

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**



THE HONOURABLE
JUSTICE DUNPHY

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WEDNESDAY, THE 14th
DAY OF NOVEMBER, 2018

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c.
C-36, AS AMENDED

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF
DUNDEE OIL AND GAS LIMITED

ESCROW ARRANGEMENT, STAY EXTENSION AND SALE PROCESS ORDER

THIS MOTION, made by Dundee Oil and Gas Limited (“**DOGL**”) on its behalf and as general partner on behalf of Dundee Energy Limited Partnership (“**DELP**” and together with DOGL, the “**Debtors**”) for an order: (i) approving the escrow arrangement with respect to funds paid to each of National Bank of Canada (the “**Bank**”) and FTI Consulting Canada Inc., in its capacity as the Court-appointed monitor (the “**Monitor**”) on account of the Purchase Price payable pursuant to the APA (as defined below); (ii) extending the stay of proceedings; and (iii) in the event that the APA is terminated, approving the Revised SSP (as defined below and as described in the seventh report of the Monitor dated November 12, 2018 (the “**Seventh Report**”)), was heard this day at 361 University Avenue, Toronto, Ontario.

ON READING the Seventh Report and on hearing the submissions of counsel for the Monitor, the Debtors, the Bank, Lagasco Inc. (the “**Buyer**”), Ministry of Natural Resources and

Forestry (“**MNRF**”), Canadian Overseas Petroleum Limited, no one appearing for any other person on the service list, although properly served as appears from the affidavit of Rachel Bengino sworn on November 13, 2018, filed:

1. **THIS COURT ORDERS AND DECLARES** that service of the Seventh Report and Motion Record is hereby validated and further service thereof is hereby dispensed with.
2. **THIS COURT ORDERS** that any capitalized terms not otherwise defined herein shall have the meaning set forth in the Approval and Vesting Order granted by the Court on June 11, 2018 (the “**Approval and Vesting Order**”) or the Asset Purchase Agreement dated April 4, 2018 between the Buyer and the Debtors (as amended, the “**APA**”).

ESCROW ARRANGEMENT

3. **THIS COURT ORDERS** that, forthwith upon, and not prior to, written confirmation from (i) the Bank’s counsel that it has received from counsel to the Buyer the Purchase Price (net of the Deposit and certain other amounts in accordance with the flow of funds as agreed to by the Parties) pursuant to paragraph 29 of the Approval and Vesting Order (the “**Bank Escrow Funds**”), which the Bank’s counsel shall hold in escrow in accordance with the terms of this Order; and (ii) the Monitor that it has received from counsel to the Buyer the Cure Costs and MNRF Leases royalty payments (the “**Monitor Escrow Funds**”), which the Monitor shall hold in escrow in accordance with the terms of this Order, the Buyer or its counsel, shall register the Applications to Amend Based on Court Order as required in the Transferred Leases Order (On-shore) and Transferred Leases Order (Off-shore) (collectively, the “**Applications**”) granted by this Court on November 14, 2018, upon

which time, the applicable Land Registry Offices and/or Land Titles Offices will be required to carry out the directions set forth in such Orders.

4. **THIS COURT ORDERS** that the Buyer or its counsel shall exercise reasonable efforts to complete all registrations of the Applications to Amend Based on Court Order with respect to the Transferred Leases (On-shore) Order prior to commencing the registrations of the Applications to Amend Based on Court Order with respect to the Transferred Leases (Off-shore) Order, save and except those four (4) registrations in the Land Registry Office for the Land Titles Division of Norfolk under the Registry System, which are included in paragraph 6 to the Transferred Leases (Off-shore) Order, and which may be registered concurrently with the registrations of the Applications to Amend Based on Court Order with respect to the Transferred Leases (On-shore) Order.

5. **THIS COURT ORDERS** that, in the event any of the Applications are not accepted for registration by the applicable Land Registry Office and/or Land Titles Office, the Buyer shall immediately cease making any further registrations of remaining Applications and the Buyer and the Debtors shall take steps to rectify any issue(s) leading to such rejection. In the event any such issue(s) is not rectified or waived by the Buyer and, as a result, the Buyer cannot proceed with Closing of the Transaction under the APA, the Buyer shall immediately notify the Debtors, the Bank and the Monitor and promptly make such filings as are necessary (the “**Title Reversion Registrations**”) to revert to DOGL title and the interests in any on-shore Leases and off-shore Leases already assigned to the Buyer by virtue of the registrations contemplated in paragraphs 3 and 4 above (the “**Pre-Closing Transferred Leases**”) and to discharge and delete from the title to any Leases all security registered in favour of the Buyer’s lender from title (the “**Lien Discharge Registrations**”

and together with the Title Reversion Registrations, the “**Reversion**”) in a manner satisfactory to the Debtors, the Monitor and the Bank.

6. **THIS COURT ORDERS** that, if on or before 3:00 p.m. on November 16, 2018, the Bank, the Debtors and the Monitor have not received written confirmation from the Buyer that all required Applications have been registered together with the security interests in favour of the Buyer’s lender registered concurrently with the Applications (collectively, the “**Buyer Registration Condition**”) or that it has waived the Buyer Registration Condition, the Debtors shall be authorized to terminate the APA without prejudice to any of the Debtors’ rights and remedies thereunder and the Monitor shall retain the Deposit pending further order of the Court and the Buyer and its counsel will forthwith complete the Reversion in a manner satisfactory to the Debtors, the Monitor, the Bank, and with respect to any transferred off-shore Leases, the MNRF.
7. **THIS COURT ORDERS** that upon completion of the Reversion set out in paragraphs 5 and 6 herein to the reasonable satisfaction of the Debtors, the Monitor, the Bank, and with respect to any transferred off-shore Leases, the MNRF, as evidenced by written confirmation from such parties, the Bank’s counsel shall return to the Buyer’s counsel the Bank Escrow Funds (or such other person as the Buyer’s counsel directs in writing) and the Monitor shall return to the Buyer’s counsel the Monitor Escrow Funds (in either case without interest or deduction).
8. **THIS COURT ORDERS** that if, on or before 3:00 p.m. on November 16, 2018: (i) the Buyer has satisfied the Buyer Registration Condition or provided written notice to the Monitor, Debtors and the Bank that the Buyer Registration Condition has been waived;

and (ii) the Monitor has received a certificate confirming that all conditions to Closing as set out in articles 11 and 12 of the APA have been satisfied or waived by the Debtors and the Buyer, as applicable, then the following actions shall be forthwith taken: (A) the Bank's counsel is hereby authorized and directed to release the Bank Escrow Funds from escrow in favour of the Bank; (B) the Buyer's counsel is directed to deliver to the applicable Governmental Authority certified cheques in full repayment of Municipal Taxes owing to each applicable Governmental Authority; and (C) the Buyer's counsel is directed to pay the amount to Nadro Marine Services Limited set out in the Direction;

9. **THIS COURT ORDERS AND DECLARES** that between the time of registration of each Pre-Closing Transferred Lease and delivery of the Monitor's Certificate:
 - a) the Buyer shall hold title to and interests in Pre-Closing Transferred Leases as nominee and agent for and on behalf of the Debtors;
 - b) the Buyer shall otherwise have no legal or beneficial interest in the Pre-Closing Transferred Leases;
 - c) all other attributes of the beneficial interest in the Pre-Closing Transferred Leases shall be and remain with the Debtors; and
 - d) the Buyer shall enter into, and execute and deliver, all such instruments and other agreements as may from time to time be reasonably requested by the Debtors, the Monitor and/or the Bank, along with any affected counterparty to each Pre-Closing Transferred Lease, in connection with the Pre-Closing Transferred Leases.

10. **THIS COURT ORDERS AND DIRECTS** that, in its capacity as nominee, the Buyer shall promptly deliver to the Debtors all instruments with respect to Pre-Closing

Transferred Leases, together with all recording information relative thereto, to the extent that the Buyer may come into possession of any such instrument or information. All rents, profits, emoluments and other receipts and revenues of any nature or kind arising from the Pre-Closing Transferred Leases or the use thereof shall belong beneficially to the Debtors, and the Buyer shall have no beneficial interest in such rents, profits, emoluments and other receipts and revenues. The Buyer shall, subject to the rights of any mortgagee or other secured creditor, promptly remit to the Debtors all profits, emoluments and other receipts and revenues of any nature or kind arising from the Pre-Closing Transferred Leases which may be received by the Buyer as nominal party to any instrument. The Buyer shall promptly transmit to the Debtors copies of all notices, claims, demands or other communications which the Buyer may receive and which relate in any way to the Pre-Closing Transferred Leases.

11. **THIS COURT ORDERS** that the Pre-Closing Transferred Leases and the Reversion, if effected, shall not impair the title of the Debtors, the security interest of the Bank or the interest of any affected counterparty to each Pre-Closing Transferred Lease and that such interests shall continue as they did before the Pre-Closing Transferred Leases and Reversion as if they did not occur.
12. **THIS COURT ORDERS** that the sole obligation of the Bank's counsel relating to the Bank Escrow Funds shall be as set out in this Order, or in any further orders of the Court and the Bank's counsel shall be entitled to seek advice and directions from this Court in respect of the Bank Escrow Funds.

13. **THIS COURT ORDERS** that the Monitor and the Debtors are hereby authorized to seek such assistance or relief from the Court as may be required to achieve the Reversion.
14. **THIS COURT ORDERS** that the Buyer and its lender are hereby authorized to seek such assistance or relief from the Court as may be required to effect the registration of the Applications with any applicable Land Registry Office and/or Land Titles Office.
15. **THIS COURT ORDERS** that nothing herein shall be an amendment to the APA and neither the Buyer Registration Condition nor any other provision of this Order shall constitute a condition to Closing in favour of the Buyer under the APA.

MONITOR'S CERTIFICATE

16. **THIS COURT ORDERS** that the Monitor shall not deliver the Monitor's Certificate to the Buyer until (i) the conditions set forth in paragraph 8 herein have been satisfied; (ii) the Buyer's counsel confirms to the Monitor that it has issued the payments set out in paragraph 8 herein; and (iii) the Transaction has been completed to the satisfaction of the Debtors and the Monitor. The Monitor's Certificate must be delivered on or before 4:00 p.m. on November 16, 2018, failing which the Debtors shall be authorized to terminate the APA without prejudice to any of the Debtors' rights and remedies thereunder and the Monitor shall retain the Deposit pending further order of the Court.
17. **THIS COURT ORDERS** that, notwithstanding paragraph 29 of the Approval and Vesting Order, the Monitor is hereby authorized and directed, without further Order of the Court, to on Closing, transfer the Deposit, net of the Professional Fee Reserve and any other

amounts as may be agreed to among the Bank and the Monitor to fund the Debtors' post filing obligations, to the Seller's account with the Bank.

REMAINING APPLICATIONS TO AMEND BASED ON COURT ORDER

18. **THIS COURT ORDERS** that, for greater certainty, only upon, and not prior to, the delivery of the Monitor's Certificate to the Buyer, the Buyer, or its counsel, shall register the Applications for Vesting Order as required in the Approval and Vesting Order, upon which time, the applicable Land Registry Offices and/or Land Titles Offices will be required to carry out the directions set forth in such Order.
19. **THIS COURT ORDERS** that, for greater certainty, only upon, and not prior to, the delivery of the Monitor's Certificate to the Buyer, the Buyer, or its counsel, shall register the Applications to Amend Based on Court Order as required in the Discharges Order granted by this Court on November 14, 2018, upon which time, the applicable Land Registry Offices and/or Land Titles Offices will be required to carry out the directions set forth in such Order.
20. **THIS COURT ORDERS** that, for greater certainty, only upon, and not prior to, the delivery of the Monitor's Certificate to the Buyer, the Debtors, or their counsel, shall register the Applications to Amend Based on Court Order as required in the Surrendered Leases Order granted by this Court on November 14, 2018, upon which time, the applicable Land Registry Offices and/or Land Titles Offices will be required to carry out the directions set forth in such Order.

TREATMENT OF UNCASHED CURE COSTS

21. **THIS COURT ORDERS** that if any payment of a Cure Cost by the Monitor to a counterparty to an Assigned Contract pursuant to paragraph 21 of the Approval and Vesting Order remains uncashed or remains returned as undeliverable on the date that is ~~two (2)~~ ^{three} 3 months after the Closing, such Cure Cost shall be forever barred as against the Debtors without any compensation therefor, at which time any cash held by the Monitor in relation to such uncashed or unclaimed payment shall be delivered to the Bank. Nothing herein shall require the Monitor to attempt to locate any counterparty to an Assigned Contract whose payment is not cashed within the aforesaid period.

APD
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STAY EXTENSION

22. **THIS COURT ORDERS** that the Stay Period as ordered and defined in paragraph 17 of the Initial Order dated February 13, 2018 (the “**Initial Order**”) is hereby extended until and including January 30, 2019.

APA

23. **THIS COURT ORDERS** that in the event that, on or before November 16, 2018, the Monitor has not delivered the Monitor’s Certificate in accordance with the APA and the Approval and Vesting Order as a result of the Buyer’s failure to close the Transaction, the Debtors are authorized to terminate the APA without prejudice to any of the Debtors’ rights and remedies thereunder and the Monitor shall retain the Deposit pending further order of the Court.

5:00 p.m. on
APD

REVISED SSP

24. **THIS COURT ORDERS** that, in the event that the Transaction under the APA does not close on or before November 16, 2018, the revised sale solicitation process (the “**Revised SSP**”) attached hereto as **Schedule “A”** (subject to such non-material amendments as may be agreed to by the Monitor and the Bank) be and is hereby approved and the Monitor is hereby authorized and directed to take such steps as it deems necessary or advisable to carry out the Revised SSP, subject to prior approval of this Court being obtained before completion of any transaction(s) under the Revised SSP.
25. **THIS COURT ORDERS** that the Monitor shall have the benefit of all rights and protections granted to it in the Sale Solicitation Process Order dated August 16, 2017 and the Initial Order in carrying out the Revised SSP.

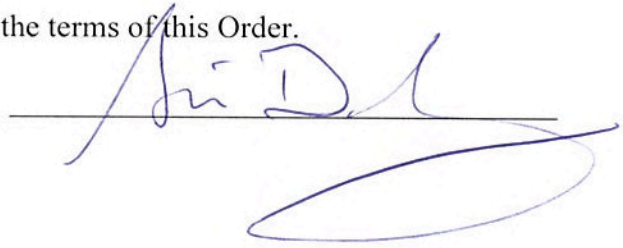
TRUSTEE IN BANKRUPTCY TO HOLD FUNDS

26. **THIS COURT ORDERS** that upon the appointment of FTI Consulting Canada Inc., or any other entity or person as Trustee in Bankruptcy of either or both of the Debtors (“**Trustee**”), such Trustee shall be bound by the terms of this Order and the Approval and Vesting Order dated June 11, 2018.

GENERAL

27. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States to give effect to this Order and to assist the Debtors and the Monitor in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby

respectfully requested to make such orders and to provide such assistance to the Debtors and the Monitor as may be necessary or desirable to give effect to this Order or to assist the Debtors and the Monitor in carrying out the terms of this Order.

A handwritten signature in blue ink, appearing to be "A. D.", written over a horizontal line. The signature is stylized and extends below the line with a large, sweeping flourish.

ENTERED AT / INSCRIT À TORONTO
ON / BOOK NO:
LE / DANS LE REGISTRE NO:

NOV 15 2018

PER / PAR:

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Schedule "A"

Revised Sale Solicitation Process Dundee Energy Limited Partnership and Dundee Oil and Gas Limited

1. On August 15, 2017, Dundee Energy Limited Partnership and its general partner, Dundee Oil and Gas Limited ("**DOGL**") (together, the "**Debtors**") filed a Notice of Intention to Make a Proposal pursuant to the *Bankruptcy and Insolvency Act* (Canada) (the "**NOI Proceedings**"). FTI Consulting Canada Inc. ("**FTI**") was appointed as the proposal trustee (the "**Proposal Trustee**") under the NOI Proceedings.
2. By order dated August 16, 2017, the Ontario Superior Court of Justice (Commercial List) (the "**Court**") approved a sale solicitation process (the "**BIA SSP**") to seek proposals to purchase some or all of the assets, undertakings and properties of the Debtors (collectively, the "**Property**") and to implement one or a combination of transactions to purchase some or all of the Property.
3. By order dated February 13, 2018, the Court continued the NOI Proceedings for DOGL under the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c.C.-36 (as amended, "**CCAA**") and appointed FTI as the Monitor (the "**Monitor**") (the "**CCAA Proceedings**").
4. By order dated June 11, 2018, the Court, *inter alia*, approved the sale to Lagasco Inc. of substantially all of the Debtors' assets (the "**Transaction**") pursuant to an Asset Purchase Agreement dated April 4, 2018 (as amended, the "**APA**"). The parties failed to close the Transaction prior to the outside date for Closing set out in the APA, being November 16, 2018.
5. The Debtors intend to seek an order (the "**Revised SSP Order**") authorizing the Monitor to carry out a revised sale solicitation process (the "**Revised SSP**"). The Revised SSP describes the manner in which prospective bidders (a) may gain access to or continue to have access to due diligence materials concerning the Debtors, their business and operations (the "**Business**") and the Property; (b) the manner in which bidders and bids become Qualified Bidders and Qualified Bids (as defined below), respectively; (c) the process for the evaluation of bids received; (d) the process for the ultimate selection of a Successful Bidder (as defined below); and (e) the process for obtaining such approvals (including the approval of the Court) as may be necessary or appropriate in respect of a Successful Bid.

Defined Terms

6. All capitalized terms used in the Revised SSP and not otherwise defined have the meanings given to them below:

"**Approval Motion**" as defined in paragraph 23;

"**Bid Deadline**" as defined in paragraph 16.

"**Business**" means the business being carried on by the Debtors;

"**Business Day**" means a day, other than a Saturday or Sunday, on which banks are open for business in the City of Toronto;

"**CCAA Proceedings**" as defined in paragraph 3;

"**Claims and Interests**" as defined in paragraph 32;

"**Confidential Information Memorandum**" as defined in paragraph 13;

"**Court**" as defined in paragraph 2;

"**Data Room**" as defined in paragraph 13;

"**Debtors**" as defined in paragraph 1;

"**Deposit**" as defined in paragraph 16(m);

"**Final Bid**" as defined in paragraph 15;

"**Form of Purchase Agreement**" means the form of purchase and sale agreement to be developed by the Monitor and provided to Qualified Bidders;

"**FTI**" as defined in paragraph 1;

"**Known Potential Bidders**" as defined in paragraph 10;

"**Lender**" means National Bank of Canada;

"**Monitor**" as defined in paragraph 3.

"**NDA**" means a non-disclosure agreement in form and substance satisfactory to the Monitor, which will inure to the benefit of any purchaser of the Property;

"**NOI Proceedings**" as defined in paragraph 1;

"**Potential Bidder**" as defined in paragraph 10;

"**Property**" means the assets, properties and undertakings of the Debtors or any portion thereof;

"**Proposal Trustee**" as defined in paragraph 1;

"**Qualified Advisors**" means the legal and financial advisor(s) and/or lenders to a Qualified Bidder, provided that, in each case, such advisor or lender: (a) is reasonably acceptable to the Monitor; and (b) has executed or is bound by a NDA;

"**Qualified Bid**" means a third party offer to purchase some or all of the Property in the form specified by the Revised SSP;

"**Qualified Bidder**" as defined in paragraph 12;

“**Revised SSP Order**” as defined in paragraph 5;

“**Sale Process**” means the sale solicitation process carried out by the Monitor pursuant to the terms of the Revised SSP; and

“**Successful Bid**” as defined in paragraph 21.

“**Successful Bidder**” as defined in paragraph 21.

Conduct of Sale Process and Timeline

7. The Monitor shall implement the Revised SSP. The Revised SSP Order and the Revised SSP shall exclusively govern the process for soliciting and selecting Qualified Bids.
8. The Debtors are required to assist and support the efforts of the Monitor in undertaking the Revised SSP. In the event that there is disagreement as to the interpretation or application of the Revised SSP or the responsibilities of the Monitor or the Debtors hereunder, the Court will have jurisdiction to hear such matter and provide advice and directions, upon application by the Monitor or the Debtors.
9. The following table sets out the key milestones under the Sale Process, subject to extension by the Monitor pursuant to and in accordance with the Revised SSP:

Milestone	Deadline
Commencement Date	November 19, 2018
Bid Deadline	January 11, 2019
Settle and execute a binding asset purchase agreement with respect to the Successful Bid	January 25, 2019
Date by which Approval Motion is heard	February 8, 2019
Closing of the transaction(s) with Successful Bidder(s)	March 8, 2019

Opportunity

10. As soon as practicable following issuance of the Revised SSP Order, the Monitor shall, in consultation with the Debtors, the Lender and any other stakeholder as deemed appropriate by the Monitor, prepare a list of persons that submitted a letter of intent in the BIA SSP (the “**Known Potential Bidders**”) along with any other potential bidders that have expressed interest in acquiring a portion or all of the Property (together, the “**Potential Bidders**” and individually a “**Potential Bidder**”). The Monitor shall contact each Potential Bidder to advise them of the opportunity.

Participation Requirements

11. In order to participate in the Sale Process, each Potential Bidder must deliver to the Monitor at the address specified in Exhibit "A":
 - (a) a letter setting forth the identity of the Potential Bidder, the contact information for such Potential Bidder and full disclosure of the principals of the Potential Bidder; and
 - (b) an executed NDA (if a NDA had not already been executed in the BIA SSP), which, among other things, shall include provisions whereby the Potential Bidder agrees to accept and be bound by the Revised SSP.
12. A Potential Bidder that has executed a NDA, and has delivered the documents and information described above, and that the Monitor, in its reasonable business judgement, determines is likely, based on the availability of financing, experience and other considerations, to be able to consummate a transaction to acquire some or all of the Property (including any liabilities to be assumed) will be deemed a "**Qualified Bidder**", and be promptly notified of such determination by the Monitor. **In no event shall the Lender constitute a Qualified Bidder.**
13. The Monitor shall provide to each Qualified Bidder that has executed a NDA a confidential information memorandum (the "**Confidential Information Memorandum**") describing the opportunity to acquire all or a portion of the Property along with access to an electronic data room with due diligence information (the "**Data Room**"). The Monitor, the Debtors and the Lender make no representation or warranty as to the information (i) contained in the Confidential Information Memorandum or the Data Room, (ii) provided through the due diligence process in the Sale Process, or (iii) otherwise made available to a Qualified Bidder, except to the extent expressly contemplated in any definitive sale agreement with a Successful Bidder duly executed and delivered by the Debtors and approved by the Court.
14. At any time during the Sale Process, the Monitor may, in its reasonable business judgment and after consultation with the Lender, eliminate a Qualified Bidder from the Sale Process, whereupon such bidder will be eliminated from the Sale Process and will no longer be a Qualified Bidder.

Qualified Bidders and submission of Final Bid

15. At the request of a Qualified Bidder, its Qualified Advisors will be granted access to such due diligence materials and information relating to the Property and the Business as the Monitor in its reasonable business judgement determines appropriate, including information or materials reasonably requested by each Qualified Bidder, on-site presentations and tours of the Property, and access to information in the Data Room. In addition, selected due diligence materials may be withheld from a Qualified Bidder if the Monitor determines such information to represent proprietary or sensitive competitive information.

16. A Qualified Bidder that wishes to proceed must deliver to the Monitor a final binding proposal to purchase some or all of the Property (a "**Final Bid**") including a duly authorized and executed purchase agreement based on the Form of Purchase Agreement and accompanied by a mark-up of the Form of Purchase Agreement showing amendments and modifications made thereto, together with all exhibits and schedules thereto, and such ancillary agreements as may be required by the Qualified Bidder, at the address specified in Exhibit "A" hereto (including by email or fax transmission) so as to be received by the Monitor by no later than **12:00 p.m. (Eastern Time) on January 11, 2019**, or such other date or time as may be determined by the Monitor in consultation with the Lender (the "**Bid Deadline**").
17. A Final Bid will be considered a Qualified Bid only if (a) it is submitted by a Qualified Bidder; and (b) the Final Bid complies with, among other things, the following requirements:
 - (a) it includes a letter stating that the Qualified Bidder's offer is irrevocable until the earlier of: (i) the approval by the Court of a Successful Bid; and (ii) thirty (30) days following the Bid Deadline, provided that if such Qualified Bidder is selected as a Successful Bidder, its offer will remain irrevocable until the closing of the transaction with the Debtors;
 - (b) it includes written evidence of a firm irrevocable commitment for all required financing, or other evidence of the financial ability of such Qualified Bidder to consummate the proposed transaction, that will allow the Monitor to make a reasonable determination as to the Qualified Bidder's financial and other capabilities to consummate the transaction contemplated by its Final Bid and ability to perform its obligations under any assumed contracts;
 - (c) sets out the purchase price range in Canadian dollars, including details of any liabilities to be assumed by the Qualified Bidder, along with a description as to how the Qualified Bidder intends to value net working capital of the Business;
 - (d) it describes the Property to be included as well as the Property to be excluded, divested or disclaimed prior to closing, if any;
 - (e) it includes full details of the proposed number of employees who will become employees of the Qualified Bidder and provisions setting out the terms and conditions of employment for continuing employees;
 - (f) it includes details of any liabilities to be assumed by the Qualified Bidder;
 - (g) it is not conditional upon, among other things:
 - (i) the outcome of unperformed due diligence by the Qualified Bidder; or
 - (ii) obtaining financing;

- (h) it fully discloses the identity of each entity that will be sponsoring or participating in the Final Bid, and the complete terms of such participation;
 - (i) it outlines any anticipated regulatory and other approvals required to close the transaction and the anticipated time frame and any anticipated impediments for obtaining such approvals;
 - (j) it identifies with particularity the contracts and leases the Qualified Bidder wishes to assume and reject, contains full details of the Qualified Bidder's proposal for the treatment of related cure costs (and provides adequate assurance of future performance thereunder); and it identifies with particularity any executory contract or unexpired lease the assumption and assignment of which is a condition to closing;
 - (k) it provides a timeline to closing with critical milestones;
 - (l) it includes evidence, in form and substance reasonably satisfactory to the Monitor, of authorization and approval from the Qualified Bidder's board of directors (or comparable governing body) with respect to the submission, execution, delivery and closing of the transaction contemplated by the Final Bid;
 - (m) it is accompanied by a refundable deposit (the "**Deposit**") in the form of a wire transfer (to a bank account specified by the Monitor), or such other form acceptable to the Monitor, payable to the order of the Monitor, in trust, in an amount equal to not less than 10% of the purchase price, to be held and dealt with in accordance with the terms of the Revised SSP;
 - (n) it contains other information reasonably requested by the Monitor;
 - (o) it is received by the Bid Deadline; and
 - (p) it includes an acknowledgement and representation that the Qualified Bidder: (a) has relied solely upon its own independent review, investigation and/or inspection of any documents and/or the assets to be acquired and liabilities to be assumed in making its Final Bid; and (b) 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) made by the Monitor, the Debtors or the Lender, regarding any matter or thing, including, without limitation, the Debtors, the Property, the Business the assets to be acquired or liabilities to be assumed or the completeness of any information provided in connection therewith, except as expressly stated in the purchase and sale agreement.
18. The Monitor may waive compliance with any one or more of the requirements specified above and deem such Final Bid to be a Qualified Bid, provided that doing so shall not constitute a waiver by the Monitor of the requirements of the foregoing paragraph or an obligation on the part of the Monitor to designate any other Final Bid as a Qualified Bid. The Monitor will be under no obligation to negotiate identical terms with, or extend identical terms to, each Qualified Bidder.

Evaluation of Qualified Bids

19. The Monitor, in consultation with the Lender, will review each Final Bid received. For the purpose of such consultation and evaluations, the Monitor may request clarification of the terms of any Final Bid.
20. Evaluation criteria may include, but are not limited to items such as: (a) the purchase price and net value (including assumed liabilities and other obligations to be performed by the Qualified Bidder); (b) the firm, irrevocable commitment for financing the transaction; (c) the claims likely to be created by such Final Bid in relation to other Final Bids; (d) the counterparties to the transaction; (e) the terms of the proposed transaction documents; (f) other factors affecting the speed, certainty and value of the transaction (including any regulatory approvals required to close the transaction; (g) planned treatment of stakeholders; (h) the assets included or excluded from the Final Bid; (i) proposed treatment of the employees; (j) any transition services required from the Debtors post-closing and any related restructuring costs; and (k) the likelihood and timing of consummating the transaction.
21. If one or more Qualified Bids is received or so designated by the Monitor, the Monitor, exercising its reasonable business judgment and following consultation with the Lender, may select the most favourable Qualified Bid(s) (each, a "**Successful Bid**"), whereupon the Monitor, on behalf of the Debtors, shall proceed to negotiate and settle the terms of a definitive agreement with the applicable Qualified Bidder (each, a "**Successful Bidder**"). The terms of any such definitive agreement must be acceptable to the Monitor and the Lender, each in its discretion.
22. Following the Bid Deadline, the Monitor specifically reserves its right to negotiate with any Qualified Bidder with respect to any provision of its Final Bid or to request or agree to any changes in any such Final Bid. The Monitor may choose to take such steps with respect to one or more Qualified Bidder but the Monitor shall have no obligation to negotiate identical terms with, or extend identical terms to, each Qualified Bidder. The Monitor reserves its right to request some, but not all, Qualified Bidders submit a revised Final Bid reflecting improved terms or other amendments requested by the Monitor. The Monitor will be under no obligation to provide to each Qualified Bidder the opportunity to improve the terms of any Final Bid submitted to the Monitor following the Bid Deadline.

Additional Guidelines

23. If the Monitor determines that no Qualified Bid has been received by the Bid Deadline, the Monitor may, in its sole and absolute discretion, designate one or more Final Bids as a Qualified Bid. If no Qualified Bid is received or designated by the Monitor, any of the Lender, the Monitor or the Debtors may apply to the Court for further advice and directions, including with respect to the termination of the Sale Process.

Approval Motion for Successful Bid

24. The Debtors will bring a motion before the Court (the "**Approval Motion**") for an order approving the Successful Bid(s) and authorizing the Debtors to enter into any and all

necessary agreements with respect to the Successful Bid(s) and to undertake such other actions as may be necessary or appropriate to give effect to the Successful Bid(s).

25. The Approval Motion will be held on a date to be scheduled by the Court upon motion by the Debtors. The Approval Motion may be adjourned or rescheduled by the Debtors or the Monitor, on notice to the Lender, by an announcement of the adjourned date at the Approval Motion and without the need for any further notice thereof.
26. All Qualified Bids (other than the Successful Bid) will be deemed rejected on the date of approval of the Successful Bid(s) by the Court.

Deposits

27. All Deposits will be retained by the Monitor and invested in an interest bearing trust account. If there is a Successful Bid, the Deposit (plus accrued interest) paid by the Successful Bidder whose bid is approved at the Approval Motion will be applied to the purchase price to be paid by the Successful Bidder upon closing of the approved transaction and will be non-refundable. The Deposits (plus applicable interest) of Qualified Bidders not selected as the Successful Bidder(s) will be returned to such bidders within five (5) Business Days of the date upon which the Successful Bid is approved by the Court. If there is no Successful Bid, then, subject to the following paragraph, all Deposits (plus applicable interest) will be returned to the bidders within five (5) Business Days of the date upon which the Sale Process is terminated in accordance with the Revised SSP.
28. If a Successful Bidder breaches its obligations under the terms of the Sale Process, its Deposit plus interest shall be forfeited as liquidated damages and not as a penalty.

Approvals

29. For the avoidance of doubt, the approvals required pursuant to the terms hereof are in addition to, and not in substitution for, any other approvals required pursuant to the CCAA Proceedings or any statute or as otherwise required at law in order to implement a Successful Bid.

Amendment

30. The Monitor may vary or amend the Revised SSP (including, without limitation, extending the Bid Deadline) with the consent of the Lender or the approval of the Court.
31. The Sale Process does not, and will not be interpreted to, create any contractual or other legal relationship between the Monitor or the Debtors and any Qualified Bidder or any other person, other than as specifically set forth in a definitive agreement that may be signed with the Debtors. At any time during the Sale Process, the Monitor may apply to the Court for advice and directions with respect to the discharge of its power and duties hereunder.

"As Is, Where Is"

32. Any sale of the Property by the Debtors will be on an "as is, where is" basis as at the time of closing and without surviving representations or warranties of any kind, nature, or description by the Debtors, the Monitor, the Lender or any of their respective affiliates, advisors, agents or representatives, except to the extent otherwise provided under a definitive agreement with a Successful Bidder executed and delivered by the Debtors. Neither the Monitor, the Debtors, the Lender nor any of their respective affiliates, advisors, agents or representatives makes any representation or warranty as to title, description, fitness for purpose, merchantability, quantity, conditions or quality of any of the Property or the accuracy or completeness of the information contained in any of the Confidential Information Memorandum or in the Data Room, except to the extent otherwise provided by the Debtors under a definitive agreement with a Successful Bidder executed and delivered by the Debtors. The Debtors are not required to inspect or count, or provide any inspection or counting, of the Property or any part thereof and each Qualified Bidder shall be deemed, at its own expense, to have relied entirely on its own inspection and investigation with respect to the Property. It shall be the Successful Bidder's sole responsibility to obtain, at its own expense, any consents to such transfer and any further documents or assurances which are necessary or desirable in the circumstances. Without limiting the generality of the foregoing, any and all conditions, warranties and representations expressed or implied pursuant to the *Sale of Goods Act* (Ontario) do not apply to the sale of the Property and shall be waived by the Successful Bidder.

Free Of Any And All Claims and Interests

33. As part of the Approval Motion, the Debtors will seek an order vesting in the Successful Bidder all of the right, title and interest of the Debtors to that part of the Property subject to the Successful Bid free and clear of all pledges, liens, security interests, encumbrances, claims, charges, options and interests on or against the Property (collectively, the "**Claims and Interests**"). Such Claims and Interests will attach only to the net proceeds of the sale of such Property (without prejudice to any claims or causes of action regarding the priority, validity or enforceability thereof), except to the extent otherwise set forth in a definitive agreement with a Successful Bidder.

No Obligation to Conclude a Transaction

34. The highest or any Final Bid received pursuant to the Revised SSP will not necessarily be accepted. In addition, at any time during the Sale Process, the Monitor may terminate the Revised SSP, and shall provide notice of such a decision to all Qualified Bidders.

Further Orders

35. At any time during the Sale Process, the Monitor may apply to the Court for advice and directions with respect to the discharge of its powers and duties hereunder.

Exhibit "A"

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Toronto ON M5K 1G8

Attention: Messrs. Dean Mullett and Adam Zalev

IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT, R.S.C. 1985, c. C-36, AS AMENDED
AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF DUNDEE OIL AND GAS LIMITED

Court File No.: CV-18-591908-00CL

ONTARIO
**SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

Proceedings commenced at Toronto

**ESCROW ARRANGEMENT, STAY EXTENSION AND
SALE PROCESS ORDER**

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