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File No. 1522-007

September 17, 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**. Under the terms of the Purchase Agreement, the outside date for closing is September 21, 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 (the "**Bank**"). The Monitor and the Bank are considering this request and we will provide a further update regarding the requested extension of the outside date for closing under the Purchase Agreement in the Monitor's next report to the Court, which will be circulated to the Service List on Wednesday, September 19, 2018.



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In addition, 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 returnable on September 20, 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

A handwritten signature in blue ink, appearing to read 'Grant B. Moffat'. The signature is stylized with a large, sweeping 'G' and 'M'.

Grant B. Moffat
GBM/rgm