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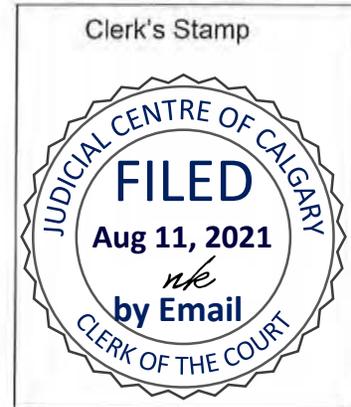
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COURT COURT OF QUEEN'S BENCH OF ALBERTA

JUDICIAL CENTRE CALGARY

IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A  
PROPOSAL OF GS E&R CANADA INC.

DOCUMENT FOURTH REPORT OF MNP LTD., PROPOSAL TRUSTEE



Justice Dunlop  
COM  
Aug 16, 2021

ADDRESS FOR  
SERVICE AND  
CONTACT  
INFORMATION OF  
PARTY FILING  
THIS DOCUMENT

COUNSEL  
LAWSON LUNDELL LLP  
3700 – 205 5<sup>th</sup> Avenue SW  
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ATTN: ALEXIS TEASDALE  
TEL: 403.218.7564  
FAX: 403.269.9494  
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PROPOSAL TRUSTEE  
MNP LTD.  
1500, 640 – 5 AVENUE SW  
CALGARY, AB T2P 3G4

ATTN: VICTOR P. KROEGER  
TEL: 403.298.8479  
EMAIL: [vic.kroeger@mnp.ca](mailto:vic.kroeger@mnp.ca)

**EXHIBITS**

EXHIBIT A	Sayer prepared SISP Overview Information Brochure
EXHIBIT B	Redacted Purchase and Sale Escrow Agreement

## INTRODUCTION

1. On March 11, 2021, GS E&R Canada Inc. (the "**Company**") filed a Notice of Intention to Make a Proposal ("**NOI**") pursuant to Part III, Division I of the *Bankruptcy and Insolvency Act* (the "**BIA**") and MNP Ltd. consented to act as trustee under the NOI (in such capacity, the "**Proposal Trustee**"). The original documentation was erroneously filed under the name GS E&R Canada Ltd. MNP Ltd. provided the Office of the Superintendent of Bankruptcy (the "**OSB**") with updated filing documentation on March 16, 2021. On March 18<sup>th</sup>, 2021 the OSB issued a new certificate of filing reflecting the Company's correct name.
2. On July 5, 2021, the Company obtained an Order of the Court of Queen's Bench of Alberta (the "**Court**") extending the third NOI stay period until August 23, 2021 (the "**Stay Extension Date**").
3. This is the Proposal Trustee's fourth report to the Court (the "**Fourth Report**") and is being provided in support of the Company's August 16, 2021 application to the Court.
4. Defined terms used in the Fourth Report will have the same meaning as in the First Report of the Proposal Trustee dated March 18, 2021 and/or the Second Report of the Proposal Trustee dated May 14, 2021 and/or the Third Report of the Proposal Trustee dated June 28, 2021.
5. All references to currency are in Canadian dollars unless otherwise stated.
6. A copy of the Fourth Report and other relevant documents in the Company's restructuring proceedings are available on the Proposal Trustee's website at:  
<https://mnpdebt.ca/en/corporate/corporate-engagements/gs-eandr-canada>.

## REPORT LIMITATIONS

7. In preparing the Fourth Report and making comments herein, the Proposal Trustee has relied upon, certain unaudited, draft or internal financial information, including the Company's books and records, and information from other third-party sources (collectively, the "**Information**"). The Proposal Trustee has not audited, reviewed or otherwise attempted to verify the accuracy or completeness of the Information in a manner that would wholly or partially comply with generally accepted assurance standards or other standards established by the Chartered Professional Accountants of Canada (the "**Standards**"). Additionally, none of the Proposal Trustee's procedures were intended to disclose defalcations or other irregularities. If the Proposal Trustee were to perform additional procedures or to undertake an audit examination of the Information in accordance with the Standards, additional matters may have come to the Proposal Trustee's attention. Accordingly, the Proposal Trustee does not express an opinion, nor does it provide any other form of assurance on the financial or other information presented herein. The Proposal Trustee may refine or alter its observations as further information is obtained or brought to its attention after the date of the Fourth Report.
8. The Proposal Trustee assumes no responsibility or liability for any loss or damage occasioned by any party as a result of the circulation, publication, reproduction, or use of Fourth Report. Any use, any party makes of the Fourth Report, or any reliance or decision to be made based on the Fourth Report by any party, is the sole responsibility of such party.

## PURPOSE OF THE FOURTH REPORT

9. The purpose of the Fourth Report is to provide the Court and other interested parties with:
  - a) Information regarding the SISP;

- b) The recommendation of the Proposal Trustee regarding the SISP offers;
- c) Discussion about the requirement for expanded Proposal Trustee powers; and
- d) The recommendation of the Proposal Trustee to request a sealing order (the "**Sealing Order**") in relation to the confidential supplement to the Fourth Report (the "**Confidential Supplement**").

#### **SALES AND INVESTMENT SOLICITATION PROCESS ("SISP")**

10. On March 24, 2021, the Court granted an Order approving the SISP as described in the Proposal Trustee's First Report. In accordance with the SISP, the Proposal Trustee retained the Services of Sayer Energy Advisors ("**Sayer**") to conduct the SISP on behalf of the Company.
11. On April 9, 2021 Sayer commenced the marketing stage of the SISP by:
  - a. Mailing a copy of an overview information brochure (the "**Overview Information**") to approximately 600 parties. A copy of the Overview Information is attached as **Exhibit A**. The Overview Information was also posted to Sayer's website;
  - b. Posting the Overview Information to the Sayer website. The Overview Information was downloaded 152 times;
  - c. Emailing a copy of the Overview Information to approximately 2,200 parties;
  - d. Placing an advertisement in the April 12, 2021 Daily Oil Bulletin;
  - e. Placing an advertisement in the A&D Watch and Energy Advisors List; and
  - f. Announcing the SISP in Sayer's weekly Canadian Oil Industry Asset Sale Listing.
12. The marketing phase resulted in 18 confidentiality agreements being received that allowed the parties who executed such agreements (the "**Interested Parties**") access to information about the Company contained in a virtual data room.
13. Following completion of the marketing phase, the Interested Parties had an opportunity to undertake due diligence regarding the Company and its oil and gas assets until and including approximately May 13, 2021 (the "**Due Diligence Phase**").
14. During the Due Diligence Phase of the SISP, additional questions from prospective purchasers were received and were answered by the Company.
15. The Phase I Bid Deadline under the SISP was initially set for May 13, 2021, but was extended to May 28, 2021. 4 offers were received by the Phase I Bid Deadline: 1 for all of the assets of the Company, 1 for certain assets of the Company and 2 for 100% of the shares of the Company. Copies of the 4 offers are attached to the confidential supplement to this Fourth Report (the "**Confidential Supplement**"). Sayer advises that the ratio of bids to confidentiality agreements received in the SISP is comparable to that obtained in other similar processes recently managed by Sayer.
16. The Company, in consultation with Sayer and the Proposal Trustee, determined that the Bench Creek Resources Ltd ("**Bench Creek**") offer (the "**Bench Creek Offer**") was the best offer in the circumstances.

17. In order to ensure that the Bench Creek Offer, or any other offer, would close, approval from the British Columbia Oil and Gas Commission (the "**BCOGC**") was required by the Company. BCOGC is also the Company's largest creditor. After lengthy discussions and negotiations with BCOGC, BCOGC gave its approval of the Bench Creek Offer, subject to the Company obtaining Court approval of the Bench Creek Offer.
18. On July 30, 2021, the Company and Bench Creek entered into an asset and purchase agreement (the "**Bench Creek APA**"). A copy of the Bench Creek APA redacted for the price and certain other terms and conditions is attached to the Fourth Affidavit of Jungho Park, the managing director of the Company, to be filed in these proceedings (the "Fourth Jungho Park Affidavit").
19. As part of the Bench Creek APA, the Proposal Trustee and the Company entered into a Purchase and Sale Escrow Agreement (as defined in the Bench Creek APA) regarding the deposit paid by Bench Creek. This is attached as Schedule "I" to Exhibit "B", with the deposit amount redacted.
20. In addition, and as part of the Bench Creek APA, the Company, Bench Creek and the BCOGC entered into a Closing Escrow Agreement (as defined in the Bench Creek APA) and an unsigned copy is attached as Schedule J to the Bench Creek APA. Due to the confidential nature of the Closing Escrow Agreement, the Closing Escrow Agreement has been redacted from the Bench Creek APA that is attached to the Fourth Jungho Park Affidavit.

#### **SEALING ORDER APPLICATION**

21. The Proposal Trustee understands that, at the August 16, 2021 hearing, the Company will apply for an order from this Honourable Court, to seal the Confidential Supplement on the Court file until the Bench Creek APA closes or until further Order of this Honourable Court. The Proposal Trustee is of the view that the disclosure of the purchase price and the certain other terms and conditions under the Bench Creek APA, including the terms of the Closing Escrow Agreement, may be detrimental in the event that the Bench Creek APA does not close and additional marketing of the Company's assets or shares is required. The only information in relation to which the Sealing Order is being sought is the purchase price and certain other terms and conditions of the Bench Creek APA and there are no reasonable alternative measures to protect this sensitive commercial information other than a confidentiality order. The Proposal Trustee is of the view that, if the requested Sealing Order is not granted, creditor recoveries may be reduced should a subsequent marketing process be required.

#### **EXPANDED PROPOSAL TRUSTEE POWERS**

22. The Proposal Trustee is advised that the Company intends to file a proposal to its creditors (the "**Proposal**") on or after the date on which the Sale Approval and Vesting Order is granted, and before the Company's time for filing a proposal expires. The Proposal Trustee further understands that, once the Bench Creek APA has closed and once the BIA proposal has been sanctioned by the Court, the Company's directors and management intend to resign. In order to, among other things, deal with any post-closing matters arising out of the Bench Creek APA, take possession of any remaining Company assets, pay any post-filing creditors, and file income tax returns and deal with all Canada Revenue Agency matters, the Company is making an application to expand the powers of the Proposal Trustee. The Proposal Trustee consents to these expanded powers.

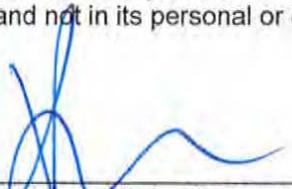
**CONCLUSION**

23. The Proposal Trustee recommends that an Order be granted to:

- a. Approve the Bench Creek APA for the following reasons:
  - i. The Bench Creek APA is the best offer received by the Company from the SISP;
  - ii. The Bench Creek APA transfers the property abandonment obligations from the Company to Bench Creek;
  - iii. Closing of the Bench Creek APA will result in the \$4,313,938 BCOGC LMR obligation transferring from the Company to Bench Creek thereby eliminating the largest creditor in the NOI;
  - iv. The BCOGC supports the licence transfer from the Company to Bench Creek; and
  - v. Approval of the Bench Creek APA will place the Company into a position to allow it to file a proposal on or prior to the Stay Extension Date.
- b. Approve the proposed expanded powers of the Proposal Trustee; and
- c. Approve the Sealing Order for the reasons stated above.

All of which is respectfully submitted this 9<sup>th</sup> day of August, 2021.

**MNP Ltd.** in its capacity as Trustee in the Notice of Intention to Make a Proposal of GS E&R Canada Inc. and not in its personal or corporate capacity

Per:   
Victor P. Kroeger CPA, CA, LIT, CIRP, CFE  
Senior Vice President

# Exhibit A



GS E&R CANADA INC. / MNP LTD.  
PROPERTY DIVESTITURE

**MNP**  
LTD



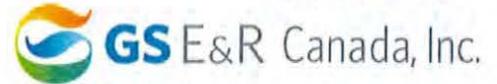
# OVERVIEW INFORMATION

Bid Deadline: 12:00 pm May 13, 2021



**Property Sale**  
**BID DEADLINE: 12:00 pm May 13, 2021**

**Property Sale:**  
**Maxhamish, Northeastern B.C.**  
**946 boe/d (5.5 MMcf/d, 33 bbl/d)**



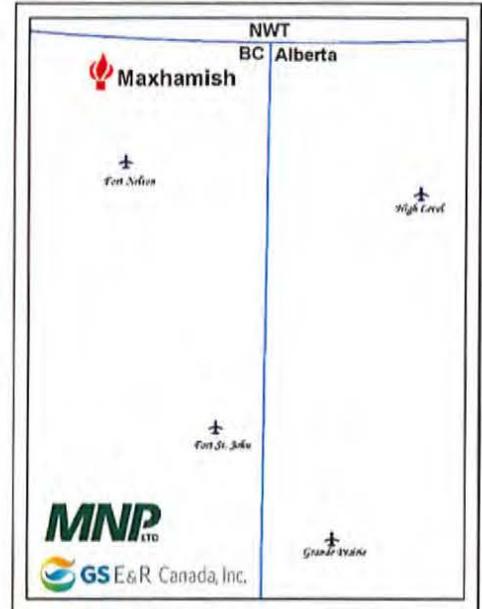
On March 11, 2021, GS E&R Canada Inc. ("GSER" or the "Company") filed a Notice of Intention to Make a Proposal (the "NOI") pursuant to subsection 50.4(1) of the *Bankruptcy and Insolvency Act*, R.S.C., 1985, c. B-3 (the "BIA") with the Office of the Superintendent of Bankruptcy. MNP Ltd. consented to act as trustee under the NOI (the "Proposal Trustee").

GSER has filed an application for among other relief, an order approving a proposed sales and investment solicitation process (the "SISP"), which is to be managed by the Proposal Trustee with the assistance of Sayer Energy Advisors ("Sayer"). The Proposal Trustee has engaged Sayer to assist the Proposal Trustee with the sale of all of GSER's oil and natural gas interests in the Maxhamish area of British Columbia (the "Property"). A copy of the SISP is found on Sayer's website at [www.sayeradvisors.com](http://www.sayeradvisors.com).

Production net to GSER from Maxhamish in November 2020 was approximately 946 boe/d (5.5 MMcf/d of natural gas and 33 barrels of natural gas liquids per day) from the Chinkeh Formation.

The Company's net operating income from Maxhamish in November 2020 was approximately \$254,000 or \$3.0 million on an annualized basis.

As of March 12, 2021, GSER had total deemed assets of \$20.1 million, deemed liabilities of \$24.4 million (net deemed assets of (\$4.3 million)) with an LMR of 0.83. The Company's asset value and LMR ratio include a deposit of \$3,887,258 in place with the BC Oil and Gas Commission ("BCOGC").



**PROCESS & TIMELINE**

Sayer Energy Advisors is accepting offers relating to this process until **12:00 pm on Thursday, May 13, 2021**.

Timeline	
Week of April 12, 2021	Preliminary Information Distributed
April 12, 2021	Data Room Opens
<b>May 13, 2021</b>	<b>12:00 noon</b>
May 1, 2021	Effective Date
June 2021	Closing Date

*Sayer Energy Advisors does not conduct a "second-round" bidding process; the intention is to attempt to conclude transactions with the parties submitting the most acceptable proposals at the conclusion of the process.*

**Sayer Energy Advisors is accepting offers from interested parties as outlined in the SISP until noon on Thursday, May 13, 2021.**





**Maxhamish Property**

**NTS 094-O-06 – 094-O-14**

In the *Maxhamish* area of northeastern British Columbia, the Company holds mainly a 100% working interest in over 114,000 gross acres of land with wells producing natural gas from the *Chinkeh "A" Pool*.

