

WATEROUS ENERGY FUND

Waterous Energy Fund to oppose the application filed by Osum Oil Sands Corp. with Alberta Securities Commission and has requisitioned a special shareholders meeting to protect shareholders' right to choose

Calgary – December 10, 2020 – Waterous Energy Fund (“WEF”) acknowledges the filing on December 3, 2020 by Osum Oil Sands Corp. (“Osum” or the “Company”) of an application to the Alberta Securities Commission (“ASC”), seeking to cease trade WEF’s all-cash offer to acquire up to 52,500,000 common shares of Osum (the “Offer”). WEF is confident in its Offer. WEF will vigorously oppose the application and defend the shareholders’ right to choose.

Osum’s Application to the ASC is an Afront to Shareholder Rights

Commenting on the application, Adam Waterous, CEO of Waterous Energy Fund, remarked, “The claims presented by the Osum board are an attempt to unduly infringe the rights of shareholders. WEF is comfortable that its financing plan addresses all the legal requirements applicable to the financing of take-over bids, and that it is entitled to rely on an exemption from the requirement to prepare a formal valuation, contrary to the assertions made by Osum. WEF is confident that it will be successful in opposing all aspects of Osum’s unnecessary, obstructionist application. Osum’s application is reflective of a deeply entrenched Board of Directors and management team and runs contrary to the expressed wishes of the Company’s largest shareholders. Between WEF’s initial purchase of 45% of the outstanding shares in July 2020, and the binding support agreements for the Offer, eight of the Company’s largest shareholders, representing 65% of the Company’s outstanding shares, have already agreed to support our \$2.40 per share offer price. Recognizing this overwhelming support, the entrenched Board has determined that the only way to save their jobs is to deprive the remaining shareholders of their right to tender.”

Requisition of a Special Meeting of Shareholders to Remove Two Non-WEF Directors of Osum

The Board’s intention to deprive the shareholders of their rights has been further confirmed by several deeply troubling statements in the Company’s application to the ASC. In a sworn affidavit from the Company’s CEO, Steve Spence, Mr. Spence states on the record that none of the non-WEF Osum Board Members have expressed an intention to step down from the Board even if our Offer receives necessary shareholder support. The requirement for at least two board members to step down, leaving WEF with a majority, is a condition of our Offer that reflects a customary method to ensure an orderly and timely transition of control if a bid is successful. By expressing an intention not to step down even if the statutory and other conditions of the Offer are met, the entrenched Board members are seeking to subvert the will of their shareholders and take the decision out of the hands of the Company’s owners and into their own.

To ensure the choice to accept our Offer remains with the shareholders, WEF has been forced to requisition a special meeting of Osum shareholders (the “Special Meeting”) to remove two non-WEF Directors. WEF sent a formal meeting requisition notice to the Board this morning requesting the Board to call the Special Meeting within 21 days, and for it to be held as soon as practicable and no later than February 23, 2021, the day before the expiry of our bid. We expect the entrenched Board members will try and paint our meeting requisition as an attempt to somehow strong-arm minority shareholders. On the contrary, we seek only to preserve shareholder democracy and the right to tender to this important liquidity opportunity without being subjected to scorched-earth tactics by desperate Board members. If two members of the Board act in good faith and undertake to step down if our Offer is successful, we will withdraw our request.

Offer details

WEF’s Depositary and Information Agent is Kingsdale Advisors. If you have any questions or require assistance with tendering to the Offer please contact Kingsdale Advisors, by telephone toll-free in North America at 1-866-581-0506 and at 1-416-867-2272 outside North America or by e-mail at contactus@kingsdaleadvisors.com.

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About Waterous Energy Fund: Waterous Energy Fund is a Calgary-based energy investment firm with offices in Houston and New York. Founded in 2017, the firm is pursuing investments in the North American oil and gas sector. For additional information see www.waterous.com

Forward Looking Statements

Certain statements in this press release are forward looking statements and are prospective in nature. Forward looking statements are not based on historical facts, but rather on current expectations and projections about future events, and are therefore subject to risks and uncertainties which could cause actual results to differ materially from the future results expressed or implied by the forward-looking statements. These statements generally can be identified by the use of forward-looking words such as “may”, “should”, “will”, “could”, “intend”, “estimate”, “plan”, “anticipate”, “expect”, “believe”, or “continue” or the negative thereof or similar variations. Such statements reflect current reasonable assumptions, beliefs and expectations of WEF but are qualified in their entirety by the inherent risks and uncertainties surrounding future expectations. In particular, this press release includes forward looking statements with respect to (i) WEF’s expectations regarding Osum’s application at the ASC and the result thereof, (ii) WEF’s ability to satisfy its funding requirements under the Offer; (iii) WEF’s expectations regarding the ability of all conditions to the Offer to be satisfied or, where permitted, waived at the expiry of the Offer, and (iv) the anticipated response by Osum upon receipt of the shareholder meeting requisition notice. Important factors that could cause actual results to differ materially from WEF’s expectations include, among other things, risks inherent to regulatory proceedings, such as the application before the ASC, as well as risks inherent to a transaction such as the Offer, including but not limited to events occurring which cause a material adverse change in the business, affairs, prospects or assets of Osum, and events occurring which affect WEF’s financing commitments. Forward looking statements should, therefore, be construed in light of such risks and other factors. WEF is under no obligation and expressly disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by applicable law.