

CONFIDENTIALITY AGREEMENT

_____, 2015

(the “**Potential Purchaser**”)

Dear Sirs:

Re: Your interest in purchasing the assets of Palliser Oil & Gas Corporation from FTI Consulting Canada Inc. (the “**Vendor**”), in its capacity as Receiver and Manager of Palliser Oil & Gas Corporation and not in its personal capacity (the “**Transaction**”)

To further the Potential Purchaser’s assessment and evaluation of the Transaction, the Vendor and its directors, officers, employees, agents or representatives, including their legal counsel, accountants and other consultants (collectively, “**Representatives**”), may furnish the Potential Purchaser with certain confidential and proprietary information.

In consideration of the covenants herein contained, the parties agree as follows:

1. **Definition.** For the purposes of this Agreement, “**Information**” means all trade secrets or other information that is not generally available to the public, whether of a technical, business or other nature (including, without limitation, information relating to technology, products, services, designs, methodologies, business and marketing plans, financial performance, finances, market research and data, product and sourcing pricing, strategic long and short term plans, information concerning personnel, customers and suppliers distribution channels and other affairs), that is disclosed in writing or orally during the term of this Agreement that the Potential Purchaser knows or has reason to know is confidential or proprietary in nature.

2. **Confidentiality.** The Potential Purchaser acknowledges that the Information received by it is proprietary and confidential. Consequently, the Potential Purchaser will treat the Information received by it as secret and confidential and will:

- (a) keep the Information secure to the same extent that a careful and prudent person would treat secret and confidential information relating to its own business and affairs;
- (b) not use the information except for the purposes of assessing and evaluating the Transaction;

- (c) not disclose the Information to any person except: (i) to the Potential Purchaser's directors, officers, employees, agents or representatives, including their legal counsel, accountants and other consultants, and the Potential Purchaser's related entities (the "**Potential Purchaser's Parties**") on a "need to know" basis as is necessary in order to evaluate the Transaction provided that the Potential Purchaser's Parties agree to be bound by the obligations as herein contained, (ii) as required by law; or (iii) with the express written consent of the Vendor; and
- (d) return or destroy all Information that is in written or reproducible form and all copies thereof upon request of the Vendor.

3. **Compulsory Disclosure.** Notwithstanding Section 2(c)(ii) hereof, if the Potential Purchaser (or any entity of the Potential Purchaser's Parties) becomes legally compelled to disclose any Information, the Potential Purchaser will provide the Vendor with prompt written notice thereof so that the Vendor may seek a protective order or other appropriate remedy and/or waive compliance with the provisions of this Agreement. If such a protective order or other remedy is not obtained, or if the Vendor waives compliance with the provisions of this Agreement, the Potential Purchaser (or the Potential Purchaser's Parties) will furnish only that portion of the Information which is legally required and will use its best efforts to obtain reliable assurance that confidential treatment will be accorded such Information.

4. **Exceptions.** This Agreement does not apply to Information that: (i) is or becomes publicly available other than by breach of this Agreement, or (ii) is lawfully received by the Potential Purchaser from a third party without breach of any obligation of confidentiality by that third party to the Vendor.

5. **Public Statements or Disclosure of Transaction.** Neither the Potential Purchaser nor the Vendor will make any public statement, comment or disclosure to a third party other than to the Potential Purchaser's Parties or the Representatives with respect to the relationship of the parties or the Transaction except with the express written consent of the other party.

6. **No Warranty.** The Potential Purchaser acknowledges that the Vendor and its Representatives make no representation or warranty as to the accuracy or completeness of the Information provided and will have no liability whatsoever, direct or indirect, as a result of the Potential Purchaser's use of the Information.

7. **Entire Agreement.** This Agreement supersedes all previous discussions, understandings and agreements between the parties hereto. This Agreement contains the entire agreement between the parties with respect to the subject matter hereof, and there are no terms, conditions, warranties or collateral agreements expressed, implied, or statutory, other than those expressly set out in this Agreement.

8. **Enforceability.** If any portion of this Agreement is held to be invalid, illegal or unenforceable by a court of competent jurisdiction, the remaining covenants and restrictions or portions thereof will remain in full force and effect.

9. **Waiver and Amendment.** No failure or delay by the Vendor in exercising any right, power or privilege under this Agreement will operate as a waiver of that right, power or privilege, and the single or partial exercise of a right, power or privilege under this Agreement will not preclude any other or future exercise of that or any other right, power or privilege. Any amendment to this Agreement will be effective only if in writing signed by all the parties.

10. **Governing Law.** This Agreement is governed exclusively by, and is to be enforced, construed and interpreted exclusively in accordance with, the laws of Alberta and the laws of Canada applicable in Alberta which are deemed to be the proper law of the Agreement. Each party irrevocably submits to the exclusive jurisdiction of the courts of Alberta in any suit, action, or other proceeding arising out of this Agreement

11. **Term.** This Agreement will continue indefinitely, unless otherwise agreed in writing by the Vendor.

12. **Breach.** Nothing contained in this Agreement shall in any way limit the rights or remedies available to the Vendor at law, in equity or under statute arising in any way in connection with the disclosure of the Information in the event of a breach or a threatened breach of this Agreement.

13. **General.** This Agreement may not be assigned by the Potential Purchaser without the consent of the Vendor (which consent may arbitrarily be withheld). This Agreement may be signed by facsimile and in one or more counterparts and each counterpart, when executed and delivered, will be an original. All such counterparts taken together will constitute one and the same instrument. The Potential Purchaser agrees that the restrictions contained in this Agreement are reasonable in order to protect the legitimate interests of the Vendor and all defences to the strict enforcement of the restrictions by the Vendor are hereby waived by the Potential Purchaser. This Agreement will enure to the benefit of and be binding upon the parties and their respective successors and permitted assigns.

Yours truly,

FTI CONSULTING CANADA INC., in its capacity as Receiver and Manager of Palliser Oil & Gas Corporation, and not in its personal capacity.

Per:

Authorized Signatory

Acknowledged and agreed this ____ day of _____, 2015.

Per: _____
Authorized Signatory