



Physical Gas Transaction Confirmation

Transaction Number: 2647502

CONFIDENTIAL

Date: September 17, 2019
To: COR4 OIL CORP.
Attention: Gas Confirmations
Fax/Email: (403) 539-5074 / handerson@boomerangenergy.ca
From: SUNCOR ENERGY MARKETING INC.
Trader: Jay Huey
Fax/Email: (403) 724-3659/ Cal_SEMInatgascontracts@suncor.com

The following confirms the terms of the agreement for the Transaction between SUNCOR ENERGY MARKETING INC. and COR4 OIL CORP.:

Trade Date: September 16, 2019

Buyer: SUNCOR ENERGY MARKETING INC.
Seller: COR4 OIL CORP.

Sale and Purchase of Natural Gas:

Start Date: November 1, 2019
End Date: October 31, 2020 (the "Purchase and Sale Term")

Transportation Commitment (defined below):

Start Date: As outlined in Appendix A
End Date: As outlined in Appendix A (the "Transportation Term")

Delivery Point(s): As listed in Appendix A, as amended from time to time upon mutual agreement

Obligation: Firm

Contract Quantity: Variable Contract Quantity consisting of all of Seller's Gas production, taken in kind, behind the meter stations listed in Appendix A, as the same may be amended in accordance with Clause 8 of this Transaction Confirmation, excepting any existing aggregator obligations. Seller agrees to sell all of the Contract Quantity available on a daily basis to Buyer's shipper account (SUNM) and Seller agrees not to sell any of this Gas to another third party, unless Seller exercises the redelivery option set out in Clause 3 of this Transaction Confirmation.

Contract Price: The Contract Price is in Canadian Dollars pursuant to the Special Conditions forming part of this Transaction Confirmation

Special Conditions:

1. Defined Terms

Except as otherwise defined herein, capitalized terms used in this Transaction Confirmation shall have the meanings as defined in the Contract (defined below).

2. Contract Price

For the Purchase and Sale Term, the Contract Price will be the ICE NGX AB-NIT Same Day Index (5A) CAD/GJ as published in the Canadian Gas Price Reporter in the table "ICE NGX AB-NIT Same Day Index",

less any transportation charges incurred, as set out in Clause 4 of this Transaction Confirmation and fuel and measurement variance. In addition, Seller agrees to pay Buyer an administration fee of \$800.00 CAD per month for each month of the Purchase and Sale Term.

3. Redelivered Quantities

For the Purchase and Sale Term, the following shall apply:

- (a) Seller may request that Buyer redeliver to Seller up to a maximum of 50% of Seller's Contract Quantity (as determined by Buyer) for any given month (the "Redelivered Quantities"). Such request must be made in writing no later than 32 days in advance of the month for which such request is being made. Upon receipt of written notice from Seller regarding such redelivery, Buyer may, in its sole discretion, and provided that Seller has not experienced an Event of Default, deliver to Seller the Redelivered Quantities at NIT and the amount of such Redelivered Quantities will be confirmed in a separate Transaction Confirmation addressed to Seller. Such Redelivered Quantities will be off-set on the applicable monthly invoice. The Contract Price for the Redelivered Quantities shall be the ICE NGX AB-NIT Same Day Index (5A) CAD/GJ as published in the Canadian Gas Price Reporter in the table "ICE NGX AB-NIT Same Day Index". Notwithstanding any provision in this Transaction Confirmation, in the event that all of Seller's Gas production is less than the Redelivered Quantities, Buyer has the right, without notice, to immediately terminate redelivery to Seller;
- (b) If on any given day, and for any reason, the Contract Quantity being sold or delivered to Buyer by Seller is insufficient to satisfy the amount required to maintain the Redelivered Quantities, Buyer will backstop the shortfall by supplying Gas at a cost to Seller equal to the ICE NGX AB-NIT Same Day Index (2A) as published in the Canadian Gas Price Reporter in the table "ICE NGX AB-NIT Same Day Index" plus a \$0.02 CAD/GJ administration fee per day; and
- (c) As the actual amount of Gas delivered into Buyer's shipper account is not available on a daily basis, Buyer and Seller acknowledge that daily estimates into Buyer's shipper account will have to be used as a proxy for daily actuals in the determination of the existence and amount of any shortfall volumes. .

4. Transportation

For the Transportation Commitment, the following shall apply:

- (a) All of the provisions that apply to the sale and purchase of Gas under the Contract, shall also apply to the transportation provisions of this Transaction Confirmation, including, without limitation, those provisions respecting Financial Responsibility, Defaults and Remedies;
- (b) For the Transportation Term, Buyer may: (i) obtain on behalf of Seller or (ii) take permanent or temporary assignment from Seller or Seller's designate, the firm service listed in Appendix A (such firm service to be assigned to Buyer's SUNM account) (the "Transportation Commitment"). Buyer shall be obligated to manage the Transportation Commitment using commercially reasonable efforts and generally accepted industry practice and the parties agree that this is a material obligation under the Contract. Buyer shall perform all transportation administration for the Transportation Commitment, including transportation service renewals, expiries, transfers and assignments, at the direction of the Seller. Seller shall be responsible for all charges associated with the Transportation Commitment including, but not limited to, all tolls, fees, costs, taxes, CO2 charges and penalties. Buyer will net bill all related transportation costs and such costs will be deducted from any amounts Buyer owes to Seller for the sale and purchase of Gas; on a monthly basis. For any Contract Quantity in excess of the Transportation Commitment, Seller will be charged the applicable NOVA Gas Transmission Ltd. ("NGTL") interruptible toll;
- (c) Seller is liable and as a separate and independent covenant shall indemnify and hold harmless Buyer, its Affiliates and each of their respective directors, officers, employees, agents and consultants (the "Buyer Indemnitees") for all costs, claims that may be brought against, and all losses and liabilities that may be suffered, sustained, paid or incurred, by Buyer Indemnitees, in either case, as a result of any matter or thing arising out of, resulting from, attributable to or connected with the Transportation Commitment, except for losses attributable to Buyer's failure to perform its obligation to manage the Transportation Commitment or Buyer's gross negligence or willful misconduct in administering the Transportation Commitment;

- (d) Subject to Clause 4(e) below, the Transportation Commitment held by Buyer for Seller shall be assigned back to Seller or Seller's designate effective upon completion of the Purchase and Sale Term. Seller agrees that it shall take, or cause its designate to take, at any time during the Purchase and Sale Term when Buyer directs, all steps necessary to give effect to such assignment;
- (e) If at any time during the Purchase and Sale Term the Buyer has reasonable grounds for insecurity as specified in Clause 4(f) below, the Transportation Commitment shall be assigned back to Seller with immediate effect and Seller agrees the it shall take all steps necessary to give effect to such assignment;
- (f) Whether or not an Event of Default or Non-Performance has occurred, the Buyer shall be entitled to seek Performance Assurance from Seller if Buyer has reasonable grounds for insecurity regarding payment by Seller of: (i) all amounts owing under the Contract; plus (ii) all charges associated with the Transportation Commitment for the Transportation Term, including, but not limited to, all tolls, fees, costs, taxes, CO2 charges and penalties (collectively, the "Buyer's Exposure"). Further, should Buyer have reasonable grounds for insecurity regarding payment by Seller of the Buyer's Exposure, Buyer shall be entitled to withhold any and all payments for any Gas sold to Buyer by Seller or any amounts otherwise due and owing under any other agreement between the parties in order to cover the Buyer's Exposure. Buyer and Seller recognize that the volume and value associated with the Transportation Commitment will change over time and will be reflected by the most recent Appendix A provided by Buyer to Seller in accordance with Clause 8 of this Transaction Confirmation;
- (g) Upon the occurrence of an Event of Default by Seller, the obligation of Buyer to hold the Transportation Commitment shall automatically terminate, the Transportation Commitment held by Buyer for Seller shall be assigned back to Seller or Seller's designate, and Seller shall accept such assignment, all Transactions shall be liquidated and the Buyer shall be entitled to exercise any or all of the rights available to it, pursuant hereto, and at law or in equity. Further, the Seller and Buyer agree that if the Seller ceases operations, this shall be deemed an Event of Default for the purposes of the Contract;
- (h) If at any time during the Purchase and Sale Term, the Seller is required pursuant to the terms hereof to accept the assignment of the Transportation Commitment, and the Seller is unable or unwilling to take back the Transportation Commitment for any reason, including but not limited to NGTL's refusal to accept or permit assignment of any portion of the Transportation Commitment, then until such time as Buyer has assigned and Seller and NGTL have accepted assignment of the Transportation Commitment to Seller or Seller's designate or the Transportation Commitment has otherwise terminated:
 - i. the Seller's obligation to pay all charges associated with the Transportation Commitment during the Transportation Term including, but not limited to, tolls, fees, costs, taxes, CO2 charges and penalties shall continue and shall accelerate and become immediately due and owing;
 - ii. Seller shall be obligated to sell its Gas to Buyer on terms to be decided by Buyer, acting reasonably, to fulfill the Transportation Commitment;
 - iii. Buyer may, at its sole and absolute discretion, withhold any payment due under the Contract or any other agreement between the parties, up to the full amount payable to satisfy the Buyer's Exposure; and
 - iv. Buyer shall be entitled to take all measures it determines necessary in its sole discretion in order to mitigate Buyer's Exposure, including but not limited to moving the Transportation Commitment to the most favourable receipt and delivery points, and permanently assigning all or a portion of the Transportation Commitment to a third party; and
- (i) This Clause 4 shall survive the termination or expiry of this Transaction Confirmation.

5. Gas Balance Recovery

For each month of production during the Purchase and Sale Term, Buyer will purchase volumes on an actual basis. Buyer retains the right to transfer back to Seller the value of the volumetric adjustment with respect to gas balance recovery at the 5A daily index during the NGTL defined gas balance recovery period for the relevant production month.

In the event Seller assigns, sells, or otherwise transfers this Transaction Confirmation, or a portion thereof, to a third party, Seller shall ensure that any such third party agrees in writing to be bound by the terms and

conditions contained in this Clause 5 and Suncor shall be entitled to withhold its consent to any such assignment, sale or transfer until such assurance is obtained. This provision shall survive the termination or expiry of this Transaction Confirmation.

6. Prior Period Adjustments

For the Purchase and Sale Term, unless otherwise mutually agreed by the Buyer and Seller, the following shall apply in the event that: (a) an official revision of the volume of Gas actually delivered by Seller pursuant to this Transaction Confirmation occurs and as a consequence the amount payable by Buyer to Seller in respect of such Gas is revised (the amount of such revision, positive or negative, being the "Prior Period Adjustment") and (b) such official revision occurs after Buyer has issued a payment for the volume of Gas originally reported as the actual volume of Gas delivered by Seller, then Buyer and Seller agree that Seller shall pay to Buyer, or Buyer shall pay to Seller, as applicable, an amount equal to the value of any such Prior Period Adjustment on the next following Payment Date. The value of the Prior Period Adjustment shall be equal to the 5A daily index for that volume of Gas (the "Revision Volume") which is equal to the difference between the originally-reported actual volume of Gas and the revised reported actual volume of Gas at the time that the Revision Volume is physically applied to or removed from Buyer's account. In the event Seller desires to assign, sell, or otherwise transfer this Transaction Confirmation to a third party, Seller shall ensure that any such third party assignee agrees in writing to assume responsibility for any Prior Period Adjustments, and Buyer shall be entitled to withhold its consent to any such assignment, sale or transfer until such assurance is obtained. This provision shall survive the termination or expiry of this Transaction Confirmation.

7. Administration

For each month of production during the Purchase and Sale Term, Buyer shall issue to Seller statements for all Gas purchased by Buyer from Seller pursuant to this Transaction Confirmation, which statements will provide detail as to determination of the Contract Price, volumes purchased, volumes redelivered (if applicable) and transportation costs itemized for firm or interruptible service, fuel, measurement variance and any imbalance or inventory adjustments.

8. Revisions to Appendix A

- (a) From time to time during the Purchase and Sale Term, Buyer shall revise Appendix A to reflect changes to the Transportation Commitment. Such revised Appendix A will supersede and replace any previously-issued Appendix A, and this Transaction Confirmation shall be deemed to have been amended, in each case upon Buyer providing notice to Seller enclosing such revised Appendix A.
- (b) During the Purchase and Sale Term, Seller may provide notice to Buyer requesting, and Buyer may agree in its sole discretion, that Delivery Point(s) be added or removed from Appendix A, or Transportation Commitment be assigned by Buyer to Seller or by Seller to Buyer, to accommodate acquisitions and divestments. Any such addition or removal of Delivery Points or assignment of Transportation Commitment shall be effective on the first day of the following month after notice has been provided by Seller and agreed to by Buyer, and shall be reflected in a revised Appendix A to be provided by Buyer to Seller.

9. Further Assurances and Notices

The Buyer and Seller shall, from time to time and at all times, do all such further acts and execute and deliver all such further deeds and documents as shall be reasonably required in order to fully perform the terms of the Contract. The Buyer and Seller hereby agree that electronic mail is a mutually agreeable electronic means of delivery for any notices required to be given for the purposes of the Contract.

[Remainder of page intentionally left blank]

COR4 OIL CORP.

SUNCOR ENERGY MARKETING INC.

Signature: 

Signature: 

Name: **Thomas Field**
Vice President, Engineering and Development

Name: Donna Holeksa

This Transaction Confirmation confirms the terms of the Transaction between the parties and is subject to the terms and conditions of the GasEDI Base Contract for Sale and Purchase of Natural Gas dated 9/17/2014 (together the "Contract").

If the terms and conditions of this Transaction Confirmation as stated above accurately reflect the mutual agreement of the parties hereto, please execute this Transaction Confirmation in the appropriate space provided above and return one (1) fully executed copy to Suncor Energy Marketing Inc. by the Confirm Deadline specified in the Contract. If no objection to this Transaction Confirmation has been received in writing by the Confirming Party by the Confirm Deadline, this Transaction Confirmation shall be deemed to accurately reflect the mutual agreement of the parties hereto and shall be binding and enforceable against Seller and Buyer, regardless of whether or not it has been executed by either party.

Appendix A

Attached and made part of that certain Transaction Confirmation dated September 17, 2019 between
SUNCOR ENERGY MARKETING INC. and COR4 OIL CORP.

Delivery Point(s) & Firm Service Receipt

Location Number	Location Name	Contract Number	Start Date	End Date	Price Point Term	Contracted Quantity (10 ³ m ³ /d)	Prorated Quantity (10 ³ m ³ /d)
1001	BINDLOSS SOUTH						0.0
	BINDLOSS SOUTH Total						0.0
1009	ATLEE-BUFFALO						0.0
	ATLEE-BUFFALO Total						0.0
1022	PRINCESS-IDDESLEIGH	2015715842	11/1/2019	10/31/2020	C	2.1	2.1
		2018054247	11/1/2019	10/31/2020	C	23.0	23.0
		2018151750	11/1/2019	10/31/2020	C	11.9	11.9
		2019219637	11/1/2019	10/31/2020	C	1.0	1.0
		2019241381	11/1/2019	10/31/2020	C	1.0	1.0
		2019241383	11/1/2019	10/31/2020	C	1.0	1.0
	PRINCESS-IDDESLEIGH Total						40.0
1025	CESSFORD EAST	2015715807	2/1/2019	1/31/2020	C	2.0	2.0
		2015715808	2/1/2019	1/31/2020	C	1.0	1.0
	CESSFORD EAST Total						3.0
1036	SEDALIA NORTH						0.0
	SEDALIA NORTH Total						0.0
1099	JENNER WEST	2015715820	11/1/2019	10/31/2020	C	10.0	10.0

Transaction Number: 2647502

Location Number	Location Name	Contract Number	Start Date	End Date	Price Point Term	Contracted Quantity (10 ³ m ³ /d)	Prorated Quantity (10 ³ m ³ /d)
		2019201064	4/1/2019	10/31/2020	A	5.0	5.0
		2019241408	11/1/2019	10/31/2020	C	15.0	15.0
		2019329116	11/1/2019	10/31/2020	C	10.0	10.0
	JENNER WEST Total						40.0
1100	BANTRY	2015712836	12/1/2018	11/30/2019	C	15.0	15.0
		2016816037	5/1/2019	4/30/2020	C	1.0	1.0
			5/1/2020	4/30/2021	C	1.0	0.0
		2017947353	11/1/2019	10/31/2020	C	10.0	10.0
		2017947354	11/1/2019	10/31/2020	C	7.0	7.0
		2018151735	12/5/2018	10/31/2022	B	0.2	0.2
		2018151736	12/5/2018	10/31/2022	B	1.0	1.0
		2019216814	11/1/2019	10/31/2020	C	10.0	10.0
		2019216815	11/1/2019	10/31/2020	C	10.0	10.0
		2019216816	11/1/2019	10/31/2020	C	10.0	10.0
	BANTRY Total						64.2
1205	MEDICINE HAT NORTHWEST						0.0
	MEDICINE HAT NORTHWEST Total						0.0
1206	LANFINE						0.0
	LANFINE Total						0.0
1221	CHINOOK-CEREAL						0.0
	CHINOOK-CEREAL Total						0.0

Location Number	Location Name	Contract Number	Start Date	End Date	Price Point Term	Contracted Quantity (10 ³ m ³ /d)	Prorated Quantity (10 ³ m ³ /d)
1246	PRINCESS EAST						0.0
	PRINCESS EAST Total						0.0
1278	PATRICIA	2015715856	1/1/2016	10/31/2020	A	5.0	5.0
		2015715859	5/1/2019	4/30/2020	C	10.0	10.0
	PATRICIA Total						15.0
1340	WARDLOW EAST						0.0
	WARDLOW EAST Total						0.0
1413	HUDSON WEST						0.0
	HUDSON WEST Total						0.0
1474	BINDLOSS WEST	2017906936	8/12/2017	10/31/2020	A	5.0	5.0
		2017906937	11/1/2019	10/31/2020	C	0.5	0.5
		2017906939	11/1/2019	10/31/2020	C	6.0	6.0
	BINDLOSS WEST Total						11.5
1639	TIDE LAKE B						0.0
	TIDE LAKE B Total						0.0
Grand Total							173.7