



CONFIDENTIALITY AGREEMENT

Date: _____

_____ (Company)

_____ (Address)

Attention: _____ (Name)

_____ (Title)

Re: Confidentiality Agreement with respect to Ascensun Oil and Gas Ltd.

In connection with your analysis of a possible transaction involving Ascensun Oil and Gas Ltd. or any of its affiliates (collectively referred to as the “**Company**”), you may be furnished certain information that is proprietary, non-public or confidential concerning the Company, its subsidiaries (as defined below) and/or the assets of the Company (“**Assets**”), from Representatives (as defined below) of the Company (collectively, and together with the Company, the “**Disclosing Parties**”). In consideration of furnishing you with such information to assist you in such regard, you hereby agree to the following (it being understood that you are also agreeing to cause your Representatives to comply with the applicable provisions hereof):

1. **Use of Evaluation Material.** The Evaluation Material (as defined below) will be used solely for the purpose of evaluating a possible negotiated corporate or asset transaction with the Company approved by the Board of the Directors of the Company and not in a manner detrimental to the Company (a “**Transaction**”). All the Evaluation Material will be kept confidential by you and will not be disclosed to any other persons in any manner; provided that you may disclose the Evaluation Material or portions thereof to those of your Representatives who need to know such information for the purpose of assisting you in evaluating a possible Transaction involving you and the Company (it being understood that such Representatives shall be informed by you of the confidential nature of the Evaluation Material and that you shall require such Representatives to abide by the terms of this agreement to the same extent as if they were parties hereto). You agree to be responsible for any breach of this agreement by any of your Representatives.
2. **Legally Required Disclosures.** In the event that you or any of your Representatives is requested or required (by applicable law or regulation or by deposition, interrogatory, request for information or documents in legal or administrative proceedings, subpoena, civil investigative demand or similar process, in connection with any proceeding) to disclose any of the Evaluation Material, you shall immediately provide the Company with written notice of such request or requirement in advance of complying with the same so that the Company may seek an appropriate protective order or other remedy and/or waive compliance with the provisions of this agreement and you shall cooperate with the Company so that the Company may obtain such order or other remedy; provided however that such notice will be provided only if and to the extent it is permitted to be given by you under applicable law and the terms of the respective order or request. In the event that such order or other remedy is not obtained, or the Company waives compliance with the relevant provisions hereof, you or such Representatives, as the case may be,

may disclose only that portion of the Evaluation Material that, in the written opinion of your counsel, is legally required to be disclosed and shall exercise your, his or its best efforts to obtain assurances that confidential treatment will be accorded such Evaluation Material.

3. **Definition of Evaluation Material.** The term “**Evaluation Material**” as used in this agreement shall mean all information including, but not limited to, financial results or information, marketing materials, budget information, geological, geophysical, geochemical and engineering information, seismic data, land schedules, contracts and other documentation made available to you in data books, data rooms and in the confidential, secure or restricted access areas in virtual data rooms or otherwise through the Internet established with respect to the Transaction or that any Disclosing Party furnishes or otherwise discloses to you or any of your Representatives in the course of your evaluation of a possible Transaction (in whatever form communicated or maintained, whether orally or documentary, computer storage or otherwise), which contains or otherwise reflects information concerning the Company, its subsidiaries or the Assets. The term “**Evaluation Material**” shall also include all reports, analyses, notes, studies, compilations or other information (including those prepared by you or your Representatives) that are based on, contain or reflect any Evaluation Material (“**Notes**”). The term “**Evaluation Material**” does not include any information (i) that at the time of disclosure to you or thereafter is generally available to and known by the public (other than as a result of a disclosure by you or any of your Representatives or a disclosure pursuant to Paragraph 2), (ii) that is or was received by you or any of your Representatives on a non-confidential basis from a source other than the Disclosing Parties who, to your knowledge, is not prohibited from transmitting the information to you by a confidentiality agreement with or other contractual, legal or fiduciary obligation to the Company, (iii) heretofore disclosed to you by the Company on a non-confidential basis, or (iv) that was known by you or any of your Representatives prior to disclosure hereunder (as evidenced by your or their contemporaneous written records and was not obtained through illegal or fraudulent means) and is not subject to a confidentiality obligation.
4. **Return of Materials.** If you decide that you do not wish to proceed with a Transaction, you will promptly notify the Company of that decision. In that case, or if the Company shall elect at any time to terminate further access by you to the Evaluation Material for any reason, you will (i) return promptly to the Company all copies of the Evaluation Material provided to you and then in your possession or in the possession of any of the Representatives, (ii) destroy all Notes and (iii) upon written request deliver to the Company a certificate executed by one of your duly authorized senior officers indicating that the requirements of this sentence have been satisfied in full. Notwithstanding the return or destruction of Evaluation Material and Notes, you and your Representatives will continue to be bound by your obligations of confidentiality and all other obligations hereunder. Notwithstanding the foregoing, it is understood that your computer systems may automatically back-up Evaluation Material disclosed to you under this agreement and that you or your Representatives may be required by law or regulation to keep a copy of some of the Notes containing Evaluation Materials. To the extent such computer back-up procedures create copies of the Evaluation Material, or that copy of certain Notes are required to be kept as provided above, you and your Representatives may retain such copies in your archival or back-up computer storage for the period they normally archive back-up computer records, which copies shall be subject to the provisions of this agreement until the same are destroyed, and shall not be accessed by you during such period of archival or back-up storage except as required by law or regulation.
5. **Nondisclosure of Possible Transaction.** Without the prior written consent of the Company, you will not, and will direct and cause your Representatives not to, disclose to any person (i) that Evaluation Material has been made available to you, (ii) that discussions or negotiations are or were taking place concerning a possible Transaction, (iii) any opinion or comment with respect to the Evaluation Material, (iv) the terms, conditions or other facts with respect to any such possible Transaction or actions, including the status thereof; provided, however, that you may make such disclosure if you have received the written opinion of outside counsel that such

disclosure must be made by you in order that you or any of your Representatives not commit a violation of law, regulation or rule of any stock exchange and, if permitted by applicable law, prior to such disclosure, you promptly advise and consult with the Company and its legal counsel concerning the information you propose to disclose. Your obligations in the preceding sentence shall survive any return or destruction of the Evaluation Material pursuant to Paragraph 4. It is understood that neither this agreement nor the disclosure of any Evaluation Material to you shall be construed as granting to you or any of your Representatives any license or rights in respect of any part of the Evaluation Material.

6. **No Representation or Warranty.** Although the Disclosing Parties have endeavoured to include in the Evaluation Material information known to them which they believe to be relevant for the purpose of your investigation, you understand and agree that the Disclosing Parties have not made and do not make any representation or warranty, express or implied, as to the accuracy or completeness of the Evaluation Material. You agree that the Disclosing Parties shall not have any liability under this agreement to you or any of your Representatives relating to or resulting from the use of the Evaluation Material or any errors therein or omissions therefrom. Only those representations or warranties that are made in a Definitive Agreement when, as and if it is executed, and subject to such limitations and restrictions as may be specified in such Definitive Agreement will have any legal effect as representations or warranties.
7. **Definitive Agreement.** You also understand and agree that no contract or agreement providing for a Transaction between the Company and you or your affiliates shall be deemed to exist unless and until a written binding agreement with respect thereto has been executed and delivered by you and each of the other parties thereto (“**Definitive Agreement**”), and you and the Company hereby waive, in advance, any claims (including, without limitation, breach of contract) in connection with such Transaction unless and until a Definitive Agreement has been executed and delivered by you and each of the other parties thereto. It is also agreed that unless and until a Definitive Agreement has been executed by you with respect to a Transaction, none of the parties to this agreement or its respective Representatives has any legal obligation of any kind whatsoever with respect to any such Transaction or the process for a possible Transaction. Unless and until a Definitive Agreement has been executed and delivered, you understand that (i) the Company shall conduct the process for a possible Transaction as it in its sole discretion shall determine (including, without limitation, providing information to and/or negotiating with any prospective investor and entering into definitive agreements without prior notice to you or any other person), (ii) any procedures relating to such Transaction may be changed at any time without notice to you or any other persons, and (iii) the Company shall have the right to reject or accept any potential investor, proposal or offer, for any reason whatsoever, in its sole discretion. You agree that the Company reserves the right, in its sole discretion, to reject any and all proposals made by you or any other person with respect to a possible Transaction and to terminate discussions and negotiations, with you and any other person at any time. The parties hereto acknowledge and agree that the entering into of this agreement by them or any approval granted hereunder does not constitute an agreement to agree to or to recommend to its board of directors, investment committee or shareholders any proposed Transaction, nor does it restrict the rights of the Company to solicit or provide information to any other persons in respect of a possible Transaction. For purposes of this paragraph, the term “**Definitive Agreement**” does not include an executed letter of intent or any other preliminary written agreement, nor does it include any written or oral offer or bid on your part or any written or oral acceptance thereof.
8. **Securities Laws.** You hereby acknowledge that you are aware, and that you will advise your Representatives who are informed as to the matters that are the subject of this agreement, that Canadian securities laws prohibit any person who has material, non-public information concerning the matters which are the subject of this agreement from purchasing or selling securities of the Company or from communicating such information to any other person under circumstances in which it is reasonably foreseeable that such person is likely to purchase or sell such securities.

9. **Liability.** In addition to any other rights that the Company and its Representatives may have against you arising by reason of any breach of this agreement, you shall:
- (a) be liable to each of the Company and its Representatives for all claims, liabilities, damages, costs, losses and expenses (including legal, accounting and other professional and advisory costs, expenses, fees and other disbursements, with legal fees on a solicitor-client basis) whatsoever which they may suffer, sustain, pay or incur; and
 - (b) indemnify and hold harmless the Company and its Representatives and their respective directors, officers, employees and agents from and against any and all claims, liabilities, damages, costs, losses and expenses whatsoever which may be brought against or suffered by them or which they may suffer, sustain, pay or incur;

in respect of all matters or anything, which may arise out of any act or omission, directly or indirectly, related to any breach by you or your Representatives of this agreement or arising out of or resulting from any unauthorized use or disclosure by you or your Representatives of the Evaluation Material.

10. **Remedies.** You agree that (i) money damages would not be a sufficient remedy for any breach of this agreement by you or your Representatives, (ii) that, in addition to any other remedies at law or in equity that the Company may have, the Company shall be entitled to equitable relief, including injunction and specific performance, in the event of any breach of the provisions of this agreement, in addition to all other remedies available to the Company at law or in equity and (iii) you shall waive, and use your best efforts to cause your Representatives to waive, any requirement for the securing or posting of any bond or other security in connection with such remedy. The prevailing party shall be reimbursed for all costs and expenses, including reasonable attorneys' fees (on a solicitor and his own client basis), incurred in enforcing the other party's obligations hereunder.
11. **Access.** In the event you gain physical access to any of the Company's premises, you agree to indemnify, defend and hold harmless the Company and its Representatives from and against any and all liabilities, claims and causes of action for personal injury, death, property damage or loss occurring on or to such person or property as a result of your entry onto the premises. You agree to comply fully with all rules, regulations and instructions issued by the Company regarding your actions while upon, entering or leaving the property of the Company.
12. **No Waiver - Entire Agreement.** It is further understood and agreed that no failure or delay in exercising any right, power or privilege hereunder will operate as a waiver thereof, nor will any single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any other right, power or privilege hereunder. This agreement represents the entire understanding of the parties with respect to the matters referred to herein and supersedes all prior understandings, written or oral, between the parties with respect thereto.
13. **Amendments.** All modifications of and amendments to this agreement or any part hereof must be in writing signed on behalf of you and the Company. Waivers of any terms and provisions of this agreement shall be in writing.
14. **Person; Representatives.** As used in this agreement, (i) the term "person" will be interpreted broadly to include, without limitation, any corporation, company, group, partnership, limited liability company, unincorporated association, trust, other entity or individual, (ii) the term "Representatives", used with respect to a person, shall include the directors, officers, employees, representatives, affiliates, subsidiaries, associates, agents, lawyers, recruiting agents, consultants, accountants, financial and other advisors of the person and their respective affiliates, subsidiaries and associates, and (iii) the terms "affiliates", "subsidiaries", "associates" and derivations thereof shall have the respective meanings ascribed thereto in the

- Securities Act* (Alberta), as amended from time to time provided that a partnership which is comprised solely of corporations which are “affiliates”, “subsidiaries” or “associates” shall be deemed to be an “affiliate”, “subsidiary” or “associate” of each such corporation and its other “affiliates”, “subsidiaries” or “associates” and further provided that investment funds under your administration or that of an affiliate, will be deemed to be an “affiliate”.
15. **Notices.** All notices to be given to a party hereunder shall be in writing and delivered personally, by overnight courier or by facsimile, addressed, in the case of the Company, to Ascensun Oil and Gas Ltd. at #910, 800 - 6th Avenue SW, T2P 3G3, facsimile no. 403-452-2816, in the case of ARCO Capital Partners Inc. to Dejan Kukic at dkukic@arcocapital.ca and in the case of you, to the addressee at the address set forth on the execution page hereof.
 16. **Contact with Company Personnel, Customers, Suppliers.** During the Term, you will not and will cause your Representatives not to, directly or indirectly, initiate or maintain contact (except for those contacts made in the ordinary course of business) with any officer, director or employee or agent of the Company, including any customers or suppliers of the Company, regarding its business, operations, prospects or finances except with the express permission of the Company.
 17. **Severability.** In the event that any provision or portion of this agreement is determined to be invalid or unenforceable for any reason, in whole or in part, the remaining provisions of this agreement shall be unaffected thereby and shall remain in full force and effect to the fullest extent permitted by applicable law.
 18. **Headings.** The division of this agreement into sections and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this agreement.
 19. **Assignment.** The Company reserves the right to assign all or any of the benefits under this agreement including, without limitation, the right to enforce any or all of the terms of this agreement with respect to the unauthorized use or disclosure by you or your Representatives of the Evaluation Material to such parties as it deems appropriate including joint venture partners and the acquiror of any shares or assets of the Company pursuant to a Transaction. This agreement shall not be assignable by you without the prior written consent of the Company. Any consent or approval that may be provided by the Company hereunder may be provided by the Company or its successor.
 20. **Term.** This agreement shall terminate 12 months from the date hereof (the “Term”).
 21. **Reciprocal Agreement.** In the event the Company requires access to confidential information regarding you in order to assess a possible Transaction with you, you and the Company agree to enter into a reciprocal agreement governing the use of such confidential information on such terms as are mutually agreed to between you and the Company.
 22. **Governing Law and Attornment.** This agreement shall be governed by and construed in accordance with the laws of the Province of Alberta. You also hereby irrevocably and unconditionally consent to submit to the jurisdiction of the courts of the Province of Alberta for any actions, suits or proceedings arising out of or relating to this agreement and the transactions contemplated hereby (and you agree not to commence any action, suit or proceeding relating thereto except in such courts), and further agree that service of any process, summons, notice or document by registered mail to your address specified herein shall be effective service of process for any action, suit or proceeding brought against you in any such court. You hereby irrevocably and unconditionally waive any objection to the laying of venue of action, suit or proceeding arising out of this agreement or the transaction contemplated hereby in the courts of the Province of Alberta and hereby further irrevocably and unconditionally waive and agree not

to plead or claim in any such court that any such action, suit or proceeding brought in any such court has been brought in an inconvenient forum.

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

Please confirm that the foregoing correctly sets forth our agreement by completing and signing this agreement in the space provided, as appropriate, and returning a copy for our files.

Yours truly,

ASCENSUN OIL AND GAS LTD.

Julia Zhou
Chief Financial Officer and Director

Accepted this ____ day of _____, 2020

Full Company Name

Officer's Signature

Officer's Printed Name

Officer's Title

Address

Fax Number