



Date: \_\_\_\_\_

\_\_\_\_\_ (Company)

\_\_\_\_\_ (Address)

Attention: \_\_\_\_\_ (Name)

\_\_\_\_\_ (Title)

Dear Sirs:

**Re: Possible Transaction between \_\_\_\_\_ and Black Crane Energy Corp. ("BCEC")**

---

In connection with your analysis of a possible Transaction (as defined below) between BCEC and you, you have requested certain Evaluation Material (as defined below) in respect of BCEC.

In consideration of furnishing you with or providing you access to certain Evaluation Materials, BCEC requires your agreement to the provisions of this Agreement. It is understood and acknowledged that, where the terms "you and your" are used in this Agreement, the same shall be construed as including your Subsidiaries (as defined below).

Wheresoever used in this Agreement, the following terms shall bear the respective definitions hereinafter given, namely:

**"Affiliate"** and **"Subsidiary"** have the meanings ascribed thereto in the ASA;

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

**"this Agreement"** means the agreement consisting of this letter and your acceptance hereof;

**"Effective Date"** means the day, month and year first above written;

**"Evaluation"** means an evaluation of the properties, assets and operations of BCEC made or to be made in contemplation of a Transaction;

**"Evaluation Material"** means all information (including information in the form not only of written information but also information which may be transmitted orally, electronically, visually or by any other means and whether or not it is identified as "confidential") relating to BCEC, or its business, affairs, financial position, assets, operations, prospects, activities or affairs or to a Transaction including, without

limitation and all reports, evaluations, notes, analysis, documents, geological, engineering, land maps or data, trade secrets or any other documents or information pertaining in any way whatsoever to BCEC, together with all analysis, evaluations, compilations, notes, studies or other documents prepared by you or your Representatives containing or based upon, in whole or in part, such information or reflecting the review of, or interest in BCEC or the Transaction ("**Notes**") and includes all information, if any, previously made available to you or your Representatives; provided that Evaluation Material will not include any information which: (i) at the time of its disclosure to you is, or thereafter becomes, generally available to, and known by the public (other than as a result of a disclosure directly or indirectly by you or your Representatives or pursuant to Section 6 hereof); (ii) was available to you on a non-confidential basis from a source other than BCEC provided that such source is not and was not, to your knowledge after due inquiry, prohibited or restricted from transmitting or communicating the information to you by confidentiality agreement with or other contractual, legal or fiduciary obligation to, BCEC; or (iii) has been independently acquired or developed by you without violating any of your obligations under this or any other agreement you may have with any Person;

**"Person"** means any natural or legal person, including a corporation, trust or partnership;

**"Representative"** means, in the case of your Representatives, any of your employees, officers, directors or any advisors, counsel or consultants who are involved in the preparation of an Evaluation for you and, in the case of BCEC's Representatives, any of its employees, officers, directors or any advisors, counsel or consultants;

**"Term"** means a period of 12 months commencing on the Effective Date; and

**"Transaction"** means a transaction or series of transactions approved by the board of directors of BCEC whereby some or all of the properties, assets and/or operations of BCEC are to be directly or indirectly acquired, merger with or invested in by any Person.

Where any word or term is used herein in the singular or neuter, the same shall include the plural or masculine or feminine as the context may require.

1. ***Non-Disclosure of Possible Transaction.*** Without the prior written consent of BCEC, you will not, and will direct your Representatives not to, disclose to any Person other than your Representatives: (i) the fact that any investigations, discussions or negotiations are taking place concerning a possible Transaction; (ii) that you have requested or received Evaluation Material; (iii) any opinion or comment in respect of the Evaluation Material; or (iv) any of the terms, conditions or any facts with respect to such possible Transaction, including the status thereof.
2. ***Use of Evaluation Material.*** You agree and you shall cause your Representatives to agree: (i) to use the Evaluation Material only for the purposes of conducting an Evaluation in furtherance of implementing a Transaction between BCEC and you; (ii) not to use, exploit or employ the Evaluation Material for any other purpose or in any other manner; (iii) to keep the Evaluation Material fully secret and confidential for the Term; and (iv) not copy or reproduce any written materials comprising a part of the Evaluation Material, without the prior written consent of BCEC except as necessary for purposes of conducting an evaluation of the Evaluation Material and a possible Transaction. It is understood that neither this Agreement nor the disclosure of any Evaluation Material to you should be construed as granting to you or any of your Representatives any licence or rights in respect of any part of the Evaluation Material.
3. ***Safeguard and Non-Disclosure of Evaluation Material.*** You will safeguard and strictly control the dissemination of the Evaluation Material and not release or disclose any Evaluation Material

to any Person, other than your Representatives and in each case only those Representatives who need to receive such information in connection with your Evaluation and who have first been informed of and agreed to be bound by the terms of this Agreement. You agree to be responsible for any breach of this Agreement by any of your Representatives or by any other person to whom you have provided Evaluation Material and shall, upon request, forthwith provide to BCEC a list of all parties to whom Evaluation Material has been provided.

4. ***Return of Materials.*** You will keep a record of the location of any Evaluation Material provided to you. Promptly upon BCEC's request therefor you will and will cause your Representatives to (i) return to BCEC all Evaluation Material furnished to you or your Representatives, without retaining copies or other reproductions, reports, extracts, notes or other memoranda thereof (whether electronic, magnetic or otherwise); (ii) destroy or have destroyed all Notes and all documents prepared by or in the possession of you or your Representatives related to the information contained in the Evaluation Material but which does not itself constitute Evaluation Material; and (iii) provide to BCEC a certificate that the terms and conditions of this paragraph have been complied with; provided that notwithstanding the foregoing, you may retain one copy of the Evaluation Material if required by law, regulation or internal document retention policies, provided such retained Evaluation Material shall remain confidential in accordance with the provisions of this Agreement. Notwithstanding anything to the contrary herein, it is understood and agreed that your computer systems may automatically back-up Evaluation Material disclosed to you under this Confidentiality Agreement. To the extent such computer back-up procedures create copies of the Evaluation Material, you may retain such copies in your archival or back-up computer storage for the period you normally archive back-up computer records, which copies shall be subject to the provisions of this Confidential Agreement until the same are destroyed, and shall not be accessed by you or your Representatives during such period of archival and back-up storage.
5. ***Liability.*** Without limitation and in addition to any other rights BCEC and its Representatives may have against you or arising by reason of any breach hereof, you shall:
  - (a) be liable to BCEC and its Representatives, for any and all losses, costs, damages and expenses whatsoever (including legal, accounting and other professional costs, expenses, fees and disbursements, with legal fees on a solicitor-client basis) which any of them may suffer, sustain, pay or incur; and
  - (b) indemnify and hold harmless BCEC and its Representatives against all actions, proceedings, claims, demands, losses, costs, damages and expenses whatsoever which may be brought against or suffered by BCEC or its Representatives or which any of them may sustain, pay or incur,

resulting or arising, directly or indirectly, from disclosure of any part of the Evaluation Material contrary to the provisions hereof or any other breach of this Agreement by you or your Representatives. You acknowledge and agree that BCEC is constituted as trustee of your covenants under this paragraph 5 for the benefit of BCEC's Representatives and that BCEC or its Representatives shall be entitled to enforce such covenants on behalf of such persons.

6. ***Legally Required Disclosures.*** Should you or your Representatives be required (by deposition, interrogatory, request for information or documents in legal proceedings, subpoena, civil investigative demand or similar process in connection with any proceeding) to disclose any Evaluation Material or any matter referred to in paragraph 1 hereof, you will provide BCEC with prompt notice of such requirement or request so that BCEC may seek an appropriate protection

order, or waive compliance with any of the provisions of this Agreement, or both. If, in the absence of either a protective order or a waiver by BCEC, you or your Representatives, in the reasonable written opinion of your or its legal counsel, are required by law, securities regulation or policy to disclose any Evaluation Material or such other matter, you or your Representatives may, without liability hereunder, disclose that portion, and only that portion, of the Evaluation Material or such other matter that you or your Representatives are required so to disclose and you will exercise your reasonable efforts in such event to obtain reliable assurance that the Evaluation Material or such other matter will be accorded confidential treatment.

7. ***Company Personnel.*** You will not, and you will cause your Representatives not to, solicit for hire or employment, directly or indirectly, any person that was an officer or employee of BCEC during the period of time that any Evaluation Material was provided to or being evaluated by you or that you have come in contact with in connection with your review of Evaluation Information in connection with a Possible Transaction. For the purposes of this clause, "solicitation" shall not include solicitation of any officer or employee of BCEC who is solicited: (i) following completion of a Transaction by you as part of or as a result of such Transaction; (ii) by advertising in a newspaper or periodical of general circulation; or (iii) indirectly through a personnel search agency engaged by you generally (not specifically in respect of BCEC), provided that this paragraph 7 shall cease to bind you on the expiry of the Term.
8. ***No Representation or Warranty.*** You understand and acknowledge that neither BCEC nor its Representatives are making any representation or warranty, expressed or implied, as to the accuracy or completeness of the Evaluation Material and neither BCEC nor its Representatives or any of their respective officers, directors, employees or agents will have any liability whatsoever to you or to any other Person resulting from your use of the Evaluation Material and that you are and will be relying upon your own investigations, due diligence and analysis in evaluating and satisfying yourself as to all matters relating to BCEC and its business, affairs and assets. Only such representations or warranties that are contained in a definitive agreement with respect to a Transaction, when as and if executed and subject to such conditions or limitations or restrictions as may therein be specified, shall have any legal effect.
9. ***Other Restrictions.*** During the period commencing on the date of this Agreement and ending on the date that is 12 months from the date of this Agreement, neither you nor any of your Affiliates (including any Person or entity, directly or indirectly, through one or more intermediaries, controlling you, under common control with you, controlled by you or acting jointly or in concert with you) or your Representatives who act for you at your direction or jointly in concert with you shall, without the specific prior written approval of the board of directors of BCEC, which approval may be given on such terms as the board of directors of BCEC may determine: (i) in any manner acquire, agree to acquire or make any proposal or offer to acquire, directly or indirectly, in any manner any securities of BCEC or any assets of BCEC; (ii) propose or offer to enter into, directly or indirectly, any merger or business combination involving BCEC; (iii) directly or indirectly, "solicit", or participate or join with any Person in the "solicitation" of, any "proxies" (as such terms are defined in the *Securities Act* (Alberta)) to vote, to seek to advise or to influence any Person with respect to the voting of any voting securities of BCEC; (iv) otherwise act alone or in concert with others to seek to control or to influence the management, board of directors or policies of BCEC; (v) make any public or private disclosure of any consideration, intention, plan or arrangement inconsistent with any of the foregoing; or (vi) advise, assist or encourage any other Person in connection with any of the foregoing.
10. ***Securities Laws.*** You acknowledge that you are aware of the general nature of applicable securities laws, including, without limitation, all applicable securities laws that may prohibit any

Person who has material, non-public information concerning the matters which are the subject of this Agreement, from trading in securities of a company which may be a party to a transaction of, or may propose to become a party to, the type contemplated herein or from communicating such information to other Persons and you covenant and agree to comply with all such applicable securities laws.

11. **Contact with Company Personnel, Customers, Suppliers.** During the Term, you will not and will cause your Representatives not to, directly or indirectly, initiate or maintain contact (except for those contacts made in the ordinary course of business) with any officer, director or employee or agent of BCEC, including any customers or suppliers of BCEC, regarding its business, operations, prospects or finances except with the express permission of BCEC. It is understood that Sheldon Nedjelski, VP Land of BCEC will arrange for any appropriate contacts for due diligence purposes with respect to your Evaluation and that all: (i) communications regarding a Transaction; (ii) requests for additional Evaluation Material; (iii) requests for facility tours or meetings with management; and (iv) discussions or questions regarding the Evaluation Material will be submitted or directed by you to Sheldon Nedjelski, VP Land of BCEC.
12. **Process.** No contract or agreement between you and BCEC providing for a Transaction shall be deemed to exist unless and until a definitive agreement with respect thereto has been executed and delivered. Unless and until such an agreement has been executed and delivered, neither you nor BCEC shall have any legal obligation of any kind whatsoever with respect to any such Transaction by virtue of this Agreement or any other written or oral expression with respect to such a Transaction except, in the case of this Agreement, for the matters specifically agreed to herein. BCEC is free to conduct any process with respect to any Transaction as it, in its sole discretion, shall determine (including, without limitation, negotiating with any Person and entering into any agreement without prior notice to you or any other Person), and you acknowledge and agree that: (i) any procedures relating to any Transaction may be changed at any time and without notice to you or any other Person; and (ii) you shall not have any claim whatsoever against BCEC or any of its Representatives arising out of or relating to a Transaction (other than those as against the parties to a definitive agreement with you in accordance with the terms hereof). You agree that BCEC reserves the right, in its sole discretion, to reject any and all proposals made by you with respect to a Transaction and to terminate discussions and negotiations, with you at any time. For the purposes of this paragraph 12, the term "definitive agreement" does not include an executed letter of intent or any other preliminary written agreement, nor does it include any written or oral offer bid or any written or oral acceptance thereof. You acknowledge and agree that the entering into of this Agreement by BCEC or any approval granted pursuant to paragraph 9 hereof does not constitute the agreement of BCEC to agree to or recommend to its shareholders any Transaction, nor does it restrict the rights of BCEC to solicit or provide information to any other parties in respect of a Transaction.
13. **Access to Properties.** If you or any of your Representatives are provided with physical access to any properties or facilities with respect to which BCEC or any of its Subsidiaries has an ownership interest or operates (other than access in the normal course in respect of properties or facilities in which you have an existing interest), you agree that neither you nor your Representatives shall have, and shall not make, any claims whatsoever against BCEC, its Representatives or any of their respective directors, officers, employees, agents, consultants, representatives or advisors as a result of such access including, without limitation, any and all claims and causes of action for personal injury, death or property damage occurring as a result of your or your Representatives' access to such properties or facilities and you agree to indemnify, defend and hold harmless BCEC, its Representatives and any of their respective directors, officers, employees, agents, consultants, representatives or advisors from and against any and all

liabilities, claims and causes of action for personal injury, death or property damage occurring on or to such property or facility as a result of your entry onto the premises. You shall, and shall cause your Representatives to, comply fully with all rules, regulations and instructions issued by BCEC or any of its Subsidiaries regarding you or your Representatives' access to such properties or facilities.

14. **Privacy Matters.** You agree that you will not request BCEC to disclose to you information about identifiable individuals ("**Personal Information**") unless required by you, acting reasonably, for the purpose of evaluating the Transaction. If Personal Information is provided to you, then:
- (a) all such Personal Information shall be treated as Evaluation Material pursuant to the terms of this Agreement;
  - (b) to the extent that BCEC discloses to you any Personal Information prior to the closing of the Transaction (the "**Closing**"), you shall, prior to the Closing: (i) collect and use Personal Information only for the purpose of evaluating the Transaction; (ii) only disclose Personal Information to those of your Representatives who need to know such Personal Information for the purpose of evaluating the Transaction; and (iii) use appropriate security measures to safeguard all Personal Information against unauthorized collection, access, use or disclosure; and
  - (c) if the Transaction proceeds, following the Closing, you shall only be entitled to Personal Information that relates solely to the carrying on of the business that is the subject of the Transaction and you shall, and shall cause your Representatives to, only use and disclose that Personal Information for the purposes for which it was initially collected by BCEC, unless the consent for other use or disclosure is obtained from the individuals to whom such Personal Information relates or unless otherwise permitted or required by law.
15. **Privileged Information.** In accepting and reviewing the Evaluation Material, you acknowledge that certain parts of the Evaluation Material to which access may be given under this Agreement is information to which solicitor-client privilege and/or litigation privilege (collectively, "**Privilege**") attaches (collectively, "**Privileged Information**"). You acknowledge and agree that access to the Privileged Information is being provided solely for the purposes set out in this Agreement and that such access is not intended and should not be interpreted as a waiver of any Privilege in respect of the Privileged Information or of any right to assert or claim Privilege in respect of the Privileged Information. To the extent that there is any waiver of Privilege, it is intended to be a limited waiver in favour of you, solely for the purposes and on the terms set out in this Agreement.
16. **No Third Parties.** In accepting and reviewing the Evaluation Material, you represent and warrant that you are acting solely for yourself. Further, you represent and warrant that neither you nor any of your Representatives have discussed or shared, and you hereby covenant that unless you have first received the written consent of BCEC neither you nor any of your Representatives will discuss or share, with any third party any aspect of the Evaluation Material or the fact that BCEC is interested in a proposed Transaction. You acknowledge that the effect of this covenant is that without the full disclosure to and the written consent of BCEC, neither you nor any of your Representatives can act as agent, partner, co-participant or co-venturer for any third party or third parties with respect to a proposed Transaction. In order to obtain the consent of BCEC, which BCEC is entitled to withhold in its sole discretion, you shall notify BCEC of the identity of each person for whom or with whom you or any of your Representatives had considered pursuing a

possible Transaction and the nature and interest you or any of your Representatives and each such Person would have in respect of such possible Transaction.

17. **Remedies.** You acknowledge and agree that BCEC will be irreparably damaged if any provision of this Agreement is not performed by you or your Representatives in accordance with its terms and that monetary damages would not be sufficient to remedy any breach by you or your Representatives of any term or provision of this Agreement and you further agree that BCEC shall be entitled to equitable relief, including injunction and specific performance, in the event of any breach hereof and in addition to any other remedy available at law or in equity. You further agree to waive any requirement for the deposit of security or posting of any bond in connection with any equitable remedy.
18. **Governing Law and Attornment.** You hereby irrevocably and unconditionally consent to and submit to the exclusive jurisdiction of the courts of Alberta for any actions, suits or proceedings arising out of the interpretation or enforcement of this Agreement (and you agree not to commence any action, suit or proceeding relating thereto except in such courts) and further agree that service of any process, summons, notice or document by personal delivery to your address set forth above shall be effective service of process for any action, suit or proceeding brought against you in any such court. You hereby irrevocably and unconditionally waive any objection to the laying of venue of any action, suit or proceeding arising out of this Agreement or the matters contemplated hereby in the courts of Alberta and hereby further irrevocably and unconditionally waive and agree not to plead or claim in any such court that any such action, suit or proceeding so brought has been brought in an inconvenient forum.
19. **Notice.** All notices to be given to a party hereunder shall be in writing and delivered personally, by overnight courier or by e-mail addressed, in the case of BCEC, Sheldon Nedjelski, VP Land, [snedjelski@blackcrane.ca](mailto:snedjelski@blackcrane.ca) Black Crane Energy Corp., #1100, 700 - 9<sup>th</sup> Avenue S.W. Calgary, AB T2P 3V4, and, in the case of you, to the addressee at the address set forth on the execution page hereof.
20. **Waiver and Amendment.** No provision of this Agreement may be waived or amended except by written consent of the party so waiving, which consent shall specifically refer to the provision being so amended or waived. No failure or delay by BCEC in exercising any right, power or privilege hereunder will operate as a waiver thereof nor will any single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any right, power or privilege hereunder.
21. **Severance.** If any provision of this Agreement is determined to be illegal, invalid or unenforceable by an arbitrator or any court of competent jurisdiction from which no appeal exists or is taken, that provision will be severed from this Agreement and the remaining provisions will remain in full force and effect.
22. **Headings.** The division of this Agreement into sections and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Agreement.
23. **Benefit and Assignment.** This Agreement is for the benefit of BCEC and its successors and assigns and may be enforced by BCEC and its successors and assigns. This Agreement shall not be assignable by you without the prior written consent of BCEC. Any consent or approval that may be provided by BCEC hereunder may be provided by BCEC or its successor.

24. **Counterparts and Execution.** This Agreement may be executed in any number of counterparts and all counterparts taken together constitute one and the same instrument. Receipt of an originally executed counterpart signature page by facsimile or an electronic reproduction of an originally executed counterpart signature page by electronic mail is effective execution and delivery of this Agreement. Any party sending a counterpart by facsimile or electronic mail will also deliver the original signed counterpart to the other party; however, failure to do so will not invalidate this Agreement.

If you are in agreement with the foregoing, please sign and return an electronic copy of this letter by email to:

Dejan Kukic  
President  
ARCO Capital Partners Inc.  
[dkukic@arcocapital.ca](mailto:dkukic@arcocapital.ca)

Yours truly,

**BLACK CRANE ENERGY CORP.**

Per: \_\_\_\_\_  
Sheldon Nadjelski  
VP Land

ACCEPTED AND AGREED TO  
this \_\_\_\_ day of \_\_\_\_\_, 2022.

\_\_\_\_\_  
Full Company Name

\_\_\_\_\_  
Officer's Signature

\_\_\_\_\_  
Officer's Printed Name

\_\_\_\_\_  
Officer's Title

**VIRTUAL DATA ROOM RECIPIENT ACCESS**

The virtual data room will include the Evaluation Material as well as updates that may occur for the duration of the offering. Please provide the names and email addresses of the individuals you would like to have access to the virtual data room:

<b>Name</b>	<b>Title</b>	<b>Email Address</b>	<b>Phone Number</b>