



CONFIDENTIALITY AGREEMENT

Please send executed Confidentiality Agreement to:

**TEINE ENERGY LTD.
c/o Sayer Energy Advisors
Suite 1620, 540 – 5th Avenue SW
Calgary, Alberta T2P 0M2
Attention: Mr. Ben Rye
brye@sayeradvisors.com
Phone: 403.266.6133**

_____, 20____

Teine Energy Ltd.

Suite 3000, 520 – 3rd Avenue SW
Calgary, Alberta, T2P 0R3

Attention: Marah Graham

**RE: CONFIDENTIALITY AGREEMENT
Senlac, Saskatchewan Disposition**

In connection with the negotiation of a possible Transaction (as defined below) between Teine Energy Ltd. ("Teine") and _____ (the "**Recipient**" and, each of Teine and the Recipient are referred to as a "**Party**" or, together, the "**Parties**"), Teine will furnish to the Recipient certain information that is proprietary, non-public or confidential concerning Teine. The Recipient hereby agrees to the following (it being understood that the Recipient is also agreeing to cause its Representatives (as defined in Paragraph 16) to comply with the applicable provisions hereof):

1. ***Use of Evaluation Material.*** The Evaluation Material (as defined below) will be used by the Recipient solely for the purpose of evaluating a possible acquisition by Recipient of certain properties of Teine more located in the Senlac, Saskatchewan area and more particularly described in the Evaluation Material (the "**Transaction**"), and for no other purpose. The Recipient will keep all the Evaluation Material confidential and will not disclose the Evaluation Material to any other persons in any manner; provided that the Recipient may disclose the Evaluation Material or portions thereof to its Representatives who need to know such information for the purpose of assisting it in evaluating a possible Transaction (it being understood a Party's Representatives shall be informed of the confidential nature of the Evaluation Material and that each Party shall require its Representatives to comply with the terms of this agreement (the "**Agreement**") to the same extent as if they were parties hereto). The Recipient agrees to be responsible for any breach of the terms of this Agreement by its Representatives, and arising out of or resulting from any unauthorized use or disclosure by Representatives of the Evaluation Material.
2. ***Legally Required Disclosures.*** In the event that a Recipient or any of its Representatives is requested or required (by deposition, interrogatory, request for information or documents in legal proceedings, subpoena, civil investigative demand or similar process, in connection with any proceeding) to disclose any of the Evaluation Material, the Recipient shall immediately provide Teine with written notice of such request or requirement in advance of complying with the same so that Teine may seek an appropriate protective order or other remedy and/or waive compliance with the provisions of this Agreement and the Recipient shall cooperate with Teine so that Teine may obtain such order or other remedy. In the event that such order or other remedy is not obtained, or Teine waives in writing compliance with the relevant provisions hereof, the Recipient or its Representatives, as the case may be, may disclose only that portion of the Evaluation Material that, in the written opinion of the Recipient's legal counsel, is legally required to be disclosed and shall exercise its best efforts to obtain assurances that confidential treatment will be accorded such Evaluation Material.
3. ***Definition of Evaluation Material.*** The term "**Evaluation Material**" as used in this Agreement shall mean all information including, but not limited to, financial results or information, marketing

materials, financial information, geological, geophysical, geochemical and engineering information, seismic data, land schedules and maps, contracts and other documentation made available to the Recipient whether in oral or written form, or in one or more data rooms established by Teine with respect to the Transaction that Teine furnishes or otherwise discloses to the Recipient or any of its Representatives in the course of its evaluation of a possible Transaction (in whatever form communicated or maintained, whether orally or documentary, computer storage or otherwise), which contains or otherwise reflects information concerning Teine, its business, properties or assets. The term "Evaluation Material" shall also include all reports, analyses, notes, studies, compilations or other information (including those prepared by the Recipient or its Representatives) that are based on, contain or reflect any Evaluation Material ("**Notes**"). The term "Evaluation Material" does not include any information: (i) that at the time of disclosure to a Recipient or thereafter is generally available to and known by the public (other than as a result of a disclosure by the Recipient or any of its Representatives or a disclosure pursuant to Paragraph 2); (ii) that the Recipient may demonstrate is or was received by the Recipient on a non-confidential basis from a source other than Teine who, to the knowledge of the Recipient, is not prohibited from transmitting the information by a confidentiality agreement with or other contractual, legal or fiduciary obligation to Teine; or (iii) that the Recipient may demonstrate through written records was known by the Recipient prior to disclosure hereunder and is not subject to a confidentiality obligation.

4. ***Return or Destruction of Materials.*** If a Party decides that it does not wish to proceed with a Transaction, such Party will promptly notify the other Party of that decision. In that case, or if Teine shall elect at its sole discretion and at any time to terminate further access by the Recipient to the Evaluation Material for any reason, upon the written request of Teine, the Recipient will, to the extent commercially practicable, (i) promptly destroy or return to Teine all copies of the Evaluation Material then in its possession or in the possession of any of its Representatives; and (ii) destroy all Notes. If requested by Teine, the Recipient shall deliver to Teine a certificate executed by one of its duly authorized senior officers indicating that the return and/or destruction of materials requirements of this Paragraph have been satisfied in full. Notwithstanding the return or destruction of Evaluation Material and Notes, the Recipient and its Representatives will continue to be bound by its obligations of confidentiality and all other obligations hereunder. The obligation to return and/or destroy shall not apply to Evaluation Material and/or Notes which the Recipient and its Representatives are obliged to retain: (a) pursuant to applicable law, (b) in connection with records of its board of directors for evaluation of the Transaction, or (c) pursuant to the ordinary course back-up of the Recipient's computer systems, in each case only if such retained Evaluation Material and/or Notes are retained in a secure archive that is accessible only to its senior officers; and in each case the Recipient and its Representatives will continue to be bound by its obligations of confidentiality and all other obligations hereunder so long as such Evaluation Materials are so retained.
5. ***Nondisclosure of Possible Transaction.*** Without the prior written consent of Teine, the Recipient will not, and will direct and cause its Representatives not to, disclose to any person: (i) that Evaluation Material has been made available; (ii) that discussions or negotiations are or were taking place concerning a possible Transaction; (iii) any opinion or comment with respect to the Evaluation Material; and (iv) the terms, conditions or other facts with respect to any such possible Transaction or actions, including the status thereof; provided, however, that the Recipient may make such disclosure if it has received the written opinion of outside legal counsel that such disclosure must be made by the Recipient in order that it does not commit a violation of law, regulation or rule of any stock exchange or order of a court of a competent jurisdiction and, prior to such disclosure, the Recipient shall promptly advise and consult with Teine and its legal counsel concerning the information the Recipient proposes to disclose. The obligations in the preceding

sentence shall survive any return or destruction of the Evaluation Material pursuant to Paragraph 4. It is understood that neither this Agreement nor the disclosure of any Evaluation Material to the Recipient shall be construed as granting to the Recipient or any of its Representatives any license or rights in respect of any part of the Evaluation Material.

6. ***Contacts with Personnel.*** Until the earliest of (i) the execution by the Parties of a Definitive Agreement (as defined in Paragraph 10); or (ii) one year from the date of this Agreement, the Recipient shall not solicit for employment any officer, director or employee of Teine; provided, that this prohibition shall not apply to solicitations made by the Recipient to the public or the industry generally, and the Recipient shall not be prohibited from employing any such person who contacts it on his or her own initiative without any prohibited solicitation.
7. ***Privacy.*** The term "**Transferred Information**" as used in this Agreement, means the personal information (namely, information about an identifiable individual other than their business title or business contact information when such information is used for the purposes of contacting an individual in that individual's capacity as an employee or an official of an organization and for no other purpose) to be disclosed, transferred or conveyed to the Recipient or any of its Representatives by or on behalf of Teine as a result of or in conjunction with a Transaction. The Recipient acknowledges that it is responsible for its own compliance at all times with all applicable laws in respect of the Transferred Information. In addition to and notwithstanding its other obligations herein, the Recipient covenants and agrees to collect, use and disclose the Transferred Information solely for the purposes of determining to proceed with and carrying out and completing a Transaction, and to only collect, use and disclose such information to the extent necessary to meet such purposes and as authorized or permitted by law. Teine covenants and agrees to only disclose, transfer or convey Transferred Information to the Recipient to the extent necessary to meet such purposes and as authorized or permitted by law. In addition to the Recipient's obligations herein to maintain the confidentiality of any Transferred Information provided to it, the Recipient will use all reasonable efforts to protect and safeguard such information including, without limitation, to protect such information from loss or theft, or unauthorized access disclosure, copying, use, modification, disposal or destruction. Notwithstanding the termination of this Agreement for any reason, the Recipient will keep any Transferred Information provided to it hereunder confidential and not use or disclose it for any purpose other than as expressly permitted hereunder.
8. ***No Representation or Warranty.*** The Recipient understands and agrees that Teine has not made and does not make any representation or warranty, express or implied, as to the accuracy or completeness of the Evaluation Material. The Recipient agrees that Teine shall not have any liability to the Recipient or any of its Representatives relating to or resulting from the use of the Evaluation Material or any errors therein or omissions therefrom. Only those representations or warranties that are made in a Definitive Agreement when, as and if it is executed, and subject to such limitations and restrictions as may be specified in such Definitive Agreement, will have any legal effect as representations or warranties.
9. ***Other Restrictions.*** Until the expiration of one year from the date hereof, neither the Recipient nor any of its affiliates shall, without the prior written consent of the Board of Directors of Teine, directly or indirectly:
 - (a) effect or seek, offer, agree or propose (whether publicly or otherwise) to effect, or cause to participate in or in any way advise, encourage or assist (including financial assistance) any other person to effect or seek, offer, agree or propose (whether publicly or otherwise) to effect or participate in: (i) any acquisition of any securities or rights to acquire any

securities (or any other beneficial ownership thereof), assets or properties of Teine, whether such agreement or proposal is with the Recipient or any of its shareholders or with a third party; (ii) any merger, plan of arrangement or other business combination or tender, takeover bid or exchange offer involving Teine or any of its shareholders; (iii) any recapitalization, restructuring, liquidation, dissolution or other extraordinary transaction with respect to Teine, or (iv) any "solicitation" of "proxies" (as such terms are used in the proxy provisions of the Business Corporations Act (Alberta) or consents to vote or otherwise with respect to any voting securities of Teine;

- (b) solicit, or participate with any Person in the solicitation of any proxies or form, join or in any way participate in a group or act jointly or in concert with any person with respect to voting securities of Teine;
- (c) otherwise act, alone or in concert with others, to seek to control or influence the management, Board of Directors or policies of Teine;
- (d) disclose any intention, plan or arrangement inconsistent with the foregoing; or
- (e) enter into any discussions or arrangements with any third party with respect to any of the foregoing.

10. ***Definitive Agreement.*** Each Party understands and agrees that no contract or agreement providing for a Transaction shall be deemed to exist unless and until a definitive agreement with respect thereto has been executed and delivered by the Parties or their affiliates ("**Definitive Agreement**"), and each Party hereby waives, in advance, any claims (including, without limitation, breach of contract) in connection with such Transaction unless and until a Definitive Agreement has been executed and delivered by each of the parties thereto. It is also agreed that unless and until a Definitive Agreement has been executed by a Party with respect to a Transaction, no Party, its shareholders, or its Representatives has any legal obligation of any kind whatsoever with respect to any such Transaction or the process for a possible Transaction. Unless and until a Definitive Agreement has been executed and delivered, the Recipient understands that: (i) Teine shall conduct the process for a possible Transaction as it in its sole discretion shall determine (including, without limitation, providing information to and/or negotiating with any prospective buyer and entering into definitive agreements without prior notice to the Recipient or any other person), (ii) any procedures relating to a Transaction may be changed at any time without notice to the Recipient or any other persons, and (iii) Teine shall have the right to reject or accept any potential buyer, proposal or offer, for any reason whatsoever, in its sole discretion. For purposes of this Paragraph, the term "Definitive Agreement" does not include an executed letter of intent or any other preliminary written agreement, nor does it include any written or oral offer or bid or any written or oral acceptance thereof.

11. ***Liability.*** In addition to any other rights that Teine may have against the Recipient arising by reason of any breach of this Agreement, the Recipient shall:

- (a) be liable to Teine for all claims, liabilities, damages, costs, losses and expenses (including legal, accounting and other professional and advisory costs, expenses, fees and other disbursements, with legal fees on a solicitor-client basis) whatsoever which Teine may suffer, sustain, pay or incur; and
- (b) indemnify and hold harmless Teine and its directors, officers, employees and agents from and against any and all claims, liabilities, damages, costs, losses and expenses whatsoever which may be brought against or suffered by them or which they may suffer, sustain, pay or incur;

in respect of all matters or related to any breach by the Recipient or its Representatives of this Agreement or arising out of or resulting from any unauthorized use or disclosure by the Recipient or its Representatives of the Evaluation Material. The Recipient acknowledges that Teine is constituted as trustee of its covenants under this Paragraph 11 for the benefit of its directors, officers, employees and agents and that Teine shall be entitled to enforce such covenants on behalf of such persons.

