

ARRANGEMENT AGREEMENT

among

WATEROUS ENERGY FUND (INTERNATIONAL) L.P.

and

WATEROUS ENERGY FUND (CANADIAN) L.P.

and

CONA RESOURCES LTD.

March 27, 2018

TABLE OF CONTENTS

	Page
ARTICLE 1 INTERPRETATION	1
1.1 Definitions.....	1
1.2 Interpretation Not Affected by Headings.....	9
1.3 References.....	9
1.4 Extended Meanings.....	9
1.5 Statutory References.....	10
1.6 Date for Any Action.....	10
1.7 Currency.....	10
1.8 Knowledge.....	10
1.9 Interpretation Not Affected by Party Drafting.....	10
ARTICLE 2 THE ARRANGEMENT	10
2.1 Arrangement.....	10
2.2 Interim Order.....	11
2.3 Meeting.....	11
2.4 Information Circular.....	13
2.5 Final Order.....	14
2.6 Court Proceedings.....	14
2.7 Treatment of Awards.....	14
2.8 Articles of Arrangement and Effective Date.....	15
2.9 List of Shareholders.....	15
2.10 Cona Approval and Recommendation.....	15
2.11 Mutual Conditions Precedent.....	16
2.12 Conditions in favour of the WEF Parties.....	17
2.13 Conditions in favour of Cona.....	17
2.14 Merger of Conditions.....	18
2.15 Tax Withholdings.....	18
2.16 Directors' and Officers' Insurance and Indemnities.....	18
ARTICLE 3 REPRESENTATIONS AND WARRANTIES	19
3.1 Representations and Warranties of Cona.....	19
3.2 Representations and Warranties of the WEF Parties.....	24
3.3 Survival of Representations and Warranties.....	26
ARTICLE 4 COVENANTS	26
4.1 General Covenant.....	26
4.2 Covenants of Cona.....	26

TABLE OF CONTENTS

	Page
4.3 Covenants of the WEF Parties	31
4.4 De-Listing of Common Shares and Ceasing to be a Reporting Issuer	33
ARTICLE 5 ADDITIONAL AGREEMENTS	33
5.1 Covenants of Cona Regarding Non-Solicitation.....	33
5.2 Right to Match	36
5.3 Privacy Issues.....	37
ARTICLE 6 AMENDMENT AND TERMINATION	38
6.1 Amendment.....	38
6.2 Termination.....	38
6.3 Termination Fee.....	39
6.4 Notice and Cure Provisions.....	40
ARTICLE 7 GENERAL	41
7.1 Expenses	41
7.2 Notices	41
7.3 Entire Agreement.....	42
7.4 Binding Effect.....	42
7.5 Assignment	42
7.6 Time of the Essence	42
7.7 Further Assurances.....	42
7.8 Waiver.....	43
7.9 Third Party Beneficiaries	43
7.10 Governing Law	43
7.11 Public Disclosure	43
7.12 Execution in Counterparts.....	43
SCHEDULE "A" – PLAN OF ARRANGEMENT	A-1
SCHEDULE "B" – FORM OF ARRANGEMENT RESOLUTION	B-1

ARRANGEMENT AGREEMENT

THIS ARRANGEMENT AGREEMENT is made as of the 27th day of March, 2018

AMONG:

WATEROUS ENERGY FUND (INTERNATIONAL) L.P., a limited partnership formed under the Laws of the Province of Alberta ("**WEF International**")

- and -

WATEROUS ENERGY FUND (CANADIAN) L.P., a limited partnership formed under the Laws of the Province of Alberta ("**WEF Canadian**")

- and -

CONA RESOURCES LTD., a corporation incorporated under the Laws of the Province of Alberta ("**Cona**")

WHEREAS the Parties wish to carry out the transactions contemplated hereby by way of a plan of arrangement under section 193 of the ABCA on the terms set forth in the Plan of Arrangement;

AND WHEREAS, based on the recommendation of the Independent Committee, the Board, subject to abstention by Conflicted Directors, has unanimously: (a) determined that the Arrangement is fair to the Shareholders (other than the WEF Parties); (b) determined that the Arrangement is in the best interests of Cona; and (c) resolved to recommend that the Shareholders vote in favour of the Arrangement Resolution;

AND WHEREAS, concurrently with the execution of this Agreement, the Supporting Shareholders have entered into the Voting and Support Agreements with the WEF Parties;

AND WHEREAS the Parties have entered into this Agreement to provide for the matters referred to in the foregoing recitals and for other matters relating to the transactions contemplated herein;

NOW THEREFORE in consideration of the respective covenants and agreements of the Parties set forth herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereby agree as follows:

ARTICLE 1 INTERPRETATION

1.1 Definitions

In this Agreement, unless the context requires otherwise, the following terms have the following meanings:

"**ABCA**" means the *Business Corporations Act* (Alberta);

"**Agreement**", "**herein**", "**hereof**", "**hereto**", "**hereunder**" and similar expressions mean and refer to this arrangement agreement (including the schedule hereto) as supplemented, modified or amended, and not to any particular article, section, schedule or other portion hereof;

"Acquisition Proposal" means any inquiry, offer or the making of any proposal to Cona or the Shareholders from any person or group of persons "acting jointly or in concert" (within the meaning of NI 62-104) which constitutes, or may reasonably be expected to lead to (in either case whether in one transaction or a series of transactions):

- (a) any direct or indirect sale, disposition, alliance, partnership or joint venture (or any lease, long-term supply agreement, option, license or other arrangement having the same economic effect as a sale), direct or indirect, in a single transaction or a series of related transactions, of assets representing 20% or more of the consolidated assets, or contributing 20% or more of the consolidated revenues, of Cona and the Subsidiaries (taken as a whole), or of 20% or more of any class of voting, equity or other securities or any securities exchangeable for or convertible into voting, equity or other securities of Cona and the Subsidiaries (or rights or interests therein or thereto);
- (b) any direct or indirect take-over bid, tender offer, exchange offer, treasury issuance or other transaction that, if consummated, would result in a person or group of persons beneficially owning 20% or more of any class of voting, equity or other securities or any other equity interests, including securities exchangeable for or convertible into voting, equity or other securities or equity interests, of Cona or the Subsidiaries;
- (c) any plan of arrangement, merger, amalgamation, consolidation, share exchange, business combination, reorganization, recapitalization, liquidation, dissolution, winding up or exclusive license or other similar transaction involving Cona or the Subsidiaries;
- (d) any other similar transaction or series of related transactions involving Cona or the Subsidiaries or any other arrangement whereby effective operating control of Cona or its assets is granted to another person;
- (e) any other transaction, the consummation of which would or could reasonably be expected to impede, interfere with, prevent or delay the transactions contemplated by this Agreement or the Arrangement, in each case, excluding the Arrangement and the transactions contemplated hereby; or
- (f) any public announcement of an intention to do any of the foregoing,

provided, however, that all transactions in connection with the Asset Disposition Program shall not constitute an "Acquisition Proposal";

"affiliate" has the meaning set forth in the Securities Act;

"Arrangement" means the arrangement involving Cona and its Shareholders under Section 193 of the ABCA on the terms and conditions set forth in the Plan of Arrangement;

"Arrangement Resolution" means the special resolution in respect of the Arrangement to be considered at the Meeting by the Shareholders, substantially in the form set out in Schedule "B" attached hereto;

"Articles of Arrangement" means the articles of arrangement of Cona in respect of the Arrangement required under subsection 193(10) of the ABCA to be filed with the Registrar after the Final Order has been granted, giving effect to the Arrangement;

"**Asset Disposition Program**" means the debt reduction and asset disposition program as announced in the news release of Cona dated January 16, 2018;

"**Audited Financial Statements**" means Cona's consolidated audited financial statements as at and for the years ended December 31, 2017 and 2016;

"**Awards**" means the outstanding time-based and performance awards granted under the CAIP;

"**Board**" means the board of directors of Cona;

"**business day**" means a day, other than a Saturday, Sunday or statutory holiday, when banks are generally open for business in Calgary, Alberta;

"**CAIP**" means Cona's Compensation Award Incentive Plan dated effective August 8, 2014, as amended effective March 9, 2017 and May 19, 2017, including any grant agreements related to Awards granted thereunder;

"**Cash Consideration**" means the cash amount to be paid for each Common Share, other than Common Shares held by the WEF Parties, pursuant to the terms of the Arrangement and the Plan of Arrangement, being \$2.55 per Common Share;

"**Certificate of Arrangement**" means the certificate or proof of filing to be issued by the Registrar pursuant to subsection 193(11) or subsection 193(12) of the ABCA in respect of the Articles of Arrangement giving effect to the Arrangement;

"**CIBC**" means CIBC World Markets Inc., the financial advisor for the Independent Committee and the independent valuator of the Common Shares in connection with the Arrangement;

"**Common Shares**" means the common shares in the capital of Cona;

"**Cona**" has the meaning ascribed thereto in the recitals to this Agreement;

"**Confidentiality Agreement**" means the confidentiality provisions of the investor observer agreement dated August 11, 2017 between Cona and WEF Canadian;

"**Conflicted Directors**" means any directors of Cona who have declared a conflict of interest in respect of the Arrangement pursuant to subsection 120(1) of the ABCA or who have otherwise abstained from voting in respect of the Arrangement;

"**Continuous Disclosure**" means, collectively, Cona's Annual Information Form dated March 6, 2018, Cona's Management Information Circular and Proxy Statement dated May 19, 2017, the Audited Financial Statements and related Management's Discussion and Analysis of Cona and the news releases of Cona between January 1, 2016 and the date hereof, all as filed by or on behalf of Cona under Cona's SEDAR profile;

"**Court**" means the Court of Queen's Bench of Alberta;

"**Credit Agreements**" means the Revolving Credit Agreement and the Term Loan Agreement;

"**Designated Officers**" means, collectively, Rob Morgan, President & Chief Executive Officer of Cona, and Michael Makinson, Vice President, Finance & Chief Financial Officer of Cona;

"Disclosure Letter" means the disclosure letter dated the date hereof from Cona to the WEF Parties as supplemented, modified or amended;

"Dissent Rights" means the rights of dissent provided for in Article 4 of the Plan of Arrangement;

"Effective Date" means the effective date of the Arrangement, being the date shown on the Certificate of Arrangement;

"Effective Time" means the time at which Articles of Arrangement to give effect to the Arrangement are filed with the Registrar on the Effective Date;

"Encumbrance" includes any mortgage, pledge, assignment, charge, lien, security interest, adverse interest in property, other third party interest or encumbrance of any kind whether contingent or absolute, and any agreement, option, right or privilege (whether by Law, contract or otherwise) capable of becoming any of the foregoing;

"Environmental Laws" means, with respect to any person or its business, activities, property, assets or undertaking, all Laws, including the common law, relating to environmental or health and safety matters in the jurisdictions applicable to such person or its business, activities, property, assets or undertaking, including, without limitation, legislation governing the reduction of greenhouse gas emissions and the use, transportation, storage and release of Hazardous Substances;

"Fairness Opinion" means the opinion from CIBC to the Independent Committee that the consideration to be received by the Shareholders (other than the WEF Parties) under the Arrangement is fair from a financial point of view;

"Final Order" means the final order of the Court approving the Arrangement pursuant to subsection 193(9) of the ABCA, as such order may be amended by the Court at any time prior to the Effective Time or, if appealed, then, unless such appeal is withdrawn or denied, as affirmed or amended or modified on appeal;

"Forward-Looking Information" has the meaning ascribed thereto in Section 3.1(j)(ii);

"GAAP" means generally accepted accounting principles for publicly accountable enterprises as defined from time to time by the Accounting Standards Board of the Canadian Institute of Chartered Accountants in the Handbook of the Canadian Institute of Chartered Accountants;

"Governmental Entity" means any applicable: (a) multinational, federal, provincial, territorial, state, regional, municipal, local or other government, governmental or public department, central bank, court, tribunal, arbitral body, commission, board, bureau or agency, whether domestic or foreign; (b) any subdivision, agency, commission, board or authority of any of the foregoing; (c) any quasi-governmental or private body exercising any regulatory, expropriation or taxing authority under or for the account of any of the foregoing; or (d) the TSX;

"Hazardous Substances" means any waste or other substance that is prohibited, listed, defined, designated or classified as dangerous, hazardous, radioactive, explosive or toxic or a pollutant or a contaminant under or pursuant to any applicable Environmental Laws, and specifically including hydraulic fracturing fluids, chemicals and proppants, as well as petroleum and all derivatives thereof or synthetic substitutes therefor

"Independent Committee" means the committee of independent directors of Cona formed to consider, evaluate and negotiate the Arrangement, comprised of Ian Bruce and Hal Kvisle;

"Information Circular" means the notice of the Meeting to be sent to Shareholders and the management information circular to be prepared by Cona in connection with the Meeting, together with any amendments thereto or supplements thereof;

"Interested Parties" means the WEF Parties, WEF, Adam Waterous, the other directors and senior officers of the WEF Parties, any other person who is an "interested party" (within the meaning of MI 61-101) and any "joint actor" (within the meaning of MI 61-101) with any of the foregoing with respect to the Arrangement;

"Interim Order" means the interim order of the Court under subsection 193(4) of the ABCA providing for, among other things, the calling and conduct of the Meeting with respect to the Arrangement;

"Laws" means all laws, by-laws, statutes, rules, regulations, principles of law, orders, ordinances, protocols, codes, guidelines, policies, notices, directions and judgments or other requirements and the terms and conditions of any grant of approval, permission, authority or license of any Governmental Entity (including of the TSX) or self-regulatory authority, and the term "applicable" with respect to such Laws (including Environmental Laws) and in a context that refers to one or more persons, means such Laws as are applicable to such persons or its business, undertaking, property or securities and emanate from a person having jurisdiction over the person or persons or its or their business, undertaking, property or securities;

"Material Adverse Change" or **"Material Adverse Effect"** means, with respect to Cona, any fact or state of facts, circumstance, change, effect or occurrence which is, or would reasonably be expected to be, individually or in the aggregate, material and adverse to the business, operations, results of operations, assets, capitalization, financial condition, liabilities (whether absolute, accrued, conditional, contingent or otherwise) or properties of Cona and the Subsidiaries (taken as a whole), other than any fact or state of facts, circumstance, change (or any condition, event or development involving a prospective change), effect or occurrence resulting from:

- (a) any matter which has, prior to the date hereof, been publicly disclosed or disclosed in the Disclosure Letter by Cona;
- (b) conditions affecting the oil and gas exploration, exploitation, development and production industry as a whole;
- (c) general political, economic, financial, currency exchange, securities, credit or commodity market conditions in Canada or elsewhere;
- (d) any decline in the market price for crude oil, natural gas or related hydrocarbons on a current or forward basis;
- (e) the announcement or impact on Cona of the execution of this Agreement or the transactions contemplated hereby;
- (f) any adoption, proposal, implementation or change in applicable Laws (including Laws related to taxes) or any interpretation, application, non-application or administration of applicable Laws (including Laws related to taxes) by any Governmental Entity, or any change in GAAP;

- (g) the failure of Cona to meet any internal or published projections, forecasts, estimates or predictions in respect of revenues, earnings, cash flow or other financial or operating metrics for any period before, on or after the date of this Agreement;
- (h) any change in the market price or trading volume of the Common Shares following the public announcement of the execution of this Agreement and the transactions contemplated hereby;
- (i) any natural disaster, act of terrorism or military action, or any outbreak of hostilities or war (whether or not declared), or any escalation or worsening of such acts; or
- (j) compliance with the terms of this Agreement or any action or inaction taken by Cona that is requested, or consented to, by the WEF Parties expressly in writing or that is a result therefrom,

provided, however, that with respect to (b), (c), (d), (f) and (i) above, such matter does not primarily relate to (or have the effect of primarily relating to) or have a materially disproportionate effect on Cona and the Subsidiaries (taken as a whole) relative to comparable entities operating in heavy oil and gas exploration, exploitation, development and production industry generally, and references in certain Sections of this Agreement to dollar amounts are not intended to be, and shall not be deemed to be, illustrative or interpretative for purposes of determining whether a "Material Adverse Change" or a "Material Adverse Effect" has occurred;

"**material fact**" has the meaning given to it under the Securities Act;

"**Meeting**" means the annual and special meeting of Shareholders, and any adjournments thereof, to be called and held in accordance with this Agreement and the Interim Order to consider and approve, among other matters, the Arrangement Resolution;

"**MI 61-101**" means Multilateral Instrument 61-101 - *Protection of Minority Security Holders in Special Transactions*;

"**misrepresentation**" has the meaning set forth in the Securities Act;

"**NI 62-104**" means National Instrument 62-104 – *Take-Over Bids and Issuer Bids*;

"**Outside Date**" means July 31, 2018;

"**Parties**" means, collectively, the WEF Parties and Cona, and "**Party**" means any one of them;

"**person**" includes an individual, firm, trust, partnership, association, corporation, joint venture, trustee, executor, administrator, legal representative or government (including any Governmental Entity);

"**Plan of Arrangement**" means the plan of arrangement attached hereto as Schedule "A";

"**Recommendation**" means the recommendation of the Board, based on the recommendation of the Independent Committee, that Shareholders vote in favour of the Arrangement Resolution;

"**Registrar**" means the Registrar appointed under section 263 of the ABCA;

"**Regulatory Approvals**" means any consent, waiver, permit, permission, exemption, review, order, decision or approval of, or any registration and filing with or withdrawal of any objection or successful

conclusion of any litigation brought by, any Governmental Entity, or the expiry, waiver or termination of any waiting period imposed by Law or a Governmental Entity or pursuant to a written agreement between the Parties and a Governmental Entity to refrain from consummating the Arrangement, in each case required or advisable under Laws in connection with the Arrangement;

"**Representative**" means, with respect to a person, any officer, director, employee, any financial advisor, legal counsel, accountant or agent of such person;

"**Requisite Shareholder Approval**" has the meaning ascribed thereto in Section 2.2(c);

"**Revolving Credit Agreement**" means the amended and restated credit agreement, dated October 31, 2017, as amended from time to time, between Cona (as borrower), the financial institutions party thereto (as lenders) and The Toronto-Dominion Bank (as administration agent for the lenders);

"**Securities Act**" means the *Securities Act* (Alberta);

"**Securities Authorities**" means, collectively, the Alberta Securities Commission and the securities commission or other securities regulatory authority in each of the Provinces of British Columbia, Saskatchewan, Manitoba, Ontario, Quebec, New Brunswick, Nova Scotia, Prince Edward Island and Newfoundland and Labrador;

"**Securities Laws**" means the Securities Act, all other applicable Canadian securities Laws and the rules, instruments, policies and orders of each applicable Securities Authority thereunder;

"**SEDAR**" means the System for Electronic Document Analysis and Retrieval;

"**Shareholders**" means the holders of Common Shares;

"**Staff Notice 61-302**" means Multilateral CSA Staff Notice 61-302 - *Staff Review and Commentary on Multilateral Instrument 61-101 - Protection of Minority Security Holders in Special Transactions*;

"**Subsidiaries**" means, collectively, 1545681 Alberta Inc. and Cona Resources Partnership;

"**Superior Proposal**" means an unsolicited written *bona fide* Acquisition Proposal, whether by way of a single or multi-step transaction or a series of related transactions, that is made by an arm's length third party after the date of this Agreement, to acquire all or substantially all of the assets of Cona (on a consolidated basis) or 100% of the Cona Common Shares not beneficially owned by the party making such Acquisition Proposal and any joint actor or any of their respective affiliates, and that the Board determines, in good faith (after consultation with its financial advisors and outside counsel), as reflected in the minutes of the Board (a copy of the applicable extract of which shall be provided to WEF Parties promptly after such determination by the Board):

- (a) did not result from or involve a breach of Section 5.1;
- (b) complies with Securities Laws;
- (c) is reasonably capable of being completed in accordance with its terms without undue delay, taking into account all legal, financial, regulatory and other aspects of such proposal and the person making such proposal;

- (d) is not subject to any financing condition and that the funds or other consideration necessary to complete the Acquisition Proposal are or are reasonably likely to be available, as demonstrated to the satisfaction of the Board to fund completion of the Acquisition Proposal at the time and on the basis set out therein;
- (e) is not subject to a due diligence or access to information condition;
- (f) the Board, or any relevant committee thereof, determines, in good faith, after consultation with its financial advisors and outside counsel, would or would be reasonably likely to, if consummated in accordance with its terms, result in a transaction more favourable, from a financial point of view, for the Shareholders to the transaction contemplated by this Agreement (including after considering the proposal to adjust the terms and conditions of the Arrangement as contemplated in Section 5.2(a)); and
- (g) after receiving the advice of outside counsel, that the failure by the Board to accept, recommend, approve or enter into a definitive agreement to implement, as applicable, such Acquisition Proposal would be inconsistent with its fiduciary duties under applicable Laws;

"Supporting Shareholders" means Rob Morgan, Ian Bruce, Hal Kvisle, Stockwell Day and Michael Makinson;

"Tax Act" means the *Income Tax Act* (Canada);

"Taxes" means:

- (a) any and all taxes, duties, fees, excises, premiums, assessments, imposts, levies and other charges or assessments of any kind whatsoever imposed by any Governmental Entity, whether computed on a separate, consolidated, unitary, combined or other basis, including those levied on, or measured by, or described with respect to, income, gross receipts, profits, gains, windfalls, capital, capital stock, production, recapture, transfer, land transfer, license, gift, occupation, wealth, environment, net worth, indebtedness, surplus, sales, goods and services, harmonized sales, use, value-added, excise, special assessment, stamp, withholding, business, franchising, real or personal property, health, employee health, payroll, workers' compensation, employment or unemployment, severance, social services, social security, education, utility, surtaxes, customs, unclaimed property, import or export, and including all license and registration fees and all employment insurance, health insurance and government pension plan premiums or contributions;
- (b) all interest, penalties, fines, additions to tax or other additional amounts imposed by any Governmental Entity on or in respect of amounts of the type described in paragraph (a) above or this paragraph (b);
- (c) any liability for the payment of any amounts of the type described in paragraphs (a) or (b) as a result of being a member of an affiliated, consolidated, combined or unitary group for any period; and
- (d) any liability for the payment of any amounts of the type described in paragraphs (a) or (b) as a result of any express or implied obligation to indemnify any other person or as a result of being a transferee or successor in interest to any party;

"Tax Returns" means any and all returns, reports, declarations, claims for refunds, elections, notices, forms, designations, filings, and statements (including estimated tax returns and reports, withholding tax returns and reports, and information returns and reports) filed or required to be filed in respect of Taxes including any amendments thereof;

"Term Loan Agreement" means the second lien credit agreement, dated July 28, 2017, between Cona (as borrower), the financial institutions party thereto or in lender transfer agreements (as lenders) and the firm acting as administrative agent thereto (as administration agent for the lenders);

"Termination Fee" has the meaning ascribed thereto in Section 6.3(b);

"Termination Fee Event" has the meaning ascribed thereto in Section 6.3(b);

"Third Party Beneficiaries" has the meaning ascribed thereto in Section 7.9;

"TSX" means the Toronto Stock Exchange;

"Valuation" means the formal valuation of Cona prepared by CIBC in connection with the Arrangement in accordance with MI 61-101;

"Voting and Support Agreements" means the voting and support agreements dated the date hereof and entered into between the WEF Parties and each of the Supporting Shareholders;

"WEF" means Waterous Energy Fund;

"WEF Canadian" has the meaning ascribed thereto in the recitals to this Agreement;

"WEF International" has the meaning ascribed thereto in the recitals to this Agreement; and

"WEF Parties" means, collectively, WEF Canadian and WEF International.

1.2 Interpretation Not Affected by Headings

The division of this Agreement into Articles, Sections, subsections, paragraphs and schedules and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Agreement.

1.3 References

Unless otherwise specified, references in this Agreement (excluding the Plan of Arrangement) to an Article, Section, subsection or paragraph by number or letter or both refer to the Article, Section, subsection or paragraph, respectively, bearing that designation in this Agreement (excluding the Plan of Arrangement).

1.4 Extended Meanings

Unless the context otherwise requires, words importing the singular number shall include the plural and vice versa, and words importing any gender shall include all genders.

1.5 Statutory References

In this Agreement, unless otherwise specified or unless the context otherwise requires, a reference to any statute is to that statute as now enacted or as may from time to time be amended, re-enacted or replaced, and includes any regulations promulgated thereunder.

1.6 Date for Any Action

If the date on which any action is required to be taken hereunder by a Party is not a business day, such action shall be required to be taken on the next succeeding day which is a business day.

1.7 Currency

Unless otherwise specified, all sums of money which are referred to in this Agreement are expressed in lawful money of Canada.

1.8 Knowledge

In this Agreement, references to "to the knowledge of Cona" means the actual knowledge of the Designated Officers after reasonable inquiry but does not include the knowledge or awareness of any other person or any constructive, implied or imputed knowledge.

1.9 Interpretation Not Affected by Party Drafting

Cona and the WEF Parties acknowledge that their respective legal counsel have reviewed and participated in negotiating, drafting and settling the terms of this Agreement, and the Parties agree that any rule of construction to the effect that any ambiguity contained herein is to be resolved against the drafting party will not be applicable in the interpretation of this Agreement.

ARTICLE 2 THE ARRANGEMENT

2.1 Arrangement

As soon as reasonably practicable, and subject to compliance with the terms and conditions contained herein, Cona shall:

- (a) apply to the Court pursuant to section 193 of the ABCA for an order approving the Arrangement and in connection with such application shall:
 - (i) forthwith file, proceed with and diligently prosecute an application for the Interim Order; and
 - (ii) subject to obtaining the Requisite Shareholder Approval as contemplated in the Interim Order, forthwith file, proceed with and diligently prosecute an application to the Court for the Final Order; and
- (b) subject to obtaining the Final Order, (i) file the Articles of Arrangement, the Final Order and such other documents as may be required to give effect to the Arrangement with the Registrar and (ii) obtain the Certificate of Arrangement from the Registrar.

2.2 Interim Order

The application referred to in Section 2.1(a)(i) shall request that the Interim Order provide, among other things:

- (a) for the calling and holding of the Meeting, including the confirmation of the record date for determining the classes of persons to whom notice is to be provided in respect of the Arrangement and the Meeting and for the manner in which such notice is to be provided;
- (b) that the Shareholders shall be entitled to vote on the Arrangement, with each Shareholder entitled to one vote for each Common Share held;
- (c) that the requisite approval of the Arrangement by the Shareholders shall be:
 - (i) at least two-thirds (66 2/3%) of the votes cast by the Shareholders present in person or by proxy at the Meeting; and
 - (ii) a majority of the votes cast by the Shareholders present in person or by proxy at the Meeting after excluding the votes attached to the Common Shares that, to the knowledge of Cona and its directors and senior officers, after reasonable inquiry, are beneficially owned or over which control or direction is exercised by the Interested Parties;(collectively, the "**Requisite Shareholder Approval**")
- (d) that the terms, restrictions and conditions of the constating documents of Cona, including quorum requirements and all other matters, shall apply in respect of the Meeting;
- (e) for the grant of the Dissent Rights to registered Shareholders as set forth in the Plan of Arrangement;
- (f) that the Meeting may be adjourned or postponed from time to time by Cona in accordance with the terms of this Agreement without the need for additional approval of the Court;
- (g) that the record date for Shareholders entitled to receive notice of and to vote at the Meeting will not change in respect of any adjournment(s) or postponement(s) of the Meeting;
- (h) for the notice requirements with respect to the presentation of the application to the Court for the Final Order; and
- (i) for such other matters as the Parties may agree in writing, each acting reasonably.

2.3 Meeting

Subject to the terms of this Agreement and the Interim Order, Cona shall:

- (a) duly call, give notice of, convene and conduct the Meeting in accordance with its constating documents, applicable Laws and the Interim Order on or before May 18, 2018 (and, in this regard, Cona shall abridge, as necessary, any time periods that may be abridged under Securities Laws) and not adjourn, postpone or cancel (or propose the

adjournment, postponement or cancellation of) the Meeting without the prior written consent of the WEF Parties, acting reasonably, except:

- (i) as required for quorum purposes (in which case the Meeting shall be adjourned and not cancelled) or by applicable Laws, or
 - (ii) as required or permitted under Section 5.2(a) or Section 6.3;
- (b) subject to compliance by the directors and officers of Cona with their fiduciary duties, solicit proxies in favour of the approval of the Arrangement Resolution, including, if so requested by the WEF Parties, acting reasonably, and at the WEF Parties' expense, using one or more proxy solicitation services firms and cooperating with any persons engaged by the WEF Parties to solicit proxies in favour of the approval of the Arrangement Resolution, unless and until the Board has changed its Recommendation in accordance with the terms of this Agreement;
 - (c) at the WEF Parties' expense, provide the WEF Parties with copies of or access to information regarding the Meeting published or disseminated by any proxy solicitation services firm, as requested from time to time by the WEF Parties, acting reasonably;
 - (d) permit the WEF Parties to, at the WEF Parties' expense, directly or through a proxy solicitation services firm, actively solicit proxies in favour of the approval of the Arrangement Resolution on behalf of the management of Cona in compliance with applicable Laws and disclose in the Information Circular that the WEF Parties may make such solicitations;
 - (e) give notice to the WEF Parties of the Meeting and allow the WEF Parties' Representatives to attend the Meeting;
 - (f) no more than seven business days prior to the Meeting, provide to the WEF Parties on a timely basis (and daily, where possible) status reports relating to the proxies deposited for the Meeting;
 - (g) promptly advise the WEF Parties, at such times as the WEF Parties may reasonably request and at least on a daily basis on each of the last seven business days prior to the date of the Meeting, as to the aggregate tally of the proxies received by Cona in respect of the Arrangement Resolution;
 - (h) promptly advise the WEF Parties of any communication (written or oral) received by Cona from, or any claims brought by (or, to the knowledge of Cona, threatened to be brought by) any Shareholder or other person in opposition to the Arrangement Resolution (other than in respect of communications subject to Section 5.1, which shall be dealt with in accordance with Section 5.1) and/or exercise or purported exercise or withdrawal of Dissent Rights by a Shareholder and, subject to applicable Laws, Cona will provide the WEF Parties with a reasonable opportunity to review and comment upon any written communications sent by or on behalf of Cona to any such Shareholder or other person with respect to such matter and to participate in any discussions, negotiations or proceedings with or including any such Shareholders or other persons with respect to such matter;

- (i) not make any payment or settlement offer, or agree to make any payment, settlement or compromise, with respect to any Dissent Rights without the prior written consent of the WEF Parties, which may not be unreasonably withheld or delayed; and
- (j) not, without the WEF Parties' consent, which may not be unreasonably withheld or delayed, change the record date for the Shareholders entitled to vote at the Meeting in connection with any adjournment or postponement of the Meeting unless required by applicable Laws.

2.4 Information Circular

- (a) Cona shall, subject to compliance by the WEF Parties of their obligations under Section 2.4(d), prepare the Information Circular, together with any other documents required by applicable Laws in connection with the Meeting, and shall, as soon as reasonably practicable after obtaining the Interim Order, cause the Information Circular and such other documents to be filed in all jurisdictions where it is required to be filed and mail the Information Circular and such other documents to Shareholders as required by the Interim Order and in material compliance with all applicable Laws, in each case so as to permit the Meeting to be held by the date specified in Section 2.3(a).
- (b) Cona shall ensure that the Information Circular complies in all material respects with applicable Securities Laws and does not contain any misrepresentation (provided that Cona shall not be responsible for the accuracy of any information relating to or furnished by the WEF Parties for the purpose of inclusion in Information Circular). Without limiting the generality of the foregoing, the Information Circular shall include: (i) a copy of the Valuation; (ii) a statement that the Independent Committee, after consultation with, and receiving advice from, CIBC and its legal counsel, has unanimously recommended that the Board (A) determine that the Arrangement is fair to the Shareholders (other than the WEF Parties), (B) determine that the Arrangement is in the best interests of Cona and (C) resolve to recommend that the Shareholders vote in favour of the Arrangement Resolution; and (iii) a statement that each Supporting Shareholder intends to vote all of such individual's Common Shares in favour of the Arrangement Resolution in accordance with the Voting and Support Agreement to which such individual is a party.
- (c) Cona shall provide the WEF Parties and their Representatives with reasonable opportunity to review and comment on drafts of the Information Circular and the other documents required in connection with the Meeting, and shall give reasonable consideration to any comments made by the WEF Parties and their Representatives, and agrees that all information relating solely to the WEF Parties included in the Information Circular shall be in form and substance satisfactory to the WEF Parties, acting reasonably.
- (d) The WEF Parties shall provide all necessary information concerning the WEF Parties and their affiliates that is reasonably requested by Cona or otherwise required by applicable Laws (including, for greater certainty, MI 61-101 and Staff Notice 61-302) to be included in the Information Circular or other documents required in connection with the Meeting, and shall ensure that such information does not contain any misrepresentation.
- (e) Each of the Parties shall promptly notify the other Parties if at any time before the Effective Time it becomes aware that the Information Circular contains a misrepresentation, or of information that otherwise requires an amendment or

supplement. The Parties shall co-operate in the preparation of any such amendment or supplement as required or appropriate, and Cona shall promptly mail, file or otherwise publicly disseminate any such amendment or supplement to the Shareholders.

2.5 Final Order

Subject to obtaining the Requisite Shareholder Approval as contemplated in the Interim Order, Cona shall file, proceed with and diligently prosecute an application to the Court for the Final Order, as soon as reasonably practicable.

2.6 Court Proceedings

Cona will provide the WEF Parties and their legal counsel with reasonable opportunity to review and comment upon drafts of all material to be filed with the Court in connection with the Arrangement, including by providing on a timely basis a description of any information required to be supplied by the WEF Parties for inclusion in such material, prior to the service and filing of that material, and will accept the reasonable comments of the WEF Parties and their legal counsel with respect to any such information required to be supplied by the WEF Parties and included in such material and any other matters contained therein, or will discuss with legal counsel for the WEF Parties if Cona considers a comment unreasonable. Cona will ensure that all material filed with the Court in connection with the Arrangement is consistent in all material respects with the terms of this Agreement and the Plan of Arrangement. In addition, Cona will not object to any submission by legal counsel to the WEF Parties at the application for the Interim Order and the application for the Final Order. Cona will also provide legal counsel to the WEF Parties on a timely basis with copies of any notice and evidence served on Cona or its legal counsel in respect of the application for the Final Order or any appeal therefrom, and any notice, written or oral, indicating the intention of any person to appeal, or oppose the granting of, the Interim Order or Final Order. Subject to applicable Laws and Cona's obligations thereunder, Cona will not file any material with, or make any submissions to, the Court in connection with the Arrangement or serve any such material, and will not agree to modify or amend materials so filed or served, except as contemplated hereby or with the WEF Parties' prior written consent, such consent not to be unreasonably withheld or delayed; *provided*, however, that nothing herein shall require the WEF Parties to agree or consent to any increased purchase price or other consideration or other modification or amendment to such filed or served materials that expands or increases the WEF Parties' obligations, or diminishes or limits the WEF Parties' rights, set forth in any such filed or served materials or under this Agreement. Cona will oppose any proposal from any person that the Final Order contain any provision inconsistent with this Agreement, and, if required by the terms of the Final Order or by applicable Laws to return to Court with respect to the Final Order, Cona will do so only after notice to, and in consultation and cooperation with, the WEF Parties, acting reasonably.

2.7 Treatment of Awards

- (a) The Parties hereby acknowledge that the Arrangement will constitute a "Change of Control" under the CAIP.
- (b) Notwithstanding any provision of the CAIP to the contrary, any holder of Awards who resigns, or is requested to resign, from the Board on or before the Effective Date in connection with the Arrangement shall be deemed to have been terminated without cause following a Change of Control for the purposes of the settlement of the Awards held by such holder of Awards under the CAIP, and the payout multiplier for all performance Awards held by such individual shall be determined by the Board, in accordance with the CAIP, for the applicable performance period.

- (c) The Parties agree that the Board may approve amendments to the CAIP prior to the Effective Date in the manner set forth in the Disclosure Letter.
- (d) The Parties agree that any holder of Awards shall be entitled to enforce their rights under the CAIP on the basis of the determination of the Board pursuant to paragraphs (a) to (c) above.

2.8 Articles of Arrangement and Effective Date

- (a) The Articles of Arrangement shall implement the Plan of Arrangement. The Articles of Arrangement shall include the form of the Plan of Arrangement attached to this Agreement as Schedule "A", as supplemented, modified or amended in accordance with the terms hereof, the Interim Order and the Final Order. Subject to the Interim Order, the Final Order and any applicable Laws, the Plan of Arrangement may be supplemented, modified or amended prior to the Effective Time in accordance with Article 6 of the Plan of Arrangement.
- (b) Subject to issuance of the Final Order, Cona shall file with the Registrar the Articles of Arrangement, the Final Order and such other documents as may be required to effect the Arrangement as soon as reasonably practicable, but no later than the third business day following the satisfaction or, where permitted, the waiver of the conditions (excluding conditions that, by their terms, cannot be satisfied until the Effective Date, but subject to the satisfaction or, where permitted, the waiver of those conditions as of the Effective Date) set out in Sections 2.11, 2.12 and 2.13, or such other date or time as agreed to in writing by the Parties.

2.9 List of Shareholders

At the reasonable request of the WEF Parties from time to time, Cona shall, as soon as reasonably practicable and following compliance by the WEF Parties with the requirements of applicable Laws, provide the WEF Parties with a list of the registered Shareholders, together with their addresses and respective holdings of Common Shares and a list of non-objecting beneficial owners (as defined under National Instrument 54-101 – *Communication with Beneficial Owners of Securities of a Reporting Issuer*) of Common Shares, together with their addresses and respective holdings of Common Shares, all as of a date that is as close as reasonably practicable to the date of delivery of such lists. Cona shall from time to time require that its registrar and transfer agent furnish the WEF Parties with such additional information, including updated or additional lists of Shareholders and lists of holdings and other assistance, as the WEF Parties may reasonably request.

2.10 Cona Approval and Recommendation

Cona represents and warrants to the WEF Parties that:

- (a) based on the recommendation of the Independent Committee, the Board, subject to abstention by Conflicted Directors, has unanimously determined that:
 - (i) the Arrangement is fair to the Shareholders (other than the WEF Parties);
 - (ii) the Arrangement is in the best interests of Cona; and

- (iii) it will recommend that the Shareholders vote in favour of the Arrangement Resolution; and
- (b) the Board has authorized the Corporation to enter into this Agreement and to perform its obligations under this Agreement, and no action has been taken by the Corporation to amend, or supersede, such determinations, resolutions or authorizations; and
- (c) (i) the Independent Committee has received the Fairness Opinion and Valuation from CIBC; and (ii) the fees to be paid to CIBC in connection with the delivery of the Fairness Opinion and the Valuation are not contingent on the completion of the Arrangement.

2.11 Mutual Conditions Precedent

The respective obligations of the Parties to complete the transactions contemplated by this Agreement, and, in particular, the Arrangement, and to file the Articles of Arrangement, shall be subject to the satisfaction, on or before the Effective Date or such other time specified, of the following conditions:

- (a) the Interim Order shall have been granted in form and substance satisfactory to Cona and the WEF Parties, acting reasonably, and such order shall not have been set aside or modified in a manner unacceptable to either of the Parties, acting reasonably, on appeal or otherwise;
- (b) the Arrangement shall have been approved by the Shareholders at the Meeting by not less than the Requisite Shareholder Approval as contemplated in the Interim Order;
- (c) the Final Order shall have been granted in form and substance satisfactory to Cona and the WEF Parties acting reasonably, and such order shall not have been set aside or modified in a manner unacceptable to either of the Parties, acting reasonably, on appeal or otherwise;
- (d) all Regulatory Approvals required to be obtained, or that the Parties mutually agree in writing to obtain in respect of the completion of the Arrangement, and the expiry of applicable waiting periods necessary to complete the Arrangement, shall have occurred or been obtained on terms and conditions acceptable to the Parties, each acting reasonably, and all applicable statutory and regulatory waiting periods shall have expired or have been terminated and no unresolved material objection or opposition shall have been filed, initiated or made;
- (e) no Law shall have been enacted, promulgated, amended or applied by any Governmental Entity, which prevents, prohibits or makes the consummation of the Arrangement illegal or otherwise prohibits or enjoins Cona or the WEF Parties from consummating the Arrangement, or that would be reasonably expected to have a Material Adverse Effect on Cona;
- (f) no act, action, suit, proceeding, objection, opposition, order or injunction shall have been taken, entered or promulgated by any Governmental Entity or by any elected or appointed public official or any other person in Canada or elsewhere (whether or not having the force of law), which prevents, prohibits or makes the consummation of the Arrangement illegal or otherwise prohibits or enjoins Cona or the WEF Parties from consummating the Arrangement; and

- (g) this Agreement shall not have been terminated under Section 6.2 or otherwise.

2.12 Conditions in favour of the WEF Parties

The obligations of the WEF Parties to complete the transactions contemplated by this Agreement, and, in particular, the Arrangement, shall be subject to the satisfaction, on or before the Effective Date or such other time specified, of the following conditions:

- (a) the representations and warranties made by Cona in this Agreement shall be true and correct in all respects as of the Effective Date as though made on and as of such date (except to the extent such representations and warranties speak as of an earlier date or except as affected by transactions contemplated or permitted by this Agreement), except where the failure of such representations and warranties to be true and correct, individually or in the aggregate, would not result or would not reasonably be expected to result in a Material Adverse Change in respect of Cona and the Subsidiaries, taken as a whole (and for this purpose, any reference to "material", "Material Adverse Effect" or other concepts of materiality in such representations and warranties shall be ignored), and Cona shall have provided to the WEF Parties a certificate of the Designated Officers certifying the foregoing on the Effective Date;
- (b) Cona shall have complied in all material respects with its covenants herein to be complied with by it on or prior to the Effective Time, and Cona shall have provided to the WEF Parties a certificate of the Designated Officers certifying the foregoing on the Effective Date;
- (c) Dissent Rights have not been exercised with respect to more than 15% of the issued and outstanding Common Shares not held by the WEF Parties;
- (d) Cona shall have obtained written resignations from each of Ian Bruce and Hal Kvisle effective as of or before the Effective Time and, in consideration therefor, shall have settled all Awards held by them in accordance with Section 2.7 and obtained mutual releases, in form agreed to by Cona and each such resigning director, in favour of such resigning directors, on one hand, and Cona and the Subsidiaries, on the other hand; and
- (e) no Material Adverse Change in respect of Cona shall have occurred after the date hereof and prior to the Effective Date.

The foregoing conditions set forth in this Section 2.12 are for the exclusive benefit of the WEF Parties and may be waived by the WEF Parties, in whole or in part, in their sole discretion, in writing, at any time and from time to time without prejudice to any other rights which the WEF Parties may have.

2.13 Conditions in favour of Cona

The obligations of Cona to complete the transactions contemplated by this Agreement, and, in particular, the Arrangement, and to file the Articles of Arrangement, shall be subject to the satisfaction, on or before the Effective Date or such other time specified, of the following conditions:

- (a) the representations and warranties made by the WEF Parties in this Agreement shall be true and correct in all material respects (or, if qualified by materiality in any manner, true and correct in all respects) as of the Effective Date as though made on and as of such date (except to the extent such representations and warranties speak as of an earlier date or

except as affected by transactions contemplated or permitted by this Agreement), and the WEF Parties shall have provided to Cona certificates of two directors or officers of each of the WEF Parties certifying the foregoing on the Effective Date; and

- (b) the WEF Parties shall have complied in all material respects with their respective covenants herein to be complied with by it on or prior to the Effective Time, and the WEF Parties shall have provided to Cona certificates of two directors or officers of each of the WEF Parties certifying the foregoing on the Effective Date,

The foregoing conditions set forth in this Section 2.13 are for the exclusive benefit of Cona and may be waived by Cona, in whole or in part, in its sole discretion, in writing at any time and from time to time without prejudice to any other rights which Cona may have.

2.14 Merger of Conditions

Subject to applicable Law, the conditions set out in Sections 2.11, 2.12 and 2.13 shall be conclusively deemed to have been satisfied, waived or released on the filing with the Registrar of the Articles of Arrangement

2.15 Tax Withholdings

Subject to the terms and conditions of the Plan of Arrangement, the WEF Parties and Cona shall be entitled to deduct and withhold from any consideration otherwise payable to any Shareholder under the Plan of Arrangement such amounts as the WEF Parties or Cona, as the case may be, are entitled or required to deduct and withhold from such consideration in accordance with applicable Laws. Any such amounts will be deducted, withheld and remitted from the consideration payable pursuant to the Plan of Arrangement and shall be treated for all purposes as having been paid to the Shareholder in respect of which such deduction and withholding was made, *provided* that such withheld amounts are actually remitted to the appropriate Governmental Entity.

2.16 Directors' and Officers' Insurance and Indemnities

- (a) Prior to the Effective Date, Cona shall purchase customary "run-off" policies of directors' and officers' liability insurance providing protection no less favourable in the aggregate than the protection provided by the policies maintained by Cona which are in effect immediately prior to the Effective Date and providing protection in respect of claims arising from facts or events which occurred on or prior to the Effective Date and the WEF Parties shall, or shall cause Cona to, maintain such run-off policies in effect without any reduction in scope or coverage for six years from the Effective Date, *provided* that the WEF Parties shall not be required to pay any amounts in respect of such coverage prior to the Effective Time and *provided* further that the cost of such policies shall not exceed 200% of Cona's annual aggregate premium for policies maintained by Cona prior to the Effective Time (which annual aggregate premium is disclosed in the Disclosure Letter).
- (b) The WEF Parties shall cause Cona to honour all rights to indemnification or exculpation now existing in favour of present and former employees, officers and directors of Cona and the Subsidiaries and acknowledge that such rights shall survive the completion of the Arrangement and shall continue in full force and effect in accordance with their terms.
- (c) If within four years of the Effective Date, Cona or any of the Subsidiaries or any of their respective successors or assigns (i) consolidates with or merges into any other person and

is not a continuing or surviving corporation or entity of such consolidation or merger or (ii) transfers all or substantially all of its properties and assets to any person, the WEF Parties shall ensure that any such successor or assign (including, as applicable, any acquirer of substantially all of the properties and assets of Cona or the Subsidiaries) assumes all of the obligations set forth in this Section 2.16.

ARTICLE 3 REPRESENTATIONS AND WARRANTIES

3.1 Representations and Warranties of Cona

Contemporaneously with the execution and delivery of this Agreement, Cona is delivering to the WEF Parties certain written disclosures set forth in the Disclosure Letter which constitute an integral part of this Agreement and modify the representations and warranties of Cona contained in this Agreement.

Cona hereby represents and warrants to the WEF Parties as follows, and acknowledges that the WEF Parties are relying upon such representations and warranties in connection with the entering into of this Agreement and the carrying out of the Arrangement:

- (a) **Organization and Qualification.** Each of Cona and the Subsidiaries is a corporation or partnership duly incorporated or formed, as applicable, validly existing and in good standing under the Laws of the Province of Alberta and has the requisite corporate or partnership power and authority to own, lease and operate its assets and properties and to conduct its business as now owned and conducted. Each of Cona and the Subsidiaries are duly qualified, licensed or registered to do business and are in good standing in each jurisdiction in which the nature and character of its respective properties, owned or leased, or its activities makes such registration necessary.
- (b) **Corporate Authorization and Binding Obligation.** Cona has the requisite corporate authority to enter into this Agreement and to carry out its obligations hereunder. The execution and delivery of this Agreement and the participation by Cona in the Arrangement contemplated hereby have been duly authorized by the Board and no other proceedings on the part of Cona are necessary to authorize this Agreement, any agreement ancillary hereto or the Arrangement. This Agreement has been duly executed and delivered by Cona and constitutes a legal, valid and binding obligation of Cona enforceable against it in accordance with its terms, subject to the qualification that such enforceability may be limited by bankruptcy, insolvency, reorganization or other Laws of general application relating to or affecting rights of creditors and that equitable remedies, including specific performance, are discretionary and may not be ordered.
- (c) **Non-Contravention.** Neither the execution and delivery of this Agreement by Cona, the consummation of the transactions contemplated hereunder nor the performance of any of the covenants and obligations of Cona hereunder will:
 - (i) except as disclosed in the Disclosure Letter, violate, conflict with, or result in a breach of any provision of, require any consent, approval or notice under, or constitute a default (or an event which, with notice or lapse of time or both, would constitute a default) under any of the terms, conditions or provisions of (A) the articles, by-laws or other constating documents of Cona or and the Subsidiaries or (B) any contract, agreement, license, franchise, lease, arrangement, commitment, understanding or other right or obligation (written or

oral) to which Cona or any of the Subsidiaries is a party or to which any of, or any of their respective properties or assets, may be subject or by which Cona or any of the Subsidiaries is bound;

- (ii) result in the creation or imposition of any Encumbrance upon any of the properties or assets of Cona or the Subsidiaries; or
 - (iii) subject to obtaining the Regulatory Approvals, violate any Laws, judgment, ruling, order, writ, injunction, determination, award, decree, statute, ordinance, rule or regulation applicable to Cona or the Subsidiaries, or cause the suspension or revocation of any authorization, consent, approval or license currently in effect.
- (d) **Governmental Authorization.** Other than in connection with or in compliance with the provisions of applicable Securities Laws, the ABCA, the rules of the TSX, the Regulatory Approvals, the terms of the Interim Order and the Final Order in respect of the Arrangement and the filing of the Articles of Arrangement, (i) there is no legal impediment to the consummation of the Arrangement by Cona and (ii) no filing or registration with, or authorization, consent or approval of, any Governmental Entity is required to be obtained by Cona in connection with the execution and delivery of this Agreement or the consummation of the transactions contemplated hereby.
- (e) **Authorizations and Licenses.** As of the date hereof, there are no actions, suits, proceedings, or investigations by any Governmental Entity pending, or, to the knowledge of Cona, threatened, against Cona or the Subsidiaries, nor is Cona or any of the Subsidiaries subject to any outstanding order, writ, injunction or decree that would significantly impede the ability of Cona to consummate the Arrangement.
- (f) **No Guarantees.** Except as disclosed in the Disclosure Letter, neither Cona nor any of the Subsidiaries is a party to or bound by any agreement of guarantee, indemnification (other than an indemnification of directors and officers of Cona or such Subsidiary in accordance with the constating documents of the respective person or applicable Laws, and other than standard indemnity agreements in underwriting and agency agreements and in the ordinary course provided to its lenders and service providers and in title documentation applicable its properties or assets) or any like commitment in respect of the obligations, liabilities (contingent or otherwise) or indebtedness of any other person;
- (g) **Subsidiaries.** The following information with respect to each Subsidiary is accurately set out in the Disclosure Letter: (i) its name; (ii) percentage ownership interest by the Corporation; and (iii) its jurisdiction of incorporation, organization or formation, as applicable. Cona is, directly or indirectly, the registered and beneficial owner of all of the outstanding equity securities or other equity interests of each of the Subsidiaries, all such equity securities or other equity interests owned by Cona have been validly issued and are fully paid and non-assessable, as the case may be, and, to the knowledge of Cona, no such equity securities or other equity interests have been issued in violation of any pre-emptive or similar rights.
- (h) **Capitalization.**
- (i) The authorized share capital of Cona consists of an unlimited number of Common Shares and an unlimited number of preferred shares, issuable in series.

As of the date hereof, there are issued and outstanding 101,005,757 Common Shares and no preferred shares;

- (ii) as of the date hereof, 1,958,968 Awards are outstanding. The terms of the Awards are described in the Continuous Disclosure and the Disclosure Letter sets forth the number of time-based and performance Awards outstanding as of the date of this Agreement and the vesting dates thereof. All grants of Awards have been duly authorized by the Board (or a duly authorized committee thereof) in compliance with applicable Laws and in accordance with the CAIP, and have been recorded in accordance with GAAP, consistently applied; and
 - (iii) all outstanding Common Shares have been duly authorized and validly issued, are fully paid and non-assessable common shares in the capital of Cona and all Common Shares issuable upon the settlement of outstanding Awards in accordance with the CAIP will, if issued, be validly issued as fully paid and non-assessable common shares in the capital of Cona. Except as disclosed in the Disclosure Letter, there are no outstanding contractual or other obligations of Cona or any Subsidiary to repurchase, redeem or otherwise acquire any securities of Cona or the Subsidiaries, or qualify securities for public distribution in Canada or elsewhere.
- (i) **Shareholders' and Similar Agreements.** Other than the Voting and Support Agreements and except as disclosed in the Disclosure Letter, neither Cona nor any of the Subsidiaries is subject to, or affected by, any unanimous shareholders agreement and is not a party to any shareholder, pooling, voting, or other similar arrangement or agreement relating to the ownership or voting of any of the securities of Cona or of any of the Subsidiaries.
- (j) **Securities Law Matters.**
- (i) Cona is a "reporting issuer" under the Securities Laws in each of the provinces of Canada. The Common Shares are listed and posted for trading on the TSX. None of the Subsidiaries are subject to any continuous or periodic, or other disclosure requirements under any applicable Securities Laws. Cona is not in default of any material requirements of any Securities Laws or the rules of the TSX. Cona has not taken any action to cease to be a reporting issuer in any jurisdiction in which it is a reporting issuer, nor has Cona received any notification from a Securities Authority seeking to revoke the reporting issuer status of Cona. No delisting, suspension of trading or cease trade or other order or restriction with respect to any securities of Cona is pending, in effect or, to the knowledge of Cona, threatened, or is expected to be implemented or undertaken, and, to Cona's knowledge, Cona is not currently subject to any formal or informal review, enquiry, investigation or other proceeding relating to any such order or restriction. Cona has timely filed with the Securities Authorities and the TSX all material forms, reports, schedules, statements and other documents required to be filed by Cona under applicable Securities Laws and the rules of the TSX;
 - (ii) the Continuous Disclosure (other than any portion of the Continuous Disclosure that is forward-looking or relates to projections, estimates or forecasts (collectively, "**Forward-Looking Information**"), excluding disclosure relating to the oil and gas reserves of Cona), taken together, does not, and any continuous

disclosure documents filed on SEDAR by Cona after the date hereof will not, contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or that is necessary to be stated in order to make the statements made therein not to be misleading in light of the circumstances in which they were made. With respect to any Forward-Looking Information included in the Continuous Disclosure, such opinions or views are subject to the qualifications and provisions provided with such Forward-Looking Information and were, at the applicable time, believed to be reasonable at the time they were provided; and

- (iii) since December 31, 2017, there has not been any Material Adverse Change, except as disclosed in the Continuous Disclosure.

- (k) **Compliance with Laws.** To the knowledge of Cona, Cona and the Subsidiaries have complied, and are in compliance with, all Laws applicable to the operation of its assets, business and operations, in each case, except where non-compliance would not reasonably be expected to have a Material Adverse Effect or prevent, significantly impede or materially delay the ability of Cona to consummate the Arrangement.

- (l) **Related Party Transactions.** Neither Cona nor any of the Subsidiaries is indebted to any director, officer, employee or agent of, or independent contractor to, Cona or any of the Subsidiaries (except for amounts due in the ordinary course of business, including salaries, bonuses and director's fees or the reimbursement of ordinary course expenses). Except as disclosed in the Disclosure Letter, there are no contracts (other than employment arrangements and agreements relating to Awards) with, or advances, loans, guarantees, liabilities or other obligations to, on behalf of or for the benefit of, any shareholder, officer or director of Cona or any of the Subsidiaries.

- (m) **Advisors.** Except as disclosed in the Disclosure Letter, no investment banker, broker, finder, financial adviser or other intermediary has been retained by or is authorized to act on behalf of Cona or any of the Subsidiaries or is entitled to any fee, commission or other payment from Cona or any of the Subsidiaries in connection with this Agreement or any other transaction contemplated by this Agreement. The fees payable to CIBC for the delivery of the Fairness Opinion and the Valuation are not contingent on the completion of the Arrangement.

- (n) **Confidentiality.** Cona has not waived any confidentiality, standstill or similar agreement or restriction applicable to another person to which Cona or any Subsidiary is a party.

- (o) **Audited Financial Statements.**
 - (i) The Audited Financial Statements fairly present, and any financial statements of Cona filed by or on behalf of Cona under Cona's SEDAR profile after the date hereof will fairly present, in accordance with GAAP, consistently applied, the financial position and condition of Cona on a consolidated basis at the dates thereof and the results of operations of Cona on a consolidated basis for the periods then ended and reflect in accordance with GAAP, consistently applied, all material assets, liabilities or obligations of Cona on a consolidated basis as at the dates thereof; and

- (ii) between January 1, 2018 and the date hereof, Cona and the Subsidiaries did not incur any material liabilities, debts, obligations or commitments, other than in the ordinary course of business consistent with past practice or as reflected in the Continuous Disclosure or expressly agreed to or contemplated herein.
- (p) **Books and Records.** The corporate records and minute books, books of account and other records of Cona and the Subsidiaries (whether of a financial or accounting nature or otherwise) have been maintained, in all material respects, in accordance with applicable Laws and prudent business practices and are complete and accurate in all material respects.
- (q) **Insurance.**
 - (i) Cona and each of the Subsidiaries is, and has been continuously since incorporation or formation, as applicable, insured by third party insurers with policies appropriate for the size and nature of the business of Cona and the Subsidiaries and their respective assets; and
 - (ii) The third party insurance policies of Cona and the Subsidiaries are in full force and effect in accordance with their terms, and Cona and the Subsidiaries are not in material default under the terms of any such policy. Except as disclosed in the Disclosure Letter, there is no material claim pending under any insurance policy as to which coverage has been questioned, denied or disputed by any insurer or as to which any insurer has made any reservation of rights or refused to cover all or any portion of such claims.
- (r) **Taxes.** Except as disclosed in the Disclosure Letter and to the knowledge of Cona:
 - (i) Cona and each of the Subsidiaries has duly and timely filed all Tax Returns required to be filed by them prior to the date hereof and all such Tax Returns are complete and correct in all material respects; and
 - (ii) Cona and each of the Subsidiaries has paid on a timely basis all Taxes which are due and payable consistent with industry practice, all assessments and reassessments and all other Taxes due and payable by them on or before the date hereof, other than those which are being or have been contested in good faith. Since the date of the Audited Financial Statements, no material liability in respect of Taxes not reflected in such financial statements for the period covered therein or otherwise provided for has been assessed, proposed to be assessed, incurred or accrued, other than in the ordinary course of business.
- (s) **Environmental Matters.** Except to the extent that any violation or other matter referred to in this Section 3.1(s) does not, and would not reasonably be expected to, have a Material Adverse Effect, or as otherwise disclosed in the Disclosure Letter:
 - (i) neither Cona nor any Subsidiary is in violation of any applicable Environmental Laws;
 - (ii) neither Cona nor any Subsidiary has received a notice of claim from a Governmental Entity or other Person, as applicable, alleging a violation of any applicable Environmental Laws; and

- (iii) each of Cona and the Subsidiaries has operated its business at all times and has received, handled, used, stored, treated, shipped and disposed of all Hazardous Substances in compliance with Environmental Laws.
- (t) **Oil and Gas Matters.** Neither Cona nor any Subsidiary has received a notice of action, suit, proceeding or inquiry from a Governmental Entity or another Person, as applicable, disputing, impairing, revoking, or otherwise laying an adverse claim to, any of the operating permits, rights, titles and interests of Cona or the Subsidiaries, except where such notice of action, suit, proceeding or inquiry would not reasonably be expected to have a Material Adverse Effect.
- (u) **Credit Agreements.**
 - (i) Cona is in compliance with all of the terms, covenants and conditions of the Credit Agreements, has not received any notice of acceleration of indebtedness existing under any of the Credit Agreements, and nor does there exist any condition or circumstance which, between the date of this Agreement and the Effective Date, would give rise to an event of default under the Credit Agreements upon the Effective Date; and
 - (ii) this Agreement, and the transactions contemplated hereby, will not result in a default, or result in the acceleration of any indebtedness, under the Credit Agreements, or, if this Agreement, and the transactions contemplated hereby, will result in a default, or result in the acceleration of any indebtedness, under the Credit Agreements then the counterparties to the Credit Agreements have consented in writing to this Agreement, and the transactions contemplated hereby, and such consent has not been withdrawn.

3.2 Representations and Warranties of the WEF Parties

The WEF Parties hereby jointly and severally represent and warrant to Cona as follows, and acknowledge that Cona is relying upon such representations and warranties in connection with the entering into of this Agreement and the carrying out of the Arrangement:

- (a) **Organization and Qualification.** Each of the WEF Parties is a limited partnership duly formed and validly existing under the Laws of the Province of Alberta and has the requisite power and authority to own its properties as now owned and to carry on its business as it is now being conducted. Each of the WEF Parties is duly registered to do business and each is in good standing in each jurisdiction in which the nature and character of its properties, owned or leased, or its activities makes such registration necessary.
- (b) **Corporate Authorization and Binding Obligation.** Each of the WEF Parties has the requisite authority to enter into this Agreement and to carry out its obligations hereunder. The execution and delivery of this Agreement and the participation by the WEF Parties in the Arrangement contemplated hereby have been duly authorized by the boards of directors of their respective general partners and no other proceedings on the part of the WEF Parties are necessary to authorize this Agreement, any agreement ancillary hereto or the Arrangement. This Agreement has been duly executed and delivered by the WEF Parties and constitutes a legal, valid and binding obligation of each of the WEF Parties enforceable against it in accordance with its terms, subject to the qualification that such

enforceability may be limited by bankruptcy, insolvency, reorganization or other Laws of general application relating to or affecting rights of creditors and that equitable remedies, including specific performance, are discretionary and may not be ordered.

- (c) **Non-Contravention.** Neither the execution and delivery of this Agreement by the WEF Parties, the consummation of the transactions contemplated hereunder nor the performance of any of the respective covenants and obligations of the WEF Parties hereunder will:
- (i) violate, conflict with, or result in a breach of any provision of, require any consent, approval or notice under, or constitute a default (or an event which, with notice or lapse of time or both, would constitute a default) under any of the terms, conditions or provisions of (A) their respective constating documents or (B) any contract, agreement, license, franchise, lease, arrangement, commitment, understanding or other right or obligation (written or oral) to which either of the WEF Parties is a party or to which either of them, or any of their respective properties or assets, may be subject or by which either of the WEF Parties is bound; or
 - (ii) subject to obtaining the Regulatory Approvals, violate any Laws, judgment, ruling, order, writ, injunction, determination, award, decree, statute, ordinance, rule or regulation applicable to the WEF Parties, or cause the suspension or revocation of any authorization, consent, approval or license currently in effect.
- (d) **Governmental Authorization.** Other than in connection with or in compliance with the provisions of applicable Securities Laws, the ABCA, the rules of the TSX, the Regulatory Approvals, the terms of the Interim Order and the Final Order in respect of the Arrangement and the filing of the Articles of Arrangement, (i) there is no legal impediment to the consummation of the Arrangement by the WEF Parties and (ii) no filing or registration with, or authorization, consent or approval of, any Governmental Entity (including in respect of the *Competition Act* (Canada)) is required to be obtained by the WEF Parties, including in connection with the execution and delivery of this Agreement or the consummation of the transactions contemplated hereby.
- (e) **Litigation.** As of the date hereof, there are no actions, suits, proceedings, or investigations by any Governmental Entity pending, or, to the knowledge of the WEF Parties threatened, against either of the WEF Parties, nor is either of the WEF Parties subject to any outstanding order, writ, injunction or decree that would significantly impede the ability of the WEF Parties to consummate the Arrangement.
- (f) **WEF Shares.** As of the date hereof, the WEF Parties own an aggregate of 67,742,345 Common Shares.
- (g) **Sufficient Funds.** As of the date hereof, the WEF Parties have, and will have at the Effective Time, available to them sufficient funds to satisfy: (i) the aggregate Cash Consideration payable by the WEF Parties under the Arrangement in accordance with the terms of this Agreement and the Plan of Arrangement; and (ii) all costs and expenses incurred in connection with the transactions contemplated by this Agreement should the Arrangement be consummated.

3.3 Survival of Representations and Warranties

The representations and warranties of the Parties contained in this Agreement shall survive the execution and delivery of this Agreement and shall expire and be terminated on the earlier of the Effective Date and the date on which this Agreement is terminated in accordance with its terms, *provided* that such termination shall not affect any claim arising from a deliberate prior breach of any such representations or warranties extinguished at the Effective Time.

ARTICLE 4 COVENANTS

4.1 General Covenant

Cona and each of the WEF Parties covenant and agree that it will do and perform all such acts and things, and execute and deliver all such agreements, assurances, notices and other documents and instruments, as may reasonably be required to perform and carry out the terms and intent of this Agreement and consummate the transactions contemplated hereby.

4.2 Covenants of Cona

Cona covenants to the WEF Parties that:

(a) **Arrangement.**

Cona shall perform all obligations required to be performed by it under this Agreement, cooperate with the WEF Parties in connection therewith and will use all reasonable efforts to do all other acts and things as may be necessary or desirable to ensure the successful consummation of the Arrangement and, without limiting the generality of the foregoing:

- (i) use commercially reasonable efforts to obtain and maintain all consents, waivers, permits, exemptions, orders, approvals, agreements, amendments or confirmations that are required to be obtained in connection with the Arrangement, *provided* that it shall not commit the WEF Parties to pay, any consideration or incur any liability or obligation without the prior written consent of the WEF Parties, acting reasonably;
- (ii) except for non-substantive communications, furnish promptly to the WEF Parties, or provide the WEF Parties with reasonable access to review, a copy of each material notice, report, schedule or other document or communication delivered, filed or received by Cona in connection with the Arrangement, the Interim Order, the Meeting or the Final Order or any filings under applicable Laws in connection with the Arrangement, provided such action is permitted under applicable Laws;
- (iii) use commercially reasonable efforts to obtain all Regulatory Approvals and to effect all necessary registrations, filings and submissions of information requested or required by Governmental Entities from Cona relating to the Arrangement in a timely manner;

- (iv) use commercially reasonable efforts to, upon reasonable consultation with the WEF Parties, oppose, lift or rescind any injunction, restraining or other order, decree or ruling seeking to restrain, enjoin or otherwise prohibit or adversely affect the consummation of the Arrangement and defend, or cause to be defended, any legal, regulatory or other proceedings challenging the Arrangement or this Agreement; and
- (v) not take any action, or refrain from taking any commercially reasonable action, or permit any action to be taken or not taken, which is inconsistent with this Agreement or which would reasonably be expected to prevent, delay or otherwise impede the consummation of the Arrangement or the transactions contemplated by this Agreement, unless otherwise permitted pursuant to this Agreement,

provided that nothing contained herein shall obligate Cona to waive any condition for its benefit contained herein.

(b) **Conduct of Business by Cona.**

Cona covenants and agrees that, during the period from the date hereof until the earlier of the Effective Date and the date on which this Agreement is terminated in accordance with its terms, the business of Cona shall be conducted only in the ordinary course of business consistent with past practice and in accordance with good industry practice. Other than in the ordinary course of business consistent with past practice or except pursuant to the Asset Disposition Program or as otherwise required by Cona in order to comply with the CAIP, or unless the WEF Parties shall otherwise consent in writing, which may not be unreasonably withheld or delayed, or except as required by applicable Law or as otherwise expressly permitted or specifically contemplated by this Agreement:

- (i) Cona shall use commercially reasonable efforts to maintain and preserve its business organization, assets, properties, employees, goodwill and business relationships, and comply with all its obligations under its material contracts, and subject to this Section 4.2(b) shall not make any change in the business, assets, liabilities, operations, capital or affairs of Cona, except as disclosed in the Disclosure Letter;
- (ii) except in furtherance of the transactions contemplated in this Agreement or as expressly permitted or specifically contemplated by this Agreement, Cona shall not directly or indirectly do or permit to occur any of the following:
 - (A) amend or supplement any of articles, by-laws or other constating documents of Cona or of the Subsidiaries;
 - (B) declare, set aside or pay any dividend or other distribution or payment (whether in cash, shares or property) in respect of Common Shares or any other securities of Cona;
 - (C) issue, grant, sell or pledge or agree to issue, grant, sell or pledge any securities of Cona or the Subsidiaries, or securities convertible into or exchangeable or exercisable for, or otherwise evidencing a right to acquire, securities of Cona or the Subsidiaries or any equivalent or similar economic rights, other than the issuance of Common Shares

issuable pursuant to the terms of the Awards outstanding on the date hereof;

- (D) adjust, split, combine, subdivide, redeem, purchase, reclassify or otherwise acquire any of its outstanding securities;
 - (E) adopt a plan of liquidation or resolution providing for the winding-up, liquidation, dissolution, merger, consolidation or reorganization of Cona or of the Subsidiaries; or
 - (F) enter into or modify any contract, agreement, commitment or arrangement with respect to any of the foregoing, except as permitted above;
- (iii) without limiting the generality of Section 4.2(b), Cona shall not, without prior consultation with and the express written consent of the WEF Parties, acting reasonably, directly or indirectly do any of the following, other than pursuant to commitments entered into prior to the date of this Agreement as disclosed in the Continuous Disclosure or as disclosed in the Disclosure Letter:
- (A) sell, pledge, dispose of or cause or permit an Encumbrance to be created on any of its assets, properties or rights, except as disclosed in the Disclosure Letter;
 - (B) acquire (by merger, amalgamation, consolidation or acquisition of securities or assets or otherwise) any person or division thereof or any property or asset, or make any investment either by the purchase of securities, contributions of capital, property transfer or purchase of any property or asset or enter into or extend any option to acquire, or exercise an option to acquire, any property or assets of any other person, except where any of the foregoing would not be material to Cona;
 - (C) reorganize, amalgamate or merge with any other person (other than a Subsidiary) or permit any Subsidiary to reorganize, amalgamate or merge with any other person (other than Cona or a Subsidiary);
 - (D) enter into or terminate any hedges, swaps or other financial instruments or transactions, except as disclosed in the Disclosure Letter;
 - (E) enter into a new line of business;
 - (F) incur any indebtedness, issue any debt securities or assume, guarantee, endorse or otherwise as an accommodation become responsible for, the obligations of any other person, or make any loans or advances;
 - (G) incur or assume any material liabilities or obligations;
 - (H) except where necessary to preserve any of its assets or properties in an emergency, expend or commit to expend any material amounts with respect to operating or other similar expenses;

- (I) pay, discharge or satisfy any material claims, liabilities or obligations, other than (1) fees payable to legal, financial, valuation and other advisors in respect of the Arrangement, including CIBC, and (2) the payment, discharge or satisfaction of liabilities reflected or reserved against in the Audited Financial Statements or incurred in the ordinary course of business consistent with past practice;
 - (J) waive, release, grant or transfer any material rights or modify or change in any respect of any existing contract, agreement, license, franchise, lease, arrangement, commitment, understanding or other right or obligation (written or oral), except as disclosed in the Disclosure Letter;
 - (K) except in accordance with Cona's approved 2018 capital budget (as disclosed in the Continuous Disclosure), make any capital expenditure or commitment to do so, *provided* that in the case of capital expenditure expended to address emergencies or other urgent matters involving the potential loss or damage to property or personal safety, the WEF Parties' consent shall not be required where it cannot be received in a reasonably expedient matter;
 - (L) cancel, waive, release, assign, settle or compromise any material claim, action, suit, litigation, proceeding, arbitration, investigation or right, except as disclosed in the Disclosure Letter;
 - (M) commence any litigation or waive, release, assign, settle or compromise any litigation, proceedings or governmental investigations in excess of an amount of \$250,000 individually or \$500,000 in the aggregate;
 - (N) enter into, amend or modify in any material respect, or terminate or waive or fail to renew any right under, any material contract, agreement, commitment, understanding or arrangement or enter into any contract, agreement, commitment, understanding or arrangement or other transaction with any employee or director of Cona, except as disclosed in the Disclosure Letter; and
 - (O) enter into or modify any contract, agreement, commitment, understanding or arrangement with respect to any of the foregoing, except as permitted above;
- (iv) Cona shall use commercially reasonable efforts to cause the current insurance (or reinsurance) policies of Cona not to be cancelled or terminated or any of the coverage thereunder to lapse, unless simultaneously with such termination, cancellation or lapse, replacement policies underwritten by insurance and reinsurance companies of nationally recognized standing providing coverage equal to or greater than the coverage under the cancelled, terminated or lapsed policies for substantially similar premiums are in full force and effect;
 - (v) Cona shall maintain the books of account and other records, whether of a financial or accounting nature or otherwise and including, for greater certainty, its minute books, in accordance with prudent business practices;

- (vi) Cona shall not grant to any director, officer or employee any general salary increase, any increase in compensation in any form, any Awards, make any loan to any such person or take any action which would enhance any severance or termination pay arising from the Arrangement or under any employment agreement with any such person, or with respect to any increase of benefits payable under its current severance or termination pay policies, except as disclosed in the Disclosure Letter;
- (vii) Cona shall not adopt or amend or make any contribution to any bonus, profit sharing, option, pension, retirement, deferred compensation, insurance, incentive compensation, other compensation or other similar plan, program, agreement, trust, fund or arrangement for the benefit of directors, officers or employees, except in accordance with Section 2.7(c), as disclosed in the Disclosure Letter or as otherwise contemplated in this Agreement, as is necessary to comply with applicable Laws or with respect to existing provisions of any such plans, programs, agreements, trusts, funds or arrangements; and
- (viii) Cona shall:
 - (A) duly and on a timely basis file all tax returns required to be filed by it on or after the date hereof pursuant to the Tax Act in a manner consistent with past practice and all such tax returns shall be true, complete and correct in all material respects;
 - (B) fully and timely pay all taxes shown on such tax returns;
 - (C) except as disclosed in the Disclosure Letter, not make or rescind any material express or deemed election relating to taxes, or file any amended tax returns, where the result of such action is inconsistent with past practice or the Tax Act;
 - (D) not make a request for a tax ruling or enter into a closing agreement with any Governmental Entity;
 - (E) not settle any claim, action, suit, litigation, proceeding, arbitration, investigation or audit relating to taxes, except as disclosed in the Disclosure Letter; and
 - (F) properly reserve (and reflect such reserves in its books and records and financial statements) for all taxes accruing in respect of Cona which are not due or payable prior to the Effective Date in a manner consistent with past practice and in accordance with the provisions of the Tax Act.

(c) **Notice of Material Change.**

For the period from the date hereof until the earlier of the Effective Date and the date on which this Agreement is terminated in accordance with its terms, Cona shall promptly notify the WEF Parties in writing of:

- (i) any material change (actual, anticipated, contemplated or, to the knowledge of Cona, threatened, financial or otherwise) in the business, affairs, operations,

assets, liabilities (contingent or otherwise) or capital of Cona or of the Subsidiaries;

- (ii) any material change in any representation or warranty given by Cona in Section 3.1, which change is or may be of such a nature as to render any such representation or warranty misleading or untrue; and
- (iii) any event or state of facts which occurrence or failure would, would be likely to or could:
 - (A) result in the material failure to comply with or satisfy any covenant or agreement to be complied with or satisfied by Cona prior to the Effective Date; or
 - (B) result in the material failure to satisfy any of the conditions precedent contained in Sections 2.11 or 2.12 hereof, as the case may be.

Cona shall in good faith discuss with the WEF Parties any change in circumstances (actual, anticipated, contemplated or, to the knowledge of Cona, threatened, financial or otherwise) which is of such a nature that there may be a reasonable question as to whether notice needs to be given to the WEF Parties pursuant to this Section 4.2(c).

(d) **Provision of Information; Access.**

For the period from the date hereof until the earlier of the Effective Date and the date on which this Agreement is terminated in accordance with its terms, Cona shall, subject to all applicable laws, provide the WEF Parties and their Representatives reasonable access, during normal business hours, to its premises, books, contracts, records, properties and personnel and shall furnish to the WEF Parties all information concerning its business, properties, assets, finances and personnel as the WEF Parties may reasonably request.

4.3 Covenants of the WEF Parties

Each of the WEF Parties covenants to Cona that:

(a) **Arrangement.**

The WEF Parties shall perform all obligations required to be performed by them under this Agreement, cooperate with Cona in connection therewith and will use commercially reasonable efforts to do all other acts and things as may be necessary or desirable to ensure the successful consummation of the Arrangement and, without limiting the generality of the foregoing:

- (i) use commercially reasonable efforts to obtain and maintain all consents, waivers, permits, exemptions, orders, approvals, agreements, amendments or confirmations that are required to be obtained by the WEF Parties in connection with the Arrangement, *provided* that it shall not commit Cona to pay any consideration or incur any liability or obligation without the prior written consent of Cona, acting reasonably;

- (ii) ensure that the WEF Parties have sufficient funds available at the Effective Time to: (A) pay the aggregate Cash Consideration and all other amounts required to be paid by it under the Plan of Arrangement at the Effective Time; and (B) all costs and expenses incurred in connection with the transactions contemplated by this Agreement should the Arrangement be consummated;
- (iii) prior to the Effective Time, withdraw, or cause to be withdrawn, from the "book-entry only" system administered by CDS Clearing & Depository Services Inc. all Common Shares beneficially owned, or over which control or direction is exercised, by the WEF Parties and have such Common Shares registered (in certificated form) in the name of the WEF Parties;
- (iv) except for non-substantive communications, furnish promptly to Cona, or provide Cona with reasonable access to review, a copy of each material notice, report, schedule or other document or communication delivered, filed or received by the WEF Parties in connection with the Arrangement, the Interim Order, the Meeting or the Final Order or any filings under applicable Laws in connection with the Arrangement, provided such action is permitted under applicable Laws;
- (v) use commercially reasonable efforts to obtain all Regulatory Approvals relating to the Arrangement and to effect all necessary registrations, filings and submissions of information requested or required by Governmental Entities from the WEF Parties relating to the Arrangement in a timely manner;
- (vi) use commercially reasonable efforts to, upon reasonable consultation with Cona, oppose, lift or rescind any injunction, restraining or other order, decree or ruling seeking to restrain, enjoin or otherwise prohibit or adversely affect the consummation of the Arrangement and defend, or cause to be defended, any legal, regulatory or other proceedings challenging the Arrangement or this Agreement; and
- (vii) not take any action, or refrain from taking any commercially reasonable action, or permit any action to be taken or not taken, which (A) is inconsistent with this Agreement or which would reasonably be expected to prevent, delay or otherwise impede the consummation of the Arrangement or the transactions contemplated by this Agreement, or (B) would diminish the value of Cona and the Subsidiaries (taken as a whole) or their respective properties and assets in any way, in each case, except as permitted by this Agreement; *provided*, that nothing in this Section 4.3(a)(vii)(B) shall restrict, preclude or prohibit the ability of WEF Parties to disseminate information or publicly respond to any Acquisition Proposal, Superior Proposal, or change in Recommendation by the Board.

provided that nothing contained herein shall obligate the WEF Parties to waive any condition for their benefit contained herein;

(b) **Notice of Material Change.**

For the period from the date hereof until the earlier of the Effective Date and the date on which this Agreement is terminated in accordance with its terms, the WEF Parties shall promptly notify Cona in writing of: (i) any material change in any representation or warranty given by the WEF Parties in Section 3.2, which change is or may be of such a

nature as to render any such representation or warranty misleading or untrue and (ii) any event or state of facts which occurrence or failure would, would be likely to or could (A) result in the material failure to comply with or satisfy any covenant or agreement to be complied with or satisfied by the WEF Parties prior to the Effective Date or (B) result in the material failure to satisfy any of the conditions precedent contained in Sections 2.11 or 2.13 hereof, as the case may be.

4.4 De-Listing of Common Shares and Ceasing to be a Reporting Issuer

Subject to applicable Laws and the rules of the TSX, the WEF Parties and Cona shall use commercially reasonable efforts to cause the Common Shares to be delisted from the TSX promptly following the completion of the Arrangement and to cause Cona to cease to be a reporting issuer with the Securities Authorities.

ARTICLE 5 ADDITIONAL AGREEMENTS

5.1 Covenants of Cona Regarding Non-Solicitation

- (a) Cona shall, and shall cause its Representatives to, immediately cease and terminate, and cause to be terminated, any solicitation, encouragement, discussion, negotiation or other activities commenced prior to the date of this Agreement with any person (other than the WEF Parties) with respect to any inquiry, proposal or offer that constitutes, or could reasonably be expected to constitute or lead to, an Acquisition Proposal, and in connection therewith, Cona will:
 - (i) discontinue access to and disclosure of all information, including any data room and any confidential information (including, without limitation, the information in the data room), properties, facilities, books and records of Cona or of any of the Subsidiaries; and
 - (ii) promptly request and use commercially reasonable efforts to require (A) the return or destruction of all information or (B) the destruction of all material including or incorporating or otherwise reflecting such information, in each case, provided to any person (other than the WEF Parties) that has entered into a confidentiality agreement with Cona relating to a potential Acquisition Proposal, and shall use commercially reasonable efforts to ensure that such requests are honoured in accordance with the terms of such agreement.
- (b) Cona shall not, directly or indirectly, do or authorize or permit any of its Representatives to do, any of the following:
 - (i) solicit, initiate or knowingly encourage or facilitate (including by way of furnishing information or providing copies of, access to, or disclosure of, any confidential information, properties, facilities, books or records of Cona or any Subsidiary or entering into any form of agreement, arrangement or understanding) any Acquisition Proposal or any inquiries, proposals or offers relating to any Acquisition Proposal or that could reasonably be expected to lead to an Acquisition Proposal;

- (ii) enter into or participate in any discussions or negotiations regarding any Acquisition Proposal or any proposal that constitutes or could reasonably be expected to lead to an Acquisition Proposal, or furnish to any other person any information with respect to its businesses, properties, operations, prospects or conditions (financial or otherwise) in connection with any proposal or offer that constitutes or could reasonably be expected to constitute or lead to, an Acquisition Proposal or otherwise cooperate in any way with, or assist or participate in, facilitate or encourage, any effort or attempt of any other person to do or seek to do any of the foregoing;
- (iii) waive, terminate, amend, modify or release any third party or otherwise forbear in the enforcement of, or enter into or participate in any discussions, negotiations or agreements to waive, terminate, amend, modify or release any third party from or otherwise forbear in respect of, any rights or other benefits under confidential information and/or standstill agreements (which, for greater certainty, does not prohibit the automatic release of a party in accordance with the pre-existing terms of any standstill provision);
- (iv) accept, approve, endorse or recommend, or publicly propose to accept, approve, endorse or recommend, or take no position or remain neutral with respect to, any publicly announced or otherwise publicly disclosed Acquisition Proposal (it being understood that publicly taking no position or a neutral position with respect to a publicly announced, or otherwise publicly disclosed, Acquisition Proposal for a period of no more than five business days following such public announcement or disclosure will not be considered to be in violation of this Section 5.1 provided the Board has rejected such Acquisition Proposal and affirmed the Board Recommendation before the end of such five business day period (or in the event that the Cona Meeting is scheduled to occur within such five business day period, prior to the third business day prior to the date of the Cona Meeting), and it being further understood that publicly taking no position or a neutral position with respect to an Acquisition Proposal for a period of more than five business days shall be considered to be a violation of this Section 5.1; any Acquisition Proposal or any inquiry, proposal or offer that could reasonably be expected to lead to an Acquisition Proposal; or
- (v) accept or enter into, or publicly propose to accept or enter into, any letter of intent, agreement in principle, agreement, arrangement or undertaking related to any Acquisition Proposal (other than a confidentiality and standstill agreement contemplated under Section 5.1(b)(vi));

provided, however, that notwithstanding any other provision hereof, Cona and its representatives may, prior to the approval of the Arrangement Resolution by the Shareholders at the Meeting:

- (vi) enter into or participate in any discussions or negotiations with a third party that is not in breach of any confidentiality or standstill agreement and who, without any solicitation, initiation or deliberate encouragement, directly or indirectly, after the date of this Agreement, by Cona or any of its representatives, seeks to initiate such discussions or negotiations and, subject to, execution of a confidentiality and standstill agreement in favour of Cona, *provided* that such confidentiality and standstill agreement shall (A) allow for disclosure thereof, along with all information provided thereunder, to the WEF Parties as set out

below, (B) allow disclosure to the WEF Parties of the making and terms of any Acquisition Proposal made by the third party as contemplated herein and (C) not contain any provision restricting Cona from complying with this Section 5.1, may furnish to such third party any information concerning Cona and the Subsidiaries and their businesses, properties and assets, in each case if, and only to the extent that:

- (A) the third party has first made a written *bona fide* Acquisition Proposal, which did not result from a breach of this Section 5.1, and in respect of which the Board determines in good faith, after consultation with its outside legal and financial advisors, constitutes or could reasonably be expected to lead to a Superior Proposal;
 - (B) prior to furnishing such information to or entering into or participating in any such discussions or negotiations with such third party regarding the Acquisition Proposal, Cona shall (1) provide one business days' notice to the WEF Parties of its intention to participate in such discussions or negotiations with such third party, together with a copy of the confidentiality and standstill agreement referenced above and, if not previously provided to the WEF Parties, copies of all information provided to such third party concurrently with the provision of such information to such third party, (2) notify the WEF Parties orally and in writing of any inquiries, offers or proposals with respect to an actual or contemplated Superior Proposal (which written notice shall include a summary of the material terms and a copy of such proposal (and any amendments or supplements thereto) and, if the proposal includes non-cash consideration (including equity consideration), the identity of the person making it, the value ascribed to any such non-cash consideration, and, if not previously provided to the other Party, copies of all information provided to the third party), within 24 hours of the receipt thereof, and (3) keep the WEF Parties fully informed of the status and the details of any such inquiry, offer or proposal and provide the WEF Parties with copies of all written documents, information or correspondence or other material provided to, or received, from or on behalf of any such persons and answer the WEF Parties' questions with respect thereto;
 - (C) such person was not restricted from making such Acquisition Proposal pursuant to an existing confidentiality or standstill agreement or similar restriction with Cona or the Subsidiaries;
 - (D) Cona has been, and continues to be, in compliance with its obligations under this Section 5.1; and
 - (E) Cona complies with Part 2 - Division 3 of NI 62-104 relating to the provision of directors' circulars and making appropriate disclosure with respect thereto to its securityholders; and
- (vii) accept, recommend, approve or enter into an agreement to implement a Superior Proposal from a third party, but only if prior to such acceptance, recommendation, approval or implementation, the Board concludes in good faith,

after considering all proposals to adjust the terms and conditions of this Agreement as contemplated by Section 5.2(a) and, after receiving the advice of outside counsel, that the failure by the Board to take such action would be inconsistent with its fiduciary duties under applicable Laws, and Cona (A) complies with its obligations set forth in Section 5.1 and (B) terminates this Agreement in accordance with Section 6.2(f).

5.2 Right to Match

- (a) Following a determination by the Board that an Acquisition Proposal constitutes a Superior Proposal, Cona shall give the WEF Parties, orally and in writing, at least five business days advance notice of any decision by the Board to accept, recommend, approve or enter into an agreement to implement a Superior Proposal, which notice shall confirm that the Board has determined that such Acquisition Proposal constitutes a Superior Proposal and shall identify the third party making the Superior Proposal and Cona shall provide the WEF Parties with a true and complete copy thereof and the agreement to implement the Superior Proposal and any amendments thereto. During such five business day period, Cona agrees not to accept, recommend, approve or enter into any agreement to implement such Superior Proposal and not to release the party making the Superior Proposal from any standstill provisions and shall not withdraw, redefine, modify or change its recommendation in respect of the Arrangement as outlined in subsection 2.10(a)(i). In addition, during such five business day period Cona shall, and shall cause its financial and legal advisors to, negotiate in good faith with the WEF Parties and its financial and legal advisors to make such adjustments in the terms and conditions of this Agreement and the Arrangement as would enable Cona to proceed with the Arrangement as amended rather than the Superior Proposal, in the event the WEF Parties, in their sole discretion, desire to make such adjustments. In the event the WEF Parties propose to amend this Agreement and the Arrangement on a basis such that the Board determines that the Acquisition Proposal is no longer a Superior Proposal and so advises the WEF Parties prior to the expiry of such five business day period, the Board shall not accept, recommend, approve or enter into any agreement to implement such Acquisition Proposal and shall not release the party making the Acquisition Proposal from any standstill provisions and shall not withdraw, redefine, modify or change its Recommendation. In the event that Cona provides the notice contemplated by this Section 5.2(a) on a date which is less than five business days prior to the Meeting, Cona shall, at the request of the WEF Parties, adjourn or postpone the Meeting to a date that is not more than ten business days after the date on which the Meeting was originally scheduled, which date shall not in any event be later than five business days prior to the Outside Date.
- (b) Each successive amendment to any Acquisition Proposal that results in an increase in, or modification of, the consideration (or value of such consideration) to be received by the Shareholders or other terms or conditions thereof, shall constitute a new Acquisition Proposal for the purposes of Section 5.2(a), and the WEF Parties shall be afforded a new five business day period from the date on which Cona received all of the materials set forth in Section 5.2(a) with respect to the new Superior Proposal.
- (c) The Board shall promptly reaffirm the Recommendation and determination in Section 2.10(a)(i) by press release after (i) any Acquisition Proposal which is publicly announced is determined not to be a Superior Proposal, or (ii) the Parties have entered into an

amended agreement pursuant to Section 5.2(a) which results in any Acquisition Proposal not being a Superior Proposal.

- (d) Cona shall ensure that its Representatives are aware of the provisions of this Section 5.1. Cona shall be responsible for any breach of this Section 5.1 by Cona's Representatives.

5.3 Privacy Issues

- (a) For the purposes of this Section 5.3, the following definitions shall apply:
 - (i) "**applicable Law**" means, in relation to any person, transaction or event, all applicable provisions of Laws by which such person is bound or having application to the transaction or event in question, including applicable privacy Laws;
 - (ii) "**applicable privacy Laws**" means any and all applicable Laws relating to privacy and the collection, use and disclosure of Personal Information in all applicable jurisdictions, including but not limited to the *Personal Information Protection and Electronic Documents Act* (Canada) and/or any comparable provincial privacy Law, including the *Personal Information Protection Act* (Alberta);
 - (iii) "**authorized authority**" means, in relation to any person, transaction or event, any (a) federal, provincial, municipal or local governmental body (whether administrative, legislative, executive or otherwise), both domestic and foreign, (b) agency, authority, commission, instrumentality, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government, (c) court, arbitrator, commission or body exercising judicial, quasi-judicial, administrative or similar functions, and (d) other body or entity created under the authority of or otherwise subject to the jurisdiction of any of the foregoing, including any stock or other securities exchange, in each case having jurisdiction over such person, transaction or event;
 - (iv) "**Disclosed Personal Information**" means Personal Information acquired by or disclosed to either Party pursuant to or in connection with this Agreement; and
 - (v) "**Personal Information**" means information about an individual transferred by a Party to the other Party in accordance with this Agreement and/or as a condition of the Arrangement.
- (b) The Parties hereto acknowledge that they are responsible for compliance at all times with applicable privacy Laws which govern the collection, use and disclosure of Disclosed Personal Information.
- (c) No Party shall use the Disclosed Personal Information for any purposes other than those related to the performance of this Agreement and the completion of the Arrangement.
- (d) Each Party acknowledges and confirms that the disclosure of Personal Information is necessary for the purposes of determining if the Parties shall proceed with the

Arrangement, and that the disclosure of Personal Information relates solely to the carrying on of the business and the completion of the Arrangement.

- (e) Each Party acknowledges and confirms that it has and shall continue to employ appropriate procedures in accordance with applicable Law to prevent accidental loss or corruption of the Disclosed Personal Information, unauthorized input or access to the Disclosed Personal Information, or unauthorized or unlawful collection, storage, disclosure, recording, copying, alteration, removal, deletion, use or other processing of such Disclosed Personal Information.
- (f) Each Party shall at all times keep strictly confidential all Disclosed Personal Information provided to it, and shall instruct those employees or advisors responsible for processing such Disclosed Personal Information to protect the confidentiality of such information in a manner consistent with the Parties' obligations hereunder. Each Party shall ensure that access to the Disclosed Personal Information shall be restricted to those employees or advisors of the respective Party who have a *bona fide* need to access such information in order to complete the Arrangement.
- (g) Each Party shall promptly notify the other Party to this Agreement of all inquiries, complaints, requests for access and claims of which the Party is made aware in connection with the Disclosed Personal Information. The Parties shall fully co-operate with one another, with the persons to whom the Personal Information relates and any authorized authority charged with enforcement of applicable privacy Laws in responding to such inquiries, complaints, requests for access and claims.
- (h) Upon the expiry or termination of this Agreement, or otherwise upon the reasonable request of a Party, the other Parties shall forthwith cease all use of the Personal Information acquired by such Parties in connection with this Agreement and will return to the Party or, at the Party's request, destroy in a secure manner, the Disclosed Personal Information (and any copies thereof).

ARTICLE 6 AMENDMENT AND TERMINATION

6.1 Amendment

Subject to any mandatorily applicable restrictions under the ABCA or the Final Order, this Agreement, including the Plan of Arrangement, may at any time and from time to time before or after the holding of the Meeting be amended by written agreement of the Parties without further notice to or authorization on the part of the Shareholders, *provided* that any such amendment is brought to the attention of the Court before Court approval of the Final Order.

6.2 Termination

This Agreement may be terminated at any time prior to the Effective Date:

- (a) by the mutual written consent of each of the Parties hereto;
- (b) by a Party if any of the conditions in Section 2.11 or any of those in Sections 2.12 or 2.13 hereof for the benefit of that Party is not satisfied or waived in accordance with those Sections, *provided* that such Party is in compliance with its obligations under Section 6.3

(including in respect of providing any required cure period prior to such termination), if applicable, and not then in breach of this Agreement so as to cause any of the conditions set forth in Section 2.11 or any of those in Sections 2.12 or 2.13, as applicable, not to be satisfied;

- (c) by either the WEF Parties or by Cona if the Arrangement shall not have been completed by the Outside Date, *provided* that a Party shall not be entitled to terminate this Agreement pursuant to this Section 6.2(c) if the non-completion is primarily due to the acts or omissions of such Party or the breach of such Party's covenants herein;
- (d) by either the WEF Parties or by Cona if the Meeting shall have been held and completed and the Requisite Shareholder Approval pursuant to the Interim Order shall not have been obtained;
- (e) by the WEF Parties if:
 - (i) the Board shall have made a change in, or withdrawal of, the Recommendation; or
 - (ii) an Acquisition Proposal has been made or proposed to Cona and Cona shall have accepted, approved, recommended or entered into an agreement in respect of such Acquisition Proposal; and
- (f) by Cona to accept, recommend, approve or enter into an agreement to implement a Superior Proposal in accordance with Section 5.2, *provided* that Cona has complied with its obligations set forth in Section 5.1;

provided that any termination by a Party hereto in accordance with paragraphs (b) to (f) above shall be made by such Party delivering written notice thereof to the other Parties hereto prior to the Effective Date and specifying therein in reasonable detail the matter or matters giving rise to such termination right.

6.3 Termination Fee

- (a) Despite any other provision in this Agreement relating to the payment of fees and expenses, if a Termination Fee Event occurs, Cona shall pay the WEF Parties the Termination Fee in accordance with Section 6.3(c);
- (b) For the purposes of this Agreement, "Termination Fee" means \$2.5 million, and "Termination Fee Event" means the termination of this Agreement in the following circumstances:
 - (i) by the WEF Parties, pursuant to Section 6.2(d) [*Failure to Obtain Requisite Shareholder Approval*]; provided, at the time of such termination, circumstances exist that would permit the WEF Parties to terminate the Agreement pursuant to Section 6.2(e)(i) [*Cona Change of Recommendation*];
 - (ii) by the WEF Parties, pursuant to Section 6.2(e)(ii) [*Breach of Non-Solicitation Covenant*];
 - (iii) by Cona, pursuant to Section 6.2(f) [*To Enter into a Superior Proposal*]; provided that either (A) the Arrangement Resolution is not approved by

Requisite Shareholder Approval at the Meeting or an adjournment thereof, or (B) Cona does not call and hold the Meeting (or any other meeting of Cona Shareholders) to consider the Arrangement Resolution;

- (c) If a Termination Fee Event is payable pursuant to Section 6.3(b)(iii), the Termination Fee shall be paid two business days after, in the case of paragraph (A), the Meeting or any adjournment thereof, and, in the case of paragraph (B), the written notice of Cona of termination of this Agreement pursuant to Section 6.2(f) and its decision to not proceed with the Meeting (or any other meeting of Cona Shareholders) to consider the Arrangement Resolution. If a Termination Fee Event pursuant to Section 6.3(b)(ii), the Termination Fee shall be paid within two business days following such Termination Fee Event. If a Termination Fee Event pursuant to Section 6.3(b)(i), the Termination Fee shall be paid within two business days following the Meeting or any adjournment thereof. If a Termination Fee Event is payable after a Termination Fee Event but prior to payment of such amount, Cona shall be deemed to hold such funds in trust for the WEF Parties. Any Termination Fee shall be paid by Cona to the WEF Parties (or as the WEF Parties may direct by notice in writing), by wire transfer in immediately available funds to an account designated by the WEF Parties; and
- (d) The Parties acknowledge that the agreements contained in Section 6.3 are an integral part of the transactions contemplated by this Agreement, and that without these agreements the Parties would not enter into this Agreement, and that the Termination Fee set out in Section 6.3 represents liquidated damages which are a genuine pre-estimate of the damages, including opportunity costs, which the WEF Parties will suffer or incur as a result of the event giving rise to such damages and resultant termination of this Agreement, and are not penalties. Cona irrevocably waives any right it may have to raise as a defence that any such liquidated damages are excessive or punitive. The WEF Parties agree that the payment of the Termination Fee in the manner provided in Section 6.3 is the sole monetary remedy of the WEF Parties in respect of the event giving rise to such payment.

6.4 Notice and Cure Provisions

Notwithstanding any other provision hereof, each Party will give prompt notice to each of the other Parties of the occurrence, at any time from the date hereof until the Effective Date, of any circumstance or change in circumstances (actual, anticipated, contemplated or, to the knowledge of such Party, threatened) which would, or would reasonably be expected to: (a) cause any of the representations or warranties of such Party contained herein to be untrue or inaccurate in any material respect; or (b) result in the failure to comply with or satisfy any covenant, condition or agreement to be complied with or satisfied by such Party, and it shall in good faith discuss with the other Parties any circumstance or change in circumstances (actual, anticipated, contemplated or, to the knowledge of such Party, threatened) which is of such a nature that there may be a reasonable question as to whether notice need to be given to the other Parties pursuant to this provision.

No Party may elect to terminate this Agreement pursuant to Section 6.2(b) unless promptly, and in any event prior to the issuance of the Certificate of Arrangement by the Registrar, the Party intending to rely thereon has delivered a written notice to the other Parties specifying in reasonable detail all breaches of covenants, inaccuracies of representations and warranties or other matters which the Party delivering such notice is asserting as the basis for the non-fulfillment of the applicable condition or the availability of a termination right, as the case may be. If any such notice is delivered, *provided* that the any Party in receipt of such notice is proceeding diligently to cure any such matter capable of cure prior to the Outside Date to

the satisfaction of the Party delivering such notice, acting reasonably, no Party may terminate this Agreement until the earlier of (a) the expiration of a period of 15 business days from the date of receipt of such notice, and (b) the Outside Date, if such matter has not been cured by such date; except that, in each case and for greater certainty, (A) no cure period shall be provided for a breach which by its nature cannot be cured, and (B) a failure to cure a breach or another matter within the 15 business day period referenced above shall, for the purposes of any condition referenced in Section 6.2(b), deem such condition to be incapable of being satisfied by the Outside Date. More than one notice may be delivered by a Party. If such notice has been delivered within 15 business days prior to the date of the Meeting, Cona may elect to postpone the Meeting until the expiry of such period.

ARTICLE 7 GENERAL

7.1 Expenses

The Parties hereto agree that all out-of-pocket expenses incurred in connection with this Agreement and the transactions contemplated hereby, the Interim Order, the Meeting and the preparation, filing and mailing of the Information Circular, the Final Order, including legal and accounting fees, printing costs, financial advisor and valuator fees and all disbursements by advisors, shall be paid by the Party hereto incurring such expense and that nothing in this Agreement shall be construed so as to prevent the payment of such expenses. The provisions of this Section 7.1 shall survive the termination of this Agreement.

7.2 Notices

Any notice, consent, waiver, direction or other communication required or permitted to be given under this Agreement by a Party hereto shall be in writing and shall be delivered by hand or by electronic mail to the Party or Parties hereto to which the notice is to be given to the following addresses or to such other addresses as shall be specified by a Party hereto by similar notice. Any notice, consent, waiver, direction or other communication shall, if delivered, be deemed to have been given and received on the date on which it was hand delivered to the address provided herein (if a business day or, if not, then the next succeeding business day) and, if sent by electronic mail, be deemed to have been given and received at the time of receipt (if a business day or, if not, then the next succeeding business day) unless actually received after 5:00 p.m. (Calgary time) at the point of delivery in which case it shall be deemed to have been given and received on the next business day.

The addresses for service of each of the parties hereto shall be as follows:

- (a) if to Cona:

Cona Resources Ltd.
Suite 1900, 421 – 7th Avenue SW
Calgary, Alberta
T2P 4K9

Attention: Rob Morgan
E-mail: rob.morgan@conaresources.com

with a copy (which shall not constitute notice) to:

Blake, Cassels & Graydon LLP
Suite 3500, 855 – 2nd Street SW

Calgary, Alberta
T2P 4J8

Attention: Noralee Bradley
E-mail: noralee.bradley@blakes.com

(b) if to the WEF Parties:

c/o Waterous Energy Fund
Suite 600, 301 8th Avenue SW
Calgary, Alberta
T2P 1C5

Attention: Adam Waterous
E-mail: adam.waterous@waterous.com

with a copy (which shall not constitute notice) to:

McMillan LLP
Royal Centre, Suite 1500
1055 West Georgia Street, PO Box 11117
Vancouver, British Columbia
V6E 4N7

Attention: Desmond Balakrishnan
E-mail: desmond.balakrishnan@mcmillan.ca

7.3 Entire Agreement

This Agreement, together with the schedule attached hereto, constitutes the entire agreement between the Parties pertaining to the subject matter hereof and supersedes all prior agreements, understandings, negotiations and discussions, whether oral or written, between the Parties with respect to the subject matter hereof.

7.4 Binding Effect

This Agreement shall be binding upon and enure to the benefit of the Parties hereto and their respective successors.

7.5 Assignment

No Party may assign this Agreement nor any of its rights, interests or obligations hereunder.

7.6 Time of the Essence

Time shall be of the essence in this Agreement.

7.7 Further Assurances

Each Party hereto shall, from time to time and at all times hereafter, at the request of any other Party hereto, but without further consideration, do all such further acts, and execute and deliver all such further

documents and instruments as may be reasonably required in order to fully perform and carry out the terms and intent hereof.

7.8 Waiver

Either Cona or the WEF Parties may: (a) extend the time for the performance of any of the obligations or other acts of the other Party or Parties; (b) waive compliance with any of the other Party's or Parties' agreements or the fulfillment of any conditions to its own obligations contained herein; and (c) waive inaccuracies in any of the other Party's or Parties representations or warranties contained herein or in any document delivered by the other Party or Parties; *provided*, however, that any such extension or waiver shall be valid only if set forth in an instrument in writing signed on behalf of such Party and such waiver shall apply only to the specific matters identified in such instrument.

7.9 Third Party Beneficiaries

The provisions of Sections 2.7 and 2.16 and this Section 7.9 are: (a) intended for the benefit of the applicable individuals described therein and shall be enforceable by each of such individuals and his or her heirs, executors administrators and other legal representatives (collectively, the "**Third Party Beneficiaries**"); and (b) in addition to, and not in substitution for, any other rights that the Third Party Beneficiaries may have by contract or otherwise. Except as provided in this Section 7.9, this Agreement shall not confer any rights or remedies upon any person other than the Parties and their respective successors.

7.10 Governing Law

This Agreement shall be governed by and construed in accordance with the Laws of the Province of Alberta and the Laws of Canada applicable therein, and the Parties hereto irrevocably attorn to the jurisdiction of the courts of the Province of Alberta.

7.11 Public Disclosure

Each of the Parties agree to consult with the other Parties prior to issuing, or permitting any of its directors, officers, employees or agents to issue, any press releases or otherwise making public statements with respect to this Agreement or the Arrangement or making any filing with any Governmental Entity with respect thereto. Without limiting the generality of the foregoing, no Party will issue any press release regarding the Arrangement, this Agreement or any transaction relating to this Agreement without first providing a draft of such press release to the other Party and reasonable opportunity for comment; *provided*, however, that the foregoing will be subject to each Party's overriding obligation to make any such disclosure required in accordance with applicable Securities Laws. If such disclosure is required and the other Parties have not reviewed or commented on the disclosure, the Party making such disclosure will use all commercially reasonable efforts to give prior oral or written notice to the other Parties, and if such prior notice is not possible, to give such notice promptly following such disclosure.

7.12 Execution in Counterparts

This Agreement may be executed in one or more counterparts, each of which shall conclusively be deemed to be an original and all such counterparts collectively shall be conclusively deemed to be one and the same instrument. Delivery of an executed counterpart of the signature page to this Agreement by electronic mail or facsimile shall be effective as delivery of a manually executed counterpart of this Agreement, and any Party delivering an executed counterpart of the signature page to this Agreement by electronic mail or facsimile to any other Party shall thereafter also promptly deliver a manually executed

original counterpart of this Agreement to such other Party, but the failure to deliver such manually executed original counterpart shall not affect the validity, enforceability or binding effect of this Agreement.

[Signature page follows]

IN WITNESS WHEREOF the Parties have executed this Agreement as of the date first above written.

**WATEROUS ENERGY FUND
(INTERNATIONAL) L.P.**, by its General Partner,
WEF GP (INTERNATIONAL) LTD.

By: (signed) "Adam Waterous"
Name: Adam Waterous
Title: Director

**WATEROUS ENERGY FUND (CANADIAN)
L.P.**, by its General Partner, **WEF GP
(CANADIAN) CORP.**

By: (signed) "Adam Waterous"
Name: Adam Waterous
Title: Director

CONA RESOURCES LTD.

By: (signed) "Rob Morgan"
Name: Rob Morgan
Title: President and Chief Executive Officer

By: (signed) "Michael Makinson"
Name: Michael Makinson
Title: Vice President, Finance and Chief
Financial Officer

SCHEDULE "A"

**PLAN OF ARRANGEMENT
UNDER SECTION 193
OF THE *BUSINESS CORPORATIONS ACT* (ALBERTA)**

**ARTICLE 1
INTERPRETATION**

1.1 Definitions

In this Plan of Arrangement, unless the context requires otherwise, the following terms have the following meanings:

"**ABCA**" means the *Business Corporations Act* (Alberta);

"**Arrangement**" means the arrangement involving Cona and its Shareholders under section 193 of the ABCA on the terms and conditions set forth in this Plan of Arrangement;

"**Arrangement Agreement**" means the arrangement agreement dated March 27, 2018 among the WEF Parties and Cona with respect to this Plan of Arrangement, and all amendments thereto;

"**Arrangement Resolution**" means the special resolution in respect of the Arrangement to be considered at the Meeting by the Shareholders, substantially in the form set out in Schedule "B" to the Arrangement Agreement;

"**Articles of Arrangement**" means the articles of arrangement of Cona in respect of the Arrangement required under subsection 193(10) of the ABCA to be filed with the Registrar after the Final Order has been granted, giving effect to the Arrangement;

"**business day**" means a day, other than a Saturday, Sunday or statutory holiday, when banks are generally open for business in Calgary, Alberta;

"**Cash Consideration**" means the cash amount to be paid for each Common Share, other than Common Shares held by the WEF Parties, pursuant to the terms of the Arrangement and this Plan of Arrangement, being \$2.55 per Common Share;

"**Certificate of Arrangement**" means the certificate or proof of filing to be issued by the Registrar pursuant to subsection 193(11) or subsection 193(12) of the ABCA in respect of the Articles of Arrangement giving effect to the Arrangement;

"**Common Shares**" means the common shares in the capital of Cona;

"**Cona**" means Cona Resources Ltd., a corporation incorporated under the ABCA;

"**Court**" means the Court of Queen's Bench of Alberta;

"**Depositary**" means Computershare Trust Company of Canada;

"**Dissent Rights**" means the rights of dissent described in Article 4 of this Plan of Arrangement;

"Dissenting Shareholder" means any registered Shareholder who has duly and validly exercised its Dissent Rights in respect of the holder's Common Shares, which exercise of Dissent Rights has not been withdrawn, or is not deemed to have been withdrawn, before the Effective Time;

"Effective Date" means the effective date of the Arrangement, being the date shown on the Certificate of Arrangement;

"Effective Time" means the time at which Articles of Arrangement to give effect to the Arrangement are filed with the Registrar on the Effective Date;

"Encumbrance" includes any mortgage, pledge, assignment, charge, lien, security interest, adverse interest in property, other third party interest or encumbrance of any kind whether contingent or absolute, and any agreement, option, right or privilege (whether by law, contract or otherwise) capable of becoming any of the foregoing;

"Final Order" means the final order of the Court approving the Arrangement pursuant to subsection 193(9) of the ABCA, as such order may be amended by the Court at any time prior to the Effective Time or, if appealed, then, unless such appeal is withdrawn or denied, as affirmed or amended or modified on appeal;

"Information Circular" means the notice of the Meeting to be sent to Shareholders and the management information circular to be prepared by Cona in connection with the Meeting, together with any amendments thereto or supplements thereof;

"Interim Order" means the interim order of the Court under subsection 193(4) of the ABCA providing for, among other things, the calling and conduct of the Meeting with respect to the Arrangement;

"Letter of Transmittal" means the letter of transmittal accompanying the Information Circular sent to the Shareholders to be used by the Shareholders (other than the WEF Parties) to surrender the certificates representing their Common Shares to receive, on completion of the Arrangement, the Cash Consideration;

"Meeting" means the annual and special meeting of Shareholders, and any adjournments thereof, to be called and held in accordance with this Agreement and the Interim Order to consider and approve, among other matters, the Arrangement Resolution;

"Plan of Arrangement", **"herein"**, **"hereof"**, **"hereto"**, **"hereunder"** and similar expressions mean and refer to this plan of arrangement as supplemented, modified or amended, and not to any particular article, section, schedule or other portion hereof;

"Registrar" means the Registrar appointed under section 263 of the ABCA;

"Shareholders" means the holders of Common Shares;

"Tax Act" means the *Income Tax Act* (Canada);

"WEF Canadian" means Waterous Energy Fund (Canadian) L.P.;

"WEF International" means Waterous Energy Fund (International) L.P.; and

"WEF Parties" means, collectively, WEF Canadian and WEF International.

1.2 Interpretation Not Affected by Headings

The division of this Plan of Arrangement into articles, sections, subsections, paragraphs and schedules and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Agreement.

1.3 References

Unless otherwise specified, references in this Plan of Arrangement to an Article, Section, subsection or paragraph by number or letter or both refer to the Article, Section, subsection or paragraph, respectively, bearing that designation in this Plan of Arrangement.

1.4 Extended Meanings

Unless the context otherwise requires, words importing the singular number shall include the plural and vice versa, and words importing any gender shall include all genders.

1.5 Statutory References

In this Plan of Arrangement, unless otherwise specified or unless the context otherwise requires, a reference to any statute is to that statute as now enacted or as may from time to time be amended, re-enacted or replaced, and includes any regulations promulgated thereunder.

1.6 Date for Any Action

If the date on which any action is required to be taken hereunder by a Party is not a business day, such action shall be required to be taken on the next succeeding day which is a business day.

1.7 Currency

Unless otherwise specified, all sums of money which are referred to in this Plan of Arrangement are expressed in lawful money of Canada.

ARTICLE 2 ARRANGEMENT AGREEMENT

2.1 Arrangement Agreement

- (a) This Plan of Arrangement is made pursuant and subject to the provisions of and forms part of the Arrangement Agreement.
- (b) This Plan of Arrangement, upon the filing of the Articles of Arrangement and the issue of the Certificate of Arrangement, will become effective on, and be binding on and after, the Effective Time on: (i) all registered and beneficial Shareholders; (ii) Cona; and (iii) the WEF Parties.
- (c) The Articles of Arrangement and Certificate of Arrangement shall be filed and issued, respectively, with respect to this Arrangement in its entirety. The Certificate of Arrangement shall be conclusive evidence that the Arrangement has become effective and that each of the provisions of Article 3 have become effective in the sequence set out therein. If no Certificate of Arrangement is required to be issued by the Registrar pursuant to subsection 193(11) of the ABCA, the Arrangement shall become effective at

the Effective Time on the date the Articles of Arrangement are filed with the Registrar pursuant to subsection 193(10) of the ABCA.

**ARTICLE 3
THE ARRANGEMENT**

3.1 Arrangement

Commencing at the Effective Time, each of the events set out below shall occur and shall be deemed to occur in the following order without any further act or formality, except as otherwise provided herein:

- (a) all of the issued and outstanding Common Shares (other than Common Shares beneficially owned by and registered in the name of the WEF Parties and Common Shares beneficially owned by and registered in the name of the Dissenting Shareholders) shall be transferred to the WEF Parties (free and clear of any Encumbrances) by the holders thereof without any further action on their part in exchange for the Cash Consideration, and upon such exchange:
- (i) the former holders of such Common Shares shall cease to be the holders of the Common Shares and the names of such holders shall be removed from the register of Shareholders; and
 - (ii) the WEF Parties shall become the holder of the Common Shares so exchanged and the names of WEF Canadian and WEF International shall be added to the register of Shareholders as the registered holders of such Common Shares in the manner set out below; and

WEF Parties	Percentage of Common Shares Transferred Under the Plan of Arrangement
Waterous Energy Fund (International) L.P.	73.1%
Waterous Energy Fund (Canadian) L.P.	26.9%

- (b) all of the Common Shares held by Dissenting Shareholders who have validly exercised Dissent Rights shall be transferred to the WEF Parties (free and clear of any Encumbrances), and upon such transfer such Dissenting Shareholders shall cease to have any rights as Shareholders, other than the right to be paid fair value in respect of their Common Shares in accordance with Article 4, and:
- (i) the former Dissenting Shareholders shall cease to be the holders of the Common Shares and the names of such holders shall be removed from the register of Shareholders; and
 - (ii) the WEF Parties shall become the holder of the Common Shares so transferred and the names of WEF Canadian and WEF International shall be added to the register of Shareholders as the registered holders of such Common Shares in the manner set out in Section 3.1(a);

ARTICLE 4 DISSENT RIGHTS

4.1 Dissent Rights

- (a) Each registered Shareholder shall have the right to dissent with respect to the Arrangement in accordance with the Interim Order and this Article 4, *provided* that notwithstanding section 191(5) of the ABCA, the written objection to the Arrangement referred to in section 191(5) of the ABCA must be sent to Cona by the Dissenting Shareholder not later than 4:00 p.m. (Calgary time) on the date that is five business days prior to the date of the Meeting.
- (b) A Dissenting Shareholder shall, at the Effective Time, cease to have any rights as a holder of Common Shares and shall only be entitled to be paid by the WEF Parties the fair value of the holder's Common Shares. A Dissenting Shareholder who is entitled to be paid by the WEF Parties the fair value of the holder's Common Shares shall, pursuant to Section 3.1(b) hereof, be deemed to have transferred the holder's Common Shares (free and clear of any Encumbrances) to the WEF Parties without any further act or formality notwithstanding the provisions of section 191 of the ABCA.
- (c) A Dissenting Shareholder who for any reason is not ultimately entitled to be paid the fair value of the holder's Common Shares shall be deemed to have participated in the Arrangement on the same basis as a non-Dissenting Shareholder notwithstanding the provisions of section 191 of the ABCA.
- (d) The fair value of the Common Shares shall be determined as of the close of business on the last business day before the day on which the Arrangement is approved by the Shareholders at the Meeting
- (e) In no event shall Cona or the WEF Parties be required to recognize any Dissenting Shareholder as a Shareholder after the Effective Time and the names of such holders shall be removed from the register of Shareholders as at the Effective Time.
- (f) For greater certainty, in addition to any other restrictions in section 191 of the ABCA, holders of Awards and any Shareholder who voted in favour of the Arrangement Resolution shall not be entitled to exercise Dissent Rights for the Arrangement. In addition, a Dissenting Shareholder may only exercise Dissent Rights in respect of all, and not less than all, of its Common Shares.

ARTICLE 5 OUTSTANDING SHARE CERTIFICATES AND CASH PAYMENTS

5.1 Payment of Consideration

- (a) Prior to the Effective Time, the WEF Parties shall deliver to the Depository by way of wire transfer, certified cheque or bank draft an amount equal to the aggregate amount of Cash Consideration that the Shareholders are entitled to receive for their Common Shares pursuant to Section 3.1(a) and in accordance with the terms of the Arrangement.
- (b) Upon surrender to the Depository for cancellation of a certificate or certificates (as applicable) which, immediately prior to the Effective Time, represented outstanding

Common Shares that were transferred pursuant to Section 3.1(a), together with a duly completed and executed Letter of Transmittal and such additional documents and instruments as the Depositary may reasonably require, each Shareholder represented by such surrendered certificate(s) shall be entitled to receive in exchange therefor, and the Depositary shall deliver to such holder, the Cash Consideration which such holder has the right to receive under this Plan of Arrangement for such Common Shares, less any amounts withheld pursuant to Section 5.3, and any certificate(s) so surrendered shall forthwith be cancelled.

- (c) Until deposited as contemplated by Section 5.1(a), each certificate that immediately prior to the Effective Time represented Common Shares shall be deemed after the Effective Time to represent only the right to receive upon such deposit the Cash Consideration to which the holders of such Common Shares are entitled under the Arrangement, or as to those held by Dissenting Shareholders, other than those Dissenting Shareholders deemed to have participated in the Arrangement pursuant to Section 4.1(c), to receive the fair value of the Common Shares represented by such certificates. Any such certificate formerly representing Common Shares not duly surrendered on or before the last business day prior to the third anniversary of the Effective Date shall cease to represent a claim by or interest of any former Shareholder of any kind or nature against Cona or the WEF Parties. On such date, all Cash Consideration to which such former holder was entitled shall be deemed to have been surrendered to the WEF Parties or as directed by the WEF Parties.
- (d) No Shareholder shall be entitled to receive any consideration with respect to such Common Shares other than the Cash Consideration to which such holder is entitled to receive under the Arrangement and, for greater certainty, no such holder will be entitled to receive any interest, dividend, premium or other payment in connection therewith.

5.2 Lost Certificates

If any certificate which immediately prior to the Effective Time represented an interest in outstanding Common Shares that were exchanged pursuant to Section 3.1(a) has been lost, stolen or destroyed, upon the making of an affidavit of that fact by the person claiming such certificate to have been lost, stolen or destroyed, the Depositary will issue and deliver in exchange for such lost, stolen or destroyed certificate the Cash Consideration to which the holder is entitled pursuant to the Arrangement as determined in accordance with the Arrangement. The person who is entitled to receive such Cash Consideration shall, as a condition precedent to the receipt thereof, give a bond satisfactory to the WEF Parties and the Depositary in such amount as the WEF Parties and the Depositary may direct, or otherwise indemnify Cona, the WEF Parties and the Depositary, to the reasonable satisfaction of such parties, against any claim that may be made against any of them with respect to the certificate alleged to have been lost, stolen or destroyed.

5.3 Withholding Rights

Cona, the WEF Parties and the Depositary shall be entitled to deduct and withhold from any Cash Consideration or amount otherwise payable to any former Shareholder such amounts as Cona, the WEF Parties or the Depositary, as the case may be, may determine is required or permitted to deduct and withhold with respect to such payment under the Tax Act, the *United States Internal Revenue Code of 1986* or any provision of federal, provincial, territorial, state, local or foreign tax law. To the extent that amounts are so withheld, such withheld amounts shall be treated for all purposes hereof as having been

paid to the former Shareholder in respect of which such deduction and withholding was made, *provided* that such withheld amounts are actually remitted to the appropriate taxing authority.

ARTICLE 6 AMENDMENTS

6.1 Amendment, Modification or Supplement of this Plan of Arrangement

- (a) Cona and the WEF Parties may amend, modify and/or supplement this Plan of Arrangement at any time and from time to time prior to the Effective Time, *provided* that each such amendment, modification and/or supplement must be: (i) set out in writing; (ii) approved by each party; (iii) filed with the Court and, if made following the Meeting, approved by the Court; and (iv) communicated to Shareholders, if and as required by the Court.
- (b) Any amendment, modification or supplement to this Plan of Arrangement may be proposed by Cona or the WEF Parties at any time prior to or at the Meeting (provided that the other parties shall have consented thereto) with or without any other prior notice or communication, and if so proposed and accepted, in the manner contemplated and to the extent required by the Arrangement Agreement by the persons voting at the Meeting (other than as may be required under the Interim Order or other order of the Court), shall become part of this Plan of Arrangement for all purposes.
- (c) Any amendment, modification or supplement to this Plan of Arrangement that is approved or directed by the Court following the Meeting shall be effective only (i) if it is consented to in writing by each of Cona and the WEF Parties (each acting reasonably), and (ii) if required by the Court or applicable law, it is consented to by the Shareholders.
- (d) Any amendment, modification or supplement to this Plan of Arrangement may be made following the Effective Time unilaterally by the WEF Parties, *provided* that it concerns a matter which, in the reasonable opinion of the WEF Parties, is of an administrative nature required to better give effect to the implementation of this Plan of Arrangement and is not adverse to the financial or economic interests of any former holder of Common Shares.
- (e) This Plan of Arrangement may be withdrawn prior to the occurrence of any of the events set out in Section 2.1(b) in accordance with the terms of the Arrangement Agreement.

ARTICLE 7 FURTHER ASSURANCES

7.1 Further Assurances

- (a) Notwithstanding that the transactions and events set out herein shall occur and shall be deemed to occur in the order set out in this Plan of Arrangement without any further act or formality, each of the parties to the Arrangement Agreement shall make, do and execute, or cause to be made, done and executed, all such further acts, deeds, agreements, transfers, assurances, instruments or documents as may reasonably be required in order further to document or evidence any of the transactions or events set out herein.

7.2 Paramountcy

- (a) From and after the Effective Time (a) this Plan of Arrangement shall take precedence and priority over any and all rights related to the Common Shares issued prior to the Effective Time; (b) the rights and obligations of the holders of Common Shares and any respective trustee and transfer agent therefor shall be solely as provided for in this Plan of Arrangement; and (c) all actions, causes of actions, claims or proceedings (actual or contingent, and whether or not previously asserted) based on or in any way relating to Common Shares shall be deemed to have been settled, compromised, released and determined without liability except as set forth herein.

SCHEDULE "B"

FORM OF ARRANGEMENT RESOLUTION

1. The arrangement (the "**Arrangement**") under section 193 of the *Business Corporations Act* (Alberta) (the "**ABCA**") involving Cona Resources Ltd. ("**Cona**"), as more particularly described and set forth in the management information circular (the "**Circular**") of Cona accompanying the notice of this meeting, as may be modified or amended in accordance with its terms, is hereby authorized, approved and adopted.
2. The plan of arrangement (the "**Plan of Arrangement**") involving Cona, the full text of which is set out as Schedule "A" to the Arrangement Agreement made as of March 27, 2017 between Waterous Energy Fund (International) L.P. and Waterous Energy Fund (Canadian) L.P. and Cona (the "**Arrangement Agreement**"), as may be modified or amended in accordance with its terms, is hereby authorized, approved and adopted.
3. The Arrangement Agreement, the actions of the directors of Cona in approving the Arrangement Agreement and the actions of the directors and officers of Cona in executing and delivering the Arrangement Agreement and any amendments thereto in accordance with its terms are hereby ratified and approved.
4. Notwithstanding that this resolution has been passed (and the Plan of Arrangement adopted) by the Shareholders or that the Arrangement has been approved by the Court of Queen's Bench of Alberta, the directors of Cona are hereby authorized and empowered, at their discretion, without further notice to or approval of the Shareholders: (a) to amend the Arrangement Agreement or the Plan of Arrangement, to the extent permitted by the Arrangement Agreement and the Plan of Arrangement, and (b) subject to the terms of the Arrangement Agreement, to disregard the Shareholders' approval and not proceed with the Arrangement.
5. Any one director or officer of Cona is hereby authorized and directed, for and on behalf of Cona, to execute, under the corporate seal of Cona or otherwise, and to deliver to the Registrar under the ABCA for filing Articles of Arrangement and such other documents as are necessary or desirable to give effect to the Arrangement and the Plan of Arrangement in accordance with the Arrangement Agreement.
6. Any one director or officer of Cona is hereby authorized and directed, for and on behalf of Cona, to execute, or cause to be executed, under the corporate seal of Cona or otherwise, and to deliver, or cause to be delivered, all such other documents, agreements and instruments and to perform, or cause to be performed, all such other acts and things as in such director's or officer's opinion may be necessary or desirable to give full effect to the foregoing resolutions and the matters authorized thereby, such determination to be conclusively evidenced by the execution and delivery of such document, agreement or instrument or the doing of any such act or thing.