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**ARROW EXPLORATION CORP. CONFIDENTIALITY AGREEMENT**

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Confidential information in respect of Arrow Exploration Corp. may be accessed by executing two original copies of the attached confidentiality agreement in full and access information for the online data room will be sent to the contact details submitted on Schedule "A". Confidentiality agreements from undisclosed parties or for agents acting for undisclosed parties will not be accepted.

Please deliver two (2) executed original copies of the confidentiality agreement to:

**Arrow Exploration Corp.**  
**c/o**  
**Stifel FirstEnergy**  
2500, 250 – 6th Avenue S.W.  
Calgary, AB T2P 3H7

Attention: Patrick Gobran  
Tel: 403-262-0612  
Email: [pmgobran@stifel.com](mailto:pmgobran@stifel.com)

Confidentiality agreements may be emailed to the above but must be followed by two executed original copies.



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ARROW EXPLORATION CORP. CONFIDENTIALITY AGREEMENT

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\_\_\_\_\_, 2020

(Your Company's Name and Address)

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

Attention: (Your Company's Name) \_\_\_\_\_

Dear Madames/Sirs:

**Re: Confidentiality Agreement with respect to Arrow Exploration Corp. ("Arrow")**

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In connection with your analysis of a possible Transaction between Arrow and you, you have requested certain Evaluation Material in respect of Arrow.

In consideration of furnishing you with or providing you access to certain Evaluation Materials, Arrow 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.

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 (including any schedules attached hereto) and your acceptance hereof;

**"Data Room"** means the room or rooms containing Evaluation Material, whether physical or virtual;

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

**"Evaluation"** means an evaluation of the properties, assets and operations of Arrow 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 Arrow, or its business, affairs, financial position, assets, operations, prospects, activities or affairs or to a Transaction including, without limitation, information provided for inspection in any Data Room and all reports, evaluations, notes, analysis, documents, geological, engineering, seismic (either trade or proprietary) geophysical and/or land maps or data, trade secrets or any other documents or information pertaining in any way whatsoever to Arrow, 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 Arrow 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 in breach of this Agreement or pursuant to Section 6 hereof); (ii) was available to you on a non-confidential basis from a source other than Arrow 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, Arrow; or (iii) has been independently acquired or developed by you without violating any of your obligations under this Agreement 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 or directors or any professional advisors (including without limitation, financial advisors, lawyers and accountants or consultants) who are involved in the preparation of an Evaluation for you or who have received Evaluation Material and, in the case of Arrow, any of Arrow's employees, officers or directors or any professional advisors (including without limitation, financial advisors, lawyers and accountants or consultants, including, but not limited to, Stifel Nicolaus Canada. ("**Stifel FirstEnergy**"));

**"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 Arrow whereby 50% or more of the issued and outstanding common shares of Arrow are to be purchased, exchanged or otherwise acquired, directly or indirectly, by any Person or whereby such shares are or become subject to any amalgamation, arrangement, merger or similar transaction which directly or indirectly results in any business combination of Arrow with any Person or whereby a portion or all of the properties or operations of Arrow are to be acquired directly or indirectly 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 Arrow, you will not, and will direct your Representatives not to, disclose to any Person other than your Representatives who need to know such information for the purpose of assisting you in an Evaluation: (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 Arrow 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; and (iv) not copy or reproduce any written materials comprising a part of the Evaluation Material, without the prior written consent of Arrow. You acknowledge and agree that where any of the Evaluation Material includes information which indicates that title of any of Arrow's property may be compromised or contain a title defect, then even if the various pieces of information necessary to identify the title defect (e.g., lease agreements, production information, etc.) are available to the public, the existence of such a title defect shall not be considered to be in the public domain if the existence of such a title defect is first discovered or learned of by you or your Representatives in connection with the review of the Evaluation Material. You agree that you shall not and shall assure that all of your Representatives do not take advantage of or inform any other Person of the existence of such title defect. It is understood that neither this Agreement nor the disclosure of any Evaluation Material to you or your Representatives 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 Arrow a list of all parties to whom Evaluation Material has been provided and a record of the location of such Evaluation Material
4. ***Return of Materials.*** Promptly upon Arrow's request therefor you will and will cause your Representatives to: (i) return to Arrow 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 Arrow a certificate that the terms and conditions of this paragraph have been complied with. Notwithstanding anything to the contrary herein, it is also understood and agreed that the Recipient's computer systems may automatically

back up Evaluation Material disclosed to it under this Confidentiality Agreement. To the extent such computer back up procedures create copies of the Evaluation Material, the Recipient may retain such copies in its archival or back up computer storage for the period they 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 Recipients during such period of archival and back up storage.

5. **Liability.** Without limitation and in addition to any other rights Arrow and its Representatives may have against you or arising by reason of any breach hereof, you shall:

- (a) be liable to Arrow 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 Arrow and its Representatives against all actions, proceedings, claims, demands, losses, costs, damages and expenses whatsoever which may be brought against or suffered by Arrow 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 Arrow is constituted as trustee of your covenants under this paragraph 5 for the benefit of Arrow's Representatives and that Arrow 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 applicable laws, legal process or stock exchange rules or regulations to disclose any Evaluation Material or any matter referred to in paragraph 1 hereof, you will provide Arrow with prompt notice of such requirement or request so that Arrow may seek an appropriate protection order or other remedy and/or waive compliance with any of the provisions of this Agreement, or both, and you shall cooperate with Arrow in connection therewith. If, in the absence of either a protective order or a waiver by Arrow, 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, after having used reasonable efforts to avoid such disclosure, 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 Arrow during the period of time that any Evaluation Material was provided to or being evaluated by you. For the purposes of this clause, "solicitation" shall not include solicitation of any officer or employee

of Arrow who is solicited: (i) by advertising in a newspaper or periodical of general circulation; or (ii) indirectly through a personnel search agency engaged by you generally (not specifically in respect of Arrow, or any particular officer or employee of Arrow), provided that in the case of (i) and (ii) you shall not pursue hiring of any officer or employee of Arrow; 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 Arrow nor its Representatives are making any representation or warranty, expressed or implied, as to the accuracy or completeness of the Evaluation Material and neither Arrow 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 Arrow 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, or controlled by you) nor your Representatives who act for you or at your direction nor any Person acting jointly or in concert with you shall, without the specific prior written approval of the board of directors of Arrow, which approval may be given on such terms as the board of directors of Arrow 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 Arrow or any assets of Arrow; (ii) propose or offer to enter into, directly or indirectly, any merger or business combination involving Arrow; (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 ASA) to vote, to seek to advise or to influence any Person with respect to the voting of any voting securities of Arrow; (iv) obtain representation or seek to obtain representation on Arrow's board of directors; (v) otherwise act alone or in concert with others to seek to control or to influence the management, board of directors or policies of Arrow; (vi) make any public or private disclosure of any consideration, intention, plan or arrangement inconsistent with any of the foregoing; or (vii) have any discussions or enter into any arrangements, understandings or agreements, whether written or oral, with, or advise, finance, aid, assist, encourage or act in concert with, any other Persons 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, employee or agent of Arrow, or any customers or suppliers of Arrow, regarding its business, operations, prospects or finances except with the express permission of Arrow. All communications regarding a potential Transaction are to be addressed only and directly to Stifel FirstEnergy to the attention of any of the following individuals:

Erik B. Bakke	<a href="mailto:ebbakke@stifel.com">ebbakke@stifel.com</a>	403-262-0649
Mark C. Pearson	<a href="mailto:mcpearson@stifel.com">mcpearson@stifel.com</a>	403-262-0677
Scott Robertson	<a href="mailto:srobertson@stifel.com">srobertson@stifel.com</a>	403-262-0606

12. **Process.** No contract or agreement between you and Arrow 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 Arrow 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. Arrow 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 Arrow 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 thereof). You agree that Arrow 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 Arrow or any approval granted pursuant to paragraph 9 hereof does not constitute the agreement of Arrow to agree to or recommend to its shareholders any Transaction, nor does it restrict the rights of Arrow 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 Arrow 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 Arrow, 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 Arrow, 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 Arrow regarding you or your Representatives' access to such properties or facilities.

