

REORGANIZATION AND INVESTMENT AGREEMENT

AMONG

SOFTROCK MINERALS LTD.

AND

ROBIN AULD, MATTHEW KLUKAS, BRIAN ANDERSON, HENRY GROEN AND HENDRA JAYA

July 12, 2022

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REORGANIZATION AND INVESTMENT AGREEMENT

THIS REORGANIZATION AND INVESTMENT AGREEMENT is dated effective as of the 12th day of July, 2022.

AMONG:

SOFTROCK MINERALS LTD., a corporation existing under the laws of the Province of Alberta ("**Softrock**")

AND:

ROBIN AULD, MATTHEW KLUKAS, BRIAN ANDERSON, HENRY GROEN AND HENDRA JAYA (collectively, the "**Initial Investor Group**")

WHEREAS:

- A. The Parties desire to enter into this Agreement to, among other things, establish the terms and conditions upon which the Private Placement will be completed, and the Current Board and Current Executives will be replaced by the Reconstituted Board and New Executives.
- B. Concurrently with the execution of this Agreement, certain shareholders of Softrock who hold, in the aggregate, 18.2% of the issued and outstanding Common Shares have entered into the Support Agreements.
- C. The Parties have entered into this Agreement to provide for the matters referred to in the foregoing recitals and for other matters set forth in this Agreement.

NOW THEREFORE, in consideration of the covenants and agreements herein contained and other good and valuable consideration (the receipt and sufficiency of which are hereby acknowledged), the Parties do hereby covenant and agree as follows:

ARTICLE 1 INTERPRETATION

1.1 Definitions

In this Agreement (including the recitals hereto), unless there is something in the context or subject matter inconsistent therewith, the following defined terms have the meanings hereinafter set forth:

"**ABCA**" means the *Business Corporations Act*, R.S.A. 2000, c. B-9, as amended, including the regulations promulgated thereunder;

"**Agreement**" means this reorganization and investment agreement, as the same may be amended from time to time;

"**Applicable Canadian Securities Laws**", in the context that refers to one or more Persons, means, collectively, and as the context may require, the securities legislation of each of the provinces and territories of Canada that apply to such Person or Persons or its or their 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 and the rules, regulations and policies published and/or promulgated thereunder, including the rules of the TSXV, as such may be amended from time to time prior to the Closing Date;

"**Applicable Laws**", in the context that refers to one or more Persons, means the laws, statutes, regulations, by-laws, statutory rules, orders, ordinances, protocols, codes, guidelines, notices, directions (including all Applicable Canadian Securities Laws), and terms and conditions of any grant of approval, permission, authority or license of any court, Governmental Entity, statutory body or self-regulatory authority (including, without limitation, the TSXV) that apply

to such Person or Persons or its or their 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;

"Board of Directors" means the board of directors of Softrock as it may be comprised from time to time, including any duly constituted committee thereof, unless the context requires otherwise;

"Business Day" means a day other than a Saturday, Sunday, a public holiday or a day when banks in Calgary, Alberta are not generally open for business;

"Change of Control Payments" means obligations of Softrock, pursuant to all employment or consulting services agreements, director compensation programs, termination, severance, change of control, bonus and retention plans or policies for severance, termination, change of control, bonus or retention payments, any payments related to any incentive plan and any other payments Softrock is required by law or contract or intends to make in connection with the termination of employees of Softrock at the Closing in accordance with the terms of this Agreement or arising out of or in connection with the transactions contemplated by this Agreement;

"Change of Management" means the replacement of the Current Board and the Current Executives with the Reconstituted Board and the New Executives, respectively, on the terms and conditions set forth herein;

"Closing" means the completion of the Private Placement and the Change of Management;

"Closing Date" means the date on which Closing is to occur, which shall be:

- (i) the second Business Day after the date on which the Softrock Meeting is held, or
- (ii) such other date as the Initial Investor Group and Softrock may agree, acting reasonably;

"Closing Time" means 6:30 a.m. (Calgary time) on the Closing Date or such other time on the Closing Date as Softrock and the Initial Investor Group may agree;

"Common Shares" means common shares in the capital of Softrock, as constituted from time to time;

"Confidentiality Agreement" means the confidentiality and non-disclosure agreement dated May 30, 2022 between Softrock and 2054951 Alberta Ltd. O/A Criterium Energy;

"Continuing Current Board Member" means a member of the Current Board that continues to be a member of the Reconstituted Board at the Closing, who is currently contemplated to be Ms. Michele Y. Stanners;

"Contract" means any contract, agreement, license, franchise, lease, arrangement, commitment, understanding or other right or obligation (whether written or oral) to which Softrock is a party or by which Softrock is bound;

"Current Board" means the current board of directors of Softrock, which, as of the date hereof, are Messrs. Stuart McDowall, Thomas M.M. Bender, E. Denis Gagnon and Ms. Michele Y. Stanners;

"Current Executives" means the current officers of Softrock, which, as of the date hereof, are Stuart McDowall – President and Chief Executive Officer, Thomas M. M. Bender – Chief Financial Officer, E. Denis Gagnon – Corporate Secretary, and Michele Y. Stanners – Assistant Corporate Secretary;

"Current Market Price" of a Common Share at any date means: (i) the price per share (denominated in Canadian dollars) equal to the volume weighted average price at which the Common Shares have traded for the twenty (20) consecutive trading days prior to such date, which weighted average price per Common Share shall be determined by dividing the aggregate sale price of all such shares sold on a Recognized Exchange during the aforementioned twenty (20) consecutive trading days by the total number of such shares so sold; or (ii) the price paid per share in an acquisition of all or substantially all of the Common Shares pursuant to an amalgamation, arrangement, take-over, reverse take-over, share exchange reorganization or other similar acquisition or merger transaction and where the consideration

received per Common Share includes securities of another issuer, such securities shall be valued based on the volume weighted average trading price for the five (5) consecutive trading days on a Recognized Exchange upon which such securities trade immediately prior to the date the agreement to effect such transaction is announced and, if such securities are not listed on a Recognized Exchange, such value shall be determined by the Board of Directors, acting reasonably and in good faith;

"**Employee**" means an individual who is employed by Softrock, whether on a full-time or part-time basis;

[Softrock Shareholder] ██████████

"**Exercise and Cancellation Agreements**" means the agreements, in form satisfactory to each of the Initial Investor Group, Softrock and the Non-Continuing Directors, acting reasonably, to be entered into by each of the Non-Continuing Directors whereby each Non-Continuing Director agrees to exercise or surrender all Stock Options that the Non-Continuing Directors holds;

"**Financial Statements**" means, collectively:

- (i) the Softrock Annual Financial Statements; and
- (ii) the unaudited financial statements of Softrock as at and for the interim period ended March 31, 2022, together with the notes thereto;

"**GAAP**" has the meaning set forth in Section 1.7;

"**Good Oilfield Practice**" means the exercise of that degree of skill, diligence, prudence and foresight which would reasonably and ordinarily be expected to be applied by a skilled and experienced person engaged in the oil, gas and mineral industry in the Alberta;

"**Governmental Entity**" means any:

- (i) multinational, federal, provincial, state, regional, municipal, local or other government or any governmental or public department, court, tribunal, arbitral body, commission, board, bureau or agency;
- (ii) any subdivision, agent, commission, board or authority of any of the foregoing; or
- (iii) any quasi-governmental or private body exercising any regulatory, expropriation or taxing authority under or for the account of any of the foregoing;

"**Hold Period Agreements**" means the hold period agreements in a form satisfactory to each of the Initial Investor Group, Softrock and each of the individuals or entities identified below, as the case may be, acting reasonably, to be entered into by Softrock and each of the individuals or entities identified below, as the case may be, at Closing whereby:

- (i) Mr. Stuart McDowall, [Softrock Shareholder] ██████████ and [Softrock Shareholder] ██████████ shall agree that all Common Shares (including, for greater certainty, the Severance Shares issued to, and/or the Common Shares underlying the Units purchased pursuant to the Private Placement by, Mr. McDowall) held by Mr. McDowall, [Softrock Shareholder] ██████████ and [Softrock Shareholder] ██████████ at the Closing Time shall not be disposed or transferred except in accordance with the terms of such agreement, provided that such Person's Hold Period Agreement shall provide that one-third of the Common Shares subject to such agreement shall be released from all restrictions thereunder on each of the 6, 12, and 18 month anniversaries of the Closing Date; and

- (ii) each Current Executive, other than Stuart McDowall, shall agree that all Severance Shares issued to such Current Executive at the Closing Time shall not be disposed or transferred except in accordance with the terms of such agreement, provided that such Person's Hold Period Agreements shall provide that one-third of the Severance Shares subject to such agreements shall be released from all restrictions thereunder on each of the 6, 12 and 18 month anniversaries of the Closing Date; and

"IIG Transaction Costs" means the aggregate of all amounts payable by the Initial Investor Group in connection with the completion of the transactions contemplated by this Agreement and incurred prior to Closing, including, without limitation, all amounts payable to its financial, legal, accounting and any other advisors in connection with the transactions contemplated herein;

"Initial Investor Group" means, collectively, Messrs. Robin Auld, Matthew Klukas, Brian Anderson, Henry Groen and Hendra Jaya;

"Initial Investor Group Information" means the information to be included in the Softrock Circular concerning the Initial Investor Group or otherwise provided by the Initial Investor Group;

"ITA" means the *Income Tax Act* (Canada), R.S.C. 1985, c. 1 (5th Supp.), as amended, including the regulations promulgated thereunder, as amended from time to time;

"Legal Proceeding" means any litigation, action, application, suit, investigation, hearing, claim, deemed complaint, grievance, civil, administrative, regulatory or criminal, arbitration proceeding or other similar proceeding, before or by any tribunal and includes any appeal or review thereof and any application for leave for appeal or review;

"Material Adverse Change" or **"Material Adverse Effect"** means any effect, change (or any condition, event or development involving a prospective change), event, development, circumstance or occurrence with respect to the business, operations, results of operations, assets, capitalization or financial condition of Softrock which effect, change, event, development, circumstance or occurrence is materially adverse to the business of Softrock or to the value of the Common Shares, but "Material Adverse Change" or "Material Adverse Effect" shall not include a change or effect resulting from:

- (i) a matter that has prior to the date hereof been publicly disclosed in Softrock's SEDAR filings or communicated by Softrock to the Initial Investor Group in writing;
- (ii) conditions affecting the oil, gas and mineral industry in Alberta as a whole including, without limitation, changes in Applicable Laws, commodity prices, taxes or royalties;
- (iii) general economic, financial, currency exchange, securities or commodity market conditions in Canada, the United States or elsewhere;
- (iv) any changes arising from matters specifically contemplated by this Agreement or consented to or approved in writing by the Initial Investor Group;
- (v) any changes based solely on any change in the trading prices or volumes of the Common Shares; or
- (vi) any changes arising from the announcement of this Agreement,

provided, however, that in each case, the causes underlying such changes may be considered to determine whether such causes constitute a Material Adverse Change or a Material Adverse Effect and where, in the case of (ii) and (iii), such effect relating to or resulting from the foregoing does not have a disproportionate effect on the current or future financial condition, business, operations, results of operations, assets, properties, capitalization, condition (financial or otherwise), liabilities (contingent or otherwise) or cash flows or prospects of Softrock as compared to the corresponding effect on comparable Persons operating in the industries and geographic areas in which Softrock operates;

"Name Change" means the change of the name from "Softrock Minerals Ltd." to "Criterium Energy Ltd.", subject to receipt of Softrock Shareholder approval at the Softrock Meeting;

"New Board" means the persons that will be appointed as the new directors of Softrock on the Closing Date, such persons being: Robin Auld and Brian Anderson, provided that in the event that any proposed member of the New Board does not agree to become a director of Softrock at the Closing, the Initial Investor Group may propose a substitute nominee satisfactory to Softrock, acting reasonably;

"New Executives" means the persons that will be appointed as the new officers of Softrock on the Closing Date, such persons and their respective titles in Softrock immediately following the Closing Time being: Robin Auld – President and Chief Executive Officer, Matthew Klukas – Chief Operating Officer, Henry Groen – Chief Financial Officer, Hendra Jaya – General Manager, Indonesia, provided that in the event that any proposed member of the New Executives does not agree to become an officer of Softrock at the Closing, the Initial Investor Group may propose a substitute nominee satisfactory to Softrock, acting reasonably;

"New Incentive Plans" means the New Share Award Plan and the New Option Plan;

"New Option Plan" means the new stock option plan of Softrock to be approved at the Softrock Meeting;

"New Share Award Plan" means the new share award incentive plan of Softrock to be approved at the Softrock Meeting;

"Non-Continuing Director" means any member of the Current Board that will not be a member of the Reconstituted Board by virtue of their resignation effective on Closing pursuant to Section 2.2;

"Non-Continuing Executive" means any Current Executive that does not receive and accept an offer for a new employment agreement pursuant to Section 2.2;

"Operator" means in respect of a licence in which Softrock has an interest, the person designated as operator for the time being under the relevant operating agreement;

"Outside Date" means:

- (i) October 7, 2022, or
- (ii) such other date as the Initial Investor Group and Softrock may agree;

[Softrock Shareholder] 

"Parties" means, collectively, Softrock and the Initial Investor Group and **"Party"** means any one of them;

"Permits" means any license, permit, certificate, franchise, consent, order, grant, easement, covenant, approval, classification, registration or other authorization of and from any person, including any Governmental Entity;

"Permitted Encumbrance" means:

- (i) liens for taxes, assessments and governmental charges that are not due and payable or delinquent;
- (i) liens incurred or created in the ordinary course of business as security in favour of a Person that is conducting the development or operation of the property to which such liens relate for Softrock's proportionate share of the costs and expenses of such development or operation for which payment is not then due and payable or delinquent or the validity of which is being contested in good faith by Softrock;

- (ii) mechanics', builders', materialmen's or other similar liens in respect of services rendered or goods supplied for which payment is not yet due and payable or delinquent or the validity of which is being contested in good faith by Softrock;
- (iii) liens incurred, created or granted in the ordinary course of business to a public utility or Governmental Entity in connection with operations on or in respect of the Softrock Assets;
- (iv) easements, rights of way, servitudes and other similar rights in land, including rights of way and servitudes for highways and other roads, railways, sewers, drains, gas and oil pipelines, gas and water mains, electric light, power, telephone, telegraph and cable television conduits, poles, wires and cables;
- (v) the right reserved to or vested in any municipality or Governmental Entity by the terms of any lease or Permit or by any provision of Applicable Laws, to terminate any such lease or Permit or to require annual or other periodic payments as a condition of the continuance thereof;
- (vi) rights of general application reserved to or vested in any Governmental Entity to levy taxes or to control, limit or regulate the operation or use of any property;
- (vii) statutory exceptions to title and the reservations, limitations, provisos and conditions in any original grants from the Crown of any lands or any limitation, exception or restriction noted or endorsed on any certificate of title for any lands;
- (viii) the terms and conditions of the agreements and Permits governing the Softrock Assets;
- (ix) any encumbrance held by any third party in respect of which Softrock delivers to the Initial Investor Group at or prior to Closing a release, discharge, withdrawal or no-interest letter in form and content satisfactory to the Initial Investor Group, acting reasonably; and
- (x) all encumbrances identified in Schedule A hereto, if any;

"**Person**" includes any individual, firm, partnership, joint venture, venture capital fund, association, trust, trustee, executor, administrator, legal personal representative, estate group, body corporate, corporation, unincorporated association or organization, Governmental Entity, syndicate or other entity, whether or not having legal status;

"**Private Placement**" means the sale of the Units to the Subscribers by Softrock as provided for herein;

"**Public Record**" means all information filed by Softrock with any Securities Authority in compliance, or intended compliance, with any Applicable Canadian Securities Laws available through SEDAR;

"**Recognized Exchange**" means the Toronto Stock Exchange, the TSX Venture Exchange, any of their successors or such other stock exchange as is approved as a Recognized Exchange by the directors of Softrock, acting reasonably;

"**Reconstituted Board**" means the reconstituted Board of Directors as of the Closing Date, made up of the following directors: Robin Auld, Brian Anderson and Michele Stanners, provided that in the event that any proposed member of the Reconstituted Board does not agree to become a director of Softrock at the Closing, the Initial Investor Group may propose a substitute nominee satisfactory to Softrock, acting reasonably;

"**Representatives**" has the meaning set forth in Section 2.6(g) in respect of the Initial Investor Group;

"**Returns**" has the meaning set forth in Section 4.1(v)(i);

"**Securities Act**" means the *Securities Act*, R.S.A. 2000, c. S-4;

"Securities Authorities" means the securities commissions or similar securities regulatory authorities in each of the provinces and territories of Canada;

"Severance Cash" means the cash payments to be made to each of the Current Executives at Closing in partial satisfaction of the Severance Payments payable to such Current Executives pursuant to Section 5.3(c) hereof, such cash payments to be equal to the aggregate amount of Taxes that Softrock is required by Applicable Laws to deduct, withhold and remit to any Governmental Entity in respect of the Severance Payments.

"Severance Shares" means the 446,581 Common Shares issuable to each of the Current Executives at Closing (1,786,324 Common Shares in total) in partial satisfaction of the Severance Payments payable to such Current Executives pursuant to Section 5.3(c) hereof;

"Severance Payments" means the severance payments to be made to the Current Executives at Closing, which shall be comprised of the Severance Shares and the Severance Cash;

"Share Purchase Warrants" means the outstanding share purchase warrants of Softrock;

"Softrock Annual Financial Statements" means the audited comparative financial statements of Softrock as at and for the year ended December 31, 2021 together with the notes thereto and the auditors' report thereon;

"Softrock Assets" means all of the assets (including the 3% gross overriding royalty on 3 wells in the Grand Forks area of Alberta, the 2% net smelter return royalty on the Shatford Lake property located in the Winnipeg River-Cat Lake area of Manitoba and the 2 ½% gross overriding royalty interest in a section of land located in the Charlie Lake field in the Spirit River area of Northern Alberta), properties, Permits, rights or other privileges (whether contractual or otherwise) of Softrock;

"Softrock Circular" means the information circular and proxy statement to be prepared and sent by Softrock to the Softrock Shareholders in connection with the Softrock Meeting;

"Softrock Meeting" means the special meeting of the Softrock Shareholders held to approve, among other things the Softrock Resolutions;

"Softrock Resolutions" means the resolutions to be considered by the Softrock Shareholders to approve: (i) the Change of Management and, if required by the TSXV, the Private Placement, (ii) the Name Change; (iii) the New Incentive Plans; (iv) the appointment of a new auditor; and (v) such other matters as may be agreed to by Softrock and the Initial Investor Group;

"Softrock Shareholders" means the holders of Common Shares from time to time;

"Softrock Transaction Costs" means the aggregate of all amounts payable by Softrock in connection with the completion of the transactions contemplated by this Agreement and incurred prior to Closing, including, without limitation, in relation to any proxy solicitation, costs associated with the printing and mailing of the Softrock Circular, and all amounts payable to its financial, legal, accounting and any other advisors in connection with the transactions contemplated herein and payments that may be made pursuant to Change of Control Payments, but for greater certainty shall not include the Severance Payments or the reasonable fees and expenses of the Initial Investor Group pursuant to Section 8.4 hereof;

"Stock Option Plan" means the stock option plan of Softrock in effect as of the date hereof;

"Stock Options" means the outstanding options to acquire Common Shares granted under the Stock Option Plan;

"Subscribers" means the subscribers for Units, being the Initial Investor Group and such other Persons (which may include current Softrock Shareholders) as determined by the Initial Investor Group, in their sole discretion;

"Subscription Agreements" means the subscription agreements to be entered into between Softrock and each Subscriber that purchases Units under the Private Placement, such agreements to be in a form to be agreed upon by Softrock and the Initial Investor Group, each acting reasonably;

"Support Agreements" means agreements between the Initial Investor Group and certain Softrock Shareholders pursuant to which each such Softrock Shareholder (including each of the Current Executives and each member of the Current Board) has agreed, among other things and as applicable, to (i) other than the Continuing Current Board Member in her capacity as a director, resign as a director and/or officer of Softrock at the Closing, and execute a mutual release, (ii) if required to vote all of the Common Shares beneficially owned or controlled by them in favour of the Softrock Resolutions at the Softrock Meeting, (iii) other than the Continuing Current Board Member, enter into Exercise and Cancellation Agreements in respect of their Stock Options, (iv) if such Person is a Current Executive, execute a Hold Period Agreement at Closing, and (v) not sell or otherwise transfer his or her Common Shares for the period specified in the Support Agreements;

"Tax" or **"Taxes"** has the meaning set forth in Section 4.1(v)(i);

"Third Party Beneficiaries" has the meaning set forth in Section 8.12;

"TSXV" means the TSX Venture Exchange;

"Unit" means a unit consisting of one Common Share and one Warrant;

"U.S. Exchange Act" means the *United States Exchange Act of 1934*, as amended, and the rules and regulations of the United States Securities and Exchange Commission thereunder;

"U.S. Securities Act" means the *United States Securities Act of 1933*, as amended; and

"Warrant" means a common share purchase warrant of Softrock entitling the holder thereof to acquire one Common Share for a price of \$0.04 prior to the date that is five (5) years from the date of issuance of the Warrants and vesting at any time and from time to time as follows: (i) one third of the Warrants after the Current Market Price of the Common Shares equals or exceeds \$0.055; (ii) one third of the Warrants after the Current Market Price of the Common Shares equals or exceeds \$0.065; and (iii) one third of the Warrants after the Current Market Price of the Common Shares equals or exceeds \$0.08 and upon such other terms and conditions as are agreed upon by Softrock and the Initial Investor Group, each acting reasonably.

1.2 Interpretation Not Affected by Headings, etc.

The division of this Agreement into articles, sections and subsections is for convenience of reference only and does not affect the construction or interpretation of this Agreement. The terms "this Agreement", "hereof", "herein" and "hereunder" and similar expressions refer to this Agreement (including any schedules attached hereto) and not to any particular article, section or other portion hereof and include any agreement or instrument supplementary or ancillary hereto.

1.3 Number, etc.

Words importing the singular number include the plural and vice versa, words importing the use of any gender include all genders, and words importing persons include firms and corporations and vice versa.

1.4 Date for Any Action

If any date on which any action is required to be taken hereunder by any of the Parties is not a Business Day in the place where an action is required to be taken, such action is required to be taken on the next succeeding day which is a Business Day in such place.

1.5 Entire Agreement

This Agreement, the Exercise and Cancellation Agreements, the Hold Period Agreements and the Confidentiality Agreement, together with the agreements and documents herein and therein referred to, constitute the entire agreement among the Parties pertaining to the subject matter hereof and supersede all prior agreements, understandings, negotiations and discussions, whether oral or written, among the Parties with respect to the subject matter hereof.

1.6 Currency

All references to "\$" or sums of money that are referred to in this Agreement are expressed in lawful money of Canada, unless specified otherwise.

1.7 Accounting Matters

Unless otherwise stated, all accounting terms used in this Agreement shall have the meanings attributable thereto under Canadian generally accepted accounting principles, as defined by the Accounting Standards Board of the Canadian Institute of Chartered Accountants in the Handbook of the Canadian Institute of Chartered Accountants at the relevant time applied on a consistent basis which shall include, for greater certainty, International Financial Reporting Standards ("GAAP").

1.8 Inclusive Terminology

Whenever used in this Agreement, the words "includes" and "including" and similar terms of inclusion shall not, unless expressly modified by the words "only" or "solely", be construed as terms of limitation, but rather shall mean "includes but is not limited to" and "including but not limited to", so that references to included matters or items shall be regarded as illustrative without being either characterizing or exhaustive.

1.9 Knowledge

Where any representation or warranty contained in this Agreement is expressly qualified by reference to the knowledge of Softrock, it refers to the actual knowledge of the Current Executives after due inquiry.

1.10 Interpretation Not Affected by Party Drafting

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

ARTICLE 2

THE PRIVATE PLACEMENT, CHANGE OF MANAGEMENT AND RELATED MATTERS

2.1 Private Placement

- (a) Subject to the satisfaction of the conditions set out in Article 5 and the other terms and conditions of this Agreement, Softrock and the Initial Investor Group agree to complete the Private Placement to the Subscribers on the Closing Date.
- (b) At least 48 hours prior to the Closing Date, the Initial Investor Group shall provide a complete list of the Subscribers to Softrock, including the number of Units being subscribed for by each Subscriber and detailed registration instructions for each Subscriber, in a form that will reasonably permit Softrock to prepare the required certificates for the Closing Date.
- (c) The Initial Investor Group and the other Subscribers (which may include current Softrock Shareholders) shall subscribe for and purchase a minimum of 75,000,000 Units at a price of \$0.04 per Unit. Notwithstanding the

foregoing, the Initial Investor Group shall use best efforts to obtain subscriptions for an aggregate of 125,000,000 Units. On the Closing Date, the Initial Investor Group shall provide to Softrock:

- (i) executed Subscription Agreements for each Subscriber;
 - (ii) certified cheques, bank drafts or wire transfer of each Subscriber in immediately available funds, or payment in such other form as may be acceptable to Softrock and the Initial Investor Group, acting reasonably, for the aggregate subscription proceeds for the Units purchased by the Subscribers; and
 - (iii) such other documents and deliveries as are required pursuant to the Subscription Agreements.
- (d) On the Closing Date and upon (i) receipt of the executed Subscription Agreements; (ii) the payment of the subscription proceeds for the Units purchased by the Subscribers; and; (iii) the delivery of any other documents as are required pursuant to the Subscription Agreements, Softrock shall execute and accept all validly executed Subscription Agreements, and deliver to the Subscribers validly issued Common Share and Warrant certificates in the names of the applicable Subscribers for the Units issuable under the Private Placement.

2.2 Change of Management

- (a) At Closing and subject to Section 2.2(b):
- (i) Subject to Applicable Law, the Current Board shall be reconstituted through the resignations of the Non-Continuing Directors and the appointment of the members of the New Board, as necessary, by way of filling the vacancies created by such resignations or the appointment of directors in accordance with the articles of Softrock; and
 - (ii) Each of the Non-Continuing Executives shall resign from their office and employment, and the New Executives shall be appointed by the Reconstituted Board as officers of Softrock.
- (b) Softrock and each Current Executive shall in consideration of the Severance Payments execute mutual resignations and releases (provided that Ms. Stanners shall not resign as a director), in a form acceptable to Softrock, the Current Executives and the Initial Investor Group, acting reasonably. Softrock and the Initial Investor Group each agree to take all commercially reasonable steps within their power to facilitate the resignations of the Non-Continuing Directors and Non-Continuing Executives and the appointment of the Reconstituted Board and New Executives, as applicable, at the Closing in the manner provided in Section 2.2(a).

2.3 Termination of Current Executives, Employees and Consultants

- (a) Softrock shall terminate all of the Non-Continuing Executives, Employees and consultants effective as of the Closing Date. Softrock represents and warrants that no Change of Control Payments are payable to such terminated Non-Continuing Executives, Employees and consultants at Closing. At Closing, Softrock shall obtain the mutual releases referred to in Section 2.2(b) in the case of the Non-Continuing Executives.
- (b) Softrock represents and warrants to the Initial Investor Group that there are no Change of Control Payments that will be triggered solely by the completion of the Private Placement and/or the Change of Management or the other transactions contemplated herein.

2.4 Director and Officer Indemnities

- (a) Softrock shall continue to fulfil its obligations pursuant to indemnities provided or available to past and present officers and directors of Softrock pursuant to the provisions of the constating documents of Softrock, the ABCA, and any written indemnity agreements which have been entered into between Softrock and its current officers and directors effective on or prior to the Closing Time.

2.5 Treatment of Outstanding Stock Options and Share Purchase Warrants

- (a) Softrock covenants and agrees that it will use all commercially reasonable efforts to enter into Exercise and Cancellation Agreements with the holders of Stock Options (other than any such holder who did not execute a Support Agreement) who are Non-Continuing Directors, Non-Continuing Executives and Employees or consultants who will be terminated at Closing, to effect the conditional exercise and/or surrender and cancellation of all Stock Options held by such holders for no consideration effective as of the Closing.
- (b) The Parties acknowledge and agree that for the purposes of Section 2.5(a), Softrock shall be entitled to accelerate the vesting of any unvested Stock Options effective as of the Closing Date.
- (c) Nothing in this Section 2.5 shall prevent or restrict the exercise of any Stock Options prior to Closing.
- (d) The Parties acknowledge and agree that the Share Purchase Warrants shall continue to be outstanding following Closing in accordance with their terms and in accordance with the warrant indenture dated as of June 8, 2018, as amended by supplemental warrant indentures dated effective June 7, 2020 and May 18, 2022.

2.6 Softrock Meeting

- (a) Softrock shall call and hold the Softrock Meeting on or about September 2, 2022 and by no later than September 16, 2022 and shall put forward Softrock Resolutions for approval by the Softrock Shareholders at the Softrock Meeting;
- (b) Softrock shall prepare the Softrock Circular, in consultation with the Initial Investor Group and its legal counsel and in compliance with Applicable Canadian Securities Laws and cause the Softrock Circular to be mailed to the Softrock Shareholders during the week of August 2, 2022 and by no later than the week of August 8, 2022 and filed with applicable Securities Authorities and Governmental Entities in all jurisdictions where the same are required to be mailed and filed;
- (c) Softrock shall ensure that the Softrock Circular includes the recommendation of the Board of Directors that the Softrock Shareholders vote in favour of each of the Softrock Resolutions and shall publicly announce such recommendation at the time that it announces the calling of the Softrock Meeting;
- (d) The Initial Investor Group shall, in a timely manner, furnish Softrock with the Initial Investor Group Information for inclusion in the Softrock Circular, which the Initial Investor Group will ensure does not contain any misrepresentation or untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements contained therein not misleading in light of the circumstances in which they are made;
- (e) Softrock and the Initial Investor Group shall cooperate in the preparation, filing and mailing of the Softrock Circular and Softrock shall provide the Initial Investor Group and its Representatives (as defined below) with a reasonable opportunity to review and comment on the Softrock Circular and any other relevant documentation and shall incorporate all reasonable comments thereon;
- (f) Softrock shall conduct the Softrock Meeting in all material respects in accordance with the constating documents of Softrock and any other instrument governing the Softrock Meeting and as otherwise required by Applicable Law;
- (g) Softrock shall allow the Initial Investor Group's financial advisors, legal counsel, representatives and agents ("**Representatives**") to attend the Softrock Meeting;
- (h) Softrock shall not adjourn, postpone or cancel (or propose to adjourn, postpone or cancel) the Softrock Meeting without the prior written consent of the Initial Investor Group except as required for quorum

purposes (in which case the Softrock Meeting shall be adjourned and not cancelled) or by Applicable Law or by a Governmental Entity;

- (i) Softrock shall use all commercially reasonable efforts to secure the approval of the Softrock Resolutions by the Softrock Shareholders and solicit proxies for the approval of the Softrock Resolutions in accordance with Applicable Laws.

ARTICLE 3 COVENANTS

3.1 Covenants of Softrock

From the date hereof until the earlier of the Closing Date or termination of this Agreement except with the prior written consent of the Initial Investor Group, and except as set forth in Schedule A hereto or as otherwise expressly permitted or specifically contemplated by this Agreement or required by Applicable Laws:

- (a) Softrock's business and affairs shall be conducted only in the usual and ordinary course consistent with past practices (for greater certainty, where it is an operator of any property, it shall operate and maintain such property in a proper and prudent manner in accordance with Good Oilfield Practice and the agreements governing the ownership and operation of such property) and it shall use all commercially reasonable efforts to maintain and preserve its business, assets and advantageous business relationships, including payment of all expenses which are due and payable in the ordinary course of business, provided that it shall be entitled and authorized to comply with all pre-emptive rights, first purchase rights or rights of first refusal that are applicable to its assets and that become operative by virtue of this Agreement or any of the transactions contemplated by this Agreement, which pre-emptive rights, first purchase rights or rights of first refusal were previously disclosed prior to the date of this Agreement to the Initial Investor Group.
- (b) Softrock shall not, directly or indirectly, do or permit to occur any of the following:
 - (i) amend its constating documents;
 - (ii) declare, set aside or pay any dividend or distribution or make any other payment (whether in cash, shares or property) in respect of Softrock's outstanding securities;
 - (iii) except pursuant to the exercise of Stock Options and Share Purchase Warrants outstanding on the date hereof (including conditional exercises of Stock Options pursuant to the Exercise and Cancellation Agreements), issue, grant, sell or pledge, or agree to issue, grant, sell or pledge, any Common Shares or any securities convertible into or exchangeable or exercisable for Common Shares (including any Stock Options or Share Purchase Warrants), or otherwise evidencing a right to acquire Common Shares;
 - (iv) redeem, purchase or otherwise acquire any of the outstanding Common Shares or other securities;
 - (v) split, combine, reclassify any of the Common Shares, undertake any other capital reorganization of Softrock or incorporate or organize any subsidiary;
 - (vi) reduce the capital or stated capital of Softrock;
 - (vii) adopt or approve a plan of liquidation or resolutions providing for its liquidation, dissolution, merger, consolidation or reorganization of Softrock;
 - (viii) make any changes to its existing accounting policies other than as required by Applicable Laws or GAAP;

- (ix) enter into or modify any contract, agreement, commitment or arrangement with respect to any of the foregoing; or
 - (x) implement any shareholder rights plan;
- (c) except for expenditures considered necessary by Softrock, acting reasonably to preserve or protect the health or safety of individuals, to preserve or protect property or the environment, Softrock will not, directly or indirectly, do or permit to occur any of the following:
- (i) sell, pledge, dispose of or encumber any assets, except for oil, natural gas, mineral and natural gas liquid production in the ordinary course consistent with past practice;
 - (ii) expend or commit to expend amounts in respect of any capital expenditures, including approval of any work program, budget, expenditure or other capital commitment which are in excess of \$5,000 individually or \$15,000 in aggregate (by Softrock);
 - (iii) expend or commit to expend any amounts with respect to any operating expenses (which for greater certainty, includes general and administrative expenses) other than in the ordinary course of business;
 - (iv) reorganize, amalgamate, merge or otherwise combine Softrock with any other Person;
 - (v) acquire (by merger, amalgamation, consolidation or acquisition of shares or assets or otherwise) any corporation, trust, partnership or other business organization or division thereof, or make any investment therein either by purchase of shares or securities, contributions of capital or property transfer;
 - (vi) acquire any assets having a cost in excess of \$1,000 individually or \$5,000 in the aggregate (in respect of Softrock);
 - (vii) dispose of Softrock Assets having a value of greater than \$5,000 individually or \$10,000 in the aggregate;
 - (viii) incur any indebtedness or any other material liability or obligation or issue any debt securities or assume, guarantee, endorse or otherwise become responsible for, the obligations of any other individual or entity, or make any loans or advances, other than in respect of fees payable to legal, financial and other advisors in the ordinary course of business or in respect of the transactions contemplated herein;
 - (ix) authorize, recommend or propose any release or relinquishment of any material contract right;
 - (x) waive, release, grant or transfer any material rights of value or amend, modify or change, or agree to amend, modify or change, in any material respect any existing material license, lease, contract, production sharing agreement, government land concession or other material document;
 - (xi) abandon or fail to diligently pursue any application for any material licenses, production sharing contracts, leases, Permits, authorizations or registrations or take any action, or fail to take any action, that could lead to termination of any licenses;
 - (xii) pay, discharge or satisfy any material claims, liabilities or obligations other than as reflected or reserved against in the Financial Statements or otherwise in the ordinary course of business;
 - (xiii) enter into any hedges, swaps or other financial instruments or like transactions;
 - (xiv) enter into any agreements for the sale of production having a term of more than 30 days;

- (xv) enter into or amend any material consulting or contract operating agreement that cannot be terminated on 30 days or less notice without penalty;
 - (xvi) enter into any joint venture, operating agreement, farm-in or farm-out agreement, unitization agreement, transportation agreement or any other similar agreement, arrangement or relationship;
 - (xvii) engage in any transaction with any related parties; or
 - (xviii) authorize or propose any of the foregoing, or enter into or modify any contract, agreement, commitment or arrangement to do any of the foregoing;
- (d) Softrock shall not make any payment to any employee, consultant, officer or director outside of its ordinary and usual compensation for services provided, except to the extent that any such entitlement relates to:
- (i) reasonable expense reports submitted in the ordinary course of business; or
 - (ii) payment to a former Employee or officer of an entitlement which has accrued prior to the date hereof and has been previously disclosed to the Initial Investor Group;
- (e) Softrock shall not:
- (i) grant any officer, director, employee or consultant an increase in compensation in any form;
 - (ii) grant any general salary increase;
 - (iii) take any action with respect to the amendment or grant of any "**change of control**", severance or termination pay policies or arrangements for any directors, officers, Employees or consultants;
 - (iv) adopt or amend or make any contribution to any bonus, profit-sharing, option, pension, retirement, deferred compensation, insurance, incentive compensation (other than in respect of the Severance Payments and pursuant to the Exercise and Cancellation Agreements) or other compensation or other similar plan (or amend the terms of any outstanding rights thereunder), or form a trust fund or arrangement for the benefit of directors, officers, employees or consultants, except as is necessary to comply with the existing provisions of any such plans, programs, arrangements or agreements (including the Stock Options or Share Purchase Warrants);
 - (v) advance any loan to or forgive any portion of any loan outstanding to any officer, director or any other party not at arm's length to Softrock; or
 - (vi) enter into or amend any indemnity agreement with any officer or director;
- (f) Softrock will use its commercially reasonable efforts to maintain the listing of the Common Shares on the TSXV (which for the purposes of this Section 3.1(f), shall not include the NEX);
- (g) Softrock shall use its commercially reasonable efforts to continue to maintain its status as a "reporting issuer" (or similar designation) not in default under Applicable Canadian Securities Laws in all provinces of Canada where it is a reporting issuer at the date of this Agreement, being British Columbia and Alberta;
- (h) Softrock shall use its reasonable commercial efforts to cause its current insurance (or reinsurance) policies not to be cancelled, terminated, rendered void or voidable or any of the coverage thereunder to lapse, unless simultaneously with such termination, cancellation or lapse, replacement policies underwritten by *bona fide* insurance or re-insurance companies or providers 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 (provided that Softrock shall be required to consult with the Initial Investor Group with respect to any such replacement policies, and if requested by the Initial Investor Group, shall permit the Initial Investor

Group to obtain such replacement policies on behalf of Softrock, provided such policies are for substantially similar premiums), and Softrock will pay all premiums in respect of such insurance policies that become due after the date hereof (including in the event that the Initial Investor Group obtains any replacement policies with substantially similar premiums on behalf of Softrock as provided for in this Section 3.1(h);

- (i) Softrock shall use reasonable commercial efforts to complete the abandonment and reclamation of the Cardium oil and gas well (Ferrier 14-02-038-07-W5), the cost of which abandonment and reclamation activities shall not exceed, in the aggregate, \$30,000;
- (j) Softrock shall not take any action, or omit to take any action, that would render, or may reasonably be expected to render, any representation or warranty made by it in this Agreement untrue in any material respect (without giving effect to any materiality qualifiers contained therein) or that would result, or would reasonably be expected to result, in a breach by Softrock of this Agreement, at any time prior to Closing or termination of this Agreement, whichever first occurs;
- (k) Softrock shall promptly notify the Initial Investor Group in writing of any existing or, to its knowledge, potential or threatened Material Adverse Change occurring or existing after the date hereof or of any change which may be of such a nature to render any representation or warranty misleading or untrue in any material respect (without giving effect to any materiality qualifiers contained therein) and Softrock shall in good faith discuss with the Initial Investor Group any change in circumstances (actual or to the knowledge of Softrock, threatened) which is of such a nature that there may be a reasonable question as to whether notice need to be given to the Initial Investor Group pursuant to this provision;
- (l) Softrock shall use its reasonable commercial efforts to obtain the consent of its landlord and any other third party consents required for the completion of the Private Placement, the Change of Management and the Name Change; without incurring any obligation to pay any fees or penalties, in a form satisfactory to the Initial Investor Group, acting reasonably, and, where obtained, provide the same to the Initial Investor Group on or prior to the Closing Date;
- (m) Softrock shall use its reasonable commercial efforts to satisfy or cause satisfaction of the conditions set forth in Sections 5.1 and 5.2, as soon as possible following execution of this Agreement to the extent that the satisfaction of the same is within the control of Softrock;
- (n) except for proxies and other non-substantive communications with securityholders or if prohibited under Applicable Laws, Softrock will furnish promptly to the Initial Investor Group or the Initial Investor Group's counsel, a copy of each notice, report, schedule or other document delivered, filed or received by Softrock in connection with:
 - (i) the Private Placement;
 - (ii) the Softrock Meeting;
 - (iii) any filings under Applicable Laws in connection with the transactions contemplated hereby; and
 - (iv) any dealings with Governmental Entities in connection with the transactions contemplated hereby;
- (o) Softrock will make all necessary filings and applications under Applicable Laws, including Applicable Canadian Securities Laws, required to be made on the part of Softrock in connection with the transactions contemplated herein and shall take all reasonable action necessary to be in material compliance with such Applicable Laws;
- (p) Softrock will furnish promptly to the Initial Investor Group or the Initial Investor Group's counsel any requests from any Governmental Entity for any information in respect of the business, operations, financial condition or assets of Softrock or any material third party complaint, investigation or hearing (or investigations indicating the same may be contemplated) to the extent that it relates to or could affect Softrock

and its properties or assets (taken as a whole) in a material way or the transactions contemplated by this Agreement;

- (q) Softrock shall not take any action, refrain from taking any action, permit any action to be taken or not to be taken, inconsistent with this Agreement which might reasonably directly or indirectly interfere with or adversely affect the consummation of the transactions contemplated by this Agreement, and Softrock shall take all commercially reasonable actions to give effect to the transactions contemplated by this Agreement;
- (r) in the event of and in relation to a material dispute or Legal Proceeding or any event which may reasonably be expected to lead to a material dispute or Legal Proceeding and which relates to or may reasonably be expected to relate to Softrock (a "**Dispute**"), Softrock shall, until such time as any final compromise, agreement, expert determination or non-appealable decision of a court or tribunal of competent jurisdiction is made in respect of the Dispute or the Dispute is otherwise finally disposed of:
 - (i) consult with the Initial Investor Group, and take such action to assess, contest, dispute, defend, appeal or compromise the Dispute as the Initial Investor Group may reasonably request;
 - (ii) keep the Initial Investor Group promptly informed of the progress of the Dispute and provide the Initial Investor Group with copies of all relevant documents and such other information in Softrock's possession as may be requested by the Initial Investor Group, acting reasonably; and
 - (iii) not cease to defend the Dispute or make any admission of liability, agreement, settlement or compromise in relation to the Dispute without the prior written consent of the Initial Investor Group, such consent not to be unreasonably delayed or withheld;
- (s) Softrock will during the term of this Agreement, provide the Initial Investor Group and its legal counsel with a reasonable opportunity to review and comment on any report or statement to be filed by it with a Securities Authority or the TSXV and shall incorporate all reasonable comments thereto;
- (t) Softrock will during the term of this Agreement deliver to the Initial Investor Group as soon as they become available true and complete copies of any report or statement filed by it with Securities Authorities or the TSXV subsequent to the date hereof. As of their respective dates, such reports and statements (excluding any information therein provided by the Initial Investor Group, as to which Softrock makes no representation):
 - (i) will not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they are made, not misleading; and
 - (ii) will comply in all material respects with all requirements of Applicable Laws including Applicable Canadian Securities Laws;
- (u) Softrock shall use its commercially reasonable efforts to prepare and provide the Initial Investor Group prior to the Closing Date with draft interim financial statements at and for the three and six months ended June 30, 2022 which fairly present, in accordance with GAAP, the financial position and condition of Softrock at the dates thereof and the results of the operations of Softrock for the periods then ended and reflect in accordance with GAAP, all material assets, liabilities or obligations (absolute, accrued, contingent or otherwise) of GAAP as at the dates thereof and prepared in conformity with GAAP applied on a consistent basis throughout the periods involved;
- (v) Softrock shall:
 - (i) duly and on a timely basis file all Returns required to be filed by it on or after the date hereof and all such Returns will be true, complete and correct in all material respects;

- (ii) prior to Closing have filed the Return for the calendar year ended December 31, 2021 and such Return will be true, complete and correct in all material respects;
 - (iii) timely pay all Taxes which are due and payable unless validly contested;
 - (iv) not make or rescind any material express or deemed election relating to Taxes, or file any amended Returns;
 - (v) not make a request for a Tax ruling or enter into a closing agreement with any Governmental Entity;
 - (vi) not settle or compromise any claim, action, suit, litigation, proceeding, arbitration, investigation, audit or controversy relating to Taxes;
 - (vii) not change in any material respect any of its methods of reporting income, deductions or accounting for Tax purposes from those employed in the preparation of its Return for a taxation year ending in 2021 and prior to the date hereof; and
 - (viii) properly reserve (and reflect such reserves in its books and records and financial statements) in accordance with past practice and in the ordinary course of business, for all Taxes accruing in respect of Softrock which are not due or payable prior to the Closing Date;
- (w) Softrock shall duly and timely deduct and withhold all Taxes that are required to be deducted, withheld or remitted by Softrock under Applicable Laws for amounts paid or credited to or for the account or benefit of any Person, including, without limitation, Taxes on payments to any present or former employees, officers or directors or non-residents of Canada, including the Current Executives, and Softrock shall remit such amounts to the appropriate Governmental Entity within the times prescribed by such Applicable Laws, provided that, for greater certainty, the Parties agree that Softrock shall:
- (i) deduct and withhold the Severance Cash from the Severance Payments and remit such Severance Cash to the appropriate Governmental Entity within the times prescribed by Applicable Laws; and
 - (ii) not deduct and withhold any amount from the Severance Payments other than the Severance Cash;
- (x) Softrock shall use its reasonable commercial efforts to have [Softrock Shareholder] [REDACTED] and [Softrock Shareholder] [REDACTED] deliver a Hold Period Agreement in respect of all Common Shares held by each of them at Closing; and
- (y) Softrock shall not announce an intention, enter into any agreement, or otherwise make a commitment to do any of the things prohibited by any of the foregoing.

3.2 Covenants of the Initial Investor Group

From the date hereof until the Closing Date or termination of this Agreement, except with the prior written consent of Softrock (such consent not to be unreasonably withheld or delayed), and except as otherwise expressly permitted or specifically contemplated by this Agreement or required by Applicable Laws:

- (a) the Initial Investor Group shall not take any action, or omit to take any action, that would render, or may reasonably be expected to render, any representation or warranty made by it in this Agreement untrue in any material respect (without giving effect to any materiality qualifiers contained therein) or that would result, or would reasonably be expected to result, in a breach by the Initial Investor Group of this Agreement, at any time prior to Closing or termination of this Agreement, whichever first occurs;
- (b) the Initial Investor Group shall promptly notify Softrock in writing of any change which may be of such a nature to render any representation or warranty misleading or untrue in any material respect (without giving effect to any materiality qualifiers contained therein) and the Initial Investor Group shall in good faith discuss

with Softrock any change in circumstances (actual or, to the knowledge of the Initial Investor Group, threatened) which is of such a nature that there may be a reasonable question as to whether notice need to be given to Softrock pursuant to this provision;

- (c) the Initial Investor Group shall use its reasonable commercial efforts to satisfy or cause satisfaction of the conditions set forth in Sections 5.1 and 5.3 as soon as possible following execution of this Agreement to the extent that the satisfaction of the same is within the control of the Initial Investor Group;
- (d) the Initial Investor Group shall not take any action, refrain from taking any action, permit any action to be taken or not to be taken, inconsistent with this Agreement which might directly or indirectly interfere with or adversely affect the consummation of the transactions contemplated by this Agreement, and the Initial Investor Group shall take all commercially reasonable actions to give effect to the transactions contemplated by this Agreement;
- (e) the Initial Investor Group shall cooperate with Softrock and its counsel in completing all necessary filings with the Securities Authorities and the TSXV, as applicable, in connection with the Private Placement and the other transactions contemplated hereby, including the filing of personal information forms with the TSXV;
- (f) the Initial Investor Group will furnish promptly to Softrock or Softrock's counsel any requests from any Governmental Entity for any information in respect of the Initial Investor Group or any material third party complaint, investigation or hearing (or investigations indicating the same may be contemplated) to the extent that it relates to or could affect Softrock or its properties or assets in a material way or the transactions contemplated by this Agreement; and
- (g) the Initial Investor Group shall not announce an intention, enter into any agreement, or otherwise make a commitment to do any of the things prohibited by any of the foregoing, except as may be permitted by this Agreement.

3.3 Mutual Covenants

From the date hereof until the Closing Date or termination of this Agreement, each of the Initial Investor Group and Softrock will, in a prompt and timely manner, use its reasonable commercial efforts to satisfy (or cause the satisfaction of) the conditions precedent to its obligations hereunder and to take, or cause to be taken, all other action and to do, or cause to be done, all other things necessary, proper or advisable under Applicable Laws to complete the transactions contemplated herein, including using reasonable commercial efforts:

- (a) to obtain all necessary waivers, consents and approvals required to be obtained by it from other parties to contracts;
- (b) to obtain all necessary consents, assignments, waivers and amendments to or terminations of any instruments and take such measures as may be appropriate to fulfill its obligations hereunder and to carry out the transactions contemplated hereby;
- (c) to effect all necessary registrations and filings and submissions of information requested by Governmental Entities required to be effected by it in connection with the transactions contemplated herein, and the Parties will use reasonable commercial efforts to cooperate with the other in connection with the performance by the other of their obligations under this Section 3.3 including continuing to provide reasonable access to information and to maintain ongoing communications as between the Parties; and
- (d) not take any action which is inconsistent with this Agreement or which would reasonably be expected to significantly impede the consummation of the transactions contemplated herein.

3.4 Provision of Information; Access

From and after the date hereof, subject to the terms of the Confidentiality Agreement, Softrock shall provide the Initial Investor Group and its Representatives access, during normal business hours and at times as the Initial Investor Group may reasonably request, to its premises (including field offices and sites), books, contracts, records, computer systems, properties, employees and management personnel and shall furnish promptly to the Initial Investor Group, all information concerning its business, properties and personnel as the Initial Investor Group may reasonably request, in order to permit the New Executives to assume control of Softrock in an efficient and informed manner, all immediately upon but not prior to the Closing Date. Upon written request by the Initial Investor Group, but subject to Softrock obtaining the consent (using reasonable commercial efforts) of any required third party Operator or any joint venture group member, management of the Initial Investor Group and its Representatives will be permitted to attend any operations meetings held by Softrock and Softrock shall use reasonable commercial efforts to enable management of the Initial Investor Group to attend any meetings of Softrock relating to the business, assets and/or operations of Softrock, including meetings pursuant to any operating agreements to which Softrock is party. Softrock agrees to use its reasonable commercial efforts to keep the Initial Investor Group fully apprised in a reasonably timely manner of every circumstance, action, occurrence or event occurring or arising after the date hereof that would be material to a prudent operator of the business and operations of Softrock. The Initial Investor Group agrees that they shall be bound by the Confidentiality Agreement in the same manner and to the same extent as if they were direct counterparties to Softrock for the purposes of the Confidentiality Agreement.

ARTICLE 4 REPRESENTATIONS AND WARRANTIES

4.1 Representations and Warranties of Softrock

Except as set forth in Schedule A hereto or as otherwise expressly contemplated by this Agreement, Softrock hereby represents and warrants (and, as applicable, covenants) to the Initial Investor Group as follows and acknowledges that the Initial Investor Group is relying upon these representations, warranties and covenants in connection with the entering into of this Agreement, that:

- (a) Organization and Qualification of Softrock. Softrock is a corporation duly incorporated and validly existing under the Applicable Laws in the Province of Alberta and has the requisite power and authority to own its properties and conduct its business as now owned and conducted. Softrock is duly registered to do business and is in good standing in each jurisdiction in which the character of its properties, owned or leased, or the nature of its activities make such registration necessary.
- (b) Authority Relative to this Agreement. Softrock 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 consummation of the transactions contemplated hereby have been duly authorized by the Board of Directors, and no other proceedings on the part of Softrock are or will be necessary to authorize this Agreement and the transactions and documentation contemplated hereby other than the approval of the Softrock Shareholders of the Private Placement, the Change of Management, the Name Change and the New Incentive Plans, the approval by the TSXV of the Private Placement, the Change of Management, the Name Change, the Incentive Plans and the Severance Payments, and such other approvals that may be required by the TSXV and/or Applicable Laws. This Agreement has been duly executed and delivered by Softrock and constitutes the legal, valid and binding obligation of Softrock enforceable against Softrock in accordance with its terms, subject to bankruptcy, insolvency, fraudulent transfer, reorganization, moratorium and other Applicable Laws relating to or affecting creditors' rights generally, and to general principles of equity.
- (c) Subsidiaries. Softrock has no ownership interest in any partnership, corporation or other business organization.
- (d) No Violations.

- (i) None of the execution and delivery of this Agreement by Softrock, the consummation of the transactions contemplated hereby or the compliance by Softrock with any of the provisions hereof will:
 - (A) 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) or result in a right of termination or acceleration under, or result in a creation of any lien, security interest, charge or encumbrance upon any of the properties or assets of Softrock under any of the terms, conditions or provisions of: (x) the constating documents of Softrock; or (y) any note, bond, mortgage, indenture, deed of trust, agreement, lien, contract or other material instrument or obligation to which Softrock are a party or to which Softrock and its properties or assets may be subject or by which Softrock is bound, other than pursuant to Softrock's office lease;
 - (B) subject to compliance with the statutes and regulations referred to in Section 4.1(d)(ii), violate any judgement, ruling, order, writ, injunction, determination, award, decree, statute, ordinance, rule or regulation applicable to Softrock; or
 - (C) cause the suspension or revocation of any authorization, consent, approval or license currently in effect.
 - (ii) Other than in connection or compliance with Applicable Canadian Securities Laws or other Applicable Laws and the rules and policies of the TSXV and the approvals of the Softrock Shareholders contemplated herein:
 - (A) there is no legal impediment to Softrock's consummation of the Private Placement, the Change of Management and the other transactions contemplated by this Agreement; and
 - (B) no filing or registration with, or authorization, consent or approval of, any domestic or foreign Governmental Entity is necessary by Softrock in connection with the making or the consummation of the Private Placement, the Change of Management and the other transactions contemplated herein.
- (e) Capitalization of Softrock.
- (i) As of the date hereof, the authorized share capital of Softrock consists of an unlimited number of Common Shares and an unlimited number of preferred shares. As of the date hereof, 44,852,927 Common Shares and no preferred shares are issued and outstanding. There are 2,700,000 Stock Options, 15,093,781 Share Purchase Warrants outstanding as of the date hereof and there are no other options, puts, calls, conversion privileges, warrants or other rights, agreements or commitments of any character whatsoever requiring the issuance, sale or transfer by Softrock of any shares of Softrock or any securities or rights of any kind convertible into, or exchangeable or exercisable for, or otherwise evidencing a right to acquire, any shares of Softrock, nor are there any outstanding stock appreciation rights, phantom equity or similar rights, agreements, arrangements or commitments based upon the share price, book value, income or other attribute of Softrock. All outstanding Common Shares have been duly authorized and validly issued, are fully paid and non-assessable and are not subject to, nor were they issued in violation of, any pre-emptive rights.
 - (ii) There are no outstanding bonds, debentures or other evidences of indebtedness of Softrock having the right to vote (or that are convertible for or exercisable into securities having the right to vote) with the holders of outstanding securities on any matter. Softrock does not have any obligation to repurchase, redeem or otherwise acquire any of its outstanding securities or with respect to the voting or disposition of any of its outstanding securities. No holder of securities issued by Softrock has any right to compel Softrock to register or otherwise qualify securities for public sale in Canada or the United States.

- (f) No Material Adverse Change. Since December 31, 2021, no Material Adverse Change has occurred that has not been publicly disclosed.
- (g) Information. To the knowledge of Softrock, all data and information provided by Softrock (or any of its financial advisors, legal counsel, representatives and agents) to the Initial Investor Group and its Representatives is complete and true and correct in all material respects and does not omit any data or information necessary to make the data and information provided, taken as a whole, not misleading in any material respect. There has been no breach of any confidentiality agreements or obligations by virtue of the disclosure to the Initial Investor Group and its affiliates, agents and representatives of such data and information, except for any such breach which would not have a Material Adverse Effect.
- (h) Absence of Undisclosed Liabilities. Softrock has no material liabilities of any nature (matured or unmatured, fixed or contingent), other than:
 - (i) those set forth or adequately provided for in the balance sheets and associated notes thereto included in the Financial Statements (the "**Balance Sheets**");
 - (ii) those incurred in the ordinary course of business since the dates of the Balance Sheets and consistent with past practice; and
 - (iii) those incurred in connection with the execution of this Agreement.
- (i) Cash. As at the close of business on July 9, 2022, Softrock had cash, net of uncashed cheques, of \$53,175.79.
- (j) No Guarantees. Softrock has not guaranteed, endorsed, assumed, indemnified or accepted any responsibility for, and does not and will not guarantee, endorse, assume, indemnify or accept any responsibility for, contingently or otherwise, any indebtedness or the performance of any obligation of any other Person.
- (k) Bankruptcy and Insolvency Matters. To the knowledge of Softrock:
 - (i) no action or proceeding has been commenced or filed by or against Softrock which seeks or may lead to:
 - (A) receivership, bankruptcy, a commercial proposal or similar proceeding of Softrock;
 - (B) the adjustment or compromise of claims against Softrock; or
 - (C) the appointment of a trustee, receiver, liquidator, custodian or other similar officer for Softrock or any portion of its assets, and no such action or proceeding has been authorized or is being considered by or on behalf of Softrock and no creditor or securityholder of Softrock have threatened to commence or advised that it may commence, any such action or proceeding; and
 - (ii) Softrock has not:
 - (A) made, and are not considering making, an assignment for the benefit of its creditors; and
 - (B) requested, and are not considering requesting, a meeting of its creditors to seek a reduction, compromise, composition or other accommodation with respect to its respective indebtedness.
- (l) Swaps. Softrock has no obligations or liabilities, direct or indirect, vested or contingent in respect of any rate swap transactions, options, swaps or transactions in any tradeable environmental instrument or allowance, basis swaps, forward rate transactions, commodity swaps, commodity options, equity or equity index swaps, equity or equity index options, bond options, interest rate options, foreign exchange transactions, cap

transactions, floor transactions, collar transactions, currency swap transactions, cross-currency rate swap transactions, currency options, production sales transactions having terms greater than 90 days or any other similar transactions (including any option with respect to any of such transactions) or any combination of such transactions.

(m) Employment Matters.

- (i) Softrock has provided the Initial Investor Group with a correct and complete list, or copies of any relevant agreements in respect of each Employee, director, independent contractor, consultant and agent of Softrock who currently provide material services to the administration, operation maintenance and management of Softrock, whether actively at work or not, their salaries, wage rates, commissions and consulting fees, bonus arrangements, benefits, positions, status as full-time or part-time Employees, location of employment and length of service.
- (ii) There are no Change of Control Payments, and no Employee or former Employee has any agreement as to length of notice or severance payment required to terminate his or her employment, other than such as results by Applicable Law from the employment of an Employee without an agreement as to notice or severance.
- (iii) All amounts due or accrued for all salary, wages, bonuses, commissions, vacation with pay, and other employee benefits in respect of Employees which are attributable to the period before Closing will be paid at or prior to the Closing Time and are or shall be accurately reflected in the books and records of Softrock.
- (iv) Softrock is in compliance with all material terms and conditions of employment and in all material respects with all Applicable Laws respecting employment, including pay equity, wages and hours of work and occupational health and safety, and to the knowledge of Softrock, they have not received notice of any outstanding claims, complaints, investigations or orders under any such Applicable Laws.
- (v) Softrock has not received notice of any outstanding assessments, penalties, fines, liens, charges, surcharges, or other amounts due or owing pursuant to any workers' compensation legislation and Softrock has not been reassessed in any material respect under such legislation and, to the knowledge of Softrock, no audit of Softrock is currently being performed pursuant to any applicable worker's compensation legislation.
- (vi) There is no collective agreement, letter of understanding or other legally binding commitment with or to any labour union, trade union or employee organization or group which might qualify as a trade union with respect to the Employees of Softrock.
- (vii) To the knowledge of Softrock, there are no charges pending under Occupational Health and Safety legislation in the applicable jurisdictions in which Softrock operates ("**OHS**"). Softrock has complied in all material respects with the terms and conditions of the OHS, as well as with any orders issued under OHS. There are no appeals of any orders under OHS currently outstanding.
- (viii) Softrock is not a party to any actual, or to the knowledge of Softrock pending or threatened application, complaint or other Legal Proceeding under any Applicable Law relating to Employees or former Employees nor is Softrock aware of, nor is there, any factual or legal basis on which any such Legal Proceeding might be commenced.
- (ix) To the knowledge of Softrock, none of the Employees is in violation of any non- competition, non-solicitation, non-disclosure or any similar agreement with any third party.

- (n) Brokerage Fees. Softrock has not retained nor will it retain any financial advisor, broker, agent or finder or paid or agreed to pay any financial advisor, broker, agent or finder on account of this Agreement, any transaction contemplated hereby or any transaction presently ongoing or contemplated.
- (o) Conduct of Business. Except as would not have a Material Adverse Effect, Softrock has conducted and is conducting its business in the ordinary course of business consistent with past practice, in accordance with Good Oilfield Practice, and in compliance in all material respects with all Applicable Laws in each jurisdiction in which they carry on business. To the knowledge of Softrock, it owns, possess or have obtained, and are in compliance with, all licences, Permits, certificates, orders, grants, registrations, consents, approvals and other authorizations of or from any Governmental Entity necessary to conduct its business. Softrock has not conducted any business except in relation to oil, gas and mineral exploration and development and activities ancillary thereto and as otherwise disclosed in the Public Record.
- (p) Public Record. Softrock has timely filed with the Securities Authorities all material forms, reports, schedules, statements and other documents required to be filed by Softrock with the Securities Authorities. Softrock has not filed any confidential material change report that, at the date hereof, remains confidential. All documents and information filed by Softrock with any Securities Authority in compliance, or intended compliance, with any Applicable Canadian Securities Laws complied in all material respects with all applicable requirements of Applicable Canadian Securities Laws and did not contain, at the respective date of such document or information, any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances in which they were made, not misleading, unless such document or information was subsequently corrected or superseded prior to the date hereof. There are no outstanding or unresolved comments in comment letters from any Securities Authority with respect to any of Softrock's filings and neither Softrock nor any of its filings is the subject of an ongoing audit, review, comment or investigation by any Securities Authority or the TSXV.
- (q) Financial Statements. The Financial Statements were prepared in accordance with GAAP and present fairly in accordance with GAAP the financial position, results of operations and changes in financial position of Softrock (taken as a whole) as of the dates thereof and for the periods indicated therein and reflect appropriate and adequate reserves in respect of contingent liabilities, if any, of Softrock (taken as a whole). There has been no material change in Softrock's accounting policies, except as required under GAAP or as described in the notes to the Financial Statements.
- (r) Off-Balance Sheet Arrangements. Softrock is not a party to any off-balance sheet arrangements, as that term is understood under GAAP.
- (s) Books and Records. The corporate records, books of account and minute books of Softrock has been maintained in accordance with all applicable statutory requirements and are complete and accurate in all material respects. All such corporate records, books of account and minute books have been made available to the Initial Investor Group or its legal counsel.
- (t) Litigation, etc. There is no Legal Proceeding outstanding, or to the knowledge of Softrock, pending or threatened against or relating to Softrock or affecting any of its properties or assets nor is Softrock subject to any outstanding order, writ, injunction or decree that has had or is reasonably likely to have a Material Adverse Effect or that is reasonably likely to prevent or materially delay consummation of the transactions contemplated herein and Softrock is not otherwise aware of any circumstance currently in existence that could be reasonably likely to give rise to any such claim, action, inquiry, suit, hearing, arbitration, investigation, proceeding, order, writ, injunction or decree.
- (u) Environmental. Except as would not, or would not reasonably be expected to, have a Material Adverse Effect:
 - (i) Softrock is not in violation of any Applicable Laws, regulations, orders, government decrees, ordinances, regulatory approvals, common law, directives, decisions or treaties in each case having the force of law and binding on Softrock, with respect to environmental, health or safety matters (collectively, "**Environmental Laws**");

- (ii) Softrock has operated its business at all times and have generated, received, handled, used, stored, treated, shipped, recycled and disposed of all waste and contaminants in compliance with Environmental Laws;
 - (iii) there have been no spills, releases, deposits or discharges of hazardous or toxic substances, contaminants or wastes within Softrock's ownership, possession or control at any time, on or from or under or in any of the real property owned, leased or otherwise operated by Softrock at any time, other than those which have been rectified and remediated in compliance with Environmental Laws;
 - (iv) there have been no unremediated releases, deposits or discharges, in violation of Environmental Laws, of any hazardous or toxic substances, contaminants or wastes, within the ownership, possession or control of Softrock, into the earth, air or into any body of water or any municipal or other sewer or drain water systems;
 - (v) no orders, directions, demands or notices have been threatened or have been issued and remain outstanding pursuant to any Environmental Laws relating to the business or assets of Softrock, other than abandonment and reclamation orders, directions or notices issued in the normal course of business to the extent not in breach of any applicable Environmental Laws;
 - (vi) Softrock has not failed to report to the proper Governmental Entity the occurrence of any event which is required to be so reported by Softrock by any Environmental Law;
 - (vii) Softrock, as of the date hereof, holds all licenses, Permits, consents, approvals, agreements, certificates and regulatory approvals required under any Environmental Laws in connection with the operation of its business as presently conducted and the ownership and use of its assets and all such licenses, Permits, consents, approvals, agreements, certificates and regulatory approvals are in full force and effect and Softrock does not have notice of any circumstances that may lead to the revocation, cancellation or curtailment of any of the same;
 - (viii) there are no pending or, to the knowledge of Softrock, threatened claim against, or encumbrance affecting, Softrock resulting from Environmental Laws with respect to any of the assets or properties Softrock currently or formerly owned, leased or operated;
 - (ix) except as disclosed in the Public Record since January 1, 2022 and Schedule A hereto, Softrock has no abandonment and reclamation obligations under any Environmental Laws with respect to the Softrock Assets or any assets or properties formerly owned, leased or operated by Softrock; and
 - (x) full and accurate particulars of or, in the case of a document, a copy of, all environmental or health and safety assessments, audits, reviews or investigations, whether in draft or final form, which concern in whole or in part (directly or indirectly) the current or previous operations of Softrock and which are in the possession or control of Softrock have been made available to the Initial Investor Group.
- (v) Tax Matters.
- (i) *Tax Definitions.* For purposes of this Agreement, the following definitions shall apply:

The term "**Taxes**" shall mean all taxes, duties, imposts, levies, assessments, tariffs and other charges, however denominated, including any interest, penalties or other additions that may become payable in respect thereof, imposed, assessed or collected by any Governmental Entity, including, without limiting the generality of the foregoing, all income or profits taxes (including, but not limited to, federal income taxes and provincial income taxes), capital, capital gains, payroll and employee withholding taxes, employment insurance, social insurance taxes, sales and use taxes, ad valorem taxes, royalties, value added taxes, excise taxes, franchise taxes, gross receipts taxes, business license taxes, occupation taxes, real and personal property taxes, stamp taxes, insurance taxes,

environmental taxes, transfer taxes, workers' compensation and other governmental charges, and other obligations of the same or of a similar nature to any of the foregoing, which Softrock is required to pay, withhold or collect.

The term "**Returns**" shall mean all reports, estimates, declarations of estimated tax, information statements, elections, returns and other documentation relating to, or required to be filed in connection with, any Taxes.

- (ii) *Returns Filed and Taxes Paid.* Since January 1, 2017, all Returns required to be filed by or on behalf of Softrock have been duly filed on a timely basis and such Returns are true, complete and correct in all material respects. All Taxes shown to be payable on the Returns or on subsequent assessments with respect thereto have been paid in full on a timely basis or have been accrued for in the Financial Statements, and no other Taxes are payable by Softrock with respect to items or periods covered by such Returns. The income Tax liability of Softrock has been assessed by each relevant Governmental Entity in respect of the taxation years of Softrock ending before the date hereof.
- (iii) *Tax Reserves.* Softrock has paid all applicable Taxes or Softrock has provided adequate accruals in the Financial Statements (including income Taxes and related future Taxes) for all such unpaid Taxes in accordance with GAAP. Softrock has made adequate provision in accordance with GAAP in its books and records for any amount of Taxes accruing in respect of any accounting period ending subsequent to December 31, 2021. Softrock has duly and timely paid all Taxes, including instalments in respect of Taxes, that are due and payable whether or not assessed by any appropriate Governmental Entity.
- (iv) *Liens.* There are no outstanding liens for Taxes upon any property or assets of Softrock, other than liens for Taxes not yet due and payable and for which Softrock has provided adequate accruals in the Financial Statements in accordance with GAAP.
- (v) *Deficiencies.*
 - (A) No deficiencies have been asserted and are outstanding against Softrock with respect to Taxes, including relating to transfer pricing.
 - (B) Softrock is not a party to any action or proceeding for assessment or collection of Taxes, nor has any such event been asserted or threatened.
 - (C) No waiver or extension of any statute of limitations is in effect with respect to Taxes or Returns of Softrock.
 - (D) The Returns of Softrock are not the subject of any audit by a Governmental Entity, and no such audit is, to Softrock's knowledge, pending or threatened and there are no contingent liabilities for Taxes or any grounds for an assessment or reassessment with respect to Taxes.
- (vi) *Withholdings.* All Taxes required to be deducted, withheld or remitted by Softrock under Applicable Laws for amounts paid or credited to or for the account or benefit of any Person, including, Taxes on payments to any present or former Employees, officers or directors or non-residents of Canada, have been duly deducted and withheld and have been duly and timely remitted to the appropriate Governmental Entity. Softrock has charged, collected and remitted on a timely basis all Taxes as required under applicable legislation on any supply, sale or delivery whatsoever made by Softrock.
- (vii) *Jurisdiction.* Except in the ordinary course of business and in compliance with Applicable Laws, Softrock has not been required to file any Return with, and has never been liable to pay any Taxes to, any Governmental Entity outside Canada. No claim has ever been made by a Governmental

Entity in a jurisdiction where Softrock does not file Returns that it is or may be subject to the imposition of any Tax by that jurisdiction.

- (viii) *Taxes of Other Persons.* Except in the ordinary course of business and in compliance with Applicable Laws, Softrock is not subject to liability for Taxes of any other Person. Softrock has not acquired property from any Person in circumstances where Softrock did or could become liable for any Taxes of such Person. The value of the consideration paid or received by Softrock for the acquisition, sale, transfer or provision of property (including intangibles) or the provision of services (including financial transactions) from or to a Person with whom Softrock was not dealing at arm's length within the meaning of the ITA was equal to the estimated fair market value of such property acquired, provided or sold or services purchased or provided. Softrock has not entered into any agreement with, or provided any undertaking to, any Person pursuant to which it has assumed liability for the payment of income Taxes owing by such Person.
- (ix) *Flow-Through Obligations.* Softrock has not entered into any agreements to issue shares as "**flow-through shares**" for the purposes of the ITA since January 1, 2021 and has no existing liabilities or obligations to renounce expenses under the terms of any agreement to issue shares as "flow through shares" for the purposes of the ITA that was entered into prior to January 1, 2021.
- (x) *Control.* Since January 1, 2017, there has not been an acquisition of control of Softrock for purposes of the ITA.
- (xi) *Tax Pools.* Softrock's tax pools, as at December 31, 2021, are set forth in note 12(c) to the Softrock Annual Financial Statements.
- (xii) *GST.* Softrock is duly registered with the Canada Revenue Agency under the *Excise Tax Act* (Canada) for purposes of the goods and services tax ("**GST**"). All input tax credits claimed by Softrock for GST purposes were calculated in accordance with Applicable Law. Softrock has complied with all registration, reporting, payment, collection and remittance requirements in respect of GST and provincial sales tax or harmonized tax legislation.
- (w) Employee Benefit Plans. Softrock:
 - (i) has no liability, or contingent or prospective liability, to provide benefits under any defined benefit plans (including individual plans) and has not made any promises with respect to the provision of any benefits on a defined benefit basis;
 - (ii) has no other employee benefit plans and has not made any promises with respect to increased benefits under such plans; and
 - (iii) has no stock option plans or stock-based compensation arrangements other than the Stock Option Plan.
- (x) Reporting Issuer Status and TSXV Listing.
 - (i) Softrock is a reporting issuer in the provinces of British Columbia and Alberta. The Common Shares are listed and posted for trading on the TSXV (which for the purposes of this Section 4.1(x)(i) does not include the NEX). Softrock is not in default of Applicable Canadian Securities Laws or the rules and policies of the TSXV.
 - (ii) Softrock has not taken any action to cease to be a reporting issuer in any of the provinces of British Columbia and Alberta nor has Softrock received notification from any Securities Authority seeking to revoke the reporting issuer status of Softrock. No delisting, suspension of trading or cease trade or other order or restriction with respect to any securities of Softrock is in effect, has been threatened, or is expected to be implemented or undertaken, or, to the knowledge of Softrock, is pending, and

to its knowledge, Softrock is not subject to any formal or informal review, enquiry, investigation or other proceeding relating to any such order or restriction.

- (y) Shareholder Rights Plan. There is not in effect with respect to Softrock any shareholder rights plan.
- (z) Personal Property. To the knowledge of Softrock, Softrock has good and valid title to, or a valid and enforceable leasehold interest in, all personal property owned or leased by it in connection with the Softrock Assets, except as would not, individually or in the aggregate, have a Material Adverse Effect.
- (aa) Title. Although it does not warrant title to the Softrock Assets, except for Permitted Encumbrances, the Softrock Assets are free and clear of all liens, adverse claims, charges and encumbrances created by, through or under Softrock.
- (bb) Properties.
 - (i) Except as would arise or exist in the ordinary course of operating as an oil, gas and mineral company in western Canada (including Crown or freehold lessor royalties, industry operating agreements or procedures and ordinary course expirations, relinquishments or forfeitures as provided under the terms of Crown or freehold licenses or leases) to the knowledge of Softrock, there are no earn-in rights, rights of first refusal, royalty rights or similar provisions affecting any of the Softrock Assets;
 - (ii) Softrock has not received any notice, whether written or oral, from any Governmental Entity or any Person with jurisdiction or applicable authority of any revocation or intention to revoke its interests in any of the Softrock Assets; and
 - (iii) there are no disputes, adverse claims, actions, suits or proceedings that have been commenced or that are pending or, to the knowledge of Softrock, threatened, affecting or which could affect the title to or right of Softrock with respect to the Softrock Assets.
- (cc) Restrictions. Softrock is not a party to or otherwise bound by any area of mutual interest agreement, area of exclusion or other similar agreement which restricts the ability of Softrock to operate or, directly or indirectly, acquire any interest or to which the Softrock Assets are subject.
- (dd) Operational Matters. Except as disclosed in Schedule A hereto, all material rentals, royalties, overriding royalty interests, production payments, net profits, interest burdens, payments and obligations due and payable, or performable, as the case may be, on or prior to the date hereof under, with respect to, or on account of, any direct or indirect Softrock Assets have been: (i) paid; (ii) performed; or (iii) provided for prior to the date hereof.
- (ee) Processing and Transportation Commitments. Softrock does not have any third party processing or transportation agreements or any obligations to deliver sales volumes to any other person.
- (ff) Take or Pay and Obligations. Softrock has no take or pay obligations.
- (gg) Permits. Softrock has obtained and possesses all Permits required by Applicable Laws necessary to engage in its business, as now conducted, and Softrock is not in default under any such Permits that are material to the Softrock Assets.
- (hh) Receipt of Revenues. To the knowledge of Softrock, Softrock has been receiving the share of the net proceeds of production from the Softrock Assets attributable to its interest in the Softrock Assets and no Person has provided Softrock with written notice of, nor does Softrock have any knowledge of, a claim by any Person that Softrock is not entitled to such amounts, with the possible exception of: (i) claims of accounting errors which do not challenge the percentage share of revenues to which it is entitled and which are not material; and (ii) claims subject to resolution through insolvency, receivership, or bankruptcy proceedings involving third parties.

- (ii) Joint Venture or Royalty Audits. There are no ongoing (i) joint venture audits by a third party under the any title documents applicable to the Softrock Assets, or (ii) royalty audits by any owner, except as would not, individually or in the aggregate, have a Material Adverse Effect.
- (jj) No Expropriation. No Softrock Assets have been taken or expropriated by any Governmental Entity nor has any notice or proceeding in respect thereof been given or commenced or threatened nor, to the best of the knowledge of Softrock, is there any intent or proposal to give any such notice or to commence any such proceeding.
- (kk) Restrictions on Business Activities. Except for Applicable Laws of general application, there is no agreement, judgment, injunction, order or decree binding upon Softrock that has or could reasonably be expected to have the effect of materially prohibiting, restricting or impairing any material business practice of Softrock, any material acquisition of property by Softrock or the conduct of any material business by Softrock, as now conducted (including following the transactions contemplated by this Agreement).
- (ll) No Insider Rights. No director, officer, insider or other party not at arm's length to Softrock has any material right, title or interest in (or the right to acquire any right, title or interest in) any royalty interest, participation interest or any other interest whatsoever, in any properties of Softrock.
- (mm) Related Party Transactions. Softrock is not indebted to any director, officer, Employee or agent of, or independent contractor to, Softrock or any of its affiliates or associates (except for amounts due as normal salaries, bonuses, directors' fees or other forms of normal compensation for services rendered and in reimbursement of ordinary expenses). No director, officer, Employee or agent of Softrock or any of its affiliates or associates is a party to any loan, contract, arrangement or understanding or other transactions with Softrock required to be disclosed pursuant to Applicable Canadian Securities Laws.
- (nn) Insurance. Policies of insurance are in force as of the date hereof naming Softrock as an insured, copies of which have been provided to the Initial Investor Group. All such policies shall remain in force and effect and shall not be cancelled or otherwise terminated as a result of the transactions contemplated by this Agreement.
- (oo) Confidentiality Agreements. Since March 31, 2021, Softrock has not waived or released the applicability of any "**standstill**" or other similar provisions of any confidentiality or other similar agreements (other than industry operating and similar agreements).
- (pp) Material Agreements.
 - (i) All agreements, contracts, royalties, ancillary documents, Permits, licences, regulatory approvals, plans, certificates and other rights and authorizations that are material to the business, the assets, the equity value or the operations of Softrock (taken as a whole) (the "**Material Agreements**") have been made available to the Initial Investor Group prior to the date of this Agreement.
 - (ii) To the knowledge of Softrock, all Material Agreements are in full force and effect, and Softrock is entitled to all rights and benefits thereunder in accordance with the terms thereof in all material respects.
 - (iii) Softrock has complied in all material respects with all terms of such Material Agreements, have paid all amounts due thereunder, have not waived any material rights thereunder and no material default or breach exists in respect thereof on the part of Softrock and Softrock is not aware of a material breach by any other person who is party to or bound by any Material Agreement.
 - (iv) None of the Material Agreements are subject to any termination fees, cancellation costs or other similar penalties which would become payable upon termination of such contract or agreement following a change of control of Softrock or upon completion of the transactions contemplated by this Agreement.

- (v) There is no non-competition, exclusivity or other similar agreement, commitment or understanding in place, whether written or oral, to which Softrock or, to the knowledge of Softrock, any director, officer, employee or consultant of Softrock is a party or is otherwise bound that would now or hereafter:
 - (A) limit in any material respect either the type of business in which Softrock may engage or the manner or locations in which it may so engage in any business; or
 - (B) could require the disposition of any material assets of Softrock.
- (vi) The execution, delivery and performance of this Agreement does not and will not result in the restriction of Softrock (taken as a whole) from engaging in its business or from competing with any Person or in any geographical area.
- (qq) No Shareholder Agreements. Other than the Support Agreements, there are no shareholders agreements, registration rights agreements, voting trusts, proxies or similar agreements, arrangements or commitments to which Softrock is a party or, to the knowledge of Softrock, with respect to any shares or other equity interests of Softrock or any other Contract relating to disposition, voting or dividends with respect to any equity securities of Softrock.
- (rr) Debt Service Reserve Account. Softrock does not maintain a debt service reserve account or account of similar nature.
- (ss) Auditors. There has not been a reportable event (within the meaning of Section 4.11 of National Instrument 51-102 *Continuous Disclosure Obligations* of the Canadian Securities Administrators) with Softrock's auditors.
- (tt) U.S. Securities Law Matters. There is no class of securities of Softrock which is registered pursuant to Section 12 of the U.S. Exchange Act, nor is Softrock subject to any reporting obligation pursuant to Section 15(d) of the U.S. Exchange Act, and Softrock is not, and has never been, subject to any requirement to register any class of its equity securities pursuant to Section 12(g) of the U.S. Exchange Act. No securities of Softrock have been traded on any national securities exchange in the United States.
- (uu) Place of Principal Offices. Softrock is not incorporated in the United States, is not organized under the laws of the United States and does not have its principal office within the United States.
- (vv) Locations of Assets and U.S. Sales. All of the assets and property of Softrock, including all entities "**controlled by**" Softrock for the purposes of the *Hart-Scott-Rodino Antitrust Improvements Act* of 1976, as amended, are located outside the United States and did not generate sales in or into United States exceeding US\$75.9 million during Softrock's most recent completed fiscal year.
- (ww) Foreign Private Issuer. Softrock is a "foreign private issuer" within the meaning of Rule 405 of Regulation C under the U.S. Securities Act.
- (xx) Investment Company. Softrock is not registered nor, assuming it was incorporated in the United States, required to be registered as an "investment company" pursuant to the *United States Investment Company Act* of 1940, as amended.
- (yy) No Withholding of Information. Softrock has not knowingly withheld from the Initial Investor Group any document in its possession requested by any member of the Initial Investor Group (whether specifically or as part of a general request for similar materials) for the purpose of conducting the Initial Investor Group's due diligence investigations in respect of Softrock and its assets, liabilities, business and operations and Softrock did not knowingly omit to provide any information that would reasonably be expected to cause any information so provided by Softrock to be misleading in any material respect.

4.2 Representations and Warranties of the Initial Investor Group

Each member of the Initial Investor Group represents and warrants to and in favour of Softrock, severally and not jointly, and acknowledges that Softrock is relying upon such representations and warranties in connection with the matters contemplated by this Agreement:

- (a) Authority and Enforceability. Such Person has the right, power, authority, legal capacity and competence to enter into this Agreement and to perform all of its obligations hereunder and has taken all action necessary to authorize the execution, delivery and performance of this Agreement and the transactions described herein. This Agreement has been duly executed and delivered by such Person and is a legal, valid and binding obligation of the person enforceable against the Person in accordance with its terms subject to bankruptcy or similar Applicable Laws affecting enforcement of creditors' rights generally and to the extent that equitable remedies such as specific performance and injunction are in the discretion of the court from which they are sought.
- (b) No Violations. None of the execution and delivery of this Agreement by such person, the consummation of the transactions contemplated hereby or the compliance by such person with any of the provisions hereof 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 any agreement, contract or other material instrument or obligation to which such person is a party or to which such person is bound; or
 - (ii) violate any judgement, ruling, order, writ, injunction, determination, award, decree, statute, ordinance, rule or regulation applicable to such person(except, in the case of each of clauses (i) and (ii) above, for such violations, conflicts, breaches, defaults, terminations which, or any consents, approvals or notices which if not given or received, would not materially adversely affect the consummation of the transactions contemplated herein).
- (c) Legal Impediment. Other than in connection or compliance with Applicable Canadian Securities Laws and the rules of the TSXV, there is no legal impediment to such person's consummation of the Private Placement and the other transactions contemplated by this Agreement.
- (d) Eligible to Participate in the Private Placement. Such person is eligible to purchase Units under the Private Placement in accordance with available prospectus exemptions under Applicable Canadian Securities Laws, and such person will have prior to Closing sufficient funds to complete its investment in the Private Placement.
- (e) Qualification as an Officer and/or Director. Such person, if contemplated to be appointed as a director and/or officer of Softrock at the Closing, meets the criteria of the ABCA and the TSXV to act as an officer and/or director of Softrock and such person has no reason to believe that the TSXV will not permit such person to act as an officer and/or director of Softrock following the submission and review of a properly executed personal information form.
- (f) No Bankruptcy. Such person has never become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, become subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold his assets. Such person has never been a director or executive officer of any company that, while acting in that capacity or within a year of ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.

- (g) No Sanctions or Penalties. Such person has never been the subject of disciplinary action by a professional association, been subject to a penalty or sanction imposed by a court or securities regulator relating to securities or corporate matters, entered into a settlement agreement with a securities regulator or been found by a court to have committed fraud, breach of trust, theft or any similar wrongdoing, whether in a civil or criminal matter.
- (h) Litigation, etc. Other than as disclosed to Softrock and/or its counsel, there are no actions, suits or proceedings pending or, to the knowledge of such person, threatened against or adversely affecting the Initial Investor Group at law or in equity or before or by any federal, provincial, municipal or other governmental court, department, commission, board, bureau, agency or instrumentality, domestic or foreign, that might materially adversely affect the consummation of the transactions contemplated herein.
- (i) No Withholding of Information. Such person has not knowingly withheld from Softrock any document in its possession requested by Softrock (whether specifically or as part of a general request for similar materials) for the purpose of conducting Softrock's due diligence investigations in respect of the Initial Investor Group and such person did not knowingly omit to provide any information that would reasonably be expected to cause any information so provided by the Initial Investor Group to be misleading in any material respect.

4.3 Privacy Issues

- (a) For the purposes of this Section 4.3, the following definitions shall apply:

"**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 legislation including the *Personal Information Protection Act* (Alberta);

"**Authorized Authority**" means, in relation to any Person, transaction or event, any:

- (i) federal, provincial, municipal or local governmental body (whether administrative, legislative, executive or otherwise), both domestic and foreign;
- (ii) 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;
- (iii) court, arbitrator, commission or body exercising judicial, quasi-judicial, administrative or similar functions; and
- (iv) 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; and

"**Personal Information**" means information (other than business contact information when used or disclosed for the purpose of contacting such individual in that individual's capacity as an employee or an official of an organization and for no other purpose) about an identifiable individual disclosed or transferred to the Initial Investor Group by Softrock in accordance with this Agreement.

- (b) The Parties acknowledge that they are responsible for compliance at all times with Applicable Privacy Laws which govern the collection, use or disclosure of Personal Information disclosed to either Party pursuant to or in connection with this Agreement (the "**Disclosed Personal Information**").
- (c) Prior to the completion of the transactions contemplated herein, neither Party shall use or disclose the Disclosed Personal Information for any purposes other than those related to the performance of this Agreement. After the completion of the transactions contemplated herein, a Party may only collect, use and

disclose the Disclosed Personal Information for the purposes for which the Disclosed Personal Information was initially collected from or in respect of the individual to which such Disclosed Personal Information relates or for the completion of the transactions contemplated herein, unless:

- (i) either Party shall have first notified such individual of such additional purpose, and where required by Applicable Laws, obtained the consent of such individual to such additional purpose; or
 - (ii) such use or disclosure is permitted or authorized by Applicable Laws, without notice to, or consent from, such individual.
- (d) Each Party acknowledges and confirms that the disclosure of the Disclosed Personal Information is necessary for the purposes of determining if the Parties shall proceed with the transactions contemplated herein, and that the Disclosed Personal Information relates solely to the carrying on of the business or the completion of the transactions contemplated herein.
- (e) Each Party acknowledges and confirms that it has taken and shall continue to take reasonable steps to, in accordance with Applicable Laws, 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) Subject to the following provisions, 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. Prior to the completion of the transactions contemplated herein, each Party shall take reasonable steps to 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 transactions contemplated herein.
- (g) Where authorized by Applicable Laws, each Party shall promptly notify the other Party to this Agreement of all inquiries, complaints, requests for access, variations or withdrawals of consent and claims of which the Party is made aware in connection with the Disclosed Personal Information. To the extent permitted by Applicable Laws, the Parties shall fully co-operate with one another, with the Persons to whom the Disclosed Personal Information relates, and any Authorized Authority charged with enforcement of Applicable Privacy Laws, in responding to such inquiries, complaints, requests for access, variations or withdrawals of consent and claims.
- (h) Upon the expiry or termination of this Agreement, or otherwise upon the reasonable request of either Party, the other Party shall forthwith cease all use of the Disclosed Personal Information acquired by it in connection with this Agreement and will return to the requesting Party or, at the requesting Party's request, destroy in a secure manner, the Disclosed Personal Information (and any copies thereof) in its possession.

ARTICLE 5 CONDITIONS PRECEDENT

5.1 Mutual Conditions Precedent

The respective obligations of the Parties to consummate the transactions at the Closing as contemplated herein are subject to the satisfaction, on or before the Closing Date, of the following conditions precedent, any of which may be waived by the mutual consent of such Parties without prejudice to their right to rely on any other of such conditions:

- (a) the approval of the Softrock Shareholders to the Private Placement (if required by the TSXV) and the Change of Management at the Softrock Meeting, as applicable, shall have been obtained;

- (b) the TSXV shall have conditionally approved the completion of the Private Placement, the Change of Management and the Severance Payments on terms and conditions satisfactory to the Initial Investor Group and Softrock, each acting reasonably; and
- (c) there shall have been no action taken under Applicable Laws, nor any statute, rule, regulation or order which is enacted, enforced, promulgated or issued by any Governmental Entity, that:
 - (i) makes illegal or otherwise directly or indirectly restrains, enjoins or prohibits the transactions contemplated herein; or
 - (ii) results in a judgement preventing, or assessment of material damages directly or indirectly relating to, the transactions contemplated herein.

The foregoing conditions are for the mutual benefit of the Initial Investor Group, on the one hand, and Softrock, on the other hand, and may be asserted by either of the Initial Investor Group or Softrock regardless of the circumstances and may be waived by the Initial Investor Group or Softrock (with respect to itself) in their sole discretion, in whole or in part, at any time and from time to time without prejudice to any other rights which such Party may have, subject to Section 6.1.

5.2 Additional Conditions to Obligations of the Initial Investor Group

The obligations of the Initial Investor Group to consummate the transactions at the Closing as contemplated herein are subject to the satisfaction, on or before the Closing Date or such other time specified in the relevant condition precedent, of the following conditions precedent:

- (a) Softrock shall have mailed the Softrock Circular and other documentation required in connection with the Softrock Meeting by no later than August 12, 2022;
- (b) Softrock shall have convened and held the Softrock Meeting by no later than September 16, 2022;
- (c) Softrock shall have furnished the Initial Investor Group with:
 - (i) certified copies of the resolutions duly passed by the Board of Directors approving this Agreement and the consummation of the transactions contemplated herein; and
 - (ii) certified copies of the resolution of the Softrock Shareholders duly passed at the Softrock Meeting approving the Softrock Resolutions;
- (d) the representations and warranties made by Softrock in this Agreement shall be true and correct as of the Closing Date as if 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 in, or would not reasonably be expected to have, a Material Adverse Effect or would not, or would not reasonably be expected to, materially impede completion of the Private Placement and the Change of Management, and Softrock shall have provided to the Initial Investor Group a certificate of two senior officers certifying such accuracy on the Closing Date on behalf of Softrock and not in their personal capacities, and the Initial Investor Group will have no knowledge to the contrary;
- (e) no Material Adverse Change in respect of Softrock shall have occurred from and after the date hereof and prior to the Closing Date;
- (f) Softrock shall have complied with its covenants and obligations herein in all material respects, except where the failure to comply with its covenants and obligations, individually or in the aggregate, would not or would not reasonably be expected to have a Material Adverse Effect or would not, or would not reasonably be expected to, materially impede completion of the Private Placement and the Change of Management, and

Softrock shall have provided to the Initial Investor Group a certificate of two senior officers certifying compliance with such covenants on the Closing Date on behalf of Softrock and not in their personal capacities, and the Initial Investor Group will have no knowledge to the contrary;

- (g) the Softrock Transaction Costs shall not exceed \$150,000, and the Initial Investor Group shall have received a certificate of Softrock addressed to the Initial Investor Group and dated the Closing Date, signed on behalf of Softrock by two senior executive officers of Softrock (on Softrock's behalf and without personal liability), confirming the foregoing as at the Closing Date;
- (h) each of the Non-Continuing Directors and Non-Continuing Executives shall have delivered a resignation (provided that Ms. Stanners shall not resign as a director) and mutual release in favour of Softrock as of the Closing Date, in the form and substance satisfactory to the Initial Investor Group and such Non-Continuing Directors and Non-Continuing Executives, acting reasonably;
- (i) each of the Non-Continuing Directors shall have delivered an Exercise and Cancellation Agreement in respect of all of the Stock Options held by them;
- (j) each of the Current Executives shall have delivered a Hold Period Agreement in respect of all: (i) Common Shares held at Closing (including for greater certainty, all Severance Shares issued to, and Common Shares underlying the Units purchased pursuant to the Private Placement by, Stuart McDowall), in the case of Stuart McDowall; and (ii) Severance Shares to be issued to them at Closing, in the case of the Current Executives (other than Stuart McDowall);
- (k) no more than 446,581 Severance Shares (1,786,324 in total) shall be issued to each Current Executive in connection with the Severance Payments;
- (l) immediately prior to the Closing Time (and including any Common Shares issuable prior to the Closing Time pursuant to the outstanding Stock Options and Share Purchase Warrants, but not including any Common Shares issuable under the Private Placement or the Severance Shares), there shall be no more than 62,646,708 Common Shares issued and outstanding; and
- (m) all of the documents required to be delivered by or on behalf of Softrock at the Closing pursuant to the provisions hereof shall have been delivered to the satisfaction of the Initial Investor Group, acting reasonably.

The conditions in this Section 5.2 are for the exclusive benefit of the Initial Investor Group and may be asserted only by the Initial Investor Group regardless of the circumstances or may be waived only by the Initial Investor Group in its sole discretion, in whole or in part, at any time and from time to time without prejudice to any other rights which the Initial Investor Group may have, subject to Section 6.1.

5.3 Additional Conditions to Obligations of Softrock

The obligations of Softrock to consummate the transactions at the Closing as contemplated herein are subject to the satisfaction, on or before the Closing Date or such other time specified in the relevant condition precedent, of the following conditions precedent:

- (a) the representations and warranties made by each member of the Initial Investor Group in this Agreement shall be true and correct as of the Closing Date as if 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 or would not reasonably be expected to materially impede completion of the Private Placement and the Change of Management, and each member of the Initial Investor Group shall have provided to Softrock a certificate certifying compliance with such covenants on the Closing Date, and Softrock will have no knowledge to the contrary;

- (b) the Initial Investor Group shall have complied with its covenants and obligations herein in all material respects, and each member of the Initial Investor Group shall have provided to Softrock a certificate certifying compliance with such covenants on the Closing Date, and Softrock will have no knowledge to the contrary;
- (c) the issuance of the Severance Shares and the payment of the Severance Cash to the Current Executives in satisfaction of the Severance Payments (subject to the withholding of the Severance Cash pursuant to Section 3.1(w));
- (d) properly executed Subscription Agreements, together with certified cheques or bank drafts or other forms of payment for an aggregate amount of not less than \$3 million, and other required items, have been delivered by the applicable Subscribers as contemplated in Section 2.1 to the satisfaction of Softrock, acting reasonably; and
- (e) all of the documents required to be delivered by or on behalf of the Initial Investor Group at the Closing pursuant to the provisions hereof shall have been delivered to the satisfaction of Softrock, acting reasonably.

The conditions in this Section 5.3 are for the exclusive benefit of Softrock and may be asserted by Softrock regardless of the circumstances or may be waived by Softrock in its sole discretion, in whole or in part, at any time and from time to time without prejudice to any other rights which Softrock may have, subject to Section 6.1.

5.4 Notice and Effect of Failure to Comply with Conditions

- (a) Each Party shall give prompt notice to the other Party of the occurrence, or failure to occur, at any time from the date hereof to the Closing Date of any event or state of facts which occurrence or failure would, or would be likely to:
 - (i) cause any of the representations or warranties of any Party contained herein to be untrue or inaccurate in any material respect; or
 - (ii) result in the failure to comply with or satisfy any covenant, condition or agreement to be complied with or satisfied by any Party hereunder; provided, however, that no such notification will affect the representations or warranties of the Parties or the conditions to the obligations of the Parties hereunder.
- (b) If any of the conditions precedent set forth in Sections 5.1, 5.2, or 5.3 hereof shall not be complied with or waived by the Party or Parties for whom a right to waive such condition precedent has been provided for and for whose benefit such conditions are provided on or before the date required for the performance thereof, then a Party for whom a right to assert the benefit of the condition precedent is provided may, terminate this Agreement as provided in Section 6.1 hereof; provided that, prior to exercising its right to terminate this Agreement, the Party intending to rely thereon has delivered a written notice to the other Party, specifying in reasonable detail all breaches of covenants, representations and warranties or other matters which the Party delivering such notice is asserting as the basis for the non-fulfillment of the applicable conditions precedent, and shall provide in such notice that the other Party shall be entitled to cure any breach of a covenant or representation and warranty or other matters within five Business Days after receipt of such notice (except that no cure period shall be provided for a breach which by its nature cannot be cured and, in no event, shall any cure period extend beyond the Outside Date). More than one such notice may be delivered by a Party.

5.5 Satisfaction of Conditions

The conditions set out in this Article 5 are conclusively deemed to have been satisfied, waived or released when the Closing has occurred.

ARTICLE 6 TERMINATION

6.1 Termination

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

- (a) by mutual written consent of the Initial Investor Group and Softrock;
- (b) as provided in Section 5.4(b), provided that the failure to satisfy the particular condition precedent being relied upon did not occur as a result of a breach by the Party seeking to rely on the condition precedent of any of its covenants or obligations under this Agreement;
- (c) by the Initial Investor Group or Softrock if a court of competent jurisdiction or a governmental, regulatory or administrative agency or commission shall have issued an order, decree or ruling or taken any other action permanently restraining, enjoining or otherwise prohibiting any of the transactions contemplated by this Agreement and such order, decree, ruling or other action shall have become final and non-appealable, provided that the Party seeking to terminate this Agreement pursuant to this Section 6.1(c) shall have used all commercially reasonable efforts to remove such order, decree, ruling or injunction; or
- (d) by the Initial Investor Group or Softrock if the Closing Date has not occurred by the Outside Date.

Furthermore, this Agreement shall automatically terminate immediately following Closing.

6.2 Effect of Termination

In the event of the termination of this Agreement, this Agreement shall forthwith become void and no Party shall have any liability or further obligation to the other Party hereunder, except with respect to (i) the obligations set forth in Section 4.3, and this Section 6.2; (ii) if Closing has occurred, Sections 2.4, 8.4 and 8.12, and (iii) any other provisions of this Agreement which are required to give effect to the foregoing, all of which shall survive such termination; provided, however, that, no Party shall be relieved from liability for any willful breach of this Agreement prior to its termination. For greater certainty, termination of this Agreement shall not affect the obligations of the Parties pursuant to the confidentiality restrictions set forth in the Confidentiality Agreement, except to the extent specified therein.

ARTICLE 7 NOTICES

7.1 Notices

All notices that may or are required to be given pursuant to any provision of this Agreement are to be given or made in writing and served personally or sent by email:

- (a) in the case of the Initial Investor Group, to:

Criterium Energy
Suite 1120, 202 – 6th Avenue SW
Calgary, AB T2P 2R9

Attention: Robin Auld, Chief Executive Officer
Email: [REDACTED]

with a copy to:

Burnet, Duckworth & Palmer LLP

Suite 2400, 525 – 8th Avenue SW
Calgary, AB T2P 1G1

Attention: Bronwyn Inkster
Email: [REDACTED]

(b) in the case of Softrock, to:

Softrock Minerals Ltd.
4719 Nordegg Crescent NW
Calgary, AB T2K 2M2

Attention: Stuart McDowall, President and Chief Executive Officer
Email: [REDACTED]

with a copy to:

Burnet, Duckworth & Palmer LLP
Suite 2400, 525 – 8th Avenue SW
Calgary, AB T2P 1G1

Attention: Jeff Oke
Email: [REDACTED]

or such other address as the Parties may, from time to time, advise to the other Parties by notice in writing. The date or time of receipt of any such notice will be deemed to be the date of delivery or the time such email is received.

ARTICLE 8 GENERAL

8.1 Binding Effect

This Agreement shall be binding upon and enure to the benefit of the Parties.

8.2 Assignment

No Party may assign any of its rights or obligations under this Agreement without prior written consent of the other Parties.

8.3 Amendment of Agreement

This Agreement may only be amended by mutual written agreement of the Parties. This Agreement may at any time and from time to time, before or after the holding of the Softrock Meeting, be amended without, subject to Applicable Laws, further notice to or authorization on the part of the Softrock Shareholders.

8.4 Costs and Expenses

Except as expressly set out herein, each Party covenants and agrees to bear its own costs and expenses in connection with the transactions contemplated by this Agreement; provided that upon Closing, the Initial Investor Group shall be entitled to be reimbursed by Softrock for all reasonable fees and expenses incurred and documented by the Initial Investor Group in connection with entering into this Agreement and consummating the transactions contemplated hereby including in respect to any financial, legal, tax or accounting advisory fees payable in connection with the transactions contemplated hereby.

8.5 Expense Reimbursements

- (a) Notwithstanding Section 8.4, if Softrock terminates this Agreement pursuant to Section 6.1(b) due to a breach of any representation or warranty or failure to perform any covenant or agreement on the part of the Initial Investor Group set forth in this Agreement having occurred that would cause the conditions set forth in Sections 5.1 or 5.3 not to be satisfied, and such conditions are incapable of being satisfied by the Outside Date (and provided that Softrock is not then in material breach of this Agreement so as to cause any condition in Sections 5.1 or 5.2 not to be satisfied), then the Initial Investor Group shall pay or cause to be paid to Softrock an expense reimbursement payment (the "**Expense Reimbursement Payment**") in an amount equal to the Softrock Transaction Costs, provided that such Expense Reimbursement Payment shall not exceed \$50,000 in aggregate. Softrock shall deliver to the Initial Investor Group a written notice setting out the total amount of the Expense Reimbursement Payment claim that includes a breakdown thereof showing the sources of such fees and expenses. The Expense Reimbursement Payment will be paid in immediately available funds by way of wire transfer on the fifth Business Day immediately following the delivery by Softrock of the written notice contemplated by this Section 8.5(a).
- (b) Notwithstanding Section 8.4, if the Initial Investor Group terminates this Agreement pursuant to Section 6.1(b) due to a breach of any representation or warranty or failure to perform any covenant or agreement on the part of Softrock set forth in this Agreement having occurred that would cause the conditions set forth in Sections 5.1 or 5.2 not to be satisfied, and such conditions are incapable of being satisfied by the Outside Date (and provided that the Initial Investor Group is not then in material breach of this Agreement so as to cause any condition in Sections 5.1 or 5.3 not to be satisfied), then Softrock shall pay or cause to be paid to the Initial Investor Group an expense reimbursement payment (the "**IIG Expense Reimbursement Payment**") in an amount equal to the IIG Transaction Costs, provided that such IIG Expense Reimbursement Payment shall not exceed \$50,000 in aggregate. The Initial Investor Group shall deliver to Softrock a written notice setting out the total amount of the IIG Expense Reimbursement Payment claim that includes a breakdown thereof showing the sources of such fees and expenses. The IIG Expense Reimbursement Payment will be paid in immediately available funds by way of wire transfer on the fifth Business Day immediately following the delivery by the Initial Investor Group of the written notice contemplated by this Section 8.5(b).

8.6 Disclosure

Each Party shall receive the prior consent, not to be unreasonably withheld, of the other Parties prior to issuing or permitting any director, officer, employee or agent to issue, any press release or other written statement with respect to this Agreement or the transactions contemplated hereby. To the extent that the Initial Investor Group furnishes Softrock with any information or statements to be included in any press release or other disclosure documents of Softrock, the Initial Investor Group shall ensure such information or statements do not contain any misrepresentation or untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements contained therein not misleading in light of the circumstances in which they are made. Notwithstanding the foregoing, if any Party is required by Applicable Laws or administrative regulation to make any disclosure relating to the transactions contemplated herein, such disclosure may be made, but that Party will use reasonable commercial efforts to consult with the other Parties as to the wording of such disclosure prior to its being made.

8.7 Severability

If any one or more of the provisions or parts thereof contained in this Agreement should be or become invalid, illegal or unenforceable in any respect in any jurisdiction, the remaining provisions or parts thereof contained herein shall be and shall be conclusively deemed to be, as to such jurisdiction, severable therefrom and:

- (a) the validity, legality or enforceability of such remaining provisions or parts thereof shall not in any way be affected or impaired by the severance of the provisions or parts thereof severed; and

- (b) the invalidity, illegality or unenforceability of any provision or part thereof contained in this Agreement in any jurisdiction shall not affect or impair such provision or part thereof or any other provisions of this Agreement in any other jurisdiction.

8.8 Further Assurances

Each Party shall, from time to time and at all times hereafter, at the request of the other Parties, 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.

8.9 Time of Essence

Time shall be of the essence of this Agreement.

8.10 Governing Law

This Agreement shall be governed by and construed in accordance with the laws of the Province of Alberta and the Parties irrevocably attorn to the jurisdiction of the courts of the Province of Alberta.

8.11 Waiver

No waiver by any Party shall be effective unless in writing and any waiver shall affect only the matter, and the occurrence thereof, specifically identified and shall not extend to any other matter or occurrence.

8.12 Third Party Beneficiaries

The provisions of Section 2.4 are:

- (a) intended for the benefit of all present and former directors and officers of Softrock, as and to the extent applicable in accordance with their terms, and shall be enforceable by each of such persons and his or her heirs, executors administrators and other legal representatives (collectively, the "**Third Party Beneficiaries**") and Softrock shall hold the rights and benefits of Section 2.4 in trust for and on behalf of the Third Party Beneficiaries and Softrock hereby accepts such trust and agrees to hold the benefit of and enforce performance of such covenants on behalf of 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.

8.13 Actions Taken by the Initial Investor Group / Material Breach

- (a) Any action, determination, delivery or request required or permitted to be taken, made or performed by the Initial Investor Group may be made by any member of the Initial Investor Group (unless the context requires that each and every member of the Initial Investor Group shall take or make such action, determination, delivery or request), and Softrock shall be entitled to assume that the member of the Initial Investor Group taking or making such action, determination, delivery or request has received the authorization of each of the other members of the Initial Investor Group to do so and such action, determination, delivery or request shall be binding on all such other members of the Initial Investor Group. Subject to Subsection 8.12(b), the failure by any individual member of the Initial Investor Group to comply with any of the covenants or obligations hereunder shall not be considered to be a breach by the Initial Investor Group of such covenants or obligations if the remaining members of the Initial Investor Group perform such covenants and obligations in the stead of the non-performing member of the Initial Investor Group or, where curable, cure such covenants or obligations (and where applicable, within the time periods provided herein) and provided that such failure does not adversely affect the ability of Softrock and the Initial Investor Group to complete the Private Placement and the Change of Management on the terms contemplated herein.

- (b) Notwithstanding Subsection 8.12(a), or any other provision of this Agreement, for greater certainty the obligation of each member of the Initial Investor Group to purchase any Units from Softrock pursuant to this Agreement or any Subscription Agreement shall be an individual and several obligation of such member and no other member of the Initial Investor Group shall be liable for the obligations of another member of the Initial Investor Group to purchase Units.

8.14 Counterparts

This Agreement may be executed by electronic signature and in counterparts, each of which shall be deemed an original, and all of which together constitute one and the same instrument.

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

SOFTROCK MINERALS LTD.

By: "Signed"

Stuart McDowall
President and Chief Executive Officer

"Signed"

ROBIN AULD

"Signed"

MATTHEW KLUKAS

"Signed"

BRIAN ANDERSON

"Signed"

HENRY GROEN

"Signed"

HENDRA JAYA

SCHEDULE A

DISCLOSURE SCHEDULE

[information redacted]

[information redacted]

[information redacted]