12. **Remedies.** The Recipient agrees that: (i) money damages would not be a sufficient remedy for any breach of this Agreement by the Recipient or its Representatives; (ii) that, in addition to any other remedies at law or in equity that Teine may have, Teine shall be entitled to equitable relief, including injunction and specific performance, in the event of any breach of the provisions of this Agreement, in addition to all other remedies available to Teine at law or in equity; and (iii) it shall waive, and use its best efforts to cause its Representatives to waive, any requirement for the securing or posting of any bond in connection with such remedy. Teine shall be reimbursed for all costs and expenses, including reasonable attorneys' fees (on a solicitor-client basis), incurred in enforcing the Recipient's obligations hereunder.
13. **Access.** In the event the Recipient gains physical access to any Teine's properties, the Recipient agrees to indemnify, defend and hold harmless Teine and its Representatives from and against any and all liabilities, claims and causes of action for personal injury, death, property damage or loss occurring on or to any person or property as a result of its entry onto the premises, unless such have arisen from Teine's or its Representatives' gross negligence. The Recipient agrees to comply fully with all rules, regulations and instructions issued by Teine regarding the Recipient's or its Representative's actions while upon, entering or leaving the property.
14. **No Waiver – Entire Agreement.** It is further understood and agreed that no failure or delay in exercising any right, power or privilege hereunder will operate as a waiver thereof, nor will any single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any other right, power or privilege hereunder. This Agreement represents the entire understanding of the Parties with respect to the matters referred to herein and supersedes all prior understandings, written or oral, between the Parties with respect thereto.
15. **Amendments.** All modifications of and amendments to this Agreement or any part hereof must be in writing and signed by each Party. Waivers of any terms and provisions of this Agreement shall be in writing.
16. **Person; Representatives.** As used in this Agreement (i) the term "person" will be interpreted broadly to include, without limitation, any corporation, company, group, partnership, limited liability company, unincorporated association, trust, other entity or individual; (ii) the term "**Representatives**", used with respect to a person, shall include the directors, officers, employees, representatives, affiliates, subsidiaries, associates, agents, lawyers, consultants, accountants, financial and other advisors of the person and their respective affiliates, subsidiaries and associates, and in respect to a person, includes banks and other financing sources of or to such person; and (iii) the terms "affiliates", "subsidiaries", "associates" and derivations thereof shall have the respective meanings ascribed thereto in the *Business Corporations Act* (Alberta), as amended from time to time provided that a partnership that is comprised solely of corporations that are "affiliates", "subsidiaries" or "associates" shall be deemed to be an "affiliate", "subsidiary" or "associate" of each such corporation and its other "affiliates", "subsidiaries" or "associates".

17. **Notices.** All notices to be given to a Party hereunder shall be in writing and delivered personally, by overnight courier or by facsimile, and shall be deemed delivered when received at the address as set forth below:

In the case of Teine Energy Ltd.:

Suite 3000, 520 3rd Ave S.W.

Calgary, Alberta, Canada T2P 0J9

Attention: Marah Graham,
Director Mineral Land

Email: mgraham@teine-energy.com

18. **Severability.** In the event that any provision or portion of this Agreement is determined to be invalid or unenforceable for any reason, in whole or in part, the remaining provisions of this Agreement shall be unaffected thereby and shall remain in full force and effect to the fullest extent permitted by applicable law.
19. **Assignment.** Teine reserves the right to assign all or any of the benefits under this Agreement including, without limitation, the right to enforce any or all of the terms of this Agreement with respect to the unauthorized use or disclosure by the Recipient or its Representatives of the Evaluation Material, to such parties as it deems appropriate, including joint venture partners and the acquiror of any assets pursuant to a Transaction.
20. **Term.** This Agreement shall remain in effect for a period of one year from the date hereof.
21. **Governing Law and Attornment.** This Agreement shall be governed by and construed in accordance with the laws of the Province of Alberta. The Recipient attorns to the non-exclusive jurisdiction of the Court of King's Bench of the Province of Alberta in respect of any dispute arising from the terms of this Agreement.
22. **Enurement.** This Agreement shall be binding upon and enure to the benefit of the Parties hereto and to their respective successors and permitted assigns.
23. **Counterparts.** This Agreement may be executed in counterparts, all of which together shall constitute one and the same agreement.

Please countersign this Agreement in the space provided and returning a copy to us for our files.

Yours truly,

COMPANY NAME

Per: _____

Name: _____

Title: _____

☐ I certify that no changes have been made to this Confidentiality Agreement that have not been clearly marked and initialed.

Agreed to and Accepted

This _____ day of _____, 20____

TEINE ENERGY LTD.

Per: _____

Marah Graham
Director of Mineral Land

CONFIDENTIAL INFORMATION DELIVERY OPTIONS: (please check one)

_____ **Electronic** **or** _____ **Hard copy (binder)**

NAME AND TITLE OF CONTACT PERSON TO FORWARD INFORMATION

CONTACT ADDRESS

TELEPHONE NUMBER

EMAIL ADDRESS

Option to Attach Business Card Here: