
| 12-11-037-07W4 | 13-11-037-07W4 | 14-12-039-08W4 | 15-13-045-08W4 | 16-35-042-09W4 |
| 12-11-039-10W4 | 13-11-041-10W4 | 14-12-039-08W4 | 15-14-043-10W4 | 16-36-042-09W4 |
| 12-12-039-08W4 | 13-12-039-08W4 | 14-14-042-09W4 | | |

Date: May 23, 2024

E-SIGNED by Christopher Lewis
X on 2024-05-28 16:35:56 GMT

Name: Christopher John McRae Lewis

Title: Chairman

This undertaking forms part of Lease # 105387-24P.

Insured Lessee: CLEO Energy Corp.

Equipment covered by this Insurance Undertaking:

| Description | Serial |
|---|--------|
| See attached schedule 'A' attached to and forming part of this lease agreement. | |

During the term of the lease contract commencing **Thursday, May 23, 2024** with a term of **26** months and any extension thereof, whereby I/we, the Lessee(s) of the above equipment, owned by Arundel Capital Corporation (hereinafter called the Lessor), agree to cause Arundel Capital Corporation to be named as Additional Insured and First Loss Payee in the applicable policies described below.

If the above equipment is subjected to a Standard Automobile Policy (Owner's Form), I/we the Lessee(s) agree to effect and maintain such policy per the terms above including a S.E.F. No. 5a / O.E.F. No. 5 / F.A.Q. No. 5a – Permission to Rent or Lease Endorsement (specified Lessee including modified application – separate policy) in the name of the Lessor with respect to the above described equipment for the following perils, limits and amounts.

| INSURED AGREEMENTS | | PERILS | LIMITS AND AMOUNTS | |
|--|-------------|---|---|---|
| SECTION A THIRD PARTY LIABILITY | | LEGAL LIABILITY FOR BODY INJURY TO OR DEATH OF ANY PERSON OR DAMAGE TO THE PROPERTY | \$2,000,000 (EXCLUSIVE OF COST AND POST JUDGEMENT INTEREST) FOR LOSS OR DAMAGE RESULTING FROM BODILY INJURY TO OR THE DEATH OF ONE OR MORE PERSONS. AND FOR LOSS OR DAMAGE TO PROPERTY REGARDLESS OF THE NUMBER OF CLAIMS ARISING FROM ANY ONE ACCIDENT \$5,000,000 Environmental liability (if applicable) | |
| SECTION B ACCIDENT BENEFITS | SUB SEC. | PAYMENT FOR DEATH OR BODILY INJURY | \$ AS STATED IN SECTION B OF THE POLICY OR EACH PERSON | |
| | 1. | | AS STATED IN SECTION B OF THE POLICY OR | |
| | | | PRINCIPLE | MAX. WEEKLY |
| | | | SUM \$ | BENEFIT \$ |
| | 2. | UNINSURED MOTORIST | AS STATED IN SECTION B OF THE POLICY | |
| SECTION C LOSS OF OR DAMAGE TO OWNED AUTOMOBILES | SUB. SEC. 1 | ALL PERILS | \$5000 | AMOUNT DEDUCTIBLE ON EACH SEPARATE CLAIM EXCEPT FOR LOSS OR DAMAGE BY FIRE OR LIGHTENING OR THEFT OF THE ENTIRE AUTOMOBILE. |
| | 2. | COLLISION OR UPSET | \$5000 | |
| | 3. | COMPREHENSIVE (EXCLUDING COLLISION OR UPSET) | \$5000 | |
| | 4. | COMPREHENSIVE (EXCLUDING COLLISION OR UPSET) | \$5000 | |
| ENDORSEMENTS | | | | |
| I/we agree to deliver or cause to be delivered to the Lessor, within the 30-day period immediately following the date of the delivery of the above stated Equipment to me/us, such insurance policy and any endorsements and certificates applicable thereto. I/we agree to deliver or cause to be delivered to the Lessor, within the 15-day period immediately following the expiry or termination date of such policy, written evidence of the renewal or replacement of such policy. I/we agree and acknowledge that, should I/we fail to comply with this Lessee’s Insurance Undertaking, I/we shall reimburse the Lessor for all amounts they would not otherwise be liable to pay. I/we further agree and acknowledge that, should I/we fail to comply with this Lessee’s Insurance Undertaking, I/we will be in default per the terms and conditions of the Lease contract. | | | | |

Date: May 23, 2024

E-SIGNED by Christopher Lewis
X on 2024-05-28 16:36:02 GMT

Name: Christopher John McRae Lewis
Title: Chairman

This Cross Collateral Agreement (hereinafter referred to as the "Agreement") by and between **ARUNDEL CAPITAL CORPORATION** with offices at **Ste 201, 3007 14th Street SW, Calgary, AB, T2T 3V6** (collectively known as the "**Secured Party**") and **CLEO Energy Corp.** located at **200 - 117 8th Ave SW, Calgary, Alberta, T2P 1B4** ("**Debtor**").

Statement of Purpose

The parties intend by this Agreement to establish herein, without the need for further documentation, a security interest in all of the personal property which the **Debtor** has acquired or shall hereinafter acquire and in which **Secured Party** has or shall hereinafter have a security interest. All of said property shall secure all liabilities, obligations and indebtedness of **Debtor** to **Secured Party** of every kind and description now existing or hereinafter arising, whether arising under this Agreement or otherwise. Liability includes obligations to perform acts or refrain from taking action, as well as obligations to pay money. The security interest created by this Agreement is in addition to and not in lieu of any other security interest which has been or which may hereafter be granted by **Debtor** to **Secured Party**.

Debtor, in order to induce **Secured Party** to finance **Debtor's** purchase of property by means of conditional sales contracts, leases with or without options to purchase, promissory notes and security agreements or other similar lien creating instruments or contracts ("Contract"), hereby agrees to the terms and conditions set forth herein.

AGREEMENT

1. **Grant of Security Interest** – **Debtor** hereby grants to **Secured Party** a security interest in such of **Debtor's** presently existing and hereafter acquired property in which **Secured Party** has or shall hereafter have a security interest plus all proceeds of the Foregoing (collectively, the "Collateral") to secure the payment and performance of all **Debtor's** liabilities and obligations to **Secured Party** of every kind and character, whether joint or several, direct or indirect, absolute or contingent, due or to become due, and whether under presently existing or hereinafter created Contracts (collectively, the "Liabilities").
2. **Covenants of Debtor** – **Debtor** covenants and agrees to execute and deliver to **Secured Party** any financing statements or documents or instruments required to be filed in connection with the security interest hereby created relating to the Collateral and to pay all costs in connection therewith. **Debtor** hereby appoints **Secured Party** as **Debtor's** attorney in-fact to do, at **Secured Party's** option and **Debtor's** expense, all acts and things which **Secured Party** may deem necessary to perfect and continue the perfection of the security interests hereby created.
3. **Default and Remedies** – If **Debtor** fails to pay or perform any of its Liabilities when due or fails in the performance of any other provision of this Agreement or any Contract, or if **Debtor** becomes insolvent or makes an assignment for the benefit of creditors or if a proceeding in reorganization, bankruptcy, or for a receivership is commenced by or against **Debtor**, **Debtor** shall be in default hereunder and under the Contracts and the **Secured Party** may, without notice or demand, accelerate and declare all Liabilities and any other amounts due hereunder payable immediately and **Secured Party** may exercise and shall have any and all rights and remedies accorded it under any contract and by the applicable Personal Property Security Act as in effect from time to time under applicable provincial law. All rights granted to **Secured Party** hereunder shall be cumulative and not alternative, shall be in addition to and shall in no manner impair or affect **Secured Party's** right or remedies under any existing or hereafter arising Contract statute or rule of law.
4. **Miscellaneous**
 - a. **Secured Party's** acceptance of delinquent payments or failure of **Secured Party** to exercise any right shall not be a waiver of any obligation of **Debtor**, including, but not limited to, the obligation of **Debtor** to pay interest on delinquent payments, nor constitute a waiver of a similar default subsequently occurring.
 - b. **Debtor** waives any right it may have to direct application of any payment made by it to **Secured Party**. **Secured Party** may, at its option offset and deduct any of the Liabilities of **Debtor** from any and all sums owed by **Secured Party**.
 - c. This Agreement shall be construed in accordance with the law of the province of Alberta. Any provision of this Agreement prohibited by law shall be ineffective to the extent of such prohibition without invalidating the remaining provisions hereof.



Cross Collateral Agreement

- d. This Agreement shall be binding upon and inure to the benefit of the successors and assigns of the parties hereto: provided, however, that **Debtor** shall not without the prior written consent of **Secured Party**, assign any right or delegate any of its obligations under this Agreement to any third party.

This Cross Collateral Agreement may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same agreement and the execution and delivery of counterparts of this Cross Collateral by telecopier by any party shall be binding upon the parties hereto.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed as of May 23, 2024.

E-SIGNED by Sean Rowan
on 2024-05-28 21:03:41 GMT

Name: Sean Rowan per Arundel Capital Corporation
Title: Vice President Operations

Debtor(s): CLEO Energy Corp.

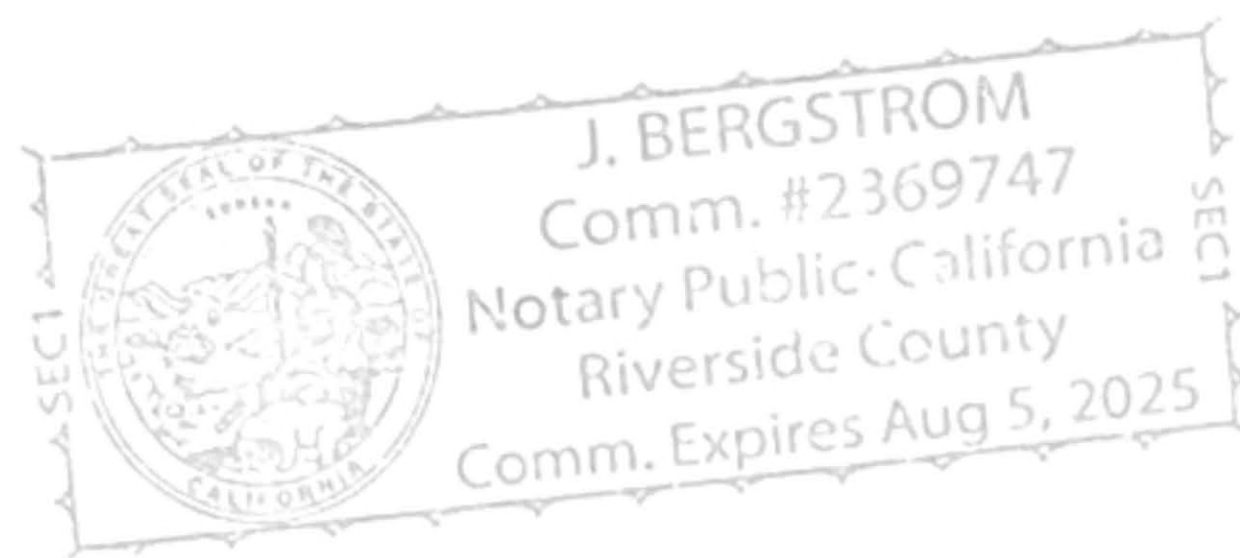
Debtor(s) Signature(s):

E-SIGNED by Christopher Lewis
X on 2024-05-28 16:36:08 GMT

Name: Christopher John McRae Lewis
Title: Chairman

Exhibit "Q" to the Affidavit of
Chris Lewis
Sworn/Affirmed before me this
23rd day of December, 2024


A Notary Public for the State of California



DEMAND PROMISSORY NOTE**Principal: \$300,000.00****Dated: August 3, 2023****Interest Rate: 20%**

1. **FOR VALUE RECEIVED, CLEO ENERGY CORP.** (the "**Borrower**"), having a principal office located at 200 – 117 8 Avenue SW, Calgary, Alberta, T2P 1B4, promises to pay to or to the order of, **STEPHEN BALLARD** (the "**Creditor**") at Suite 1802, 71 Jamieson Court, New Westminster, British Columbia, V3L 5R4 (or at any other place as the Creditor may, from time to time, designate by notice in writing to the Borrower):
 - (a) on demand, the principal sum of \$300,000.00 (the "**Principal**"); and
 - (b) a fixed rate of interest of 20% per annum, (the "**Interest Rate**"), on the unpaid portion of the Principal until the Principal is repaid in full, calculated on the basis of the actual number of days elapsed in a year, being 365 or 366, as the case may be, accruing on a monthly basis and payable in full when the final payment is made to repay the Principal in full.
2. **Payment Upon Demand**—Subject to Section 3, the Principal, together with any accrued but unpaid interest, will become due and will be paid in full on demand.
3. **Timing of Demand**—Notwithstanding Section 2, no demand for payment of the Principal, together with any accrued but unpaid interest thereon, will be made by the Creditor until at least 30 days after the date of this promissory note.
4. **Interest on Overdue Interest**—If default occurs in the payment of any interest due under this promissory note, interest on that amount at the Interest Rate, calculated daily and compounded monthly, will be payable on demand.
5. **Application of Payments**—Any amount paid in satisfaction of the indebtedness evidenced by this promissory note will be applied first in satisfaction of any accrued and unpaid interest which is due and payable and any overdue interest thereon, and then the remaining portion of the amount paid will be applied in satisfaction of the Principal owing under this promissory note.
6. **Enforcement**—No legal proceeding to enforce the Borrower's obligations under this promissory note will be commenced until after the first day on which there is a failure to perform those obligations once a demand is made in accordance with Section 2 and Section 3 of this promissory note.
7. **Prepayment**—The Borrower will be entitled to prepay the Principal, in whole or in part, together with interest at the Interest Rate calculated to the date of prepayment on the Principal being prepaid, at any time prior to a demand being made by the Creditor, without any notice being given to the Creditor and without any bonus or penalty being paid to the Creditor, provided that the Borrower is not in default in the payment of any amount due under this promissory note. Any such prepayment will be applied to the Principal owing under this promissory note.
8. **Currency and Payment**—Any money to be paid pursuant to this promissory note must be paid by bank draft, certified cheque or electronic funds transfer of immediately available funds payable to the Creditor, in lawful Canadian currency.

9. **Security**—As security for the Principal, the Borrower hereby mortgages and charges to the Creditor, and grants to the Creditor a security interest in, and the Creditor takes a security interest in, all of the Borrower's right, title and interest (the "**Secured Interest**") in and to the Collateral (defined below), which together with the general security agreement attached as Schedule "A" to this promissory note, the personal guarantee attached as Schedule "B" to this promissory note, and any other agreements securing, evidencing, or pertaining to the loan memorialized by this promissory note are collectively referred to as the "**Security Documents**". The collateral shall be all present and after acquired properties of the Borrower (the "**Collateral**"). The Collateral secures the payment of this promissory note and any other liability of Borrower for itself or its agents to the Creditor however evidenced, now existing or hereafter incurred, matured or unmatured, direct or indirect, absolute or contingent, including any extensions and renewals thereof, which Collateral is pledged and a security interest therein granted to the Creditor, pursuant to the Security Documents together with all rights to which the owner of the Collateral is now, or may hereafter become, entitled by virtue of owning such Collateral. The proceeds of any Collateral may be applied against any of the liabilities of the Borrower to the Creditor in such order of payment as the Creditor deems proper.
10. **Non-Waiver**—The extension of the time for making any payment which is due and payable under this promissory note, or the Creditor's failure or delay in exercising or enforcing any rights or remedies under this promissory note, or under any instrument securing payment of the indebtedness evidenced by this promissory note, will not constitute a continuing waiver of the right of the Creditor to enforce those rights and remedies in the future.
11. **Notices and Demands**—Any demand or notice to be made or given in connection with this promissory note will be in writing and will be personally delivered to an officer or responsible employee of the Borrower or the Creditor or sent by facsimile, e-mail, or functionally equivalent electronic means, charges (if any) prepaid, at or to any address, electronic address, or facsimile number, as the case may be, as the Borrower or the Creditor may designate to the other in accordance with this provision. Any demand or notice which is personally delivered will be deemed to have been validly and effectively given on the date of delivery if that date is a business day, and the delivery was made during normal business hours; otherwise, it will be deemed to have been validly and effectively given on the business day next following the date of delivery. Any demand or notice which is transmitted by facsimile, e-mail, or functionally equivalent electronic means will be deemed to have been validly and effectively given on the date of transmission if that date is a business day and the transmission was made during normal business hours of the recipient; otherwise, it will be deemed to have been validly and effectively given on the business day next following the date of transmission.
12. **Amendments**—No amendment or waiver of any provision of this promissory note or consent to any departure by the Borrower from any provision of this promissory note is effective unless it is in writing and signed by the Creditor, and then the amendment, waiver or consent is effective only in the specific instance and for the specific purpose for which it is given.
13. **Collection Expenses**—The Borrower will pay all costs and expenses incurred by the Creditor in collecting any amount due, and enforcing its rights, under this promissory note, including, without limitation, reasonable legal fees and disbursements. Those costs and expenses will be added to the Principal and will bear interest at the Interest Rate.
14. **Governing Law**—This promissory note will be governed by and construed in all respects in accordance with the laws of the Province of Alberta and the laws of Canada applicable in that Province.

- 3 -

15. **Time of the Essence**—Time will in all respects be of the essence of this promissory note.
16. **Waiver of Benefits**—Presentment for payment, protest and notice of protest, notice of non-payment and notice of dishonour are waived by the Borrower.
17. **Assignment**—The Borrower will not be permitted to assign this promissory note, in whole or in part, without the prior written consent of the Creditor. The Creditor may assign (including by way of security) this promissory note, in whole or in part, without the prior written consent of the Borrower. This promissory note will be binding upon the successors and permitted assigns of the Borrower and will enure for the benefit of the Creditor and its successors and assigns.

The Borrower has executed this promissory note as of the 3rd day of August, 2023.

CLEO ENERGY CORP.

Per:



c/s

Name: **Chris Lewis**
Title: **Chairman**


AGREED TO AND ACCEPTED this 3rd day of August, 2023:

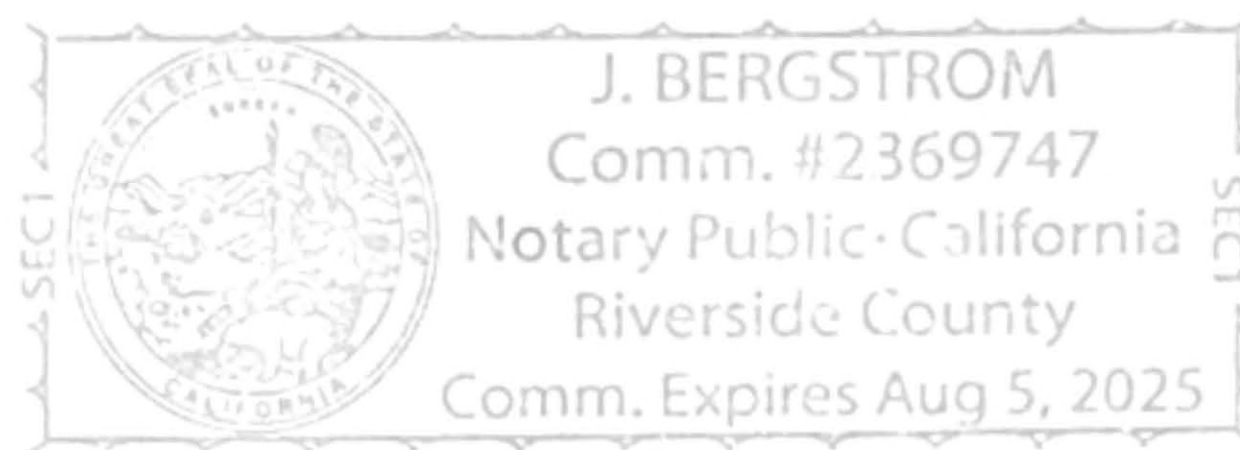
DocuSigned by:



BD5418F8D010485
Name: Stephen Ballard

Exhibit "R" to the Affidavit of
Chris Lewis
Sworn/Affirmed before me this
23rd day of December, 2024


A Notary Public for the State of California



GENERAL SECURITY AGREEMENT

THIS AGREEMENT is dated August 3, 2023.

BY:

CLEO ENERGY CORP.

(the "**Debtor**")

IN FAVOUR OF:

STEPHEN BALLARD

(the "**Secured Party**")

The Debtor agrees with the Secured Party as follows:

ARTICLE 1 INTERPRETATION

1.1 Definitions

In this Agreement, the following terms have the following meanings:

- 1.1.1 "**Agreement**" means this agreement as it may be supplemented, amended, restated or replaced by written agreement between the Parties.
- 1.1.2 "**Collateral**" means all present and after-acquired personal property owned, leased, licensed, possessed or acquired by the Debtor, or in which the Debtor has rights, including all present and after-acquired Goods (including Equipment and Inventory), Investment Property, Instruments, Documents of Title, Chattel Paper, Intangibles (including Accounts), Money, crops and fixtures, owned, leased, licensed, possessed or acquired by the Debtor, or in which the Debtor has rights, and all Proceeds of that property, but specifically excludes the Excluded Collateral.
- 1.1.3 "**Consumer Goods**" means Goods that are used or acquired for use primarily for personal, family or household purposes.
- 1.1.4 "**Debtor**" is defined in the recital of the Parties, above.
- 1.1.5 "**Event of Default**" is defined in Section 4.1.
- 1.1.6 "**Excluded Collateral**" means Consumer Goods and any right, permit or contract that would be breached or terminated if a security interest was granted in it without the consent of a third party, unless that consent is obtained.
- 1.1.7 "**Obligations**" means the sum of \$300,000.00 owing by the Debtor to the Secured Party and interest on that amount at the rate of 20%, according to the terms of, and as evidenced by, a promissory note dated August 3, 2023, as that promissory note is amended, supplemented,

renewed, restated or replaced, and all present and future indebtedness and obligations of the Debtor to the Secured Party under this Agreement.

- 1.1.8 "Parties" means, collectively, the Debtor and the Secured Party, and "Party" means any one of them.
- 1.1.9 "PPSA" means the *Personal Property Security Act* (Alberta), as amended, renamed or replaced and includes all regulations made under that legislation.
- 1.1.10 "Receiver" means a receiver or receiver-manager of all or any part of the Collateral.
- 1.1.11 "Secured Party" is defined in the recital of the Parties, above.
- 1.1.12 "Security Interests" means the mortgages, charges and security interests granted and created by this Agreement.

1.2 Incorporated Definitions

Capitalized terms not otherwise defined in this Agreement have the definitions set out in the PPSA.

1.3 Governing Law

This Agreement is governed by, and is to be construed and interpreted in accordance with, the laws of the Province of Alberta and the laws of Canada applicable in that Province.

1.4 Rules of Interpretation

In this Agreement, words signifying the singular number include the plural and vice versa, and words signifying gender include all genders. Every use of the words "including" and "includes" in this Agreement is to be construed as meaning "including, without limitation" or "includes, without limitation", respectively.

ARTICLE 2 GRANT OF SECURITY INTEREST

2.1 Security Interests

As security for payment and performance of the Obligations, the Debtor mortgages and charges to the Secured Party, and grants to the Secured Party a security interest in, and the Secured Party takes a security interest in, all of the Debtor's right, title and interest in and to the Collateral.

2.2 Attachment

The Debtor and the Secured Party do not intend to postpone the attachment of the Security Interests, and the Security Interests will attach when:

- 2.2.1 this Agreement has been executed, or in the case of after-acquired property, that property has been acquired by the Debtor;

- 2.2.2 value has been given; and
- 2.2.3 the Debtor has rights in the Collateral, or in the case of after-acquired property, acquires rights in the Collateral.

ARTICLE 3 REPRESENTATIONS, WARRANTIES AND COVENANTS

3.1 Representations and Warranties

The Debtor represents and warrants to the Secured Party that:

- 3.1.1 **Corporate Existence.** It is duly incorporated and validly existing under the laws of the Province of Alberta.
- 3.1.2 **Name.** The full legal name of the Debtor (including any French or French/English form of its legal name), and any other name under which it conducts its business, is correctly specified on the signature page of this Agreement.
- 3.1.3 **Place of Business.** The Debtor's sole place of business or chief executive office, as applicable, is 200 – 117 8 Avenue SW, Calgary, Alberta T2P 1B4.
- 3.1.4 **Location of Collateral.** The locations of all other places where the Debtor carries on business or keeps Collateral are 200 – 117 8 Avenue SW, Calgary, Alberta T2P 1B4.
- 3.1.5 **Owns Collateral.** The Debtor either owns, possesses and has good and marketable title to, or has enforceable leasehold or other rights to, all currently held Collateral, free from all security interests, mortgages, charges, encumbrances, liens and claims except those previously disclosed to the Secured Party.

3.2 Covenants

The Debtor covenants with the Secured Party that it will not, without the prior written consent of the Secured Party:

- 3.2.1 permit the Collateral or any part of it to become subject to any mortgage, charge, lien, encumbrance or security interest, whether made, given or created by the Debtor or otherwise;
- 3.2.2 sell, lease or otherwise dispose of the Collateral or any part of it (other than Inventory in the ordinary course of business), and if any sale, lease or other disposition is permitted or consented to it will pay the Proceeds to the Secured Party;
- 3.2.3 release, surrender or abandon the Collateral or any part of it; or
- 3.2.4 move the Collateral or any part of it from its present locations.

ARTICLE 4 DEFAULT AND ENFORCEMENT

4.1 Events of Default

The occurrence of any one or more of the following events or conditions will be an event of default under this Agreement ("**Event of Default**"):

- 4.1.1 the Debtor defaults in payment to the Secured Party when due of any indebtedness or liabilities forming part of the Obligations;
- 4.1.2 the Debtor defaults in performance of any of the Obligations other than payment under Section 4.1.1;
- 4.1.3 the Debtor defaults in the observance or performance of any of the terms, conditions or covenants to be observed or performed by the Debtor under this Agreement or any other agreement or instrument existing at any time between the Debtor and the Secured Party;
- 4.1.4 the Debtor ceases or threatens to cease to carry on its business;
- 4.1.5 the Debtor commits or threatens to commit any act of bankruptcy, or becomes insolvent or bankrupt or makes a proposal or files an assignment for the benefit of creditors under the *Bankruptcy and Insolvency Act* (Canada) or similar legislation in Canada or any other jurisdiction, or if an application for a bankruptcy order is filed against the Debtor;
- 4.1.6 proceedings are commenced against or affecting the Debtor seeking the appointment of, or any creditor of the Debtor or any other person privately appoints, a receiver, receiver-manager, trustee, custodian, liquidator or similar official for the Debtor or any part of the Debtor's property, including the Collateral or any part of it; or
- 4.1.7 the Secured Party in good faith and on commercially reasonable grounds believes that the ability of the Debtor to pay any of the Obligations to the Secured Party, or to perform for the Secured Party any of the Obligations or other covenants contained in this Agreement, is impaired, or any security granted by the Debtor to the Secured Party is or is about to be impaired or in jeopardy.

4.2 Acceleration

If an Event of Default described in Section 4.1.5 or Section 4.1.6 occurs all of the Obligations will immediately become due and payable without any demand or any notice of any kind to the Debtor. If any other Event of Default occurs the Secured Party, in its sole and absolute discretion, may declare all or any part of the Obligations, whether or not by their terms payable on demand, immediately due and payable, without any further demand or notice of any kind.

4.3 Demand Obligations

The provisions of Sections 4.1 and 4.2 will not affect the demand nature of any indebtedness or obligations payable by the Debtor to the Secured Party on demand, and the Secured Party may demand payment of that indebtedness and those obligations at any time without restriction, whether or not the

Debtor has complied with the provisions of this Agreement or any other instrument between the Debtor and the Secured Party.

4.4 Security Interests Enforceable

The occurrence of an Event of Default will cause the Security Interests to become enforceable against the Debtor without the need for any action or notice by the Secured Party.

4.5 Remedies of the Secured Party

If the Security Interests become enforceable, the Secured Party may enforce its rights by any one or more of the following remedies:

- 4.5.1 by taking possession of the Collateral or any part of it, and collecting, demanding, suing, enforcing, recovering, receiving and otherwise getting in the Collateral, and for that purpose entering into and upon any lands, buildings, and premises and doing any act and taking any proceedings in the name of the Debtor, or otherwise, as the Secured Party considers necessary;
- 4.5.2 by proceedings in any court of competent jurisdiction for the appointment of a Receiver;
- 4.5.3 by proceedings in any court of competent jurisdiction for the sale or foreclosure of all or any part of the Collateral;
- 4.5.4 by filing of proofs of claim and other documents to establish its claims in any proceeding or proceedings relating to the Debtor;
- 4.5.5 by sale or lease by the Secured Party of all or any part of the Collateral, whether or not it has taken possession of the Collateral;
- 4.5.6 by appointment by instrument in writing of a Receiver on any terms as to remuneration and otherwise as the Secured Party thinks fit, or by removing and appointing a replacement for any Receiver, and any Receiver so appointed will have, in addition to all of the rights and remedies of a receiver under the PPSA, the power:
 - 4.5.6.1 to take possession of, collect, demand, sue on, recover, receive, realize on or enforce against the Collateral, and for that purpose to give valid and binding receipts and discharges for and in respect of it, and take any proceedings in the name of the Debtor or otherwise as may seem expedient;
 - 4.5.6.2 to carry on or manage all or any part of the business of the Debtor;
 - 4.5.6.3 to borrow money on the security of the Collateral in priority to this Agreement or otherwise for the purpose of the maintenance, preservation or protection of the Collateral, for carrying on or managing all or any part of the business of the Debtor or for exercising any other power under this Agreement;
 - 4.5.6.4 to sell, lease, accept surrenders of leases of or otherwise dispose of the Collateral in whole or in part, at public auction, by public tender or by private sale, either for

cash or upon credit, at the time and upon any terms and conditions as the Receiver may determine; and

4.5.6.5 to make any arrangement or compromise that the Receiver thinks expedient; and

4.5.7 by any other remedy or proceeding authorized or permitted by this Agreement or by law or equity, including all of the rights and remedies of a secured party under the PPSA;

and in exercising, delaying in exercising or failing to exercise, any such right or remedy the Secured Party will not incur any liability to the Debtor.

4.6 Proceeds of Disposition

The Proceeds of the sale, lease or other disposition of the whole or any part of the Collateral will be applied to the Obligations, including any amounts owed to the Secured Party under Section 5.5, and any surplus remaining in the hands of the Receiver or the Secured Party will be distributed as required by the PPSA or other applicable law.

4.7 Deficiency

If the Proceeds of the realization of the Collateral are insufficient to fully pay the Obligations to the Secured Party, the Debtor will be liable to pay, and will immediately pay or cause to be paid, the deficiency to the Secured Party.

ARTICLE 5 GENERAL

5.1 No Automatic Discharge

This Agreement will not be or be considered to have been discharged by reason only of the Debtor ceasing to be indebted or under any liability, direct or indirect, absolute or contingent, to the Secured Party.

5.2 No Obligation to Advance

None of the preparation, execution or registration of notice of this Agreement will bind the Secured Party to advance any monies or extend any credit to the Debtor, nor will the advance of a portion of any monies or the extension of a portion of any credit by the Secured Party to the Debtor bind the Secured Party to make available any unadvanced or unextended portion of those monies or that credit.

5.3 Security Additional

The Security Interests are in addition to and not in substitution for any other security now or in the future held by the Secured Party.

5.4 Realization

The Secured Party may realize upon various securities securing the Obligations or any part of them in any order that it sees fit, and realization by any means upon any security or part of it will not bar realization upon any other security or the Security Interests or any part of them.

5.5 Payment of Costs

The Debtor will pay on demand all costs and expenses incurred (including legal costs and disbursements on a 100 percent, complete indemnity basis) and fees charged by:

- 5.5.1 the Secured Party in connection with obtaining or discharging this Agreement, establishing or confirming the priority of the Security Interests created by this Agreement or by law, or complying with any demand by any person under the PPSA to amend or discharge any registration relating to this Agreement; and
- 5.5.2 the Secured Party or any Receiver in exercising any remedy under this Agreement (including preserving, repairing, processing, preparing for disposition and disposing of the Collateral by sale, lease or otherwise) and in carrying on the Debtor's business.

All of those amounts will bear interest from time to time at the highest interest rate then applicable to any of the Obligations, and the Debtor will reimburse the Secured Party or Receiver, as applicable, upon demand for any amount so paid.

5.6 Extensions

The Secured Party may grant extensions of time and other indulgences, take and give up security, accept compositions, compound, compromise, settle, grant releases and discharges, refrain from perfecting or maintaining perfection of security interests and otherwise deal with the Debtor, account debtors of the Debtor, sureties and others, and with the Collateral and other security interests, as the Secured Party may see fit without prejudice to the liability of the Debtor or to the Secured Party's right to hold and realize on the security constituted by this Agreement.

5.7 Notice

Any notice, demand, request, consent, approval or other communication that is required or permitted by this Agreement to be given or made by a Party must be in writing and may be personally delivered, sent by prepaid registered mail or sent by e-mail or other functionally equivalent electronic means of communication to the receiving Party at its address or e-mail address as follows:

Debtor: 200 – 117 8 Avenue SW, Calgary, Alberta T2P 1B4
clewis@cleoenergy.com

Secured Party: Suite 1802, 71 Jamieson Court
New Westminster, British Columbia V3L 5R4
steve88c@hotmail.com

or at any other address or e-mail address as any Party may from time to time advise the other Party in accordance with this Section 5.7.

5.8 Submission to Jurisdiction

The Debtor irrevocably submits and attorns to the exclusive jurisdiction of the courts of the Province of Alberta to determine all issues, whether at law or in equity, arising from this Agreement.

5.9 Amendment and Waiver

No supplement, amendment, waiver, discharge or termination of this Agreement is binding unless it is executed in writing by the Party to be bound. No waiver of, failure to exercise or delay in exercising, any provision of this Agreement constitutes a waiver of any other provision, whether or not similar, nor does any waiver constitute a continuing waiver unless otherwise expressly provided.

5.10 Further Assurances

The Debtor will, at the Debtor's sole cost, execute and deliver any further agreements and documents and provide any further assurances as may be reasonably required by the Secured Party to give effect to this Agreement and, without limiting the generality of the foregoing, will do or cause to be done all acts and things, execute and deliver or cause to be executed and delivered all agreements and documents and provide any assurances, undertakings and information as may be required from time to time by all regulatory or governmental authorities.

5.11 Assignment

- 5.11.1 The Secured Party may, without notice to or consent of the Debtor, at any time assign, transfer or grant a security interest in its rights and obligations under this Agreement and the Security Interests.
- 5.11.2 Neither this Agreement nor any rights or obligations under this Agreement may be assigned by the Debtor without the prior consent of the Secured Party.

5.12 Enurement

This Agreement enures to the benefit of the Secured Party and its heirs, executors, administrators, successors and assigns, and is binding upon the Debtor and its heirs, executors, administrators, successors and permitted assigns.

5.13 Joint and Several Obligations

If the Debtor is composed of more than one person, the agreements of, and all obligations and covenants to be performed and observed by, each of the persons comprising the Debtor under this Agreement will be the joint and several agreements, obligations and covenants of each of the persons comprising the Debtor, and any request or authorization given to the Secured Party by any of the persons comprising the Debtor will be considered to be the requests or authorizations of each of the persons comprising the Debtor.

5.14 Electronic Signatures and Delivery

This Agreement may be:

- 5.14.1 signed by manual, digital or other electronic signatures; and
- 5.14.2 delivered or transmitted by any digital, electronic or other intangible means, including by e-mail or other functionally equivalent electronic means of transmission;

and that execution, delivery and transmission will be valid and legally effective to create a valid and binding agreement between the Parties.

5.15 Acknowledgment and Waiver

The Debtor:

- 5.15.1 acknowledges receiving a copy of this Agreement; and
- 5.15.2 waives all rights to receive from the Secured Party a copy of any financing statement, financing change statement or verification statement filed or issued, as the case may be, at any time in respect of this Agreement or any amendments to this Agreement.

THE REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK

The Debtor has executed and delivered this Agreement as of the date noted at the beginning of the Agreement.

CLEO ENERGY CORP.


Per:

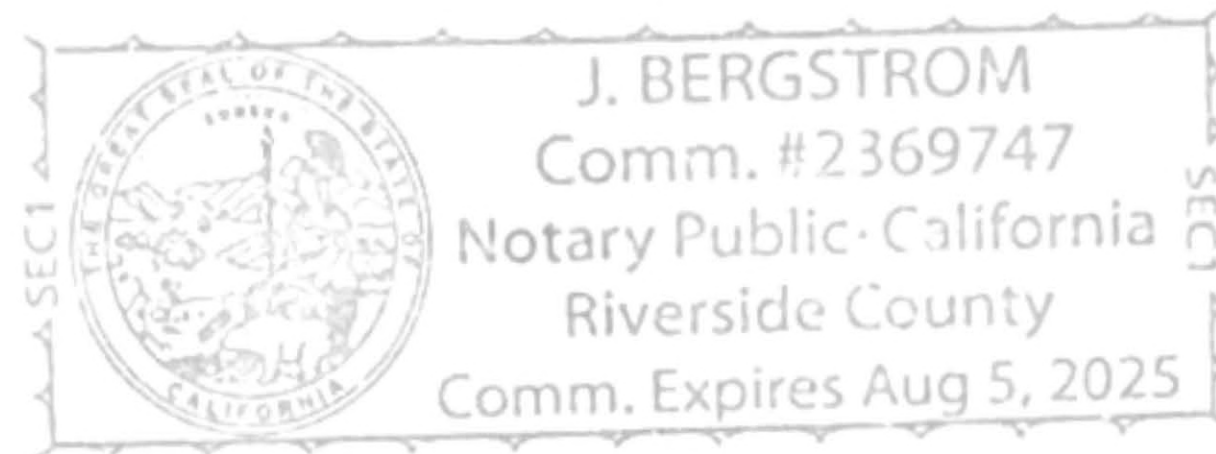
A handwritten signature in black ink, appearing to be "Chris Lewis", is written over a horizontal line.

Name: Chris Lewis

Title: Director

Exhibit "S" to the Affidavit of
Chris Lewis
Sworn/Affirmed before me this
23rd day of December, 2024


A Notary Public for the State of California



GENERAL SECURITY AGREEMENT

THIS AGREEMENT is dated November 24, 2023.

BY:

CLEO ENERGY CORP.

(the “**Debtor**”)

IN FAVOUR OF:

**SAVANNA WELL SERVICING INC. and FORT MCKAY-
SAVANNA ENERGY SERVICES LIMITED
PARTNERSHIP**

(collectively, the “**Secured Party**”)

The Debtor agrees with the Secured Party as follows:

ARTICLE 1 INTERPRETATION

1.1 Definitions

In this Agreement, the following terms have the following meanings:

- 1.1.1 “**Agreement**” means this agreement as it may be supplemented, amended, restated or replaced by written agreement between the Parties.
- 1.1.2 “**Collateral**” means all present and after-acquired personal property owned, leased, licensed, possessed or acquired by the Debtor, or in which the Debtor has rights, of any kind or nature whatsoever, including all present and after-acquired Goods (including Equipment and Inventory), Investment Property, Instruments, Documents of Title, Chattel Paper, Intangibles (including Accounts), Money, crops and fixtures, owned, leased, licensed, possessed or acquired by the Debtor, or in which the Debtor has rights, and all Proceeds of that property, but specifically excludes the Excluded Collateral.
- 1.1.3 “**Consumer Goods**” means Goods that are used or acquired for use primarily for personal, family or household purposes.
- 1.1.4 “**Debtor**” is defined in the recital of the Parties, above.
- 1.1.5 “**Event of Default**” is defined in Section 4.1.
- 1.1.6 “**Excluded Collateral**” means:
 - 1.1.6.1 any Consumer Goods; and
 - 1.1.6.2 any agreement, right, franchise, license or permit to which the Debtor is a party or of which the Debtor has the benefit, to the extent that the creation of the

security interest therein would constitute a breach of the terms of or permit any person to terminate the contractual or legal rights, unless the consent of one or more persons has been obtained and until such consent has been obtained.

- 1.1.7 “**Obligations**” means all present and future indebtedness, liabilities and obligations of the Debtor to the Secured Party arising under or in connection with the Settlement Agreement, whether direct or indirect, absolute or contingent, due or to become due, now existing or hereafter arising, when and as due, together with all fees, costs, legal fees and disbursements, reimbursement obligations, contract causes of action, expenses and indemnities related thereto.
- 1.1.8 “**Parties**” means, collectively, the Debtor and the Secured Party, and “**Party**” means any one of them.
- 1.1.9 “**PPSA**” means the *Personal Property Security Act* (Alberta), as amended, renamed or replaced and includes all regulations made under that legislation.
- 1.1.10 “**Receiver**” means a receiver or receiver-manager of all or any part of the Collateral.
- 1.1.11 “**Secured Party**” is defined in the recital of the Parties, above.
- 1.1.12 “**Security Interests**” means the mortgages, charges and security interests granted and created by this Agreement.
- 1.1.13 “**Settlement Agreement**” means the settlement agreement dated November 10, 2023, between the Debtor and the Secured Party (as amended, supplemented, renewed, restated or replaced from time to time).

1.2 Incorporated Definitions

Capitalized terms not otherwise defined in this Agreement have the definitions set out in the PPSA.

1.3 Governing Law

This Agreement is governed by, and is to be construed and interpreted in accordance with, the laws of the Province of Alberta and the laws of Canada applicable in that Province.

1.4 Rules of Interpretation

In this Agreement, words signifying the singular number include the plural and vice versa, and words signifying gender include all genders. Every use of the words “including” and “includes” in this Agreement is to be construed as meaning “including, without limitation” or “includes, without limitation”, respectively.

ARTICLE 2 GRANT OF SECURITY INTEREST

2.1 Security Interests

As security for payment and performance of the Obligations, the Debtor mortgages and charges to the Secured Party, and grants to the Secured Party a security interest in, and the Secured Party takes a security interest in, all of the Debtor's right, title and interest in and to the Collateral. The Debtor agrees that it holds the Excluded Collateral described in Section 1.1.6.2 in trust for the Secured Party and upon request by the Secured Party will use commercially reasonable efforts to obtain the consent of one or more persons required under any such agreement, right, franchise, license or permit to allow the security interest of the Secured Party to extend over such agreement, right, franchise, license or permit.

2.2 Attachment

The Debtor and the Secured Party do not intend to postpone the attachment of the Security Interests, and the Security Interests will attach when:

- 2.2.1 this Agreement has been executed, or in the case of after-acquired property, that property has been acquired by the Debtor;
- 2.2.2 value has been given; and
- 2.2.3 the Debtor has rights in the Collateral, or in the case of after-acquired property, acquires rights in the Collateral.

ARTICLE 3 REPRESENTATIONS, WARRANTIES AND COVENANTS

3.1 Representations and Warranties

The Debtor represents and warrants to the Secured Party that:

- 3.1.1 **Corporate Existence and Binding Obligation.** The Debtor is duly incorporated and validly existing under the laws of the Province of Alberta and is duly qualified to carry on business and own property in each jurisdiction where it carries on business or where any of its property is located. The Debtor has adequate power, capacity and authority to carry on its business, own property, execute and deliver this Agreement, and perform its obligations under this Agreement, which Agreement constitutes a legally valid and binding obligation of the Debtor enforceable in accordance with its terms. The making of this Agreement will not result in the breach of, constitute a default under, contravene any provision of, or result in the creation of, any lien, charge, security interest, encumbrance or any other rights of others upon any property of the Debtor pursuant to any agreement, indenture or other instrument to which the Debtor is a party or by which the Debtor or any of its property may be bound or affected.
- 3.1.2 **Name.** The full legal name of the Debtor (including any French or French/English form of its legal name), and any other name under which it conducts its business, is correctly specified on the signature page of this Agreement.

- 3.1.3 **Place of Business.** The Debtor's sole place of business and chief executive office is 200 – 117 8 Avenue SW, Calgary, Alberta T2P 1B4.
- 3.1.4 **Location of Collateral.** The locations of all other places where the Debtor carries on business or keeps Collateral are 200 – 117 8 Avenue SW, Calgary, Alberta T2P 1B4.
- 3.1.5 **Owns Collateral.** The Debtor either owns, possesses and has good and marketable title to, or has enforceable leasehold or other rights to, all currently held Collateral, free from all security interests, mortgages, charges, encumbrances, liens and claims except those previously disclosed to the Secured Party.
- 3.1.6 **Serial Number Goods.** As of the date hereof, the assets described in Schedule A are Serial Number Goods owned by the Debtor.

3.2 Covenants

The Debtor covenants and agrees with the Secured Party that, unless otherwise consented to in writing by the Secured Party, it:

- 3.2.1 will not permit the Collateral or any part of it to become subject to any mortgage, charge, lien, encumbrance or security interest, whether made, given or created by the Debtor or otherwise.
- 3.2.2 will not sell, lease or otherwise dispose of the Collateral or any part of it (other than Inventory in the ordinary course of business), and if any sale, lease or other disposition is permitted or consented to it will pay the Proceeds to the Secured Party.
- 3.2.3 will not release, surrender or abandon the Collateral or any part of it (other than in the ordinary course of business).
- 3.2.4 will not move the Collateral or any part of it from its present locations (except in the ordinary course of business and without first providing the Secured Party with 15 days notice thereof);
- 3.2.5 will not change its chief executive office without first providing 15 days notice to the Secured Party;
- 3.2.6 will pay all rent or mortgage payments of any kind as applicable to any real property upon which any part of the Collateral is located in a timely manner;
- 3.2.7 shall care for, protect and preserve the Collateral and not permit its value to be impaired and will not permit the Collateral to be affixed to real or personal property so as to become a fixture or accession (except in the ordinary course of business); and
- 3.2.8 will keep the Collateral insured with such coverage and amounts that are no less than the replacement cost of the Collateral and on request of the Secured Party following an Event of Default will require that such insurance names the Secured Party as loss payee.

ARTICLE 4 DEFAULT AND ENFORCEMENT

4.1 Events of Default

The occurrence of any one or more of the following events or conditions will be an event of default under this Agreement ("**Event of Default**"):

- 4.1.1 the Debtor defaults in payment to the Secured Party when due of any indebtedness or liabilities forming part of the Obligations;
- 4.1.2 the Debtor defaults in performance of any of the Obligations other than payment under Section 4.1.1;
- 4.1.3 the Debtor defaults in the observance or performance of any of the terms, conditions or covenants to be observed or performed by the Debtor under this Agreement or any other agreement or instrument existing at any time between the Debtor and the Secured Party;
- 4.1.4 the Debtor ceases or threatens to cease to carry on its business;
- 4.1.5 the institution by or against the Debtor of any formal or informal proceeding for the dissolution or liquidation or settlement of claims against or winding up of affairs of the Debtor;
- 4.1.6 an encumbrancer takes possession of any of the Collateral or any process of execution or distress is levied or enforced upon or against any of the Collateral;
- 4.1.7 the Debtor commits or threatens to commit any act of bankruptcy, or becomes insolvent or bankrupt or makes a proposal or files an assignment for the benefit of creditors under the *Bankruptcy and Insolvency Act* (Canada) or similar legislation in Canada or any other jurisdiction, or if an application for a bankruptcy order is filed against the Debtor; or
- 4.1.8 proceedings are commenced against or affecting the Debtor seeking the appointment of, or any creditor of the Debtor or any other person privately appoints, a receiver, receiver-manager, trustee, custodian, liquidator or similar official for the Debtor or any part of the Debtor's property, including the Collateral or any part of it.

4.2 Acceleration

If an Event of Default described in Section 4.1.7 or Section 4.1.8 occurs all of the Obligations will immediately become due and payable without any demand or any notice of any kind to the Debtor. If any other Event of Default occurs the Secured Party, in its sole and absolute discretion, may declare all or any part of the Obligations, whether or not by their terms payable on demand, immediately due and payable, without any further demand or notice of any kind.

4.3 Security Interests Enforceable

The occurrence of an Event of Default will cause the Security Interests to become enforceable against the Debtor without the need for any action or notice by the Secured Party.

4.4 Remedies of the Secured Party

If the Security Interests become enforceable, the Secured Party may enforce its rights by any one or more of the following remedies:

- 4.4.1 by taking possession of the Collateral or any part of it, and collecting, demanding, suing, enforcing, recovering, receiving and otherwise getting in the Collateral, and for that purpose entering into and upon any lands, buildings, and premises and doing any act and taking any proceedings in the name of the Debtor, or otherwise, as the Secured Party considers necessary;
- 4.4.2 by proceedings in any court of competent jurisdiction for the appointment of a Receiver;
- 4.4.3 by proceedings in any court of competent jurisdiction for the sale or foreclosure of all or any part of the Collateral;
- 4.4.4 by filing of proofs of claim and other documents to establish its claims in any proceeding or proceedings relating to the Debtor;
- 4.4.5 by sale or lease by the Secured Party of all or any part of the Collateral, whether or not it has taken possession of the Collateral;
- 4.4.6 by appointment by instrument in writing of a Receiver on any terms as to remuneration and otherwise as the Secured Party thinks fit, or by removing and appointing a replacement for any Receiver, and any Receiver so appointed will have, in addition to all of the rights and remedies of a receiver under the PPSA, the power:
 - 4.4.6.1 to take possession of, collect, demand, sue on, recover, receive, realize on or enforce against the Collateral, and for that purpose to give valid and binding receipts and discharges for and in respect of it, and take any proceedings in the name of the Debtor or otherwise as may seem expedient;
 - 4.4.6.2 to carry on or manage all or any part of the business of the Debtor;
 - 4.4.6.3 to borrow money on the security of the Collateral in priority to this Agreement or otherwise for the purpose of the maintenance, preservation or protection of the Collateral, for carrying on or managing all or any part of the business of the Debtor or for exercising any other power under this Agreement;
 - 4.4.6.4 to sell, lease, accept surrenders of leases of or otherwise dispose of the Collateral in whole or in part, at public auction, by public tender or by private sale, either for cash or upon credit, at the time and upon any terms and conditions as the Receiver may determine; and
 - 4.4.6.5 to make any arrangement or compromise that the Receiver thinks expedient; and
- 4.4.7 by any other remedy or proceeding authorized or permitted by this Agreement or by law or equity, including all of the rights and remedies of a secured party under the PPSA;

and in exercising, delaying in exercising or failing to exercise, any such right or remedy the Secured Party will not incur any liability to the Debtor.

4.5 Receiver

Any Receiver appointed hereunder be deemed to be the agent of the Debtor and not the Secured Party, and the Debtor and not the Secured Party, shall be solely responsible for the Receiver's acts or defaults and for the Receiver's remuneration and expenses. the Secured Party shall not be in any way responsible for any misconduct, negligence or failure to act on the part of any such Receiver, its servants, agents or employees.

4.6 Proceeds of Disposition

The Proceeds of the sale, lease or other disposition of the whole or any part of the Collateral will be applied to the Obligations, including any amounts owed to the Secured Party under Section 5.5, and any surplus remaining in the hands of the Receiver or the Secured Party will be distributed as required by the PPSA or other applicable law.

4.7 Deficiency

If the Proceeds of the realization of the Collateral are insufficient to fully pay the Obligations to the Secured Party, the Debtor will be liable to pay, and will immediately pay or cause to be paid, the deficiency to the Secured Party.

ARTICLE 5 GENERAL

5.1 No Automatic Discharge

This Agreement will not be or be considered to have been discharged by reason only of the Debtor ceasing to be indebted or under any liability, direct or indirect, absolute or contingent, to the Secured Party.

5.2 No Obligation to Advance

None of the preparation, execution or registration of notice of this Agreement will bind the Secured Party to advance any monies or extend any credit to the Debtor, nor will the advance of a portion of any monies or the extension of a portion of any credit by the Secured Party to the Debtor bind the Secured Party to make available any unadvanced or unextended portion of those monies or that credit.

5.3 Security Additional

The Security Interests are in addition to and not in substitution for any other security now or in the future held by the Secured Party.

5.4 Realization

The Secured Party may realize upon various securities securing the Obligations or any part of them in any order that it sees fit, and realization by any means upon any security or part of it will not bar realization upon any other security or the Security Interests or any part of them.

5.5 Payment of Costs

Subject to the terms of the Settlement Agreement, the Debtor will pay the Secured Party on demand all costs, fees and expenses (including legal fees on a solicitor and his own client basis) incurred by the Secured Party in connection with the preparation, execution, registration and perfection of this Agreement, up to the maximum amount stated in the Settlement Agreement. The Debtor further agrees to pay all reasonable and documented costs associated with the enforcement of this Agreement (including, for certainty, costs incurred by an Receiver appointed by the Secured Party in connection with such enforcement), and such enforcement costs shall be added to and form part of the Obligations secured hereunder.

5.6 Extensions

The Secured Party may grant extensions of time and other indulgences, take and give up security, accept compositions, compound, compromise, settle, grant releases and discharges, refrain from perfecting or maintaining perfection of security interests and otherwise deal with the Debtor, account debtors of the Debtor, sureties and others, and with the Collateral and other security interests, as the Secured Party may see fit without prejudice to the liability of the Debtor or to the Secured Party's right to hold and realize on the security constituted by this Agreement.

5.7 Notice

Any notice, demand, request, consent, approval or other communication that is required or permitted by this Agreement to be given or made by a Party must be in writing and may be personally delivered, sent by prepaid registered mail or sent by e-mail or other functionally equivalent electronic means of communication to the receiving Party at its address or e-mail address as follows:

Debtor: 200 – 117 8 Avenue SW, Calgary, Alberta T2P 1B4
clewis@cleoenergy.com

Secured Party: 1000, 734 7th Ave SW, Calgary, Alberta, T2P 3P8
legal@totalenergy.ca

or at any other address or e-mail address as any Party may from time to time advise the other Party in accordance with this Section 5.7.

5.8 Submission to Jurisdiction

The Debtor irrevocably submits and attorns to the exclusive jurisdiction of the courts of the Province of Alberta to determine all issues, whether at law or in equity, arising from this Agreement.

5.9 Amendment and Waiver

No supplement, amendment, waiver, discharge or termination of this Agreement is binding unless it is executed in writing by the Party to be bound. No waiver of, failure to exercise or delay in exercising, any provision of this Agreement constitutes a waiver of any other provision, whether or not similar, nor does any waiver constitute a continuing waiver unless otherwise expressly provided.

5.10 Further Assurances

The Debtor will, at the Debtor's sole cost, execute and deliver any further agreements and documents and provide any further assurances as may be reasonably required by the Secured Party to give effect to this Agreement and, without limiting the generality of the foregoing, will do or cause to be done all acts and things, execute and deliver or cause to be executed and delivered all agreements and documents and provide any assurances, undertakings and information as may be required from time to time by all regulatory or governmental authorities.

5.11 Assignment

Neither this Agreement nor any rights or obligations under this Agreement may be assigned by any party without the prior consent of the other party.

5.12 Enurement

This Agreement enures to the benefit of the Secured Party and its successors and assigns, and is binding upon the Debtor and its successors and assigns.

5.13 Electronic Signatures and Delivery

This Agreement may be:

- 5.13.1 signed by manual, digital or other electronic signatures; and
- 5.13.2 delivered or transmitted by any digital, electronic or other intangible means, including by e-mail or other functionally equivalent electronic means of transmission;

and that execution, delivery and transmission will be valid and legally effective to create a valid and binding agreement between the Parties.

5.14 Acknowledgment and Waiver

The Debtor:

- 5.14.1 acknowledges receiving a copy of this Agreement; and
- 5.14.2 waives all rights to receive from the Secured Party a copy of any financing statement, financing change statement or verification statement filed or issued, as the case may be, at any time in respect of this Agreement or any amendments to this Agreement.

THE REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK

The Debtor has executed and delivered this Agreement as of the date noted at the beginning of the Agreement.

CLEO ENERGY CORP.

Per: 

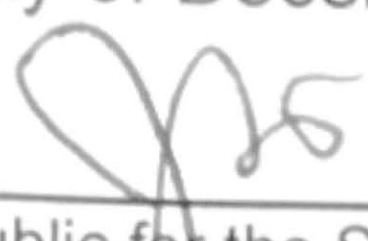
Name: Chris Lewis

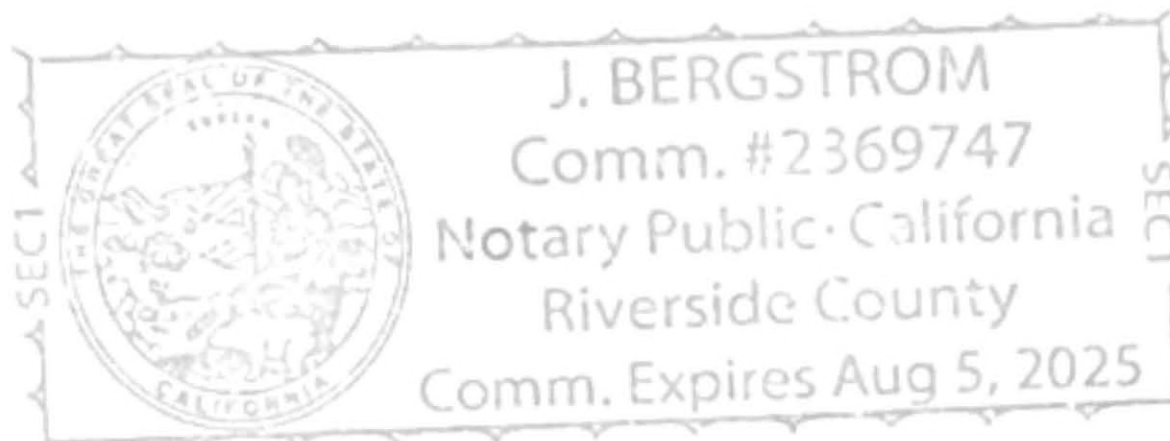
Title: President and Corporate Secretary

SCHEDULE A
SERIAL NUMBER GOODS

1. 1GCUYDEDXNZ110683 2022 CHEVROLET SILVERADO MV - Motor Vehicle.

Exhibit "T" to the Affidavit of
Chris Lewis
Sworn/Affirmed before me this
23rd day of December, 2024


A Notary Public for the State of California



AMENDMENT TO SECURED LINE OF CREDIT AGREEMENT

THIS AGREEMENT (the "Amending Agreement") is dated as of March 6, 2024

BETWEEN:

CLEO ENERGY CORP.

(the "Debtor")

- and -

MANTL CANADA INC.

(the "Secured Party" and together with the Borrower,
the "Parties")

CONTEXT:

- A. On March 1, 2024, the Debtor and the Secured Party entered into a Security Agreement issuing a Security in favour of the Secured Party for Secured Interests and Collateral secured (the "Security Agreement").
- B. The Parties wish to amend the Note as more particularly set out herein.

NOW THEREFORE THIS AGREEMENT WITNESSES that in consideration of this Amending Agreement and the mutual terms and conditions set forth herein, the Parties agree that:

1. **INTERPRETATION**

This Amending Agreement is supplemental to and shall form one agreement with the Note, and the Note and this Amending Agreement shall be read together and have effect so far as practicable as though all the provisions thereof and hereof were contained in one instrument. Capitalized terms that are not otherwise defined herein shall have the meaning attributed to those terms in the Note.

2. **AMENDMENTS**

The Note is amended as follows:

- (a) Add Amped Energy Services Ltd. ("Amped" or the "Lender") as a party to the Agreement; #2 Patten Ave; Sedgewick AB, T0B 4C0; mike@ampedenergy.ca
- (b) Revise Section 4 replace \$1,250,00 with \$2,500,000

3. CONFIRMATION

The Parties hereby acknowledge and confirm that, except as specifically amended by the provisions of this Amending Agreement, all of the terms and conditions contained in the Note are and shall remain in full force and effect, un-amended, in accordance with the provisions thereof.

4. GENERAL

- (a) This Amending Agreement may be executed in any number of counterparts and each of such counterparts shall for all purposes be deemed to be an original, and all such counterparts shall together constitute one and the same instrument.
- (b) This Amending Agreement will be governed by and construed in accordance with the laws of the Province of Alberta and the federal laws of Canada applicable therein.
- (c) This Amending Agreement, when read together with the Note, contains the entire agreement between the Parties with respect to the subject matter hereof and thereof and supersedes any prior understanding or agreements between them respecting the subject matter hereof and thereof.
- (d) All provisions of this Amending Agreement shall be binding upon, enure to the benefit of, and be enforceable by and against the Parties, their respective successors and permitted assigns.

[Remainder of this page left intentionally blank; signature page(s) follow.]

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

MANTL CANADA INC.



Matthew Kenna, President

AMPED ENERGY SERVICES LTD



Mike Rahmoun, President

CLEO ENERGY CORP.



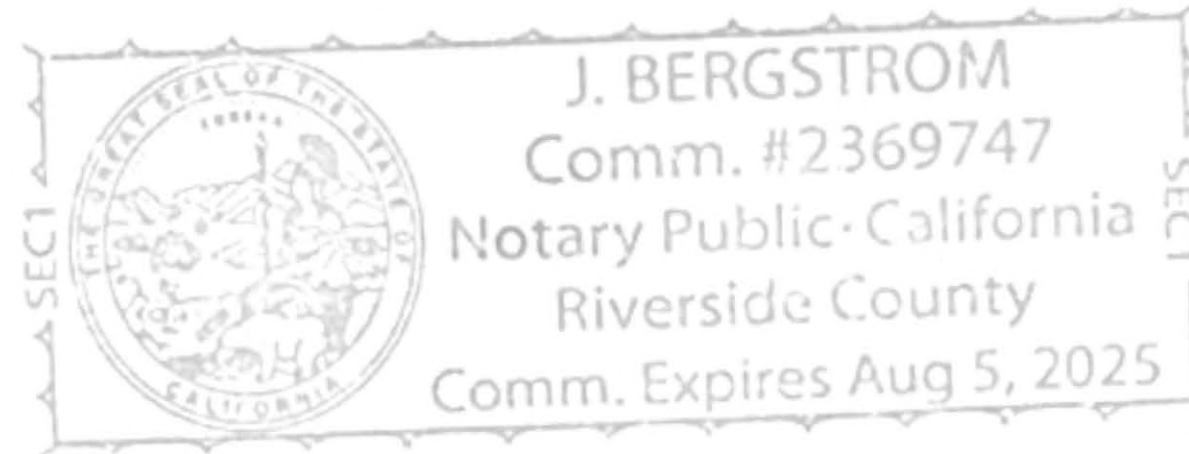

Per: _____
Name: Chris Lewis
Title: Chairman

Exhibit "U" to the Affidavit of
Chris Lewis
Sworn/Affirmed before me this
23rd day of December, 2024


A Notary Public for the State of California



Personal Property Registry

Search Results Report

Page 1 of 60

Search ID #: Z18192244

Transmitting Party

ELDOR-WAL REGISTRATIONS (1987) LTD.

1200, 10123 99 st NW
EDMONTON, AB T5J 3H1

Party Code: 50073881

Phone #: 780 429 5969

Reference #:

Search ID #: Z18192244

Date of Search: 2024-Dec-17

Time of Search: 13:35:14

Business Debtor Search For:

CLEO ENERGY CORP.

Exact Result(s) Only Found

NOTE:

A complete Search may result in a Report of Exact and Inexact Matches.
Be sure to read the reports carefully.



Personal Property Registry

Search Results Report

Page 2 of 60

Search ID #: Z18192244

Business Debtor Search For:

CLEO ENERGY CORP.

Search ID #: Z18192244

Date of Search: 2024-Dec-17

Time of Search: 13:35:14

Registration Number: 18061928493

Registration Date: 2018-Jun-19

Registration Type: SECURITY AGREEMENT

Registration Status: Current

Expiry Date: 2031-Jun-19 23:59:59

Exact Match on: Debtor No: 3

Amendments to Registration

| | | |
|-------------|-----------|-------------|
| 18070923707 | Amendment | 2018-Jul-09 |
| 21060138544 | Renewal | 2021-Jun-01 |
| 21060201712 | Amendment | 2021-Jun-02 |
| 22040600494 | Amendment | 2022-Apr-06 |
| 22040617133 | Renewal | 2022-Apr-06 |
| 24052917156 | Renewal | 2024-May-29 |
| 24052921476 | Renewal | 2024-May-29 |
| 24060432336 | Renewal | 2024-Jun-04 |

Debtor(s)

Block

1 CLEO ENERGY CROP.
117 - 8TH AVE SW
CALGARY, AB T2P1B4

Status

Deleted by
18070923707

Block

2 LEWIS, CHRISTOPHER, JOHN MCRAE
940 RIVERDALE AVE SW
CALGARY, AB T2S0Y8

Status

Current

Birth Date:
1966-Mar-09

Personal Property Registry

Search Results Report

Page 3 of 60

Search ID #: Z18192244

Block

3 CLEO ENERGY CORP.
117 - 8TH AVE SW
CALGARY, AB T2P 1B4

Status

Current by
18070923707

Secured Party / Parties

Block

1 ARUNDEL CAPITAL CORPORATION
SUITE 420, 5119 ELBOW DRIVE SW
CALGARY, AB T2V1H2

Status

Deleted by
21060201712

Block

2 ARUNDEL CAPITAL CORPORATION
SUITE 420, 5119 ELBOW DRIVE SW
CALGARY, AB T2V1H2
Email: CATHERINE@ARUNDELCAPITAL.COM

Status

Deleted by
22040600494

Block

3 ARUNDEL CAPITAL CORPORATION
#201, 3007 - 14TH STREET SW
CALGARY, AB T2T3V6
Email: CATHERINE@ARUNDELCAPITAL.COM

Status

Current by
22040600494

Collateral: General

Block

Description

1 THE CLEO FABYAN ASSET IS BOUND GEOGRAPHICALLY BY 41-06W4 IN THE SE AND 46-11W4 IN THE NW. THE FIELD IS CHARACTERIZED BY APPROXIMATELY 175 ACTIVE WELLBORES, WHICH PRODUCE IN THE ORDER OF 4,000 MCF/D OF SWEET NATURAL GAS. THE GAS GATHERING INFRASTRUCTURE ACROSS THE FIELD INCLUDES 630 KMS OF HIGH INTEGRITY PIPELINE. GAS IS GATHERED VIA TWO CURRENTLY OPERATING FACILITIES, THE FABYAN 06-08-045-07W4 GAS PLANT AND COMPRESSION FACILITY (SALES POINT), AND THE ALBERS 10-28-042-08W4 COMPRESSOR SITE, WHICH BOOSTS GAS IN THE SOUTHERN ARE OF THE FIELD UP TO 06-08. A THIRD GAS PLANT AT HARDISTY 15-11-043-09W4 IS CURRENTLY IDLE (FORMER SALES POINT), AS FIELD VOLUMES ARE ECONOMICALLY GATHERED AND EFFICIENCY COMPRESSED AT THE ABOVE SITES AT THIS TIME. WERE FURTHER DEVELOPMENT OR THIRD PARTY GAS BE COLLECTED, THE 15-11 SITE IS OPTIMALLY SET UP TO REACTIVATE, OFFERING A MATERIAL INCREASE IN GAS HANDLING CAPACITY IN THE FIELD. THE FIELD PIPELINE GATHERING SYSTEM IS UNIQUELY LAID OUT WITH IN PLACE VALVES TO ISOLATE THE NORTH AND SOUTH SECTORS OF THE FIELD AND PRODUCE GAS RESPECTIVELY TO 06-08 AND 15-11. ADDITIONAL COMPRESSION ENHANCEMENTS COULD ALSO BE MADE AT THE FABYAN 06-08 PLANT TO INCREASE GAS HANDLING CAPACITY. CURRENT THIRD PARTY GAS PROCESSED BY CLEO AT 06-08 IS APPROXIMATELY 700 MCF/D. A SUMMARY OF THE ABOVE FACILITIES FOLLOWS:

Status

Deleted By
22040600494

Personal Property Registry

Search Results Report

Page 4 of 60

Search ID #: Z18192244

- 2 FABYAN 06-08-045-07W4 GAS PLANT AND COMPRESSION FACILITY Deleted By 22040600494
- THE CURRENT GAS THROUGHPUT AT FABYAN 06-08-045-07W4 IS 350 E3M3/D VIA (INCLUSIVE OF 700 MCF/D THIRD PARTY GAS), THE WHITE MW64 3 STAGE RECIP (DRIVEN BY A WHITE SUPERIOR 8GTLK825 ENGINE WITH TURBO 1100 HP). THIS UNIT HAS PROVEN CAPACITY OF 150 E3M3/D THROUGHPUT. 1ST STAGE SUCTION IS 150 KPA, 2ND STAGE SUCTION IS 820 KPA, 3RD STAGE SUCTION IS 1,900 KPA AND 3RD STAGE DISCHARGE TO SALES RANGES BETWEEN 4,000 TO 4,500 KPA. THE SITE DOES NOT REQUIRE A DEHYDRATION UNIT DUE TO THE DRY NATURE OF THE GAS. FREE WATER/LIQUIDS ARE KNOCKED OUT AT THE INLET SLUG CATCHER. A REFRIGERATION UNIT ON SITE KNOCKS OUT CONDENSATE TO ONSITE TANKAGE, WHICH IS THEN TRUCKED TO MARKET.
- THE 06-08 GAS PLANT HANDLED 14,000 MCF/D IN ITS FORMER PEAK ERA, WITH TWO RECIP COMPRESSORS IN OPERATION: THE WHITE (2 STAGE AT THE TIME) AND AN ENERGY INDUSTRIES FE665B 2 STAGE RECIP (DRIVEN BY A CAT G3516 ENGINE) RAN IN PARALLEL. THE ENERGY INDUSTRIES COMPRESSOR IS CURRENTLY LAID UP, BUT COULD BE 3 STAGED OR REPLACED WITH A FIT TO PURPOSE UNIT EFFECTIVELY INCREASING GAS PLANT CAPABILITIES TO THE 10,000 MCF/D TO 14,000 MCF/D RANGE.
- BY USING THE CALCULATION UNDER THE AERS DIRECTIVE 75 THE APPROXIMATE ASSET VALUE OF THIS FACILITY BASED ON CURRENT EQUIPMENT AND DESIGN CAPACITY WOULD BE \$4,804,697
- 3 HARDISTY 15-11-043-09W4 GAS PLANT Current
- THE HARDISTY/KILLAM 15-11-043-09W4 SWEET GAS PLANT WAS LAID UP SEVERAL YEARS AGO BY THE FORMER OPERATOR, AS IT WAS DEEMED MORE EFFECTIVE TO GATHER AND PROCESS ALL GAS FROM THE FIELD AT THE FABYAN 06-08 SITE FOLLOWING PEAK HISTORICAL DEVELOPMENT DECLINE. THE SITE IS EQUIPPED WITH LARGE COMPRESSION AND HANDLING CAPACITY IN THE ORDER OF 10,000 MCF/D, INCLUSIVE OF THREE COMPRESSOR PACKAGES, A 5771 ENERGY INDUSTRIES (740 HP) RECIPROCATING COMPRESSOR, 825 WHITE RECIPROCATING COMPRESSOR (800 HP), AND SULLAIR SCREW COMPRESSOR (860 HP). THE FACILITY IS EQUIPPED WITH A 3 TOWER DESICCANT SYSTEM TO KNOCK OUT CONDENSATE, AND THE REQUIRED TANKAGE FOR CONDENSATE AND WATER HANDLING. ALTHOUGH THE EQUIPMENT IS CURRENTLY SHUT-IN, GAS FROM THE SOUTHERN AREA OF THE FABYAN FIELD IS STILL DIRECTED THROUGH THE 15-11 PLANTSITE NORTH TO FABYAN 06-08 PLANT. THE 15-11 PLANT IS UNIQUELY SITUATED AS A SALES POINT.
- BY USING THE CALCULATION UNDER THE AERS DIRECTIVE 75 THE APPROXIMATE ASSET VALUE OF THIS FACILITY BASED ON CURRENT EQUIPMENT AND DESIGN CAPACITY WOULD BE \$3,887,250
- 4 ALBERS 10-28-042-08W4 COMPRESSOR Deleted By 22040600494
- THE ALBERS 10-28 COMPRESSOR IS UTILIZED TO BOOST THE SOUTH END OF THE FIELD TO FABYAN 06-08. THE KOBELCO SCREW COMPRESSOR (WITH 1000 HP CAT ENGINE) HAS CAPABILITY TO COMPRESS AND DISCHARGE UP TO 7,000 MCF/D AND IS EQUIPPED WITH AN INLET SLUG CATCHER TO KNOCK OUT LIQUIDS TO ONSITE TANKAGE. THE COMPRESSOR IS PRIMARILY FOCUSED ON DRAWING DOWN PRESSURES IN THE SOUTH OF THE FIELD TO ENHANCE THE PRODUCTION OF NATURAL GAS FROM ASSOCIATED WELLS TIED INTO IT.

Personal Property Registry

Search Results Report

Page 5 of 60

Search ID #: Z18192244

- 5 FURTHER THIRD PARTY GAS REVENUE AND HANDLING OPPORTUNITIES Deleted By
21060201712
- CLEO ALSO HAS NATURAL GAS VOLUMES SEPARATE FROM THOSE DISCUSSED ABOVE, TIED INTO SANLING CHOICE 04-05-041-09W4 GATHERING SYSTEM IN THE AMISK, ALBERTA AREA. CLEOS FABYAN 06-08 GATHERING SYSTEM IN THE SOUTH OF THE FIELD CROSSES OVER SANLING PIPELINES AND A BASIC RISER INSTALLATION/TIE-IN AT THE CROSSING OF TWO OF TWO PIPELINES IN SECTION 20-041-08W4 WOULD PROVIDE ACCESS TO UNDERUTILIZED CAPACITY AT SANLING CHOICE. CLEO HAS AGREEMENTS IN PLACE FOR A HIGHLY FAVORABLE PROCESSING FEES OF \$0.34/MCF AT SANLING CHOICE. RELATIVE TO THE THIRD PARTY FEES CHARGED BY CLEO TO THIRD PARTIES AT FABYAN 06-08 IN THE ORDER OF \$1.05/MCF, THIS OFFERS CLEO THE POTENTIAL TO FURTHER OPTIMIZED THIRD PARTY GAS PROCESSING REVENUE, WERE CLEO FACILITY CAPACITY TO BE MAXED OUT, OR THE COST OF PROCESSING THIRD PARTY GAS AT CLEO FACILITIES EXCEED THAT OF THE CONTRACTED SANLING FEE.
- ALL THE DEBTOR'S PRESENT PERSONAL PROPERTY AND PERSONAL PROPERTY ACQUIRED IN THE FUTURE, INCLUDING INVENTORY, FURNITURE, FIXTURES, OFFICE EQUIPMENT, INDUSTRIAL EQUIPMENT, MACHINERY, PLANT, TOOLS, VEHICLES, INTANGIBLE PERSONAL PROPERTY, SECURITIES, DOCUMENTS OF TITLE, INSTRUMENTS, CHATTEL PAPER, MONEY AND ACCOUNTS RECEIVABLE. ALL THE DEBTOR'S RECORDS RELATING TO THE BUSINESS AND THE PROPERTY THAT IS SECURED. PROCEEDS - ALL PRESENT AND AFTER ACQUIRED PERSONAL PROPERTY OF THE DEBTOR. ALL THE DEBTOR'S PRESENT AND ACQUIRED IN THE FUTURE ACCOUNTS RECEIVABLE, CHATTEL PAPER, SECURITIES, DOCUMENTS OF TITLE, INSTRUMENTS, MONEY RELATING TO ACCOUNTS RECEIVABLE AND RECORDS.
- 6 FURTHER THIRD PARTY GAS REVENUE AND HANDLING OPPORTUNITIES Deleted By
22040600494
- CLEO ALSO HAS NATURAL GAS VOLUMES SEPARATE FROM THOSE DISCUSSED ABOVE, TIED INTO SANLING CHOICE 04-05-041-09W4 GATHERING SYSTEM IN THE AMISK, ALBERTA AREA. CLEOS FABYAN 06-08 GATHERING SYSTEM IN THE SOUTH OF THE FIELD CROSSES OVER SANLING PIPELINES AND A BASIC RISER INSTALLATION/TIE-IN AT THE CROSSING OF TWO OF TWO PIPELINES IN SECTION 20-041-08W4 WOULD PROVIDE ACCESS TO UNDERUTILIZED CAPACITY AT SANLING CHOICE. CLEO HAS AGREEMENTS IN PLACE FOR A HIGHLY FAVORABLE PROCESSING FEES OF \$0.34/MCF AT SANLING CHOICE. RELATIVE TO THE THIRD PARTY FEES CHARGED BY CLEO TO THIRD PARTIES AT FABYAN 06-08 IN THE ORDER OF \$1.05/MCF, THIS OFFERS CLEO THE POTENTIAL TO FURTHER OPTIMIZED THIRD PARTY GAS PROCESSING REVENUE, WERE CLEO FACILITY CAPACITY TO BE MAXED OUT, OR THE COST OF PROCESSING THIRD PARTY GAS AT CLEO FACILITIES EXCEED THAT OF THE CONTRACTED SANLING FEE.
- 7 ALL RIGHT, TITLE AND INTEREST IN THE DEBTOR TO THE LANDS LOCATED AT THE BELOW DESCRIBED LEGAL LAND Current By
22040600494
- LOCATIONS, THE WELLS AND EQUIPMENT THEREON AND ANY OTHER TANGIBLE AND INTANGIBLE PROPERTY RELATED THERETO.

Personal Property Registry

Search Results Report

Page 6 of 60

Search ID #: Z18192244

8 ANY AND ALL PROCEEDS OF AMOUNTS ARISING FROM OR PAYABLE IN
CONNECTION WITH ANY OF
THE COLLATERAL DESCRIBED HERE IN.

Current By
22040600494

LEGAL LAND LOCATIONS:

01-02-037-07W4
01-04-042-12W4
01-05-044-06W4
01-11-037-07W4
01-11-044-07W4
01-12-039-08W4
01-13-039-08W4
01-13-045-08W4
01-16-045-07W4
01-18-043-09W4
01-21-040-08W4
01-22-040-08W4
01-23-039-10W4
01-24-046-08W4
01-27-040-08W4
01-27-046-08W4
01-28-041-08W4
01-33-042-08W4
01-34-040-08W4
01-35-044-08W4
01-36-044-08W4
02-04-042-12W4
02-06-044-06W4
02-10-037-07W4
02-11-037-07W4
02-11-039-08W4
02-12-039-08W4
02-13-039-08W4
02-13-046-08W4
02-15-037-07W4
02-17-044-07W4
02-18-043-09W4
02-20-045-07W4

Personal Property Registry

Search Results Report

Page 7 of 60

Search ID #: Z18192244

9 02-22-040-08W4
02-23-039-10W4
02-23-044-07W4
02-25-037-07W4
02-27-040-08W4
02-28-043-08W4
02-29-043-08W4
02-34-044-08W4
03-07-039-07W4
03-09-044-08W4
03-10-045-07W4
03-11-037-07W4
03-12-043-09W4
03-12-044-07W4
03-13-039-08W4
03-15-035-06W4
03-15-039-10W4
03-22-040-08W4
03-25-044-08W4
03-27-044-08W4
03-29-035-06W4
03-29-044-08W4
03-32-044-07W4
03-32-044-08W4
03-34-042-09W4
04-01-043-09W4
04-03-042-12W4
04-10-039-10W4
04-10-042-12W4
04-11-039-10W4
04-14-039-10W4
04-15-035-06W4
04-16-042-10W4
04-16-044-07W4
04-16-044-08W4
04-20-043-08W4
04-22-040-08W4
04-23-039-10W4
04-23-040-08W4
04-24-039-10W4
04-26-040-08W4
04-27-045-07W4
04-33-044-08W4
04-34-044-08W4

Current By
22040600494

Personal Property Registry

Search Results Report

Page 8 of 60

Search ID #: Z18192244

10 04-35-040-08W4
04-35-040-08W4
05-02-037-07W4
05-03-042-12W4
05-03-043-09W4
05-03-044-06W4
05-03-045-07W4
05-04-044-08W4
05-05-044-06W4
05-07-039-07W4
05-07-043-09W4
05-08-044-07W4
05-10-044-08W4
05-11-037-07W4
05-12-037-07W4
05-12-041-11W4
05-15-035-06W4
05-18-042-11W4
05-21-044-08W4
05-23-040-08W4
05-23-044-08W4
05-25-041-10W4
05-26-044-07W4
05-27-044-07W4
05-33-044-07W4
06-01-042-10W4
06-01-043-08W4
06-02-037-07W4
06-02-042-10W4
06-03-042-12W4
06-07-039-07W4
06-07-044-07W4
06-07-045-09W4
06-08-042-07W4
06-08-045-07W4
06-09-044-07W4
06-10-037-07W4
05-12-041-11W4
05-15-035-06W4
05-18-042-11W4
05-21-044-08W4
05-23-040-08W4
05-23-044-08W4
05-25-041-10W4
05-26-044-07W4
05-27-044-07W4
05-33-044-07W4

Current By
22040600494

Personal Property Registry

Search Results Report

Page 9 of 60

Search ID #: Z18192244

11 06-01-042-10W4
06-01-043-08W4
06-02-037-07W4
06-02-042-10W4
06-03-042-12W4
06-07-039-07W4
06-07-044-07W4
06-07-045-09W4
06-08-042-07W4
06-08-045-07W4
06-09-044-07W4
06-10-037-07W4
06-10-037-07W4
06-11-037-07W4
06-11-039-10W4
06-12-039-08W4
06-12-042-11W4
06-12-044-08W4
06-18-044-07W4
06-19-044-07W4
06-19-044-13W4
06-20-044-07W4
06-20-045-08W4
06-21-042-08W4
06-22-040-08W4
06-22-042-07W4
06-25-046-08W4
06-26-042-09W4
06-28-042-09W4
06-29-042-07W4
06-29-044-07W4
06-30-042-07W4
06-30-042-08W4
06-30-042-10W4
06-30-045-07W4
06-33-042-09W4
06-33-044-07W4
06-33-046-08W4
06-35-046-08W4
07-04-042-12W4
07-08-045-07W4
07-10-037-07W4
07-10-044-08W4
07-10-045-08W4
07-10-046-09W4
07-11-037-07W4
07-11-039-08W4
07-13-044-08W4
07-16-044-07W4
07-19-043-09W4
07-20-045-07W4
07-21-043-08W4
07-22-040-08W4
07-24-044-08W4
07-24-044-10W4
07-25-044-08W4

Current By
22040600494

Personal Property Registry

Search Results Report

Page 10 of 60

Search ID #: Z18192244

12 07-26-044-07W4
07-26-044-08W4
07-27-040-08W4
07-27-040-08W4
07-27-044-07W4
07-28-045-08W4
07-29-045-08W4
07-29-046-08W4
07-31-042-08W4
07-32-042-10W4
07-32-045-08W4
07-33-044-07W4
07-36-041-10W4
08-02-042-11W4
08-03-037-07W4
08-04-042-12W4
08-04-044-08W4
08-11-039-08W4
08-11-039-08W4
08-12-039-08W4
08-13-044-08W4
08-14-044-07W4
08-16-035-06W4
08-16-035-06W4
08-16-039-10W4
08-17-045-07W4
08-18-042-07W4
08-19-044-07W4
08-20-042-08W4
08-22-040-08W4
08-22-040-08W4
08-22-044-07W4
08-23-044-08W4
08-25-042-09W4
08-29-041-10W4
08-29-044-08W4
08-30-045-07W4
08-31-044-07W4
08-34-044-07W4
09-02-045-08W4
09-03-044-06W4
09-04-042-12W4
09-10-037-07W4
09-10-037-07W4
09-10-039-10W4
09-10-041-10W4
09-11-039-08W4
09-12-039-08W4
09-12-039-10W4
09-13-044-08W4
09-16-035-06W4
09-16-044-08W4
09-20-035-06W4
09-23-043-07W4
09-28-044-08W4

Current By
22040600494

13 09-28-044-08W4
09-31-042-08W4
09-32-044-07W4

Current By
22040600494

Personal Property Registry

Search Results Report

Page 11 of 60

Search ID #: Z18192244

09-36-045-08W4
10-02-043-09W4
10-02-045-07W4
10-08-042-07W4
10-08-044-07W4
10-09-045-07W4
10-10-042-09W4
10-10-045-07W4
10-11-039-10W4
10-11-041-11W4
10-11-045-08W4
10-12-039-08W4
10-12-039-10W4
10-12-042-09W4
10-12-046-09W4
10-16-045-07W4
10-18-042-08W4
10-18-044-07W4
10-20-045-08W4
10-27-035-06W4
10-27-035-06W4
10-27-044-08W4
10-27-046-08W4
10-28-041-10W4
10-30-044-07W4
10-31-046-08W4
10-35-041-10W4
10-36-044-07W4
11-01-045-07W4
11-03-045-07W4
11-04-042-12W4
11-04-044-07W4
11-05-043-06W4
11-05-045-07W4
11-06-044-06W4
11-10-039-10W4
11-10-045-07W4
11-11-039-10W4
11-12-039-10W4
11-16-042-08W4
11-16-042-12W4
11-16-045-07W4
11-22-044-07W4
11-24-043-10W4
11-25-037-07W4
11-28-043-08W4
11-28-045-07W4
11-33-045-07W4
11-34-042-08W4
11-35-046-08W4
11-36-045-08W4
12-02-039-10W4
12-02-045-07W4
12-03-042-12W4
12-05-046-07W4
12-06-045-09W4
12-07-039-07W4
12-09-045-07W4
12-10-037-07W4

Personal Property Registry

Search Results Report

Page 12 of 60

Search ID #: Z18192244

14 12-10-039-10W4
12-11-037-07W4
12-11-039-10W4
12-12-039-08W4
12-12-039-10W4
12-12-042-08W4
12-19-042-08W4
12-23-040-08W4
12-23-044-07W4
12-24-039-10W4
12-25-037-07W4
12-27-035-06W4
12-28-044-08W4
12-29-044-08W4
12-30-044-06W4
12-30-045-07W4
13-02-037-07W4
13-03-042-12W4
13-04-042-12W4
13-06-039-07W4
13-06-044-06W4
13-06-044-08W4
13-07-039-07W4
13-10-035-06W4
13-10-037-07W4
13-10-039-10W4
13-11-037-07W4
13-11-041-10W4
13-12-039-08W4
13-12-039-10W4
13-12-044-07W4
13-14-039-10W4
13-14-040-08W4
13-16-035-06W4
13-17-044-07W4
13-23-040-08W4
13-31-043-06W4
13-32-043-06W4
13-34-041-12W4
13-34-045-07W4
13-35-044-07W4
14-02-039-08W4
14-02-043-08W4
14-04-042-12W4
14-05-044-07W4
14-05-044-08W4
14-09-046-07W4
14-10-039-10W4
14-10-042-11W4
14-11-039-10W4
14-11-042-08W4
14-12-039-08W4
14-12-039-08W4
14-14-042-09W4
14-16-044-07W4
14-17-045-07W4
14-18-044-07W4
14-19-044-07W4

Current By
22040600494

Personal Property Registry

Search Results Report

Page 13 of 60

Search ID #: Z18192244

15 14-21-044-07W4
14-22-044-08W4
14-23-044-08W4
14-24-039-10W4
14-28-041-08W4
14-28-044-07W4
14-29-042-10W4
14-31-042-08W4
14-34-044-07W4
14-36-042-09W4
15-02-037-07W4
15-03-046-07W4
15-04-045-08W4
15-07-044-07W4
15-10-039-10W4
15-11-037-07W4
15-11-039-10W4
15-12-039-08W4
15-13-045-08W4
15-14-043-10W4
15-21-042-08W4
15-22-040-08W4
15-29-046-08W4
15-33-044-07W4
15-35-036-07W4
16-02-037-07W4
16-03-037-07W4
16-04-042-12W4
16-06-044-08W4
16-06-045-07W4
16-09-035-06W4
16-09-042-10W4
16-09-044-08W4
16-10-039-10W4
16-11-037-07W4
16-11-039-10W4
16-12-039-08W4
16-14-039-10W4
16-15-044-07W4
16-15-044-08W4
16-25-042-09W4
16-29-044-07W4
16-35-042-09W4
16-36-042-09W4
11-12-039-10W4

Current By
22040600494

Personal Property Registry

Search Results Report

Page 14 of 60

Search ID #: Z18192244

16 11-16-042-08W4
11-16-042-12W4
11-16-045-07W4
11-22-044-07W4
11-24-043-10W4
11-25-037-07W4
11-28-043-08W4
11-28-045-07W4
11-33-045-07W4
11-34-042-08W4
11-35-046-08W4
11-36-045-08W4
12-02-039-10W4
12-02-045-07W4
12-03-042-12W4
12-05-046-07W4
12-06-045-09W4
12-07-039-07W4
12-09-045-07W4
12-10-037-07W4
12-10-039-10W4
12-11-037-07W4
12-11-039-10W4
12-12-039-08W4
12-12-039-10W4
12-12-042-08W4
12-19-042-08W4
12-23-040-08W4
12-23-044-07W4
12-24-039-10W4
12-25-037-07W4
12-27-035-06W4
12-28-044-08W4
12-29-044-08W4
12-30-044-06W4
12-30-045-07W4
13-02-037-07W4
13-03-042-12W4
13-04-042-12W4
13-06-039-07W4
13-06-044-06W4
13-06-044-08W4
13-07-039-07W4
13-10-035-06W4
13-10-037-07W4
13-10-039-10W4
13-11-037-07W4
13-11-041-10W4
13-12-039-08W4
13-12-039-10W4
13-12-044-07W4
13-14-039-10W4
13-14-040-08W4
13-16-035-06W4

Current By
22040600494

Personal Property Registry

Search Results Report

Page 15 of 60

Search ID #: Z18192244

17 13-17-044-07W4
13-23-040-08W4
13-31-043-06W4
13-32-043-06W4
13-34-041-12W4
13-34-045-07W4
13-35-044-07W4
14-02-039-08W4
14-02-043-08W4
14-04-042-12W4
14-05-044-07W4
14-05-044-08W4
14-09-046-07W4
14-10-039-10W4
14-10-042-11W4
14-11-039-10W4
14-11-042-08W4
14-12-039-08W4
14-12-039-08W4
14-14-042-09W4
14-16-044-07W4
14-17-045-07W4
14-18-044-07W4
14-19-044-07W4
14-21-044-07W4
14-22-044-08W4
14-23-044-08W4
14-24-039-10W4
14-28-041-08W4
14-28-044-07W4
14-29-042-10W4
14-31-042-08W4
14-34-044-07W4
14-36-042-09W4
15-02-037-07W4
15-03-046-07W4
15-04-045-08W4
15-07-044-07W4
15-10-039-10W4
15-11-037-07W4
15-11-039-10W4
15-12-039-08W4
15-13-045-08W4
15-14-043-10W4

Current By
22040600494

Personal Property Registry

Search Results Report

Page 16 of 60

Search ID #: Z18192244

18 15-21-042-08W4
15-22-040-08W4
15-29-046-08W4
15-33-044-07W4
15-35-036-07W4
16-02-037-07W4
16-03-037-07W4
16-04-042-12W4
16-06-044-08W4
16-06-045-07W4
16-09-035-06W4
16-09-042-10W4
16-09-044-08W4
16-10-039-10W4
16-11-037-07W4
16-11-039-10W4
16-12-039-08W4
16-14-039-10W4
16-15-044-07W4
16-15-044-08W4
16-25-042-09W4
16-29-044-07W4
16-35-042-09W4
16-36-042-09W4
11-12-039-10W4
11-16-042-08W4
11-16-042-12W4
11-16-045-07W4
11-22-044-07W4
11-24-043-10W4
11-25-037-07W4
11-28-043-08W4
11-28-045-07W4
11-33-045-07W4
11-34-042-08W4
11-35-046-08W4
11-36-045-08W4
12-02-039-10W4
12-02-045-07W4

Current By
22040600494

Personal Property Registry

Search Results Report

Page 17 of 60

Search ID #: Z18192244

19 12-03-042-12W4
12-05-046-07W4
12-06-045-09W4
12-07-039-07W4
12-09-045-07W4
12-10-037-07W4
12-10-039-10W4
12-11-037-07W4
12-11-039-10W4
12-12-039-08W4
12-12-039-10W4
12-12-042-08W4
12-19-042-08W4
12-23-040-08W4
12-23-044-07W4
12-24-039-10W4
12-25-037-07W4
12-27-035-06W4
12-28-044-08W4
12-29-044-08W4
12-30-044-06W4
12-30-045-07W4
13-02-037-07W4
13-03-042-12W4
13-04-042-12W4
13-06-039-07W4
13-06-044-06W4
13-06-044-08W4
13-07-039-07W4
13-10-035-06W4
13-10-037-07W4
13-10-039-10W4
13-11-037-07W4
13-11-041-10W4
13-12-039-08W4
13-12-039-10W4
13-12-044-07W4
13-14-039-10W4
13-14-040-08W4
13-16-035-06W4
13-17-044-07W4
13-23-040-08W4
13-31-043-06W4
13-32-043-06W4
13-34-041-12W4
13-34-045-07W4

Current By
22040600494

Personal Property Registry

Search Results Report

Page 18 of 60

Search ID #: Z18192244

20 13-35-044-07W4
14-02-039-08W4
14-02-043-08W4
14-04-042-12W4
14-05-044-07W4
14-05-044-08W4
14-09-046-07W4
14-10-039-10W4
14-10-042-11W4
14-11-039-10W4
14-11-042-08W4
14-12-039-08W4
14-12-039-08W4
14-14-042-09W4
14-16-044-07W4
14-17-045-07W4
14-18-044-07W4
14-19-044-07W4
14-21-044-07W4
14-22-044-08W4
14-23-044-08W4
14-24-039-10W4
14-28-041-08W4
14-28-044-07W4
14-29-042-10W4
14-31-042-08W4
14-34-044-07W4
14-36-042-09W4
15-02-037-07W4
15-03-046-07W4
15-04-045-08W4
15-07-044-07W4
15-10-039-10W4
15-11-037-07W4
15-11-039-10W4
15-12-039-08W4
15-13-045-08W4
15-14-043-10W4
15-21-042-08W4
15-22-040-08W4
15-29-046-08W4
15-33-044-07W4
15-35-036-07W4
16-02-037-07W4
16-03-037-07W4

Current By
22040600494

Personal Property Registry

Search Results Report

Page 19 of 60

Search ID #: Z18192244

21 16-04-042-12W4
16-06-044-08W4
16-06-045-07W4
16-09-035-06W4
16-09-042-10W4
16-09-044-08W4
16-10-039-10W4
16-11-037-07W4
16-11-039-10W4
16-12-039-08W4
16-14-039-10W4
16-15-044-07W4
16-15-044-08W4
16-25-042-09W4
16-29-044-07W4
16-35-042-09W4
16-36-042-09W4
11-12-039-10W4
11-16-042-08W4
11-16-042-12W4
11-16-045-07W4
11-22-044-07W4
11-24-043-10W4
11-25-037-07W4
11-28-043-08W4
11-28-045-07W4
11-33-045-07W4
11-34-042-08W4
11-35-046-08W4
11-36-045-08W4
12-02-039-10W4
12-02-045-07W4
12-03-042-12W4
12-05-046-07W4
12-06-045-09W4
12-07-039-07W4
12-09-045-07W4
12-10-037-07W4
12-10-039-10W4
12-11-037-07W4
12-11-039-10W4
12-12-039-08W4
12-12-039-10W4
12-12-042-08W4

Current By
22040600494

Personal Property Registry

Search Results Report

Page 20 of 60

Search ID #: Z18192244

22 12-19-042-08W4
12-23-040-08W4
12-23-044-07W4
12-24-039-10W4
12-25-037-07W4
12-27-035-06W4
12-28-044-08W4
12-29-044-08W4
12-30-044-06W4
12-30-045-07W4
13-02-037-07W4
13-03-042-12W4
13-04-042-12W4
13-06-039-07W4
13-06-044-06W4
13-06-044-08W4
13-07-039-07W4
13-10-035-06W4
13-10-037-07W4
13-10-039-10W4
13-11-037-07W4
13-11-041-10W4
13-12-039-08W4
13-12-039-10W4
13-12-044-07W4
13-14-039-10W4
13-14-040-08W4
13-16-035-06W4
13-17-044-07W4
13-23-040-08W4
13-31-043-06W4
13-32-043-06W4
13-34-041-12W4
13-34-045-07W4
13-35-044-07W4
14-02-039-08W4
14-02-043-08W4
14-04-042-12W4
14-05-044-07W4
14-05-044-08W4
14-09-046-07W4
14-10-039-10W4
14-10-042-11W4

Current By
22040600494

Personal Property Registry

Search Results Report

Page 21 of 60

Search ID #: Z18192244

23 14-11-039-10W4
14-11-042-08W4
14-12-039-08W4
14-12-039-08W4
14-14-042-09W4
14-16-044-07W4
14-17-045-07W4
14-18-044-07W4
14-19-044-07W4
14-21-044-07W4
14-22-044-08W4
14-23-044-08W4
14-24-039-10W4
14-28-041-08W4
14-28-044-07W4
14-29-042-10W4
14-31-042-08W4
14-34-044-07W4
14-36-042-09W4
15-02-037-07W4
15-03-046-07W4
15-04-045-08W4
15-07-044-07W4
15-10-039-10W4
15-11-037-07W4
15-11-039-10W4
15-12-039-08W4
15-13-045-08W4
15-14-043-10W4
15-21-042-08W4
15-22-040-08W4
15-29-046-08W4
15-33-044-07W4
15-35-036-07W4
16-02-037-07W4
16-03-037-07W4
16-04-042-12W4
16-06-044-08W4
16-06-045-07W4
16-09-035-06W4
16-09-042-10W4
16-09-044-08W4
16-10-039-10W4
16-11-037-07W4
16-11-039-10W4
16-12-039-08W4
16-14-039-10W4
16-15-044-07W4
16-15-044-08W4
16-25-042-09W4
16-29-044-07W4
16-35-042-09W4
16-36-042-09W4

Current By
22040600494

Personal Property Registry

Search Results Report

Page 22 of 60

Search ID #: Z18192244

Business Debtor Search For:

CLEO ENERGY CORP.

Search ID #: Z18192244

Date of Search: 2024-Dec-17

Time of Search: 13:35:14

Registration Number: 18121433032

Registration Date: 2018-Dec-14

Registration Type: SECURITY AGREEMENT

Registration Status: Current

Expiry Date: 2025-Dec-14 23:59:59

Exact Match on: Debtor No: 1

Amendments to Registration

| | | |
|-------------|-----------|-------------|
| 23030716282 | Amendment | 2023-Mar-07 |
| 23121230871 | Renewal | 2023-Dec-12 |

Debtor(s)

Block

Status

1 CLEO ENERGY CORP.
117 - 8TH AVENUE S.W.
CALGARY, AB T2P 1B4

Current

Secured Party / Parties

Block

Status

1 HARVEST OPERATIONS CORP.
4500, 855 - 2ND STREET S.W.
CALGARY, AB T2P 4K7

Deleted by
23030716282

Block

Status

2 HARVEST OPERATIONS CORP.
4500, 855 - 2ND STREET S.W.
CALGARY, AB T2P 4K7
Email: JP.Pham@harvestenergy.ca

Current by
23030716282

Personal Property Registry

Search Results Report

Page 23 of 60

Search ID #: Z18192244

Collateral: General

| <u>Block</u> | <u>Description</u> | <u>Status</u> |
|---------------------|--|---------------------------|
| 1 | Functional Unit Participations in the following facilities: (a) Hayter 08-35-040-01W4 Battery Facilities; (b) Hayter 01-34-040-01W4 Compressor; (c) Hayter 01-34-040-01W4 Facilities; and (d) Hayter 03-34-040-01W4 Satellite including Cleo Energy Corp.'s proportionate share of Facility Production from the aforementioned facilities (a,b,c,d) for payment of Cleo Energy Corp's proportionate share of the costs and expenses incurred for the Joint Account, and Cleo Energy Corp.'s share of Petroleum Substances received into the Amisk 12-15-040-08 W4M Battery facility, or any portion thereof, for the amounts (as of date of registration) of: \$984,761.64 in outstanding costs and expenses incurred for the Joint Account; and \$12,340.38 in compounded interest on the foregoing amount, as computed monthly, at the rate of the prevailing prime rate for Canadian commercial loans by the principal Canadian chartered bank used by the Secured Party plus two percent (2%) per annum, as provided for by the Agreement; | Current |
| 2 | Cleo Energy Corp.'s proportionate share of Facility Production from the aforementioned facilities (a, b, c, d) for payment of Cleo Energy Corp's proportionate share of the costs and expenses incurred for the Joint Account, and Cleo Energy Corp.'s share of Petroleum Substances received into the Amisk 12-15-040-08 W4M Battery facility or any portion thereof, for the amounts (as of February 15, 2023) of \$4,084,069.76 in outstanding costs and expenses incurred for the Joint Account; plus compounded interest on the foregoing amount, as computed monthly, at the rate of the prevailing prime rate for Canadian commercial loans by the principal Canadian chartered bank used by the Secured Party plus two percent (2%) per annum, as provided for by the Agreement; | Current By 23030716282 |

Personal Property Registry

Search Results Report

Page 24 of 60

Search ID #: Z18192244

Business Debtor Search For:

CLEO ENERGY CORP.

Search ID #: Z18192244

Date of Search: 2024-Dec-17

Time of Search: 13:35:14

Registration Number: 22042940182

Registration Type: SECURITY AGREEMENT

Registration Date: 2022-Apr-29

Registration Status: Current

Expiry Date: 2029-Apr-29 23:59:59

Exact Match on: Debtor No: 1

Exact Match on: Debtor No: 2

Debtor(s)

Block

Status

Current

1 CLEO ENERGY CORP
200 117 8 AVENUE SW
CALGARY, AB T2P1B4

Block

Status

Current

2 CLEO ENERGY CORP
PO BOX 2209 STN M
CALGARY, AB T2P1K2

Block

Status

Current

3 LEWIS, COLTON
1610 SCOTLAND ST SW
CALGARY, AB T3C2L5

Birth Date:
1992-May-16

Secured Party / Parties

Block

Status

Current

1 SUMMIT ACCEPTANCE CORP
1260 HIGHFIELD CRES SE
CALGARY, AB T2G5M3
Email: abppsa_notifications@kaizenauto.com

Collateral: Serial Number Goods

Block

Serial Number

Year

Make and Model

Category

Status

1 1GCUYDEDXNZ110683 2022 CHEVROLET SILVERADO MV - Motor Vehicle Current

Personal Property Registry

Search Results Report

Page 25 of 60

Search ID #: Z18192244

Business Debtor Search For:

CLEO ENERGY CORP.

Search ID #: Z18192244

Date of Search: 2024-Dec-17

Time of Search: 13:35:14

Registration Number: 22050933829

Registration Type: SECURITY AGREEMENT

Registration Date: 2022-May-09

Registration Status: Current

Expiry Date: 2025-May-09 23:59:59

Exact Match on:

Debtor

No: 1

Amendments to Registration

24040525038

Amendment

2024-Apr-05

Debtor(s)

Block

Status

Current

1 CLEO ENERGY CORP.
200, 117 8TH AVE SW
CALGARY, AB T2P1B4

Secured Party / Parties

Block

Status

Deleted by
24040525038

1 STRIDE CAPITAL CORP.
SUITE 201, 3007 14TH STREET SW
CALGARY, AB T2T3V6
Email: PPSA@STRIDECAP.COM

Block

Status

Current by
24040525038

2 2416924 ALBERTA LTD.
415-3332 20TH STREET SW
CALGARY, AB T2T 6T9
Email: PPSA@STRIDECAP.COM

Personal Property Registry

Search Results Report

Page 26 of 60

Search ID #: Z18192244

Collateral: General

| <u>Block</u> | <u>Description</u> | <u>Status</u> |
|--------------|---|---------------|
| 1 | <p>ALL RIGHT, TITLE AND INTEREST IN THE DEBTOR TO THE WELLS AND EQUIPMENT LOCATED AT THE BELOW DESCRIBED LEGAL LAND LOCATIONS, THEREON AND ANY OTHER TANGIBLE AND INTANGIBLE PROPERTY RELATED THERETO.</p> <p>ALL RIGHT, TITLE AND INTEREST IN THE DEBTOR TO THE OIL AND GAS PRODUCING EQUIPMENT AND ANY OTHER TANGIBLE AND INTANGIBLE PROPERTY RELATED THERETO. PROCEEDS: ANY AND ALL PROCEEDS OF AMOUNTS ARISING FROM OR PAYBLE IN CONNECTION WITH ANY OF THE COLLATERAL DESCRIBED ABOVE.</p> <p>TOGETHER WITH ALL ATTACHMENTS, ACCESSORIES, ACCESSIONS, REPLACEMENTS, SUBSTITUTIONS, ADDITIONS AND IMPROVEMENTS THERETO, AND ALL PROCEEDS IN ANY FORM DERIVED DIRECTLY OR INDIRECTLY FROM ANY DEALING WITH THE COLLATERAL OR PROCEEDS THEREOF, AND WITHOUT LIMITATION, MONEY, CHEQUES, DEPOSITS IN DEPOSIT-TAKING INSTITUTIONS, GOODS, ACCOUNTS RECEIVABLE, RENTS OR OTHER PAYMENTS ARISING FROM THE LEASE OF THE COLLATERAL, CHATTEL PAPER, INSTRUMENTS, INTANGIBLES, DOCUMENTS OF TITLE, SECURITIES, AND RIGHTS OF INSURANCE PAYMENTS OR ANY OTHER PAYMENTS AS INDEMNITY OR COMPENSATION FOR LOSS OR DAMAGE TO THE COLLATERAL OR PROCEEDS OF THE COLLATERAL.</p> | Current |
| 2 | <p>SCHEDULE A</p> <p>UWI VESSEL MANUFACTURER A# CRN SN MAKE MODEL CRN SN</p> <p>103/14-27-40-13W4 SEPARATOR A516577 R2959.213 008705-200 TAYLOR 82E8351311 001774-130</p> <p>103/14-27-40-13W4 FUEL GAS SCRUBBER P6909.231 S-3316 TAYLOR 82E4351311 008410-43</p> <p>103/14-27-40-13W4 100 BBL TANK NUSCO 8705</p> <p>102/13-27-40-13W4 SEPARATOR A503862 P1768.213 317557 0G01316.2C 034048-70</p> <p>102/13-27-40-13W4 FUEL GAS SCRUBBER 114178.2135 6286.423 TAYLOR 82E4351311 009792-137</p> <p>100/13-27-40-13W4 SEPARATOR A602938 P7298.21 27171 TAYLOR 82E8351311 11297-9 A4589.3</p> <p>100/13-27-40-13W4 FUEL GAS SCRUBBER OH57373.219 251675 82E4351311 028480-21</p> <p>05-27-40-13W4 SUCTION GAS SCRUBBER 8286.1357 TAYLOR 82E3531311 19242-17</p> <p>05-27-40-13W4 DISCHARGE BOTTLE A10027 H7951.5C SF-122828 TAYLOR 82E4351311 20278-3</p> <p>05-27-40-13W4 750 BBL TANK RUGGED TANK & FABRICATION 30611</p> <p>05-27-40-13W4 750 BBL TANK RUGGED TANK & FABRICATION 31711</p> <p>05-27-40-13W4 750 BBL TANK RUGGED TANK & FABRICATION 31011</p> | Current |

Personal Property Registry

Search Results Report

Page 27 of 60

Search ID #: Z18192244

| | | |
|---|---|---------|
| 3 | 100/08-07-042-14W4 FLARE KNOCKOUT PYRAMID ELECTRIC 97-M-502 100/08-07-042-14W4 FUEL GAS SCRUBBER PANAX 0H5737.213 251552 TAYLOR 82E4351311 009792-139 100/08-07-042-14W4 SEPARATOR PANAX A595883 P7298.21 26837 TAYLOR 82E8351311 005417-165 A4589.3 100/08-07-042-14W4 750 BBL TANK RUGGED TANK & FABRICATION 31511 102/04-03-040-12W4 SEPARATOR NUSCO A508365 R2959.213 007634-200 TAYLOR 82E8351311 05417-112 102/04-03-040-12W4 FUEL GAS SCRUBBER NUSCO P6909.231 S-3080 TAYLOR 82E4351311 0G01316.2C 00972-130 102/04-03-040-12W4 100 BBL TANK NUSCO 7634 102/04-03-040-12W4 750 BBL TANK RUGGED TANK & FABRICATION 30711 103/11-31-038-09W4 VERT 3 PHASE SEPARATOR A576240 P7217.2 11191 TAYLOR 82E8351311 43299-215 103/11-31-038-09W4 FUEL GAS SCRUBBER F6388.2 11553 TAYLOR 82E4351311 43109-101 100/01-31-038-09W4 SEPARATOR A606217 R5286.213 19317-01 TAYLOR 82E8351311 016588-224 100/01-31-038-09W4 FUEL GAS SCRUBBER 0H09024.213 6287.551 TAYLOR 82E5351311 016354-375 03-31-038-09W4 CONTROL BLDG FUEL GAS SCRUBBER LO TECH 0H7154.2134 1006.7219 MERCER 91-17D51V05E1 0G8841.5C 820096 03-31-038-09W4 750 BBL TANK FLINT A750-18 03-31-038-09W4 750 BBL TANK FLINT A750-19 102/11-31-038-09W4 VERT 3 PHASE SEPARATOR RJV A3153334 F5874.2 3614 MERCER 9117D511714E 0G2606.5C 45507 102/11-31-038-09W4 FUEL GAS SCRUBBER | Current |
| 4 | 102/11-31-038-09W4 PUMPJACK SCRUBBER PLATINUM PULL TYPE 102/11-31-038-09W4 750 BBL TANK KAMBER FAB INDUSTRIES 750165 100/08-19-039-10W4 PUMPJACK SCRUBBER AMPSCOT PULL TYPE 100/08-19-039-10W4 SEPARATOR A518959 R8610.231 04-07-230 TAYLOR 82E8351311 16845-35 100/08-19-039-10W4 FUEL GAS SCRUBBER LO TECH 0H2422.2134 1014.1778 TAYLOR 82E4351311 0001316.2C 057050-7 100/08-19-039-10W4 750 BBL TANK RUGGED TANK & FABRICATION 30811 100/16-35-038-10W4 FUEL POT BROMLEY A557316 H4109.234 625822 TAYLOR 82E4351311 0G01316.2C 014391-365 100/16-35-038-10W4 SEPARATOR PANAX A549191 P7298.21 26061 TAYLOR 82E8351311 014338-256 A4589.3 100/16-35-038-10W4 400 BBL TANK RECOM 10031 100/16-35-038-10W4 400 BBL TANK RECOM 10032 16-28-038-10W4 DISCHARGE BOTTLE STEEL FAB H7951.5C SF-126348(?) TAYLOR 82E4351311 0G01316.2C 040215-153 16-28-038-10W4 SUCTION BOTTLE IMPACT INDUSTRIAL SALES 0H07152.2 S02525 TAYLOR 82E5351311 037824-263 102/16-33-038-10W4 PUMPJACK SCRUBBER LO TECH WELLMARK W2601-EV1-311- 30 007968.52/56 IBT05265-24 102/16-33-038-10W4 SEPARATOR NWP INDUSTRIES A588884 L9453.231 1643 TAYLOR 82E7351311 0G01316.2C 051342-34 102/16-33-038-10W4 SCRUBBER NWP INDUSTRIES 0H09319.213 1610 TAYLOR 82E4351311 0G01316.2C 5401215 (?) 103/15-27-038-10W4 SEPARATOR PANAX A602939 P7298.21 27172 TAYLOR 82E6351311 010760-317 A4589.3 103/15-27-038-10W4 SCRUBBER PANAX 0H5737.213 251673 TAYLOR 82E4531311 0G01316.2C 057050-19 | Current |

Personal Property Registry

Search Results Report

Page 28 of 60

Search ID #: Z18192244

5 100/04-22-041-09W4/02 SEPARATOR RJV A405717 M0716.2 4538 TAYLOR Current
82G12651311-1440 034048-87
100/04-22-041-09W4/02 SCRUBBER NO PLATE TAYLOR 82E4351311 49722-17
100/04-22-041-09W4/02 100 BBL TANK BROMLEY 206-D100-10243
100/04-22-041-09W4/02 750 BBL TANK NO PLATE
100/04-22-041-09W4/02 GROUP SEPARATOR BROMLEY A565171 P1768.213 516-70N
TAYLOR 82E7351311 30665-443
100/04-22-041-09W4/02 FUEL GAS FROM SEPARATOR BROMLEY A560518 626072
TAYLOR 82E4351311 30747-49
100/04-22-041-09W4/02 INLET SEPARATOR NGC A556798 R5810.213 16607-2
HYDROSEAL 14E3M0V00/L5 555302-15
100/04-22-041-09W4/02 OIL SEPARATOR NGC A565668 R5809.213 16607-7 TAYLOR
82H6571311 032086-216
100/07-15-041-09W4/00 SEPARATOR FLODRIP A479897 L4250.231 4718 TAYLOR
82E8351311 48787-127
100/16-03-041-09W4/00 FUEL GAS LO TECH 0H2299.2134 1006.1899 TAYLOR
82E4351311 49980-68
100/16-03-041-09W4/00 GAS SEPARATOR NUSCO A486731 P9291.2C 005618-200
TAYLOR 82E4351311 45787-124
100/16-03-041-09W4/00 130 BBL TANK NUSCO 005618
100/03-03-041-09W4/02 SEPARATOR NUSCO A516263 R6050.23 008348-200
MERCER 91-17D51T14E1 489323
100/03-03-041-09W4/02 FUEL GAS SCRUBBER FLO-DRI TAYLOR 82E4351311 15000-
15
100/03-03-041-09W4/02 60 BBL TANK NUSCO 8348
100/09-24-041-09W4/00 SEPARATOR NUSCO A534806 P4395.2 01-4349-5 TAYLOR
82E4351311 46787-151
100/09-24-041-09W4/00 FUEL GAS SEPARATOR 0H6795.21 99-4349-5 MERCER
9106D51V06E1 151901
100/06-21-041-09W4/02 GAS SEPARATOR PLAINS OIL A513244 R2520.213 3526-V3
MERCER 91-17D51T14E1 129457
100/06-21-041-09W4/02 60 BBL TANK ULTRAFAB 0486-019
15-05-042-12W4 3 PHASE SEPARATOR SILVERADO A550927 T4857.2 S-1852
TAYLOR 82H116751311 19772
15-05-042-12W4 GAS SCRUBBER SILVERADO 0H583.7.213 S-1798 TAYLOR
82E4351311 14730-55
15-05-042-12W4 AIR RECEIVER STEEL FAB H7951.5C SF-179975

Personal Property Registry

Search Results Report

Page 29 of 60

Search ID #: Z18192244

| | | |
|---|---|---------|
| 6 | LOCATION BUILDING/EQUIPMENT ADDITIONAL INFORMATION | Current |
| | 15-35-21-07W4 OFFICE ELECTRICAL ROOM, OFFICE & TOOL ROOM | |
| | 15-35-21-07W4 UTILITY BUILDING WATER/GLYCOL HEATER, (2) CIRCULATING CENTRIFUGAL PUMPS, (2) AIR COMPRESSORS & A DRYING TOWER | |
| | 15-35-21-07W4 INLET BUILDING TEST SEPARATOR, FWKO, FLARE METER RUN, 8 WELL HEADER, (2) RUFFNECKS | |
| | 15-35-21-07W4 TREATER BUILDING UNIVERSAL 10 X 40 FOOT DUAL BURNER TREATER & METER RUN | |
| | 15-35-21-07W4 COMPRESSOR BUILDING 3408 CAT & 2 STAGE GEMINI COMPRESSOR | |
| | 15-35-21-07W4 DEHY BUILDING CONTACTOR, REBOILER & ACCUMULATOR, GLYCOL PUMP, METHANOL PUMP | |
| | 15-35-21-07W4 QUIN PLEX BUILDING 250 HP QUIN PLEX BUILDING & BOOSTER | |
| | 15-35-21-07W4 TRIPLEX BUILDING (2) 125 HP TRIPLEX PUMPS & BOOSTERS, (2) ROPER RECYCLING SCREW PUMPS, RECYCLE DISCHARGE HEADER | |
| | 15-35-21-07W4 CUT SHACK CENTRIFUGE, STEEL BENCH WITH HOT BATH SINK | |
| | 15-35-21-07W4 TANK FARM (2) 2000 BBL WATER TANKS, (1) 2000 BBL RECYCLE TANK, (2) 1200 BBL OIL TANKS, (1) 750 BBL DESAND TANK | |
| | 15-35-21-07W4 FLARE STACK | |
| | 15-35-21-07W4 UNDERGROUND FLARE KNOCKOUT TANK | |
| | 15-35-21-07W4 UNDERGROUND INJECTION PUMP DRAIN TANK | |
| | 2-2-22-07W4 TEST SEPARATOR, PIGGING STATION | |
| | 7-2-22-07W4 TEST SEPARATOR, 7 WELL HEADER, PIGGING STATION, ELECTRICAL BUILDING | |
| | 12-11-22-07W4 TEST SEPARATOR, WITH CHEV V6 HYDRAULIC DRIVE | |

Personal Property Registry

Search Results Report

Page 30 of 60

Search ID #: Z18192244

Business Debtor Search For:

CLEO ENERGY CORP.

Search ID #: Z18192244

Date of Search: 2024-Dec-17

Time of Search: 13:35:14

Registration Number: 22092933905

Registration Type: SECURITY AGREEMENT

Registration Date: 2022-Sep-29

Registration Status: Current

Expiry Date: 2025-Sep-29 23:59:59

Exact Match on:

Debtor

No: 1

Amendments to Registration

22101217412

Amendment

2022-Oct-12

Debtor(s)

Block

Status

1 CLEO ENERGY CORP.
200, 117 8TH AVE SW
CALGARY, AB T2P1B4

Current

Secured Party / Parties

Block

Status

1 ARUNDEL CAPITAL CORPORATION
SUITE 201, 3007 14TH STREET SW
CALGARY, AB T2T3V6
Email: catherine@arundelcapital.com

Current

Personal Property Registry

Search Results Report

Page 31 of 60

Search ID #: Z18192244

Collateral: General

| <u>Block</u> | <u>Description</u> | <u>Status</u> |
|--------------|---|---------------------------|
| 1 | <p>ALL RIGHT, TITLE AND INTEREST IN THE DEBTOR TO THE LANDS LOCATED AT THE BELOW DESCRIBED LEGAL LAND LOCATIONS, THE WELLS AND EQUIPMENT THEREON AND ANY OTHER TANGIBLE AND INTANGIBLE PROPERTY RELATED THERETO.</p> <p>PROCEEDS: ANY AND ALL PROCEEDS OF AMOUNTS ARISING FROM OR PAYABLE IN CONNECTION WITH ANY OF THE COLLATERAL DESCRIBED HERE IN.</p> <p>ALL EQUIPMENT DETAILS AS OUTLINED IN LEASE 105387-17 SCHEDULE 'A' AND BELOW:</p> <p>100/13-29-013-20W4/00 100/15-30-013-20W4/02 102/06-03-014-20W4/00 100/04-04-014-20W4/02 102/04-04-014-20W4/00 100/13-04-014-20W4/03 100/01-06-014-20W4/00 100/16-06-014-20W4/00 100/02-07-014-20W4/00 100/01-08-014-20W4/02 100/05-09-014-20W4/03 100/12-09-014-20W4/02 100/06-10-014-20W4/00 100/03-15-014-20W4/00 100/13-15-014-20W4/00 100/04-16-014-20W4/04 100/12-17-014-20W4/00 100/09-18-014-20W4/00 100/03-26-014-20W4/02</p> <p>(1) 2005 SEPARATOR FLODRIP S/N 8151 9499 (1) 2003 SEPARATOR ARGO SALES S/N WX12 X24 DP-11791 (1) 2005 SEPARATOR FLODRIP S/N 8151 9497 (1) 2001 SEPARATOR BROMLEY S/N 112506 (1) 1998 SEPARATOR ARGO SALES S/N VS-11 VS-3760 (1) 1997 SEPARATOR ARGO SALES S/N VS-2 VS-8099 (1) 1994 SEPARATOR NATCO CANADA S/N LS4180 (1) 2001 SEPARATOR PENFABCO LTD S/N PE6867 (1) 2001 SEPARATOR BROMLEY S/N 112510 (1) 2005 SEPARATOR FLODRIP S/N 8151 9500 (1) 1999 SEPARATOR JIRO MANUFACTURING S/N 8-0011 (1) 1997 SEPARATOR ARGO SALES S/N VS-1 VS-8173 (1) 2001 SEPARATOR BROMLEY S/N 113406 (1) SEPARATOR FLODRIP (1) 1998 SEPARATOR ARGO SALES S/N VS-3728 (1) 2001 SEPARATOR PENFABCO LTD S/N PE7313 (1) 2001 SEPARATOR PENFABCO LTD S/N PE7133 (1) 2000 SEPARATOR PENFABCO LTD S/N PE6570 (1) 2001 SEPARATOR PENFABCO LTD S/N PE7006</p> | Deleted By 22101217412 |

Personal Property Registry

Search Results Report

Page 32 of 60

Search ID #: Z18192244

2

ALL RIGHT, TITLE AND INTEREST IN THE DEBTOR TO THE LANDS LOCATED AT THE BELOW DESCRIBED LEGAL LAND LOCATIONS, THE WELLS AND EQUIPMENT THEREON AND ANY OTHER TANGIBLE AND INTANGIBLE PROPERTY RELATED THERETO.

Current By
22101217412

PROCEEDS: ANY AND ALL PROCEEDS OF AMOUNTS ARISING FROM OR PAYABLE IN CONNECTION WITH ANY OF THE COLLATERAL DESCRIBED HERE IN.

ALL EQUIPMENT DETAILS AS OUTLINED IN LEASE 105387-17 SCHEDULE 'A' AND BELOW:

100/13-29-013-20W4/00
100/15-30-013-20W4/02
102/06-03-014-20W4/00
100/04-04-014-20W4/02
102/04-04-014-20W4/00
100/13-04-014-20W4/03
100/01-06-014-20W4/00
100/16-06-014-20W4/00
100/02-07-014-20W4/00
100/01-08-014-20W4/02
100/05-09-014-20W4/03
100/12-09-014-20W4/02
100/06-10-014-20W4/00
100/03-15-014-20W4/00
100/13-15-014-20W4/00
100/04-16-014-20W4/04
100/12-17-014-20W4/00
100/09-18-014-20W4/00
100/03-26-014-20W4/02

(1) 2005 SEPARATOR FLODRIP 8151 S/N 9499
(1) 2003 SEPARATOR ARGO SALES WX12 X24 S/N DP-11791
(1) 2005 SEPARATOR FLODRIP 8151 S/N 9497
(1) 2001 SEPARATOR BROMLEY S/N 112506
(1) 1998 SEPARATOR ARGO SALES VS-11 S/N VS-3760
(1) 1997 SEPARATOR ARGO SALES VS-2 S/N VS-8099
(1) 1994 SEPARATOR NATCO CANADA S/N LS4180
(1) 2001 SEPARATOR PENFABCO LTD S/N PE6867
(1) 2001 SEPARATOR BROMLEY S/N 112510
(1) 2005 SEPARATOR FLODRIP 8151 S/N 9500
(1) 1999 SEPARATOR JIRO MANUFACTURING S/N 8-0011
(1) 1997 SEPARATOR ARGO SALES VS-1 S/N VS-8173
(1) 2001 SEPARATOR BROMLEY S/N 113406
(1) SEPARATOR FLODRIP
(1) 1998 SEPARATOR ARGO SALES S/N VS-3728
(1) 2001 SEPARATOR PENFABCO LTD S/N PE7313
(1) 2001 SEPARATOR PENFABCO LTD S/N PE7133
(1) 2000 SEPARATOR PENFABCO LTD S/N PE6570
(1) 2001 SEPARATOR PENFABCO LTD S/N PE7006

Personal Property Registry

Search Results Report

Page 33 of 60

Search ID #: Z18192244

Business Debtor Search For:

CLEO ENERGY CORP.

Search ID #: Z18192244

Date of Search: 2024-Dec-17

Time of Search: 13:35:14

Registration Number: 22092934052

Registration Type: SECURITY AGREEMENT

Registration Date: 2022-Sep-29

Registration Status: Current

Expiry Date: 2025-Sep-29 23:59:59

Exact Match on:

Debtor

No: 1

Debtor(s)

Block

Status

Current

1 CLEO ENERGY CORP.
200, 117 8TH AVE SW
CALGARY, AB T2P1B4

Secured Party / Parties

Block

Status

Current

1 ARUNDEL CAPITAL CORPORATION
SUITE 201, 3007 14TH STREET SW
CALGARY, AB T2T3V6
Email: catherine@arundelcapital.com

Personal Property Registry

Search Results Report

Page 34 of 60

Search ID #: Z18192244

Collateral: General

| <u>Block</u> | <u>Description</u> | <u>Status</u> |
|--------------|---|---------------|
| 1 | <p>ALL RIGHT, TITLE AND INTEREST IN THE DEBTOR TO THE LANDS LOCATED AT THE BELOW DESCRIBED LEGAL LAND LOCATIONS, THE WELLS AND EQUIPMENT THEREON AND ANY OTHER TANGIBLE AND INTANGIBLE PROPERTY RELATED THERETO.</p> <p>PROCEEDS: ANY AND ALL PROCEEDS OF AMOUNTS ARISING FROM OR PAYABLE IN CONNECTION WITH ANY OF THE COLLATERAL DESCRIBED HERE IN.</p> <p>ALL EQUIPMENT DETAILS AS OUTLINED IN LEASE 105387-18 SCHEDULE 'A' AND BELOW:</p> <p>100/10-14-009-14W4/00 100/16-15-009-14W4/00 102/16-19-009-14W4/00 100/08-21-009-14W4/00 100/10-21-009-14W4/00 100/06-22-009-14W4/00 100/04-23-009-14W4/00 100/03-29-009-14W4/00 100/06-29-009-14W4/00 100/12-30-009-14W4/00 100/04-31-009-14W4/00 100/12-25-009-15W4/00 100/05-26-009-15W4/02 100/07-27-009-15W4/00 100/16-32-009-15W4/00 100/09-33-009-15W4/00 100/02-34-009-15W4/00 100/02-35-009-15W4/00 100/03-36-009-15W4/00 100/05-02-010-15W4/00 100/04-03-010-15W4/00 100/04-04-010-15W4/00 100/07-05-010-15W4/00 100/15-06-010-15W4/00 100/05-07-010-15W4/00 100/04-08-010-15W4/00 100/06-12-010-16W4/00</p> <p>(1) 2000 SEPARATOR FLODRIP 8085 S/N 2694 (1) 2000 SEPARATOR FLODRIP 8085 S/N 2676 (1) 2001 SEPARATOR FLODRIP 8085 S/N 4307 (1) 2000 SEPARATOR FLODRIP 8145 S/N 2076 (1) 2000 SEPARATOR FLODRIP 8085 S/N 2684 (1) 1987 SEPARATOR PRESSON S/N 426020 (1) 1999 SEPARATOR MAGIC SPAN FAB S/N 99-019D (1) 1998 SEPARATOR ORBAN INDUSTRIES V100 S/N 97-452VS (1) 2001 SEPARATOR FLODRIP 8085 S/N 4310</p> | Current |

Personal Property Registry

Search Results Report

Page 35 of 60

Search ID #: Z18192244

Business Debtor Search For:

CLEO ENERGY CORP.

Search ID #: Z18192244

Date of Search: 2024-Dec-17

Time of Search: 13:35:14

Registration Number: 23030718044

Registration Type: SECURITY AGREEMENT

Registration Date: 2023-Mar-07

Registration Status: Current

Expiry Date: 2028-Mar-07 23:59:59

Exact Match on:

Debtor

No: 1

Debtor(s)

Block

Status

Current

1 CLEO ENERGY CORP.
117 - 8TH AVENUE S.W.
CALGARY, AB T2P 1B4

Secured Party / Parties

Block

Status

Current

1 HARVEST OPERATIONS CORP.
4500, 855 - 2ND STREET S.W.
CALGARY, AB T2P 4K7
Email: JP.Pham@harvestenergy.ca

Collateral: General

Block

Description

Status

1 Substances produced from the following Wells: SLE SEDGE 14-5-42-12 located at 100/14-05-042-12W4/02, and SLE SEDGE 15-5-42-12 located at 100/15-05-041-12W4/00, and SLE 102 DD SEDGE 15-5-42-12 located at 102/15-05-042-12W4/00, to secure payment of any outstanding operating or administration charge or other amount payable to Harvest Operations Corp. ("Harvest")

Current

Personal Property Registry

Search Results Report

Page 36 of 60

Search ID #: Z18192244

- 2 A lien and charge on Cleo Energy Corp.'s ("Cleo") share of Crude Oil and Gas attributable Current
to Cleo's Inlet Substances, to pay any handling charge or other amount payable to Harvest
as Operator in relation to the operation of the Bellshill Lake Ellerslie Unit 03-28 Battery
(Contract No. SV3582). Crude Oil means crude oil and condensate separated from Inlet
Substances at the Facility which meet relevant specifications for transmission and sale.
Gas means all natural gas solution gas and any other gas, together with associates
substances, separated from Inlet Substances at the Facility that is gaseous under the
conditions at which it is separated. Inlet Substances means the total volume of gas, liquids
and associates substances delivery to the Facility for handling. Facility means all real and
personal property of every kind, nature and description which constitutes all facilities
owned or controlled by Harvest as Operator as follows:
- 1) Bellshill Lake Ellerslie 03-28 Battery
 - Facility Inlet: 03-28-041-12W4M
 - Facility Outlet: 03-28-041-12W4M
 - 2) Disposal Wells pipeline connected to the treating facility
 - Facility Inlet: 03-28-041-12W4M
 - Facility Outlet: 03-28-041-12W4M
- Sources:
- 100/14-05-042-12W4/02 (Facility Inlet: 03-28-041-12W4M)
 - 100/15-05-042-12W4/00 (Facility Inlet: 03-28-041-12W4M)
 - 102/15-05-042-12W4/00 (Facility Inlet: 03-28-041-12W4M)
 - 103/10-27-041-12W4/00 (Facility Inlet: 03-28-041-12W4M)

Personal Property Registry

Search Results Report

Page 37 of 60

Search ID #: Z18192244

Business Debtor Search For:

CLEO ENERGY CORP.

Search ID #: Z18192244

Date of Search: 2024-Dec-17

Time of Search: 13:35:14

Registration Number: 23041225735

Registration Type: WRIT OF ENFORCEMENT

Registration Date: 2023-Apr-12

Registration Status: Current

Expiry Date: 2025-Apr-12 23:59:59

Issued in Calgary Judicial Centre

Court File Number is 1701-13016

Judgment Date is 2023-Feb-06

This Writ was issued on 2023-Apr-11

Type of Judgment is Other

Original Judgment Amount: \$0.00

Costs Are: \$89,067.61

Post Judgment Interest: \$0.00

Current Amount Owing: \$13.05

Exact Match on:

Debtor

No: 1

Amendments to Registration

| | | |
|-------------|--------------|-------------|
| 23081732969 | Distribution | 2023-Aug-17 |
| 24020632856 | Distribution | 2024-Feb-06 |
| 24070232130 | Distribution | 2024-Jul-02 |
| 24101738492 | Distribution | 2024-Oct-17 |

Solicitor / Agent

LAWSON LUNDELL LLP, SHANNON K. HAYES
1100, 225 - 6TH AVENUE SW
CALGARY, AB T2P 1N2

Phone #: 403 218 7514

Fax #: 403 269 9494

Reference #: 34165-143006

Email: SHAYES@LAWSONLUNDELL.COM

Personal Property Registry

Search Results Report

Page 38 of 60

Search ID #: Z18192244

Debtor(s)

Block

Status

Current

1 CLEO ENERGY CORP.
200, 117 - 8TH AVENUE SW
CALGARY, AB T2P 1B4

Creditor(s)

Block

Status

Current

1 SAVANNA WELL SERVICING INC.
1000, 734 - 7TH AVENUE SW
CALGARY, AB T2P 3P8
Email: HHAHN@TOTALENERGY.CA

Personal Property Registry

Search Results Report

Page 39 of 60

Search ID #: Z18192244

Business Debtor Search For:

CLEO ENERGY CORP.

Search ID #: Z18192244

Date of Search: 2024-Dec-17

Time of Search: 13:35:14

Registration Number: 23050907741

Registration Type: SECURITY AGREEMENT

Registration Date: 2023-May-09

Registration Status: Current

Expiry Date: 2026-May-09 23:59:59

Exact Match on: Debtor No: 1

Debtor(s)

Block

Status

1 CLEO ENERGY CORP.
200, 117 8TH AVE SW
CALGARY, AB T2P1B4

Current

Secured Party / Parties

Block

Status

1 ARUNDEL CAPITAL CORPORATION
SUITE 201, 3007 14TH STREET SW
CALGARY, AB T2T3V6
Email: catherine@arundelcapital.com

Current

Collateral: General

Block

Description

Status

1 ALL SURFACE EQUIPMENT LOCATED AT FABYAN, SILVER HEIGHTS, SHORNCLIFFE, KESSLER AND NEUTRAL HILLS FACILITIES C/W SEPARATORS, COMPRESSORS, TANKS, PUMPS, PUMPJACKS AND OTHER SURFACE EQUIPMENT AS PER THE SCHEDULE 'A' ATTACHED TO AND FORMING PART OF LEASE AGREEMENT 105387-19.

Current

TOGETHER WITH ALL ATTACHMENTS, ACCESSORIES, ACCESSIONS, REPLACEMENTS, SUBSTITUTIONS, ADDITIONS AND IMPROVEMENTS THERETO, AND ALL PROCEEDS IN ANY FORM DERIVED DIRECTLY OR INDIRECTLY FROM ANY DEALING WITH THE COLLATERAL OR PROCEEDS THEREOF, AND WITHOUT LIMITATION, MONEY, CHEQUES, DEPOSITS IN DEPOSIT-TAKING INSTITUTIONS, GOODS, ACCOUNTS RECEIVABLE, RENTS OR OTHER PAYMENTS ARISING FROM THE LEASE OF THE COLLATERAL, CHATTEL PAPER, INSTRUMENTS, INTANGIBLES, DOCUMENTS OF TITLE, SECURITIES, AND RIGHTS OF INSURANCE PAYMENTS OR ANY OTHER PAYMENTS AS INDEMNITY OR COMPENSATION FOR LOSS OR DAMAGE TO THE COLLATERAL OR PROCEEDS OF THE COLLATERAL.

Personal Property Registry

Search Results Report

Page 40 of 60

Search ID #: Z18192244

Business Debtor Search For:

CLEO ENERGY CORP.

Search ID #: Z18192244

Date of Search: 2024-Dec-17

Time of Search: 13:35:14

Registration Number: 23062929662

Registration Type: SECURITY AGREEMENT

Registration Date: 2023-Jun-29

Registration Status: Current

Expiry Date: 2028-Jun-29 23:59:59

Exact Match on:

Debtor

No: 1

Debtor(s)

Block

Status

1 CLEO ENERGY CORP.
200 - 117 8TH AVE SW
CALGARY, AB T2P1B4

Current

Block

Status

2 LEWIS, CHRISTOPHER
1010 - 135 26TH AVE SW
CALGARY, AB T2S0M2

Current

Birth Date:
1966-Mar-09

Secured Party / Parties

Block

Status

1 1992169 ALBERTA LTD.
30 KINCORA GLEN PARK NW
CALGARY, AB T3R1V3
Email: JASON@RISECAPITAL.CA

Current

Block

Status

2 OXYGEN WORKING CAPITAL CORP.
69 NAPIER STREET
BARRIE, ON L4M1W3
Email: JRAVALLI@OWCCORP.COM

Current

Personal Property Registry

Search Results Report

Page 41 of 60

Search ID #: Z18192244

Collateral: General

| <u>Block</u> | <u>Description</u> | <u>Status</u> |
|---------------------|---|----------------------|
| 1 | THE DEBTORS PRESENT PERSONAL PROPERTY AND PERSONAL PROPERTY ACQUIRED IN THE FUTURE, INCLUDING INVENTORY, FURNITURE, FIXTURES, OFFICE EQUIPMENT, INDUSTRIAL EQUIPMENT, MACHINERY, PLANT, TOOLS, VEHICLES, INTANGIBLE PERSONAL PROPERTY, SECURITIES, DOCUMENTS OF, TITLE, INSTRUMENTS, CHATTEL PAPER, MONEY AND ACCOUNTS RECEIVABLE. ALL THE DEBTORS RECORDS RELATING TO THE BUSINESS AND THE PROPERTY THAT IS SECURED AND ALL PROCEEDS THAT ARE PRESENT OR AFTER-ACQUIRED PERSONAL PROPERTY. | Current |

Personal Property Registry

Search Results Report

Page 42 of 60

Search ID #: Z18192244

Business Debtor Search For:

CLEO ENERGY CORP.

Search ID #: Z18192244

Date of Search: 2024-Dec-17

Time of Search: 13:35:14

Registration Number: 23080419988

Registration Type: SECURITY AGREEMENT

Registration Date: 2023-Aug-04

Registration Status: Current

Registration Term: Infinity

Exact Match on:

Debtor

No: 1

Debtor(s)

Block

Status

Current

1 CLEO ENERGY CORP.
200 - 117 8 AVENUE SW
CALGARY, AB T2P 1B4

Secured Party / Parties

Block

Status

Current

1 BALLARD, STEPHEN
SUITE 1802, 71 JAMIESON COURT
NEW WESTMINSTER, BC V3L 5R4
Email: STEVER88C@HOTMAIL.COM

Collateral: General

Block

Description

Status

Current

1 All present and after-acquired personal property owned, leased, licensed, possessed or acquired by the Debtor, or in which the Debtor has rights, including all present and after-acquired Goods (including Equipment and Inventory), Investment Property, Instruments, Documents of Title, Chattel Paper, Intangibles (including Accounts), Money, crops and fixtures, owned, leased, licensed, possessed or acquired by the Debtor, or in which the Debtor has rights, and all Proceeds of that property, but specifically excludes the Excluded Collateral.

Personal Property Registry

Search Results Report

Page 43 of 60

Search ID #: Z18192244

Business Debtor Search For:

CLEO ENERGY CORP.

Search ID #: Z18192244

Date of Search: 2024-Dec-17

Time of Search: 13:35:14

Registration Number: 23081025798

Registration Type: SECURITY AGREEMENT

Registration Date: 2023-Aug-10

Registration Status: Current

Expiry Date: 2026-Aug-10 23:59:59

Exact Match on:

Debtor

No: 1

Amendments to Registration

24041024133

Amendment

2024-Apr-10

Debtor(s)

Block

Status

1 CLEO ENERGY CORP.
200-117 8 AVE SW
CALGARY, AB T2P1B4

Current

Block

Status

2 LEWIS, CHRISTOPHER, JOHN
200-117 8 AVE SW
CALGARY, AB T2P1B4

Current

Birth Date:
1966-Mar-09

Block

Status

3 LEWIS, CHRISTOPHER, MCRAE
200-117 8 AVE SW
CALGARY, AB T2P1B4

Current

Birth Date:
1966-Mar-09

Secured Party / Parties

Block

Status

1 2416924 ALBERTA LTD. O/A STRIDE CAPITAL
SUITE 201, 3007 14TH STREET SW
CALGARY, AB T2T3V6
Email: PPSA@STRIDECAP.COM

Deleted by
24041024133

Personal Property Registry

Search Results Report

Page 44 of 60

Search ID #: Z18192244

Block

2 2416924 ALBERTA LTD.
415-3332 20TH STREET SW
CALGARY, AB T2T 6T9
Email: PPSA@STRIDECAP.COM

Status

Current by
24041024133

Collateral: General

Block

Description

Status

1 ALL RIGHT, TITLE AND INTEREST IN THE DEBTOR TO THE WELLS AND EQUIPMENT LOCATED AT THE BELOW DESCRIBED LEGAL LAND LOCATIONS, THEREON AND ANY OTHER TANGIBLE AND INTANGIBLE PROPERTY RELATED THERETO.
ALL RIGHT, TITLE AND INTEREST IN THE DEBTOR TO THE OIL AND GAS PRODUCING EQUIPMENT AND ANY OTHER TANGIBLE AND INTANGIBLE PROPERTY RELATED THERETO. PROCEEDS: ANY AND ALL PROCEEDS OF AMOUNTS ARISING FROM OR PAYBLE IN CONNECTION WITH ANY OF THE COLLATERAL DESCRIBED ABOVE. TOGETHER WITH ALL ATTACHMENTS, ACCESSORIES, ACCESSIONS, REPLACEMENTS, SUBSTITUTIONS, ADDITIONS AND IMPROVEMENTS THERETO, AND ALL PROCEEDS IN ANY FORM DERIVED DIRECTLY OR INDIRECTLY FROM ANY DEALING WITH THE COLLATERAL OR PROCEEDS THEREOF, AND WITHOUT LIMITATION, MONEY, CHEQUES, DEPOSITS IN DEPOSIT-TAKING INSTITUTIONS, GOODS, ACCOUNTS RECEIVABLE, RENTS OR OTHER PAYMENTS ARISING FROM THE LEASE OF THE COLLATERAL, CHATTEL PAPER, INSTRUMENTS, INTANGIBLES, DOCUMENTS OF TITLE, SECURITIES, AND RIGHTS OF INSURANCE PAYMENTS OR ANY OTHER PAYMENTS AS INDEMNITY OR COMPENSATION FOR LOSS OR DAMAGE TO THE COLLATERAL OR PROCEEDS OF THE COLLATERAL.

SCHEDULE A

UWI VESSEL MANUFACTURER A# CRN SN MAKE MODEL CRN SN
103/14-27-40-13W4 SEPARATOR A516577 R2959.213 008705-200 TAYLOR 82E8351311 001774-130
103/14-27-40-13W4 FUEL GAS SCRUBBER P6909.231 S-3316 TAYLOR 82E4351311 008410-43
103/14-27-40-13W4 100 BBL TANK NUSCO 8705
102/13-27-40-13W4 SEPARATOR A503862 P1768.213 317557 0G01316.2C 034048-70
102/13-27-40-13W4 FUEL GAS SCRUBBER 114178.2135 6286.423 TAYLOR 82E4351311 009792-137
100/13-27-40-13W4 SEPARATOR A602938 P7298.21 27171 TAYLOR 82E8351311 11297-9 A4589.3
100/13-27-40-13W4 FUEL GAS SCRUBBER OH57373.219 251675 82E4351311 028480-21
05-27-40-13W4 SUCTION GAS SCRUBBER 8286.1357 TAYLOR 82E3531311 19242-17
05-27-40-13W4 DISCHARGE BOTTLE A10027 H7951.5C SF-122828 TAYLOR 82E4351311 20278-3

Personal Property Registry

Search Results Report

Page 45 of 60

Search ID #: Z18192244

| | | |
|---|--|---------|
| 2 | <p>05-27-40-13W4 750 BBL TANK RUGGED TANK & FABRICATION 30611 05-27-40-13W4 750 BBL TANK RUGGED TANK & FABRICATION 31711 05-27-40-13W4 750 BBL TANK RUGGED TANK & FABRICATION 31011 100/08-07-042-14W4 FLARE KNOCKOUT PYRAMID ELECTRIC 97-M-502 100/08-07-042-14W4 FUEL GAS SCRUBBER PANAX 0H5737.213 251552 TAYLOR 82E4351311 009792-139 100/08-07-042-14W4 SEPARATOR PANAX A595883 P7298.21 26837 TAYLOR 82E8351311 005417-165 A4589.3 100/08-07-042-14W4 750 BBL TANK RUGGED TANK & FABRICATION 31511 102/04-03-040-12W4 SEPARATOR NUSCO A508365 R2959.213 007634-200 TAYLOR 82E8351311 05417-112 102/04-03-040-12W4 FUEL GAS SCRUBBER NUSCO P6909.231 S-3080 TAYLOR 82E435131182E4351311 0G01316.2C 00972-130 102/04-03-040-12W4 100 BBL TANK NUSCO 7634 102/04-03-040-12W4 750 BBL TANK RUGGED TANK & FABRICATION 30711 103/11-31-038-09W4 VERT 3 PHASE SEPARATOR A576240 P7217.2 11191 TAYLOR 82E8351311 43299-215 103/11-31-038-09W4 FUEL GAS SCRUBBER F6388.2 11553 TAYLOR 82E4351311 43109-101 100/01-31-038-09W4 SEPARATOR A606217 R5286.213 19317-01 TAYLOR 82E8351311 016588 -224 100/01-31-038-09W4 FUEL GAS SCRUBBER 0H09024.213 6287.551 TAYLOR 82E5351311 016354-375 03-31-038-09W4 CONTROL BLDG FUEL GAS SCRUBBER LO TECH 0H7154.2134 1006.7219 MERCER 91-17D51V05E1 0G8841.5C 820096 03-31-038-09W4 750 BBL TANK FLINT A750-18 03-31-038-09W4 750 BBL TANK FLINT A750-19</p> | Current |
|---|--|---------|

Personal Property Registry

Search Results Report

Page 46 of 60

Search ID #: Z18192244

3 102/11-31-038-09W4 VERT 3 PHASE SEPARATOR RJV A3153334 F5874.2 3614 Current
MERCER 9117D511714E 0G2606.5C 45507
102/11-31-038-09W4 FUEL GAS SCRUBBER
102/11-31-038-09W4 PUMPJACK SCRUBBER PLATINUM PULL TYPE
102/11-31-038-09W4 750 BBL TANK KAMBER FAB INDUSTRIES 750165
100/08-19-039-10W4 PUMPJACK SCRUBBER AMPSCOT PULL TYPE
100/08-19-039-10W4 SEPARATOR A518959 R8610.231 04-07-230 TAYLOR
82E8351311 16845 -35
100/08-19-039-10W4 FUEL GAS SCRUBBER LO TECH 0H2422.2134 1014.1778
TAYLOR 82E4351311 0001316.2C 057050-7
100/08-19-039-10W4 750 BBL TANK RUGGED TANK & FABRICATION 30811
100/16-35-038-10W4 FUEL POT BROMLEY A557316 H4109.234 625822 TAYLOR
82E4351311 0G01316.2C 014391-365
100/16-35-038-10W4 SEPARATOR PANAX A549191 P7298.21 26061 TAYLOR
82E8351311 014338-256 A4589.3
100/16-35-038-10W4 400 BBL TANK RECOM 10031
100/16-35-038-10W4 400 BBL TANK RECOM 10032
16-28-038-10W4 DISCHARGE BOTTLE STEEL FAB H7951.5C SF-126348(?) TAYLOR
82E4351311 0G01316.2C 040215-153
16-28-038-10W4 SUCTION BOTTLE IMPACT INDUSTRIAL SALES 0H07152.2 S02525
TAYLOR 82E5351311 037824-263
102/16-33-038-10W4 PUMPJACK SCRUBBER LO TECH WELLMARK W2601-EV1-311-
30 007968.52/56 IBT05265-24
102/16-33-038-10W4 SEPARATOR NWP INDUSTRIES A588884 L9453.231 1643
TAYLOR 82E7351311 0G01316.2C 051342-34
102/16-33-038-10W4 SCRUBBER NWP INDUSTRIES 0H09319.213 1610 TAYLOR
82E4351311 0G01316.2C 5401215 (?)
103/15-27-038-10W4 SEPARATOR PANAX A602939 P7298.21 27172 TAYLOR
82E6351311 010760-317 A4589.3
103/15-27-038-10W4 SCRUBBER PANAX 0H5737.213 251673 TAYLOR 82E4531311
0G01316.2C 057050-19
100/04-22-041-09W4/02 SEPARATOR RJV A405717 M0716.2 4538 TAYLOR
82G12651311-1440 034048-87
100/04-22-041-09W4/02 SCRUBBER NO PLATE TAYLOR 82E4351311 49722-17
100/04-22-041-09W4/02 100 BBL TANK BROMLEY 206-D100-10243

Personal Property Registry

Search Results Report

Page 47 of 60

Search ID #: Z18192244

| | | |
|---|--|---------|
| 4 | <p>100/04-22-041-09W4/02 750 BBL TANK NO PLATE 100/04-22-041-09W4/02 GROUP SEPARATOR BROMLEY A565171 P1768.213 516-70N TAYLOR 82E7351311 30665-443 100/04-22-041-09W4/02 FUEL GAS FROM SEPARATOR BROMLEY A560518 626072 TAYLOR 82E4351311 30747-49 100/04-22-041-09W4/02 INLET SEPARATOR NGC A556798 R5810.213 16607-2 HYDROSEAL 14E3M0V00/L5 555302-15 100/04-22-041-09W4/02 OIL SEPARATOR NGC A565668 R5809.213 16607-7 TAYLOR 82H6571311 032086-216 100/07-15-041-09W4/00 SEPARATOR FLODRIP A479897 L4250.231 4718 TAYLOR 82E8351311 48787-127 100/16-03-041-09W4/00 FUEL GAS LO TECH 0H2299.2134 1006.1899 TAYLOR 82E4351311 49980-68 100/16-03-041-09W4/00 GAS SEPARATOR NUSCO A486731 P9291.2C 005618-200 TAYLOR 82E4351311 45787-124 100/16-03-041-09W4/00 130 BBL TANK NUSCO 005618 100/03-03-041-09W4/02 SEPARATOR NUSCO A516263 R6050.23 008348-200 MERCER 91-17D51T14E1 489323 100/03-03-041-09W4/02 FUEL GAS SCRUBBER FLO-DRI TAYLOR 82E4351311 15000- 15 100/03-03-041-09W4/02 60 BBL TANK NUSCO 8348 100/09-24-041-09W4/00 SEPARATOR NUSCO A534806 P4395.2 01-4349-5 TAYLOR 82E4351311 46787-151 100/09-24-041-09W4/00 FUEL GAS SEPARATOR 0H6795.21 99-4349-5 MERCER 9106D51V06E1 151901 100/06-21-041-09W4/02 GAS SEPARATOR PLAINS OIL A513244 R2520.213 3526-V3 MERCER 91-17D51T14E1 129457 100/06-21-041-09W4/02 60 BBL TANK ULTRAFAB 0486-019 15-05-042-12W4 3 PHASE SEPARATOR SILVERADO A550927 T4857.2 S-1852 TAYLOR 82H116751311 19772 15-05-042-12W4 GAS SCRUBBER SILVERADO 0H583.7.213 S-1798 TAYLOR 82E4351311 14730-55 15-05-042-12W4 AIR RECEIVER STEEL FAB H7951.5C SF-179975</p> | Current |
| 5 | <p>LOCATION BUILDING/EQUIPMENT ADDITIONAL INFORMATION 15-35-21-07W4 OFFICE ELECTRICAL ROOM, OFFICE & TOOL ROOM 15-35-21-07W4 UTILITY BUILDING WATER/GLYCOL HEATER, (2) CIRCULATING CENTRIFUGAL PUMPS, (2) AIR COMPRESSORS & A DRYING TOWER 15-35-21-07W4 INLET BUILDING TEST SEPARATOR, FWKO, FLARE METER RUN, 8 WELL HEADER, (2) RUFFNECKS 15-35-21-07W4 TREATER BUILDING UNIVERSAL 10 X 40 FOOT DUAL BURNER TREATER & METER RUN 15-35-21-07W4 COMPRESSOR BUILDING 3408 CAT & 2 STAGE GEMINI COMPRESSOR 15-35-21-07W4 DEHY BUILDING CONTACTOR, REBOILER & ACCUMULATOR, GLYCOL PUMP, METHANOL PUMP 15-35-21-07W4 QUIN PLEX BUILDING 250 HP QUIN PLEX BUILDING & BOOSTER 15-35-21-07W4 TRIPLEX BUILDING (2) 125 HP TRIPLEX PUMPS & BOOSTERS, (2) ROPER RECYCLING SCREW PUMPS, RECYCLE DISCHARGE HEADER 15-35-21-07W4 CUT SHACK CENTRIFUGE, STEEL BENCH WITH HOT BATH SINK 15-35-21-07W4 TANK FARM (2) 2000 BBL WATER TANKS, (1) 2000 BBL RECYCLE TANK, (2) 1200 BBL OIL TANKS, (1) 750 BBL DESAND TANK 15-35-21-07W4 FLARE STACK 15-35-21-07W4 UNDERGROUND FLARE KNOCKOUT TANK 15-35-21-07W4 UNDERGROUND INJECTION PUMP DRAIN TANK 2-2-22-07W4 TEST SEPARATOR, PIGGING STATION 7-2-22-07W4 TEST SEPARATOR, 7 WELL HEADER, PIGGING STATION, ELECTRICAL BUILDING 12-11-22-07W4 TEST SEPARATOR, WITH CHEV V6 HYDRAULIC DRIVE</p> | Current |

Personal Property Registry

Search Results Report

Page 48 of 60

Search ID #: Z18192244

Business Debtor Search For:

CLEO ENERGY CORP.

Search ID #: Z18192244

Date of Search: 2024-Dec-17

Time of Search: 13:35:14

Registration Number: 23102732847

Registration Type: WRIT OF ENFORCEMENT

Registration Date: 2023-Oct-27

Registration Status: Current

Expiry Date: 2025-Oct-27 23:59:59

Issued in Calgary Judicial Centre

Court File Number is 1701-13016

Judgment Date is 2022-Nov-21

This Writ was issued on 2023-Oct-27

Type of Judgment is Other

Original Judgment Amount: \$1,138,569.99

Costs Are: \$0.00

Post Judgment Interest: \$0.00

Current Amount Owing: \$41,001.44

Exact Match on:

Debtor

No: 1

Amendments to Registration

| | | |
|-------------|--------------|-------------|
| 24020632866 | Distribution | 2024-Feb-06 |
| 24070232140 | Distribution | 2024-Jul-02 |
| 24081624657 | Amendment | 2024-Aug-16 |
| 24101738502 | Distribution | 2024-Oct-17 |
| 24111829465 | Amendment | 2024-Nov-18 |

Solicitor / Agent

LAWSON LUNDELL LLP, SHANNON K. HAYES
1100, 225 - 6TH AVENUE SW
CALGARY, AB T2P 1N2

Phone #: 403 218 7514

Fax #: 403 269 9494

Reference #: 34165-143006

Email: SHAYES@LAWSONLUNDELL.COM



Personal Property Registry Search Results Report

Page 49 of 60

Search ID #: Z18192244

Debtor(s)

Block

Status

Current

1 CLEO ENERGY CORP.
200, 117 - 8TH AVENUE SW
CALGARY, AB T2P 1B4

Creditor(s)

Block

Status

Current

1 SAVANNA WELL SERVICING INC.
1000, 734 - 7TH AVENUE SW
CALGARY, AB T2P 3P8
Email: HHAHN@TOTALENERGY.CA

Personal Property Registry

Search Results Report

Page 50 of 60

Search ID #: Z18192244

Business Debtor Search For:

CLEO ENERGY CORP.

Search ID #: Z18192244

Date of Search: 2024-Dec-17

Time of Search: 13:35:14

Registration Number: 23112427384

Registration Type: SECURITY AGREEMENT

Registration Date: 2023-Nov-24

Registration Status: Current

Expiry Date: 2025-Nov-24 23:59:59

Exact Match on:

Debtor

No: 1

Amendments to Registration

23112912393

Amendment

2023-Nov-29

Debtor(s)

Block

Status

1 CLEO ENERGY CORP.
200, 117 - 8 AVENUE SW
CALGARY, AB T2P 1B4

Current

Secured Party / Parties

Block

Status

1 SAVANNA WELL SERVICING INC.
1000, 734 - 7 AVENUE SW
CALGARY, AB T2P 3P8
Email: legal@totalenergy.ca

Current

Block

Status

2 FORT MCKAY-SAVANNA ENERGY SERVICES LIMITED PARTNERSHIP
1000, 734 - 7 AVENUE SW
CALGARY, AB T2P 3P8
Email: legal@totalenergy.ca

Current

Collateral: Serial Number Goods

Block

Serial Number

Year

Make and Model

Category

Status

1 1GCUYDEDXNZ110683 2022 CHEVROLET SILVERADO MV - Motor Vehicle

Current By
23112912393



Personal Property Registry
Search Results Report

Search ID #: Z18192244

Collateral: General

| <u>Block</u> | <u>Description</u> | <u>Status</u> |
|---------------------|---|----------------------|
| 1 | All present and after-acquired personal property of the Debtor. | Current |

Personal Property Registry

Search Results Report

Page 52 of 60

Search ID #: Z18192244

Business Debtor Search For:

CLEO ENERGY CORP.

Search ID #: Z18192244

Date of Search: 2024-Dec-17

Time of Search: 13:35:14

Registration Number: 24072922827

Registration Type: WRIT OF ENFORCEMENT

Registration Date: 2024-Jul-29

Registration Status: Current

Expiry Date: 2026-Jul-29 23:59:59

Issued in Calgary Judicial Centre

Court File Number is 2401-10333

Judgment Date is 2024-Jul-16

This Writ was issued on 2024-Jul-25

Type of Judgment is Other

Original Judgment Amount: \$16,199.39

Costs Are: \$211.60

Post Judgment Interest: \$0.00

Current Amount Owing: \$13,062.55

Exact Match on:

Debtor

No: 1

Amendments to Registration

24101738512

Distribution

2024-Oct-17

Solicitor / Agent

T & S COLLECTIONS LTD
#105, 412 53 AVENUE SE
CALGARY, AB T2H 0N4

Phone #: 403 202 7336

Fax #: 403 201 7236

Email: kenpratherts@shaw.ca


Debtor(s)

Block

Status

Current

1 CLEO ENERGY CORP
200, 117 8 AVENUE SW
CALGARY, AB T2P 1B4



Personal Property Registry Search Results Report

Page 53 of 60

Search ID #: Z18192244

Creditor(s)

Block

Status

Current

1 MORGANICK BLENDING SERVICES CORP
#105, 412 53 AVENUE SE
CALGARY, AB T2H 0N4
Email: kenpratherts@shaw.ca

Personal Property Registry

Search Results Report

Page 54 of 60

Search ID #: Z18192244

Business Debtor Search For:

CLEO ENERGY CORP.

Search ID #: Z18192244

Date of Search: 2024-Dec-17

Time of Search: 13:35:14

Registration Number: 24082929766

Registration Type: WRIT OF ENFORCEMENT

Registration Date: 2024-Aug-29

Registration Status: Current

Expiry Date: 2026-Aug-29 23:59:59

Issued in Calgary Judicial Centre

Court File Number is 240111952

Judgment Date is 2024-Aug-02

This Writ was issued on 2024-Aug-29

Type of Judgment is Other

Original Judgment Amount: \$11,626.46

Costs Are: \$325.04

Post Judgment Interest: \$0.00

Current Amount Owing: \$10,833.20

Exact Match on:

Debtor

No: 1

Amendments to Registration

24101738522

Distribution

2024-Oct-17

Solicitor / Agent

U-SUE INC
PO BOX 25102, DEER PARK RPO
RED DEER, AB T4R 2M2

Phone #: 403 264 1366

Fax #: 403 938 4080

Reference #: 24-01062

Email: wesue@usue.ca


Debtor(s)

Block

Status

1 CLEO ENERGY CORP.
200-117 8 AVE SW
CALGARY, AB T2P 1B4

Current



Personal Property Registry Search Results Report

Page 55 of 60

Search ID #: Z18192244

Creditor(s)

Block

Status

1 STARTEC REFRIGERATION SERVICES LTD.
PO BOX 25102, DEER PARK RPO
RED DEER, AB T4R 2M2
Email: wesue@usue.ca

Current

Personal Property Registry

Search Results Report

Page 56 of 60

Search ID #: Z18192244

Business Debtor Search For:

CLEO ENERGY CORP.

Search ID #: Z18192244

Date of Search: 2024-Dec-17

Time of Search: 13:35:14

Registration Number: 24103032735

Registration Type: WRIT OF ENFORCEMENT

Registration Date: 2024-Oct-30

Registration Status: Current

Expiry Date: 2026-Oct-30 23:59:59

Issued in Calgary Judicial Centre

Court File Number is 2301-13984

Judgment Date is 2024-Oct-18

This Writ was issued on 2024-Oct-30

Type of Judgment is Other

Original Judgment Amount: \$274,708.73

Costs Are: \$0.00

Post Judgment Interest: \$0.00

Current Amount Owing: \$117,999.98

Exact Match on:

Debtor

No: 1

Amendments to Registration

24110117312

Amendment

2024-Nov-01

Solicitor / Agent

MLT AIKINS LLP-ATTN-CATRINA J. WEBSTER/LUKE BENDKOWSKI
2100 222 3 AVENUE SW
CALGARY, AB T2P 0B4

Phone #: 403 693 4300

Fax #: 403 508 4349

Email: cal_writ@mltaikins.com

Debtor(s)

Block

1 CLEO ENERGY CORP.
200-117 8 AVE SW
CALGARY, AB T2P 1B4

Status

Current



Personal Property Registry Search Results Report

Page 57 of 60

Search ID #: Z18192244

Creditor(s)

Block

Status

Current

1 VERTEX PROFESSIONAL SERVICES LTD.
C/O 2100 222 3RD AVENUE SW
CALGARY, AB T2P 0B4
Email: cal_writ@mltaikins.com

Personal Property Registry

Search Results Report

Page 58 of 60

Search ID #: Z18192244

Business Debtor Search For:

CLEO ENERGY CORP.

Search ID #: Z18192244

Date of Search: 2024-Dec-17

Time of Search: 13:35:14

Registration Number: 24120616078

Registration Type: SECURITY AGREEMENT

Registration Date: 2024-Dec-06

Registration Status: Current

Expiry Date: 2029-Dec-06 23:59:59

Exact Match on:

Debtor

No: 1

Debtor(s)

Block

Status

1 CLEO ENERGY CORP.
200 - 117 8 AVENUE SW
CALGARY, AB T2P 1B4

Current

Secured Party / Parties

Block

Status

1 SIMONELLI, MARCO
2902 MONTCALM CRECENT SW
CALGARY, AB
Email: Marco12666@me.com

Current

Collateral: General

Block

Description

Status

1 All present and after-acquired personal property of the Debtor

Current

Personal Property Registry

Search Results Report

Page 59 of 60

Search ID #: Z18192244

Business Debtor Search For:

CLEO ENERGY CORP.

Search ID #: Z18192244

Date of Search: 2024-Dec-17

Time of Search: 13:35:14

Registration Number: 24120616149

Registration Type: SECURITY AGREEMENT

Registration Date: 2024-Dec-06

Registration Status: Current

Expiry Date: 2029-Dec-06 23:59:59

Exact Match on:

Debtor

No: 1

Debtor(s)

Block

Status

1 CLEO ENERGY CORP.
200 - 117 8 AVENUE SW
CALGARY, AB T2P 1B4

Current

Secured Party / Parties

Block

Status

1 MARSHAL RAE HOLDINGS
2902 MONTCALM CRECENT SW
CALGARY, AB T2T 3M6
Email: jodywiese@gmail.com

Current

Collateral: General

Block

Description

Status

1 All present and after-acquired personal property of the Debtor

Current

Personal Property Registry

Search Results Report

Page 60 of 60

Search ID #: Z18192244

Business Debtor Search For:

CLEO ENERGY CORP.

Search ID #: Z18192244

Date of Search: 2024-Dec-17

Time of Search: 13:35:14

Registration Number: 24120616201

Registration Type: SECURITY AGREEMENT

Registration Date: 2024-Dec-06

Registration Status: Current

Expiry Date: 2029-Dec-06 23:59:59

Exact Match on:

Debtor

No: 1

Debtor(s)

Block

Status

1 CLEO ENERGY CORP.
200 - 117 8 AVENUE SW
CALGARY, AB T2P 1B4

Current

Secured Party / Parties

Block

Status

1 MANTL CANADA INC.
1500, 510-5TH AVE SW
CALGARY, AB T2P 3S2
Email: matthew.kenna@mantl.ca

Current

Collateral: General

Block

Description


Status

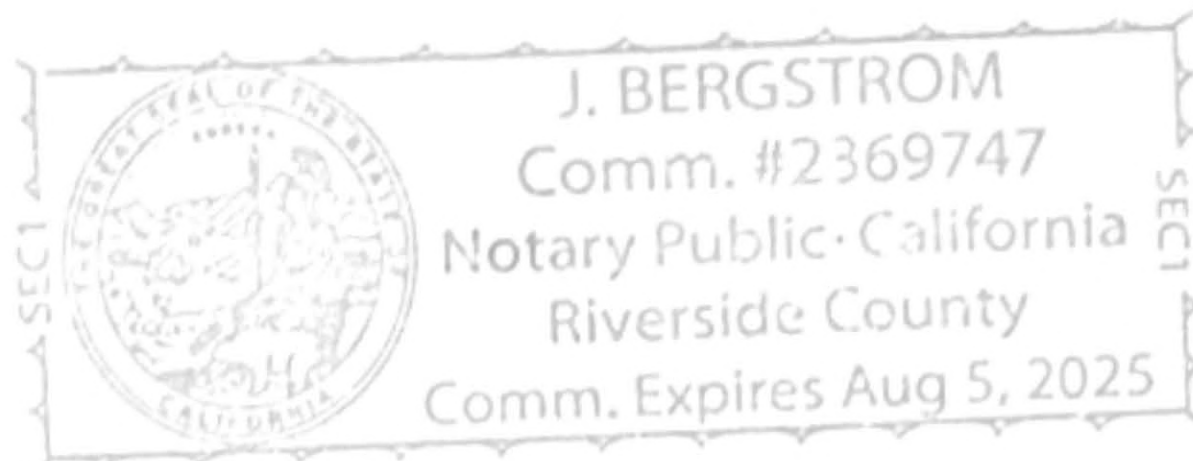
1 All present and after-acquired personal property of the Debtor

Current

Result Complete

Exhibit "V" to the Affidavit of
Chris Lewis
Sworn/Affirmed before me this
23rd day of December, 2024


A Notary Public for the State of California



| Secured Party | Registration | Registration No. | Registration Date | Expiry | Registration Type |
|-----------------------------|--|------------------|-------------------|-------------|--------------------|
| ARUNDEL CAPITAL CORPORATION | Fabyan and Hardisty/Killam Gas Plants All right, title and interest in the debtor to 854 parcels of land locations, the wells and equipment thereon and any other tangible and intangible property related thereto and any proceeds | 18061928493 | 2018-Jun-19 | 2031-Jun-19 | Security Agreement |
| HARVEST OPERATIONS CORP. | Functional Unit Participations in a number of Facilities Cleo's proportionate share of Facility Production in the Facilities | 18121433032 | 2018-Dec-14 | 2025-Dec-14 | Security Agreement |
| SUMMIT ACCEPTANCE CORP | 1GCUYDEDXNZ110683 - 2022 CHEVROLET SILVERADO MV - Motor Vehicle | 22042940182 | 2022-Apr-29 | 2029-Apr-29 | Security Agreement |
| 2416924 ALBERTA LTD. | Site specific interest to well and equipment | 22050933829 | 2022-May-09 | 2025-May-09 | Security Agreement |
| ARUNDEL CAPITAL CORPORATION | Site specific interest to well and equipment | 22092933905 | 2022-Sep-29 | 2025-Sep-29 | Security Agreement |
| ARUNDEL CAPITAL CORPORATION | Site specific interest to well and equipment | 22092934052 | 2022-Sep-29 | 2025-Sep-29 | Security Agreement |
| HARVEST OPERATIONS CORP. | Substances produced from a number of wells in specific locations A lien and charge on Cleo's share of Crude Oil and Gas attributable to Cleo's Inlet Substances in relation to the operation of the | 23030718044 | 2023-Mar-07 | 2028-Mar-07 | Security Agreement |

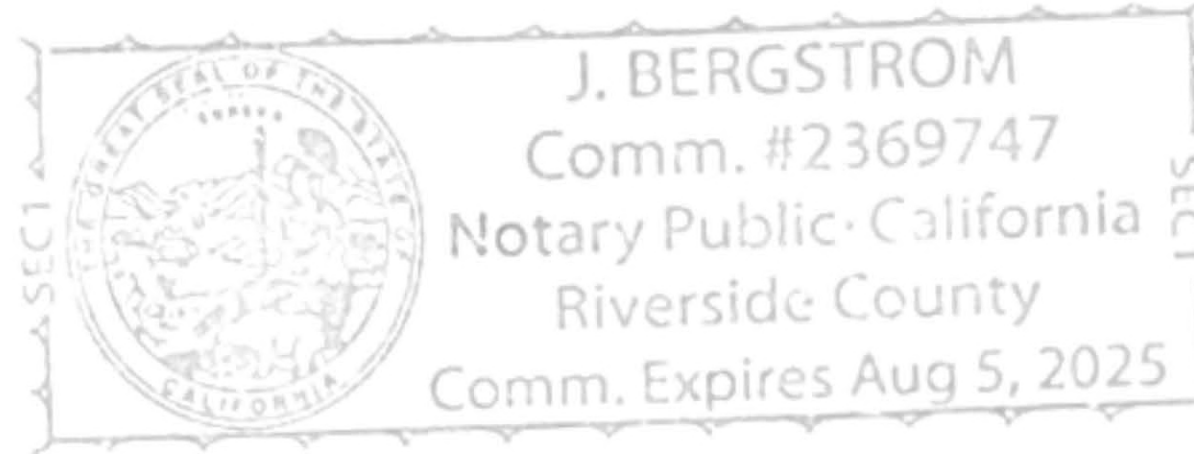
| | | | | | |
|--|---|-------------|-----------------|---------------------|------------------------|
| | Bellshill Lake Ellerslie Unit 03-28 Battery | | | | |
| SAVANNA WELL SERVICING INC. | Costs are \$89,067.61 Current amount owing \$13.05 | 23041225735 | 2023-Apr-12 | 2025- Apr-12 | Writ of Enforcement |
| ARUNDEL CAPITAL CORPORATION | All surface equipment located at Fabyan, Silver Heights, Shorncliffe, Kessler and Neutral Hills Facilities and attachment, accessories, etc. and any proceeds of the collateral | 23050907741 | 2023-May- 09 | 2026- May- 09 | Security Agreement |
| 1992169 ALBERTA LTD. OXYGEN WORKING CAPITAL CORP. | ALLPAAAPP | 23062929662 | 2023-Jun-29 | 2028- Jun-29 | Security Agreement |
| BALLARD, STEPHEN | ALLPAAAPP | 23080419988 | 2023-Aug-04 | Infinity | Security Agreement |
| 2416924 ALBERTA LTD. | Site specific interest to well and equipment | 23081025798 | 2023-Aug-10 | 2026- Aug- 10 | Security Agreement |
| SAVANNA WELL SERVICING INC. | Original Judgment Amount: \$1,138,569.99 Current Amount Owing: \$41,001.44 | 23102732847 | 2023-Oct-27 | 2025- Oct-27 | Writ of Enforcement |
| SAVANNA WELL SERVICING INC. FORT MCKAY- SAVANNA ENERGY SERVICES LIMITED PARTNERSHIP | ALLPAAPP 1GCUYDEDXNZ110683 - 2022 CHEVROLET SILVERADO MV - Motor Vehicle | 23112427384 | 2023-Nov-24 | 2025- Nov- 24 | Security Agreement |
| MORGANICK BLENDING SERVICES CORP | Original Judgment Amount: \$16,199.39 Costs Are: \$211.60 | 24072922827 | 2024-Jul-29 | 2026- Jul-29 | Writ of Enforcement |

| | | | | | |
|---|---|-------------|-------------|---------------------|------------------------|
| | Current Amount Owing: \$13,062.55 | | | | |
| STARTEC REFRIGERATION SERVICES LTD. | Original Judgment Amount: \$11,626.46 Costs Are: \$325.04 Current Amount Owing: \$10,833.20 | 24082929766 | 2024-Aug-29 | 2026- Aug- 29 | Writ of Enforcement |
| VERTEX PROFESSIONAL SERVICES LTD. | Original Judgment Amount: \$274,708.73 Current Amount Owing: \$117,999.98 | 24103032735 | 2024-Oct-30 | 2026- Oct-30 | Writ of Enforcement |
| SIMONELLI, MARCO | ALLPAAAPP | 24120616078 | 2024-Dec-06 | 2029- Dec- 06 | Security Agreement |
| Marshal Rae Holdings | ALLPAAAPP | 24120616149 | 2024-Dec-06 | 2029- Dec- 06 | Security Agreement |
| Mantl Canada Inc. | ALLPAAAPP | 24120616201 | 2024-Dec-06 | 2029- Dec- 06 | Security Agreement |

Exhibit "W" to the Affidavit of
Chris Lewis
Sworn/Affirmed before me this
23rd day of December, 2024



A Notary Public for the State of California





LAND TITLE CERTIFICATE

S

LINC

SHORT LEGAL

TITLE NUMBER

0013 269 238

4;8;45;24;;1

232 122 562

LEGAL DESCRIPTION

ALL THAT PORTION OF LEGAL SUBDIVISION ONE (1) IN SECTION TWENTY FOUR (24)
TOWNSHIP FORTY FIVE (45)

RANGE EIGHT (8)

WEST OF THE FOURTH MERIDIAN

DESCRIBED AS FOLLOWS:--

COMMENCING AT THE SOUTH EAST CORNER OF SAID LEGAL SUBDIVISION
THENCE NORTHERLY ALONG THE EAST BOUNDARY THEREOF, ONE
THOUSAND AND FIFTY SIX (1056) FEET TO A POINT THENCE WESTERLY
AND PARALLEL WITH THE SOUTH BOUNDARY THEREOF, THREE HUNDRED
AND THIRTY (330) FEET TO A POINT THENCE SOUTHERLY AND PARALLEL
WITH THE EAST BOUNDARY THEREOF, ONE THOUSAND AND FIFTY SIX
(1056) FEET TO A POINT ON THE SOUTH BOUNDARY OF SAID LEGAL
SUBDIVISION THENCE EASTERLY ALONG SAID SOUTH BOUNDARY TO
THE POINT OF COMMENCEMENT, CONTAINING 3.24 HECTARES (8) ACRES
MORE OR LESS

EXCEPTING THEREOUT ALL MINES AND MINERALS

ESTATE: FEE SIMPLE

MUNICIPALITY: MUNICIPAL DISTRICT OF WAINWRIGHT NO. 61

REFERENCE NUMBER: 992 053 477

| REGISTERED OWNER(S) | | | | |
|---------------------|------------|------------------|-----------|----------------|
| REGISTRATION | DATE(DMY) | DOCUMENT TYPE | VALUE | CONSIDERATION |
| 232 122 562 | 19/04/2023 | TRANSFER OF LAND | \$126,500 | SEE INSTRUMENT |

OWNERS

CLEO ENERGY CORP.
OF PO BOX 22095 BANKERS HALL
CALGARY
ALBERTA T2P 4J5

ENCUMBRANCES, LIENS & INTERESTS

PAGE 2

232 122 562

REGISTRATION

NUMBER DATE (D/M/Y) PARTICULARS

942 020 059 24/01/1994 CAVEAT

RE : RIGHT OF WAY AGREEMENT

CAVEATOR - ATCO GAS AND PIPELINES LTD.

10035-105 ST

EDMONTON

ALBERTA T5J2V6

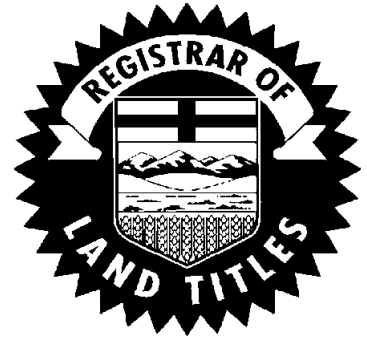
(DATA UPDATED BY: TRANSFER OF CAVEAT
012012760)

TOTAL INSTRUMENTS: 001

THE REGISTRAR OF TITLES CERTIFIES THIS TO BE AN
ACCURATE REPRODUCTION OF THE CERTIFICATE OF
TITLE REPRESENTED HEREIN THIS 19 DAY OF
DECEMBER, 2024 AT 10:32 A.M.

ORDER NUMBER: 52452832

CUSTOMER FILE NUMBER:



END OF CERTIFICATE

THIS ELECTRONICALLY TRANSMITTED LAND TITLES PRODUCT IS INTENDED
FOR THE SOLE USE OF THE ORIGINAL PURCHASER, AND NONE OTHER,
SUBJECT TO WHAT IS SET OUT IN THE PARAGRAPH BELOW.

THE ABOVE PROVISIONS DO NOT PROHIBIT THE ORIGINAL PURCHASER FROM
INCLUDING THIS UNMODIFIED PRODUCT IN ANY REPORT, OPINION,
APPRAISAL OR OTHER ADVICE PREPARED BY THE ORIGINAL PURCHASER AS
PART OF THE ORIGINAL PURCHASER APPLYING PROFESSIONAL, CONSULTING
OR TECHNICAL EXPERTISE FOR THE BENEFIT OF CLIENT(S).



LAND TITLE CERTIFICATE

S
LINC SHORT LEGAL TITLE NUMBER
0013 902 069 7820541;OT 232 122 549

LEGAL DESCRIPTION

PLAN 7820541
REQUIRED FOR A COMPRESSOR SITE, CONTAINING 6.03 ACRES
MORE OR LESS.
EXCEPTING THEREOUT: 0.087 HECTARES (0.31 ACRES) MORE OR LESS
FOR ROAD PLAN 8322146
EXCEPTING THEREOUT ALL MINES AND MINERALS

ATS REFERENCE: 4;8;41;22;SE
ESTATE: FEE SIMPLE

MUNICIPALITY: MUNICIPAL DISTRICT OF PROVOST NO. 52

REFERENCE NUMBER: 962 030 355

| REGISTERED OWNER(S) | | | | |
|---------------------|------------|------------------|----------|----------------|
| REGISTRATION | DATE (DMY) | DOCUMENT TYPE | VALUE | CONSIDERATION |
| 232 122 549 | 19/04/2023 | TRANSFER OF LAND | \$10,000 | SEE INSTRUMENT |

OWNERS

CLEO ENERGY CORP.
OF PO BOX 22095 BANKERS HALL
CALGARY
ALBERTA T2P 4J5

ENCUMBRANCES, LIENS & INTERESTS

| REGISTRATION | | |
|--------------|--------------|--|
| NUMBER | DATE (D/M/Y) | PARTICULARS |
| 4528UV | 06/01/1975 | UTILITY RIGHT OF WAY GRANTEE - NATURAL GAS CO-OP 52 LTD. |
| 782 031 306 | 14/02/1978 | UTILITY RIGHT OF WAY GRANTEE - CLEO ENERGY CORP. PO BOX 22095 BANKERS HALL |

(CONTINUED)

ENCUMBRANCES, LIENS & INTERESTS

PAGE 2

232 122 549

REGISTRATION

NUMBER DATE (D/M/Y) PARTICULARS

CALGARY

ALBERTA T2P4J5

AS TO PORTION OR PLAN: 7820243

(DATA UPDATED BY: TRANSFER OF UTILITY RIGHT
OF WAY 932098015)

(DATA UPDATED BY: TRANSFER OF UTILITY RIGHT
OF WAY 932109083)

(DATA UPDATED BY: TRANSFER OF UTILITY RIGHT
OF WAY 952306406)

(DATA UPDATED BY: TRANSFER OF UTILITY RIGHT
OF WAY 172094617)

TOTAL INSTRUMENTS: 002

THE REGISTRAR OF TITLES CERTIFIES THIS TO BE AN
ACCURATE REPRODUCTION OF THE CERTIFICATE OF
TITLE REPRESENTED HEREIN THIS 19 DAY OF
DECEMBER, 2024 AT 03:08 P.M.

ORDER NUMBER: 52458859

CUSTOMER FILE NUMBER:



END OF CERTIFICATE

THIS ELECTRONICALLY TRANSMITTED LAND TITLES PRODUCT IS INTENDED
FOR THE SOLE USE OF THE ORIGINAL PURCHASER, AND NONE OTHER,
SUBJECT TO WHAT IS SET OUT IN THE PARAGRAPH BELOW.

THE ABOVE PROVISIONS DO NOT PROHIBIT THE ORIGINAL PURCHASER FROM
INCLUDING THIS UNMODIFIED PRODUCT IN ANY REPORT, OPINION,
APPRAISAL OR OTHER ADVICE PREPARED BY THE ORIGINAL PURCHASER AS
PART OF THE ORIGINAL PURCHASER APPLYING PROFESSIONAL, CONSULTING
OR TECHNICAL EXPERTISE FOR THE BENEFIT OF CLIENT(S).



LAND TITLE CERTIFICATE

S
LINC SHORT LEGAL TITLE NUMBER
0011 626 116 8220235;OT 232 122 573

LEGAL DESCRIPTION
PLAN 8220235
EXCEPTING THEREOUT ALL MINES AND MINERALS
AND THE RIGHT TO WORK THE SAME

ESTATE: FEE SIMPLE
ATS REFERENCE: 4;10;41;35;NW

MUNICIPALITY: FLAGSTAFF COUNTY

REFERENCE NUMBER: 982 386 506

REGISTERED OWNER(S)
REGISTRATION DATE (DMY) DOCUMENT TYPE VALUE CONSIDERATION

232 122 573 19/04/2023 TRANSFER OF LAND \$66,000 SEE INSTRUMENT

OWNERS

CLEO ENERGY CORP.
OF PO BOX 22095 BANKERS HALL
CALGARY
ALBERTA T2P 4J5

ENCUMBRANCES, LIENS & INTERESTS

REGISTRATION
NUMBER DATE (D/M/Y) PARTICULARS

902 010 901 10/01/1990 CAVEAT
RE : SEE CAVEAT
CAVEATOR - CANADIAN IMPERIAL BANK OF COMMERCE.
BLAKE, CASSELS & GRAYDON
#3500 EAST TOWER, BANKERS HALL
855 SECOND AVENUE S.W., CALGARY
ALBERTA T2P4J8
AGENT - LORAIN C CHAMPION
"ADDRESS CORRECTED BY 902120432 MAY 1, 1990"

(CONTINUED)

TOTAL INSTRUMENTS: 001

THE REGISTRAR OF TITLES CERTIFIES THIS TO BE AN
ACCURATE REPRODUCTION OF THE CERTIFICATE OF
TITLE REPRESENTED HEREIN THIS 19 DAY OF
DECEMBER, 2024 AT 03:08 P.M.

ORDER NUMBER: 52458859

CUSTOMER FILE NUMBER:

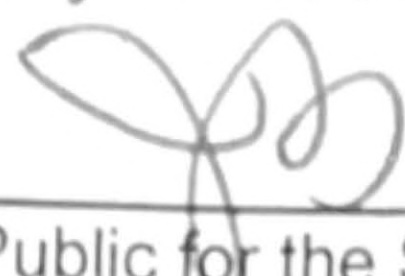


END OF CERTIFICATE

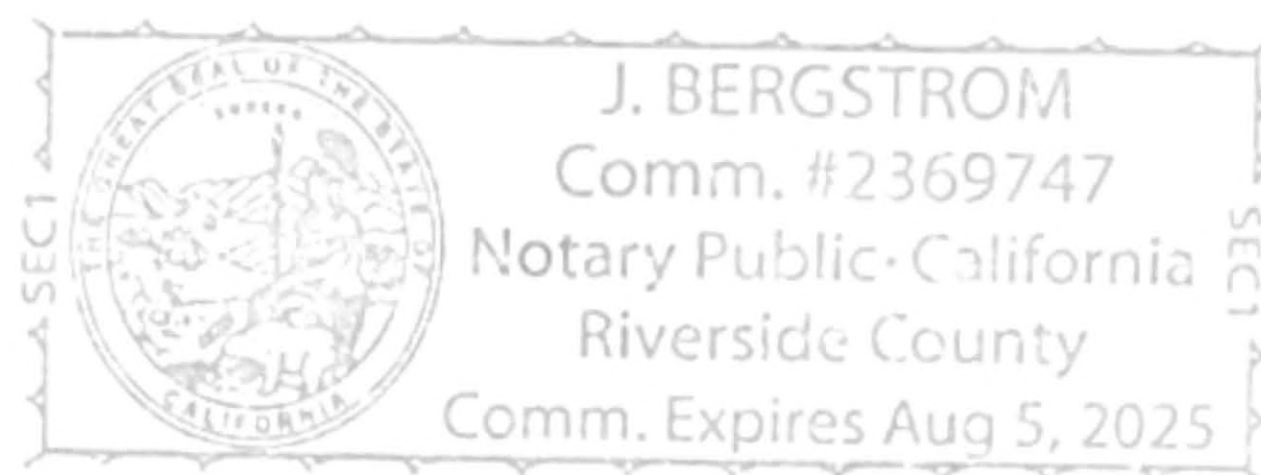
THIS ELECTRONICALLY TRANSMITTED LAND TITLES PRODUCT IS INTENDED
FOR THE SOLE USE OF THE ORIGINAL PURCHASER, AND NONE OTHER,
SUBJECT TO WHAT IS SET OUT IN THE PARAGRAPH BELOW.

THE ABOVE PROVISIONS DO NOT PROHIBIT THE ORIGINAL PURCHASER FROM
INCLUDING THIS UNMODIFIED PRODUCT IN ANY REPORT, OPINION,
APPRAISAL OR OTHER ADVICE PREPARED BY THE ORIGINAL PURCHASER AS
PART OF THE ORIGINAL PURCHASER APPLYING PROFESSIONAL, CONSULTING
OR TECHNICAL EXPERTISE FOR THE BENEFIT OF CLIENT(S).

Exhibit "X" to the Affidavit of
Chris Lewis
Sworn/Affirmed before me this
23rd day of December, 2024



A Notary Public for the State of California



Cleo Energy Corp.
Surface Lease Index - SURFACE FREEHOLD

Report ID: RP-0017

| File Number | Status | Division Area | Document Type | Lessor Type / Number | Land Description |
|-------------|--------|---|---------------|---------------------------|--------------------------------|
| S00101 | ACTIVE | KESSLER AREA KESSLER FIELD, AB | SL | FH ECHO SAND RANCHING | TWP 40 RGE 5 W4M SE 16 |
| S00102 | ACTIVE | KESSLER AREA KESSLER FIELD, AB | SL | FH LAZY HE RANCH | TWP 39 RGE 6 W4M NW 3 |
| S00103 | ACTIVE | KESSLER AREA KESSLER FIELD, AB | SL | FH LAZY HE RANCH | TWP 39 RGE 6 W4M NW 3 |
| S00104 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | SL | FH CREASY ALAN R | TWP 43 RGE 10 W4M NE 21 |
| S00105 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | SL | FH KROETSCH FARMS LTD. | TWP 43 RGE 9 W4M SW 3 |
| S00106 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | SL | FH TILLMAR, HELENA RUTH | TWP 41 RGE 10 W4M SE 27 |
| S00107 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | SL | FH ANDERSEN, CARL | TWP 41 RGE 9 W4M NW 24 |
| S00108 | ACTIVE | SEDGEWICK AREA SEDGEWICK FIELD, AB | SL | FH DANVAL STOCK FARM LTD. | TWP 42 RGE 12 W4M SW 27 |
| S00114 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | SL | FH SARUGA, STEVEN | TWP 40 RGE 11 W4M NW 23 |
| S00115 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | SL | FH SARUGA, STEVEN | TWP 40 RGE 11 W4M NW 23 |
| S00118 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | SL | FH ROEN, EDWARD | TWP 42 RGE 10 W4M SW 27 |
| S00119 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | SL | FH PIERCE, VALERIE | TWP 44 RGE 9 W4M SE 19 |
| S00120 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | SL | FH OC RANCHING LTD. | TWP 44 RGE 9 W4M NE 18 |
| S00123 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | SL | FH J.W. MAX RAMSAH | TWP 42 RGE 8 W4M NW 27 (13-27) |
| S00124 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | SL | FH SIMPSON, V | TWP 41 RGE 12 W4M SE 34 |
| S00125 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | SL/RUA | FH LESLIE, A | TWP 41 RGE 12 W4M SW 34 |
| S00126 | ACTIVE | NEUTRAL HILLS AREA NEUTRAL HILLS FIELD, AB | SL | FH SIMKIN, R.J. & T.J. | TWP 35 RGE 6 W4M SW 28 |

Cleo Energy Corp.
Surface Lease Index - SURFACE FREEHOLD

Report ID: RP-0017

| File Number | Status | Division Area | Document Type | Lessor Type / Number | Land Description |
|-------------|--------|---|---------------|------------------------|-------------------------|
| S00127 | ACTIVE | NEUTRAL HILLS AREA NEUTRAL HILLS FIELD, AB | SL | FH SIMKIN, R.J. & T.J. | TWP 35 RGE 6 W4M NE 20 |
| S00128 | ACTIVE | NEUTRAL HILLS AREA NEUTRAL HILLS FIELD, AB | SL | FH SIMKIN, R.J. & T.J. | TWP 35 RGE 6 W4M SW 29 |
| S00129 | ACTIVE | NEUTRAL HILLS AREA NEUTRAL HILLS FIELD, AB | SL | FH SIMKIN, R.J. & T.J. | TWP 35 RGE 6 W4M NE 20 |
| S00130 | ACTIVE | NEUTRAL HILLS AREA NEUTRAL HILLS FIELD, AB | SL | FH SIMKIN, R.J. & T.J. | TWP 35 RGE 6 W4M NW 20 |
| S00131 | ACTIVE | NEUTRAL HILLS AREA NEUTRAL HILLS FIELD, AB | SL | FH SIMKIN, R.J. & T.J. | TWP 35 RGE 6 W4M NE 20 |
| S00132 | ACTIVE | NEUTRAL HILLS AREA NEUTRAL HILLS FIELD, AB | SL | FH SIMKIN, R.J. & T.J. | TWP 35 RGE 6 W4M SW 29 |
| S00133 | ACTIVE | NEUTRAL HILLS AREA NEUTRAL HILLS FIELD, AB | SL | FH SIMKIN, R.J. & T.J. | TWP 35 RGE 6 W4M NE 20 |
| S00134 | ACTIVE | NEUTRAL HILLS AREA NEUTRAL HILLS FIELD, AB | SL | FH SIMKIN, R.J. & T.J. | TWP 35 RGE 6 W4M SW 28 |
| S00135 | ACTIVE | NEUTRAL HILLS AREA NEUTRAL HILLS FIELD, AB | SL | FH SIMKIN, R.J. & T.J. | TWP 35 RGE 6 W4M NE 28 |
| S00136 | ACTIVE | NEUTRAL HILLS AREA NEUTRAL HILLS FIELD, AB | SL | FH SIMKIN, R.J. & T.J. | TWP 35 RGE 6 W4M NW 20 |
| S00137 | ACTIVE | SILVER HEIGHTS AREA SILVER HEIGHTS FIELD, AB | SL | FH THOMAS, WAYNE | TWP 39 RGE 10 W4M NE 11 |
| S00138 | ACTIVE | SILVER HEIGHTS AREA SILVER HEIGHTS FIELD, AB | SL | FH THOMAS, WAYNE | TWP 39 RGE 10 W4M NE 11 |
| S00139 | ACTIVE | SILVER HEIGHTS AREA SILVER HEIGHTS FIELD, AB | SL/RUA | FH COLE R&E | TWP 39 RGE 10 W4M NW 11 |
| S00140 | ACTIVE | SILVER HEIGHTS AREA SILVER HEIGHTS FIELD, AB | SL | FH THOMAS, WAYNE | TWP 39 RGE 10 W4M NE 11 |
| S00142 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | SL | FH CRONE S & C | TWP 42 RGE 9 W4M NW 24 |
| S00143 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | SL | FH CRONE S & C | TWP 42 RGE 9 W4M W 24 |
| S00144 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | SL | FH PEMBINA | TWP 42 RGE 9 W4M SE 28 |

Cleo Energy Corp.
Surface Lease Index - SURFACE FREEHOLD

Report ID: RP-0017

| File Number | Status | Division Area | Document Type | Lessor Type / Number | Land Description |
|-------------|--------|---|---------------|----------------------------|-------------------------------|
| S00145 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | SL | FH ROLIN ACRES LTD | TWP 41 RGE 10 W4M SE 10 |
| S00146 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | SL | FH ROLIN ACRES LTD | TWP 41 RGE 10 W4M SE 10 |
| S00155 | ACTIVE | ATLEE AREA ATLEE FIELD, AB | SL | FH HARGRAVE, FRANCES | TWP 21 RGE 7 W4M NW 35 |
| S00158 | ACTIVE | ATLEE AREA ATLEE FIELD, AB | SL | FH 1717875 ALBERTA INC. | TWP 22 RGE 7 W4M SW 2 |
| S00168 | ACTIVE | ATLEE AREA ATLEE FIELD, AB | SL | FH HARGRAVE, FRANCES | TWP 021 RGE 07 W4M NE 35 |
| S00171 | ACTIVE | SILVER HEIGHTS AREA SILVER HEIGHTS FIELD, AB | SL | FH COLE, IBBOTSON, 2451688 | TWP 38 RGE 9 W4M NW 30, S 31 |
| S00172 | ACTIVE | SILVER HEIGHTS AREA SILVER HEIGHTS FIELD, AB | SL | FH EASTVIEW CROPS | TWP 38 RGE 10 W4M NE 34 |
| S00173 | ACTIVE | SILVER HEIGHTS AREA SILVER HEIGHTS FIELD, AB | SL | FH COLE, D E & B J | TWP 38 RGE 10 W4M NE 28 |
| S00174 | ACTIVE | FABYAN AREA FABYAN FIELD, AB | SL | FH FERENCE M & T | TWP 41 RGE 9 W4M NE 3 |
| S00175 | ACTIVE | SEDGEWICK AREA SEDGEWICK FIELD, AB | SL | FH ADAMSON FARMS | TWP 42 RGE 12 W4M SW 7 |
| S00176 | ACTIVE | ALBERTA ALIANCE FIELD, AB | SL | FH KROETSCH, MICHAEL | TWP 40 RGE 13 W4M SW 27 |
| S00177 | ACTIVE | FABYAN AREA FABYAN FIELD, AB | SL | FH ANDERSEN, CARL | TWP 41 RGE 9 W4M NE 13, E 24 |
| S00178 | ACTIVE | FABYAN AREA FABYAN FIELD, AB | SL | FH FERENCE, M & T | TWP 41 RGE 9 W4M N 3 |
| S00179 | ACTIVE | FABYAN AREA FABYAN FIELD, AB | SL | FH SCHMIDT, D | TWP 41 RGE 9 W4M SW 22 |
| S00180 | ACTIVE | FABYAN AREA FABYAN FIELD, AB | SL | FH ALMBERG, ELAINE | TWP 41 RGE 9 W4M LSD 6 SEC 21 |
| S00181 | ACTIVE | FABYAN AREA FABYAN FIELD, AB | SL | FH FERENCE, M & T | TWP 41 RGE 9 W4M W 28 |
| S00182 | ACTIVE | FABYAN AREA FABYAN FIELD, AB | SL | FH FERENCE, M & T | TWP 41 RGE 9 W4M N 3 |

Cleo Energy Corp.
Surface Lease Index - SURFACE FREEHOLD

| File Number | Status | Division Area | Document Type | Lessor Type / Number | Land Description |
|-------------|--------|---|---------------|------------------------------|-------------------------|
| S00183 | ACTIVE | FABYAN AREA FABYAN FIELD, AB | SL | FH HOLTE, F & D | TWP 41 RGE 9 W4M S 15 |
| S00184 | ACTIVE | FABYAN AREA FABYAN FIELD, AB | SL | FH HALCORP | TWP 41 RGE 9 W4M N 15 |
| S00185 | ACTIVE | FABYAN AREA FABYAN FIELD, AB | SL | FH HOLTE, C & F | TWP 41 RGE 9 W4M NE 10 |
| S00186 | ACTIVE | SEDGEWICK AREA SEDGEWICK FIELD, AB | SL | FH LESLIE, FRANK | TWP 42 RGE 12 W4M NE 5 |
| S00187 | ACTIVE | SILVER HEIGHTS AREA SILVER HEIGHTS FIELD, AB | SL | FH DYNAGRO FARMS | TWP 39 RGE 10 W4M SW 19 |
| S00188 | ACTIVE | SEDGEWICK AREA SEDGEWICK FIELD, AB | SL | FH MILLER, ALVIN ETAL | TWP 40 RGE 12 W4M SW 10 |
| S00189 | ACTIVE | SILVER HEIGHTS AREA SILVER HEIGHTS FIELD, AB | SL | FH COLE, K & L | TWP 38 RGE 9 W4M SW 31 |
| S00190 | ACTIVE | HAYTER AREA HAYTER FIELD, AB | SL | FH BROWN, CAROLYN | TWP 40 RGE 1 W4M SW 24 |
| S00191 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | SL | FH GREEN, MARY | TWP 46 RGE 8 W4M SW 35 |
| S00192 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | SL | FH FORD, K | TWP 46 RGE 8 W4M SW 33 |
| S00193 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | SL | FH WILLERTON FARMS LTD | TWP 46 RGE 8 W4M S 25 |
| S00194 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | SL | FH ROSEBERRY FARMS | TWP 45 RGE 8 W4M NW 36 |
| S00195 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | SL | FH KILLORAN FARMS LTD | TWP 45 RGE 7 W4M NE 10 |
| S00202 | ACTIVE | NEUTRAL HILLS AREA NEUTRAL HILLS FIELD, AB | BO | FH RE 11398 (WILLIFER FARMS) | TWP 37 RGE 7 W4M SE 2 |
| S00204 | ACTIVE | SHORNCLIFFE AREA SHORNCLIFFE FIELD, AB | SL | FH DREVER, D | TWP 40 RGE 9 W4M NW 15 |
| S00207 | ACTIVE | KESSLER AREA KESSLER FIELD, AB | SL | FH LAZY HAVEN LAND & | TWP 39 RGE 7 W4M NE 4 |
| S00208 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | SL | FH ORACHESKI, S | TWP 45 RGE 8 W4M NE 30 |

Cleo Energy Corp.
Surface Lease Index - SURFACE FREEHOLD

Report ID: RP-0017

| File Number | Status | Division Area | Document Type | Lessor Type / Number | Land Description |
|-------------|--------|---|---------------|----------------------------|----------------------------|
| S00209 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | SL | FH WANNECHKO, A & T | TWP 43 RGE 9 W4M NE 7 |
| S00210 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | SL | FH Y 7 ENTERPRISES LTD | TWP 43 RGE 9 W4M SE 18 |
| S00211 | ACTIVE | SEDGEWICK AREA SEDGEWICK FIELD, AB | SL | FH KENITA FARMS LTD. | TWP 40 RGE 12 W4M NE 27 |
| S00212 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | SL | FH LANG KENNETH & PATRICIA | TWP 42 RGE 14 W4M NE 33 |
| S00213 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | SL | FH MOLLER KEVIN & ANGELA | TWP 43 RGE 14 W4M NE 4 |
| S00214 | ACTIVE | NEUTRAL HILLS AREA NEUTRAL HILLS FIELD, AB | SL | FH DEMPSEY, F. & V. | TWP 35 RGE 6 W4M PTN SW 15 |
| S00215 | ACTIVE | NEUTRAL HILLS AREA NEUTRAL HILLS FIELD, AB | SL | FH GILMER ET AL | TWP 35 RGE 6 W4M NW 16 |
| S00216 | ACTIVE | NEUTRAL HILLS AREA NEUTRAL HILLS FIELD, AB | SL | FH FAWCETT, V.C. & D.M. | TWP 35 RGE 6 W4M SE 20 |
| S00217 | ACTIVE | NEUTRAL HILLS AREA NEUTRAL HILLS FIELD, AB | SL | FH FAWCETT, W. DOUGLAS | TWP 35 RGE 6 W4M NW 27 |
| S00218 | ACTIVE | NEUTRAL HILLS AREA NEUTRAL HILLS FIELD, AB | SL | FH HUTCHINGS FARMS LTD | TWP 35 RGE 6 W4M NW 10 |
| S00219 | ACTIVE | NEUTRAL HILLS AREA NEUTRAL HILLS FIELD, AB | SL | FH DEMPSEY, F. & V. | TWP 35 RGE 6 W4M PTN SW 15 |
| S00220 | ACTIVE | NEUTRAL HILLS AREA NEUTRAL HILLS FIELD, AB | SL | FH DEMPSEY, F. & V. | TWP 35 RGE 6 W4M PTN SW 15 |
| S00221 | ACTIVE | NEUTRAL HILLS AREA NEUTRAL HILLS FIELD, AB | SL | FH 721271 ALBERTA INC | TWP 35 RGE 6 W4M NE 22 |
| S00222 | ACTIVE | NEUTRAL HILLS AREA NEUTRAL HILLS FIELD, AB | SL | FH FAWCETT, V.C. & D.M. | TWP 35 RGE 6 W4M NE 29 |
| S00223 | ACTIVE | NEUTRAL HILLS AREA NEUTRAL HILLS FIELD, AB | SL | FH DEMPSEY, VALERIE | TWP 35 RGE 6 W4M NE 9 |
| S00224 | ACTIVE | NEUTRAL HILLS AREA NEUTRAL HILLS FIELD, AB | SL | FH FAWCETT, V.C. & D.M. | TWP 35 RGE 6 W4M SE 29 |
| S00225 | ACTIVE | NEUTRAL HILLS AREA NEUTRAL HILLS FIELD, AB | SL | FH DAY, WILLIAM C | TWP 35 RGE 6 W4M NE 16 |

Cleo Energy Corp.
Surface Lease Index - SURFACE FREEHOLD

Report ID: RP-0017

| File Number | Status | Division Area | Document Type | Lessor Type / Number | Land Description |
|-------------|--------|---|---------------|-------------------------|--|
| S00226 | ACTIVE | NEUTRAL HILLS AREA NEUTRAL HILLS FIELD, AB | SL | FH DEMPSEY, F. & V. | TWP 35 RGE 6 W4M PTN SW 15 |
| S00227 | ACTIVE | NEUTRAL HILLS AREA NEUTRAL HILLS FIELD, AB | SL | FH 721271 ALBERTA INC | TWP 35 RGE 6 W4M NE 22 |
| S00228 | ACTIVE | NEUTRAL HILLS AREA NEUTRAL HILLS FIELD, AB | SL | FH DEMPSEY, F. & V. | TWP 35 RGE 6 W4M PTN SW 15 |
| S00229 | ACTIVE | NEUTRAL HILLS AREA NEUTRAL HILLS FIELD, AB | SL | FH FAWCETT, V.C. & D.M. | TWP 35 RGE 6 W4M SE 27 |
| S00230 | ACTIVE | NEUTRAL HILLS AREA NEUTRAL HILLS FIELD, AB | SL | FH FAWCETT, W. DOUGLAS | TWP 35 RGE 6 W4M NW 27 |
| S00231 | ACTIVE | NEUTRAL HILLS AREA NEUTRAL HILLS FIELD, AB | SL | FH 721271 ALBERTA INC | TWP 35 RGE 6 W4M NW 22 |
| S00232 | ACTIVE | NEUTRAL HILLS AREA NEUTRAL HILLS FIELD, AB | SL | FH DEMPSEY, F. & V. | TWP 35 RGE 6 W4M PTN SW 15 |
| S00233 | ACTIVE | NEUTRAL HILLS AREA NEUTRAL HILLS FIELD, AB | SL | FH FAWCETT, GEORGE E | TWP 35 RGE 6 W4M NE 27 |
| S00234 | ACTIVE | NEUTRAL HILLS AREA NEUTRAL HILLS FIELD, AB | SL | FH 721271 ALBERTA INC | TWP 35 RGE 6 W4M NW 22 |
| S00235 | ACTIVE | NEUTRAL HILLS AREA NEUTRAL HILLS FIELD, AB | SL | FH FAWCETT, LYNDA | TWP 35 RGE 6 W4M SW 34 |
| S00236 | ACTIVE | NEUTRAL HILLS AREA NEUTRAL HILLS FIELD, AB | SL | FH FAWCETT, V.C. & D.M. | TWP 35 RGE 6 W4M SE 20 |
| S00237 | ACTIVE | NEUTRAL HILLS AREA NEUTRAL HILLS FIELD, AB | SL | FH FERENCE, T. AND D. | TWP 35 RGE 6 W4M PTN SW 15 (DESCRIPTIVE PLAN 0828561, BLOCK C, LOT 1) |
| S00238 | ACTIVE | NEUTRAL HILLS AREA NEUTRAL HILLS FIELD, AB | SL | FH DEMPSEY, F. & V. | TWP 35 RGE 6 W4M SE 16 |
| S00239 | ACTIVE | NEUTRAL HILLS AREA NEUTRAL HILLS FIELD, AB | SL | FH GILMER ET AL | TWP 35 RGE 6 W4M NW 16 |
| S00240 | ACTIVE | NEUTRAL HILLS AREA NEUTRAL HILLS FIELD, AB | SL | FH GILMER ET AL | TWP 35 RGE 6 W4M SW 21 |
| S00241 | ACTIVE | NEUTRAL HILLS AREA NEUTRAL HILLS FIELD, AB | SL | FH DAY, DANIEL & CARLEY | TWP 35 RGE 6 W4M NE 9 |
| S00242 | ACTIVE | NEUTRAL HILLS AREA NEUTRAL HILLS FIELD, AB | SL | FH DEMPSEY, F. & V. | TWP 35 RGE 6 W4M PTN SW 15 |

Cleo Energy Corp.
Surface Lease Index - SURFACE FREEHOLD

Report ID: RP-0017

| File Number | Status | Division Area | Document Type | Lessor Type / Number | Land Description |
|-------------|--------|---|---------------|-------------------------|---|
| S00243 | ACTIVE | NEUTRAL HILLS AREA NEUTRAL HILLS FIELD, AB | SL | FH GILMER ET AL | TWP 35 RGE 6 W4M NW 16 |
| S00244 | ACTIVE | NEUTRAL HILLS AREA NEUTRAL HILLS FIELD, AB | SL | FH GILMER ET AL | TWP 35 RGE 6 W4M NW 16 |
| S00245 | ACTIVE | NEUTRAL HILLS AREA NEUTRAL HILLS FIELD, AB | SL | FH 721271 ALBERTA INC | TWP 35 RGE 6 W4M NW 22 |
| S00246 | ACTIVE | NEUTRAL HILLS AREA NEUTRAL HILLS FIELD, AB | SL | FH FAWCETT, V.C. & D.M. | TWP 35 RGE 6 W4M SE 20 |
| S00247 | ACTIVE | NEUTRAL HILLS AREA NEUTRAL HILLS FIELD, AB | SL | FH GILMER ET AL | TWP 35 RGE 6 W4M NW 16 |
| S00248 | ACTIVE | NEUTRAL HILLS AREA NEUTRAL HILLS FIELD, AB | SL | FH FAWCETT, V.C. & D.M. | TWP 35 RGE 6 W4M SE 32 |
| S00251 | ACTIVE | NEUTRAL HILLS AREA NEUTRAL HILLS FIELD, AB | SL | FH LINDSAY, STEVEN | TWP 37 RGE 7 W4M SW 13 |
| S00252 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | SL | FH GULBRAA, ALLAN M | TWP 46 RGE 9 W4M SE 10 |
| S00253 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | SL | FH NEMAC FARMS LTD | TWP 46 RGE 9 W4M NE 12 |
| S00254 | ACTIVE | SHORNCLIFFE AREA SHORNCLIFFE FIELD, AB | SL | FH HUGHENDEN HUTTERIAN | TWP 40 RGE 7 W4M NW 8 |
| S00255 | ACTIVE | KESSLER AREA KESSLER FIELD, AB | LPC | FH CP - XHARD09746P01 | TWP 40 RGE 5 W4M SW 4 (2-16 TO 11-04-040-05 W4M) |
| S00256 | ACTIVE | SHORNCLIFFE AREA SHORNCLIFFE FIELD, AB | SL | FH SOUTHOFF, T | TWP 40 RGE 8 W4M SE 22 |
| S00257 | ACTIVE | SHORNCLIFFE AREA SHORNCLIFFE FIELD, AB | SL | FH SOUTHOFF, T | TWP 40 RGE 8 W4M SE 22 |
| S00258 | ACTIVE | SHORNCLIFFE AREA SHORNCLIFFE FIELD, AB | SL | FH SOUTHOFF, T | TWP 40 RGE 8 W4M SE 22 |
| S00259 | ACTIVE | SHORNCLIFFE AREA SHORNCLIFFE FIELD, AB | SL | FH SOUTHOFF, T | TWP 40 RGE 8 W4M SE 22 |
| S00260 | ACTIVE | SHORNCLIFFE AREA SHORNCLIFFE FIELD, AB | SL | FH SOUTHOFF, T | TWP 40 RGE 8 W4M SE 22 |
| S00261 | ACTIVE | SHORNCLIFFE AREA SHORNCLIFFE FIELD, AB | SL | FH SOUTHOFF, T | TWP 40 RGE 8 W4M SE 22 |

Cleo Energy Corp.
Surface Lease Index - SURFACE FREEHOLD

Report ID: RP-0017

| File Number | Status | Division Area | Document Type | Lessor Type / Number | Land Description |
|-------------|--------|---|---------------|------------------------|------------------------|
| S00262 | ACTIVE | SHORNCLIFFE AREA SHORNCLIFFE FIELD, AB | SL | FH CARSON, E.F. & M.J. | TWP 40 RGE 8 W4M SW 22 |
| S00263 | ACTIVE | SHORNCLIFFE AREA SHORNCLIFFE FIELD, AB | SL | FH SOUTHOFF, T | TWP 40 RGE 8 W4M SW 23 |
| S00264 | ACTIVE | SHORNCLIFFE AREA SHORNCLIFFE FIELD, AB | SL | FH SOUTHOFF, T | TWP 40 RGE 8 W4M SE 22 |
| S00265 | ACTIVE | SHORNCLIFFE AREA SHORNCLIFFE FIELD, AB | SL | FH CARSON, E.F. & M.J. | TWP 40 RGE 8 W4M SW 22 |
| S00266 | ACTIVE | SHORNCLIFFE AREA SHORNCLIFFE FIELD, AB | SL | FH SOUTHOFF, T | TWP 40 RGE 8 W4M E 22 |
| S00267 | ACTIVE | SHORNCLIFFE AREA SHORNCLIFFE FIELD, AB | SL | FH SOUTHOFF, T | TWP 40 RGE 8 W4M SE 22 |
| S00268 | ACTIVE | SHORNCLIFFE AREA SHORNCLIFFE FIELD, AB | SL | FH SOUTHOFF, T | TWP 40 RGE 8 W4M NE 22 |
| S00269 | ACTIVE | SHORNCLIFFE AREA SHORNCLIFFE FIELD, AB | SL | FH SOUTHOFF, T | TWP 40 RGE 8 W4M SE 22 |
| S00270 | ACTIVE | SHORNCLIFFE AREA SHORNCLIFFE FIELD, AB | SL | FH SOUTHOFF, T | TWP 40 RGE 8 W4M SE 22 |
| S00271 | ACTIVE | SHORNCLIFFE AREA SHORNCLIFFE FIELD, AB | SL | FH SOUTHOFF, T | TWP 40 RGE 8 W4M SE 22 |
| S00272 | ACTIVE | SHORNCLIFFE AREA SHORNCLIFFE FIELD, AB | SL | FH SOUTHOFF, T | TWP 40 RGE 8 W4M SE 22 |
| S00273 | ACTIVE | SHORNCLIFFE AREA SHORNCLIFFE FIELD, AB | SL | FH SOUTHOFF, T | TWP 40 RGE 8 W4M SW 23 |
| S00274 | ACTIVE | SHORNCLIFFE AREA SHORNCLIFFE FIELD, AB | SL | FH CARSON, E.F. & M.J. | TWP 40 RGE 8 W4M SW 22 |
| S00275 | ACTIVE | SHORNCLIFFE AREA SHORNCLIFFE FIELD, AB | SL | FH SOUTHOFF, T | TWP 40 RGE 8 W4M SE 22 |
| S00276 | ACTIVE | SHORNCLIFFE AREA SHORNCLIFFE FIELD, AB | SL | FH CARSON, E.F. & M.J. | TWP 40 RGE 8 W4M SW 22 |
| S00277 | ACTIVE | SHORNCLIFFE AREA SHORNCLIFFE FIELD, AB | SL | FH CARSON, E.F. & M.J. | TWP 40 RGE 8 W4M SW 22 |
| S00278 | ACTIVE | SHORNCLIFFE AREA SHORNCLIFFE FIELD, AB | SL | FH CARSON, E.F. & M.J. | TWP 40 RGE 8 W4M SW 22 |

Cleo Energy Corp.
Surface Lease Index - SURFACE FREEHOLD

Report ID: RP-0017

| File Number | Status | Division Area | Document Type | Lessor Type / Number | Land Description |
|-------------|--------|---|---------------|------------------------|------------------------|
| S00279 | ACTIVE | SHORNCLIFFE AREA SHORNCLIFFE FIELD, AB | SL | FH SOUTHOFF, T | TWP 40 RGE 8 W4M SW 23 |
| S00280 | ACTIVE | SHORNCLIFFE AREA SHORNCLIFFE FIELD, AB | SL | FH SOUTHOFF, T | TWP 40 RGE 8 W4M SE 22 |
| S00281 | ACTIVE | SHORNCLIFFE AREA SHORNCLIFFE FIELD, AB | SL | FH SOUTHOFF, T | TWP 40 RGE 8 W4M SE 22 |
| S00282 | ACTIVE | SHORNCLIFFE AREA SHORNCLIFFE FIELD, AB | SL | FH SOUTHOFF, T | TWP 40 RGE 8 W4M SE 22 |
| S00283 | ACTIVE | SHORNCLIFFE AREA SHORNCLIFFE FIELD, AB | SL | FH SOUTHOFF, T | TWP 40 RGE 8 W4M SE 22 |
| S00284 | ACTIVE | SHORNCLIFFE AREA SHORNCLIFFE FIELD, AB | SL | FH SOUTHOFF, T | TWP 40 RGE 8 W4M SE 22 |
| S00285 | ACTIVE | SHORNCLIFFE AREA SHORNCLIFFE FIELD, AB | SL | FH CARSON, E.F. & M.J. | TWP 40 RGE 8 W4M SW 22 |
| S00286 | ACTIVE | SHORNCLIFFE AREA SHORNCLIFFE FIELD, AB | SL | FH CARSON, E.F. & M.J. | TWP 40 RGE 8 W4M SW 22 |
| S00287 | ACTIVE | SHORNCLIFFE AREA SHORNCLIFFE FIELD, AB | SL | FH CARSON, E.F. & M.J. | TWP 40 RGE 8 W4M SW 22 |
| S00288 | ACTIVE | SHORNCLIFFE AREA SHORNCLIFFE FIELD, AB | SL | FH SOUTHOFF, T | TWP 40 RGE 8 W4M SE 22 |
| S00289 | ACTIVE | SHORNCLIFFE AREA SHORNCLIFFE FIELD, AB | SL | FH SOUTHOFF, T | TWP 40 RGE 8 W4M SE 22 |
| S00290 | ACTIVE | SHORNCLIFFE AREA SHORNCLIFFE FIELD, AB | SL | FH CARSON, E.F. & M.J. | TWP 40 RGE 8 W4M SW 22 |
| S00291 | ACTIVE | SHORNCLIFFE AREA SHORNCLIFFE FIELD, AB | SL | FH HUGHENDEN HUTTERIAN | TWP 40 RGE 8 W4M NW 14 |
| S00292 | ACTIVE | SHORNCLIFFE AREA SHORNCLIFFE FIELD, AB | SL | FH CARSON, E.F. & M.J. | TWP 40 RGE 8 W4M SW 22 |
| S00293 | ACTIVE | SHORNCLIFFE AREA SHORNCLIFFE FIELD, AB | SL | FH SOUTHOFF, T | TWP 40 RGE 8 W4M NE 22 |
| S00294 | ACTIVE | SHORNCLIFFE AREA SHORNCLIFFE FIELD, AB | SL | FH SOUTHOFF, T | TWP 40 RGE 8 W4M SE 22 |
| S00295 | ACTIVE | SILVER HEIGHTS AREA SILVER HEIGHTS FIELD, AB | SL | FH EASTVIEW CROPS LTD. | TWP 39 RGE 10 W4M NW 2 |

Cleo Energy Corp.
Surface Lease Index - SURFACE FREEHOLD

| File Number | Status | Division Area | Document Type | Lessor Type / Number | Land Description |
|-------------|--------|---|---------------|------------------------|-------------------------|
| S00296 | ACTIVE | SILVER HEIGHTS AREA SILVER HEIGHTS FIELD, AB | BO | FH EASTVIEW CROPS LTD. | TWP 39 RGE 10 W4M NW 2 |
| S00297 | ACTIVE | SILVER HEIGHTS AREA SILVER HEIGHTS FIELD, AB | SL | FH COLE, JEAN IRIS | TWP 39 RGE 10 W4M NW 11 |
| S00298 | ACTIVE | SILVER HEIGHTS AREA SILVER HEIGHTS FIELD, AB | SL | FH EASTVIEW CROPS LTD. | TWP 39 RGE 10 W4M SW 2 |
| S00299 | ACTIVE | SILVER HEIGHTS AREA SILVER HEIGHTS FIELD, AB | SL | FH EASTVIEW CROPS LTD. | TWP 39 RGE 10 W4M SW 11 |
| S00300 | ACTIVE | SILVER HEIGHTS AREA SILVER HEIGHTS FIELD, AB | SL | FH EASTVIEW CROPS LTD. | TWP 39 RGE 10 W4M NW 2 |
| S00301 | ACTIVE | SILVER HEIGHTS AREA SILVER HEIGHTS FIELD, AB | SL | FH COLE, JEAN IRIS | TWP 39 RGE 10 W4M NW 11 |
| S00302 | ACTIVE | SILVER HEIGHTS AREA SILVER HEIGHTS FIELD, AB | SL | FH EASTVIEW CROPS LTD. | TWP 39 RGE 10 W4M SW 11 |
| S00303 | ACTIVE | SILVER HEIGHTS AREA SILVER HEIGHTS FIELD, AB | SL | FH COLE, JEAN IRIS | TWP 39 RGE 10 W4M NW 11 |
| S00304 | ACTIVE | SILVER HEIGHTS AREA SILVER HEIGHTS FIELD, AB | SL | FH EASTVIEW CROPS LTD. | TWP 39 RGE 10 W4M SW 2 |
| S00305 | ACTIVE | SILVER HEIGHTS AREA SILVER HEIGHTS FIELD, AB | SL | FH EASTVIEW CROPS LTD. | TWP 39 RGE 10 W4M NW 2 |
| S00306 | ACTIVE | SILVER HEIGHTS AREA SILVER HEIGHTS FIELD, AB | SL | FH EASTVIEW CROPS LTD. | TWP 39 RGE 10 W4M NW 2 |
| S00307 | ACTIVE | KESSLER AREA KESSLER FIELD, AB | SL | FH KESSLER FARMS LTD | TWP 39 RGE 8 W4M SE 11 |
| S00308 | ACTIVE | KESSLER AREA KESSLER FIELD, AB | SL | FH KESSLER FARMS LTD | TWP 39 RGE 8 W4M SE 11 |
| S00309 | ACTIVE | KESSLER AREA KESSLER FIELD, AB | BO | FH KESSLER FARMS | TWP 39 RGE 8 W4M NW 12 |
| S00310 | ACTIVE | KESSLER AREA KESSLER FIELD, AB | SL | FH KESSLER FARMS LTD | TWP 39 RGE 8 W4M SE 11 |
| S00311 | ACTIVE | KESSLER AREA KESSLER FIELD, AB | SL | FH TODD RANCH LTD | TWP 39 RGE 8 W4M NW 2 |
| S00312 | ACTIVE | KESSLER AREA KESSLER FIELD, AB | SL | FH KESSLER FARMS LTD | TWP 39 RGE 8 W4M SE 11 |

Cleo Energy Corp.
Surface Lease Index - SURFACE FREEHOLD

| File Number | Status | Division Area | Document Type | Lessor Type / Number | Land Description |
|-------------|--------|-----------------------------------|---------------|----------------------|-------------------------------|
| S00313 | ACTIVE | KESSLER AREA KESSLER FIELD, AB | SL | FH KESSLER FARMS LTD | TWP 39 RGE 8 W4M SE 11 |
| S00314 | ACTIVE | KESSLER AREA KESSLER FIELD, AB | BO | FH KESSLER FARMS | TWP 39 RGE 8 W4M SE 11 |
| S00315 | ACTIVE | KESSLER AREA KESSLER FIELD, AB | SL | FH KESSLER FARMS LTD | TWP 39 RGE 8 W4M NW 12 |
| S00316 | ACTIVE | KESSLER AREA KESSLER FIELD, AB | BO | FH KESSLER FARMS | TWP 39 RGE 8 W4M SE 11 |
| S00317 | ACTIVE | KESSLER AREA KESSLER FIELD, AB | SL | FH BEEBE, E & B | TWP 39 RGE 8 W4M SE 12 |
| S00318 | ACTIVE | KESSLER AREA KESSLER FIELD, AB | SL | FH BEEBE, E & B | TWP 39 RGE 8 W4M SE 12 |
| S00319 | ACTIVE | KESSLER AREA KESSLER FIELD, AB | SL | FH KESSLER FARMS LTD | TWP 39 RGE 8 W4M NW 12 |
| S00320 | ACTIVE | KESSLER AREA KESSLER FIELD, AB | SL | FH KESSLER FARMS LTD | TWP 39 RGE 8 W4M NW 12 |
| S00321 | ACTIVE | KESSLER AREA KESSLER FIELD, AB | SL | FH KESSLER FARMS LTD | TWP 39 RGE 8 W4M NW 12 |
| S00322 | ACTIVE | KESSLER AREA KESSLER FIELD, AB | SL | FH KESSLER FARMS LTD | TWP 39 RGE 8 W4M NW 12 |
| S00323 | ACTIVE | KESSLER AREA KESSLER FIELD, AB | SL | FH KESSLER FARMS LTD | TWP 39 RGE 8 W4M N 12 |
| S00324 | ACTIVE | KESSLER AREA KESSLER FIELD, AB | SL | FH BEEBE, E & B | TWP 39 RGE 8 W4M SE 12 |
| S00325 | ACTIVE | KESSLER AREA KESSLER FIELD, AB | SL | FH KESSLER FARMS LTD | TWP 39 RGE 8 W4M SW 12 |
| S00326 | ACTIVE | KESSLER AREA KESSLER FIELD, AB | SL | FH KESSLER FARMS LTD | TWP 39 RGE 8 W4M SE 13, N 12 |
| S00327 | ACTIVE | KESSLER AREA KESSLER FIELD, AB | SL | FH KESSLER FARMS LTD | TWP 39 RGE 8 W4M SW 13, NW 12 |
| S00328 | ACTIVE | KESSLER AREA KESSLER FIELD, AB | SL | FH KESSLER FARMS LTD | TWP 39 RGE 8 W4M NE 12 |
| S00329 | ACTIVE | KESSLER AREA KESSLER FIELD, AB | SL | FH KESSLER FARMS LTD | TWP 39 RGE 8 W4M SW 12 |

Cleo Energy Corp.
Surface Lease Index - SURFACE FREEHOLD

| File Number | Status | Division Area | Document Type | Lessor Type / Number | Land Description |
|-------------|--------|-----------------------------------|---------------|-----------------------|------------------------|
| S00330 | ACTIVE | KESSLER AREA KESSLER FIELD, AB | SL | FH KESSLER FARMS LTD | TWP 39 RGE 8 W4M SW 12 |
| S00331 | ACTIVE | KESSLER AREA KESSLER FIELD, AB | SL | FH KESSLER FARMS LTD | TWP 39 RGE 8 W4M NE 12 |
| S00332 | ACTIVE | KESSLER AREA KESSLER FIELD, AB | SL | FH KESSLER FARMS LTD | TWP 39 RGE 8 W4M SE 13 |
| S00333 | ACTIVE | KESSLER AREA KESSLER FIELD, AB | SL | FH KESSLER FARMS LTD | TWP 39 RGE 8 W4M W 12 |
| S00334 | ACTIVE | KESSLER AREA KESSLER FIELD, AB | SL | FH BEEBE, E & B | TWP 39 RGE 8 W4M SE 12 |
| S00335 | ACTIVE | KESSLER AREA KESSLER FIELD, AB | SL | FH CLARK, STEPHEN | TWP 39 RGE 7 W4M NW 6 |
| S00336 | ACTIVE | KESSLER AREA KESSLER FIELD, AB | SL | FH BEEBE, E & B | TWP 39 RGE 7 W4M SW 18 |
| S00337 | ACTIVE | KESSLER AREA KESSLER FIELD, AB | SL | FH KESSLER FARMS LTD | TWP 39 RGE 8 W4M SE 13 |
| S00338 | ACTIVE | KESSLER AREA KESSLER FIELD, AB | SL | FH KESSLER FARMS LTD | TWP 39 RGE 8 W4M NE 12 |
| S00339 | ACTIVE | KESSLER AREA KESSLER FIELD, AB | SL | FH KESSLER FARMS LTD | TWP 39 RGE 8 W4M NE 12 |
| S00340 | ACTIVE | KESSLER AREA KESSLER FIELD, AB | SL | FH KESSLER FARMS LTD | TWP 39 RGE 8 W4M NE 12 |
| S00341 | ACTIVE | KESSLER AREA KESSLER FIELD, AB | SL | FH BEEBE, E & B | TWP 39 RGE 8 W4M SW 18 |
| S00342 | ACTIVE | KESSLER AREA KESSLER FIELD, AB | SL | FH HOPE, RICHARD E.J. | TWP 39 RGE 7 W4M SW 7 |
| S00343 | ACTIVE | KESSLER AREA KESSLER FIELD, AB | SL | FH HOPE, RICHARD E.J. | TWP 39 RGE 7 W4M NW 7 |
| S00344 | ACTIVE | KESSLER AREA KESSLER FIELD, AB | SL | FH HOPE, RICHARD E.J. | TWP 39 RGE 7 W4M SW 7 |
| S00345 | ACTIVE | KESSLER AREA KESSLER FIELD, AB | SL | FH HOPE, RICHARD E.J. | TWP 39 RGE 7 W4M SW 7 |
| S00346 | ACTIVE | KESSLER AREA KESSLER FIELD, AB | SL | FH BEEBE, E & B | TWP 39 RGE 8 W4M SE 12 |

Cleo Energy Corp.
Surface Lease Index - SURFACE FREEHOLD

| File Number | Status | Division Area | Document Type | Lessor Type / Number | Land Description |
|-------------|--------|---|---------------|------------------------|-------------------------|
| S00347 | ACTIVE | KESSLER AREA KESSLER FIELD, AB | SL | FH BEEBE, E & B | TWP 39 RGE 8 W4M SE 12 |
| S00348 | ACTIVE | KESSLER AREA KESSLER FIELD, AB | SL | FH TODD RANCH LTD | TWP 39 RGE 8 W4M NE 2 |
| S00349 | ACTIVE | KESSLER AREA KESSLER FIELD, AB | SL | FH HOPE, RICHARD E.J. | TWP 39 RGE 7 W4M SW 7 |
| S00350 | ACTIVE | KESSLER AREA KESSLER FIELD, AB | SL | FH KESSLER FARMS LTD | TWP 39 RGE 8 W4M NE 12 |
| S00351 | ACTIVE | KESSLER AREA KESSLER FIELD, AB | SL | FH HOPE, RICHARD E.J. | TWP 39 RGE 7 W4M NE 7 |
| S00352 | ACTIVE | KESSLER AREA KESSLER FIELD, AB | SL | FH GILBERTSON, R & G | TWP 39 RGE 8 W4M SW 11 |
| S00353 | ACTIVE | KESSLER AREA KESSLER FIELD, AB | SL | FH HOPE, RICHARD E.J. | TWP 39 RGE 7 W4M NW 7 |
| S00354 | ACTIVE | KESSLER AREA KESSLER FIELD, AB | SL | FH KESSLER FARMS LTD | TWP 39 RGE 8 W4M SE 11 |
| S00355 | ACTIVE | KESSLER AREA KESSLER FIELD, AB | SL | FH KESSLER FARMS LTD | TWP 39 RGE 8 W4M S 13 |
| S00356 | ACTIVE | KESSLER AREA KESSLER FIELD, AB | SL | FH KESSLER FARMS LTD | TWP 39 RGE 8 W4M NE 12 |
| S00359 | ACTIVE | KESSLER AREA KESSLER FIELD, AB | SL | FH KESSLER FARMS LTD | TWP 39 RGE 8 W4M SE 11 |
| S00360 | ACTIVE | KESSLER AREA KESSLER FIELD, AB | SL | FH TODD RANCH LTD | TWP 39 RGE 8 W4M NW 2 |
| S00361 | ACTIVE | KESSLER AREA KESSLER FIELD, AB | SL | FH KESSLER FARMS LTD | TWP 39 RGE 8 W4M NW 12 |
| S00362 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | SL | FH AUSTIN LANE FARMS | TWP 40 RGE 12 W4M SW 19 |
| S00363 | ACTIVE | SILVER HEIGHTS AREA SILVER HEIGHTS FIELD, AB | SL | FH DM RICHARDSON FARMS | TWP 39 RGE 10 W4M SE 16 |
| S00364 | ACTIVE | SILVER HEIGHTS AREA SILVER HEIGHTS FIELD, AB | SL | FH RICHARDSON, W | TWP 39 RGE 10 W4M SE 16 |
| S00365 | ACTIVE | SHORNCLIFFE AREA SHORNCLIFFE FIELD, AB | SL | FH CUTHBERT, STERLING | TWP 40 RGE 8 W4M NE 21 |

Cleo Energy Corp.
Surface Lease Index - SURFACE FREEHOLD

| File Number | Status | Division Area | Document Type | Lessor Type / Number | Land Description |
|-------------|--------|---|---------------|------------------------|-------------------------|
| S00366 | ACTIVE | KESSLER AREA KESSLER FIELD, AB | SL | FH MELIN, MAUREEN G | TWP 39 RGE 7 W4M SW 4 |
| S00367 | ACTIVE | KESSLER AREA KESSLER FIELD, AB | SL | FH LAZY HE RANCH | TWP 39 RGE 7 W4M SW 35 |
| S00368 | ACTIVE | KESSLER AREA KESSLER FIELD, AB | SL | FH TODD RANCH LTD | TWP 38 RGE 8 W4M NE 23 |
| S00369 | ACTIVE | KESSLER AREA KESSLER FIELD, AB | SL | FH TODD RANCH LTD | TWP 38 RGE 8 W4M NW 24 |
| S00370 | ACTIVE | KESSLER AREA KESSLER FIELD, AB | SL | FH MD OF PROVOST | TWP 38 RGE 8 W4M NE 23 |
| S00371 | ACTIVE | SHORNCLIFFE AREA SHORNCLIFFE FIELD, AB | SL | FH CARSON, E.F. & M.J. | TWP 40 RGE 8 W4M NW 22 |
| S00372 | ACTIVE | SHORNCLIFFE AREA SHORNCLIFFE FIELD, AB | SL | FH CARSON, E.F. & M.J. | TWP 40 RGE 8 W4M NW 22 |
| S00373 | ACTIVE | SHORNCLIFFE AREA SHORNCLIFFE FIELD, AB | SL | FH CARSON, E.F. & M.J. | TWP 40 RGE 8 W4M NW 22 |
| S00374 | ACTIVE | SILVER HEIGHTS AREA SILVER HEIGHTS FIELD, AB | SL | FH HIDDEN R FARMS LTD | TWP 39 RGE 10 W4M NE 16 |
| S00375 | ACTIVE | SILVER HEIGHTS AREA SILVER HEIGHTS FIELD, AB | SL | FH DYNAGRO FARMS LTD. | TWP 39 RGE 10 W4M NW 14 |
| S00375A | ACTIVE | SILVER HEIGHTS AREA SILVER HEIGHTS FIELD, AB | SL | FH DYNAGRO FARMS LTD. | TWP 39 RGE 10 W4M NW 14 |
| S00375B | ACTIVE | SILVER HEIGHTS AREA SILVER HEIGHTS FIELD, AB | SL | FH DYNAGRO FARMS LTD. | TWP 39 RGE 10 W4M NW 14 |
| S00376 | ACTIVE | SILVER HEIGHTS AREA SILVER HEIGHTS FIELD, AB | SL | FH DYNAGRO FARMS LTD. | TWP 39 RGE 10 W4M NW 14 |
| S00377 | ACTIVE | SILVER HEIGHTS AREA SILVER HEIGHTS FIELD, AB | SL | FH COLE, GERALD F. | TWP 39 RGE 10 W4M SW 14 |
| S00378 | ACTIVE | SILVER HEIGHTS AREA SILVER HEIGHTS FIELD, AB | SL | FH THOMAS, KATHLEEN L. | TWP 39 RGE 10 W4M NE 14 |
| S00379 | ACTIVE | SILVER HEIGHTS AREA SILVER HEIGHTS FIELD, AB | SL | FH THOMAS, KATHLEEN L. | TWP 39 RGE 10 W4M NE 14 |
| S00380 | ACTIVE | SILVER HEIGHTS AREA SILVER HEIGHTS FIELD, AB | SL | FH THOMAS, KATHLEEN L. | TWP 39 RGE 10 W4M NE 14 |

Cleo Energy Corp.
Surface Lease Index - SURFACE FREEHOLD

| File Number | Status | Division Area | Document Type | Lessor Type / Number | Land Description |
|-------------|--------|---|---------------|--------------------------|-------------------------|
| S00381 | ACTIVE | SILVER HEIGHTS AREA SILVER HEIGHTS FIELD, AB | SL | FH PILSWORTH, DALE A. | TWP 39 RGE 10 W4M NE 12 |
| S00382 | ACTIVE | SILVER HEIGHTS AREA SILVER HEIGHTS FIELD, AB | SL | FH DYNAGRO FARMS LTD. | TWP 39 RGE 10 W4M SW 24 |
| S00383 | ACTIVE | SILVER HEIGHTS AREA SILVER HEIGHTS FIELD, AB | SL | FH MARON, DONALD & | TWP 39 RGE 10 W4M N 10 |
| S00384 | ACTIVE | SILVER HEIGHTS AREA SILVER HEIGHTS FIELD, AB | SL | FH COLE, D E & B J | TWP 39 RGE 10 W4M SE 15 |
| S00385 | ACTIVE | SILVER HEIGHTS AREA SILVER HEIGHTS FIELD, AB | SL | FH COLE, DWIGHT & BONNIE | TWP 39 RGE 10 W4M SW 15 |
| S00386 | ACTIVE | SILVER HEIGHTS AREA SILVER HEIGHTS FIELD, AB | SL | FH DYNAGRO FARMS LTD. | TWP 39 RGE 10 W4M NW 14 |
| S00387 | ACTIVE | SILVER HEIGHTS AREA SILVER HEIGHTS FIELD, AB | SL | FH BLACK, MARY K. | TWP 39 RGE 10 W4M SW 23 |
| S00388 | ACTIVE | SILVER HEIGHTS AREA SILVER HEIGHTS FIELD, AB | SL | FH BLACK, MARY K. | TWP 39 RGE 10 W4M SW 23 |
| S00389 | ACTIVE | SILVER HEIGHTS AREA SILVER HEIGHTS FIELD, AB | SL | FH THOMAS, KATHLEEN L. | TWP 39 RGE 10 W4M SE 23 |
| S00390 | ACTIVE | SILVER HEIGHTS AREA SILVER HEIGHTS FIELD, AB | SL | FH THOMAS, KATHLEEN L. | TWP 39 RGE 10 W4M SE 23 |
| S00391 | ACTIVE | SILVER HEIGHTS AREA SILVER HEIGHTS FIELD, AB | SL | FH MARON, DONALD & | TWP 39 RGE 10 W4M NW 10 |
| S00392 | ACTIVE | SILVER HEIGHTS AREA SILVER HEIGHTS FIELD, AB | SL | FH MARON, DONALD & | TWP 39 RGE 10 W4M NE 10 |
| S00393 | ACTIVE | SILVER HEIGHTS AREA SILVER HEIGHTS FIELD, AB | SL | FH MARON, DONALD & | TWP 39 RGE 10 W4M NW 10 |
| S00394 | ACTIVE | SILVER HEIGHTS AREA SILVER HEIGHTS FIELD, AB | SL | FH MARON, DONLAD & | TWP 39 RGE 10 W4M NW 10 |
| S00395 | ACTIVE | SILVER HEIGHTS AREA SILVER HEIGHTS FIELD, AB | SL | FH MARON, DONLAD & | TWP 39 RGE 10 W4M NW 10 |
| S00396 | ACTIVE | SILVER HEIGHTS AREA SILVER HEIGHTS FIELD, AB | SL | FH MARON, DONALD & | TWP 39 RGE 10 W4M SW 10 |
| S00397 | ACTIVE | SILVER HEIGHTS AREA SILVER HEIGHTS FIELD, AB | SL | FH MARON, DONALD & | TWP 39 RGE 10 W4M NE 10 |

Cleo Energy Corp.
Surface Lease Index - SURFACE FREEHOLD

Report ID: RP-0017

| File Number | Status | Division Area | Document Type | Lessor Type / Number | Land Description |
|-------------|--------|---|---------------|----------------------------|-------------------------|
| S00398 | ACTIVE | SILVER HEIGHTS AREA SILVER HEIGHTS FIELD, AB | SL | FH MARON, DONALD & | TWP 39 RGE 10 W4M SW 10 |
| S00399 | ACTIVE | SILVER HEIGHTS AREA SILVER HEIGHTS FIELD, AB | SL | FH EASTVIEW CROPS LTD. | TWP 39 RGE 10 W4M SW 11 |
| S00400 | ACTIVE | SILVER HEIGHTS AREA SILVER HEIGHTS FIELD, AB | SL | FH MARON, DONLAD & | TWP 39 RGE 10 W4M NE 10 |
| S00401 | ACTIVE | SILVER HEIGHTS AREA SILVER HEIGHTS FIELD, AB | SL | FH MARON, DONALD & | TWP 39 RGE 10 W4M NW 10 |
| S00402 | ACTIVE | SILVER HEIGHTS AREA SILVER HEIGHTS FIELD, AB | SL | FH KLASSEN, MATTHEW & MARI | TWP 39 RGE 10 W4M SE 11 |
| S00403 | ACTIVE | SILVER HEIGHTS AREA SILVER HEIGHTS FIELD, AB | SL | FH EASTVIEW CROPS LTD. | TWP 39 RGE 10 W4M SW 11 |
| S00404 | ACTIVE | SILVER HEIGHTS AREA SILVER HEIGHTS FIELD, AB | SL | FH MARON, DONLAD & | TWP 39 RGE 10 W4M NE 10 |
| S00405 | ACTIVE | SHORNCLIFFE AREA SHORNCLIFFE FIELD, AB | SL | FH SOUTHOFF, T | TWP 40 RGE 8 W4M NE 22 |
| S00406 | ACTIVE | SHORNCLIFFE AREA SHORNCLIFFE FIELD, AB | SL | FH CUTHBERT, L&D | TWP 40 RGE 8 W4M SW 26 |
| S00407 | ACTIVE | SHORNCLIFFE AREA SHORNCLIFFE FIELD, AB | SL | FH CUTHBERT L&D | TWP 40 RGE 8 W4M SW 26 |
| S00408 | ACTIVE | SHORNCLIFFE AREA SHORNCLIFFE FIELD, AB | SL | FH CUTHBERT L&D | TWP 40 RGE 8 W4M SW 26 |
| S00409 | ACTIVE | SHORNCLIFFE AREA SHORNCLIFFE FIELD, AB | SL | FH SOUTHOFF, T | TWP 40 RGE 8 W4M NE 22 |
| S00410 | ACTIVE | SHORNCLIFFE AREA SHORNCLIFFE FIELD, AB | SL | FH CARSON G&E | TWP 40 RGE 8 W4M SE 27 |
| S00411 | ACTIVE | SHORNCLIFFE AREA SHORNCLIFFE FIELD, AB | SL | FH CUTHBERT L&D | TWP 40 RGE 8 W4M SW 26 |
| S00412 | ACTIVE | SHORNCLIFFE AREA SHORNCLIFFE FIELD, AB | SL | FH CUTHBERT L&D | TWP 40 RGE 8 W4M NW 26 |
| S00413 | ACTIVE | SHORNCLIFFE AREA SHORNCLIFFE FIELD, AB | SL | FH CUTHBERT L&D | TWP 40 RGE 8 W4M NW 26 |
| S00414 | ACTIVE | SHORNCLIFFE AREA SHORNCLIFFE FIELD, AB | SL | FH CUTHBERT L&D | TWP 40 RGE 8 W4M NW 26 |

Cleo Energy Corp.
Surface Lease Index - SURFACE FREEHOLD

| File Number | Status | Division Area | Document Type | Lessor Type / Number | Land Description |
|-------------|--------|---|---------------|-----------------------|------------------------|
| S00415 | ACTIVE | SHORNCLIFFE AREA SHORNCLIFFE FIELD, AB | SL | FH CARSON G&E | TWP 40 RGE 8 W4M SE 27 |
| S00416 | ACTIVE | SHORNCLIFFE AREA SHORNCLIFFE FIELD, AB | SL | FH SWANSON, DENNIS | TWP 40 RGE 8 W4M NW 23 |
| S00417 | ACTIVE | SHORNCLIFFE AREA SHORNCLIFFE FIELD, AB | SL | FH CARSON G&E | TWP 40 RGE 8 W4M SE 27 |
| S00418 | ACTIVE | SHORNCLIFFE AREA SHORNCLIFFE FIELD, AB | SL | FH CARSON G&E | TWP 40 RGE 8 W4M SE 27 |
| S00419 | ACTIVE | SHORNCLIFFE AREA SHORNCLIFFE FIELD, AB | SL | FH CARSON G&E | TWP 40 RGE 8 W4M SE 27 |
| S00420 | ACTIVE | SHORNCLIFFE AREA SHORNCLIFFE FIELD, AB | SL | FH CARSON G&E | TWP 40 RGE 8 W4M SE 27 |
| S00421 | ACTIVE | SHORNCLIFFE AREA SHORNCLIFFE FIELD, AB | SL | FH CARSON G&E | TWP 40 RGE 8 W4M SE 27 |
| S00422 | ACTIVE | SHORNCLIFFE AREA SHORNCLIFFE FIELD, AB | SL | FH CARSON G&E | TWP 40 RGE 8 W4M NE 27 |
| S00423 | ACTIVE | SHORNCLIFFE AREA SHORNCLIFFE FIELD, AB | SL | FH CARSON D&K | TWP 40 RGE 8 W4M SE 34 |
| S00424 | ACTIVE | SHORNCLIFFE AREA SHORNCLIFFE FIELD, AB | SL | FH CARSON G&E | TWP 40 RGE 8 W4M NE 27 |
| S00425 | ACTIVE | SHORNCLIFFE AREA SHORNCLIFFE FIELD, AB | SL | FH CARSON D&K | TWP 40 RGE 8 W4M SE 34 |
| S00426 | ACTIVE | SHORNCLIFFE AREA SHORNCLIFFE FIELD, AB | SL | FH CUTHBERT L&D | TWP 40 RGE 8 W4M SW 26 |
| S00427 | ACTIVE | SHORNCLIFFE AREA SHORNCLIFFE FIELD, AB | SL | FH CARSON D&K | TWP 40 RGE 8 W4M SE 34 |
| S00428 | ACTIVE | SHORNCLIFFE AREA SHORNCLIFFE FIELD, AB | SL | FH CUTHBERT, STERLING | TWP 40 RGE 8 W4M NE 16 |
| S00429 | ACTIVE | SHORNCLIFFE AREA SHORNCLIFFE FIELD, AB | SL | FH CUTHBERT, STERLING | TWP 40 RGE 8 W4M SE 21 |
| S00430 | ACTIVE | SHORNCLIFFE AREA SHORNCLIFFE FIELD, AB | SL | FH CUTHBERT L&D | TWP 40 RGE 8 W4M SW 26 |
| S00431 | ACTIVE | SHORNCLIFFE AREA SHORNCLIFFE FIELD, AB | SL | FH SWANSON, DENNIS | TWP 40 RGE 8 W4M NW 23 |

Cleo Energy Corp.
Surface Lease Index - SURFACE FREEHOLD

| File Number | Status | Division Area | Document Type | Lessor Type / Number | Land Description |
|-------------|--------|---|---------------|--------------------------|---|
| S00432 | ACTIVE | SHORNCLIFFE AREA SHORNCLIFFE FIELD, AB | SL | FH CARSON G&E | TWP 40 RGE 8 W4M SE 27 |
| S00433 | ACTIVE | SILVER HEIGHTS AREA SILVER HEIGHTS FIELD, AB | SL | FH COLE, DWIGHT & BONNIE | TWP 39 RGE 10 W4M SE 15 |
| S00434 | ACTIVE | SHORNCLIFFE AREA SHORNCLIFFE FIELD, AB | MLL | FH SOUTHOFF, D | TWP 40 RGE 8 W4M E 22 TWP 40 RGE 8 W4M SW 23 |
| S00435 | ACTIVE | SHORNCLIFFE AREA SHORNCLIFFE FIELD, AB | MLL | FH CARSON, E.F. & M.J. | TWP 40 RGE 8 W4M SW 22 |
| S00436 | ACTIVE | SILVER HEIGHTS AREA SILVER HEIGHTS FIELD, AB | SL | FH MARON, DONALD & | TWP 39 RGE 10 W4M SW 10 |
| S00437 | ACTIVE | SHORNCLIFFE AREA SHORNCLIFFE FIELD, AB | SL | FH CUTHBERT L&D | TWP 40 RGE 8 W4M SW 35 |
| S00438 | ACTIVE | SHORNCLIFFE AREA SHORNCLIFFE FIELD, AB | SL | FH CUTHBERT L&D | TWP 40 RGE 8 W4M SW 35 |
| S00439 | ACTIVE | SHORNCLIFFE AREA SHORNCLIFFE FIELD, AB | SL | FH CUTHBERT L&D | TWP 40 RGE 8 W4M SW 35 |
| S00440 | ACTIVE | SILVER HEIGHTS AREA SILVER HEIGHTS FIELD, AB | PADSITE | FH COLE R&E | TWP 39 RGE 10 W4M SW 14 |
| S00441 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | SL | FH MARCHAND, J&D | TWP 45 RGE 7 W4M SW 27 |
| S00442 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | SL | FH 1635220 ALBERTA LTD. | TWP 42 RGE 13 W4M NE 11 |
| S00443 | ACTIVE | SILVER HEIGHTS AREA SILVER HEIGHTS FIELD, AB | SL | FH HOWG, CRAIG | TWP 39 RGE 10 W4M NW 12 |
| S00444 | ACTIVE | SILVER HEIGHTS AREA SILVER HEIGHTS FIELD, AB | SL | FH THOMAS, KATHLEEN L. | TWP 39 RGE 10 W4M NE 14 |
| S00445 | ACTIVE | SILVER HEIGHTS AREA SILVER HEIGHTS FIELD, AB | SL | FH PILSWORTH, DALE A. | TWP 39 RGE 10 W4M NE 12 |
| S00446 | ACTIVE | SILVER HEIGHTS AREA SILVER HEIGHTS FIELD, AB | SL | FH THOMAS, KATHLEEN L. | TWP 39 RGE 10 W4M SE 23 |
| S00447 | ACTIVE | SILVER HEIGHTS AREA SILVER HEIGHTS FIELD, AB | SL | FH COLE, DWIGHT & BONNIE | TWP 39 RGE 10 W4M SW 15 |
| S00448 | ACTIVE | SILVER HEIGHTS AREA SILVER HEIGHTS FIELD, AB | SL | FH THOMAS, KATHLEEN L. | TWP 39 RGE 10 W4M NE 23 |

Cleo Energy Corp.
Surface Lease Index - SURFACE FREEHOLD

| File Number | Status | Division Area | Document Type | Lessor Type / Number | Land Description |
|-------------|--------|---|---------------|-----------------------------|-------------------------|
| S00449 | ACTIVE | SHORNCLIFFE AREA SHORNCLIFFE FIELD, AB | SL | FH CARSON, E.F. & M.J. | TWP 40 RGE 8 W4M SW 22 |
| S00450 | ACTIVE | SHORNCLIFFE AREA SHORNCLIFFE FIELD, AB | SL | FH SOUTHOFF, T | TWP 40 RGE 8 W4M SE 22 |
| S00451 | ACTIVE | SILVER HEIGHTS AREA SILVER HEIGHTS FIELD, AB | SL | FH PILSWORTH, DALE A. | TWP 39 RGE 10 W4M NE 12 |
| S00452 | ACTIVE | SILVER HEIGHTS AREA SILVER HEIGHTS FIELD, AB | SL | FH HOWG, CRAIG | TWP 39 RGE 10 W4M NW 12 |
| S00453 | ACTIVE | SILVER HEIGHTS AREA SILVER HEIGHTS FIELD, AB | SL | FH HOWG, CRAIG | TWP 39 RGE 10 W4M NW 12 |
| S00454 | ACTIVE | SILVER HEIGHTS AREA SILVER HEIGHTS FIELD, AB | SL | FH DYNAGRO FARMS LTD. | TWP 39 RGE 10 W4M NW 24 |
| S00455 | ACTIVE | SILVER HEIGHTS AREA SILVER HEIGHTS FIELD, AB | SL | FH DYNAGRO FARMS LTD. | TWP 39 RGE 10 W4M NW 24 |
| S00456 | ACTIVE | KESSLER AREA KESSLER FIELD, AB | SL | FH BEEBE, E & B | TWP 39 RGE 8 W4M SE 12 |
| S00457 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | SL | FH KING, GLEN | TWP 45 RGE 7 W4M SE 16 |
| S00458 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | SL | FH WANNECHKO, A & T | TWP 43 RGE 9 W4M NE 7 |
| S00459 | ACTIVE | KESSLER AREA KESSLER FIELD, AB | SL | FH HOFF, B & V | TWP 40 RGE 5 W4M SW 3 |
| S00460 | ACTIVE | KESSLER AREA KESSLER FIELD, AB | SL | FH MCGILLIVRAY, JOHN | TWP 40 RGE 5 W4M NW 4 |
| S00461 | ACTIVE | KESSLER AREA KESSLER FIELD, AB | SL | FH HARPER, DWAYNE | TWP 39 RGE 6 W4M SE 10 |
| S00463 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | SL | FH 676218 & 1677419 AB LTD. | TWP 45 RGE 7 W4M NW 16 |
| S00465 | ACTIVE | SHORNCLIFFE AREA SHORNCLIFFE FIELD, AB | MLL | FH SOUTHOFF, T | TWP 40 RGE 8 W4M SW 23 |
| S00466 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | SL | FH DE KOCK B & G | TWP 43 RGE 10 W4M NW 24 |
| S00467 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | SL | FH PRAIRIE-AIR | TWP 43 RGE 11 W4M NE 29 |

Cleo Energy Corp.
Surface Lease Index - SURFACE FREEHOLD

| File Number | Status | Division Area | Document Type | Lessor Type / Number | Land Description |
|-------------|--------|---|---------------|-----------------------------|---------------------------------|
| S00468 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | SL | FH PATTERSON, KAREN | TWP 46 RGE 8 W4M NE 31 |
| S00469 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | SL | FH EWACHNIUK HOLDINGS | TWP 44 RGE 6 W4M NW 6 |
| S00470 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | SL | FH HAUN, RICHARD | TWP 46 RGE 8 W4M E 27 (10-27) |
| S00530 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | SL | FH JOHNSON, B&B | TWP 41 RGE 8 W4M SE 28 |
| S00531 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | SL | FH PAULSON, GERRY | TWP 41 RGE 8 W4M NW 28 |
| S00546 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | SL | FH 676218 & 1677419 AB LTD. | TWP 45 RGE 7 W4M SE 20 |
| S00547 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | SL | FH 676218 & 1677419 AB LTD. | TWP 45 RGE 7 W4M SE 20 |
| S00548 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | BO | FH ER 2736 (DREVER) | TWP 41 RGE 11 W4M W 12 |
| S00549 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | SL | FH HAYS, HENRY & DAVID | TWP 41 RGE 10 W4M SW 13 |
| S00550 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | SL | FH CULLUM, CLIFF & VICTORIA | TWP 42 RGE 10 W4M NE 9 |
| S00551 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | SL | FH KROETSCH, M | TWP 41 RGE 10 W4M NE 14 |
| S00552 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | SL | FH KROETSCH FARMS LTD. | TWP 41 RGE 10 W4M NW 24 |
| S00553 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | SL | FH JOHNSON, ROGER C | TWP 41 RGE 10 W4M SW 17 |
| S00554 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | SL | FH FOSSUM MARJORIE M. | TWP 42 RGE 10 W4M NE 10 |
| S00555 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | SL | FH KROETSCH, M | TWP 41 RGE 10 W4M NW 23 |
| S00556 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | SL | FH KROETSCH FARMS LTD. | TWP 42 RGE 9 W4M SW 34 |
| S00557 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | SL | FH LARA, CARLOS | TWP 41 RGE 10 W4M NE 25 (15-25) |

Cleo Energy Corp.
Surface Lease Index - SURFACE FREEHOLD

| File Number | Status | Division Area | Document Type | Lessor Type / Number | Land Description |
|-------------|--------|---|---------------|-----------------------------|-------------------------|
| S00558 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | SL | FH ROLIN ACRES LTD | TWP 41 RGE 10 W4M SE 29 |
| S00559 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | SL | FH DREVER, CLIFF | TWP 41 RGE 10 W4M NW 1 |
| S00560 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | SL | FH KROESTCH, M ET AL | TWP 42 RGE 10 W4M NW 18 |
| S00561 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | SL | FH ROSIECHUK ET AL | TWP 42 RGE 10 W4M SW 1 |
| S00562 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | SL | FH POPLAR GROVE FARMS | TWP 43 RGE 9 W4M SW 12 |
| S00563 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | SL | FH PEMBINA | TWP 42 RGE 9 W4M SW 28 |
| S00564 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | SL | FH ROSIECHUK, JEFFREY ROBER | TWP 41 RGE 10 W4M NE 35 |
| S00565 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | SL | FH 1782325 ET AL | TWP 43 RGE 9 W4M E 5 |
| S00566 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | SL | FH DREVER, CLIFF | TWP 41 RGE 11 W4M NE 11 |
| S00567 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | SL | FH ARMSTRONG D & T | TWP 42 RGE 11 W4M S 10 |
| S00568 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | SL | FH HAYS, HENRY J | TWP 41 RGE 10 W4M NE 8 |
| S00569 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | SL | FH DREVER, D | TWP 41 RGE 10 W4M SW 30 |
| S00570 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | SL | FH KROETSCH FARMS LTD. | TWP 42 RGE 9 W4M NE 27 |
| S00571 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | SL | FH BEBEE, PEARL | TWP 42 RGE 11 W4M SE 11 |
| S00572 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | SL | FH TILLMAR, HELENA RUTH | TWP 41 RGE 10 W4M NE 34 |
| S00573 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | SL | FH DREVER, CLIFF | TWP 41 RGE 10 W4M SE 18 |
| S00574 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | JOINT-LET | FH JOINT USE AGREEMENT | TWP 41 RGE 10 W4M SE 18 |

Cleo Energy Corp.
Surface Lease Index - SURFACE FREEHOLD

| File Number | Status | Division Area | Document Type | Lessor Type / Number | Land Description |
|-------------|--------|---|---------------|-------------------------|-------------------------------|
| S00575 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | SL | FH HAYS, HENRY J | TWP 42 RGE 10 W4M SW 2 |
| S00576 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | SL | FH LESLIE ET AL | TWP 42 RGE 11 W4M SW 12 |
| S00577 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | SL | FH GOODRICH, DARELL | TWP 42 RGE 10 W4M SE 15 |
| S00578 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | SL | FH JOHNSON, K | TWP 42 RGE 9 W4M NE 25 |
| S00579 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | SL | FH KOBITZSCH ET AL | TWP 42 RGE 9 W4M NE 33 |
| S00580 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | SL | FH KOBITZSCH, K AND K | TWP 43 RGE 9 W4M SW 10 (5-10) |
| S00581 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | SL | FH MACDONALD, M E | TWP 43 RGE 9 W4M SW 7 |
| S00582 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | SL | FH DREVER, C RAY | TWP 42 RGE 10 W4M SW 30 |
| S00583 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | SL | FH TILLMAR, HELENA RUTH | TWP 41 RGE 10 W4M NW 16 |
| S00584 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | SL | FH TAYLOR, W SHAWN | TWP 42 RGE 8 W4M SW 21 |
| S00585 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | SL | FH TWIN OAK FARMS LTD | TWP 42 RGE 10 W4M SE 32 |
| S00586 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | SL | FH LARSON/KELNDORFER | TWP 42 RGE 11 W4M SW 18 |
| S00589 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | SL | FH BLUE FRANCIS JR | TWP 43 RGE 9 W4M NE 2 |
| S00590 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | SL | FH BLUE FRANCIS JR | TWP 43 RGE 9 W4M NE 2 |
| S00591 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | SL | FH BLUE, F & L | TWP 42 RGE 9 W4M N 26 |
| S00592 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | SL | FH BLUE ET AL | TWP 42 RGE 9 W4M NW 36 |
| S00593 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | SL | FH BLUE ET AL | TWP 43 RGE 9 W4M SE 1 |

Cleo Energy Corp.
Surface Lease Index - SURFACE FREEHOLD

Report ID: RP-0017

| File Number | Status | Division Area | Document Type | Lessor Type / Number | Land Description |
|-------------|--------|---|---------------|------------------------|---|
| S00594 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | SL | FH MILLER, B & T | TWP 43 RGE 9 W4M S 11 |
| S00595 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | BO | FH RE 94.0223 ET AL | TWP 45 RGE 7 W4M NW 17 |
| S00596 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | SL | FH PEDERSON, B & Y | TWP 42 RGE 8 W4M NW 12 |
| S00597 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | SL | FH TAYLOR, W SHAWN | TWP 42 RGE 8 W4M NW 34 |
| S00598 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | SL | FH WHITEHEAD, K | TWP 42 RGE 9 W4M NE 10 |
| S00599 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | SL | FH MILLER, B & T | TWP 43 RGE 9 W4M SE 11 |
| S00600 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | SL | FH JOHNSON BYRON | TWP 41 RGE 8 W4M NE 20 |
| S00601 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | SL | FH PEDERSON, B & Y | TWP 42 RGE 7 W4M NE 8 |
| S00602 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | SL | FH HOLTE C & F | TWP 41 RGE 9 W4M NE 23 |
| S00603 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | SL | FH PAULSON, GERRY | TWP 41 RGE 8 W4M NE 28 |
| S00608 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | SL | FH WHITEHEAD, K | TWP 42 RGE 9 W4M NE 12 |
| S00609 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | SL | FH HOLTE, DEAN & LISA | TWP 42 RGE 9 W4M SE 2 |
| S00610 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | SL | FH FROLAND, P & E | TWP 42 RGE 8 W4M N 28 TWP 42 RGE 8 W4M SW 28 |
| S00611 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | SL | FH MD WAINWRIGHT | TWP 44 RGE 6 W4M NW 30 (12-30) |
| S00614 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | SL | FH KING, T & L | TWP 45 RGE 7 W4M SE 8 |
| S00615 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | SL | FH 914897 ALBERTA LTD. | TWP 45 RGE 7 W4M NW 9 |
| S00616 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | SL | FH FORD, K & D | TWP 45 RGE 7 W4M NW 10 |

Cleo Energy Corp.
Surface Lease Index - SURFACE FREEHOLD

| File Number | Status | Division Area | Document Type | Lessor Type / Number | Land Description |
|-------------|--------|---|---------------|-----------------------------|---|
| S00617 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | SL | FH LAGACE, MICHAEL & SANDRA | TWP 45 RGE 7 W4M SW 30 (3-30) (PLAN 9722843 BLOCK 2) |
| S00618 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | SL | FH TOWN OF WAINWRIGHT | TWP 45 RGE 7 W4M NW 2 |
| S00619 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | SL | FH SETZER, J AND K | TWP 45 RGE 7 W4M PTN SE SEC 17 |
| S00620 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | SL | FH DAVIDSON ET AL | TWP 42 RGE 12 W4M SW 10 |
| S00621 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | SL | FH GOLKA, CHARLOTTE | TWP 41 RGE 9 W4M SE 31 |
| S00622 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | SL | FH GULBRAA, COOPER LEIGH | TWP 45 RGE 9 W4M SW 7 |
| S00623 | ACTIVE | SEDGEWICK AREA SEDGEWICK FIELD, AB | SL | FH BOWNES R. & J. | TWP 42 RGE 12 W4M SE 19 |
| S00624 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | SL | FH KASTEN WALTER | TWP 45 RGE 9 W4M SW 18 |
| S00628 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | SL | FH NEMYO N & J | TWP 45 RGE 8 W4M SE 13 |
| S00629 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | SL | FH NEWTON, MARY | TWP 45 RGE 8 W4M E 10 |
| S00630 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | SL | FH SHAW, MARTY AND ROBIN | TWP 45 RGE 7 W4M NW 15 |
| S00631 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | SL | FH LAWSON, C & B | TWP 46 RGE 8 W4M NW 35 |
| S00632 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | SL | FH WILLERTON FARMS LTD | TWP 46 RGE 8 W4M SE 13 |
| S00633 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | SL | FH 676218 & 1677419 AB LTD. | TWP 45 RGE 7 W4M NE 16 |
| S00634 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | SL | FH BENOIT JERRY | TWP 46 RGE 8 W4M SE 24 |
| S00641 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | SL | FH HAUN, RICHARD | TWP 46 RGE 8 W4M SE 27 |
| S00642 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | SL | FH DELANGE CLIFFOR | TWP 43 RGE 13 W4M NW 16 |

Cleo Energy Corp.
Surface Lease Index - SURFACE FREEHOLD

| File Number | Status | Division Area | Document Type | Lessor Type / Number | Land Description |
|-------------|--------|---|---------------|-----------------------|-------------------------------|
| S00643 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | SL | FH J MOSER FARMS | TWP 44 RGE 13 W4M SW 19 |
| S00644 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | SL | FH DREVER, CLIFF | TWP 41 RGE 11 W4M NW 12 |
| S00645 | ACTIVE | KESSLER AREA KESSLER FIELD, AB | SL | FH TODD RANCH LTD. | TWP 38 RGE 8 W4M SE 23, SW 24 |
| S00646 | ACTIVE | SHORNCLIFFE AREA SHORNCLIFFE FIELD, AB | JOINT-TAKE | FH HARVEST JOINT USE | TWP 40 RGE 8 W4M NW 15 |
| S00650 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | BO | FH HILLSTONE AG LTD. | TWP 45 RGE 7 W4M NW 3 |
| S00651 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | SL | FH DIPALMA, KAREN ROS | TWP 41 RGE 10 W4M NE 10 |
| S00652 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | SL | FH EWACHNIUK HOLDINGS | TWP 44 RGE 6 W4M NW 6 |
| S00696 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | SL | FH GOSSELIN, B & D | TWP 44 RGE 7 W4M NE 36 |
| S00697 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | SL | FH TOWN OF WAINWRIGHT | TWP 44 RGE 7 W4M NW 36 |
| S00698 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | SL | FH TOWN OF WAINWRIGHT | TWP 44 RGE 7 W4M NE 36 |
| S00700 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | SL | FH EWACHNIUK HOLDINGS | TWP 44 RGE 6 W4M NW 6 |
| S00702 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | SL | FH J.W. MAX RAMSAHOYE | TWP 43 RGE 6 W4M NW 32 |
| S00710 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | SL | FH KROETSCH, M | TWP 41 RGE 10 W4M SE 26 |
| S00711 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | SL | FH KROETSCH ET AL | TWP 41 RGE 10 W4M SW 25 |
| S00717 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | SL | FH BLUE ET AL | TWP 42 RGE 9 W4M NE 35 |
| S00718 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | SL | FH MILLER, B & T | TWP 43 RGE 9 W4M SW 2 |
| S00719 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | SL | FH MD OF PROVOST | TWP 43 RGE 9 W4M SE 2 |

Cleo Energy Corp.
Surface Lease Index - SURFACE FREEHOLD

| File Number | Status | Division Area | Document Type | Lessor Type / Number | Land Description |
|-------------|--------|---|---------------|-----------------------------|-------------------------------|
| S00723 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | SL | FH LARA, CARLOS | TWP 41 RGE 10 W4M SE 36 |
| S00724 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | SL | FH ALDERDICE AND CAMPBELL | TWP 41 RGE 10 W4M SW 36 |
| S00725 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | SL | FH CREASY, MADELINE | TWP 46 RGE 7 W4M N 3 |
| S00726 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | SL | FH DUNBAR, I | TWP 46 RGE 8 W4M NW 17 |
| S00727 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | SL | FH DUNBAR, I | TWP 46 RGE 8 W4M NW 17 |
| S00728 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | MLL | FH DUNBAR, I | TWP 46 RGE 8 W4M NW 17 |
| S00729 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | SL | FH FISCHER, MARION A | TWP 45 RGE 8 W4M NE 29 |
| S00730 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | SL | FH KING, TN & LM | TWP 46 RGE 7 W4M NW 5 |
| S00731 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | SL | FH FENTON, JOHN DUNCAN | TWP 45 RGE 8 W4M SW 21 |
| S00732 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | SL | FH KILLORAN DENNIS | TWP 45 RGE 7 W4M NW 1 |
| S00733 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | SL | FH NESS ET AL | TWP 45 RGE 8 W4M NE 23 |
| S00734 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | SL | FH RAYNDA SEEDS LTD | TWP 46 RGE 7 W4M W 17 |
| S00735 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | SL | FH WILLERTON FARMS LTD | TWP 46 RGE 7 W4M SW 28 (5-28) |
| S00736 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | SL | FH CREASY, G & SH | TWP 45 RGE 7 W4M NW 33 |
| S00737 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | SL | FH WAKEFIELD ET AL | TWP 46 RGE 7 W4M NW 9 |
| S00738 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | SL | FH 676218 & 1677419 AB LTD. | TWP 45 RGE 8 W4M NE 13 |
| S00739 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | SL | FH 676218 & 1677419 AB LTD. | TWP 45 RGE 8 W4M NW 13 |

Cleo Energy Corp.
Surface Lease Index - SURFACE FREEHOLD

| File Number | Status | Division Area | Document Type | Lessor Type / Number | Land Description |
|-------------|--------|---|---------------|------------------------|--|
| S00740 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | SL | FH FENTON ROBERT A | TWP 45 RGE 8 W4M NW 24 |
| S00741 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | SL | FH TULLSON, CAROLYN | TWP 45 RGE 8 W4M SW 27 |
| S00742 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | SL | FH FENTON ROBERT A | TWP 45 RGE 8 W4M NW 22 |
| S00743 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | SL | FH FENTON ROBERT A | TWP 45 RGE 8 W4M NE 14 |
| S00744 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | SL | FH FENTON ROBERT A | TWP 45 RGE 8 W4M S 23 |
| S00745 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | SL | FH NESS ET AL | TWP 45 RGE 8 W4M SE 28 |
| S00746 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | SL | FH FENTON ROBERT A | TWP 45 RGE 8 W4M NE 22 |
| S00747 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | SL | FH FISCHER B | TWP 45 RGE 8 W4M SE 32 |
| S00748 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | SL | FH DEMPSEY ET AL | TWP 45 RGE 8 W4M N 20 |
| S00749 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | SL | FH DEMPSEY ET AL | TWP 45 RGE 8 W4M SE 29 |
| S00750 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | SL | FH FENTON, JOHN DUNCAN | TWP 45 RGE 8 W4M NE 21 |
| S00762 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | SL | FH Y 7 ENTERPRISES LTD | TWP 43 RGE 9 W4M SE 18 |
| S00763 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | SL | FH BUCHINSKI, K. & D. | TWP 43 RGE 6 W4M NW 31 |
| S00764 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | SL | FH BURDEN JOHN M. | TWP 43 RGE 10 W4M SE 23 (A/R TO 15-14 D/D TO 15-14) |
| S00765 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | SL | FH FISHER RICHARD | TWP 43 RGE 10 W4M NE 14 |
| S00772 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | SL | FH SPRING STOCK FARMS | TWP 42 RGE 12 W4M E 9 |
| S00773 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | SL | FH MCNARY FEED LOT LTD | TWP 43 RGE 6 W4M NE 17 |

Cleo Energy Corp.
Surface Lease Index - SURFACE FREEHOLD

| File Number | Status | Division Area | Document Type | Lessor Type / Number | Land Description |
|-------------|--------|---|---------------|-----------------------|-------------------------|
| S00774 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | SL | FH FROLAND, P & E | TWP 42 RGE 8 W4M SW 28 |
| S00775 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | SL | FH 279467 ALBERTA LTD | TWP 43 RGE 10 W4M SE 23 |
| S00776 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | SL | FH PEDERSON STANLEY | TWP 42 RGE 7 W4M SE 18 |
| S00777 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | SL | FH LESLIE, FRANK | TWP 42 RGE 12 W4M SE 8 |
| S00778 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | SL | FH BRATLAND, NELS | TWP 42 RGE 12 W4M SE 7 |
| S00779 | ACTIVE | SEDGEWICK AREA SEDGEWICK FIELD, AB | SL | FH G & S FARMS LTD. | TWP 42 RGE 12 W4M W 16 |
| S00780 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | SL | FH KING, GLEN | TWP 45 RGE 7 W4M SE 16 |
| S00781 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | SL | FH STRONG VALLEY | TWP 41 RGE 10 W4M NE 28 |
| S00782 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | SL | FH GRANGER, C | TWP 41 RGE 9 W4M E 25 |
| S00783 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | SL | FH TAYLOR, W SHAWN | TWP 42 RGE 8 W4M NE 21 |
| S00784 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | SL | FH NEMYO, M & J | TWP 45 RGE 8 W4M SE 13 |
| S00785 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | SL | FH HAUN, DOUG | TWP 45 RGE 7 W4M NW 32 |
| S00786 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | SL | FH DREVER, C & B | TWP 41 RGE 10 W4M SE 30 |
| S00787 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | SL | FH KROETSCH M | TWP 41 RGE 10 W4M SW 22 |
| S00788 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | SL | FH JOHNSON, K | TWP 42 RGE 9 W4M NE 25 |
| S00789 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | SL | FH 279467 ALBERTA LTD | TWP 44 RGE 10 W4M SE 24 |
| S00790 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | SL | FH BURTON K | TWP 45 RGE 8 W4M NW 32 |

Cleo Energy Corp.
Surface Lease Index - SURFACE FREEHOLD

| File Number | Status | Division Area | Document Type | Lessor Type / Number | Land Description |
|-------------|--------|---|---------------|-----------------------------|-------------------------------|
| S00791 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | SL | FH KING, T & L | TWP 45 RGE 7 W4M NW 5 |
| S00792 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | SL | FH HAUN, RICHARD | TWP 46 RGE 8 W4M SE 29 |
| S00793 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | SL | FH HAUN, RICHARD | TWP 46 RGE 8 W4M E 29 |
| S00794 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | SL | FH NESS ET AL | TWP 45 RGE 8 W4M NW 23 |
| S00795 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | SL | FH FENTON, JOHN DUNCAN | TWP 45 RGE 8 W4M NW 21 |
| S00796 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | SL | FH FENTON, JOHN DUNCAN | TWP 45 RGE 8 W4M SW 20 |
| S00797 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | SL | FH AMUNDSON, R & C | TWP 42 RGE 8 W4M NW 19 |
| S00798 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | SL | FH STEELE, DORIS BERYL | TWP 45 RGE 8 W4M NE 36 |
| S00799 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | SL | FH TQ ENTERPRISES LTD | TWP 45 RGE 7 W4M SE 15 |
| S00800 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | SL | FH TEXAS INDUSTRIES | TWP 45 RGE 7 W4M SW 10 |
| S00805 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | SL | FH FISCHER, MARION A | TWP 45 RGE 8 W4M NE 29 |
| S00825 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | SL | FH 1540845 ALBERTA LTD. | TWP 45 RGE 7 W4M SW 3 |
| S00828 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | SL | FH LAGACE, MICHAEL & SANDRA | TWP 45 RGE 7 W4M SE 30 (8-30) |
| S00829 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | SL | FH TULLSON, CAROLYN | TWP 45 RGE 8 W4M SE 27 |
| S00831 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | SL | FH AMUNDSON R&M | TWP 42 RGE 8 W4M NW 31 |
| S00832 | ACTIVE | NEUTRAL HILLS AREA NEUTRAL HILLS FIELD, AB | SL | FH WILLIAMS, FRANK | TWP 36 RGE 7 W4M N 35 |
| S00833 | ACTIVE | NEUTRAL HILLS AREA NEUTRAL HILLS FIELD, AB | SL | FH WILLIAMS, FRANK | TWP 36 RGE 7 W4M NE 35 |

Cleo Energy Corp.
Surface Lease Index - SURFACE FREEHOLD

Report ID: RP-0017

| File Number | Status | Division Area | Document Type | Lessor Type / Number | Land Description |
|-------------|--------|---|---------------|-----------------------|----------------------------|
| S00834 | ACTIVE | NEUTRAL HILLS AREA NEUTRAL HILLS FIELD, AB | SL | FH WILLIAMS, FRANK | TWP 36 RGE 7 W4M NE 35 |
| S00835 | ACTIVE | NEUTRAL HILLS AREA NEUTRAL HILLS FIELD, AB | SL | FH WILLIAMS, FRANK | TWP 36 RGE 7 W4M NW 35 |
| S00836 | ACTIVE | NEUTRAL HILLS AREA NEUTRAL HILLS FIELD, AB | SL | FH WILLIAMS, FRANK | TWP 36 RGE 7 W4M NE 35 |
| S00837 | ACTIVE | NEUTRAL HILLS AREA NEUTRAL HILLS FIELD, AB | SL | FH WILLIFER FARMS INC | TWP 37 RGE 7 W4M SE 11 |
| S00838 | ACTIVE | NEUTRAL HILLS AREA NEUTRAL HILLS FIELD, AB | SL | FH WILLIFER FARMS INC | TWP 37 RGE 7 W4M SE 11 |
| S00839 | ACTIVE | NEUTRAL HILLS AREA NEUTRAL HILLS FIELD, AB | SL | FH WILLIFER FARMS INC | TWP 37 RGE 7 W4M SE 3 |
| S00859 | ACTIVE | NEUTRAL HILLS AREA NEUTRAL HILLS FIELD, AB | SL | FH WILLIFER FARMS INC | TWP 37 RGE 7 W4M S 11 |
| S00864 | ACTIVE | NEUTRAL HILLS AREA NEUTRAL HILLS FIELD, AB | SL | FH WILLIFER FARMS INC | TWP 37 RGE 7 W4M PTN SW 11 |
| S00865 | ACTIVE | NEUTRAL HILLS AREA NEUTRAL HILLS FIELD, AB | SL | FH WILLIFER FARMS INC | TWP 37 RGE 7 W4M SE 11 |
| S00872 | ACTIVE | NEUTRAL HILLS AREA NEUTRAL HILLS FIELD, AB | SL | FH WILLIFER FARMS INC | TWP 37 RGE 7 W4M SE 11 |
| S00886 | ACTIVE | NEUTRAL HILLS AREA NEUTRAL HILLS FIELD, AB | SL | FH WILLIFER FARMS INC | TWP 37 RGE 7 W4M SW 1 |
| S00891 | ACTIVE | NEUTRAL HILLS AREA NEUTRAL HILLS FIELD, AB | SL | FH WILLIFER FARMS INC | TWP 37 RGE 7 W4M SE 11 |
| S00892 | ACTIVE | NEUTRAL HILLS AREA NEUTRAL HILLS FIELD, AB | SL | FH WILLIFER FARMS INC | TWP 37 RGE 7 W4M SE 11 |
| S00893 | ACTIVE | NEUTRAL HILLS AREA NEUTRAL HILLS FIELD, AB | SL | FH WILLIFER FARMS INC | TWP 37 RGE 7 W4M SE 11 |
| S00898 | ACTIVE | NEUTRAL HILLS AREA NEUTRAL HILLS FIELD, AB | SL | FH WILLIFER FARMS INC | TWP 37 RGE 7 W4M SW 11 |
| S00899 | ACTIVE | NEUTRAL HILLS AREA NEUTRAL HILLS FIELD, AB | SL | FH WILLIFER FARMS INC | TWP 37 RGE 7 W4M S 11 |
| S00902 | ACTIVE | NEUTRAL HILLS AREA NEUTRAL HILLS FIELD, AB | SL | FH WILLIFER FARMS INC | TWP 37 RGE 7 W4M NE 11 |

Cleo Energy Corp.
Surface Lease Index - SURFACE FREEHOLD

| File Number | Status | Division Area | Document Type | Lessor Type / Number | Land Description |
|-------------|--------|---|---------------|----------------------------|---|
| S00903 | ACTIVE | NEUTRAL HILLS AREA NEUTRAL HILLS FIELD, AB | SL | FH WILLIFER FARMS INC | TWP 37 RGE 7 W4M SE 11 |
| S00904 | ACTIVE | NEUTRAL HILLS AREA NEUTRAL HILLS FIELD, AB | SL | FH WILLIFER FARMS INC | TWP 37 RGE 7 W4M NE 3 |
| S00907 | ACTIVE | NEUTRAL HILLS AREA NEUTRAL HILLS FIELD, AB | SL | FH WILLIFER FARMS INC | TWP 37 RGE 7 W4M NE 11 |
| S00910 | ACTIVE | NEUTRAL HILLS AREA NEUTRAL HILLS FIELD, AB | SL | FH WILLIFER FARMS INC | TWP 37 RGE 7 W4M SW 11 |
| S00919 | ACTIVE | NEUTRAL HILLS AREA NEUTRAL HILLS FIELD, AB | SL | FH WILLIFER FARMS INC | TWP 37 RGE 7 W4M SE 11 |
| S00922 | ACTIVE | NEUTRAL HILLS AREA NEUTRAL HILLS FIELD, AB | SL | FH WILLIFER FARMS INC | TWP 37 RGE 7 W4M NE 11 |
| S00923 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | SL | FH WC FARMS LTD. | TWP 41 RGE 6 W4M SW 28 |
| S00924 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | SL | FH WAHLSTROM, D & W | TWP 42 RGE 7 W4M NW 17 |
| S00925 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | SL | FH JOHNSON, GAIL | TWP 42 RGE 7 W4M SW 17 |
| S00926 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | SL | FH WAHLSTROM RANCHING INC. | TWP 42 RGE 7 W4M NE 20 |
| S00927 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | SL | FH WAHLSTROM, DAVID | TWP 42 RGE 7 W4M NE 19 |
| S00928 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | SL | FH FROLAND P & E | TWP 42 RGE 7 W4M NW 7 (11-7) |
| S00970 | ACTIVE | NEUTRAL HILLS AREA NEUTRAL HILLS FIELD, AB | SL | FH WILLIFER FARMS INC | TWP 37 RGE 7 W4M SW 1 |
| S00972 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | SL | FH TAYLOR, B&J | TWP 43 RGE 8 W4M SE 3 |
| S00980 | ACTIVE | NEUTRAL HILLS AREA NEUTRAL HILLS FIELD, AB | SL | FH WILLIFER FARMS INC | TWP 37 RGE 7 W4M SW 1 |
| S00981 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | SL | FH WAHLSTROM RANCHING INC. | TWP 42 RGE 8 W4M SE 10 |
| S00982 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | SL | FH PEDERSON, B & Y | TWP 42 RGE 8 W4M LSDS 1, 7, 8 SEC 11 (8-11) |

Cleo Energy Corp.
Surface Lease Index - SURFACE FREEHOLD

Report ID: RP-0017

| File Number | Status | Division Area | Document Type | Lessor Type / Number | Land Description |
|-------------|--------|---|---------------|----------------------------|--------------------------------|
| S00983 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | SL | FH TAYLOR, W SHAWN | TWP 42 RGE 8 W4M SE 21 |
| S00984 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | SL | FH WAHLSTROM RANCHING INC. | TWP 42 RGE 7 W4M NW 18 |
| S00985 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | SL | FH WAHLSTROM, D & W | TWP 42 RGE 7 W4M SW 18 |
| S00986 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | SL | FH WAHLSTROM RANCHING INC. | TWP 42 RGE 8 W4M NE 24 |
| S00987 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | SL | FH WAHLSTROM RANCHING INC. | TWP 42 RGE 8 W4M NW 24 |
| S00988 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | SL | FH HOLTE B & L | TWP 42 RGE 8 W4M SE 22 |
| S00989 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | SL | FH PEDERSON, B & Y | TWP 42 RGE 8 W4M NE 11 (16-11) |
| S00990 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | SL | FH PEDERSON, B & Y | TWP 42 RGE 8 W4M NW 12 (14-12) |
| S00991 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | SL | FH LAZY BEE HONEY LTD. | TWP 45 RGE 8 W4M W 12 |
| S00992 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | SL | FH J.W. MAX RAMSAHOYE | TWP 42 RGE 8 W4M NE 22 (10-22) |
| S00993 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | SL | FH J.W. MAX RAMSAHOYE | TWP 42 RGE 8 W4M NW 22 |
| S00994 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | SL | FH FROLAND, P & E | TWP 42 RGE 8 W4M SE 33 |
| S00995 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | SL | FH LUNDE, QUENTIN DEAN | TWP 42 RGE 8 W4M NW 11 |
| S00996 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | SL | FH WAHLSTROM RANCHING INC. | TWP 42 RGE 8 W4M NE 10 |
| S00997 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | SL | FH WAHLSTROM RANCHING INC. | TWP 42 RGE 8 W4M SE 23 |
| S00998 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | SL | FH WAHLSTROM RANCHING INC. | TWP 42 RGE 8 W4M NW 23 |
| S00999 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | SL | FH TAYLOR, W SHAWN | TWP 42 RGE 8 W4M NW 21 |

Cleo Energy Corp.
Surface Lease Index - SURFACE FREEHOLD

| File Number | Status | Division Area | Document Type | Lessor Type / Number | Land Description |
|-------------|--------|---|---------------|----------------------------|---|
| S01000 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | SL | FH WAHLSTROM RANCHING INC. | TWP 42 RGE 8 W4M NE 23 |
| S01001 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | SL | FH THOMPSON B & M | TWP 42 RGE 8 W4M SW 23 |
| S01002 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | SL | FH PEDERSON STANLEY | TWP 42 RGE 7 W4M NE 18 |
| S01003 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | SL | FH PEDERSON, B & Y | TWP 42 RGE 8 W4M SW 11 (6-11) |
| S01004 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | SL | FH WAHLSTROM RANCHING INC. | TWP 42 RGE 8 W4M NW 10 |
| S01005 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | SL | FH PEDERSON, B & Y | TWP 42 RGE 8 W4M NE 12 (16-12) |
| S01006 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | SL | FH TURNER, R & D | TWP 42 RGE 8 W4M SW 22 |
| S01009 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | SL | FH DREVER C | TWP 41 RGE 10 W4M N 6 |
| S01010 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | SL | FH WAHLSTROM RANCHING INC. | TWP 42 RGE 8 W4M SE 25 |
| S01011 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | SL | FH MUNTER, W & B | TWP 45 RGE 7 W4M SW 30 (PLAN 9722843, BLOCK 3) |
| S01013 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | SL | FH ELDEY, DOREEN | TWP 42 RGE 12 W4M NW 8 |
| S01014 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | SL | FH DREVER, CLIFF K. | TWP 42 RGE 10 W4M NW 29 |
| S01015 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | SL/RUA | FH TWIN OAK FARMS LTD | TWP 42 RGE 10 W4M SW 32 |
| S01018 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | SL | FH PEDERSON, B & Y | TWP 42 RGE 8 W4M SE 13 (8-13) |
| S01019 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | SL | FH JOHNSON, GAIL | TWP 42 RGE 7 W4M NW 8 |
| S01020 | ACTIVE | NEUTRAL HILLS AREA NEUTRAL HILLS FIELD, AB | SL | FH WILLIFER FARMS INC | TWP 37 RGE 7 W4M SW 12 |
| S01021 | ACTIVE | NEUTRAL HILLS AREA NEUTRAL HILLS FIELD, AB | SL | FH WILLIFER FARMS INC | TWP 37 RGE 7 W4M SW 12 |

Cleo Energy Corp.
Surface Lease Index - SURFACE FREEHOLD

Report ID: RP-0017

| File Number | Status | Division Area | Document Type | Lessor Type / Number | Land Description |
|-------------|--------|---|---------------|---------------------------|------------------------|
| S01022 | ACTIVE | NEUTRAL HILLS AREA NEUTRAL HILLS FIELD, AB | SL | FH WILLIFER FARMS INC | TWP 37 RGE 7 W4M SW 12 |
| S01023 | ACTIVE | NEUTRAL HILLS AREA NEUTRAL HILLS FIELD, AB | SL | FH WILLIFER FARMS INC | TWP 37 RGE 7 W4M SW 12 |
| S01024 | ACTIVE | NEUTRAL HILLS AREA NEUTRAL HILLS FIELD, AB | SL | FH WILLIFER FARMS INC | TWP 37 RGE 7 W4M SW 12 |
| S01025 | ACTIVE | NEUTRAL HILLS AREA NEUTRAL HILLS FIELD, AB | SL | FH WILLIFER FARMS INC | TWP 37 RGE 7 W4M SW 12 |
| S01026 | ACTIVE | NEUTRAL HILLS AREA NEUTRAL HILLS FIELD, AB | SL | FH WILLIFER FARMS INC | TWP 37 RGE 7 W4M SW 12 |
| S01027 | ACTIVE | NEUTRAL HILLS AREA NEUTRAL HILLS FIELD, AB | SL | FH WILLIFER FARMS INC | TWP 37 RGE 7 W4M SW 12 |
| S01028 | ACTIVE | NEUTRAL HILLS AREA NEUTRAL HILLS FIELD, AB | SL | FH WILLIFER FARMS INC | TWP 37 RGE 7 W4M SW 12 |
| S01029 | ACTIVE | NEUTRAL HILLS AREA NEUTRAL HILLS FIELD, AB | SL | FH WILLIFER FARMS INC | TWP 37 RGE 7 W4M SW 12 |
| S01030 | ACTIVE | NEUTRAL HILLS AREA NEUTRAL HILLS FIELD, AB | SL | FH WILLIFER FARMS INC | TWP 37 RGE 7 W4M SW 12 |
| S01031 | ACTIVE | NEUTRAL HILLS AREA NEUTRAL HILLS FIELD, AB | SL | FH WILLIFER FARMS INC | TWP 37 RGE 7 W4M SW 12 |
| S01032 | ACTIVE | NEUTRAL HILLS AREA NEUTRAL HILLS FIELD, AB | SL | FH WILLIFER FARMS INC | TWP 37 RGE 7 W4M SE 11 |
| S01033 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | SL | FH THOMAS, GB & ME | TWP 44 RGE 6 W4M SW 5 |
| S01034 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | SL/RUA | FH MCNARY FEED LOT LTD | TWP 44 RGE 6 W4M W 3 |
| S01035 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | SL | FH MCNARY FEED LOT LTD | TWP 44 RGE 6 W4M NE 3 |
| S01036 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | SL | FH BARTLEY, LEN & CHERISE | TWP 42 RGE 8 W4M SW 13 |
| S01037 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | SL | FH AMUNDSON, R & C | TWP 42 RGE 8 W4M SE 19 |
| S01038 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | SL | FH PEDERSON, B & Y | TWP 42 RGE 7 W4M SE 8 |

Cleo Energy Corp.
Surface Lease Index - SURFACE FREEHOLD

Report ID: RP-0017

| File Number | Status | Division Area | Document Type | Lessor Type / Number | Land Description |
|-------------|--------|---|---------------|-----------------------------|------------------------------|
| S01039 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | SL | FH SCHMIDT, D & E | TWP 42 RGE 8 W4M N 20 |
| S01040 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | SL | FH ANDERSEN, CARL | TWP 42 RGE 9 W4M SE 36 |
| S01041 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | SL | FH J.W. MAX RAMSAH | TWP 42 RGE 8 W4M W 27 |
| S01042 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | SL/RUA | FH WAHLSTROM RANCHING INC. | TWP 42 RGE 7 W4M SE 19 |
| S01043 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | SL | FH LUNDE, QUENTIN DEAN | TWP 42 RGE 7 W4M SW 19 |
| S01044 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | SL | FH WAHLSTROM RANCHING INC. | TWP 42 RGE 7 W4M SE 19 |
| S01045 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | SL | FH KOBITZSCH, L & G | TWP 42 RGE 9 W4M S 33 |
| S01046 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | SL | FH USD TERMINALS CANADA INC | TWP 42 RGE 9 W4M SW 26 |
| S01047 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | SL | FH WHITEHEAD, K | TWP 42 RGE 9 W4M SE 14 |
| S01048 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | SL | FH SCHMIDT, D & E | TWP 42 RGE 8 W4M NE 20 |
| S01049 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | SL | FH SCHMIDT, D & E | TWP 42 RGE 8 W4M SE 20 |
| S01050 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | SL | FH Y7 ENTERPRISES LTD | TWP 42 RGE 8 W4M NE 30 |
| S01051 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | SL | FH KROETSCH FARMS LTD. | TWP 42 RGE 9 W4M SE 34 (PTN) |
| S01052 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | SL/RUA | FH KROETSCH FARMS LTD. | TWP 42 RGE 9 W4M SE 34 (PTN) |
| S01056 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | SL | FH KROETSCH FARMS LTD. | TWP 42 RGE 9 W4M NW 27 |
| S01057 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | SL | FH KROETSCH FARMS LTD. | TWP 42 RGE 9 W4M NE 34 |
| S01058 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | SL | FH KROETSCH FARMS LTD. | TWP 42 RGE 9 W4M NW 34 |

Cleo Energy Corp.
Surface Lease Index - SURFACE FREEHOLD

| File Number | Status | Division Area | Document Type | Lessor Type / Number | Land Description |
|-------------|--------|---|---------------|------------------------------|------------------------|
| S01062 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | SL | FH KOBITZSCH, L & G | TWP 42 RGE 9 W4M SE 33 |
| S01090 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | SL | FH BUSK, BRYAN | TWP 42 RGE 9 W4M NW 14 |
| S01091 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | SL | FH BUSK, BRYAN | TWP 42 RGE 9 W4M NE 14 |
| S01092 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | SL | FH BUSK, BRYAN | TWP 42 RGE 9 W4M SW 14 |
| S01093 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | SL | FH GREG SCHMIDT HOLDINGS LTI | TWP 42 RGE 9 W4M SE 25 |
| S01094 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | SL | FH AMUNDSON, R & C | TWP 42 RGE 8 W4M SW 19 |
| S01095 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | SL | FH WAHLSTROM RANCHING INC. | TWP 42 RGE 7 W4M NW 20 |
| S01097 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | SL | FH R & R ACRES LTD. | TWP 42 RGE 8 W4M NE 31 |
| S01098 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | SL | FH PEDERSON, B & Y | TWP 42 RGE 7 W4M SW 8 |
| S01099 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | SL | FH PEMBINA | TWP 42 RGE 9 W4M NE 28 |
| S01100 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | SL | FH ANDERSEN, CARL | TWP 42 RGE 9 W4M NE 36 |
| S01101 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | SL | FH USD TERMINALS CANADA INC | TWP 42 RGE 9 W4M SE 26 |
| S01102 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | SL | FH WAHLSTROM, D & W | TWP 42 RGE 8 W4M NW 13 |
| S01103 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | SL | FH WAHLSTROM RANCHING INC. | TWP 42 RGE 7 W4M E 20 |
| S01104 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | SL | FH WAHLSTROM RANCHING INC. | TWP 42 RGE 7 W4M SW 20 |
| S01108 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | SL | FH GIBSON ENERGY | TWP 42 RGE 9 W4M SE 27 |
| S01109 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | SL | FH CHERAM, JOHN | TWP 42 RGE 8 W4M S 31 |

Cleo Energy Corp.
Surface Lease Index - SURFACE FREEHOLD

| File Number | Status | Division Area | Document Type | Lessor Type / Number | Land Description |
|-------------|--------|---|---------------|-----------------------------|--|
| S01113 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | SL | FH CHERAM, JOHN | TWP 42 RGE 8 W4M SW 31 |
| S01118 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | SL | FH WAHLSTROM RANCHING INC. | TWP 42 RGE 7 W4M SE 17 |
| S01119 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | SL | FH GIBSON ENERGY | TWP 42 RGE 9 W4M SW 27 |
| S01120 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | SL | FH FROLAND, P & E | TWP 42 RGE 8 W4M NE 28 |
| S01121 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | SL | FH WAHLSTROM, DAVID | TWP 42 RGE 7 W4M NW 19 |
| S01122 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | SL | FH DANDY LAND & GR | TWP 42 RGE 8 W4M SW 30 |
| S01125 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | SL | FH WAHLSTROM RANCHING INC. | TWP 42 RGE 7 W4M NE 17 TWP 42 RGE 7 W4M SE 20 |
| S01128 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | SL | FH BEBEE, PEARL | TWP 42 RGE 11 W4M NW 2 |
| S01129 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | SL | FH ROMBOUGH, GAIL | TWP 42 RGE 12 W4M SE 11 |
| S01130 | ACTIVE | SEDGEWICK AREA SEDGEWICK FIELD, AB | SL | FH SPRING STOCK FARMS | TWP 42 RGE 12 W4M NE 9 |
| S01131 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | SL | FH BACK AND FORTH INVESTMEN | TWP 45 RGE 7 W4M NW 28 |
| S01132 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | SL | FH MD OF PROVOST | TWP 43 RGE 9 W4M SE 2 |
| S01136 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | SL | FH CREASY, MADELINE | TWP 45 RGE 7 W4M NW 34 |
| S01138 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | SL | FH LIBOIRON, G & J | TWP 45 RGE 8 W4M NE 4 |
| S01139 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | SL | FH HILLSTONE AG LTD. | TWP 45 RGE 7 W4M SE 3 |
| S01140 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | SL | FH OLIVER, SHELDON & TANIS | TWP 42 RGE 11 W4M SE 2 |
| S01141 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | SL | FH LAGACE, MICHAEL & SANDRA | TWP 45 RGE 7 W4M NW 30 |

Cleo Energy Corp.
Surface Lease Index - SURFACE FREEHOLD

Report ID: RP-0017

| File Number | Status | Division Area | Document Type | Lessor Type / Number | Land Description |
|-------------|--------|---|---------------|-----------------------------|--------------------------------------|
| S01142 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | SL | FH MACKAY, KEVIN & SHELLEY | TWP 45 RGE 9 W4M W 6 |
| S01143 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | SL | FH MCNARY FEED LOT LTD | TWP 44 RGE 6 W4M SW 3 |
| S01144 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | SL | FH MCNARY FEED LOT LTD | TWP 44 RGE 6 W4M NW 3 |
| S01145 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | SL | FH KELLER, D AND K | TWP 44 RGE 6 W4M SE 6 |
| S01146 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | SL | FH KING, GLEN & CARMEN | TWP 45 RGE 7 W4M NE 6 |
| S01147 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | SL | FH NEWTON, MARY | TWP 45 RGE 8 W4M SE 10 |
| S01148 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | SL | FH WILLERTON FARMS LTD | TWP 46 RGE 8 W4M SW 14 |
| S01149 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | SL | FH LEIGHTON, S & R | TWP 44 RGE 6 W4M SE 5 |
| S01150 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | SL | FH WOLBECK, D & A | TWP 43 RGE 16 W4M NE 11 |
| S01151 | ACTIVE | SEDGEWICK AREA SEDGEWICK FIELD, AB | SL | FH G & S FARMS LTD. | TWP 42 RGE 12 W4M SE 16 |
| S01152 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | SL | FH CULLUM, CLIFF & VICTORIA | TWP 42 RGE 10 W4M SW 16 |
| S01153 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | SL | FH BEBEE, PEARL | TWP 42 RGE 11 W4M NW 11 |
| S01154 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | SL | FH ARMSTRONG D & T | TWP 42 RGE 11 W4M NW 10 |
| S01155 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | SL | FH TWIN OAK FARMS LTD | TWP 42 RGE 10 W4M NE 30 |
| S01156 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | SL | FH Y7 ENTERPRISES LTD | TWP 43 RGE 9 W4M SE 19, SW 20, NW 17 |
| S01157 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | LPC | FH CP - XHAR12680P101 | TWP 42 RGE 9 W4M SE 28 (MILE 126.80) |
| S01158 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | LPC | FH CP - XHARD12684P01 | TWP 42 RGE 9 W4M SE 28 (MILE 126.84) |

Cleo Energy Corp.
Surface Lease Index - SURFACE FREEHOLD

| File Number | Status | Division Area | Document Type | Lessor Type / Number | Land Description |
|-------------|--------|---|---------------|------------------------|--------------------------------------|
| S01159 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | LPC | FH CP - XHARD12539P01 | TWP 42 RGE 9 W4M NE 22 (MILE 125.39) |
| S01160 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | SL | FH WOLBECK, CODY | TWP 43 RGE 16 W4M SE 11 |
| S01161 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | SL | FH WOLBECK, D & A | TWP 43 RGE 16 W4M NE 11 |
| S01162 | ACTIVE | NEUTRAL HILLS AREA NEUTRAL HILLS FIELD, AB | SL | FH SORTLAND, K & M | TWP 37 RGE 7 W4M NW 25 |
| S01163 | ACTIVE | NEUTRAL HILLS AREA NEUTRAL HILLS FIELD, AB | SL | FH SORTLAND, RICHARD | TWP 37 RGE 7 W4M SE 25 |
| S01164 | ACTIVE | NEUTRAL HILLS AREA NEUTRAL HILLS FIELD, AB | SL | FH SORTLAND, RICHARD | TWP 37 RGE 7 W4M S 25 |
| S01165 | ACTIVE | NEUTRAL HILLS AREA NEUTRAL HILLS FIELD, AB | SL | FH SORTLAND, RICHARD | TWP 37 RGE 7 W4M S 25 |
| S01166 | ACTIVE | NEUTRAL HILLS AREA NEUTRAL HILLS FIELD, AB | SL | FH SORTLAND, K & M | TWP 37 RGE 7 W4M NW 25 |
| S01167 | ACTIVE | NEUTRAL HILLS AREA NEUTRAL HILLS FIELD, AB | SL | FH SORTLAND, K & M | TWP 37 RGE 7 W4M NW 25 |
| S01168 | ACTIVE | NEUTRAL HILLS AREA NEUTRAL HILLS FIELD, AB | JOINT-LET | FH JOINT USE AGREEMENT | TWP 37 RGE 7 W4M NW 25 |
| S01169 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | SL | FH WOLBECK, CODY | TWP 43 RGE 16 W4M SE 11 |
| S01170 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | SL | FH WOLBECK, D & A | TWP 43 RGE 16 W4M NE 11 |
| S01171 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | SL | FH WOLBECK, D & A | TWP 43 RGE 16 W4M NE 11 |
| S01172 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | SL | FH WOLBECK, CODY | TWP 43 RGE 16 W4M SE 11 |
| S01173 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | SL | FH WOLBECK, CODY | TWP 43 RGE 16 W4M SE 11 |
| S01174 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | SL | FH WOLBECK, CODY | TWP 43 RGE 16 W4M SE 11 |
| S01175 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | SL | FH WOLBECK, D & A | TWP 43 RGE 16 W4M NE 11 |

Cleo Energy Corp.
Surface Lease Index - SURFACE FREEHOLD

| File Number | Status | Division Area | Document Type | Lessor Type / Number | Land Description |
|-------------|--------|---|---------------|----------------------------|--|
| S01176 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | SL | FH WOLBECK, D & A | TWP 43 RGE 16 W4M N 11 |
| S01177 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | SL | FH WOLBECK, CODY | TWP 43 RGE 16 W4M SE 11 |
| S01178 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | SL | FH WOLBECK, D & A | TWP 43 RGE 16 W4M NE 11 (1B0/ 10-11 & 1B0/ 16-11 DD FROM 10-11) |
| S01179 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | TEMPAGMT | FH WOLBECK, CODY | TWP 43 RGE 16 W4M SE 11 (SPILL AREA FROM 10-11) |
| S01180 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | SL | FH WOLBECK, D & A | TWP 43 RGE 16 W4M NE 11 |
| S01181 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | SL | FH WOLBECK, D & A | TWP 43 RGE 16 W4M N 11 |
| S01182 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | SL | FH FERENCE, M & T | TWP 41 RGE 9 W4M NW 28 |
| S01183 | ACTIVE | NEUTRAL HILLS AREA NEUTRAL HILLS FIELD, AB | SL | FH WILLIAMS, FRANK | TWP 36 RGE 6 W4M N 30 |
| S01184 | ACTIVE | NEUTRAL HILLS AREA NEUTRAL HILLS FIELD, AB | SL | FH MOHR, D & M | TWP 36 RGE 5 W4M NE 7 |
| S01185 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | SL | FH SWAINSON J & K | TWP 42 RGE 12 W4M S 22 |
| S01186 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | SL | FH BALL, MILDRED | TWP 42 RGE 12 W4M NW 3 |
| S01189 | ACTIVE | SEDGEWICK AREA SEDGEWICK FIELD, AB | SL | FH LESLIE, THOMAS & LAURIE | TWP 41 RGE 12 W4M NW 34 |
| S01190 | ACTIVE | SEDGEWICK AREA SEDGEWICK FIELD, AB | SL | FH SPRING STOCK FARMS | TWP 42 RGE 12 W4M NE 4 |
| S01191 | ACTIVE | SEDGEWICK AREA SEDGEWICK FIELD, AB | SL | FH SPRING STOCK FARMS | TWP 42 RGE 12 W4M NE 4 |
| S01192 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | SL | FH SPRING STOCK FARMS | TWP 42 RGE 12 W4M NE 4 |
| S01193 | ACTIVE | SEDGEWICK AREA SEDGEWICK FIELD, AB | SL | FH SPRING STOCK FARMS | TWP 42 RGE 12 W4M NW 3 |
| S01194 | ACTIVE | SEDGEWICK AREA SEDGEWICK FIELD, AB | SL | FH SPRING STOCK FARMS | TWP 42 RGE 12 W4M NW 3 |

Cleo Energy Corp.
Surface Lease Index - SURFACE FREEHOLD

| File Number | Status | Division Area | Document Type | Lessor Type / Number | Land Description |
|-------------|--------|---|---------------|-----------------------|-------------------------|
| S01195 | ACTIVE | SEDGEWICK AREA SEDGEWICK FIELD, AB | SL | FH SIMPSON, BEULAH | TWP 42 RGE 12 W4M SW 3 |
| S01196 | ACTIVE | SEDGEWICK AREA SEDGEWICK FIELD, AB | SL | FH BULLEE, E | TWP 42 RGE 12 W4M SE 4 |
| S01197 | ACTIVE | SEDGEWICK AREA SEDGEWICK FIELD, AB | SL | FH SIMPSON, BEULAH | TWP 42 RGE 12 W4M SW 3 |
| S01198 | ACTIVE | SEDGEWICK AREA SEDGEWICK FIELD, AB | SL | FH BULLEE, E | TWP 42 RGE 12 W4M SE 4 |
| S01199 | ACTIVE | SEDGEWICK AREA SEDGEWICK FIELD, AB | SL | FH SIMPSON, BEULAH | TWP 42 RGE 12 W4M SW 3 |
| S01200 | ACTIVE | SEDGEWICK AREA SEDGEWICK FIELD, AB | SL | FH LESLIE, FRANK | TWP 42 RGE 12 W4M NW 4 |
| S01201 | ACTIVE | SEDGEWICK AREA SEDGEWICK FIELD, AB | SL | FH SPRING STOCK FARMS | TWP 42 RGE 12 W4M NE 4 |
| S01202 | ACTIVE | SEDGEWICK AREA SEDGEWICK FIELD, AB | SL | FH BULLEE, E | TWP 42 RGE 12 W4M SE 4 |
| S01203 | ACTIVE | SEDGEWICK AREA SEDGEWICK FIELD, AB | SL | FH BULLEE, E | TWP 42 RGE 12 W4M SE 4 |
| S01204 | ACTIVE | SEDGEWICK AREA SEDGEWICK FIELD, AB | SL | FH SPRING STOCK FARMS | TWP 42 RGE 12 W4M NW 3 |
| S01205 | ACTIVE | SEDGEWICK AREA SEDGEWICK FIELD, AB | SL | FH LESLIE, FRANK | TWP 42 RGE 12 W4M NW 4 |
| S01206 | ACTIVE | SEDGEWICK AREA SEDGEWICK FIELD, AB | SL | FH LESLIE, FRANK | TWP 42 RGE 12 W4M NW 4 |
| S01207 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | SL | FH DAVIDSON, B | TWP 42 RGE 12 W4M SW 14 |
| S01208 | ACTIVE | NEUTRAL HILLS AREA NEUTRAL HILLS FIELD, AB | SL | FH ZIEFFLE, W | TWP 36 RGE 4 W4M SW 23 |
| S01209 | ACTIVE | NEUTRAL HILLS AREA NEUTRAL HILLS FIELD, AB | SL | FH LAYE, M & A | TWP 36 RGE 4 W4M NW 23 |
| S01210 | ACTIVE | NEUTRAL HILLS AREA NEUTRAL HILLS FIELD, AB | SL | FH LAYE, M & A | TWP 36 RGE 4 W4M NW 23 |
| S01211 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | SL | FH KROETSCH, M | TWP 41 RGE 10 W4M S 26 |

Cleo Energy Corp.
Surface Lease Index - SURFACE FREEHOLD

| File Number | Status | Division Area | Document Type | Lessor Type / Number | Land Description |
|-------------|--------|---|---------------|------------------------------|------------------------------|
| S01212 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | SL | FH RADIES, JOHN | TWP 45 RGE 7 W4M N 9 |
| S01213 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | SL | FH KILLORAN, PATRICIA | TWP 45 RGE 7 W4M NE 2 |
| S01214 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | JOINT-TAKE | FH SURGE JOINT USE | TWP 45 RGE 7 W4M N 4 |
| S01215 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | SL | FH HINTON, J AND C | TWP 47 RGE 8 W4M SE 30 |
| S01218 | ACTIVE | ENCHANT AREA ENCHANT FIELD, AB | SL | FH VULCAN COUNTY | TWP 14 RGE 20 W4M SW 4 |
| S01219 | ACTIVE | ENCHANT AREA ENCHANT FIELD, AB | SL | FH L & J MURRAY RANCHES LTD. | TWP 14 RGE 20 W4M W 9 |
| S01221 | ACTIVE | ENCHANT AREA ENCHANT FIELD, AB | SL | FH L & J MURRAY RANCHES LTD. | TWP 14 RGE 20 W4M SW 9 |
| S01233 | ACTIVE | ENCHANT AREA ENCHANT FIELD, AB | SL | FH VULCAN COUNTY | TWP 014 RGE 20 W4M SW4 |
| S01234 | ACTIVE | TABER AREA TABER FIELD, AB | SL | FH TVERKUTES W & K | TWP 9 RGE 15 W4M SE 35 |
| S01235 | ACTIVE | TABER AREA TABER FIELD, AB | SL | FH VEENSTRA W+A | TWP 10 RGE 15 W4M SW 3 (S/2) |
| S01236 | ACTIVE | TABER AREA TABER FIELD, AB | SL | FH PORKDALE FARMS | TWP 009 RGE 15 W4M SW 36 |
| S01237 | ACTIVE | TABER AREA TABER FIELD, AB | SL | FH MD OF TABER #14 | TWP 9 RGE 15 W4M NW 25 |
| S01238 | ACTIVE | TABER AREA TABER FIELD, AB | SL | FH N.E. PERDUE LTD | TWP 9 RGE 15 W4M SE 34 |
| S01239 | ACTIVE | TABER AREA TABER FIELD, AB | SL | FH PRAIRIEWOOD INC | TWP 9 RGE 15 W4M SW 26 |
| S01240 | ACTIVE | TABER AREA TABER FIELD, AB | SL | FH SEKURA JAMES | TWP 10 RGE 15 W4M SW 4 |
| S01241 | ACTIVE | TABER AREA TABER FIELD, AB | SL | FH MACHACEK, T & D | TWP 9 RGE 14 W4M NW 30 |
| S01242 | ACTIVE | TABER AREA TABER FIELD, AB | SL | FH VEENSTRA, W & A | TWP 10 RGE 15 W4M SE 4 |

Cleo Energy Corp.
Surface Lease Index - SURFACE FREEHOLD

| File Number | Status | Division Area | Document Type | Lessor Type / Number | Land Description |
|-------------|--------|-------------------------------|---------------|-----------------------------|--|
| S01243 | ACTIVE | TABER AREA TABER FIELD, AB | SL | FH SEKURA, F&A | TWP 9 RGE 15 W4M NE 33 |
| S01244 | ACTIVE | TABER AREA TABER FIELD, AB | SL | FH JACK ROP | TWP 9 RGE 15 W4M E 27 |
| S01245 | ACTIVE | TABER AREA TABER FIELD, AB | SL | FH BETTCHER, J & J | TWP 9 RGE 15 W4M NE 32 |
| S01246 | ACTIVE | TABER AREA TABER FIELD, AB | SL | FH ST. MARY RIVER | TWP 9 RGE 15 W4M PTN NE 32 (PLAN 4023 HX CANAL RIGHT OF WAY) |
| S01247 | ACTIVE | TABER AREA TABER FIELD, AB | SL | FH NORTH PADDOCK FARMS LTD. | TWP 10 RGE 15 W4M LSD 2, 7 SEC 5 |
| S01248 | ACTIVE | TABER AREA TABER FIELD, AB | SL | FH ZEIMAK FARMS LTD. | TWP 10 RGE 15 W4M NE 6 |
| S01249 | ACTIVE | TABER AREA TABER FIELD, AB | SL | FH JOCHEM OILFIELD CO | TWP 10 RGE 15 W4M PTN SW7 |
| S01250 | ACTIVE | TABER AREA TABER FIELD, AB | SL | FH SPRING RIVER RANCH LTD. | TWP 10 RGE 16 W4M SW 12 |
| S01251 | ACTIVE | TABER AREA TABER FIELD, AB | SL | FH LIPTAK J+V | TWP 10 RGE 15 W4M LSD 4, 5 SEC 8, PTN LSD 12 SEC 8 |
| S01254 | ACTIVE | TABER AREA TABER FIELD, AB | SL | FH BREZOVSKI, FRANK | TWP 9 RGE 14 W4M SW 31 |
| S01255 | ACTIVE | TABER AREA TABER FIELD, AB | SL | FH BO 2938/99 | TWP 10 RGE 15 W4M SW 2 |
| S01256 | ACTIVE | TABER AREA TABER FIELD, AB | SL | FH ROY BREWIN HOLDINGS INC. | TWP 9 RGE 14 W4M (PTN S) LSD 9, (PTN S) LSD 10 SEC 14, PTN SE 14 |
| S01257 | ACTIVE | TABER AREA TABER FIELD, AB | SL | FH ROY BREWIN HOLDINGS INC. | TWP 9 RGE 14 W4M NE 21 |
| S01258 | ACTIVE | TABER AREA TABER FIELD, AB | SL | FH ROY BREWIN HOLDINGS | TWP 9 RGE 14 W4M SW 22 |
| S01259 | ACTIVE | TABER AREA TABER FIELD, AB | SL | FH ROY BREWIN HOLDINGS | TWP 9 RGE 14 W4M NE15 |
| S01260 | ACTIVE | TABER AREA TABER FIELD, AB | SL | FH S.L.M. SPUD FARMS | TWP 9 RGE 14 W4M SW 23 |

Cleo Energy Corp.
Surface Lease Index - SURFACE FREEHOLD

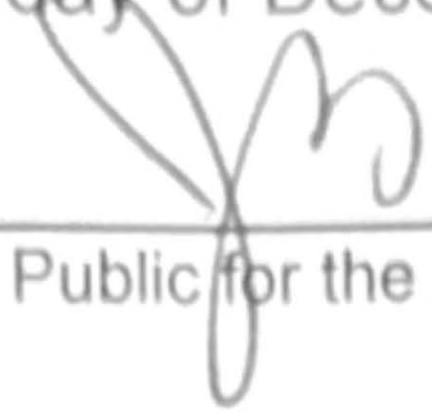
| File Number | Status | Division Area | Document Type | Lessor Type / Number | Land Description |
|-------------|--------|-----------------------------------|---------------|-------------------------|---------------------------------------|
| S01261 | ACTIVE | TABER AREA TABER FIELD, AB | SL | FH S.L.M. SPUD FARMS | TWP 9 RGE 14 W4M PTN NW 14 |
| S01262 | ACTIVE | TABER AREA TABER FIELD, AB | SL | FH MD OF TABER NO 14 | TWP 009 RGE 14 W4M PTN SW23 |
| S01270 | ACTIVE | HAYTER AREA HAYTER FIELD, AB | SL | FH BLUME DAVID | TWP 040 RGE 01 W4M SW 25 (4-25) |
| S01271 | ACTIVE | HAYTER AREA HAYTER FIELD, AB | SL | FH BLUME DAVID | TWP 040 RGE 01 W4M SW 25 (5-25 SURF) |
| S01272 | ACTIVE | HAYTER AREA HAYTER FIELD, AB | SL | FH BLUME DAVID | TWP 040 RGE 01 W4M SW 25 (3-25 SURF) |
| S01273 | ACTIVE | HAYTER AREA HAYTER FIELD, AB | SL | FH BROWN CAROLYN | TWP 040 RGE 01 W4M NW 24 (13-24 SURF) |
| S01274 | ACTIVE | HAYTER AREA HAYTER FIELD, AB | SL | FH PICKARD COLIN | TWP 040 RGE 01 W4M SE 27 (1-27) |
| S01275 | ACTIVE | HAYTER AREA HAYTER FIELD, AB | SL | FH PICKARD COLIN | TWP 040 RGE 01 W4M SE 27 (SURF 1-27) |
| S01280 | ACTIVE | ENCHANT AREA ENCHANT FIELD, AB | SL | FH SMITH, K & T | TWP 13 RGE 20 W4M PTN W 29, NE 30 |
| S01281 | ACTIVE | ENCHANT AREA ENCHANT FIELD, AB | SL | FH SMITH, K & T | TWP 13 RGE 20 W4M NE 30, SW 31 |
| S01282 | ACTIVE | ENCHANT AREA ENCHANT FIELD, AB | SL | FH 771609 ALBERTA | TWP 13 RGE 20 W4M NW 30 |
| S01283 | ACTIVE | ENCHANT AREA ENCHANT FIELD, AB | SL | FH VULCAN COUNTY | TWP 14 RGE 20 W4M NW4 |
| S01284 | ACTIVE | ENCHANT AREA ENCHANT FIELD, AB | SL | FH VULCAN COUNTY | TWP 14 RGE 20 W4M SE 6 |
| S01285 | ACTIVE | ENCHANT AREA ENCHANT FIELD, AB | SL | FH L & J MURRAY RANCHES | TWP 14 RGE 20 W4M W 10 |
| S01286 | ACTIVE | ENCHANT AREA ENCHANT FIELD, AB | SL | FH L & J MURRAY RANCHES | TWP 14 RGE 20 W4M SW 3 |
| S01287 | ACTIVE | ENCHANT AREA ENCHANT FIELD, AB | SL/RUA | FH L & J MURRAY RANCHES | TWP 14 RGE 20 W4M SE 3 |
| S01290 | ACTIVE | ENCHANT AREA ENCHANT FIELD, AB | SL | FH L & J MURRAY RANCH | TWP 14 RGE 20 W4M W 9 |

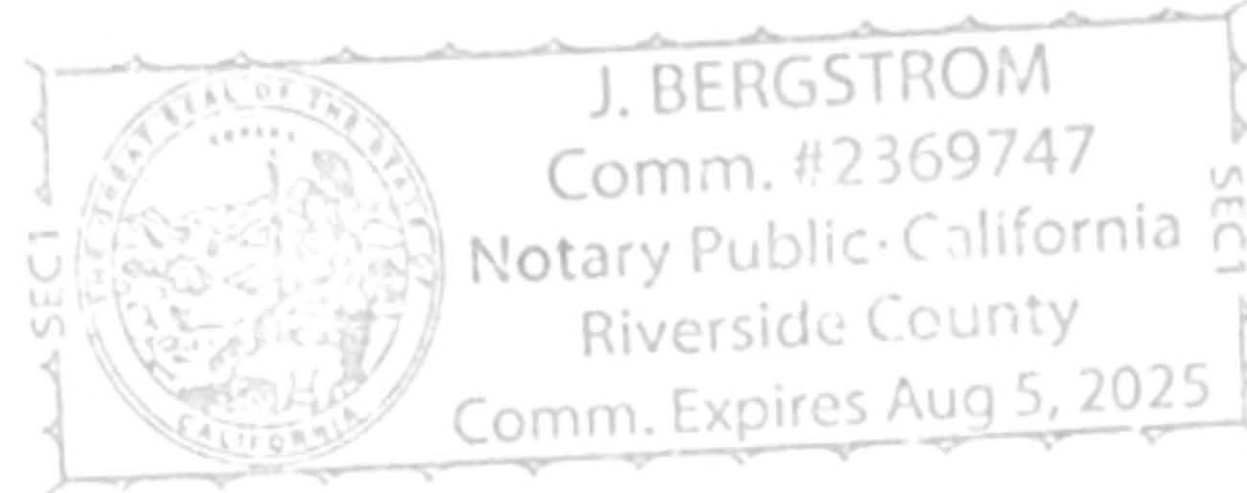
Cleo Energy Corp.
Surface Lease Index - SURFACE FREEHOLD

| File Number | Status | Division Area | Document Type | Lessor Type / Number | Land Description |
|-------------|--------|---|---------------|-----------------------|---|
| S01291 | ACTIVE | ENCHANT AREA ENCHANT FIELD, AB | SL | FH L & J MURRAY RANCH | TWP 14 RGE 20 W4M SW 9 |
| S01292 | ACTIVE | ENCHANT AREA ENCHANT FIELD, AB | SL | FH L & J MURRAY RANCH | TWP 13 RGE 20 W4M NW 33 |
| S01294 | ACTIVE | ATLEE AREA ATLEE FIELD, AB | SL | FH HARGRAVE, F. | TWP 21 RGE 7 W4M NE 35 |
| X74612 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | LPC | FH CLEO ENERGY | TWP 40 RGE 13 W4M E 9 TWP 40 RGE 13 W4M W 10 TWP 40 RGE 13 W4M SW 15 TWP 40 RGE 13 W4M SE 16 |



Exhibit "Y" to the Affidavit of
Chris Lewis
Sworn/Affirmed before me this
23rd day of December, 2024


A Notary Public for the State of California



Cleo Energy Corp.
Surface Lease Index - SURFACE CROWN

| File Number | Status | Division Area | Document Type | Lessor Type / Number | Land Description |
|-------------|--------|---|---------------|------------------------------|--|
| S00205 | ACTIVE | KESSLER AREA KESSLER FIELD, AB | MSL | CR MSL 021171 | TWP 38 RGE 5 W4M SW 16 |
| S00357 | ACTIVE | KESSLER AREA KESSLER FIELD, AB | MSL | CR MSL 991493 | TWP 39 RGE 8 W4M NE 11 |
| S00464 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | LOC | CR LOC160663/CFB WAINWRIGHT | TWP 43 RGE 8 W4M W 16 TWP 43 RGE 8 W4M NE 17 TWP 43 RGE 8 W4M S 20 |
| S00471 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | MSL | CR MSL 881626/CFB WAINWRIGHT | TWP 44 RGE 7 W4M NW 19 |
| S00472 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | MSL | CR MSL 881621/CFB WAINWRIGHT | TWP 44 RGE 7 W4M SW 2 |
| S00473 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | MSL | CR MSL 881622/CFB WAINWRIGHT | TWP 44 RGE 7 W4M SW 30 |
| S00474 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | MSL | CR MSL 881623/CFB WAINWRIGHT | TWP 44 RGE 7 W4M NE 32 |
| S00475 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | MSL | CR MSL 881624/CFB WAINWRIGHT | TWP 44 RGE 8 W4M SE 11 |
| S00476 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | MSL | CR MSL 881625/CFB WAINWRIGHT | TWP 44 RGE 8 W4M S 13 |
| S00478 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | LOC | CR LOC 881087/CFB WAINWRIGHT | TWP 44 RGE 7 W4M NE 17 TWP 44 RGE 7 W4M S 20 |
| S00479 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | LOC | CR LOC 881088/CFB WAINWRIGHT | TWP 44 RGE 7 W4M SW 30 |
| S00481 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | LOC | CR LOC 881092 | TWP 44 RGE 7 W4M NW 19, SW 30 |
| S00482 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | LOC | CR LOC 881091/CFB WAINWRIGHT | TWP 44 RGE 8 W4M S 13 |
| S00483 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | LOC | CR LOC 881090/CFB WAINWRIGHT | TWP 44 RGE 8 W4M SE 11 |
| S00484 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | LOC | CR LOC 881089/CFB WAINWRIGHT | TWP 44 RGE 7 W4M NE 32 |
| S00485 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | MSL | CR MSL 882053/CFB WAINWRIGHT | TWP 44 RGE 7 W4M SW 9 |

Cleo Energy Corp.
Surface Lease Index - SURFACE CROWN

| File Number | Status | Division Area | Document Type | Lessor Type / Number | Land Description |
|-------------|--------|---|---------------|------------------------------|--------------------------------|
| S00486 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | LOC | CR LOC 881359/CFB WAINWRIGHT | TWP 44 RGE 7 W4M SW 9 (6-9 AR) |
| S00487 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | MSL | CR MSL 882052/CFB WAINWRIGHT | TWP 44 RGE 7 W4M SW 29 |
| S00488 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | LOC | CR LOC 881358/CFB WAINWRIGHT | TWP 44 RGE 7 W4M SW 29, E 30 |
| S00489 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | PIL | CR PIL 890023/CFB WAINWRIGHT | TWP 44 RGE 7 W4M NW 29 |
| S00490 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | PIL | CR PIL 890028/CFB WAINWRIGHT | TWP 044 RGE 07 W4M NW32 |
| S00491 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | PIL | CR PIL 890069/CFB WAINWRIGHT | TWP 44 RGE 7 W4M NE 32 |
| S00492 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | MSL | CR MSL 891013/CFB WAINWRIGHT | TWP 44 RGE 8 W4M NW 23 |
| S00493 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | MSL | CR MSL 891014 | TWP 44 RGE 7 W4M NE 29 |
| S00494 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | LOC | CR LOC 890813/CFB WAINWRIGHT | TWP 44 RGE 8 W4M NW 23 |
| S00495 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | LOC | CR LOC 890814 | TWP 44 RGE 7 W4M NE 29 |
| S00496 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | MSL | CR MSL 930703/CFB WAINWRIGHT | TWP 44 RGE 7 W4M SE 33 |
| S00497 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | MSL | CR MSL 930702/CFB WAINWRIGHT | TWP 44 RGE 7 W4M NW 22 |
| S00498 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | MSL | CR MSL 930701/CFB WAINWRIGHT | TWP 44 RGE 7 W4M NW 21 |
| S00499 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | LOC | CR LOC 930455/CFB WAINWRIGHT | TWP 44 RGE 7 W4M NW 21, SW 28 |
| S00500 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | MSL | CR MSL 930700/CFB WAINWRIGHT | TWP 44 RGE 8 W4M SE 24 |
| S00501 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | MSL | CR MSL 930699/CFB WAINWRIGHT | TWP 44 RGE 8 W4M NW 14 |
| S00502 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | MSL | CR MSL 930698/CFB WAINWRIGHT | TWP 44 RGE 8 W4M SW26 |

Cleo Energy Corp.
Surface Lease Index - SURFACE CROWN

| File Number | Status | Division Area | Document Type | Lessor Type / Number | Land Description |
|-------------|--------|---|---------------|------------------------------|-------------------------------|
| S00503 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | MSL | CR MSL 930697/CFB WAINWRIGHT | TWP 44 RGE 8 W4M SW 25 |
| S00504 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | MSL | CR MSL 890922 | TWP 44 RGE 8 W4M N 5 (14-5) |
| S00505 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | MSL | CR MSL 881600/CBF WAINWRIGHT | TWP 43 RGE 8 W4M N 33 |
| S00506 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | MSL | CR MSL 890921/CBF WAINWRIGHT | TWP 43 RGE 8 W4M SE 32 |
| S00507 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | MSL | CR MSL 881599/CBF WAINWRIGHT | TWP 43 RGE 8 W4M S 29 |
| S00508 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | MSL | CR MSL 881598/CFB WAINWRIGHT | TWP 43 RGE 8 W4M S 28 |
| S00509 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | MSL | CR MSL 890920 | TWP 43 RGE 8 W4M NW 27 |
| S00510 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | MSL | CR MSL 890919 | TWP 43 RGE 8 W4M SW 16 (5-16) |
| S00511 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | MSL | CR MSL 881910/CFB WAINWRIGHT | TWP 43 RGE 8 W4M SW 20 |
| S00512 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | MSL | CR MSL 931708/CFB WAINWRIGHT | TWP 44 RGE 7 W4M NW 34 |
| S00513 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | MSL | CR MSL 931709/CFB WAINWRIGHT | TWP 44 RGE 7 W4M SE 34 |
| S00514 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | LOC | CR LOC 931098/CFB WAINWRIGHT | TWP 44 RGE 7 W4M E 34 |
| S00515 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | MSL | CR MSL 931860/CBF WAINWRIGHT | TWP 44 RGE 7 W4M SW 33 |
| S00516 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | LOC | CR LOC 931203/CBF WAINWRIGHT | TWP 44 RGE 7 W4M SW 33 |
| S00517 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | MSL | CR MSL 931861/CFB WAINWRIGHT | TWP 44 RGE 7 W4M NW 28 |
| S00518 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | LOC | CR LOC 931204/CFB WAINWRIGHT | TWP 44 RGE 7 W4M NW 28 |
| S00519 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | MSL | CR MSL 931887/CFB WAINWRIGHT | TWP 42 RGE 7 W4M SW 30 |

Cleo Energy Corp.
Surface Lease Index - SURFACE CROWN

| File Number | Status | Division Area | Document Type | Lessor Type / Number | Land Description |
|-------------|--------|---|---------------|--|------------------------|
| S00520 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | LOC | CR LOC 931227/CFB WAINWRIGHT TWP 42 RGE 7 W4M SW 29, NE & S 30, S 31 | |
| S00521 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | MSL | CR MSL 931900/CFB WAINWRIGHT TWP 43 RGE 8 W4M NW 2 | |
| S00522 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | LOC | CR LOC 931239/CFB WAINWRIGHT TWP 43 RGE 8 W4M N 2 | |
| S00523 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | MSL | CR MSL 932037/CFB WAINWRIGHT TWP 44 RGE 7 W4M NW 15 | |
| S00524 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | MSL | CR MSL 932038/CFB WAINWRIGHT TWP 44 RGE 7 W4M SE 17 | |
| S00525 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | MSL | CR MSL 932040/CFB WAINWRIGHT TWP 44 RGE 7 W4M NW 18 | |
| S00526 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | LOC | CR LOC 931337/CFB WAINWRIGHT TWP 44 RGE 7 W4M W 18 TWP 44 RGE 8 W4M SE 13 | |
| S00527 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | MSL | CR MSL 932279/CFB WAINWRIGHT TWP 42 RGE 7 W4M SW 29 (6-29) | |
| S00528 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | LOC | CR LOC 931528/CFB WAINWRIGHT TWP 42 RGE 7 W4M SW 29, E 30 | |
| S00529 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | MSL | CR MSL 932280/CFB WAINWRIGHT TWP 42 RGE 7 W4M SW 22 | |
| S00532 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | MSL | CR MSL 932635/CFB WAINWRIGHT TWP 043 RGE 08 W4M S11 | |
| S00533 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | MSL | CR MSL 881833 | TWP 44 RGE 8 W4M NE 27 |
| S00534 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | LOC | CR LOC 881202 | TWP 44 RGE 8 W4M E 27 |
| S00535 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | MSL | CR MSL 881832/CFB WAINWRIGHT TWP 44 RGE 8 W4M NE 21 | |
| S00536 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | MSL | CR MSL 881831/CFB WAINWRIGHT TWP 44 RGE 8 W4M SE 20 | |
| S00537 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | LOC | CR LOC 900413/CFB WAINWRIGHT TWP 44 RGE 8 W4M SE 20 | |
| S00538 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | MSL | CR MSL 881829 | TWP 44 RGE 8 W4M SE 4 |

Cleo Energy Corp.
Surface Lease Index - SURFACE CROWN

| File Number | Status | Division Area | Document Type | Lessor Type / Number | | Land Description |
|-------------|--------|---|---------------|----------------------|---------------------------|-------------------------------|
| S00539 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | LOC | CR | LOC 881200 | TWP 44 RGE 8 W4M SE 4 |
| S00540 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | MSL | CR | MSL 942262 | TWP 043 RGE 08 W4M S1 |
| S00541 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | LOC | CR | LOC 941551 | TWP 043 RGE 08 W4M W1 |
| S00542 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | MSL | CR | MSL 942343 | TWP 044 RGE 07 W4M S23 |
| S00543 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | MSL | CR | MSL 942537/CFB WAINWRIGHT | TWP 044 RGE 08 W4M SE22 |
| S00544 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | LOC | CR | LOC 941769/CFB WAINWRIGHT | TWP 044 RGE 08 W4M SE22, SW23 |
| S00545 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | MSL | CR | MSL 942657/CFB WAINWRIGHT | TWP 044 RGE 07 W4M S23 |
| S00587 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | MSL | CR | MSL 840156 | TWP 43 RGE 9 W4M SW 1 |
| S00604 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | MSL | CR | MSL 911216 | TWP 41 RGE 8 W4M SW 11 |
| S00605 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | MSL | CR | MSL 810230 | TWP 42 RGE 8 W4M NW 16 |
| S00607 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | MSL | CR | MSL 802635 | TWP 42 RGE 8 W4M NE 18 |
| S00612 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | MSL | CR | MSL 962441/CFB WAINWRIGHT | TWP 044 RGE 07 W4M SE33 |
| S00613 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | MSL | CR | MSL 962443/CFB WAINWRIGHT | TWP 044 RGE 07 W4M NE33 |
| S00625 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | MSL | CR | MSL 8909 | TWP 45 RGE 8 W4M NE 11 |
| S00653 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | MSL | CR | MSL 981582/CFB WAINWRIGHT | TWP 43 RGE 8 W4M NW 15 |
| S00654 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | MSL | CR | MSL 981575/CFB WAINWRIGHT | TWP 44 RGE 8 W4M SE 10 |
| S00655 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | MSL | CR | MSL 981578/CFB WAINWRIGHT | TWP 44 RGE 8 W4M NE 15 |

Cleo Energy Corp.
Surface Lease Index - SURFACE CROWN

| File Number | Status | Division Area | Document Type | Lessor Type / Number | Land Description |
|-------------|--------|---|---------------|----------------------|--|
| S00656 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | LOC | CR | LOC 981184/CFB WAINWRIGHT TWP 44 RGE 8 W4M NW 13, N 14, NE 15 |
| S00657 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | MSL | CR | MSL 981579/CFB WAINWRIGHT TWP 44 RGE 8 W4M S 26 |
| S00658 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | MSL | CR | MSL 981683/CFB WAINWRIGHT TWP 44 RGE 8 W4M SE 29 |
| S00659 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | MSL | CR | MSL 981669/CFB WAINWRIGHT TWP 44 RGE 8 W4M SE 34 |
| S00660 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | MSL | CR | MSL 981691/CFB WAINWRIGHT TWP 44 RGE 7 W4M NE 15 |
| S00661 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | MSL | CR | MSL 981668/CFB WAINWRIGHT TWP 44 RGE 7 W4M SW 21 |
| S00662 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | LOC | CR | LOC 981248/CFB WAINWRIGHT TWP 44 RGE 7 W4M NE 20 TWP 44 RGE 7 W4M W 21 TWP 44 RGE 7 W4M W 28 TWP 44 RGE 7 W4M SE 29 |
| S00663 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | MSL | CR | MSL 981635/CFB WAINWRIGHT TWP 44 RGE 7 W4M NW 20 |
| S00664 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | LOC | CR | LOC 981228/CFB WAINWRIGHT TWP 44 RGE 7 W4M NW 20 TWP 44 RGE 7 W4M SW 29 |
| S00665 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | MSL | CR | MSL 981581/CFB WAINWRIGHT TWP 43 RGE 8 W4M NW 20 |
| S00666 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | LOC | CR | LOC 981249/CFB WAINWRIGHT TWP 43 RGE 8 W4M NW 20 TWP 43 RGE 8 W4M SW 29 |
| S00667 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | MSL | CR | MSL 981600/CFB WAINWRIGHT TWP 44 RGE 7 W4M NE 30 |
| S00668 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | LOC | CR | LOC 981199/CFB WAINWRIGHT TWP 44 RGE 7 W4M N 30 |
| S00669 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | MSL | CR | MSL 981619/CFB WAINWRIGHT TWP 43 RGE 8 W4M NE 34 |
| S00670 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | MSL | CR | MSL 981580/CFB WAINWRIGHT TWP 43 RGE 8 W4M NW 22 |
| S00671 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | LOC | CR | LOC 981185/CFB WAINWRIGHT TWP 43 RGE 8 W4M N 22 |

Cleo Energy Corp.
Surface Lease Index - SURFACE CROWN

| File Number | Status | Division Area | Document Type | Lessor Type / Number | Land Description |
|-------------|--------|---|---------------|----------------------|---|
| S00672 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | MSL | CR | MSL 981638/CFB WAINWRIGHT TWP 43 RGE 8 W4M SE 33 |
| S00673 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | LOC | CR | LOC 981230/CFB WAINWRIGHT TWP 43 RGE 8 W4M SE 33, SW 34, N 27 |
| S00674 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | MSL | CR | MSL 981599/CFB WAINWRIGHT TWP 43 RGE 8 W4M S 21 |
| S00675 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | LOC | CR | LOC 981198/CFB WAINWRIGHT TWP 43 RGE 8 W4M SW 21 |
| S00676 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | MSL | CR | MSL 981622/CFB WAINWRIGHT TWP 44 RGE 8 W4M SE 24 |
| S00677 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | MSL | CR | MSL 981623/CFB WAINWRIGHT TWP 44 RGE 8 W4M SW 16 |
| S00678 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | MSL | CR | MSL 981712/CFB WAINWRIGHT TWP 44 RGE 7 W4M NE 34, NW 35 |
| S00679 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | LOC | CR | LOC 981275/CFB WAINWRIGHT TWP 44 RGE 7 W4M NE 34, NW 35 |
| S00680 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | MSL | CR | MSL 981708/CFB WAINWRIGHT TWP 44 RGE 7 W4M SE 27 |
| S00681 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | LOC | CR | LOC 981271/CFB WAINWRIGHT TWP 44 RGE 7 W4M NE 22, SE 27 |
| S00682 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | MSL | CR | MSL 981690/CFB WAINWRIGHT TWP 44 RGE 7 W4M SE 26 |
| S00683 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | LOC | CR | LOC 981260/CFB WAINWRIGHT TWP 44 RGE 7 W4M E 26 |
| S00684 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | MSL | CR | MSL 981709/CFB WAINWRIGHT TWP 44 RGE 7 W4M SW 26 |
| S00685 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | LOC | CR | LOC 981272/CFB WAINWRIGHT TWP 44 RGE 7 W4M SW 26, SE 27 |
| S00686 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | MSL | CR | MSL 981710/CFB WAINWRIGHT TWP 44 RGE 7 W4M SE 23 |
| S00687 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | LOC | CR | LOC 981273/CFB WAINWRIGHT TWP 44 RGE 7 W4M S 23 |
| S00688 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | MSL | CR | MSL 981711/CFB WAINWRIGHT TWP 44 RGE 7 W4M SE 19 |

Cleo Energy Corp.
Surface Lease Index - SURFACE CROWN

| File Number | Status | Division Area | Document Type | Lessor Type / Number | Land Description |
|-------------|--------|---|---------------|----------------------|---|
| S00689 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | LOC | CR | LOC 981274/CFB WAINWRIGHT TWP 44 RGE 7 W4M N 18, SE 19 |
| S00690 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | MSL | CR | MSL 981658/CFB WAINWRIGHT TWP 44 RGE 7 W4M SE 18 |
| S00691 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | MSL | CR | MSL 981574/CFB WAINWRIGHT TWP 44 RGE 7 W4M NW 16 |
| S00692 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | LOC | CR | LOC 981181/CFB WAINWRIGHT TWP 44 RGE 7 W4M NW 16, E 17 |
| S00693 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | MSL | CR | MSL 942505/CFB WAINWRIGHT TWP 044 RGE 08 W4M SW12 |
| S00694 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | MSL | CR | MSL 981713/CFB WAINWRIGHT TWP 44 RGE 7 W4M SE 31 |
| S00695 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | LOC | CR | LOC 981276/CFB WAINWRIGHT TWP 44 RGE 7 W4M SE 31 TWP 44 RGE 7 W4M W 32 |
| S00699 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | MSL | CR | MSL 981725/CFB WAINWRIGHT TWP 44 RGE 7 W4M SW 33 |
| S00703 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | MSL | CR | MSL 982070/CFB WAINWRIGHT TWP 44 RGE 7 W4M N 5 TWP 44 RGE 7 W4M S 8 |
| S00704 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | MSL | CR | MSL 982068/CFB WAINWRIGHT TWP 44 RGE 7 W4M W 4 |
| S00705 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | MSL | CR | MSL 982067/CFB WAINWRIGHT TWP 44 RGE 7 W4M NW 9 |
| S00706 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | MSL | CR | MSL 982071/CFB WAINWRIGHT TWP 44 RGE 7 W4M SW 8 |
| S00707 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | LOC | CR | LOC 981544/CFB WAINWRIGHT TWP 44 RGE 7 W4M NW 5, SW 8 |
| S00708 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | MSL | CR | MSL 982207/CFB WAINWRIGHT TWP 43 RGE 8 W4M NW 28 |
| S00709 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | MSL | CR | MSL 982206/CFB WAINWRIGHT TWP 44 RGE 8 W4M SW 9 |
| S00716 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | LOC | CR | LOC 981660/CFB WAINWRIGHT TWP 43 RGE 8 W4M NW 17 TWP 43 RGE 8 W4M W 20 |
| S00720 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | MSL | CR | MSL 982444 TWP 44 RGE 8 W4M SE 36 |

Cleo Energy Corp.
Surface Lease Index - SURFACE CROWN

| File Number | Status | Division Area | Document Type | Lessor Type / Number | Land Description |
|-------------|--------|---|---------------|------------------------------|--|
| S00721 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | LOC | CR LOC 981846 | TWP 44 RGE 8 W4M SE 36 TWP 44 RGE 7 W4M SW 31 |
| S00722 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | MSL | CR MSL 982445 | TWP 44 RGE 8 W4M NW 25 |
| S00751 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | LOC | CR LOC 990579/CFB WAINWRIGHT | TWP 44 RGE 7 W4M E 23 |
| S00752 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | LOC | CR LOC 990578/CFB WAINWRIGHT | TWP 44 RGE 7 W4M NE 26 TWP 44 RGE 7 W4M SE 35 |
| S00754 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | MSL | CR MSL 990778/CFB WAINWRIGHT | TWP 44 RGE 8 W4M NE 23 |
| S00755 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | LOC | CR LOC 990589/CFB WAINWRIGHT | TWP 44 RGE 8 W4M NE 23, SE 26, SW 25 |
| S00756 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | MSL | CR MSL 990789/CFB WAINWRIGHT | TWP 44 RGE 7 W4M NW 17 |
| S00757 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | LOC | CR LOC 990595/CFB WAINWRIGHT | TWP 44 RGE 7 W4M W 17, E 18 |
| S00758 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | MSL | CR MSL 990767/CFB WAINWRIGHT | TWP 44 RGE 8 W4M SE 35 TWP 44 RGE 8 W4M SW 36 |
| S00759 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | MSL | CR MSL 990754/CFB WAINWRIGHT | TWP 44 RGE 7 W4M SE 11 |
| S00760 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | MSL | CR MSL 990790/CFB WAINWRIGHT | TWP 43 RGE 7 W4M NE 23, NW 24 |
| S00761 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | LOC | CR LOC 990596/CFB WAINWRIGHT | TWP 43 RGE 7 W4M N 23 |
| S00766 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | MSL | CR MSL 990788/CFB WAINWRIGHT | TWP 44 RGE 7 W4M W 34 |
| S00767 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | LOC | CR LOC 990594/CFB WAINWRIGHT | TWP 44 RGE 7 W4M W 34 |
| S00768 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | MSL | CR MSL 990823/CFB WAINWRIGHT | TWP 43 RGE 7 W4M W 24 |
| S00769 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | LOC | CR LOC 990626/CFB WAINWRIGHT | TWP 43 RGE 7 W4M NW 24 |
| S00801 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | MSL | CR MSL 001468/CFB WAINWRIGHT | TWP 43 RGE 6 W4M NW 5 |

Cleo Energy Corp.
Surface Lease Index - SURFACE CROWN

| File Number | Status | Division Area | Document Type | Lessor Type / Number | Land Description |
|-------------|--------|---|---------------|----------------------|--|
| S00802 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | LOC | CR | LOC 001083/CFB WAINWRIGHT TWP 43 RGE 6 W4M SEC 5 |
| S00806 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | MSL | CR | MSL 001496/CFB WAINWRIGHT TWP 44 RGE 7 W4M S 28 |
| S00807 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | MSL | CR | MSL 001498/CFB WAINWRIGHT TWP 44 RGE 7 W4M SE 22 |
| S00808 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | LOC | CR | LOC 001101/CFB WAINWRIGHT TWP 44 RGE 7 W4M E 22 |
| S00809 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | MSL | CR | MSL 001422/CFB WAINWRIGHT TWP 44 RGE 8 W4M SW 35, NW 26 |
| S00810 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | MSL | CR | MSL 001457/CFB WAINWRIGHT TWP 44 RGE 7 W4M NE 8 |
| S00811 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | LOC | CR | LOC 001074/CFB WAINWRIGHT TWP 44 RGE 7 W4M NE 8 TWP 44 RGE 7 W4M NW 9 |
| S00812 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | MSL | CR | MSL 001501/CFB WAINWRIGHT TWP 44 RGE 7 W4M SW 32 |
| S00813 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | LOC | CR | LOC 001105/CFB WAINWRIGHT TWP 44 RGE 7 W4M NW 29 TWP 44 RGE 7 W4M SW 32 |
| S00814 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | MSL | CR | MSL 001460/CFB WAINWRIGHT TWP 44 RGE 8 W4M SW 23, N 23 |
| S00815 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | MSL | CR | MSL 001423/CFB WAINWRIGHT TWP 44 RGE 8 W4M SW 36, NW 25 |
| S00818 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | MSL | CR | MSL 001521/CFB WAINWRIGHT TWP 44 RGE 7 W4M NE 31 |
| S00819 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | LOC | CR | LOC 001118/CFB WAINWRIGHT TWP 44 RGE 7 W4M NE 31 TWP 44 RGE 7 W4M NW 32 |
| S00820 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | MSL | CR | MSL 001514/CFB WAINWRIGHT TWP 44 RGE 7 W4M NW 23 |
| S00821 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | LOC | CR | LOC 001113/CFB WAINWRIGHT TWP 44 RGE 7 W4M NE 22 TWP 44 RGE 7 W4M NW 23 |
| S00822 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | MSL | CR | MSL 001493/CFB WAINWRIGHT TWP 44 RGE 7 W4M SW 27 |

Cleo Energy Corp.
Surface Lease Index - SURFACE CROWN

| File Number | Status | Division Area | Document Type | Lessor Type / Number | Land Description |
|-------------|--------|---|---------------|------------------------------|--|
| S00823 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | MSL | CR MSL 001522/CFB WAINWRIGHT | TWP 44 RGE 8 W4M NW 4 |
| S00824 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | MSL | CR MSL 001524/CFB WAINWRIGHT | TWP 44 RGE 7 W4M SW 16 |
| S00826 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | MSL | CR MSL 001499/CFB WAINWRIGHT | TWP 44 RGE 7 W4M SW 22 |
| S00827 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | LOC | CR LOC 001102 | TWP 44 RGE 7 W4M NW 15 TWP 44 RGE 7 W4M SW 22 |
| S00830 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | LOC | CR LOC 001077/CFB WAINWRIGHT | TWP 44 RGE 8 W4M W 23 TWP 44 RGE 8 W4M NE 23 |
| S00885 | ACTIVE | NEUTRAL HILLS AREA NEUTRAL HILLS FIELD, AB | JOINT-LET | CR JOINT USE AGREEMENT | TWP 37 RGE 7 W4M NE 2 |
| S00929 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | MSL | CR MSL 012283/CFB WAINWRIGHT | TWP 44 RGE 8 W4M NE 16 |
| S00930 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | LOC | CR LOC 011580/CFB WAINWRIGHT | TWP 44 RGE 8 W4M NE 16, SE 21 |
| S00931 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | MSL | CR MSL 012257/CFB WAINWRIGHT | TWP 44 RGE 7 W4M E 21 |
| S00932 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | LOC | CR LOC 011559/CFB WAINWRIGHT | TWP 44 RGE 7 W4M SW 22, SE 21 |
| S00933 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | MSL | CR MSL 012284/CFB WAINWRIGHT | TWP 44 RGE 8 W4M NE 9 |
| S00934 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | MSL | CR MSL 012197/CFB WAINWRIGHT | TWP 44 RGE 7 W4M SE 29 |
| S00935 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | LOC | CR LOC 011527/CFB WAINWRIGHT | TWP 44 RGE 7 W4M W 28 TWP 44 RGE 7 W4M SE 29 |
| S00936 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | MSL | CR MSL 012198/CFB WAINWRIGHT | TWP 44 RGE 7 W4M NE 18 |
| S00937 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | MSL | CR MSL 012256/CFB WAINWRIGHT | TWP 44 RGE 7 W4M SE 30 |
| S00938 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | LOC | CR LOC 011558/CFB WAINWRIGHT | TWP 44 RGE 7 W4M S 30 |
| S00939 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | MSL | CR MSL 012185/CFB WAINWRIGHT | TWP 44 RGE 8 W4M NW 29 |

Cleo Energy Corp.
Surface Lease Index - SURFACE CROWN

| File Number | Status | Division Area | Document Type | Lessor Type / Number | Land Description |
|-------------|--------|---|---------------|----------------------|---|
| S00940 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | LOC | CR | LOC 011518/CFB WAINWRIGHT TWP 44 RGE 8 W4M W 29 |
| S00941 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | MSL | CR | MSL 012215/CFB WAINWRIGHT TWP 44 RGE 7 W4M NW 8 |
| S00942 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | LOC | CR | LOC 011535/CFB WAINWRIGHT TWP 44 RGE 7 W4M NW 8, NE 7, SE 18 |
| S00943 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | MSL | CR | MSL 012195/CFB WAINWRIGHT TWP 44 RGE 7 W4M NW 32 |
| S00946 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | MSL | CR | MSL 012285/CFB WAINWRIGHT TWP 44 RGE 8 W4M NW 24 |
| S00947 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | MSL | CR | MSL 012196/CFB WAINWRIGHT TWP 44 RGE 7 W4M SW 31 |
| S00948 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | LOC | CR | LOC 011526/CFB WAINWRIGHT TWP 44 RGE 7 W4M SW 31 |
| S00949 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | MSL | CR | MSL 012226/CFB WAINWRIGHT TWP 44 RGE 7 W4M SE 16 |
| S00950 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | LOC | CR | LOC 011725/CFB WAINWRIGHT TWP 44 RGE 7 W4M S 16 |
| S00954 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | MSL | CR | MSL 012302/CFB WAINWRIGHT TWP 44 RGE 8 W4M NW 26 |
| S00955 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | LOC | CR | LOC 011595/CFB WAINWRIGHT TWP 44 RGE 8 W4M W 26 |
| S00956 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | MSL | CR | MSL 012301/CFB WAINWRIGHT TWP 44 RGE 8 W4M NE 25 |
| S00957 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | LOC | CR | LOC 011594/CFB WAINWRIGHT TWP 44 RGE 8 W4M NE 25 TWP 44 RGE 7 W4M W 30 |
| S00958 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | MSL | CR | MSL 012275/CFB WAINWRIGHT TWP 44 RGE 8 W4M SW 4 |
| S00959 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | MSL | CR | MSL 012300/CFB WAINWRIGHT TWP 44 RGE 8 W4M SE 9 |
| S00960 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | LOC | CR | LOC 011593/CFB WAINWRIGHT TWP 44 RGE 8 W4M E 9 |

Cleo Energy Corp.
Surface Lease Index - SURFACE CROWN

| File Number | Status | Division Area | Document Type | Lessor Type / Number | Land Description |
|-------------|--------|---|---------------|---|------------------------|
| S00961 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | MSL | CR MSL 012280/CFB WAINWRIGHT TWP 44 RGE 8 W4M SE 23 | |
| S00962 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | LOC | CR LOC 011579/CFB WAINWRIGHT TWP 44 RGE 8 W4M SE 23 | |
| S00963 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | MSL | CR MSL 012266/CFB WAINWRIGHT TWP 44 RGE 8 W4M SW 3 | |
| S00964 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | LOC | CR LOC 011567/CFB WAINWRIGHT TWP 44 RGE 8 W4M W & NE 3 | |
| S00967 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | MSL | CR MSL 012286/CFB WAINWRIGHT TWP 44 RGE 8 W4M NW 16 | |
| S00971 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | MSL | CR MSL 012214/CFB WAINWRIGHT TWP 44 RGE 7 W4M NE 11 TWP 44 RGE 7 W4M NW 12 | |
| S00973 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | MSL | CR MSL 012592/CFB WAINWRIGHT TWP 44 RGE 7 W4M SE 20 | |
| S00974 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | LOC | CR LOC 011804/CFB WAINWRIGHT TWP 44 RGE 7 W4M SE 20, SW 21 | |
| S00975 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | MSL | CR MSL 012199/CFB WAINWRIGHT TWP 44 RGE 7 W4M NE 17 | |
| S00976 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | MSL | CR MSL 012591/CFB WAINWRIGHT TWP 44 RGE 7 W4M NE 23 | |
| S00977 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | LOC | CR LOC 011803/CFB WAINWRIGHT TWP 44 RGE 7 W4M E 23 | |
| S00978 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | MSL | CR MSL 012271/CFB WAINWRIGHT TWP 44 RGE 7 W4M SW 19 | |
| S00979 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | LOC | CR LOC 011571/CFB WAINWRIGHT TWP 44 RGE 7 W4M W 19 | |
| S01007 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | MSL | CR MSL 012213/CFB WAINWRIGHT TWP 44 RGE 8 W4M W 26, E 27 | |
| S01008 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | LOC | CR LOC 012076 | TWP 42 RGE 8 W4M SW 11 |
| S01012 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | LOC | CR LOC 022068/CFB WAINWRIGHT TWP 43 RGE 8 W4M SW 1 TWP 43 RGE 8 W4M SEC 2 | |
| S01016 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | LOC | CR LOC 022193/CFB WAINWRIGHT TWP 42 RGE 7 W4M SW 29 | |

Cleo Energy Corp.
Surface Lease Index - SURFACE CROWN

| File Number | Status | Division Area | Document Type | Lessor Type / Number | Land Description |
|-------------|--------|---|---------------|------------------------------|--|
| S01017 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | LOC | CR LOC 022195/CFB WAINWRIGHT | TWP 42 RGE 7 W4M SW 30 |
| S01053 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | MSL | CR MSL 021371 | TWP 42 RGE 8 W4M NE 19 |
| S01054 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | LOC | CR LOC 021087 | TWP 42 RGE 8 W4M NE 19 |
| S01059 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | MSL | CR MSL 021365 | TWP 42 RGE 9 W4M NW 11 |
| S01060 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | LOC | CR LOC 021083 | TWP 42 RGE 9 W4M NW 11 |
| S01063 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | MSL | CR MSL 021232 | TWP 44 RGE 8 W4M NW 13 |
| S01064 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | MSL | CR MSL 021235/CFB WAINWRIGHT | TWP 44 RGE 8 W4M SE 13 |
| S01065 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | LOC | CR LOC 020889/CFB WAINWRIGHT | TWP 44 RGE 8 W4M E 13 |
| S01066 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | MSL | CR MSL 021231/CFB WAINWRIGHT | TWP 44 RGE 8 W4M NE 13 |
| S01067 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | LOC | CR LOC 020886/CFB WAINWRIGHT | TWP 44 RGE 8 W4M E 13 |
| S01068 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | MSL | CR MSL 021373 | TWP 42 RGE 8 W4M SW 18 |
| S01069 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | LOC | CR LOC 021089 | TWP 42 RGE 8 W4M SW 18 |
| S01071 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | MSL | CR MSL 021234/CFB WAINWRIGHT | TWP 44 RGE 8 W4M NE 12 |
| S01072 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | MSL | CR MSL 021236/CFB WAINWRIGHT | TWP 44 RGE 7 W4M NE 7 |
| S01073 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | LOC | CR LOC 020888/CFB WAINWRIGHT | TWP 44 RGE 7 W4M N 7, SW 18 |
| S01074 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | MSL | CR MSL 021233/CFB WAINWRIGHT | TWP 44 RGE 7 W4M NE 16 |
| S01075 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | LOC | CR LOC 020887/CFB WAINWRIGHT | TWP 44 RGE 7 W4M NW 15 TWP 44 RGE 7 W4M NE 16 |

Cleo Energy Corp.
Surface Lease Index - SURFACE CROWN

| File Number | Status | Division Area | Document Type | Lessor Type / Number | Land Description |
|-------------|--------|---|---------------|---|------------------------------------|
| S01076 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | MSL | CR MSL 021287/CFB WAINWRIGHT TWP 44 RGE 7 W4M SW 7 | |
| S01077 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | LOC | CR LOC 021019/CFB WAINWRIGHT TWP 44 RGE 7 W4M SW 7 | |
| S01078 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | MSL | CR MSL 021289/CFB WAINWRIGHT TWP 44 RGE 7 W4M SW 18 | |
| S01079 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | LOC | CR LOC 021021/CFB WAINWRIGHT TWP 44 RGE 7 W4M S 18 | |
| S01081 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | MSL | CR MSL 021238/CFB WAINWRIGHT TWP 44 RGE 8 W4M SW 10 | |
| S01082 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | LOC | CR LOC 020891/CFB WAINWRIGHT TWP 44 RGE 8 W4M W 10 | |
| S01083 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | MSL | CR MSL 021237/CFB WAINWRIGHT TWP 44 RGE 7 W4M NW 7 | |
| S01084 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | LOC | CR LOC 020890/CFB WAINWRIGHT TWP 44 RGE 7 W4M NW 7, SW 18 | |
| S01086 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | LOC | CR LOC 020884 | TWP 44 RGE 7 W4M NE 2, NW 1 (14-1) |
| S01087 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | MSL | CR MSL 021366 | TWP 42 RGE 9 W4M NE 11 |
| S01088 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | LOC | CR LOC 021084 | TWP 42 RGE 9 W4M NE 11 |
| S01105 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | MSL | CR MSL 021370 | TWP 42 RGE 8 W4M SE 30 |
| S01106 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | LOC | CR LOC 021085 | TWP 42 RGE 8 W4M SE 30 |
| S01110 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | MSL | CR MSL 021364 | TWP 42 RGE 8 W4M NW 18 |
| S01111 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | LOC | CR LOC 021082 | TWP 42 RGE 8 W4M NE 18 |
| S01114 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | MSL | CR MSL 021372 | TWP 42 RGE 8 W4M SE 18 |
| S01115 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | LOC | CR LOC 021088 | TWP 42 RGE 8 W4M S 18 |

Cleo Energy Corp.
Surface Lease Index - SURFACE CROWN

Report ID: RP-0017

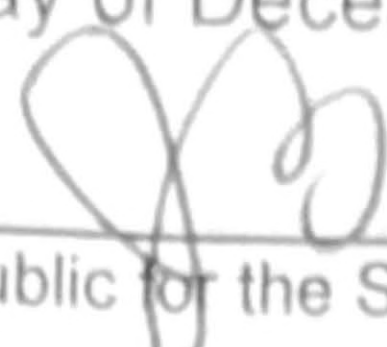
| File Number | Status | Division Area | Document Type | Lessor Type / Number | | Land Description |
|-------------|--------|---|---------------|----------------------|------------|-------------------------|
| S01123 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | LOC | CR | LOC 021086 | TWP 42 RGE 8 W4M SE 30 |
| S01126 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | MSL | CR | MSL 012968 | TWP 42 RGE 8 W4M NE 16 |
| S01133 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | MSL | CR | MSL 022060 | TWP 42 RGE 12 W4M NW 11 |
| S01134 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | LOC | CR | LOC 021579 | TWP 42 RGE 12 W4M NW 11 |
| S01187 | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | MSL | CR | MSL 073337 | TWP 41 RGE 10 W4M NW 11 |
| S01222 | ACTIVE | ENCHANT AREA ENCHANT FIELD, AB | MSL | CR | MSL 982238 | TWP 14 RGE 20 W4M NW 15 |
| S01223 | ACTIVE | ENCHANT AREA ENCHANT FIELD, AB | LOC | CR | LOC 981678 | TWP 14 RGE 20 W4M W 15 |
| S01225 | ACTIVE | ENCHANT AREA ENCHANT FIELD, AB | MSL | CR | MSL 900511 | TWP 14 RGE 20 W4M SW 16 |
| S01227 | ACTIVE | ENCHANT AREA ENCHANT FIELD, AB | MSL | CR | MSL 991468 | TWP 14 RGE 20 W4M SW 26 |
| S01229 | ACTIVE | ENCHANT AREA ENCHANT FIELD, AB | LOC | CR | LOC 900901 | TWP 14 RGE 20 W4M SW16 |
| S01231 | ACTIVE | ENCHANT AREA ENCHANT FIELD, AB | MSL | CR | MSL 012891 | TWP 14 RGE 20 W4M SW 15 |
| S01252 | ACTIVE | TABER AREA TABER FIELD, AB | MSL | CR | MSL 990687 | TWP 9 RGE 14 W4M SW 29 |
| S01263 | ACTIVE | TABER AREA TABER FIELD, AB | MSL | CR | MSL 073632 | TWP 9 RGE 14 W4M SE 21 |
| S01264 | ACTIVE | TABER AREA TABER FIELD, AB | LOC | CR | LOC 072467 | TWP 9 RGE 14 W4M SE 21 |
| S01266 | ACTIVE | TABER AREA TABER FIELD, AB | MSL | CR | MSL 080930 | TWP 9 RGE 14 W4M SW 29 |
| S01268 | ACTIVE | ENCHANT AREA ENCHANT FIELD, AB | MSL | CR | MSL 002105 | TWP 14 RGE 20 W4M NE 18 |
| S01276 | ACTIVE | ENCHANT AREA ENCHANT FIELD, AB | MSL | CR | MSL 011591 | TWP 14 RGE 20 W4M SE 7 |

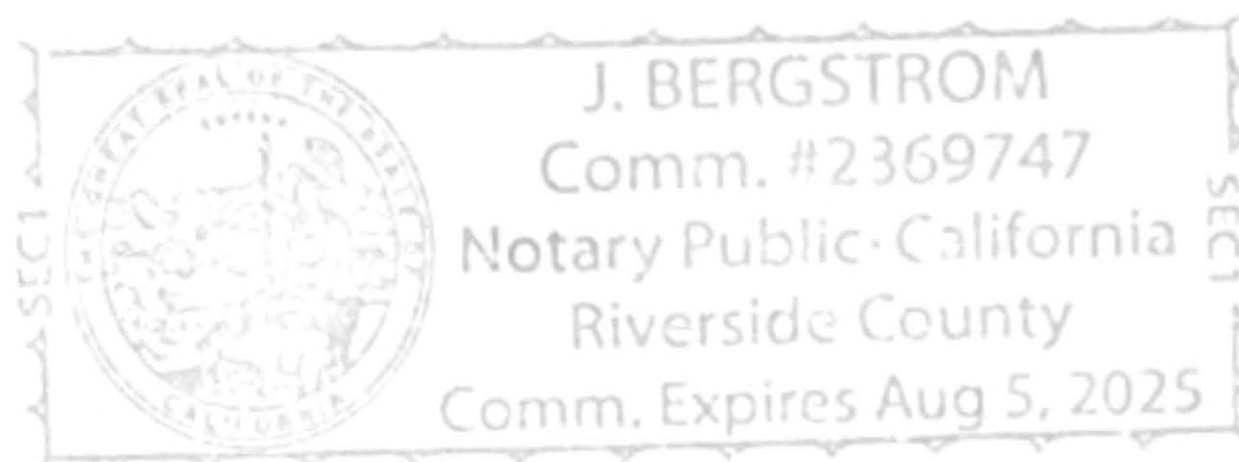
Cleo Energy Corp.
Surface Lease Index - SURFACE CROWN

| File Number | Status | Division Area | Document Type | Lessor Type / Number | Land Description |
|-------------|--------|-----------------------------------|---------------|----------------------|--|
| S01277 | ACTIVE | ENCHANT AREA ENCHANT FIELD, AB | LOC | CR LOC 011151 | TWP 14 RGE 20 W4M SE 7 TWP 14 RGE 20 W4M NE 6 |
| S01289 | ACTIVE | ENCHANT AREA ENCHANT FIELD, AB | MSL | CR MSL 901102 | TWP 14 RGE 20 W4M SE 8 |
| S01293 | ACTIVE | TABER AREA TABER FIELD, AB | LOC | CR LOC 990538 | TWP 9 RGE 14 W4M SW 29 |



Exhibit "Z" to the Affidavit of
Chris Lewis
Sworn/Affirmed before me this
23rd day of December, 2024


A Notary Public for the State of California



Cleo Energy Corp.
Mineral Lease Index - MINERAL Crown

Report ID: RP-0009

| File Number | Status | Division Area | Lease Type | Interest Type | Producing Status | Lessor Type / Number | Land Description |
|-------------|--------|---|------------|---------------|------------------|----------------------|--|
| M00122 A | ACTIVE | ALBERTA VETERAN FIELD (FORTITUDE), AB | PNG | WI | P | CR 0498090355 | TWP 37 RGE 8 W4M LSD 3 SEC 12 TWP 37 RGE 8 W4M LSD 6 SEC 12 |
| M00126 A | ACTIVE | ALBERTA VETERAN FIELD (FORTITUDE), AB | PNG | WI | P | CR 0498070380 | TWP 37 RGE 8 W4M W 13 |
| M00127 A | ACTIVE | ALBERTA VETERAN FIELD (FORTITUDE), AB | PNG | WI | P | CR 0488110336 | TWP 37 RGE 8 W4M LSD 5, 6, 9, 11, 12, 13 & 16 SEC 14 |
| M00134 A | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | PNG | WI | NP | CR 0420020037 | TWP 45 RGE 8 W4M N 4 |
| M00155 A | ACTIVE | KESSLER AREA KESSLER FIELD, AB | PNG | WI | | CR 0422010102 | TWP 39 RGE 8 W4M LSD 2, 7 SEC 11 |
| M00157 A | ACTIVE | ATLEE AREA ATLEE FIELD, AB | PNG | WI | | CR 29505 | TWP 22 RGE 7 W4M S 2 |
| M00158 A | ACTIVE | ATLEE AREA ATLEE FIELD, AB | PNG | WI | | CR 0493090555 | TWP 21 RGE 7 W4M SEC 35 |
| M00160 A | ACTIVE | FABYAN AREA FABYAN FIELD, AB | PNG | WI | | CR 0401110591 | TWP 41 RGE 9 W4M PTN SE 3 |
| M00161 A | ACTIVE | FABYAN AREA FABYAN FIELD, AB | PNG | WI | | CR 0484080324 | TWP 41 RGE 9 W4M PTN SE 3 |
| M00162 A | ACTIVE | FABYAN AREA FABYAN FIELD, AB | PNG | WI | | CR 0484080326 | TWP 41 RGE 9 W4M SE 15 (PTN .44HA DESIGNATED AS LAKE 5) |
| M00163 A | ACTIVE | FABYAN AREA FABYAN FIELD, AB | PNG | WI | | CR 0403050430 | TWP 41 RGE 9 W4M SEC 22 |
| M00164 A | ACTIVE | FABYAN AREA FABYAN FIELD, AB | PNG | WI | | CR 6792 | TWP 41 RGE 9 W4M E 24 |
| M00165 A | ACTIVE | FABYAN AREA FABYAN FIELD, AB | PNG | WI | | CR 127879 | TWP 41 RGE 9 W4M W 24 |
| M00173 A | ACTIVE | NEUTRAL HILLS AREA NEUTRAL HILLS FIELD, AB | PNG | WI | | CR 0487020038 | TWP 36 RGE 5 W4M SEC 9 |
| M00174 A | ACTIVE | KESSLER AREA KESSLER FIELD, AB | PNG | WI | NP | CR 36523 | TWP 39 RGE 7 W4M SEC 35 |
| M00175 A | ACTIVE | KESSLER AREA KESSLER FIELD, AB | PNG | WI | NP | CR 36522 | TWP 39 RGE 7 W4M SEC 20 |
| M00176 A | ACTIVE | NEUTRAL HILLS AREA NEUTRAL HILLS FIELD, AB | PNG | WI | P | CR 0488050102 | TWP 37 RGE 4 W4M SW 29 |

Cleo Energy Corp.
Mineral Lease Index - MINERAL Crown

Report ID: RP-0009

| File Number | Status | Division Area | Lease Type | Interest Type | Producing Status | Lessor Type / Number | Land Description |
|-------------|--------|---|------------|---------------|------------------|----------------------|---|
| M00177 A | ACTIVE | NEUTRAL HILLS AREA NEUTRAL HILLS FIELD, AB | PNG | WI | P | CR 0488040110 | TWP 37 RGE 4 W4M SE 30 |
| M00178 A | ACTIVE | KESSLER AREA KESSLER FIELD, AB | PNG | WI | NP | CR 0402030151 | TWP 38 RGE 5 W4M SE 16, LSD 3, 5, 6 SEC 16, N 16 |
| M00179 A | ACTIVE | KESSLER AREA KESSLER FIELD, AB | PNG | WI | NP | CR 0493090586 | TWP 38 RGE 5 W4M LSD 4 SEC 16 |
| M00180 A | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | PNG | WI | NP | CR 0404080444 | TWP 41 RGE 8 W4M S 4 |
| M00181 A | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | PNG | WI | NP | CR 0404100077 | TWP 41 RGE 8 W4M N 4 |
| M00182 A | ACTIVE | HAYTER AREA HAYTER FIELD, AB | PNG | WI | P | CR 19991 | TWP 40 RGE 1 W4M NE 34 |
| M00183 A | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | PNG | WI | P | CR 0410030132 | TWP 43 RGE 9 W4M SEC 18 |
| M00184 A | ACTIVE | NEUTRAL HILLS AREA NEUTRAL HILLS FIELD, AB | PNG | WI | | CR 0484100036 | TWP 35 RGE 6 W4M NW 9, SE 9 |
| M00185 A | ACTIVE | NEUTRAL HILLS AREA NEUTRAL HILLS FIELD, AB | PNG | WI | | CR 0484100037 | TWP 35 RGE 6 W4M SW 9 |
| M00186 A | ACTIVE | NEUTRAL HILLS AREA NEUTRAL HILLS FIELD, AB | PNG | WI | NP | CR 0484100039 | TWP 35 RGE 6 W4M W 10 |
| M00188 A | ACTIVE | NEUTRAL HILLS AREA NEUTRAL HILLS FIELD, AB | PNG | WI | P | CR 0484100040 | TWP 35 RGE 6 W4M S 16, NE 16 |
| M00189 A | ACTIVE | NEUTRAL HILLS AREA NEUTRAL HILLS FIELD, AB | PNG | WI | P | CR 0484100041 | TWP 35 RGE 6 W4M NW 16 |
| M00190 A | ACTIVE | NEUTRAL HILLS AREA NEUTRAL HILLS FIELD, AB | PNG | WI | | CR 0488070270 | TWP 35 RGE 6 W4M SW 20, LSD 1, 2, 7, 8 (B, C, D) SEC 20 TWP 35 RGE 6 W4M LSD 9 (C, D), 10, 11, 12 (B), 13, 14 (D), 15, 16 SEC 20 |
| M00193 A | ACTIVE | NEUTRAL HILLS AREA NEUTRAL HILLS FIELD, AB | PNG | WI | P | CR 0497070084 | TWP 35 RGE 6 W4M LSDS 9, 16 SEC 28 |
| M00194 A | ACTIVE | NEUTRAL HILLS AREA NEUTRAL HILLS FIELD, AB | PNG | WI | | CR 0484100191 | TWP 35 RGE 6 W4M E 29 |
| M00195 A | ACTIVE | NEUTRAL HILLS AREA NEUTRAL HILLS FIELD, AB | PNG | WI | P | CR 0488070272 | TWP 35 RGE 6 W4M SW 29 |
| M00196 A | ACTIVE | NEUTRAL HILLS AREA NEUTRAL HILLS FIELD, AB | PNG | WI | NP | CR 0484100192 | TWP 35 RGE 6 W4M SE 32 (EXCL 100/07-32-035-06W4/00 WELL) |

Cleo Energy Corp.
Mineral Lease Index - MINERAL Crown

Report ID: RP-0009

| File Number | Status | Division Area | Lease Type | Interest Type | Producing Status | Lessor Type / Number | Land Description |
|-------------|--------|---|------------|---------------|------------------|----------------------|---|
| M00197 A | ACTIVE | NEUTRAL HILLS AREA NEUTRAL HILLS FIELD, AB | PNG | WI | P | CR 0497090060 | TWP 35 RGE 6 W4M LSDS 4C, 4D, 5B SEC 34 |
| M00198 A | ACTIVE | SILVER HEIGHTS AREA SILVER HEIGHTS FIELD, AB | PNG | WI | P | CR 0487120121 | TWP 39 RGE 10 W4M NW 12 |
| M00199 A | ACTIVE | SILVER HEIGHTS AREA SILVER HEIGHTS FIELD, AB | PNG | WI | P | CR 0487120122 | TWP 39 RGE 10 W4M SW 14 |
| M00200 A | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | PNG | WI | P | CR 0402090123 | TWP 46 RGE 9 W4M SEC 10 |
| M00201 A | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | PNG | WI | P | CR 0404090774 | TWP 46 RGE 9 W4M SEC 12 |
| M00202 A | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | PNG | WI | P | CR 0493050349 | TWP 42 RGE 13 W4M SEC 11 |
| M00203 A | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | PNG | WI | | CR 31906 | TWP 40 RGE 14 W4M SEC 4 |
| M00209 A | ACTIVE | SILVER HEIGHTS AREA SILVER HEIGHTS FIELD, AB | PNG | WI | | CR 8564 | TWP 38 RGE 10 W4M NE 34 |
| M00211 A | ACTIVE | SHORNCLIFFE AREA SHORNCLIFFE FIELD, AB | PNG | WI | NP | CR 112271 | TWP 40 RGE 7 W4M S 32 |
| M00212 A | ACTIVE | SILVER HEIGHTS AREA SILVER HEIGHTS FIELD, AB | PNG | WI | P | CR 0488070081 | TWP 39 RGE 10 W4M LSD 3, 4, 6 SEC 24 |
| M00213 A | ACTIVE | SILVER HEIGHTS AREA SILVER HEIGHTS FIELD, AB | PNG | WI | NP | CR 0408010038 | TWP 39 RGE 10 W4M NW 24 |
| M00218 A | ACTIVE | SILVER HEIGHTS AREA SILVER HEIGHTS FIELD, AB | PNG | WI | NP | CR 0484020042 | TWP 39 RGE 10 W4M NW 2 TWP 39 RGE 10 W4M LSD 5 SEC 2 |
| M00219 A | ACTIVE | SILVER HEIGHTS AREA SILVER HEIGHTS FIELD, AB | PNG | WI | NP | CR 0487120120 | TWP 39 RGE 10 W4M LSD 10, 15 SEC 2 |
| M00220 A | ACTIVE | SILVER HEIGHTS AREA SILVER HEIGHTS FIELD, AB | PNG | WI | | CR 0484020043 | TWP 39 RGE 10 W4M SW 10, N 10 |
| M00221 A | ACTIVE | SILVER HEIGHTS AREA SILVER HEIGHTS FIELD, AB | PNG | WI | NP | CR 0484020044 | TWP 39 RGE 10 W4M S 11, NE 11 |
| M00222 A | ACTIVE | SHORNCLIFFE AREA SHORNCLIFFE FIELD, AB | PNG | WI | NP | CR 28666 | TWP 40 RGE 8 W4M SEC 16 |
| M00223 A | ACTIVE | SHORNCLIFFE AREA SHORNCLIFFE FIELD, AB | PNG | WI | P | CR 0483070167 | TWP 40 RGE 8 W4M (LSD 7, 8C+D, 9, 10A+B) SEC 16 |

Cleo Energy Corp.
Mineral Lease Index - MINERAL Crown

| File Number | Status | Division Area | Lease Type | Interest Type | Producing Status | Lessor Type / Number | Land Description |
|-------------|--------|---|------------|---------------|------------------|----------------------|---|
| M00224 A | ACTIVE | SHORNCLIFFE AREA SHORNCLIFFE FIELD, AB | PNG | WI | P | CR 049207A106 | TWP 40 RGE 8 W4M NW 16, LSD 10(C, D) SEC 16 |
| M00225 A | ACTIVE | SHORNCLIFFE AREA SHORNCLIFFE FIELD, AB | PNG | WI | P | CR 30500 | TWP 40 RGE 8 W4M NW 22 |
| M00226 A | ACTIVE | SHORNCLIFFE AREA SHORNCLIFFE FIELD, AB | PNG | WI | P | CR 0494110560 | TWP 40 RGE 8 W4M LSD 16 (D) SEC 16 |
| M00232 A | ACTIVE | KESSLER AREA KESSLER FIELD, AB | PNG | WI | NP | CR 0489070228 | TWP 38 RGE 8 W4M SEC 24 |
| M00233 A | ACTIVE | KESSLER AREA KESSLER FIELD, AB | PNG | WI | P | CR 0495100400 | TWP 39 RGE 8 W4M LSD 3 SEC 13 |
| M00234 A | ACTIVE | KESSLER AREA KESSLER FIELD, AB | PNG | WI | P | CR 0490070108 | TWP 39 RGE 8 W4M W 12 |
| M00235 A | ACTIVE | KESSLER AREA KESSLER FIELD, AB | PNG | WI | P | CR 0495100399 | TWP 39 RGE 8 W4M LSD 1, 2 SEC 13 |
| M00236 A | ACTIVE | KESSLER AREA KESSLER FIELD, AB | PNG | WI | P | CR 0490070107 | TWP 39 RGE 8 W4M E 12 |
| M00238 A | ACTIVE | KESSLER AREA KESSLER FIELD, AB | PNG | WI | P | CR 0484020194 | TWP 39 RGE 8 W4M NE 2 |
| M00239 A | ACTIVE | KESSLER AREA KESSLER FIELD, AB | PNG | WI | P | CR 0495100397 | TWP 39 RGE 7 W4M NW 6 |
| M00240 A | ACTIVE | KESSLER AREA KESSLER FIELD, AB | PNG | WI | NP | CR 0488110349 | TWP 39 RGE 7 W4M SEC 4 |
| M00242 A | ACTIVE | HAYTER AREA HAYTER FIELD, AB | PNG | WI | | CR 19992 | TWP 40 RGE 1 W4M LSD 3, 4 SEC 34 |
| M00243 A | ACTIVE | HAYTER AREA HAYTER FIELD, AB | PNG | WI | | CR 27630 | TWP 40 RGE 1 W4M LSD 11, 13, 14, 15 SEC 24 |
| M00256 A | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | PNG | WI | P | CR 108891 | TWP 46 RGE 8 W4M SEC 16 |
| M00259 A | ACTIVE | SHORNCLIFFE AREA SHORNCLIFFE FIELD, AB | PNG | WI | P | CR 0492070106 | TWP 40 RGE 8 W4M LSD 15(A,B,D) SEC 16, LSD 16(B,C) SEC 16 |
| M00266 A | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | PNG | WI | P | CR 0488060198 | TWP 44 RGE 8 W4M SEC 27, 28, 33, 34 |
| M00267 A | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | PNG | WI | NP | CR 0494010571 | TWP 44 RGE 7 W4M SEC 17 |

Cleo Energy Corp.
Mineral Lease Index - MINERAL Crown

| File Number | Status | Division Area | Lease Type | Interest Type | Producing Status | Lessor Type / Number | Land Description |
|-------------|--------|---|------------|---------------|------------------|----------------------|--|
| M00268 A | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | PNG | WI | P | CR 0494010572 | TWP 44 RGE 7 W4M SEC 18 |
| M00269 A | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | PNG | WI | P | CR 0494060099 | TWP 43 RGE 10 W4M SEC 14 |
| M00270 A | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | PNG | WI | P | CR 0494060101 | TWP 44 RGE 7 W4M SEC 1 |
| M00271 A | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | PNG | WI | P | CR 0494060102 | TWP 44 RGE 7 W4M SEC 14 |
| M00272 A | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | PNG | WI | P | CR 0494060103 | TWP 44 RGE 7 W4M SEC 23 |
| M00273 A | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | PNG | WI | NP | CR 0494060104 | TWP 44 RGE 7 W4M S 25, NW 25, PTN NE SEC 24 (PORTION LYING TO THE NORTH OF A LINE DRAWN PARALLEL WITH AND 60.3504 METRES PERPENDICULARLY DISTANT SOUTHERLY FROM THE NORTH BOUNDARY OF THE SAID QUARTER SECTION) |
| M00274 A | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | PNG | WI | P | CR 0494060105 | TWP 44 RGE 7 W4M SEC 26 |
| M00275 A | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | PNG | WI | P | CR 0494060106 | TWP 44 RGE 7 W4M SEC 35 |
| M00276 A | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | PNG | WI | P | CR 0494060107 | TWP 44 RGE 7 W4M SEC 36 |
| M00277 A | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | PNG | WI | P | CR 0494080086 | TWP 43 RGE 8 W4M 21 |
| M00279 A | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | PNG | WI | P | CR 0494080092 | TWP 44 RGE 7 W4M SEC 7 |
| M00280 A | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | PNG | WI | P | CR 0494080093 | TWP 44 RGE 7 W4M SEC 11 |
| M00281 A | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | PNG | WI | P | CR 0494090559 | TWP 42 RGE 8 W4M SEC 28 |
| M00284 A | ACTIVE | KESSLER AREA KESSLER FIELD, AB | PNG | WI | NP | CR 0177050059 | TWP 39 RGE 7 W4M SEC 14 |
| M00286 A | ACTIVE | KESSLER AREA KESSLER FIELD, AB | PNG | WI | P | CR 27130 | TWP 39 RGE 7 W4M SEC 30 |
| M00287 A | ACTIVE | KESSLER AREA KESSLER FIELD, AB | PNG | WI | P | CR 27131 | TWP 39 RGE 7 W4M SEC 31 |

Cleo Energy Corp.
Mineral Lease Index - MINERAL Crown

Report ID: RP-0009

| File Number | Status | Division Area | Lease Type | Interest Type | Producing Status | Lessor Type / Number | Land Description |
|-------------|--------|---|------------|---------------|------------------|----------------------|---|
| M00288 A | ACTIVE | KESSLER AREA KESSLER FIELD, AB | PNG | WI | | CR 10359 | TWP 39 RGE 8 W4M SEC 14 |
| M00293 A | ACTIVE | KESSLER AREA KESSLER FIELD, AB | PNG | WI | NP | CR 0477030008 | TWP 38 RGE 7 W4M N 31, N 32 |
| M00294 A | ACTIVE | KESSLER AREA KESSLER FIELD, AB | PNG | WI | P | CR 39127 | TWP 38 RGE 7 W4M S 32 |
| M00295 A | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | PNG | WI | | CR 42002 | TWP 46 RGE 13 W4M S 24, NE 24 |
| M00296 A | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | PNG | WI | P | CR 41998 | TWP 46 RGE 12 W4M SEC 18 |
| M00299 A | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | PNG | WI | NP | CR 107768 | TWP 43 RGE 10 W4M SEC 11 |
| M00301 A | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | PNG | WI | NP | CR 107779 | TWP 43 RGE 11 W4M SEC 29 TWP 43 RGE 11 W4M S 32 |
| M00310 A | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | PNG | WI | P | CR 23159 | TWP 45 RGE 7 W4M SEC 2, 10 TWP 45 RGE 7 W4M PTN LSD 7 SEC 16 (MEANS E/2 OF LSD 7 OF SECTION 16) |
| M00311 A | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | PNG | WI | P | CR 23160 | TWP 45 RGE 7 W4M E 18 |
| M00312 A | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | PNG | WI | P | CR 23164 | TWP 45 RGE 8 W4M SEC 36 |
| M00313 A | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | PNG | WI | P | CR 0479060152 | TWP 43 RGE 6 W4M SEC 32 |
| M00315 A | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | PNG | WI | P | CR 0493030288 | TWP 45 RGE 7 W4M S 30, NW 30, LSD 9, 15, 16 SEC 30 |
| M00316 A | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | PNG | WI | P | CR 0494110581 | TWP 45 RGE 7 W4M LSD 1, 2, PTN LSD 7, LSD 8 SEC 16, SW 16, N 16 (MEANS W/2 OF LSD 7) |
| M00318 A | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | PNG | WI | NP | CR 0495020544 | TWP 43 RGE 8 W4M SEC 34 |
| M00319 A | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | PNG | WI | NP | CR 0495020561 | TWP 44 RGE 7 W4M SEC 21 |
| M00320 A | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | PNG | WI | P | CR 0495020563 | TWP 44 RGE 7 W4M SEC 27 |
| M00321 A | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | PNG | WI | NP | CR 0495020565 | TWP 44 RGE 8 W4M SEC 10 |

Cleo Energy Corp.
Mineral Lease Index - MINERAL Crown

Report ID: RP-0009

| File Number | Status | Division Area | Lease Type | Interest Type | Producing Status | Lessor Type / Number | Land Description |
|-------------|--------|---|------------|---------------|------------------|----------------------|--|
| M00322 A | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | PNG | WI | P | CR 39095 | TWP 41 RGE 10 W4M SEC 11 |
| M00328 A | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | PNG | WI | | CR 29285 | TWP 41 RGE 10 W4M NE 26 |
| M00329 A | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | PNG | WI | NP | CR 0481010262 | TWP 41 RGE 10 W4M PTN E 27 (DESIGNATED AS LAKE NO. 4) (EXCL 8-27-41-10W4 WELL) |
| M00330 A | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | PNG | WI | P | CR 0481020044 | TWP 41 RGE 10 W4M SEC 28 |
| M00331 A | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | PNG | WI | P | CR 38970 | TWP 41 RGE 10 W4M SEC 29 |
| M00332 A | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | PNG | WI | P | CR 22285 | TWP 42 RGE 11 W4M SEC 2 |
| M00333 A | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | PNG | WI | P | CR 0480050036 | TWP 41 RGE 10 W4M E30 |
| M00334 A | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | PNG | WI | NP | CR 29286 | TWP 41 RGE 10 W4M E 34 |
| M00335 A | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | PNG | WI | NP | CR 0481020046 | TWP 41 RGE 10 W4M W 34 |
| M00340 A | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | PNG | WI | P | CR 14054 | TWP 41 RGE 10 W4M SEC 36 |
| M00341 A | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | PNG | WI | NP | CR 109357 | TWP 41 RGE 11 W4M SEC 11 |
| M00342 A | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | PNG | WI | NP | CR 22863 | TWP 41 RGE 11 W4M SEC 12 |
| M00345 A | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | PNG | WI | P | CR 0488120380 | TWP 42 RGE 8 W4M SEC 20, 21 |
| M00346 A | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | PNG | WI | | CR 14053 | TWP 42 RGE 9 W4M SEC 6 |
| M00347 A | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | PNG | WI | P | CR 27427 | TWP 42 RGE 9 W4M SEC 25 |
| M00349 A | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | PNG | WI | P | CR 27428 | TWP 42 RGE 9 W4M SEC 28, 33 |
| M00353 A | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | PNG | WI | | CR 0481010219 | TWP 42 RGE 10 W4M PTN 1 |

Cleo Energy Corp.
Mineral Lease Index - MINERAL Crown

Report ID: RP-0009

| File Number | Status | Division Area | Lease Type | Interest Type | Producing Status | Lessor Type / Number | Land Description |
|-------------|--------|---|------------|---------------|------------------|----------------------|---|
| M00355 A | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | PNG | WI | NP | CR 14055 | TWP 42 RGE 10 W4M SEC 2 |
| M00360 A | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | PNG | WI | P | CR 0483050159 | TWP 42 RGE 10 W4M PTN NW 9 |
| M00361 A | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | PNG | WI | | CR 30850 | TWP 42 RGE 10 W4M SEC 30, 32 |
| M00362 A | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | PNG | WI | | CR 29292 | TWP 42 RGE 11 W4M SEC 10, 11, 12 |
| M00363 A | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | PNG | WI | NP | CR 22869 | TWP 42 RGE 11 W4M SEC 18 |
| M00364 A | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | PNG | WI | NP | CR 31596 | TWP 43 RGE 8 W4M SEC 3, 4, 10 |
| M00365 A | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | PNG | WI | P | CR 27429 | TWP 43 RGE 9 W4M SEC 1, 3 |
| M00366 A | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | PNG | WI | P | CR 27429A | TWP 43 RGE 9 W4M SEC 2 |
| M00367 A | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | PNG | WI | NP | CR 27430 | TWP 43 RGE 9 W4M SEC 5 |
| M00368 A | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | PNG | WI | P | CR 0485110046 | TWP 43 RGE 9 W4M SE 7, N 7 |
| M00369 A | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | PNG | WI | P | CR 0486090350 | TWP 43 RGE 9 W4M SW PTN 7 |
| M00370 A | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | PNG | WI | P | CR 0495030136 | TWP 44 RGE 8 W4M SEC 29 |
| M00371 A | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | PNG | WI | P | CR 0495030137 | TWP 44 RGE 8 W4M SEC 32 |
| M00376 A | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | PNG | WI | P | CR 0488050423 | TWP 44 RGE 7 W4M SEC 4, 5, 8, 9, 15, 16, 17, 18, 19, 20, 21, 22, 27, 28, 29, 30, 31, 32, 33 |
| M00377 A | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | PNG | WI | P | CR 0488050424 | TWP 44 RGE 8 W4M SEC 26 |
| M00378 A | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | PNG | WI | P | CR 0489070337 | TWP 42 RGE 7 W4M SEC 22 TWP 43 RGE 8 W4M SEC 1 |
| M00380 A | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | NG | WI | NP | CR 307 | TWP 42 RGE 12 W4M E 10 |

Cleo Energy Corp.
Mineral Lease Index - MINERAL Crown

Report ID: RP-0009

| File Number | Status | Division Area | Lease Type | Interest Type | Producing Status | Lessor Type / Number | Land Description |
|-------------|--------|---|------------|---------------|------------------|----------------------|---|
| M00382 A | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | PNG | WI | P | CR 20193 | TWP 42 RGE 12 W4M W 10 |
| M00383 A | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | PNG | WI | P | CR 20194 | TWP 42 RGE 12 W4M S 16 |
| M00389 A | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | PNG | WI | NP | CR 39991 | TWP 42 RGE 9 W4M S 22, NE 22 |
| M00390 A | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | PNG | WI | NP | CR 0489010080 | TWP 45 RGE 7 W4M SEC 32 |
| M00391 A | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | PNG | WI | NP | CR 0494040352 | TWP 41 RGE 8 W4M E 20 |
| M00392 A | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | NG | WI | P | CR 801 | TWP 41 RGE 8 W4M SEC 28 |
| M00393 A | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | PNG | WI | NP | CR 12796 | TWP 41 RGE 8 W4M W 20 |
| M00394 A | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | PNG | WI | P | CR 39988 | TWP 42 RGE 8 W4M SEC 10, 16 |
| M00395 A | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | PNG | WI | P | CR 39989 | TWP 42 RGE 8 W4M SEC 18 |
| M00396 A | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | PNG | WI | P | CR 39989A | TWP 42 RGE 9 W4M SEC 12 |
| M00397 A | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | PNG | WI | P | CR 0494060097 | TWP 43 RGE 9 W4M SEC 18 |
| M00404 A | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | PNG | WI | P | CR 0478040273 | TWP 45 RGE 9 W4M PTN 7 |
| M00409 A | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | PNG | WI | P | CR 35333 | TWP 45 RGE 8 W4M SEC 2, 11, 12 |
| M00410 A | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | PNG | WI | P | CR 35334 | TWP 45 RGE 8 W4M SEC 10 |
| M00411 A | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | PNG | WI | P | CR 0494090864 | TWP 45 RGE 7 W4M PTN LSD 1 SEC 15 TWP 45 RGE 7 W4M PTN LSD 8 SEC 15 TWP 45 RGE 7 W4M PTN LSD 9 SEC 15 TWP 45 RGE 7 W4M PTN LSD 10 SEC 15 TWP 45 RGE 7 W4M PTN LSD 15 SEC 15 |
| M00414 A | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | PNG | WI | NP | CR 0497070139 | TWP 46 RGE 8 W4M SEC 24 |

Cleo Energy Corp.
Mineral Lease Index - MINERAL Crown

Report ID: RP-0009

| File Number | Status | Division Area | Lease Type | Interest Type | Producing Status | Lessor Type / Number | Land Description |
|-------------|--------|---|------------|---------------|------------------|----------------------|--------------------------------|
| M00423 A | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | PNG | WI | NP | CR 0485070072 | TWP 41 RGE 11 W4M SEC 12 |
| M00428 A | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | PNG | WI | NP | CR 27429B | TWP 43 RGE 9 W4M SEC 9 |
| M00429 A | ACTIVE | NEUTRAL HILLS AREA NEUTRAL HILLS FIELD, AB | PNG | WI | | CR 0485030048 | TWP 37 RGE 7 W4M S 15 |
| M00433 A | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | PNG | WI | NP | CR 0495030491 | TWP 43 RGE 6 W4M SEC 6 |
| M00435 A | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | PNG | WI | P | CR 0498040100 | TWP 45 RGE 7 W4M SEC 28 |
| M00436 A | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | PNG | WI | P | CR 0498040101 | TWP 45 RGE 7 W4M SEC 34 |
| M00438 A | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | PNG | WI | P | CR 0497060435 | TWP 45 RGE 7 W4M LSD 10 SEC 30 |
| M00439 A | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | PNG | WI | P | CR 0498060173 | TWP 46 RGE 8 W4M SEC 29 |
| M00441 A | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | PNG | WI | P | CR 0498090100 | TWP 43 RGE 8 W4M SEC 28 |
| M00442 A | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | PNG | WI | P | CR 0498090113 | TWP 44 RGE 8 W4M SEC 9 |
| M00443 A | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | PNG | WI | NP | CR 0498090365 | TWP 44 RGE 8 W4M SEC 25 |
| M00444 A | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | PNG | WI | P | CR 0498090366 | TWP 44 RGE 8 W4M SEC 30 |
| M00445 A | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | PNG | WI | P | CR 0498090367 | TWP 44 RGE 8 W4M SEC 35 |
| M00446 A | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | PNG | WI | P | CR 0498090368 | TWP 44 RGE 8 W4M SEC 36 |
| M00449 A | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | PNG | WI | P | CR 0498100057 | TWP 43 RGE 7 W4M SEC 23 |
| M00450 A | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | PNG | WI | NP | CR 0498100058 | TWP 43 RGE 7 W4M SEC 24 |
| M00451 A | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | PNG | WI | P | CR 0498100061 | TWP 43 RGE 7 W4M SEC 36 |

Cleo Energy Corp.
Mineral Lease Index - MINERAL Crown

Report ID: RP-0009

| File Number | Status | Division Area | Lease Type | Interest Type | Producing Status | Lessor Type / Number | Land Description |
|-------------|--------|---|------------|---------------|------------------|----------------------|-------------------------------|
| M00452 A | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | PNG | WI | P | CR 0478110095 | TWP 42 RGE 12 W4M 6 |
| M00453 A | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | PNG | WI | P | CR 0495030490 | TWP 43 RGE 6 W4M 5 |
| M00454 A | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | PNG | WI | NP | CR 0489070340 | TWP 43 RGE 6 W4M SEC 10 |
| M00455 A | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | PNG | WI | NP | CR 12697 | TWP 45 RGE 8 W4M W 29, SEC 32 |
| M00456 A | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | PNG | WI | NP | CR 12698 | TWP 45 RGE 8 W4M SEC 20 |
| M00457 A | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | PNG | WI | NP | CR 12699 | TWP 45 RGE 8 W4M E 29 |
| M00458 A | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | PNG | WI | NP | CR 12730 | TWP 45 RGE 8 W4M SEC 28 |
| M00459 A | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | PNG | WI | NP | CR 5606 | TWP 45 RGE 8 W4M SEC 13 |
| M00461 A | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | PNG | WI | P | CR 0486110218 | TWP 46 RGE 7 W4M N 28 |
| M00462 A | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | PNG | WI | NP | CR 12731 | TWP 45 RGE 8 W4M SEC 34 |
| M00471 A | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | PNG | WI | NP | CR 0499080094 | TWP 44 RGE 10 W4M SEC 24 |
| M00472 A | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | PNG | WI | NP | CR 0499090108 | TWP 45 RGE 8 W4M S 4 |
| M00473 A | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | PNG | WI | P | CR 0494090558 | TWP 42 RGE 8 W4M SEC 21 |
| M00474 A | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | PNG | WI | P | CR 0494090561 | TWP 42 RGE 8 W4M SEC 30 |
| M00490 A | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | PNG | WI | NP | CR 0400030134 | TWP 42 RGE 7 W4M SEC 20 |
| M00494 A | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | PNG | WI | P | CR 047907A159 | TWP 42 RGE 7 W4M SEC 18 |
| M00496 A | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | PNG | WI | NP | CR 0400050124 | TWP 42 RGE 12 W4M SEC 11 |

Cleo Energy Corp.
Mineral Lease Index - MINERAL Crown

| File Number | Status | Division Area | Lease Type | Interest Type | Producing Status | Lessor Type / Number | Land Description |
|-------------|--------|---|------------|---------------|------------------|----------------------|--|
| M00500 A | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | PNG | WI | P | CR 0400070389 | TWP 42 RGE 10 W4M SEC 29 |
| M00503 A | ACTIVE | NEUTRAL HILLS AREA NEUTRAL HILLS FIELD, AB | PNG | WI | NP | CR 0486010392 | TWP 37 RGE 7 W4M LSD 9 (A, B) SEC 3 |
| M00504 A | ACTIVE | NEUTRAL HILLS AREA NEUTRAL HILLS FIELD, AB | PNG | WI | P | CR 0485010213 | TWP 37 RGE 7 W4M LSD 1, 2, 7 SEC 10 TWP 37 RGE 7 W4M LSD 8 (B, C) SEC 10 TWP 37 RGE 7 W4M SW 10 |
| M00505 A | ACTIVE | NEUTRAL HILLS AREA NEUTRAL HILLS FIELD, AB | PNG | WI | NP | CR 0487020345 | TWP 37 RGE 7 W4M LSD 8 (B, C) SEC 3 (DESIGNATED AS LAKE NO. 1) |
| M00506 A | ACTIVE | NEUTRAL HILLS AREA NEUTRAL HILLS FIELD, AB | PNG | WI | P | CR 0496030331 | TWP 37 RGE 7 W4M LSD 4 (A) SEC 11 |
| M00507 A | ACTIVE | NEUTRAL HILLS AREA NEUTRAL HILLS FIELD, AB | PNG | WI | | CR 0485050149 | TWP 37 RGE 7 W4M SE 11 TWP 37 RGE 7 W4M LSD 3 SEC 11 TWP 37 RGE 7 W4M LSD 4 (B, C) SEC 11 TWP 37 RGE 7 W4M LSD 5, 6, 10, 11, 12, 13 SEC 11 |
| M00508 A | ACTIVE | NEUTRAL HILLS AREA NEUTRAL HILLS FIELD, AB | PNG | WI | P | CR 0496010304 | TWP 37 RGE 7 W4M LSD 15, 16 SEC 11 |
| M00509 A | ACTIVE | NEUTRAL HILLS AREA NEUTRAL HILLS FIELD, AB | PNG | WI | P | CR 0492020254 | TWP 37 RGE 7 W4M PTN 5(C) SEC 1 (PTN DESIGNATED AS LAKE NO. 1 ON TOWNSHIP PLAN) |
| M00510 A | ACTIVE | NEUTRAL HILLS AREA NEUTRAL HILLS FIELD, AB | PNG | WI | P | CR 0486030393 | TWP 37 RGE 7 W4M LSD 1, LSD 2 (A, D), LSD 5, LSD 6 (C), LSD 8 (A, B, D), LSD 9 (C), LSD 10 (B, C, D), LSD 11, LSD 12 (A, B, D), LSD 13, 14, 15, 16 SEC 2 |
| M00518 A | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | PNG | WI | P | CR 0401040136 | TWP 45 RGE 9 W4M SEC 6 |
| M00523 A | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | PNG | WI | P | CR 0401080143 | TWP 44 RGE 6 W4M PTN SE SEC 3, PTN SW SEC 3 |
| M00524 A | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | PNG | WI | P | CR 0401080144 | TWP 44 RGE 6 W4M NE 3 |
| M00526 A | ACTIVE | NEUTRAL HILLS AREA NEUTRAL HILLS FIELD, AB | PNG | WI | NP | CR 0483070012 | TWP 36 RGE 4 W4M SEC 7 |
| M00528 A | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | PNG | WI | P | CR 0402100122 | TWP 41 RGE 10 W4M SEC 10 |
| M00532 A | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | PNG | WI | P | CR 0403100118 | TWP 42 RGE 10 W4M SEC 16 |

Cleo Energy Corp.
Mineral Lease Index - MINERAL Crown

Report ID: RP-0009

| File Number | Status | Division Area | Lease Type | Interest Type | Producing Status | Lessor Type / Number | Land Description |
|-------------|--------|---|------------|---------------|------------------|----------------------|------------------------------------|
| M00534 A | ACTIVE | NEUTRAL HILLS AREA NEUTRAL HILLS FIELD, AB | PNG | WI | NP | CR 0486080241 | TWP 36 RGE 7 W4M NW 36 |
| M00540 A | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | PNG | WI | P | CR 0477120121 | TWP 44 RGE 10 W4M PTN NW 31 |
| M00541 A | ACTIVE | NEUTRAL HILLS AREA NEUTRAL HILLS FIELD, AB | PNG | WI | NP | CR 0489100414 | TWP 36 RGE 6 W4M LSD 10 (A) SEC 30 |
| M00542 A | ACTIVE | NEUTRAL HILLS AREA NEUTRAL HILLS FIELD, AB | PNG | WI | NP | CR 0488030072 | TWP 36 RGE 6 W4M LSD 9 SEC 3 |
| M00543 A | ACTIVE | SHORNCLIFFE AREA SHORNCLIFFE FIELD, AB | PNG | WI | NP | CR 0483040012 | TWP 40 RGE 8 W4M S 14, NE 14 |
| M00546 A | ACTIVE | NEUTRAL HILLS AREA NEUTRAL HILLS FIELD, AB | PNG | WI | NP | CR 25110 | TWP 36 RGE 5 W4M SEC 27 |
| M00547 A | ACTIVE | NEUTRAL HILLS AREA NEUTRAL HILLS FIELD, AB | PNG | WI | NP | CR 25108 | TWP 36 RGE 5 W4M SEC 14 |
| M00549 A | ACTIVE | SEDGEWICK AREA SEDGEWICK FIELD, AB | PNG | WI | P | CR 0478080015 | TWP 41 RGE 12 W4M LSD 13 SEC 34 |
| M00550 A | ACTIVE | SEDGEWICK AREA SEDGEWICK FIELD, AB | PNG | WI | P | CR 0483090059 | TWP 42 RGE 12 W4M NE 4 |
| M00551 A | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | PNG | WI | P | CR 0496120167 | TWP 42 RGE 12 W4M NW 4 |
| M00554 A | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | PNG | WI | NP | CR 0400050126 | TWP 42 RGE 12 W4M SEC 14 |
| M00557 A | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | PNG | WI | NP | CR 23769 | TWP 44 RGE 17 W4M SEC 10 |
| M00558 A | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | PNG | WI | P | CR 23773A | TWP 44 RGE 17 W4M SEC 28 |
| M00562 A | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | PNG | WI | P | CR 23771 | TWP 44 RGE 17 W4M SEC 16 |
| M00574 A | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | PNG | WI | P | CR 28099 | TWP 45 RGE 12 W4M SEC 4 |
| M00581 A | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | PNG | WI | NP | CR 22827 | TWP 43 RGE 12 W4M SEC 12 |
| M00583 A | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | PNG | WI | NP | CR 27961 | TWP 43 RGE 12 W4M SEC 16 |

Cleo Energy Corp.
Mineral Lease Index - MINERAL Crown

| File Number | Status | Division Area | Lease Type | Interest Type | Producing Status | Lessor Type / Number | Land Description |
|-------------|--------|---|------------|---------------|------------------|----------------------|--|
| M00586 A | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | PNG | WI | P | CR 27962 | TWP 43 RGE 12 W4M NE 26 |
| M00588 A | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | PNG | WI | NP | CR 27964 | TWP 43 RGE 12 W4M SEC 34 |
| M00592 A | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | NG | WI | P | CR 1721 | TWP 44 RGE 12 W4M PTN NE 3 |
| M00603 A | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | NG | WI | P | CR 1722 | TWP 44 RGE 12 W4M PTN SW 15 |
| M00612 A | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | PNG | WI | P | CR 27971 | TWP 44 RGE 13 W4M SEC 24 |
| M00616 A | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | PNG | WI | NP | CR 0477110194 | TWP 44 RGE 12 W4M PTN NE 3 |
| M00617 A | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | PNG | WI | NP | CR 0477010157 | TWP 43 RGE 10 W4M PTN N 21 |
| M00620 A | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | PNG | WI | P | CR 27963 | TWP 43 RGE 12 W4M SEC 29 |
| M00625 A | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | PNG | WI | NP | CR 27972 | TWP 44 RGE 13 W4M SEC 32 |
| M00626 A | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | PNG | WI | P | CR 0482120176 | TWP 44 RGE 12 W4M PTN SW 9 |
| M00629 A | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | PNG | WI | P | CR 28149 | TWP 46 RGE 13 W4M SEC 18 |
| M00630 A | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | PNG | WI | P | CR 28146 | TWP 45 RGE 13 W4M SEC 20, 29 |
| M00633 A | ACTIVE | TABER AREA TABER FIELD, AB | PNG | WI | | CR 0488100252 | TWP 10 RGE 16 W4M N 12 |
| M00634 A | ACTIVE | TABER AREA TABER FIELD, AB | PNG | WI | | CR 0488100250 | TWP 10 RGE 15 W4M NW 7, PTN NE 7 (PORTION LYING TO THE NORTH OF THE RIGHT OF WAY OF THE CANADIAN PACIFIC RAILWAY AS SHOWN ON PLAN R.Y.21) |
| M00635 A | ACTIVE | ENCHANT AREA ENCHANT FIELD, AB | PNG | WI | | CR 5397010005 | TWP 14 RGE 20 W4M SEC 2 |
| M00636 A | ACTIVE | ENCHANT AREA ENCHANT FIELD, AB | PNG | WI | | CR 0489070166 | TWP 14 RGE 20 W4M S 16 |
| M00637 A | ACTIVE | ENCHANT AREA ENCHANT FIELD, AB | PNG | WI | | CR 0488110014 | TWP 14 RGE 20 W4M N 16 |

Cleo Energy Corp.
Mineral Lease Index - MINERAL Crown

Report ID: RP-0009

| File Number | Status | Division Area | Lease Type | Interest Type | Producing Status | Lessor Type / Number | Land Description |
|-------------|--------|-----------------------------------|------------|---------------|------------------|----------------------|--|
| M00638 A | ACTIVE | ENCHANT AREA ENCHANT FIELD, AB | PNG | WI | | CR 0498090042 | TWP 14 RGE 20 W4M SEC 15 |
| M00639 A | ACTIVE | ENCHANT AREA ENCHANT FIELD, AB | PNG | WI | | CR 0499030362 | TWP 14 RGE 20 W4M S 26, NE 26, PTN NW 26 |
| M00640 A | ACTIVE | ENCHANT AREA ENCHANT FIELD, AB | PNG | WI | | CR 017709A034 | TWP 14 RGE 20 W4M SEC 4 |
| M00641 A | ACTIVE | ENCHANT AREA ENCHANT FIELD, AB | PNG | WI | | CR 0496030593 | TWP 14 RGE 20 W4M NW PTN 26 |
| M00643 A | ACTIVE | TABER AREA TABER FIELD, AB | PNG | WI | | CR 0496060552 | TWP 10 RGE 15 W4M SEC 3 |
| M00646 A | ACTIVE | TABER AREA TABER FIELD, AB | PNG | WI | | CR 0489090251 | TWP 10 RGE 15 W4M SEC 4 |
| M00647 A | ACTIVE | TABER AREA TABER FIELD, AB | PNG | WI | | CR 0494070258 | TWP 9 RGE 15 W4M NW 34 |
| M00651 A | ACTIVE | TABER AREA TABER FIELD, AB | PNG | WI | | CR 0498070345 | TWP 9 RGE 14 W4M SEC 30 |
| M00655 A | ACTIVE | TABER AREA TABER FIELD, AB | PNG | WI | | CR 0490040484 | TWP 10 RGE 16 W4M PTN S 12 |
| M00656 A | ACTIVE | TABER AREA TABER FIELD, AB | PNG | WI | | CR 0490040483 | TWP 10 RGE 15 W4M PTN S 7 |
| M00657 A | ACTIVE | TABER AREA TABER FIELD, AB | PNG | WI | | CR 0490040485 | TWP 10 RGE 15 W4M NE 8 |
| M00658 A | ACTIVE | TABER AREA TABER FIELD, AB | PNG | WI | | CR 0490040266 | TWP 10 RGE 15 W4M SE 8 |
| M00659 A | ACTIVE | TABER AREA TABER FIELD, AB | PNG | WI | | CR 0489090252 | TWP 10 RGE 15 W4M SEC 5 |
| M00660 A | ACTIVE | TABER AREA TABER FIELD, AB | PNG | WI | | CR 0489110007 | TWP 10 RGE 15 W4M SEC 6 |
| M00664 A | ACTIVE | TABER AREA TABER FIELD, AB | PNG | WI | | CR 0498090014 | TWP 9 RGE 14 W4M SEC 19 |
| M00665 A | ACTIVE | TABER AREA TABER FIELD, AB | PNG | WI | | CR 0498090015 | TWP 9 RGE 14 W4M SEC 29 |
| M00666 A | ACTIVE | TABER AREA TABER FIELD, AB | PNG | WI | | CR 0499070210 | TWP 9 RGE 14 W4M SEC 31 |

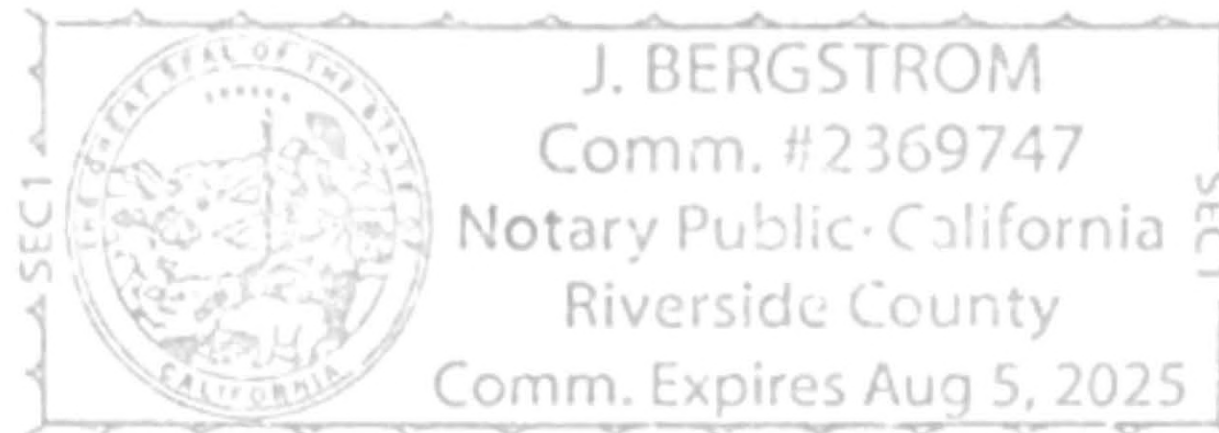
Cleo Energy Corp.
Mineral Lease Index - MINERAL Crown

| File Number | Status | Division Area | Lease Type | Interest Type | Producing Status | Lessor Type / Number | Land Description |
|-------------|--------|---|------------|---------------|------------------|----------------------|---|
| M00667 A | ACTIVE | TABER AREA TABER FIELD, AB | PNG | WI | | CR 0496060592 | TWP 10 RGE 15 W4M SEC 2 |
| M00668 A | ACTIVE | TABER AREA TABER FIELD, AB | PNG | WI | | CR 0499070206 | TWP 9 RGE 14 W4M SEC 15 |
| M00669 A | ACTIVE | TABER AREA TABER FIELD, AB | PNG | WI | | CR 0499070207 | TWP 9 RGE 14 W4M SEC 22 |
| M00670 A | ACTIVE | TABER AREA TABER FIELD, AB | PNG | WI | | CR 0499070208 | TWP 9 RGE 14 W4M SEC 23 |
| M00671 A | ACTIVE | TABER AREA TABER FIELD, AB | PNG | WI | | CR 0499030027 | TWP 9 RGE 14 W4M SEC 14 |
| M00672 A | ACTIVE | TABER AREA TABER FIELD, AB | PNG | WI | | CR 0499020014 | TWP 9 RGE 14 W4M SEC 21 |
| M00673 A | ACTIVE | ENCHANT AREA ENCHANT FIELD, AB | PNG | WI | | CR 0489040191 | TWP 14 RGE 20 W4M SEC 6 |
| M00674 A | ACTIVE | ENCHANT AREA ENCHANT FIELD, AB | PNG | WI | | CR 0489040192 | TWP 14 RGE 20 W4M SEC 7 |
| M00676 A | ACTIVE | ENCHANT AREA ENCHANT FIELD, AB | PNG LIC | WI | | CR 5396080061 | TWP 14 RGE 20 W4M SEC 17, 18 |
| M00678 A | ACTIVE | ENCHANT AREA ENCHANT FIELD, AB | PNG | WI | | CR 0488100541 | TWP 13 RGE 20 W4M W PTN 29 (PORTION DESIGNATED AS LITTLE BOW RIVER ON A PLAN OF SURVEY) |
| M00680 A | ACTIVE | ENCHANT AREA ENCHANT FIELD, AB | PNG | WI | | CR 0485070386 | TWP 13 RGE 20 W4M E PTN 30 |
| M00696 A | ACTIVE | KESSLER AREA KESSLER FIELD, AB | CMA | WI | | CR WDI 2012 0391 | TWP 39 RGE 8 W4M LSD 9 SEC 11 |
| M00697 A | ACTIVE | SHORNCLIFFE AREA SHORNCLIFFE FIELD, AB | CMA | WI | | CR WDI 2009 0274 | TWP 40 RGE 8 W4M LSD 13 SEC 14 |
| M00698 A | ACTIVE | KESSLER AREA KESSLER FIELD, AB | CMA | WI | | CR WDI 2102 0116 | TWP 39 RGE 8 W4M LSD 2 SEC 11 |
| M00699 A | ACTIVE | SILVER HEIGHTS AREA SILVER HEIGHTS FIELD, AB | CMA | WI | | CR WDI 2103 0219 | TWP 39 RGE 10 W4M LSD 8 SEC 16 |

Exhibit "AA" to the Affidavit of
Chris Lewis
Sworn/Affirmed before me this
23rd day of December, 2024



A Notary Public for the State of California



Cleo Energy Corp.
Mineral Lease Index - MINERAL Freehold

| File Number | Status | Division Area | Lease Type | Interest Type | Producing Status | Lessor Type / Number | Land Description |
|-------------|--------|---|------------|---------------|------------------|----------------------|-------------------------|
| M00142 A | ACTIVE | KESSLER AREA KESSLER FIELD, AB | PET | WI | | FH PSK M236025 | TWP 38 RGE 9 W4M SW 31 |
| M00144 A | ACTIVE | KESSLER AREA KESSLER FIELD, AB | PET | WI | | FH PSK M236027 | TWP 38 RGE 9 W4M NW 31 |
| M00149 A | ACTIVE | SILVER HEIGHTS AREA SILVER HEIGHTS FIELD, AB | PET | WI | | FH PSK M236032 | TWP 39 RGE 10 W4M SE 19 |
| M00150 A | ACTIVE | SILVER HEIGHTS AREA SILVER HEIGHTS FIELD, AB | PET | WI | | FH PSK M236033 | TWP 39 RGE 10 W4M SW 19 |
| M00152 A | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | NG | WI | | FH PSK M236035 | TWP 41 RGE 9 W4M SEC 21 |
| M00156 A | ACTIVE | SEDGEWICK AREA SEDGEWICK FIELD, AB | PET | WI | | FH PSK M235621 | TWP 42 RGE 12 W4M NW 5 |
| M00159 A | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | PET | WI | | FH PSK M174411 | TWP 40 RGE 13 W4M NW 27 |
| M00166 A | ACTIVE | SEDGEWICK AREA SEDGEWICK FIELD, AB | PET | WI | | FH PSK M110080 | TWP 42 RGE 12 W4M NE 5 |
| M00168 A | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | PET | WI | | FH PSK M174401 | TWP 40 RGE 12 W4M SW 3 |
| M00169 A | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | PET | WI | | FH PSK M174400 | TWP 40 RGE 12 W4M NW 3 |
| M00171 A | ACTIVE | SILVER HEIGHTS AREA SILVER HEIGHTS FIELD, AB | PET | WI | | FH PSK M232685 | TWP 38 RGE 10 W4M NE 33 |
| M00172 A | ACTIVE | SILVER HEIGHTS AREA SILVER HEIGHTS FIELD, AB | PET | WI | | FH PSK M232686 | TWP 38 RGE 10 W4M SE 33 |
| M00204 A | ACTIVE | SILVER HEIGHTS AREA SILVER HEIGHTS FIELD, AB | PNG | WI | P | FH PL 4822 | TWP 39 RGE 10 W4M SW 15 |
| M00205 A | ACTIVE | SILVER HEIGHTS AREA SILVER HEIGHTS FIELD, AB | PNG | WI | P | FH PL 4819 | TWP 39 RGE 10 W4M NE 15 |
| M00206 A | ACTIVE | SILVER HEIGHTS AREA SILVER HEIGHTS FIELD, AB | PNG | WI | NP | FH PSK M054852 | TWP 39 RGE 10 W4M NW 15 |
| M00207 A | ACTIVE | SILVER HEIGHTS AREA SILVER HEIGHTS FIELD, AB | PNG | WI | P | FH PL 4832 | TWP 39 RGE 10 W4M SE 23 |
| M00208 A | ACTIVE | SILVER HEIGHTS AREA SILVER HEIGHTS FIELD, AB | PNG | WI | P | FH PL 4833 | TWP 39 RGE 10 W4M SW 23 |

Cleo Energy Corp.
Mineral Lease Index - MINERAL Freehold

| File Number | Status | Division Area | Lease Type | Interest Type | Producing Status | Lessor Type / Number | Land Description |
|-------------|--------|---|------------|---------------|------------------|----------------------|---|
| M00210 A | ACTIVE | SILVER HEIGHTS AREA SILVER HEIGHTS FIELD, AB | PNG | WI | NP | FH PL 4831 | TWP 39 RGE 10 W4M NE 23 |
| M00229 A | ACTIVE | SHORNCLIFFE AREA SHORNCLIFFE FIELD, AB | PNG | WI | P | FH PRAIRIESKY | TWP 40 RGE 8 W4M LSD 1 SEC 21 |
| M00230 A | ACTIVE | SHORNCLIFFE AREA SHORNCLIFFE FIELD, AB | PET | WI | P | FH PRAIRIESKY | TWP 40 RGE 8 W4M LSD 4 SEC 23 (UNDIVIDED 50% MINERAL INTEREST) |
| M00231 A | ACTIVE | SHORNCLIFFE AREA SHORNCLIFFE FIELD, AB | PET | WI | P | FH PRAIRIESKY | TWP 40 RGE 8 W4M LSD 4 SEC 23 (UNDIVIDED 50% MINERAL INTEREST) |
| M00253 A | ACTIVE | HAYTER AREA HAYTER FIELD, AB | PNG | WI | P | FH FREEHOLD ROYAL | TWP 40 RGE 1 W4M NE 35 |
| M00255 A | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | SUB | WI | NP | FH CANPAR ET AL | TWP 46 RGE 8 W4M SEC 8 |
| M00257 A | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | SUB | WI | P | FH CREASY ET AL | TWP 46 RGE 8 W4M E 17, SW 17 |
| M00258 A | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | PNG | WI | P | FH GLASGOW ET AL | TWP 46 RGE 8 W4M NW 17 |
| M00263 A | ACTIVE | SHORNCLIFFE AREA SHORNCLIFFE FIELD, AB | PET | WI | | FH PSK M222362 | TWP 40 RGE 8 W4M LSD 2, 7, 8 SEC 27 |
| M00264 A | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | NG | WI | P | FH SURGE | TWP 45 RGE 7 W4M S 5, NW 5 |
| M00265 A | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | NG | WI | P | FH OBSIDIAN | TWP 45 RGE 7 W4M NW 3 TWP 45 RGE 7 W4M SE 3 TWP 45 RGE 7 W4M PTN NE SEC 3 (EXCLUDING R.O.W. FOR THE GRAND TRUNK PACIFIC RAILWAY, PLAN G.T.P. NO. 3) |
| M00289 A | ACTIVE | KESSLER AREA KESSLER FIELD, AB | PNG | WI | P | FH PSK M059880 | TWP 39 RGE 8 W4M NW 15 |
| M00290 A | ACTIVE | KESSLER AREA KESSLER FIELD, AB | PNG | WI | P | FH PRAIRIESKY | TWP 39 RGE 8 W4M NE 15 |
| M00291 A | ACTIVE | KESSLER AREA KESSLER FIELD, AB | PNG | WI | NP | FH PRAIRIESKY | TWP 39 RGE 8 W4M SE 15 |
| M00292 A | ACTIVE | KESSLER AREA KESSLER FIELD, AB | PNG | WI | P | FH PRAIRIESKY | TWP 39 RGE 8 W4M SW 15 |
| M00297 A | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | PNG | WI | P | FH DEGGENDORFER | TWP 45 RGE 7 W4M E 8 (UNDIVIDED 33.3333% INTEREST) |

Cleo Energy Corp.
Mineral Lease Index - MINERAL Freehold

| File Number | Status | Division Area | Lease Type | Interest Type | Producing Status | Lessor Type / Number | Land Description |
|-------------|--------|---|------------|---------------|------------------|----------------------|---|
| M00298 A | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | PNG | WI | P | FH RANDALL ET AL | TWP 45 RGE 7 W4M E 8 (UNDIVIDED 66.6667% INTEREST) |
| M00302 A | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | PNG | WI | P | FH PRAIRIESKY ET AL | TWP 45 RGE 7 W4M W 8 |
| M00303 A | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | PNG | WI | P | FH TOUSSAINT ET AL | TWP 45 RGE 7 W4M PTN SEC 9 (PTN NW - EXCEPTING THEREOUT 1.25HA TAKEN FOR ROW OF THE GRAND TRUNK PACIFIC RAILWAY AS SHOWN ON RAILWAY PLAN G.T.P. 3) (PTN NE - EXCEPTING THEREOUT 5.89HA TAKEN FOR ROW OF THE GRAND TRUNK PACIFIC RAILWAY, AS SHOWN ON RAILWAY PLAN G.T.P. 3) (UNDIVIDED 50% MINERAL INTEREST) |
| M00305 A | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | PNG | WI | P | FH FREEHOLD ROYALTY | TWP 46 RGE 8 W4M SEC 25 |
| M00306 A | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | PNG | WI | P | FH FREEHOLD ROYALTY | TWP 46 RGE 8 W4M SEC 31 |
| M00307 A | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | PNG | WI | P | FH FREEHOLD ROYALTY | TWP 46 RGE 8 W4M SEC 33 |
| M00308 A | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | PNG | WI | P | FH FREEHOLD ROYALTY | TWP 46 RGE 8 W4M SEC 35 |
| M00317 A | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | PNG | WI | P | FH SAVARD ET AL | TWP 46 RGE 8 W4M W 13 |
| M00324 A | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | PNG | WI | P | FH PRAIRIESKY | TWP 41 RGE 10 W4M NE 25 |
| M00325 A | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | PNG | WI | P | FH PRAIRIESKY | TWP 41 RGE 10 W4M NW 25 |
| M00326 A | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | PNG | WI | P | FH PRAIRIESKY | TWP 41 RGE 10 W4M SE 25 |
| M00327 A | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | PNG | WI | P | FH PRAIRIESKY | TWP 41 RGE 10 W4M SW 25 |
| M00336 A | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | PNG | WI | P | FH PRAIRIESKY | TWP 41 RGE 10 W4M NW 35 |
| M00337 A | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | PNG | WI | P | FH PRAIRIESKY | TWP 41 RGE 10 W4M SE 35 |

Cleo Energy Corp.
Mineral Lease Index - MINERAL Freehold

| File Number | Status | Division Area | Lease Type | Interest Type | Producing Status | Lessor Type / Number | Land Description |
|-------------|--------|---|------------|---------------|------------------|----------------------|---|
| M00338 A | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | PNG | WI | P | FH PRAIRIESKY | TWP 41 RGE 10 W4M SW 35 |
| M00348 A | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | PNG | WI | P | FH PRAIRIESKY | TWP 42 RGE 9 W4M S 26, NW 26 |
| M00350 A | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | PNG | WI | P | FH PSK M060758 | TWP 42 RGE 10 W4M NE PTN 1 |
| M00351 A | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | PNG | WI | P | FH PSK M060759 | TWP 42 RGE 10 W4M NW PTN 1 |
| M00352 A | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | PNG | WI | P | FH PSK M060760 | TWP 42 RGE 10 W4M SE PTN 1 |
| M00372 A | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | PNG | WI | P | FH MACLEAN ET AL | TWP 45 RGE 7 W4M PTN SE 17, NE 17 (SE PTN EXCEPTING THEREOUT FOR ROW OF THE GRAND TRUNK PACIFIC RAILWAY 12.31 AC AS SHOWN ON RAILWAY PLAN GTP NO. 3) (UNDIVIDED 66.6667% INTEREST) |
| M00373 A | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | PNG | WI | P | FH ASTLE, T | TWP 45 RGE 7 W4M SE PTN 17, W PTN 17 (PTN'S OF W TAKEN FOR ROW AND STATION GROUNDS OF THE GRAND TRUNK PACIFIC RAILWAY ON RAILWAY PLAN GTP NO. 3) (PTN OF SE TAKEN FOR ROW OF THE GRAND TRUNK PACIFIC RAILWAY ON RAILWAY PLAN GTP NO. 3) |
| M00374 A | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | PNG | WI | P | FH PSK M055974 | TWP 45 RGE 7 W4M PTN NE 9 |
| M00375 A | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | PNG | WI | P | FH PSK M055975 | TWP 45 RGE 7 W4M PTN NW 9 |
| M00421 A | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | PNG | WI | NP | FH MATTHEWS, J | TWP 44 RGE 13 W4M W 19 |
| M00422 A | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | PNG | WI | NP | FH THYFAULT ET AL | TWP 44 RGE 13 W4M E 19 |
| M00424 A | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | PNG | WI | P | FH MARCHAND ET AL | TWP 45 RGE 7 W4M NE 1 |
| M00425 A | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | PNG | WI | P | FH OBSIDIAN ET AL | TWP 45 RGE 7 W4M PTN SW 1, NW 1 (PTN EXCEPTING THEREOUT 1.98HA TAKEN FOR ROW OF THE GRAND TRUNK PACIFIC RAILWAY AS SHOWN ON RAILWAY PLAN G.T.P. NO. 3) |
| M00426 A | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | NG | WI | P | FH CNRL | TWP 45 RGE 7 W4M SE PTN 1 |

Cleo Energy Corp.
Mineral Lease Index - MINERAL Freehold

| File Number | Status | Division Area | Lease Type | Interest Type | Producing Status | Lessor Type / Number | Land Description |
|-------------|--------|---|------------|---------------|------------------|----------------------|---|
| M00427 A | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | PNG | WI | P | FH COURTENAY, J | TWP 45 RGE 7 W4M PTN SW 1 |
| M00437 A | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | PNG | WI | P | FH WILLERTON ETAL | TWP 46 RGE 8 W4M E 13 |
| M00463 A | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | PNG | WI | P | FH ASTLE, T | TWP 45 RGE 7 W4M PTN SE 17, NE 17 (SE PTN EXCEPTING THEREOUT FOR ROW OF THE GRAND TRUNK PACIFIC RAILWAY 12.31 AC AS SHOWN ON RAILWAY PLAN GTP NO. 3) (UNDIVIDED 33.3333% INTEREST) |
| M00464 A | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | PNG | WI | P | FH ASTLE, T | TWP 45 RGE 7 W4M PTN W 17 (NW PTN EXCEPTING THEREOUT 2.57 AC TAKEN FOR ROW AND STATION GROUNDS OF THE GRAND TRUNK PACIFIC RAILWAY AS SHOWN ON RAILWAY PLAN GTP NO. 3) (SW PTN EXCEPTING THEREOUT 22.36 AC TAKEN FOR ROW AND STATION GROUNDS OF THE GRAND TRUNK PACIFIC RAILWAY AS SHOWN ON RAILWAY PLAN GTP NO. 3) |
| M00466 A | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | PNG | WI | P | FH BUFFALO TRAIL | TWP 44 RGE 6 W4M PTN NW SEC 5 (PTN NW COMMENCING AT A POINT AT THE NW CORNER OF SAID QUARTER SECTION, THENCE EASTERLY ALONG THE NORTHL BOUNDARY THEREOF A DISTANCE OF 295.159 FEET, THENCE SOUTHERLY AND PARALLEL WITH THE WESTERLY BOUNDARY A DISTANCE OF 295.159 FEET, THENCE WESTERLY AND PARALLEL WITH THE SAID NORTHERLY BOUNDARY A DISTANCE OF 295.159 FEET MORE OR LESS TO A POINT ON THE SAID WESTERLY BOUNDARY THENCE NORTHERLY ALONG THE SAID WESTERLY BOUNDARY A DISTANCE OF 295.159 FEET MORE OR LESS TO THE POINT OF COMMENCEMENT) |
| M00467 A | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | PNG | WI | P | FH DEMILL, R | TWP 44 RGE 6 W4M W 5 (UNDIVIDED 1/3 INTEREST) |
| M00469 A | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | PNG | WI | P | FH NESBITT, D M | TWP 44 RGE 6 W4M E 5 (UNDIVIDED 1/3 INTEREST) |
| M00475 A | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | PNG | WI | P | FH WOODS, R | TWP 44 RGE 6 W4M W 5 (UNDIVIDED 1/12 INTEREST) |
| M00476 A | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | PNG | WI | P | FH RUTISHAUSER, J | TWP 44 RGE 6 W4M W 5 (UNDIVIDED 1/12 INTEREST) |

Cleo Energy Corp.
Mineral Lease Index - MINERAL Freehold

| File Number | Status | Division Area | Lease Type | Interest Type | Producing Status | Lessor Type / Number | Land Description |
|-------------|--------|---|------------|---------------|------------------|----------------------|---|
| M00477 A | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | PNG | WI | P | FH WOODS, G | TWP 44 RGE 6 W4M NW PTN 5, SW 5 (UNDIVIDED 1/3 INTEREST) (EXCEPTING THAT PORTION COMMENCING AT A POINT AT THE NORTHWEST CORNER OF NW QUARTER, THENCE EASTERLY ALONG THE NORTHERLY BOUNDARY THEREOF 295.159 FEET, THEN SOUTHERLY AND PARALLEL WITH THE WESTERLY BOUNDARY 295.159 FEET, THENCE WESTERLY AND PARALLEL WITH THE SAID NORTHERLY BOUNDARY TO A POINT ON THE SAID WESTERLY BOUNDARY, THENCE NORTHERLY ALONG THE SAID WESTERLY BOUNDARY TO THE POINT OF COMMENCEMENT CONTAINING 0.809 HA) |
| M00478 A | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | PNG | WI | P | FH HILLIER, L | TWP 44 RGE 6 W4M NW PTN 5, SW 5 (UNDIVIDED 1/3 INTEREST) (EXCEPTING THAT PORTION COMMENCING AT A POINT AT THE NORTHWEST CORNER OF NW QUARTER, THENCE EASTERLY ALONG THE NORTHERLY BOUNDARY THEREOF 295.159 FEET, THEN SOUTHERLY AND PARALLEL WITH THE WESTERLY BOUNDARY 295.159 FEET, THENCE WESTERLY AND PARALLEL WITH THE SAID NORTHERLY BOUNDARY TO A POINT ON THE SAID WESTERLY BOUNDARY, THENCE NORTHERLY ALONG THE SAID WESTERLY BOUNDARY TO THE POINT OF COMMENCEMENT CONTAINING 0.809 HA) |
| M00479 A | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | PNG | WI | P | FH NICHOLSON, L | TWP 44 RGE 6 W4M NW PTN 5, SW 5 (UNDIVIDED 1/3 INTEREST) (EXCEPTING THAT PORTION COMMENCING AT A POINT AT THE NORTHWEST CORNER OF NW QUARTER, THENCE EASTERLY ALONG THE NORTHERLY BOUNDARY THEREOF 295.159 FEET, THEN SOUTHERLY AND PARALLEL WITH THE WESTERLY BOUNDARY 295.159 FEET, THENCE WESTERLY AND PARALLEL WITH THE SAID NORTHERLY BOUNDARY TO A POINT ON THE SAID WESTERLY BOUNDARY, THENCE NORTHERLY ALONG THE SAID WESTERLY BOUNDARY TO THE POINT OF COMMENCEMENT CONTAINING 0.809 HA) |
| M00480 A | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | PNG | WI | P | FH JOHNSON, E | TWP 44 RGE 6 W4M E 5 (UNDIVIDED 1/3 INTEREST) |

Cleo Energy Corp.
Mineral Lease Index - MINERAL Freehold

| File Number | Status | Division Area | Lease Type | Interest Type | Producing Status | Lessor Type / Number | Land Description |
|-------------|--------|---|------------|---------------|------------------|----------------------|--|
| M00481 A | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | PNG | WI | P | FH MILLER, L | TWP 44 RGE 6 W4M PTN SW 3, NW 3 (PORTION OF SW, WHICH IS NOT COVERED BY ANY OF THE WATERS OF RAINY LAKE AND LAKE PARSONS AS SHOWN ON A PLAN OF SURVEY OF THE SAID TWP DATED 8 MAY 1905) (UNDIVIDED 1/40 INTEREST) |
| M00482 A | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | PNG | WI | P | FH WARE, B | TWP 44 RGE 6 W4M PTN SW 3, NW 3 (PORTION OF SW, WHICH IS NOT COVERED BY ANY OF THE WATERS OF RAINY LAKE AND LAKE PARSONS AS SHOWN ON A PLAN OF SURVEY OF THE SAID TWP DATED 8 MAY 1905) (UNDIVIDED 1/40 INTEREST) |
| M00483 A | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | PNG | WI | P | FH WARE, D | TWP 44 RGE 6 W4M PTN SW 3, NW 3 (PORTION OF SW, WHICH IS NOT COVERED BY ANY OF THE WATERS OF RAINY LAKE AND LAKE PARSONS AS SHOWN ON A PLAN OF SURVEY OF THE SAID TWP DATED 8 MAY 1905) (UNDIVIDED 1/40 INTEREST) |
| M00484 A | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | PNG | WI | P | FH CALLIHOO ET AL | TWP 44 RGE 6 W4M PTN SW 3, NW 3 (PORTION OF SW, WHICH IS NOT COVERED BY ANY OF THE WATERS OF RAINY LAKE AND LAKE PARSONS AS SHOWN ON A PLAN OF SURVEY OF THE SAID TWP DATED 8 MAY 1905) (UNDIVIDED 1/8 INTEREST) |
| M00485 A | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | PNG | WI | P | FH FENTON ET AL | TWP 44 RGE 6 W4M PTN SW 3, NW 3 (PORTION OF SW, WHICH IS NOT COVERED BY ANY OF THE WATERS OF RAINY LAKE AND LAKE PARSONS AS SHOWN ON A PLAN OF SURVEY OF THE SAID TWP DATED 8 MAY 1905) (UNDIVIDED 1/8 INTEREST) |
| M00486 A | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | PNG | WI | P | FH THACKER, C | TWP 44 RGE 6 W4M PTN SW 3, NW 3 (PORTION OF SW, WHICH IS NOT COVERED BY ANY OF THE WATERS OF RAINY LAKE AND LAKE PARSONS AS SHOWN ON A PLAN OF SURVEY OF THE SAID TWP DATED 8 MAY 1905) (UNDIVIDED 1/8 INTEREST) |
| M00487 A | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | PNG | WI | P | FH RODGERS, M E | TWP 44 RGE 6 W4M PTN SW 3, NW 3 (PORTION OF SW, WHICH IS NOT COVERED BY ANY OF THE WATERS OF RAINY LAKE AND LAKE PARSONS AS SHOWN ON A PLAN OF SURVEY OF THE SAID TWP DATED 8 MAY 1905) (UNDIVIDED 1/8 INTEREST) |

Cleo Energy Corp.
Mineral Lease Index - MINERAL Freehold

| File Number | Status | Division Area | Lease Type | Interest Type | Producing Status | Lessor Type / Number | Land Description |
|-------------|--------|---|------------|---------------|------------------|----------------------|--|
| M00488 A | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | PNG | WI | P | FH HUXLEY, EBBERN | TWP 44 RGE 6 W4M PTN SW 3, NW 3 (PORTION OF SW, WHICH IS NOT COVERED BY ANY OF THE WATERS OF RAINY LAKE AND LAKE PARSONS AS SHOWN ON A PLAN OF SURVEY OF THE SAID TWP DATED 8 MAY 1905) (UNDIVIDED 1/8 INTEREST) |
| M00489 A | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | PNG | WI | P | FH WARE, R | TWP 44 RGE 6 W4M PTN SW 3, NW 3 (PORTION OF SW, WHICH IS NOT COVERED BY ANY OF THE WATERS OF RAINY LAKE AND LAKE PARSONS AS SHOWN ON A PLAN OF SURVEY OF THE SAID TWP DATED 8 MAY 1905) (UNDIVIDED 1/40 INTEREST) |
| M00491 A | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | PNG | WI | P | FH WILSON, A | TWP 44 RGE 6 W4M E 5 (UNDIVIDED 1/9 INTEREST) |
| M00492 A | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | PNG | WI | P | FH ANDERSON, L | TWP 44 RGE 6 W4M E 5 (UNDIVIDED 1/9 INTEREST) |
| M00493 A | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | PNG | WI | P | FH LE POOLE, D | TWP 44 RGE 6 W4M E 5 (UNDIVIDED 1/9 INTEREST) |
| M00495 A | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | PNG | WI | P | FH MCCALLUM, H | TWP 44 RGE 6 W4M PTN SW 3, NW 3 (PORTION OF SW, WHICH IS NOT COVERED BY ANY OF THE WATERS OF RAINY LAKE AND LAKE PARSONS AS SHOWN ON A PLAN OF SURVEY OF THE SAID TWP DATED 8 MAY 1905) (UNDIVIDED 1/8 INTEREST) |
| M00497 A | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | PNG | WI | P | FH EVANGELICAL | TWP 44 RGE 6 W4M PTN SW 3, NW 3 (PORTION OF SW, WHICH IS NOT COVERED BY ANY OF THE WATERS OF RAINY LAKE AND LAKE PARSONS AS SHOWN ON A PLAN OF SURVEY OF THE SAID TWP DATED 8 MAY 1905) (UNDIVIDED 1/8 INTEREST) |
| M00499 A | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | PNG | WI | P | FH WARE, F OR A | TWP 44 RGE 6 W4M PTN SW 3, NW 3 (PORTION OF SW, WHICH IS NOT COVERED BY ANY OF THE WATERS OF RAINY LAKE AND LAKE PARSONS AS SHOWN ON A PLAN OF SURVEY OF THE SAID TWP DATED 8 MAY 1905) (UNDIVIDED 1/40 INTEREST) |
| M00511 A | ACTIVE | NEUTRAL HILLS AREA NEUTRAL HILLS FIELD, AB | PNG | WI | NP | FH PSK M055039 | TWP 36 RGE 7 W4M SE 35, N 35 |
| M00512 A | ACTIVE | NEUTRAL HILLS AREA NEUTRAL HILLS FIELD, AB | PNG | WI | NP | FH PSK M055043 | TWP 37 RGE 7 W4M SE 1 |

Cleo Energy Corp.
Mineral Lease Index - MINERAL Freehold

| File Number | Status | Division Area | Lease Type | Interest Type | Producing Status | Lessor Type / Number | Land Description |
|-------------|--------|---|------------|---------------|------------------|----------------------|---|
| M00513 A | ACTIVE | NEUTRAL HILLS AREA NEUTRAL HILLS FIELD, AB | PNG | WI | P | FH PSK M055042 | TWP 37 RGE 7 W4M LSD 3 SEC 1 TWP 37 RGE 7 W4M LSD 6 SEC 1 TWP 37 RGE 7 W4M PTN 4(A, C, D) SEC 1 TWP 37 RGE 7 W4M PTN 5(B, D) SEC 1 (EXCLUDING WATERS OF LAKE # 1) TWP 37 RGE 7 W4M PTN 4(B) SEC 1 TWP 37 RGE 7 W4M PTN 5(A) SEC 1 |
| M00514 A | ACTIVE | NEUTRAL HILLS AREA NEUTRAL HILLS FIELD, AB | PNG | WI | NP | FH PSK M055040 | TWP 37 RGE 7 W4M LSD 11 SEC 1 TWP 37 RGE 7 W4M LSD 12 SEC 1 TWP 37 RGE 7 W4M LSD 14 SEC 1 (NOT COVERED BY WATERS OF LAKE NO. 1) |
| M00515 A | ACTIVE | NEUTRAL HILLS AREA NEUTRAL HILLS FIELD, AB | PNG | WI | NP | FH PSK M054973 | TWP 37 RGE 7 W4M PTN 8 SEC 3 (8D ONLY) |
| M00516 A | ACTIVE | NEUTRAL HILLS AREA NEUTRAL HILLS FIELD, AB | PNG | WI | NP | FH PSK M055041 | TWP 37 RGE 7 W4M PTN NE 1 |
| M00519 A | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | PNG | WI | P | FH PSK M243981 | TWP 44 RGE 6 W4M PTN SE SEC 3 (NOT COVERED BY THE WATERS OF RAINY LAKE AND LAKE PARSONS AS SHOWN ON A PLAN OF SURVEY OF THE SAID TWP DATED ON THE 8TH DAY OF JANUARY 1909) |
| M00520 A | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | NG | WI | P | FH PSK M063489 | TWP 42 RGE 8 W4M SEC 31 |
| M00530 A | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | PNG | WI | P | FH ARMSTRONG, T | TWP 45 RGE 7 W4M LSD 5, 6 SEC 3 |
| M00531 A | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | PNG | WI | NP | FH PSK M207896 | TWP 45 RGE 7 W4M NE 6 |
| M00535 A | ACTIVE | NEUTRAL HILLS AREA NEUTRAL HILLS FIELD, AB | PNG | WI | NP | FH PRAIRIESKY | TWP 36 RGE 6 W4M NE 31 |
| M00539 A | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | PNG | WI | P | FH STEWART, R | TWP 45 RGE 7 W4M PTN SEC 9 (PTN NW - EXCEPTING THEREOUT 1.25HA TAKEN FOR ROW OF THE GRAND TRUNK PACIFIC RAILWAY AS SHOWN ON RAILWAY PLAN G.T.P. 3) (PTN NE - EXCEPTING THEREOUT 5.89HA TAKEN FOR ROW OF THE GRAND TRUNK PACIFIC RAILWAY, AS SHOWN ON RAILWAY PLAN G.T.P. 3) (UNDIVIDED 50% MINERAL INTEREST) |
| M00552 A | ACTIVE | SEDGEWICK AREA SEDGEWICK FIELD, AB | PET | WI | P | FH PSK M064809 | TWP 42 RGE 12 W4M LSD 5, 6 SEC 3 |

Cleo Energy Corp.
Mineral Lease Index - MINERAL Freehold

| File Number | Status | Division Area | Lease Type | Interest Type | Producing Status | Lessor Type / Number | Land Description |
|-------------|--------|---|------------|---------------|------------------|----------------------|--|
| M00553 A | ACTIVE | SEDGEWICK AREA SEDGEWICK FIELD, AB | PET | WI | P | FH PSK M064808 | TWP 42 RGE 12 W4M LSD 12 & 13 SEC 3 |
| M00563 A | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | PNG | WI | P | FH SCHLAUT, H | TWP 44 RGE 17 W4M SE 27 |
| M00564 A | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | PNG | WI | P | FH CANADA LIFE | TWP 45 RGE 13 W4M SW 5, E 5 |
| M00565 A | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | PNG | WI | P | FH BRENNAN, E | TWP 45 RGE 13 W4M NW 5 (UNDIVIDED 1/3 INTEREST) |
| M00566 A | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | PNG | WI | P | FH DURBIN, C | TWP 45 RGE 13 W4M NW 5 (UNDIVIDED 1/3 INTEREST) |
| M00567 A | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | PNG | WI | P | FH FUGELSANG ET AL | TWP 45 RGE 13 W4M NW 5 (UNDIVIDED 1/3 INTEREST) |
| M00568 A | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | NG | WI | P | FH KOB SAR, M | TWP 44 RGE 12 W4M NE 31 |
| M00619 A | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | NG | WI | P | FH ARMITAGE ET AL | TWP 43 RGE 12 W4M SEC 23 |
| M00621 A | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | PNG | WI | P | FH PSK M055130 | TWP 45 RGE 12 W4M SW 21, N 21 |
| M00622 A | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | NG | WI | P | FH WALLACE | TWP 45 RGE 12 W4M SE 21 |
| M00631 A | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | PNG | WI | P | FH BINGHAM ET AL | TWP 46 RGE 13 W4M SEC 35 |
| M00632 A | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | PNG | WI | NP | FH HAYES MANAGEME | TWP 45 RGE 14 W4M SEC 25 |
| M00642 A | ACTIVE | TABER AREA TABER FIELD, AB | NG | WI | | FH PSK M237864 | TWP 9 RGE 15 W4M SEC 35 |
| M00644 A | ACTIVE | TABER AREA TABER FIELD, AB | NG | WI | | FH PSK M237869 | TWP 9 RGE 15 W4M SEC 36 |
| M00645 A | ACTIVE | TABER AREA TABER FIELD, AB | NG | WI | | FH PSK M237873 | TWP 9 RGE 15 W4M SEC 25 |
| M00648 A | ACTIVE | TABER AREA TABER FIELD, AB | NG | WI | | FH PSK M237874 | TWP 9 RGE 15 W4M S 34, NE 34 |
| M00649 A | ACTIVE | TABER AREA TABER FIELD, AB | PNG | WI | | FH CNRL 221104 | TWP 9 RGE 15 W4M S 26, NW 26 |

Cleo Energy Corp.
Mineral Lease Index - MINERAL Freehold

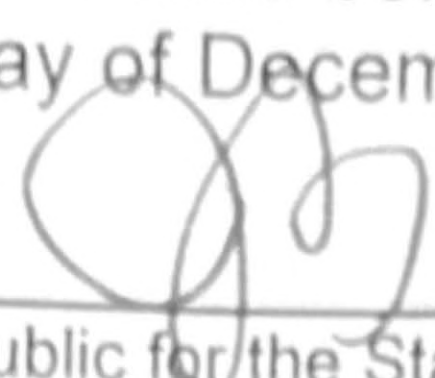
| File Number | Status | Division Area | Lease Type | Interest Type | Producing Status | Lessor Type / Number | Land Description |
|-------------|--------|---|------------|---------------|------------------|----------------------|---|
| M00650 A | ACTIVE | TABER AREA TABER FIELD, AB | NG | WI | | FH PSK M237875 | TWP 9 RGE 15 W4M NE 26 |
| M00652 A | ACTIVE | TABER AREA TABER FIELD, AB | NG | WI | | FH PSK M237876 | TWP 9 RGE 15 W4M SEC 27 |
| M00653 A | ACTIVE | TABER AREA TABER FIELD, AB | NG | WI | | FH PSK M237877 | TWP 9 RGE 15 W4M SEC 33 |
| M00654 A | ACTIVE | TABER AREA TABER FIELD, AB | NG | WI | | FH PSK M237878 | TWP 9 RGE 15 W4M SEC 32 |
| M00661 A | ACTIVE | TABER AREA TABER FIELD, AB | NG | WI | | FH PSK M237879 | TWP 10 RGE 16 W4M S PTN 12 (LYING WITHIN THE RAILWAY ON PLAN RY21) |
| M00662 A | ACTIVE | TABER AREA TABER FIELD, AB | NG | WI | | FH PSK M237882 | TWP 10 RGE 15 W4M SW PTN 7, E PTN 7 |
| M00663 A | ACTIVE | TABER AREA TABER FIELD, AB | NG | WI | | FH PSK M237883 | TWP 10 RGE 15 W4M W PTN 8, NE PTN 8 |
| M00675 A | ACTIVE | ENCHANT AREA ENCHANT FIELD, AB | PNG | WI | | FH TOPAZ M05760 | TWP 14 RGE 20 W4M N 8 |
| M00681 A | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | PNG | WI | | FH ASTLE, THERESA | TWP 45 RGE 7 W4M LSD 3, 4, 7 (B) SEC 15 TWP 45 RGE 7 W4M LSD 8 (NE 1/4 OF NW 1/4 AND NE 1/4 OF THE NE 1/4) SEC 15 TWP 45 RGE 7 W4M LSD 9 (N 1/2 OF SE 1/4) SEC 15 TWP 45 RGE 7 W4M LSD 11, 12, 13, 16 SEC 15 |
| M00682 A | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | PNG | WI | | FH HUNT, TERRY | TWP 45 RGE 7 W4M LSD 14 (C, D) SEC 15 |
| M00683 A | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | PNG | WI | | FH DIX, KENNETH W. | TWP 45 RGE 7 W4M LSD 5, 6 SEC 15 (AS TO AN UNDIVIDED 50% MINERAL INTEREST) |
| M00684 A | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | PNG | WI | | FH ESPLEN ESTATE | TWP 45 RGE 7 W4M LSD 14 (B, C) SEC 15 |
| M00685 A | ACTIVE | ENCHANT AREA ENCHANT FIELD, AB | PNG | WI | | FH CNRL 221719 | TWP 14 RGE 20 W4M S 8 |
| M00686 A | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | PNG | WI | | FH BILKEY ESTATE | TWP 45 RGE 7 W4M LSD 5, 6 SEC 15 (UNDIVIDED 50% INTEREST) |
| M00687 A | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | NG | WI | | FH PSK M241084 | TWP 46 RGE 7 W4M SEC 5 |
| M00691 A | ACTIVE | KESSLER AREA KESSLER FIELD, AB | DISPINJ | WI | | FH PSK M242028 | TWP 39 RGE 7 W4M LSD 13 SEC 7 |

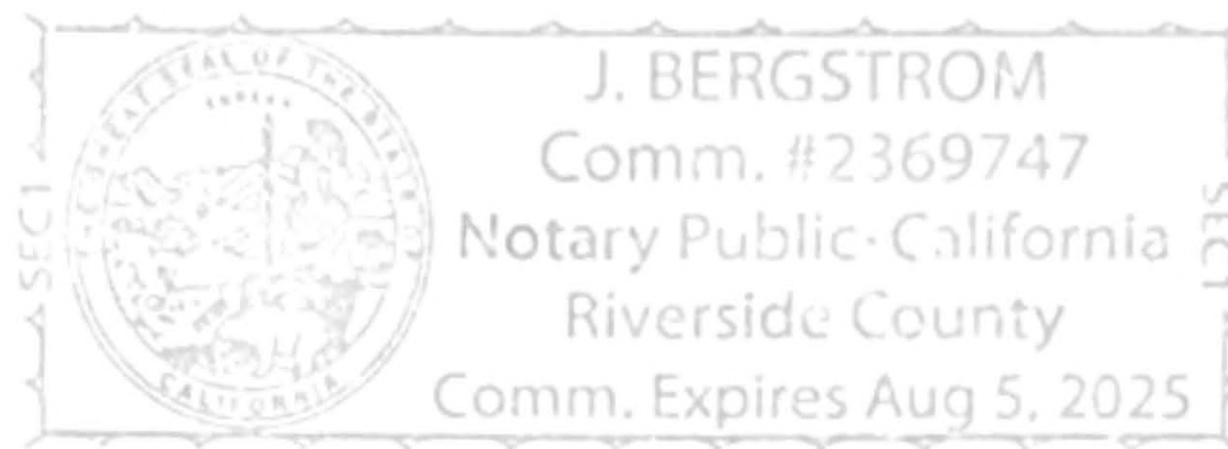
Cleo Energy Corp.
Mineral Lease Index - MINERAL Freehold

| File Number | Status | Division Area | Lease Type | Interest Type | Producing Status | Lessor Type / Number | Land Description |
|-------------|--------|---|------------|---------------|------------------|----------------------|-----------------------------------|
| M00692 A | ACTIVE | KESSLER AREA KESSLER FIELD, AB | DISPINJ | WI | | FH PSK M242027 | TWP 39 RGE 7 W4M LSD 3, 4 SEC 7 |
| M00693 A | ACTIVE | SHORNCLIFFE AREA SHORNCLIFFE FIELD, AB | DISPINJ | WI | | FH PSK M242029 | TWP 40 RGE 8 W4M LSD 12 SEC 23 |
| M00694 A | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | PET | WI | | FH PSK M241983 | TWP 45 RGE 7 W4M NE PTN 9 |
| M00695 A | ACTIVE | WAINWRIGHT AREA WAINWRIGHT FIELD, AB | PET | WI | | FH PSK M241984 | TWP 45 RGE 7 W4M PTN LSD 14 SEC 9 |
| M00708 A | ACTIVE | KESSLER AREA KESSLER FIELD, AB | PET | WI | | FH PSK M244510 | TWP 40 RGE 8 W4M LSD 13 SEC 23 |



Exhibit "BB" to the Affidavit of
Chris Lewis
Sworn/Affirmed before me this
23rd day of December, 2024


A Notary Public for the State of California



GROSS OVERRIDING ROYALTY AGREEMENT

SILVER HEIGHTS AREA, ALBERTA

This Agreement made as of the 1st day of December, 1987

Between:

KELES PRODUCTION COMPANY LTD., a body corporate,
having an office at the City of Calgary in the
Province of Alberta

(hereinafter referred to as the "Grantor")

- AND -

KELES ENGINEERING LTD., a body corporate, having an
office at the City of Calgary in the Province of
Alberta

(hereinafter referred to as the "Royalty Owner")

Whereas the Royalty Owner has provided the Grantor with certain technical information with respect to the Prospect Lands; and

Whereas the Grantor has agreed to grant and pay to the Royalty Owner a gross overriding royalty on its interest in any Prospect Lands acquired by the Grantor; and

Whereas the parties desire to document this gross overriding royalty.

Now Therefore This Agreement Witnesseth that the parties hereto agree as follows:

1. DEFINITIONS

Notwithstanding the jurisdiction in which the royalty lands may be situated, the parties hereto agree that, as among themselves, the definitions set out in the Oil and Gas Conservation Act, R.S.A. 1980, C.O-5, as amended, as such definitions pertain to any and all substances constituting petroleum substances, shall be applicable for the purpose of interpreting this Agreement, except insofar as any such definition may have been modified, as provided hereunder.

For the purpose of this Agreement, including the recitals and this Clause, unless the context otherwise requires:

- (a) "condensate" has the meaning set out in the Oil and Gas Conservation Act, R.S.A. 1980 C.O-5;
- (b) "crude oil" means a mixture mainly of pentane and heavier hydrocarbons (whether or not contaminated with sulphur compounds) that is recovered at a well from an underground reservoir and that is liquid at the conditions under which its volume is measured or estimated and shall include crude naphtha or condensate that is so recovered;
- (c) "current market value" means the price received by the Grantor at the point of measurement for its share of petroleum substances produced and marketed from, or allocated to, the royalty lands pursuant to a scheme of pooling or unitization which price shall not be less than that which the Grantor would have received at the wellhead if acting as a reasonably prudent operator having regard to the current market prices, availability to market and economic conditions of the petroleum industry generally.
- (d) "natural gas" shall mean raw gas or marketable gas as the context so requires, and as those terms are defined in the Oil and Gas Conservation Act for the Province of Alberta;
- (e) "petroleum substances" means all crude oil, natural gas and related hydrocarbons and any other substances, whether fluids or solids and whether hydrocarbons or not, but only insofar as and to the extent the same are granted by the title document.
- (f) "point of measurement" shall mean the production tankage in the case of crude oil, the well head in the case of natural gas and the point of delivery for all other petroleum substances.
- (g) "Prospect Lands" means all or any portion of the following lands:

Twp 39 Rge 10 W4M: Section 22
- (h) "Regulations" means all statutes, laws, rules, orders and regulations in effect from time to time and made by governmental authorities having jurisdiction over the royalty lands and over the operations to be conducted thereon;
- (i) "royalty lands" means Prospect Lands acquired by Grantor during the period commencing with the date hereof and

terminating December 1, 1989 as described from time to time in Schedule "A" hereto.

- (j) "title document" means the documents of title by virtue of which the holders thereof are entitled to drill for, win, take or remove petroleum substances underlying all or any part of the royalty lands and includes all renewals or extensions thereof or other title documents issued thereunder or in substitution therefor.

2. RESERVATION OF ROYALTY

- (a) Grantor hereby grants and assigns to the Royalty Owner a gross overriding royalty equal to two percent (2%) of the current market value of Grantor's share of all petroleum substances produced, saved and marketed from the royalty lands. ~~It is understood that the gross overriding royalty applies not only against the present working interest of Grantor but also to any additional working interest acquired by Grantor in the royalty lands.~~ It is also understood that the gross overriding royalty applies only against the working interest which the Grantor, its successors or assigns, retains after exercise of any conversion rights or carried interest rights contained in any agreements creating the working interest of the Grantor. (hereinafter referred to as the "royalty")
- (b) The Grantor's interest shall include the interests of those parties participating with Grantor based on the information generated by the Royalty Owner and resulting in the acquisition of the royalty lands.
- (c) The royalty shall be in addition to the royalties payable under and pursuant to the title document. The royalty shall be paid to the Royalty Owner during the term of the title document and any renewal, extension, variation or replacement thereof.
- (d) If any petroleum substances are sold at less than current market value in any transaction (including those transactions which are not at arm's length or any transaction involving any arrangement from which the Grantor obtains a collateral advantage in consideration of a reduced price, the gross proceeds of sale of such petroleum substances for the purposes of calculating the royalty under subclause 2(a) hereof shall be deemed to be not less than the current market value of those petroleum substances when sold.
- (e) If any well drilled on the royalty lands is classified by the appropriate governmental authority as an oil well; and is completed in more than one producing oil zone and the production therefrom is segregated and accounted for separately in accordance with the Regulations, then the

computation of the royalty provided for in subclause 2(a) hereof shall be made separately for each producing zone rather than for the total production from such well.

4. COMMINGLING PRODUCTION

The Grantor shall have the right to commingle petroleum substances produced from the royalty lands with petroleum substances produced from other lands provided methods acceptable to the Royalty Owner are used to determine the proper measurement of individual well production.

Where governmental regulations or orders require segregated production tests of individual wells at intervals not greater than two months, such tests will be deemed acceptable to the Royalty Owner under this Clause and no further tests will be required.

5. RIGHT TO POOL OR UNITIZE

Grantor is hereby given the right and authority, at any time and from time to time, to pool the royalty lands, or any portion thereof or to unitize the royalty lands or any portion thereof, or any zone or formation underlying the royalty lands, or any portion thereof, with any other lands or any zone or formation underlying the same, on reasonable terms and conditions. In the event of such pooling or unitization, the Royalty Owner shall, in lieu of the royalty, receive royalty at the rate herein specified but calculated on that portion of the production of the petroleum substances from the area so pooled or unitized which is allocated to that portion of the royalty lands which is contributed to the pooled or unitized area pursuant to the pooling or unitization agreement concerned.

6. OPERATIONS

Grantor may use any of the petroleum substances produced from the royalty lands or allocated thereto pursuant to a pooling and unitization agreement in its operations on or in respect to the royalty lands and the Royalty Owner shall own no royalty hereunder in the petroleum substances so used.

7. TAKING IN KIND

- (a) Royalty Owner may by notice to Grantor elect to take its royalty in kind or to revoke any previous election made by it to take in kind, provided that Royalty Owner may not make an election with respect to any of the petroleum substances within one hundred and eighty (180) days after any prior election relating to that same portion of the petroleum substances. Such election to take in kind may be excised separately with respect to crude oil, natural gas and condensate. If Royalty Owner elects to take its royalty in kind, the percentages and measurement criteria

stipulated in Clause 2 hereof shall apply to the quantities of petroleum substances produced and saved at the wellhead instead of the gross proceeds of sale or the current market value thereof, as the case may be. Commencing with the month next following sixty (60) days after receipt of such notice, Grantor, in accordance with the notice and as provided in Clause 8 hereof, shall either:

- (i) deliver to the Royalty Owner or to its nominee, the Royalty Owner's royalty share of all petroleum substances produced from the royalty lands which Royalty Owner has elected to take as provided above, or
 - (ii) pay the royalty in cash as provided in Clause 2 hereof.
- (b) Any such election by the Royalty Owner to take in kind shall be subject to the terms of any sales contracts which Grantor may have previously made with respect to production of petroleum substances from the royalty lands which shall be consistent with the minimum needs of the industry under the circumstances but shall not, however exceed one (1) year without the Royalty Owner's written approval.
- (c) If the Royalty Owner elects to take its royalty share of crude oil in kind, Grantor shall:
- (i) at no cost or charge to the Royalty Owner, remove basic sediment and water from the Royalty Owner's share of crude oil in accordance with normal oilfield practices so that pipeline specifications in that regard are met, and
 - (ii) at the request of the Royalty Owner, provide production tankage capacity for not more than ten (10) days' accumulation of the Royalty Owner's share of crude oil and Grantor shall deliver the same to the Royalty Owner, or to the Royalty Owner's nominee, at the tank outlets in accordance with usual customary shipping practice, free and clear of all charge whatsoever.
- (d) If the Royalty Owner elects to take its royalty share of petroleum substances other than crude oil in kind, the Royalty Owner shall either take its share thereof at the wellhead or shall make arrangements for the processing of such substances.

X 8. SALE OF ROYALTY

- (a) When and so often as the Royalty Owner shall fail or

refuse to take the royalty in kind and separately dispose of the same, the Grantor shall have the authority, revokable by the Royalty Owner at will (subject to any existing sales contracts) to sell, and shall sell for the account of the Royalty Owner, the royalty for such periods of time as are consistent with the minimum needs of the industry under the circumstances, but in no event shall any contract be for a period in excess of one (1) year.

- (b) The Grantor shall pay to the Royalty Owner, for the royalty sold or purchased by the Grantor, the current market value thereof on or before the first day of the second month following the month of production and shall include therewith a complete statement of inventories, production and sales for the month of production.
- (c) If any royalty remains unpaid at the expiration of the period specified above, Royalty Owner may, by notice, advise the Grantor of same. If the Grantor does not pay the royalty within thirty (30) days of receipt of such notice, then from the expiration of the period specified above, the unpaid amount shall bear interest at the prime rate plus two percent (2%) per annum until paid. In this subclause, "prime rate" means the rate of interest expressed as a percentage per annum used and announced by the Canadian Imperial Bank of Commerce as a reference rate then in effect for determining interest on Canadian dollar commercial loans in Canada. The prime rate shall be determined on the last day of each month and applied to the next succeeding month.
- (d) Grantor shall maintain complete and accurate records of the petroleum substances produced, or deemed to have been produced, saved and sold from the royalty lands and of the monies received therefrom and shall forward with each payment of royalty hereunder a statement giving sufficient detail for the Royalty Owner to ascertain the accuracy of the payment made therewith. The Grantor shall also forward to the Royalty Owner a copy of Grantor's governmental production statement for the month for which the royalty is calculated and, with respect to Crown leases, a copy of the Crown royalty statement with respect to those leases.

9. DEDUCTIONS

- (a) The Royalty Owner shall pay to Grantor its proportionate share of any taxes levied or assessed against petroleum substances produced, saved and marketed from the royalty lands. In lieu of payment thereof by the Royalty Owner, the Grantor may deduct any such payment from monies due and owing from the Grantor to the Royalty Owner.
- (b) The Royalty Owner shall pay, or the Grantor may deduct

from any monies owing to the Royalty Owner, or charge against the royalty, a reasonable cost of gathering, processing and otherwise making the royalty saleable which cost shall not exceed that amount deducted from the Lessor's royalty payable to the Crown in the right of the Province of Alberta for such service, more particularly as follows:

- (i) with respect to crude oil, the royalty shall bear its proportionate share of the actual costs of transportation to market connection where sales are not made free on board (f.o.b.) the tanks serving the royalty lands, provided that such costs shall not reduce the royalty below the minimum amount (if any) mentioned in Clause 2 hereof, and
- (ii) with respect to natural gas and other petroleum substances collected or separated therefrom, the royalty shall bear such share of the gathering, processing and compression charges as would be allowed by applying to the royalty share of like petroleum substances a gas cost allowance calculated in the manner prescribed from time to time by the Alberta Crown for like petroleum substances produced from Alberta Crown lands, provided that such costs shall not exceed fifty percent (50%) of the gross proceeds of sale of such petroleum substances.

10. RATEABLE PRODUCTION

The Grantor shall make every reasonable endeavour within its legal authority to market any of the petroleum substances produced or capable of being produced from the royalty lands rateably with any other similar substances produced from any lands within the same field in which the Grantor, its parent or subsidiary or subsidiary of its parent has an interest and further the Grantor covenants that it will not discriminate against the petroleum substances produced or capable of being produced from the royalty lands in the production and marketing of the same.

11. RIGHT OF FIRST REFUSAL

The Grantor shall have a right of first refusal on any interest of the Royalty Owner and in which the Royalty Owner desires to dispose of in accordance with Clauses 2401B and 2402 of the 1981 form of CAPL Operating Procedure. In the event Grantor elects to exercise its right of first refusal hereunder, it shall do so within ten (10) working days of receipt of written notice from Royalty Owner advising Grantor that it is prepared to convey or assign its royalty interest hereunder. In the event Grantor does not exercise its right of first refusal, the Royalty Owner may convey or assign its royalty payable under this Agreement in accordance with Clause

20 hereof.

12. INDEMNITY

The Grantor shall indemnify and save harmless the Royalty Owner from and against all actions, suits, claims and demands whatsoever by any person or persons whomsoever, and in respect of any loss, injury, damage or obligation arising out of or connected with any of the operations of the Grantor conducted on the royalty lands.

13. GRANTOR NOT OBLIGED TO DEVELOP

Notwithstanding any provision herein contained, Grantor shall be under no obligation to the Royalty Owner to develop the royalty lands or any part thereof or to produce the petroleum substances which may be within, upon or under the royalty lands.

14. FORCE MAJEURE

None of the parties hereto shall be deemed to be in default in respect to non-performance of their obligations hereunder if and so long as their non-performance is due to strikes, lockouts, fire, tempest or acts of God or the Queen's enemies, or any other cause (whether similar or dissimilar to those enumerated) beyond its control, but lack of finances shall not in any event be deemed to be a cause beyond the control of a party.

15. SURRENDER

Grantor may at any time and from time to time surrender the title document or any severable part thereof upon giving the Royalty Owner at least sixty (60) days notice in writing (herein called "the surrender notice"), before the accrual of a rental or other obligation under the title document, of its intention so to surrender specifying the effective date of such surrender and in the case of a partial surrender the lands intended to be surrendered. Unless the Royalty Owner, within thirty (30) days of the service of the surrender notice, gives notice in writing to the Grantor requiring an assignment of the title document to the extent that it comprises the lands referred to in the surrender notice, the Grantor may surrender same and thereupon all of the Grantor's obligations under this Agreement with respect to the interest so surrendered shall cease. If the Royalty Owner, within thirty (30) days gives notice in writing to Grantor requiring an assignment as aforesaid the Grantor shall forthwith deliver to the Royalty Owner a proper assignment, in favour of the Royalty Owner, of the title document to the extent that it comprises the lands subject to the surrender notice, and the Grantor thereafter shall be under no liability under this Agreement in any manner whatsoever in connection with the interest so assigned and the Royalty Owner shall indemnify and

save the Grantor harmless from all obligations which shall accrue under the title document in respect of such lands from the effective date of the surrender.

16. RECORDS

Grantor shall maintain in Canada at all times current books, records and accounts showing the quantity of petroleum substances taken out of each well drilled on the royalty lands, or allocated to the royalty lands, and the disposition thereof, and shall permit the Royalty Owner to inspect or audit the same and to make copies thereof. Insofar as Grantor may grant such right, it shall permit the employees or agents of Royalty Owner to enter upon the royalty lands, or any other lands from which petroleum substances subject to the royalty are produced, at its sole risk and expense for the purpose of ascertaining the quantity and nature of the petroleum substances produced from any well thereon. All information obtained by Royalty Owner pursuant to this clause shall be treated as confidential and shall not be disclosed to third persons without prior written consent of the Grantor.

17. AUDITS

- (a) The Royalty Owner, by reasonable notice to Grantor and at its own expense, may audit Grantor's books, accounts and records for a calendar year relating to the production, disposition and sale of the petroleum substances with respect to which Grantor is required to pay the Royalty Owner's royalty, provided that such audit shall be conducted and completed within eighteen (18) months following the end of such calendar year and shall be conducted so as to cause Grantor a minimum of inconvenience. Upon receiving notice that the Royalty Owner wishes to conduct an audit, Grantor, at its own expense, shall make available the said books, accounts and records in Alberta and shall permit the Royalty Owner to conduct the audit during normal business hours. Grantor shall, within three (3) months following completion of the audit, take required action to resolved the claims or discrepancies disclosed by that audit and if it does not do so, the results of the audit shall be deemed to be correct.
- (b) The Royalty Owner may also, through its servants or agents, and at its sole risk and expense, enter on the royalty lands and at all reasonable times gauge tanks, check the quantities of petroleum substances in storage, witness tests and otherwise view operations on the royalty lands.
- (c) Any payment made or statement rendered by Grantor hereunder which is not disputed by the Royalty Owner within three (3) months from the last day during which the Royalty Owner may, under subclause 17(a) hereof,

conduct an audit in connection with such payment or statement shall be deemed to have been correct.

18. REMEDIES

- (a) The Royalty Owner shall be entitled to and shall have a first and paramount charge upon Grantor's share of all petroleum substances from time to time produced from the royalty lands to secure the payment of any cash payment in respect of the royalty. Such charge shall be first and paramount with respect to all other liens, charges and encumbrances against Grantor's share of all petroleum substances and shall not operate to release Grantor from personal liability for monies due to the Royalty Owner. Such charge shall attach to Grantor's share of petroleum substances sold or otherwise disposed of from the royalty lands and immediately on default occurring in payment by Grantor of monies payable to the Royalty Owner, such charge shall operate as an assignment to the Royalty Owner of the consideration thereafter payable to Grantor for the petroleum substances sold up to the amount owed to the Royalty Owner and not so paid by Grantor.
- (b) Service of a copy of this Agreement upon any purchaser of petroleum substances together with written notice from the Royalty Owner setting forth the amount owed to the Royalty Owner shall constitute written authorization on the part of Grantor for such purchaser to pay the Royalty Owner the proceeds from any sale or sales of Grantor's share of petroleum substances up to the amount owed to the Royalty Owner by Grantor, and such purchaser is authorized to rely upon the statement of the Royalty Owner as to the amount owed to it by Grantor. The Royalty Owner shall also serve Grantor with a copy of the written notice at the same time the notice is served upon the purchaser of petroleum substances.
- (c) Without restricting any other rights which the Royalty Owner may have under this Agreement or at law, the Royalty Owner shall have the right to recover any overdue payments hereunder by setting off the amount thereof against any other monies whatsoever which may now or in future be or become owing by the Royalty Owner to Grantor.

19. ASSIGNMENT BY GRANTOR

Grantor may assign any legal or equitable interest in this Agreement, the royalty lands, the title document or any portion or portions thereof and in the event of such assignment, the Grantor shall continue to be bound by all of the conditions and provisions of this Agreement as if there had been no assignment until such time as the Royalty Owner shall have been served with a copy of the assignment and a written undertaking under seal by the Grantor, directly

enforceable by the Royalty Owner, to perform and be bound thereafter by all of the terms and provisions of this Agreement to the same extent and degree, with respect to the interest which has been assigned to it, as it would have been if it had been a party to this Agreement in the place and stead of Grantor.

20. ASSIGNMENT BY THE ROYALTY OWNER

Subject to Clause 11 hereof, the Royalty Owner may at any time assign, sell or otherwise dispose of all or part of its interest hereunder provided that if at any time the share of the royalty payable to the Royalty Owner becomes held by more than one entity, Grantor may require that all entities claiming such share appoint in writing an agent to deal with Grantor hereunder and to receive all payments of that share of the royalty for distribution to the holders thereof. If such holder neglects or refuses to appoint such an agent, the Grantor may withhold payment of the royalty until such agent is appointed. In the event of such disposition, the Royalty Owner shall continue to be bound by all of the conditions and provisions of this Agreement as if there had been no disposition until such time as Grantor shall have been served with a copy of the assignment and a written undertaking under seal by the Royalty Owner, directly enforceable by the Grantor, to perform and be bound thereafter by all of the terms and provisions of this Agreement to the same extent and degree, with respect to the interest which has been assigned to it, as it would have been if it had been a party to this Agreement in the place and stead of the Royalty Owner.

21. SERVICE OF NOTICE

All payments hereunder in respect of the royalty shall be paid or tendered to the Royalty Owner at the address shown herein for service of notices which shall continue to be the place for payment of any and all sums payable hereunder regardless of change of ownership, whether by assignment or otherwise, until the Grantor has been notified by the Royalty Owner in writing to make such payment to any other payee whose name and address shall be specified in such notices. Notices may be served:

- (a) Personally by leaving them with the party on whom they are to be served at that party's address hereinafter given. Personally served notices shall be deemed received by the addressees when actually delivered provided such delivery shall be normal business hours; or
- (b) by telegraph (or by any other like method by which a written and recorded message may be sent) directed to the party on whom they are to be served at that party's address hereinafter given. Notices so served shall be deemed received by the addressees thereof eight hours after the time of transmission or at the commencement of

the next ensuing normal business day, whichever is the later, or

- (c) by mailing them first class (air mail if to or from the United States of America) registered post, postage prepaid to the party on whom they are to be served. Notices so served shall be deemed to be received by the addressees on the fifth day (excluding Saturdays, Sundays and Statutory Holidays) following the mailing thereof in Canada or the United States of America.

The address of each of the respective parties hereto shall be as follows:

| | |
|-------------------------------|-------------------------------|
| Keles Production Company Ltd. | Keles Engineering Ltd. |
| 200, 1301-8th Street S.W. | c/o 200, 1301-8th Street S.W. |
| Calgary, Alberta | Calgary, Alberta |
| T2R 1B7 | T2R 1B7 |

Any party hereto may change its said address by notice served as aforesaid.

22. FURTHER ASSURANCES

Each of the parties hereto shall, from time to time and at all times, do such further acts and deliver all such further assurances, deeds and documents as shall be reasonably required in order to fully perform and carry out the terms of this Agreement.

23. SUPERSEDES PREVIOUS AGREEMENTS

This Agreement supersedes all other agreements, documents, writings and verbal understandings between the parties hereto relating to the royalty lands.

24. TIME OF ESSENCE

Time shall be of the essence of this Agreement.

25. NO AMENDMENT EXCEPT IN WRITING

No amendment or variation of the provisions of this Agreement shall be binding upon any party unless it is evidenced in writing executed by the party.

26. BINDS SUCCESSORS AND ASSIGNS


This Agreement shall enure to the benefit of and shall bind the parties hereto and their respective successors and assigns, and the heirs, executors, administrators and assigns of natural persons who are or become parties hereto.

27. TERM

This Agreement shall terminate when all title documents on the royalty lands or lands which become royalty lands, in which Grantor, its successors or assigns have an interest, expire or are surrendered.

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

KELES PRODUCTION COMPANY LTD.



Treasurer

KELES ENGINEERING LTD.



President

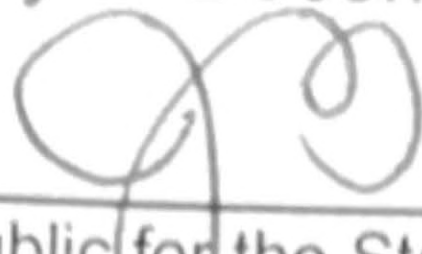
SCHEDULE "A"

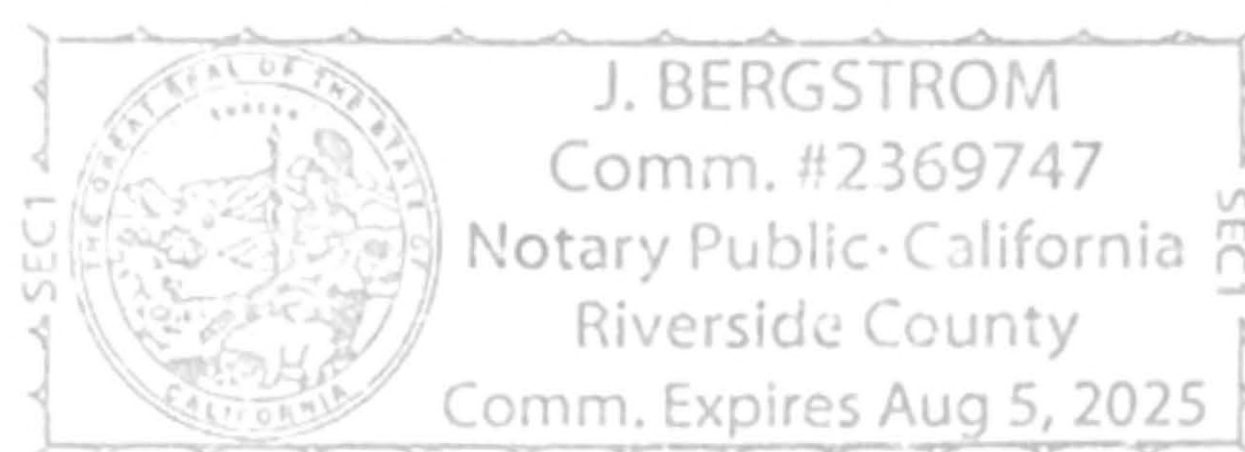
ATTACHED TO AND FORMING PART OF A GROSS OVERRIDING ROYALTY AGREEMENT DATED DECEMBER 1, 1987 BETWEEN KELES PRODUCTION COMPANY LTD. AND KELES ENGINEERING LTD.

"royalty lands"

| <u>Grantor</u> <u>File</u> | <u>title</u> <u>document</u> | <u>royalty</u> <u>lands</u> | <u>Grantor</u> <u>Interest</u> |
|-------------------------------|--|---|-----------------------------------|
| 210 | Crown P&NG Lease No. 0488110350 dated November 25, 1988 | <u>Twp 39 Rge 10 W4M:</u> Section 22 (P&NG below base of Viking) | 33.334% |

Exhibit "CC" to the Affidavit of
Chris Lewis
Sworn/Affirmed before me this
23rd day of December, 2024


A Notary Public for the State of California



Truco Res.
Jan 1988

THIS AGREEMENT made as of the 1st day of January, 1988.

BETWEEN:

TRUCO RESOURCES LTD., 300930 ALBERTA LTD.,
bodies corporate having an office in the City
of Calgary, in the Province of Alberta,

(hereinafter collectively referred to as "Truco")

OF THE FIRST PART

- and -

STARBOARD RESOURCES INC, a body corporate of
the City of Calgary, in the Province of
Alberta,

(hereinafter referred to as the "Consultant")

OF THE SECOND PART

- and -

PATRICK MARCOTTE, of the City of Calgary, in
the Province of Alberta,

(hereinafter referred to as "Marcotte")

OF THE THIRD PART

WHEREAS Truco is engaged in the business of acquiring,
exploring for and developing oil and gas properties and wishes to
engage the Consultant to perform geological consulting services for
Truco on the basis hereinafter provided.

NOW THEREFORE THIS AGREEMENT WITNESSETH THAT in consider-
ation of the premises and the various covenants and agreements
contained herein the parties hereto hereby agree as follows:

1. DEFINITIONS

In this Agreement, including the recitals, the schedules and this clause, unless the context otherwise requires, the following shall have the respective meanings assigned to them, namely:

- (a) "Internally Generated Prospects" means a geological prospect delineated as to geographic boundaries which has been solely conceived and developed by the Consultant as a result of ideas generated by the Consultant.
- (b) "Outside Prospects" means a geological prospect provided to the Consultant by Truco or its partners or any other third party for review, advice or evaluation by the Consultant, other than Truco Prospects and Producing Properties.
- (c) "Petroleum Substances" means petroleum, natural gas and related hydrocarbons other than coal, whether liquid or solid and any other substances granted by the leases or documents of title which may be produced in association therewith.
- (d) "Producing Properties" means those lands acquired by Truco during the term of this agreement, which lands as

of the date of acquisition by Truco, are producing Petroleum Substances or are shut-in or suspended but otherwise capable of production of Petroleum Substances and shall include an area surrounding such properties which are or maybe considered to be any extension of any known pool or geological play, a description of such properties shall be set out and described on Schedule "B" hereto from time to time.

- (e) "Royalty Agreement" means the agreement dated January 1, 1988 between Truco as Grantor and the Consultant as Grantee attached hereto as Schedule "A" and made a part hereof.
- (f) "Truco Prospects" means those petroleum and natural gas rights owned by Truco as of January 1, 1987, as further described on Schedule "C" hereto and shall include the petroleum and natural gas rights within an area of two miles surrounding the boundary of any existing undeveloped properties and shall include an area surrounding producing properties which are or may be considered to be any extension of a known pool or geological play.

2.

ENGAGEMENT

- (a) Truco hereby agrees to engage the services of the Consultant, as an independent consultant in order to provide to Truco geological consulting, advice and recommendations along with written professional reports with respect to the acquisition, exploration and development of petroleum and natural gas prospects in Western Canada, subject to the terms and conditions set out in this Agreement.
- (b) Consultant agrees to provide Truco such geological consulting services through Patrick Marcotte, a geologist, subject to the terms and conditions of this Agreement.
- (c) For greater certainty but not so as to restrict the generality of the foregoing, the geological consulting services shall include the following:
 - (i) the creation and development of Internally Generated Prospects;
 - (ii) the consideration, development and evaluation of Outside Prospects, either brought to the attention of the Consultant by Truco or by other parties;

- (iii) providing advice to Truco as to the acquisition of petroleum and natural gas rights;
- (iv) making recommendations on testing, logging, coring, stimulating, completing, equipping, abandoning or such other oil field practice as may be required with respect to wells drilled by or on behalf of Truco; and
- (v) on the sole and exclusive direction and authority of Truco, to commit on behalf of Truco to drill wells, to acquire lands, to contribute money or acreage to encourage drilling by other parties and to conduct seismic programs or geological studies.

3. NON-EXCLUSIVE SERVICES

Truco acknowledges and confirms that it is aware that the Consultant will be performing consulting services to Usherville Resources Ltd. ("Usherville") and such consultation by the Consultant to Usherville is hereby specifically approved by Truco. The Consultant hereby covenants and agrees that notwithstanding the consulting agreement between itself and Usherville, that it will cause to be committed one-half of the time, effort and services of Patrick Marcotte to Truco pursuant to the terms and conditions of this Agreement.

4. TERM OF AGREEMENT

- (a) The parties acknowledge that Truco has been engaging the consulting services of the Consultant since July 15, 1986 without a written form of contract.
- (b) The term of this Agreement shall commence on January 1, 1988 and shall, subject to clause eight (8) herein, continue through and until December 31, 1988. This Agreement may be renewed on an annual basis by the mutual agreement in writing.

5. COMPENSATION FOR SERVICES

In consideration of the consulting services to be performed by the Consultant for Truco and provided that Consultant is not otherwise in default pursuant to terms and conditions of this Agreement during the term of this Agreement, Truco agrees to pay to the Consultant the following:

- (a) The sum of Twenty-seven Thousand Dollars (\$27,000.00) per annum, by monthly payments of Two Thousand Two Hundred and Fifty Dollars (\$2,250.00), payable at the end of each month, commencing on January 31, 1988;

- (b) An amount equal to the reimbursement of all reasonable disbursements and reasonable out-of-pocket expenditures properly made and incurred by the Consultant in carrying out its duties and which are performed on behalf of Truco. The Consultant shall on a monthly basis submit to Truco, the invoices, declarations and documentary evidence satisfactory to Truco, in support of the request for such disbursements and expenses; and
- (c) A gross overriding royalty ("GOR") of two percent (2%) of the Petroleum Substances produced, saved and sold proportionate to and based on the working interest in any Internally Generated Prospects, which are acquired or earned by Truco during the term of this Agreement, subject to the terms and conditions of any agreements applicable to Truco's working interest and on such other existing Internally Generated Prospects as otherwise set out on Exhibit "A" to the Royalty Agreement. For greater certainty, if Truco's working interest in any Internally Generated Prospects is reduced after the date Truco acquires or earns such interest, pursuant to a conversion of a royalty interest, carried interest, back-in rights or other rights held by third parties or a failure of title, the GOR otherwise payable to Consultant shall be deemed to be based on Truco's resulting reduced working interest. The GOR shall be administered in accordance

with the terms of the Royalty Agreement attached hereto as Schedule "A". All Internally Generated Prospects shall as they are acquired or earned by Truco, be and are deemed to be set forth and described in Exhibit "A" to the Royalty Agreement.

- (d) A GOR of one percent (1%) of the Petroleum Substances produced, saved and sold proportionate to and based on the working interest in any Outside Prospects, which are acquired or earned by Truco during the term of this Agreement, subject to the terms and conditions of any agreements applicable to Truco's working interest and on such other existing Outside Prospects as otherwise set out on Exhibit "B" to the Royalty Agreement. For greater certainty, if Truco's working interest in any Outside Prospects is reduced after the date Truco acquires or earns such interest, pursuant to a conversion of a royalty interest, carried interest, back-in rights or other rights held by third parties or a failure of title, the GOR otherwise payable to Consultant shall be deemed to be based on Truco's resulting reduced working interest. The GOR shall be administered in accordance with the terms of the Royalty Agreement attached hereto as Schedule "A". All Outside Prospects shall as they are acquired or earned by Truco, be and are deemed to be set

forth and described in Exhibit "B" to the Royalty Agreement.

(e) Notwithstanding any of the foregoing, it is acknowledged and agreed that no gross overriding royalty shall be payable to the Consultant with respect to:

(i) any lands outside of Canada;

(ii) the Producing Properties;

(iii) Truco Prospects;

(iv) all other working interests held by Truco, during any period that Truco's share of production is subject to a penalty under any independent operation provision.

7. CONFIDENTIALITY

(a) Any information obtained, created or acquired by the Consultant or Marcotte for the purpose of or in the process of carrying out geological consulting services for or on behalf of Truco, which will include for greater certainty but not be restricted to: maps, geological, geophysical, seismic information and interpretations and

other technical data, is deemed to be owned by or on behalf of Truco or Usherville. The Consultant and Marcotte joint and severally covenant and agree to hold all such information confidential and that they shall not make copies of this information for their corporate or personal use or remove such information from the premises of Truco without obtaining the expressed prior written consent of Truco.

- (b) The Consultant and Marcotte joint and severally covenant and agree not to reveal to any party not a party to this agreement other than Usherville, any information created or compiled with respect to Internally Generated Prospects, Outside Prospects, Producing Properties or Truco Prospects without obtaining the expressed prior written consent of Truco.
- (c) The Consultant and Marcotte joint and severally covenant and agree not to acquire, accept or obtain in any manner whatsoever any interest in and to any petroleum and natural gas rights in Alberta, British Columbia, Saskatchewan or Manitoba, during the term of this Agreement or any renewal thereof, without obtaining the prior written consent of Truco. In addition, the Consultant and Marcotte joint and severally covenant and agree not to acquire or accept any interest in or to any petroleum

and natural gas rights based on or attributable to any information deemed to be owned by or on behalf of Truco or Usherville, for a further period of three (3) years from the date of termination of this Agreement or the date of termination of any renewal term, without obtaining the prior written consent of Truco.

- (d) In the event the Consultant or Marcotte acquires, accepts or obtains any interest directly or indirectly in contravention of subclause (c), Truco shall have the right to acquire all of such interest on the same terms and conditions as those obtained by the Consultant or Marcotte.

8. TERMINATION

- (a) Each party may terminate this Agreement with respect to consulting services, by giving to the other parties at any time during the term hereof (or any extension hereof) written notice of its intention to terminate this Agreement. Notice is to be provided and is deemed to be received as hereinafter contemplated. Termination shall be effective on the thirtieth (30th) day following the date of receipt of the notice. PROVIDED HOWEVER, for greater certainty, the rights of Truco pursuant to Clause Seven (7) herein shall not be terminated.

- (b) Notwithstanding anything contained in this Agreement, the termination of this Agreement shall not affect the Consultant's rights pursuant to the Royalty Agreement with respect to any GOR interests earned by Consultant pursuant to the terms of this Agreement.

9. ARBITRATION

Any disagreement between the parties arising under, out of, in connection with, or relating to this Agreement and the amendments or schedules hereto between the parties shall be determined and settled by a process of arbitration. Arbitration shall be conducted in the City of Calgary in the Province of Alberta. Arbitration shall be by a single arbitrator, chosen by the parties and the decision of this arbitrator shall be final and binding on the parties hereto. The Arbitration process will be conducted pursuant to the provisions of the ARBITRATION ACT R.S.A. 1980, Chapter A-43.

10. NOTICES

Any notice required or permitted to be given under this Agreement shall be sufficient if it is in writing and delivered by hand, or sent by registered mail to the applicable address of the parties. Notice delivered by hand shall be deemed delivered at the time of delivery. Notice sent by registered mail shall be deemed

delivered five (5) business days after posting by registered mail.

Address for notice are as set forth below:

Truco Resources Ltd.
1601 - 840 - 7th Avenue SW
Calgary, Alberta
T2P 3G2

Starboard Resources Inc.
1800, 840 - 7th Avenue S.W.
Calgary, Alberta
T2P 3G2

Patrick Marcotte
1800, 840 - 7th Avenue S.W.
Calgary, Alberta
T2P 3G2

Either party may from time to time change its address for service herein by giving notice to the other party hereto.

11. APPLICABLE LAW

This Agreement shall be construed, governed and enforced in accordance with the laws of the Province of Alberta.

12. ENTIRE AGREEMENT

This instrument contains the entire agreement of the parties. It may be changed only by agreement in writing signed by the parties hereto and such modification shall be attached and annexed to this Agreement.

13. ASSIGNMENT

The parties hereto agree that no party will assign their interests and obligations in this Agreement with respect to consulting services, without obtaining the prior written consent of the other parties hereto.

14. PERPETUITIES

Notwithstanding anything in this Agreement contained, any right of a party under this Agreement to acquire any interest in land from any other party shall not extend beyond twenty-one (21) years after the lifetime of the last survivor of the lawful descendants now living of Her Majesty Queen Elizabeth II.

IN WITNESS WHEREOF the parties hereto have hereunto set their hands and seals on the day and date first written above.

STARBCARD RESOURCES INC.

TRUCO RESOURCES LTD.

Per: Patrick V. Marcotte Pres.

Per: ED Leveson President

300930 ALBERTA LTD.

Per: ED Leveson President

Witness

Signed: Pat Brown

Patrick Marcotte
PATRICK MARCOTTE

AFFIDAVIT OF EXECUTION

CANADA) I, *PATRICK BROWN*, of the
)
PROVINCE OF ALBERTA) City of Calgary, in the Province
)
TO WIT:) of Alberta, make oath and say:

1. That I was personally present and did see Patrick Marcotte named in the within (or annexed) instrument who is personally known to me to be the person named therein, duly sign and execute the same for the purpose named therein.

2. That the same was executed at the City of Calgary, in the Province of Alberta, and that I am the subscribing witness thereto.

3. That I know the said Patrick Marcotte and he is in my belief of the full age of 18 years.

SWORN before me at the City)
of Calgary, in the Province)
of Alberta, this 21st day of)
September, A.D. 1988.)

~~Commissioner for Oaths in and~~)
~~for the Province of Alberta~~)

NOTARY PUBLIC IN AND FOR THE PROVINCE OF ALBERTA
MY COMMISSION EXPIRES
ON THE 31st DAY OF DECEMBER 1989.



SCHEDULE "A" TO AND FORMING PART OF
AN AGREEMENT DATED JANUARY 1, 1988
BETWEEN TRUCO RESOURCES LTD. AND 300930
ALBERTA LTD. AS "TRUCO", STARBOARD RESOURCES INC.
AS "CONSULTANT" AND PATRICK MARCOTTE, AS "MARCOTTE"

GROSS OVERRIDING ROYALTY AGREEMENT

THIS AGREEMENT made as of the 1st day of January, 1988.

BETWEEN:

TRUCO RESOURCES LTD. and 300930 ALBERTA LTD.,
bodies corporate of the City of Calgary, in the
Province of Alberta

(hereinafter collectively called the "Grantor"),

OF THE FIRST PART

- and -

STARBOARD RESOURCES INC., a body corporate of the
City of Calgary, in the Province of Alberta

(hereinafter called the "Grantee")

OF THE SECOND PART

WHEREAS Grantor has become or may become the holder of
the whole or parts of the lessee's interest in and to the said
lands as hereinafter defined.

AND WHEREAS pursuant to a consulting services
agreement dated January 1, 1988 between the Grantor, Grantee and
Patrick Marcotte (the Consulting Services Agreement") Grantor
agreed to pay Grantee, the Grantee's Royalties upon the terms
and conditions hereinafter set forth;

NOW THEREFORE THIS AGREEMENT WITNESSETH that in
consideration of the mutual covenants and agreements contained
herein, the parties hereto agree as follows:

1. DEFINITIONS

In this Agreement including the recitals hereto, this Clause and the Exhibits hereto unless the context otherwise requires:

- (a) "petroleum substances" means petroleum, natural gas and related hydrocarbons and all other substances, whether liquid or solid and whether hydrocarbons or not, the rights to which are granted by the said leases;
- (b) "said lands" means the lands set forth and described in Exhibit "A" or Exhibit "B" hereto, the geological formations thereunder and includes the petroleum substances within, upon or under such lands, together with the right to explore for and recover same insofar as such rights are granted by the said leases;
- (c) "said leases" means collectively the leases or other documents of title set forth and described in Exhibit "A" or Exhibit "B" and all renewals and extensions thereof by virtue of which the holder thereof is entitled to drill for, win, take or remove the petroleum substances underlying all or any part of the said lands;

- (d) "Grantee's Royalties" means the gross overriding royalties granted and reserved to the Grantee as set forth and described in Clause 2 hereof.
- (e) "Internally Generated Prospects" means a geological prospect delineated as to geographic boundaries which has been solely conceived and developed by the Consultant as a result of ideas generated by the Consultant.
- (f) "Outside Prospects" means a geological prospect provided to the Consultant by Truco or its partners or any other third party for review, advice or evaluation by the Consultant, other than Truco Prospects and Producing Properties.
- (g) "Producing Properties" means those lands acquired by Truco during the term of this agreement, which lands as of the date of acquisition by Truco, are producing petroleum substances or are shut-in or suspended but otherwise capable of production of petroleum substances and shall include an area surrounding such properties which are or maybe considered to be any extension of a known pool or geological play.

- (h) "Truco Prospects" means those petroleum and natural gas rights owned by Truco as of January 1, 1987 and shall include the petroleum and natural gas rights within an area of two miles surrounding the boundary of any existing undeveloped properties and shall include an area surrounding producing properties which are or may be considered to be any extension of a known pool or geological play.

2. GRANT OF ROYALTIES

The Grantor, for the price and sum of One Dollar (\$1.00) in lawful money and other good and valuable consideration (pursuant to the Consulting Services Agreement), subject to the provisions hereof and the term of the said leases, hereby grants a royalty interest in the said lands, said leases and the petroleum substances in situ, within, upon or under the said lands and if Grantee fails to take in kind, Grantor agrees to bear and pay to the Grantee a gross overriding royalty equal to:

- (a) two (2%) percent of the value of petroleum substances produced, saved and sold based on and proportionate to Grantor's working interest in any Internally Generated Prospects which are acquired or earned by the Grantor during the term of the Consulting Services Agreement,

subject to the terms and conditions of any agreements applicable to Grantor's interest with respect to those said lands and said leases set out and described on Exhibit "A" hereto; and

- (b) one (1%) percent of the value of petroleum substances produced, saved and sold based on and proportionate to Grantor's working interest in Outside Prospects which are acquired or earned by the Grantor during the term of the Consulting Services Agreement, subject to the terms and conditions of any agreements applicable to Grantor's interest with respect to those said lands and said leases set out and described on Exhibit "B" hereto.

3. CALCULATION OF ROYALTIES

- (a) The word "value" in Clause 2 of this Agreement means the price paid by a bona fide purchaser at the point of sale of the petroleum substances produced, saved and sold from, or allocated to, a well located on the said lands free and clear of all expenses, royalties, taxes and deductions of any kind or nature, excepting:
 - (i) with respect to natural gas, natural gas liquids, condensate and sulphur, a reasonable charge or

fee for gathering, processing, treating, compression, absorption, or other plant extraction or stabilization costs and transportation to the point of sale, such charge or fee in any event shall be calculated in the same manner and on the same basis as Grantor is required to pay in respect of its share of production from the relevant well or wells PROVIDED HOWEVER in the event Grantor owns the required facilities such charge or fee shall not exceed that allowed by the Crown in right of the Province of Alberta with respect to its royalty share of production from the relevant well or wells. For greater certainty, all governmental incentives, credits, rebates or royalty holidays shall not be included as a part of this calculation;

- (ii) with respect to crude oil, its proportionate share of the actual costs of transportation from the wellhead to the point of sale, such costs in any event shall be calculated in the same manner and on the same basis as Grantor is required to pay in respect of its share of production from the relevant well or wells. For greater certainty, all governmental incentives, credits,

rebates or royalty holidays shall not be included as a part of this calculation; and

(iii) any taxes, charges or levies assessed by a government with respect to royalties or royalty owners generally and non resident Canadians (if applicable).

(b) The price at which production of petroleum substances shall be sold by the Grantor or its nominee shall be a price at which a reasonably prudent operator having regard to current market prices for similar production, availability of markets and economic conditions affecting the industry generally, is able to dispose of such production to the mutual advantage of the parties hereto. For greater certainty, in the event Grantor is not the named seller pursuant to any production sales contract, the price received by Grantor for its share of petroleum substances shall be deemed to be the "value" for the purposes of calculating Grantee's Royalties.

(c) Subject to the said leases, Grantor may use any petroleum substances reasonably required for its operations on the said lands and such petroleum

substances shall be excluded in determining the Grantee's Royalties.

(d) For greater certainty, if Grantor's working interest is reduced pursuant to a conversion of a royalty interest, carried interest or back-in rights, held by a third party or a failure of title, Grantee's Royalties otherwise payable shall be reduced and shall be deemed to be based on Grantor's resulting reduced working interest.

(e) Notwithstanding any of the foregoing, it is acknowledged and agreed that Grantee's Royalties shall not be payable with respect to Grantor's working interest in any lands where Grantor's share of the production of petroleum substances in such lands are subject to a penalty pursuant to an independent operations provision.

4. TITLE DOCUMENTS

The Grantor does not warrant title to the said lands, the said leases or the petroleum substances.

5. EXHIBITS

It is hereby understood and agreed by the parties that all Exhibits to this Agreement are made a part hereof as fully as though copied in full herein.

6. PAYMENT OF ROYALTY SHARE

- (a) Each payment of a gross overriding royalty to the Grantee shall be not later than the last day of the month following the calendar month in which the sale occurred or within ten (10) days of the receipt by Grantor of its share of revenue, whichever is later, and shall be accompanied by a full and complete statement of all petroleum substances marketed during the month for which such payment is made. Payment to the Grantee shall be made to it at its address for notice provided herein.
- (b) Any payment made or statement rendered by the Grantor hereunder which is not disputed by the Grantee on or before one calendar year following the date of receipt or deemed receipt of such statement or payment, shall be deemed to have been correct.

7. BOOKS AND RECORDS

The Grantor shall keep and maintain in their head office at all times and from time to time, true and correct books, records and accounts showing the quantity of petroleum substances produced from or allocated to each well on the said lands and the disposition thereof and permit the Grantee or its agent to inspect the same during regular business hours.

8. GRANTOR NOT OBLIGATED TO DEVELOP

Notwithstanding any provision herein contained, the Grantor shall be under no obligation to the Grantee to develop the said lands or any part thereof or to produce the petroleum substances which may be within, upon or under the said lands.

9. COMMINGLING PRODUCTION

Grantor shall have the right to commingle petroleum substances produced from the said lands with petroleum substances produced from other lands.

10. POOLING AND UNITIZATION

- (a) The Grantor is hereby given the right at any time and from time to time to pool or unitize all or any of the

said lands with any other lands for the production of petroleum substances, if such pooling or unitization becomes necessary or desirable in the opinion of the Grantor. The basis and manner of such pooling or unitization, the manner of allocating pooled or unitized production among the several tracts of pooled or unitized lands, and the contents of any such operating agreement shall be in the sole discretion and determination of the Grantor, exercised in good faith, and when so determined shall be binding upon the Grantee. Upon any such pooling or unitization the gross overriding royalty elsewhere herein specified shall be paid on the basis of Grantor's share of production from said lands;

- (b) If the Grantor intends to pool or unitize any portion or portions of said lands or to incorporate any portions thereof in a pooling agreement or a unit agreement, it shall forthwith give the Grantee written notice once the documentation has been completed.

11. SALE OF ROYALTY

In the event that Grantee shall assign, transfer or otherwise dispose of Grantee's Royalties to more than one party, the Grantee shall ensure that one of the several parties to whom

such disposition is made shall be nominated to receive payment of the Grantee's Royalties on behalf of all such assignees and until notice of such nomination is received by the Grantor, the Grantor shall be entitled to continue to make payment of the Grantee's Royalties to the Grantee.

12. FORCE MAJEURE

None of the parties hereto shall be deemed to be in default in respect to non-performance of their obligations hereunder if and so long as their non-performance is due to strikes, lockouts, fire, tempest or acts of God or the Queen's enemies, or any other cause (whether similar or dissimilar to those enumerated) beyond its control, but lack of finances shall not in any event be deemed to be a cause beyond the control of a party.

13. FURTHER ASSURANCES

Each of the parties hereto shall, from time to time and at all times, do such further acts and deliver all such further assurances, deeds and documents as shall be reasonably required in order to fully perform and carry out the terms of this Agreement.

14. ASSIGNMENT BY GRANTOR

Grantor may assign any legal or equitable interest in this Agreement, the said lands, the said leases or any portion or portions thereof without the consent of the Grantee; PROVIDED THAT, in the event that the Grantor assigns all or any portion of its interest as aforesaid, the Grantor will cause its assignees to assume and be bound by all of the terms and provisions of this Agreement insofar as the same relate to the interest so assigned, however, the Grantor shall remain liable therefore until assignee assumes such obligations.

15. NOTICES

The addresses for service of the parties hereto shall be as follows:

Grantor: Truco Resources Ltd.
1601, 840 - 7th Avenue S.W.
Calgary, Alberta
T2P 3G2

Grantee: Starboard Resources Inc.
1800, 840 - 7th Avenue S.W.
Calgary, Alberta
T2P 3G2

Any party hereto may from time to time change its address for service herein by giving written notice to the other parties hereto. Any notice may be served by mailing the same by prepaid

post in a properly addressed envelope addressed to the party to whom the notice is to be given at such party's address for service hereunder. Any notice so served shall be deemed to be given and received by the address Five (5) days after the mailing thereof.

16. WAIVER

No waiver by any party of any breach of any of the covenants, conditions and provisions herein contained shall be effective or be binding upon any of the parties unless the same be expressed in writing. Any waiver so expressed shall not limit or affect its rights with respect to any other future breach.

17. ENUREMENT

This Agreement shall enure to the benefit of and be binding upon each of the parties hereto, their respective successors, assigns, administrators, receivers or trustees.

18. RIGHT TO TAKE IN KIND

- (a) Grantee shall own and may take in kind at the wellhead and separately dispose of Grantee's Royalty share of petroleum substances. Subject to the expiry of the

term of any existing contracts for the sale of petroleum substances, Grantee may commence or resume taking its royalty share of petroleum substances in kind at any time, upon forty-five (45) days notice in writing to Grantor provided such right is not exercised more than once in any calendar year.

- (b) If Grantee exercises its rights to take Grantee's Royalty in kind, Grantee shall assume all obligations and expenses with respect to marketing and entering into its own agreements with respect to the storage, gathering, transporting, treating or processing by compression, absorption or other plant extraction or stabilization of Grantee's Royalty.

IN WITNESS WHEREOF the parties hereto have executed and delivered this Agreement as of the day and year first above written.

300930 ALBERTA LTD.

Per: ED Lewis, President

TRUCO RESOURCES LTD.

Per: ED Lewis, President

STARBOARD RESOURCES INC.

Per: Patrick J. Marcotte Pres.

SCHEDULE "B" ATTACHED TO AND FORMING PART OF
THE AGREEMENT DATED AS OF JANUARY 1, 1988
BETWEEN TRUCO RESOURCES LTD., 300930 ALBERTA LTD.,
STARBOARD RESOURCES INC. AND PATRICK MARCOTTE

Producing Properties

Area

Said Lands

PD
KON

EXHIBIT "A" ATTACHED TO AND FORMING PART OF
THE ROYALTY AGREEMENT DATED JANUARY 1, 1988
BETWEEN TRUCO RESOURCES LTD., 300930 ALBERTA LTD.
AND STARBOARD RESOURCES INC.

| Said Lands | Internally Generated Prospects | |
|--|---|----------------------------|
| | Said Leases | Grantor's Working Interest |
| Amisk SE/4 Sec 4 Twp 41 Rge 7 W4 | Crown Lease No. 0487030193 dated March 19, 1987 | 50% |
| Battle Bend Sec 6 Twp 40 Rge 10 W4 | Crown Lease No. 0487040361 dated April 30, 1987 P&NG below Viking zone | 50% |
| Czar Sec 16 Twp 40 Rge 5 W4 | Crown Lease No. 0487066289 dated June 25, 1987 | 50% |
| Sec 24 Twp 40 Rge 6 W4 | Crown Lease No. 0487050068 dated May 14, 1987 | 50% |
| Gadsby Sec 25 Twp 38 Rge 17 W4M | Freehold Leases dated May 29, 1987 from J. Arthur, E.Arthur, W.Waters and M.Gill | 25% |
| Kessler-Genest Secs 1,2,10,11 & 12 Twp 39 Rge 9 W4 | Crown License No.5387120022 dated Dec. 3, 1987,P&NG excluding natural gas in Viking zone | 33.333% |
| Secs 20,28,29, 30 &32 Twp 39 Rge 9 W4 | Crown License No.5387110083 dated Nov. 19, 1987,P&NG excluding natural gas in Viking zone | 33.333% |
| Sec 12 Twp 39 Rge 10 W4 | Crown Lease No. 048712021 dated Dec.3, 1987, P&NG below Viking zone | 33.333% |
| Sec 14 Twp 39 Rge 10 W4 | Crown Lease No. 0487120122 dated Dec.3, 1987, P&NG below Viking zone | 33.333% |
| Paintearth Sec 12 Twp 39 Rge 15 W4 | Crown Lease No.0487120123 dated Dec.3, 1987, P&NG below Viking zone | 33.333% |
| Ribstone Sec 32 Twp 37 Rge 8 W4 | Crown Lease No.0487120103 dated Dec. 3,1987 | 33.333% |
| Sec 6 Twp 38 Rge 8 W4 | Crown Lease No.0487120111 dated Dec.3, 1987 | 33.333% |
| Strome SE/4 Sec 19 Twp 43 Rge 15 W4 | Freehold Lease dated May 22,1987 from D.Wilson, | 50% |
| SW/4 Sec 19 Twp 43 Rge 15 W4 | Freehold Lease dated May 21, 1987 from C.A.Lebb, | 50% |

[Handwritten signature]

EXHIBIT "B" ATTACHED TO AND FORMING PART OF
THE ROYALTY AGREEMENT DATED JANUARY 1, 1988
BETWEEN TRUCO RESOURCES LTD., 300930 ALBERTA LTD.
AND STARBOARD RESOURCES INC.

Outside Prospects

| <u>Said Lands</u> | <u>Said Leases</u> | <u>Grantor's</u> | |
|------------------------------------|--|-------------------------|-------------------------|
| | | <u>Working Interest</u> | <u>Working Interest</u> |
| | | <u>B.P.O.</u> | <u>A.P.O.</u> |
| Halkirk Sec 12 Twp 38 Rge 16 W4 | Crown Lease No. 0487120112 dated Dec. 3, 1987 | 25% | 25% |

[Handwritten signature]

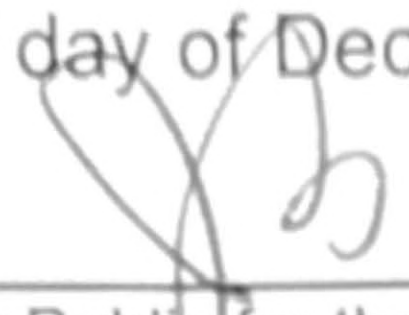
SCHEDULE "C" ATTACHED TO AND FORMING PART OF
AN AGREEMENT DATED JANUARY 1, 1988 BETWEEN
TRUCO RESOURCES LTD. AND 300930 ALBERTA LTD. AS "TRUCO",
STARBOARD RESOURCES INC. AS "CONSULTANT" AND PATRICK MARCOTTE
AS "MARCOTTE"

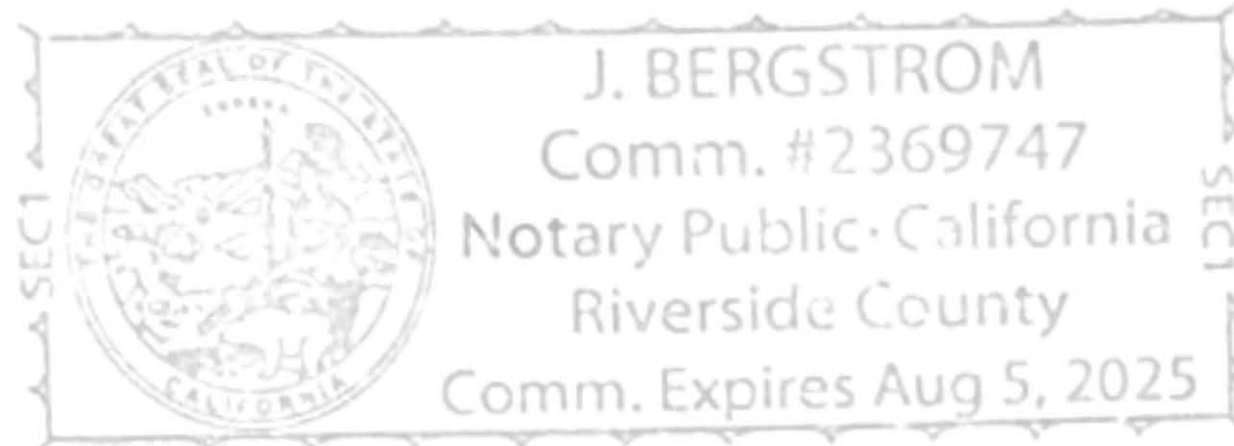
TRUCO PROSPECTS AT JANUARY 1, 1987

| <u>Area</u> | <u>Said Lands</u> |
|-----------------|--|
| <u>Alberta</u> | |
| Beaverhill Lake | Twp 52 Rge 18 W4M Secs 4,8,9,16,17 & SE/4 21 |
| Bellshill Lake | Twp 41 Rge 12 W4M Sec 31 Twp 41 Rge 13 W4M S/2 Sec 36, Sec 25, SE/4 Sec 35, NE/4 Sec 26 |
| Gallahad | Twp 41 Rge 13 W4M Sec 18 |
| Gift Lake | Twp 78 Rge 11 W5M Sec 25 & 36 |
| Hackett | Twp 35 Rge 18 W4M Sec 36 |
| Halkirk | Twp 38 Rge 16 W5M Sec 22, N/2 28 |
| Kaybob | Twp 59 Rge 18 W5M Sec 2 |
| Leige | Twps 91, 92, 93 & 94, Rges 19, 20, 21, 22, 23 & 24 W4M |
| Meekwap | Twp 66 Rge 15 W5M NW/4 Sec 30 & NW/4 Sec 25 |
| Mitsue | Twp 69 Rge 3 W5M NE/4 Sec 10 Twp 73 Rge 5 W5M SW/4 Sec 5 & SE/4 Sec 27 |
| Roseglen | Twp 15 Rge 2 W4M Secs 17, 18, 19, 20, 29, 30 & 32 Twp 15 Rge 3 W4M Secs 13, 14, 24, 25, 27, 34, 35 & 36 Twp 16 Rge 2 W4M Sec 18 & 30 |
| Skiff | Twp 5 Rge 14 W4M N/2 & SE/4 Sec 27 & N/2 Sec 28 |
| Sylvia | Twp 75 Rge 6 W5M Sec 8, 9, 17, 19 |

*EST
RCM*

Exhibit "DD" to the Affidavit of
Chris Lewis
Sworn/Affirmed before me this
23rd day of December, 2024


A Notary Public for the State of California



GROSS OVERRIDING ROYALTY AGREEMENT

Killam Area, Alberta

THIS AGREEMENT entered into on the 2nd day of January, 2001

BETWEEN:

Penn West Petroleum, a general partnership, having an office in the City of Calgary, in the Province of Alberta (hereinafter called "Payor")

OF THE FIRST PART

- and -

Canadian Natural Resources, a general partnership, carrying on business in the City of Calgary, in the Province of Alberta (hereinafter called "Royalty Owner")

OF THE SECOND PART

WHEREAS Dome Petroleum Limited ("Dome") purchased certain assets including the Royalty Lands ("Mesa Assets") from Mesa Petroleum (N.A.) Co. Mesa Petroleum Northern Ltd., and Pubco Canadian Petroleum Corporation (collectively the "Original Mesa Companies") by virtue of an Agreement for Purchase and Sale effective July 1, 1979 (the "Mesa Agreement");

AND WHEREAS pursuant to the Mesa Agreement, the Mesa Assets are subject to a 12.5% gross overriding royalty (the "Original Royalty"), reserved to the Original Mesa Companies and payable by Dome as more particularly described in Schedule "D" to the Mesa Agreement;

AND WHEREAS Mesa Operating Limited Partnership ("Mesa") acquired all of the interests of the Original Mesa Companies in the Original Royalty and was novated into the Mesa Agreement by a Novation Agreement dated the 27th day of December 1985;

AND WHEREAS Amoco Canada Resources Ltd. is successor to Dome by amalgamation on May 1, 1989;

AND WHEREAS by a Transfer, Assignment and Conveyance of the Royalty Interests made as of May 1, 1992 between Mesa as Transferor and Amoco Canada Petroleum Company Ltd. ("ACPC Ltd.") as Transferee, ACPC Ltd. acquired Mesa's entire interest in the Original Royalty insofar as it relates to certain lands including the Mesa Assets;

AND WHEREAS Amoco Canada Petroleum Company Limited ("ACPCL") is successor to ACPC Ltd. by name change dated November 11, 1998;

AND WHEREAS Amoco Canada Petroleum Company ("ACPC") is successor to Amoco Canada Petroleum Company Limited by amalgamation dated December 31, 1998;

AND WHEREAS, pursuant to a Sale Agreement (the "Sale Agreement") dated August 5, 1999, and effective August 1, 1999, among ACPC, as Vendor, and Canadian Natural Resources Limited ("CNRL") and PennWest Petroleum Ltd., collectively, as Purchaser, ACPC sold various rights and interests to CNRL, including its interests in the Royalty Lands;

AND WHEREAS it is impractical to novate the Parties into the various agreements pertaining to the Original Royalty, the Parties hereto have set forth herein terms and provisions which shall be applicable to the Original Royalty insofar as it pertains to the Royalty Lands;

AND WHEREAS the Parties to this Gross Overriding Agreement (the "GOR Agreement") agree that the Original Royalty insofar as it pertains to the Royalty Lands should be replaced with and restated as the Gross Overriding Royalty (the "GOR") as and from the Effective Date;

AND WHEREAS Payor has agreed to assume responsibility as the of the GOR under this GOR Agreement as and from the Effective Date;

AND WHEREAS Royalty Owner has agreed to assume responsibility as the owner of the GOR under this GOR Agreement as and from the Effective Date.

NOW THEREFORE the Parties, in consideration of the mutual covenants and agreements as set forth, agree that;

ARTICLE I

INTERPRETATION AND DEFINITIONS

1.1 In this Gross Overriding Royalty Agreement, including the recitals above, in this Clause and in each of the attached Schedules, unless the context otherwise requires, the following terms shall have the following meanings:

- (a) "Effective Date" means 12:01 a.m. on the date first above written;
- (b) "GOR" means the 12.5% gross overriding royalty in respect of the Royalty Lands the terms of which are set forth in Schedule "B";
- (c) "GOR Agreement" means this document together with the attached Schedules "A", "B", and "C";
- (d) "GOR Schedule" means the terms of the GOR as set out in the attached Schedule "B";
- (e) "Mesa Agreement" means the July 1st, 1979 Purchase and Sale Agreement among Dome Petroleum Limited, Mesa Petroleum (N.A.) Co., Mesa Petroleum Northern Ltd. and Pubco Canadian Petroleum Corporation;

- (f) "Original Mesa Companies" means Mesa Petroleum (N.A.) Co., Mesa Petroleum Northern Ltd., and Pubco Canadian Petroleum Corporation;
- (g) "Original Royalty" means the 12.5% gross overriding royalty as defined in the Mesa Agreement;
- (h) "Party" or "Parties" means a person, partnership, firm or corporation bound by this GOR Agreement;
- (i) "Petroleum Substances" has the meaning specified in the attached Schedule "B"; and
- (j) "Royalty Lands" means the lands set forth and described in the attached Schedule "A".

- 1.2 The division of this GOR Agreement into sections and the insertion of headings are for convenience of reference only and shall not affect the interpretation of this GOR Agreement.
- 1.3 Whenever the plural or masculine or neuter is used in this GOR Agreement the same shall be construed as meaning the singular or feminine or body politic or corporate and vice versa where the context so requires.
- 1.4 There are appended to this GOR Agreement the following Schedules:
 - (a) Schedule "A" - Royalty Lands;
 - (b) Schedule "B" - GOR Schedule; and
 - (c) Schedule "C" - CAPL 1993 Assignment Procedure

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

ARTICLE II

ROYALTY PROVISIONS

- 2.1 The Parties acknowledge that Schedule "B" of this Agreement sets forth the terms of the GOR insofar as it pertains to the Royalty Lands, as described in Schedule "A".

ARTICLE III

ASSUMPTION AND REPLACEMENT OF ROYALTY

- 3.1 The Parties acknowledge that the Original Royalty is replaced by the GOR as and from the Effective Date insofar as the GOR pertains to the Royalty Lands.
- 3.2 Payor, as successor in interest to Dome and Amoco Canada Resources Ltd., assumes all of the Payor's obligations in respect of the GOR as it pertains to the Royalty Lands as and from the Effective Date including, without limiting the generality of the foregoing, all obligations to

make payments on account of the GOR in respect of Petroleum Substances produced from the Royalty Lands as and from the Effective Date, as the case may be.

- 3.3 Royalty Owner assumes as successor to the Original Mesa Companies, all of the Royalty Owner's obligations in respect of the GOR as they pertain to the Royalty Lands arising as and from the Effective Date respectively, as the case may be.
- 3.4 Each of the Parties acknowledges to the other Party that as and from the Effective Date, Payor is the payor of the GOR and Royalty Owner is the owner of the GOR.
- 3.5 Nothing in this GOR Agreement shall affect any matters or obligations relating to the Original Royalty insofar as it pertains to the Royalty Lands which occurred, accrued or became due prior to the Effective Date.

ARTICLE IV **ASSIGNMENTS**

- 4.1 The CAPL 1993 Assignment Procedure is hereby incorporated by reference on Schedule "C" to this GOR Agreement and shall be deemed to apply to this GOR Agreement.

ARTICLE V **NOTICES**

- 5.1 The Parties agree that any disclosure, notice, direction or other communication required or permitted to be given under this GOR Agreement insofar as it pertains to the Royalty Lands shall be in writing and may be given by delivering same or sending same by prepaid registered certified mail or by telegram, telex, or other similar form of telecommunication to the address set forth below. Any disclosure, notice, direction or other communication aforesaid shall, if delivered, be deemed to have been given and received on the 5th day following the day on which it was mailed and if sent by telegram, telex or other similar form of telecommunication, be deemed to have been given and received on the 2nd business day following the day on which it was sent. Business day shall mean every day excepting a Saturday, Sunday and a bank or statutory holiday. The address for service of Parties for purposes of this GOR Agreement shall be as follows:

CANADIAN NATURAL RESOURCES
2500, 855 - 2nd Street S.W.
Calgary, Alberta T2P 4J8

Attention: Land Manager

PENN WEST PETROLEUM
P.O. Box 1450, Station M
Calgary, Alberta T2P 2L6

Attention: V.P. Land

ARTICLE VI

SEGREGATION

- 6.1 If either Payor or Royalty Owner or any Party comprising Payor or Royalty Owner disposes of its interest or any portion thereof in any part of the Royalty Lands to a third party, then effective upon the Binding Date of the Notice of Assignment with respect to such third party's acquisition of such interest, the Royalty Lands which are subject to such Notice of Assignment shall be deemed to be subject and the parties holding the interests therein shall be deemed thereafter to hold the same as if they are parties to a new and separate GOR Agreement (the "Segregated GOR Agreement"), the terms of which are identical to the terms hereof except for the following:
- (a) the parties thereto shall be those parties with the interests in that portion of the Royalty Lands subject to the said Notice of Assignment;
 - (b) the Royalty Lands under the Segregated GOR Agreement shall be only those which were subject to the said Notice of Assignment;
 - (c) the interests in the Royalty Lands subject to the Segregated GOR Agreement for each party thereto shall be those resulting from the disposition giving rise to the Segregated GOR Agreement; and
 - (d) the effective date of the Segregated GOR Agreement shall be the Binding Date of the said Notice of Assignment (the "Segregation Date").

ARTICLE VII

MISCELLANEOUS

- 7.1 This GOR Agreement shall, in all respects, be subject to and interpreted, construed and enforced in accordance with and under the laws of the Province of Alberta and the laws of Canada applicable therein and shall in every regard be treated as a contract made in the Province of Alberta. The Parties irrevocably submit and attorn to the exclusive jurisdiction of the courts of the Province of Alberta for all matters arising out of or in connection with this Agreement and waive all rights to object to or challenge the jurisdiction of such courts in any legal action, suit or proceeding relating to this Agreement whether such objection or challenge is based on inconvenient forum or otherwise.
- 7.2 This GOR Agreement shall be binding upon and shall enure to the benefit of each of the Parties hereto and their respective trustees, receivers, successors and assigns.
- 7.3 Any Party may give from time to time written notice of change of address in the manner stated in Article 5, in which event such address shall be the new address for service until further notice.
- 7.4 From and after the Effective Date, this GOR Agreement shall supersede and replace all prior agreements between the Parties, or their respective predecessors, including without limitation

the Mesa Agreement, relating to the Original Royalty and GOR insofar as they relate to the Royalty Lands as set out in Schedule "A".

- 7.5 In the event of a demonstrable error in the percentage of production that the Royalty is based on as stated in Schedule "A", the Parties shall amend Schedule "A" accordingly.
- 7.6 Each of the Parties shall, from time to time and at all times, do such further acts and deliver all such further assurances, deeds and documents as shall be reasonably required in order to fully perform and carry out the terms of this GOR Agreement.
- 7.7 This agreement may be executed in counterpart and all executed and delivered counterparts together shall constitute a fully executed agreement.

IN WITNESS WHEREOF the Parties have executed this Agreement on this 2nd day of January, 2001.

CANADIAN NATURAL RESOURCES
by its Managing Partner, Canadian Natural Resources Limited

Per: _____

A. M. Knight, Senior Vice President
International and Corporate Development

PENN WEST PETROLEUM
by its Managing Partner, Penn West Petroleum Ltd.

Per: _____

Name: _____
Title: **Gordon Timm**
Vice President, Land

Per: _____

Name: **WILLIAM E. ANDREW**
Title: **PRESIDENT**

This is Schedule "A" to Gross Overriding Royalty Agreement dated January 2nd, 2001 between Canadian Natural Resources and Penn West Petroleum

SCHEDULE "A"

ROYALTY LANDS

| <u>Land Description</u> | <u>Lease</u> | <u>Royalty</u> |
|---|--|---------------------------------------|
| Twp 42 Rge 8 W4M: 11 ✓ PNG to base Viking | Alberta Crown PNG Lease No. 39983 | 12.5% based on 50% of production |
| Twp 42 Rge 8 W4M: 12 ✓ PNG to base Viking | Alberta Crown PNG Lease No. 39983 | 12.5% based on 50% of production |
| Twp 42 Rge 8 W4M: 10, 16 ✓ PNG to base Viking | Alberta Crown PNG Lease No. 39988 | 12.5% based on 50% of production |
| Twp 42 Rge 8 W4M: 18 ✓ PNG to base Viking | Alberta Crown PNG Lease No. 39989 | 12.5% based on 50% of production |
| ✓ Twp 42 Rge 9 W4M: 2 PNG to base Mannville | Alberta Crown PNG Lease No. 39990 ✓ | 12.5% based on ✓ 50% of production |
| Twp 42 Rge 9 W4M: 4, 11 ✓ PNG to base Viking | Alberta Crown PNG Lease No. 39990 ✓ | 12.5% based on ✓ 50% of production |
| Twp 42 Rge 9 W4M: 10 ✓ PNG to base Viking | Alberta Crown PNG Lease No. 39990 ✓ | 12.5% based on ✓ 50% of production |
| Twp 42 Rge 9 W4M: 14 ✓ PNG to base Viking | Alberta Crown PNG Lease No. 39991 ✓ | 12.5% based on ✓ 50% of production |
| Twp 42 Rge 9 W4M: S&NE22 PNG to base Mannville | Alberta Crown PNG Lease No. 39991 ✓ | 12.5% based on ✓ 50% of production |

This is Schedule "B" to Gross Overriding Royalty Agreement dated January 2nd, 2001 between Canadian Natural Resources and Penn West Petroleum

SCHEDULE "B"- Royalty Terms

1. DEFINITIONS

In this Schedule, the following definitions shall be applicable and all other capitalized terms shall have the meanings given to them in the GOR Agreement to which this Schedule is attached:

- (a) "Crown" means Her Majesty the Queen in the Right of Canada or any of the provinces thereof;
- (b) "Petroleum Substances" means in this Schedule petroleum, natural gas, related hydrocarbons and all other substances, including, without limiting the generality of the foregoing, sulphur, found in association therewith, produced and marketed from or allocated to the Royalty Lands to the extent that rights to the same are granted by the Title Documents, excluding, however, such thereof as have been injected from other sources subsequent to June 30, 1979 and where the context so requires, "petroleum substances" means Petroleum Substances which may not have been produced or marketed; and
- (c) "Title Documents" means the leases, agreements and other instruments under and by virtue of which and subject to which the Original Mesa Companies held their interests in the Royalty Lands.

2. RESERVATION OF ROYALTY

- (a) Royalty Owner reserves to itself an overriding royalty (herein called the "Royalty") of 12.5 percent of the gross proceeds of all Petroleum Substances calculated as provided in this schedule.
- (b) The words "gross proceeds" herein means the proceeds received by Payor at the point of sale of the Petroleum Substances (or payment in lieu of Petroleum Substances under a take-or-pay agreement) provided that if the buyer of such substances is not dealing at arm's length with the Payor or the Payor receives a collateral advantage from the buyer of such substances in consideration of a reduced price, the gross proceeds shall be determined on the basis that the Payor received the same price as other producer of like substances in the same area. The gross proceeds shall be calculated free and clear of any deductions of whatsoever nature or kind excepting:

- (i) any gathering, transportation, processing, treating, compression, absorption, or other plant extraction or stabilization costs which are permitted in the calculation of the lessor royalty applicable thereto, except that in respect of lands held by Payor in fee simple, such deductions shall be calculated in the same manner as is accepted from time to time by the Crown in Right of the Province of Alberta in respect of Crown royalties; and
- (c) Any sale of the Petroleum Substances by shall include the Royalty, and not later than the twenty-fifth (25th) day of each calendar month, Payor shall pay to Royalty Owner the Royalty with respect to the next preceding calendar month and shall furnish Royalty Owner with a reasonably detailed statement in support of such production and payment. Notwithstanding anything herein contained, Payor may withhold any amounts which Payor is obligated by law to withhold in respect of any payment to Royalty Owner hereunder.
- (d) Subject to the Title Documents, Payor may use any Petroleum Substances reasonably required for its operations on the Royalty Lands and Petroleum Substances unavoidably lost or consumed in developing and producing operations or in preparing and treating Petroleum Substances for marketing purposes shall be excluded in determining the Royalty.
- (e) Payor shall keep and maintain in the Province of Alberta, at all times and from time to time, true and correct books, records and accounts showing the quantity of Petroleum Substances produced from or allocated to each well on the Royalty Lands and the disposition thereof and permit Royalty Lands, at Royalty Owner's sole expense and after reasonable notice to Payor, to inspect and audit the same and to make extracts and copies therefrom and thereof and at all times permit the agent or agents of Royalty Owner to enter upon the Royalty Lands for the purpose of ascertaining the quantity and nature of the Petroleum Substances produced or taken from the Royalty Lands. Payor shall provide to Royalty Owner or its agent, after reasonable notice to Payor and during normal business hours, access to non-confidential well files and records pertaining to the Royalty Lands.

3. **ASSIGNMENT BY PAYOR**

Payor may assign any legal or equitable interest in the Royalty Lands or any portion or portions thereof; provided that, in the event that Payor assigns all or any portion of its interest as aforesaid, Payor shall follow the CAPL 1993 Assignment Procedure which is incorporated into this agreement by reference on Schedule "C".

4. **ASSIGNMENT BY ROYALTY OWNER**

Royalty Owner may assign any legal or equitable interest in the Royalty Lands or any portion or portions thereof; provided that, in the event that Royalty Owner assigns all or any portion of its interest as aforesaid, Royalty Owner shall follow the CAPL 1993 Assignment Procedure.

5. POOLING & UNITIZATION

Royalty Owner acknowledges that Payor has the right to pool or unitize any portion of the Royalty Lands with any other lands and in each case the Royalty in respect thereof shall be calculated on the production of Petroleum Substances allocated to the Royalty Lands included in such pool or unit.

6. LEASE SELECTION

Royalty Owner shall not have the right to make or participate in the making of, any selection of leases from or under any Title Documents.

7. SURRENDER

- (a) If Payor desires to surrender, allow to expire (except where continuance is not possible), abandon or release all or any part of its rights or interests in the Royalty Lands, it shall give written notice (the "Surrender Notice") to Royalty Owner at least sixty (60 days) in advance of the due date for any payment or performance of any act, the non-payment or non-performance of which would result in the surrender, expiration, abandonment or release of its interest in any of the Royalty Lands.
- (b) Within thirty (30 days after receipt of the Surrender Notice, Royalty Owner shall either consent to the surrender, expiration, abandonment or release of the rights or interests specified in the Surrender Notice or request an assignment of Payor's aforesaid rights and interests specified in the Surrender Notice. Failure of Royalty Owner to elect as aforesaid shall be deemed conclusively to be consent by Royalty Owner to such surrender, expiration, abandonment or release. If an assignment is to be made to Royalty Owner pursuant to this subclause, this Schedule shall forthwith terminate with respect to the rights and interests described in the Surrender Notice, and Payor shall assign to the Royalty Owner all of the rights and interests described in the Surrender Notice, but Payor shall not be relieved from its liability with respect to the observance or performance of any obligations which ought to have been observed or performed prior to the time of such assignment.
- (c) Payor shall indemnify Royalty Owner against all actions, suits, claims, costs and demands whatsoever which may be brought against or suffered by Royalty Owner by reason of any other matter or thing which ought to have been observed or performed prior to the time of such assignment and Payor shall indemnify Royalty Owner against all suits, claims, costs and demands whatsoever which may be brought against or suffered by Royalty Owner by reasons of any matter or thing which ought to have been observed or performed by Payor with respect to any portion of the Royalty Lands surrendered pursuant to the provisions of this subclause (c). Royalty Owner, upon receiving such interest, shall thereafter, except as above provided, indemnify and save

harmless Payor against the observance of all the covenants, conditions and agreements contained in the Title Documents insofar as the same pertain to the rights and interests so assigned. If Royalty Owner elects to accept an assignment of the rights and interests specified in the surrender notice, it shall pay to Payor the fair salvage value of all equipment associated therewith and concurrently assigned to the Royalty Owner.

8. COMMINGLING

Payor has the right to commingle production taken from the Royalty Lands with production from other lands.

9. LESSER INTEREST

It is understood and agreed that the Royalty is calculated on only the undivided share of the proceeds from the sale of Petroleum Substances to which Payor is entitled from the Royalty Lands and is not calculated on the entire proceeds of production from such property.

10. FORCE MAJEURE

None of the Parties hereto shall be deemed to be in default with respect to non-performance of its obligations hereunder if and so long as its non-performance is due to strikes, lockouts, fire, tempest or acts of God or the Queen's enemies, or any other cause (whether similar or dissimilar to those enumerated) beyond its control, but lack of finances shall not in any event be deemed to be a cause beyond the control of a Party.

11. NOTICES

The provisions of the GOR Agreement respecting notice shall apply mutatis mutandis to the giving of notices hereunder.

12. PAYMENTS

All payments of Royalty required hereunder shall be made by cheque payable to Royalty Owner delivered to or mailed by ordinary mail to Royalty Owner at its address for service stipulated in the GOR Agreement unless Royalty Owner shall have given written notice to Payor instructing Payor to deposit such payments in a specified bank, in which event all payments shall thereafter be so deposited. Royalty Owner may at any time and from time to time change by written notice such specified bank and account.

13. ALBERTA LAW TO GOVERN

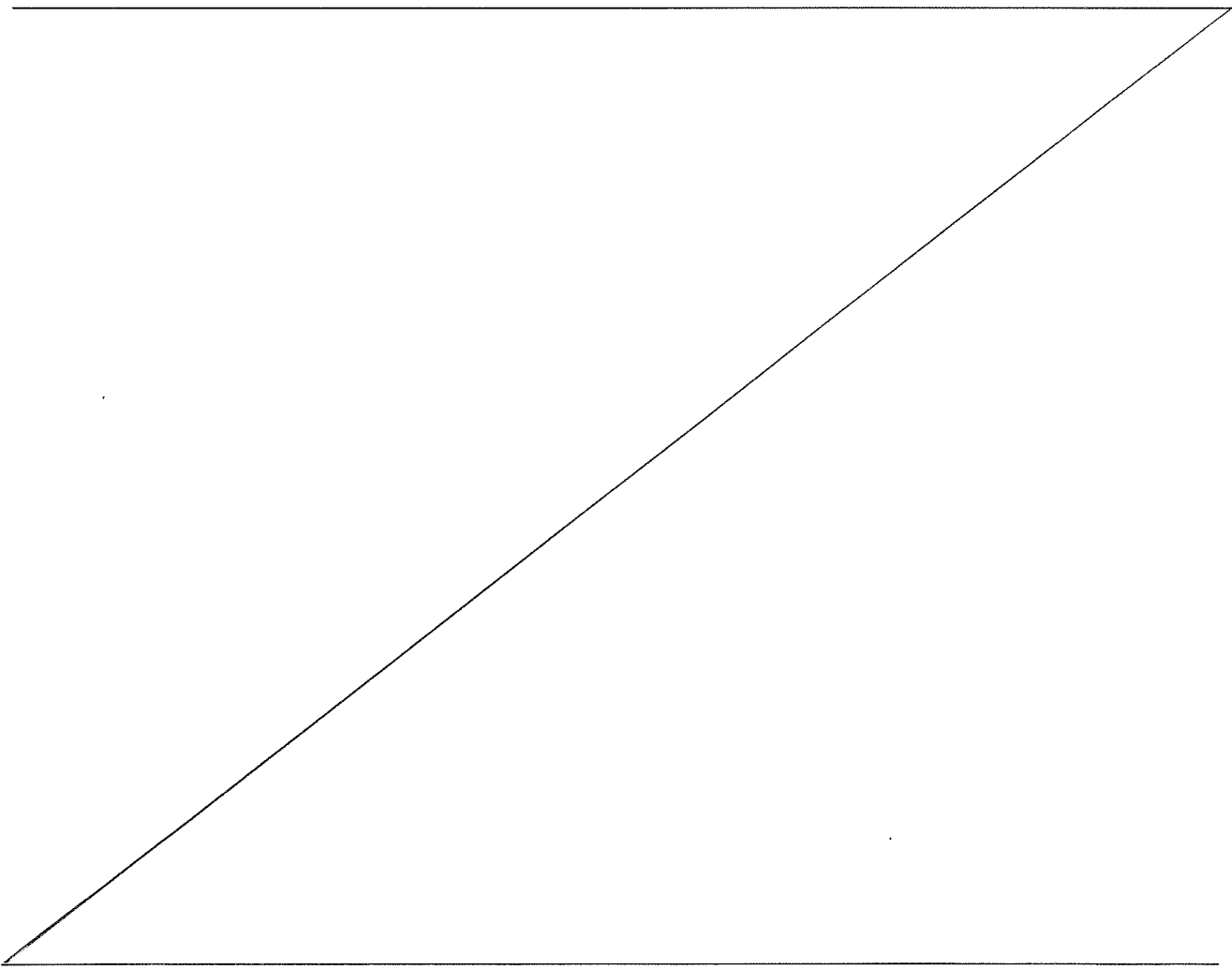
This Schedule shall be construed and enforced in accordance with the laws of the Province of Alberta and the Parties hereto do hereby attorn to the jurisdiction of the Courts of Alberta for the purposes of such construction and enforcement.

14. FUTURE TAXES

Notwithstanding anything herein contained to the contrary, any taxes imposed directly on the Royalty shall be borne by the Royalty Owner.

15. FURTHER ASSURANCES

Each of the Parties hereto shall, from time to time and at all times, do such further acts and deliver all such further assurances, deeds, and documents as shall be reasonably required to fully perform and carry out the terms of this Gross Overriding Royalty Agreement.

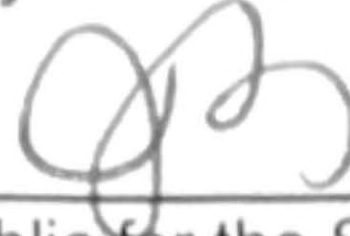


This is Schedule "C" to Gross Overriding Royalty Agreement dated January 2nd, 2001 between Canadian Natural Resources and Penn West Petroleum

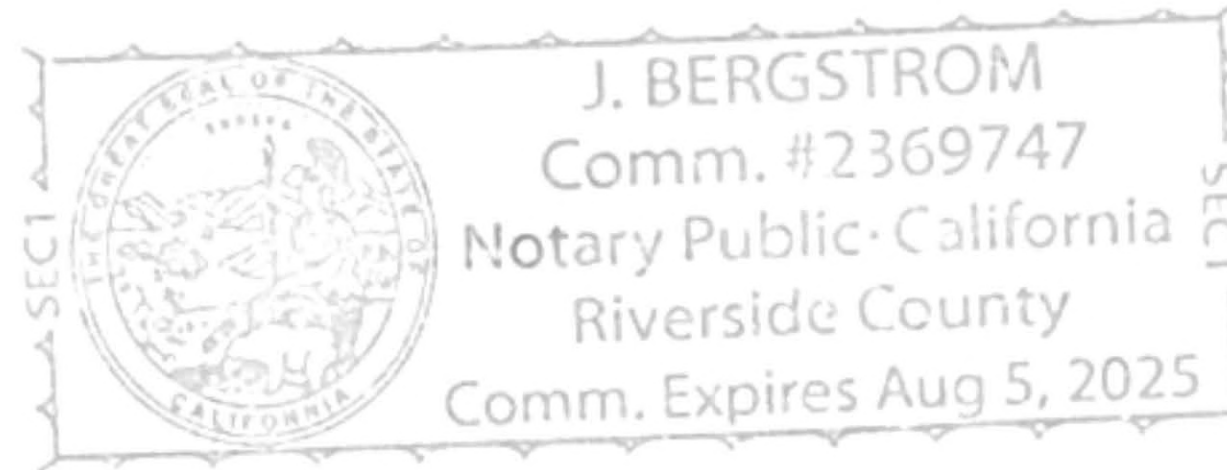
SCHEDULE "C"

1993 CAPL ASSIGNMENT PROCEDURE

Exhibit "EE" to the Affidavit of
Chris Lewis
Sworn/Affirmed before me this
23rd day of December, 2024



A Notary Public for the State of California



GROSS OVERRIDING ROYALTY AGREEMENT

(Shorncliffe, Silver Heights, Kessler, Eye-Hill, Neutral Hills, Wainwright Alberta)

THIS AGREEMENT made as of July 28, 2016,

BETWEEN:

PENN WEST PETROLEUM LTD., a body corporate with its head office located in Calgary, Alberta (hereinafter referred to as "PWPL")

- and -

PENN WEST PETROLEUM, a partnership formed under the laws of Alberta (hereinafter referred to as "PWP")

(PWPL and PWP hereinafter collectively referred to as "**Royalty Owner**")

- and -

CLEO ENERGY CORP., a body corporate with its head office located in Calgary, Alberta (hereinafter referred to as "**Royalty Payor**")

WHEREAS Royalty Owner and Royalty Payor entered into that Agreement of Purchase and Sale dated June 2, 2016 as amended by an amending agreement between the Parties dated July 28, 2016 (the "**Sale Agreement**") with respect to the Assets (as defined in the Sale Agreement);

AND WHEREAS pursuant to the Sale Agreement, Royalty Payor agreed to grant to the Royalty Owner an Overriding Royalty on the Lands in accordance with the terms and conditions hereof;

NOW THEREFORE in consideration of the premises and the covenants and agreements hereinafter set forth and contained herein, the parties hereto covenant and agree as follows:

ARTICLE 1 **INTERPRETATION**

1.1 Definitions and Interpretation

In this Agreement the definitions contained in Clause 1.01 of the Overriding Royalty Procedure (as defined below) shall apply, except as modified below:

- (a) "**Business Day**" means a day other than (i) a Saturday, (ii) a Sunday, (iii) a statutory holiday in Calgary, Alberta and (iv) December 24 to January 1 of a calendar year inclusive;
- (b) "**Disposition Notice**" has the meaning ascribed thereto in Clause 4.1(a);

- (c) **"GAAP"** means those accounting principles generally accepted in Canada, including the policies and standards of disclosure recommended by the Canadian Institution of Chartered Accountants from time to time;
- (d) **"Independent Accountant"** has the meaning ascribed thereto in Clause 3.3(b);
- (e) **"Lands"** has the meaning ascribed thereto in the Sale Agreement;
- (f) **"Net Working Interest"** means the net working interest held by PWP in the Lands prior to entering into the Sale Agreement dated as set forth and described in Schedule "A" hereto;
- (g) **"Objection"** has the meaning ascribed thereto in Clause 3.3(b);
- (h) **"Option"** has the meaning ascribed thereto in Clause 3.1;
- (i) **"Option Price"** has the meaning ascribed thereto in Clause 3.2;
- (j) **"Option Statement"** has the meaning ascribed thereto in Clause 3.3(a);
- (k) **"Overriding Royalty"** has the meaning ascribed thereto in Clause 2.1;
- (l) **"Overriding Royalty Procedure"** means the 1997 CAPL Overriding Royalty Procedure incorporated by reference herein, subject to the elections and amendments as set forth and described in Schedule "B" hereto;
- (m) **"Review Period"** has the meaning ascribed thereto in Clause 3.3(b);
- (n) **"Point of Sale"** means the first point at which Petroleum Substances from the Royalty Lands could ordinarily be made available for sale to an arm's length purchaser;
- (o) **"Prime Rate"** means a rate of interest equal to the annual rate of interest announced from time to time by the main Calgary branch of Canadian Imperial Bank of Commerce as the reference rate then in effect for determining interest rates on Canadian dollar commercial loans in Canada;
- (p) **"Sale Agreement"** has the meaning ascribed thereto in the recitals;
- (q) **"Specific Conveyancing Agreement"** means the Specific Conveyancing Agreement dated as of the date hereof between the Royalty Owner and the Royalty Payor;
- (r) **"Retained Interests"** has the meaning ascribed thereto in the Specific Conveyancing Agreement;
- (s) **"Retained Licenses"** has the meaning ascribed thereto in the Specific Conveyancing Agreement;
- (t) **"Title Documents"** means the leases, licenses and any other documents of title described in Schedule "A" hereto insofar as they relate to the Lands, and all renewals, extensions, continuations or documents of title issued in substitution or by selection; and
- (u) **"Wells"** has the meaning ascribed thereto in the Sale Agreement.

1.2 Headings

The expressions "Article" and "Clause" followed by a number or letter or combination thereof mean and refer to the specified article and clause, of or to this Agreement.

1.3 Number and Gender

When the context reasonably permits, words suggesting the singular shall be construed as suggesting the plural and vice versa, and words suggesting gender or gender neutrality shall be construed as suggesting the masculine, feminine and neutral genders.

1.4 Entire Agreement

The terms of this Agreement express and constitute the entire Agreement between the parties in respect of the Overriding Royalty and no implied covenant or liability of any kind is created or shall arise by reason of anything contained in this Agreement.

1.5 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 applicable laws of Canada and shall, in all respects, be treated as a contract made in the Province of Alberta. 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.

1.6 Schedules: The following Schedules are attached to and incorporated into this Agreement:

- (a) Schedule "A" – Title Documents and Lands
- (b) Schedule "B" – Overriding Royalty Procedure Elections and Amendments, and
- (c) Schedule "C" – well information required to be supplied by the Royalty Payor to the Royalty Owner

1.7 Overriding Royalty Procedure

The terms and provisions of the Overriding Royalty Procedure are hereby incorporated by reference herein as though contained in the body hereof. Wherever any term or condition of such Overriding Royalty Procedure conflicts or is at variance with any term or condition of the body of this Agreement, such term or condition in the body of this Agreement shall prevail.

ARTICLE 2

OVERRIDING ROYALTY

2.1 Overriding Royalty

- (a) Royalty Owner shall reserve unto itself, a two and a half percent (2.5%) non-convertible overriding royalty, free and clear of deductions for costs and expenses incurred by the Royalty Payor to and including the Point of Sale and calculated based on the Net Working Interest, as outlined in Schedule "A" (the "**Overriding Royalty**"). For clarity, the Overriding Royalty shall be payable on the Lands, and will remain in effect on each

Title Document relating to the Lands from the Effective Date until such time that the said Title Documents have been surrendered, terminated, forfeited or the Royalty Payor exercises its right to purchase the Overriding Royalty pursuant to Clause 3.1 of this Agreement, as the case may be.

2.2 Calculation of Overriding Royalty Not Taken in Kind

Notwithstanding anything to the contrary in this Agreement or the Overriding Royalty Procedure, the parties agree that if not taken in kind by Royalty Owner, the Overriding Royalty shall be determined based upon the Market Price, computed at the Point of Sale, without any deductions whatsoever to the Point of Sale, of all Petroleum Substances produced, saved and marketed from the Lands, calculated in accordance with the percentages set forth in Clause 2.01 of the Overriding Royalty Procedure.

2.3 Well Information

In addition to any provisions regarding well information contained in the Overriding Royalty Procedure, for each Well drilled by the Royalty Payor pursuant to this Agreement on the Lands from and after the Effective Date, the Royalty Payor shall provide the Royalty Owner with the well information in the same form as the information set out on Schedule "C" hereto as soon as is reasonably practicable.

ARTICLE 3

GORR PURCHASE OPTION

3.1 GORR Purchase Option

- (a) Subject to Section 3.1(b), on or after the one (1) year anniversary of the Effective Date, Royalty Payor shall have the right to exercise an option to repurchase the Overriding Royalty (the "**Option**") by giving written notice to the Royalty Owner.
- (b) The Option shall be of no force or effect in the event that Royalty Payor has not taken assignment of all of the Retained Interests pursuant to the Specific Conveyance Agreement on the date that is one (1) year from the date of this Agreement.

3.2 Option Price

The purchase price for the Overriding Royalty purchased pursuant to the Option granted in Clause 3.1 shall be equal to the sum of the Overriding Royalty calculated over the course of the preceding twelve (12) month period multiplied by five (5) (the "**Option Price**").

3.3 Exercise and Payment

- (a) The option shall be exercised by Royalty Payor delivering to Royalty Owner a notification of the Royalty Payor's exercise of the option, which notice shall include a written statement setting forth in reasonable detail Royalty Payor's determination of the option price (the "**Option Statement**").
- (b) The Royalty Owner shall have sixty (60) days after receipt of the Option Statement (the "**Review Period**") to review the Option Statement. During the Review Period, Royalty Owner and its representatives shall have the right to inspect Royalty Payor's books and records during normal business hours at Royalty Payor's offices, upon reasonable prior notice and solely for purposes reasonably related to the determinations of Option Price.

Before the expiration of the Review Period, Royalty Owner may object to the Option Price set forth in the Option Statement for the applicable Calculation Period by delivering a written notice of objection (an "**Objection**") to Royalty Payor. Any Objection shall describe in reasonable detail the basis for such objection, as well as the amount in dispute. If Royalty Owner fails to deliver an Objection to Royalty Payor before the expiration of the Review Period, then the Option Price set forth in the Option Statement shall be final and binding on the parties hereto. If Royalty Owner delivers an Objection prior to the expiry of the Review Period, Royalty Payor and Royalty Owner shall negotiate in good faith to resolve the disputed items and agree upon the resulting amount of the Option Price. If Royalty Payor and Royalty Owner are unable to reach agreement within fifteen (15) days after such an Objection has been given, all unresolved disputed items shall be promptly referred to an impartial nationally recognized firm of independent chartered professional accountants appointed by mutual agreement of Royalty Payor and Royalty Owner or, failing agreement, appointed by the Court of Queen's Bench (the "**Independent Accountant**"). The Independent Accountant shall be directed to render a written report on the unresolved disputed items with respect to the Option Price as promptly as practicable, but in no event greater than thirty (30) days after such submission to the Independent Accountant, and to resolve only those unresolved disputed items set forth in the Objection. If unresolved disputed items are submitted to the Independent Accountant, Royalty Payor and Royalty Owner shall each furnish to the Independent Accountant such work papers, schedules and other documents and information relating to the unresolved disputed items as the Independent Accountant may reasonably request. The Independent Accountant shall resolve the disputed items based solely on the applicable definitions and other terms in this Agreement and the presentations by Royalty Payor and Royalty Owner, and not by independent review. The resolution of the dispute and the calculation of the Option Price shall be final and binding on the parties hereto. The fees and expenses of the Independent Accountant shall be borne by Royalty Owner and Royalty Payor in proportion to the amounts by which their respective calculations of Option Price differ from Option Price as finally determined by the Independent Accountant.

- (c) Within five (5) Business Days of acceptance of the Option Price, or the resolution of any Objection, Royalty Payor shall pay the Option Price as finally determined in accordance with this Clause 3.3 to Royalty Owner. In the event the Option Price is not paid when due, interest shall accrue and be payable to Royalty Payor by Royalty Owner at the Prime Rate.
- (d) Promptly after the payment of the Option Price as finally determined in accordance with this Clause 3.3, Royalty Owner shall execute and deliver, or cause to be executed and delivered, all such documents, agreements and other instruments as may be required in order to effect the reversion of the GORR to Royalty Payor and to effect the proper assumption by Royalty Payor of any liabilities and obligations associated therewith.

ARTICLE 4 **ROFR**

4.1 Right of First Refusal

- (a) Royalty Owner shall not dispose of the Overriding Royalty, whether by assignment, trade, farmout or otherwise without first providing Royalty Owner with written notice of its intention to do so, which notice shall include the identity of the proposed assignee, the

price or other consideration for which the Royalty Owner is prepared to make such disposition, the proposed effective date and closing date of the transaction and any other information respecting the transaction which Royalty Owner reasonably believes would be material to the exercise of the offeree's rights hereunder (the "**Disposition Notice**").

- (b) Clause 4.1(a) shall not apply to a disposition by Royalty Owner of the Overriding Royalty if as a result of:
- (i) an assignment made by way of security for the Royalty Owner's present or future indebtedness unless the security is enforced by sale or foreclosure;
 - (ii) a disposition to an Affiliate of Royalty Owner, or in consequence of a merger or amalgamation of the assignor with another corporation; or
 - (iii) a disposition made by Royalty Owner of all, or substantially all of its petroleum and natural gas rights, including royalty interests, in the province of Alberta, and for the purposes of this Clause 4.1(b)(iii), "substantially all" means a percentage of ninety percent (90%) or more of the net hectares held by such party in Alberta.

ARTICLE 5

NOTICES

5.1 Notices and Address for Service

The initial addresses for service of the parties shall be as follows:

If to Royalty Owner:

c/o Penn West Petroleum Ltd.
Suite 200, 207 – 9th Avenue SW
Calgary, AB Canada T2P 1K3

Attention: Manager of Land & Joint Venture
Email: PennWestnonop@pennwest.com

If to Royalty Payor:

Cleo Energy Corp.
350 – 300, 5th Avenue SW
Calgary, Alberta T2P 3C4

Attention: Chris Lewis
Email: clewis@cleoenergy.com

All notices, communications and statements required, permitted or contemplated hereunder shall be in writing, and shall be delivered as follows:

- (a) by personal service on a party at the address of such party set out above, in which case the item so served shall be deemed to have been received by that party when personally served;

- (b) by electronic mail to a party at the address of such party set out above, in which case the item so delivered will be deemed to have been received when the electronic mail enters the receiving party's information system and becomes capable of being retrieved and processed by it if those events occur during normal business hours on any Business Day (as defined in the Sale Agreement), or at the beginning of the next Business Day if those events occur after those business hours; or
- (c) except in the event of an actual or threatened postal strike or other labour disruption that may affect mail service, by mailing first class registered post, postage prepaid, to a party at the address of such party set out above, in which case the item so mailed shall be deemed to have been received by that party on the third Business Day following the date of mailing (the date of mailing being the Business Day immediately prior to the postmarked date of the envelope containing the notice, communication or statement or if the subject envelope has been lost or destroyed, the date of such notice, communication or statement or if undated the date of the transmittal letter accompanying the same).

A party may from time to time change its address for service by giving written notice of such change to the other party.

ARTICLE 6

MISCELLANEOUS

6.1 Further Assurances

Each party will, from time to time and at all times after the Effective Date, without further consideration, do such further acts and deliver all such further assurances, deeds and documents as shall be reasonably required in order to fully perform and carry out the terms of this Agreement

6.2 Enurement

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.

6.3 Waiver

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. No waiver of any provision of this Agreement, including without limitation, this Clause 6.3, 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.

6.4 Time of the Essence

Time shall be of the essence in this Agreement.

6.5 Termination

This Agreement shall continue in full force and effect until terminated by written agreement of the parties hereto. Until this Agreement terminates, each of the parties shall have all of the rights and benefits and all of the duties and obligations to which they are subject and entitled.

6.6 Counterparts

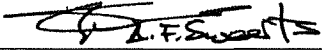
This Agreement may be executed in separate counterparts, and the executed counterparts shall together constitute one instrument and have the same force and effect as if both of the parties had executed the same instrument. Delivery may occur via facsimile.

The remainder of this page is intentionally left blank.

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

PENN WEST PETROLEUM LTD.

Per: _____


Name: **Andrew Sweerts**
Title: Vice President
Business Development & Commercial

Per: _____

Name: _____
Title: _____

CLEO ENERGY CORP.

Per: _____

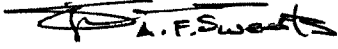

Name: **Chris Lewis**
Title: **President & CEO**

Per: _____

Name: _____
Title: _____

PENN WEST PETROLEUM,
by its Managing Partner,
PENN WEST PETROLEUM LTD.

Per: _____


Name: **Andrew Sweerts**
Title: Vice President
Business Development & Commercial

Per: _____

Name: _____
Title: _____

THE FOLLOWING ___ PAGES COMPRISE SCHEDULE "A" ATTACHED TO AND FORMING PART OF THE GROSS OVERRIDING ROYALTY AGREEMENT MADE AS OF JULY 28, 2016, BETWEEN PENN WEST PETROLEUM, PENN WEST PETROLEUM LTD. AND CLEO ENERGY CORP.

TITLE DOCUMENTS AND LANDS

See attached.

THE FOLLOWING 1 PAGE COMPRISE SCHEDULE "B" ATTACHED TO AND FORMING PART OF THE GROSS OVERRIDING ROYALTY AGREEMENT MADE AS OF JULY 28, 2016, BETWEEN PENN WEST PETROLEUM, PENN WEST PETROLEUM LTD. AND CLEO ENERGY CORP.

1997 CAPL OVERRIDING ROYALTY PROCEDURE

ELECTIONS AND AMENDMENTS

1. Effective Date

Clause 1.01(b) The date which is three (3) years from the date of this Agreement.

2. Royalty Payor's Allowed Deductions if Overriding Royalty Not Taken in Kind

Clause 2.04B Alternate 1

3. Royalty Owner's Rights Upon Surrender

Clause 2.08 will apply.

Amendments

The Overriding Royalty Procedure is amended as follows:

The Overriding Royalty Procedure is amended to incorporate the term "Point of Sale" defined in this Agreement in place and substitution of the term "Royalty Determination Point" defined in Clause 1.01 H of the Overriding Royalty Procedure.

Article 2.01 is amended by deleting the existing Clause 2.01 and substituting with the following Clause 2.01:

2.01 Quantification of Overriding Royalty

- (a) Royalty Determination Methodology: The gross volume of Petroleum Substances comprising the Overriding Royalty shall be determined, on a Well by Well basis, as follows:
 - (i) the volume of Petroleum Substances as metered, measured or allocated at the Point of Sale shall be allocated back to each Well on a fair and reasonable basis, consistent with Royalty Payor's customary methodology; and
 - (ii) of the Petroleum Substances allocated to a Well, the Overriding Royalty shall be 2.5% of such Petroleum Substances.
- (b) Quantification of Overriding Royalty: Having regard for the Royalty Determination Methodology (above), the Overriding Royalty shall be quantified as follows:
 - (i) if taken in kind by Royalty Owner, 2.5% of the Petroleum Substances produced from each Royalty Well and available at the Point of Sale.

THE FOLLOWING 2 PAGES COMPRISE SCHEDULE "C" ATTACHED TO AND FORMING PART OF THE GROSS OVERRIDING ROYALTY AGREEMENT MADE AS OF JULY 28, 2016, BETWEEN PENN WEST PETROLEUM, PENN WEST PETROLEUM LTD. AND CLEO ENERGY CORP.

WELL DATA REQUIREMENT SHEET

DATE:

OPERATOR:

ATT:

WELL NAME / LOCATION:

OPERATION:

PWP Interest:

| <u>PRE-SPUD</u> | <u>#COPIES</u> | <u>DRILLING</u> | <u>#COPIES</u> |
|--------------------------|----------------|---|----------------|
| Survey | 1 | Daily Drilling Reports | 1 |
| Well License Application | 1 | Wellsite Geological Report/Strip Log | 1 |
| Well License | 1 | Directional Survey(s) | 1 |
| Geological Prognosis | 1 | DST Reports | 1 |
| Drilling Program | 1 | Sample & Core Description & Final Analysis | 1 |
| Surface Lease / MSL-LOC | 1 | Logs (field & final) | 1 |
| Spud Notice (24 hours) | 1 | Consultant Post Drilling & Completion Reports | 1 |

COMPLETION / PRODUCTION / WORKOVER

| | | | |
|--------------------------|---|-------------------------------|---|
| Program | 1 | Flow / Buildup Report | 1 |
| Daily Report(s) | 1 | AOF Test | 1 |
| Treatment Program/Report | 1 | Static Gradient Test/AWS Test | 1 |
| Swab Report | 1 | Deliverability Test | 1 |
| Logs | 2 | All Fluid/Gas/Water Analysis | 1 |
| Bottom Hole Diagram | 1 | | |

WELL ABANDONMENT

LEASE RECLAMATION

| | | | |
|---------------------|---|---------------------|---|
| Abandonment Program | 1 | Reclamation Program | 1 |
| Abandonment Report | 1 | Reclamation Report | 1 |

On-Stream

Please notify PennWestnonop@pennwest.com with Date of First Production (within 24 hours of on-stream and/or flowback) along with the Field Data Capture system used (PDE-Partner Data Exchange, Data Scavenger etc.) and a contact person at your company responsible for ensuring that production data is shared and set up appropriately.

Note: Sample cuttings are not required unless otherwise specified, provided the Operator's set will be available for our examination.


- DAILY REPORTS:** preferred emailed daily to PennWestnonop@pennwest.com
Or faxed to (403) 218-4191

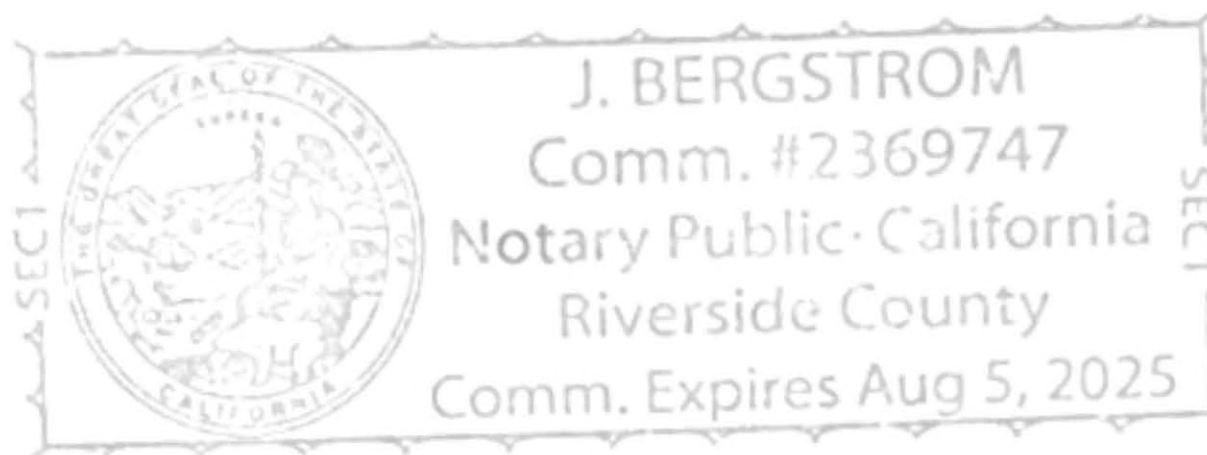
ALL OTHER WELL DATA TO BE FORWARDED TO:

PENN WEST

200, 207 9 Avenue SW.
Calgary, AB T2P 1K3
Attention: Non-operated Production Administration

Exhibit "FF" to the Affidavit of
Chris Lewis
Sworn/Affirmed before me this
23rd day of December, 2024


A Notary Public for the State of California



AGREEMENT OF PURCHASE AND SALE

(Shorncliffe, Silver Heights, Kessler, Eye-Hill, Neutral Hills, Wainwright Alberta)

BETWEEN

PENN WEST PETROLEUM LTD. AND PENN WEST PETROLEUM

AS VENDOR

-and-

CLEO ENERGY CORP.

AS PURCHASER

DATED June 2, 2016

TABLE OF CONTENTS

| | |
|---|-----------|
| ARTICLE 1 INTERPRETATION..... | 1 |
| 1.1 Definitions | 1 |
| 1.2 Headings | 9 |
| 1.3 Contra Proferentem..... | 9 |
| 1.4 Time Periods..... | 9 |
| 1.5 Monetary Amounts | 9 |
| 1.6 Interpretation Not Affected by Headings | 9 |
| 1.7 Number and Gender..... | 9 |
| 1.8 Inclusive Terminology..... | 9 |
| 1.9 References to Amendments | 10 |
| 1.10 Schedules | 10 |
| 1.11 Knowledge..... | 10 |
| ARTICLE 2 PURCHASE AND SALE AND CLOSING..... | 10 |
| 2.1 Purchase and Sale | 10 |
| 2.2 Closing..... | 10 |
| 2.3 Deliveries at Closing..... | 11 |
| 2.4 Specific Conveyances | 11 |
| 2.5 Title Documents and Miscellaneous Interests | 12 |
| 2.6 Form of Payment | 13 |
| 2.7 Purchase Price..... | 13 |
| 2.8 Deposit..... | 13 |
| 2.9 Taxes..... | 14 |
| 2.10 Allocation of Purchase Price | 15 |
| 2.11 Excluded Assets..... | 15 |
| 2.12 Whitemap Areas | 15 |
| 2.13 Seismic Licence Agreement | 15 |
| 2.14 Partnered Seismic Data..... | 15 |
| ARTICLE 3 CONDITIONS OF CLOSING | 16 |
| 3.1 Purchaser's Conditions..... | 16 |
| 3.2 Vendor's Conditions | 16 |
| 3.3 Efforts to Fulfill Conditions Precedent..... | 17 |
| ARTICLE 4 REPRESENTATIONS AND WARRANTIES..... | 17 |
| 4.1 Representations and Warranties of Vendor | 17 |
| 4.2 Limitation on Vendor's Representations and Warranties | 21 |
| 4.3 Acknowledgements..... | 21 |
| 4.4 Representations and Warranties of Purchaser | 21 |
| ARTICLE 5 INDEMNITIES..... | 23 |
| 5.1 Vendor's Indemnities | 23 |
| 5.2 Purchaser's Indemnities | 23 |
| 5.3 Environmental Liability | 23 |
| 5.4 Limit on Responsibility | 24 |
| 5.5 Assumption | 24 |
| 5.6 Sole Remedy..... | 24 |

| | |
|---|-----------|
| ARTICLE 6 OPERATING ADJUSTMENTS | 25 |
| 6.1 Adjustments | 25 |
| 6.2 Interim and Final Accounting | 25 |
| 6.3 Audit Rights for Adjustments | 25 |
| 6.4 Payment of Adjustments | 26 |
| ARTICLE 7 MAINTENANCE OF ASSETS | 26 |
| 7.1 Maintenance of Assets | 26 |
| 7.2 Consent of Purchaser | 27 |
| 7.3 Post-Closing Administration | 27 |
| 7.4 Interim Matters | 28 |
| ARTICLE 8 RIGHTS OF FIRST REFUSAL AND CONSENTS | 29 |
| 8.1 Rights of First Refusal | 29 |
| 8.2 Disputed Rights of First Refusal | 30 |
| 8.3 Carriage of Action | 30 |
| 8.4 Resolution of Action | 30 |
| 8.5 Purchaser Indemnity | 31 |
| 8.6 Security Interests | 31 |
| ARTICLE 9 PRE-CLOSING INFORMATION..... | 31 |
| 9.1 Production of Documents | 31 |
| ARTICLE 10 TRANSFERRING EMPLOYEES | 32 |
| 10.1 Transferring Employees | 32 |
| 10.2 Severance | 32 |
| 10.3 Non-Solicitation of Field Employees | 33 |
| 10.4 Damages | 33 |
| ARTICLE 11 SECURITY DEPOSIT AND LICENCE TRANSFER | 33 |
| 11.1 AER Negotiations | 33 |
| 11.2 Payment of Security Deposit Monies | 33 |
| 11.3 Payment of Deposit by Vendor | 33 |
| 11.4 Failure of AER to Approve LTA | 34 |
| 11.5 Submission of AER LTA | 34 |
| ARTICLE 12 GENERAL | 34 |
| 12.1 Further Assurances | 34 |
| 12.2 No Merger | 34 |
| 12.3 Entire Agreement | 34 |
| 12.4 Subrogation | 35 |
| 12.5 Governing Law | 35 |
| 12.6 Enurement | 35 |
| 12.7 Time of Essence | 35 |
| 12.8 Notices | 35 |
| 12.9 Removal of Signs | 36 |
| 12.10 Operatorship | 36 |
| 12.11 Invalidity of Provisions | 36 |
| 12.12 Waiver | 36 |

| | | |
|--|--|-----------|
| 12.13 | Amendment..... | 37 |
| 12.14 | Agreement not Severable..... | 37 |
| 12.15 | Securities Act Disclosure..... | 37 |
| 12.16 | Confidentiality and Public Announcements | 37 |
| 12.17 | Privacy Laws | 38 |
| 12.18 | Vendor Joint and Several Liabilities..... | 38 |
| 12.19 | Counterpart Execution | 38 |
| SCHEDULE "A" PART 1 – PROPERTY REPORT AND WHITEMAP AREAS | | 40 |
| SCHEDULE "A" PART 2 – WELLS..... | | 41 |
| SCHEDULE "B" TANGIBLES..... | | 42 |
| SCHEDULE "C" AFES..... | | 43 |
| SCHEDULE "D" TRANSPORTATION, SALE AND HANDLING AGREEMENTS..... | | 44 |
| SCHEDULE "E" GENERAL CONVEYANCE..... | | 45 |
| SCHEDULE "F" RIGHTS OF FIRST REFUSAL..... | | 48 |
| SCHEDULE "G" EXCLUDED ASSETS | | 49 |
| SCHEDULE "H" SEISMIC LICENCE AGREEMENT | | 50 |
| SCHEDULE "I" NON-TRANSFERABLE ASSET TRUST AND INDEMNITY AGREEMENT | | 58 |
| SCHEDULE "J" FORM OF OFFICER'S CERTIFICATE | | 62 |
| SCHEDULE "K" GROSS OVERRIDING ROYALTY AGREEMENT..... | | 64 |
| SCHEDULE "L" NET OPERATING INCOME AGREEMENT..... | | 65 |

AGREEMENT OF PURCHASE AND SALE

(Shorncliffe, Silver Heights, Kessler, Eye-Hill, Neutral Hills, Wainwright Alberta)

THIS AGREEMENT made as of June 2, 2016,

BETWEEN:

PENN WEST PETROLEUM LTD., a body corporate with its head office located in Calgary, Alberta (hereinafter referred to as "**PWPL**")

- and -

PENN WEST PETROLEUM, a partnership formed under the laws of Alberta (hereinafter referred to as "**PWP**")

(PWPL and PWP hereinafter collectively referred to as "**Vendor**")

- and -

CLEO ENERGY CORP., a body corporate with its head office located in Calgary, Alberta (hereinafter referred to as "**Purchaser**")

WHEREAS Vendor wishes to sell and Purchaser wishes to purchase the entire right, title and interest of Vendor in and to the Assets, subject to and in accordance with the terms and conditions hereof;

NOW THEREFORE THIS AGREEMENT WITNESSETH THAT in consideration of the premises and the mutual covenants and agreements hereinafter set forth, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties have agreed as follows:

ARTICLE 1 **INTERPRETATION**

1.1 Definitions

In this Agreement, unless the context otherwise requires:

- (a) "**Abandonment and Reclamation Obligations**" means any and all past, present and future obligations to abandon or re-abandon the Wells and close, decommission and remove the facilities and equipment comprised in the Tangibles and restore, remediate and reclaim the surface and subsurface sites thereof and land adjacent thereto and to reclaim, remediate and restore the Lands and lands adjacent thereto, all in accordance with good oil and gas field practices, and in compliance with the Regulations and the Title Documents;
- (b) "**Accepted Matters and Conditions**" means any fact, condition, circumstance or other matter of which Purchaser had actual knowledge of prior to the Closing Time;
- (c) "**Accepting Employee**" has the meaning ascribed thereto in Section 10.1(c);
- (d) "**Adjustment Date**" means the hour of 12:00 a.m., Calgary time, on the Closing Date;
- (e) "**Affiliate**" of any Person means any other person who directly or indirectly Controls, is Controlled by, or is under common Control with, such Persons;

- (f) "**AER**" means the Alberta Energy Regulator;
- (g) "**AFEs**" means the authorities for expenditure, if any, set out in Schedule "C";
- (h) "**Asset Employees**" has the meaning ascribed thereto in Section 10.3;
- (i) "**Assets**" means the entire interests of Vendor in:
 - (i) the Petroleum and Natural Gas Rights;
 - (ii) Tangibles;
 - (iii) Miscellaneous Interests;but not withstanding anything to the contrary herein does not include the Excluded Assets;
- (j) "**Base Price**" has the meaning ascribed thereto in Section 2.7;
- (k) "**Business Day**" means a day other than (i) a Saturday, (ii) a Sunday, (iii) a statutory holiday in Calgary, Alberta and (iv) December 24 to January 1 of a calendar year inclusive;
- (l) "**Calgary Office**" means the offices located at Suite 200, 207-9th Avenue in the city of Calgary;
- (m) "**Claim**" means any claim, demand, lawsuit, proceeding, arbitration, judgment, actions, administrative proceedings or governmental investigation, in each case, whether asserted, threatened or pending;
- (n) "**Closing**" means the closing of the purchase and sale herein provided for;
- (o) "**Closing Date**" means the later:
 - (i) of June 30, 2016; or
 - (ii) the third (3rd) Business Day following the day on which any and all Rights of First Refusal shall have been exercised or waived by the holders thereof or all time periods within which such rights may be exercised shall have expired (provided that in the event there is a ROFR Action, such Right of First Refusal shall be deemed to have been exercised for the purposes of this definition),or such other time and date as may be agreed upon in writing by Vendor and Purchaser;
- (p) "**Closing Place**" means the offices of Vendor, or such other place as may be agreed upon by Vendor and Purchaser;
- (q) "**Closing Statement**" shall have the meaning ascribed thereto in Section 6.2(a);
- (r) "**Closing Time**" means the hour of 2:00 p.m. (Calgary time) on the Closing Date or such other time and date as may be agreed upon by Vendor and Purchaser;
- (s) "**Consequential Loss**" means any Losses howsoever arising or occurring that are in the nature of consequential, special, indirect, punitive or exemplary damages, compensation for business interruption, loss of profit, including business loss and economic loss, loss of revenue, loss of value, loss of opportunity, opportunity costs, and similar types of Losses and damages;

- (t) **"Control"** means the possession, directly or indirectly, by a Person or group of Persons acting in concert, of the power to direct or cause the direction of the management or policies of another Person, whether through the ownership of voting securities, by contract or otherwise;
- (u) **"Data Room"** means (i) the data and contents contained in the files listed in Schedule "M" representing the files made available to Purchaser and its Representatives with respect to the transaction contemplated herein, and (ii) the data and information contained in the USB delivered by Vendor to Purchaser prior to the execution of this Agreement;
- (v) **"Deposit"** means the sum of money set out in Section 2.8;
- (w) **"Disputed Value"** shall have the meaning ascribed thereto in Section 8.2;
- (x) **"Disputing Party"** shall have the meaning ascribed thereto in Section 8.2;
- (y) **"Employee Personal Information"** shall have the meaning ascribed thereto in Section 10.1(a);
- (z) **"Environmental Liabilities"** means any and all past, present or future environmental damage, contamination, or other environmental problems pertaining to the Lands (including the Whitemap Areas) or caused by the Assets or the Lands (including the Whitemap Areas) or operations thereon or related thereto, however and by whomsoever caused, and whether caused by a breach of the applicable Regulations or otherwise, which occur or arise in whole or in part prior to, at or subsequent to the Closing Time, and regardless of whether or not a reclamation certificate/final release has been issued. Without limiting the generality of the foregoing, such environmental damage or contamination or other environmental problems shall include those arising from or related to (i) surface, underground, air, ground water, surface water or marine environment contamination; (ii) Abandonment and Reclamation Obligations; (iii) the restoration, cleanup or reclamation of or failure to restore, cleanup or reclaim any part of the Assets or the Lands (including the Whitemap Areas) or the lands adjacent thereto; (iv) the removal of or failure to remove foundations, structures or equipment; (v) the release, spill, escape or emissions of substances in connection with the Assets or the Lands (including the Whitemap Areas) or operations thereon or related thereto, whether or not on the Lands; (vi) compliance with past, present and future Regulations relating to the environment or the protection thereof and Regulations related to employee and public health and safety matters; and (vii) Losses suffered by Third Parties as a result of any of the occurrences in subclauses (i) through (vi) of this subsection but not withstanding anything to the contrary herein does not include any and all past, present or future environmental damage, contamination, or other environmental problems pertaining to the Excluded Assets regardless of where they are located;
- (aa) **"Escrow Agent"** shall mean Vendor's legal counsel, Bennett Jones LLP;
- (bb) **"Escrow Agreement"** means the escrow agreement dated the date hereof between Purchaser, Vendor and the Escrow Agent;
- (cc) **"Escrow Assets"** shall have the meaning ascribed thereto in Section 8.1(b)(ii);
- (dd) **"Excluded Assets"** means any and all interests of Vendor in and to:
 - (i) all fee simple title to mines or minerals;
 - (ii) all Retained Royalty Interests, whether located on or applicable to the Lands or otherwise;

- (iii) the rights of Vendor as sublessor pursuant to any mineral subleases and any and all interests of Vendor as lessee of a head lease on Lands where a sublease has been issued to a Third Party and remains active;
 - (iv) surplus tangibles stored within the Whitemap Areas but not required for the use of the Assets; and
 - (v) the tangibles described in Schedule "G",
- and for certainty notwithstanding anything to the contrary in Schedule "A";
- (ee) **"Final Statement of Adjustments"** shall have the meaning ascribed thereto in Section 6.2(b);
 - (ff) **"General Conveyance"** means the General Conveyance Agreement set out in Schedule "E";
 - (gg) **"GORR"** means a two and a half percent (2.5%) gross overriding royalty reserved by Vendor on the Wells pursuant to the Gross Overriding Royalty Agreement to be paid by Purchaser from and after the third (3rd) anniversary of the Closing Date;
 - (hh) **"Government Authority"** means a federal, provincial, territorial, municipal or other government or government official, department, agency or authority (including a court of law) having jurisdiction over a Party, the Assets, or the transactions contemplated herein;
 - (ii) **"Gross Overriding Royalty Agreement"** means the gross overriding royalty agreement between PWP, PWPL and Purchaser with respect to the GORR, substantially in the form attached hereto as Schedule "K";
 - (jj) **"GST"** means the goods and services tax administered pursuant to the GST Legislation as amended and the regulations thereunder or under any successor or parallel federal and/or provincial legislation that imposes a tax on the recipient of goods and services;
 - (kk) **"GST Legislation"** means the Excise Tax Act, R.S.C. 1985, c. E-15;
 - (ll) **"Lands"** means the Whitemap Areas including the Property Report Lands and any lands pooled or unitized therewith, and in case includes the Leased Substances within, upon or under those Lands, together with the right to explore for and recover Leased Substances to the extent those rights are granted by the Leases, but excluding the Excluded Assets;
 - (mm) **"Leased Substances"** means all Petroleum Substances, rights to or in respect of which are granted, reserved or otherwise conferred by or under the Title Documents (but only to the extent that the Title Documents pertain to the Lands);
 - (nn) **"Leases"** means the leases, reservations, permits, licences or other documents of title pertaining to the Lands in which Vendor holds any interest and any document of title issued in substitution for, amendment of or in addition to any of them;
 - (oo) **"LLR"** means the licensee liability rating of the Assets, as calculated by the Alberta Energy Regulator in accordance with *Directive 006: Licensee Liability Rating (LLR) Program and Licence Transfer Process* and *Directive 011: Licensee Liability Rating (LLR) Program—Updated Industry Parameters and Liability Costs*;
 - (pp) **"LMR"** means a party's liability management rating as determined in accordance with *Directive 006: Licensee Liability Rating (LLR) Program and Licence Transfer Process* and *Directive 011: Licensee Liability Rating (LLR) Program—Updated Industry Parameters and Liability Costs*;

- (qq) **"Losses"** means all losses, costs, expenses, interest, charges, assessments damages, liabilities, obligations, fines and penalties, including all reasonable costs incurred in investigating, defending or negotiating the settlement or resolution of any Claim or threatened Claim, and specifically including reasonable legal and other professional fees and expenses on a 'solicitor and his own client' or comparable basis and other professional fees and disbursements on a full indemnity basis;
- (rr) **"LTA"** means the licence transfer application submitted by Vendor to the AER for the transfer of the Assets to Purchaser;
- (ss) **"Material Damage"** means any event or circumstance that causes damage to or destruction of the Tangibles where the costs of repairing or replacing the affected Tangibles not covered by insurance exceeds one million dollars (\$1,000,000), but excluding any damage or destruction that is rectified by Vendor to the reasonable satisfaction of the Purchaser prior to Closing;
- (tt) **"Miscellaneous Interests"** means the entire interests of Vendor in and to all property, assets and rights, other than Petroleum and Natural Gas Rights or Tangibles, to the extent pertaining to the Petroleum and Natural Gas Rights, the Lands or the Tangibles and to which Vendor is entitled at the Closing Date including: (i) the entire interests of Vendor in all contracts, agreements, documents and engineering records to the extent that they relate to the Petroleum and Natural Gas Rights or the Tangibles, including all subsisting rights to enter upon, use and occupy the surface of any of the Lands and in respect of those Transportation, Sale and Handling Agreements identified in Schedule "D"; (ii) the Office Lease; (iii) the Seismic Rights; and (iv) the Wells, including the wellbores and casing;
- (uu) **"Net Operating Income Agreement"** means the net operating income agreement between PWP, PWPL and Purchaser with respect to the NOI, substantially in the form attached hereto as Schedule "L";
- (vv) **"Neutral Hills Water Injection Pipeline Failure"** means the water injection pipeline failure at the battery site at 15-02-037-07 W4;
- (ww) **"NOI"** means the payment by Purchaser of twenty five percent (25%) of its net operating income pursuant to the Net Operating Income Agreement for the period beginning on the Closing Date and expiring on the third (3rd) day prior to the anniversary of the Closing Date;
- (xx) **"Non-Transferable Asset Trust and Indemnity Agreement"** means the Non-Transferable Asset Trust and Indemnity Agreement, substantially in the form attached hereto as Schedule "I";
- (yy) **"Office Lease"** means the lease agreement between PWPL and Ry-Tar Holdings Inc. dated June 4, 2012 for the premises located at Wainwright, Alberta;
- (zz) **"Outstanding ROFRs"** shall have the meaning ascribed thereto in Section 8.1(b);
- (aaa) **"Parties"** means Vendor and Purchaser collectively, and **"Party"** means any one of them;
- (bbb) **"Partnered Seismic Data"** means all seismic data reasonably requested by Purchaser pursuant to Section 2.14 in which Vendor has less than 100% ownership interest, to the extent such information and data covers the Lands;
- (ccc) **"Permitted Encumbrances"** means:
 - (i) liens for taxes, assessments and governmental charges which are not due or the validity of which is being diligently contested in good faith by or on behalf of Vendor;

- (ii) liens incurred or created in the ordinary course of business as security in favour of the person who is conducting the development or operation of the property to which such liens relate for Vendor's proportionate share of the costs and expenses of such development or operation;
- (iii) mechanics', builders' and materialmen's liens in respect of services rendered or goods supplied for which payment is not due;
- (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, electric light, power, telephone, telegraph and cable television conduits, poles, wires and cables) which do not materially impair the use of the Assets affected thereby;
- (v) the right reserved to or vested in any Government Authority by the terms of any lease, licence, franchise, grant or permit or by any statutory provision, to terminate any such lease, licence, franchise, grant or permit or to require annual or other periodic payments as a condition of the continuance thereof;
- (vi) rights of general application reserved to or vested in any Government Authority to levy taxes on the Leased Substances or any of them or the income therefrom, and governmental requirements and limitations of general application as to production rates on the operations of any property;
- (vii) statutory exceptions to title, and the reservations, limitations, provisos and conditions in any original grants from the Crown of any of the mines and minerals within, upon or under the Lands;
- (viii) any Security Interest held by any Third Party encumbering Vendor's interest in and to the Assets or any part or portion thereof, in respect of which Vendor delivers a discharge in registrable form, a no interest letter, or in respect of certain Security Interests agreed between the Parties at least ten (10) Business Days prior to Closing, an undertaking to discharge the security interest or like document to Purchaser at or prior to Closing;
- (ix) the Transportation, Sale and Handling Agreement and agreement or agreements (if any) for the sale of Leased Substances that are terminable on not greater than 30 days notice (without an early termination penalty or other cost);
- (x) all royalty burdens, liens, adverse claims, penalties, reductions in interests and other encumbrances set out in Schedule "A";
- (xi) the terms, conditions and obligations arising under the Title Documents; and
- (xii) any other circumstance, matter or thing disclosed in the Data Room or in any Schedule;
- (ddd) **"Person"** means any individual, body corporate, partnership (limited or general), trust, trustee, executor or similar official, Government Authority or other entity;
- (eee) **"Petroleum and Natural Gas Rights"** means the entire working interests or any other interest of Vendor in the Lands and Leases;
- (fff) **"Petroleum Substances"** means petroleum, natural gas and related hydrocarbons and all other substances, whether liquid or solid and whether hydrocarbons or not;

- (ggg) **"Prime Rate"** means a rate of interest equal to the annual rate of interest announced from time to time by the main Calgary branch of Canadian Imperial Bank of Commerce as the reference rate then in effect for determining interest rates on Canadian dollar commercial loans in Canada;
- (hhh) **"Privacy Law"** means the Personal Information Protection and Electronic Documents Act (Canada), Personal Information Protection Act (Alberta), Freedom of Information and Protection of Privacy Act (Alberta), the Health Information Act (Alberta), equivalent legislation in other Provinces and Territories, all regulations thereunder, and all governmental orders issued pursuant thereto;
- (iii) **"Property Report Lands"** means the lands, the legal descriptions of which are set out in Schedule "A" to the extent within the Whiteman Areas;
- (jjj) **"Purchase Price"** means the sum of money first set out in Section 2.7;
- (kkk) **"Purchaser Default"** means a material breach of a representation or warranty made by Purchaser in Section 4.4 or a material breach by Purchaser of a covenant or agreement contained in this Agreement;
- (lll) **"Qualifying Claim"** shall have the meaning ascribed thereto in Section 5.4(a);
- (mmm) **"Regulations"** means all statutes, laws, rules, orders, judgements, writs, injunctions, decrees, regulations and directions of governmental and other competent authorities in effect from time to time and made by governments, governmental boards or agencies, tribunals, courts, commissions, administrative agencies, arbitrators, or judicial authorities having jurisdiction over the Assets, the Parties or the transaction contemplated herein;
- (nnn) **"Representatives"** means a Party and its Affiliates respective officers, directors, employees and agents or any other Person acting on a Party's behalf;
- (ooo) **"Retained Royalty Interests"** means the interest of Vendor as payee or recipient of a gross overriding royalty interest, net profit interest, net carried interest, net royalty interest or net profit royalty interest or similar right to receive payment in respect of, or a share of, production of Petroleum Substances recovered from the Lands;
- (ppp) **"Right of First Refusal"** means a preferential, pre-emptive or first purchase right held by a Third Party that becomes operative by virtue of this Agreement or the transaction to be effected by it;
- (qqq) **"ROFR Action"** shall have the meaning ascribed thereto in Section 8.2;
- (rrr) **"Schedules"** shall have the meaning ascribed thereto in Section 1.10;
- (sss) **"Security Interest"** means a pledge, lien, charge, mortgage, assignment by way of security, conditional sale, title retention arrangement or other security interest;
- (ttt) **"Seismic Licence Agreement"** means a seismic licence agreement between Vendor and Purchaser with respect to the Seismic Rights, substantially in the form attached hereto as Schedule "H";
- (uuu) **"Seismic Lines and Seismic Plat"** means the proprietary seismic line or lines and the seismic plat, set out in Exhibit "A" to Schedule "H";

- (vvv) "**Seismic Rights**" means the 100% proprietary seismic data held by Vendor, insofar as it pertains to the Seismic Lines and Seismic Plat, to be granted to Purchaser at Closing pursuant to the Seismic Licence Agreement;
- (www) "**Specific Conveyances**" means all conveyances, assignments, transfers, novations and other documents or instruments that are reasonably required or desirable to convey, assign and transfer the interest of Vendor in and to the Assets to Purchaser and to novate Purchaser in the place and stead of Vendor with respect to the Assets including in respect of any trust obligations being assumed by Purchaser pursuant to any trust arrangements under the Title Documents;
- (xxx) "**Survival Period**" shall mean a period of twelve month (12) following the Closing Date;
- (yyy) "**Tangibles**" means the entire interests of Vendor in and to all tangible depreciable property and assets, whether leased or owned, situate in or on the Lands, appurtenant thereto or used in connection therewith or with production, treatment, processing, gathering, compression, transportation, injection, storage or other operations thereon including the facilities and well equipment, casing and any and all inventory situated on the Lands and including specifically the tangible depreciable property and assets described in Schedule "B" but notwithstanding anything to the contrary, excluding the Excluded Assets;
- (zzz) "**Third Party**" means any Person other than Vendor and Purchaser;
- (aaaa) "**this Agreement**", "**herein**", "**hereto**", "**hereof**" and similar expressions mean and refer to this Agreement of Purchase and Sale;
- (bbbb) "**Title Documents**" means, collectively, the Leases, any and all certificates of title, reservations, permits, licences, assignments, trust declarations, operating agreements, royalty agreements, gross overriding royalty agreements, participation agreements, farm-in agreements, sale and purchase agreements, pooling agreements and any other documents and agreements granting, reserving or otherwise conferring rights to (i) explore for, drill for, produce, take, use or market Leased Substances, (ii) share in the production of Leased Substances, (iii) share in the proceeds from, or measured or calculated by reference to the value or quantity of, Leased Substances which are produced, and (iv) rights to acquire any of the rights described in items (i) to (iii) of this definition; but only to the extent the foregoing pertains to Leased Substances within, upon or under the Lands including those, if any, set out in Schedule "A";
- (cccc) "**Transferring Employee Disclosure Letter**" means the letter provided by Vendor to Purchaser setting out those individuals employed by Vendor to whom Purchaser is to make offers of employment pursuant to the terms of Article 10;
- (dddd) "**Transferring Employees**" means those individuals identified in the Transferring Employee Disclosure Letter;
- (eeee) "**Transportation, Sale and Handling Agreements**" means the contracts for the processing, compression, treatment, gathering, storage, transportation or sale of Petroleum Substances produced from the Lands or lands pooled or unitized therewith or obligations for processing, compression, treatment, gathering, storage, transportation or sale of Petroleum Substances on behalf of Third Parties, including those described in Schedule "D";
- (ffff) "**Vendor Default**" means a material breach of a representation or warranty made by Vendor in Section 4.1 or a material breach by Vendor of a covenant or agreement contained in this Agreement;

(gggg) "**Wells**" means all wells located in or under the Lands, including: producing, shut-in, disposal, injection, abandoned, reclaimed, suspended, capped or other wells and the wells identified in Part 2 of Schedule "A"; and

(hhhh) "**Whitemap Areas**" means those lands within the areas set out in the maps attached as Schedule "A" hereto, but notwithstanding anything to the contrary, excluding the Excluded Assets.

1.2 Headings

The expressions "Article", "Section", "Subsection", "clause", "subclause", "paragraph" and "Schedule" followed by a number or letter or combination thereof mean and refer to the specified article, section, subsection, clause, subclause, paragraph and schedule of or to this Agreement.

1.3 Contra Proferentem

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

1.4 Time Periods

Unless otherwise specified,

- (a) time periods within or following which any payment is to be made or act is to be done shall be calculated by excluding the day on which the period commences and including the day on which the period ends, and by extending such period to the next Business Day following if the last day of the period is not a Business Day; and
- (b) where any action is required to be taken on a particular day and such day is not a Business Day and, as a result, such action cannot be taken on such day, then this Agreement shall be deemed to provide that such action shall be taken on the first Business Day after such day.

1.5 Monetary Amounts

All monetary amounts expressed herein or calculated or to be paid pursuant hereto shall be in Canadian dollars unless otherwise specified.

1.6 Interpretation Not Affected by Headings

The division of this Agreement into Articles, Sections, Subsections, clauses, subclauses and paragraphs and the provision of headings for all or any thereof are for convenience and reference only and shall not affect the construction or interpretation of this Agreement.

1.7 Number and Gender

When the context reasonably permits, words suggesting the singular shall be construed as suggesting the plural and vice versa, and words suggesting gender or gender neutrality shall be construed as suggesting the masculine, feminine and neutral genders.

1.8 Inclusive Terminology

Whenever used in this Agreement, the words "includes" and "including" and similar terms of inclusion will not, unless expressly modified by the words "only" or "solely", be construed as terms of limitation,

but rather will mean "includes but is not limited to" and "including but not limited to", so that references to included matters will be regarded as illustrative without being either characterizing or exhaustive.

1.9 References to Amendments

A reference to a statute or similar legislative instrument includes all applicable Regulations, all subordinate or successor legislation in effect from time to time and all amendments thereto;

1.10 Schedules

There are appended to this Agreement the following schedules (the "**Schedules**") pertaining to the following matters:

| | |
|--------------|--|
| Schedule "A" | Part 1 – Property Report Lands and Whitemap Areas |
| Schedule "A" | Part 2 – Wells |
| Schedule "B" | Tangibles |
| Schedule "C" | AFEs |
| Schedule "D" | Transportation, Sale and Handling Agreements |
| Schedule "E" | General Conveyance |
| Schedule "F" | Rights of First Refusal |
| Schedule "G" | Excluded Assets |
| Schedule "H" | Seismic Licence Agreement |
| Schedule "I" | Non-Transferable Asset Trust and Indemnity Agreement |
| Schedule "J" | Form of Officer's Certificate |
| Schedule "K" | Gross Overriding Royalty Agreement |
| Schedule "L" | Net Operating Income Agreement |
| Schedule "M" | Data Room File List |

Such Schedules are incorporated herein by reference as though contained in the body hereof. Wherever any term or condition of such Schedules conflicts or is at variance with any term or condition in the body of this Agreement, such term or condition in the body of this Agreement shall prevail.

1.11 Knowledge

Where in this Agreement a representation or warranty is limited to the knowledge, information or belief of Vendor, such knowledge, information or belief consists of the current actual knowledge of the senior officers of Vendor, after reasonable inquiry of the senior managers of Vendor who are primarily responsible for the matters in question, as applicable, and for certainty does not include any inquiry of any Third Party or the review of any files or records.

ARTICLE 2 **PURCHASE AND SALE AND CLOSING**

2.1 Purchase and Sale

Vendor hereby agrees to sell, assign, transfer, convey and set over to Purchaser, and Purchaser hereby agrees to purchase from Vendor, all of the right, title, estate and interest of Vendor (whether absolute or contingent, legal or beneficial) in and to the Assets subject to and in accordance with the terms and conditions of this Agreement.

2.2 Closing

Closing shall take place at the Closing Place at the Closing Time if there has been satisfaction or waiver of the conditions of Closing herein contained. Subject to all other provisions of this Agreement,

possession, risk and beneficial ownership of Vendor's interest in and to the Assets shall pass from Vendor to Purchaser at Closing.

2.3 Deliveries at Closing

(a) Deliveries by Vendor at Closing:

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

- (i) the General Conveyance duly executed by Vendor;
- (ii) an officer's certificate signed by an officer or director of PWPL, in the form attached as Schedule "J";
- (iii) Non-Transferable Asset Trust and Indemnity Agreement duly executed by Vendor;
- (iv) Seismic Licence Agreement duly executed by Vendor;
- (v) Net Operating Income Agreement duly executed by Vendor;
- (vi) Gross Overriding Royalty Agreement duly executed by Vendor;
- (vii) to the extent requested by Purchaser pursuant to Section 8.6, a registerable discharge, no interest letter, undertaking to discharge the security interest or other like document; and
- (viii) such other items as may be specifically required hereunder.

(b) Deliveries by Purchaser at Closing:

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

- (i) the amounts specified in Section 2.7 in the manner contemplated in subsection 2.6(a);
- (ii) the General Conveyance duly executed by Purchaser;
- (iii) an officer's certificate signed by an officer or director of Purchaser, in the form attached as Schedule "J";
- (iv) Non-Transferable Asset Trust and Indemnity Agreement duly executed by Purchaser;
- (v) Seismic Licence Agreement duly executed by Purchaser;
- (vi) Net Operating Income Agreement duly executed by Purchaser;
- (vii) Gross Overriding Royalty Agreement duly executed by Purchaser; and
- (viii) such other items as may be specifically required hereunder.

2.4 Specific Conveyances

- (a) Vendor shall prepare the Specific Conveyances, none of which shall confer or impose upon a Party any greater right or obligation than contemplated in this Agreement. Fifty percent (50%) of all Third Party costs incurred by Vendor in preparing such Specific Conveyances shall be reimbursed by Purchaser to Vendor, which costs shall be accounted for in the adjustments

pursuant to Article 6, based on an Third Party-generated estimated invoice provided with the Closing Statement, provided that such costs reimbursable by Purchaser shall not exceed fifty thousand dollars (\$50,000). All Specific Conveyances that are prepared and circulated to Purchaser a reasonable time prior to the Closing Time shall be executed and delivered by the Parties at Closing. All Specific Conveyances that have not been prepared and circulated to Purchaser prior to the Closing Time shall be prepared and circulated to Purchaser and executed and delivered by the Parties as soon as practicable following the Closing Time and in any event no later than five (5) Business Days from the Closing Date.

- (b) Forthwith after Closing, Vendor shall circulate and register, as the case may be, all Specific Conveyances that by their nature may be circulated or registered, provided that Purchaser shall be responsible for all registration fees pertaining to same.
- (c) In any instance where Vendor is retaining interests that are governed by a Title Document, and such Title Document cannot reasonably be assigned in part to Purchaser, including Crown mineral leases, Vendor will retain the recognized interest in the Title Document and hold Purchaser's acquired interest in such Title Document in trust for Purchaser at and after Closing.

2.5 Title Documents and Miscellaneous Interests

- (a) Within ten (10) Business Days of Closing, Vendor shall deliver to Purchaser the original copies of the Title Documents and any other agreements and documents to which the Assets are subject and the original copies of contracts, agreements, records, books, documents, licences, reports and data comprising Miscellaneous Interests which are now in the possession of Vendor or of which it gains possession prior to the Closing Time.
- (b) Notwithstanding the foregoing, if and to the extent such Title Documents, contracts, agreements, records, books, documents, licences, reports and data also pertain to interests other than the Assets (including the Excluded Assets), photocopies or other copies may be provided to Purchaser in lieu of original copies at the sole cost and expense of the Vendor.
- (c) Purchaser shall, upon request and after reasonable notice, for a period of five (5) years following Closing in all cases, other than Section 2.5(c)(iii) which shall not be subject to any time limitation, provide reasonable access, at the offices of Purchaser and during its normal business hours, to such of the Title Documents and other contracts, agreements, records, books, documents, licences, reports and data comprising Miscellaneous Interests delivered by Vendor pursuant hereto, as Vendor may require in relation to its ownership of the Assets prior to Closing Time, only for the following purposes:
 - (i) in connection with audits;
 - (ii) in connection with the determination of amounts owing by or to Third Parties to Vendor in respect of the period prior to the Adjustment Date;
 - (iii) in connection with Vendor's dealings with Government Authorities pertaining to tax matters;
 - (iv) in connection with Vendor's financial accounting and reporting matters;
 - (v) to comply with any Regulations, ruling or investigation by any Government Authority;
 - (vi) in connection with any Claim commenced or threatened by Purchaser or any other Person against Vendor or any of Vendor's Representatives,

subject always to the requirement that all such information shall remain confidential and shall not be used for any purpose other than as described in this Section.

2.6 Form of Payment

- (a) All payments to be made at Closing shall be made by wire transfer to Vendor's designated account, all as directed by Vendor to Purchaser in writing at least three (3) Business Days prior to the date hereof. Notwithstanding the foregoing, the Deposit and interest thereon may be paid by wire transfer, bank draft, certified cheque or solicitor's trust cheque.
- (b) The Parties expressly agree and acknowledge that all payments to be made by Purchaser to Vendor pursuant to this Agreement shall be made by Purchaser to PWP on behalf of both of the Parties comprising Vendor. The Parties comprising Vendor shall determine the allocation between them of the consideration received from Purchaser.

2.7 Purchase Price

The consideration to be paid by Purchaser to Vendor for Vendor's interest in and to the Assets shall be two hundred and fifty thousand dollars (\$250,000) (the "**Base Price**"), subject to adjustment in accordance with Article 6 and Article 8 (the "**Purchase Price**"). The amount to be paid by Purchaser to Vendor at Closing shall be determined as follows:

- (a) the Base Price, less the adjustments (if any) on account of exercised Rights of First Refusal pursuant to Article 8, if any;
- (b) plus or minus (as applicable) the net amount of the interim operating adjustments pursuant to Article 6 as at the Closing Time and set out in the Closing Statement; and
- (c) minus the Deposit in accordance with Section 2.8.

In the determination of the Purchase Price payable for the Assets, Vendor and Purchaser are in agreement that the extent and value of past, present and future environmental, abandonment or reclamation liabilities related to the Assets is unknown as of the Closing Date, and Vendor and Purchaser have not attributed a specific or agreed to value with regard to either (i) such liabilities, or (ii) the indemnities provided for in this Agreement, nor shall there be any adjustments made to the Purchase Price in relation thereto.

2.8 Deposit

- (a) Purchaser has delivered twenty five thousand dollars (\$25,000) to the Escrow Agent to be held in escrow, in accordance with the Escrow Agreement executed contemporaneously with this Agreement, representing a genuine pre-estimate by the Parties of the minimum damages that Vendor will suffer should Closing not occur other than as a result of a Vendor Default, having regard to such matters as the nature of the Assets, the amount of the Purchase Price, the amount of time between the date hereof and the Closing Time and the time and expense to be incurred by Vendor.
- (b) If Closing occurs at the Closing Time, the Deposit plus interest earned thereon shall be paid by the Escrow Agent to Vendor and applied towards the partial satisfaction of the Purchase Price.
- (c) If Closing does not occur solely due to a Purchaser Default

- (i) the Deposit and the interest earned thereon shall be forfeited by Purchaser to Vendor for Vendor's sole account absolutely, as a genuine pre-estimate of the minimum damages resulting from Closing not occurring; and
- (ii) Vendor may make a claim against Purchaser for any additional damages which arise as a result of Purchaser's Default.
- (d) If Closing does not occur for any reason or circumstance other than solely due to a Purchaser Default, the Deposit and the interest earned thereon shall be returned to Purchaser.
- (e) Each Party covenants to provide directions to the Escrow Agent consistent with the handling of the Deposit and the interest earned thereon as set forth in this Section 2.8
- (f) Notwithstanding anything else set out in this Agreement, in no event shall the liability of Purchaser to Vendor in respect of damages which may be suffered by Vendor should Closing not occur as a result of a Purchaser Default, exceed one hundred and twenty five thousand dollars (\$125,000).

2.9 Taxes

- (a) The Purchase Price does not include GST or any other sales taxes that may be applicable to the sale of the Assets hereunder. Unless Purchaser elects to proceed under Section 2.9(b), at Closing Purchaser shall pay to Vendor an amount equal to all GST or other applicable sales taxes payable with respect to the transactions contemplated hereunder. Vendor shall remit that amount to the appropriate taxation authorities in accordance with the GST Legislation or legislation applicable to the other sales taxes, as applicable. Each of Vendor and Purchaser represents that it holds a valid GST registration account number at the date of Closing and that its registration account number for GST purposes is:

| Party | GST Number |
|--------------|--|
| PWP | 89888 8284 RT001 |
| PWPL | 13942 6464 RT001 |
| Purchaser | Purchaser to provide prior to Closing Date |

- (a) After Closing, Purchaser shall be responsible for, and shall indemnify and save Vendor harmless in respect of, any and all GST or other applicable sales tax imposed by a Governmental Authority (including interest and penalties) in respect of the transactions contemplated by this Agreement which are in excess of the amounts collected by Vendor from Purchaser at Closing.
- (b) If requested by Purchaser and available under the GST Legislation, Vendor and Purchaser shall jointly elect at Closing pursuant to Section 167 of the GST Legislation to have the provisions thereof concerning the acquisition of part of a business applied to this Transaction and Purchaser undertakes to file that election with the Canada Revenue Agency in a timely and proper fashion. Purchaser shall be liable for and, in addition, shall indemnify Vendor from any and all Losses, Claims, Liabilities, GST payable, suffered by or sustained by Vendor pertaining to this election.

2.10 Allocation of Purchase Price

The Parties shall allocate the Purchase Price as follows:

| | |
|----------------------------------|-----------------|
| Tangibles | 20% less \$1.00 |
| Miscellaneous Interests | \$1.00 |
| Petroleum and Natural Gas Rights | 80% |

2.11 Excluded Assets

Notwithstanding anything to the contrary in this Agreement, including the Schedules, the rights of Vendor in and to the Excluded Assets do not form part of the Assets. Without limiting the generality of the foregoing, the Parties agree that the definitions in Section 1.1 and the representations and warranties in Section 4.1 are to be accordingly interpreted and construed.

2.12 Whitemap Areas

- (a) The Parties acknowledge that although Vendor has prepared, and Purchaser has reviewed, the Schedules diligently and in good faith, they recognize that there may be unintended omissions or misdescriptions in such Schedules. As such, the Parties acknowledge and agree that it is their intention that, in addition to those Assets included and specified in the Schedules hereto, the Assets shall also include the Petroleum and Natural Gas Rights and Miscellaneous Interests (as those terms are defined herein) which fall within the Whitemap Areas (other than any Excluded Assets) that may not be described in the Schedules.
- (b) To the extent that any Assets which are not described in the Schedules are identified by either Party prior to or after the Closing Time, the Parties shall use all reasonable efforts to take such additional steps as are necessary to specifically convey Vendor's interest in such Assets to Purchaser.
- (c) For added clarity, any and all Petroleum and Natural Gas Rights held by Vendor in trust for a Third Party pursuant to the Title Documents shall be conveyed and assigned to Purchaser as part of the Assets to be held in trust for such Third Party by Purchaser.

2.13 Seismic Licence Agreement

At Closing, the Parties shall execute and deliver the Seismic Licence Agreement at no extra cost to Purchaser (other than Third Party charges in respect of storage and delivery, if any, which shall be for Purchaser's Account).

2.14 Partnered Seismic Data

Purchaser shall be responsible for identifying all Partnered Seismic Data at its sole cost, and Vendor will for a period of one year after the Closing Date, upon request of Purchaser, provide reasonable assistance to confirm the ownership thereof. To the extent that any Partnered Seismic Data is identified by Purchaser that it wishes to license, provided that Vendor receives notice from Purchaser prior to the date that is one year after the Closing Date, Vendor agrees that it shall consent to the licensing of such Partnered Seismic Data to Purchaser and that it shall waive its share of any fees to which it may be entitled in respect of such license.

ARTICLE 3
CONDITIONS OF CLOSING

3.1 Purchaser's Conditions

The obligation of Purchaser to purchase Vendor's interest in and to the Assets is subject to the following conditions precedent, which are inserted herein and made part hereof for the exclusive benefit of Purchaser and may only be waived by Purchaser:

- (a) the representations and warranties of Vendor herein contained shall be true in all material respects when made and as of the Closing Time;
- (b) all obligations of Vendor contained in this Agreement to be performed prior to or at the Closing Time shall have been timely performed in all material respects;
- (c) prior to the Closing Time, any and all Rights of First Refusal shall have been exercised or waived by the holders thereof or all time periods within which such rights may be exercised shall have expired, or the terms of Article 8 contained herein shall be complied with;
- (d) between the date of this Agreement and the Closing Time, the Assets shall not have suffered, in the aggregate, Material Damage;
- (e) Vendor shall prepare and deliver on the Closing Date all specific material assignments, registerable transfers, novation agreements, trust agreements and other instruments prepared by Vendor, required to convey Vendor's interest in the Assets to Purchaser, other than those customarily provided following Closing; and
- (f) none of the Tangibles listed in Schedule "B", have been altered or removed from the Lands between the date hereof and the Closing.

If any one or more of the foregoing conditions precedent has or have not been satisfied, complied with, or waived by Purchaser by the Closing Time, Purchaser may rescind this Agreement by written notice to Vendor, provided that Purchaser shall not be permitted to exercise or purport to exercise any right of termination pursuant to this Section 3.1 if the event or circumstances giving rise to such right is due to a Purchaser Default. If Purchaser rescinds this Agreement, Purchaser and Vendor shall be released and discharged from all obligations hereunder except as provided in Sections 2.8, 12.16, 12.17 and 12.18.

3.2 Vendor's Conditions

The obligation of Vendor to sell its interest in and to the Assets is subject to the following conditions precedent, which are inserted herein and made part hereof for the exclusive benefit of Vendor and may only be waived by Vendor:

- (a) the representations and warranties of Purchaser herein contained shall be true in all material respects when made and as of the Closing Time;
- (b) all obligations of Purchaser contained in this Agreement to be performed prior to or at the Closing Time shall have been timely performed in all material respects;
- (c) all amounts to be paid by Purchaser to Vendor at or prior to the Closing Time shall have been paid to Vendor in the form stipulated in this Agreement;
- (d) prior to the Closing Time, any and all Rights of First Refusal or other restrictions on the transfer, sale or assignment of the Assets shall have been exercised or waived by the holders

thereof or all time periods within which such rights may be exercised shall have expired or the terms of Article 8 contained herein shall have been complied with; and

- (e) prior to the Closing Time, Purchaser will be properly licenced by the relevant Government Authority such that Purchaser can accept transfer of any and all applicable well, pipeline or facility licences and approvals currently in the name of Vendor and related to the Assets.

If any one or more of the foregoing conditions precedent has or have not been satisfied, complied with, or waived by Vendor by the Closing Time, Vendor may rescind this Agreement by written notice to Purchaser, provided that Vendor shall not be permitted to exercise or purport to exercise any right of termination pursuant to this Section 3.2 if the event or circumstances giving rise to such right is due to a Vendor Default. If Vendor rescinds this Agreement, Purchaser and Vendor shall be released and discharged from all obligations hereunder except as provided in Sections 2.8, 12.16, 12.17 and 12.18.

3.3 Efforts to Fulfill Conditions Precedent

Purchaser and Vendor shall proceed diligently and in good faith and use best efforts to satisfy and comply with and assist in the satisfaction and compliance with the conditions precedent.

ARTICLE 4 REPRESENTATIONS AND WARRANTIES

4.1 Representations and Warranties of Vendor

Purchaser acknowledges that it is purchasing the Assets on an "as is, where is" basis, without representation and warranty and without reliance on any information provided to or on behalf of Purchaser by Vendor or any Third Party, except that and subject in all instances to the Permitted Encumbrances, Rights of First Refusal and the Accepted Matters and Conditions or any matter disclosed in any of the Schedules or the Data Room, Vendor makes the following representations and warranties to Purchaser:

- (a) Standing: PWPL is a corporation duly organized and validly existing under the laws of the jurisdiction of incorporation of PWPL and PWP is a partnership duly formed under the laws of the Province of Alberta and Vendor is authorized to carry on business in the jurisdiction in which the Lands are located;
- (b) Requisite Authority: Vendor has good right, full power and absolute authority to sell, assign, transfer, convey and set over the interest of Vendor in and to the Assets according to the true intent and meaning of this Agreement;
- (c) Execution: the execution, delivery and performance of this Agreement has been duly and validly authorized by any and all requisite corporate, partner, shareholders' and directors' actions and will not result in any violation of, be in conflict with or constitute a default under any articles, charter, bylaw or other governing document to which Vendor is bound;
- (d) No Conflicts: the execution, delivery and performance of this Agreement will not result in any violation of, be in conflict with or constitute a default under any term or provision of any agreement or document to which Vendor is party or by which Vendor is bound, nor under any Regulation applicable to Vendor;
- (e) Enforceability: this Agreement and any other agreements delivered in connection herewith constitute valid and binding obligations of Vendor enforceable against Vendor in accordance with their terms, subject to the qualification that such enforceability may be subject to:

- (i) bankruptcy, insolvency, fraudulent preference, reorganization or other laws affecting creditors' rights generally; and
 - (ii) general principles of equity (regardless of whether such enforceability is considered in a proceeding at equity or law);
- (f) Regulatory Approval: except as otherwise provided in this Agreement, no authorization or approval or other action by, and no notice to or filing with, any governmental authority or regulatory body exercising jurisdiction over the Assets is required for the due execution, delivery and performance by Vendor of this Agreement, other than authorizations, approvals or exemptions from requirement therefor, previously obtained and currently in force;
- (g) Finders' Fees: Vendor has not incurred any obligation or liability, contingent or otherwise, for brokers' or finders' fees in respect of this Agreement or the transaction to be effected by it for which Purchaser shall have any obligation or liability;
- (h) Canadian Resident: Vendor is not a non-resident, or is a Canadian partnership, within the meaning of section 116 of the *Income Tax Act* (Canada);
- (i) Fees and Charges: except as may be identified in the schedules hereto, the interest of Vendor in and to all property, assets, interests and rights comprising the Tangibles is sufficient such that Vendor is not subject to any penalty, fee, levy, charge or other compensation payable to any Third Party for the use of or access to the Tangibles;
- (j) Provision of Information: to Vendor's knowledge, it has not intentionally withheld from Purchaser any document in the possession of it or its Affiliates which (i) it is permitted to disclose, (ii) it knows to include information regarding an event or circumstance which is directly and specifically related to the Assets, and (iii) to its knowledge, would have a material and adverse effect on the value of the Assets;
- (k) Title: it does not warrant title to the Assets, nor does it agree to give any greater interest or title in the Assets to Purchaser than that which it has, but it does represent and warrant that except for the Permitted Encumbrances or as disclosed in the Schedules:
 - (i) none of the Assets are subject to reduction or conversion to an interest of any other size or nature by reference to payout of any well or otherwise pursuant to any right or interest created by, through or under Vendor; and
 - (ii) the Assets will be, at the Closing Time, free and clear of all liens, Security Interests, encumbrances and adverse claims created by, through or under Vendor;
- (l) Right of First Refusal: to its knowledge, except as may be identified to Purchaser by Vendor pursuant to Article 8, none of the interest of Vendor in and to the Assets is subject to any Rights of First Refusal;
- (m) Compliance: Vendor has not received notice that it has failed to comply with, perform, observe or satisfy any material term, condition, obligation or liability which has heretofore arisen under the provisions of any of the Title Documents or any other agreements and documents to which the Assets are subject where such failure would reasonably be expected to have a material adverse effect upon the aggregate value of the Assets;
- (n) Operations:

- (i) those Wells listed in Schedule "B" for which Vendor is operator have been operated and, if applicable, abandoned in all material respects in accordance with good oil and gas field practices and the material requirements of Applicable Law during the period or periods in which Vendor has been the operator thereof;
 - (ii) to Vendor's knowledge, those Wells listed in Schedule "B" for which Vendor is not operator have been operated and, if applicable, abandoned in all material respects in accordance with good oil and gas field practices and the material requirements of Applicable Law during the period or periods in which Vendor was not the operator thereof;
 - (iii) the Tangibles for which Vendor is operator have been operated in all material respects in accordance with good oil and gas field practices and the material requirements of Applicable Law during the period or periods in which Vendor has been the operator thereof; and
 - (iv) to Vendor's knowledge, the Tangibles for which Vendor is not operator have been operated in all material respects in accordance with good oil and gas field practices and the material requirements of Applicable Law during the period or periods in which Vendor was not the operator thereof;
- (o) Default: Vendor has not received notice of default and is not in any default under any obligation, agreement, document, order, writ, injunction or decree of any court or of any commission or administrative agency, which would reasonably be expected to have a material adverse effect upon the aggregate value of the Assets;
- (p) AFEs: other than those disclosed in Schedule "C" hereto, Vendor has no knowledge of any AFEs issued or approved by Vendor with respect to the Assets under which amounts may become payable after the Adjustment Date under which Vendor's share will be greater than \$50,000;
- (q) Environmental: Except in respect of the Neutral Hills Water Injection Pipeline Failure, Vendor has not received:
- (i) any orders or directives which relate to environmental matters and which require any work, repairs, construction or capital expenditures with respect to the Assets, where such orders or directives have not been complied with in all material respects; or
 - (ii) any demand or notice issued with respect to the breach of any environmental, health or safety law applicable to the Assets, including without limitation, respecting the use, storage, treatment, transportation or disposition of environmental contaminants, which demand or notice remains outstanding on the date hereof;
- (r) Transportation, Sale and Handling Agreements: except as set out in Schedule "D", the Transportation, Sale and Handling Agreements do not include any (i) production sales contracts pertaining to the Leased Substances or any of them that cannot be terminated on notice of thirty (30) days or less (without an early termination penalty or other cost), (ii) gas balancing or similar agreements pertaining to the Leased Substances or any of them that cannot be terminated on notice of thirty (30) days or less (without an early termination penalty or other cost), (iii) agreements for the transportation, processing or disposal of the Leased Substances or any of them or substances produced in connection with the Leased Substances or any of them that cannot be terminated on notice of thirty (30) days or less (without an early termination penalty or other cost), and (iv) agreements to provide transportation, processing or disposal

capacity or service to any Third Party that cannot be terminated on notice of thirty (30) days or less (without an early termination penalty or other cost);

- (s) Taxes: all ad valorem, property, production, severance and similar taxes and assessments, based on or measured by the ownership of the Assets or the production of Petroleum Substances from the Lands or the receipt of proceeds therefrom, payable by it to the date hereof and for all prior years have been paid and discharged;
- (t) Royalties and Lease Rentals:
 - (i) all Crown, lessor and other royalties;
 - (ii) all lease rentals and other lease payments;

that become due and payable to Third Parties or a Government Authority on or prior to the date of the Agreement have been fully paid, except, in each case, for amounts that are being disputed in good faith and which have been described in writing to Purchaser prior to the date hereof;
- (u) Take or Pay: the Assets are not subject to any obligations to sell or deliver Petroleum Substances or any of them, rights to which are granted, reserved or otherwise cohered pursuant to the Title Documents, without being entitled in due course to receive and retain full payment for such Petroleum Substances;
- (v) Offset: Vendor has not received any notice pertaining to its interest in the Leases in respect of any offset obligations (including obligations to drill wells, surrender rights or pay compensatory royalty) that have not been satisfied in all material respects or permanently waived;
- (w) AMI: there are no active area of mutual interest provisions created by, through or under Vendor, and to Vendor's knowledge there are no other area of mutual interest provisions, in any of the Title Documents or other agreements or documents to which Vendor's interest in the Assets is subject and for which Purchaser would become liable as a consequence of Closing;
- (x) Reduction of Interest: except for the Permitted Encumbrances or as disclosed in Schedule "A", the Petroleum and Natural Gas Rights are not subject to reduction by virtue of or reference to the conversion or other alteration of the interest of any Third Party created by, through or under it;
- (y) No Lawsuits or Claims: it has not received notice of the commencement of formal proceedings before a Government Authority in respect of any Claims against it, and to its knowledge, there are no Claims contemplated, pending or threatened against it, with respect to the Assets except as disclosed in this Agreement;
- (z) LMR: on the Closing Date, Vendor's security adjusted LMR in the Province of Alberta:
 - (i) is greater than or equal to one (1);
 - (ii) shall, as a result of the fulfillment of the transactions contemplated herein, be greater than or equal to one (1); and
 - (iii) shall be greater than or equal to one (1) at the time any Government Authority considers approval of any Specific Conveyance document pursuant to this Agreement;

- (aa) Tangibles: in respect of Tangibles operated by Vendor only, (i) none of such Tangibles is subject to a sale-leaseback arrangement; and (ii) none of such Tangibles is rented or leased except as set out in the Schedules.

4.2 Limitation on Vendor's Representations and Warranties

Without limiting the generality of Section 4.1 and except and to the extent expressly stated in Section 4.1, Vendor does not warrant title to the Assets or make any representations or warranties with respect to:

- (a) any data or information, including any engineering, geological or other interpretations or evaluations supplied by Vendor in connection with the Assets;
- (b) the quality, quantity or recoverability of Petroleum Substances within or under the Lands or any lands pooled or unitized therewith; or
- (c) the value of the Assets or the future cash flow therefrom.

4.3 Acknowledgements

- (a) Without detracting from Purchaser's reliance on Vendor's representation and warranties in Section 4.1, Purchaser acknowledges that as of the Closing Time:
 - (i) it will have made its own independent investigation, analysis, evaluation and inspection of Vendor's interest in the Lands and the Assets, including a review of Vendor's title thereto and the state and condition thereof and will have relied on its own investigation, analysis, evaluation and inspection as to its assessment of the condition, quantum and value of the Assets and Vendor's title thereto;
 - (ii) in determining the Purchase Price, Purchaser will have taken into account Purchaser's assumption of the Abandonment and Reclamation Obligations and Environmental Liabilities and Vendor's release of responsibility therefor;
 - (iii) it will have been provided with the right and opportunity to conduct its own due diligence and site inspections of and in respect to Abandonment and Reclamation Obligations and Environmental Liabilities, if any, and will have relied on its own investigation, analysis, evaluation and inspection as to its assessment of the environmental condition of the Lands and Assets; and
 - (iv) except for the representations in Section 4.1, Purchaser forever releases and discharges Vendor and its Representatives from any Losses of Purchaser and its assigns and successors, as a result of the use or reliance upon advice, information and materials pertaining to the Lands or the Assets delivered or made available to Purchaser by Vendor or any of its Representatives prior to or under the Agreement, including, any evaluations, projections, reports and interpretive or non-factual materials prepared by or for Purchaser, or otherwise in its possession.

4.4 Representations and Warranties of Purchaser

Purchaser makes the following representations and warranties to Vendor:

- (a) Standing: Purchaser is a body corporate duly organized and validly existing under the laws of the jurisdiction of formation of Purchaser and is authorized to carry on business in the jurisdictions in which the Lands are located;

- (b) Requisite Authority: Purchaser has good right, full power and absolute authority to purchase the interest of Vendor in and to the Assets according to the true intent and meaning of this Agreement;
- (c) Execution: the execution, delivery and performance of this Agreement has been duly and validly authorized by any and all requisite corporate, shareholders' and directors' actions and will not result in any violation of, be in conflict with or constitute a default under any articles, charter, bylaw or other governing document to which Purchaser is bound;
- (d) No Conflicts: the execution, delivery and performance of this Agreement will not result in any violation of, be in conflict with or constitute a default under any term or provision of any agreement or document to which Purchaser is party or by which Purchaser is bound, nor under any Regulation applicable to Purchaser;
- (e) Enforceability: this Agreement and any other agreements delivered in connection herewith constitute valid and binding obligations of Purchaser enforceable against Purchaser in accordance with their terms subject to the qualification that such enforceability may be subject to:
 - (i) bankruptcy, insolvency, fraudulent preference, reorganization or other laws affecting creditors' rights generally; and
 - (ii) general principles of equity (regardless of whether such enforceability is considered in a proceeding at equity or law);
- (f) Regulatory Approval: except as otherwise provided in this Agreement, no authorization or approval or other action by, and no notice to or filing with, any governmental authority or regulatory body exercising jurisdiction over the Assets is required for the due execution, delivery and performance by Purchaser of this Agreement, other than authorizations, approvals or exemptions from requirement therefor, previously obtained and currently in force;
- (g) Finders' Fee: Purchaser has not incurred any obligation or liability, contingent or otherwise, for brokers' or finders' fees in respect of this Agreement or the transaction to be effected by it for which Vendor shall have any obligation or liability;
- (h) Availability of Funds: Purchaser has available to it 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 and has provided evidence in writing thereof to Vendor;
- (i) Investment Canada Act: Purchaser is not a non-Canadian person for the purposes of the *Investment Canada Act* (Canada); and
- (j) Licencee Liability Requirements: as of the Closing Date it meets all qualification requirements of the AER to transfer the Assets, including to have licences for the Wells and Tangibles comprised therein for which Vendor is licensee transferred to it (whether or not all such licences are to be transferred to it) and if notified, including the payment of a security deposit in such amount as the AER may require.

ARTICLE 5
INDEMNITIES

5.1 Vendor's Indemnities

Provided Closing occurs, subject to Sections 5.3 and 5.4, Vendor shall:

- (a) be liable to Purchaser for; and
- (b) in addition, indemnify Purchaser from and against,

all Claims that may be brought against Purchaser or Losses that Purchaser suffers, sustains, pays or incurs as a result of:

- (c) a breach of a representation or warranty made by Vendor in Section 4.1 or a breach by Vendor of a covenant or agreement contained in this Agreement,

provided, however, that Vendor shall not be liable to nor be required to indemnify Purchaser in respect of any Claims brought against Purchaser or Losses that Purchaser suffers, sustains, pays or incurs which are caused by gross negligence or wilful misconduct of Purchaser or its Representatives.

5.2 Purchaser's Indemnities

Provided Closing occurs, subject to Section 5.4, Purchaser shall:

- (a) be liable to Vendor for; and
- (b) in addition, indemnify Vendor and its Representatives from and against,

all Claims that may be brought against Vendor or Losses that Vendor and its Representatives suffers, sustains, pays or incurs as a result of:

- (c) a breach of a representation or warranty made by Purchaser in Section 4.4 or a breach by Purchaser of a covenant or agreement contained in this Agreement; and
- (d) any matter or thing occurring or arising from and after Closing and which relates to the Assets (other than Environmental Liabilities which are dealt with in Section 5.3),

provided, however, that Purchaser shall not be liable to nor be required to indemnify Vendor in respect of any Claims brought against Vendor or Losses that Vendor suffers, sustains, pays or incurs which are caused by the gross negligence or wilful misconduct of Vendor or its Representatives.

5.3 Environmental Liability

Subject to Section 5.4, if Closing occurs, Purchaser shall:

- (a) be liable to Vendor for; and
- (b) in addition, indemnify Vendor and its Representatives from and against,

all Claims that may be brought against Vendor or Losses that Vendor and its Representatives suffers, sustains, pays or incurs as a result of Environmental Liabilities, whether occurring or accruing before, on or after the Adjustment Date and without limit and without regard to the negligence of Vendor or any of its Representatives but excluding any Claims or Losses are matters or things for which Purchaser is

entitled to indemnification under Section 5.1 by virtue of a breach of Section 4.1(q). Purchaser hereby waives, and acknowledges and agrees that it shall not exercise, any right or remedy against Vendor or its Representatives in respect to any such Environmental Liabilities that Purchaser may otherwise have under the Regulations, including any right to name Vendor or any of its Representatives to any claim, action or proceeding commenced by Purchaser or by any Third Party in which Purchaser is a party.

5.4 Limit on Responsibility

- (a) Vendor shall have no liability to Purchaser pursuant to Section 5.1:
 - (i) in respect of a single event, omission, fact or circumstance, unless and until the amount of such Losses and Claims exceeds one hundred and fifty thousand dollars (\$150,000) (the "**Qualifying Claim**") and unless and until the aggregate amount of all such Qualifying Claims exceeds one million dollars (\$1,000,000), provided that the foregoing limitations shall not apply to any amounts owed pursuant to Article 6 or to any Losses arising for a breach by Vendor of the post-Closing covenants of Vendor hereunder; or
 - (ii) to extent the Loss is reimbursable or reimbursed to Purchaser by insurance.
- (b) In no event shall the liability of Vendor to Purchaser in respect of Losses of Purchaser arising out of or in connection with this Agreement exceed two million five hundred thousand dollars (\$2,500,000), provided that, should the liability of Vendor exceed the Purchase Price:
 - (i) only an amount of up to the Purchase Price shall be payable to Purchaser by Vendor by wire transfer, bank draft, certified cheque or solicitor's trust cheque in respect of Losses of Purchaser arising out of or in connection with this Agreement; and
 - (ii) Purchaser's sole recourse in respect of any remaining amounts due to Purchaser by Vendor in respect of Losses of Purchaser arising out of or in connection with this Agreement shall be by way of set-off against amounts otherwise payable to Vendor pursuant to the terms of the NOI and/or the GORR.
- (c) Other than as a result of a breach of Section 12.16 or in respect of the indemnity contemplated by Section 12.15, in no event shall either Party be liable for any Consequential Losses, provided that for the purposes of Section 2.8(c) but subject to Section 2.8(f), the exclusion of Consequential Losses shall only preclude the recovery of special, punitive or exemplary damages and not other types of Losses.

5.5 Assumption

Subject to the terms and conditions herein, and without derogating from Section 5.3, if Closing occurs, Purchaser hereby assumes, and agrees that it will pay and be responsible for all obligations relating to Assets or any of them (including those under the Title Documents) that are incurred or accrue subsequent to the Adjustment Date.

5.6 Sole Remedy

The sole and exclusive remedy of a Party in respect of all matters relating to this Agreement or the transactions effected by it (including in respect of representations, warranties and covenants) shall be as expressly set forth in this Agreement, and in connection therewith, Vendor and Purchaser each hereby waive all other rights and remedies (whether now existing or hereafter arising and including all common law, tort, contractual, equitable and statutory rights and remedies) that it may have against the other Party and the other Party's Representatives in connection with such matters.

ARTICLE 6

OPERATING ADJUSTMENTS

6.1 Adjustments

Subject to all other provisions of this Agreement, all benefits and obligations of any kind and nature relating to the operation of the Assets conveyed pursuant to this Agreement, including maintenance, development, operating and capital costs, government incentives and administration fees, freehold mineral taxes, royalties and other burdens, and proceeds from the sale of production whether accruing, payable or paid and received or receivable, shall be adjusted between the Parties as of the Adjustment Date in accordance with generally accepted accounting principles and in accordance with the following:

- (a) adjustments in respect of production, if any, shall be made in favour of Vendor in respect of production beyond the wellhead at the Adjustment Date and in favour of Purchaser in respect of all other production;
- (b) Vendor will be entitled to all overhead recoveries and operator's fees associated with the Assets for all periods up to the end of the calendar month in which Closing occurs;
- (c) Vendor shall be entitled to a credit to the extent that it has paid any operating cost advances, AFEs and similar prepayments in respect of the Assets which relate to benefits accruing after the Adjustment Date; and
- (d) No adjustments shall be made on account of any taxes calculated by reference to or assessed based on income, net revenue or capital that are payable to any Governmental Authority by Vendor or Purchaser.

6.2 Interim and Final Accounting

- (a) Vendor shall in good faith provide to Purchaser no later than five (5) Business Days prior to the Closing Time a written statement setting forth its reasonable estimate of all such adjustments to be made at Closing ("**Closing Statement**"). Vendor shall assist Purchaser in verifying the amounts set forth in the Closing Statements.
- (b) A final accounting of all adjustments pursuant to this Article shall be undertaken by Vendor, in consultation with Purchaser, and delivered to Purchaser within one hundred eighty (180) days following the Closing Date (the "**Final Statement of Adjustments**"). It is recognized that adjustments may be made after that time, provided that no adjustments shall be made after one year from Closing unless written notice of the requested adjustment, with reasonable particulars, is given within one year from Closing, provided however that adjustments arising as a consequence of Crown royalty audits, joint venture audits or thirteenth month adjustments for gas plant throughput and gas cost allowance for the Assets are not subject to the one year limit. The Parties shall cooperate, acting reasonably, in verifying the amounts set forth in the Final Statement of Adjustments. Any payment made pursuant to the Final Statement of Adjustments shall be without prejudice to the audit rights set forth in Section 6.3.

6.3 Audit Rights for Adjustments

- (a) Purchaser may, for a period of ninety (90) days following delivery of the Final Statement of Adjustments, at its own cost, audit the books, records and accounts of Vendor respecting the Assets for the purpose of ascertaining, verifying or effecting adjustments pursuant to this Article. Such audit shall be conducted upon reasonable notice to Vendor at its offices during normal business hours, and shall be conducted at the sole expense of Purchaser. Vendor shall

provide such reasonable access to Purchaser of the books, records and accounts of Vendor as Purchaser may require to complete its audit within such ninety (90) day period.

- (b) Any discrepancies disclosed by such audit shall be identified in writing to Vendor within sixty (60) days following the completion of such audit, and Vendor shall respond in writing to any claims or discrepancies within sixty (60) days of the receipt of such notice of claim or discrepancies.
- (c) To the extent that Vendor and Purchaser are unable to resolve any outstanding claims or discrepancies disclosed by such audit within thirty (30) days of the response of Vendor, such audit exceptions shall be resolved by a nationally or internationally recognized firm of chartered accountants as may be selected by Vendor and Purchaser, which shall be requested to render its decision without qualifications, other than the usual qualifications relating to engagements of this nature, within fourteen (14) days after the dispute is referred to it.
- (d) The decision of the accounting firm shall be final and binding upon the Parties and shall not be subject to appeal by any Party. The costs and expenses of the accounting firm shall be borne by the unsuccessful party to any dispute referred to dispute resolution pursuant to this Section 6.3. Notwithstanding the foregoing audit period limitation, Purchaser's audit rights under this Section 6.3 shall be extended for the time period, and in respect of those books, records and accounts, as may be reasonably necessary to permit Purchaser to verify refunds or payments to be received or made by it pursuant to Section 6.1.

6.4 Payment of Adjustments

Following the Closing Date, all adjustments shall be settled by payment by the Party required to make payment hereunder within thirty (30) days of such adjustments being agreed upon or resolved pursuant to Section 6.3(d). All overdue payments hereunder shall be payable with interest at the Prime Rate calculated daily and not compounded from but excluding the date such payment is due to and including the day such payment is made.

ARTICLE 7 **MAINTENANCE OF ASSETS**

7.1 Maintenance of Assets

Until Closing, Vendor shall, to the extent that the nature of its interest permits, and subject to the Title Documents and any other agreements and documents to which the Assets are subject:

- (a) maintain the Assets in a proper and prudent manner in accordance with good oil and gas industry practices and in material compliance with the terms of the Title Documents and all applicable Regulations;
- (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 Time;
- (c) perform and comply with all covenants and conditions contained in the Title Documents and any other agreements and documents to which the Assets are subject; and
- (d) maintain adequate insurance on all insurable portions of the Assets up to the date on which Closing occurs and immediately thereafter Vendor shall terminate all insurance carried by it in respect of the Assets.

7.2 Consent of Purchaser

Notwithstanding Section 7.1, Vendor shall not, without the written consent of Purchaser, which consent shall not be unreasonably withheld or delayed by Purchaser:

- (a) make any commitment or propose, initiate or authorize any capital expenditure with respect to the Assets of which Vendor's share is in excess of fifty thousand dollars (\$50,000), except in case of an emergency, any expenditures on account of any environmental matters (including any Environmental Liabilities) or in respect of amounts which Vendor may be committed to expend or be deemed to authorize for expenditure without its consent;
- (b) surrender or abandon any of the Assets;
- (c) amend or terminate, or agree to amend or terminate, any Title Document or any other agreement or document to which the Assets are subject, or enter into any new agreement or commitment relating to the Assets other than any new agreements or commitments entered into in the ordinary course of business; or
- (d) sell, encumber or otherwise dispose of any of the Assets or any part or portion thereof excepting for Permitted Encumbrances and sales of the Leased Substances or any of them in the ordinary course of business.

7.3 Post-Closing Administration

- (a) Following Closing, Vendor shall hold its title to the Assets on behalf of Purchaser until all necessary notifications, registrations and other steps required to transfer such title to Purchaser have been completed. Until Purchaser is novated with respect to the interest of Vendor in and to the Assets, into the Title Documents and any other agreements and documents to which the Assets are subject, Vendor shall act as Purchaser's agent (including to serve operation notices and authorizations for expenditure) as Purchaser reasonably and lawfully directs.
- (b) Following Closing, Vendor shall represent Purchaser in all matters arising under the Title Documents until Purchaser is substituted as a party thereto in the place of Vendor, whether by novation, notice of assignment or otherwise and, in furtherance thereof:
 - (i) all payments relating to the Assets after Closing received by Vendor pursuant to the Title Documents shall be received and held by Vendor for Purchaser and Vendor shall remit such amounts to Purchaser within thirty (30) days of receipt by Vendor, provided however Vendor shall be entitled to retain any portion of such payments to satisfy any amounts owing or payable hereunder or to satisfy any amounts owing by Purchaser to Third Parties or to Vendor and pertaining to the Assets as a working interest owner or royalty holder, under the Title Documents;
 - (ii) Purchaser shall forward to Vendor, within the time frame required under the applicable Title Document, any cash call advances, operating fund payments or other advances required to be paid by Purchaser pursuant to the Title Documents which Vendor shall forward to the operator under the relevant Title Documents on behalf of Purchaser. Purchaser shall be responsible for the recoupment of any portion of such costs which are the responsibility of Third Parties under any Title Document;
 - (iii) Vendor shall on a timely basis forward all statements, notices and other information received by it pursuant to the Title Documents that pertain to the Assets to Purchaser following their receipt by Vendor; and

- (iv) Vendor shall on a timely basis forward to Third Parties to the Title Documents such notices and elections pursuant to the Title Documents pertaining to the Assets as Purchaser may reasonably request.
- (c) Following Closing, in any case where Purchaser must be novated into, or recognized as a party to, an operating agreement or agreements governing any of the Assets, the following provisions shall apply with respect to those Assets until the novation has occurred:
 - (i) Vendor shall maintain the Assets on behalf of Purchaser at Purchaser's sole cost and expense;
 - (ii) Vendor shall not initiate any operation in respect of the Assets except upon the written instruction of Purchaser or as required by the Regulations; and
 - (iii) Vendor shall forthwith provide to Purchaser all authorizations for expenditure, notices, specific information and other documents in respect of the Assets which it receives and shall respond to such authorizations for expenditure, notices, information and other documents pursuant to the written instructions of Purchaser, if received on a timely basis, provided that Vendor may (but shall not be obligated to) refuse to follow instructions which it reasonably believes to be unlawful or in conflict with an applicable contract;
- (d) If and to the extent that Vendor holds or maintains any Assets and takes actions with respect to any Assets on behalf of Purchaser pursuant to this Section 7.3(d), then Vendor shall hold the same as bare trustee and be deemed to be the agent of Purchaser in such regard. Purchaser does hereby and shall ratify all actions taken by Vendor or refrained to be taken by Vendor pursuant to the terms of this Section 7.3(d) in such capacity, with the intention that all such actions shall be for all purposes deemed to be those of Purchaser.
- (e) Purchaser shall indemnify and save harmless Vendor from and against all Losses arising as a consequence of the provisions of Subsections 7.3(a), (b), (c) and (d) hereof, except to the extent caused by the gross negligence or wilful misconduct of Vendor or its Representatives. Acts or omissions taken by Vendor or its Representatives with the approval of Purchaser shall not constitute gross negligence or wilful misconduct for purposes of this subsection.

7.4 Interim Matters

- (a) Unless otherwise directed by Purchaser, in respect of the Assets, Vendor shall pay on behalf of Purchaser all rentals for freehold surface leases which are due and payable on or before September 1, 2016. Vendor shall pay on behalf of Purchaser all rentals and shut-in royalty payments for freehold mineral leases which are due and payable on or before September 1, 2016.
- (b) Vendor will be responsible for production accounting for the production month in which Closing occurs. Purchaser shall be responsible for production accounting after such date
- (c) Vendor will be responsible for marketing all production from the Assets to the last day of the month following the month in which Closing occurs. Purchaser shall be responsible for marketing of production after such date. Vendor shall be entitled to market all such production in accordance with its current marketing policies and agreements pertaining to the Assets, if any and shall pay all amounts received on behalf of Purchaser to Purchaser within five (5) Business Days of receipt of such amounts.

- (d) Purchaser will be responsible for the payment of all freehold mineral taxes effective the first (1st) day of the month following the Closing Date.
- (e) Purchaser shall indemnify and save harmless Vendor from and against all Losses arising as a consequence of the provisions of this Section 7.4, except to the extent caused by the gross negligence or wilful misconduct of Vendor or its Representatives. Acts or omissions taken by Vendor or its Representatives with the approval of Purchaser shall not constitute gross negligence or wilful misconduct for purposes of this subsection.

ARTICLE 8

RIGHTS OF FIRST REFUSAL AND CONSENTS

8.1 Rights of First Refusal

- (a) Vendor has advised Purchaser which Assets are subject to Rights of First Refusal, as outlined in Schedule "F". Purchaser shall advise Vendor of its *bona fide* allocations of value for Vendor's interest in and to such Assets within three (3) Business Days of execution of this Agreement. Vendor shall courier Rights of First Refusal notices to the Third Parties (and Purchaser, if applicable) holding such Rights of First Refusal promptly following execution and delivery of this Agreement and receipt of such values. Vendor shall notify Purchaser in writing forthwith upon each Third Party exercising or waiving such a Right of First Refusal. If any such Third Party elects to exercise such Right of First Refusal, the definition of Assets shall be deemed to be amended to exclude those Assets in respect of which the Right of First Refusal has been exercised, such Assets shall not be conveyed to Purchaser and the Purchase Price shall be reduced accordingly. In the event that a Third Party exercises a Right of First Refusal and is then unable or unwilling to enter into a conveyance agreement with Vendor for the relevant Assets, Purchaser agrees to accept a conveyance of such Assets for the same amount allocated to such Assets by Purchaser under the same terms and conditions as this Agreement to whatever extent possible, subject to any rights of any other Third Parties who may have also exercised Rights of First Refusal with respect to the same Assets and accordingly may also have a claim to acquire same, or a portion thereof.
- (b) Closing shall not be delayed even though certain of the Rights of First Refusal are outstanding and capable of exercise by the holders thereof as of the Closing Time (such Rights of First Refusal being referred to as "**Outstanding ROFRs**"). In such case, the following procedures shall apply:
 - (i) the Parties shall proceed to Closing without any reduction in the Purchase Price for the Outstanding ROFRs;
 - (ii) the Parties will deposit into escrow with the Escrow Agent, in accordance with an escrow agreement on terms similar to that in the deposit escrow agreement, that portion of the Purchase Price allocated to the Assets subject to the Outstanding ROFRs (the "**Escrow Assets**") and all closing documentation required for the sale of all Escrow Assets by the Vendor;
 - (iii) if an Outstanding ROFR is exercised by a Third Party, the Parties will promptly notify the Escrow Agent thereof in writing and:
 - (A) the funds deposited with the Escrow Agent in respect of such Escrow Assets will be refunded by the Escrow Agent to Purchaser together with the interest earned thereon while held by the Escrow Agent; and

- (B) the closing documentation related to such Escrow Assets deposited with the Escrow Agent will be of no force or effect;
- (iv) if after Closing an Outstanding ROFR is extinguished by lapse of time, waiver or otherwise (other than as a result of being exercised), the Parties will promptly notify the Escrow Agent thereof in writing and:
 - (A) the Escrow Agent will promptly pay the funds deposited with the Escrow Agent in respect of such Escrow Assets to the Vendor together with the interest earned thereon while held by Escrow Agent; and
 - (B) the Escrow Agent will promptly deliver copies of the closing documentation deposited with the Escrow Agent in relation to such Escrow Assets to each Party, such documentation shall be effective and the sale of such Escrow Assets to Purchaser pursuant hereto shall have.

8.2 Disputed Rights of First Refusal

Should a Third Party receiving a Right of First Refusal notice pursuant to Section 8.1(a) (the "**Disputing Party**") dispute the value allocation in such notice (the "**Disputed Value**"), the Parties agree as follows:

- (a) if the Disputing Party does not commence an action with respect to the Disputed Value prior to the Closing Time then the Parties shall proceed to Closing;
- (b) if the Disputing Party commences an action with respect to the Disputed Value (the "**ROFR Action**") prior to the Closing Time, then:
 - (i) Closing shall occur at the Closing Time with respect to those Assets not subject to the ROFR Action and Purchaser shall pay to Vendor the adjusted Purchase Price reduced by the Disputed Value; and
 - (ii) at the Closing Time referenced in Subsection 8.2(b)(i), Purchaser shall pay to the Escrow Agent, in trust, the Disputed Value amount pending resolution of the ROFR Action and Vendor shall deliver the specific conveyances related to the affected Assets.

8.3 Carriage of Action

Vendor shall diligently proceed with the defence, compromise or settlement of the ROFR Action and shall consult with Purchaser with respect to the ROFR Action and shall not settle same without the prior written consent of Purchaser, which consent shall not be unreasonably withheld. Vendor shall make available to Purchaser all pertinent information under Vendor's control notwithstanding Vendor's defence of the ROFR Action. Purchaser shall also have the right to participate in the negotiation, settlement or defence of the ROFR Action at its own expense. Purchaser shall be responsible for and shall pay all Vendor's reasonable legal fees and expenses relating to the ROFR Action, including any expert or other professional services required to justify the Disputed Value.

8.4 Resolution of Action

- (a) Upon final judicial resolution (including the expiry of all appeal periods) or settlement of the ROFR Action, the Disputed Value funds paid to the Escrow Agent pursuant to Subsection 8.2(b)(i) shall be releasable as follows:

- (i) Vendor shall be entitled to receive the Disputed Value amount (plus all accrued interest) less the amount finally attributed to the Disputed Value for which a Third Party has exercised its Right of First Refusal; and
 - (ii) Purchaser shall be entitled to receive the amount finally attributed to the Disputed Value for which a Third Party has exercised its Right of First Refusal, which shall be payable within ten (10) Business Days after the closing of such Third Party transaction and in any event, such amount shall be payable to Purchaser no later than thirty (30) days after the amount finally attributed to the Disputed Value has been determined.
- (b) In the event that, after the amount finally attributed to the Disputed Value has been decided by way of judicial resolution or settlement, the Disputing Party decides not to exercise its Rights of First Refusal on the Disputed Value Assets, Purchaser shall be required to close on such Assets with Vendor under the same terms and conditions as this Agreement to whatever extent possible provided that Purchaser shall not be required to close on such Assets after thirty (30) days of such judicial resolution or settlement.

8.5 Purchaser Indemnity

Purchaser shall indemnify and save Vendor harmless from and against any and all Losses of Vendor arising out of:

- (a) the allocations provided by Purchaser in respect of the Right of First Refusal notices to be provided pursuant to Section Article 8; and
- (b) a ROFR Action pursuant to Sections 8.2 to 8.4.

8.6 Security Interests

Purchaser shall, within five (5) Business Days of execution of this Agreement, identify in writing to Vendor those Security Interests registered against or encumbering a Vendor's interest in the Lands or the Assets. With respect to those identified Security Interests, Vendor shall provide to Purchaser, either at or before Closing, a discharge in registrable form, a no interest letter, or an undertaking to discharge the Security Interest or like document.

ARTICLE 9 **PRE-CLOSING INFORMATION**

9.1 Production of Documents

At all reasonable times from the date hereof until the Closing Time, Vendor shall make available to Purchaser and Purchaser's legal counsel in Vendor's offices in Calgary (upon request only) all of the Title Documents and any other agreements, reports, files, statements and documents pertaining to or to which the Assets are subject including (i) production sales contracts pertaining to the Leased Substances or any of them, (ii) gas balancing or similar agreements pertaining to the Leased Substances or any of them, (iii) agreements for the transportation, processing or disposal of the Leased Substances or any of them or substances produced in connection with the Leased Substances or any of them, (iv) agreements for the contract operation by a Third Party of the Assets or any of them, and (v) agreements to provide transportation, processing or disposal capacity or service to any Third Party, and (vi) well files, operating statements; and (vii) environmental reports, provided in each case that the relevant Title Document or other agreement, report, file or document does not prohibit such disclosure.

ARTICLE 10
TRANSFERRING EMPLOYEES

10.1 Transferring Employees

In respect of the Transferring Employees, the Parties agree as follows:

- (a) Purchaser acknowledges receipt of the Transferring Employee Disclosure Letter, which subject to the provisions of Section 12.17, includes the list of Transferring Employees together with the terms and conditions of employment of the Transferring Employees (the "**Employee Personal Information**"). Purchaser agrees that the Employee Personal Information shall be kept and maintained as confidential information and in accordance with Section 12.17 and shall not be divulged to any Third Party without the written consent of the Transferring Employee, unless such disclosure is required by the Regulations.
- (b) No later than (10) Business Days prior to Closing, Purchaser shall interview and provide written offers of employment to all of the Transferring Employees, such employment to commence effective the Closing Date and such offers shall be conditional only upon Closing having occurred and containing a release of Vendor from and against any and all Claims that each such Transferring Employee may have against Vendor in connection with his termination of employment with Vendor. Purchaser covenants and agrees that any such offer of employment shall be on terms and conditions not substantively less beneficial, in the aggregate, than the terms and conditions of each such employee's employment with Vendor including recognition of past service with Vendor in connection with the Assets for the purpose of calculating and any waiting periods or benefits under Purchaser's savings plan, vacation policy or short term disability benefit plans.
- (c) Prior to the Closing Time, Vendor shall issue a notice of termination of employment to each of the Transferring Employees effective as of the Closing Time.

10.2 Severance

- (a) Provided that Closing occurs and subject to Section 10.2(b), Purchaser shall:
 - (i) be responsible for the payment to each Transferring Employee of any severance amount such Transferring Employee is entitled at law or by contract upon the termination of the employment of such Transferring Employee (including any constructive dismissal of such Transferring Employee), which severance package shall recognize and be calculated based upon such Transferring Employee's combined term of service with Vendor, Purchaser and any previous employer in connection with the Assets; and
 - (ii) be solely liable and responsible for any and all Losses which Vendor may suffer, sustain, pay or incur, and shall indemnify Vendor from any and all claims (including any claim for wrongful or constructive dismissal), Losses and expenses whatsoever which may be brought against or suffered by Vendor or which Vendor may sustain, pay or incur as a result of any matter or thing arising out of, resulting from, attributable to or connected with the termination of such Transferring Employee by Vendor in accordance with Section 10.1(c) or by Purchaser from and after Closing.
- (b) If an Transferring Employee is terminated by Vendor other than pursuant to the provisions of Section 10.1(c), Vendor shall be solely responsible for all severance amounts paid to such Transferring Employee by Vendor.

10.3 Non-Solicitation of Field Employees

For a period of twelve (12) months following the Closing Time, other than Transferring Employees, Purchaser agrees not to solicit for employment with respect to the Assets any Vendor field or office employees or supervisors, who are or have been responsible or knowledgeable with respect to the Assets and employed or engaged by Vendor within 6 months prior to the Closing Date (the "**Asset Employees**").

10.4 Damages

If Purchaser, in contravention of Section 10.3, employs or otherwise contracts with any Asset Employee for the provision of services relating to the Assets within six (6) months after the Closing Time, then Purchaser shall reimburse Vendor for all severance, termination or other amounts if any, paid to such Asset Employee by Vendor.

ARTICLE 11

SECURITY DEPOSIT AND LICENCE TRANSFER

11.1 AER Negotiations

- (a) Vendor shall cooperate with Purchaser to determine the LLR of the Assets.
- (b) Vendor shall cooperate with Purchaser to provide Purchaser with such information and to take such actions as Purchaser may reasonably require in order for Purchaser minimize any required security that Purchaser may have to pay to the AER on the transfer of the Assets
- (c) From the date of this Agreement until the LTA is approved Vendor and Purchaser shall cooperate in good faith to initiate discussions with the AER to determine the most efficient and cost effective way for Purchaser to take transfer of the Assets for purposes of the AER's LLR requirements.

11.2 Payment of Security Deposit Monies

If AER requires a security deposit to approve the LTA such that Purchaser can accept transfer of any and all applicable well, pipeline or facility licences and approvals currently and in order for AER to approve the LTA, Purchaser shall, prior to the Closing Time, notify Vendor of same and shall either:

- (a) promptly make such deposits; or
- (b) shall have:
 - (i) deposited with its solicitors sufficient funds to satisfy all such deposit requirements, and shall have unconditionally directed its solicitors in writing, on terms acceptable to Vendor acting reasonably, to remit such funds forthwith upon Closing; and
 - (ii) satisfied all other requirements of AER;

such that Purchaser can accept such transfers and the LTA be so approved immediately following Closing in accordance with the requirements of the AER.

11.3 Payment of Deposit by Vendor

If Purchaser fails to make a deposit with AER as provided under Section 11.1, Vendor shall have the right, but not the obligation, to make such deposit on behalf of Purchaser and Purchaser acknowledges and agrees that Vendor shall be Purchaser's agent with full power and authority to make such deposit for

and on behalf of Purchaser. Purchaser shall, and shall cause its solicitors to, cooperate in submission of such deposit with AER such that the deposit will be accepted. Purchaser shall reimburse Vendor for the amount of any such deposit made by Vendor and pay interest on the amount of such deposit at an annual rate equal to the Prime Rate plus two percent (2%) from the date on which Vendor paid the deposit to the date on which the reimbursement for such deposit and payment of the corresponding interest is made in full. In addition to all other rights that may be available to Vendor for the collection of such amounts from Purchaser, Vendor shall have the right to set-off the amount of any such deposit, including interest as provided in this Section 11.3, against any monies payable by Vendor to Purchaser pursuant to this Agreement.

11.4 Failure of AER to Approve LTA

Vendor, in its sole discretion, may withhold circulation of any and all Specific Conveyances until such time as the LTA is approved by AER. If AER closes the LTA (for non-payment of the security deposit by Purchaser), this transaction shall thereupon be voidable at the election of Vendor. Upon such election:

- (a) the Parties in good faith and in a timely and reasonable manner shall proceed to unwind this transaction;
- (b) if the closure of the LTA by AER and subsequent voiding of the transaction by Vendor is as a result of the failure by Purchaser to meet or satisfy AER requirements in any regard, the Purchase Price shall be forfeited by Purchaser as a genuine pre-estimate of liquidated damages and not as a penalty.

11.5 Submission of AER LTA

Vendor will complete and Purchaser will approve the LTA on or prior to Closing and Vendor will submit same and Purchaser will concur within 3 Business Days of Closing.

ARTICLE 12 **GENERAL**

12.1 Further Assurances

Each Party will, from time to time and at all times after Closing, without further consideration, do such further acts and deliver all such further assurances, deeds and documents as shall be reasonably required in order to fully perform and carry out the terms of this Agreement.

12.2 No Merger

The covenants, representations, warranties and indemnities contained in this Agreement shall be deemed to be restated in any and all assignments, conveyances, transfers and other documents conveying the interests of Vendor in and to the Assets to Purchaser, subject to any and all time and other limitations contained in this Agreement. There shall not be any merger of any covenant, representation, warranty or indemnity in such assignments, conveyances, transfers and other documents notwithstanding any rule of law, equity or statute to the contrary and such rules are hereby waived.

12.3 Entire Agreement

The provisions contained in any and all documents and agreements collateral hereto shall at all times be read subject to the provisions of this Agreement and, in the event of conflict, the provisions of this Agreement shall prevail. No amendments shall be made to this Agreement unless in writing, executed by the Parties. 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 other than that certain Confidentiality Agreement dated November 26, 2015 between PWPL and Purchaser with respect to information pertaining to the Assets.

12.4 Subrogation

The assignment and conveyance to be effected by this Agreement is made with full right of substitution and subrogation of Purchaser in and to all covenants, representations, warranties and indemnities previously given or made by others in respect of the Assets or any part or portion thereof.

12.5 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 applicable laws of Canada and shall, in all respects, be treated as a contract made in the Province of Alberta. 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.

12.6 Enurement

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, and any attempted assignment, without such consent, shall be null and void. 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.

12.7 Time of Essence

Time shall be of the essence in this Agreement.

12.8 Notices

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

Vendor:

c/o Penn West Petroleum Ltd.
Suite 200, 207 – 9th Avenue SW
Calgary, AB Canada T2P 1K3

Attention: Manager of Land & Joint Venture
Email: PennWestnonop@pennwest.com

Purchaser:

Cleo Energy Corp.
300 – 350, 5th Avenue SW
Calgary, Alberta T2P 3C4

Attention: Chris Lewis
Email: clewis@cleoenergy.com

All notices, communications and statements required, permitted or contemplated hereunder shall be in writing, and shall be delivered as follows:

- (a) by personal service on a Party at the address of such Party set out above, in which case the item so served shall be deemed to have been received by that Party when personally served;
- (b) by electronic mail to a Party at the address of such Party set out above, in which case the item so delivered will be deemed to have been received when the electronic mail enters the receiving Party's information system and becomes capable of being retrieved and processed by it if those events occur during normal business hours on any Business Day, or at the beginning of the next Business Day if those events after those business hours; or
- (c) except in the event of an actual or threatened postal strike or other labour disruption that may affect mail service, by mailing first class registered post, postage prepaid, to a Party at the address of such Party set out above, in which case the item so mailed shall be deemed to have been received by that Party on the third Business Day following the date of mailing (the date of mailing being the Business Day immediately prior to the postmarked date of the envelope containing the notice, communication or statement or if the subject envelope has been lost or destroyed, the date of such notice, communication or statement or if undated the date of the transmittal letter accompanying the same).

A Party may from time to time change its address for service by giving written notice of such change to the other Party.

12.9 Removal of Signs

At and after Closing, Vendor may remove any signs that indicate its ownership or operation of the Assets. Purchaser shall, no later than sixty (60) days after Closing, erect or install signs required by governmental agencies to indicate that Purchaser is the operator of the Assets and to notify other working interest owners, gas purchasers, suppliers, contractors, governmental agencies and other third parties of Purchaser's interest in the Assets.

12.10 Operatorship

Nothing in this Agreement shall transfer or be deemed to transfer operatorship, or shall be interpreted as any assurance by Vendor that Purchaser will be able to serve as operator with respect to any of the Assets in which interests are held by Third Parties, whether or not such Assets are presently operated by Vendor. Vendor shall have no liability to Purchaser for any Purchaser's Losses as a result of Purchaser not being designated as the operator of the Lands or Tangibles operated by Vendor prior to Closing.

12.11 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.

12.12 Waiver

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. No waiver of any provision of this Agreement, including without limitation, this Section, 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.

12.13 Amendment

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

12.14 Agreement not Severable

This Agreement extends to the whole of the Assets and is not severable without Purchaser's express written consent or as otherwise herein provided.

12.15 Securities Act Disclosure

At any time during the three (3) year period following Closing, should the Regulations require Purchaser to prepare an audited operating statement or other report with respect to the Assets pursuant to the Regulations including any disclosure requirements under applicable securities law, regulations or rules, for a period during which the Assets were owned by Vendor, Vendor shall provide access during normal business hours to the records of Vendor relevant to preparation of such an operating statement or report during such period. The audit shall be performed by Purchaser's auditor, or if such auditor is unable or unwilling to perform such audit, by a firm of independent auditors selected by Purchaser, and Purchaser shall be responsible for all costs incurred in connection with the audit and the preparation of any statements or reports. Vendor shall not be required to provide direct access to Vendor's records to Purchaser or any employees, consultants or other representatives of Purchaser other than the auditors. If the auditor requires the assistance of Vendor's personnel to find, collect or interpret the necessary information from Vendor's records, Vendor shall cause such assistance to be provided and Purchaser shall pay reasonable hourly costs to Vendor as compensation for the time devoted by such personnel. Vendor consents to the use of the information solely for the purpose contemplated herein, provided that Vendor hereby disclaims (and Purchaser agrees that Vendor shall not have) any liability to Purchaser or any other Third Party for the accuracy and completeness of any information provided pursuant hereto. Neither Vendor nor any of its Representatives shall have any liability with respect to any information provided by Vendor pursuant to this Section 12.15 and Purchaser shall indemnify and hold harmless Vendor and its Representatives in respect of any Claims or Losses suffered, sustained, paid or incurred by any of them in connection with the use or distribution of such information. Furthermore, such information is provided without representation or warranty, express or implied, to Purchaser or any other Person in respect of the accuracy or sufficiency of such information.

12.16 Confidentiality and Public Announcements

- (a) Until Closing has occurred, Purchaser shall keep confidential all information obtained from Vendor or any of its Representatives in connection with the Assets and neither Party shall release any information concerning this Agreement and the transactions herein provided for (including any press release or public disclosure), without the prior written consent of the other Party, which consent shall not be unreasonably withheld. For certainty, any press release or public disclosure shall not name Purchaser or provide any unique identifying information about Purchaser. 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, or the rules of any stock exchange on which any securities of the Party are listed, provided that the Parties shall use reasonable commercial efforts to consult with each other and shall provide each other at least two (2) Business Days advance written notice of any disclosure to any government or regulatory authority or of any public statement or other disclosure to the public which they propose to make including

filing a redacted form of this Agreement (in which case the disclosing Party shall redact all of the provisions reasonably requested by the other Party);

- (ii) in connection with obtaining consents or complying with Rights of First Refusal contained in the Title Documents and any other agreements and documents to which the Assets are subject; or
 - (iii) to procure the consent of a Party's lender.
- (b) Following Closing, the obligations of confidentiality set forth in Section 12.16(a) shall cease to apply to Purchaser with respect to the Assets with respect to the period after the Adjustment Date but shall continue to apply with respect to all other information provided to Purchaser and the obligations of the Parties in Section 12.16(a) with respect to the disclosure of this Agreement and the transfers contemplated thereby.
- (c) The obligations of Purchaser pursuant to this Section are in addition to and not in substitution of the obligations of Purchaser under that certain Confidentiality Agreement dated November 26, 2015 between PWPL and Purchaser with respect to information pertaining to the Assets.

12.17 Privacy Laws

All disclosures of personal information pursuant to this Agreement shall only be carried out in compliance with applicable Privacy Laws. The Parties agree that the transaction proposed by this Agreement constitutes a "business transaction" within the meaning of Privacy Laws. Each Party agrees only to request from the other Party and each Party agrees only to provide to the other Party, personal information which is necessary: (a) for the Parties to determine whether to proceed with the transaction contemplated by this Agreement; and (b) if the Closing is to occur, for the Parties to carry out and complete the Closing. The Parties agree that the collection, use and disclosure of personal information is restricted to the purposes that relate to the transaction contemplated by this Agreement.

12.18 Vendor Joint and Several Liabilities

For greater certainty, the Parties acknowledge and agree that all of the respective rights, obligations, covenants, representations, warranties, liabilities or indemnities of Vendor set forth in this Agreement are and shall be construed to be held or made as joint and several rights, obligations, covenants, liabilities or indemnities of each of PWPL and PWP.

12.19 Counterpart Execution


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

The remainder of this page is intentionally left blank.

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

PENN WEST PETROLEUM LTD.

CLEO ENERGY CORP.

Per: 
Name: **Andrew Sweerts**
Title: Vice President
Business Development & Commercial

Per: 
Name: **Chris Lewis**
Title: **President, corp**

Per: _____
Name: _____
Title: _____

Per: _____
Name: _____
Title: _____

PENN WEST PETROLEUM,
by its Managing Partner,
PENN WEST PETROLEUM LTD.

Per: 
Name: **Andrew Sweerts**
Title: Vice President
Business Development & Commercial

Per: _____
Name: _____
Title: _____

This is the execution page to the Agreement of Purchase and Sale dated June 2, 2016 among Penn West Petroleum Ltd. and Penn West Petroleum as Vendor and Cleo Energy Corp. as Purchaser.

SCHEDULE "J"
FORM OF OFFICER'S CERTIFICATE
FORM OF CERTIFICATE FOR VENDOR

TO: Cleo Energy Corp. ("**Purchaser**")

RE: Agreement of Purchase and Sale dated June 2, 2016 (the "**Sale Agreement**") between Penn West Petroleum Ltd. and Penn West Petroleum (collectively, "**Vendor**") and Purchaser

The undersigned, [INSERT NAME], being the [INSERT TITLE] of Penn West Petroleum Ltd., hereby certifies, for and on behalf of Vendor and not in his/her personal capacity, as follows:

The undersigned is personally familiar, in his/her capacity as an officer of Penn West Petroleum Ltd., with the matters hereinafter certified.

Penn West Petroleum Ltd. has been duly appointed as the managing partner of Penn West Petroleum and, in that capacity, is authorized to deliver this Certificate on behalf of Penn West Petroleum.

This Certificate is made and delivered pursuant to Section 2.3(a)(ii) of the Sale Agreement.

The definitions contained in the Sale Agreement are adopted in this Certificate and wherever used shall have the meanings ascribed to them in the Sale Agreement.

Each of Vendor's representations and warranties set forth in Section 4.1 of the Sale Agreement:

(a) was true and correct in all material respects as of the date of the Sale Agreement; and

(b) is true and correct in all material respects as of the date of this Certificate,

or, in each case, was true and correct in all material respects as of such other date or dates as specified therein.

All obligations and covenants of Vendor to be performed or complied with prior to or at the Closing Time (other than in respect to the agreements, certificates and other instruments and documents to be delivered at the Closing Time by Vendor pursuant to Section 2.3(a) of the Sale Agreement) have been performed or complied with in all material respects.

DATED at Calgary, Alberta, this ____ day of _____, 2016.

PENN WEST PETROLEUM LTD., on behalf of
itself and in its capacity as the managing partner of
PENN WEST PETROLEUM

Per: _____

Name: _____

Title: _____

FORM OF CERTIFICATE FOR PURCHASER

TO: Penn West Petroleum Ltd. and Penn West Petroleum ("**Vendor**")

RE: Agreement of Purchase and Sale dated June 2, 2016 (the "**Sale Agreement**") between Penn West Petroleum Ltd. and Penn West Petroleum (collectively, "**Vendor**") and Cleo Energy Corp. ("**Purchaser**")

The undersigned, [**INSERT NAME**], being the [**INSERT TITLE**] of Purchaser hereby certifies, for and on behalf of Purchaser and not in his/her personal capacity, as follows:

The undersigned is personally familiar, in his/her capacity as an officer of Purchaser with the matters hereinafter mentioned.

This Certificate is made and delivered pursuant to Section 2.3(b)(iii) of the Sale Agreement.

The definitions contained in the Sale Agreement are adopted and in this Certificate wherever used shall have the meanings ascribed to them in the Sale Agreement.

Each of Purchaser's representations and warranties set forth in Section 4.4 of the Sale Agreement:

- (a) was true and correct in all material respects as of the date of the Sale Agreement; and
- (b) is true and correct in all material respects as of the date of this Certificate;

or, in each case, was true and correct in all material respects as of such other date or dates as specified therein.

All obligations and covenants of Purchaser to be performed prior to or at the Closing Time (other than in respect to the payments, agreements, certificates and other instruments and documents to be made and delivered at the Closing Time by Purchaser pursuant to Section 2.3(b)) have been timely performed in all material respects.

DATED at Calgary, Alberta, this ____ day of _____, 2016.

CLEO ENERGY CORP.

Per:

Name: _____

Title:

SCHEDULE "K"
GROSS OVERRIDING ROYALTY AGREEMENT

See attached

GROSS OVERRIDING ROYALTY AGREEMENT

(Shorncliffe, Silver Heights, Kessler, Eye-Hill, Neutral Hills, Wainwright Alberta)

THIS AGREEMENT made as of June [●], 2016,

BETWEEN:

PENN WEST PETROLEUM LTD., a body corporate with its head office located in Calgary, Alberta (hereinafter referred to as "**PWPL**")

- and -

PENN WEST PETROLEUM, a partnership formed under the laws of Alberta (hereinafter referred to as "**PWP**")

(PWPL and PWP hereinafter collectively referred to as "**Royalty Owner**")

- and -

CLEO ENERGY CORP., a body corporate with its head office located in Calgary, Alberta (hereinafter referred to as "**Royalty Payor**")

WHEREAS Royalty Owner and Royalty Payor entered into that Agreement of Purchase and Sale dated June 2, 2016 (the "**Sale Agreement**") with respect to the Assets (as defined in the Sale Agreement);

AND WHEREAS pursuant to the Sale Agreement, Royalty Payor agreed to grant to the Royalty Owner an Overriding Royalty on the Lands in accordance with the terms and conditions hereof;

NOW THEREFORE in consideration of the premises and the covenants and agreements hereinafter set forth and contained herein, the parties hereto covenant and agree as follows:

ARTICLE 1 **INTERPRETATION**

1.1 Definitions and Interpretation

In this Agreement the definitions contained in Clause 1.01 of the Overriding Royalty Procedure (as defined below) shall apply, except as modified below:

- (a) "**Business Day**" means a day other than (i) a Saturday, (ii) a Sunday, (iii) a statutory holiday in Calgary, Alberta and (iv) December 24 to January 1 of a calendar year inclusive;
- (b) "**Disposition Notice**" has the meaning ascribed thereto in Clause 4.1(a);
- (c) "**GAAP**" means those accounting principles generally accepted in Canada, including the policies and standards of disclosure recommended by the Canadian Institution of Chartered Accountants from time to time;

- (d) **"Independent Accountant"** has the meaning ascribed thereto in Clause 3.3(b);
- (e) **"Lands"** has the meaning ascribed thereto in the Sale Agreement;
- (f) **"Net Working Interest"** means the net working interest held by PWP in the Lands prior to entering into the Sale Agreement dated as set forth and described in Schedule "A" hereto;
- (g) **"Objection"** has the meaning ascribed thereto in Clause 3.3(b);
- (h) **"Option"** has the meaning ascribed thereto in Clause 3.1;
- (i) **"Option Price"** has the meaning ascribed thereto in Clause 3.2;
- (j) **"Option Statement"** has the meaning ascribed thereto in Clause 3.3(a);
- (k) **"Overriding Royalty"** has the meaning ascribed thereto in Clause 2.1;
- (l) **"Overriding Royalty Procedure"** means the 1997 CAPL Overriding Royalty Procedure incorporated by reference herein, subject to the elections and amendments as set forth and described in Schedule "B" hereto;
- (m) **"Review Period"** has the meaning ascribed thereto in Clause 3.3(b);
- (n) **"Point of Sale"** means the first point at which Petroleum Substances from the Royalty Lands could ordinarily be made available for sale to an arm's length purchaser;
- (o) **"Prime Rate"** means a rate of interest equal to the annual rate of interest announced from time to time by the main Calgary branch of Canadian Imperial Bank of Commerce as the reference rate then in effect for determining interest rates on Canadian dollar commercial loans in Canada;
- (p) **"Sale Agreement"** has the meaning ascribed thereto in the recitals;
- (q) **"Title Documents"** means the leases, licenses and any other documents of title described in Schedule "A" hereto insofar as they relate to the Lands, and all renewals, extensions, continuations or documents of title issued in substitution or by selection; and
- (r) **"Wells"** has the meaning ascribed thereto in the Sale Agreement.

1.2 Headings

The expressions "Article" and "Clause" followed by a number or letter or combination thereof mean and refer to the specified article and clause, of or to this Agreement.

1.3 Number and Gender

When the context reasonably permits, words suggesting the singular shall be construed as suggesting the plural and vice versa, and words suggesting gender or gender neutrality shall be construed as suggesting the masculine, feminine and neutral genders.

1.4 Entire Agreement

The terms of this Agreement express and constitute the entire Agreement between the parties in respect of the Overriding Royalty and no implied covenant or liability of any kind is created or shall arise by reason of anything contained in this Agreement.

1.5 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 applicable laws of Canada and shall, in all respects, be treated as a contract made in the Province of Alberta. 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.

1.6 Schedules: The following Schedules are attached to and incorporated into this Agreement:

- (a) Schedule "A" – Title Documents and Lands
- (b) Schedule "B" – Overriding Royalty Procedure Elections and Amendments, and
- (c) Schedule "C" – well information required to be supplied by the Royalty Payor to the Royalty Owner

1.7 Overriding Royalty Procedure

The terms and provisions of the Overriding Royalty Procedure are hereby incorporated by reference herein as though contained in the body hereof. Wherever any term or condition of such Overriding Royalty Procedure conflicts or is at variance with any term or condition of the body of this Agreement, such term or condition in the body of this Agreement shall prevail.

ARTICLE 2 **OVERRIDING ROYALTY**

2.1 Overriding Royalty

Royalty Owner shall reserve unto itself, a two and a half percent (2.5%) non-convertible overriding royalty, free and clear of deductions for costs and expenses incurred by the Royalty Payor to and including the Point of Sale and calculated based on the Net Working Interest, as outlined in Schedule "A" (the "**Overriding Royalty**"). For clarity, the Overriding Royalty shall be payable on the Lands, and will remain in effect on each Title Document relating to the Lands from the Effective Date until such time that the said Title Documents have been surrendered, terminated, forfeited or the Royalty Payor exercises its right to purchase the Overriding Royalty pursuant to Clause 3.1 of this Agreement, as the case may be.

2.2 Calculation of Overriding Royalty Not Taken in Kind

Notwithstanding anything to the contrary in this Agreement or the Overriding Royalty Procedure, the parties agree that if not taken in kind by Royalty Owner, the Overriding Royalty shall be determined based upon the Market Price, computed at the Point of Sale, without any deductions whatsoever to the Point of Sale, of all Petroleum Substances produced, saved and marketed from the Lands, calculated in accordance with the percentages set forth in Clause 2.01 of the Overriding Royalty Procedure.

2.3 Well Information

In addition to any provisions regarding well information contained in the Overriding Royalty Procedure, for each Well drilled by the Royalty Payor pursuant to this Agreement on the Lands from and after the Effective Date, the Royalty Payor shall provide the Royalty Owner with the well information in the same form as the information set out on Schedule "C" hereto as soon as is reasonably practicable.

ARTICLE 3 GORR PURCHASE OPTION

3.1 GORR Purchase Option

On or after the one (1) year anniversary of the Effective Date and from time to time, Royalty Payor shall have the right to exercise an option to repurchase the Overriding Royalty (the "**Option**") by giving written notice to the Royalty Owner.

3.2 Option Price

The purchase price for the Overriding Royalty purchased pursuant to the Option granted in Clause 3.1 shall be equal to the sum of the Overriding Royalty calculated over the course of the preceding twelve (12) month period multiplied by five (5) (the "**Option Price**").

3.3 Exercise and Payment

- (a) The option shall be exercised by Royalty Payor delivering to Royalty Owner a notification of the Royalty Payor's exercise of the option, which notice shall include a written statement setting forth in reasonable detail Royalty Payor's determination of the option price (the "**Option Statement**").
- (b) The Royalty Owner shall have sixty (60) days after receipt of the Option Statement (the "**Review Period**") to review the Option Statement. During the Review Period, Royalty Owner and its representatives shall have the right to inspect Royalty Payor's books and records during normal business hours at Royalty Payor's offices, upon reasonable prior notice and solely for purposes reasonably related to the determinations of Option Price. Before the expiration of the Review Period, Royalty Owner may object to the Option Price set forth in the Option Statement for the applicable Calculation Period by delivering a written notice of objection (an "**Objection**") to Royalty Payor. Any Objection shall describe in reasonable detail the basis for such objection, as well as the amount in dispute. If Royalty Owner fails to deliver an Objection to Royalty Payor before the expiration of the Review Period, then the Option Price set forth in the Option Statement shall be final and binding on the parties hereto. If Royalty Owner delivers an Objection prior to the expiry of the Review Period, Royalty Payor and Royalty Owner shall negotiate in good faith to resolve the disputed items and agree upon the resulting amount of the Option Price. If Royalty Payor and Royalty Owner are unable to reach agreement within fifteen (15) days after such an Objection has been given, all unresolved disputed items shall be promptly referred to an impartial nationally recognized firm of independent chartered professional accountants appointed by mutual agreement of Royalty Payor and Royalty Owner or, failing agreement, appointed by the Court of Queen's Bench (the "**Independent Accountant**"). The Independent Accountant shall be directed to render a written report on the unresolved disputed items with respect to the Option Price as promptly as practicable, but in no event greater than thirty (30) days after such

submission to the Independent Accountant, and to resolve only those unresolved disputed items set forth in the Objection. If unresolved disputed items are submitted to the Independent Accountant, Royalty Payor and Royalty Owner shall each furnish to the Independent Accountant such work papers, schedules and other documents and information relating to the unresolved disputed items as the Independent Accountant may reasonably request. The Independent Accountant shall resolve the disputed items based solely on the applicable definitions and other terms in this Agreement and the presentations by Royalty Payor and Royalty Owner, and not by independent review. The resolution of the dispute and the calculation of the Option Price shall be final and binding on the parties hereto. The fees and expenses of the Independent Accountant shall be borne by Royalty Owner and Royalty Payor in proportion to the amounts by which their respective calculations of Option Price differ from Option Price as finally determined by the Independent Accountant.

- (c) Within five (5) Business Days of acceptance of the Option Price, or the resolution of any Objection, Royalty Payor shall pay the Option Price as finally determined in accordance with this Clause 3.3 to Royalty Owner. In the event the Option Price is not paid when due, interest shall accrue and be payable to Royalty Payor by Royalty Owner at the Prime Rate.
- (d) Promptly after the payment of the Option Price as finally determined in accordance with this Clause 3.3, Royalty Owner shall execute and deliver, or cause to be executed and delivered, all such documents, agreements and other instruments as may be required in order to effect the reversion of the GORR to Royalty Payor and to effect the proper assumption by Royalty Payor of any liabilities and obligations associated therewith.

ARTICLE 4

ROFR

4.1 Right of First Refusal

- (a) Royalty Owner shall not dispose of the Overriding Royalty, whether by assignment, trade, farmout or otherwise without first providing Royalty Owner with written notice of its intention to do so, which notice shall include the identity of the proposed assignee, the price or other consideration for which the Royalty Owner is prepared to make such disposition, the proposed effective date and closing date of the transaction and any other information respecting the transaction which Royalty Owner reasonably believes would be material to the exercise of the offeree's rights hereunder (the "**Disposition Notice**").
- (b) Clause 4.1(a) shall not apply to a disposition by Royalty Owner of the Overriding Royalty if as a result of:
 - (i) an assignment made by way of security for the Royalty Owner's present or future indebtedness unless the security is enforced by sale or foreclosure;
 - (ii) a disposition to an Affiliate of Royalty Owner, or in consequence of a merger or amalgamation of the assignor with another corporation; or
 - (iii) a disposition made by Royalty Owner of all, or substantially all of its petroleum and natural gas rights, including royalty interests, in the province of Alberta, and

for the purposes of this Clause 4.1(b)(iii), "substantially all" means a percentage of ninety percent (90%) or more of the net hectares held by such party in Alberta.

ARTICLE 5

NOTICES

5.1 Notices and Address for Service

The initial addresses for service of the parties shall be as follows:

If to Royalty Owner:

c/o Penn West Petroleum Ltd.
Suite 200, 207 – 9th Avenue SW
Calgary, AB Canada T2P 1K3

Attention: Manager of Land & Joint Venture
Email: PennWestnonop@pennwest.com

If to Royalty Payor:

Cleo Energy Corp.
350 – 300, 5th Avenue SW
Calgary, Alberta T2P 3C4

Attention: Chris Lewis
Email: clewis@cleoenergy.com

All notices, communications and statements required, permitted or contemplated hereunder shall be in writing, and shall be delivered as follows:

- (a) by personal service on a party at the address of such party set out above, in which case the item so served shall be deemed to have been received by that party when personally served;
- (b) by electronic mail to a party at the address of such party set out above, in which case the item so delivered will be deemed to have been received when the electronic mail enters the receiving party's information system and becomes capable of being retrieved and processed by it if those events occur during normal business hours on any Business Day (as defined in the Sale Agreement), or at the beginning of the next Business Day if those events occur after those business hours; or
- (c) except in the event of an actual or threatened postal strike or other labour disruption that may affect mail service, by mailing first class registered post, postage prepaid, to a party at the address of such party set out above, in which case the item so mailed shall be deemed to have been received by that party on the third Business Day following the date of mailing (the date of mailing being the Business Day immediately prior to the postmarked date of the envelope containing the notice, communication or statement or if the subject envelope has been lost or destroyed, the date of such notice, communication or statement or if undated the date of the transmittal letter accompanying the same).

A party may from time to time change its address for service by giving written notice of such change to the other party.

ARTICLE 6

MISCELLANEOUS

6.1 Further Assurances

Each party will, from time to time and at all times after the Effective Date, without further consideration, do such further acts and deliver all such further assurances, deeds and documents as shall be reasonably required in order to fully perform and carry out the terms of this Agreement

6.2 Enurement

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.

6.3 Waiver

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. No waiver of any provision of this Agreement, including without limitation, this Clause 6.3, 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.

6.4 Time of the Essence

Time shall be of the essence in this Agreement.

6.5 Termination

This Agreement shall continue in full force and effect until terminated by written agreement of the parties hereto. Until this Agreement terminates, each of the parties shall have all of the rights and benefits and all of the duties and obligations to which they are subject and entitled.

6.6 Counterparts

This Agreement may be executed in separate counterparts, and the executed counterparts shall together constitute one instrument and have the same force and effect as if both of the parties had executed the same instrument. Delivery may occur via facsimile.

The remainder of this page is intentionally left blank.

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

PENN WEST PETROLEUM LTD.

CLEO ENERGY CORP.

Per: _____
Name:
Title:

Per: _____
Name:
Title:

Per: _____
Name:
Title:

Per: _____
Name:
Title:

PENN WEST PETROLEUM,
by its Managing Partner,
PENN WEST PETROLEUM LTD.

Per: _____
Name:
Title:

Per: _____
Name:
Title:

THE FOLLOWING [●] PAGES COMPRISE SCHEDULE "A" ATTACHED TO AND FORMING PART OF THE GROSS OVERRIDING ROYALTY AGREEMENT MADE AS OF [●], 2016, BETWEEN PENN WEST PETROLEUM, PENN WEST PETROLEUM LTD. AND CLEO ENERGY CORP.

TITLE DOCUMENTS AND LANDS

See attached.

THE FOLLOWING [●] PAGES COMPRISE SCHEDULE "B" ATTACHED TO AND FORMING PART OF THE GROSS OVERRIDING ROYALTY AGREEMENT MADE AS OF [●], 2016, BETWEEN PENN WEST PETROLEUM, PENN WEST PETROLEUM LTD. AND CLEO ENERGY CORP.

1997 CAPL OVERRIDING ROYALTY PROCEDURE

ELECTIONS AND AMENDMENTS

1. Effective Date

Clause 1.01(b) The date which is three (3) years from the date of this Agreement.

2. Royalty Payor's Allowed Deductions if Overriding Royalty Not Taken in Kind

Clause 2.04B Alternate 1

3. Royalty Owner's Rights Upon Surrender

Clause 2.08 will apply.

Amendments

The Overriding Royalty Procedure is amended as follows:

The Overriding Royalty Procedure is amended to incorporate the term "Point of Sale" defined in this Agreement in place and substitution of the term "Royalty Determination Point" defined in Clause 1.01 H of the Overriding Royalty Procedure.

Article 2.01 is amended by deleting the existing Clause 2.01 and substituting with the following Clause 2.01:

2.01 Quantification of Overriding Royalty

- (a) Royalty Determination Methodology: The gross volume of Petroleum Substances comprising the Overriding Royalty shall be determined, on a Well by Well basis, as follows:
 - (i) the volume of Petroleum Substances as metered, measured or allocated at the Point of Sale shall be allocated back to each Well on a fair and reasonable basis, consistent with Royalty Payor's customary methodology; and
 - (ii) of the Petroleum Substances allocated to a Well, the Overriding Royalty shall be 2.5% of such Petroleum Substances.
- (b) Quantification of Overriding Royalty: Having regard for the Royalty Determination Methodology (above), the Overriding Royalty shall be quantified as follows:
 - (i) if taken in kind by Royalty Owner, 2.5% of the Petroleum Substances produced from each Royalty Well and available at the Point of Sale.

THE FOLLOWING [●] PAGES COMPRISE SCHEDULE "C" ATTACHED TO AND FORMING PART OF THE GROSS OVERRIDING ROYALTY AGREEMENT MADE AS OF [●], 2016, BETWEEN PENN WEST PETROLEUM, PENN WEST PETROLEUM LTD. AND CLEO ENERGY CORP.

WELL DATA REQUIREMENT SHEET

DATE:

OPERATOR:

ATT:

WELL NAME / LOCATION:

OPERATION:

PWP Interest:

| <u>PRE-SPUD</u> | <u>#COPIES</u> | <u>DRILLING</u> | <u>#COPIES</u> |
|--------------------------|----------------|---|----------------|
| Survey | 1 | Daily Drilling Reports | 1 |
| Well License Application | 1 | Wellsite Geological Report/Strip Log | 1 |
| Well License | 1 | Directional Survey(s) | 1 |
| Geological Prognosis | 1 | DST Reports | 1 |
| Drilling Program | 1 | Sample & Core Description & Final Analysis | 1 |
| Surface Lease / MSL-LOC | 1 | Logs (field & final) | 1 |
| Spud Notice (24 hours) | 1 | Consultant Post Drilling & Completion Reports | 1 |

COMPLETION / PRODUCTION / WORKOVER

| | | | |
|--------------------------|---|-------------------------------|---|
| Program | 1 | Flow / Buildup Report | 1 |
| Daily Report(s) | 1 | AOF Test | 1 |
| Treatment Program/Report | 1 | Static Gradient Test/AWS Test | 1 |
| Swab Report | 1 | Deliverability Test | 1 |
| Logs | 2 | All Fluid/Gas/Water Analysis | 1 |
| Bottom Hole Diagram | 1 | | |

WELL ABANDONMENT

| | |
|---------------------|---|
| Abandonment Program | 1 |
| Abandonment Report | 1 |

LEASE RECLAMATION

| | |
|---------------------|---|
| Reclamation Program | 1 |
| Reclamation Report | 1 |

On-Stream

Please notify PennWestnonop@pennwest.com with Date of First Production (within 24 hours of on-stream and/or flowback) along with the Field Data Capture system used (PDE-Partner Data Exchange, Data Scavenger etc.) and a contact person at your company responsible for ensuring that production data is shared and set up appropriately.

Note: Sample cuttings are not required unless otherwise specified, provided the Operator's set will be available for our examination.

1. **DAILY REPORTS:** preferred emailed daily to PennWestnonop@pennwest.com
Or faxed to (403) 218-4191

ALL OTHER WELL DATA TO BE FORWARDED TO:
PENN WEST

**200, 207 9 Avenue SW.
Calgary, AB T2P 1K3
Attention: Non-operated Production Administration**

SCHEDULE "L"
NET OPERATING INCOME AGREEMENT

See attached

NET OPERATING INCOME AGREEMENT

(Shorncliffe, Silver Heights, Kessler, Eye-Hill, Neutral Hills, Wainwright Alberta)

THIS AGREEMENT made as of June [●], 2016,

BETWEEN:

PENN WEST PETROLEUM LTD., a body corporate with its head office located in Calgary, Alberta (hereinafter referred to as "**PWPL**")

- and -

PENN WEST PETROLEUM, a partnership formed under the laws of Alberta (hereinafter referred to as "**PWP**")

(PWPL and PWP hereinafter collectively referred to as "**NOI Owner**")

- and -

CLEO ENERGY CORP., a body corporate with its head office located in Calgary, Alberta (hereinafter referred to as "**Grantor**")

WHEREAS Vendor and Purchaser entered into that Agreement of Purchase and Sale dated June [●], 2016 (the "**Sale Agreement**") with respect to the Assets;

AND WHEREAS pursuant to the Sale Agreement, Grantor granted NOI Interest to NOI Owner in accordance with the terms and conditions hereof;

NOW THEREFORE in consideration of the premises and the covenants and agreements hereinafter set forth and contained herein, the Parties hereto covenant and agree as follows:

ARTICLE 1 **INTERPRETATION**

1.1 Definitions

Capitalized terms used herein including in the recitals hereto, and which are defined in the Sale Agreement shall, unless otherwise defined herein, have the meanings set out in the Sale Agreement. In addition, the following terms shall have the meanings ascribed thereto below:

- (a) "**Agreement**" means this Net Operating Income Agreement;
- (b) "**Calculation Periods**" means the (a) the period beginning on the Effective Date and ending on December 31, 2016, and (b) the period beginning on January 1 and ending on December 31 of 2017, 2018, and June 30, 2019 respectively;
- (c) "**Effective Date**" means June 30, 2016;

- (d) **"GAAP"** means those accounting principles generally accepted in Canada, including the policies and standards of disclosure recommended by the Canadian Institution of Chartered Accountants from time to time;
- (e) **"Independent Accountant"** has the meaning specified in Subsection 2.2(b);
- (f) **"Net Operating Income"** means, with respect to any Calculation Period, (A) the earnings of Grantor attributable to the Assets without deduction of interest expenses, income taxes, depreciation, amortization charges and any expenses not directly relating to the operation of the Assets, but for certainty, after deducting expenses in respect of insurance, and property taxes, all of the foregoing calculated in accordance with GAAP, less (B) the actual Canadian income taxes payable by Grantor on Grantor's taxable income attributable to the Assets provided that in determining the Net Operating Income:
 - (i) no depreciation or other non-cash items shall be deducted from earnings;
 - (ii) no abandonment and reclamation costs shall be deducted from earnings;
 - (iii) no suspended well costs shall be deducted from earnings; and
 - (iv) no capital expenditures shall be deducted from earnings;
- (g) **"NOI Calculation"** has the meaning specified in Subsection 2.2(a);
- (h) **"NOI Calculation Delivery Date"** has the meaning specified in Subsection 2.2(a);
- (i) **"NOI Calculation Statement"** has the meaning specified in Subsection 2.2(a);
- (j) **"NOI Interest"** has the meaning specified in Section 2.1;
- (k) **"NOI Payment"** has the meaning specified in Subsection 2.2(a);
- (l) **"NOI Period"** means the period beginning on the Effective Date and ending on June 30, 2019;
- (m) **"Objection"** has the meaning specified in Subsection 2.2(b);
- (n) **"Parties"** means Grantor and NOI Owner collectively, and **"Party"** means either of them;
- (o) **"Production"** means the Petroleum Substances produced from the Assets;
- (p) **"Review Period"** has the meaning specified in Subsection 2.2(b); and
- (q) **"Sale Agreement"** has the meaning given to such term in the recitals hereto.

1.2 Headings: The expressions "Article", "Section" and "Subsection" followed by a number or letter or combination thereof mean and refer to the specified article, section and subsection, of or to this Agreement.

1.3 Number and Gender: When the context reasonably permits, words suggesting the singular shall be construed as suggesting the plural and vice versa, and words suggesting gender or gender neutrality shall be construed as suggesting the masculine, feminine and neutral genders.

1.4 Entire Agreement: The terms of this Agreement express and constitute the entire Agreement between the Parties in respect of the NOI Interest and no implied covenant or liability of any kind is created or shall arise by reason of anything contained in this Agreement.

1.5 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 applicable laws of Canada and shall, in all respects, be treated as a contract made in the Province of Alberta. 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.

ARTICLE 2

NOI INTEREST

2.1 Grant of NOI Interest: For the consideration given under the Sale Agreement, the receipt and sufficiency of which Grantor hereby acknowledges, Grantor as legal and beneficial owner of the Assets hereby grants and NOI Owner hereby accepts and receives for the NOI Period, the right to receive twenty five percent (25%) of the Net Operating Income (the "**NOI Interest**").

2.2 Payment of NOI Interest

- (a) On or before the date which is sixty (60) days after the last day of each Calculation Period (each such date, an "**NOI Calculation Delivery Date**"), Grantor shall prepare and deliver to NOI Owner a written statement (in each case, an "**NOI Calculation Statement**") setting forth in reasonable detail Grantor's determination of the NOI Interest for the applicable Calculation Period and calculation (in each case, an "**NOI Calculation**") of the resulting payment to be made to NOI Owner (each an "**NOI Payment**").
- (b) NOI Owner shall have sixty (60) days after receipt of the NOI Calculation Statement for each Calculation Period (in each case, the "**Review Period**") to review the NOI Calculation Statement and the NOI Calculation set forth therein. During the Review Period, NOI Owner and its Representatives shall have the right to inspect Grantor's books and records during normal business hours at Grantor's offices, upon reasonable prior notice and solely for purposes reasonably related to the determinations of Net Operating Income and the resulting NOI Payment. Before the expiration of the Review Period, NOI Owner may object to the NOI Calculation set forth in the NOI Calculation Statement for the applicable Calculation Period by delivering a written notice of objection (an "**Objection**") to Grantor. Any Objection shall specify the items in the applicable NOI Calculation disputed by NOI Owner and shall describe in reasonable detail the basis for such objection, as well as the amount in dispute. If NOI Owner fails to deliver an Objection to Grantor before the expiration of the Review Period, then the NOI Calculation set forth in the NOI Calculation Statement shall be final and binding on the Parties hereto. If NOI Owner timely delivers an Objection, Grantor and NOI Owner shall negotiate in good faith to resolve the disputed items and agree upon the resulting amount of the Net Operating Income and the NOI Payment for the applicable Calculation Period. If Grantor and NOI Owner are unable to reach agreement within fifteen (15) days after such an Objection has been given, all unresolved disputed items shall be promptly referred to an impartial nationally recognized firm of independent chartered professional accountants appointed by mutual agreement of Grantor and NOI Owner or, failing agreement, appointed by the Court of Queen's Bench (the "**Independent Accountant**"). The Independent Accountant shall be directed to render a written report on the

unresolved disputed items with respect to the applicable NOI Calculation as promptly as practicable, but in no event greater than thirty (30) days after such submission to the Independent Accountant, and to resolve only those unresolved disputed items set forth in the Objection. If unresolved disputed items are submitted to the Independent Accountant, Grantor and NOI Owner shall each furnish to the Independent Accountant such work papers, schedules and other documents and information relating to the unresolved disputed items as the Independent Accountant may reasonably request. The Independent Accountant shall resolve the disputed items based solely on the applicable definitions and other terms in this Agreement and the presentations by Grantor and NOI Owner, and not by independent review. The resolution of the dispute and the calculation of Net Operating Income that is the subject of the applicable Objection by the Independent Accountant shall be final and binding on the Parties. The fees and expenses of the Independent Accountant shall be borne by NOI Owner and Grantor in proportion to the amounts by which their respective calculations of Net Operating Income differ from Net Operating Income as finally determined by the Independent Accountant.

- (c) Within five (5) Business Days of acceptance of the NOI Calculation Statements, or the resolution of any Objection, Grantor shall make the applicable NOI Payment as finally determined in accordance with this Section 2.2 to NOI Owner.
- (d) With respect to any NOI Payment that is not paid in accordance with Subsection 2.2(c) interest shall accrue and be payable to Grantor by NOI Owner at the Prime Rate, calculated from and after the date the payment determined in Subsection 2.2(c) is due.

2.3 Not an Interest in Land

The NOI Interest is not a covenant attached to or running with the Lands and does not attach to or form part of any leases or constitute an interest in land or real property. NOI Owner does not, by virtue of this Agreement have any ownership right in the Petroleum Substances produced from the Lands and does not have any right to take any Petroleum Substances in kind.

ARTICLE 3

DATA AND INFORMATION

3.1 Records: Grantor shall keep in Calgary true and correct books, records, vouchers and accounts in accordance with GAAP showing the quantity of Petroleum Substances produced from or allocated to the Assets and the sales and disposition made thereof from time to time and all credit and debit entries made with respect to the NOI Interest. The books, records, vouchers and accounts maintained by Grantor shall be open to inspection at all reasonable times during business hours, by any officer, agent, employee or other person appointed or authorized by NOI Owner, in writing, to examine the same.

3.2 Data and Information: Grantor will permit NOI Owner and its lenders and potential lenders and permit NOI Owner's and its lenders' and potential lenders' employees, representatives, consultants and advisors (including legal counsel and engineering evaluators) to have access on reasonable notice during normal business hours on Business Days to all data and information in the possession or control of Grantor or its affiliates and permit NOI Owner, at NOI Owner's cost, to make copies of such data and information. NOI Owner acknowledges and agrees that such information is confidential and shall, and shall cause its lenders' and potential lenders' employees, representatives, consultants and advisors (including legal counsel and engineering evaluators) only use such information to confirm the NOI Calculation and for no other purpose.

ARTICLE 4

OPERATIONS

4.1 Insurance: Grantor shall obtain and maintain such property damage and third party liability insurance (which may include control of well insurance and pollution insurance) to provide protection for the Assets which is in accordance with industry standards.

4.2 Marketing: Subject to existing contracts for the sale of production, Grantor shall arrange for the sale of Petroleum Substances produced from the Lands for the best prices and on the best terms available to Grantor provided that so long as the Grantor acts bona fide and in good faith, it shall have complete discretion as to the terms, conditions and length of all contracts entered into for the sale of Petroleum Substances and shall not be responsible for any loss or alleged loss which may occur by reason of any change in economic or political circumstances or otherwise with respect to any such sales contract.

4.3 Cessation of Production: Grantor shall have full right, power and authority without the prior consent of NOI Owner to authorize the abandonment of any Well which is shut-in as of the date of this Agreement if the Grantor determines, in its sole discretion that such Well is not capable of producing Petroleum Substances. If Grantor wishes to shut-in, abandon and/or reclaim a Well which is not shut-in as of the date of this Agreement, Grantor may shut-in, abandon and/or reclaim a Well it determines, acting reasonably, that to do so is in accordance with good oil field practice, taking into account the current context.

ARTICLE 5

ASSIGNMENT

5.1 Assignment

- (a) Grantor shall not assign sell, mortgage, pledge, charge, grant a security interest in or otherwise encumber or dispose of all or any portion of its interest (i) in this Agreement without also assigning a corresponding interest in and to the Assets; or (ii) in the Assets without also assigning a corresponding interest in and to this Agreement.
- (b) Subject to Subsection 5.1(a), Grantor may assign, sell, mortgage, pledge, charge, grant a security interest in or otherwise encumber or dispose of all or any portion of its interest in (i) this Agreement together with a corresponding interest in and to the Assets; or (ii) the Assets together with a corresponding interest in and to this Agreement, as long as Grantor first notifies NOI Owner of its intention to do so and obtains from the Person in whose favour any such assignment, sale, mortgage, pledge, charge, grant, encumbrance or disposition is made, an executed written assignment and novation of this Agreement, agreeing to be bound by the terms and conditions of this Agreement to the extent of the interest so acquired. Until such assignment and novation is executed and delivered, the original parties hereto are entitled to look to the other Party for satisfaction of all obligations hereunder.

ARTICLE 6

PAYMENTS AND NOTICES

6.1 Delivery of Payments: All payments owing to NOI Owner hereunder may be made by paying the amount thereof to NOI Owner in accordance with the payment instructions provided by NOI Owner from time to time.

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

NOI Owner:

c/o Penn West Petroleum Ltd.
Suite 200, 207 – 9th Avenue SW
Calgary, AB Canada T2P 1K3

Attention: Manager of Land & Joint Venture
Email: PennWestnonop@pennwest.com

Grantor:

Cleo Energy Corp.
350 – 300, 5th Avenue SW
Calgary, Alberta T2P 3C4

Attention: Chris Lewis
Email: clewis@cleoenergy.com

All notices, communications and statements required, permitted or contemplated hereunder shall be in writing, and shall be delivered as follows:

- (a) by personal service on a Party at the address of such Party set out above, in which case the item so served shall be deemed to have been received by that Party when personally served;
- (b) by electronic mail to a Party at the address of such Party set out above, in which case the item so delivered will be deemed to have been received when the electronic mail enters the receiving Party's information system and becomes capable of being retrieved and processed by it if those events occur during normal business hours on any Business Day, or at the beginning of the next Business Day if those events occur after those business hours; or
- (c) except in the event of an actual or threatened postal strike or other labour disruption that may affect mail service, by mailing first class registered post, postage prepaid, to a Party at the address of such Party set out above, in which case the item so mailed shall be deemed to have been received by that Party on the third Business Day following the date of mailing (the date of mailing being the Business Day immediately prior to the postmarked date of the envelope containing the notice, communication or statement or if the subject envelope has been lost or destroyed, the date of such notice, communication or statement or if undated the date of the transmittal letter accompanying the same).

A Party may from time to time change its address for service by giving written notice of such change to the other Party.

ARTICLE 7
MISCELLANEOUS

7.1 Further Assurances: Each Party will, from time to time and at all times after the Effective Date, without further consideration, do such further acts and deliver all such further assurances, deeds and

documents as shall be reasonably required in order to fully perform and carry out the terms of this Agreement

7.2 Enurement: 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.

7.3 Waiver: 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. No waiver of any provision of this Agreement, including without limitation, this Section 7.3, 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.

7.4 Time: Time shall be of the essence in this Agreement.

7.5 Termination: This Agreement shall continue in full force and effect until final payment of all amounts and interest owing under this Agreement has been made to NOI Owner. Until this Agreement terminates, each of the Parties shall have all of the rights and benefits and all of the duties and obligations to which they are subject and entitled.

7.6 Counterparts: This Agreement may be executed in separate counterparts, and the executed counterparts shall together constitute one instrument and have the same force and effect as if both of the Parties had executed the same instrument. Delivery may occur via facsimile.

The remainder of this page is intentionally left blank.

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

PENN WEST PETROLEUM LTD.

CLEO ENERGY CORP.

Per: _____
Name:
Title:

Per: _____
Name:
Title:

Per: _____
Name:
Title:

Per: _____
Name:
Title:

PENN WEST PETROLEUM,
by its Managing Partner,
PENN WEST PETROLEUM LTD.

Per: _____
Name:
Title:

Per: _____
Name:
Title:

Exhibit "GG" to the Affidavit of
Chris Lewis
Sworn/Affirmed before me this
23rd day of December, 2024



A Notary Public for the State of California



OVERRIDING ROYALTY AGREEMENT HEAD AGREEMENT

THIS AGREEMENT dated the 31st day of May, 2020.

BETWEEN:

CLEO ENERGY CORP., a body corporate, with an office in the City of Calgary, in the Province of Alberta (“**Royalty Payor**”)

OF THE FIRST PART

- and –

B.I.L. CREE NATION CORP., a body corporate, with an office in the City of Calgary, in the Province of Alberta (“**Royalty Owner**”)

OF THE SECOND PART

(collectively referred to as the “**Parties**”)

WHEREAS pursuant to a Conveyance Agreement between the Royalty Owner and the Royalty Payor dated May 31, 2021 (the “**Conveyance Agreement**”), Royalty Payor granted Royalty Owner a non-convertible overriding royalty on certain lands and rights located in the Province of Alberta;

AND WHEREAS the Parties agree that this Agreement shall govern the non-convertible overriding royalty granted to Royalty Owner;

NOW THEREFORE in consideration of the premises and the terms and conditions hereinafter set forth and other good and valuable consideration, the sufficiency of which is hereby acknowledged by the Parties, the Parties covenant and agree with each other as follows:

1. DEFINITIONS

Each capitalized term used in this Head Agreement will have the meaning given to it in the 2015 CAPL Overriding Royalty Procedure and, in addition:

- (a) “**Royalty Lands**” means the lands set forth and described in Schedule “A” attached hereto.
- (b) “**Royalty Substances**” means any of crude oil, bituminous sands, crude bitumen and products derived therefrom, synthetic crude oil, petroleum, and any and all other substances related to any of the foregoing, whether liquid, solid or gaseous, and whether hydrocarbons or not.
- (c) “**Overriding Royalty Procedure**” means the standard form 2015 CAPL Overriding Royalty Procedure, which is incorporated by reference herein, and

includes the elections and amendments thereto, referenced within Schedule “B” attached hereto.

2. SCHEDULES

The following schedules are attached hereto and made part of this Agreement:

- (a) Schedule “A” which describes the Royalty Lands; and
- (b) Schedule “B” which are the elections and amendments to the Overriding Royalty Procedure.

3. ROYALTY

- 3.1 In accordance with the Conveyance Agreement and the consideration set forth therein, Royalty Payor hereby grants and sets over to Royalty Owner, and Royalty Owner hereby receives from Royalty Payor, the Overriding Royalty on the Royalty Substances, comprising an interest in Royalty Payor’s Working Interest in the Royalty Lands and all crude oil and related Petroleum Substances produced or deemed to be produced from Royalty Payor’s Working Interest in the Royalty Lands.
- 3.2 Royalty Owner's entitlement to the Overriding Royalty is effective on the Effective Date.
- 3.3 It is the express intention of the Parties that the Overriding Royalty herein granted by Royalty Payor to Royalty Owner constitutes, and is to be construed as, an interest in land in the Royalty Lands. All terms, covenants, provisions and conditions of this Agreement shall run with and be binding upon the Royalty Lands and the Title Documents, and the estates affected thereby for the duration of this Agreement. In connection therewith, Royalty Payor acknowledges and agrees that Royalty Owner is entitled to register a caveat of its interest against Payor’s Working Interest under the *Land Titles Act* (Alberta) and the equivalent provincial legislation in those jurisdictions where the Royalty Lands are located.

4. JURISDICTION

This Agreement shall be subject to and interpreted, construed, and enforced in accordance with the laws in effect in the Province of Alberta. Each Party accepts the jurisdiction of the courts of the Province of Alberta and all courts of appeal therefrom.

5. LIMITATIONS ACT

The two year period for seeking a remedial order under section 3(1)(a) of the *Limitations Act*, RSA 2000, c L-12, as amended, for any claim arising in connection with this Agreement is extended to:

- (a) for claims disclosed by an audit, two years after the time this Agreement permitted that audit to be performed has expired, and
- (b) for all other claims, four years.

6. ADDRESS FOR SERVICE

The address for service of notice hereunder of each of the Parties shall be as follows:

ROYALTY PAYOR: 200-117 8th Ave. S.W.
Calgary AB T2P 1B4

ROYALTY OWNER: Suite 1240, 150 9th Ave. S.W.
Calgary AB T2P 1B4

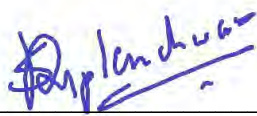
7. MISCELLANEOUS

- 7.1 The terms of this Agreement constitute the entire agreement between the Parties with respect to the subject matter hereof and no implied covenant or liability is created or shall arise by reason of this Agreement or anything herein contained.
- 7.2 This Agreement shall terminate upon the written agreement of the Parties.
- 7.3 Each Party shall from time to time and at all times do such further acts and execute and deliver all such further documents as shall be reasonably required to perform and carry out the terms of this Agreement.
- 7.4 If any provision of this Agreement is held to be invalid, illegal, or unenforceable, the invalidity, illegality, or unenforceability will not affect any other provision of this Agreement and this Agreement will be construed as if the invalid, illegal, or unenforceable provision had never been contained herein and the remaining provisions and conditions shall continue in full force and be binding upon the Parties as though the said provision had never been included.
- 7.5 This Agreement may be executed in counterpart. All executed counterpart pages, when taken together, will constitute the Agreement.

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

B.I.L CREE NATION CORP

CLEO ENERGY CORP.

Per: 
Name: Sameer Uplenchwar
Title: Managing Director

Per: _____
Name: _____
Title: _____

6. ADDRESS FOR SERVICE

The address for service of notice hereunder of each of the Parties shall be as follows:

ROYALTY PAYOR: 200-117 8th Ave. S.W.
Calgary AB T2P 1B4

ROYALTY OWNER: Suite 1240, 150 9th Ave. S.W.
Calgary AB T2P 1B4

7. MISCELLANEOUS

- 7.1 The terms of this Agreement constitute the entire agreement between the Parties with respect to the subject matter hereof and no implied covenant or liability is created or shall arise by reason of this Agreement or anything herein contained.
- 7.2 This Agreement shall terminate upon the written agreement of the Parties.
- 7.3 Each Party shall from time to time and at all times do such further acts and execute and deliver all such further documents as shall be reasonably required to perform and carry out the terms of this Agreement.
- 7.4 If any provision of this Agreement is held to be invalid, illegal, or unenforceable, the invalidity, illegality, or unenforceability will not affect any other provision of this Agreement and this Agreement will be construed as if the invalid, illegal, or unenforceable provision had never been contained herein and the remaining provisions and conditions shall continue in full force and be binding upon the Parties as though the said provision had never been included.
- 7.5 This Agreement may be executed in counterpart. All executed counterpart pages, when taken together, will constitute the Agreement.

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

B.I.L CREE NATION CORP

CLEO ENERGY CORP.

Per: _____
Name: Sameer Uplenchwar
Title: Managing Director

Per:  _____
Name: Chris Lewis
Title: Executive Chairman

SCHEDULE "B"

This is Schedule "B" attached to and made a part of the Overriding Royalty Agreement effective May 1, 2021, between B.I.L. Cree Nation Corp. and Cleo Energy Corp.

Effective Date (Clause 1.01): May 1, 2021

Incorporation Of Provisions From 2015 CAPL Operating Procedure (Clause 1.02):

- (a) Definition of Market Price: Optional sentence will x /will not apply.
- (b) Clause 18.01 (Confidentiality Requirement): Optional sentence will /will not x apply.

Quantification Of Overriding Royalty (Subclause 2.01A, if applicable):

- (a) For crude oil, Alternate 1 will apply (Specify 1 or 2).
 - If Alternate 1 applies: 3 %.
 - If Alternate 2 applies, divided by and not less than % or more than %.
- (b) For all other Petroleum Substances, Alternate 1 will apply (Specify 1 or 2).
 - If Alternate 1 applies: 3%.
 - If Alternate 2 applies: (i) %; and (ii) %.

Definition Of Allocation Ratio (Subclause 2.03A): Alternate 1 will apply (Specify 1 or 2).

Royalty Payor's Allowed Deductions (Clause 2.05), if applicable:

- (a) Costs through First Point of Measurement (Subclause 2.05A): Alternate 1 will apply (Specify 1 or 2).
- (b) Limitations On Deductions (Subclause 2.05C): Alternate(s) (Specify): (i) 1 only ;

Royalty Owner's Rights Upon Surrender (Clause 2.09): This optional Clause will x /will not apply.

Well Information To Royalty Owner (Paragraph 3.01A(b)): This optional Paragraph will x /will not apply.

Dispute Resolution (Clause 8.01): Article 21.00 of the CAPL Operating Procedure will x /will not apply.

AMENDMENTS

Article 2.00 OVERRIDING ROYALTY


The Parties confirm that the following shall be added as Clause 2.01(E)

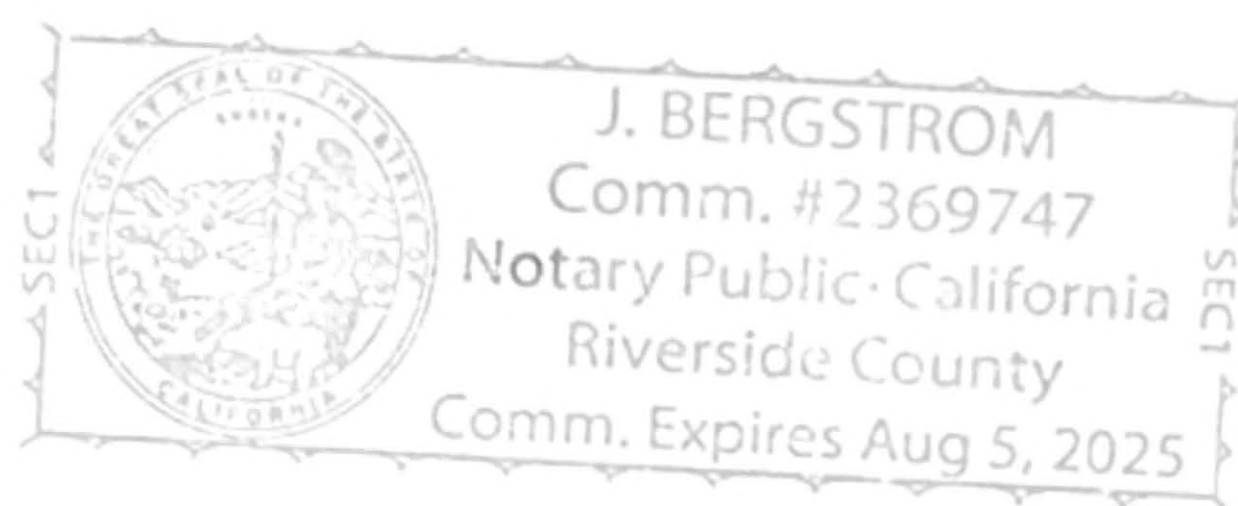
“From the Effective Date to the fourth (4th) anniversary thereof the Royalty Payor shall, either (i) deliver to the Royalty Owner twenty-five (25) barrels of crude oil per day (the "**Production Volume Royalty**") at a delivery point (the "**Delivery Point**") to be determined by the Royalty Owner, in accordance with customary pipeline and shipping practice at the first point of measurement, or (ii) pay to the Royalty Owner an amount equivalent thereto and calculated in accordance with Clause 2.04D. Such delivery or payment shall satisfy the Royalty Payor's obligation set forth in this Clause 2.01 to pay the Overriding Royalty or deliver the Overriding Royalty share of Petroleum Substances during such period.

Section 2.04(D) shall apply to the sale of by the Royalty Payor of the Production Volume Royalty, provided that the "Market Price" to be utilized by the Royalty Payor in such a case shall be the weighted average sale price received by it in the applicable period for physical deliveries of substantially all of its own production sale volumes produced in the applicable jurisdiction, including deliveries under arm's length sales agreements with terms exceeding 31 days".

The Parties intend that this amendment only affects the manner in which the Royalty Payor satisfies its obligations with respect to the Royalty hereunder, and not the Royalty itself.

Exhibit "HH" to the Affidavit of
Chris Lewis
Sworn/Affirmed before me this
23rd day of December, 2024


A Notary Public for the State of California



CONVEYANCE

THIS AGREEMENT made this 31st day of May, 2021.

BETWEEN:

CLEO ENERGY CORP., a corporation incorporated under the laws of Alberta (“**Vendor**”)

- and -

B.I.L. CREE NATION CORP., a corporation incorporated under the laws of Alberta (“**Purchaser**”)

WHEREAS Vendor and Purchaser are parties to an Offer to Purchase (the “**Offer to Purchase**”) dated May 3, 2021, pursuant to which Vendor agreed to grant, sell, transfer and convey the Royalty (as defined below) to the Purchaser;

WHEREAS Vendor wishes to grant, sell, transfer and convey the Royalty to the Purchaser and Purchaser wishes to acquire and purchase the Royalty from the Vendor, in each case subject to and in accordance with the terms and conditions set forth herein;

NOW THEREFORE in consideration of the premises and the mutual covenants and agreements hereinafter set forth, the Parties have agreed as follows:

ARTICLE 1 INTERPRETATION

1.1 Definitions

In this Conveyance, unless the context otherwise requires:

- (a) “**Applicable Law**” means, in relation to any Person, property or circumstance, all laws and statutes, including regulations, rules, by-laws, ordinances and other statutory instruments enacted thereunder; all judgments, decrees, rulings and orders of courts, tribunals, commissions and other similar bodies of competent jurisdiction; all orders, rules, directives, policies and guidelines having force of law issued by any Governmental Authority; requirements of a stock exchange; and all terms and conditions of any permits; that are in each case in effect as of the relevant time and are applicable to such Person, property or circumstance.
- (b) “**Base Price**” has the meaning ascribed thereto in Section 2.1a.
- (c) “**Business Day**” means a day other than a Saturday, a Sunday or a statutory holiday in Calgary, Alberta, and for greater clarity, a Business Day is deemed to close at 4:30 p.m. Mountain Time.

- (d) **“Claim”** means any claim, demand, lawsuit, proceeding, arbitration or governmental investigation.
- (e) **“Closing”** means the closing of the transaction contemplated hereby.
- (f) **“Closing Date”** means the date first written above.
- (g) **“Closing Statement”** has the meaning ascribed thereto in Section 2.1a●.
- (h) **“Consequential Losses”** means any consequential, incidental, punitive, special, exemplary or indirect damages or costs; direct, indirect, lost or deferred profits or revenues; loss of business opportunity; losses based on loss of use; or other business interruption losses and damages.
- (i) **“Effective Time”** means 12:01 a.m. on May 1, 2021.
- (j) **“Final Statement of Adjustments”** has the meaning ascribed thereto in Section 2.1a.
- (k) **“Governmental Authority”** means any legislature, court, tribunal, arbitrator, authority, agency, commission, division, board, bureau, branch, official or other instrumentality of any province, state, county, city or other political subdivision, governmental department or similar governing entity, and including any governmental, quasi-governmental or non-governmental body exercising similar powers of authority;
- (l) **“Lands”** means the lands set out in Schedule "A" under the heading “Lands”.
- (m) **“Losses”** means in relation to any matter, any and all losses, costs and damages (including all penalties and fines) which a Party suffers, sustains, pays or incurs in connection with any particular matter and includes taxes (excluding income taxes), reasonable costs of legal counsel (on a full indemnity basis) and other consultants and reasonable costs of investigating and defending Claims arising from the matter, regardless of whether such Claims are sustained.
- (n) **“Party”** means a party to this Conveyance.
- (o) **“Permitted Encumbrances”** means
 - (i) liens for taxes, assessments and governmental charges that are not due and payable or delinquent;
 - (ii) liens incurred or created in the ordinary course of business as security in favour of a Person that is conducting the development or operation of the property to which such liens relate and that are not due and payable or delinquent;

- (iii) mechanics', builders', materialmen's or other similar liens in respect of services rendered or goods supplied for which payment is not yet due and payable or delinquent;
 - (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, electric light, power, telephone, telegraph and cable television conduits, poles, wires and cables;
 - (v) the right reserved to or vested in any municipality or Governmental Authority by the terms of any lease, licence, franchise, grant or permit or by any provision of Applicable Law, to terminate any such lease, licence, franchise, grant or permit or to require annual or other periodic payments as a condition of the continuance thereof;
 - (vi) rights of general application reserved to or vested in any Governmental Authority to levy taxes on Petroleum Substances or any of them or the income therefrom, or to control, limit or regulate production rates or the operation or use of any property;
 - (vii) all encumbrances, overriding royalties and other royalties, net profits interests and other burdens identified in Schedule "A";
- (p) the terms and conditions of the Title Documents, including the requirement to pay any rentals or royalties (including reassessments) to the grantor thereof to maintain the Title Documents in good standing and any royalty or other burden reserved to the grantor thereof or any gross royalty trusts applicable to the grantor's interest in any of the Title Documents, provided that any conversions or reductions in interest or any overriding royalties, net profits interests or other encumbrances for which the Purchaser will assume an obligation for payment hereunder, in each case, shall not qualify as a Permitted Encumbrance unless set out in Schedule "A" ;
- (i) statutory exceptions to title, and the reservations, limitations, provisos and conditions in any original grants from the Crown of any of the mines and minerals within, upon or under the Lands;
 - (ii) provisions for penalties and forfeitures under agreements as a consequence of non-participation in operations and as disclosed as penalties in Schedule "A".
- (q) **"Person"** means any company, firm, partnership, trust, body corporate, Governmental Authority or individual.
- (r) **"Petroleum and Natural Gas Rights"** means all rights to and interest in respect of the Royalty Substances and the Title Documents (but only to the extent that the Title Documents pertain to the Lands) as set out in Schedule "A";

- (s) **"Purchase Price"** has the meaning ascribed thereto in Section 2.1a.
- (t) **"Royalty"** means a 3% gross overriding royalty on Royalty Substances, based on 100% of production allocated to Vendor's working interest, as more specifically set out in the Royalty Agreement, with respect to the Petroleum and Natural Gas Rights.
- (u) **"Royalty Agreement"** means the Royalty Agreement dated as of even date herewith between Vendor and Purchaser with respect to the Royalty.
- (v) **"Royalty Assets"** means those Petroleum and Natural Gas Rights set out on Schedule "A" hereto, which will be encumbered by the Royalty as a result of the Royalty Agreement.
- (w) **"Royalty Substances"** means any of crude oil, bituminous sands, crude bitumen and products derived therefrom, synthetic crude oil, petroleum, and any and all other substances related to any of the foregoing, whether liquid, solid or gaseous, and whether hydrocarbons or not.
- (x) **"Tax Act"** means the *Income Tax Act* (Canada), as amended from time to time, and includes the regulations promulgated thereunder.
- (y) **"Third Party"** means any individual or entity other than Vendor and Purchaser, including without limitation any partnership, corporation, trust, unincorporated organization, union, government and any department and agency thereof and any heir, executor, administrator or other legal representative of an individual.
- (z) **"this Conveyance", "herein", "hereto", "hereof"** and similar expressions mean and refer to this Conveyance; and
- (aa) **"Title Documents"** means, collectively, any and all certificates of title, leases, reservations, permits, licences, assignments, trust declarations, operating agreements, royalty agreements, gross overriding royalty agreements, participation agreements, farm-in and farmout agreements, sale and purchase agreements, pooling agreements, net profits agreements, net carried interest agreements, and any other documents and agreements granting, reserving or otherwise conferring rights to explore for, mine, treat, process, refine, upgrade, drill for, produce, take, use or market Royalty Substances, share in the production of Royalty Substances, share in the proceeds from, or measured or calculated by reference to the value or quantity of, Royalty Substances which are produced, store natural gas or other Royalty Substances and rights to acquire any of the rights described in items (i) to (iv) of this definition.

1.2 Headings

The expressions "Article", "Section", "subsection", "clause", "subclause", "paragraph" and "Schedule" followed by a number or letter or combination thereof mean and refer to the specified article, Section, subsection, clause, subclause, paragraph and schedule of or to this Conveyance.

1.3 Interpretation Not Affected by Headings

The division of this Conveyance into Articles, Sections, subsections, clauses, subclauses and paragraphs and the provision of headings for all or any thereof are for convenience and reference only and shall not affect the construction or interpretation of this Conveyance.

1.4 Included Words

When the context reasonably permits:

- (a) words suggesting the singular shall be construed as suggesting the plural and vice versa, and words suggesting gender or gender neutrality shall be construed as suggesting the masculine, feminine and neutral genders;
- (b) a capitalized derivative or other variation of a defined term will have a corresponding meaning; and
- (c) a reference to “includes” or “including” is used to present some (but not necessarily all) examples of the matter for which the reference is used, and is not to be construed to limit the interpretation of that matter to only those examples.

1.5 Schedule

There is appended to this Conveyance the following schedules pertaining to the following matters:

| | |
|--------------|-------|
| Schedule “A” | Lands |
|--------------|-------|

Such schedule is incorporated herein by reference as though contained in the body hereof. Wherever any term or condition of such schedule conflicts or is at variance with any term or condition in the body of this Conveyance, such term or condition in the body of this Conveyance shall prevail.

ARTICLE 2 CONVEYANCE

2.1 Conveyance

- (a) Subject to the terms hereof, in consideration of the payment of the sum of Two Million Three Hundred Thousand Canadian Dollars (\$2,300,000.00) (the “**Base Price**”) plus or minus any adjustments in accordance with Section 2.3 (the “**Purchase Price**”), the receipt and sufficiency of which is hereby acknowledged by Vendor, Vendor hereby grants, conveys and sets over to Purchaser, and Purchaser hereby purchases, acquires and accepts from Vendor, the Royalty, to have and hold the same together with all benefit and advantage to be derived therefrom, absolutely, subject to and in accordance with the terms of this Conveyance and the Royalty Agreement. The Parties hereby acknowledge that the

consideration received is in complete and final satisfaction of the consideration for the conveyance of the right, title, interest and estate of the Vendor in and to the Royalty by the Vendor to the Purchaser pursuant to this Conveyance.

- (b) The Parties agree to adjust the Base Price in accordance with the Closing Statement, and such adjusted amount is delivered by the Purchaser to the Vendor concurrently herewith.

2.2 Royalty Agreement

The Parties have executed and delivered the Royalty Agreement concurrently herewith.

2.3 Adjustments

- (a) The Parties will adjust and apportion all costs, expenses, royalties, revenues and benefits of every kind and nature accruing, payable or paid, receivable or received, in respect of the Royalty (to be calculated in accordance with the Royalty Agreement) as at the Effective Time between Vendor and Purchaser on an accrual basis in accordance with GAAP.
- (b) Vendor has prepared a statement based on Vendor's good faith estimate of any and all adjustments to be made between the Parties (the "**Closing Statement**") and has delivered a copy of such statement, together with reasonable supporting documentation, to Purchaser. Within ninety (90) days following Closing, Vendor shall prepare (or cause to be prepared) and deliver to Purchaser a written statement (the "**Final Statement of Adjustments**") setting forth any adjustments to be made between the Parties pursuant to and in accordance with Section 2.3(a) and the net amount payable by one Party to the other in respect of such adjustments. Except as provided in this Section 2.3, no further adjustments shall be made between the Parties after settlement of the adjustments set forth in the Final Statement of Adjustments. Vendor shall provide reasonable assistance Purchaser in verifying the amounts and adjustments set forth in the Final Statement of Adjustments.
- (c) During the thirty (30) day period after the delivery of the Final Statement of Adjustments, (the "**Audit Period**"), each Party shall have the right, at its own cost and upon at least five (5) Business Days prior notice to the other Party, to from time to time examine, copy and audit the accounting and financial records of the other Party relating to the Royalty or the operation thereof for the purpose of verifying the calculation or re-calculation of the adjustments provided for in this Section 2.3. Each Party shall cooperate with the other Party in order to provide reasonable access to its records to the other Party for the purposes of this Section.
- (d) If Purchaser is of the opinion, acting reasonably, that any change is required to be made to the Final Statement of Adjustments as prepared by Vendor, it shall be entitled, by no later than thirty (30) days after the end of the Audit Period (the "**Objection Date**"), to give written notice to Vendor of any such proposed change, including the amount of such proposed change and other particulars of such proposed change, in reasonable detail. If Purchaser does not notify Vendor of any

proposed change on or before the Objection Date, then Purchaser shall be deemed to have accepted the Final Statement of Adjustments.

- (e) If Purchaser gives written notice to Vendor of any proposed change to the Final Statement of Adjustments on or before the Objection Date, Vendor will respond in writing thereto within ten (10) days of receipt of such notice. If the proposed change is disputed by Vendor and the Parties fail to resolve the dispute within thirty (30) days after receipt by Vendor of such notice, then the Parties shall proceed to resolve any dispute in accordance with the process set out in the Royalty Agreement.

ARTICLE 3 REPRESENTATIONS, WARRANTIES AND COVENANTS

3.1 Representations and Warranties of Vendor

The Vendor hereby represents and warrants to Purchaser and acknowledges the Purchaser is relying on such representations and warranties that:

- (a) Corporate Standing: The Vendor has been duly incorporated and validly existing under the laws of its jurisdiction of incorporation.
- (b) Corporate Authority: The Vendor has taken all necessary actions and has all requisite power and authority to enter into, and to perform its obligations under, this Conveyance, the Royalty Agreement and any other agreements to be delivered hereunder or in connection herewith.
- (c) Binding Agreement: This Conveyance, the Royalty Agreement and any other agreements to be delivered hereunder or in connection herewith have been duly authorized, executed and delivered by all necessary corporate, partner or other action on the part of Vendor and constitute legal, valid and binding obligations of Vendor, enforceable against Vendor in accordance with and subject to their terms.
- (d) Solvency of Vendor: No actions have been taken or authorized by Vendor to initiate proceedings for or in respect of the bankruptcy, insolvency, liquidation, dissolution or winding up of Vendor and, to the knowledge of Vendor, no such proceedings have been taken or threatened by any other Person.
- (e) No Conflicts: This transaction and the execution, delivery and performance of this Conveyance by Vendor does not violate or conflict with any of the constating documents, by-laws or governing documents of Vendor and will not result in any violation of, be in conflict with or constitute a default under any term or provision of any agreement or instrument to which Vendor is party or by which Vendor is bound, or any Applicable Law, except, in either case, where such conflict or default would not adversely affect the ability of Vendor to complete the transaction contemplated herein with no adverse effect on or in respect of the Royalty or the Purchaser's interest therein.

- (f) Canadian Resident: The Vendor is not a non-resident of Canada within the meaning of the *Income Tax Act* (Canada).
- (g) Title: Except for the Permitted Encumbrances, the Royalty Assets are free and clear of any and all charges, security interests, liens and other encumbrances created by, through or under the Vendor or which it has knowledge, which would affect the entitlement of the Purchaser to either the payment of the Royalty, or the delivery of the Royalty Substances to the Purchaser if the Purchaser elects to take in kind pursuant to the Royalty Agreement.
- (h) No Lawsuits or Claims: Except as disclosed between the Vendor and the Purchaser in writing prior to the date hereof, there are no material Claims, proceedings, actions, lawsuits, administrative proceedings or governmental investigations in existence, or to the Vendor's knowledge contemplated or threatened against or with respect to the Royalty Assets or Vendor's ability to complete the transaction contemplated herein with no adverse effect on or in respect of the Royalty Assets or the Purchaser's interest therein .
- (i) Compliance - Agreements: The Vendor has complied with, performed, observed and satisfied all material terms, conditions, obligations and liabilities which have heretofore arisen and which are obligations of Vendor under any of the provisions of any agreement law, rule or regulation affecting the Royalty Assets or Vendor's interest therein.
- (j) Other Agreements: Except for the Title Documents, the Permitted Encumbrances, there are no other agreements or instruments pertaining to the Assets which gives or may result in any adverse Claim or a preferential right to all or any portion of the Assets or any interest in respect thereof, excluding those in favour of the Purchaser pursuant to this Conveyance.
- (k) Finders' Fees: Vendor has not incurred any obligation or liability, contingent or otherwise, for brokers' or finders' fees in respect of this transaction for which Purchaser shall have any obligation or liability.

3.2 Representations and Warranties of Purchaser

The Purchaser hereby represents and warrants to Vendor and acknowledges the Vendor is relying on such representations and warranties that:

- (a) Corporate Standing: The Purchaser has been duly established and validly existing under the laws of its jurisdiction of incorporation, and is registered in those jurisdictions in which the Royalty Assets are located;
- (b) Corporate Authority: The Purchaser has taken all necessary actions and has all requisite power and authority to enter into, and to perform its obligations under, this Conveyance and any other agreements to be delivered hereunder or in connection herewith;

- (c) Binding Agreement: This Conveyance and any other agreements to be delivered hereunder or in connection herewith have been duly authorized, executed and delivered by all necessary corporate, partner or other action on the part of Purchaser and constitute legal, valid and binding obligations of Purchaser, enforceable against Purchaser in accordance with and subject to their terms;
- (d) No Conflicts: This transaction and the execution, delivery and performance of this Conveyance by Purchaser does not violate or conflict with any of the constating documents, by-laws or governing documents of Purchaser and will not result in any violation of, be in conflict with or constitute a default under: any term or provision of any agreement or instrument to which Purchaser is party or by which Purchaser is bound; or any Applicable Law; except, in either case, where such conflict or default would not adversely affect the ability of Purchaser to complete the transaction contemplated hereby on the basis contemplated in this Conveyance;
- (e) Finders' Fees: The Purchaser has not incurred any obligation or liability, contingent or otherwise, for brokers' or finders' fees in respect of this transaction for which the Vendor shall have any obligation or liability; and
- (f) Canadian Resident: The Purchaser is not a non-resident of Canada within the meaning of the *Income Tax Act* (Canada).

3.3 Survival

The representations and warranties contained herein shall survive the conveyance provided for herein and continue in force for a period of one (1) years after the Effective Time.

3.4 Limitation Regarding Vendor's Representations and Warranties

Except as expressly set forth in Section 3.1, Vendor makes no representation or warranty regarding:

- (a) the accuracy or completeness of any data or information supplied by or on behalf of Vendor under this Conveyance or otherwise in connection with the transaction contemplated hereby;
- (b) the Royalty Assets, including:
 - (i) the title or interest of Vendor thereto;
 - (ii) or the quality, quantity or recoverability of Royalty Substances within or under the Lands or any lands pooled or unitized therewith;

and Vendor hereby expressly negates, and Purchaser hereby waives, all other representations or warranties relating to any such Person, property, circumstance or matter, regardless of whether made directly or indirectly, in verbal, written or electronic form, by Vendor or any of its directors, officers, employees or other personnel, consultants, agents, auditors, counsel or Representatives, or implied under or arising by operation of law.

Purchaser acknowledges and confirms that, except for the representations and warranties set forth in Section 3.1, and it has performed its own due diligence and evaluations and that it has relied, and will continue to rely, upon its own due diligence and evaluations with respect to all matters pertaining to Vendor, the Royalty Assets and the transaction contemplated hereby.

ARTICLE 4 INDEMNITIES

4.1 Vendor's Indemnities for Representations and Warranties and Covenants

The Vendor shall be liable for all Losses suffered, sustained, paid or incurred by the Purchaser and, in addition and as an independent covenant, shall defend, indemnify and keep harmless the Purchaser from and against all Losses suffered, sustained, paid or incurred by the Purchaser and all Claims made against Purchaser, in either case, as a consequence of any representations or warranties of the Vendor contained in Section 3.1 being untrue or incorrect.

4.2 Purchaser's Indemnities for Representations and Warranties and Covenants

Purchaser shall be liable for all Losses suffered, sustained, paid or incurred by Vendor, and, in addition and as an independent covenant, shall defend, indemnify and keep harmless Vendor from and against all Losses suffered, sustained, paid or incurred by Vendor and all Claims made against Vendor, in either case, as a consequence of any representations or warranties contained in Section 3.2 being untrue or incorrect.

4.3 Limitation of Remedies

- (a) From and after the Closing Date the sole remedy available to:
 - (i) Purchaser in respect to any of Vendor's representations and warranties set forth in Section 3.1 being untrue or incorrect shall be Vendor's assumption of liability and indemnity provided for in Section 4.1 and Purchaser hereby releases and waives any and all other Claims or any other remedy or relief that it has or hereafter may have in this regard, whether arising at law, in equity or otherwise; and
 - (ii) Vendor in respect to any of Purchaser's representations and warranties set forth in Section 3.2 being untrue or incorrect shall be Purchaser's assumption of liability and indemnity provided in Section 4.2 and Vendor hereby releases and waives any and all other Claims or any other remedy or relief that it has or hereafter may have in this regard, whether arising at law, in equity or otherwise.
- (b) Nothing in this Conveyance shall be construed so as to require Vendor to be liable for or to indemnify Purchaser in connection with any Consequential Losses.
- (c) Nothing in this Conveyance shall be construed so as to require Purchaser to be liable for or to indemnify Vendor in connection with any Consequential Losses.

- (d) Notwithstanding any other provision in this Agreement, in no event shall the liability of Vendor under or in respect of this Agreement, including all Claims by Purchaser arising out of or in connection with this Agreement, exceed, in the aggregate, an amount equal to the Purchase Price. This Section 4.3(d) shall survive Closing and any termination of this Agreement.

4.4 Procedures – General Indemnities

If a Party (the “**Claiming Party**”) wishes to claim indemnification from the other Party (the “**Indemnifying Party**”) pursuant to Section 4.1 or 4.2, the following shall apply:

- (a) Promptly after acquiring knowledge of the subject matter of the Claim or the Losses in respect of which the claim for indemnification is to be made (an “**Indemnified Matter**”), the Claiming Party shall provide notice thereof to the Indemnifying Party, provided that, failure to give such notice will not limit or lessen the right of the Claiming Party to indemnity under this Conveyance except to the extent that the Indemnifying Party is prejudiced in its contest or defence of the Indemnified Matter as a result of such failure. Such notice shall describe the nature of the Indemnified Matter in reasonable detail and indicate, if reasonably ascertainable, the Claiming Party’s good faith estimate of the amount for which the Indemnifying Party may be liable under this Conveyance in respect of such Indemnified Matter.
- (b) If the Indemnified Matter relates to a Claim made or brought by a Third Party:
 - (i) The Indemnifying Party shall have the right to participate in or to elect to assume control of the defence or dispute of any such Claim. Any such participation in or assumption of control of the defence or dispute of the Claim shall be at the Indemnifying Party’s own expense and use counsel chosen by the Indemnifying Party. The Claiming Party shall provide all reasonable assistance that the Indemnifying Party may reasonably request in connection with such defence or dispute.
 - (ii) The Claiming Party shall have the right to participate in the defence or dispute of any such Indemnified Matter using counsel of its own choice if representation of both the Claiming Party and the Indemnifying Party by the same counsel would be inappropriate due to conflicting interests of the two Parties, including Claims that would be partially excluded from indemnification by the Indemnifying Party by virtue of another provision of this Conveyance. The Indemnifying Party shall be liable for the costs of such additional counsel retained by the Claiming Party, but only to the extent that such costs pertain to the defence or dispute of the Indemnified Matter.
 - (iii) The Claiming Party shall not settle or compromise, or propose to settle or compromise, any such Indemnified Matter without first obtaining the consent of the Indemnifying Party, provided that, such consent shall not be required if: the Indemnifying Party denies or disputes that the particular

Claim constitutes an Indemnified Matter or refuses to take responsibility for the defence or dispute thereof as provided above; the Indemnifying Party fails to respond to any notice of the Indemnified Matter given by the Claiming Party in accordance with Section 4.4(a) within fifteen (15) days of receipt thereof by the Indemnifying Party; or the Indemnifying Party either refuses or fails to defend or dispute such Indemnified Matter after assuming responsibility for the defence or dispute thereof as provided above. In each such a case, the Claiming Party shall be entitled to defend, dispute, settle or compromise such a Claim by a Third Party in any manner it determines to be appropriate, acting reasonably and in good faith, subject to any limitations set forth in this Conveyance.

- (c) If the Indemnified Matter relates to Losses directly suffered, sustained, paid or incurred by the Claiming Party, the Indemnifying Party shall respond to the Claiming Party as to whether the Indemnifying Party accepts liability for such Indemnified Matter within thirty (30) days of receipt of the Claiming Party's notice given in accordance with Section 4.4(a) and:
 - (i) if the Indemnifying Party does not respond within such thirty (30) day period, the Indemnifying Party shall be deemed to have accepted its liability for such Indemnified Matter;
 - (ii) if the Indemnifying Party accepts its liability for such Indemnified Matter, the Indemnifying Party shall discharge its liability to indemnify the Claiming Party within ten (10) days after the end of the initial thirty (30) day notice period; and
 - (iii) if the Indemnifying Party disputes whether the particular Losses constitute an Indemnified Matter or the amount of such Losses for which the Indemnifying Party is liable within such thirty (30) day period, or if the Indemnifying Party accepts or is deemed to have accepted liability for such Indemnified Matter, but fails to discharge such liability within the specified period, the Claiming Party shall be free to seek to enforce its right to indemnification in respect of such Indemnified Matter under this Conveyance in any manner that it deems appropriate.
- (d) If the Indemnifying Party has paid an amount in respect of an Indemnified Matter pursuant to this Conveyance, then: (i) the Indemnifying Party will be subrogated to all and any Claims that the Claiming Party may have relating thereto without any further action; (ii) the Claiming Party, without limiting its rights to the indemnity under this Conveyance, shall provide any reasonable assistance that the Indemnifying Party may reasonably request in order to permit the Indemnifying Party to pursue such Claims; and (iii) if the Claiming Party is subsequently reimbursed by any Person or from any source other than the Indemnifying Party in respect of the Indemnified Matter, the Claiming Party shall promptly pay to the Indemnifying Party any such amounts so received by it, up to the amount received from the Indemnifying Party in respect of such Indemnified Matter.

ARTICLE 5 GENERAL

5.1 Confidentiality

Purchaser and Vendor covenant for themselves and their respective employees, officers and directors, and to cause their respective financial, legal and other advisors, consultants and any other person in any way involved in the transaction contemplated herein (collectively, “**Representatives**”), without the prior written consent of the other Party, not to disclose by public announcement or press release or to any Person, other than to such Representatives, the fact that Purchaser and Vendor have entered into this Conveyance or any of the terms of this Conveyance. Notwithstanding the foregoing, nothing herein shall prevent a Party from disclosing such information to its lenders, or to any Governmental Authority or the public but only if and to the extent that such disclosure to a Governmental Authority or the public is required by Applicable Law or any stock exchange rule or policy to which such Party or its affiliates are subject.

5.2 Further Assurances

Each Party will, from time to time and at all times after the date hereof, without further consideration, do such further acts and deliver all such further assurances, deeds and documents as shall be reasonably required in order to fully perform and carry out the terms of this Conveyance.

5.3 No Merger

There shall not be any merger of any covenant, representation, warranty or indemnity in such assignments, conveyances, transfers and other documents notwithstanding any rule of law, equity or statute to the contrary and such rules are hereby waived.

5.4 Entire Agreement and Conflicts

The terms of this Conveyance constitutes the entire agreement between the Parties with respect to the transactions contemplated herein, contains all of the representations and warranties of the respective Parties and supersedes all prior agreements, documents, and written and verbal understandings between the Parties with respect to the grant of the Royalty. Except as provided in the Royalty Agreement, this Agreement supersedes all other agreements, documents, writings and verbal understandings between the Parties relating to the subject matter of this Agreement, including the Offer to Purchase, and expresses the entire agreement of the Parties with respect to the subject matter of this Agreement.

5.5 Governing Law

This Conveyance 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 laws of Canada applicable therein and shall, in every regard, be treated as a contract made in the Province of Alberta. 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 this Conveyance.

5.6 Assignment and Enurement

No assignment or transfer of this Conveyance shall relieve Purchaser from the obligations to Vendor herein. Subject thereto, this Conveyance shall enure to the benefit of and be binding upon the Parties, and their respective successors and permitted assigns.

5.7 Time of Essence

Time shall be of the essence in this Conveyance.

5.8 Notices

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

| | |
|------------|--|
| Vendor: | Cleo Energy Corp. 200 - 117 8th Avenue SW Calgary, AB T2B 1B4 |
| Attention: | Chief Executive Officer |
| Email: | asweerts@cleoenergy.com |
| Purchaser | B.I.L. Cree Nation Corp. c/o Big Island Lake Cree Nation Suite 1240, 150 9th Avenue S.W. Calgary, Alberta T2P 3H9 |
| | Attention: Managing Partner |
| Email: | sameer@helioscorp.ca |

All notices, communications and statements required, permitted or contemplated hereunder shall be in writing, and shall be delivered as follows:

- (a) by personal service on a Party at the address of such Party set out above, in which case the item so served shall be deemed to have been received by that Party when personally served, if served on a Business Day. If not served on a Business Day, the notice shall be deemed to have been received on the next Business Day; or
- (b) by facsimile or email to a Party to the fax number or email of such Party set out above, in which case the item so transmitted shall be deemed to have been received by that Party when transmitted, if transmitted on a Business Day. If not transmitted on a Business Day, the notice shall be deemed to have been received on the next Business Day.

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.

5.9 Invalidity of Provisions

If any of the provisions of this Conveyance 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.

5.10 Waiver

A failure by a Party to exercise any of its rights or remedies hereunder shall not 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 arising in law, equity, by statute or otherwise. No waiver of any provision of this Conveyance, including without limitation this Section 5.10, 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.

5.11 Amendment

This Conveyance shall not be amended other than by an instrument in writing executed by a duly authorised representative of each Party.

5.12 Severability

Any provision in this Conveyance which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof or affecting the validity or enforceability of such provision in any other jurisdiction.


5.13 Counterpart Execution

This Conveyance may be executed in counterparts, each of which shall be deemed to be an original and all of which taken together shall be deemed to constitute one and the same instrument. Counterparts may be delivered either in original or faxed form or by way of a PDF or similar scan attached to an email or by other mutually acceptable digital or electronic format and means of delivery and the Parties adopt any such signatures received in such manner as original signatures of the Parties; provided, however, that any Party providing its signature in such manner shall, if required at the request of the other Party, promptly forward to the other Party an original of the signed copy of this Conveyance which was so faxed, emailed or otherwise delivered. A valid and binding contract shall arise if and when counterpart execution pages are executed and delivered by Vendor and Purchaser in accordance herewith.

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

[Remainder of page intentionally left blank, signature page follows]

CLEO ENERGY CORP

By: 

Name: Chris Lewis
Title: Executive Chairman

By: _____
Name:
Title:

B.I.L. CREE NATION CORP

By: _____
Name: Sameer Uplenchwar
Title: Managing Partner

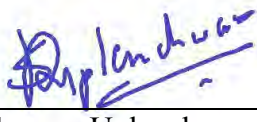
By: _____
Name: Christopher Brown
Title: Managing Partner

CLEO ENERGY CORP

By: _____
Name: Chris Lewis
Title: Executive Chairman

By: _____
Name:
Title:

B.I.L. CREE NATION CORP

By:  _____
Name: Sameer Uplenchwar
Title: Managing Partner

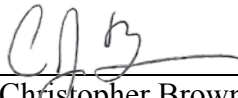
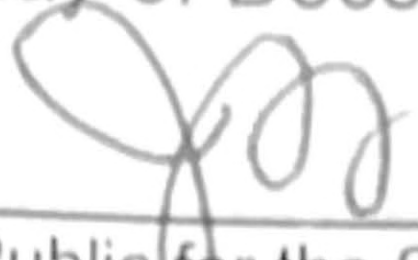
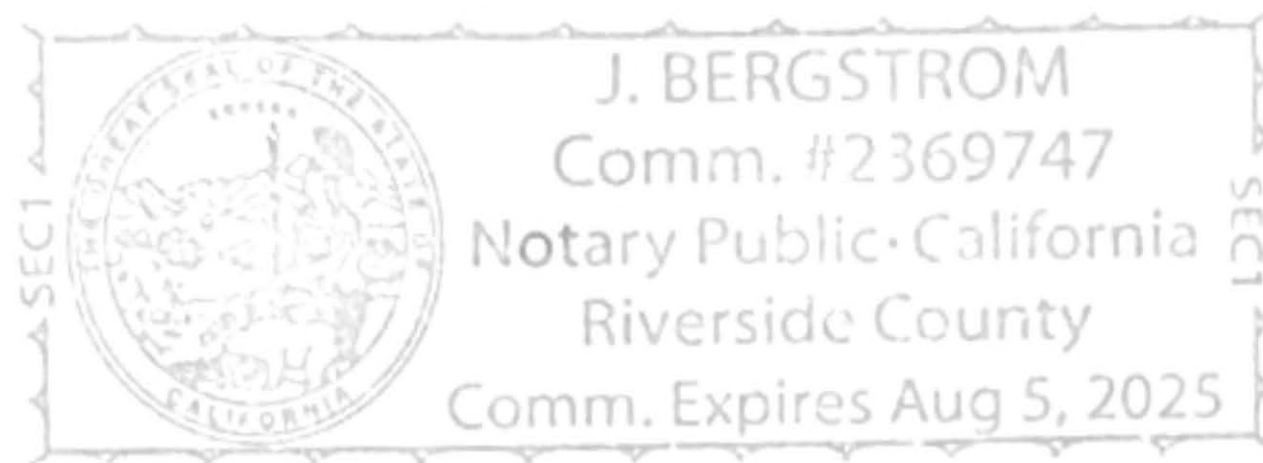
By:  _____
Name: Christopher Brown
Title: Managing Partner

Exhibit "II" to the Affidavit of
Chris Lewis
Sworn/Affirmed before me this
23rd day of December, 2024


A Notary Public for the State of California



December 19, 2024

Chris Lewis, CEO
Cleo Energy Corp. (A7BY)
200 – 117 8 Ave SW
Calgary, AB T2P 1B4

Calgary Head Office
Suite 1000, 250 – 5 Street SW
Calgary, Alberta T2P 0R4
Canada

www.aer.ca

Email: clewis@cleoenergy.com

Limiting Eligibility of Cleo Energy Corp. (A7BY)

The Alberta Energy Regulator (AER) has received correspondence from Alvarez & Marsal to indicate that on December 8, 2024, Cleo Energy Corp. (Cleo) filed a Notice of Intention to Make a Proposal with Alvarez & Marsal Canada as Proposal Trustee.

Per *Directive 067: Eligibility requirements for Acquiring and Holding Energy Licences and Approvals (Directive 067)*, section 4.5 the following are some of the factors that may be considered in assessing whether a licensee poses unreasonable risk:

- being or having been subject to or initiating insolvency proceedings (which includes bankruptcy proceedings, receivership, notice of intention to make a proposal under the *Bankruptcy and Insolvency Act*, proceedings under *Companies Creditors Arrangement Act*);
- involvement of the applicant, licensee, or approval holder's directors, officers, or shareholders in entities that have initiated or are or have been subject to insolvency proceedings;
- outstanding debts owed for municipal taxes, surface lease payments, or public land disposition fees or rental payments by the applicant, licensee, or approval holder or by current or former AER licensees, or approval holders that are directly or indirectly associated or affiliated with the applicant, licensee, or approval holder or its directors, officers, or shareholders;
- outstanding noncompliances of current or former AER licensees or approval holders that are directly or indirectly associated or affiliated with the applicant, licensee, or approval holder or its directors, officers, or shareholders; and
- outstanding debts owed to AER or the Orphan Fund by the applicant, licensee, or approval holder or by current or former AER licensees or approval holders that are directly or indirectly associated or affiliated with the applicant, licensee, or approval holder or its directors, officers, or shareholders.

Pursuant to section 1.300 of the *Oil and Gas Conservation Rules (OGCR)* and section 6 of *Directive 067*, the AER may restrict licence eligibility including in circumstances where, in the AER's opinion, the AER finds the licensee or approval holder poses an unreasonable risk.

Due to Cleo entering insolvency proceedings through the NOI process the AER's opinion is that Cleo poses an unreasonable risk. Therefore, effective **December 19, 2024**, the AER restricts licence eligibility from General Eligibility to Limited Eligibility and imposes the following terms and conditions:

- 1) Cleo is prohibited from acquiring any new/additional licences or approvals, either through transfers or applications beyond its current inventory.
- 2) Additional scrutiny will be applied to any transfer application that may result in licences moving from Cleo.

- 3) An exemption to the above restrictions will apply to applications for activities which are required by Cleo in an emergency response situation, or as deemed necessary by the AER.

Please note there is no change to Cleo's:

- 1) access to the DDS or OneStop system,
- 2) environmental and operational responsibilities related to its current licence inventory, and
- 3) requirements under any Orders currently issued or that will be issued in the future.

Should Cleo wish to seek General Eligibility in the future, it is welcome to reapply and be prepared to demonstrate that it does not pose an unreasonable risk by following the steps in *Directive 067*. It will then be up to the discretion of the AER to determine if Cleo has provided sufficient information and supporting materials to make this change. Per section 7 of *Directive 067* a reapplication to amend licence eligibility may include payment of an additional fee.

Under the *Responsible Energy Development Act* (REDA) an eligible person may file a request for a regulatory appeal on an appealable decision. Eligible persons and appealable decisions are defined in section 36 of REDA and section 3.1 of the *Responsible Energy Development Act General Regulation*. If you wish to file a request for regulatory appeal, you must submit your request in the form and manner and within the timeframe required by the AER. You can find filing requirements and forms on the AER website, <https://www.aer.ca/regulating-development/project-application/regulatory-appeal-process>.

In order to assist you through the process, Janet Stewardson at janet.stewardson@aer.ca will be your main contact. Please reach out if you have any questions.

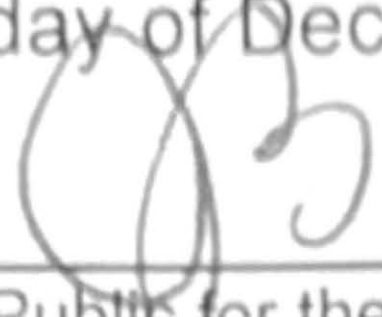
Sincerely,



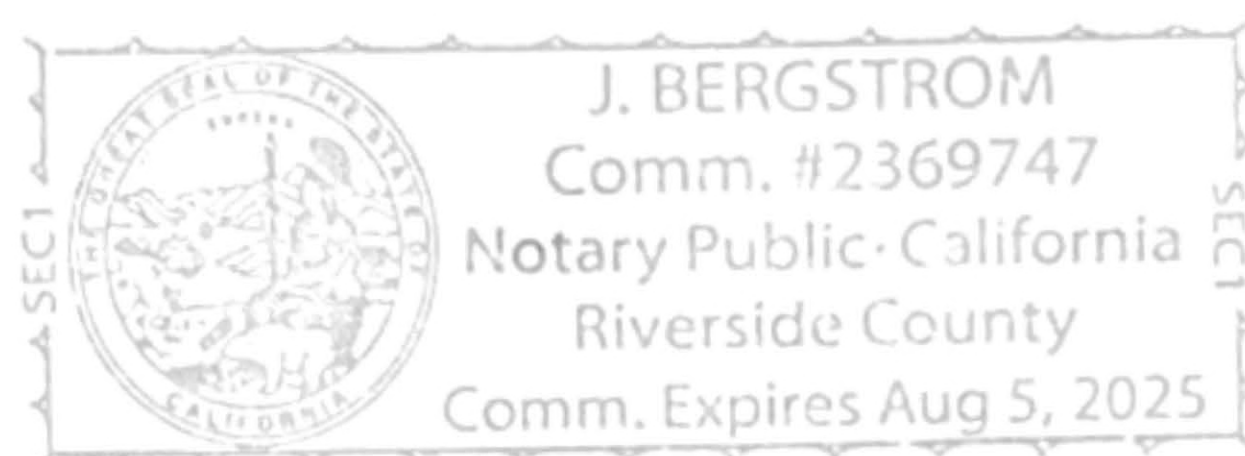
Kaitlin Szacki
Manager, Orphaning and Insolvency
Alberta Energy Regulator

cc: Orest Konowalchuk, Alvarez & Marsal Canada

Exhibit "JJ" to the Affidavit of
Chris Lewis
Sworn/Affirmed before me this
23rd day of December, 2024



A Notary Public for the State of California



2401-10333

Action Number
P 2490102074

COURT Alberta Court of Justice (Civil)

COURT LOCATION Calgary
Calgary Courts Centre, Suite 606-S, 601-5 Street SW
Calgary AB T2P 5P7
Phone: 403-297-7217 Fax: 403-297-7374

Court of King's Bench use only

CLERK OF THE COURT
FILED
JUL 25 2024
JUDICIAL CENTRE
OF CALGARY
Clerk's initials _____

PLAINTIFF(S) Morganick Blending Services Corp

DEFENDANT(S) Cleo Energy Corp

DOCUMENT **Certificate of Default Judgment**

ADDRESS FOR
SERVICE AND
CONTACT
INFORMATION OF
PARTY FILING THIS
DOCUMENT

| | | | | |
|--|--|-----------------------|--|---------------------------------|
| Document Filed on Behalf of the Following Party (Parties): | | | <input checked="" type="radio"/> Plaintiff | <input type="radio"/> Defendant |
| Morganick Blending Services Corp | | | | |
| Address for Service (Building, Street, Apt, Unit, PO Box Number) | | | | |
| #105, 412 53 Avenue SE | | | | |
| City/Town | | Province/Territory | Postal Code | |
| Calgary | | Alberta | T2H 0N4 | |
| Daytime Phone Number | | Cellular Phone Number | Fax Number for Service | |
| 403-202-7336 | | | 403-201-7236 | |
| Email Address for Service | | | Represented by: | |
| kenpratherts@shaw.ca | | | <input type="radio"/> Lawyer | |
| Name of Lawyer / Student-at-law / Agent (if any) | | | <input type="radio"/> Student-at-law | |
| Ken Prather | | | <input checked="" type="radio"/> Agent | |
| Firm Name (if any) | | | <input type="radio"/> Self | |
| T&S Collections Ltd | | | | |

At the request of the Plaintiff(s), Judgment is entered against the following Defendant(s):

Cleo Energy Corp

Name of Defendant(s)

For the following amounts:

| | |
|---|---------------------|
| Amount claimed: <u>Aug 15/22</u> | \$ 11,168.83 |
| Payments made since date claim was filed: | \$ 0.00 |
| Interest of: | \$ 5,030.56 |
| Costs of: | \$ 211.60 |
| TOTAL JUDGMENT | \$ 16,410.99 |



Entered on JUL 16 2024

at Calgary, Alberta.

P. SNEAD

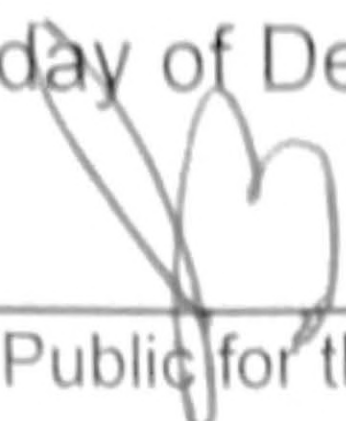
D/Clerk of the Court of Justice

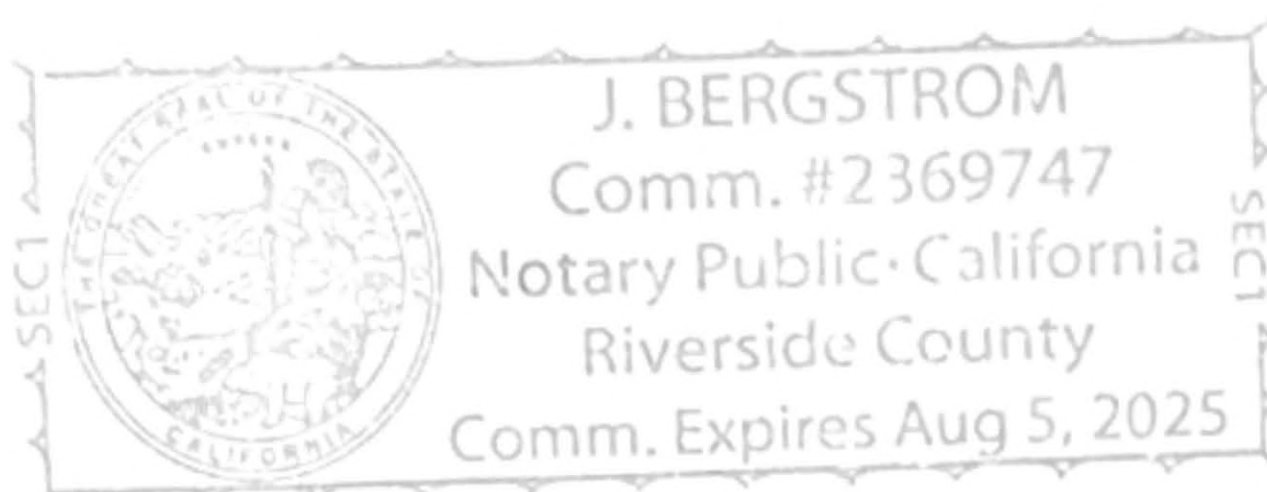
I certify that this is a true copy of the original

Date: JUL 16 2024

D/Clerk of the Court of Justice

Exhibit "KK" to the Affidavit of
Chris Lewis
Sworn/Affirmed before me this
23rd day of December, 2024


A Notary Public for the State of California



Action Number
P24090102262

COURT Alberta Court of Justice (Civil)
COURT LOCATION **Calgary**
Calgary Courts Centre, Suite 606-S, 601-5 Street SW
Calgary, AB T2P 5P7
Phone: 403-297-7217 Fax: 403-297-7374

Court of King's Bench use only

PLAINTIFF(S) Startec Refrigeration Services Ltd.

DEFENDANT(S) Cleo Energy Corp.

Clerk's Initials

DOCUMENT

Certificate of Default Judgment

ADDRESS FOR
SERVICE AND
CONTACT
INFORMATION OF
PARTY FILING THIS
DOCUMENT

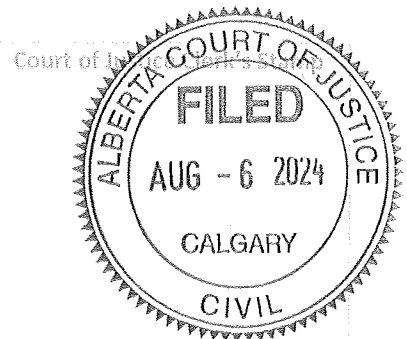
| | | |
|---|---|---|
| Document files on Behalf of the Following Party (Parties) Startec Refrigeration Services Ltd. | | <input checked="" type="checkbox"/> Plaintiff <input type="checkbox"/> Defendant |
| Address for Service (Building, Street, Apt, Unit, PO Box Number) PO Box 25102, Deer Park RPO | | |
| City Red Deer | Province Alberta | Postal Code T4R 2M2 |
| Daytime Phone Number 403-968-9623 | | Cellular Phone Number 403-968-9623 |
| Email Address for Service wesue@usue.ca | Fax Number for Service 403-938-4080 | Represented by: <input type="checkbox"/> Lawyer <input type="checkbox"/> Student-at-law <input checked="" type="checkbox"/> Agent <input type="checkbox"/> Self |
| Name of Lawyer / Student-at-law / Agent (if any) Peter Hoven | | |
| Firm Name (if any) U-SUE Inc. | | |

2. At the request of the Plaintiff(s), Judgment is entered against the following Defendant(s):

Cleo Energy Corp.

For the following amounts:

| | | |
|---|----|------------------|
| Amount claimed: | \$ | <u>11,017.91</u> |
| Payments made since date claim was filed: | \$ | <u>0</u> |
| Interest of: | \$ | <u>608.55</u> |
| Costs of: | \$ | <u>325.04</u> |
| TOTAL JUDGMENT | \$ | <u>11,951.50</u> |



Clerk's Initials

Entered on AUG - 6 2024 at _____
Calgary, Alberta.

D/Clerk of Court of Justice

I certify that this is true copy of the original

Date: _____

Clerk of the Alberta Court of Justice

Action Number
P24090102262

COURT Alberta Court of Justice (Civil)
COURT LOCATION Calgary
Calgary Courts Centre, Suite 606-S, 601-5 Street SW
Calgary, AB T2P 5P7
Phone: 403-297-7217 Fax: 403-297-7374

Court of King's Bench use only

PLAINTIFF(S) Startec Refrigeration Services Ltd.

DEFENDANT(S) Cleo Energy Corp.

Clerk's Initials

DOCUMENT

Certificate of Default Judgment

ADDRESS FOR
SERVICE AND
CONTACT
INFORMATION OF
PARTY FILING THIS
DOCUMENT

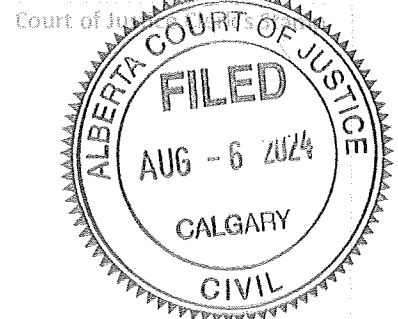
| | | |
|--|--|---|
| Document files on Behalf of the Following Party (Parties) Startec Refrigeration Services Ltd. | | <input checked="" type="checkbox"/> Plaintiff <input type="checkbox"/> Defendant |
| Address for Service (Building, Street, Apt, Unit, PO Box Number) PO Box 25102, Deer Park RPO | | |
| City Red Deer | Province Alberta | Postal Code T4R 2M2 |
| Daytime Phone Number 403-968-9623 | | Cellular Phone Number 403-968-9623 |
| Email Address for Service wesue@usue.ca | Fax Number for Service 403-938-4080 | Represented by: <input type="checkbox"/> Lawyer <input type="checkbox"/> Student-at-law <input checked="" type="checkbox"/> Agent <input type="checkbox"/> Self |
| Name of Lawyer / Student-at-law / Agent (if any) Peter Hoven | | |
| Firm Name (if any) U-SUE Inc. | | |

2. At the request of the Plaintiff(s), Judgment is entered against the following Defendant(s):

Cleo Energy Corp.

For the following amounts:

| | |
|---|---------------------|
| Amount claimed: | \$ 11,017.91 |
| Payments made since date claim was filed: | \$ 0 |
| Interest of: | \$ 608.55 |
| Costs of: | \$ 325.04 |
| TOTAL JUDGMENT | \$ 11,951.50 |



Clerk's Initials

Entered on AUG - 6 2024 at
Calgary, Alberta.

D/Clerk of Court of Justice

I certify that this is true copy of the original

Date: AUG - 6 2024

Clerk of the Alberta Court of Justice

Action Number
P24090102262

COURT Alberta Court of Justice (Civil)
COURT LOCATION Calgary
Calgary Courts Centre, Suite 606-S, 601-5 Street SW
Calgary, AB T2P 5P7
Phone: 403-297-7217 Fax: 403-297-7374

Court of King's Bench use only

PLAINTIFF(S) Startec Refrigeration Services Ltd.

DEFENDANT(S) Cleo Energy Corp.

DOCUMENT

Certificate of Default Judgment

ADDRESS FOR
SERVICE AND
CONTACT
INFORMATION OF
PARTY FILING THIS
DOCUMENT

| | | |
|---|---|---|
| Document files on Behalf of the Following Party (Parties) Startec Refrigeration Services Ltd. | | <input checked="" type="checkbox"/> Plaintiff <input type="checkbox"/> Defendant |
| Address for Service (Building, Street, Apt, Unit, PO Box Number) PO Box 25102, Deer Park RPO | | |
| City Red Deer | Province Alberta | Postal Code T4R 2M2 |
| Daytime Phone Number 403-968-9623 | Cellular Phone Number 403-968-9623 | |
| Email Address for Service wesue@usue.ca | Fax Number for Service 403-938-4080 | Represented by: <input type="checkbox"/> Lawyer <input type="checkbox"/> Student-at-law <input checked="" type="checkbox"/> Agent <input type="checkbox"/> Self |
| Name of Lawyer / Student-at-law / Agent (if any) Peter Hoven | | |
| Firm Name (if any) U-SUE Inc. | | |

2. At the request of the Plaintiff(s), Judgment is entered against the following Defendant(s):

Cleo Energy Corp.

For the following amounts:

Amount claimed: \$ 11,017.91

Payments made since date claim was filed: \$ 0

Interest of: \$ 608.55

Costs of: \$ 325.04

TOTAL JUDGMENT \$ 11,951.50

AUG - 6 2024

Entered on _____ at
Calgary, Alberta.

D/Clerk of Court of Justice

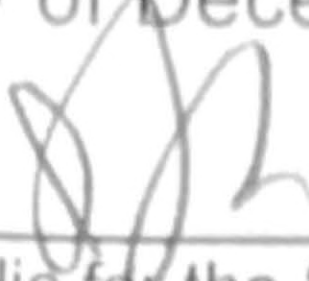
I certify that this is true copy of the original

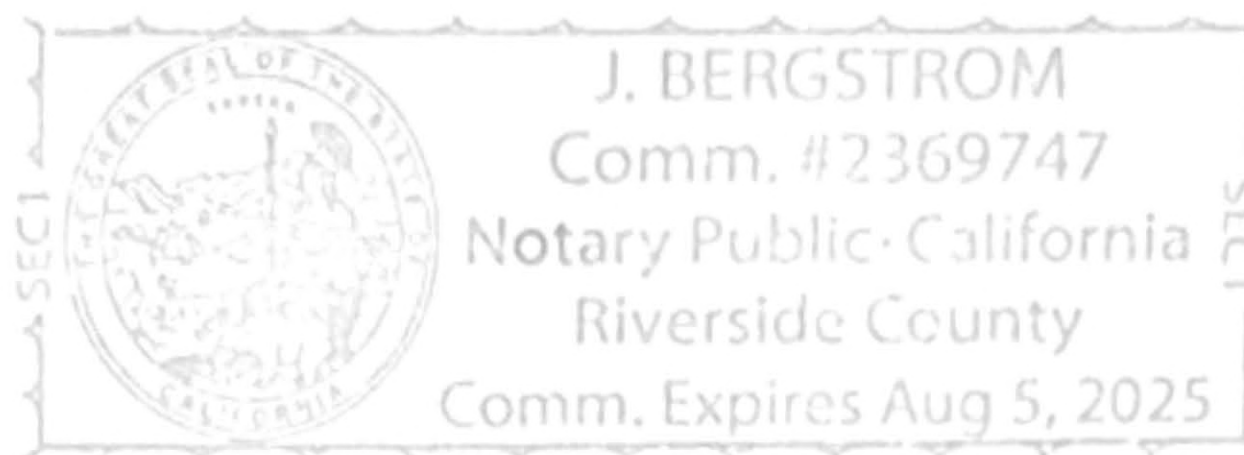
Date: AUG - 6 2024

Clerk of the Alberta Court of Justice



Exhibit "LL" to the Affidavit of
Chris Lewis
Sworn/Affirmed before me this
23rd day of December, 2024


A Notary Public for the State of California



MLT AIKINS

WESTERN CANADA'S LAW FIRM

October 25, 2024

VIA COURIER AND EMAIL
(clewis@cleoenergy.com)

CLEO Energy Corp.
c/o Registered Office
#200, 117 8th Avenue SW
Calgary, Alberta
T2P 1B4

CLEO Energy Corp.
c/o Primary Agent for Service
2902 Montcalm Crescent SW
Calgary, Alberta
T2T 3M6

Attention: Colton Lewis

Re: Vertex Professional Services Ltd. v CLEO Energy Corp.; Alberta Court of King's Bench Action No. 2301-13984 (the "Action")

We are litigation counsel to Vertex Professional Services Ltd. in the above noted Action.

Please find enclosed the following for service upon you, as the Registered Office and Primary Agent for Service of CLEO Energy Corp.:

1. Default Judgment granted October 18, 2024; and
2. Financial Statement of Debtor (Corporate Debtor).

In accordance with Section 35.10 of the Civil Enforcement Regulation, you are obligated to provide a completed and notarized copy of the Financial Statement of Debtor to our offices no later than November 11, 2024.

Yours truly,
MLT Aikins LLP



Luke Bendkowski

Encls.

c. Jonathan J. Bouchier and Catrina J. Webster, MLT Aikins LLP (via email)

MLT Aikins LLP
2100 - 222 3rd Avenue SW
Calgary, AB T2P 0B4
T: (403) 508-4300
F: (403) 508-4349

Luke Bendkowski
Associate, Litigation
Direct Line: (403) 693-4312
Email: lbendkowski@mltaikins.com

Olha Kaluhina
Legal Assistant
Direct Line: (403) 693-4344
okaluhina@mltaikins.com

COURT FILE NUMBER: 2301-13984

Clerk's Stamp

COURT COURT OF KING'S BENCH OF ALBERTA

JUDICIAL CENTRE CALGARY

PLAINTIFF VERTEX PROFESSIONAL SERVICES LTD.

DEFENDANT CLEO ENERGY CORP.

DOCUMENT: DEFAULT JUDGMENT

ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT
MLT AIKINS LLP
2100, 222 3rd Ave SW
Calgary, Alberta T2P 0B4
Phone: 403.693.4310/4312
Fax: 403.508.4349
Attention: Catrina J. Webster/Luke E. Bendkowski
File: 0041058.00077



UPON THE PLAINTIFF, Vertex Professional Services Ltd. ("**Vertex**"), having filed an Affidavit of Service sworn by Olha Kaluhina on October 18, 2024 providing proof of service of the Statement of Claim of Vertex filed in the within Action on the Defendant, CLEO Energy Corp., effective as of October 24, 2023.

AND UPON THE DEFENDANT, CLEO Energy Corp. (the "**Defendant**") not having delivered any Statement of Defence or Demand for Notice within the applicable time after service of the Statement of Claim.

AND UPON VERTEX being entitled to enter Judgment against the Defendant under Rule 3.36 (*Judgment in default of defence*) and Rule 3.39 (*Judgment for debt or liquidated demand*);

IT IS ADJUDGED THAT:

1. Vertex shall recover against the Defendant the total amount of \$274,708.73 consisting of:
 - a. the principal amount of \$229,355.29, together with interest thereon in the further amount of \$45,353.44 as calculated in the attached Computation of Judgment, for a total judgment in the amount of \$274,708.73, plus costs to be assessed on a solicitor and own client (full-indemnity) basis. **Total owing on December 20, 2024 \$117,999.98**

COMPUTATION OF JUDGMENT

| | |
|--|---------------------|
| CLEO Energy Corp. – Calculation of Interest and Judgment | |
| Outstanding Amount as of October 24, 2023 (as per Statement of Claim) | \$229,355.29 |
| Interest claimed (as per Statement of Claim) Principal balance of \$229,355.29 plus interest from October 25, 2023 to October 17, 2024 at a rate of 24% per annum (as per Statement of Claim) | \$45,353.44 |
| TOTAL AS OF OCTOBER 17, 2024 | \$274,708.73 |

Form 14
Statutory Declaration

File Number
2301-13984

In accordance with section 35.10 of the Civil Enforcement Regulation, the Corporation must, within 15 days of being served with this form, provide the completed form to the enforcement creditor.

A. Debtor Information

I
Full Name of Deponent _____
of _____ AB
Address of Deponent _____ City/Town _____ Province/Territory _____ Postal Code _____ Telephone Number of Deponent _____
am the _____ of CLEO ENERGY CORP.
Position of Corporate Debtor _____ Name of Corporate Debtor _____
of _____ AB
Address of Corporate Debtor _____ City/Town _____ Province/Territory _____ Postal Code _____ Telephone Number of Corporate Debtor _____
and I solemnly declare that the contents of this document are true and accurate.

B. Assets

Real Estate

List all real estate (homes, rental properties, cottages, condominiums, etc.) both within and outside the Province of Alberta in which you own an interest, including municipal address, legal description, purchase price, balance owing and current market value.

| Municipal Address | Legal Description | Purchase Price | Balance Owing | Current Market Value |
|-------------------|-------------------|----------------|---------------|----------------------|
|-------------------|-------------------|----------------|---------------|----------------------|

List the name and address of any mortgagee for each property described above, as well as the date the mortgage was granted and the amount outstanding on the mortgage.

| Name of Mortgage | Address of Mortgage | Date Mortgage Granted (yyyy-mm-dd) | Amount Outstanding on Mortgage |
|------------------|---------------------|------------------------------------|--------------------------------|
|------------------|---------------------|------------------------------------|--------------------------------|

Motor Vehicles

List all motor vehicles, including cars, trucks, farm machinery, construction equipment, recreational vehicles, aircraft, etc. in which you own an interest.

| Type - Make - Model - Year | Serial Number | Purchase Price | Current Market Value |
|----------------------------|---------------|----------------|----------------------|
|----------------------------|---------------|----------------|----------------------|

If any of the above vehicles are subject to any liens or encumbrances, specify:

| Holder of Lien or Encumbrance | Date of Lien/Encumbrance (yyyy-mm-dd) | Balance Owing on Lien/Encumbrance |
|-------------------------------|---------------------------------------|-----------------------------------|
|-------------------------------|---------------------------------------|-----------------------------------|

List all fixtures, equipment and inventory.

| Type - Make - Model - Year | Serial Number, if Applicable | Purchase Price | Current Market Value |
|----------------------------|------------------------------|----------------|----------------------|
|----------------------------|------------------------------|----------------|----------------------|

Bank Accounts, etc.

List all chequing and savings accounts, term deposits, RRSPs, annuities, etc., specifying the following:

| Type of Deposit | Name of Institution | Account Number | Branch Address | Amount |
|-----------------|---------------------|----------------|----------------|--------|
|-----------------|---------------------|----------------|----------------|--------|

Also, specify whether there are any conditions attached to redemption of the account, and, if applicable, any expiry dates.

| | |
|-----------------------------------|--|
| Conditions Attached to Redemption | Expiry Date if Applicable (yyyy-mm-dd) |
|-----------------------------------|--|

Receivables and Ongoing Contracts

List all receivables and ongoing contracts.

| | | |
|------|---------|---------------|
| Name | Address | Amount Owning |
|------|---------|---------------|

Shares and Securities

If the corporation has holdings in a corporation, complete the following:

List all shares, options, warrants, etc., and their current market value.

| | | | | | |
|------|---------------------|--------|----------------------|-----------|---------------------------|
| Type | Name of Corporation | Number | Current Market Value | Dividends | Date Payable (yyyy-mm-dd) |
|------|---------------------|--------|----------------------|-----------|---------------------------|

List all bonds and debentures held and their current market value.

| | | | |
|----------------|-----------------|---------------|--------------------|
| Name of Issuer | Class or Series | Quantity Held | Total Market Value |
|----------------|-----------------|---------------|--------------------|

List location of all certificates for all corporate holdings and the name(s) and address(es) of the respective broker(s).

| | |
|--|-------------------------------|
| Location of Security Certificates or Other Evidence of Ownership of Securities | Name and Address of Broker(s) |
|--|-------------------------------|

Trust Properties

List all properties or interests held by a trustee on the Corporation's behalf.

| | | |
|----------------------------|--------------------|-----------------------------|
| Description of Assets Held | Location of Assets | Name and Address of Trustee |
|----------------------------|--------------------|-----------------------------|

Other Assets

List all other assets, specifying kind, value and location, and whether solely or jointly owned.

| Type of Asset | Description | Sole Owner | Location | Value |
|----------------------------------|-------------|--|----------|-------|
| Interests in Other Businesses | | <input type="checkbox"/> Yes <input type="checkbox"/> No | | |
| Promissory notes, judgment debts | | <input type="checkbox"/> Yes <input type="checkbox"/> No | | |
| Loans and mortgages receivable | | <input type="checkbox"/> Yes <input type="checkbox"/> No | | |

List all other assets, specifying kind, value and location, and whether solely or jointly owned (e.g. art, jewellery, bullion, etc.).

| | | | |
|----------------------|--|----------|-------|
| Description of Asset | Sole Owner <input type="checkbox"/> Yes <input type="checkbox"/> No | Location | Value |
|----------------------|--|----------|-------|

C. Transfer of Property

Has the corporation given away, sold, assigned or otherwise transferred any property (land, buildings, vehicles, money, equipment, inventory, etc.) outside the ordinary course of business within the past year? Specify details below.

| | | | |
|-------------------------|---------------------|-------------------------------|---|
| Description of Property | To Whom Transferred | Date of Transfer (yyyy-mm-dd) | How Much Money, if Any, Was Recovered by The Corporation? |
|-------------------------|---------------------|-------------------------------|---|

D. Insurance

List all insurance policies in which the corporation is named beneficiary, including the insurance company granting the policy, the policy number, the amount, the person insured, the premium and its cash surrender value.

| | | | | | |
|-------------------|------------|--------|----------------|---------|----------------------|
| Insurance Company | Policy No. | Amount | Person Insured | Premium | Cash Surrender Value |
|-------------------|------------|--------|----------------|---------|----------------------|

E. Additional Income and Assets

List all income and assets not itemized above (e.g. legal action claims under insurance policies, etc.).

And I make this solemn declaration conscientiously believing it to be true and knowing that it is of the same force and effect as if made under oath.

Declared Before me at the City of

_____, in the Province of Alberta,

this _____ day of _____, 20 _____.

Signature of Affiant

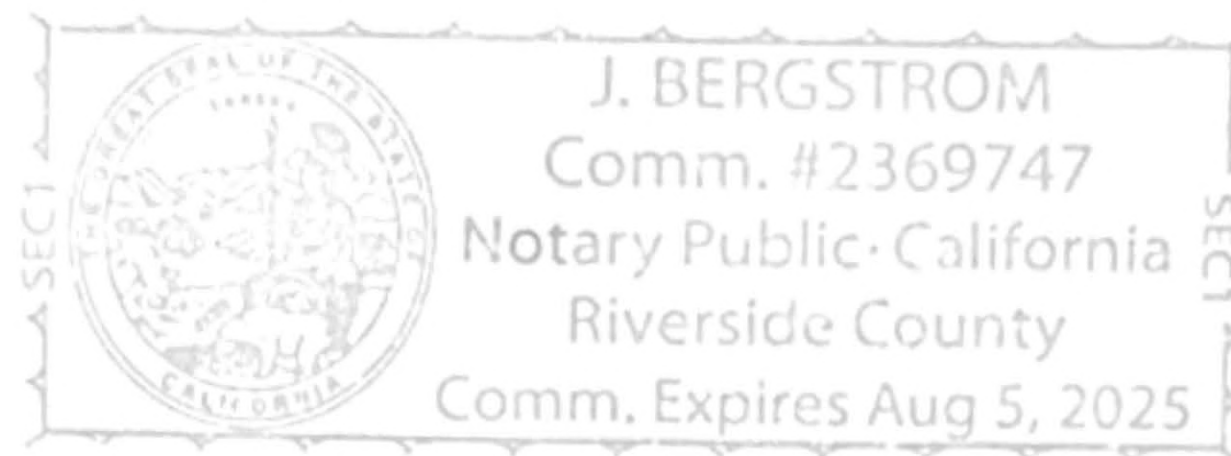
Commissioner for Oaths or Notary Public

A Commissioner for Oaths or Notary Public in and for Alberta
(Also include printed or stamped name and expiry date)

Exhibit "MM" to the Affidavit of
Chris Lewis
Sworn/Affirmed before me this
23rd day of December, 2024



A Notary Public for the State of California



July 26, 2024

KAITLYN A. GRAMLICH
DIRECT DIAL: 403.294.3451
DIRECT FAX: 403.767.8892
EMAIL: kgramlich@parlee.com
OUR FILE #: 69563.583

VIA REGISTERED MAIL AND EMAIL AT
chlewis@cleoenergy.com and invoice@cleoenergy.com

Cleo Energy Corp.
200 – 117 8th Ave SW
Calgary, AB
T2P 1B4

Attention: Colton Lewis

Dear Sir/Madam:

Re: Agreement between Cleo Energy Corp. ("Cleo Energy") and geoLOGIC Systems Ltd. ("geoLOGIC")

Please be advised that we are the solicitors for geoLOGIC and we have been retained with regard to the abovementioned matter. Pursuant to a License Agreement effective January 30, 2017, and a Configuration/Schedule 'B' dated December 5, 2023 (collectively, the "Agreements"), Cleo Energy agreed to pay geoLOGIC software, data, and licensing fees in accordance with the terms of the Agreements for the term of January 20, 2024 to January 19, 2025, by way of payment of \$53,880.00 plus GST.

Accordingly, geoLOGIC issued Invoice INV-02558 and Invoice INV-02901 to Cleo Energy on January 25, 2024 and April 20, 2024, respectively, for payment in the amount of \$14,143.54 inclusive of GST per invoice (the "Fees"). Pursuant to the invoices, the Fees were to be paid by Cleo Energy within 30 days of the date of the invoice.

Our client has advised that Cleo Energy has failed to make any payment under INV-02558 and INV-02901. Specifically, the Fees in the amount of \$28,287.08 remain outstanding. As such, Cleo Energy has defaulted upon the terms of the Agreements, and interest has and will continue to accrue on the overdue Fees at a rate of 18% per annum, or \$13.95 per day, in accordance with the Agreements. As of July 26, 2024, Cleo Energy owes interest in the total of \$1,965.54 (the "Accrued Interest").

Demand is hereby made for payment of the outstanding Fees in the amount of **\$28,287.08**, plus the Accrued Interest in the amount of **\$1,965.54**, plus **interest at the rate of \$13.95 per day** from July 26, 2024 until payment is made, by no later than **4:00PM on August 9, 2024**. If either our office or geoLOGIC is not in receipt of payment of the outstanding amounts by way of certified cheque, bank draft or money order by August 9, 2024, we expect instructions to immediately thereafter commence legal proceedings against Cleo Energy and our client will be seeking all legal costs associated with same.

Our client looks forward to receipt of payment.

Yours truly,


PARLEE McLAWS LLP

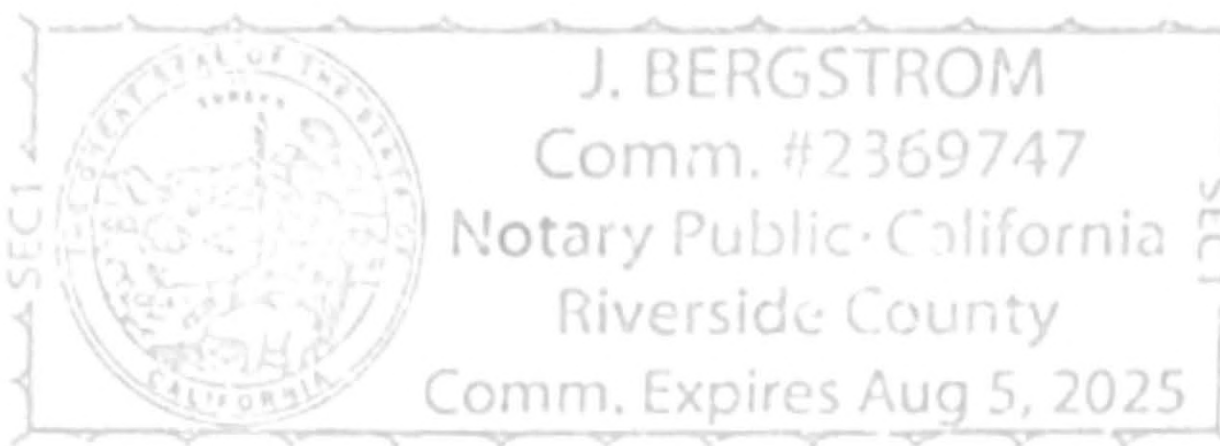
A handwritten signature in blue ink, appearing to read "Kaitlyn A. Gramlich", is positioned below the firm name.

KAITLYN A. GRAMLICH

cc: geoLOGIC via e-mail

Exhibit "NN" to the Affidavit of
Chris Lewis
Sworn/Affirmed before me this
23rd day of December, 2024


A Notary Public for the State of California





BIL Cree Nation Corp.
PO Box 65212 North Hill
Calgary, AB, T2N 4T6

July 29, 2024

CLEO Energy Corp.
Suite 200 – 117 8 Avenue SW
Calgary, AB, T2P 1B4

Attention: Chris Lewis, Director & CEO Cleo Energy Corp.

RE: 30 Day Request for Full Payment of Illegally Withheld Funds from BIL Cree Nation Corp.

BIL Cree Nation Corp. (“BILCN”) is providing CLEO Energy Corp. (“CLEO”) 30 day notice to pay, in full, illegally withheld funds as it relates to the gross overriding royalty agreement and associated required payments owed to BILCN as well as associated interest.

Despite being paid for its oil production, CLEO has knowingly withheld the contractual royalty payments due to BILCN and thus CLEO is in violation of its contractual obligations under the 2015 CAPL Overriding Royalty Procedure to BILCN (CLEO-BILCN Royalty Contract). In addition, CLEO has failed to provide BILCN direct access to its royalty payments owed directly from its oil marketing company (another violation of the CLEO-BILCN Royalty Contract). In doing so CLEO has created financial jeopardy to BILCN and BILCN is exercising its contractual right to place a lien on all royalty related assets of CLEO. Multiple historical attempts to obtain payments have failed and forced BILCN to make this final demand for full payment prior to initiating legal proceedings to obtain the outstanding funds owed from CLEO and Chris Lewis.

The demand is for full repayment of all proceeds (inclusive of interest) of:

\$491,396.56 (four hundred ninety one thousand, three hundred ninety-six and fifty six cents Canadian dollars)

Due Date: August 29, 2024

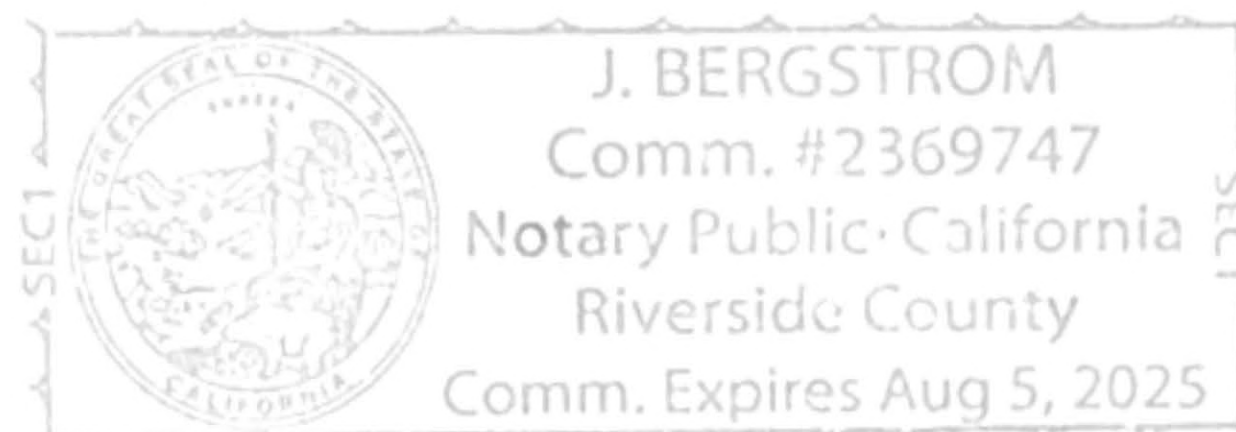
Failure for CLEO to repay the amount in full by the due date, will require BILCN to pursue an application with the Court of King’s Bench of Alberta to force the sale of all royalty related assets necessary to repay the outstanding debt (inclusive of interest), as well as all incurred legal expenses and any other compensation the court determines.

Regards,

Christopher Brown
BIL Cree Nation Corp. - Director

Exhibit "OO" to the Affidavit of
Chris Lewis
Sworn/Affirmed before me this
23rd day of December, 2024


A Notary Public for the State of California





Welding
Manufacturing
Fabrication

September 12, 2024

Cleo Energy Corporation
200, 117 - 8th Avenue. SW
Calgary, Alberta
T2P 1B4

Re: Past Due Account

Dear Rob,

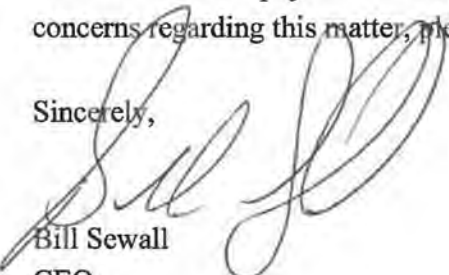
I am writing to remind you of the outstanding payment for your account. Invoices and dates are listed on the attached statement.

Despite our previous reminders, we have not yet received any payments. We respectfully request that the full amount be paid by September 20th, 2024.

Please be aware that failure to meet this deadline may result in legal action. We would like to resolve this matter amicably and avoid any further action.

You can make the payment via direct deposit or cheque. If you have any questions or concerns regarding this matter, please contact me directly at the number below.

Sincerely,

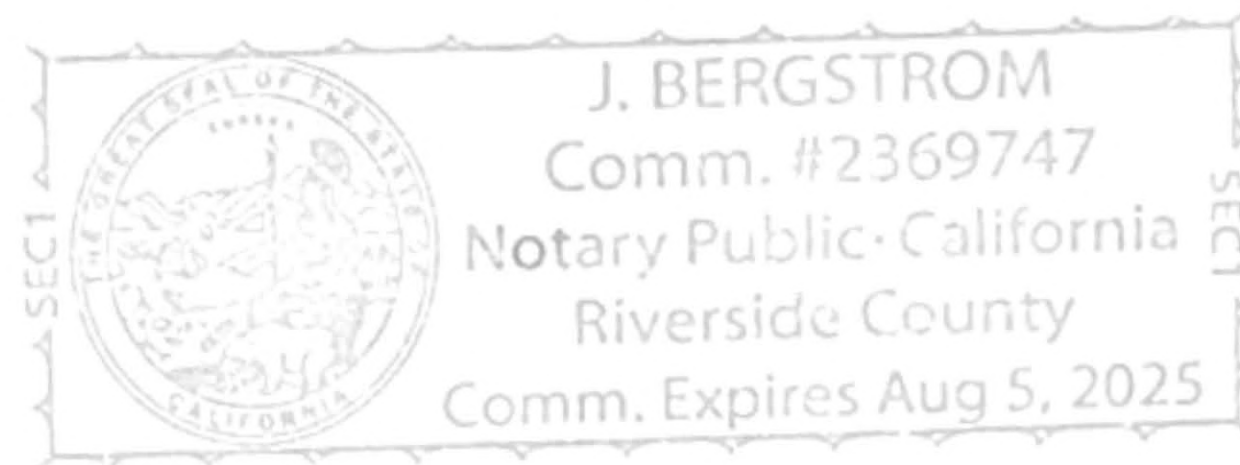


Bill Sewall
CEO

Exhibit "PP" to the Affidavit of
Chris Lewis
Sworn/Affirmed before me this
23rd day of December, 2024



A Notary Public for the State of California





Stephen Haxton
Analyst, JV, Financial Risk

September 13, 2024

VIA REGISTERED MAIL

Cleo Energy Corp.
200-117 8 Ave SW
Calgary, AB
T2P 1B4

Dear Sir or Madam:

Re: Notice of Default and Request for Payment

We would note that Cleo Energy Corp. ("Cleo") is currently in default of its obligations by virtue of its indebtedness to Canadian Natural Resources Limited ("Canadian Natural") in the amount of **\$45,690.42** invoiced in accordance with the following agreements:

1. FARMOUT AGREEMENT;
Dated: 3/1/1971
Land: Twp 43 Rge 16 W4M: Sections 28,33
Our File: 602362
Area: HOLMBERG
2. TRUSTEE AGREEMENT;
Dated: 5/1/2003
Land: Twp 14 Rge 20 W4M: Sections 17,18;
Our File: 652406
Area: CLARESHOLM
3. FARMOUT AGREEMENT;
Dated: 2/21/1963
Land: Twp 40 Rge 9 W4M: Section 1;
Our File: 607971
Area: SOUTHERN PLAIN
4. HOLMBERG GAS HANDLING AGREEMENT;
Dated: 2/1/2017
Land: (blank)
Our File: 658465
Area: HOLMBERG
5. HOLMBERG MANNVILLE GAS UNIT;
Dated: 6/1/1973
Land: Twp 43 Rge 16 W4M: Sections
14,15,21-23,27,28,33,34

Canadian Natural Resources Limited

Suite 2100 Bankers Hall East, 855 – 2nd Street S.W., Calgary, Alberta T2P 4J8 • Telephone: (403) 517-6700 Facsimile: (403) 517-7007 www.cnrl.com

Our File: 617217
Area: HOLMBERG
6. ROAD USE AGREEMENT;
Dated: 7/28/2016
Land: Twp 46 Rge 9 W4M: LSD 7 of Section
10; (102/ WELL);
Our File: 953440.1
Area: IRMA

Accordingly, we would request that you forward payment of the entire balance owing of **\$45,690.42** by way of a certified cheque or bank draft payable to Canadian Natural Resources Limited. A detailed Statement of Account is attached, herewith, for your reference.

Please note that some Agreements may allow for the application of operators' or processors' liens immediately following the issuance of this notice. If we are not in receipt of payment and have not heard from you within **FIVE (5) DAYS** from the date of this notice, Canadian Natural will take immediate steps to pursue any remedies available to it in order to collect the outstanding amount, including but not limited to, the exercise of operators' and processors' lien remedies afforded by the Agreements.

In the event that the default is not cured and that Canadian Natural chooses to exercise a lien on Cleo's share of production to collect the account arrears, Canadian Natural may also deduct from Cleo's share of revenues any freehold royalty and/or gross overriding royalty payments due from jointly – owned wells or tracts and further submit these amounts to the royalty recipients on Cleo's behalf. In order to avoid the issuance of duplicate payments to the royalty recipients, please check the joint – interest billings to find out whether these deductions are already being made on your behalf. Canadian Natural **will not** deduct **nor** remit any royalties from wells or tracts that it **does not** jointly own with Cleo from the proceeds of the product.

We trust you will find the foregoing to be in order, however, should you have any questions with respect to the foregoing, please contact the undersigned.

Yours truly,

CANADIAN NATURAL RESOURCES LIMITED

Stephen Haxton

Stephen Haxton
Joint Venture Analyst – Financial Risk

Enclosure

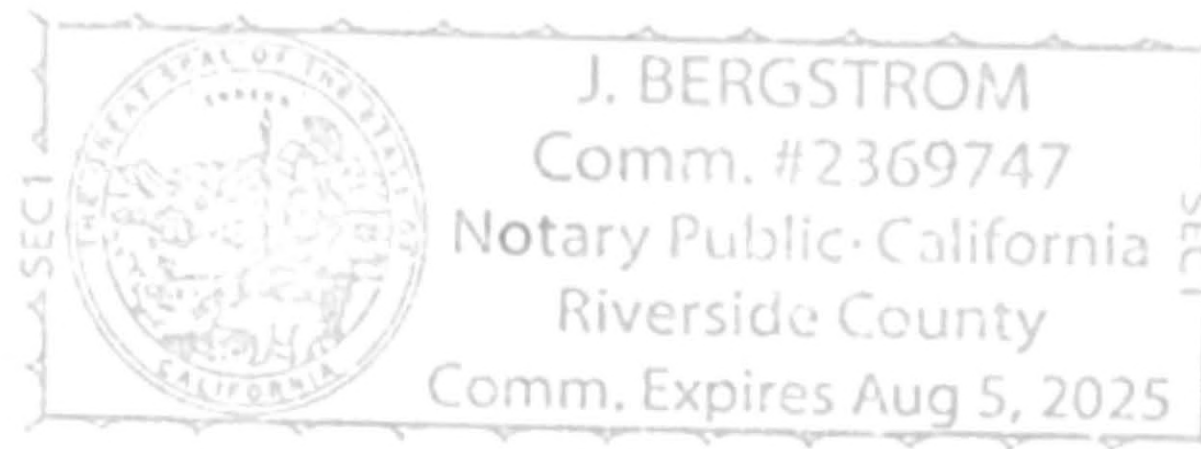
Cc. Ms. Julie Inch, Manager, Legal – Corporate Operations – Canadian Natural (via e-mail, without attachment);
Ms. Jelena Molnar, Analyst, Legal – Financial Operations – Canadian Natural (via e-mail, without attachment);
Ms. Carolanne Ferrarotto, Legal – Financial Operations – Canadian Natural (via e-mail, without attachment);
Mr. Nicolas Vaschetto, Director, Joint Ventures – Canadian Natural (via e-mail, without attachment);
Ms. Melissa Stockes, Manager, Joint Ventures – Canadian Natural (via e-mail, without attachment);
Ms. Amy Oliverio, Supervisor, Joint Ventures – Canadian Natural (via e-mail, without attachment);

Ms. Debbie Mathieson, Manager, JV Accounting - Canadian Natural (via e-mail, without attachment);
Ms. Kate Staszkiwicz, Supervisor, JV Accounting - Canadian Natural (via e-mail, without attachment);
Ms. Dorotea Ranola, Accountant, JV Accounting - Canadian Natural (via e-mail, without attachment);
Mr. Bruce Kohrs, Supervisor, Joint Ventures - Canadian Natural (via e-mail, without attachment);
Mr. Barry Borbely, Supervisor, Joint Ventures - Canadian Natural (via e-mail, without attachment);
Ms. Teri Pyo, Supervisor, Joint Ventures - Canadian Natural (via e-mail, without attachment);
Ms. Junet Banawa, JV Analyst - Canadian Natural (via e-mail, without attachment);
Ms. Michelle Thoen, JV Representative - Canadian Natural (via e-mail, without attachment);
Mr. Carlos Sandoval Hernandez, JV Analyst - Canadian Natural (via e-mail, without attachment);
Mr. San Bylyku, JV Representative - Canadian Natural (via e-mail, without attachment);
Mr. Dean Stobbe, JV Representative - Canadian Natural (via e-mail, without attachment);

Exhibit "QQ" to the Affidavit of
Chris Lewis
Sworn/Affirmed before me this
23rd day of December, 2024



A Notary Public for the State of California





Revering
LAW OFFICE

5018 – 50 Avenue
Lloydminster, AB T9V 0W7
T: 780-875-9800
F: 780-875-8150

Registered Mail and email to: clewis@cleoenergy.com

Our File: 16546 DFR

October 2, 2024

Cleo Energy Corp.
200, 117 8 Ave SW
Calgary, AB T2P1B4

Dear Sir/Madam:

RE: Indebtedness to Renown Down Hole Solutions Inc.

We have been retained by Renown Down Hole Solutions Inc. You are indebted to Renown Down Hole Solutions Inc. for the sum of \$7,687.04, calculated as follows:

| | |
|---|-------------------|
| Invoice #ST-7201 dated February 1, 2024 | \$3,486.40 |
| Invoice #ST-4245 dated March 20, 2024 | <u>\$4,200.64</u> |

| | |
|--------------|-------------------|
| TOTAL | \$7,687.04 |
|--------------|-------------------|

Demand is hereby made upon you for payment of the above sums in the amount of \$7,687.04 within 21 days of the date of this letter. If you do not comply with this demand for payment, legal proceedings will be commenced against you without further notice.

GOVERN YOURSELF ACCORDINGLY.

Yours Truly

Revering Law Office

Donnon F. Revering

DFR/mls
Enclosure

cc Renown Down Hole Solutions Inc.



Invoice

| | |
|------------|-----------|
| Date | Invoice # |
| 2024-02-01 | ST-7201 |

Invoice To

Cleo Energy Corp
PO Box 22095
Bankers Hall
Calgary, AB T2P 4J5

Remit To:
PO Box 10719
Lloydminster
AB T9V 3A7

Ordered By

Location

AFE / PO

Wes Ganscer 753-1819

1B2/04-23-040-08w4

23WRW0251/9200-420

| Item | Serial Number | Description | Qty | Cost | Net Amount |
|--------------------|---------------|--|-----|-----------------|------------|
| Rental | RDS1089 | Initial Rental - 5 1/2" x 2 7/8" AS1-X Double Grip Packer 10k rated (Wicker Slips) | 1 | 850.00 | 850.00 |
| Rental | RDS1849 | Initial Rental - 2 3/8" (60.3mm) H-Valve | 1 | 450.00 | 450.00 |
| Rental | RDS1860 | Initial Rental - 2 3/8" (60.3mm) H-Valve | 1 | 325.00 | 325.00 |
| | | Run/Retrieval Tool - 2 3/8" EUE Top Connection | | | |
| Rental | NSN | Initial Rental - Integral Swedge 2 7/8" EUE Box x 2 3/8" EUE Box | 1 | 35.00 | 35.00 |
| Renown Field Te... | Corey | RDS Field Technician - Training | 1 | 0.00 | 0.00 |
| Rental | | Initial Rental - 4 Head MicroClip XL Personal Monitor | 1 | 35.00 | 35.00 |
| Renown Field Te... | Chris | RDS Field Technician | 1 | 1,050.00 | 1,050.00 |
| Kms | Unit 7 | Unit 7 (100km Min. Per Day) Service Truck Charge | 350 | 1.55 | 542.50 |
| Environmental S... | | ESC | 1 | 32.88 | 32.88 |
| | | | | Subtotal | \$3,320.38 |

| Terms | Sales Tax Summary | | Sales Tax Total |
|--------|-------------------|--------|-----------------|
| | GST@5.0% | 166.02 | |
| | Total Tax | 166.02 | |
| Net 30 | | | \$166.02 |

We appreciate and value your business

Total

\$3,486.40

GST No. 810934240 WCB AB 7212161
PST No 2603413 WCB SK 887246239



| | |
|---------------------|------------------|
| Contact Name: | Wes Ganscer |
| Contact Phone: | 780-753-1819 |
| P.O./ Code: | |
| Quote: | |
| A/E: | |
| RDS Representative: | Chris Hutchinson |
| Delivered By: | Unit 7 |
| Date Out: | Feb 1 2024 |
| Date Returned: | Feb 1 2024 |

Page 1



Invoice

| Date | Invoice # |
|-----------|-----------|
| 3/20/2024 | ST-4245 |

Invoice To

Cleo Energy Corp/Mantl
PO Box 22095
Bankers Hall
Calgary, AB T2P 4J5

Remit To:
PO Box 10719
Lloydminster
AB T9V 3A7

Ordered By

Location

AFE / PO

Wes Gasner 753-1819

100/05-12-037-07W4

24ABN0551/7550 328

| Item | Serial Number | Description | Qty | Cost | Net Amount |
|--------------------|---------------|--|-----|-----------------|-------------------|
| Sales | | Purchase - 60.3mm Grapple | 1 | 1,755.00 | 1,755.00 |
| Rental | NSN | Rental Per Run - 95.25mm Short Catch Overshot | 1 | 685.00 | 685.00 |
| Rental | NSN | Rental Per Run - 73mm REG Pin x 73mm EUE Box | 1 | 125.00 | 125.00 |
| Inspections | | Inspection Charge on Equipment | 4 | 40.00 | 160.00 |
| 001-001A | Dan | RDS Field Technician | 1 | 1,050.00 | 1,050.00 |
| 001-004A | Unit A | Unit A (100km Min. Per Day) Service Truck Charge | 120 | 1.55 | 186.00 |
| Environmental S... | | ESC | 1 | 39.61 | 39.61 |
| | | | | Subtotal | \$4,000.61 |

Terms

Sales Tax Summary

GST@5.0%
Total Tax

200.03
200.03

Sales Tax Total

\$200.03

Net 30

We appreciate and value your business

Total

\$4,200.64

GST No. 810934240 WCB AB 7212161
PST No. 2603413 WCB SK 887246239



Invoice

| Date | Invoice # |
|-----------|-----------|
| 3/20/2024 | ST-4245 |

Invoice To

Cleo Energy Corp/Mantl
PO Box 22095
Bankers Hall
Calgary, AB T2P 4J5

Remit To:
PO Box 10719
Lloydminster
AB T9V 3A7

| Ordered By | Location | AFE / PO |
|---------------------|--------------------|--------------------|
| Wes Gasner 753-1819 | 100/05-12-037-04W4 | 24WRW0551/7550 328 |

| Item | Serial Number | Description | Qty | Cost | Net Amount |
|---|---------------|--|-----|----------|-------------------|
| Sales | | Purchase - 60.3mm Grapple | 1 | 1,755.00 | 1,755.00 |
| Rental | NSN | Rental Per Run - 95.25mm Short Catch Overshot | 1 | 685.00 | 685.00 |
| Rental | NSN | Rental Per Run - 73mm REG Pin x 73mm EUE Box | 1 | 125.00 | 125.00 |
| Inspections | | Inspection Charge on Equipment | 4 | 40.00 | 160.00 |
| 001-001A | Dan | RDS Field Technician | 1 | 1,050.00 | 1,050.00 |
| 001-004A | Unit A | Unit A (100km Min. Per Day) Service Truck Charge | 120 | 1.55 | 186.00 |
| Environmental S... | | ESC | 1 | 39.61 | 39.61 |
| <p>CLEO Energy Corp CLEO PO Box 22095 Bankers Hall, Calgary, AB T2P 4J5 UW: <u>100/05-12-037-07-4</u> AFE: <u>24ABN0551</u> CC: _____ Major: <u>7550</u> Minor: <u>328</u> Coded by: <u>Wes Gasner</u> Signature: <u>[Signature]</u> Date: <u>Apr 18/24</u></p> | | | | | |
| Subtotal | | | | | \$4,000.61 |

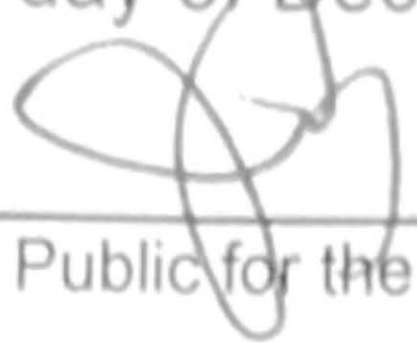
| Terms | Sales Tax Summary | Sales Tax Total |
|--------|-------------------|-----------------|
| | GST@5.0% 200.03 | |
| | Total Tax 200.03 | |
| Net 30 | | \$200.03 |

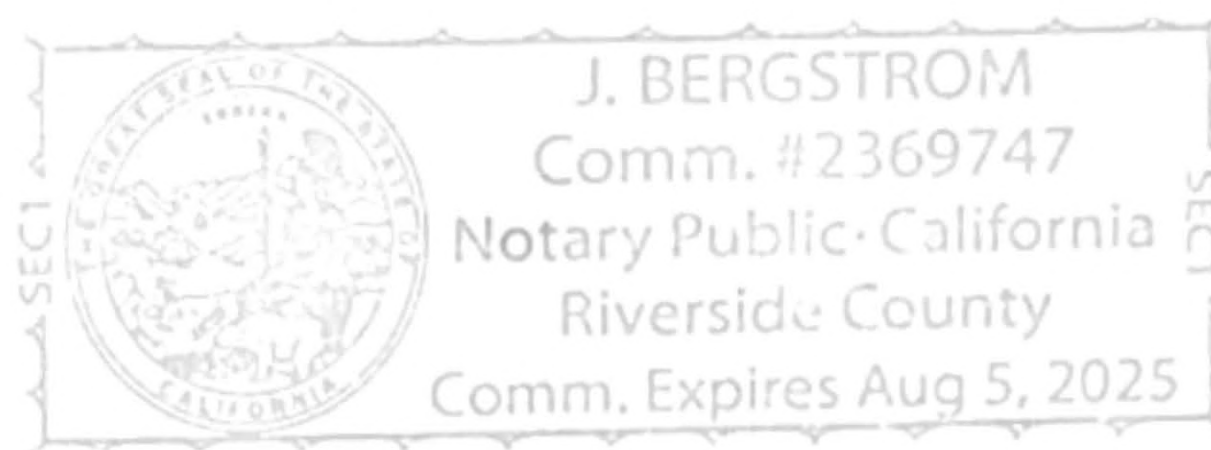
We appreciate and value your business

Total \$4,200.64

GST No. 810934240 WCB AB 7212161
PST No 2603413 WCB SK 887246239

Exhibit "RR" to the Affidavit of
Chris Lewis
Sworn/Affirmed before me this
23rd day of December, 2024


A Notary Public for the State of California





Peter LeGeyt Recruiting Ltd.

October 22, 2024

Chris Lewis, CLEO Energy Corp. – via email

Business Number: 766250922

Corporate Address: 117 8 Ave SW #200, Calgary, AB T2P 1B4

Dear Chris,

Re: Payment owing for professional services rendered for successful Vice President Finance and Controller search

I am writing about the outstanding payment that is owing to Peter LeGeyt Recruiting Ltd. of \$26,250 plus GST. Per the terms of the agreement dated June 18, 2024 that was signed by Michael McIntosh, on behalf of CLEO Energy Corp., this payment was due no later than 30 days from the start date of the candidate.

The agreement was that if CLEO Energy Corp. hired a candidate through Peter LeGeyt Recruiting Ltd., then CLEO Energy Corp. would pay the appropriate fee per the terms of the agreement which was 15% of the base salary accepted by the candidate. You hired Rob Dion as your Vice President Finance and Controller through Peter LeGeyt Recruiting Ltd., and he started with your organization on July 2, 2024. To date, no payment has been received.

With this letter, I am demanding that you pay the agreed to fee plus GST by November 8, 2024.

If you fail to act by that date, we will take legal action without further notice.

I look forward to your reply and to resolving the problem. If you have any questions, please feel free to contact me at 403-667-8337.

Yours truly,

A small, rectangular image showing a handwritten signature in black ink, which appears to be "Peter LeGeyt".

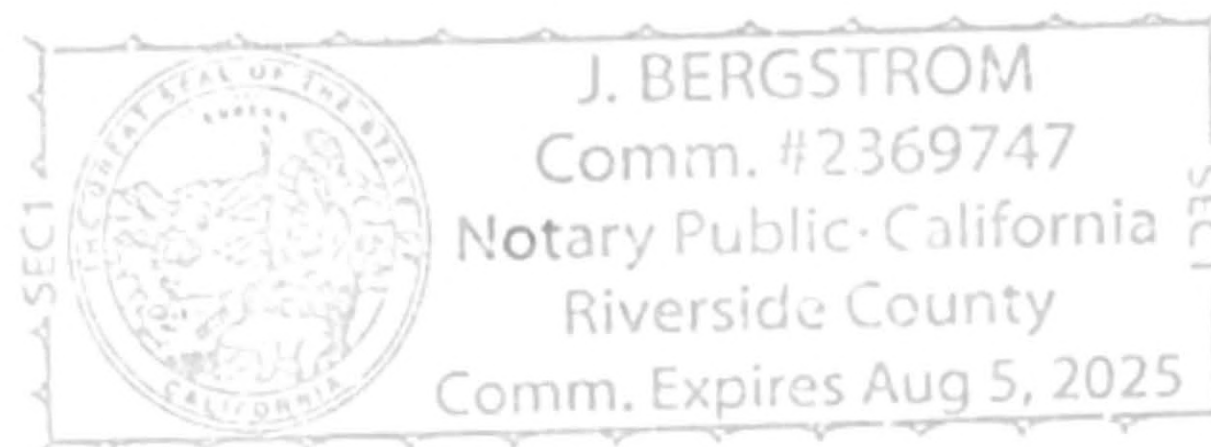
Peter LeGeyt, President

Peter LeGeyt Recruiting Ltd.

Exhibit "SS" to the Affidavit of
Chris Lewis
Sworn/Affirmed before me this
23rd day of December, 2024



A Notary Public for the State of California





October 30, 2024

CLEO Energy Corp
200 – 117 8th Avenue SW
Calgary, AB T2P 1B4

**Attention: Chris Lewis, Executive Chair and
Kellie D'Hondt, President**

FINAL NOTICE BEFORE LEGAL ACTION

Overdue Amount: \$2,212,203.60

Despite repeated demands to do so, CLEO has failed, neglected and refused to comply with its payment obligations as detailed in the duly signed Trade Payable Loan Agreement of March 1, 2024 (the "Agreement").

CLEO is in default of numerous sections of the Agreement including:

- Clause 6 which requires payment of invoices within 3 months
- Clause 7 which requires payment of the full balance within 45 days of default of Clause 6

Although the Agreement gives us the right to seize CLEO's assets and enforce our security, our preference is to avoid an escalation of this situation. As an expression of our interest in resolving this matter without litigation, we would be willing to offer to you;

- payment terms over the next six months with immediate delivery of post-dated cheques or
- CLEO makes available a data-room and we settle the amount with a property transfer

Please accept this letter as our **FINAL** demand for payment of the above noted indebtedness. If we have not received a constructive response from you by noon on Friday November 8, 2024, we will have no choice but to refer this matter to our legal counsel. Once referred to legal counsel, our claim will include the above noted amount plus interest and costs. Upon commencement of legal action, we will instruct our lawyers to pursue all legal avenues without settlement.


If you have any interest in resolving this outstanding account in a businesslike manner, please contact us at your earliest convenience.

Sincerely,
MANTL Canada Inc.



Matthew Kenna

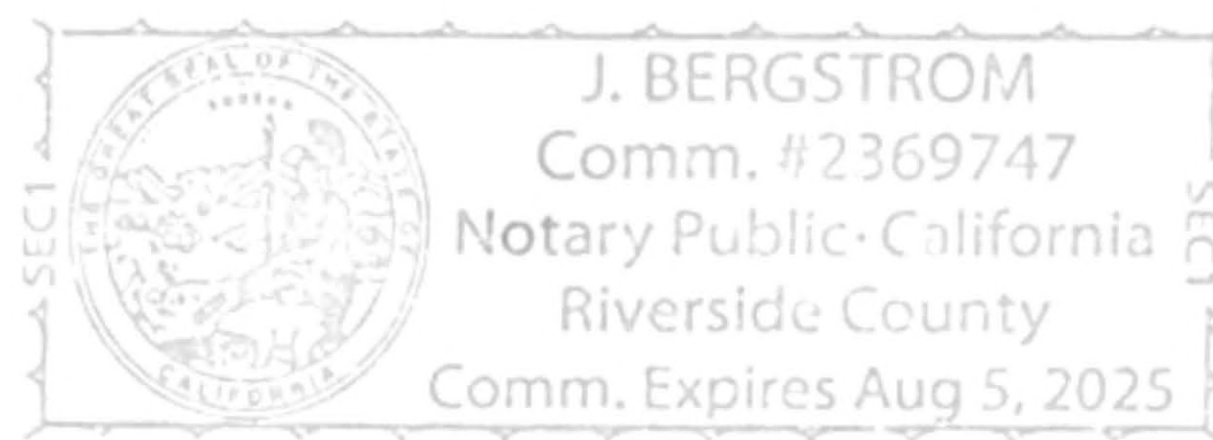
Amped Energy Services Ltd.



Mike Rahmoun

Exhibit "TT" to the Affidavit of
Chris Lewis
Sworn/Affirmed before me this
23rd day of December, 2024


A Notary Public for the State of California





November 4, 2024

DELIVERED ELECTRONICALLY

Cleo Energy Corp.
PO Box 22095 RPO Bankers Hall
Calgary, AB
T2P 4J5

Dear Sir/Madam:

RE: Demand Letter Regarding Outstanding Joint Interest Billings from August 2022 – October 2024

Capitalized terms used herein and not otherwise defined shall have the meanings set forth in the Agreement.

TAQA North ("TAQA" or "we") are writing to you with respect to outstanding Joint Interest Billing Statements issued by TAQA as Cleo Energy Corp.

To date, TAQA has not received payment for the Cleo Energy Account; see attached list. Accordingly, we are hereby making a formal demand for immediate satisfaction of the Accounts, in full.

If we do not receive unconditional payments of the Accounts, in full, within thirty (30) business days of receipt of this demand letter, TAQA will immediately proceed to enforce its rights against you under the Agreement and at law.

This letter is without prejudice to any other rights and remedies that are available at contract, law or equity. Therefore, at our discretion, we will also take all further steps that we deem necessary to enforce our rights under the Agreement.

Please contact the writer at 403.724.5144, if you have any questions or concerns in relation to the foregoing.

Yours truly,

TAQA North

A handwritten signature in blue ink, appearing to be "Justin Yeon".

Justin Yeon
Supervisor, Operated Joint Venture Accounting




\$10,396.90

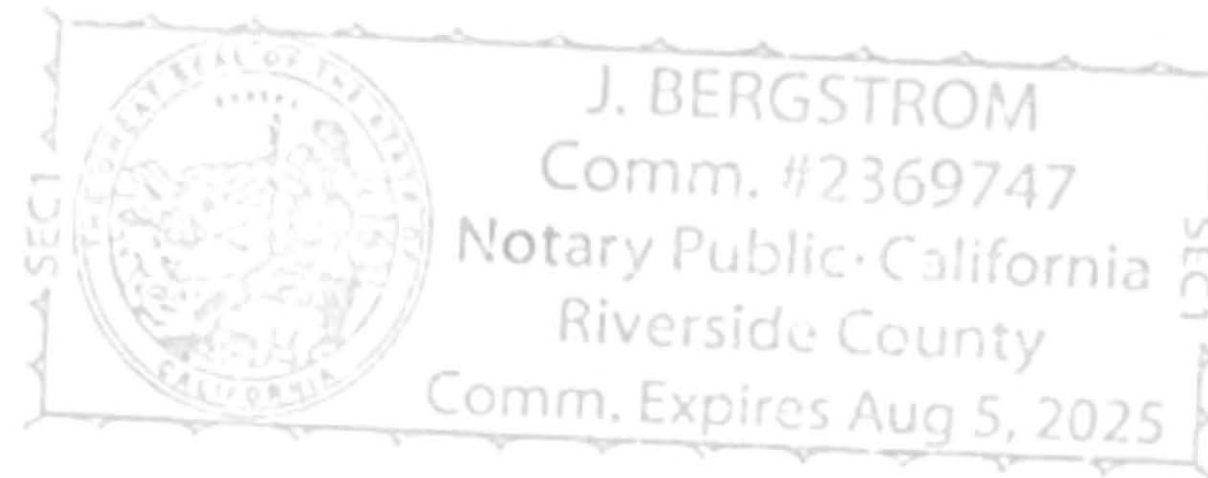
| Business Associate | Invoice Type | Invoice Number | Invoice Date | Invoice Amount | AR Balance |
|---------------------------|--------------|----------------|--------------|----------------|------------|
| CLEO ENERGY CORP. (53917) | RJI | 122918 | 2022-08-31 | 442.76 | 442.76 |
| CLEO ENERGY CORP. (53917) | RJI | 123158 | 2022-09-30 | 6,751.74 | 6,751.74 |
| CLEO ENERGY CORP. (53917) | RJI | 124195 | 2023-01-31 | 2,321.70 | 2,321.70 |
| CLEO ENERGY CORP. (53917) | PJI | 124674 | 2023-03-31 | (1.00) | (1.00) |
| CLEO ENERGY CORP. (53917) | RJI | 124909 | 2023-04-30 | 175.37 | 175.37 |
| CLEO ENERGY CORP. (53917) | PJI | 125170 | 2023-05-31 | (1.00) | (1.00) |
| CLEO ENERGY CORP. (53917) | PJI | 125414 | 2023-06-30 | (0.96) | (0.96) |
| CLEO ENERGY CORP. (53917) | PJI | 125891 | 2023-07-31 | (1.00) | (1.00) |
| CLEO ENERGY CORP. (53917) | RJI | 126124 | 2023-08-31 | 0.04 | 0.04 |
| CLEO ENERGY CORP. (53917) | PJI | 126371 | 2023-09-30 | (1.00) | (1.00) |
| CLEO ENERGY CORP. (53917) | PJI | 126607 | 2023-10-31 | (1.00) | (1.00) |
| CLEO ENERGY CORP. (53917) | RJI | 126851 | 2023-11-30 | 2,019.80 | 2,019.80 |
| CLEO ENERGY CORP. (53917) | RJI | 127301 | 2024-01-31 | 60.25 | 60.25 |
| CLEO ENERGY CORP. (53917) | PJI | 127758 | 2024-03-31 | (1.00) | (1.00) |
| CLEO ENERGY CORP. (53917) | RJI | 127988 | 2024-04-30 | 159.97 | 159.97 |
| CLEO ENERGY CORP. (53917) | RJI | 128238 | 2024-05-31 | 0.81 | (1.00) |
| CLEO ENERGY CORP. (53917) | PJI | 128477 | 2024-06-30 | (3.00) | (3.00) |
| CLEO ENERGY CORP. (53917) | PJI | 128709 | 2024-07-31 | (1.00) | (1.00) |
| CLEO ENERGY CORP. (53917) | PJI | 128937 | 2024-08-31 | (1.00) | (1.00) |
| CLEO ENERGY CORP. (53917) | RJI | 129162 | 2024-09-30 | 12.19 | 12.19 |
| CLEO ENERGY CORP. (53917) | RJI | 129388 | 2024-10-31 | 224.25 | 224.25 |
| CLEO ENERGY CORP. (53917) | PJN | 3449 | 2022-10-13 | 1,943.43 | 1,943.43 |
| CLEO ENERGY CORP. (53917) | PJN | 3625 | 2023-05-15 | (12.24) | (12.24) |
| CLEO ENERGY CORP. (53917) | PJN | 3692 | 2023-07-13 | (78.26) | (78.26) |
| CLEO ENERGY CORP. (53917) | PJN | 3839 | 2024-01-26 | (5.07) | (5.07) |
| CLEO ENERGY CORP. (53917) | PJN | 3928 | 2024-05-14 | (90.10) | (90.10) |
| CLEO ENERGY CORP. (53917) | PJN | 3948 | 2024-06-12 | (36.87) | (36.87) |
| CLEO ENERGY CORP. (53917) | PJN | M202402409 | 2024-02-09 | (6.34) | (6.34) |
| CLEO ENERGY CORP. (53917) | PJN | M202403417 | 2024-03-07 | (28.76) | (28.76) |
| CLEO ENERGY CORP. (53917) | RLR | S000026604 | 2023-11-16 | 143.00 | 143.00 |
| CLEO ENERGY CORP. (53917) | RLR | S000026680 | 2023-12-07 | 67.50 | 67.50 |
| CLEO ENERGY CORP. (53917) | RLR | S000027164 | 2024-05-16 | 1,556.32 | 1,556.32 |
| CLEO ENERGY CORP. (53917) | RLR | S000027503 | 2024-08-15 | 248.00 | 248.00 |
| CLEO ENERGY CORP. (53917) | RLR | S000027584 | 2024-09-19 | 153.13 | 153.13 |
| CLEO ENERGY CORP. (53917) | PJN | S00375A-2020 | 2023-06-01 | (1,045.46) | (1,045.46) |
| CLEO ENERGY CORP. (53917) | PJN | S00375A-2021 | 2023-06-01 | (1,045.46) | (1,045.46) |
| CLEO ENERGY CORP. (53917) | PJN | S00375A-2022 | 2023-06-01 | (1,045.46) | (1,045.46) |



| | | | | | |
|---------------------------|-----|-------------|------------|------------|------------|
| CLEO ENERGY CORP. (53917) | PJN | S00620-2022 | 2024-06-03 | (2.28) | (2.28) |
| CLEO ENERGY CORP. (53917) | PJN | S00620-2023 | 2024-06-03 | (15.57) | (15.57) |
| CLEO ENERGY CORP. (53917) | PJN | S202307482 | 2023-07-05 | (1,045.36) | (1,045.36) |
| CLEO ENERGY CORP. (53917) | PJN | S202308494 | 2023-08-28 | (169.07) | (169.07) |
| CLEO ENERGY CORP. (53917) | PJN | S202407585 | 2024-07-08 | (1,045.36) | (1,045.36) |
| CLEO ENERGY CORP. (53917) | PJN | S202408591 | 2024-08-12 | (197.93) | (197.93) |

Exhibit "UU" to the Affidavit of
Chris Lewis
Sworn/Affirmed before me this
23rd day of December, 2024


A Notary Public for the State of California





Lexterra Land

Via Email: kdhondt@cleoenergy.com

November 13, 2024

Cleo Energy Corp.

200, 117 – 8th Avenue SW
Calgary, Alberta T2P 1B4

Attention: Kellie D'Hondt

Dear Ms. D'Hondt

RE: Lexterra Land Ltd. V. Cleo Energy Corp.

Lexterra Land Ltd. ("**Lexterra Land**") was engaged by Cleo Energy Corp. ("**Cleo**") to provide Surface Land related services.

Commencing on or around September 2023, Cleo engaged Lexterra Land for projects including but not limited to settling Damage Release, acquisition of Temporary Workspace and submitting discharge caveat.

Lexterra Land provided the services required and subsequently issued invoices for those services rendered. The application outstanding invoices are attached to this letter in a Statement of Account dated November 13, 2024.

Lexterra Land has sought payment of the invoices pursuant to the services provided but they remain unpaid. The sum of invoices is \$4,872.31. Lexterra Land demands payment of \$4,872.31 within 14 days of receipt of this letter. If payment is not made during that time, Lexterra Land will commence proceedings to recover the amounts owing for the invoices.

Sincerely,

Lexterra Land Ltd.

Per: **John Lanaras, President**

cc: invoice@cleoenergy.com

Attachment:

- I. Surface land services statement

ATTACHMENT I

[illegible]

Lexterra Land Ltd.

PO Box 492, Station M
Calgary T2F 2J1
Canada

Statement Date

11/16/2024

PLEASE RETURN THIS PORTION WITH
YOUR PAYMENT

Cleo Energy Corp.

Statement Date

11/13/2024

Cleo Energy Corp

200, 117 8th Avenue SW
Calgary, Alberta T2P 1E4

IF PAYING BY INVOICE CHECK
INDIVIDUAL INVOICES PAID

AMOUNT REMITTED _____

Page 9

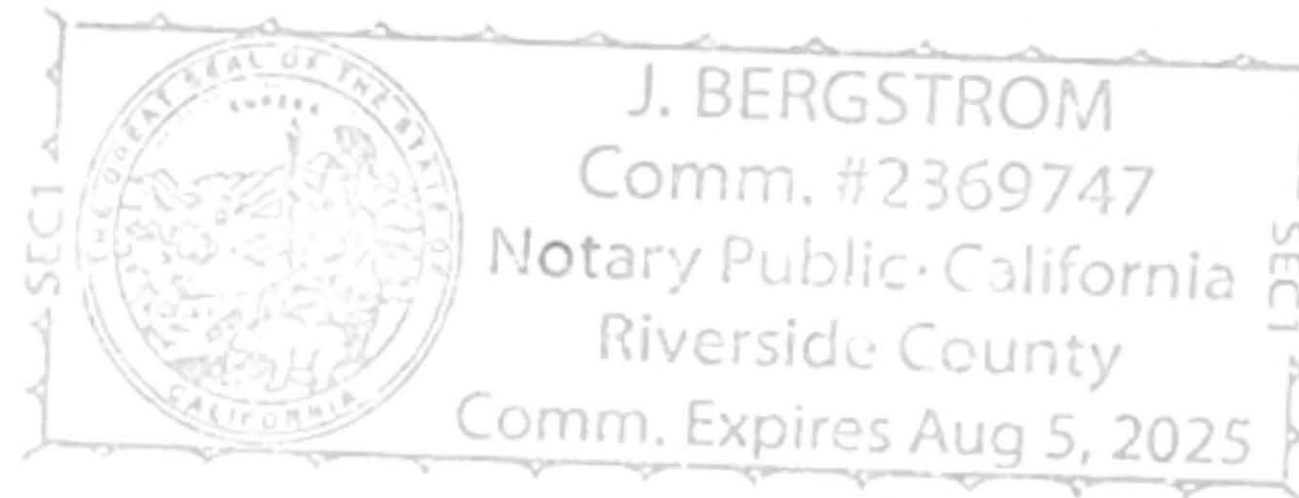
[illegible]

2710, 715 – 5th Avenue SW Calgary, AB T2P 2X6
Main 403 476 8976 | Toll Free 855 229 5394 | www.lexterraland.com

Exhibit "VV" to the Affidavit of
Chris Lewis
Sworn/Affirmed before me this
23rd day of December, 2024



A Notary Public for the State of California





OUR FILE NO. 629-084 SM

DIRECT: 403.261.3348
E: smanery@hmclawyers.com

Assistant: Kimberley Boyle
Direct: 403.261.3335
E: kboyle@hmclawyers.com

November 29, 2024

**Via Registered Mail &
Via Email:**

rdion@cleoenergy.com
dprice@cleoenergy.com
mlai@cleoenergy.com

Cleo Energy Corp.
200 117 - 8 Avenue SW
Calgary AB T2P 1B4

Attention: To whom it may concern

Dear Sir/Madam:

Re: Star West Trucking v Cleo Energy Corp

Further to the above noted matter and the enclosed demand letter, please note that we have been engaged by Star West Trucking Ltd. in relation to the outstanding amounts owing for the provision of trucking services between January 2023 and August 2023.

We understand that a settlement agreement / payment plan was agreed whereby Cleo would issue payment of \$7,000 per month until such time that the outstanding amount for the services was satisfied. We further understand that payments for both October and November 2024 have not been made and Cleo has ceased communications with our Client.

Please note that should we not receive payment (or confirmation of payment) of **\$14,000** by way of certified cheque or electronic funds transfer to our office, or to our Client's representatives, by **Friday, December 6, 2024, at 4:00 pm**, we have been instructed to commence legal action to collect the outstanding amounts and all costs and interest associated with same.

Kindly govern yourself accordingly.

Yours truly,


HMC LAWYERS LLP

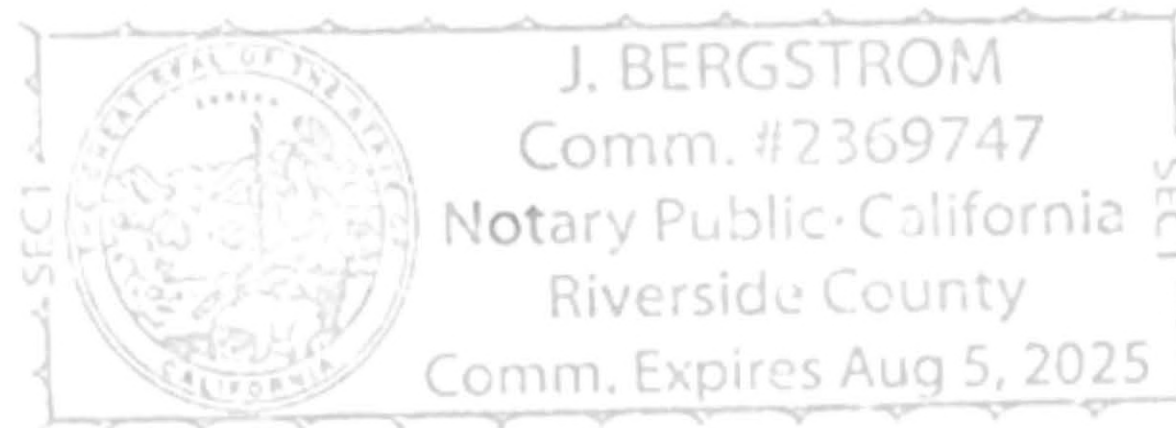

Sean Manery

/kb

cc: Client

Exhibit "WW" to the Affidavit of
Chris Lewis
Sworn/Affirmed before me this
23rd day of December, 2024


A Notary Public for the State of California



GUARANTEE

TO: 1992169 Alberta Ltd.

FOR VALUABLE CONSIDERATION, receipt whereof is hereby acknowledged, the undersigned and each of them (if more than one) hereby jointly and severally guarantee(s) payment to 1992169 Alberta Ltd. (hereinafter called "RISE CAPITAL") of all debts and liabilities, present or future, direct or indirect, absolute or contingent, matured or not, at any time owing by **Cleo Energy Corp.** (hereinafter called the "COMPANY") to RISE CAPITAL or remaining unpaid by the COMPANY to RISE CAPITAL heretofore or hereafter incurred or arising and whether incurred by or arising from agreement or dealings between RISE CAPITAL and the COMPANY, and without limiting the generality hereof, in particular under a Purchase and Sale Agreement with RISE CAPITAL and the COMPANY. dated the day of June 2023 or by or from any agreement or dealings with any third party by which RISE CAPITAL may be or become in any manner whatsoever a creditor of the COMPANY or however otherwise incurred or arising anywhere within or outside the country where this guarantee is executed and whether the COMPANY be bound alone or with another or others and whether as principal or surety (such debts and liabilities being hereinafter called the "liabilities") with interest from the date of demand for payment at the rate of the Royal Bank of Canada's Prime Interest Rate plus 30% per centum per annum;

This guarantee shall be a continuing guarantee and shall cover all the liabilities, and it shall apply to and secure any ultimate balance due or remaining unpaid to RISE CAPITAL plus interest thereon from the date of demand at the rate of interest indicated above.

RISE CAPITAL shall not be bound to exhaust its recourse against the COMPANY or others or any securities it may at any time hold before being entitled to payment from the undersigned of the liabilities. The undersigned renounce(s) to all benefits of discussion and division.

This guarantee and agreement shall not be affected by the death or loss or diminution of capacity of the undersigned or any of them or by and change in the name of the COMPANY or in the membership of the COMPANY's firm through the death or retirement of one or more partners or the introduction of one or more other parties or otherwise, or by the acquisition of the COMPANY's business by a corporation, or by any change whatsoever in the objects, capital structure or constitution of the COMPANY, or by the COMPANY's business being amalgamated with a corporation, but shall notwithstanding the happening of any such event continue to apply to all the liabilities whether therefore or thereafter incurred or arising and in this instrument the word "THE COMPANY" shall include every such firm and corporation.

The payment of all present and future debts of the COMPANY to the Guarantor are hereby postponed and subordinated to RISE CAPITAL as security for an existing and/or future liability of the COMPANY to RISE CAPITAL. This subordination shall subsist for the duration of the relationship between the COMPANY and RISE CAPITAL unless otherwise agreed to in writing.

It is agreed that RISE CAPITAL , without the consent of the undersigned and without exonerating in whole or in part the undersigned, or any of them (if more than one), may grant time, renewals, extensions, indulgences, releases and discharges to, may take securities from and give the same and any or all existing securities up to, may abstain from taking securities from, or from perfecting securities of, may accept compositions from, and may otherwise change the terms of any of the debts and liabilities hereby guaranteed and otherwise deal with the COMPANY and all other persons (including the undersigned, or any one of them, and any other guarantor) and securities, as RISE CAPITAL may see fit.

This guarantee and agreement shall extend to and ensure to the benefit of RISE CAPITAL and its successors and assigns, and every reference herein to the undersigned or to each of them or to any of them, is a reference to and shall be construed as including the undersigned and the heirs, executors, administrators, legal representatives, successors and assigns of the undersigned or for each of them or any of them, as in the case may be, to and upon all of whom this guarantee and agreement shall extend and be binding.

This guarantee shall be governed by the law of the Province of Alberta.

ACCEPTED, CONFIRMED AND AGREED this 28 of June 2023

A handwritten signature in black ink, appearing to read 'Chris Lewis', is written over a horizontal line.

Chris Lewis

1801 108 9th Ave SW,
Calgary, Alberta T2P0S9

GUARANTEES ACKNOWLEDGEMENT ACT

(Section 3)

CERTIFICATE

I HERBY CERTIFY THAT

1. Chris Lewis of the City of Calgary, in the Province of Alberta,
the Guarantor in the guarantee dated the 28 day of June, made between
Cleo Energy Corp. and 1992169 Alberta Ltd. which this certificate is attached to or
noted upon, appeared in person before me and acknowledged that he had executed the
guarantee;
2. I satisfied myself by examination of the guarantor that he/she is aware of the contents of the
guarantee and understands it

CERTIFIED by Kellie D'Hondt, Commissioner of Oaths
Barrister and Solicitor at Calgary

in the Province of Alberta this 28 day of June, 2023.



KELLIE MURIEL D'HONDT
A Commissioner for Oaths
in and for Alberta
My Commission expires August 24, 2024
Appointee No. 0763726


STATEMENT OF GUARANTOR

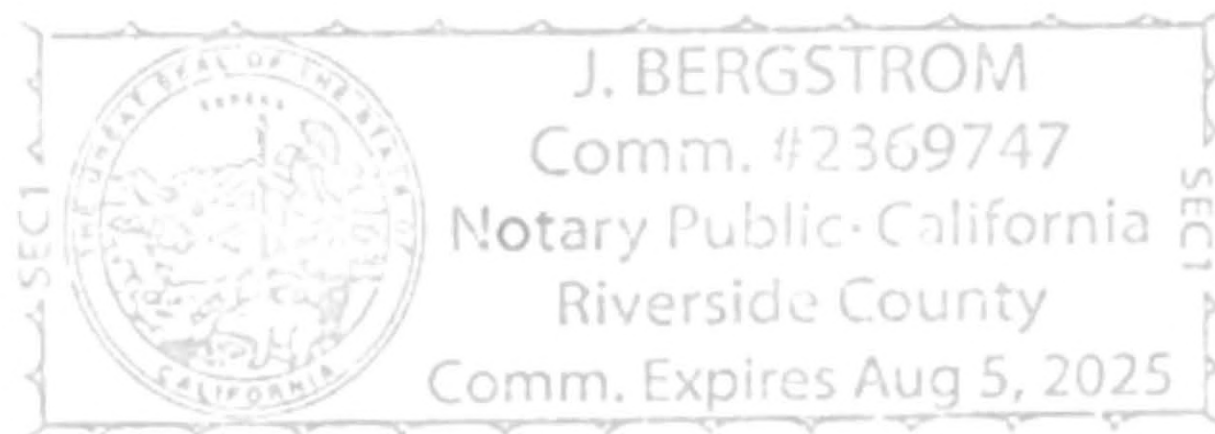
I am the person named in this certificate



Signature of Guarantor

Exhibit "XX" to the Affidavit of
Chris Lewis
Sworn/Affirmed before me this
23rd day of December, 2024


A Notary Public for the State of California





Business Information

This Merchant Cash Advance (this "Agreement") is between 2M7 Financial. Having its registered address at 64 Signet Drive North York On. ("Company") and the merchant identified below ("Merchant").

| Business Profile | | |
|-------------------------|-------------------------|------------------------------|
| DBA | Business Phone | Fax |
| CLEO Energy Corp | 403-801-4155 | |
| Alternate Phone | Legal Business name | Email |
| 403-801-4155 | CLEO Energy Corp | clewis@cleoenergy.com |
| Industry | Overdraft limit | Years in Business |
| 1 | | 5-10 Years |
| Number of locations | Current processor | Number of employees |
| 1 | Other | |

| Addresses | | | |
|---------------------------|----------------|-----------|----------------|
| Business Address | City | Province | Postal |
| 117-8th Ave SW 200 | Calgary | AB | T2P 1B4 |
| Mailing Address | City | Province | Postal |
| 117-8th Ave SW 200 | Calgary | AB | T2P 1B4 |
| Billing address | City | Province | Postal |
| 117-8th Ave SW 200 | Calgary | AB | T2P 1B4 |

| Owner Information | | | |
|-----------------------------|---------------------|------------------------------|----------------|
| Legal Name | Title in Business | Ownership Percentage | |
| Chris Lewis | Owner | 80 | |
| Home Address | City | Province | Postal |
| 1010 135 26th Ave SW | Calgary | AB | T2S 0M2 |
| Home Phone Number | Cell Number | Own/Rent | |
| | 403-801-4155 | | |
| Date of Birth | Social Insurance | Email Address | |
| 03/09/1966 | | clewis@cleoenergy.com | |

| References | | | |
|------------------------|--------------|-------|--------|
| Emergency Contact | | | |
| Name | Relationship | Phone | Ext. # |
| | | | |
| Landlord Information | | | |
| Company name | Contact name | Phone | Ext. # |
| | | | |
| Key supplier Reference | | | |
| Company name | Contact name | Phone | Ext. # |
| | | | |

PRIVACY CONSENT

Merchant represents and warrants that each individual listed above has consented to Company's collection, disclosure, use and processing of any personal information which relates to that individual and allows that individual to be identified for the purposes set out in this Agreement.

Signature of
Chris Lewis
B51B10EA6EEC49D...

1. Definitions:

- a. Deposit Account – shall mean Merchant’s bank accounts to which the proceeds of daily settlement are being remitted by the Processor and to which Company has been given access as further described in sec. 10;
- b. Future Receivables – shall mean Merchant’s future receipts and contract rights arising from or relating to any proceeds of sale received by and accepted as a form of payment by Merchant;
- c. Merchant – shall mean the merchant signatory to this Agreement and shall include any of its holding companies, affiliates and/or subsidiaries in the case of a corporate entity; or any and all partners in the case of a partnership;
- d. Option Period – shall mean a period of time during which the Company has an option to perform Reload, commencing on the day that the Company has acquired such right in accordance with sec. 5 herein below and for as long as Future Receivables purchased hereunder remain outstanding;
- e. Processor – shall mean credit card/debit card processor(s) for the processing of debit/credit cards transactions;
- f. Purchase Price – shall mean the amount agreed upon by the Parties and paid by the Company for Merchant’s Future Receivables, as further defined herein;
- g. Purchased Receivables – shall mean the amount specified in Schedule A, which constitutes the total amount payable by Merchant to Company in consideration for the Purchase Price;
- h. Reload – shall mean Company’s option to purchase from Merchant additional Future Receivables as further defined in sec. 5 herein;
- i. Set Amount – shall mean the amount specified in Schedule A, which constitutes a fixed dollar amount as determined by Merchant and Company; and
- j. Specified Percentage – shall mean the amount specified in Schedule A, which constitutes a percentage of the total amount of payments processed by Merchant on any given day.

2. Transaction. Subject to all terms and conditions set forth in this Agreement, Company shall pay to Merchant the Purchase Price set out in Schedule A hereto (the “Initial Purchase and Sale Schedule”). In consideration of the Purchase Price, Merchant sells, assigns and transfers, without recourse (except to the extent provided herein), and Company purchases, Merchant’s entire right, title and interest in a percentage specified in the Initial Purchase and Sale Schedule of each of Merchant’s Future Receivables until the Purchased Receivables has been paid to the Company. Merchant shall not repurchase or resell any part of or all the Future Receivables to any third party and hereby declares itself a bare trustee of Company with respect to all Purchased Receivables pending payment in full to Company.

3. Payment of the Purchase Price. Company shall pay the Purchase Price to the Merchant by depositing the full amount of the Purchase Price to the Deposit Account or any other account specified by the Merchant in Schedule A. The payment shall be made by Electronic Funds Transfer (EFT) to the Merchant’s account. The transfer of the funds from the Company’s bank account shall be final proof of the payment, unless notified otherwise by the Merchant within 3 business days from the date of the payment. Upon payment of the Purchase Price, the Company shall acquire full, final and unconditional right for the Purchased Receivables of the Merchant.

4. Collection of Future Receivables. Company shall collect Future Receivables from the Merchant’s account in accordance with the provisions contained herein. The collection of funds shall be done on a daily basis, calculated in accordance with Schedule

“A” either as the Specified Percentage or as the Set Amount. Company shall have full and irrevocable authorization to debit Merchant’s account for any amounts calculated by Company in accordance with this Agreement.

5. Reloads. In addition to the initial purchase transaction specified in sec. 2 above, the Parties hereby agree that the Company shall have the unconditional but revocable option (the “Option”) to purchase from Merchant additional Future Receivables in the amount, for the price, at the time and in the manner set forth hereinafter in Schedule “B” attached hereto (the “Reload Schedule”). The Option shall be exercisable by Company in three specific tranches (each, a “Reload”), as follows: (i) First Reload - upon the collection by Company of Future Receivables purchased hereunder representing, in the aggregate, thirty-five per cent (35%) of the Purchased Receivables, Company shall be entitled at its own discretion to purchase from Merchant such amount of additional Future Receivables as set forth in the Reload Schedule in regard of the First Reload, for the purchase price indicated therein; (ii) Second Reload - upon the collection by Company of Future Receivables purchased hereunder representing, in the aggregate, sixty per cent (60%) of the Purchased Receivables, Company shall be entitled at its own discretion, to purchase from Merchant such amount of additional Future Receivables as set forth in the Reload Schedule in regard of the Second Reload, for the purchase price indicated therein; and (iii) Third Reload - upon the collection by Company of Future Receivables purchased hereunder representing, in the aggregate, ninety per cent (90%) of the Purchased Receivables, Company shall be entitled at its own discretion, to purchase from Merchant such amount of additional Future Receivables as set forth in the Reload Schedule in regard of the Third Reload, for the purchase price indicated therein. Due payment by Company of the Purchase Price relating to a Reload in the form of an EFT directed to the Deposit Account shall evidence the purchase by Company of the Future Receivables relating to such Reload, as set forth in the Reload Schedule, without necessity of further document or notice. All provisions of this Agreement shall apply to the Reloads, which shall be deemed to be an increase of the Purchase Price, and the amount of additional Future Receivables purchased thereby shall be deemed to be an increase of the Future Receivables, both as set forth in the Initial Purchase and Sale Schedule. Merchant shall have the right to revoke at any time the Option granted to Company hereunder by written notice to the Company. Such revocation shall become effective two (2) business days following receipt of such notice by Company and shall only apply to the Reloads which have not yet been exercised at the effective date of revocation.

6. Security Interest. Immediately upon receipt of the Purchase Price and until full and final repayment of the Purchased Receivables, Merchant grants to Company a security interest, as continuing and collateral security for the due and punctual performance of all present and future obligations and liabilities of Merchant to Company under this Agreement (to which Personal Property Security Act (Ontario) and the regulations thereto, as the same may be amended from time to time applies) in and grants, mortgages and charges as and by way of a fixed and specific mortgage and charge to and in favour of Company, all of the Merchant’s rights, title, and interests in and to each and every Future Receivable, all pursuant to and in accordance with the provisions of this Agreement; and irrevocably authorizes Company to file one or more financing or continuation statements, or amendments thereto, without the signature of Merchant where

1. Definitions:

- a. Deposit Account – shall mean Merchant’s bank accounts to which the proceeds of daily settlement are being remitted by the Processor and to which Company has been given access as further described in sec. 10;
- b. Future Receivables – shall mean Merchant’s future receipts and contract rights arising from or relating to any proceeds of sale received by and accepted as a form of payment by Merchant;
- c. Merchant – shall mean the merchant signatory to this Agreement and shall include any of its holding companies, affiliates and/or subsidiaries in the case of a corporate entity; or any and all partners in the case of a partnership;
- d. Option Period – shall mean a period of time during which the Company has an option to perform Reload, commencing on the day that the Company has acquired such right in accordance with sec. 5 herein below and for as long as Future Receivables purchased hereunder remain outstanding;
- e. Processor – shall mean credit card/debit card processor(s) for the processing of debit/credit cards transactions;
- f. Purchase Price – shall mean the amount agreed upon by the Parties and paid by the Company for Merchant’s Future Receivables, as further defined herein;
- g. Purchased Receivables – shall mean the amount specified in Schedule A, which constitutes the total amount payable by Merchant to Company in consideration for the Purchase Price;
- h. Reload – shall mean Company’s option to purchase from Merchant additional Future Receivables as further defined in sec. 5 herein;
- i. Set Amount – shall mean the amount specified in Schedule A, which constitutes a fixed dollar amount as determined by Merchant and Company; and
- j. Specified Percentage – shall mean the amount specified in Schedule A, which constitutes a percentage of the total amount of payments processed by Merchant on any given day.

2. Transaction. Subject to all terms and conditions set forth in this Agreement, Company shall pay to Merchant the Purchase Price set out in Schedule A hereto (the “Initial Purchase and Sale Schedule”). In consideration of the Purchase Price, Merchant sells, assigns and transfers, without recourse (except to the extent provided herein), and Company purchases, Merchant’s entire right, title and interest in a percentage specified in the Initial Purchase and Sale Schedule of each of Merchant’s Future Receivables until the Purchased Receivables has been paid to the Company. Merchant shall not repurchase or resell any part of or all the Future Receivables to any third party and hereby declares itself a bare trustee of Company with respect to all Purchased Receivables pending payment in full to Company.

3. Payment of the Purchase Price. Company shall pay the Purchase Price to the Merchant by depositing the full amount of the Purchase Price to the Deposit Account or any other account specified by the Merchant in Schedule A. The payment shall be made by Electronic Funds Transfer (EFT) to the Merchant’s account. The transfer of the funds from the Company’s bank account shall be final proof of the payment, unless notified otherwise by the Merchant within 3 business days from the date of the payment. Upon payment of the Purchase Price, the Company shall acquire full, final and unconditional right for the Purchased Receivables of the Merchant.

4. Collection of Future Receivables. Company shall collect Future Receivables from the Merchant’s account in accordance with the provisions contained herein. The collection of funds shall be done on a daily basis, calculated in accordance with Schedule

“A” either as the Specified Percentage or as the Set Amount. Company shall have full and irrevocable authorization to debit Merchant’s account for any amounts calculated by Company in accordance with this Agreement.

5. Reloads. In addition to the initial purchase transaction specified in sec. 2 above, the Parties hereby agree that the Company shall have the unconditional but revocable option (the “Option”) to purchase from Merchant additional Future Receivables in the amount, for the price, at the time and in the manner set forth hereinafter in Schedule “B” attached hereto (the “Reload Schedule”). The Option shall be exercisable by Company in three specific tranches (each, a “Reload”), as follows: (i) First Reload - upon the collection by Company of Future Receivables purchased hereunder representing, in the aggregate, thirty-five per cent (35%) of the Purchased Receivables, Company shall be entitled at its own discretion to purchase from Merchant such amount of additional Future Receivables as set forth in the Reload Schedule in regard of the First Reload, for the purchase price indicated therein; (ii) Second Reload - upon the collection by Company of Future Receivables purchased hereunder representing, in the aggregate, sixty per cent (60%) of the Purchased Receivables, Company shall be entitled at its own discretion, to purchase from Merchant such amount of additional Future Receivables as set forth in the Reload Schedule in regard of the Second Reload, for the purchase price indicated therein; and (iii) Third Reload - upon the collection by Company of Future Receivables purchased hereunder representing, in the aggregate, ninety per cent (90%) of the Purchased Receivables, Company shall be entitled at its own discretion, to purchase from Merchant such amount of additional Future Receivables as set forth in the Reload Schedule in regard of the Third Reload, for the purchase price indicated therein. Due payment by Company of the Purchase Price relating to a Reload in the form of an EFT directed to the Deposit Account shall evidence the purchase by Company of the Future Receivables relating to such Reload, as set forth in the Reload Schedule, without necessity of further document or notice. All provisions of this Agreement shall apply to the Reloads, which shall be deemed to be an increase of the Purchase Price, and the amount of additional Future Receivables purchased thereby shall be deemed to be an increase of the Future Receivables, both as set forth in the Initial Purchase and Sale Schedule. Merchant shall have the right to revoke at any time the Option granted to Company hereunder by written notice to the Company. Such revocation shall become effective two (2) business days following receipt of such notice by Company and shall only apply to the Reloads which have not yet been exercised at the effective date of revocation.

6. Security Interest. Immediately upon receipt of the Purchase Price and until full and final repayment of the Purchased Receivables, Merchant grants to Company a security interest, as continuing and collateral security for the due and punctual performance of all present and future obligations and liabilities of Merchant to Company under this Agreement (to which Personal Property Security Act (Ontario) and the regulations thereto, as the same may be amended from time to time applies) in and grants, mortgages and charges as and by way of a fixed and specific mortgage and charge to and in favour of Company, all of the Merchant’s rights, title, and interests in and to each and every Future Receivable, all pursuant to and in accordance with the provisions of this Agreement; and irrevocably authorizes Company to file one or more financing or continuation statements, or amendments thereto, without the signature of Merchant where

permitted by law, as may be necessary or appropriate to perfect and maintain the perfection of the Company's perfected security interest in the Future Receivables.

7. Deposit Account(s). Merchant shall provide Company, with access to view in "read-only" format the transactions of the each Deposit Account. The Future Receivables shall be paid to Company by Company debiting the Merchant's Deposit Account(s) or, if Company is for any reason unable to debit the Deposit Account(s), from any other bank account maintained and used by Merchant, by electronic funds transfer ("EFT") in accordance with the provisions of this Agreement and Schedule A. Upon execution of this Agreement, Merchant shall remit to Company a void cheque (or, in the case of a savings account, the account number) for all bank accounts maintained by Merchant. Except as might be otherwise agreed by the Parties, the Merchant shall not change its Deposit Account(s), shall not open new or alternative Deposit Accounts, and shall not act in any other way which will result in preventing the Company from collecting its Future Receivables in accordance with the provisions of this Agreement.

8. Access to Information. Merchant hereby grants to the Company an irrevocable right and authorizes it to access and retrieve information pertaining to Deposit Account(s) from third parties on Merchant's behalf. Merchant hereby appoints Company as its true and lawful attorney-in-fact and agent, with full power of substitution and resubstitution, for Merchant in Merchant's name, place and stead, to gain access to third party internet sites, servers or documents, setup access accounts, retrieve information, and use Merchant's information, required for the purpose of performing Parties' responsibilities and obligations contemplated herein. Merchant agrees, confirms and instructs third party account providers to rely on the foregoing authorization, agency and power of attorney granted to Company. Merchant understands and agrees that some of the actions contemplated herein Company might perform through its service providers, choice of which shall be at the sole discretion of the Company.

9. Processing. Until the Purchased Receivables have been paid to Company in full, Merchant shall have daily settlements made by its Processor(s) or banks deposited into Deposit Account(s) as described below. In the event that any Processor Agreement is terminated for any reason and/or Merchant enters into any new Processor Agreement, Merchant must notify Company immediately and no later than 30 day before such change comes into force.

10. Business PAD. The Company shall draw a Business Preauthorized Debit to the Merchant's Deposit Accounts for the purpose of receiving payment for the Future Receivables purchased hereunder (the "Business PAD"). The Business PAD shall permit Company to withdraw varying amounts at varying intervals from the Deposit Account and all other accounts maintained by Merchant in accordance with the terms of this Agreement. Each Business PAD shall be for the Specified Percentage and/or the Set Amount as applicable until such time that Company receives payment in full of the Purchased Receivables, or for any other amount which is or may become payable by Merchant to Company hereunder. Merchant acknowledges that the applicable financial institution is not required to verify that any purpose of payment for which a pre-authorized debit was issued has been fulfilled by Company or that a pre-authorized debit has been issued in accordance with the particulars of Merchant's authorization including, but not limited to, the amount, as a condition to honouring a Business PAD. In any case of a

discrepancy or disputed Business PAD, Merchant shall prepare and submit a declaration to this effect to the bank branch of the Merchant's Deposit Account, with a copy delivered to the Company on the same day, up to and including ten (10) calendar days after the date on which the disputed debit was posted to Merchant's account. Should no notice be received within 10 calendar days, the Business PAD shall be considered correct and final and no further claims shall be made by the Merchant relating to the correctness of the Business PAD or the amounts withdrawn. To obtain more information on Merchant's recourse rights, Merchant may contact its financial institution or visit www.cdnpay.ca. Merchant acknowledges that provision and delivery of this Agreement to Company constitutes delivery by Merchant to its financial institution(s). Merchant agrees with Company to waive the requirement under the Rules of the Canadian Payments Association (the "CPA Rules") to receive a written pre-notification prior to each debit as set out in the CPA Rules. Revocation of this Business PAD constitutes a breach under and does not terminate this Agreement. Merchant's authorization hereunder applies only to the method of payment and does not otherwise have any bearing on this Agreement. Merchant understands and agrees to the disclosure of any confidential information to any third parties as may be required to process the pre-authorized debits in accordance with the CPA Rules.

11. Rebate for Excessive Withdrawal of Set Amount. Company shall be entitled to withdraw the Set Amount from the Deposit Account(s) up to a maximum of the Specified Percentage of Merchant's total revenue for the month in which such withdrawals are made. If Merchant believes that Company has made withdrawals from Deposit Account(s) in an amount that is greater than the Specified Percentage of Merchant's total revenue for the month in which such withdrawals were made ("Excessive Withdrawal"), it is the sole responsibility of Merchant to deliver written notice to Company of any purported discrepancy ("Notice of Excessive Withdrawal") within ten (10) days of the end of the month in which the Excessive Withdrawal was made. Notice of Excessive Withdrawal must be accompanied by evidence satisfactory to Company of the Excessive Withdrawal, including, but not limited to, bank statements, sales receipts and Merchant records. If Merchant provides Notice of Excessive Withdrawal and evidence satisfactory to Company within the ten (10) day period, Company shall provide a rebate to Merchant to the extent that the Excessive Withdrawal exceeds the Specified Percentage of Merchant's total revenue for the month in which the Excessive Withdrawal was made. Under no circumstances shall Company repay any amount with respect to an Excessive Withdrawal if either Notice of Excessive Withdrawal or evidence of Excessive Withdrawal satisfactory to Company is not provided to Company in the manner prescribed by this section 11.

12. Due Diligence and Conditions. Merchant authorizes the Company to conduct background, credit report, onsite and financial examinations of Merchant, each of its partners or shareholders and each of the guarantors, extent and variety of which shall be at sole discretion of the Company. Merchant hereby agrees that such examinations shall constitute a condition for the Company's approval of the Merchant's application, and shall not be interpreted as any kind of breach of Merchant's privacy, or the privacy of third parties involved in Merchant. Any onsite examination may include, but is not limited to, verification that business is conducted as Merchant represents, at all sites where it conducts business and shall be conducted upon reasonable prior notice to Merchant, and during reasonable business hours. If

Merchant is not publicly held, Company, may conduct background and financial examinations of all principals owning ten percent (10%) or more of Merchant, extent and variety of which shall be at sole discretion of the Company. Merchant hereby agrees that such examinations shall constitute a condition for the Company's approval of the Merchant's application, and shall not be interpreted as any kind of breach of Merchant's privacy, the privacy of its principals, or the privacy of any third parties involved in Merchant. Merchant shall provide to the Company, or shall cause to be provided to the company by Merchant's principals, any documents, letters of authorization or consent, which might be required for the Company to conduct its examinations contemplated herein. The Company retains the right to conduct site inspections at its sole discretion to verify the correctness and compliance of the information provided by the Merchant, or to ensure Merchant's continuing operations in accordance with the application and this Agreement. The Company may perform on-site visits whether during the application process or throughout the term of this Agreement. Should the Company make an on-site visit due to non-payment by the Merchant or any other default by the Merchant, Merchant hereby agrees to pay to the Company a fee of \$500.00 per each instance of default, which shall be construed as payment for liquidated damages of the company and not as a penalty fee.

Notwithstanding the execution of this Agreement by Company, Company may refuse to purchase the Future Receivables based on its own underwriting guidelines. Without limiting the generality of the foregoing, Company may refuse to purchase the Future Receivables if (i) Company is not satisfied, in its sole discretion, with Merchant's debit and credit cards transactions history as provided by the Merchant; (ii) Company is not satisfied, in its sole discretion, with the background information received from Merchant; and (iii) the aggregate debit and credit cards receipts of Merchant in the four (4) days prior to the expected date of disbursement of the Purchase Price does not amount to at least five percent (5%) of the Purchased Receivables.

13. Indemnification. Merchant hereby agrees to indemnify, defend and hold harmless Company, and its shareholders, directors, officers, managers, owners, affiliates, employees, agents and representatives (the "Indemnitees") from and against any claim, demand, loss, financial or otherwise, damage, liability or cost, including legal fees and expenses, caused by or from: (i) any intentional, negligent or innocent misrepresentation by Merchant; (ii) a breach of the terms hereof; (iii) an Event of Default; (iv) negligence, fraud or intentional wrongdoing by Merchant or any of its affiliates.

14. Representations, Warranties and Covenants. Merchant hereby represents, warrants and covenants to Company, and declares that Company relies on such representations and warranties in its decision to enter into this Agreement, as follows on the date hereof and so long as any amount is owing from Merchant to Company hereunder: (i) Merchant shall not change, terminate, limit or otherwise modify its operations, business structure, ownership or any other characteristics of its business which, in the view of a reasonable business person, could jeopardize or limit Company's rights under this Agreement, without express written consent of Company; (ii) all of the information provided by or on behalf of Merchant to Company on its application and in connection with this Agreement, is true and correct in all material respects; (iii) Merchant is in compliance with all applicable laws, rules, regulations, permits, licenses, approvals, consents and other authorizations necessary to conduct its

business; Merchant is in compliance with any and all applicable federal, provincial and local laws rules, regulations, and possesses and is in compliance with any and all permits, authorizations and licenses, approvals and consents to own, operate and lease its properties, and to conduct the business in which it is presently engaged; (iv) Merchant, and the individual(s) signing this Agreement on behalf of Merchant, have full power and authority to enter into and perform the obligations of Merchant under this Agreement, all of which have been duly authorized by all necessary and proper action and are not in contravention of the Merchant's articles or by-laws or any unanimous shareholder agreement; (v) there is no criminal proceeding or civil claim, action, suit, demand, enforcement, arbitration or other proceeding or investigation pending before any court, government agency, arbitration panel, or administrative tribunal or, to Merchant's knowledge, threatened against Merchant, involving a dispute(s) of more than \$5,000 in the aggregate; (vi) Merchant is the owner or authorized lessor of its business premises and has presented documentation verifying to this extent to Company; (vii) Merchant has not entered into an agreement similar to this Agreement with another company for which any sums are still outstanding; (viii) neither Merchant nor any of its principals have declared bankruptcy in the past two years and neither are undischarged bankrupts; (ix) no portion of the Future Receivables, or any other assets pledged pursuant to this Agreement, is subject to any lien, security interest, assignment, option or encumbrance, other than the security interest(s) granted to Company, Merchant's current credit card and/or debit card processor(s) pursuant to existing agreements, and/or Merchant's bank(s) pursuant to existing banking agreements; (x) Merchant has filed or caused to be filed any and all federal, provincial, local and foreign tax returns which are required to be filed, and has paid or caused to be paid any and all taxes as shown on such returns or on any assessment received by Merchant to the extent that such taxes have become due, and Merchant has no knowledge of any material liability for any tax to be imposed on Merchant or any of its assets or properties for which adequate provision has not been made in its financial statements; (xi) Merchant and Guarantor (as defined hereinafter) are solvent, do not have any outstanding payables past thirty (30) days and have no knowledge of any potential or real material changes to Merchant or Guarantor pending in the next ninety (90) days (and its underlying client); and (xiii) during the term of this Agreement, Merchant shall proceed with the batch closing of this credit and debit cards payments no less than ten (10) times per month; (xii) each Future Receivable, when created, shall be a legal, valid and binding obligation of the Merchant; (xiii) any and all representations made in this Agreement, and any and all financial statements delivered to the Company, are true and correct, and no material fact has been omitted; and (xiv) each and all of the foregoing representations shall be deemed to be continuing covenants of Merchant, and shall remain true and accurate at all times after the date of this Agreement, until the Purchased Receivables have been paid in full.

15. Timing and Method of Funding. Merchant and Company agree that the purchase of the Purchased Receivables shall be deemed on the date of disbursement of the Purchase Price by Company to Merchant with title in and to the Purchased Receivables passing to Company on such date. Merchant and Company also agree that Company, at its sole discretion, may refuse to purchase the Purchased Receivables for any or no reason. Merchant and Company further agree that Company shall provide payment through any commercially reasonable method, at

Company's sole discretion, including, but not limited to, electronic funds transfer.

16. Events of Default. In addition to any event of default described as such in this Agreement, any of the following shall constitute an "Event of Default": (i) Merchant fails to direct all payments relating to the credit card and debit card receivables exclusively to the Deposit Account(s) or changes, terminates or closes the Deposit Account(s) without the prior written agreement of Company; (ii) Merchant refuses to accept a debit or credit card as a form of payment regardless of the amount of the sale; (iii) Merchant obtains additional financing or advances without the express prior written consent of Company; (iv) Merchant, without the prior written consent of Company, enters into any transaction involving the sale of Merchant, or any substantial change in its ownership or controlling interest; (v) Merchant sells or otherwise hypothecates or grants security or otherwise encumbers the Future Receivables to another person, company or entity; (vi) any of the representations, warranties and covenants contained in this Agreement are not true or are materially incorrect or misleading; (ix) Merchant fails to make any remittance or payment provided for hereunder or pursuant to any settlement, arrangement or payment plan agreed upon by the parties in connection with this Agreement, or breaches any other covenants contained in this Agreement; or (x) except as otherwise permitted herein, Merchant permits any lien, security interest or hypothec to be granted against or registered against the Purchased Receivables or any proceeds therefrom or a Deposit Account(s); (xi) bankruptcy order or receivership of either Merchant or guarantor or a general assignment in bankruptcy. For greater certainty, any act or omission carried out by an affiliate, shareholder, director, officer, employee or agent of Merchant that, if carried out by Merchant itself, would be an Event of Default, shall be deemed to be an Event of Default hereunder. Merchant hereby acknowledges and agrees that, in order to verify Merchant's compliance hereunder, Company shall have a right of access, during the regular working hours, to any premises where Merchant conducts business.

17. Remedies. Upon the occurrence of an Event of Default, Company shall be entitled to all remedies available at law as well as the right to terminate this Agreement and recover by EFT or via other means acceptable to Company, from the Deposit Account(s) or any other account maintained by Merchant any unpaid portion of the Purchased Receivables and any other amounts payable to Company under this Agreement. In any action for breach of the Agreement, Company shall be entitled to damages equal to the Purchase Price less the amount received by Company from remittances to the said date, together with legal costs and a charge amounting to the greater of \$500 or 10% of the amount outstanding at the time of the Event of Default, intended as liquidated damages and not a penalty fee. In the event that any payment to be made by Merchant hereunder, whether by EFT, cheque, credit card or pre-authorized debit, is refused for insufficiency of funds or for any other reason whatsoever, or in the event that immediately prior to withdrawal of any pre-authorized debit payment Merchant does not have sufficient funds in the Deposit Account (an "NSF Payment"), Company shall be entitled to charge to Merchant, for each NSF Payment, \$100. In the event Merchant changes its Deposit accounts without prior written authorization of the Company, Company shall be entitled to charge the Merchant a fee of \$250.00 intended as liquidated damages and not a penalty.

18. Merchant Not Acting As a Consumer. In entering into this Agreement, the Merchant is acting in its capacity as a business enterprise and not as a consumer. Merchant acknowledges and

agrees that this transaction is made only for business purposes and not for personal, family or other household purposes and agrees to waive any application of the consumer protection laws to this Agreement.

19. Waiver. The Company's failure to exercise any right under this Agreement does not constitute a waiver on the Company's part to exercise such rights at a later time. Nor shall any singular or partial exercise of any right under this Agreement preclude the Company from any other future exercise of any right. The remedies provided hereunder are cumulative and not exclusive of any remedies provided by law or equity.

20. Binding Effect. This Agreement shall be binding upon and enure to the benefit of the parties hereto and their respective successors, heirs and assigns.

21. Notices to Company. Any notice to Company required or permitted under this Agreement shall be in writing and may be given by personal service, registered or first class mail, postage prepaid, to the address of Company as it appears above, or as changed through written notice to Merchant.

22. No Interest; Not a Loan. The Parties hereby agree, declare and consent that the transaction contemplated herein shall not constitute a loan and laws applicable to loans shall not apply to it. Company does not charge any interest, finance charges, late fees or similar charges as the transactions contemplated herein are not intended to constitute a loan. Instead, Company is purchasing the Future Receivables at a discount. There are no scheduled payments for Merchant and no repayment term for Merchant. Company is not an investor in the business of Merchant. Merchant is responsible to account for the transactions made herein in accordance with the provisions hereof and acknowledges that Merchant's method of accounting, if in contradiction with the terms hereof, shall not change in any way the nature of the transactions contemplated in this agreement nor bind Company in any way to account in the same manner. In the case of any Event of Default, Merchant agrees to pay to the Company a fee of \$250.00.

Notwithstanding the foregoing and for greater certainty, should it be determined by an applicable authority that the transaction contemplated by this Agreement constitutes a loan and should it be determined that any provision of this Agreement would oblige Merchant to make any payment which is construed by an applicable authority to be an amount which would be prohibited by applicable law, then notwithstanding such provision, such amount shall be deemed to have been adjusted *nunc pro tunc* to the maximum amount, as the case may be, as would not be so prohibited by applicable law, such adjustment to be effected by reducing the Purchased Receivables under this Agreement until such amount becomes equal to the Purchase Price.

Notwithstanding the potential reduction contemplated in this sec. 22, nothing herein constitutes agreement that the transactions contemplated by this Agreement are loans or are intended to be loans.

23. Costs and Expenses. Company shall be entitled to recover from Merchant any and all reasonable costs and legal fees (on a substantial indemnity basis) associated with and/or resulting from the enforcement of its rights and remedies hereunder or at law.

24. Entire Agreement. This Agreement contains the entire understanding of the parties hereto and supersedes all prior negotiations, whether oral or written. No changes to this Agreement shall be valid or enforceable, unless made by both parties in writing, in which case such change shall come to force of the date of the later party signing the change.

25. Severability. Should any term or provision of this Agreement be deemed invalid, illegal or unenforceable, then such invalid, illegal or unenforceable term or provision shall be null and void, and all other terms and provisions of this Agreement shall continue in full force and effect as though such invalid, illegal or unenforceable term or provision had never been a part hereof.

26. Governing Law. This Agreement shall be governed by and to be construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein without regard to principles of conflicts of law and treated in all respects as an Ontario contract. The parties to this Agreement hereby irrevocably and unconditionally attorn to the exclusive jurisdiction of the

courts of the Province of Ontario.

27. Language. The parties have requested that this Agreement be drawn in English language. Les parties ont exigé que la présente entente soit rédigée en langue anglaise.

[Space Left Intentionally Blank]

The parties signing below declare and represent that: (i) they have read and understood the TERMS AND CONDITIONS set out in this Agreement, (ii) they have the signing authority to bind their respective corporate entities or businesses to all terms and conditions stipulated in this Agreement and (iii) each party had an opportunity to review this Agreement and receive legal or any other advise it deems necessary; (iv) Merchant has taken all corporate or other proceedings necessary to authorize the execution and delivery of this Agreement by Merchant and Merchant’s performance of its obligations hereunder.

Signed by:
For Merchant (if more than 2 partners – add details and sign below):

| | |
|-------------------------------|-------------|
| Signature: B51B10EA6EEC49D... | Signature: |
| Title: Chairman | Title: |
| Print Name: Chris Lewis | Print Name: |
| Date: Oct 30, 2024 | Date: |

For Company: DocuSigned by:
Avramel Bernstein

| |
|--------------------------------------|
| Signature: 4544D7110A8F4DD... |
| Title: CEO - 2M7 Financial Solutions |
| Print Name: Avi Bernstein |
| Date: October 30, 2024 |

PERSONAL GUARANTEE

IN CONSIDERATION of Company dealing with Merchant, and after having reviewed and understood the Merchant Cash Advance Agreement of which this Guarantee forms a part (the "Agreement"), the undersigned hereby guarantee payment to Company and, if applicable, jointly and severally (or solidarily in the Province of Quebec) guarantee payment to the Company, of all present and future debts and liabilities in any currency, direct, indirect, contingent or otherwise, matured or not, including interest thereon, now or at any time due or owing to Company from or by Merchant, its executors, liquidators, administrators or legal representatives, whether arising from the performance or breach of this Agreement. The liability of the undersigned (or each undersigned if more than one) under this Guarantee shall arise immediately after demand for payment under this Guarantee has been made in writing by Company on the undersigned or any one of them, if more than one.

By signing this Guarantee, Guarantor(s) assume and guarantee all of Merchant's obligations under the Agreement, including, but not limited to, the obligation of Merchant to indemnify Company, pursuant to this Agreement. To induce Company to accept Merchant's application and to enter into the Agreement, Guarantor(s) hereby agree to pay any and all costs and legal fees in connection with any action commenced by Company to enforce its rights under the Agreement and/or this Guarantee.

It is agreed that the undersigned shall be liable to Company in respect of all debts and liabilities, stated to be owing to Company by Merchant under this Agreement with respect to such debts and liabilities, notwithstanding whether such agreement or any provision thereof is invalid, void, illegal, or unenforceable and notwithstanding whether such agreement was properly completed, entered into or authorized. The undersigned shall indemnify and save Company harmless from any losses which may arise by virtue of any debts and liabilities stated to be owing to Company by Merchant, being or becoming for any reason whatsoever in whole or in part (a) void, voidable, null, ultra vires, illegal, invalid, ineffective or otherwise unenforceable in accordance with its terms, or (b) released or discharged by operation of law (all of the foregoing being an "Indemnifiable Circumstance"). For greater certainty, the losses shall include the amount of all debts and liabilities owing to Company by Merchant which would have been payable by Merchant but for the Indemnifiable Circumstance.

It is further agreed that Company without the consent of the undersigned and without exonerating in whole or in part the undersigned may grant time, renewals, extensions, indulgences, releases and discharges to, may abstain from taking, perfecting or realizing upon security from, may release security to, may accept compositions from, and may otherwise change the terms of any of the debts and liabilities hereby guaranteed and otherwise deal with Merchant as Company may see fit.

This Guarantee is unlimited, absolute and without condition, and is binding upon Guarantor(s), his/her/their heirs, legal representatives, successors and assigns. Guarantor(s) waive any and all rights to require Company or any other Indemnitee (as defined in the Agreement) to proceed against Merchant before taking action against him/her/them. This Guarantee shall be construed in accordance with the laws of the Province of Ontario and for the purpose of legal proceedings this contract shall be deemed to have been made in the said province and to be performed there, and the courts of that province shall have non-exclusive jurisdiction over all disputes which may arise under this contract, provided always that nothing herein contained shall prevent the Bank from proceeding at its election against the undersigned in the courts of any other province or country. If any provision of this Guarantee are determined to be unenforceable, prohibited, invalid or illegal, it shall be severed from this Guarantee solely to the extent of such unenforceability, prohibition, invalidity or illegality and the remainder of such provision and the remainder of this Guarantee shall be unaffected thereby. The liability of the undersigned under this Guarantee shall not be terminated if this Guarantee is held to be unenforceable against any other undersigned.

Guarantor(s) hereby authorize inquiry by Company into his/her/their personal and business financial information, including, but not limited to, banking relationships, consumer reports and credit bureaus, and authorize inquiry into his/her/their personal history including investigation of all criminal and civil matters.

The undersigned acknowledges and agrees that Company may make a claim or demand payment hereunder notwithstanding any limitation period regarding such claim or demand set forth in the *Limitations Act, 2002* (Ontario) or under any other applicable law with similar effect and, to the maximum extent permitted by applicable law, any limitations periods set forth in such act or applicable law are hereby explicitly excluded or, if excluding such limitations periods is not permitted by such act or applicable law, are hereby extended to the maximum limitation period permitted by such act or applicable law. For greater certainty, the undersigned acknowledges and agrees that this Guarantee is a "business agreement" as defined under Section 22 of the *Limitations Act, 2002* (Ontario).

I/We the Guarantor(s) acknowledge having read the terms of the Agreement and this Guarantee, and my/our signature(s) below shall serve as confirmation that I/we understand(s) all of the terms and provisions of the Agreement and this Guarantee. Rights of Company hereunder against the Guarantor(s) are, if applicable, joint and several.

Signed by:

B51B10EA6EEC49D...

| | | | |
|-------------|-----------------------------------|-------------|--|
| Signature: | | Signature: | |
| Print Name: | Chris Lewis | Print Name: | |
| Address: | 117 8th Ave SW Calgary AB t2p 1b4 | Address: | |
| Date: | Oct 30, 2024 | Date: | |




Purchase Schedule

SCHEDULE A

Initial Purchase and Sale Schedule

| PURCHASE PRICE | SPECIFIED PERCENTAGE | SET WEEKLY AMOUNT | PURCHASED RECEIVABLES |
|----------------|----------------------|-------------------|-----------------------|
| \$150,000 | 25% | \$19,999.00 | \$207,000 |

Signed by:

B51B10EA6EEC49D...

OWNER #1 SIGNATURE

OWNER #2 SIGNATURE

SCHEDULE B

Installments Schedule

Available only to accounts in good standing and can be withheld at the sole discretion of 2M7 Financial Solutions

| STAGE | REPAID AMOUNT | PURCHASE PRICE | PURCHASED RECEIVABLES |
|-----------|---------------|----------------|-----------------------|
| Reload #1 | 35% | \$47,093.00 | \$64,988.00 |
| Reload #2 | 60% | \$62,100.00 | \$85,698.00 |
| Reload #3 | 90% | \$111,780.00 | \$154,257.00 |

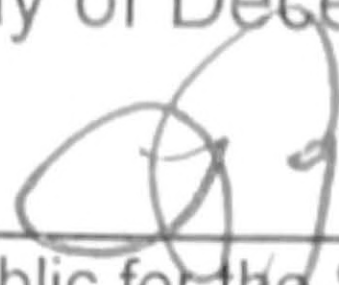
Signed by:

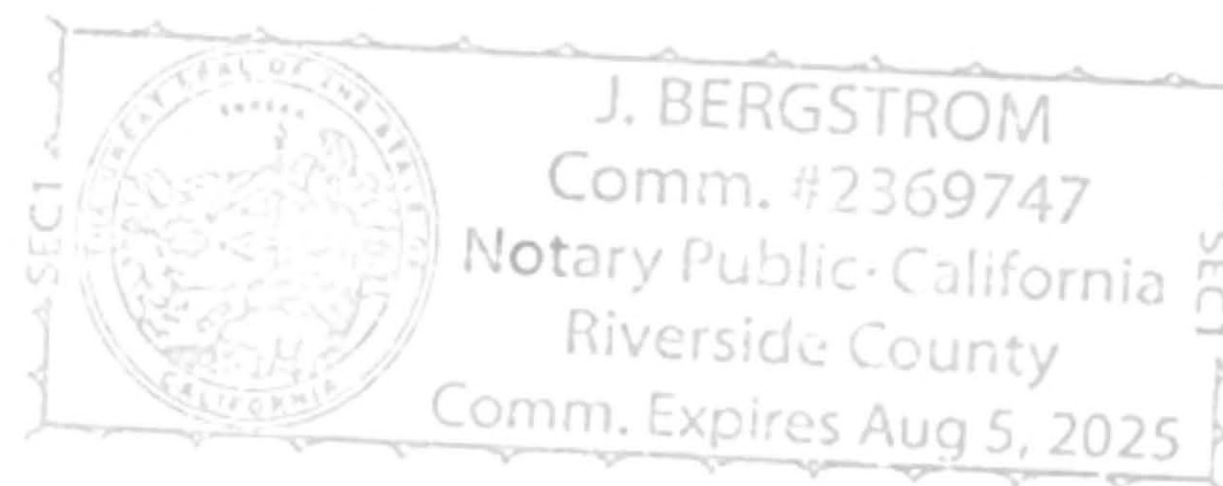
B51B10EA6EEC49D...

OWNER #1 SIGNATURE

OWNER #2 SIGNATURE

Exhibit "YY" to the Affidavit of
Chris Lewis
Sworn/Affirmed before me this
23rd day of December, 2024


A Notary Public for the State of California



GUARANTEE

BY

CHRIS LEWIS

IN FAVOUR OF

CLEO ENERGY CORP.

AUGUST 3, 2023

GUARANTEE

THIS GUARANTEE is dated August 3, 2023.

BY:

CHRIS LEWIS

(the "**Guarantor**")

IN FAVOUR OF:

STEPHEN BALLARD

(the "**Lender**")

CONTEXT:

- A. Cleo Energy Corp. (the "**Borrower**") is indebted to the Lender under a promissory note dated as of August 3, 2023, whereby the Borrower promised to pay the Lender the principal sum of \$300,000.00 on the terms and conditions set out therein (as may be amended, restated, supplemented or replaced, the "**Promissory Note**").
- B. The Lender requires that the Guarantor execute and deliver to the Lender a guarantee of all of the indebtedness, liabilities and obligations of the Borrower to the Lender under the Promissory Note and an assignment and postponement of claim with respect to the indebtedness and liabilities owed by the Borrower to the Guarantor from time to time.
- C. It is in the interests of the Guarantor that the Lender advance certain loans pursuant to the Promissory Note to the Borrower.
- D. The Guarantor acknowledges that it will receive economic and other benefits from the advance of certain loans by the Lender under the Promissory Note, and therefore the Guarantor is willing to execute and deliver this Guarantee to and in favour of the Lender.

THEREFORE, the Guarantor agrees with the Lender as follows:

1. Interpretation

1.1 **Definitions.** In this Guarantee the following terms have the following meanings:

- 1.1.1 "**Applicable Law**" means, at any time, with respect to any Person, property, transaction or event, all applicable laws, statutes, regulations, treaties, judgments and decrees and (whether or not having the force of law) all applicable official directives, rules, consents, approvals, by-laws, permits, authorizations, guidelines, order and policies of any Governmental Authority having authority over that Person, property, transaction or event.
- 1.1.2 "**Borrower**" is defined in the "Context", above.
- 1.1.3 "**Business Day**" means any day excluding a Saturday, Sunday or statutory holiday in the Province of Alberta.

- 1.1.4 **"Event of Default"** means a breach of any term or provision of the Promissory Note.
- 1.1.5 **"Governmental Authority"** means:
- 1.1.5.1 any federal, provincial, state, local, municipal, regional, territorial, aboriginal, or other government, governmental or public department, branch, ministry, or court, domestic or foreign, including any district, agency, commission, board, arbitration panel or authority and any subdivision of any of them exercising or entitled to exercise any administrative, executive, judicial, ministerial, prerogative, legislative, regulatory or taxing authority or power of any nature; or
 - 1.1.5.2 any quasi-governmental or private body exercising any regulatory, expropriation or taxing authority under or for the account of any of them, and any subdivision of any of them.
- 1.1.6 **"Guarantee"** means this guarantee, as amended, supplemented or restated from time to time by written agreement of the Parties.
- 1.1.7 **"Guaranteed Indebtedness"** means the aggregate of:
- 1.1.7.1 all present and future indebtedness, liabilities and obligations of the Borrower to the Lender, whether direct or indirect, absolute or contingent, joint, several or joint and several and matured or not, under the Promissory Note and any other Loan Documents or arising from any dealings or proceedings between the Borrower and the Lender relating to the Promissory Note and any other Loan Documents, which are owing or remaining unpaid by the Borrower to the Lender at any time and in any currency, including all principal, interest, commissions, fees (including receiver's fees and expenses), legal costs (on a solicitor and own client basis) and other costs, charges and expenses;
 - 1.1.7.2 interest (including interest on overdue interest, compounded monthly) on unpaid amounts due under this Guarantee calculated from the date those amounts are demanded until they are paid in full, both before and after judgment, at the rates and in the currency applicable to the Guaranteed Indebtedness; and
 - 1.1.7.3 all costs and expenses incurred by the Lender in enforcing any rights under this Guarantee.
- 1.1.8 **"Guarantor"** is defined in the recital of the Parties, above.
- 1.1.9 **"Lender"** is defined in the recital of the Parties, above.
- 1.1.10 **"Loan Documents"** means the Promissory Note, the Security Documents, this Guarantee and any other document, instrument, agreement or certificate in favour of the Lender executed in connection with the Promissory Note, or contemplated by the Promissory Note.
- 1.1.11 **"Notice"** means any notice, demand, request, consent, approval or other communication that is required or permitted by this Guarantee to be given or made by a Party.

- 1.1.12 **"Parties"** means the Guarantor and the Lender, collectively, and **"Party"** means any one of them.
- 1.1.13 **"Person"** means an individual, body corporate, sole proprietorship, partnership or trust or unincorporated association, unincorporated syndicate, unincorporated organization, or another entity, and a natural person, acting in their individual capacity or in their capacity as executor, trustee, administrator or legal representative, and any Governmental Authority.
- 1.1.14 **"Postponed Debt"** is defined Section 16.
- 1.1.15 **"Post-Termination Indemnity"** is defined in Section 15.
- 1.1.16 **"Promissory Note"** is defined in the "Context", above.
- 1.1.17 **"Security Documents"** means all security documents, instruments and agreements, including guarantees, delivered pursuant to the Promissory Note to secure payment and performance of the indebtedness, liabilities and obligations of the Borrower to the Lender under the Promissory Note.
- 1.2 **Entire Agreement.** This Guarantee, together with the other Loan Documents, constitutes the entire agreement between the Parties pertaining to the subject matter of this Guarantee and supersedes all prior agreements, understandings, negotiations and discussions, whether oral or written, of the Parties, and there are no representations, warranties or other agreements between the Parties, express or implied, in connection with the subject matter of this Guarantee except as specifically set out in this Guarantee or in the other Loan Documents. No Party has been induced to enter into this Guarantee in reliance on, and there will be no liability assessed, either in tort or contract, with respect to, any warranty, representation, opinion, advice or assertion of fact, except to the extent it has been reduced to writing and included as a term in this Guarantee or in the other Loan Documents.
- 1.3 **Time and Date.** Unless otherwise specified, references to a time of day or to a date mean the local time or date in Calgary, Alberta.
- 1.4 **Governing Law.** This Guarantee is governed by, and is to be construed and interpreted in accordance with, the laws of the Province of Alberta and the laws of Canada applicable in that Province.
- 1.5 **Certain Rules of Interpretation.**
 - 1.5.1 In this Guarantee, words signifying the singular number include the plural and vice versa, and words signifying gender include all genders. Every use of the word "including" or "includes" in this Guarantee is to be construed as meaning "including, without limitation" or "includes, without limitation", respectively.
 - 1.5.2 Unless otherwise specified in this Guarantee, time periods within which or following which any payment is to be made or act is to be done will be calculated by excluding the day on which the period commences and including the day on which the period ends. If the last day of a time period is not a Business Day, the time period will end on the next Business Day.

2. Guarantee

The Guarantor unconditionally and irrevocably guarantees to the Lender full and prompt payment and satisfaction of all Guaranteed Indebtedness when due and at all times following when due, whether due at stated maturity, by required payment, by acceleration or declaration, on demand or otherwise. The Guarantor's liability under this Guarantee is limited as described in Section 24.

3. Payment

The Guarantor must pay to the Lender the amount of the Guarantor's liability for the Guaranteed Indebtedness immediately after demand to do so is made by the Lender in writing. That demand will be conclusively deemed to have been effectively made when Notice of the demand is given to the Guarantor as provided in Section 26.2.

4. Guarantee Unconditional

The obligations of the Guarantor under this Guarantee are unconditional and absolute and, without limiting the generality of the foregoing, will not be released, discharged, limited or otherwise affected by any of the following, all of which the Guarantor waives to the fullest extent permitted by Applicable Law:

- 4.1 any amendment of or supplement to the indebtedness, liabilities or obligations of the Borrower under the Promissory Note or the Guaranteed Indebtedness, including any increase or decrease in the principal, rates of interest or other amounts payable under them, any change in the nature or form of the credit provided and any amendment to the covenants or other provisions contained in the Promissory Note or any other Loan Documents;
- 4.2 any termination, invalidity, unenforceability or release by the Lender of the Promissory Note or any other Loan Documents or of any of the Lender's rights against the Borrower or any other Person;
- 4.3 any increase, reduction, renewal, extension, substitution or other change in, or discontinuance of, the terms relating to the Guaranteed Indebtedness or to any credit extended by the Lender to the Borrower under the Promissory Note; any agreement to any proposal or scheme of arrangement relating to, or granting any extensions of time or any other indulgences or concessions to, the Borrower or any other Person; abstaining from taking, perfecting or registering any Security Documents; allowing any Security Documents to lapse, whether by failing to make or maintain any registration or otherwise; or any neglect or omission by the Lender in respect of, or in the course of, doing any of these things;
- 4.4 any claim, counterclaim, set-off or other rights that the Guarantor may have at any time against the Borrower, the Lender, or any other Person, whether in connection with this Guarantee or any unrelated transactions;
- 4.5 any change in the financial condition of the Guarantor, the Borrower or any other Person, including insolvency and bankruptcy;
- 4.6 any release, substitution or addition of any co-signer, endorser, indemnifier or other guarantor of the Guaranteed Indebtedness or any declaration by the other Person that it is no longer bound by its co-signature, endorsement, indemnification or guarantee, as applicable;
- 4.7 any event, whether or not attributable to the Lender, that has or may have caused or accelerated the bankruptcy or insolvency of the Borrower or any other Person, or that has or may have resulted in the initiation of any of those proceedings;

- 4.8 any failure by the Lender to abide by any of the terms and conditions of the Promissory Note or the other Loan Documents with, or to meet any of its obligations or duties owed to, the Guarantor, the Borrower or any other Person, or any breach of any duty, whether as a fiduciary or otherwise, that exists or is alleged to exist between the Lender and the Guarantor, the Borrower or any other Person;
- 4.9 the benefit of any law which provides that the obligation of a guarantor must not be greater in amount, or in other respects more burdensome, than the principal obligation or which reduces a guarantor's obligation in proportion to the principal obligation;
- 4.10 any defence arising from the invalidity, illegality or lack of enforceability of the Guaranteed Indebtedness or any part of it, or of any security or guarantee relating to the Guaranteed Indebtedness, or because of any incapacity, lack of authority, or other defence of the Borrower or any other Person, or because of any limitation, postponement, prohibition, subordination or other restriction on the Lender's right to payment of the Guaranteed Indebtedness or any part of it, or because of the termination, invalidity, unenforceability or cessation from any cause of the liability of the Borrower, the Guarantor or any other Person with respect to all or any of the Guaranteed Indebtedness, or because of any act or omission of the Lender or others, whether occasioned by their own fault or otherwise, that directly or indirectly results in the discharge or release of the Borrower or any other Person, or of all or any of the Guaranteed Indebtedness or any security or guarantee for the Guaranteed Indebtedness, whether by contract, operation of law or otherwise, except as a result of the payment by the Borrower, the Guarantor to the Lender in full of the Guaranteed Indebtedness, including all interest and expenses as provided for in this Guarantee;
- 4.11 any defence arising from any failure by the Lender to obtain a security interest in, or to perfect or maintain a perfected or prior security interest in, or a mortgage, charge, lien or encumbrance on, any property of the Borrower or any other Person, or because any interest of the Lender in any property, whether as owner of that property or as the holder of a security interest in or a mortgage, charge, lien or encumbrance on that property, is invalidated, voided, declared fraudulent or preferential or otherwise set aside, or because the Lender impairs any rights of recourse or rights to collateral;
- 4.12 any change in effective control of the Borrower;
- 4.13 any other act, failure to act, omission or delay by the Borrower, the Lender or any other Person, or any other circumstance that might, but for the provisions of this Section 4, constitute a legal or equitable discharge, limitation or reduction of the Guarantor's obligations under this Guarantee, other than the payment or extinguishment in full of all of the Guaranteed Indebtedness and the termination of all credit facilities and any lending commitment of the Lender to the Borrower;
- 4.14 any amendments or supplement to, or any restatement, renewal, replacement or extension of, the Promissory Note or any other Loan Documents, or of any other Promissory Note, loan agreement, terms letter or other document or agreement between the Lender and the Borrower; or
- 4.15 any other circumstance affecting the Borrower or the Guarantor that might otherwise provide a legal or equitable defence for the Guarantor or a discharge of this Guarantee.

To the extent permitted by Applicable Law, the foregoing provisions apply, and the foregoing waivers will be effective, even if the effect of any action, or failure to take action, by the Lender is to destroy or diminish the Guarantor's subrogation rights, the Guarantor's right to proceed against the Borrower for

reimbursement, the Guarantor's right to recover contribution from any other guarantor or any other right or remedy of the Guarantor.

5. Dealings With the Borrower

The Lender may grant extensions of time or other indulgences, take and give up securities, accept compositions, grant releases and discharges and otherwise deal with the Borrower and with other Persons and securities as the Lender sees fit, and the Lender may apply all monies received by it from the Borrower or others or from any security upon that part of the Guaranteed Indebtedness as it may think best, without the consent of, or notice to, the Guarantor or any other Person and without prejudice to, or in any way limiting or lessening, the liability of the Guarantor under this Guarantee. Without limiting the generality of the foregoing, the Guarantor authorizes and empowers the Lender, in its sole and unfettered discretion, without any notice to the Guarantor or any other Person or entity, to exercise any right or remedy that the Lender has or may have against the Borrower or any other Person, or with respect to any security, whether real, personal or intangible, for the Guaranteed Indebtedness, without affecting in any way the liability of the Guarantor under this Guarantee, and the Guarantor will be liable to the Lender for any deficiency resulting from the exercise by the Lender of any right or remedy.

6. Recourse Against the Borrower

The Lender is not bound to exhaust its recourse against the Borrower, any other guarantor or Person or under any other security before being entitled to payment from the Guarantor under this Guarantee.

7. Settlement of Accounts

Any account settled or stated between the Lender and the Borrower will be accepted by the Guarantor as prima facie evidence that the amount appearing due by the Borrower to the Lender in that account is due, except for manifest error.

8. Change in Composition of the Borrower

The liability of the Guarantor under this Guarantee will not be affected or in any way limited or lessened by a change in the name, objects, capital stock, constitution, ownership or control of the Borrower, or by amalgamation of the Borrower with another corporation.

9. Guarantee of all Monies Borrowed

All monies and credit borrowed or obtained by the Borrower from the Lender under or in connection with the Promissory Note or any other Loan Documents will be deemed to form part of the Guaranteed Indebtedness despite any incapacity, disability or lack or limitation of status or power of the Borrower or of the directors, officers or employees of the Borrower, or that the Borrower may not be a legal entity, or any irregularity, defect or informality in the borrowing or obtaining of those monies or that credit. All advances, renewals and credit made or granted by the Lender purportedly to or for the Borrower under the Promissory Note after the bankruptcy or insolvency of the Borrower will be deemed to form part of the Guaranteed Indebtedness.

10. Principal Debtor

Any amount of Guaranteed Indebtedness that may not be recoverable from the Guarantor by the Lender under this Guarantee on the basis of a guarantee will be recoverable by the Lender from the Guarantor as principal debtor of that amount, and the Guarantor will pay that amount to the Lender immediately after demand to do so is made by the Lender in writing

11. Continuing Guarantee

This Guarantee is a continuing, absolute, unconditional and irrevocable guarantee of all of the Guaranteed Indebtedness, will apply to all of the Guaranteed Indebtedness, and will remain in full force and effect until all of the Guaranteed Indebtedness has been paid in full. This Guarantee will not be considered as wholly or partially satisfied by the payment or liquidation at any time of any sum of money for the time being due or remaining unpaid to the Lender.

12. No Subrogation

Until all the Guaranteed Indebtedness, interest and expenses have been paid in full, the Guarantor will have no right of subrogation to, and waives, to the fullest extent permitted by law:

- 12.1 any right to enforce any remedy that the Lender has or may have against the Borrower in respect of the Guaranteed Indebtedness; and
- 12.2 any benefit of, and any right to participate in, any security, whether charging real or personal property, held at any time by the Lender for the Guaranteed Indebtedness.

13. No Contribution or Indemnity

If the Lender receives from the Guarantor a payment or payments on account of the liability of the Guarantor under this Guarantee, the Guarantor will not be entitled to claim contribution or indemnity from the Borrower until the claims of the Lender against the Borrower have been paid in full or the Lender has waived its rights in respect of those claims.

14. Stay of Acceleration

If acceleration of payment or the time for payment of any amount payable by the Borrower in respect of the Guaranteed Indebtedness is stayed upon the insolvency, bankruptcy or reorganization of the Borrower, or by any moratorium affecting the payment of the Guaranteed Indebtedness, all of the amounts owing under the Promissory Note otherwise subject to acceleration will nonetheless be payable by the Guarantor under this Guarantee immediately upon demand by the Lender in writing.

15. Revival of Guaranteed Indebtedness and Liabilities

If at any time all or any part of any payment previously applied by the Lender to any Guaranteed Indebtedness is or must be rescinded or returned by the Lender for any reason, including the insolvency, bankruptcy, or reorganization of the Borrower, or if any indebtedness arises from any indemnity of the Borrower by the Lender under the Promissory Note which survives the termination of the Promissory Note (a "**Post-Termination Indemnity**"), then the Guaranteed Indebtedness will, for the purposes of this Guarantee:

- 15.1 to the extent that the payment is or must be rescinded or returned, be deemed to have continued in existence, despite the application by the Lender, and this Guarantee will continue to be effective or be reinstated, as the case may be, as to that Guaranteed Indebtedness, all as though the application by the Lender had not been made; and
- 15.2 extend to the Post-Termination Indemnity.

16. Assignment and Postponement

16.1 The Guarantor:

- 16.1.1 assigns to the Lender, as security for the Guaranteed Indebtedness and all obligations of the Guarantor under this Guarantee, all present and future indebtedness and liabilities of the Borrower to the Guarantor and all security for that present and future indebtedness and liabilities (collectively, the "**Postponed Debt**");
- 16.1.2 postpones receipt by it of the Postponed Debt to the Guaranteed Indebtedness; and
- 16.1.3 will receive in trust for, and immediately pay over to, the Lender all monies received by the Guarantor in respect of the Postponed Debt,

provided however that until demand or the occurrence of an Event of Default that is continuing and that has not been waived in writing by the Lender, the Guarantor may receive any payments in respect of the Postponed Debt as permitted under the Promissory Note.

16.2 The Guarantor will not:

- 16.2.1 purport to release or withdraw the Postponed Debt;
- 16.2.2 permit the prescription of the Postponed Debt by any statute of limitation; or
- 16.2.3 request or obtain any security or negotiable paper for, or other evidence of, the Postponed Debt, other than to deliver that security or negotiable paper to the Lender.

16.3 Following demand for payment by the Lender to the Borrower or the occurrence of an Event of Default that is continuing, or an acceleration of the Borrower's obligations under the Promissory Note, the Lender is entitled to receive payment in full in cash of the indebtedness of the Borrower to it (including interest accruing after, or that would accrue but for, the commencement of any proceeding, at the rate specified in the Promissory Note or other applicable Loan Document, whether or not a claim for that interest would be allowed) before the Guarantor is entitled to receive any payment or distribution in respect of the Postponed Debt, and until the Lender is paid in full no payments of the Postponed Debt to the Guarantor will be made, given or permitted, in whole or in part, directly or indirectly, by set-off, redemption, purchase or otherwise.

16.4 The Guarantor will hold in trust for, and immediately pay over and deliver to, the Lender any payment or distribution made to the Guarantor that contravenes this Section 16.

17. Liquidation and Insolvency

In case of liquidation, winding up or bankruptcy of the Borrower, whether voluntary or involuntary, or if the Borrower makes any arrangement with creditors, whether voluntary or involuntary, the Lender has the right to rank for its full claims and receive all dividends and other payments in respect of its claims in priority to the Guarantor until its claims have been paid in full, and the Guarantor will continue to be liable under this Guarantee up to the amount guaranteed, less any payments made by the Guarantor, for any balance of the Guaranteed Indebtedness that remains owing to the Lender. Any valuation by the Lender of its security will not, as between the Lender and the Guarantor, be considered as a purchase of its security, or as payment, satisfaction or reduction of the Guaranteed Indebtedness or any part of it. This Section 17 will not limit or lessen the liability of the Guarantor under any other provisions of this Guarantee.

18. Expenses

The Guarantor will from time to time, upon demand by the Lender, immediately pay to the Lender all reasonable expenses, including legal fees on a solicitor and own client basis, incurred by the Lender in the preparation of this Guarantee and the preservation or enforcement of any of its rights under this Guarantee, and any of those amounts that are outstanding will be added to the Guaranteed Indebtedness.

19. Additional Security

This Guarantee is in addition and without prejudice to any security, including any other guarantees, held by the Lender at any time for the Guaranteed Indebtedness, and to any other rights or remedies of the Lender.

20. Taxes

All payments to be made by the Guarantor under this Guarantee will be made without set-off or counterclaim, without reduction for any taxes, levies, duties, fees, deductions or withholdings, and without restrictions or conditions. If Applicable Laws require a deduction or withholding from, or other reduction in, the amount to be paid by the Guarantor, the Guarantor will pay to the Lender the additional amount necessary to ensure that the Lender receives the full amount that the Lender would have received if no deduction, withholding or other reduction had been made.

21. Disclosure

- 21.1 The Guarantor acknowledges that it possesses all information with respect to the Borrower that is material to this Guarantee, and that the Lender has no obligation to disclose to the Guarantor any information that it may possess at any time about the Borrower.
- 21.2 The Lender may from time to time give any credit or other information about the Guarantor to, or receive that information from, any credit bureau, reporting agency or other similar Person.

22. Conflict

Despite anything contained in this Guarantee, the provisions of the Promissory Note will prevail in any conflict in or between the provisions of this Guarantee and the provisions of the Promissory Note, and this Guarantee will be deemed to be amended to the extent necessary to eliminate the conflict.

23. Termination

Subject to Section 15, upon payment in full of all present and future indebtedness, liabilities and obligations of the Borrower under the Promissory Note, the cancellation of any credit facilities and the termination of all obligations of the Lender under the Promissory Note and the other Loan Documents, the Lender will, upon written request by and at the expense of the Guarantor, execute and deliver to the Guarantor a release and discharge of this Guarantee.

24. Limitation of Liability

Despite any other provisions of this Guarantee, the rights of recourse of the Lender to the Guarantor and to the assets of the Guarantor under this Guarantee are limited to:

- 24.1 the principal sum of \$300,000.00;

- 24.2 interest, including interest on overdue interest, compounded monthly, on unpaid amounts due under this Guarantee calculated from the date on which those amounts were originally demanded until payment in full, both before and after demand, default and judgment, at the rate and in the currency applicable to the corresponding Guaranteed Indebtedness; and
- 24.3 any expenses, including all legal fees and disbursements, incurred by the Lender in enforcing any of its rights under this Guarantee.

25. Set-Off and Right to Combine Accounts

The Guarantor's liability under this Guarantee is not subject to any deduction, withholding, set-off or counterclaim by the Guarantor for any reason at any time. The Lender may at any time, without notice to the Guarantor, combine, consolidate or merge all or any of the Guarantor's accounts, deposits and investments at the Lender with the Guarantor's indebtedness, liabilities and obligations to the Lender under the Guarantee. The Lender may set-off, combine, appropriate and apply any accounts, deposits or investments, whether general or special, matured or unmatured, of the Guarantor or held for the Guarantor's benefit at any branch of the Lender, and any other indebtedness and liabilities of the Lender to the Guarantor, matured or unmatured, with, against and on account of the Guarantor's liabilities under this Guarantee when due. The rights of the Lender in this Section 25 will not apply to accounts, deposits and investments in the form of a registered retirement savings plan, but only for so long as those items are actually held in that plan.

26. General Terms

26.1 **Time of Essence.** Time is of the essence in all respects of this Guarantee.

26.2 Notices.

26.2.1 Any Notice must be in writing and either:

26.2.1.1 delivered personally or by courier;

26.2.1.2 sent by prepaid registered mail; or

26.2.1.3 transmitted by e-mail or functionally equivalent electronic means of transmission, charges (if any) prepaid.

Any Notice must be sent to the intended recipient at its address as follows:

to the Guarantor at:

1010 135 26th Avenue SW
Calgary, Alberta T2S 0M2

Attention: Chris Lewis
E-mail: clewis@cleoenergy.com

to the Lender at:

Suite 1802, 71 – Jamieson Court
New Westminster, British Columbia V3L 5R4

Attention: Stephen Ballard
E-mail: stever88ca@hotmail.com

or at such other address as any Party may from time to time advise the other by Notice given in accordance with this Section 26.2. Any Notice delivered to the Party to whom it is addressed will be deemed to have been given and received on the day it is so delivered at that Party's address, provided that if that day is not a Business Day then the Notice will be deemed to have been given and received on the next Business Day. Any Notice transmitted by e-mail or other form of electronic communication will be deemed to have been given and received on the day on which it was transmitted (but if the Notice is transmitted on a day that is not a Business Day or after 5:00 p.m. (local time of the recipient), the Notice will be deemed to have been received on the next Business Day). Any Notice given by registered mail will be deemed to have been received on the fifth Business Day after which it is so mailed. If a strike or lockout of postal employees is then in effect, or generally known to be impending, every Notice must be given by personal delivery or by e-mail or functionally equivalent electronic transmission.

- 26.3 **Severability.** Each provision of this Guarantee is distinct and severable. If any provision of this Guarantee, in whole or in part, is or becomes illegal, invalid or unenforceable in any jurisdiction as determined by a court of competent jurisdiction, the illegality, invalidity or unenforceability of that provision will not affect:

26.3.1 the legality, validity or enforceability of the remaining provisions of this Guarantee; or

26.3.2 the legality, validity or enforceability of that provision in any other jurisdiction.

- 26.4 **Submission to Jurisdiction.** Each of the Parties irrevocably submits and attorns to the exclusive jurisdiction of the courts of the Province of Alberta to determine all issues, whether at law or in equity arising from this Guarantee. To the extent permitted by Applicable Law, each of the Parties irrevocably waives any objection, including any claim of inconvenient forum, that it may now or in the future have to the venue of any legal proceeding arising out of or relating to this Guarantee in the courts of that Province or that the subject matter of this Guarantee may not be enforced in the courts and irrevocably agrees not to seek, and waives any right to, judicial review by any court which may be called upon to enforce the judgment of the courts referred to in this Guarantee, of the substantive merits of any such suit, action or proceeding. To the extent a Party now has or may acquire any immunity from jurisdiction of any court or from any legal process, whether through service or notice, attachment before judgment, attachment in aid of execution, execution or otherwise, with respect to itself or its property, that Party irrevocably waives that immunity in respect of its obligations under this Guarantee.

- 26.5 **Amendment.** No amendment, supplement, restatement, discharge or termination of this Guarantee is binding unless it is consented to in writing by the Lender and executed in writing by the Party to be bound.

- 26.6 **Waiver.** No delay on the part of the Lender in exercising any of its options, powers or rights, and no partial or single exercise of them, will constitute a waiver of them. No waiver of any of the Lender's rights under this Guarantee, and no amendment of this Guarantee, will be deemed to be made by the Lender unless it is in writing, duly signed on behalf of the Lender, and each waiver, if any, will apply only to the specific instance involved, and will not impair the rights of the Lender or the liabilities of the Guarantor to the Lender in any other respect at any other time.

- 26.7 **Further Assurances.** The Guarantor will, at the Guarantor's expense, execute and deliver any further agreements and documents and provide any further assurances as may be reasonably required by the Lender to give effect to this Guarantee and, without limiting the generality of the foregoing, will do or cause to be done all acts and things, execute and deliver or cause to be executed and delivered all agreements and documents and provide all assurances, undertakings and information as may be required from time to time by any Governmental Authority.

26.8 Assignment.

26.8.1 The Lender may from time to time, and without the consent of the Guarantor, assign or transfer all or any of the Guaranteed Indebtedness owing to the Lender or any interest in the Guaranteed Indebtedness to any Person, and may assign or transfer all or any of its rights under this Guarantee, provided that the assignment or transfer includes the Lender's interest in the Loan Documents to which the Guarantor is a party, and provided that the assignee or transferee agrees to be bound by the terms of this Guarantee. Despite any assignment or transfer or any subsequent assignment or transfer, any Guaranteed Indebtedness or part of it so assigned or transferred will be and will remain Guaranteed Indebtedness for the purposes of this Guarantee and any immediate and successive assignee or transferee of any Guaranteed Indebtedness or any interest in the Guaranteed Indebtedness will, to the extent of the interest so assigned or transferred, be entitled to the benefit of, and the right to enforce, this Guarantee to the same extent as if that Person was the Lender.

26.8.2 Except as provided in Section 26.8.1, neither this Guarantee nor any right or obligation under this Guarantee may be assigned by either Party without the prior consent of the other Party.

26.9 **Enurement.** This Guarantee is binding upon the Guarantor and its heirs, executors, administrators, successors and permitted assigns. This Guarantee enures to the benefit of the Lender and its heirs, executors, administrators, successors and permitted assigns.

26.10 **Creation and Use of Electronic Document.** This Guarantee may be created, provided, received, retained and otherwise used, and will be accepted, in any digital, electronic or other intangible form.

26.11 **Electronic Signatures and Delivery.** This Guarantee may be:

26.11.1 signed by manual, digital or other electronic signatures; and

26.11.2 delivered or transmitted by any digital, electronic or other intangible means, including by e-mail or other functionally equivalent electronic means of transmission,

and that execution, delivery and transmission will be valid and legally effective to create a valid and binding agreement between the Parties.

26.12 **Remedies Cumulative.** The rights and remedies under this Guarantee are cumulative and are in addition to, and not in substitution for, any other rights and remedies available at law or in equity or otherwise. No single or partial exercise by a Party of any right or remedy precludes or otherwise affects the exercise of any other right or remedy to which that Party may be entitled.

26.13 **Acknowledgment and Waiver.** The Guarantor:

26.13.1 acknowledges receiving a copy of this Guarantee; and

26.13.2 waives all rights to receive from the Lender a copy of any financing statement, financing change statement or verification statement filed or issued, as the case may be, at any time in respect of this Guarantee or any amendments to this Guarantee.

THE REMAINDER OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK.

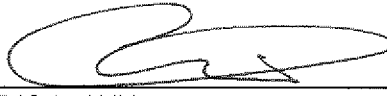
The Guarantor has executed and delivered this Guarantee as of the date noted at the beginning of the Guarantee.



Witness Signature

Name: Warren Foley

Address: Suite 1600, 421 7th Avenue SW
Calgary, Alberta T2P 4K9



CHRIS LEWIS

Guarantees Acknowledgment Act
(Section 3)
CERTIFICATE

I HEREBY CERTIFY THAT:

1. Chris Lewis, the guarantor in the guarantee dated August 3, 2023 made between Chris Lewis and Stephen Ballard, which this certificate is attached to or noted on, appeared in person before me and acknowledged that he had executed the guarantee.
2. I satisfied myself by examination of the guarantor that he is aware of the contents of the guarantee and understands it.

CERTIFIED by Warren Foley, Barrister and Solicitor at the City of Calgary, in the Province of Alberta, this 3 day of August, 2023.

Signature

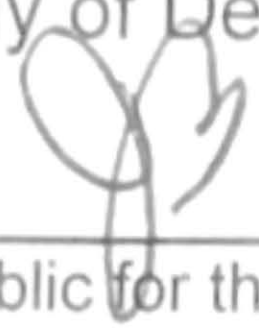
Warren Foley
Barrister & Solicitor

STATEMENT OF GUARANTOR

I am the person named in this certificate.

Signature of Guarantor

Exhibit "ZZ" to the Affidavit of
Chris Lewis
Sworn/Affirmed before me this
23rd day of December, 2024



A Notary Public for the State of California



Milne, Caitlin

From: Ethan Post <Ethan.Post@trafigura.com>
Sent: August 27, 2024 11:40 AM
To: Kellie D'Hondt
Cc: Chris Lewis; Colton Lewis; Matthieu Milandri; Javier Montero
Subject: RE: Request for Schedule #2

[EXTERNAL EMAIL] DO NOT CLICK links or attachments unless you recognize the sender and know the content is safe.

Hi Kellie,

Following up on the below.

I confirm that principal and interest were deducted from the most recent payment from Trafigura to Cleo.

For clarity:

- As per the Prepay Agreement, each advance is supposed to be repaid in 12 equal installments prior to the Maturity Date for such Advance, with the Maturity Date being 1 year from the Advance Date. Since the Advance Date was August 1, 2024, meaning that the First Advance should be fully repaid by August 1, 2025, Trafigura has set off the relevant principal and interest amounts against the July invoice to ensure that there are 12 equal installments between August 1, 2024 and August 1, 2025.
- Otherwise, if the first principal and interest payments were set off at the end of September, this would push the maturity of the first Advance from 1 year to 13 months.

Additionally, here is Schedule 2 for Advance 1:

| <u>Advance 1 Date</u> | <u>Advance Amount</u> |
|-----------------------|-----------------------|
| 8/1/2024 | 1,000,000 |

| <u>Delivery Period</u> | | <u>Relevant</u> | <u>Outstanding</u> |
|------------------------|---------------------------|--------------------|--------------------|
| <u>From</u> | <u>Delivery Period To</u> | <u>Amount</u> | <u>Advance</u> |
| | | <u>(Principal)</u> | |
| 8/1/2024 | 8/26/2024 | -83,333 | 916,667 |
| 8/26/2024 | 9/25/2025 | -83,333 | 833,333 |
| 9/25/2025 | 10/25/2024 | -83,333 | 750,000 |
| 10/25/2024 | 11/25/2024 | -83,333 | 666,667 |
| 11/25/2024 | 12/25/2024 | -83,333 | 583,333 |
| 12/25/2024 | 1/25/2025 | -83,333 | 500,000 |
| 1/25/2025 | 2/25/2025 | -83,333 | 416,667 |
| 2/25/2025 | 3/25/2025 | -83,333 | 333,333 |
| 3/25/2025 | 4/25/2025 | -83,333 | 250,000 |
| 4/25/2025 | 5/25/2025 | -83,333 | 166,667 |
| 5/25/2025 | 6/25/2025 | -83,333 | 83,333 |
| 6/25/2025 | 7/25/2025 | -83,333 | 0 |

I hope this helps. Please let me know if you have any further questions.

Best,

Ethan Post
Structured Trade Finance Analyst
Upstream Finance
Direct: +1 403 767 4985 ext 24985
Mobile: +1 403 669 5940
Email: Ethan.Post@trafigura.com

TRAFIGURA Canada Limited
1700 400 3 ave SW
Calgary, Alberta
Canada T2P 4H2
Main: +1 403 294 0400

From: Kellie D'Hondt <kdhondt@cleoenergy.com>
Sent: Tuesday, August 27, 2024 9:39 AM
To: Ethan Post <Ethan.Post@trafigura.com>
Cc: Chris Lewis <clewis@cleoenergy.com>; Colton Lewis <chlewis@cleoenergy.com>; Matthieu Milandri <Matthieu.Milandri@trafigura.com>; Javier Montero <Javier.Montero@trafigura.com>
Subject: [EXTERNAL] RE: Request for Schedule #2

Hi Ethan, just checking in to see if you have any updates for us?

Kellie

From: Ethan Post <Ethan.Post@trafigura.com>
Sent: Monday, August 26, 2024 2:10 PM
To: Kellie D'Hondt <kdhondt@cleoenergy.com>
Cc: Chris Lewis <clewis@cleoenergy.com>; Colton Lewis <chlewis@cleoenergy.com>; Matthieu Milandri <Matthieu.Milandri@trafigura.com>; Javier Montero <Javier.Montero@trafigura.com>
Subject: RE: Request for Schedule #2

[EXTERNAL EMAIL] DO NOT CLICK links or attachments unless you recognize the sender and know the content is safe.

Hi Kellie,

Thank you for bringing this to my attention. Let me look into this and I will get back to you.

Kind regards,

Ethan Post
Structured Trade Finance Analyst
Upstream Finance
Direct: +1 403 767 4985 ext 24985
Mobile: +1 403 669 5940
Email: Ethan.Post@trafigura.com

TRAFIGURA Canada Limited
1700 400 3 ave SW
Calgary, Alberta
Canada T2P 4H2

From: Kellie D'Hondt <kdhondt@cleoenergy.com>
Sent: Monday, August 26, 2024 1:51 PM
To: Ethan Post <Ethan.Post@trafigura.com>
Cc: Chris Lewis <clewis@cleoenergy.com>; Colton Lewis <chlewis@cleoenergy.com>
Subject: [EXTERNAL] Request for Schedule #2

Hey Ethan, I hope you had a great weekend!

I'm wondering if you can clarify if Cleo's first payment to the Prepayment Agreement was withdrawn this month? I see that our total monthly revenue was \$1.248MM. After the \$315K quick pay, Cleo was anticipating receiving \$932,050.64. I received word from our controller that we received an incoming wire for \$841,465.69, which was \$91K short of full payment.

I was under the impression the first payment would be made in September, as the first advance was drawn down on August 1. Can you please clarify? It might be helpful to have a filled in Schedule #2 that shows both lender and borrower the Delivery Period for the advances.

Thank you in advance for your help.

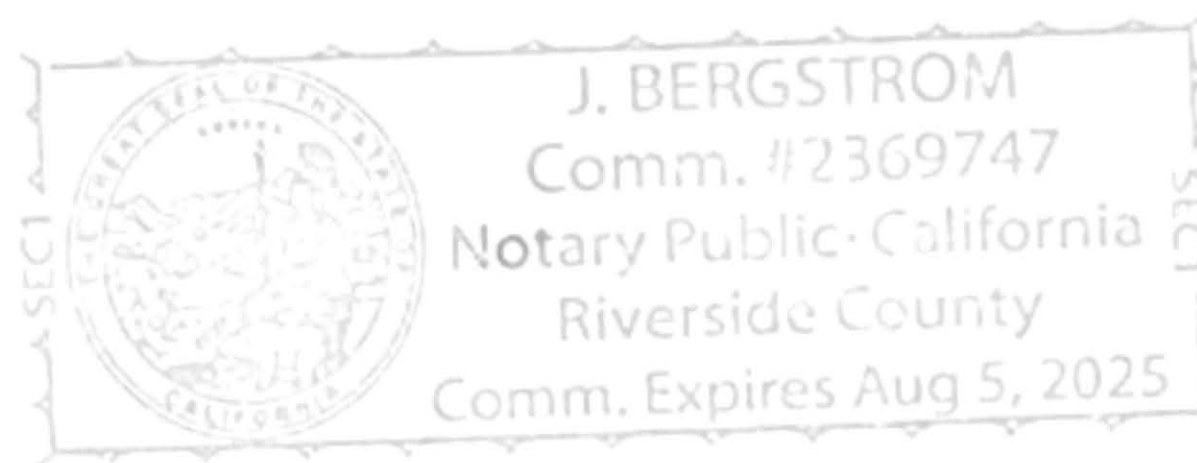
Kellie

This email and any attachments are confidential and access to this email or attachment by anyone other than the addressee is unauthorised. If you are not the intended recipient please notify the sender and permanently delete the email including any attachments. You must not copy, disclose or distribute any of the contents to any other person. Personal views or opinions are solely those of the author and not of Trafigura Group Pte Ltd or its affiliates (the "Group"). The Group does not guarantee that the integrity of this communication has been maintained nor that the communication is free of viruses, interceptions or interference. By communicating with anyone at the Group by email, you consent to the monitoring or interception of such email by the Group in accordance with its internal policies. Unless otherwise stated, any pricing information given in this message is indicative only, is subject to change and does not constitute an offer to deal at any price quoted.

Exhibit "AAA" to the Affidavit of
Chris Lewis
Sworn/Affirmed before me this
23rd day of December, 2024



A Notary Public for the State of California



Milne, Caitlin

From: Ethan Post <Ethan.Post@trafigura.com>
Sent: December 7, 2024 8:49 AM
To: Kellie D'Hondt
Subject: RE: [EXTERNAL] RE: Clarification on Cleo's Production Forecast

[EXTERNAL EMAIL] DO NOT CLICK links or attachments unless you recognize the sender and know the content is safe.

Okay thanks, would 7:30am work on your end?

Ethan Post
Upstream Finance
Direct: +1 403 767 4985 ext 24985
Mobile: +1 403 669 5940
Email: Ethan.Post@trafigura.com

TRAFIGURA Canada Limited
1700 400 3 ave SW
Calgary, Alberta
Canada T2P 4H2
Main: +1 403 294 0400

From: Kellie D'Hondt <kdhondt@cleoenergy.com>
Sent: Friday, December 6, 2024 5:55 PM
To: Ethan Post <Ethan.Post@trafigura.com>
Subject: RE: [EXTERNAL] RE: Clarification on Cleo's Production Forecast

No problem Ethan.

Yes, I meant the quick pay we submit to Craig.

If you are able to coordinate a dial in for Monday, that would be fantastic. We don't necessarily need everybody on the screen.

Kellie

From: Ethan Post <Ethan.Post@trafigura.com>
Sent: December 6, 2024 3:55 PM
To: Kellie D'Hondt <kdhondt@cleoenergy.com>
Subject: RE: [EXTERNAL] RE: Clarification on Cleo's Production Forecast

[EXTERNAL EMAIL] DO NOT CLICK links or attachments unless you recognize the sender and know the content is safe.

Sorry Kellie I'm still coordinating schedules on our end. I think a couple of us on the Trafi side are out on Monday that want to be on the call so I'm just trying to make sure they can at least dial in before I send an invite out.

Also you mean the quick pay request that you do with Craig?

Thanks and have a good weekend,

Ethan Post

Upstream Finance

Direct: +1 403 767 4985 ext 24985

Mobile: +1 403 669 5940

Email: Ethan.Post@trafigura.com

TRAFIGURA Canada Limited

1700 400 3 ave SW

Calgary, Alberta

Canada T2P 4H2

Main: +1 403 294 0400

From: Kellie D'Hondt <kdhondt@cleoenergy.com>

Sent: Friday, December 6, 2024 9:28 AM

To: Ethan Post <Ethan.Post@trafigura.com>

Cc: Matthieu Milandri <Matthieu.Milandri@trafigura.com>; Javier Montero <Javier.Montero@trafigura.com>; Craig Wilford <Craig.Wilford@trafigura.com>; Grant Evaskevich <Grant.Evaskevich@trafigura.com>; Chris Lewis <clewis@cleoenergy.com>

Subject: RE: [EXTERNAL] RE: Clarification on Cleo's Production Forecast

Thanks Ethan.

We are hoping to get on a call sooner rather than later, as we will be submitting our prepay request Monday morning.

Can we try to get on a call Monday morning?

Kellie

From: Ethan Post <Ethan.Post@trafigura.com>

Sent: December 5, 2024 7:21 PM

To: Kellie D'Hondt <kdhondt@cleoenergy.com>

Cc: Matthieu Milandri <Matthieu.Milandri@trafigura.com>; Javier Montero <Javier.Montero@trafigura.com>; Craig Wilford <Craig.Wilford@trafigura.com>; Grant Evaskevich <Grant.Evaskevich@trafigura.com>; Chris Lewis <clewis@cleoenergy.com>

Subject: Re: [EXTERNAL] RE: Clarification on Cleo's Production Forecast

[EXTERNAL EMAIL] DO NOT CLICK links or attachments unless you recognize the sender and know the content is safe.

Hi Kellie,

Thank you for the detailed update. It would be great to have a call to hear your go-forward plans. Would Tuesday work?

Thank you,

Ethan Post

Upstream Finance

Direct: [+1 403 767 4985](tel:+14037674985) ext 24985

Mobile: [+1 403 669 5940](tel:+14036695940)

Email: Ethan.Post@trafigura.com

TRAFIGURA Canada Limited

[1700 400 3](tel:+14034003) ave SW

Calgary, Alberta

Canada T2P 4H2

Main: [+1 403 294 0400](tel:+14032940400)

On Dec 4, 2024, at 12:49 PM, Kellie D'Hondt <kdhondt@cleoenergy.com> wrote:

Ethan, thanks for reaching out. Yes, you are correct that the January nominations are below what Cleo was producing in the summertime.

As an update to our reactivation program performed this past August, we reactivated and reperfed a wellbore in Silver Heights. We encountered more gas than expected on the perf. Due to an area gas plant shut down in 2021 there is limited gas egress in the Silver Heights area. The decision was made to flare the excess gas, with the understanding we were within the D60 regulations of permitted flaring. In October, a review was conducted by the AER and on October 31st Cleo was ordered to curtail all solution gas production in Silver Heights by 75% in order to comply with D60 regulations. As a result, Cleo was ordered to shut in ~100bbl/d of oil production. We are now in the midst of sourcing gas conservation alternatives (power generators), so we can bring back on the conserved production. In addition, there are 50bbls of oil we anticipated we would bring on at Neutral Hills as a result of our August pipeline work. Subsequent to the completion of the pipeline work, wellbores we believed could be immediately turned back on required workovers due to the length of time they had been down. Further, we've had 22 barrels go down in Shorncliffe that we've been unable to attend to while we work through the current working capital constraints. We do have ~22 barrels that can be added back at Silver Heights that meet the current conservation order, however, the current working capital constraints are currently limiting bringing these barrels back on.

I suggest we have a call to discuss current production and our go forward plans. Is your group available Monday to discuss?

Kellie

From: Ethan Post <Ethan.Post@trafigura.com>

Sent: December 3, 2024 3:42 PM

To: Kellie D'Hondt <kdhondt@cleoenergy.com>

Cc: Matthieu Milandri <Matthieu.Milandri@trafigura.com>; Javier Montero <Javier.Montero@trafigura.com>; Craig Wilford <Craig.Wilford@trafigura.com>; Grant Evaskevich <Grant.Evaskevich@trafigura.com>

Subject: Clarification on Cleo's Production Forecast

[EXTERNAL EMAIL] DO NOT CLICK links or attachments unless you recognize the sender and know the content is safe.

Hi Kellie,

I hope you are doing well.

Craig just shared Cleo's updated production forecast with me, and I must admit, the figures look a bit concerning. Could you please provide some insight into why the forecasted volumes are lower compared to what we saw over the summer?

<image001.png>

Thank you,

Ethan Post

Upstream Finance

Direct: +1 403 767 4985 ext 24985

Mobile: +1 403 669 5940

Email: Ethan.Post@trafigura.com

TRAFIGURA Canada Limited

1700 400 3 ave SW

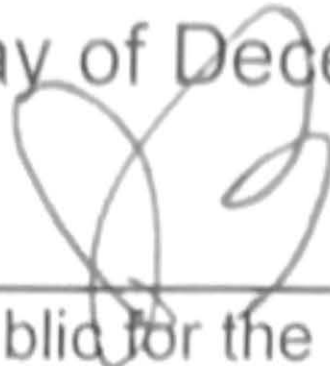
Calgary, Alberta

Canada T2P 4H2

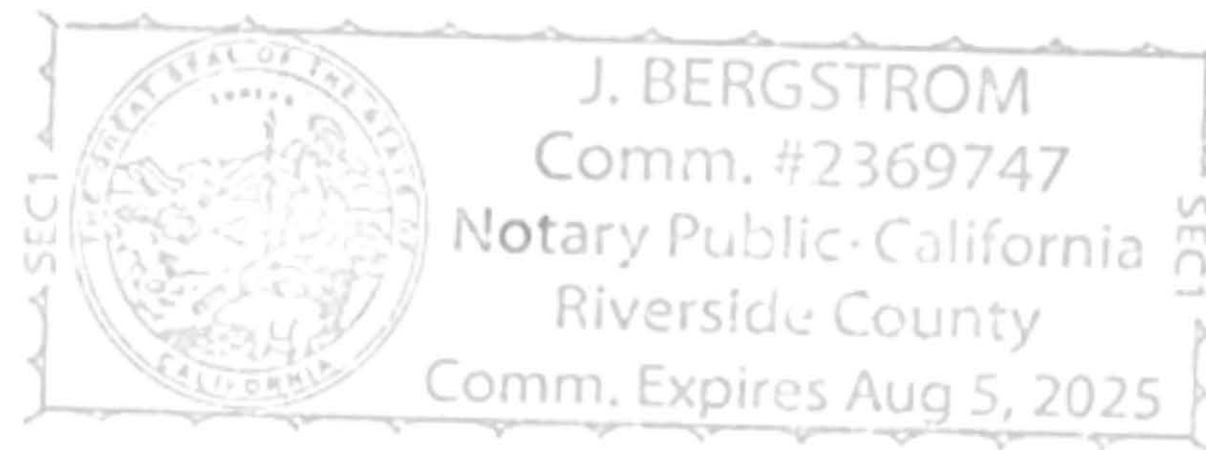
Main: +1 403 294 0400

This email and any attachments are confidential and access to this email or attachment by anyone other than the addressee is unauthorised. If you are not the intended recipient please notify the sender and permanently delete the email including any attachments. You must not copy, disclose or distribute any of the contents to any other person. Personal views or opinions are solely those of the author and not of Trafigura Group Pte Ltd or its affiliates (the "Group"). The Group does not guarantee that the integrity of this communication has been maintained nor that the communication is free of viruses, interceptions or interference. By communicating with anyone at the Group by email, you consent to the monitoring or interception of such email by the Group in accordance with its internal policies. Unless otherwise stated, any pricing information given in this message is indicative only, is subject to change and does not constitute an offer to deal at any price quoted.

Exhibit "BBB" to the Affidavit of
Chris Lewis
Sworn/Affirmed before me this
23rd day of December, 2024



A Notary Public for the State of California



Cleo Energy Corp.
Detailed Reserves and Present Value
Results as of January 1, 2023
Cleo Energy Corp.
Proved Developed Producing

| Res. Cat. | Zone | WI % | Oil Volumes | | | Sales Gas Volumes | | | NGL Volumes | | | BOE Volumes | | | Net Present Values | | |
|-------------------------|-----------------------|---------|-------------|-------------|--------------|-------------------|------------|-------------|-------------|-------------|--------------|-------------|------------|-------------|--------------------|------------|-------------|
| | | | WI Mbbbl | RI Mbbbl | Net Mbbbl | WI MMcf | RI MMcf | Net MMcf | WI Mbbbl | RI Mbbbl | Net Mbbbl | WI MBOE | RI MBOE | Net MBOE | 0% M\$C | 5% M\$C | 10% M\$C |
| Canada | | | | | | | | | | | | | | | | | |
| | Alliance | 100.0 | 26.1 | - | 22.4 | - | - | - | - | - | - | 26.1 | - | 22.4 | 829 | 780 | 722 |
| | Atlee | 100.0 | 42.8 | - | 37.9 | 231.4 | - | 216.8 | - | - | - | 81.3 | - | 74.0 | 495 | 542 | 547 |
| | Enchant | 98.3 | - | - | - | 700.1 | - | 656.6 | - | - | - | 116.7 | - | 109.4 | -70 | 323 | 432 |
| | Fabyan | 99.6 | 15.5 | - | 14.4 | 9,300.4 | - | 8,401.8 | 25.1 | - | 20.1 | 1,590.7 | - | 1,434.8 | 22,546 | 17,637 | 14,128 |
| | Fabyan Non-Op | 9.1 | - | - | - | 114.7 | - | 87.9 | 0.3 | - | 0.2 | 19.4 | - | 1,726 | -1,382 | -1,143 | |
| | Hayter Non-Op | 12.0 | 35.1 | - | 30.9 | - | - | - | - | - | - | 35.1 | - | 30.9 | 660 | 529 | 433 |
| | Kessler | 100.0 | 63.9 | - | 57.0 | - | - | - | - | - | - | 63.9 | - | 57.0 | -151 | 25 | 97 |
| | Kessler Non-Op | 0.5 | - | - | - | 0.5 | - | 0.4 | 0.0 | - | 0.0 | 0.1 | - | 0.1 | 0 | 0 | 0 |
| | Neutral Hills | 94.5 | 309.7 | - | 271.7 | 100.0 | - | 88.1 | 2.6 | - | 2.1 | 328.9 | - | 288.4 | 1,185 | 1,224 | 1,148 |
| | Sedgewick | 100.0 | 221.2 | - | 193.8 | 278.1 | - | 261.5 | 3.6 | - | 3.0 | 271.1 | - | 240.4 | 8,542 | 6,777 | 5,581 |
| | Sedgewick Non-Op | 25.0 | - | - | - | 11.3 | - | 10.4 | 0.0 | - | 0.0 | 1.9 | - | 1.8 | -2 | 3 | 6 |
| | Shorncliffe | 100.0 | 274.5 | - | 228.6 | - | - | - | - | - | - | 274.5 | - | 228.6 | 448 | 867 | 1,021 |
| | Silver Heights | 96.6 | 1,295.7 | - | 1,004.2 | - | - | - | - | - | - | 1,295.7 | - | 1,004.2 | 34,407 | 23,870 | 18,036 |
| | Silver Heights Non-Op | 1.4 | 0.1 | - | 0.1 | - | - | - | - | - | - | 0.1 | - | 0.1 | 0 | 0 | 0 |
| | Taber | 98.4 | - | - | - | 650.9 | - | 597.6 | - | - | - | 108.5 | - | 99.6 | -293 | 291 | 516 |
| Subtotal Canada | | 88.4 | 2,284.5 | - | 1,861.0 | 11,387.3 | - | 10,321.3 | 31.6 | - | 25.4 | 4,214.0 | - | 3,606.6 | 66,869 | 51,487 | 41,526 |
| Total Cleo Energy Corp. | | 88.4 | 2,284.5 | - | 1,861.0 | 11,387.3 | - | 10,321.3 | 31.6 | - | 25.4 | 4,214.0 | - | 3,606.6 | 66,869 | 51,487 | 41,526 |