



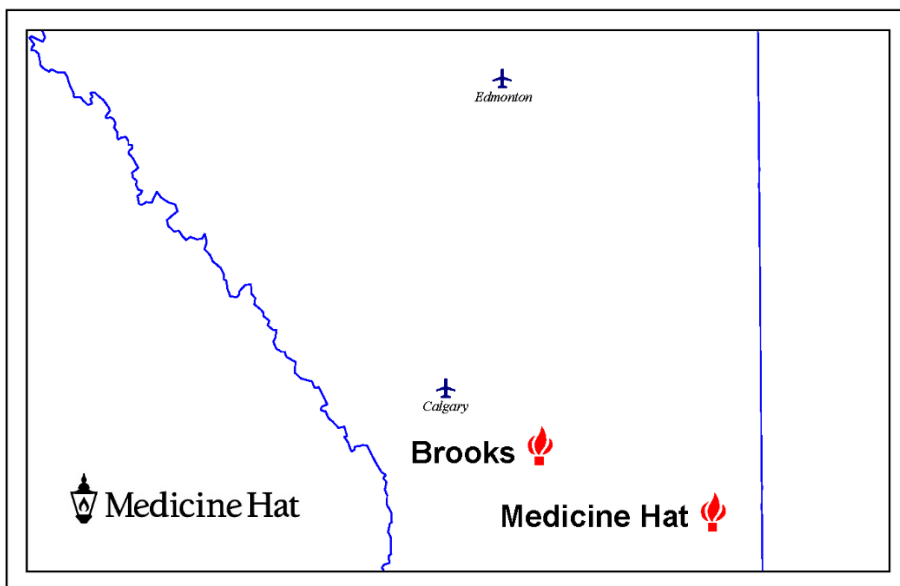
OVERVIEW INFORMATION

Property Divestiture: Brooks & Medicine Hat, AB 9.9 MMcf/d, 10 bbl/d (1,654 boe/d)



The **City of Medicine Hat** (the “City”) has engaged **Sayer Energy Advisors** to assist the City with the sale of certain of its oil and natural gas interests located in southern Alberta (the “Properties”).

The Properties are located in the *Brooks* and *Medicine Hat* areas. In the *Medicine Hat* area, the City’s interests are located in the *Crescent Heights*, *Delta* and *Northeast Medicine Hat* areas. In the *Brooks* area, the City’s interests consist of non-operated working interests located in the *Badger*, *Eyremore* and *Queenstown* areas of Alberta.



Average daily production net to the City from the Properties for the year ended December 31, 2024 was approximately 1,654 boe/d, consisting of approximately 9.9 MMcf/d of natural gas and 10 bbl/d of oil.

Operating income net to the City from the Properties for the year ended December 31, 2024 was approximately (\$683,000).

As of April 1, 2025, the Properties had an internally estimated liability value of \$52.0 million.

PROCESS & TIMELINE

Sayer Energy Advisors is accepting cash offers to acquire the Properties until **12:00 pm on Thursday July 3, 2025**.

Timeline		
Week of June 2, 2025		Preliminary Information Distributed
Week of June 2, 2025		Data Room Opens
July 3, 2025	12:00 noon	Bid Deadline
July 1, 2025		Effective Date
August 2025		Closing Date

Sayer Energy Advisors does not conduct a “second-round” bidding process; the intention is to attempt to conclude a transaction(s) with the party(ies) submitting the most acceptable proposal(s) at the conclusion of the process.

Sayer Energy Advisors is accepting cash offers from interested parties until noon on Thursday, July 3, 2025.



Production & NOI Overview

Average daily production net to the City from the Properties for the year ended December 31, 2024 was approximately 1,654 boe/d, consisting of approximately 9.9 MMcf/d of natural gas and 10 bbl/d of oil as outlined below.

PROPERTY	2024 NET PRODUCTION (Average Daily)				NOI AVG
	Oil bbl/d	Ngl bbl/d	Nat. Gas Mcf/d	Total boe/d	2024 (000s)
Medicine Hat	-	-	9,746	1,624	(\$724,000)
Brooks	10	-	118	30	\$41,000
TOTAL	10	-	9,864	1,654	(\$683,000)

Operating income net to the City from the Properties for the year ended December 31, 2024 was approximately (\$683,000).

Reserves Overview

The City prepared an internal reserves evaluation of the Properties as part of its year-end reporting (the "Reserve Report"). The Reserve Report is effective January 1, 2025 using the City of Medicine Hat internal forecast pricing at January 1, 2025.

The City estimates that, as of January 1, 2025, the Properties contained remaining proved plus probable reserves of 55.2 Bcf of natural gas and 51,000 barrels of oil and natural gas liquids (9.3 million boe), with an estimated net present value of \$34.0 million using forecast pricing at a 10% discount.

	The City of Medicine Hat as of January 1, 2025 COMPANY GROSS RESERVES				PV BEFORE TAX		
	Oil Mbbl	Natural Gas MMcf	Ngl Mbbl	Total MBOE	5%	10% (000s)	15%
Proved Developed Producing	41	42,130	2	7,064	\$26,170	\$23,079	\$19,303
Proved Non-Producing/Undeveloped	0	2,261	0	377	\$5,681	\$4,534	\$3,759
Total Proved	41	44,391	2	7,441	\$31,850	\$27,613	\$23,062
Probable	8	10,815	1	1,811	\$11,575	\$6,367	\$3,924
Total Proved Plus Probable	49	55,206	2	9,252	\$43,425	\$33,980	\$26,986

The reserve estimates and forecasts of production and revenues for the City's properties were prepared within the context of a group of properties in aggregate. Extraction and use of any individual property evaluation outside of this context may not be appropriate without supplementary due diligence. Values in the "Total" row may not correspond to the total of the values presented due to rounding.

Liability Assessment

As of April 1, 2025, the Properties had an internally estimated liability value of \$52.0 million.



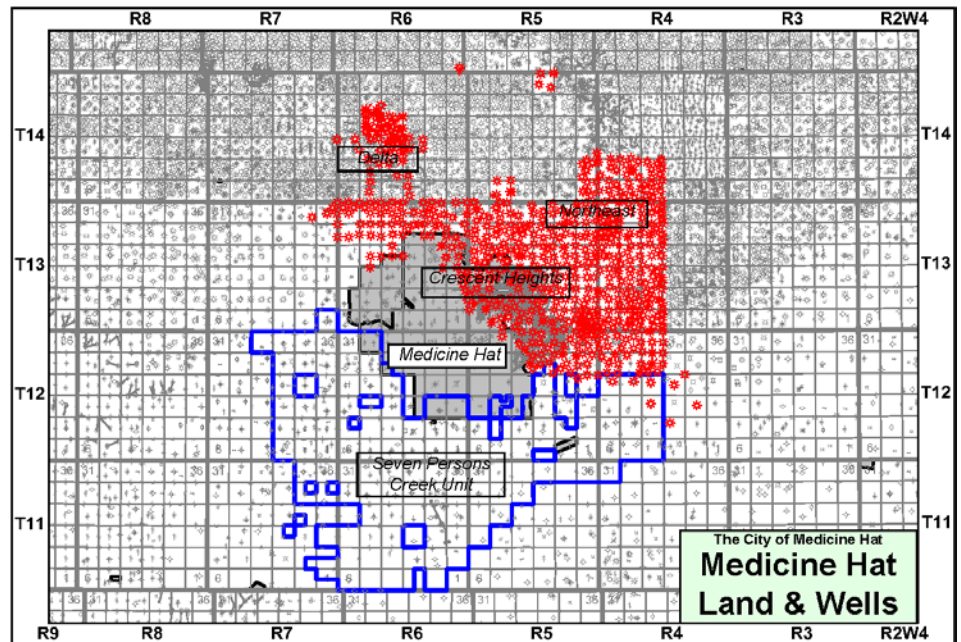


Medicine Hat Property

In the *Medicine Hat* area, the City holds a 100% working interest in the *Crescent Heights*, *Delta* and *Northeast* areas as well as a 100% working interest in the *Seven Persons Creek Unit* which the City is currently in the process of dissolving.

Average daily production net to the City from *Medicine Hat* for the year ended December 31, 2024 was approximately 1,624 boe/d, consisting of 9.7 MMcf/d of natural gas.

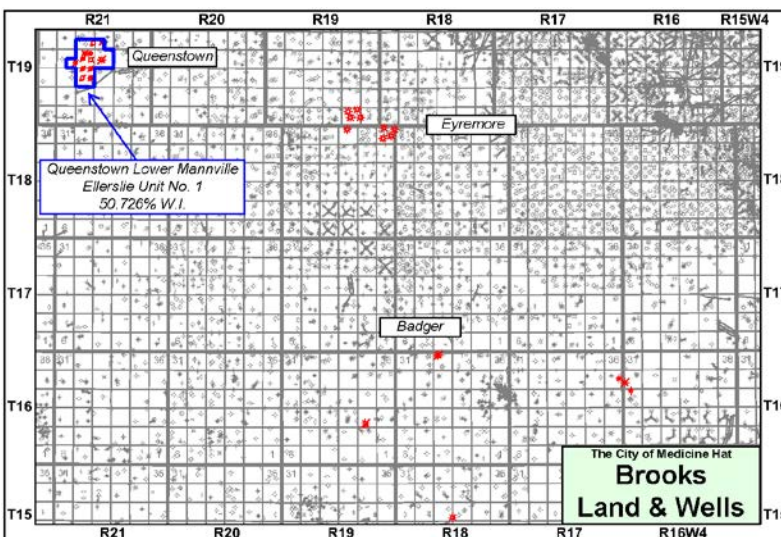
Operating income net to the City from *Medicine Hat* for the year ended December 31, 2024 was approximately (\$724,000).



In addition to the productive zones of the Milk River and Medicine Hat, the City has identified secondary potential in the Colorado Shale, Second White Specks and Base Fish Scales zones, as well as potential in the Bow Island and Viking formations. There are 7 distinct layers within the Milk River, and three separate zones in the Medicine Hat Formation.

Brooks Property

Township 15-19, Range 16-21 W4



At *Brooks*, the City holds various non-operated working interests in several wells located in the *Badger*, *Eyremore* and *Queenstown* areas of Alberta.

Average daily production net to the City from *Brooks* for the year ended December 31, 2024 was approximately 30 boe/d, consisting of approximately 118 Mcf/d of natural gas and 10 bbl/d of oil.

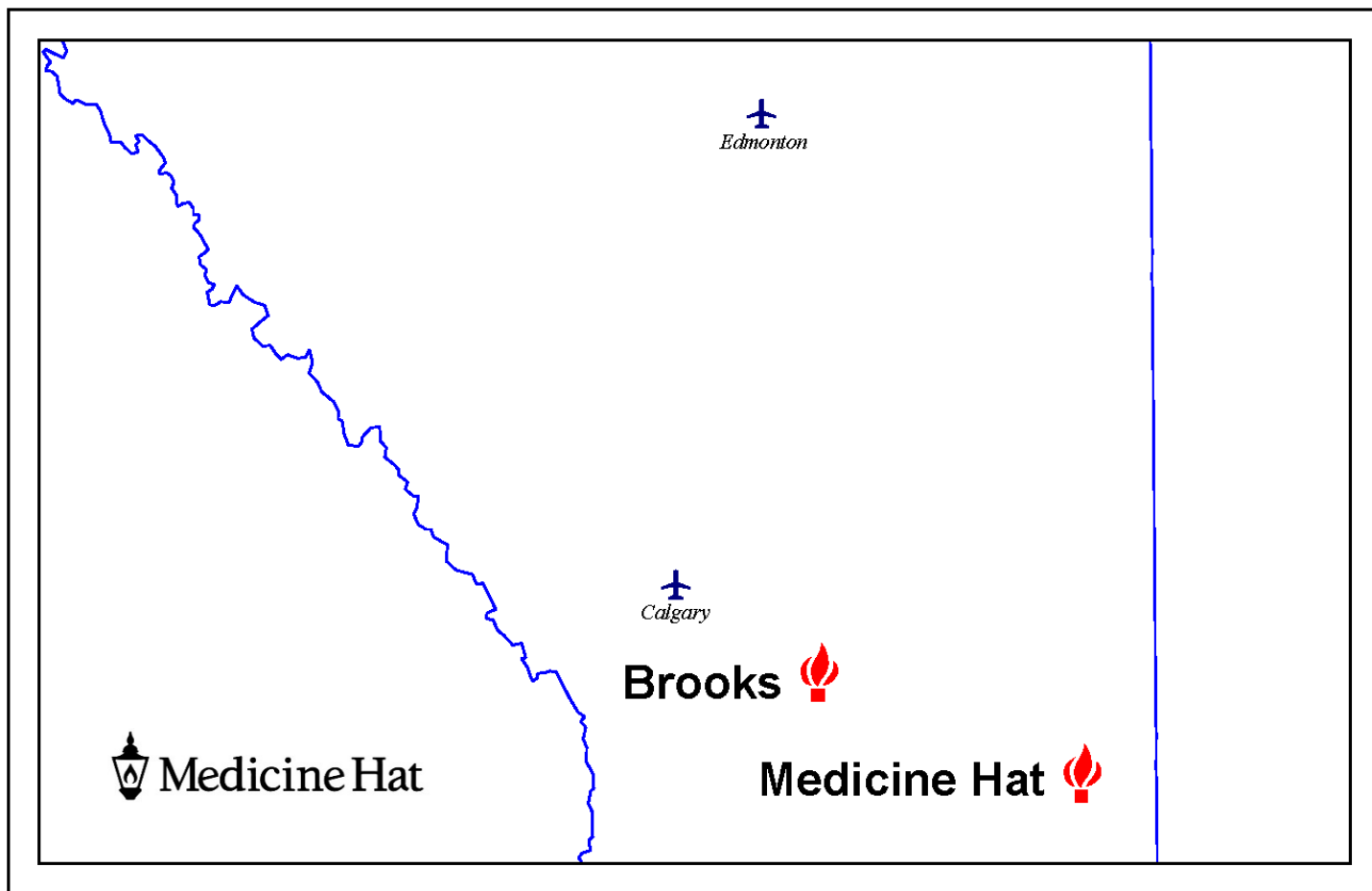
Operating income net to the City from *Brooks* for the year ended December 31, 2024 was approximately \$41,000.

In the *Queenstown* area, the City holds a 50.726% working interest in the *Queenstown Lower Mannville Ellerslie Unit No.1* which produces oil and natural gas from the Ellerslie Formation. The Unit is operated by **Canadian Natural Resources Limited**. The City's interests at *Badger* are producing natural gas from the Base Fish Scales, Bow Island and Mannville formations. At *Eyremore*, the City's interests produce commingled natural gas primarily from the Milk River and Medicine Hat formations.





The City of Medicine Hat Property Divestiture Spring 2025



CONTACT

Parties wishing to receive access to the confidential information with detailed information relating to this opportunity should execute the confidentiality agreement which is available on Sayer Energy Advisors' website (www.sayeradvisors.com) and return one copy to Sayer Energy Advisors by courier, email (tpavic@sayeradvisors.com) or fax (403.266.4467).

Included in the confidential information is the following: summary land information, the Reserve Report, deemed liability information, most recent net operations summary and other relevant technical information.

To receive further information on the Properties please contact Tom Pavic, Ben Rye or Sydney Birkett at 403.266.6133.





Overview

The **City of Medicine Hat** (the “City”) has engaged **Sayer Energy Advisors** to assist the City with the sale of certain of its oil and natural gas interests located in southern Alberta (the “Properties”).

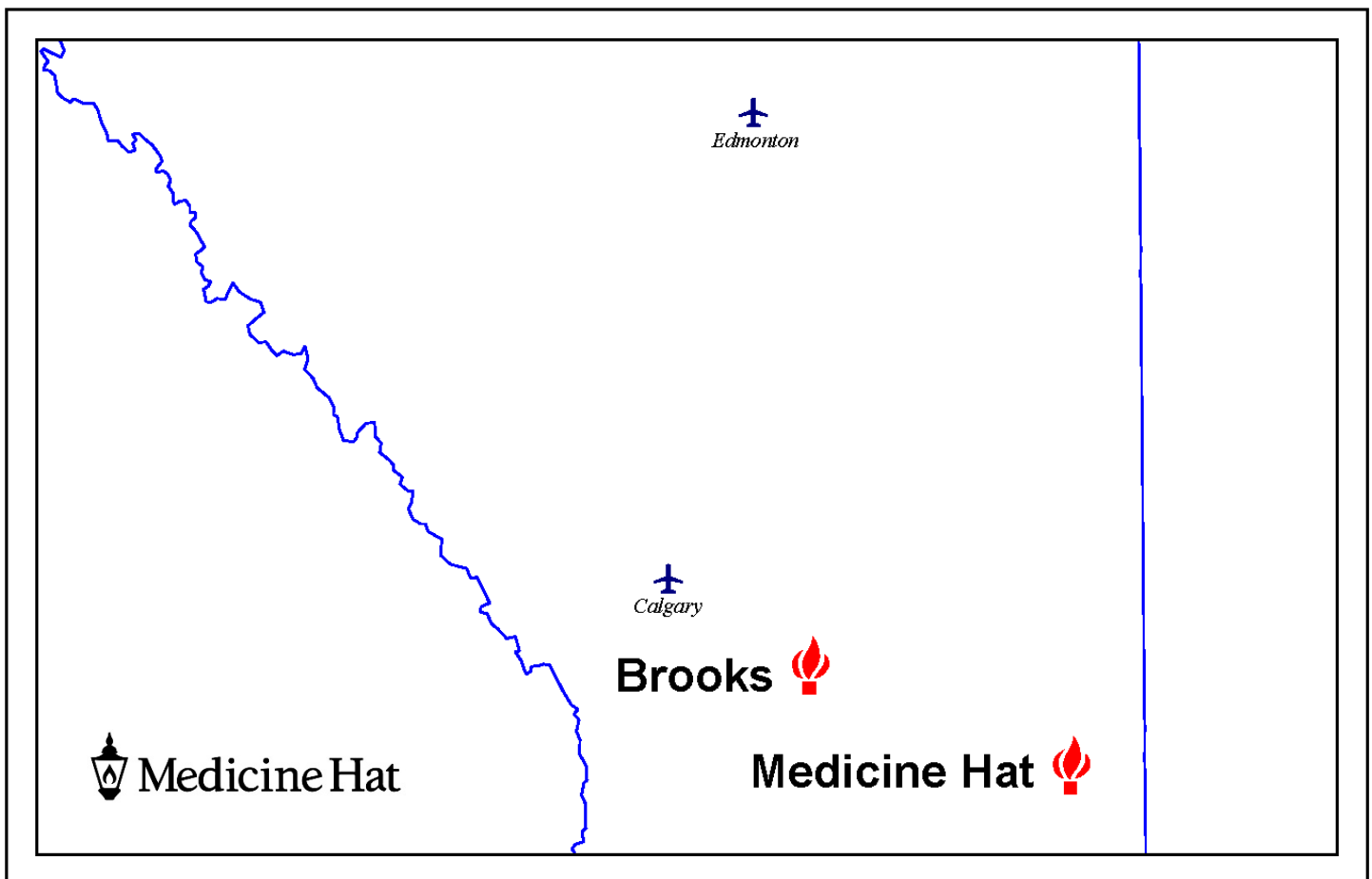
The Properties are located in the *Brooks* and *Medicine Hat* areas. In the *Medicine Hat* area, the City’s interests are located in the *Crescent Heights*, *Delta* and *Northeast Medicine Hat* areas. In the *Brooks* area, the City’s interests consist of non-operated working interests located in the *Badger*, *Eyremore* and *Queenstown* areas of Alberta.

Average daily production net to the City from the Properties for the year ended December 31, 2024 was approximately 1,654 boe/d, consisting of approximately 9.9 MMcf/d of natural gas and 10 bbl/d of oil.

Operating income net to the City from the Properties for the year ended December 31, 2024 was approximately (\$683,000).

As of April 1, 2025, the Properties had an internally estimated liability value of \$52.0 million.

Overview Map Showing the Location of the Divestiture Properties





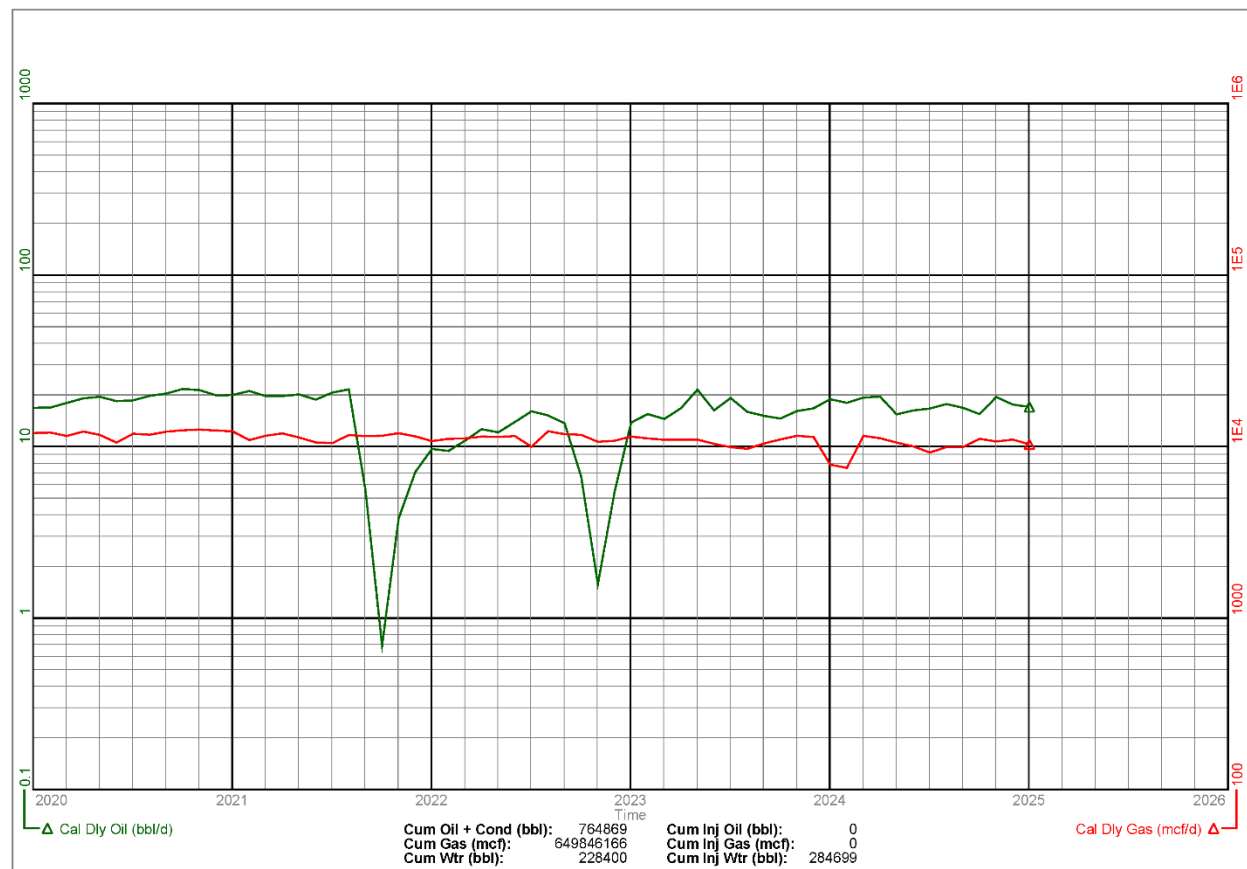
Production & NOI Overview

Average daily production net to the City from the Properties for the year ended December 31, 2024 was approximately 1,654 boe/d, consisting of approximately 9.9 MMcf/d of natural gas and 10 bbl/d of oil as outlined below.

PROPERTY	2024 NET PRODUCTION (Average Daily)				NOI AVG
	Oil bbl/d	Ngl bbl/d	Nat. Gas Mcf/d	Total boe/d	2024 (000s)
Medicine Hat	-	-	9,746	1,624	(\$724,000)
Brooks	10	-	118	30	\$41,000
TOTAL	10	-	9,864	1,654	(\$683,000)

Operating income net to the City from the Properties for the year ended December 31, 2024 was approximately (\$683,000).

Gross Production Group Plot of the City's Oil & Natural Gas Wells





Liability Assessment

As of April 1, 2025, the Properties had an internally estimated liability value of \$52.0 million.

Reserves Overview

The City prepared an internal reserves evaluation of the Properties as part of its year-end reporting (the "Reserve Report"). The Reserve Report is effective January 1, 2025 using the City of Medicine Hat internal forecast pricing at January 1, 2025.

The City estimates that, as of January 1, 2025, the Properties contained remaining proved plus probable reserves of 55.2 Bcf of natural gas and 51,000 barrels of oil and natural gas liquids (9.3 million boe), with an estimated net present value of \$34.0 million using forecast pricing at a 10% discount.

The City of Medicine Hat as of January 1, 2025							
	COMPANY GROSS RESERVES				PV BEFORE TAX		
	Oil Mbbbl	Natural Gas MMcf	Ngl Mbbbl	Total MBOE	5%	10% (000s)	15%
Proved Developed Producing	41	42,130	2	7,064	\$26,170	\$23,079	\$19,303
Proved Non-Producing/Undeveloped	0	2,261	0	377	\$5,681	\$4,534	\$3,759
Total Proved	41	44,391	2	7,441	\$31,850	\$27,613	\$23,062
Probable	8	10,815	1	1,811	\$11,575	\$6,367	\$3,924
Total Proved Plus Probable	49	55,206	2	9,252	\$43,425	\$33,980	\$26,986

The reserve estimates and forecasts of production and revenues for the City's properties were prepared within the context of a group of properties in aggregate. Extraction and use of any individual property evaluation outside of this context may not be appropriate without supplementary due diligence. Values in the "Total" row may not correspond to the total of the values presented due to rounding.

Seismic Overview

The City has ownership in various 2D and 3D seismic data over the Properties. Further details on the City's seismic ownership will be available in the virtual data room for parties that execute a confidentiality agreement.





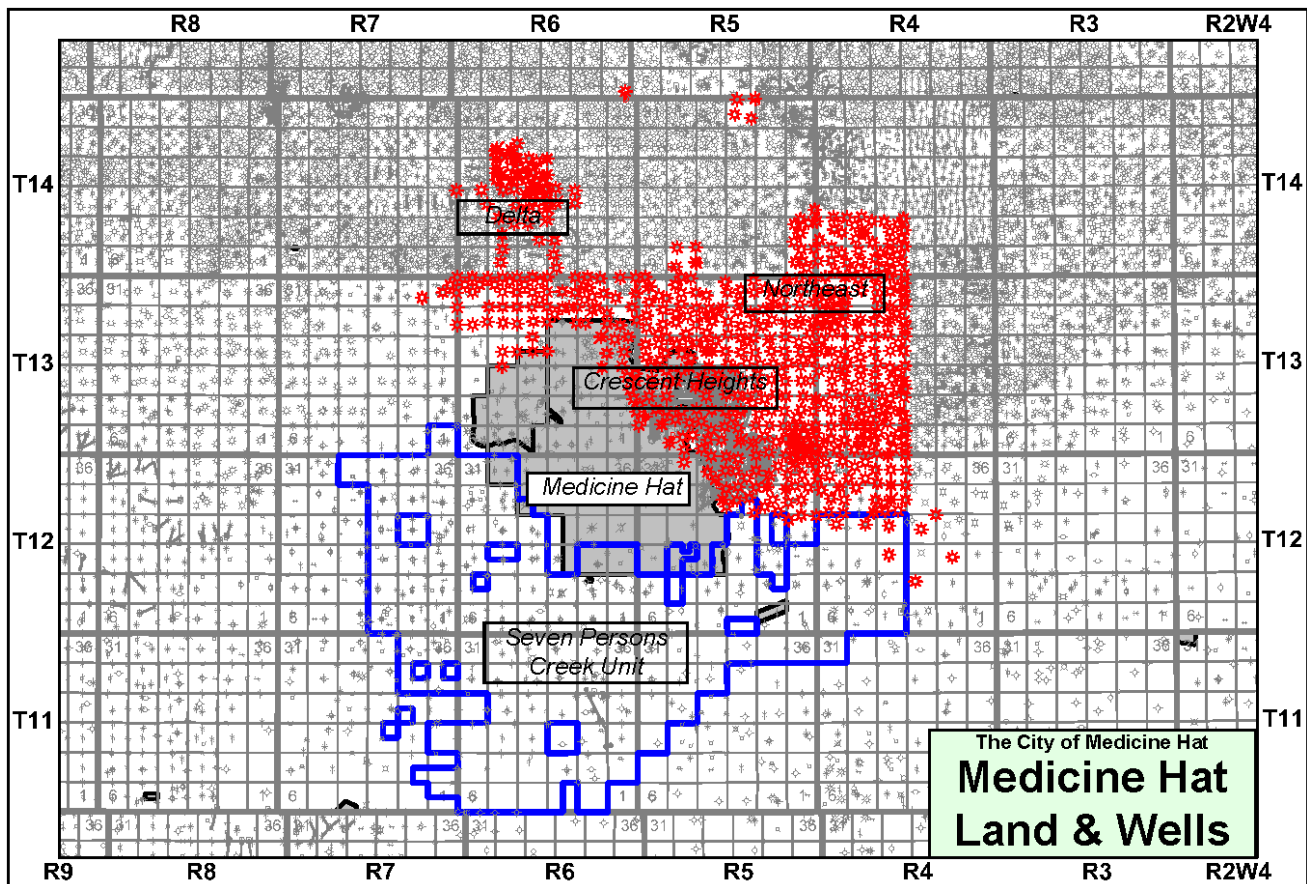
Medicine Hat Property

Township 11-15, Range 4-8 W4

In the *Medicine Hat* area, the City holds a 100% working interest in the *Crescent Heights*, *Delta* and *Northeast* areas as well as a 100% working interest in the *Seven Persons Creek Unit* which the City is currently in the process of dissolving.

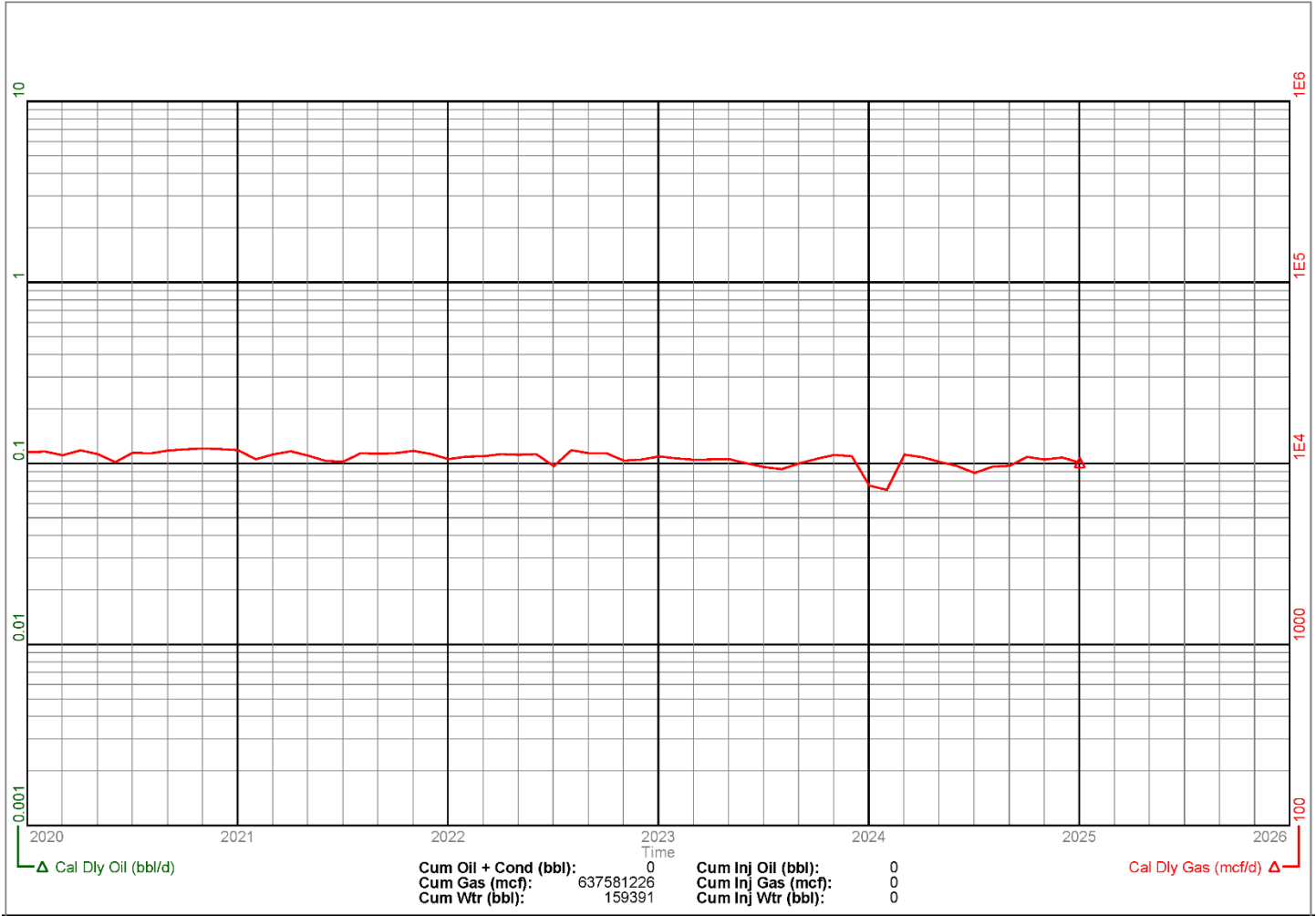
Average daily production net to the City from *Medicine Hat* for the year ended December 31, 2024 was approximately 1,624 boe/d, consisting of 9.7 MMcf/d of natural gas.

Operating income net to the City from *Medicine Hat* for the year ended December 31, 2024 was approximately (\$724,000).





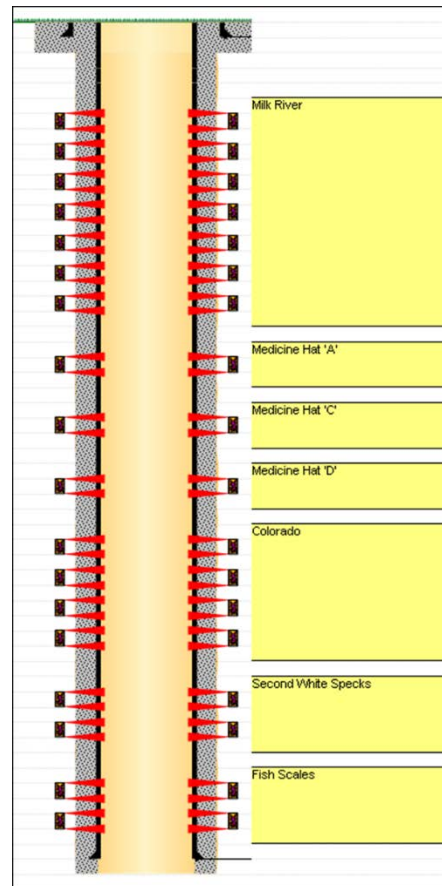
Medicine Hat – Gross Production Group Plot of the City’s Natural Gas Wells





Medicine Hat Upside

In addition to the productive zones of the Milk River and Medicine Hat, the City has identified secondary potential in the Colorado Shale, Second White Specks and Base Fish Scales zones, as well as potential in the Bow Island and Viking formations. As shown in the following stratigraphic chart. There are 7 distinct layers within the Milk River, and 3 separate zones in the Medicine Hat Formation.



The City believes there is potential to drill 4 wells into the Colorado Shale, 4 wells into the Second White Speckled Shale and 4 wells into the Base Fish Scales.

The City has identified 15 well recompletions in Townships 013-04W4 to 013-06W4.

At *Medicine Hat*, the Milk River Formation was deposited in a sand and silt rich open marine shelf depositional setting. The Milk River Formation has high quality reservoir quality, which supports a strong likelihood of a successful results from a recompletion program.

The Medicine Hat field is a mature field. Adding newly completed intervals to existing wells could utilize the current pipeline and facility infrastructure. By increasing the field production as projected, the overall cost per Mcf will continue to stay low and allow the field to economically produce well into the future.

Further geological details will be available in the virtual data room for parties that execute a confidentiality agreement.





Medicine Hat Facilities

At *Medicine Hat*, The City has a working interest in the following facilities. Further details on the facilities are available in the virtual data room for parties which execute a confidentiality agreement.

Licence #	Location	Description	Name	Status
748	16-33-012-05W4M	Compressor Station	Med Hat East Compressor Stn.	Shut In
1018	01-22-013-06W4M	Compressor Station	Cousins West Stn.	Operating
1306	01-03-014-06W4M	Compressor Station	Delta Compressor Stn.	Operating
21423	07-15-013-05W4M	Compressor Station	NE Compressor Stn.	Operating
21427	05-20-013-06W4M	Compressor Station	Red Gas Compressor Stn.	Shut In
21428	08-12-013-06W4M	Compressor Station	Crescent Heights Compressor Stn.	Operating
34090	09-16-013-04W4M	Compressor Station	Bowmanton Compressor Stn.	Shut In

Medicine Hat Marketing

Natural gas produced from *Medicine Hat* is processed and sold into the City's natural gas distribution network. Natural gas is compressed at the *Crescent Heights*, *Delta* and *North East* compressor stations and is either consumed by natural gas distributions customers or taken off at *Cousins West* and sold to **TC Energy** or to the City of Medicine Hat's Electric Generation department.

Medicine Hat Liability Assessment

As of April 1, 2025, the *Medicine Hat* property had an internally estimated liability value of \$51.6 million.

Medicine Hat Well List

See well list in Excel.





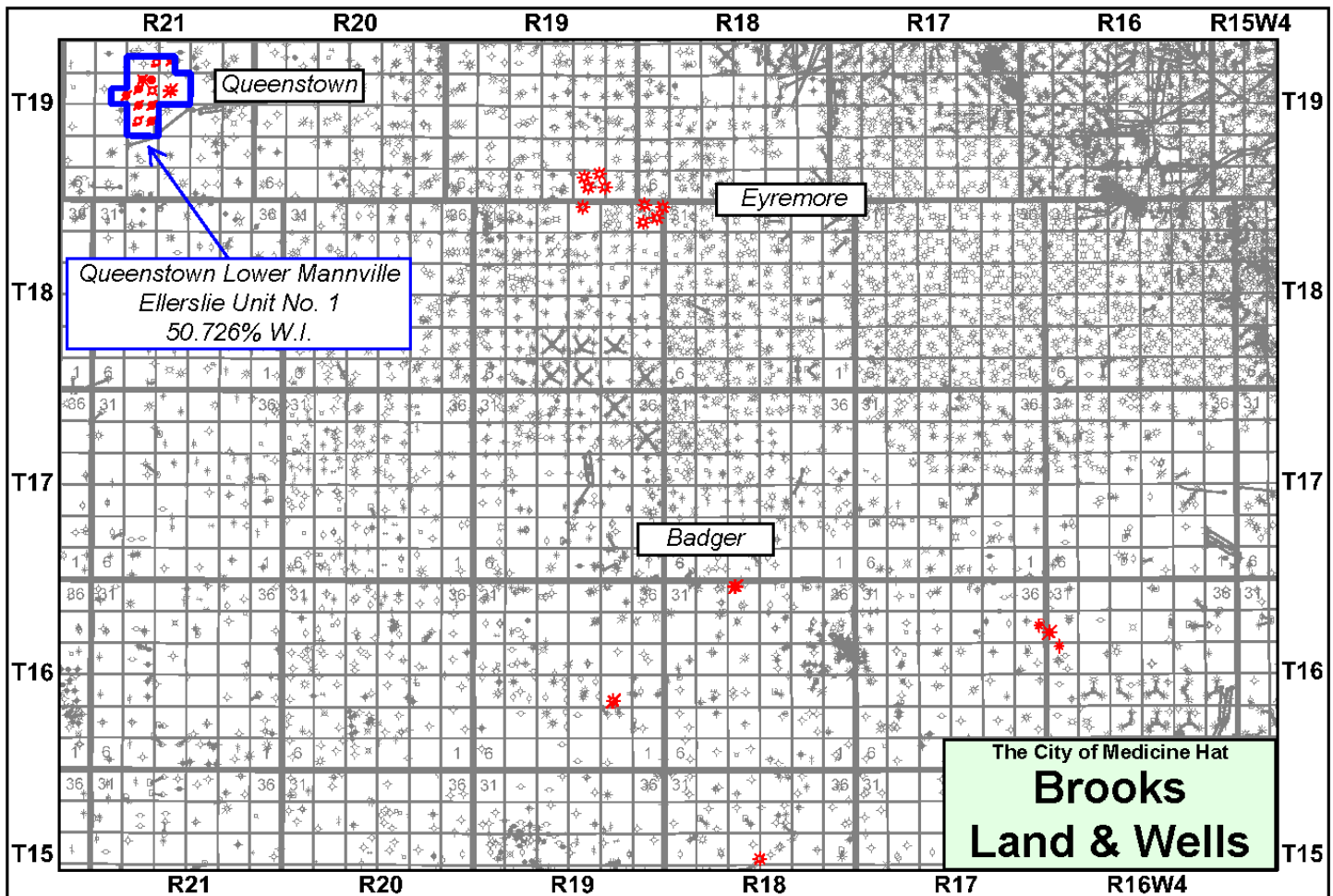
Brooks Property

Township 15-19, Range 16-21 W4

At *Brooks*, the City holds various non-operated working interests in several wells located in the *Badger*, *Eyremore* and *Queenstown* areas of Alberta.

Average daily production net to the City from *Brooks* for the year ended December 31, 2024 was approximately 30 boe/d, consisting of approximately 118 Mcf/d of natural gas and 10 bbl/d of oil.

Operating income net to the City from *Brooks* for the year ended December 31, 2024 was approximately \$41,000.





In the *Queenstown* area, the City holds a 50.726% working interest in the *Queenstown Lower Mannville Ellerslie Unit No. 1* which produces oil and natural gas from the Ellerslie Formation. The Unit is operated by **Canadian Natural Resources Limited**.

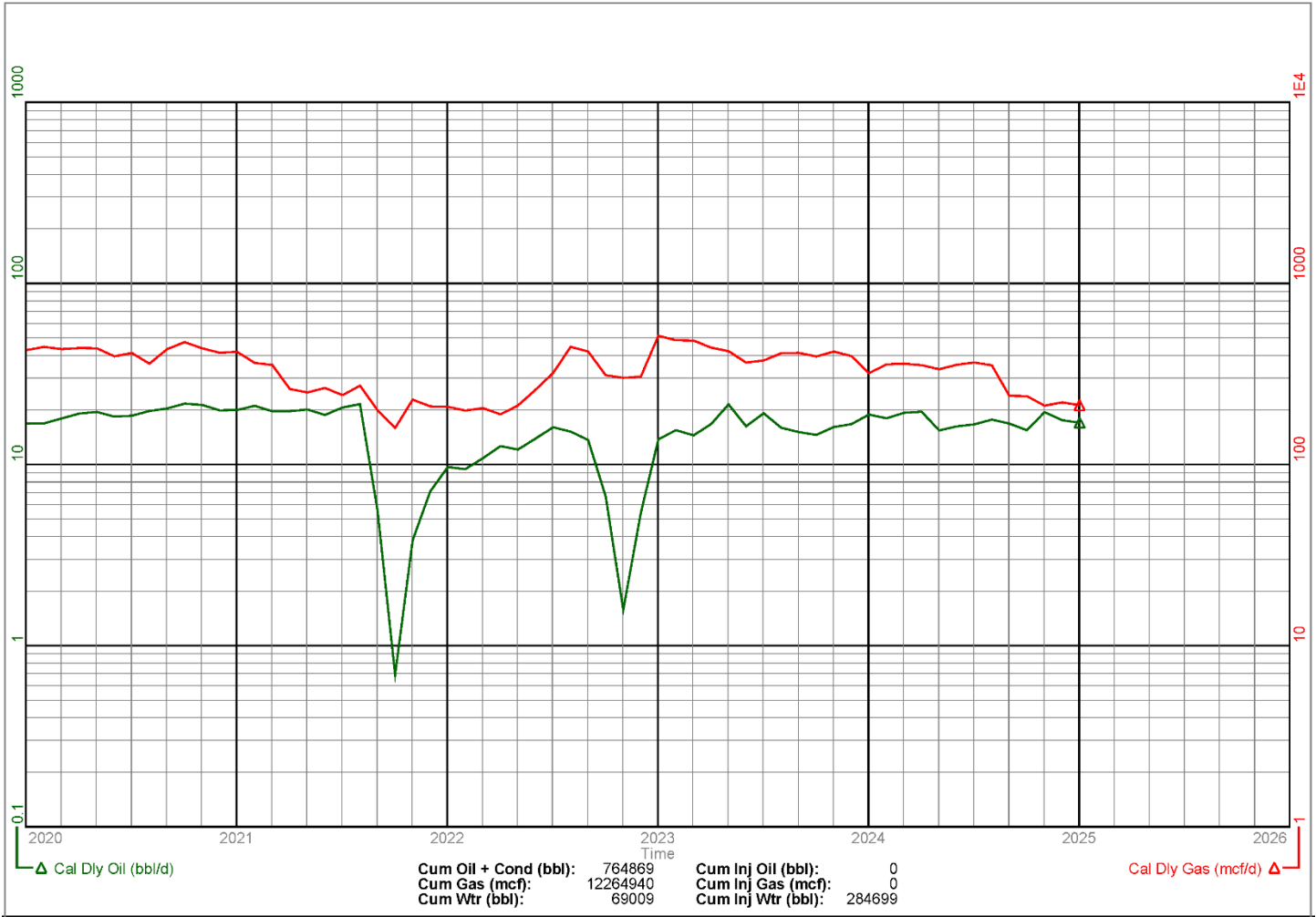
The City's interests at *Badger* are producing natural gas from the Base Fish Scales, Bow Island and Mannville formations.

At *Eyremore*, the City's interests produce commingled natural gas primarily from the Milk River and Medicine Hat formations.





Brooks – Gross Production Group Plot of the City's Oil and Natural Gas Wells





Brooks Facilities

The City does not have a working interest in any facilities at *Brooks*.

Brooks Marketing

Natural gas from *Brooks* is take-in-kind and is sold at NGX pricing at various third-party processing plants.

Brooks Liability Assessment

As of April 1, 2025, the *Brooks* property had an internally estimated liability value of \$365,094.

Brooks Well List

See well list in Excel.





CONFIDENTIALITY AGREEMENT

**Please send an executed Confidentiality Agreement to
Sayer Energy Advisors at the address listed below:**

**City of Medicine Hat
c/o Sayer Energy Advisors
Suite 1620, 540 – 5th Avenue SW
Calgary, Alberta T2P 0M2
Attention: Mr. Tom Pavic
Phone: 406.266.6133
Fax: 403-266.4467
Email: tpavic@sayeradvisors.com**

CONFIDENTIALITY AGREEMENT

This Confidentiality Agreement (this "**Agreement**"), which is dated effective as of the _____ day of _____, 20____ (the "**Effective Date**") between _____ (the "**Company**") and **THE CITY OF MEDICINE HAT** (the "**City**").

Background

"**Company**" when used in this Agreement shall include the Company's affiliates and subsidiaries. In connection with the Company's analysis, possible bid and possible negotiated transaction between the Company and the City in relation to the Company potentially purchasing certain petroleum and natural gas assets of the City (the "**Potential Transaction**"), the Company has been or may be furnished by the City or its Representatives with certain information that is proprietary, non-public or confidential concerning the City. In consideration of the City furnishing the Company with or providing the Company access to certain Confidential Material, the City requires the Company's agreement to the provisions contained herein (this "**Agreement**"). The City and the Company are each referred to herein as a "**Party**" and together as the "**Parties**".

1. DEFINED TERMS

1.1. In this Agreement the following terms shall have the meanings set out below:

- a. "**affiliate**" and derivations thereof shall have the respective meaning ascribed thereto in the Securities Act (Alberta), as amended or replaced from time to time;
- b. "**Business Day**" means Monday to Friday, 8:30 am to 4:30 pm local time in Medicine Hat, excluding statutory holidays observed by the Province of Alberta;
- c. "**Confidential Material**" means, except as expressly provided in this Agreement, all information (in any form in which it is provided, which may be in writing, orally, electronically, visually or by any other means and whether or not it is identified as "confidential") in connection with the Potential Transaction relating to the City or the City's business, affairs, customers, counterparties, financial position, assets, operations, mineral rights, prospects or activities and all reports, evaluations, notes, analysis, documents, geological, geochemical, engineering, seismic (either trade or proprietary) geophysical, well, and/or land maps or data, marketing material, trade secrets or any other documents or information pertaining in any way whatsoever to the City or its business, assets or operations, together with all analysis, evaluations, compilations, notes, studies or other documents prepared by the Company or Company's Representatives containing or based upon, in whole or in part, such information or reflecting the review of, or interest in the City or the Potential Transaction and includes all such information, if any, previously made available to the Company or the Company's Representatives. Without limiting the generality of the foregoing, "Confidential Material" includes:
 - i. information concerning the City's and its customers' and suppliers' past, present, and future business affairs including finances, supplier information, services, customer information, products, organizational structure, and internal practices, forecasts, sales and other financial results, records and budgets, and business, marketing, development, sales, and other commercial strategies;

-
- ii. unpatented inventions, ideas, methods and discoveries, trade secrets, know-how, software programs, unpublished patent applications and other confidential intellectual property;
 - iii. designs, specifications, documentation, components, source code, object code, computer chips, images, icons, audiovisual components and objects, schematics, drawings, protocols, processes, and other visual depictions, scientific, engineering, seismic, geophysical or other technical data, or any part of the any of the foregoing;
 - iv. third-party confidential information (including any Personal Information) included with, or incorporated in, any data, documents, agreements, files and other materials disclosed or otherwise furnished by the City to the Company or the Company's Representatives;
 - v. other information that would reasonably be considered non-public, confidential or proprietary given the nature of the information and the City's business;
 - vi. that Confidential Material has been, or may be, disclosed to the Company or its Representatives;
 - vii. that discussions or negotiations are or were taking place concerning the Potential Transaction between the City and the Company;
 - viii. any terms, conditions or other facts with respect to the Potential Transaction, including the status thereof; and
 - ix. the existence and contents of this Agreement.
- d. **"Manager"** means the City's Manager, Gas Production & Land Development Engineering, who at the date hereof is Tory Coombs (phone: 403-502-8769; email: torcoo@medicinehat.ca), or their designate;
 - e. **"person"** shall be interpreted broadly to include, without limitation, any corporation, company, group, partnership, limited liability company, unincorporated association, trust, other entity or individual;
 - f. **"Personal Information"** has the meaning ascribed to "personal information" in the Freedom of Information and Protection of Privacy Act (Alberta), as amended or replaced from time to time;
 - g. **"Representatives"** used with respect to a person, includes the partners, shareholders, members, managers, directors, officers, employees, representatives, affiliates, subsidiaries, associates, agents, professional advisors, financing sources, lawyers, engineers, consultants, contractors, and accountants of that person, and in the case of the City, includes the elected councillors and other members of a council committee established by the governing council for the City;
 - h. **"subsidiary"** and derivations thereof shall have the meaning ascribed thereto in the Securities Act (Alberta), as amended or replaced from time to time; and

i. **“Term”** has the meaning ascribed thereto in Article 11 of this Agreement.

1.2. The division of this Agreement into sections and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Agreement

1.3. The words “include”, “includes” and “including”, and similar expressions, where used in this Agreement, are not intended to be exhaustive and in all cases denotes that the subsequent list is non-exhaustive.

1.4. Where this Agreement refers to any act, statute, legislation, regulation, code or bylaw, it includes such statute, legislation, regulation or bylaw as amended, supplemented, or replaced from time to time. Where this Agreement refers to a government body, government department, agency it includes reference to any government body, government department, or agency that may be substituted therefor.

2. NON-DISCLOSURE AND RESTRICTIONS ON USE OF CONFIDENTIAL MATERIAL

2.1. The Company acknowledges that the Confidential Material is sensitive to the City's business, operations, and affairs and is aware of the importance of the Confidential Material to the City's business, operations, and affairs. Accordingly, the Company shall keep strictly confidential and maintain the secrecy of all Confidential Material, using similar safeguards as it uses to protect its own commercially sensitive information of a similar character, but at least using commercially reasonable care. Furthermore, the Company shall not, without the express prior written consent of the City:

- a. use, copy, or reproduce Confidential Material, or permit it to be used, accessed, copied or reproduced, except for evaluation, negotiation or consummation of the Potential Transaction and, without limiting the generality of the foregoing, the Company shall not use the Confidential Material, or permit the use of the Confidential Material, against the known interests of the City;
- b. disclose, in any manner, Confidential Material to any other person;
- c. remove any “confidential”, “secret”, “restricted” or similar label or legend appearing on Confidential Material, and shall not reverse engineer, decrypt, disassemble, or decompile any Confidential Material;

2.2. The Company shall not disclose to any person:

- i. that Confidential Material has been disclosed to the Company;
- ii. that discussions or negotiations are or were taking place concerning the Potential Transaction between the Company and the City;
- iii. any public opinion or comment with respect to Confidential Material received from the City, or
- iv. the terms, conditions or other facts with respect to the Potential Transaction, including the status thereof.

3. EXCEPTIONS TO NON-DISCLOSURE

3.1. Notwithstanding the restrictions contained in Article 2 above, the Company is permitted to disclose Confidential Material and the information listed in Subsection 2.2 as follows:

a. to Representatives of the Company who:

- i. have a need to know such Confidential Material for the purpose of assisting the Company evaluate, negotiate or consummate the Potential Transaction;
- ii. are made aware that the Confidential Material must be kept confidential according to, and may not be distributed or used except in accordance with, this Agreement and the Company shall use all reasonable measures to cause such Representatives to comply with the terms of this Agreement to the same extent as if they were Parties hereto and enter into confidentiality obligations of a similar nature; or

b. pursuant to the lawful requirement of a court (by order, deposition, interrogatory, request for information or documents in legal proceedings, subpoena, civil investigative demand or similar process), governmental or regulatory authority or tribunal or where otherwise required by law (a **"Legally Required Disclosure"**), provided that the Company, if it is not prohibited by law from doing so:

- i. provides reasonable prior written notice and a copy of the order or legal requirement to the City,
- ii. reasonably cooperates with the City, at the City's expense, to obtain a protective order, confidential treatment or other protection to prevent or limit disclosure of the subject Confidential Material, and
- iii. discloses no more than is required by law.

3.2. The Company agrees to be directly responsible for the compliance of Company's Representatives hereunder and shall be liable to the City for any breach of the terms of this Agreement by any of its Representatives, and for the purposes of this paragraph, the Company shall remain liable for any Representative for the Term of this Agreement even if the Representative ceases to be a Representative of the Company as defined in this Agreement.

3.3. The Company shall promptly notify the City of any unauthorized use or disclosure of the Confidential Material of which the Company has become aware and fully cooperate with the City and its Representatives in any effort undertaken by the City to enforce its rights related to any such unauthorized use or disclosure.

4. PUBLICLY AVAILABLE INFORMATION

4.1. For the purposes of this Agreement and subject to Sections 4.2 and 4.3 below, the term "Confidential Material" shall not include any information that:

-
- a. at the time of disclosure to the Company or thereafter is generally available to the public (other than as a result of a disclosure by any one or more of the Company and Company's Representatives in violation of this Agreement, or a disclosure made pursuant Article 3),
 - b. is or was received by the Company on a non-confidential basis from a source other than the City or any of its Representatives who is not prohibited from transmitting the information to the Company by a confidentiality agreement with City or other contractual, legal or fiduciary obligation to the City or others to keep such information confidential,
 - c. was already known by or in the possession of the Company, as established by documentary evidence, prior to being disclosed or otherwise furnished by the City or its Representatives to the Company or its Representatives, or
 - d. is or was independently developed by the Company or any of its Representatives, as established by documentary evidence, without violating any of its obligations under this Agreement and without use of or reference to, in whole or in part, the Confidential Material.
- 4.2. The Parties acknowledge and agree that for the purposes of classifying information under Section 4.1 above, no information shall be deemed to be in the public domain or known, received or developed by the Company or its Representatives merely because the information is obtainable from general public sources if such information or the information's potential value/relevance would not have been reasonably expected to come to the attention of the Company or its Representatives absent the Confidential Material.
- 4.3. The Parties further acknowledge and agree that for the purposes of classifying information under Section 4.1 above, where any of the Confidential Material includes information which indicates that title to any of the City's property is or may be susceptible to attack (often referred to as a "top lease" opportunity), then even if the various pieces of information necessary to identify the title defect (e.g., lease agreements, production histories, etc.) are available to the public, the existence of such a title defect shall not be considered to be "available to and known by the public" if the existence of such defect is first discovered or learned of by the Company or the Company's Representatives in connection with the review of the Confidential Material. The Company agrees that it shall not and shall direct its Representatives not to take advantage of or inform any other person of the existence of any such title defect.

5. NON-DISCLOSURE OF PERSONAL INFORMATION

- 5.1. In addition to any other obligation with respect to the Confidential Material, the Company shall be responsible for compliance with the applicable privacy laws which govern the collection, use and disclosure of Personal Information, if any, acquired by the Company in connection with this Agreement. All such Personal Information shall be treated in accordance with Canadian federal and provincial privacy laws. The Company shall limit and shall cause its Representatives to limit the use, collection and disclosure of such Personal Information, if any, to those purposes that relate to this Agreement and shall otherwise limit disclosure of the Personal Information to disclosure required by applicable law. The Company shall employ security measures to protect the Personal

Information against inadequate or accidental disclosure of a standard at least as high as that employed by it in its own business.

6. OWNERSHIP AND INTELLECTUAL PROPERTY RIGHTS

- 6.1. Neither this Agreement nor the disclosure of any Confidential Material to the Company or the Company's Representatives shall be construed as granting to the Company or any of its Representatives any license or other rights, title or interest in respect of any part of the Confidential Material. None of the execution or termination of this Agreement shall abrogate or impair any protections or remedies otherwise available to the City under applicable patent, copyright, trade secret or other intellectual property laws.

7. NO FORMAL RELATIONSHIP

- 7.1. No formal business organization or relationship of any kind is established between the Parties by this Agreement. For greater certainty, the Parties agree that no transaction, contract, agreement or obligation relating to the Potential Transaction shall be deemed to exist unless and until a definitive agreement with respect thereto has been executed and delivered by Parties and each of the other parties thereto ("**Definitive Agreement**") at each such Party's absolute and unfettered discretion, and the Parties each hereby waive, in advance, any claims (including, without limitation, breach of contract) in connection with the Potential Transaction unless and until a Definitive Agreement in respect of the Potential Transaction has been executed and delivered by the Parties. It is also agreed that unless and until a Definitive Agreement has been executed by the Parties with respect to the Potential Transaction, the City does not have any legal obligation of any kind whatsoever with respect to the Potential Transaction or the process for arranging the Potential Transaction. Unless and until a Definitive Agreement between the Parties has been executed and delivered, the City shall have the right to accept or reject any potential proposal or offer in relation to the Potential Transaction for any reason whatsoever, in its sole discretion, and to commence or terminate discussions and negotiations with any person, including the Company, at any time for any reason whatsoever, at the City's absolute and unfettered discretion. For purposes of this Section, the term "**Definitive Agreement**" does not include an executed letter of intent, or any other preliminary written agreement, whether entered into by the Parties before or after the execution of this Agreement, nor does it include any written or oral offer or bid or any written or oral acceptance thereof. The Company further agrees that the entering into of this Agreement does not constitute the agreement of the City to agree to or to recommend to its shareholders, management, municipal council, or board of directors any transaction concerning the Potential Transaction.

8. REQUESTS FOR INFORMATION

- 8.1. Until the earliest of (i) the execution and delivery of a Definitive Agreement by all of the parties thereto; or (ii) the expiry of the Term of this Agreement, the Company shall not and shall direct its Representatives not to initiate or maintain contact (except for those contacts made in the ordinary course of business), in connection with the Potential Transaction, with any City Representative, other than the Manager, except with the express written permission of the Manager. The Company shall direct all requests for Confidential Material and all communications regarding the Confidential Material or the Potential Transaction to the Manager or those of the City's Representatives designated in writing by the Manager.

- 8.2. It is understood that the Manager shall, at their discretion, arrange for any appropriate contacts in relation to this Agreement and that all communications regarding a Potential Transaction; requests for additional Confidential Material; requests for the tours of the City's facilities or meetings with the City's management; and discussions or questions regarding the Confidential Material, shall be submitted or directed by the Company to the Manager.
- 8.3. The City may require that a portion of the Confidential Material be reviewed only at the City's premises and that access to such premises shall be subject to such restrictions and procedures as the City may, in the City's sole discretion, establish.

9. ACCESS

- 9.1. In the event the Company desires physical access to any of the City's properties and the City in its sole discretion permits such access, the Company hereby agrees to indemnify, defend and hold harmless the City from and against any and all liabilities, claims and causes of action including those for personal injury, death or property damage occurring on or to such property as a result of the Company's or its Representatives' entry onto the premises, except where such loss is caused solely by the gross negligence or wilful misconduct of the City. The Company agrees to comply, and to direct and cause its Representatives to comply, fully with all rules, regulations and instructions issued by the City regarding the Company's and its Representatives' actions while upon, entering or leaving the property of the City.

10. RETURN OF MATERIALS

- 10.1. The Company shall keep a record of all Confidential Material provided to the Company and a record of its location. Except with the prior consent of the City and except for the purposes of evaluating, negotiating or consummating the Potential Transaction as contemplated herein, the Company shall not copy or reproduce any of the Confidential Material. If either Party decides that it does not wish to proceed with a Potential Transaction, such Party shall promptly notify the other Party of that decision. In that case, or if the City shall elect at any time to terminate further access by the Company to the Confidential Material for any reason, the Company shall promptly destroy all copies of the Confidential Material then in the Company's possession or in the possession of any of the Company's Representatives. Notwithstanding the foregoing, provided that it shall remain subject to the terms of this Agreement, the Company and its Representatives shall be permitted to retain such Confidential Material that is:
- a. required to be retained for regulatory, legal or audit purposes, or pursuant to applicable bona fide document retention or compliance policies, provided that it is only accessed or used for such purposes;
 - b. analysis required for internal management and/or board of director recommendations or approvals regarding the Potential Transaction, provided that it is only accessed or used for such purposes; or
 - c. is backed-up automatically by their computer system(s), provided that the backed-up Confidential Material remains secure and is not accessed.

10.2. Upon written request by the City, the Company shall deliver to the City a certificate executed by one of its duly authorized officers indicating that the requirements of Section 10.1 have been satisfied in full.

10.3. Notwithstanding the return or destruction of Confidential Material, the Company and its Representatives shall continue to be bound by their obligations of confidentiality and all other obligations hereunder.

11. TERM

11.1. This Agreement shall be effective for twenty-four (24) months commencing on the Effective Date (the “**Term**”). However, Sections 12, 13 and 14 of this Agreement shall survive the expiry or earlier termination of this Agreement for an additional twelve (12) months and shall remain in full force and effect notwithstanding the expiration or earlier termination of the Term.

12. NO REPRESENTATION OR WARRANTY

12.1. The Company understands and agrees that neither City nor any of its Representatives have made or make any representation or warranty whatsoever, express or implied, direct or indirect, as to the accuracy or completeness of any of the Confidential Material. The Company shall rely on all Confidential Material at its own risk. The Company agrees that neither the City nor any of the City’s Representatives shall have any liability to the Company nor any of the Company’s Representatives, except in the case(s) of fraud by the City or City’s Representatives, relating to or resulting from Company’s use of the Confidential Material or from any errors or omissions in the Confidential Material that is disclosed or otherwise furnished to the Company by or on behalf of the City, and the City hereby disclaims all liability and responsibility therefor. The Company shall rely on its own evaluations, appraisals, interpretations, and estimates regarding the Potential Transaction.

12.2. The Parties agree that this Agreement does not require or compel the City to disclose any Confidential Material to the Company.

13. LIABILITY AND INDEMNITY

13.1. In addition to any other rights that the City and its Representatives may have against the Company arising by reason of any breach of this Agreement by the Company, the Company shall:

- a. be liable to each of the City and the City’s Representatives for all claims, liabilities, damages, costs, losses and expenses (including reasonable legal, accounting and other professional and advisory costs, expenses, fees and disbursements, with legal fees on a solicitor-client basis) whatsoever which they may suffer, sustain, pay or incur; and
- b. indemnify and hold harmless the City and the City’s Representatives and their respective directors, officers, employees and agents from and against any and all claims, demands, charges, 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,

arising out of or relating to any breach of this Agreement by the Company or the Company's Representatives, including but not limited to any breach involving unauthorized use or unauthorized disclosure of the Confidential Material by the Company or the Company's Representatives.

14. REMEDIES

14.1. The Company agrees that: (i) disclosure or use of Confidential Material by the Company in contravention of this Agreement will cause irreparable harm and significant injury to the City for which money damages would not be a sufficient remedy nor readily ascertainable; (ii) in addition to any other remedies at law or in equity that the City may have, the City 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 the City at law or in equity, and (iii) the Company shall waive, and use its reasonable efforts to cause its Representatives to waive, any requirement for the securing or posting of any bond in connection with such remedy. The prevailing party shall be reimbursed for all costs and expenses, including reasonable attorneys' fees (on a solicitor-client basis), incurred in enforcing the other Party's obligations hereunder. Such remedies shall not be deemed to be exclusive remedies for the breach of this Agreement, but shall be cumulative and in addition to all other remedies available to the City at law or in equity.

15. PERSONNEL

15.1. Except as provided in a Definitive Agreement, the Company agrees that during the Term, the Company shall not solicit for hire or employment any officer, director or employee of the City with whom the Company has direct contact in connection with the Recipient's evaluation, negotiation or consummation of the Potential Transaction (the "**Relevant Employees**"). For the purpose of this Section, "solicitation" shall not include solicitation of Relevant Employee of the City who is solicited:

a. by advertising in a newspaper or periodical of general circulation or generally available on the world wide web; or

b. indirectly through a personnel search agency or internal human resources search engaged by the Company generally (not specifically in respect of the City); or

c. without any direct or indirect solicitation by or encouragement from the Company by any officer, director or employee, who contacts the Company on his or her own initiative for the purpose of seeking employment.

15.2. In this section, "direct contact" includes contact by email or telephone but shall not include any emails on which the officer, director or employee in question was merely carbon copied.

16. NO WAIVER – ENTIRE AGREEMENT

16.1. No failure or delay in exercising any right, power or privilege hereunder shall operate as a waiver thereof, nor shall any single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any other right, power or privilege hereunder.

- 16.2. This Agreement, including the recitals, represents the entire understanding of the Parties with respect to the handling, use, non-disclosure/disclosure, and ownership of Confidential Material in relation to the Potential Transaction, and supersedes all prior understandings, written or oral, between the Parties with respect thereto.
- 16.3. This Agreement shall be binding upon and for the benefit of the City and the Company, and each of their respective successors and permitted assigns, and no other person shall acquire or have any rights under this Agreement.
- 16.4. To the extent that any Confidential Material includes materials subject to solicitor-client privilege or litigation privilege, the City is not waiving, and shall not be deemed to have waived or diminished, its solicitor-client privilege, litigation privilege or similar protections and privileges as a result of disclosing any Confidential Material (including Confidential Material related to pending or threatened litigation) to the Company or any of its Representatives.

17. AMENDMENTS

- 17.1. All modifications of and amendments to this Agreement or any part hereof must be in writing signed on behalf of the Company and the City. Waivers of any terms and provisions of this Agreement shall be in writing and signed by the waiving Party and shall specifically refer to the Sections or provisions that are waived.

18. NOTICES

- 18.1. All notices, consents and other communications required or permitted to be served or given pursuant to this Agreement shall be given in writing, marked as confidential and delivered personally, by registered mail or by email, provided no message send failure or other similar notice is received by sender, to (or to such other address or e-mail address as may be substituted therefor from time to time by proper notice):

in the case of the City, to:

in the case of the Company, to:

CITY OF MEDICINE HAT

Attention: Manager, Gas Production
& Land Development Engineering

580 1st Street SE

Medicine Hat, AB T1A 8E6

Email: torcoo@medicinehat.ca

With a copy to:

City Clerk, Email: clerk@medicinehat.ca

Email:

- 18.2. Any notices, consents and other communications delivered by mail shall be deemed to have been received within five (5) Business Days following the postmark date, except that this deeming provision shall not apply to any notice, notices, consents and other communications sent during or within five (5) Business Days prior to or after the postal strike or disruption and any notices, consents and other communications shall be couriered or hand delivered or sent by e-mail during such periods. Any notices, consents and other communications sent by e-mail shall be deemed to have been received on the same day if transmitted on a Business Day during normal business

hours, or the next Business Day if not transmitted on a Business Day or if transmitted after normal business hours on a Business Day.

19. SEVERABILITY

19.1. 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.

20. ASSIGNMENT

20.1. The Company shall not assign this Agreement without the City's prior written consent, which consent may be arbitrarily withheld. Any attempted or purported assignment by the Company without the City's consent shall be void and of no force or effect against the City.

21. COUNTERPARTS

21.1. This Agreement may be executed in counterpart and by electronic means and delivered by electronic mail. When a counterpart has been executed by each of the Parties, all counterparts together shall constitute one agreement

22. GOVERNING LAW AND ATTORNMENT

22.1. This Agreement shall be governed by and interpreted in accordance with the laws of the Province of Alberta (excluding its conflict of laws principles). The Parties hereby irrevocably attorn to the exclusive jurisdiction of the courts of the Province of Alberta, and all courts competent to hear appeals therefrom, to hear all matters relating to or arising from this Agreement. EACH PARTY KNOWINGLY AND VOLUNTARILY WAIVES ITS RIGHTS TO A TRIAL BY JURY IN ANY ACTION OR PROCEEDING ARISING UNDER OR PURSUANT TO THIS AGREEMENT. EACH PARTY FURTHER WAIVES ANY RIGHT TO CONSOLIDATE ANY ACTION IN WHICH A JURY TRIAL HAS BEEN WAIVED WITH ANY OTHER ACTION IN WHICH A JURY TRIAL CANNOT BE OR HAS NOT BEEN WAIVED.

IN WITNESS WHEREOF the Parties have executed this Agreement by their duly authorized signatories as of the dates set out below.

Executed by the **City** this ____ day of _____, 2025.

Executed by the **Company** this ____ day of _____, 2025.

CITY OF MEDICINE HAT

Per:

Per:

LINNSIE CLARK – Mayor

TAROLYN AASERUD - City Clerk

☐

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

CONFIDENTIAL INFORMATION DELIVERY OPTIONS: *(please check one)*

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

NAME OF CONTACT PERSON TO FORWARD INFORMATION

CONTACT ADDRESS

TELEPHONE NUMBER

EMAIL ADDRESS

Option to Attach Business Card Here: