

## CONFIDENTIALITY AGREEMENT

This Agreement made on the \_\_\_\_ day of \_\_\_\_\_, 2019

BETWEEN:

**Strategic Oil & Gas Ltd. And Strategic Transmission Ltd. (collectively, "Strategic")**

- and -

\_\_\_\_\_ (the "Recipient")

**WHEREAS** Strategic has been granted relief under the *Companies' Creditors Arrangement Act* (Canada) pursuant to an Initial Order;

**AND WHEREAS** pursuant to the SISP Order, the Court granted, among other things, Strategic the authority to implement and advance the SISP;

**AND WHEREAS** pursuant to the SISP, any party desiring to receive further information in respect of Strategic and its operations is required to execute a confidentiality agreement;

**AND WHEREAS** the Recipient desires to receive Confidential Information to assess Strategic and its operations with a view to making an offer to purchase pursuant to the SISP;

**AND WHEREAS** Strategic wishes to define its rights and obligations with respect to the delivery and disclosure of the Confidential Information to the Recipient;

**NOW THEREFORE** in consideration of the foregoing recitals, the provision of the Confidential Information by Strategic, and other good and valuable consideration (the receipt and sufficiency of which are acknowledged by the Recipient), the Recipient covenants and agrees with Strategic as follows:

1. **Definitions.** In this Agreement, unless otherwise defined herein, the following terms have the following meaning:

**"Affiliate"** has the meaning attributed to it in the *Business Corporations Act* (Alberta);

**"Agreement"** means this agreement, as may be amended from time to time;

**"CCAA Proceedings"** means the restructuring proceedings of Strategic under Court file number 1901-05089;

**"Confidential Information"** means any information of Strategic furnished to the Recipient by or on behalf of Strategic or the Monitor, whether before, on or after the date hereof, irrespective of whether or not such information is identified as "confidential", and whether such information is conveyed to the Recipient or its Representatives orally, visually, electronically or in written or other tangible form, including information provided for inspection in any data room or presentations, and whether such information is received directly or indirectly, such as in the course of business discussions or other investigations. Without limiting the generality of the foregoing, Confidential Information shall include:

- (i) all information on the business or financial affairs, assets or operations of Strategic;
- (ii) any trade secret, technical, financial or business information, facility specifications, geological, engineering, geophysical and/or land maps or data, plans, ideas, concepts or know-how of Strategic;

- (iii) any reports, analyses, notes, work papers or other documents which contain, reflect or are based upon such Confidential Information;
- (iv) any reports, analyses, compilations, studies or other documents prepared by or on behalf of Strategic, the Monitor, the Recipient, or other parties which contain or otherwise reflect or are derivative of such information;
- (v) the fact that discussions between the Recipient and Strategic have been or are taking place and the details concerning (including the status of) any such discussions, the fact that Confidential Information has been disclosed by Strategic, or the existence of, or terms and conditions of, this Agreement; and
- (vi) any other facts with respect to a Transaction, including proposed terms, proposed conditions, or the status of a Transaction or any discussions or negotiations relating to a Transaction.

The term "Confidential Information" does not include information that:

- (vii) is already published or otherwise readily available to the public, other than by a breach of this Agreement;
- (viii) is rightfully received by the Recipient from a third party not in breach of any obligation of confidentiality;
- (ix) is to be known by the Recipient on a non-confidential basis prior to disclosure hereunder;
- (x) is independently created by the Recipient not relying on the Confidential Information; or
- (xi) is provided in compliance with applicable law or court order pursuant to the provisions of paragraph 6;

**"Court"** means the Alberta Court of Queen's Bench presiding in the CCAA Proceedings;

**"Initial Order"** means the Initial Order granted by the Court dated April 10, 2019 in the CCAA Proceedings;

**"Lender"** means, GMT Capital Corp., as agent for and on behalf of the holders of the outstanding 12% Senior Secured Notes due May 27, 2020 of Strategic Oil & Gas Ltd.;

**"Monitor"** means KPMG Inc. in its capacity as court appointed monitor under the Initial Order granted in the CCAA Proceedings;

**"Persons"** includes individuals, corporations, partnerships, associations, trusts, unincorporated organizations, joint ventures, governmental organizations and commissions;

**"Recipient"** means the individual or entity that has entered into this Agreement with Strategic;

**"Representatives"** means, in respect of any person, such person, such person's Affiliates, its and their respective directors, officers, employees, agents, advisors (including, without limitation, financial advisors and legal counsel), prospective banks or other institutional lenders, and the directors, officers and employees of any such agents, advisors and lenders;

“**Strategic**” means Strategic Oil & Gas Ltd., and its wholly owned subsidiary Strategic Transmission Ltd., which is also the subject of the Initial Order in the CCAA proceedings;

“**SISP**” means the sales and investment solicitation process, appended as Schedule “B” to the SISP Order, that will serve to identify parties that would have an interest in pursuing a Transaction;

“**SISP Order**” means the order granted by the Court dated May 9, 2019 in the CCAA Proceedings;

“**Transaction**” means an investment in Strategic by way of (a) an offer for acquisition of all or any part of the property of Strategic and/or (b) an investment into the undertaking and business of Strategic, and/or (c) any other alternative transaction (including, without limitation, a restructuring or recapitalization proposal in respect of the Strategic;

2. **Provision of Confidential Information.** Strategic and/or the Monitor may provide Confidential Information, or a portion thereof, to the Recipient pursuant to and in accordance with the terms of this Agreement and the SISP, at its sole and unfettered discretion. Nothing in this Agreement shall compel or require Strategic to provide any Confidential Information.
3. **Restricted Use.** The Recipient shall only use Confidential Information pursuant to and for those purposes set out in the SISP.
4. **Property of Strategic.** The Recipient will protect Strategic's interest in the Confidential Information and keep it confidential. All right, title and interest in and to the Confidential Information will remain the exclusive property of Strategic. No interest, license or any right respecting the Confidential Information, other than as may be expressly set out herein, is granted to the Recipient under this Agreement by implication or otherwise. Except as otherwise specified herein, the Recipient will not directly or indirectly disclose, allow access to, transmit or transfer any Confidential Information to a third party without Strategic's express prior written consent. The Recipient may disclose the Confidential Information to those of its Representatives who have a need to know the Confidential Information. The Recipient will:
  - (a) prior to disclosing Confidential Information to any such Representative, issue appropriate instructions to such Representative to satisfy its obligations herein and obtain its agreement to receive and use the Confidential Information on a confidential basis on the same conditions as contained in this Agreement and to otherwise comply with the terms hereof; and
  - (b) be responsible for any and all breaches of the terms of this Agreement by its Representatives.
5. **Non-disclosure.** Subject to paragraphs 4 and 6, without the express prior written consent of Strategic, the Recipient will not disclose to any person:
  - (a) the existence of this Agreement or its terms, or the fact that Confidential Information has been made available to the Recipient; or
  - (b) any Confidential Information.
6. **Required Disclosure.** If the Recipient is requested pursuant to, or required by, applicable law or legal process to disclose any Confidential Information, the existence of this Agreement or any of the terms hereof, the Recipient will provide Strategic with prompt notice of such request or requirement in order to enable Strategic to seek an appropriate protective order or other remedy or to waive compliance with the terms of this Agreement or both. The Recipient will not oppose any action by Strategic to seek such a protective order or other remedy. If, failing the obtaining of

a protective order or other remedy by Strategic, such disclosure is required, the Recipient will use its best efforts to ensure that the disclosure will be afforded confidential treatment.

7. **No Reproduction or Storage of Confidential Information.** The Confidential Information will not be copied, reproduced in any form or stored in a retrieval system or data base by the Recipient without the express prior written consent of Strategic.
8. **“As is, where is”.** This Agreement does not constitute any representation, warranty or guarantee with respect to the accuracy or completeness of any Confidential Information and the Recipient will not be entitled to rely on the accuracy or completeness of the Confidential Information. Neither Strategic nor any of its Representatives will be held liable for any errors or omissions in the Confidential Information or the use or the results of the use of the Confidential Information.
9. **Recipient Acknowledgements.** The Recipient acknowledges and agrees that: (a) neither Strategic nor any of its Representatives will be under any legal obligation or have any liability to the Recipient of any nature whatsoever with respect to this Agreement, and (b) it has received, and reviewed the SISP and the SISP Order and agrees to be bound by all of the provisions of the SISP and the SISP Order.
10. **Identification of Representatives.** The Recipient will maintain and, upon request by Strategic, promptly provide Strategic a list containing the full name, title, location and function of each of its Representatives having access to the Confidential Information.
11. **Indemnity.** The Recipient will indemnify and save harmless Strategic and its Representatives from and against all losses, damages, expenses, liabilities, claims and demands of whatever nature or kind (including all legal fees and costs on a solicitor-and-its-own-client, full indemnity basis) resulting from any breach of this Agreement by the Recipient or any of the Recipient's Representatives.
12. **Acknowledgement of Confidentiality.** The Recipient acknowledges the confidential nature and value of the Confidential Information and hereby agrees to abide by those duties and obligations that may arise on the part of Strategic, in any manner, relating to the communication of Confidential Information to third parties.
13. **Enforceability.** If any provision of this Agreement is held to be invalid or unenforceable in whole or in part, such invalidity or unenforceability will attach only to such provision or part thereof and the remaining part of such provision and all other provisions hereof will continue in full force and effect.
14. **No Delay.** No failure or delay by Strategic in exercising any right, power or privilege under this Agreement or otherwise will operate as a waiver thereof, nor will any single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any other right, power or privilege hereunder or otherwise.
15. **Entire Agreement.** This Agreement constitutes the entire agreement between the parties with respect to the subject matter and cancels and supersedes any prior understandings and agreements between the parties with respect thereto. There are no representations, warranties, terms, conditions, undertakings or collateral agreements, express, implied or statutory, between the parties other than as expressly set forth in this Agreement.
16. **Successor and Assigns.** This Agreement will enure to the benefit of and be binding upon the respective successors and assigns of the parties, provided that this Agreement may not be assigned by the Recipient.

17. **Survival.** The terms of this Agreement will expire 12 months after the date hereof, except that paragraphs 3, 4, 5, 6, 9, 11 and 19 will continue in full force and effect for such period of time as is permitted by law.

18. **Notice.** Any demand, notice or other communication to be given in connection with this Agreement must be given in writing and will be given by personal delivery or by electronic means of communication addressed to the recipient thereof as follows:

(a) to Strategic:

Strategic Oil & Gas Ltd  
1100, 645 7<sup>th</sup> Ave SW  
Calgary, Alberta  
T2P 4G8

Attention: Tony Berthelet  
Telephone No.: (403) 781-2989  
Fax No.: (403) \_\_\_\_\_

with a copy to:

Dentons Canada LLP  
15<sup>th</sup> Floor  
850 2<sup>nd</sup> Street S.W.  
Calgary, AB T2P 0R8

Attention: David W. Mann / Afshan Naveed  
Telephone No.: (403) 268-7097 / 7015  
Facsimile No.: (403) 268-3100  
Email: david.mann@dentons.com / afshan.naveed@dentons.com

(b) to the Recipient:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Attention:  
Telephone No.:  
Facsimile No.:  
E-mail:

or to such other address, individual or electronic communication number/address as may be designated by notice given by either party to the other. Any demand, notice or other communication given by personal delivery will be conclusively deemed to have been given on the day of actual delivery thereof and, if given by electronic facsimile/mail, on the day of transmittal thereof if given during the normal business hours of the recipient and on the day during which such normal business hours next occur if not given during such hours on any day.

19. **Equitable Relief.** The Recipient agrees that monetary damages would not alone be sufficient to remedy any breach by the Recipient or the Recipient's Representatives of any term or provision of this Agreement and that Strategic will also be entitled to apply for equitable relief, including injunction and specific performance, in the event of any breach hereof and in addition to any other remedy available pursuant to this Agreement or at law or in equity. The Recipient further waives any requirement for the deposit of security or posting of any bond in connection with any equitable remedy.
20. **Exceptions.** Notwithstanding anything contained herein to the contrary, the Recipient shall be at liberty to discuss the Confidential Information with the Monitor and/or the Lender.
21. **Applicable Law.** This Agreement is governed by and will be construed in accordance with the laws of the Province of Alberta and the laws of Canada applicable therein.
22. **Attornment.** For the purpose of all legal proceedings, this Agreement will be deemed to have been performed in the Province of Alberta, and the Court will have jurisdiction to entertain any action arising under this Agreement. The Recipient hereby attorns to the jurisdiction of the courts of the Judicial District of Calgary, in the Province of Alberta

**IN WITNESS WHEREOF**, this Agreement has been executed and delivered by the parties hereto as of the date set out above.

By: \_\_\_\_\_  
Name:  
Title:

**STRATEGIC OIL & GAS LTD.**

By: \_\_\_\_\_  
Name:  
Title: