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File No. 1522-007

September 19, 2018

VIA EMAIL, REGULAR MAIL AND/OR FACSIMILE

To the Service List

Dear Sir/Madam:

Re: In the Matter of the Companies' Creditors Arrangement Act (Canada) and a Plan of Compromise or Arrangement of Dundee Oil and Gas Limited (Court File No.: CV-18-591908-00CL)

We are the lawyers for FTI Consulting Canada Inc. in its capacity as the Court-appointed Monitor in these proceedings (the "**Monitor**").

We refer to the Asset Purchase Agreement dated April 4, 2018 (as amended by amending agreements dated May 17, 2018 and July 6, 2018, the "**Purchase Agreement**"), pursuant to which 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 "**Seller**") agreed to sell substantially all of their assets to Lagasco Inc. (the "**Buyer**"). The Purchase Agreement was approved by Order of the Ontario Superior Court of Justice (Commercial List) (the "**Court**") dated June 11, 2018 (the "**Approval and Vesting Order**"). A copy of the Purchase Agreement, as well as the Approval and Vesting Order, can be accessed on the Monitor's website for this proceeding at: <http://cfcanada.fticonsulting.com/Dundee/>.

The following is an update regarding the next scheduled court attendance in this matter on **Thursday, September 20, 2018 at 8:30 a.m. in Courtroom 2-1, 361 University Avenue, Toronto.**

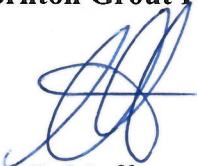
Under the terms of the Purchase Agreement, the outside date for closing is September 21, 2018. As we advised in our letter dated September 17, 2018, the Buyer has advised the Monitor that it will not have sufficient financing available by September 21, 2018 to fund the purchase price under the Purchase Agreement, and has requested that the Seller consent to an extension of the outside date for closing under the Purchase Agreement to October 22, 2018. Under the terms of the Approval and Vesting Order, any amendment to the Purchase Agreement, including any extension of the outside date for closing thereunder, is subject to approval of both the Monitor and National Bank of Canada.

Additional time is required by the parties to address the Buyer's extension request. Accordingly, at the motion tomorrow, the Monitor will (i) seek the Court's approval to consent to a one week extension of the outside date for closing; (ii) schedule a motion the week of September 24, 2018 to either obtain approval of an agreement between Buyer and Seller to extend the outside date for closing or to obtain any ancillary relief necessary in the event that an agreement is not reached between the parties to extend the outside date for closing.

As noted in our September 17, 2018 letter, the stay of proceedings in this matter is currently scheduled to expire on September 28, 2018. DOGL and DELP will seek an extension of the stay period at the motion to be scheduled during the week of September 24, 2018, as well as Court approval of an employee incentive program. Both of these issues will be addressed by the Monitor in its next report to the Court.

Yours truly,

Thornton Grout Finnigan LLP



Grant B. Moffat
GBM/rgm