

REGISTRATION NO./
No. D'ENREGISTREMENT: 130021

DATE: December 6, 2013

TIME/HEURE: 10:55 A.M.

RENEWAL AGREEMENT


REGISTRAR/DIRECTEUR

THIS AGREEMENT made this 3rd day of December 2013,

BETWEEN

HER MAJESTY THE QUEEN in right of Canada, as represented by the Minister of Indian Affairs and Northern Development (hereinafter referred to as "the Minister")

PARTY OF THE FIRST PART,

AND

LONE PINE RESOURCES CANADA LTD., a body corporate, incorporated under the laws of Canada (hereinafter referred to as "the Lessee")

PARTY OF THE SECOND PART

WHEREAS pursuant to sections 55 and 57 of the *Canada Oil and Gas Land Regulations*, C.R.C., c. 1518, Her Majesty as represented by the Minister granted to the lessee the oil and gas leases described as follows:

Oil & Gas Lease Number	Effective Date
703-70	6 February 1970
704-70	6 February 1970
705-70	6 February 1970
707-R-70	6 February 1970
708-R-70	6 February 1970
709-R-70	6 February 1970
710-R-70	6 February 1970
838-70	26 November 1970

AND WHEREAS, pursuant to subsection 114(4) of the *Canada Petroleum Resources Act*, the said leases are continued in force in accordance with their terms and conditions;

AND WHEREAS pursuant to subsection 35(1) of the said Act, the National Energy Board has made a written declaration of commercial discovery in relation to frontier lands which lie in whole or in part within the above named leases;

AND WHEREAS the Lessee, in accordance with section 62 of the *Canada Oil and Gas Land Regulations*, was granted, on August 1, 1990, a successive term of twenty-one years for each of the said leases described as follows;

Oil & Gas Lease Number	Effective Date	Renewal Date
703-70	6 February 1970	6 February 1991
704-70	6 February 1970	6 February 1991
705-70	6 February 1970	6 February 1991
707-R-70	6 February 1970	6 February 1991
708-R-70	6 February 1970	6 February 1991
709-R-70	6 February 1970	6 February 1991
710-R-70	6 February 1970	6 February 1991
838-70	26 November 1970	26 November 1991

AND WHEREAS the Lessee, in accordance with section 62 of the *Canada Oil and Gas Land Regulations*, has applied for and is entitled to have the leases renewed for a successive term of twenty-one years for each of the said leases;

AND WHEREAS, in accordance with the *Northwest Territories Lands and Resources Devolution Agreement*, the Government of Canada, as represented by the Minister, shall, as of the Transfer Date set out in the Agreement, transfer the administration and control of public lands, resources, and rights in respect of waters in the Northwest Territories to the Commissioner of the Northwest Territories;

AND WHEREAS, in accordance with said Agreement, the *Northwest Territories Act* (as amended) shall provide that as of the Transfer Date, the Minister shall transfer all existing interests or portions thereof that are located in the Onshore as defined in the *Northwest Territories Act* to the territorial Minister and will thereafter be administered under territorial legislation;

NOW THEREFORE THIS AGREEMENT WITNESSES that in consideration of the premises and the covenants and agreements herein contained, the Minister grants the Lessee a successive term of twenty-one years, in respect of the following described leases:

Lease Number	Latitude*	Longitude*	Section(s)	Size (hectares)	Effective Date of Successive Term
703-70	60° 30' N	123° 45' W	41-45, 51-55, 61-65	4,800	6 February 2012
704-70	60° 30' N	123° 45' W	76-77	638	6 February 2012
705-70	60° 30' N	123° 45' W	27-30, 37-40, 47-50, 57-60	5,104	6 February 2012
707-R-70	60° 30' N	123° 45' W	31-35	1,600	6 February 2012
708-R-70	60° 30' N	123° 45' W	71-75	1,600	6 February 2012
709-R-70	60° 30' N	123° 45' W	66-67	638	6 February 2012
710-R-70	60° 30' N	123° 45' W	16, 26, 36, 46, 56	1,595	6 February 2012
838-70	60° 20' N	123° 45' W	47-50, 57-60, 67-70, 77-80	5,132	26 November 2012

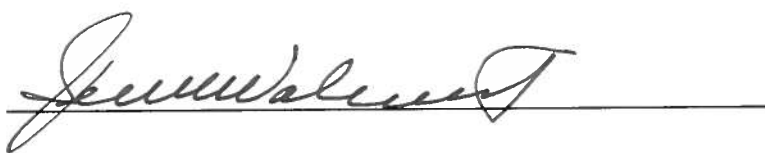
*North American Datum 1927 (NAD27)

Pursuant to subsection 64(1) of the *Canada Oil and Gas Land Regulations*, the terms and conditions contained in the said leases are ratified and confirmed and continue to be binding upon the parties. In addition, the leases shall be subject to the following new terms and conditions:

1. (a) Notwithstanding section 88 of the *Canada Oil and Gas Land Regulations* and, section 36 of the *Canada Petroleum Resources Act*, the Minister may, at any time, give notice to the Lessee pertaining to any portion of the commercial discovery area in relation to any of the lands held under lease where commercial production of oil or gas has not commenced before that time stating that, after such period of not less than six months as may be specified in the notice, the Minister may, by order, cancel the lease or make such other order as the Minister considers appropriate.
- (b) The notice given to the Lessee under paragraph (a) shall provide a reasonable opportunity for the Lessee to make such submissions as the Lessee considers relevant in determining whether the Minister should make an order under paragraph (a).

- (c) Notwithstanding any other provision of this renewal agreement, the *Canada Oil and Gas Land Regulations*, or the *Canada Petroleum Resources Act* but subject to paragraphs (d) and (e), where an order to cancel a lease is made under paragraph (a), any interest in respect of frontier lands within the area to which order applies ceases to have effect as of the date specified in the order.
- (d) Where commercial production of petroleum on any portion of the frontier lands referred to in paragraph (c) commences before the date specified in the order made under paragraph (a) or the period extended pursuant to paragraph (e), the order shall be deemed to have been vacated.
- (e) The Minister may extend the period specified in an order made under paragraph (a) or the Minister may revoke the order.

2. Notwithstanding subsection 108(4) of the *Canada Oil and Gas Land Regulations* and section 105 of the *Canada Petroleum Resources Act*, where in the opinion of the Minister, the Lessee violates any provision of this renewal agreement or the said leases, as renewed, these Regulations or the Act, the Minister may give notice to the Lessee of such violation and unless the Lessee remedies the violation, to the satisfaction of the Minister, within 90 days from the date of the notice, the Minister may by order cancel any or all of the oil and gas leases under this renewal agreement. Where a lease is so cancelled, any interest in respect of frontier lands within the area to which the order applies ceases to have effect as of the date specified in the order and the frontier lands shall become Crown reserve lands.



MINISTER of Indian Affairs and Northern Development