14. **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 Arrow 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 Arrow 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 Arrow, 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 Arrow, which Arrow is entitled to withhold in its sole discretion, you shall notify Arrow 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.
15. **Remedies.** You acknowledge and agree that Arrow 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 Arrow 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.
16. **Governing Law and Attornment.** This Agreement shall be governed by, and construed in accordance with, the laws in force in the Province of Alberta, and 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.
17. **Appointment of Process Agent.** You represent and warrant that you have a registered office for service of process in the province of Alberta to accept service of process in the Province of Alberta in any legal action or proceedings arising out of or in connection with this Agreement, service



upon whom shall be deemed completed whether or not forwarded to or received by you. If such process agent ceases to be able to act as such or to have an address in Alberta, you irrevocably agree to appoint a new process agent in Alberta acceptable to Arrow and to deliver to Arrow within 14 days a copy of a written acceptance of appointment by the process agent.

18. **Notice.** All notices to be given to a party hereunder shall be in writing and delivered personally, by overnight courier or e-mail, addressed, in the case of Arrow, to John Newman, Chief Financial Officer, 920, 150 – 9<sup>th</sup> Avenue S.W., Calgary, Alberta, T2P 3H9 (in an envelope marked "Confidential", with no mention of Arrow), and, in the case of you, to the addressee at the address set forth on the execution page hereof.
19. **Privacy Matters.** You agree that you will not request Arrow 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 Arrow 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 Arrow, 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.
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 Arrow 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 Arrow and its successors and assigns and may be enforced by Arrow and its successors and assigns. This Agreement shall not be assignable by you without the prior written consent of Arrow. Any consent or approval that may be provided by Arrow hereunder may be provided by Arrow or its successor. Arrow reserves the right to assign all or any of the benefits under this Agreement including, without limitation, the right to enforce any or all of the terms of this Agreement with respect to the unauthorized use or disclosure by you or your Representatives of the Evaluation Material to such parties as it deems appropriate including joint venture partners and the acquirer of any its shares or assets pursuant to a Transaction.
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 one copy of this letter to Stifel FirstEnergy:

Stifel FirstEnergy  
2500, 250 – 6th Avenue S.W.  
Calgary, Alberta, T2P 3H7

Attention: Patrick Gobran  
Email: [pmgobran@stifel.com](mailto:pmgobran@stifel.com)  
Phone: 403-262-0612

Sincerely,

**Arrow Exploration Corp.**

Per: \_\_\_\_\_  
John Newman  
Chief Financial Officer

ACCEPTED AND AGREED TO

this \_\_\_\_ day of \_\_\_\_\_, 2020.

**(Your Company's Name)**

\_\_\_\_\_

Per: \_\_\_\_\_  
Authorized Signatory

Name: \_\_\_\_\_

Title: \_\_\_\_\_



**SCHEDULE "A" TO THE  
ARROW EXPLORATION CORP. CONFIDENTIALITY AGREEMENT**

**Key Contact for the Confidential Information:**  
(Please fill in the following or attach a business card)

**Name:** \_\_\_\_\_

**Title:** \_\_\_\_\_

**Company:** \_\_\_\_\_

**Address:** \_\_\_\_\_

\_\_\_\_\_

**Telephone:** \_\_\_\_\_

**Email address:** \_\_\_\_\_

**Is Online Data Room Access Required for the Key Contact?**

Yes ☐

No ☐

**Please list all users requiring access to the online data room:**  
(Required for individual users)

Name: \_\_\_\_\_ Email: \_\_\_\_\_ Title: \_\_\_\_\_

Name: \_\_\_\_\_ Email: \_\_\_\_\_ Title: \_\_\_\_\_

Name: \_\_\_\_\_ Email: \_\_\_\_\_ Title: \_\_\_\_\_

Name: \_\_\_\_\_ Email: \_\_\_\_\_ Title: \_\_\_\_\_

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