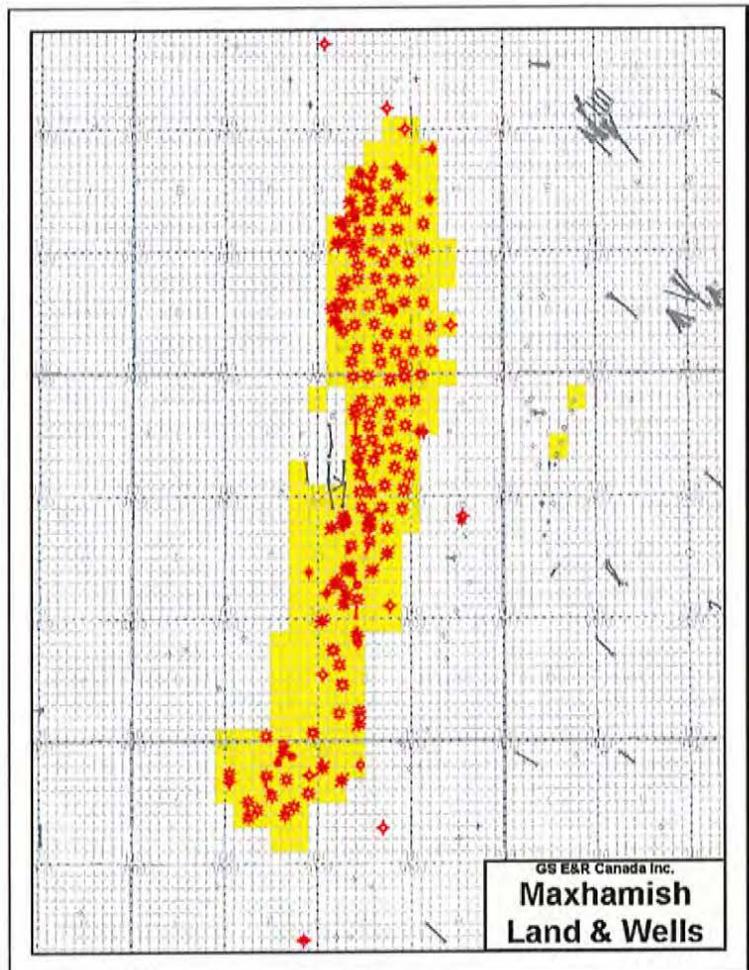
Production net to GSER from *Maxhamish* in November 2020 was approximately 946 boe/d (5.5 MMcf/d of natural gas and 33 barrels of natural gas liquids per day) from the *Chinkeh* Formation.

The Company's net operating income from *Maxhamish* in November 2020 was approximately \$254,000 or \$3.0 million on an annualized basis.

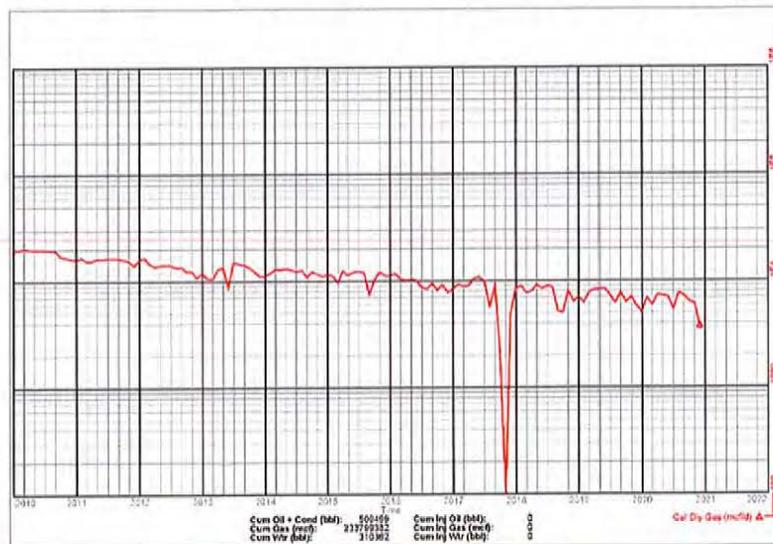
The Lower Cretaceous *Chinkeh* Formation is the primary target at *Maxhamish*, and is found at a depth of approximately 1,600 metres. Additional upside has been identified in the *Garbutt*, *Scatter*, *Mattson* and *Besa River* formations.

The previous operator had a review conducted on the *Chinkeh "A" Pool* as well as a CBM Report done in June 2005 utilizing core analysis.

The Company has ownership in substantial facilities and infrastructure associated with the Property. Details on the facilities are available on Sayer's website at [www.sayeradvisors.com](http://www.sayeradvisors.com).



**Maxhamish, British Columbia - Group Plot of GSER's Chinkeh Natural Gas Wells**





## Maxhamish Reserves

Sproule Associates Limited ("Sproule") prepared an independent reserves evaluation of the Property as part of the Company's year-end reporting (the "Sproule Report"). The Sproule Report is effective December 31, 2019 using Sproule's October 31, 2019 forecast pricing.

Sproule estimated that, as of December 31, 2019, the *Maxhamish* property contained remaining proved plus probable reserves of 14.2 Bcf of natural gas and 751,000 barrels of natural gas liquids (3.1 million boe), with an estimated net present value of \$10.2 million using forecast pricing at a 10% discount. The net present value of the Property's proved developed producing reserves was estimated to be approximately \$5.8 million using forecast pricing at a 10% discount.

In addition to the total proved plus probable reserves, Sproule assigned total possible reserves of approximately 47.1 Bcf of natural gas and 2.5 million barrels of natural gas liquids (10.4 million boe) with an estimated net present value of \$12.2 million using forecast pricing at a 10% discount.

GS E&R Canada Inc. as of December 31, 2019							
	COMPANY GROSS RESERVES				PV BEFORE TAX		
	Oil Mbbbl	Natural Gas MMcf	Ngl Mbbbl	Total MBOE	5%	10% (000s)	15%
Proved Developed Producing	0	10,994	583	2,415	\$6,397	\$5,811	\$4,888
Proved Non-Producing/Undeveloped	0	1,217	65	267	\$3,387	\$2,489	\$1,894
<b>Total Proved</b>	<b>0</b>	<b>12,211</b>	<b>647</b>	<b>2,682</b>	<b>\$9,784</b>	<b>\$8,300</b>	<b>\$6,782</b>
Probable	0	1,951	103	429	\$2,840	\$1,884	\$1,322
<b>Total Proved Plus Probable</b>	<b>0</b>	<b>14,162</b>	<b>751</b>	<b>3,111</b>	<b>\$12,624</b>	<b>\$10,184</b>	<b>\$8,104</b>

The reserve estimates and forecasts of production and revenues for the Company's properties were prepared within the context of the Company's year-end evaluation, which was an evaluation of all of the Company's properties in aggregate. Extraction and use of any individual property evaluation outside of this context may not be appropriate without supplementary due diligence. Values in the "Total" row may not correspond to the total of the values presented due to rounding.

## Maxhamish LMR as of March 12, 2021

As of March 12, 2021, GSER had total deemed assets of \$20.1 million, deemed liabilities of \$24.4 million (net deemed assets of (\$4.3 million)) with an LMR of 0.83.

The Company's asset value and LMR ratio include a deposit of \$3,887,258 in place with the BCOGC.

Deemed Asset Amount	Deemed Liability Amount	Net Asset Amount	LMR Ratio
\$20,128,992	\$24,442,930	(\$4,313,938)	0.83

Additional information relating to GSER's dormant site reclamation program is available in the virtual data room for parties that sign a confidentiality agreement.

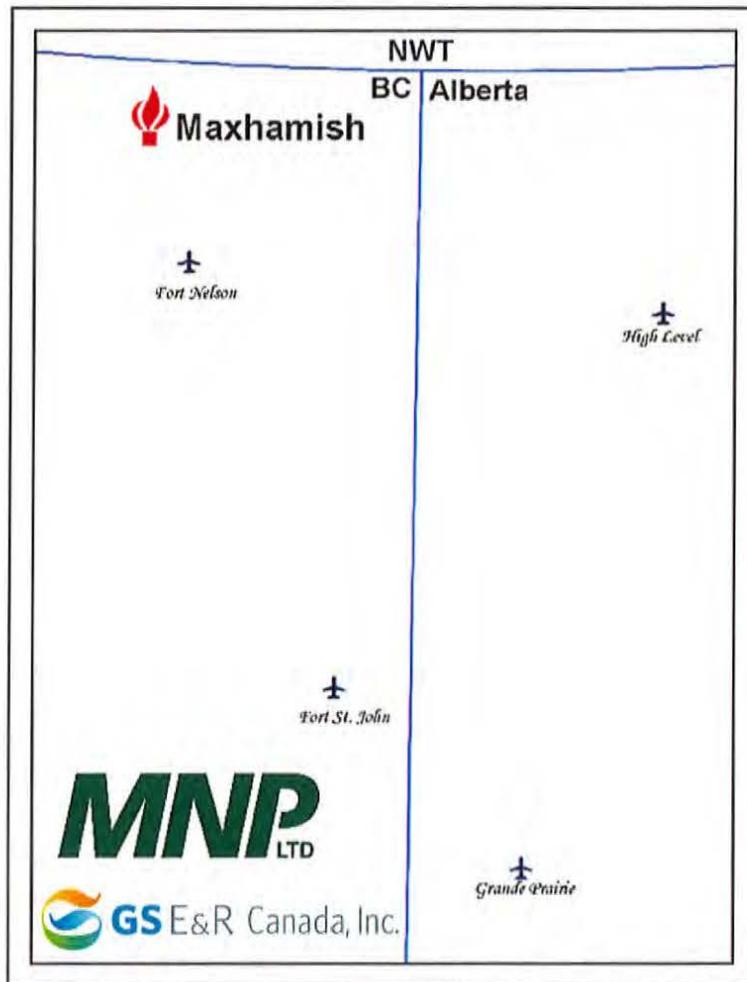




**BID DEADLINE: 12:00 pm May 13, 2021**

**Property Sale**

# MNP Ltd. GS E&R Canada Inc. Property Sale Spring 2021



Parties wishing to receive access to the Confidential Information with detailed technical information relating to this opportunity should execute the Confidentiality Agreement which is available on Sayer Energy Advisors' website ([www.sayeradvisors.com](http://www.sayeradvisors.com)) and return one copy to Sayer Energy Advisors by courier, email ([tpavic@sayeradvisors.com](mailto:tpavic@sayeradvisors.com)) or fax (403.266.4467).

Included in the Confidential Information is the following: summary land information, the Sproule Report, most recent net operations summary, LMR information, geological mapping and other relevant technical information.

To receive further information on the Property please contact Tom Pavic, Ben Rye or Grazina Palmer at 403.266.6133.



1620, 540 – 5<sup>th</sup> Avenue SW, Calgary, Alberta Canada T2P 0M2  
Tel: 403.266.6133 Fax: 403.266.4467 [www.sayeradvisors.com](http://www.sayeradvisors.com)

## SALE AND INVESTMENT SOLICITATION PROCESS

### GS E&R Canada Inc.

1. On March 11, 2021, GS E&R Canada Inc. ("**E&R Canada**") filed a Notice to File a Proposal under the Bankruptcy & Insolvency Act with MNP Ltd. named as the proposal trustee (the "**Proposal Trustee**").
2. The Proposal Trustee, with the assistance of Sayer Energy Advisors ("**Sayer**"), will conduct a sale and investment solicitation process ("**SISP**") whereby prospective purchasers ("**Interested Parties**") will have the opportunity to submit an offer to purchase all or part of E&R Canada's assets, undertakings and properties (collectively, the "**Property**") or the shares of E&R Canada (the "**Shares**"). The Property is comprised of a business focussing on energy exploration and production of liquid rich natural gas in North Eastern British Columbia primarily produced from the Liard Basin. E&R Canada is an operator and has a 100% working interest in 147 gas wells, 7 satellites, 265 km of pipelines, 1 compression station and 1 Natural Gas Liquid facility.
3. The sale of the Property or the Shares will be on an "as is, where is" basis with no representations and warranties.
4. On March 24, 2021, E&R Canada obtained a Court Order approving an extension of time to the stay of proceedings to May 25, 2021, an administrative charge and directors and officers charge, and a sales process to be administered by the Proposal Trustee. Sayer will create and maintain the virtual data room (the "**Data Room**") and during the week of April 12, 2021 will distribute to Interested Parties an interest solicitation letter detailing the opportunity to submit an offer to purchase the Property or the Shares (the "**Teaser**"). A form of non-disclosure agreement ("**NDA**") will be attached to the Teaser that Interested Parties will be required to sign in order to gain access to the Data Room or be provided physical copies of any materials in the Data Room.
5. Also during the week of April 12, 2021 Sayer will cause a notice of the SISP to be published in the publications described below.
6. Sayer will provide an investment overview document to each Interested Party through the Data Room. The document will provide an overview of E&R Canada's business and the Property that may be of interest to the Interested Parties. Those Interested Parties who

are interested in pursuing a transaction will be required to submit a short, non-binding letter of intent (“**LOI**”), using a form of LOI to be included in the Data Room (the “**Template LOI**”), to the Proposal Trustee indicating whether the Interested Party intends to make an offer to purchase all or part of the Property or the Shares, along with evidence of financial wherewithal to consummate a transaction, as outlined below (each party who submits an LOI, an “**LOI Party**”).

7. In addition, the Proposal Trustee and Sayer will populate the Data Room with a template Agreement of Purchase and Sale for each of a sale of the Property and the sale of the Shares, as may be applicable to a particular offer (in either case, the “**Template APS**”), which is to be used by LOI Parties who intend to submit binding offers, as described below.
8. Interested Parties who have executed a NDA and wish to undertake further due diligence will be provided with an opportunity to conduct site visitations, if allowed pursuant to the provisions of health and safety laws, policies and regulations, and to be arranged in consultation with the Proposal Trustee, E&R Canada and Sayer.
9. A chart summarizing key dates for the SISP is set out below (all capitalized terms are defined in the within SISP summary):

	<b>Event</b>	<b>Timing</b>
1.	Compile a list of Interested Parties and send the Teaser and NDA to those parties.	Week of April 12, 2021
2.	The Proposal Trustee will post information pertaining to this SISP on the Proposal Trustee’s website <a href="https://mnpdebt.ca/en/corporate/corporate-engagements/gs-eandr-canada">https://mnpdebt.ca/en/corporate/corporate-engagements/gs-eandr-canada</a> which will include: <ul style="list-style-type: none"> <li>• The Redacted Teaser for public information only;</li> <li>• The within SISP summary; and</li> <li>• an NDA.</li> </ul>	Week of April 12, 2021
3.	Sayer shall advertise the Property and the SISP in BOE Report and the Daily Oil Bulletin	Week of April 12, 2021

4.	<p>Interested Parties who have executed an NDA will receive available information in respect of the Property, including access to the Data Room.</p> <p>Each Interested Party is required to submit an LOI to the Proposal Trustee containing the information outlined in the Template LOI, including whether the Interested Party intends to make an offer to purchase all or part of the Property or the Shares, along with evidence of the party's financial wherewithal to consummate a transaction by 12 noon Mountain Daylight Savings Time on the LOI Deadline</p>	May 13, 2021 (the " <b>LOI Deadline</b> ")
5.	<p>The Proposal Trustee, with input from Sayer and E&amp;R Canada, will review each LOI received and will notify any LOI Party of its interest in pursuing a potential transaction with the LOI Party within 4 business days of the LOI Deadline.</p>	Within 4 business days of the LOI Deadline
6.	<p>The Template APS shall be posted to the Data Room, the applicable form of which is to be used by LOI Parties wishing to submit a binding offer.</p> <p>LOI Parties who have been contacted by the Proposal Trustee will have until 12:00 pm Mountain Daylight Savings Time, on the Offer Deadline to submit an offer to the Proposal Trustee, on the terms set out below.</p> <p>The Proposal Trustee reserves its right to modify the LOI Deadline and the Offer Deadline at its discretion.</p>	May 27, 2021 (the " <b>Offer Deadline</b> ")
7.	<p>Offers shall remain open for acceptance by E&amp;R Canada for a reasonable period of time following the Offer Deadline.</p>	As soon as reasonably practical
8.	<p>Following the Offer Deadline, the Proposal Trustee, E&amp;R Canada and Sayer, will review and assess all offers received, to determine if each offer is a Qualified Offer.</p> <p>The Proposal Trustee will seek to either negotiate the Successful Offer(s) with the Successful Offeror(s) or continue negotiations with Selected Offerors, in either case with a view to negotiating a Final APS or Final APSs, subject only to Court approval.</p>	As soon as reasonably practical
9.	<p>E&amp;R Canada will seek Court approval of the Final APS or Final APSs, as the case may be, and obtain the Approval and Vesting Order.</p>	As soon as reasonably practical following execution and delivery of Final APS(s).
10.	<p>Closing Date</p>	Within 1 week of the issuance of the Approval and Vesting Order, or

		such other date as may be agreed to by the Proposal Trustee, E&R Canada and the Successful Offeror.
11.	The Proposal Trustee shall return any Deposits submitted in connection with Qualified Offers which were not accepted by E&R Canada.	Within 5 business days of the Offeror being notified that their Offer was not accepted.

### Offer Procedure

10. The offer procedure (the "**Offer Procedure**") is as follows:
- a. all offers must take the form of a Qualified Offer and must be submitted in writing to the Trustee and received on or before noon Mountain Daylight Savings Time on the Offer Deadline; and
  - b. all offers must be submitted with a blackline to the Template APS.
11. An offer will be considered a "**Qualified Offer**" only if (i) it is submitted in accordance with the requirements of the immediately preceding paragraph, and (ii) the offer complies with, among other things, the following requirements:
- a. it complies with all of the requirements set forth in the LOI Template;
  - b. it includes a letter stating that the offer is irrevocable and open for acceptance for one week following the Offer Deadline, provided that if the offeror is selected as the Successful Offeror, its offer shall remain irrevocable until the closing of a transaction with the Successful Offeror;
  - c. it is to be accompanied by a refundable cash deposit in the form of certified cheque or bank draft payable to the order of the Proposal Trustee, in trust (the "**Deposit**"), in an amount equal to at least 20% of the purchase price contemplated therein;
  - d. it includes identifying information regarding all parties that will be entering into the transaction or the financing, or that is participating in or benefiting from the offer

and evidence of corporate authority and approval, together with the name or names of any beneficial owner(s) including their respective percentage interests;

- e. it includes proof of financial ability to close the transaction, and shall not be conditional on any terms such as obtaining financing or on any unperformed due diligence, other than the obtaining of the Approval and Vesting Order;
- f. it includes the following: an acknowledgement and representation that the offeror:
  - (a) has had an opportunity to conduct any and all due diligence regarding E&R Canada and its business, the Property, and the Shares prior to making its offer;
  - (b) has relied solely upon its own independent review, investigation and/or inspection of any documents and/or the Property to be acquired and liabilities to be assumed in making its offer; and
  - (c) did not rely upon any written or oral statements, representations, promises, warranties or guarantees whatsoever, whether express or implied (by operation of law or otherwise), regarding the Property to be acquired or liabilities to be assumed or the completeness of any information provided in connection therewith, except as expressly stated in the Template APS;
- g. it is conditional upon the approval of all relevant regulatory authorities with respect to the transfer of the underlying leases, licences, permits and Property; and
- h. it is, in the reasonable opinion of the Proposal Trustee and E&R Canada, likely to close within 1 week of the issuance of the Approval and Vesting Order (the "**Closing Date**") or such other date as the Proposal Trustee and E&R Canada deem reasonable in the circumstances.

12. Each Qualified Offer will be considered by the Proposal Trustee and E&R Canada. The Proposal Trustee and E&R Canada, in consultation and working with Sayer, may seek clarifications with respect to any submitted offers.

### **Post-Offer Procedure**

13. If one or more Qualified Offers are received, the Proposal Trustee and E&R Canada, in consultation with Sayer, may choose to:

- a. accept a Qualified Offer (the "**Successful Offer**") and the offeror making the Successful Offer being the "**Successful Offeror**") and take such steps as are necessary to finalize the definitive documentation and complete an agreement (the "**Final APS**") for the Successful Offer with the Successful Offeror; *provided that* where a Successful Offer relates to only a portion of the Property, the Proposal Trustee and E&R Canada, in consultation with Sayer, may accept an additional Qualified Offer or Qualified Offers for all or a part of the remaining Property, each of which will also be considered a Successful Offer and the person so making the Successful Offer being a Successful Offeror; or
  - b. continue negotiations with a selected number of offerors (collectively, "**Selected Offerors**") in respect of their Qualified Offers (the "**Selected Offers**") and take such steps as are necessary to finalize the definitive documentation and complete the Final APS or Final APSs, as the case may be, with one or more of the Selected Offerors.
14. The Proposal Trustee and E&R Canada shall be under no obligation to accept the highest or best offers or any offer and the selection of the Selected Offers or the Successful Offer(s) shall be entirely in the discretion of the Proposal Trustee and E&R Canada, after consultation with Sayer.

#### **Approval of Transaction**

15. E & R Canada will apply to the Court (the "**Approval Motion**") for an order (the "**Approval and Vesting Order**") approving the Final APS(s) and authorizing E&R Canada to enter into any and all necessary agreements with respect to the Final APS(s) and to undertake such other actions as may be necessary or appropriate to give effect to the Final APS(s).
16. The Approval Motion will be held on a date to be scheduled by the Court upon application by E&R Canada. The Approval Motion may be adjourned or rescheduled without further notice by an announcement of the adjourned date at the Approval Motion.

#### **Deposit**

17. All Deposits shall be in the form of bank drafts or certified cheques and will be retained by the Proposal Trustee. If there is a Successful Offer(s) or a Selected Offer(s) that culminates in a Final APS(s), the Deposit paid by a Successful Offeror or a Selected

Offeror, as the case may be, whose offer is approved by the Court will be applied to the purchase price to be paid by the applicable Successful Offeror or Selected Offeror upon closing of the approved transaction and will be non-refundable. The Deposits of offerors not selected as a Successful Offeror or a Selected Offeror, as the case may be, will be returned to such offerors within 5 business days of being notified that their offer has not been selected. If there is no Successful Offer or Selected Offer, subject to the following paragraph, all Deposits will be returned to the applicable offerors within 5 business days of the date upon which the SISP is terminated by the Proposal Trustee, in its sole discretion.

18. If a Successful Offeror or Selected Offeror breaches its obligations under the applicable Final APS, its Deposit shall be forfeited to E&R Canada as liquidated damages and not as a penalty.

#### **Other Terms**

19. At any time during the SISP, the Proposal Trustee and/or E&R Canada may apply to the Court for advice and directions with respect to the discharge of their powers and duties hereunder.
20. The Proposal Trustee and E&R Canada shall have the ability to modify the timelines set out herein or waive the strict requirements of the SISP.



Deadline 12:00 pm May 13, 2021

## Overview

On March 11, 2021, **GS E&R Canada Inc.** ("GSER" or the "Company") filed a Notice of Intention to Make a Proposal (the "NOI") pursuant to subsection 50.4(1) of the *Bankruptcy and Insolvency Act*, R.S.C., 1985, c. B-3 (the "BIA") with the Office of the Superintendent of Bankruptcy. **MNP Ltd.** consented to act as trustee under the NOI (the "Proposal Trustee").

GSER has filed an application for among other relief, an order approving a proposed sales and investment solicitation process (the "SISP"), which is to be managed by the Proposal Trustee with the assistance of **Sayer Energy Advisors** ("Sayer"). The Proposal Trustee has engaged Sayer to assist the Proposal Trustee with the sale of all of GSER's oil and natural gas interests in the *Maxhamish* area of British Columbia (the "Property"). A copy of the SISP is found on Sayer's website at [www.sayeradvisors.com](http://www.sayeradvisors.com).

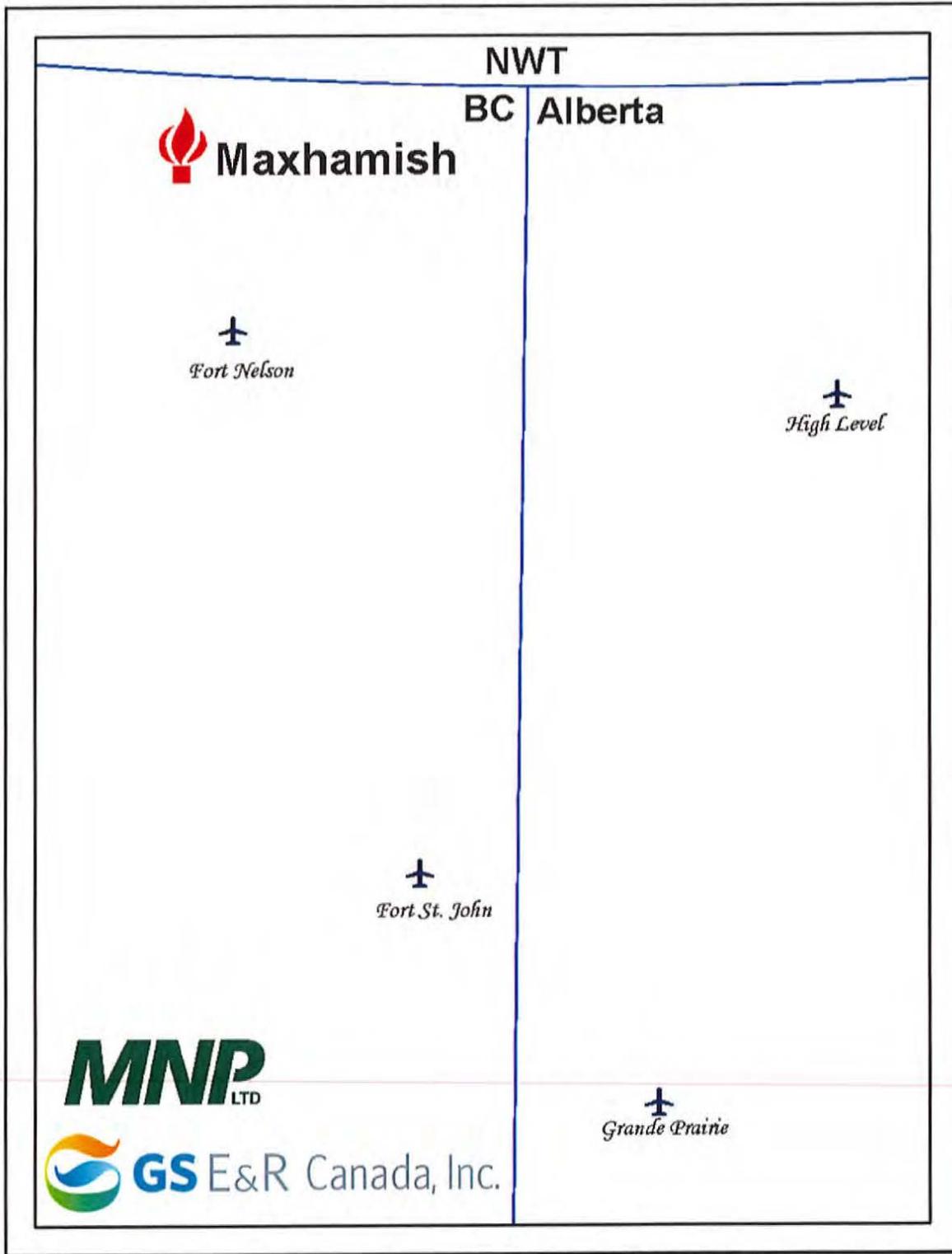
Production net to GSER from *Maxhamish* in November 2020 was approximately 946 boe/d (5.5 MMcf/d of natural gas and 33 barrels of natural gas liquids per day) from the Chinkeh Formation.

The Company's net operating income from *Maxhamish* in November 2020 was approximately \$254,000 or \$3.0 million on an annualized basis.

As of March 12, 2021, GSER had total deemed assets of \$20.1 million, deemed liabilities of \$24.4 million (net deemed assets of (\$4.3 million)) with an LMR of 0.83. The Company's asset value and LMR ratio include a deposit of \$3,887,258 in place with the BC Oil and Gas Commission ("BCOGC").



Overview Map Showing Location of the Company's Property



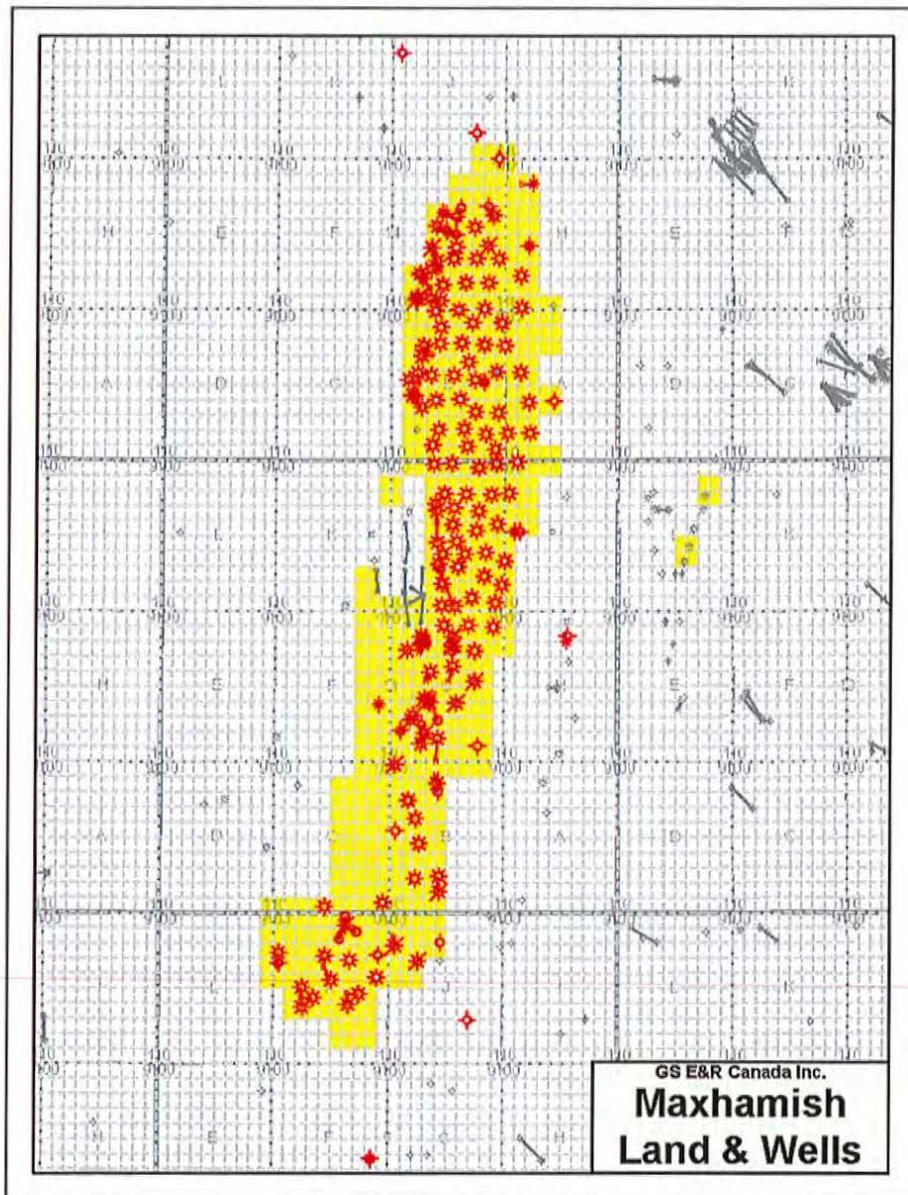
## Maxhamish Property

NTS 094-O-06 – 094-O-14

In the *Maxhamish* area of northeastern British Columbia, the Company holds mainly a 100% working interest in over 114,000 gross acres of land with wells producing natural gas from the *Chinkeh "A" Pool*.

Production net to GSER from *Maxhamish* in November 2020 was approximately 946 boe/d (5.5 MMcf/d of natural gas and 33 barrels of natural gas liquids per day) from the Chinkeh Formation.

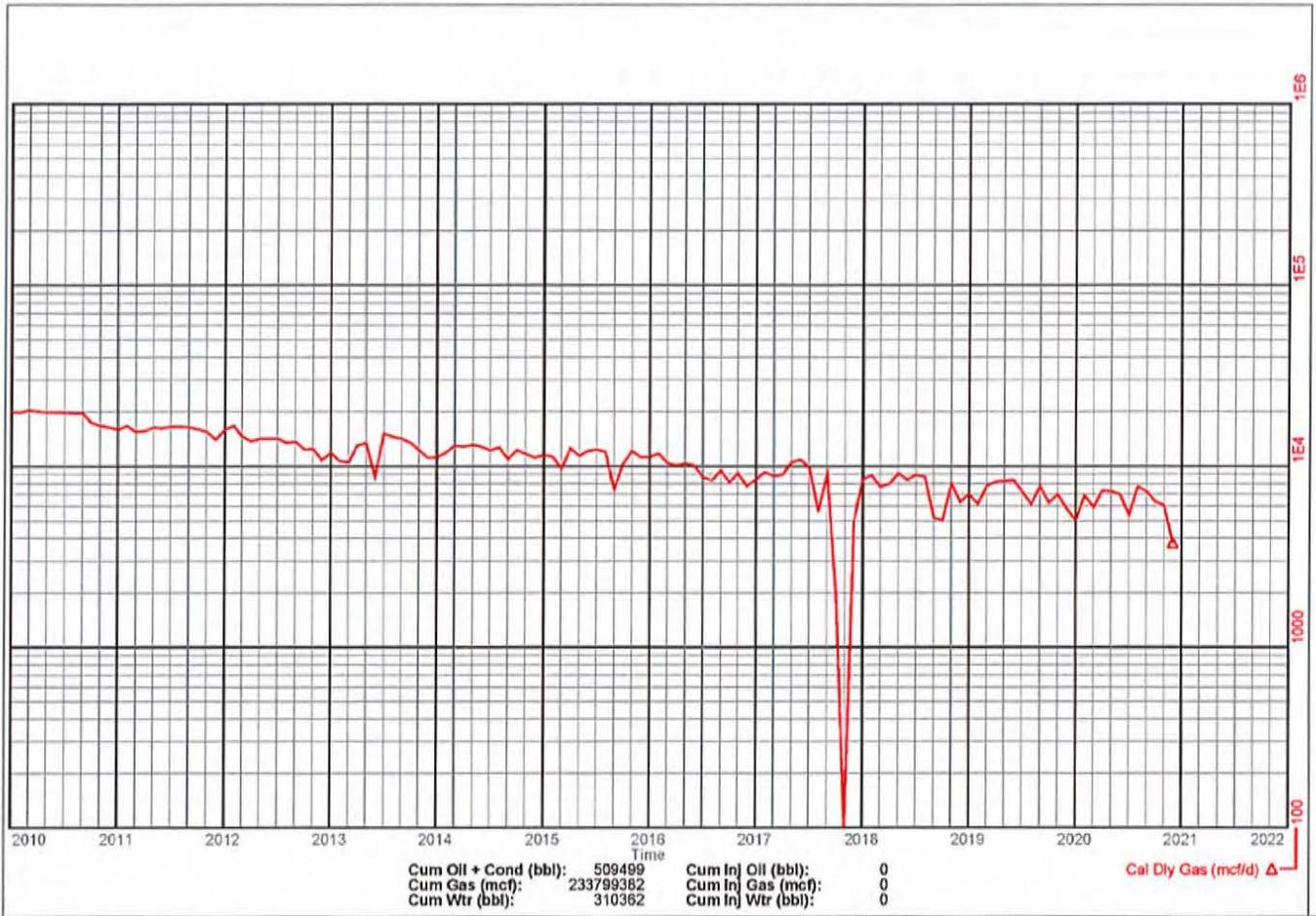
The Company's net operating income from *Maxhamish* in November 2020 was approximately \$254,000 or \$3.0 million on an annualized basis.







**Maxhamish, British Columbia  
Group Plot of GSER's Chinkeh Natural Gas Wells**





**Deadline 12:00 pm May 13, 2021**

The Lower Cretaceous Chinkeh Formation is the primary target at *Maxhamish*, and is found at a depth of approximately 1,600 metres. Additional upside has been identified in the Garbutt, Scatter, Mattson and Besa River formations.

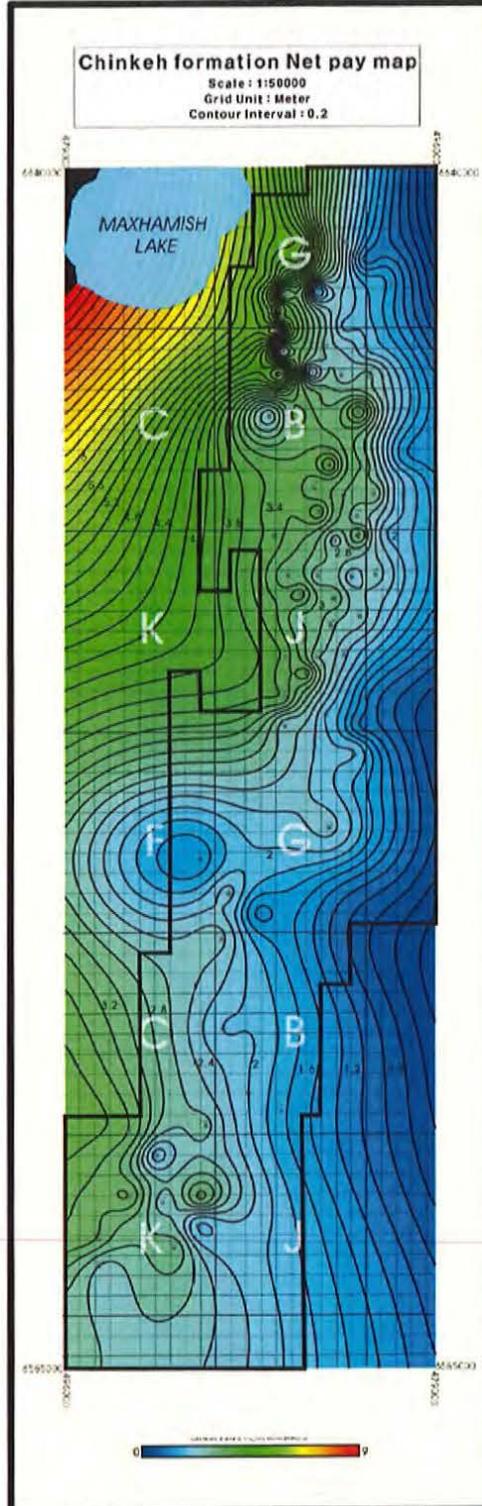
The previous operator had a review conducted on the *Chinkeh "A" Pool* as well as a CBM Report done in June 2005 utilizing core analysis.





GSER has mapped net pay in the Chinkeh Formation at *Maxhamish* as shown on the following map.

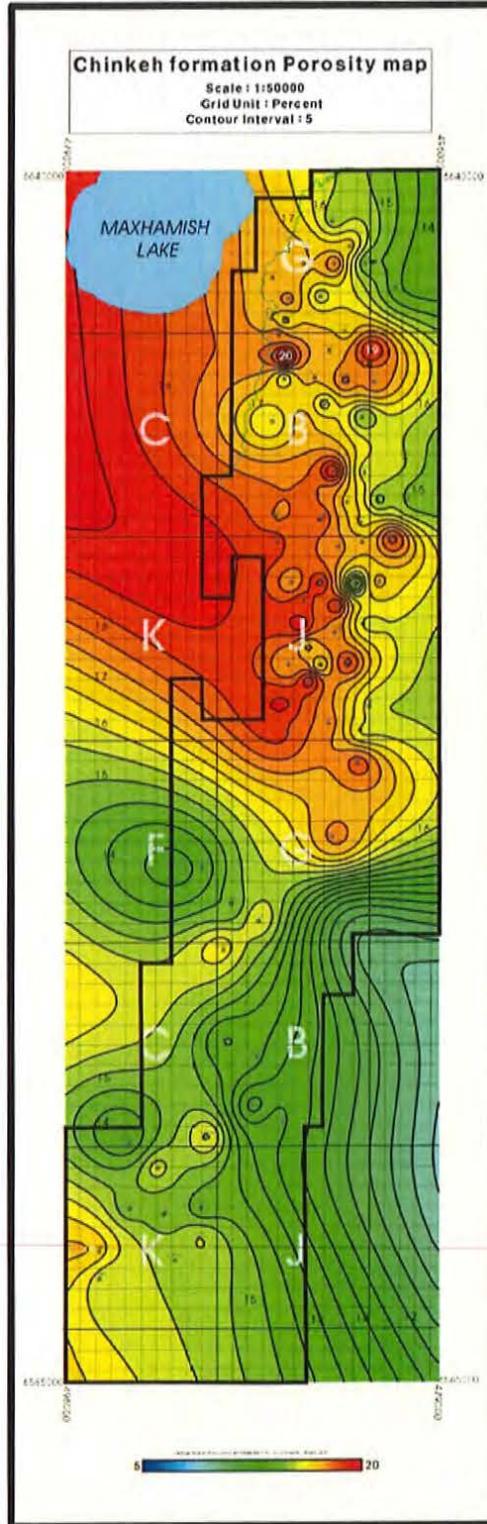
**Maxhamish, British Columbia – Chinkeh Net Pay Map**





GSER has mapped porosity in the Chinkeh Formation at *Maxhamish* as shown on the following map.

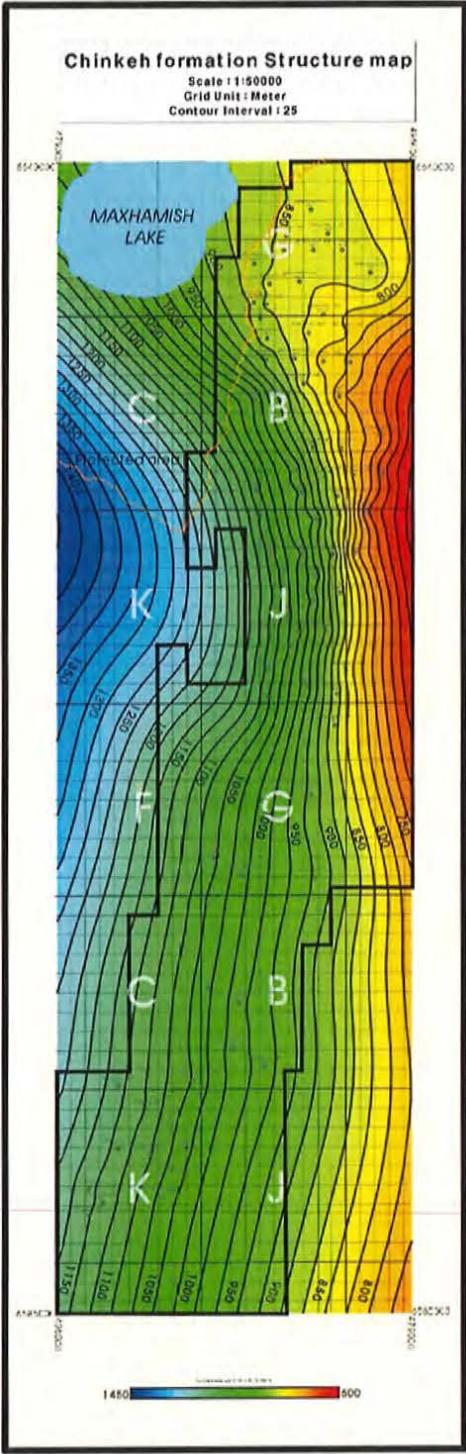
**Maxhamish, British Columbia – Chinkeh Porosity Map**





GSER has mapped the structure in the Chinkeh Formation at *Maxhamish* as shown on the following map.

**Maxhamish, British Columbia – Chinkeh Structure Map**





### Maxhamish Upside

The following chart shows zone depths and the average natural gas contents for each zone.

**CBM Report (June 2005): Core Analysis of Gas Shales (B-6-C/94-O-11 well)**

Zone #	Drill Depth (m)		Zone Thickness (m)	Average Gas Content	Average Gas Content	C1-C4 (%)
	Top	Bottom		(scf/ton)	(cc/g)	
Upper Shale *	1140	1168	28	22.6	0.70	99.3
Scatter Zone +	1168	1288	120	5.0	0.16	98.0
Scatter Silt *	1288	1340	52	5.9	0.18	98.9
Garbutt +	1340	1458	118	8.6	0.27	97.8
Garbutt Radioactive Zone *	1458	1486	28	37.9	1.18	97.9
Lower Garbutt +	1486	1513	27	14.7	0.46	<b><i>97.9</i></b>
*Gas content taken from core date						
+ Gas content taken from cuttings data						
** where there are no gas compositions, C1-C4 values are taken from nearest samples – in bold and italicized						

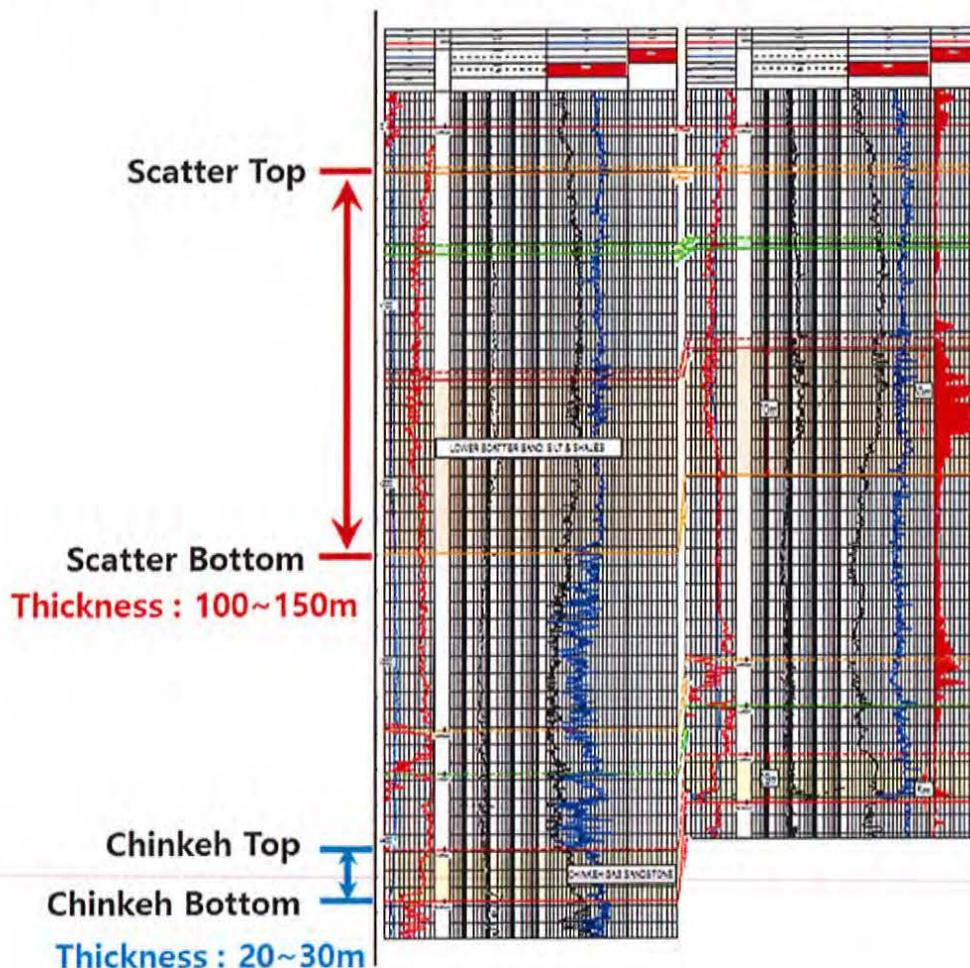


## Scatter Formation

GSER has identified upside potential in the Scatter Formation at *Maxhamish*. The previous operator had Single Point Flow & Build-up Test Analysis done in October 2006 by APA Petroleum Engineering. Recompletions were done in the Scatter Formation in January 2014 in the 200/B-016-B/094-O-11/0 and 200/B-094-K/094-O-06/0 wells. Currently both wells are shut-in due to low production but there is wide distribution throughout *Maxhamish* area where the natural gas from the Scatter Formation is liquids rich and the formation has high porosity of 6-9% compared to approximately 4% in the deep basin.

The well log below shows the Scatter Formation.

**GSENR Maxhamish 200/B-094-K/094-O-06/2 - Scatter Formation Well Log**



The Company also believes there is additional potential for production from the Mattson and Besa River formations on its lands at *Maxhamish*.



Deadline 12:00 pm May 13, 2021

## Marketing Overview

GSER currently has a natural gas processing agreement in place with **NorthRiver Midstream Inc.** and a transportation agreement with **BP Canada Energy Group ULC** for firm volumes of 160.6 e<sup>3</sup>m<sup>3</sup>/d for processing and 161.5 e<sup>3</sup>m<sup>3</sup>/d for transportation of natural gas which expire October 31, 2021.

GSER has a marketing contract in place with BP for natural gas where volumes that are transferred to BP at the Fort Nelson Plant Outlet.

GSER has an evergreen marketing contract in place with **Pembina Midstream Limited Partnership** for condensate for 275 m<sup>3</sup>/month at the Taylor Terminal 892.





## Maxhamish Facilities

The Company has a water disposal and pipeline joint operations agreement with **SanLing Energy Ltd.**

GSER owns the Klua a-090-J/094-J-08 Gas Facility and gathering system which include Functional Units (a) fuel plant, (b) compression facilities, (c) dehydration facilities and sales meter, natural gas gathering system and fuel gas pipeline and (d) water disposal facilities and pipeline.

The Company owns access roads at *Maxhamish* for year-round access to the Property. Information on the access roads is available in the data room for parties that sign a confidentiality agreement.

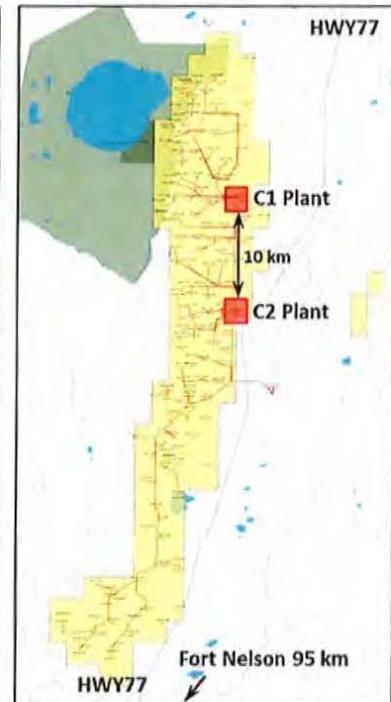
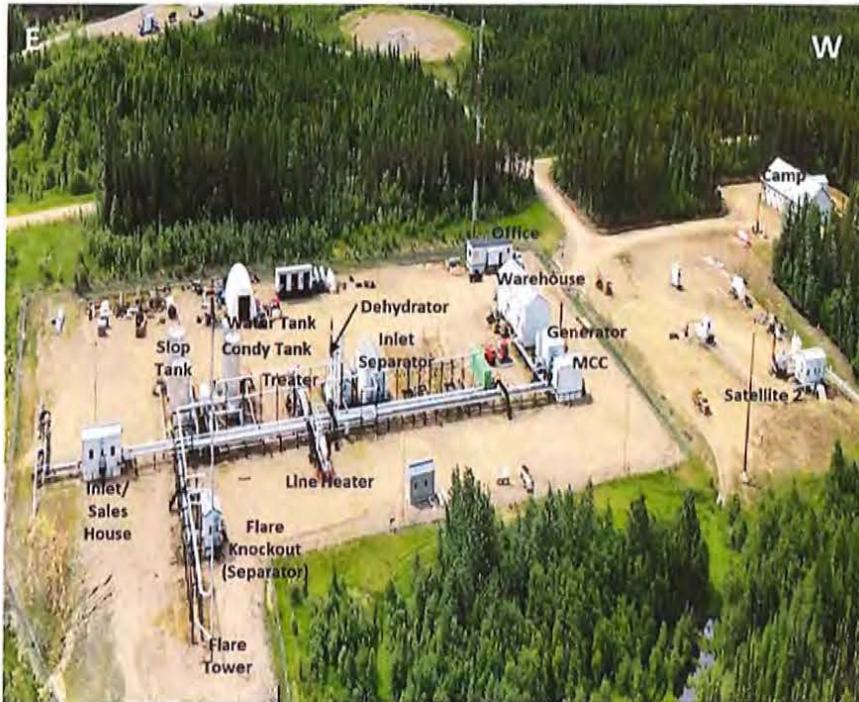
The Company has compression, transmission, treating and transportation services road use agreements in place with **Crescent Point Energy Corp.**

Detailed listing of existing equipment, vehicles, pipeline, facilities is available in the data room for parties that sign a confidentiality agreement.

The following tables outline GSER's facility ownership at *Maxhamish*.



C1 Gas Plant – Location (UWI) c-059-A/94-O-14



**C1: C-059-A/094-O-14: GSER Interest 100%**

1-Inlet heaters - Duty 1.1 X 1.6 GJ/hr (H-1501)

1-Inlet Slug Catcher V-1100, Size 1525mm ID X 6095 mm S/S, rated @9755 kPa

1-Dehydration facility rated at 50 mmscf/d @ 12000 kPa. 48" OD Contactators with 1,000,000 BTU/hr reboiler.

1-Glycol drain tank for the dehy, capacity 11,000 litres (T-1730)

Treater

1-Condry Tank 750 bbls.

1-H2O Tank 750 bbls.

3-Slop tanks 750 bbls each.

1-High pressure flare knock out drum, size 1285mm ID X 6095 mm S/S (V-1150), with high pressure flare knock out drum pump (P-1250). Flow rate : 1.1 X 6.8 m3/hr @ ΔP = 140 kPa. Power 1.1 kW

1-Low pressure flare stack, size 114.3mm OD X 30480mm HIGH (FL-1851)

1-High pressure flare stack, size 314mm OD X 30480mm HIGH (FL-1850)

1-Heat medium heater, duty: 2.11 GJ/hr (H-1570)

1-Heat medium expansion tank, size 914mm ID X 2438mm S/S (V-1170)

2-Heat medium circulation pumps (P-1270 & P-1271). Flow rate: 25m3/hr @ ΔP = 390 kPa. Power 5.6 kW

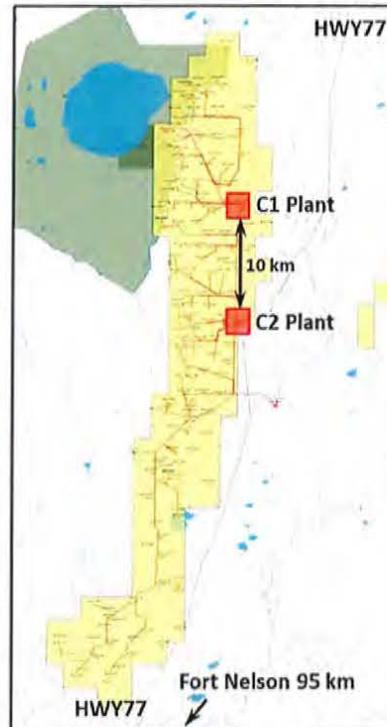
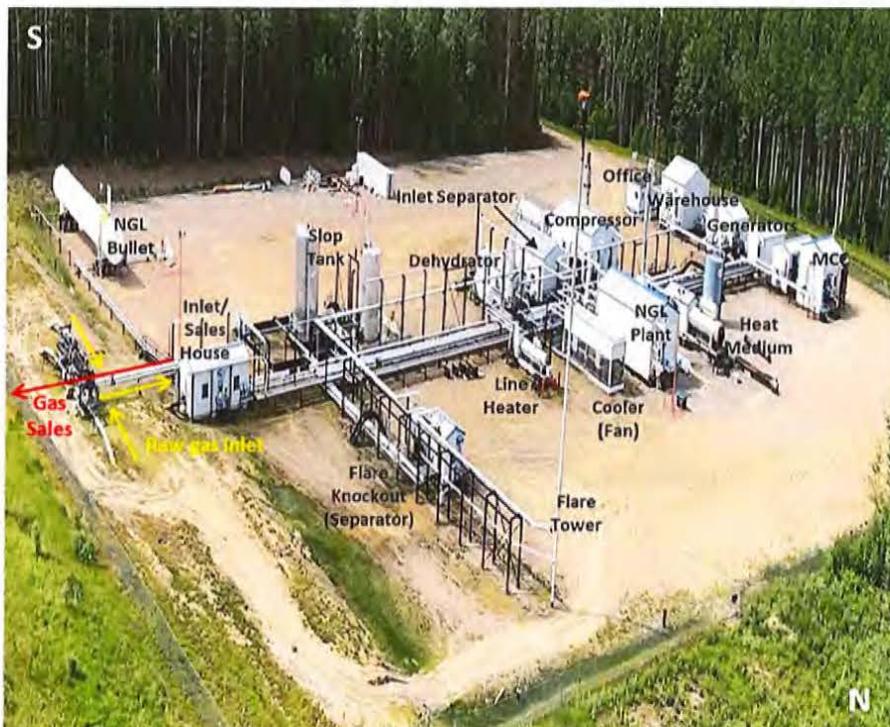
1-Instrument air package (SK-1360), capacity 108m3/hr (NET) @ 690 kPag.

2-Generation packages, one natural gas and one diesel back-up

- Prime Generator - 120 kW @ 1800 RPM

- Back-up diesel generator - 210 kW @ 1800 RPM with a diesel fuel tank (T-1780), capacity: 10,000 litres

C2 Gas Plant and NGL Plant – Location (UWI) a-060-l/94-O-11



**C2: A-060-l/094-O-11: GSER Interest 100%**

1-Inlet heaters - duty 1.1 X 1.6 GJ/hr (H-2501)

1-Inlet Slug Catcher V-2100, Size 1525mm ID X 6095mm S/S, rated @9755kPa.

1-3612TAW Caterpillar engines, 3335 bhp each complete with Gemini F704-2, 3 stage compressors:

- 17.8 mmscf/d @ 50 psig suction and 900 psig discharge, each.
- 14.94 mmscf/d @ 40 psig suction and 900 psig discharge, each.
- 12.09 mmscf/d @ 30 psig suction and 900 psig discharge, each.

The compressor has 2 interstage coolers (1 off skid trim cooler for the second stage) and an afterstage cooler.

1-Dehydration facility rated at 50 mmscf/d @ 12000 kPa. 48" OD Contactators with 1,000,000 BTU/hr reboiler.

1-Glycol drain tank for the dehy, capacity 11,000 litres (T-2730)

2-Produced water tank, 750 bbl each.

1-High pressure flare knock out drum, size 1285mm ID X 6095 mm S/S (V-2150), with high pressure flare knock out drum pump (P-2250).

Flow rate : 1.1 X 6.8 m<sup>3</sup>/hr @ ΔP = 140 kPa. Power 1.1 kW

1-Low pressure flare stack, size 114.3mm OD X 30480mm HIGH (FL-2851). N/A not service

1-High pressure flare stack, size 314mm OD X 30480mm HIGH (FL-2850)

1-Heat medium heater, duty: 2.11 GJ/hr (H-2570)

1-Heat medium expansion tank, size 914mm ID X 2438mm S/S (V-2170)

1-Heat medium circulation pumps (P-2270 & P-2271). Flow rate: 25m<sup>3</sup>/hr @ ΔP = 390 kPa. Power 5.6 kW



Deadline 12:00 pm May 13, 2021

1-Instrument air package (SK-2360), capacity 108m3/hr (NET) @ 690 kPag.
2-Generation Packages, one natural gas and one diesel back-up
◦ Prime Generator - 120 kW @ 1800 RPM
◦ Back-up diesel generator - 210 kW @1800 RPM with a diesel fuel tank (T-2780), capacity: 10,000 litres.
2- Generation Packages (for NGL Plant), Two natural gas generators (L36)
1- NGL Plant Package
◦ GAS-GAS EXCHANGER (E-405), GAS-LIQUIDS EXCHANGER (E-406), SUCTION SCRUBBER (V-109), CHILLER (E-407), LOW TEMP. SEPARATOR (V-110), ECONOMIZER (V-111), REF. ACCUMULATOR (V-112), DEETHANIZER REBOILER (E-407), GLYCOL COOLER (E-412), REF. SCREW COMPRESSOR (K-602), REF. COMP. DRIVER (KD-602), COOLANT CIRC. PUMP (P-502), LUBE OIL PUMP (P-503), REF. CONDENSER( E-411), REF. OIL SEPARATOR (V-113), COMP. SUCTION STRAINER (ST-602), DEETHANIZER (C-301), OVERHEAD EXCHANGER (E-410)
1- REF. HEATMEDIUM PACKAGE
◦ HEAT MEDIUM HEATER (H-4550), SURGE TANK (T-4550), REFRIG HEAT MEDIUM PUMP (P-4560A, P-4560B)
1- GLYCOL REGENERATOR
◦ GLYCOL INJECTION PUMP (P-504A, P-504B), GLYCOL FLASH TANK (V-114)





GSER also has seven satellite stations, each equipped with eight meters, test separator package, line heater, underground double walled knock-out drum and flare stack.

Satellite Station / Satellite Location
S1 - D-072-B/094-O-14
S2 - C-059-A/094-O-14
S3 - D-072-J/094-O-11
S4 - C-051-J/094-O-11
S5 - B-010-I/094-O-11
S6 - A-040-A/094-O-14
S7 - C-039-H/094-O-14

### Satellite Building



## Maxhamish Reserves

Sproule Associates Limited ("Sproule") prepared an independent reserves evaluation of the Property as part of the Company's year-end reporting (the "Sproule Report"). The Sproule Report is effective December 31, 2019 using Sproule's October 31, 2019 forecast pricing.

Sproule estimated that, as of December 31, 2019, the *Maxhamish* property contained remaining proved plus probable reserves of 14.2 Bcf of natural gas and 751,000 barrels of natural gas liquids (3.1 million boe), with an estimated net present value of \$10.2 million using forecast pricing at a 10% discount. The net present value of the Property's proved developed producing reserves was estimated to be approximately \$5.8 million using forecast pricing at a 10% discount.

In addition to the total proved plus probable reserves, Sproule assigned total possible reserves of approximately 47.1 Bcf of natural gas and 2.5 million barrels of natural gas liquids (10.4 million boe) with an estimated net present value of \$12.2 million using forecast pricing at a 10% discount.

GS E&R Canada Inc. as of December 31, 2019							
	COMPANY GROSS RESERVES				PV BEFORE TAX		
	Oil Mbbl	Natural Gas MMcf	Ngl Mbbl	Total MBOE	5%	10% (000s)	15%
<b>Proved Developed Producing</b>	0	10,994	583	2,415	\$6,397	\$5,811	\$4,888
Proved Non-Producing/Undeveloped	0	1,217	65	267	\$3,387	\$2,489	\$1,894
<b>Total Proved</b>	<b>0</b>	<b>12,211</b>	<b>647</b>	<b>2,682</b>	<b>\$9,784</b>	<b>\$8,300</b>	<b>\$6,782</b>
Probable	0	1,951	103	429	\$2,840	\$1,884	\$1,322
<b>Total Proved Plus Probable</b>	<b>0</b>	<b>14,162</b>	<b>751</b>	<b>3,111</b>	<b>\$12,624</b>	<b>\$10,184</b>	<b>\$8,104</b>

The reserve estimates and forecasts of production and revenues for the Company's properties were prepared within the context of the Company's year-end evaluation, which was an evaluation of all of the Company's properties in aggregate. Extraction and use of any individual property evaluation outside of this context may not be appropriate without supplementary due diligence. Values in the "Total" row may not correspond to the total of the values presented due to rounding.

## Maxhamish LMR as of March 12, 2021

As of March 12, 2021, GSER had total deemed assets of \$20.1 million, deemed liabilities of \$24.4 million (net deemed assets of (\$4.3 million)) with an LMR of 0.83.

The Company's asset value and LMR ratio include a deposit of \$3,887,258 in place with the BCOGC.

Deemed Asset Amount	Deemed Liability Amount	Net Asset Amount	LMR Ratio
\$20,128,992	\$24,442,930	(\$4,313,938)	0.83

Additional information relating to GSER's dormant site reclamation program is available in the virtual data room for parties that sign a confidentiality agreement.

## Maxhamish Well List

See well list in Excel.

## CONFIDENTIALITY AGREEMENT

This Confidentiality Agreement (“**Agreement**”) is dated as of the Effective Date (as defined below).

### AMONG:

**GS E&R Canada Inc.**, having its principal place of business at 1600, 421 – 7th Avenue SW, Calgary AB T2P 4K9 (“**E&R Canada**”)

-and-

**GS E&R Corp.**, having its principal place of business at 508, Nonhyeon-ro, Gangnam-gu, Seoul, Republic of Korea (“**E&R**” and together with E&R Canada, the “**Disclosing Group**”)

-and-

\_\_\_\_\_, having its principal place of business at \_\_\_\_\_ (“**Recipient**”, and together with the Disclosing Group, the “**Parties**”)

**WHEREAS** on March 11, 2021, E&R Canada filed a Notice of Intention to Make a Proposal under the *Bankruptcy and Insolvency Act*, RSC 1985, c. B-3, as amended, appointing MNP Ltd. as E&R Canada’s licensed insolvency trustee (in such capacity, the “**Proposal Trustee**”);

**AND WHEREAS** the Parties desire to enter into discussions and negotiations in connection with a Possible Transaction (as defined below) and recognize that in order to evaluate and implement a Possible Transaction it will be necessary for the Disclosing Group, directly and indirectly through its Representatives (as defined below), to disclose to the Recipient the Confidential Information;

**NOW THEREFORE**, in consideration of the mutual promises contained in this Agreement, and other good and valuable consideration, the receipt and sufficiency of which is acknowledged, Recipient, E&R Canada and E&R agree as follows:

### 1. **Definitions**

In this Agreement:

- (a) “**Affiliate**” has the meaning given to it in the *Securities Act* (Alberta);
- (b) “**Confidential Information**” means any and all information disclosed or to be disclosed (directly or indirectly) to Recipient or Recipient’s Affiliates or any of their respective Representatives by any member of the Disclosing Group or any of their respective Representatives concerning or related to the capital, business, operations, assets, liabilities, affairs, financial condition, prospects or activities of, or otherwise related to, any one or more of the Disclosing Group or the Possible Transaction (including not only information transmitted in written, electronic, magnetic or other form but, also, information transmitted orally, visually or by any other means whatsoever), including, without limitation, information provided for inspection in any Data Room or made available by electronic mail, physical delivery or otherwise and all reports, evaluations, notes, analysis, documents, studies, geological, engineering, geophysical and/or land

maps or data, confidential information memorandums, engineering reports, environmental reports, legal opinions, Personal Information, partners, contractual counterparties, land and lease information, intellectual property, trade secrets, financial information, regulatory documents, marketing materials, budget and forecasting information, engineering and facility information, production information, customer information or any other documents or information pertaining in any way whatsoever to the Disclosing Group and includes, without limitation, names of contractual parties, and any information provided to the Disclosing Group by third parties under circumstances in which any member of the Disclosing Group has an obligation to protect the confidentiality of such information, and any and all summaries, analyses, compilations, reports, forecasts, studies, memoranda, extracts, notes or other materials or other information which is developed or created, in whole or in part, directly or indirectly, from such information and includes all information, if any, previously made available to Recipient or its Representatives;

- (c) **"Data Room"** means the room or rooms, whether electronic, physical or otherwise, if any, containing Confidential Information provided by the Disclosing Group or its Representatives;
- (d) **"person"** shall be interpreted broadly to include, without limitation, any individual or natural person, any corporation, company, group, partnership, limited liability company, unincorporated association, trust, partnership or other entity and any state or government;
- (e) **"Personal Information"** means information about an identifiable individual, but does not include the name, title, business address or business telephone number of an employee of an organization;
- (f) **"Possible Transaction"** means a possible direct or indirect acquisition of E&R Canada or all or any of the assets thereof by or on behalf of Recipient or Recipient's Affiliate, in any case pursuant to an agreement between E&R Canada and/or E&R and/or an Affiliate thereof and Recipient or Recipient's Affiliate which may be negotiated between or among them;
- (g) **"Representatives"**, in respect of a person, means such of such person's, or such person's Affiliates', directors, officers, employees, representatives, professional advisors (including without limitation, financial advisors, lawyers and accountants), consultants and agents who have a need to know the part of the information to be provided to them for the purpose of evaluating or contributing to the evaluation of a Possible Transaction and, in respect of the Disclosing Group, also includes without limitation the Proposal Trustee and Sayer Energy Advisors, as marketing and sales agent in connection with the SISP;
- (h) **"SISP"** means a sales and solicitation process; and
- (i) **"subsidiary"** has the meaning given to it in the *Securities Act* (Alberta).

## 2. **Confidential Information Proprietary**

Recipient agrees that all Confidential Information provided to it or any of its Affiliates or their respective Representatives is confidential and proprietary to the members of the Disclosing Group, will be so treated by Recipient and its Affiliates and their respective Representatives and shall remain the property of the Disclosing Group.

Recipient agrees that all Confidential Information:

- (a) is being acquired for its own use and for the use of its Affiliates and their respective Representatives in connection with evaluating a Possible Transaction and not as agent of another person;
- (b) shall be kept in strict confidence by Recipient and its Affiliates and their respective Representatives;
- (c) shall not be sold, traded, published or disclosed to any person other than as expressly permitted hereunder; and
- (d) shall not be used, dealt with or exploited by Recipient or its Affiliates and their respective Representatives for any purpose other than for evaluating and negotiating a Possible Transaction.

In complying with the obligations set forth in this Agreement, Recipient and its Affiliates and their respective Representatives shall, at a minimum, use efforts commensurate with those that Recipient would use for protecting the confidentiality of its own proprietary or confidential information (but in no event shall Recipient use less than reasonable care).

3. **Confidentiality Restrictions**

Recipient agrees that none of the Confidential Information provided to it or its Affiliates shall be disclosed to any person other than their respective Representatives, and may only be disclosed to its Representatives if each of such persons agrees to keep such information in strict confidence and to be bound by the confidentiality and non-disclosure provisions of this Agreement to the same extent as if they were parties hereto and in respect of whom Recipient agrees that any Confidential Information will be kept in strict confidence and shall not be used, dealt with, exploited or disclosed other than as contemplated herein and in strict accordance herewith. Recipient agrees to be responsible for any breach of this Agreement by any of its Representatives or by any other person to whom Recipient or its Representatives have provided Confidential Information and will indemnify the Disclosing Group for any losses related to any such breach in accordance with paragraph 8. At the written request of the Disclosing Group, Recipient agrees to provide the Disclosing Group with a list of all of Recipient's Representatives to whom Confidential Information has been provided.

Recipient also acknowledges and agrees that it and its Affiliates and their respective Representatives are bound by all applicable privacy legislation with respect to any Personal Information disclosed under this Agreement.

4. **Exceptions to Confidentiality Restrictions**

The restrictions set forth in paragraphs 2 and 3 shall not apply to any part of the Confidential Information which:

- (a) is, at the time of disclosure by the Disclosing Group, or thereafter becomes through no violation of this Agreement by Recipient or its Affiliates or their respective Representatives, generally available to and known by the public;
- (b) was, as evidenced by such person's records, in the lawful possession of Recipient or its Affiliates prior to its disclosure hereunder, unless previously provided by the Disclosing Group, and is not subject to any contractual, fiduciary or other legal confidentiality obligation in respect of such information;
- (c) is hereafter lawfully acquired by Recipient or its Affiliates or their respective Representatives on a non-confidential basis through a third party, which, to the best of Recipient's knowledge after due inquiry, is not under an obligation of confidence to any

member of the Disclosing Group and which third party was not in a contractual or fiduciary relationship with any member of the Disclosing Group;

- (d) is disclosed following receipt of the written consent of the Disclosing Group to such disclosure being made; or
- (e) was developed by Recipient or its Affiliates or their respective Representatives independently of, and without reference to, any Confidential Information disclosed hereunder.

5. **Reproductions**

Neither Recipient nor any of its Affiliates or their respective Representatives shall copy or otherwise reproduce any of the Confidential Information or part with possession of any of the Confidential Information, or any reports, extracts, notes, memoranda or other records in respect thereof, without the prior written consent of the Disclosing Group or its Representatives; provided that copies of Confidential Information may be made by or for such persons in order for Recipient to conduct a timely review for purposes of evaluating and negotiating a Possible Transaction.

6. **Return, Destruction of Confidential Information**

At the request of the Disclosing Group or its Representatives, Recipient and its Affiliates and their respective Representatives shall as soon as practicable after receipt of such request return or cause to be returned (or, where requested in writing by the Disclosing Group or its Representatives, shall, as soon as practicable after receipt of such request, destroy or have destroyed all such copies, other reproductions, reports, extracts, notes, memoranda and other records in respect of any Confidential Information) to the Disclosing Group all Confidential Information in whatever form it may be held by Recipient or any of its Representatives and shall not retain any copies or other reproductions thereof, or any reports, extracts, notes, memoranda or other records in respect of any thereof (whether written, electronic, magnetic or otherwise), except for such portions of the Confidential Information (i) that have been prepared for or incorporated into materials prepared for the approval of a Possible Transaction by Recipient's board of directors or any committee thereof, or (ii) which are required to be retained as a result of an automated electronic back-up or archival system, to comply with Recipient's internal records retention policies and procedures or as required by applicable law, government rule or regulation, regulatory body or in connection with any actual or threatened judicial or administrative proceeding, and for no other purpose; provided, however, that such Confidential Information shall not be accessed, disclosed or used by Recipient or its Representatives during such period of back-up or archival storage except to the extent permitted by this Agreement (and this provision shall survive the expiry or other termination of this Agreement), with such return and/or retention to be certified to the Disclosing Group in writing by an officer of Recipient within 5 calendar days of such request. Furthermore, Recipient shall, upon written request by the Disclosing Group or its Representatives, provide written confirmation to the Disclosing Group that the terms and conditions of this paragraph have been complied with, including with respect to the return or destruction of all Confidential Information. Notwithstanding the return or destruction of material pursuant to this paragraph 6, Recipient shall continue to be bound by the confidentiality and other obligations hereunder. Any material prepared by Recipient or its Affiliates or their respective Representatives solely from publicly available information or from information not obtained from the Disclosing Group or its Representatives pursuant to this Agreement may be retained by Recipient or its Affiliates or their respective Representatives and its professional legal and accounting advisors shall be entitled to keep a copy of their own written work product solely for the protection of their legitimate interests, provided that such Confidential Information will remain subject to the terms of this Agreement.

7. **Equitable Relief**

The Parties acknowledge that the members of the Disclosing Group will be irreparably injured by a breach of this Agreement by Recipient or any of its Affiliates or their respective Representatives, which injury could not be adequately compensated for by damages, and the members of the Disclosing Group shall be entitled to equitable relief, including injunctive relief and specific performance, in the event of any breach or threatened breach of this Agreement without proof of actual or potential damages. Such remedies shall not be deemed to be exclusive remedies for the breach of this Agreement but shall be in addition to all other remedies available hereunder or otherwise at law or in equity. The Parties agree that the prevailing Party shall be reimbursed for all costs and expenses (including legal fees on a solicitor-client basis) incurred in enforcing the other Parties' obligations under this Agreement. No failure or delay by the Disclosing Group in exercising or pursuing any remedy available to the Disclosing Group hereunder or at law or in equity shall in any way constitute a waiver of any of the Disclosing Group's rights or remedies.

8. **Liability and Indemnification**

Without limitation and in addition to any other rights of any member of the Disclosing Group and its Representatives against Recipient or any of its Representatives arising by reason of any breach hereof, Recipient shall:

- (a) be liable to each member of the Disclosing Group and its Representatives for any and all losses, costs, damages and expenses whatsoever (including legal, accounting and other professional costs, expenses, fees and disbursements, with legal fees determined on a solicitor-client basis) which such persons may suffer, sustain, pay or incur; and
- (b) indemnify and hold each member of the Disclosing Group and its Representatives harmless against all actions, proceedings, claims, demands, losses, costs, damages and expenses whatsoever (including legal, accounting and other professional costs, expenses, fees and disbursements, with legal fees determined on a solicitor-client basis) which may be brought against or suffered by any of them or which any of them may sustain, pay or incur;

which are established to result or arise, directly or indirectly, from disclosure of all or any part of the Confidential Information contrary to the provisions hereof or any other breach of this Agreement by Recipient or any of its Affiliates or their respective Representatives. Recipient acknowledges and agrees that E&R Canada is constituted as trustee of its covenants under this paragraph 8 for the benefit of its Affiliates and Representatives and that the Disclosing Group, or either of them, or its Representatives shall be entitled to enforce such covenants on behalf of such persons.

9. **Prohibited Contacts**

Until the expiration of 18 months from the date hereof, neither Recipient nor any of its Affiliates or their respective Representatives will initiate or arrange, directly or indirectly, or maintain contact related to the Possible Transaction with any Representative of any of the Disclosing Group or with any partner, customer, supplier or sales representative of any of the Disclosing Group other than the Managing Director of E&R Canada and any other officer of the Disclosing Group designated in writing for such purpose by such Managing Director, except with the express prior written permission of the Managing Director. Any such permissions granted may be revoked at any time. Except as may be provided in a definitive agreement entered into between the Parties relating to the Possible Transaction, Recipient agrees that for a period of 18 months from the date hereof, Recipient will not solicit for employment any officer, director or key employee of E&R Canada or any of its Affiliates made known to or otherwise introduced to

Recipient in relation to the Possible Transaction; provided that this prohibition shall not apply to solicitations for employment made to the public or the industry generally, and Recipient shall not be prohibited from employing such person who contacts Recipient on his or her own initiative without any prohibited solicitation.

**10. Legal Compulsion to Disclose**

If Recipient or any of its Affiliates or their respective Representatives is requested or becomes legally compelled (by questions, interrogatories, requests for confidential information, documents, subpoena, civil investigative demand or similar process) to disclose any of the Confidential Information, Recipient or another person to whom the request was made or who is legally compelled as aforesaid shall, to the extent legally permissible, provide the Disclosing Group with prompt written notice of same so that the Disclosing Group may either seek a protective order or other appropriate remedy. If such protective order or remedy is not obtained or the Disclosing Group waives compliance with the provisions of this Agreement, Recipient or its Affiliates or their respective Representatives or such other person to whom the request was made or who is legally compelled, as the case may be, shall furnish only that portion of the Confidential Information which is legally required and will use its best efforts to obtain reliable assurance that the Confidential Information will be accorded confidential treatment. Recipient and its Affiliates and their respective Representatives shall cooperate and support the Disclosing Group in connection with any action to receive a protective order.

**11. Disclosure of this Agreement**

- (a) Except to the extent expressly permitted pursuant to the terms of this Agreement or, in the written opinion of Recipient's legal counsel, is required by law or by the rules or policies of any securities regulatory authority (including stock exchanges) or permitted by this Agreement (and provided that, in any such case, prior notice of the intention to rely thereon is given to the Disclosing Group and disclosure is only made to the extent so required), none of the Parties nor any of their respective Affiliates shall, except with the prior written consent of the other Parties disclose to any person (other than its Representatives) either the fact that this Agreement has been entered into or that any investigations, discussions or negotiations are taking place concerning the evaluation of E&R Canada and/or the Possible Transaction, or that a Party has requested or received Confidential Information, or disclose any of the terms, conditions or other facts with respect to this Agreement or the evaluation of E&R Canada or any opinion or comments with regard to the Disclosing Group or any Confidential Information.
- (b) None of the Parties shall disseminate, nor shall it allow the dissemination of any announcement, by press release or otherwise, relating to this Agreement, the other of the Parties or the Possible Transaction without the prior approval of the other Parties, such approval not to be unreasonably withheld; however nothing in this Agreement shall prevent the timely dissemination of any information as required in the written opinion of either the Disclosing Group's or Recipient's legal counsel by applicable law or a stock exchange provided that prior notice of such dissemination is given to the non-disclosing Parties.

**12. Absence of Representations and Warranties**

In making available the Confidential Information, none of the members of the Disclosing Group nor any of their respective Representatives makes any representation or warranty as to the accuracy or completeness thereof or otherwise or with respect to any conclusions, interpretations or analysis with respect to any thereof and none of E&R Canada, any other members of the Disclosing Group nor any of their respective Representatives shall have any liability whatsoever to Recipient or of its Representatives as a result of the use of or reliance upon any of the

Confidential Information by Recipient of any thereof or any errors therein or omissions therefrom; it being understood that only those particular express representations and warranties which may be made by E&R Canada and/or E&R in a written agreement executed by them, as applicable, when and if executed, shall have any legal effect.

13. **Absence of Agreement Regarding Possible Transaction**

Each Party agrees that no agreement providing for a Possible Transaction shall be deemed to exist unless and until a definitive written agreement with respect thereto has been executed and delivered by E&R Canada and/or E&R in accordance with the laws referred to in paragraph 17 and that unless and until such an agreement has been so executed and delivered, none of the Parties nor any of their respective Representatives shall have any legal obligation of any kind whatsoever with respect to any Possible Transaction or the negotiation of any Possible Transaction with the other Parties by virtue of this Agreement or any other written or oral expression with respect to a Possible Transaction except, in the case of this Agreement, for the matters specifically agreed to herein.

Recipient further understands and agrees that: (a) the Disclosing Group and their respective Representatives shall be free to conduct, or not conduct, any process with respect to any Possible Transaction involving the direct or indirect acquisition of E&R Canada or all or any securities thereof or all or a portion of E&R Canada's business or assets with any other person as the Disclosing Group and its Representatives, in their sole discretion, shall determine (including, without limitation, negotiating with any person and entering into any agreement without prior notice to Recipient or any other person); (b) the Disclosing Group and their respective Representatives shall have the right, at any time and without prior notice and without assigning any reason therefore, to terminate the further participation by Recipient in the process, to modify any of the rules or procedures relating to such process or to terminate entirely such process relating to the Possible Transaction; and (c) Recipient shall not have any claim whatsoever against the Disclosing Group or any of their respective Representatives arising out of or relating to any Possible Transaction or any other transaction involving the direct or indirect acquisition of E&R Canada or all or any securities thereof or all or a portion of E&R Canada's business or assets (other than those as against the parties to a definitive written agreement with Recipient in accordance with the terms thereof).

14. **Access**

None of Recipient, its Affiliates or their respective Representatives shall visit any of the offices or field sites of the Disclosing Group without the Disclosing Group's prior written consent, unless such visits are made in the ordinary course of business. In the event Recipient desires physical access to any of E&R Canada's properties, Recipient agrees to indemnify, defend and hold harmless E&R Canada and its Affiliates and their respective Representatives from and against any and all liabilities, claims and causes of action for personal injury, death or property damage occurring on or to such property as a result of entry onto the premises except to the extent caused or contributed to by the gross negligence or wilful misconduct of E&R Canada or its Affiliates or their respective Representatives. Recipient agrees to comply fully with all rules, regulations and instructions issued by E&R Canada regarding Recipient's actions while upon, entering or leaving the property of E&R Canada.

15. **Notices**

All notices, communications and statements (hereinafter called "notices") required, permitted or contemplated hereunder shall be in writing, and shall be sufficiently given and received if:

- (a) personally served on the other Party during normal business hours at the address set forth below (personally served notices shall be deemed received by the addressee when actually delivered);
- (b) sent by email to the email addresses set forth below (notices so served shall be deemed to be given and received on the date of delivery if it is a business day and the delivery was made prior to 4:00 p.m. (local time in place of receipt) and otherwise on the next business day (provided that there is no evidence of any failure of that e-mail to properly arrive);
- (c) sent by overnight courier to the addresses set forth below (notices so served shall be deemed to have been received on the business day following the day of sending); or
- (d) sent by first class registered mail, postage prepaid, to the intended recipient (notices so served shall be deemed to have been received by the addressees on the fifth business day of such addressee following the date of mailing thereof), provided that in the event of an actual or threatened postal strike or other labour disruption that may affect the mail service, notices shall not be mailed.
- (e) The address of each of the respective Parties shall be as follows:

- (i) if to E&R Canada (or any of its Representatives to whom disclosure is made pursuant hereto):

GS E&R Canada Inc.  
Unit 301, 121 – 15<sup>th</sup> Avenue S.E.  
Calgary, Alberta  
T2G 1G1

Attention: Jung ho Park  
Email: [jungho@gsenr.com](mailto:jungho@gsenr.com)

- (ii) if to E&R (or any of its Representatives to whom disclosure is made pursuant hereto):

GS E&R Corp.  
508, Nonhyeon-ro, Gangnam-gu  
Seoul, Republic of Korea  
06141

Attention: Matt Chung  
Email: [mattchung@gsenr.com](mailto:mattchung@gsenr.com)

- (iii) if to Recipient (or any of its Representatives to whom disclosure is made pursuant hereto):

Attention: \_\_\_\_\_  
Email: \_\_\_\_\_

- (f) Any Party may change its said address or email address by notice given in accordance with this paragraph.

16. **Term**

This Agreement shall remain in full force and effect for a period of 18 months from the Effective Date (notwithstanding that the Confidential Information may have been returned or copies or other reproductions thereof destroyed prior to the expiration of such period) and thereupon shall terminate; provided that Recipient shall continue to be bound by the confidentiality obligations that are set forth herein to the extent that the Disclosing Group owe confidentiality obligations to a third party pursuant to the terms of any underlying agreement between the Disclosing Group and such third party and paragraphs 6, 7, 8, 10, 12, 13, 15, 17, 18, 19 and this paragraph 16 shall survive such termination.

17. **Governing Law**

This Agreement shall be governed by the laws of the Province of Alberta and the laws of Canada applicable therein, without giving effect to the principles of conflicts of laws thereof and each of the Parties:

- (a) irrevocably submits and attorns to the jurisdiction of the Courts of the Province of Alberta in respect of any matter arising hereunder or in connection herewith;
- (b) waives all right to object to jurisdiction of such courts in any legal action or proceeding relative to this Agreement or the transactions contemplated hereby or execution of any judgment, order or decree issued in or as a result of any such action, suit or proceeding which they may now or hereafter have by reason of domicile or otherwise;
- (c) waives any objection to the laying of venue in such courts of any of the aforesaid actions, suits or proceedings arising out of or in connection with this Agreement;
- (d) waives and agrees not to plead or claim that any action, suit or proceeding in such courts has been brought in an inconvenient forum;
- (e) waives any right they may have to, or to apply for, trial by jury in connection with any matter, action, proceeding, claim or counterclaim arising out of or relating to this Agreement; and
- (f) agrees that, unless and until a written agreement is executed and delivered in accordance with such laws, the aforesaid laws shall govern all aspects of the relationship between the Parties and their respective Representatives in relation to or in connection with any Possible Transaction.

18. **Entire Agreement**

This Agreement constitutes the entire agreement between the Parties pertaining to the subject matter of this Agreement. There are no warranties, representations, terms, conditions or collateral agreements, expressed, implied or statutory, between the Parties other than as expressly set forth

in this Agreement. No supplement, modification, waiver or termination of this Agreement shall be binding unless executed in writing by the Party to be bound thereby.

19. **Assignment**

This Agreement and the obligations set forth hereunder shall not be assigned in whole or in part by any Party or any person bound hereby.

20. **Severability**

The invalidity or unenforceability of any provision of this Agreement shall not affect the validity or enforceability of any other provision of this Agreement.

21. **Expenses**

Each of the Parties shall be solely responsible for the fees and expenses incurred in connection with its assessment of a Possible Transaction and any negotiation or consummation of any Possible Transaction.

22. **Counterpart Execution**

Each of the Parties may sign an identical counterpart of this Agreement with the same effect as if the Parties signed the same document and all of which shall be considered one and the same agreement. A copy of this Agreement signed by a Party and delivered to the other Party shall have the same effect as the delivery of an original of this Agreement containing the original signature of such Party.

23. **Waiver**

No waiver by any Party shall be effective unless in writing and any such waiver shall only affect the matter, and the occurrence thereof, specifically identified therein and shall not extend to any other matter or occurrence.

24. **Enurement**

This Agreement shall be binding upon and enure to the benefit of the Parties and to their respective successors by operation of law.

*[Remainder of Page Intentionally Left Blank]*

**DATED** and effective this \_\_\_\_\_ day of \_\_\_\_\_, 2021 (the “Effective Date”).

Per: \_\_\_\_\_

Name:

Title:

Accepted and agreed this \_\_\_\_\_ day of \_\_\_\_\_, 2021.

**GS E&R CANADA INC.**

Per: \_\_\_\_\_

Name: Jae Seung Lee

Title: President & CEO

**GS E&R CORP.**

Per: \_\_\_\_\_

Name:

Title:

# Exhibit B

## PURCHASE AND SALE ESCROW AGREEMENT

THIS PURCHASE AND SALE ESCROW AGREEMENT is dated as of July 30, 2021.

AMONG:

**GS E&R CANADA INC.**, a corporation incorporated under the laws of Alberta  
(the "**Vendor**")

AND:

**BENCH CREEK RESOURCES LTD.**, a corporation incorporated under the laws of Alberta  
(the "**Purchaser**")

AND:

**MNP LTD.**, in its capacity as Trustee under the Notice of Intention to Make a Proposal of GS E&R CANADA INC., and not in its personal capacity  
(the "**Escrow Agent**")

### RECITALS

- A. pursuant to a Purchase and Sale Agreement (the "**Purchase Agreement**") made as of July **[30]**, 2021 between the Vendor and the Purchaser, the Purchaser agreed to purchase all of the Vendor's right, title and Interest in and to the Assets (as those terms are defined in the Purchase Agreement) from the Vendor upon and subject to the terms and conditions contained in the Purchase Agreement;
- B. the Purchase Agreement contemplates that [REDACTED] (the "**Escrow Deposit**"), representing the Deposit (as that term is defined in the Purchase Agreement), shall be deposited in escrow with the Escrow Agent;
- C. pursuant to the terms of the Purchase Agreement, the Escrowed Funds (as defined herein) are to be held in escrow by the Escrow Agent in accordance with the terms of the Purchase Agreement and the terms of this Escrow Agreement; and
- D. the Escrow Agent has agreed to hold the Escrowed Funds in accordance with the terms and conditions contained herein.

NOW THEREFORE, in consideration of the mutual covenants and premises contained herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. Definitions. Capitalized terms not otherwise defined in this Escrow Agreement shall have the meanings given to such terms in the Purchase Agreement. In this Escrow Agreement (including the Recitals hereto):

- (a) **“Business Day”** means any day other than a Saturday, Sunday or other day on which the principal commercial banks in Calgary, Alberta are not open for business during normal business hours.
  - (b) **“Escrow Deposit”** has the meaning given to such term in Recital B.
  - (c) **“Escrowed Funds”** means the Escrow Deposit which is initially deposited with the Escrow Agent hereunder, being the sum of [REDACTED], less (i) any amount released pursuant to Section 4 hereof, and less (ii) any other amounts paid pursuant to this Agreement.
  - (d) **“Instructions”** means joint instructions given to the Escrow Agent pursuant to Section 4 of this Escrow Agreement.
  - (e) **“Purchase Agreement”** has the meaning given to such term in Recital A.
2. Appointment of Escrow Agent. The Vendor and the Purchaser hereby designate and appoint the Escrow Agent to act as escrow agent under this Escrow Agreement, and the Escrow Agent hereby accepts such appointment in accordance with, and subject to the terms and conditions contained herein. The parties acknowledge and agree that the Escrowed Funds shall be held by the Escrow Agent and dealt with only in accordance with this Escrow Agreement.
  3. Deposit of Escrowed Funds. The Vendor and the Purchaser hereby acknowledge that the Escrow Agent has deposited the Escrow Deposit into a general trust account at Bank of Montreal and instruct the Escrow Agent to maintain the Escrow Deposit at Bank of Montreal, or in a general trust account at such other Canadian chartered bank or other financial institution as may be determined by the Escrow Agent in its absolute discretion. The Escrow Agent shall not be responsible for any bank charges or service fees, or for any loss or diminution in value as a result of such bank charges or service fees.
  4. Joint Instructions Re: Payment of Escrowed Funds Pursuant to Purchase Agreement. Where any of the Purchaser or the Vendor become entitled, pursuant to the terms of the Purchase Agreement, to receive a payment from the Escrowed Funds, the Purchaser and the Vendor shall deliver to the Escrow Agent joint signed instructions directing the Escrow Agent to pay such amounts to the Purchaser or the Vendor as appropriate. Such instructions shall set forth the amount of the Escrowed Funds to be released from escrow and paid to the Purchaser or the Vendor within five (5) Business Days and, subject to Section 5(c) hereof, upon receipt of such joint signed instructions, the Escrowed Funds shall be released by the Escrow Agent to the party specified in such notice in the amount specified therein.
  5. Escrow Agent Terms. The acceptance by the Escrow Agent of its duties and obligations under this Escrow Agreement is subject to the following terms and conditions which the parties to this Escrow Agreement hereby agree shall govern the rights, duties, liabilities and indemnities of the Escrow Agent:
    - (a) Scope of Duties. The Escrow Agent shall have no duties or responsibilities with respect to the Escrowed Funds except as specifically set out in this Escrow Agreement. If in one or more instances the Escrow Agent takes any action or

assumes any responsibility which it is not specifically empowered to take or assume pursuant to the provisions hereof, neither the taking of such action nor the assumption of such responsibility will be deemed to be an express or implied undertaking on the part of the Escrow Agent that it will take the same or similar action or assume the same or similar responsibility in any other instance.

- (b) Conflict. The Escrow Agent may comply with any laws, regulations, orders, rules, directions or guidelines (whether or not having the force of law) of competent authorities which conflict, or might conflict, with any duty or responsibility of the Escrow Agent hereunder, and the Escrow Agent will not be liable if it fails to perform or comply with its duties and responsibilities hereunder by reason of any such conflict or potential conflict, whether such conflict or potential conflict is actual or reasonably apprehended by the Escrow Agent.
- (c) Dispute. If any dispute arises with respect to any payment of or right of possession to the Escrowed Funds, or any portion thereof, or if at any time the Escrow Agent is not able to determine its proper course of action with respect to its obligations hereunder, the Escrow Agent may, at the sole discretion of the Escrow Agent:
- (i) pay any amount into a court of the Province of Alberta (the “**Court**”);
  - (ii) retain in its possession, without liability to anyone, all or any part of the Escrowed Funds until the dispute has been settled by the parties concerned or by a final order, decree or judgment of the Court and all appeal rights in respect thereof have been exhausted or have expired; or
  - (iii) institute proceedings to pay any amount into Court pursuant to its own application to the Court, provided however that the Escrow Agent shall not be under any duty whatsoever to institute any such proceedings;
- (d) Indemnity. The Vendor and the Purchaser hereby agree to severally indemnify and hold harmless the Escrow Agent and its partners, officers, employees and agents, including, without limitation, its lawyers, from and against any and all liabilities, losses, damages, penalties, claims, actions, suits, costs, expenses and disbursements, including reasonable legal or advisor fees and disbursements, of whatever kind and nature which the Escrow Agent may incur or sustain in connection with this Escrow Agreement, or which may at any time be imposed on, or asserted against the Escrow Agent in relation to its duties and obligations hereunder, other than such liabilities, losses, damages, penalties, claims, actions, suits, costs, expenses and disbursements arising by reason of fraud or wilful misconduct on the part of the Escrow Agent. This indemnity shall survive the resignation or removal of the Escrow Agent, or the termination of this Escrow Agreement. Without limiting the generality of the foregoing, the Escrow Agent and its partners, officers, employees and agents, including, without limitation, its lawyers, so long as it or they act in good faith:
- (i) may rely on the opinion, advice, recommendation or statement of any professional or other consultant or agent employed or engaged by the Escrow Agent;

- (ii) will not be bound to act in accordance with any direction, notice, order or request unless given in writing;
  - (iii) may rely exclusively on any Instructions or other written direction, written notice, written order, written request or document which the Escrow Agent believes, in good faith, to be genuine, and the Escrow Agent will not be required to verify the authenticity, authorization, due execution or validity of any such document or the facts or statements contained therein which the Escrow Agent may assume to be correct and accurate;
  - (iv) will not be required to incur any expenditure pursuant to the provisions of this Escrow Agreement or to institute, defend or intervene in any legal action to enforce the terms and conditions of this Escrow Agreement or take any other action in relation thereto unless and until an amount in cleared funds sufficient to satisfy such expenditure or meet the costs of such action has been provided to the Escrow Agent for that purpose; and
  - (v) except to the extent arising out of fraud, gross negligence or wilful misconduct, the Escrow Agent shall not be liable to the Purchaser or any of the Vendor for: (i) any error in judgement or act done or step taken or omitted by it in good faith, or for any mistake, in fact or in law, or for anything it may not do or refrain from doing in connection herewith; or (ii) incidental, consequential, special or punitive damages, regardless of their cause or whether such damages were foreseeable.
- (e) Discharge of Escrow Agent. Upon payment of the full amount of the Escrowed Funds and all interest earned thereon in accordance with this Escrow Agreement, the obligations of the Escrow Agent shall be fully discharged and the Escrow Agent shall have no further responsibilities to the parties thereafter.
- (f) Resignation of Escrow Agent. The Escrow Agent may resign its position and be discharged from all further duties and liabilities under this Escrow Agreement by giving to the other parties hereto at least ten (10) days' notice in writing. In the event of the Escrow Agent providing notice of resignation, the Purchaser and the Vendor shall forthwith appoint a new Escrow Agent which shall execute, acknowledge and deliver to each of the parties hereto, including the retiring Escrow Agent, an instrument accepting such appointment and thereupon such new Escrow Agent, without any further act, deed, conveyance or transfer, shall become vested with all the rights, powers, trusts, duties and obligations of the retiring Escrow Agent with like effect as if originally named as Escrow Agent in this Escrow Agreement. The retiring Escrow Agent shall deliver to the new Escrow Agent the Escrowed Funds and such other documents and information relating to the performance of its duties hereunder which may then be in its possession and which may be requested by the new Escrow Agent. Further, the parties hereto shall execute and deliver such further documents and shall do such other things as may reasonably be required for more fully and certainly vesting and confirming in such new Escrow Agent all such rights, powers, trusts, duties and obligations of the retiring Escrow Agent hereunder. In the event that the Purchaser and the Vendor are unable to agree on a replacement Escrow Agent within the aforesaid notice period, the replacement Escrow Agent will be selected by a single arbitrator under the provisions of the *Arbitration Act (Alberta)* and this Escrow Agreement will be

deemed to be a submission thereto. The Escrow Agent's resignation will take effect on the date upon which such new Escrow Agent executes an instrument accepting such appointment as provided in this Escrow Agreement.

- (g) No Conflict. The fact that the Escrow Agent is acting as escrow agent under this Agreement shall not in any way prevent it from acting as Trustee to the Vendor in connection with the Vendor's proceedings under the Notice of Intention to Make a Proposal pursuant to subsection 50.4(1) of the *Bankruptcy and Insolvency Act* (Canada) (the "BIA") filed on March 11, 2021, or any subsequent proceedings under the BIA, in connection with the transactions contemplated by the Purchase Agreement or in any litigation arising from the Vendor's proceedings under the BIA or the Purchase Agreement or this Agreement.
- (h) Anti-Money Laundering. The Vendor and the Purchaser hereby represent to the Escrow Agent that any account to be opened by, or interest to be held by the Escrow Agent in connection with this Escrow Agreement, for or to the credit of such party, either (i) is not intended to be used by or on behalf of any third party (other than the Vendor); or (ii) is intended to be used by or on behalf of a third party (other than the Vendor), in which case such party hereto agrees to complete and execute forthwith a declaration in the Escrow Agent's prescribed form as to the particulars of such third party. The Escrow Agent shall retain the right not to act and shall not be liable for refusing to act if, due to a lack of information or for any other reason whatsoever, the Escrow Agent, in its sole judgment, determines that such act might cause it to be in non-compliance with any applicable anti-money laundering or anti-terrorist legislation, regulation or guideline. Further, should the Escrow Agent, in its sole judgment, determine at any time that its acting under this Escrow Agreement has resulted in its being in non-compliance with any applicable anti-money laundering or anti-terrorist legislation, regulation or guideline, then it shall have the right to resign on ten (10) days written notice to the Vendor and the Purchaser, provided (i) that the Escrow Agent's written notice shall describe the circumstances of such non-compliance; and (ii) that if such circumstances are rectified to the Escrow Agent's satisfaction within such 10 day period, then such resignation shall not be effective.
6. Restriction. None of the parties hereto shall pledge, convey, mortgage, assign, hypothecate, grant a security interest in or otherwise encumber in any way any portion of the Escrowed Funds held under this Escrow Agreement or any of its rights or interests in respect thereof, whether arising under this Escrow Agreement or otherwise, unless and until the Escrowed Funds, or such party's portion thereof, has been disbursed to such party in accordance with this Escrow Agreement. The Escrowed Funds shall not be available to, and shall not be used by, the Escrow Agent to set off any obligations of any party hereto owing to the Escrow Agent in any capacity.
7. Notices. Any notice, request, demand or other communication required or permitted to be given under this Escrow Agreement shall be in writing and delivered personally or sent to the party entitled to receive it by registered mail or e-mail addressed as follows:

If to the Purchaser at:

Bench Creek Resources Ltd.  
57017 Range Road 141  
Yellowhead County AB T7E 3Z7

Attention: Marty Clark  
Email: [benenergy@cciwireless.ca](mailto:benenergy@cciwireless.ca)

With a copy to:

McCarthy Tétraut LLP  
4000, 421 – 7th Avenue S.W.  
Calgary AB T2P 4K9  
Attention: Kerri L. Howard  
Email: [kerrihoward@mccarthy.ca](mailto:kerrihoward@mccarthy.ca)

If to the Vendor, at:

GS E&R Canada Inc.  
#301, 121-15<sup>th</sup> Ave SE  
Calgary, Alberta T2G 1G1

Attention: Jungho Park  
Email: [jungho@gsenr.com](mailto:jungho@gsenr.com)

with a copy to:

Stikeman Elliott LLP  
4300 Bankers Hall West  
888 – 3<sup>rd</sup> Street S.W.  
Calgary, Alberta T2P 5C5

Attention: Keith R. Chatwin  
Email: [KChatwin@stikeman.com](mailto:KChatwin@stikeman.com)

If to the Escrow Agent, to:

MNP Ltd.  
1500, 640 – 5<sup>th</sup> Street S.W.  
Calgary, Alberta  
T2P 3G4

Attention: Victor P. Kroeger  
Email: [Victor.Kroeger@mnp.ca](mailto:Victor.Kroeger@mnp.ca)

with a copy to:

Lawson Lundell LLP  
Suite 1100, 225 – 6<sup>th</sup> Avenue S.W.  
Brookfield Place  
Calgary, Alberta T2P 1N2

Attention: Alexis Teasdale  
 Email: [ateasdale@lawsonlundell.com](mailto:ateasdale@lawsonlundell.com)

or to such other address or e-mail address as such party may by notice given in accordance with this Section. Any such notice, request, demand or other communication given as aforesaid shall:

- (a) if delivered personally, be deemed to have been received on the date of delivery;
  - (b) if sent by registered mail, be deemed to have been received on the second Business Day following the date of mailing unless at any time between the date of mailing and the second Business Day thereafter there is a discontinuance or disruption of regular postal service, whether due to strike or lockout or work slowdown, affecting postal service at the point of dispatch or delivery or any intermediate point, in which case the same shall be deemed to have been given, sent, delivered and received in the ordinary course of the mails, allowing for such discontinuance or interruption of regular postal service; and
  - (c) if sent by e-mail, be deemed to have been received when the fax or e-mail is received by the recipient if received before 5:00 p.m. Calgary time on a Business Day, or on the next Business Day if such e-mail is received on a day which is not a Business Day or after 5:00 p.m. Calgary time on a Business Day.
8. Assignment. Neither this Escrow Agreement nor any of the rights or obligations hereunder may be assigned by any party without the prior written consent of the other parties. Subject to the foregoing, this Escrow Agreement shall be binding upon and enure to the benefit of the parties hereto and their respective successors, heirs, personal representatives and permitted assigns, and no other person shall have any right, benefit or obligation under this escrow agreement as a third party beneficiary or otherwise. The rights of any Vendor to receive Escrowed Funds hereunder shall not be transferable except by operation of law.
  9. Amendment. This Escrow Agreement may be amended by and upon written notice to the Escrow Agent given jointly by the Purchaser and the Vendor, but the duties and responsibilities of the Escrow Agent may not be increased without the written consent of the Escrow Agent.
  10. Invalidity. In the event that any one or more of the provisions contained in this Escrow Agreement, the Purchase Agreement or in any other instrument referred to herein or therein, shall, for any reason, be held to be invalid, illegal or unenforceable in any respect, then to the maximum extent permitted by law, such invalidity, illegality or unenforceability shall not affect any other provision of this Escrow Agreement, the Purchase Agreement or any other such instrument.
  11. Titles. The titles, captions or headings of the sections herein are for convenience of reference only and are not intended to be a part of or to affect the meaning or interpretation of this Escrow Agreement.
  12. Governing Law; Jurisdiction. This Escrow Agreement and each of the documents contemplated by or delivered under or in connection with this Escrow Agreement are governed by and construed in accordance with the laws of the Province of Alberta and the

laws of Canada applicable therein without regard to principles of conflicts of law that would impose a law of another jurisdiction. The parties hereto irrevocably and unconditionally attorn to the exclusive jurisdiction of the courts of the Province of Alberta and all courts competent to hear appeals therefrom.

13. Termination. This Escrow Agreement shall terminate upon the disbursement to the Purchaser and/or the Vendor of all Escrowed Funds in accordance with the terms of this Escrow Agreement.
14. Time. Time shall be of the essence of this Escrow Agreement and no extension or variation of this Escrow Agreement shall operate as a waiver of this provision and, for greater certainty, no extension of time or period of grace shall be implied even where a party has in any fashion responded to or acted upon a particular notice or action given or taken out of time.
15. Counterparts. This Escrow Agreement and any amendment, supplement, restatement or termination of any provision of this Escrow Agreement may be executed in any number of counterparts, and may be delivered by fax, email or other means of electronic transmission with the same effect as if all the parties had signed the same document, and will become effective when one or more counterparts have been signed by all of the parties and delivered to each of the other parties. All counterparts will be construed together and evidence only one agreement, which, notwithstanding the dates of execution of any counterparts, will be deemed to be dated the reference date set out above.

*[Signature Page Follows]*

IN WITNESS WHEREOF, the parties hereto have executed this Escrow Agreement as of the day and year first above written.

**GS E&R CANADA INC.**

Per:   
\_\_\_\_\_  
Authorized Signatory

**BENCH CREEK RESOURCES LTD.**

Per: \_\_\_\_\_  
Authorized Signatory

**MNP LTD. in its capacity as trustee under the Notice of Intention to Make a Proposal of GS E&R Canada Inc., and not in its personal capacity**

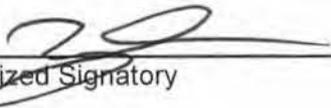
Per: \_\_\_\_\_  
Authorized Signatory

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Authorized Signatory

**BENCH CREEK RESOURCES LTD.**

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**BENCH CREEK RESOURCES LTD.**

Per: \_\_\_\_\_  
Authorized Signatory

**MNP LTD. in its capacity as trustee under  
the Notice of Intention to Make a Proposal  
of GS E&R Canada Inc., and not in its  
personal capacity**

  
Per: \_\_\_\_\_  
Authorized Signatory

**Victor P. Kroeger  
Senior Vice President**