



Instructions for the Confidentiality Agreement

To gain access to confidential information associated with the divestiture of certain assets of NAL Resources Limited (“NAL”), interested parties are required to deliver one originally executed copy of the enclosed confidentiality agreement to Scotia Capital Inc. (“Scotiabank”) as outlined below. Interested parties will then be granted access to an online virtual data room and other sources of confidential information.

Confidentiality agreements will not be accepted from agents acting for undisclosed parties. NAL and Scotiabank reserve the right to qualify any interested party by requesting a demonstration of financial capability.

Direction for the Return of the Confidentiality Agreement

The confidentiality agreement (included on the following pages) should be completed in full. Please deliver one originally executed copy to:

***NAL RESOURCES LIMITED – CENTRAL ALBERTA AND SASKATCHEWAN
ASSETS DIVESTITURE***

***c/o
Scotia Capital Inc.
Suite 1700
225 – 6th Avenue S.W.
Calgary, Alberta Canada T2P 1N2***

***Attention: Daniel Lee
Tel: 403.298.4069
Email: daniel.j.lee@scotiabank.com***

Confidentiality agreements may be emailed to Scotiabank but must be followed by one originally executed copy.

[Date]

[Name]
[Company]
[Address]

Re: Confidentiality Agreement

Dear Sir/Madam:

This letter, when executed by you, constitutes a confidentiality agreement between NAL Resources Limited (the "Disclosing Party") and [●] (the "Receiving Party") (the "Agreement").

The Disclosing Party will be providing the Receiving Party with Confidential Information. As used in this Agreement "Confidential Information" means any information which is confidential, proprietary or non-public in nature and provided by or on behalf of the Disclosing Party in written, oral, visual, electronic or other form, in connection with entering into detailed discussions and negotiations pertaining to a possible business transaction between the Parties (the "Transaction").

As a condition to furnishing and receiving this information, each party agrees as follows:

1. Confidential Information

The Confidential Information shall be subject to all of the terms and provisions of this Agreement as set forth herein. Notwithstanding the foregoing, the term "Confidential Information" shall not, for purposes of this Agreement, include any information which (i) is or becomes publicly available other than as a result of a breach of this Agreement by the Receiving Party or its directors, officers, employees, auditors, counsel, affiliates, agents, advisors or representatives (collectively, the "Representatives"), (ii) becomes available to the Receiving Party on a non-confidential basis from a source other than the Disclosing Party or its Representatives provided that the Receiving Party or its Representatives has no knowledge or notice that such source is bound by a confidentiality agreement with respect to such information, (iii) is independently developed by the Receiving Party without using Confidential Information received from the Disclosing Party or its Representatives, or (iv) is already in the possession of the Receiving Party.

2. Protection of Confidential Information

A. The Confidential Information shall be used solely for the purpose of evaluating the Transaction. The Confidential Information contains confidential or proprietary information which is highly valuable and the unauthorized disclosure or use of such information may cause irreparable harm to the Disclosing Party. The Receiving Party shall protect and safeguard all Confidential Information against unauthorized use, publication or disclosure, and in furtherance thereof, will not without the prior written consent of the Disclosing Party, (i) use, directly or indirectly, any of the Confidential Information for any purpose other than as permitted under this Agreement, (ii) disclose, publish or reveal in any manner whatsoever, either directly or indirectly, the Confidential Information other than to its Representatives who need to know the Confidential Information for the purpose of evaluating the Transaction.

- B. The Receiving Party's Representatives shall be informed by the Receiving Party of the confidential nature of the Confidential Information and shall be directed by it to treat the Confidential Information in accordance with the terms and provisions of this Agreement. The Receiving Party shall be responsible for any breach of this Agreement by its Representatives.
- C. Without the prior written consent of the other party, a party will not, and will direct its Representatives not to disclose to any person (i) the fact that Confidential Information has been made available to it and its Representatives or is being inspected by it and its Representatives, (ii) the fact that discussions or negotiations are taking place concerning the Transaction and (iii) the identity of the parties involved in the Transaction or any of the terms, conditions or other facts with respect to the Transaction including the status thereof.

3. **Limitations on Protection of Confidential Information**

- A. In the event that the Receiving Party or any of its Representatives are requested, compelled or required (by deposition, interrogatory, request for information or production of documents, subpoena, civil investigative demand or similar process) to disclose any Confidential Information under the authority of any governmental or regulatory body or a court of competent jurisdiction, the Receiving Party shall promptly, unless restricted by law, notify the Disclosing Party of such requirement together with the terms and circumstances surrounding the request or requirement as far in advance of its disclosure as is reasonably practicable, so that the Disclosing Party may seek a protective order or other appropriate remedy or waive compliance with the terms of this Agreement, and the Receiving Party agrees to take reasonable action to cooperate with the Disclosing Party with respect to taking steps to resist or narrow the scope of such request.
- B. In the event that such protective order or other remedy is not obtained, or that the Disclosing Party waives compliance with some or all of the terms of this Agreement, the Receiving Party shall furnish only that portion of the Confidential Information it is advised by its counsel is legally required and exercise reasonable efforts to obtain assurance that confidential treatment will be accorded to the Confidential Information, provided neither the Receiving Party nor any of its Representatives shall oppose any action by the Disclosing Party to obtain a protective order or other assurance that confidential treatment will be so accorded.

4. **Period of Protection**

Each Party's obligations under this Agreement shall be effective as of the date hereof, and shall remain in full force and effect until the earlier of (i) the date an agreement with respect to the Transaction has been entered into by the parties and (ii) one (1) year from the date of the Agreement.

5. **Liability**

Without limitation, and in addition to any other rights of the Disclosing Party may have against the Receiving Party arising by reason of any breach hereof, the Recipient hereby agrees to and shall:

- (i) be liable to the Disclosing Party for all claims, liabilities, damages, costs, losses and expenses whatsoever (including legal, accounting and other professional costs, expenses, fees and disbursements, with legal fees on a solicitor-client basis) which the Disclosing Party may suffer, sustain or incur; and

- (ii) indemnify and save harmless the Disclosing Party from and against any and all actions, proceedings, demands, claims, liabilities, damages, costs, losses and expenses which any of them may suffer, sustain or incur;

In each case in respect of all matters or things directly or indirectly related to any breach by the Receiving Party or any of its Representatives of any obligation set forth in this Agreement or resulting from the unauthorized use or disclosure of any Confidential Information by the Receiving Party or any of its Representatives.

6. **Accuracy of Confidential Information**

The Receiving Party acknowledges that neither the Disclosing Party nor any person acting on behalf of the Disclosing Party is making any representation, warranty or covenants expressed or implied, as to the accuracy or completeness of the Confidential Information or is undertaking to update such information after its disclosure. Neither the Disclosing Party nor any of its shareholders, affiliates, directors, officers, employees or agents shall have any liability to the Receiving Party or any other person based on errors or omissions in the Confidential Information. The Receiving Party also agrees that it is not entitled to rely on the accuracy or completeness of the Confidential Information and that the Receiving Party shall be entitled to rely solely on such representations and warranties as may be made to the Receiving Party in any agreement relating to the Transaction, subject to the terms and conditions of such agreement.

7. **Reproductions and Destruction of Confidential Information**

Within fifteen (15) days following the Disclosing Party's request, the Receiving Party shall destroy all Confidential Information. Notwithstanding the foregoing, the Receiving Party may (i) retain any Confidential Information to the extent that such retention is required to demonstrate compliance with applicable law, regulation, insurance regulatory authority or professional standards, or to comply with an existing document retention policy, and (ii) to the extent that (i) above is inapplicable to any Confidential Information that is electronically stored, destroy such electronically stored Confidential Information only to the extent that it is reasonably practical to do so; provided that in the case of either (i) or (ii), any Confidential Information retained under this paragraph shall remain subject to the terms and conditions contained herein.

8. **Employees**

The Receiving Party shall not, except with prior written consent of the Disclosing Party, solicit, directly or indirectly, any person currently employed or retained by or with the Disclosing Party, excluding any such person whose employment or retention thereby is terminated after the date hereof; provided that "solicit" shall not include the solicitation of any such person (i) by advertising in a newspaper or periodical of general circulation or website, (ii) by an executive search firm acting on behalf of the Receiving Party which it did not instruct or encourage such solicitation, (iii) who contact Recipient on their own initiative, or (iv) with whom Recipient was in discussion regarding possible employment prior to signing this Agreement.

9. **No Agreement**

Unless and until a final definitive agreement regarding the Transaction between the Disclosing Party and the Receiving Party has been executed and delivered, neither the Disclosing Party nor the Receiving Party will be under any legal obligation with respect to the Transaction by virtue of this Agreement or any oral or written expression of agreement, except for the matters specifically agreed to herein.

10. **Remedies**

Each party agrees that the other party may suffer irreparable harm from, and may not have an adequate remedy at law, with respect to any breach of this Agreement. Accordingly, the parties agree that money damages may not be a sufficient remedy for any breach of this Agreement, and that in addition to all other remedies, the non-breaching party shall be entitled to seek specific performance and injunctive or other equitable relief as a remedy for any such breach. Such remedies shall not be deemed to be the exclusive remedies but shall be in addition to all other remedies available at law to the non-breaching party. If any unauthorized disclosure or use of the Confidential Information is discovered by the Receiving Party, the Receiving Party shall immediately disclose to the Disclosing Party any such unauthorized use which comes to its attention, including without limitations any such unauthorized use by the Receiving Party or any of its Representatives. The parties hereto further agree 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.

11. **No Waiver**

Notwithstanding any acts, omissions or statements of a party hereto, such party shall not be deemed to have waived any of its powers or rights under this Agreement except by agreement in writing signed by such party.

12. **Severability**

Each part of this Agreement is intended to be severable. If any term or provision hereof is found to be unlawful, invalid or unenforceable for any reason, such illegality, invalidity or unenforceability of the remaining parts of this Agreement, and all remaining parts hereof shall be valid and enforceable and have full force and effect as if the unlawful, invalid or unenforceable part had not been included.

13. **Successors and Assigns**

This Agreement shall be binding upon and enure to the benefit of the parties and their successors and assigns.

14. **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.

15. **Entire Agreement**

This Agreement represents the entire agreement between the parties hereto relating to the Confidential Information and supersedes all prior agreements, understandings, negotiations and discussions, whether oral or written, by or between the parties, whether disclosed before or after the date hereof. This Agreement may be modified only in writing by the parties hereto.

16. **Governing Law**

This Agreement shall be governed by and construed in accordance with the laws of the Province of Alberta and the federal laws of Canada applicable therein.

If you consent to the foregoing, please so indicate by signing and returning the enclosed copy of the Agreement.

Very truly yours,

NAL RESOURCES LIMITED

Per: _____

Name: _____

Title: _____

AGREED TO:

[•]

Per: _____

Name: _____

Title: _____

**SCHEDULE "A" TO THE
NAL RESOURCES LIMITED CONFIDENTIALITY AGREEMENT**

Please indicate the property packages(s) for which you would like to receive Confidential Information:

- Sylvan Lake
- Westeros
- Olds
- Joffre
- Strachan
- Browning



